

ANNUAL REPORT 2014



SERVICE ABOVE & BEYOND
TODAY | TOMORROW | ALWAYS

MEGHNA BANK LTD.
together we sail





SERVICE ABOVE & BEYOND
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ANNUAL REPORT 2014

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Notice of the 2nd Annual General Meeting

Notice is hereby given to all Members of Meghna Bank Limited (the Company) that the 2nd Annual General Meeting (AGM) of the Members of the Company will be held on Thursday, 13th August 2015 at 12:30 pm at Eden Ballroom of Hotel Amari Dhaka, located at Plot No. 47, Road No. 41, Gulshan-2, Dhaka-1212, to transact the following businesses.

Agenda:

1. To receive, consider and adopt the Directors' Reports and Audited Financial Statements of the Company for the year ended 31 December 2014 together with the reports of the Auditors thereon.
2. To re-appoint Directors in place of those who shall retire in accordance with the provisions of the laws and the Articles of Association of the company;
3. To appoint Auditors for the term until conclusion of the next Annual General Meeting and to fix their remuneration; and
4. To transact any other business with the permission of the chair.

By order of the Board



A.F. Shabbir Ahmad
SEVP, Head of Operations
& Board Secretary (Acting)

29th July 2015

Notes:

1. The "Record Date" is 2nd April 2015 as approved by the Board of Directors of the Company.
2. Shareholders whose name appeared in the Members Register of the Company at the close of business on 2nd April 2015 (Record Date) will be eligible to attend and vote in the meeting.
3. Members entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend in his/her behalf. The Proxy Form, affixed with requisite revenue stamp, duly filled-in and signed, must be deposited at the Registered Office of the Company at least 48 hours before the time fixed for holding the Annual General Meeting.



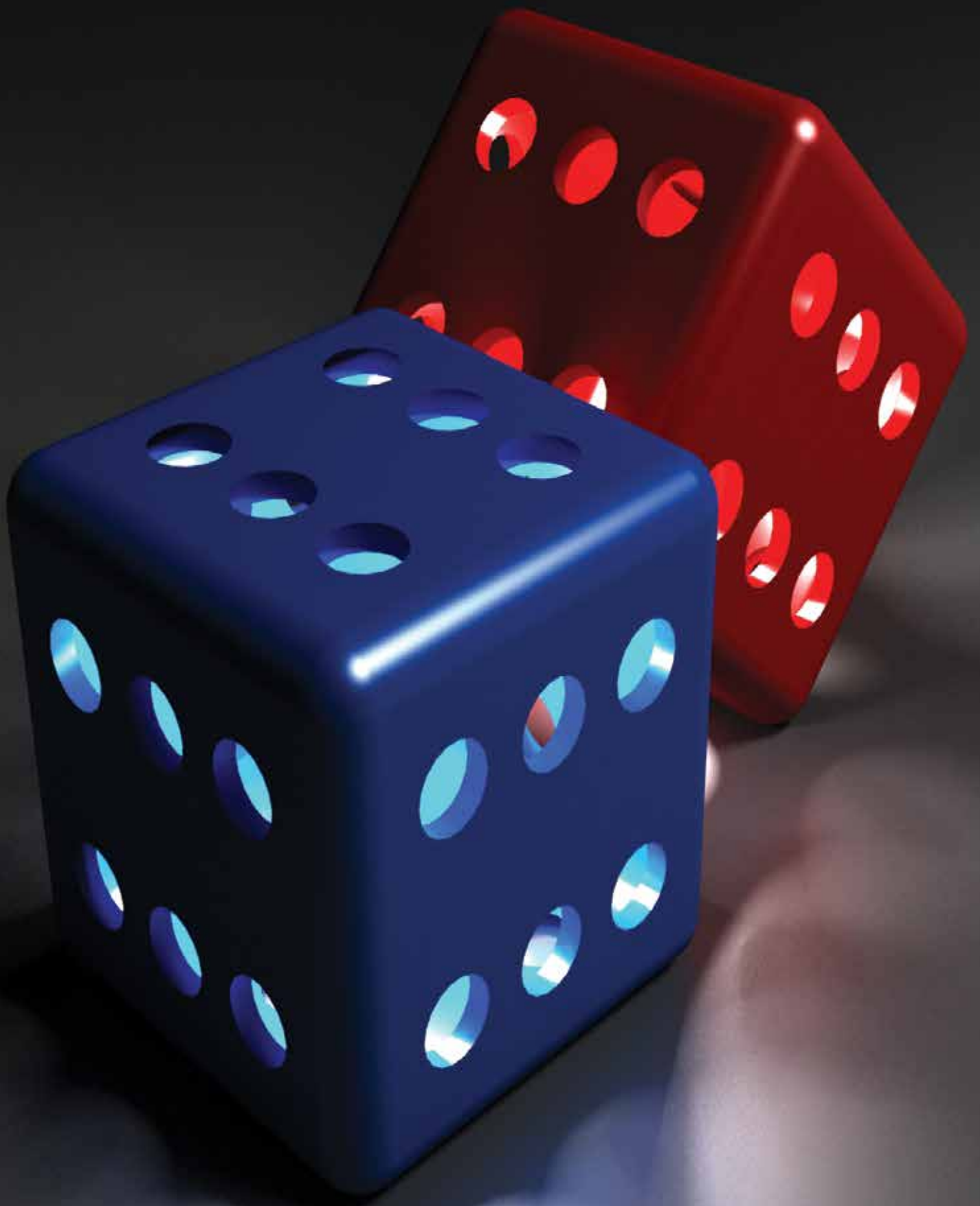
Vision & Mission

VISION

To be recognized as an essential Institution for the unbanked through zealous participation in the financial inclusion process.

MISSION

To be among the best service provider in the industry by ensuring complete customer satisfaction through the application of technology, professionalism & nursing.



Core Value

CORE VALUES

- To remain, at all times, a completely compliant financial institution and a responsible corporate citizen.
- To ensure a sustained growth of the Institution and meet the desired tangible as well as intangible expectations of the Shareholders.
- Customer needs customer care and customer satisfaction to be central to all our operating activities.
- To foster a healthy work–environment and a pleasant in–house culture in order that Meghna Bank is considered an ideal Institution to be associated with.



CORPORATE INFORMATION

Name of the Company	Meghna Bank Limited
Legal Status	Public Limited Company
Date of Incorporation	20 March 2013
Certificate of Commencement of Business	20 March 2013
Authorized Capital	Tk. 2000 crore
Paid-up Capital	Tk. 443.30 crore
License issued by Bangladesh Bank	28 March 2013
Enlistment as a Scheduled Bank	03 April 2013
Commencement of Business	09 May 2013
Registered Office	Suvastu Imam Square (Level 06) 65 Gulshan Avenue Gulshan-1, Dhaka 1212 Bangladesh
Auditor	Basu Banerjee Nath & Co. Chartered Accountants Dhaka Trade Centre (11th Floor) 99 Kazi Nazrul Islam Avenue Kawran Bazar, Dhaka-1215.

Telephone	Fax	SWIFT	E-mail	Website
880 2 9857251	880 2 9857124 880 2 9857128	MGBLBDDH	info@meghnabank.com.bd	www.meghnabank.com.bd

Board of Directors



H.N. Ashequr Rahman M.P.
Chairman



Md. Kamal Uddin
Director



Abdul Alim Khan Selim
Vice Chairman



Tanveer Ahmed
Director
Nominated by
Cassiopea Fashion Ltd.



**Maj Gen Amjad Khan
Chowdhury (Retd.)**
Director till 28.12.2014



Shakhawat Hossain
Director



Md. Yasin Ali
Director
Nominated by
Legacy Fashion Ltd.



Alock Kumar Das
Director



Farah Ahsan
Director



Md. Ali Azim Khan
Director



Alhaj Md. Lokman Hakim
Director



Nuran Fatema
Director



Ashiqur Rahman Lasker
Director



S.M. Jahangir Alam (Manik)
Director



Rehana Ashequr Rahman
Director



Md. Saidur Raman Sarker
Director
Nominated by
Lusaka Fashion Ltd.



Md. Mazibur Rahman Khan
Director



Md. Nazrul Islam
Director



Mohammed Mamun Salam
Director
Nominated by
Selim & Brothers Ltd.



Uzma Chowdhury
Director
*Appointed Director on 29.12.2014 in place
of Maj Gen Amjad Khan Chowdhury (Retd.)
due to transfer of shares.*



M.A Maleque M.P.
Director



Mohammed Nurul Amin
Managing Director & CEO

SPONSOR MEMBERS



H.N. Ashequr Rahman M.P.



Farah Ahsan



Abdul Alim Khan Selim



Md. Kamal Uddin



Maj Gen Amjad Khan
Chowdhury (Retd.)



Cassiopea Fashion Ltd.
Represented by
Tanveer Ahmed



Legacy Fashion Ltd.
Represented by
Md. Yasin Ali



Shakhawat Hossain



Alock Kumar Das



Md. Mazibur Rahman Khan



Md. Ali Azim Khan



Selim & Brothers Ltd.
Represented by
Mohammed Mamun Salam



Alhaj Md. Lokman Hakim



M.A Maleque M.P.



Ashiqur Rahman Lasker



Nuran Fatema



Rehana Ashequr Rahman



S.M. Jahangir Alam (Manik)



Lusaka Fashion Ltd.
Represented by
Md. Saidur Raman Sarker



Ziaul Haque



Md. Nazrul Islam



Shahidul Ahsan



Dishari Industries (Pvt.) Ltd.
Represented by
Md. Rezaul Hossain



Md. Saiful Islam



Md. Jashim Uddin



AKM Mustafijur Rahman



Sajibe Kumar Singha



Paramount Textile Ltd.
Represented by
Anita Haque



Ishmam Raidah Rahman



Bimal Kumar Chanda



Shahriar Imtiaj Rahman



Hafizur Rahman Sarker



Gazi A.Z.M Shamim



Anowara Fashion Ltd.
Represented by
Md. Yasin Ali



Rasheq Rahman



Taslima Islam



Shareq Rahman



Popular Life Insurance Com. Ltd.
Represented by
Hasan Ahmed



CORE COMMITTEES OF THE BOARD OF THE DIRECTORS

Executive Committee

Md. Yasin Ali	Chairman
Md. Kamal Uddin	Member
Tanveer Ahmed	Member
Rehana Ashequr Rahman	Member
Abdul Alim Khan Selim	Member
Md. Nazrul Islam	Member
Uzma Chowdhury	Member

Risk Management Committee

Md. Kamal Uddin	Convenor
Abdul Alim Khan Selim	Member
Ashiqur Rahman Lasker	Member
Mohammed Mamun Salam	Member
S.M. Jahangir Alam (Manik)	Member

Audit Committee

Shakhawat Hossain	Chairman
Ali Azim Khan	Member
Farah Ahsan	Member
Ashiqur Rahman Lasker	Member
Md. Mazibur Rahman Khan	Member

Senior Executives

Mohammed Nurul Amin	Managing Director & Chief Executive Officer
Md. Mohashin Miah	Additional Managing Director
A.F. Shabbir Ahmad	Senior Executive Vice President
Mohammad Imdadul Islam	Senior Executive Vice President
Maruf Mohammed Ahsan	Executive Vice President
Md. Alauddin	Executive Vice President
Md. Abdul Haque	Executive Vice President
Md. Mojibar Rahman Khan	Senior Vice President
Zahedul Islam	Senior Vice President
Kazi Farhana Zabin	Vice President
Syed Fazle Imam	Vice President
Md. Sadiqur Rahman	Vice President
Md. Rabiul Hoque Bhuiyan	Vice President
M.A.Wadud	Senior Assistant Vice President
Aziz Fatema	Senior Assistant Vice President
Hasanat Mahmud	Senior Assistant Vice President
Kazi Mohidur Rahman	Senior Assistant Vice President
Kazi Mamunur Rahman	Senior Assistant Vice President
Mohammad Mahfuzur Rahman	Assistant Vice President
Tanvir Shams	Assistant Vice President
Mohammad Kaiser	Assistant Vice President
Md. Habibullah Sharifi	Assistant Vice President
Md. Yahia Khan	Assistant Vice President
Md. Kawsar Ali Molla	Assistant Vice President
Mohammed Mofazzal Kabir	Assistant Vice President



Leader of the journey



CHAIRMAN'S MESSAGE

It's my honour and privilege to share with you our achievements, challenges and endeavour to conquer the impediments of global and national economy since the start of our journey in the financial sector of the country. Our pledge to contribute to the country's economic development through addressing mixed challenges and mark substantial growth is reflected in the Annual Report featuring audited Financial Statements for 2014. I would like to express our gratitude to you all for your continuous trust, support and patronage.

Global Economic Outlook

Global economic growth in 2014 was a modest 3.4 percent (according to IMF), reflecting a pickup in growth in advanced economies relative to the previous year and a slowdown in emerging market and developing economies. Complex forces that affected global activity in 2014 are still shaping the outlook: medium and long-term trends, global shocks, and many country or region-specific factors. Growth is projected to be stronger in 2015 relative to 2014 in advanced economies, but weaker in emerging markets, reflecting more subdued prospects for some large emerging market economies.

Bangladesh Economy

Against the backdrop of a contracting domestic economy and tepid global recovery, the growth of the Bangladesh banking sector was under pressure. In Bangladesh, economic growth in Fiscal Year 2014 (ended June 2014) was provisionally estimated at 6.1%, slightly improved from 6.0% in FY2013. Agriculture expanded by 3.3%, aided by good weather and continued government support. Industry growth slumped to 8.4% from 9.6% a year earlier, however, because of political unrest before the parliamentary election in January 2014 disrupted the supply of materials and undermined consumer confidence. Services advanced by 5.8%, up slightly from 5.5% the year before, mainly on stronger trade in the second half of the year.

On the demand side, net exports added to growth as garment exports grew briskly. A decline in remittances and weak consumer confidence ahead of the election held down growth in consumer spending. Investment rose slightly to 28.7% of the gross domestic product (GDP) in FY2014 from 28.4% in the previous year, as private investment slipped to 21.4% of GDP from 21.8% in FY2013 while public investment rose from 6.6% to 7.3%. Private investment was constrained by the unsettled political environment, difficulties with infrastructure and skills deficits, and procedural problems that inhibit investment. Rising public investment came as the government stepped up its implementation of election pledges.

Despite these unfavorable conditions in the banking industry, MEGHNA BANK was determined to continue to strengthen its business and reaffirm its stability.

Banking Industry: Facing Multiple Challenges

Banking industry as a whole continued to face multiple challenges: decreasing credit growth, declining interest rate and profitability, weakening governance and rising NPL. Credit growth and maintenance of asset quality were major challenges in 2014 mainly due to a sense of uncertainty concerning long term political instability, subdued economic activities and spillover effects of certain large scale financial scams. Non-performing loan (NPL) rose to 9.69% at year-end 2014 compared to 8.93% of previous year. Ample liquidity resulted from lower than targeted credit growth forced the banking industry to go for low yielding Government Treasury Securities.

Consistent Performance

Despite facing formidable challenges, the Bank has continued to deliver consistent financial performance:

(Figures in Crore BDT)

YEAR	DEPOSIT	ADVANCE	OPERATING PROFIT
2013	267.05	149.49	9.22
2014	895.27	719.20	16.63

Conclusion

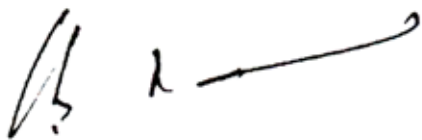
The Bank is fully committed to adopting the best corporate governance practices with the aim of enhancing stakeholders' value by pursuing ethical practices in the conduct of its business and maintaining high standards of disclosure and transparency.

Depending on political stability – Business in 2015 is expected to stimulate by the revival of investment, a boost of consumer confidence, increasing employment & income and boosting exports.

In conclusion, I am grateful to all the regulatory agencies of the Government, in particular Bangladesh Bank, for their continued support. I should also like to take this opportunity to thank the members of the Board of Directors for their valuable guidance and support.

I sincerely appreciate the trust and support of our customers – without which our journey could have been patchy. Also congratulate the employees of the bank for their impressive performance in 2014.

We will continue to work in harmony to achieve our ambition of a compliant and environment friendly bank.



H.N. Ashequr Rahman, M.P.

Chairman

On behalf of the Board of Directors,



Leader of the Success



MANAGING DIRECTOR AND CEO'S MESSAGE

Dear Shareholders:

I am pleased to report that 2014 was the year of our improved performance despite challenging environment and relatively slow paced market scenario. We adopted a balanced approach to growth, profitability and risk management. This strategy helped us strengthen every area of our business and operations. During the year, we have strengthened our position with continued improvements in our key financial parameters – a strong deposit base, expanding network of Banks, good asset quality and healthy capital adequacy which are requisites to create a platform for steady growth.

Given the macro-economic scenario, asset quality challenges for the banking sector intensified during the year. In response, we calibrated the growth in corporate and small & medium enterprise lending, enhanced our monitoring of the portfolio to enable us to take proactive action and focused on improving our core operating parameters. We were extremely vigilant in disbursing credit and remained focused on timely loan recovery. You will be happy to know that we were able to maintain a zero NPL position at the close of year 2014.

Meghna Bank has always leveraged technology to create new standards in financial services. We have continued to complete implementation of our core banking solution and also taken initiatives to offer full-fledged electronic banking services for our customers. Needless to mention, being a new Bank technological improvement required to cater electronic processing of transactions and reporting to regulators was competently put in place as per industry standard.

During the year, we added 10 branches to our network across the country. We also started process to set up ATMs to serve customers after business hours. Network expansion resulted significant growth in customer base in year 2014.

Inward remittance by expatriate Bangladeshis' was another area of focus in 2014; we made arrangements with quite a few overseas remittance service providers to facilitate remittance from abroad. Increasing network for channeling more remittance is always in our focus.

We have also focused on expanding our products and initiated process for establishing subsidiary to serve customers in capital market transactions which will be inshallah operational in July next.

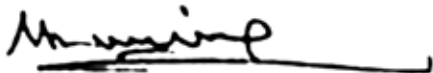
The Bank endeavors to attain highest standard of Corporate Governance and remains committed to its responsibilities towards all its Stakeholders. The Bank is committed to adopt the best practices in terms of disclosure, transparency, business ethics that is aimed at adding to the intrinsic value of the stakeholders of the Institution.

In summary, 2014 was a year in which we focused on further enhancing our businesses, network, technological capabilities and operating and improve financial parameters. At the same time we were cognizant of the risks in the environment and adjusted our approach accordingly. Building excellence in service delivery and strategic planning are critical for our long-term growth and sustainability in a highly competitive banking environment of our country. Efficient human capital and their commitment towards improving efficiency, with effective strategy and business planning will be key factors contributing to our future growth.

In year 2015, our focus will be to drive greater penetration of our offering to urban, semi-urban and rural areas. Our healthy capital position and sustained improvements in key indicators give us the ability to reap the opportunities for profitable and sustainable growth.

Dear Sponsors and Directors of the Board,

At Meghna Bank, we are committed to our mission to be among the best service providers in the industry by ensuring complete customer satisfaction through the application of technology, professionalism and nursing. I thank you for keeping confidence on us and look forward to your continued support in taking our Bank forward on this journey of sustainable growth ensuring compliance.



Mohammed Nurul Amin
Managing Director & CEO

INVESTING

Directors Report



Directors Report

The Board of Directors of Meghna Bank Limited (MGBL) takes the pleasure in welcoming you all to the 2nd Annual General Meeting and presenting Annual Report along with the Audited Financial Statements for the year 2014.

The year 2014 was a time of extreme political unrest that hampered flow of economic activities of Bangladesh. I thank the customers who have trusted us and our brand throughout 2014. We believe passionately in building value for our shareholders. In this report, MGBL's operational performance has been evaluated within the prevailing business environment. The information and analysis may be read in conjunction with the MGBL's audited financial statements, which has been prepared in accordance with Bangladesh Accounting Standards, Bangladesh Financial Reporting Standards and applicable legal and regulatory requirements.

INDICATOR OF BANGLADESH ECONOMY

- Bangladesh economy maintained the growth momentum registering a 6.1 percent growth of GDP in FY 2013–14.
- Broad Money (M2) registered 16.1 percent growth in FY 2013–14 against the targeted growth of 17.0 percent and the actual growth of 16.7 percent in FY 2012–13.
- Export continued to grow from 10.7 percent in FY 2012–13 to 12.0 percent in FY 2013–14.
- Imports of all items in the import basket increased last year pushing the overall growth of imports from 0.8 in FY 2012–13 to 8.9 percent in FY 2013–14.
- Public Sector Credit growth declined to 8.8 percent in FY 2013–14 against the target growth of 22.9 percent due to significantly lower government borrowing from the banking sector. Instead of borrowing from banks, government collected a good amount of resources through selling National Savings Certificates.
- Private Sector Credit growth was 12.3 percent in FY 2013–14 which was lower against the targeted growth of 16.5 percent mainly due to sluggish credit demand, political uncertainty and stringent lending practices by banks following some scams in some banks.
- Trade Deficit declined to USD 6806 million.
- Total Domestic Credit increased from 10.9 percent in FY 2012–13 to 11.6 percent in FY 2013–14.
- Workers' remittances stood lower at USD 14,115 million in FY 2013–14 compared to the preceding fiscal year, registering a negative growth of 1.6 percent.
- Current Account balance showed a relatively small surplus of USD 1346 million in FY 2013–14 which is attributable to the negative growth of remittances.
- Industry sector growth was lower in FY 2013–14 compared to the preceding year partly due to political problem and uncertainty.
- Agricultural sector growth was moderate and Service sector growth was satisfactory which helped to achieve the 6.1 percent growth of the overall economy.
- Average inflation showed an upward trend, mainly due to increase in food inflation although the nonfood inflation declined during the same period.

MEGHNA BANK SECURITIES LIMITED.

We are happy to inform you that the Bank has formed Meghna Bank Securities Limited a subsidiary company of the Bank on 18th February 2015 [registration number C-121270/15] with the Registrar of Joint Stock Companies & Firms. In this regard necessary approval has been obtained from Bangladesh Bank and the Bangladesh Securities and Exchange Commission. Particulars of the Meghna Bank Securities Limited are mentioned below: Authorized Capital – Tk. 200.00 Crore

- Authorized Capital – Tk. 200.00 Crore
- Paid-up Capital – Tk. 35.00 Crore
- Book value per share – Tk. 100.00 each
- Number of shares – 35,00,000 shares
- Shareholding position (Bank: Others) – 34,99,999: 1

Board of Directors:

- Mr. H.N. Ashequr Rahman, Chairman
- Mr. Md. Yasin Ali
- Mr. Mohammed Nurul Amin
- Mr. Badal Kumar Nath
- Mr. Md. Sadiqur Rahman

To facilitate stock brokerage service, Meghna Bank Securities Limited initiated to purchase DSE TREC no:124 and 72,15,106 (Seventy two lac fifteen thousand one hundred six) Shares of Dhaka Stock Exchange Limited, license and other associated properties from ABS Safar & Co. Limited at a cost of Tk.31.75 crore. We hope that the total process will be completed shortly and be able to provide the service shortly.



BRANCH EXPANSION

To provide better service to the customers, Bank has shifted its Principal Branch from 6A North Avenue Commercial Area to 65 Gulshan Avenue, Gulshan-1, Dhaka-1212, which was appreciated by the customers. During 2014, Bank has opened 10 branches and now total branch stood 16.

Below are the particulars of newly opened branches.

SL	Branch Name	Location	Date of Operation	Urban/Rural
1.	Agrabad Branch	Delowar Bhaban, 104 Agrabad C. A. Chittagong.	19-Apr-2014	Urban
2.	Bormi Bazar Branch	Paul Market Pathantek, Bormi Bazar, Sreepur, Gazipur	10-Aug-2014	Rural
3.	Narayangonj Branch	Hazi Hashem Trade Center 55/A, S.M. Maleh Road, Tanbazar, Narayangonj.	14-Aug-2014	Urban
4.	Madambibirhat Branch	M A Trade Center, Madambibirhat, Near Sheuli Petrol Pump, Bhatiary, Chittagong.	21-Aug-2014	Rural
5.	Bandura Branch	SD Shopping Complex Bandura, Nawabgonj, Dhaka.	24-Aug-2014	Rural
6.	Hatikumrul Branch	Haji Iman Ali Complex Hatikumrul, Sirajgonj Road, Salonga, Sirajgonj.	28-Aug-2014	Rural
7.	Gazipur Chowrasta Branch	Chandona Plaza Holding # 48, Dhaka Road, Chandona Chowrasta, Gazipur.	15-Sep-2014	Urban
8.	Choyani Bazar Branch	Sobhan Market School Road, Choyani Uttar Bazar, Begumgonj, Noakhali.	21-Sep-2014	Rural
9.	Madhabdi Branch	Haji Siraj Tower College Road, Madhabdi Bazar, Madhabdi, Narsingdi.	24-Sep-2014	Urban
10.	Dhanmondi Branch	Holding # 48/8, Road # 9/A, Vasha Shainik Towaha Sarak (Satmasjid Road), Dhanmondi, Dhaka.	30-Oct-2014	Urban

BOARD AND ITS COMMITTEES

The Directors are responsible for the governance of the Bank. Thus preparation of Annual Report and Financial Statements lies to the Board in accordance with the Companies Act 1994, Bank Company (Amendment) Act, 2013, Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS) and stipulations of Bangladesh Securities and Exchange Commission (BSEC).

The Board of Directors are also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also required to ensure transparency and a fair review of the business and a description of the principal risks and uncertainties that may be faced. The Directors are responsible for the maintenance and integrity of the corporate and financial information.

To discharge the duties and responsibilities of the Board, we have formed three Committees i.e. Executive Committee, Audit Committee and Risk Management Committee, with defined degree of certain responsibilities. Each Committee adheres to a set of terms of reference approved by the Board. Their roles, operating procedures and authorities are clearly defined in the terms of reference which are reviewed by the Board from time to time. During the year 2014, fourteen Board Meetings, six Executive Committee Meetings and three Audit Committee meeting and four Risk Management Committee Meeting were held.

FINANCIAL POSITION AND PERFORMANCE OF THE BANK

Meghna Bank achieved a satisfactory growth in 2014. It has shown growth in all the parameters of the Bank. Commitment in business, planned hard work and legal–ethical compliance helped us to sustain the incremental growth. The ‘Customer First’ policy of the Bank helped the Bank to create an impression among the customers. All the services were offered with a view to maintain a win–win situation throughout the tenure of relationship with the customers.

Below is the financial position i.e. Asset–Liability of the Bank as of 31 December 2014.

Total Assets of Meghna Bank:

Below is the comparative of Bank’s total assets of the year 2014 & 2013 in terms of value (Tk.), Percentage (%) of particular asset over total assets and change over the year 2013.

Assets	Year 2014		Year 2013		Change over 2013	
	Taka	%	Taka	%	Taka	%
Cash	728,794,886	5.29%	319,240,453	4.43%	409,554,433	128.29%
Balance with Other Banks & FIs	1,462,651,337	10.62%	4,493,022,481	62.33%	–3,030,371,144	–67.45%
Money at Call & Short Notice	990,000,000	7.19%	10,000,000	0.14%	980,000,000	9800.00%
Investments	2,670,461,890	19.39%	476,723,320	6.61%	2,193,738,570	460.17%
Loans and Advances	7,192,032,212	52.23%	1,494,856,337	20.74%	5,697,175,875	381.12%
Fixed Assets	189,200,436	1.37%	83,288,385	1.16%	105,912,051	127.16%
Other Assets	537,173,935	3.90%	330,962,955	4.59%	206,210,980	62.31%
Total Assets	13,770,314,696	100.00%	7,208,093,931	100.00%	6,562,220,765	91.04%

- Bank’s total assets increased by Tk. 6,562,220,765 which is 91.04% compared to 2013.
- Loans and advances increased substantially from 20.74% to 52.23% of total assets which increased Bank’s interest earnings base and cash flow. Loans and advances increased by Tk. 5,697,175,875 which is 381.12% over 2013. As a result interest income increased by 890.60% and commission, exchange & brokerage income increased by 460.89% over 2013.
- Investments in Govt. & Others instrument increased from 6.61% to 19.39% of total assets. Investments increased by Tk. 2,193,738,570 which is 460.17% over 2013. As a result investment income increased by 995.79% over 2013.
- Fixed assets increased from 1.16% to 1.37% of total assets. Fixed assets increased by Tk.105,912,051 which is 127.16% over 2013.
- Other assets reduced from 4.59% to 3.90% of total assets. However, other assets increased by Tk.206,210,980 which is 62.31% over 2013.
- Money at Call & Short Notice increased from 0.14% to 7.19% of total assets. Money at call & short notice increased by Tk.980,000,000 which is 9800.00% over 2013.
- Balance with Other Banks & Financial Institutions reduced substantially from 62.33% to 10.62% of total assets. Balance with other Banks & FI reduced by Tk.3,030,371,144 which is 67.45% over 2013.
- Cash increased from 4.43% to 5.29% of total assets. Cash increased by Tk.409,554,433 which is 128.29% over 2013.

- With strong commitment towards maintaining quality of loan portfolio, bank ensured that all sanctions of loans passes through required evaluation process which contributed to close the year 2014 with zero classified loans in the books.

Total Liabilities of Meghna Bank:

Below is the comparative of Bank's total liabilities of the year 2014 & 2013 in terms of value (Tk.), Percentage (%) of particular liabilities over total liabilities and change over the year 2013.

Liabilities	Year 2014		Year 2013		Change over 2013	
	Taka	%	Taka	%	Taka	%
Deposits & Other Accounts	8,952,703,272	65.01%	2,670,468,329	37.05%	6,282,234,943	235.25%
Other Liabilities	340,054,947	2.47%	72,114,173	1.00%	267,940,774	371.55%
Equity	4,477,556,477	32.52%	4,465,524,654	61.95%	12,031,823	0.27%
Total Liabilities	13,770,314,696	100.00%	7,208,093,931	100.00%	6,562,220,765	91.04%

- Bank's total liabilities increased by Tk. 6,562,220,765.00 which is 91.04% compared to 2013.
- Deposits & Other Accounts increased substantially from 37.05% to 65.01% of total liabilities, which is a proof customers' confidence on us. Deposit & other accounts increased by Tk.6,282,234,943.00 which is 235.25% over 2013.
- Shareholders' equity reduced substantially from 61.95% to 32.52% of total liabilities, which happened mainly due to increase of substantial deposits & other accounts. However, equity increased by Tk.12,031,823.00 which is 0.27% over 2013.

Contingent Liabilities:

Below is the comparative of Bank's Contingent Liabilities of the year 2014 & 2013 in terms of value (Tk.), Percentage (%) of particular liabilities over total contingent liabilities and change over the year 2013.

Contingent Liabilities	Year 2014		Year 2013		Change over 2013	
	Taka	%	Taka	%	Taka	%
Acceptance and Endorsement	183,649,306	8.51%	100,012,500	15.20%	83,636,806	83.63%
Letters of Guarantee	1,038,410,251	48.15%	350,537,085	53.29%	687,873,166	196.23%
Irrevocable Letters of Credit	858,925,084	39.83%	157,405,300	23.93%	701,519,784	445.68%
Bills for Collection	75,715,876	3.51%	49,875,720	7.58%	25,840,156	51.81%
Total Contingent Liabilities	2,156,700,517	100.00%	657,830,605	100.00%	1,498,869,912	227.85%

- Bank's total contingent liabilities increased by Tk. 1,498,869,912 which is 227.85% compared to 2013.
- Acceptances and endorsements increased by Tk. 83,636,806 which is 83.63% over 2013.
- Letters of guarantee reduced from 53.29% to 48.14% of total contingent liabilities. Letter of guarantee increased by Tk. 687,873,166 which is 196.23% over 2013.
- Irrevocable Letters of Credit increased from 23.93% to 39.83% of total contingent liabilities. Net increased by Tk. 701,519,784 which is 445.68% over 2013.

Income:

Below is the comparative of Bank's total operating income of the years 2014 & 2013 in terms of value (Tk.), Percentage (%) of particular income over total operating income and change over the year 2013.

Particulars	2014		2013		Change over 2013	
	Taka	%	Taka	%	Taka	%
Net Interest Income	376,481,818	59.99%	291,829,039	90.00%	84,652,779	29.01%
Investment Income	183,302,281	29.21%	16,727,873	5.00%	166,574,408	995.79%
Commission, Exchange & Brokerage	51,006,125	8.13%	9,093,706	3.00%	41,912,419	460.89%
Other Operating Income	16,832,651	2.68%	5,684,205	2.00%	11,148,446	196.13%
Total Operating Income	627,622,875	100.00%	323,334,823	100.00%	304,288,052	94.11%

- Total operating income increased by Tk. 304,288,052.00 which is 94.11% over 2013.
- Net interest income increased by Tk. 84,652,779.00 which is 29.01% over 2013.
- Investment income increased by Tk. 166,574,408.00 which is 995.79% over 2013.
- Commission, Exchange & Brokerage income increased by Tk. 41,912,419.00 which is 460/89% over 2013.
- Other operating income increased by Tk.11,148,446.00 which is 196.13% over 2013.

Expenses:

Below is the comparative of Bank's total operating expenses of the years 2014 & 2013 in terms of value (Tk.), Percentage (%) of particular expense over total operating expenses and change over the year 2013.

Particulars	2014		2013		Change over 2013	
	Taka	%	Taka	%	Taka	%
Salaries and Allowances	214,391,571	46.47%	113,291,162	49.02%	101,100,409	89.24%
Rent, Taxes, Insurances, Electricity etc.	108,786,258	23.58%	62,290,330	26.95%	46,495,928	74.64%
Legal Expenses	132,730	0.03%	222,528	0.10%	-89,798	-40.35%
Postage, Stamps, Telecommunications	10,204,710	2.21%	987,092	0.43%	9,217,618	933.82%
Stationery, Printings, Advertisements etc.	11,985,109	2.60%	11,382,802	4.92%	602,307	5.29%
Chief Executive's Salary & Fees	8,101,679	1.76%	6,120,000	2.65%	1,981,679	32.38%
Directors Fee	1,320,000	0.29%	799,250	0.35%	520,750	65.15%
Auditors Fee	115,000	0.02%	207,000	0.09%	-92,000	-44.44%
Depreciation & Repairs	36,629,009	7.94%	8,744,033	3.78%	27,884,976	318.90%
Other Expenses	69,677,389	15.10%	27,073,622	11.71%	42,603,767	157.36%
Total Operating Expenses	461,343,455	100.00%	231,117,818	100.00%	230,225,637	99.61%

- Total operating expenses increased by Tk.230,225,637 which is 99.61% over 2013.
- Salaries and allowances reduced from 49.02% to 46.47% of total operating expenses.

- Postage, stamps & telecommunications expenses increased from 0.43% to 2.21% of total operating expenses. Net increased by Tk. 9,217,618 which is 933.82% over 2013.
- Depreciation & repairs expenses increased from 3.78% to 7.94% of total operating expenses. Net increased by Tk. 27,884,976 which is 318.90% over 2013.

Industrial Loans and Advances:

Particulars	2014		2013		Change over 2013	
	Taka	%	Taka	%	Taka	%
Agricultural Industries	344,237,542	6.71%	–	–	344,237,542	–
Textile Industries	94,060,474	1.83%	9,998,979	1.21%	84,061,495	840.70%
Food & allied Industries	68,142,173	1.33%	216,865,915	26.14%	(148,723,742)	–68.58%
Tobacco Industries	574,248,524	11.20%	–	–	574,248,524	–
Cement & Ceramic Industries	129,247,922	2.52%	14,226,732	1.71%	115,021,190	808.49%
Service Industries	1,157,575,928	22.58%	10,437,746	1.26%	1,147,138,182	10990.29%
Transport & Communication Industries	450,156,356	8.78%	101,565,961	12.24%	348,590,395	343.22%
Other Industries	2,309,614,742	45.05%	476,473,558	57.44%	1,833,141,184	384.73%
Total	5,127,283,661	100.00%	829,568,891	100.00%	4,297,714,770	518.07%

- Total industrial loans and advances increased by Tk.4297714770 which is 518.07% over 2013.
- Agri and tobacco sectorial loan & advances disbursed during the year Tk.344,237,542 & Tk.574,248,524 respectively which is 6.71% & 11.20% of total loans and advances.
- Textile loans and advances increased by Tk. 84,061,495 which is 840.70% over 2013.
- Cement & Ceramic Industries loans and advances increased by Tk. 115,021,190 which is 8.8.49% over 2013.
- Service industries loans and advances increased by Tk.1,147,138,182 which is 10990.29% over 2013.
- Transport & Communication Industries loans and advances increased by Tk. 348,590,395 which is 343.73% over 2013.
- Other industries loans and advances increased by Tk. 1,833,141,184 which is 384.07% over 2013.

RECOMMENDATION OF DIVIDEND

In compliance with Section 22 of the Bank Company Act' 1991 as amended up to 2013, the Board didn't recommend any dividend for the year 2014. During the year preliminary expenses and pre-incorporation expenses amortized Tk. 4.40 crore. The Bank had a Net Profit after Tax Tk. 1.13 crore; transferred Tk.86.77 lac to Statutory Reserve, and Retained Earnings stood at Tk.2.04 crore. Earnings Per Share (EPS) and Net Income per shares was Tk.0.03.

CORPORATE SOCIAL RESPONSIBILITY

Bank has donated five hundred blankets to Bangladesh Bank for proper distribution among cold-stricken people of the country to reduce their sufferings. Bank is expecting to contribute more in coming days.

AUDITOR

As per requirements of law and Bangladesh Bank's directive, Bank's current statutory auditor M/s. Basu Banerjee Nath & Co., Chartered Accountants, will retire at the 1st Annual General Meeting. The auditor has expressed its willingness to be reappointed. Based on suggestions of the Audit Committee, the Board recommended the reappointment of M/s. Basu Banerjee Nath & Co., Chartered Accountants as the statutory auditor of the Bank for the year 2014 and continues up to the conclusion of next Annual General Meeting.

The Board requested shareholders' approval to appoint M/s. Basu Banerjee Nath & Co., Chartered Accountants as the statutory auditor of the Bank for the year 2014.

ELECTION OF DIRECTORS

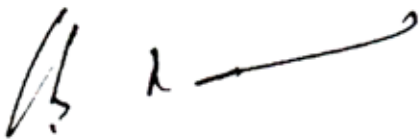
Ms. Uzma Chowdhury has been appointed as Director of the Bank on 29/Dec/2014 after obtaining Bangladesh Bank's approval against casual vacancy of Maj Gen Amjad Khan Chowdhury (Retd.)

According to Section 79, Schedule-1 of the Companies Act 1994, and Section 106 of Articles of Association of Meghna Bank Ltd, at the second Annual General Meeting 1/3rd directors will retire from the Board and all are eligible for reappointment.

ACKNOWLEDGEMENTS

The Board would like to extend its notable favors and gratitude to the valued Shareholders and other Stakeholders of the Bank for their persistent support and guidance which led to its cumulative achievements.

On behalf of the Board of Directors,



H.N. Ashequr Rahman MP
Chairman

Value Added Statement

As on 31st December 2014

Particulars		2014 Taka	%
Value Created			
Income from Banking Service		1,287,822,502	
Interest Income	1,036,681,445		
Non-Interest Income	251,141,057		
Less : cost of service & Supplier		(906,674,251)	
Interest Paid on deposit & Borrowing	660,199,627		
Total Operating Expenses	505,343,455		
Less : Salary and Allowance	(214,391,571)		
Less : Chief Executive Salary & Allowance	(8,101,679)		
Less : Depreciation	(36,375,581)		
Value Added by Banking Service		381,148,251	
Non-Banking Income		–	
Provision for Loan & other Asset		(78,891,550)	
		302,256,701	
Value Distributed			
To Employees as Salaries & Allowances	222,493,250		74%
To Shareholders as Dividend	–		
To Government as Income Tax	32,000,000		11%
		254,493,250	84%
Value Retained			
(to maintain and develop operation)			
Statutory Reserve	8,677,574		3%
Depreciation	36,375,581		12%
Retained Earnings	2,710,296		1%
		47,763,451	16%
		302,256,701	100%

Credit Rating

Credit Rating Information and Services Limited (CRISL) has affirmed “BBB+” (pronounced as triple B Plus) rating in the Long Term and “ST-3” rating in the Short Term with Stable Outlook to Meghna Bank Limited through an in-depth analysis of the operational and financial performance of the bank along with all its relevant qualitative and quantitative factors. The basis of its evaluation was financials of the bank up to December 31, 2014 and other prevailing factors up to date rating.

PARTICULARS	ENTITY RATING	DEFINITION
Long Term	BBB+	Commercial Bank rated in this category is adjusted to offer moderate degree of safety for timely repayment of financial obligations. However, considered to have the capability to overcome the initial limitations over a period of time. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
Short Term	ST-3	Commercial Bank rated in this category indicates good certainty of timely payment. Liquidity factors and company fundamentals are sound.
Outlook	Stable	
Date of Rating		June 29, 2015



Disclosure per Basel II guidelines As on December 31, 2014

Table 16: a) Scope of application			(In Crore)
Qualitative Disclosures	(a)	The name of the top corporate entity in the group to which this guidelines applies.	Meghna Bank Limited (MGBL)
	(b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment ; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk weighted)	Not Applicable
	(c)	Any restrictions or other major impediments on transfer of funds or regulatory capital within the group.	Not Applicable
Quantitative Disclosures	(d)	The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name (s) of such subsidiaries.	Not Applicable

Table 17 :b) Capital structure			
Qualitative Disclosures	(a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.	As per the guidelines of Bangladesh Bank Tier I capital of MGBL includes i) Fully Paid up Capital ii) Statutory Reserve and iii) Retained Earnings Tier II capital includes i) General Provision on Loans and Off Balance Sheet ii) Revaluation reserve for securities
Quantitative Disclosures	(b)	The amount of Tier 1 capital	442.84
		Paid up capital	443.30
		Non-repayable share premium account	-
		Statutory reserve	2.30
		General reserve	-
		Retained earnings	2.09
		Minority interest in subsidiaries	
		Non-cumulative irredeemable preference shares	-
		Dividend equalization account	-
	(c)	The total amount of Tier 2 and Tier 3 capital	9.92
(d)	Other deductions from capital.		
(e)	Total eligible capital	452.76	

Table 18 :c) Capital Adequacy

Qualitative Disclosures	(a)	A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.	MGBL has adopted Standardized Approach for computation of Capital Charge for Credit Risk and Market risk while Basic Indicator Approach for Operational Risk. Total Risk Weighted Assets (RWA) of the Bank is determined by multiplying the capital charge for market risk and operational risk by the reciprocal of the minimum capital adequacy ratio i. e. 10% as on 31st December 2014 and adding the resulting figures to the sum of risk weighted assets for credit risk. Total RWA is then used as denominator while total Eligible Regulatory Capital as on numerator to derive Capital Adequacy Ratio (CAR). Bank's CAR on the basis of solo are 45.56% against minimum requirement of 10% as on 31st December 2014. MGBL's policy is to manage and maintain its capital and RWA at an adequate level to raise its CAR higher than minimum requirement in line with BASEL II. Ultimate goal of the capital management process of MGBL is to ensure that the capital remains at the adequate level to absorb all material risks. The Bank also ensures that the capital levels comply with all regulatory requirements.
Quantitative Disclosures	(b)	Capital requirement for Credit Risk	91.12
	(c)	Capital requirement for Market Risk	1.12
	(d)	Capital requirement for Operational Risk	7.13
	(e)	Total CAR	45.56%
		Tier I CAR	44.56%
Tier II CAR		1.00%	



Table 19 : d) Credit Risk

Qualitative Disclosures	(a)	The general qualitative disclosure requirement with respect to credit risk, including:	
		<p>* Definition of past due and impaired (for accounting purposes)</p>	<p>With a view to strengthening credit discipline and bringing classification and provisioning regulation in line with international standard, a phase wise program for classification and provisioning was undertaken by the Bank as per Bangladesh Bank circulars issued from time to time. In this regard, all the loans and advances are grouped into four categories for the purpose of classification, namely (i) Continuous Loan, (ii) Demand Loan, (iii) Fixed Term Loan and (iv) Short-term Agricultural and Micro Credit. They are classified as follow:</p> <p>Continuous & Demand Loan are classified as:</p> <ul style="list-style-type: none"> • Sub-standard– if it is past due/overdue for 03(three) months or Beyond but less than 06 (six) months; • Doubtful– if it is past due/overdue for 06 (six) months or beyond but less than 09 (nine) months; • Bad/Loss– if it is past due/overdue for 09 (nine) months or beyond. <p>In case of any installment(s) or part of installment(s) of a Fixed Term Loan amounting up to Tk 1.00 million is not repaid within the due date, the amount of unpaid installment(s) are treated as “past due or overdue installment”. Such types of Fixed Term Loans are classified as under:</p> <ul style="list-style-type: none"> • Sub-standard– if the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loans are classified as “Sub-standard”. • Doubtful– if the amount of past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loans are classified as “Doubtful”. • Bad/Loss– if the amount of past due installment is equal to or more than the amount of installment(s) due within 12(twelve) months, the entire loans are classified as “Bad/Loss”. <p>In case of any installment(s) or part of installment(s) of a Fixed Term Loan amounting more than Tk 1.00 million is not repaid within the due date, the amount of unpaid installment(s) are treated as “past due or overdue installment”. Such types of Fixed Term Loans are classified as under:</p> <ul style="list-style-type: none"> • Sub –standard– if the amount of past due installment is equal to or more than the amount of installment(s) due within 03 (three) months, the entire loans are classified as “Sub-standard”. • Doubtful– if the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loans are classified as “Doubtful”. • Bad/Loss– if the amount of past due installment is equal to or more than the amount of installment(s) due within 12(twelve) months, the entire loans are classified as “Bad/Loss”. <p>A Continuous loan, Demand loan or a Term Loan which remained overdue for a period of 02 (two) months or more, are treated as “Special Mention Account (SMA)”.</p>

Table 19 : d) Credit Risk

		<p>* Description of approaches followed for specific and general allowances and statistical methods;</p>	<p>The Bank is required to maintain the following general and specific provision in respect of classified and unclassified loans and advances/ investments on the basis of Bangladesh Bank guidelines issued from time to time:</p> <p>Particulars and Rates are given bellow:</p> <p>General provision on unclassified Small and Medium Enterprise (SME) financing @0.25%</p> <p>General provision on unclassified loans and advances/ investments</p> <p>Other than Consumer Financing, Loans to Brokerage House, Merchant Banks, Stock Dealers etc., SMA as well as SME Financing)@ 1%</p> <p>General provision on interest receivable on loans / investments@ 1%</p> <p>General provision on off–balance sheet exposures (Provision has been made on the total exposure and amount of cash margin or value of eligible collateral were not deducted while computing off–balance sheet exposure). @1%</p> <p>General provision on unclassified loans and advances/ investments for housing finance, loans for professionals to set–up business under consumer financing scheme. @ 2%</p> <p>General provision on the unclassified loans to Brokerage House, Merchant Banks, Stock Dealers, etc. @ 2%</p> <p>General provision on unclassified amount for Consumer Financing @ 5%</p> <p>General provision on outstanding amount for Special Mention Account (SMA) at applicable rate.</p> <p>Specific provision on Sub–Standard loans and advances / investments @ 20%</p> <p>Specific provision on Doubtful loans and advances / investments @ 50%</p> <p>Specific provision on bad / loss loans and advances / investments @ 100%</p>																								
	(b)	<p>Total gross credit risk exposures broken down by major types of credit exposure.</p> <table border="1" data-bbox="396 1423 873 1969"> <tr> <td>Cash Credit</td> <td>63.99</td> </tr> <tr> <td>Secured overdraft</td> <td>11.52</td> </tr> <tr> <td>General overdraft</td> <td>128.69</td> </tr> <tr> <td>Import finance</td> <td>74.32</td> </tr> <tr> <td>Other Demand Loans</td> <td>130.77</td> </tr> <tr> <td>Consortium/Syndicate Finance</td> <td>51.44</td> </tr> <tr> <td>House Building Loan</td> <td>38.62</td> </tr> <tr> <td>General Term Loans</td> <td>182.61</td> </tr> <tr> <td>Agricultural and Rural Credit Scheme</td> <td>17.68</td> </tr> <tr> <td>Personal/Professionals Loan Scheme</td> <td>14.68</td> </tr> <tr> <td>Inland bills purchased and discounted</td> <td>4.89</td> </tr> <tr> <td>Total</td> <td>719.20</td> </tr> </table>	Cash Credit	63.99	Secured overdraft	11.52	General overdraft	128.69	Import finance	74.32	Other Demand Loans	130.77	Consortium/Syndicate Finance	51.44	House Building Loan	38.62	General Term Loans	182.61	Agricultural and Rural Credit Scheme	17.68	Personal/Professionals Loan Scheme	14.68	Inland bills purchased and discounted	4.89	Total	719.20	
Cash Credit	63.99																										
Secured overdraft	11.52																										
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House Building Loan	38.62																										
General Term Loans	182.61																										
Agricultural and Rural Credit Scheme	17.68																										
Personal/Professionals Loan Scheme	14.68																										
Inland bills purchased and discounted	4.89																										
Total	719.20																										

Table 19 : d) Credit Risk

(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	
	Dhaka	634.18
	Chittagong	79.11
	Rajshahi	1.65
	Rangpur	4.26
	Total	719.20
(d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	
	i) Commercial Lending	24.54
	ii) Export Financing	–
	iii) House Building Loan	36.07
	iv) Retail Loan	6.79
	v) Small and Medium Enterprises	63.49
	vi) Special Program Loan	–
	vii) Industrial Loans Details :	
	i) Agricultural industries	34.42
	ii) Textile industries	9.41
	iii) Food and allied industries	6.81
	iv) Pharmaceutical industries	–
	v) Leather, Chemical, Cosmetics etc	–
	vi) Tobacco industries	57.42
	vii) Cement and Ceramic industries	12.92
	viii) Service industries	115.76
	ix) Transport and Communication Industries	45.02
	x) Other industries including bills purchased and discounted	230.96
	viii) Others Loan	52.70
	ix) Staff Loan	11.37
x) Other Loans and Advances (SOD)	11.52	
Total	719.20	

Table 19 : d) Credit Risk

		Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure of the Bank:
(e)		Re-payable on Demand	59.30
		Not more than 3 months	130.43
		Over 3 months but not more than 1 year	280.74
		Over 1 year but not more than 5 years	146.06
		Over 5 years	102.67
		Total	719.20
	(f)		By major industry or counterparty type:
		* Amount of impaired loans and if available, past due loans, provided separately;	NIL
		* Specific and general provisions; and	Specific provision was not made as MGBL do not have any classified loan portfolio during the year 2014. General provisions were made on the amount of unclassified loan and off Balance Sheet exposure according to Bangladesh Bank guidelines.
		General Provision for Unclassified Loans and Advances	7.70
		General Provision for Off-Balance Sheet Exposures	2.16
		* Charges for specific allowances and charge-off during the period.	NIL
(g)		Gross Non Performing Assets (NPAs)	–
		Non-Performing Assets (NPAs) to Outstanding Loans and advances	0%
		Movement of Non-Performing Assets	–
		Opening balance	–
		Additions	–
		Reductions	–
		Closing balance	–
		Movement of specific provisions for NPAs	–
		Opening balance	–
		Provisions made during the period	–
		Write – off	–
		Write- back of excess provisions	–
		Closing balance	–

Table 20:e) Equities: Disclosures for Banking Book Positions

Qualitative Disclosures		The general qualitative disclosure requirement with respect to equity risk, including:	
	(a)	* differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons	Meghna Bank has considerable investment in equity shares of various companies and Mutual funds and has active participation in the secondary market. There is an investment committee for the management of investment portfolio and associated risk to which bank may be exposed. In the investment process Meghna Bank strictly follow the internal policies and procedures put into place in this respect.
		* Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	Shares and securities are valued as per the prescribed guideline of Bangladesh Bank and adequate provision is maintained accordingly for unrealized losses (if any).
Quantitative Disclosure	(b)	Valuation disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted shares values where the share price is materially different from fair value.	Cost Price : 2.06 Market Price : 1.98 Difference : (0.08)
	(c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	0.12
	(d)	* Total unrealized gains (losses)	(0.08)
		* Total latent revaluation gains (losses)	-
		*Any amounts of the above included in Tier 2 capital.	-
(e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	The capital requirements for: Equity Position Risk : 0.40	

Table 21:f) Interest Rate Risk in the Banking Book (IRRBB)

Qualitative Disclosures	(a)	<p>The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.</p>	<p>Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's Financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). Re-pricing risk is often the most apparent source of interest rate risk for a bank and is often gauged by comparing the volume of a bank's assets that mature or re-price within a given time period with the volume of liabilities that do so.</p> <p>The short term impact of changes in interest rates is on the bank's Net Interest Income (NII). In a longer term, changes in interest rates impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the bank arising out of all re-pricing mismatches and other interest rate sensitive position.</p>
Quantitative Disclosures	(b)	<p>The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant)</p>	
		Weighted Average Duration of Asset	1.91
		Weighted Average Duration of Liability	0.70
		Duration GAP	1.43
		CAR After different level of Shock	
		Minor Level	43.83%
		Moderate Level	42.05%
		Major Level	40.27%

Table 22 :g) Market Risk

Qualitative Disclosure	(a)	Views of BOD on trading /investment activities	<p>Market risk is the possibility of losses of in balance sheet and off–balance sheet positions arising out of volatility in market variables i.e., interest rate, exchange rate and price. Allocation of capital is required in respect of the exposure to risks deriving from changes in interest rates and equity prices in the bank’s trading book, in respect of exposure to risks deriving from changes in foreign exchange rates and commodity price in the overall banking activity. The total capital requirement for banks against their market risk shall be the sum of capital charges against:</p> <ul style="list-style-type: none"> i. Interest rate risk ii. Equity position risk iii. Foreign exchange position risk throughout the bank’s balance sheet and iv. Commodity risk
		Method used to measure market risk	<p>As banks in Bangladesh are now in a stage of developing risk measurement models, Bangladesh Bank suggested the banks for using Standardized Approach for credit risk capital requirement for banking book and Standardized (rule based) Approach for market risk capital charge in their trading book. Maturity Method has been prescribed by Bangladesh Bank in determining capital against market risk. In the maturity method, long or short positions in debt securities and other sources of interest rate exposures, including derivative instruments, are slotted into a maturity ladder comprising 13 time–bands (or 15 time–bands in case of low coupon instruments). Fixed–rate instruments are allocated according to the residual term to maturity and floating–rate instruments according to the residual term to the next reprising date.</p> <p>In Standardized (rule based) Approach the capital requirement for various market risks (interest rate risk, price, and foreign exchange risk) are determined separately. The total capital requirement in respect of market risk is the sum of capital requirement calculated for each of these market risk sub–categories. e.g.:</p> <ul style="list-style-type: none"> a) Capital Charge for Interest Rate Risk = Capital Charge for Specific Risk+ Capital Charge for General Market Risk; b) Capital Charge for Equity Position Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk; c) Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk; d) Capital Charge for Commodity Position Risk = Capital charge for General Market risk.

Table 22 :g) Market Risk

		Market Risk Management System	Treasury Division has been assigned with the job of Market risk management as per regulatory and internal framework. For market risk management purpose, Bank has implemented Foreign Exchange Risk Management guidelines and Asset Liability management guidelines duly approved by the Board. Different market risk related issues are discussed in the Asset Liability Management Committee (ALCO) meeting and decisions are taken accordingly.
		Policies and processes for mitigating market risk.	ALCO is primarily responsible for establishing the market risk management and asset liability management of the Bank, procedures thereof, implementing core risk management framework issued by the regulator, best risk management practices followed by globally and ensuring that internal parameters, procedures, practices/ polices and risk management prudential limits are adhere to. For Market risk management purpose, Bank has established internal limit duly approved by the Board besides the regulatory limit. For Foreign Exchange Risk management, Bank has regulatory net open position (NOP) limit as well as internal limit like Intra day limit, individual dealer’s limit, stop loss limit, individual currency limit etc. For interest and other market risk management, Bank has established wholesale borrowing guideline, LD ratio, Medium Term Funding ratio, maximum cumulative outflow, SWAP Fund Guideline, VAR and MAT level. Bank also maintains Gap limit for maturity profile mismatch. Moreover, Bank has policy for interest rate sensitivity analysis on monthly basis.
Quantitative Disclosure	(b)	The capital requirements for;	
		interest rate risk;	0.33
		equity position risk;	0.40
		foreign exchange risk;	0.40
		Commodity risk.	0.00

Table 23:h) Operational risk

<p>Qualitative Disclosures</p>	<p>(a)</p>	<p>Views on BOD on system to reduce Operational risk.</p>	<p>Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk. MGBL has established an effective, integrated operational risk management framework to mitigate the operational risk. The focus of operational risk is on low probability/high loss vs. high probability/low loss events.</p> <p>Operational risk includes:</p> <ul style="list-style-type: none"> i. Transaction processing, ii. Operation control iii. Technology and systems iv. Risks of physical and logical security v. Unique risk arises due to outsourcing <p>The Bank's approach to operational risk is not designed to eliminate risk altogether but rather, to contain risks within levels deemed acceptable by senior management. All functions, whether business, control or logistics functions, must manage the operational risks that arise from their activities. Operational risks are pervasive, as a failure in one area may have a potential impact on several other areas. The Bank has therefore established a cross-functional Risk Management Committee headed by a senior management performed as Chief Risk Officer to actively manage operational risk as part of its governance structure. The foundation of the operational risk framework is that all functions have adequately defined their roles and responsibilities. The functions can then collectively ensure that there is adequate segregation of duties, complete coverage of risks and clear accountability.</p>
		<p>Performance gap of executives and staffs</p>	<p>The bank offers a competitive compensation package to the employees based on performance and merit. The bank has developed one of the finest teams of efficient and responsible officers with high ethical standards who are working in a congenial atmosphere.</p> <p>The BOD of the Bank is always keen to provide a competitive, attractive and handsome remuneration package for its employees. Besides, the recruitment policy of the Bank always emphasize on sorting out fresh graduate from the reputed universities and nurture them until transformation to a Human Capital of highest quality.</p> <p>An accommodating, welcoming, cooperative and congenial work atmosphere motivates its employees to act as a family towards achievement of goal. As such, there exists no performance gap in the Bank.</p>

Table 23:h) Operational risk			
		Potential external events	No potential external events occurred during the reporting period ended 31st December 2014
		Policies and processes for mitigating Operation Risk	Bank has established an effective, integrated operational risk management framework to mitigate the operational risk; Internal Control and Compliance Division of the bank with other departments have been performing the supervisory and monitoring works to manage this risk.
		Approach for calculating capital charge for operational risk.	The Bank has adopted Basic Indicator Approach (BIA) to compute capital charge against operational risk under Basel-II as per the Bangladesh Bank Guidelines.
Qualitative Disclosures	(b)	The capital requirements for operational risk	7.13



Auditor's Report To the Shareholders of Meghna Bank Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Meghna Bank Limited, which comprise the balance sheet as at 31.12.2014, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (Amendment – 2013) and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditor's Responsibility.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

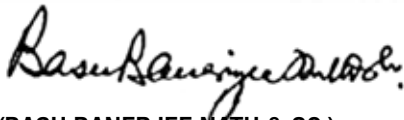
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31.12.2014, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bank Companies Act, 1991 (Amendment – 2013) and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
 - i) internal audit, internal control and risk management arrangements of the Bank appeared to be materially adequate;
 - ii) Nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities.
- (c) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (d) the balance sheet and the profit and loss account dealt with by the report are in agreement with the books of account;
- (e) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (f) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (g) the expenditures incurred during the year were for the purposes of the business of the Bank.
- (h) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (i) the information and explanation required by us have been received and found satisfactory; and
- (j) We have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 920 person hours for the audit of the books and accounts of the Bank.



(BASU BANERJEE NATH & CO.)
CHARTERED ACCOUNTANTS

Dated: 15th March 2015, Dhaka.

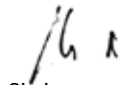

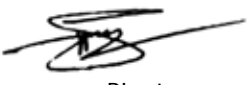
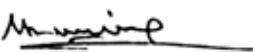
MEGHNA BANK LIMITED
BALANCE SHEET
AS AT 31 DECEMBER, 2014

PROPERTY AND ASSETS	Notes	2014 Taka	2013 Taka
Cash		728,794,886	319,240,453
Cash in hand (Including Foreign Currencies)	3	106,822,547	86,755,298
Balance with Bangladesh Bank and Its agent Bank (s) (Including Foreign Currencies)	4	621,972,339	232,485,155
Balance with other Banks and Financial Institutions	5	1,462,651,337	4,493,022,481
In Bangladesh		1,432,818,962	4,485,946,303
Outside Bangladesh		29,832,375	7,076,178
Money at Call on Short Notice	6	990,000,000	10,000,000
Investments	7	2,670,461,890	476,723,320
Government		2,136,888,543	476,723,320
Others		533,573,347	-
Loans and Advances	8	7,192,032,212	1,494,856,337
Loans, Cash credits, Overdrafts, etc.		7,143,132,688	1,482,001,190
Bills Purchased and Discounted		48,899,524	12,855,147
Fixed Assets Including Premises, Furniture and Fixtures	9	189,200,436	83,288,385
Other Assets	10	537,173,935	330,962,955
Non Banking Assets		-	-
Total Assets		<u>13,770,314,696</u>	<u>7,208,093,931</u>
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	11	-	-
Deposits and Other Accounts	12	8,952,703,272	2,670,468,329
Current Accounts & Other Accounts		414,586,968	166,187,988
Bills Payable		154,972,554	83,831,142
Savings Bank Deposits		378,019,551	34,646,700
Fixed Deposits		8,005,124,199	2,385,802,499
Bearer Certificate of Deposit		-	-
Other Deposits		-	-
Other Liabilities	13	340,054,947	72,114,173
Total Liabilities		<u>9,292,758,219</u>	<u>2,742,582,502</u>
Capital/Shareholders' Equity			
Paid-up Capital	14.2	4,433,000,000	4,433,000,000
Statutory Reserve	15	22,911,575	14,234,001
Other Reserve (Revaluation of HFT & HTM Securities)	16	1,190,828	533,651
Surplus in Profit and Loss Account/Retained Earnings	17	20,454,074	17,743,777
Total Shareholders' Equity		<u>4,477,556,477</u>	<u>4,465,511,429</u>
Total Liabilities & Shareholders' Equity		<u>13,770,314,696</u>	<u>7,208,093,931</u>

MEGHNA BANK LIMITED
OFF- BALANCE SHEET ITEMS
AS AT 31 DECEMBER, 2014

	Notes	2014 Taka	2013 Taka
CONTINGENT LIABILITIES			
Acceptances and Endorsements	18	183,649,306	100,012,500
Letters of Guarantee	19	1,038,410,251	350,537,085
Irrevocable Letters of Credit	20	858,925,084	157,405,300
Bills for Collection		75,715,876	49,875,720
Other Contingent Liabilities		-	-
Total		2,156,700,517	657,830,605
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES		2,156,700,517	657,830,605

Accompanying (1 – 46) notes form an integral part of these financial statements

			
Chairman	Director	Director	Managing Director & CEO

Signed in terms of our report of even date


Basu Banerjee Nath & Co
Chartered Accountants

Dated: 15th March 2015
Dhaka Trade Centre (11th Floor)
99, Kazi Nazrul Islam Avenue
Kawranbazar, Dhaka-1215


MEGHNA BANK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER, 2014

	Notes	2014 Taka	2013 Taka
Interest Income	22	1,036,681,445	388,926,449
Interest paid on Deposits and borrowings etc	23	660,199,627	97,097,410
Net Interest Income		376,481,818	291,829,039
Investment Income	24	183,302,281	16,727,873
Commission, Exchange and Brokerage	25	51,006,125	9,093,706
Other Operating Income	26	16,832,651	5,684,205
		251,141,057	31,505,784
Total Operating Income		627,622,875	323,334,823
Salaries and Allowances	27	214,391,571	113,291,162
Rent, Taxes, Insurances, Electricity etc.	28	108,786,258	62,290,330
Legal Expenses	29	132,730	222,528
Postage, Stamps, Telecommunication etc.	30	10,204,710	987,092
Stationery, Printings, Advertisements etc.	31	11,985,109	11,382,802
Chief Executive's Salary & Fees	32	8,101,679	6,120,000
Directors' Fees	33	1,320,000	799,250
Auditors' Fees	34	115,000	207,000
Charges on loan losses		-	-
Depreciation & Repairs of Bank's Assets	35	36,629,009	8,744,033
Other Expenses	36	69,677,389	27,073,622
Total Operating Expenses		461,343,455	231,117,818
Profit/(Loss) before amortization of Pre-Incorporation Amortization of Pre-Incorporation expenses		166,279,420	92,217,005
Profit/(Loss) before Provision	21	122,279,420	92,217,005
Specific Provision for Classified Loans and Advances		-	-
General Provision for Unclassified Loans and Advances		(63,197,252)	(14,400,000)
General Provision for Off-Balance Sheet Exposures		(14,921,000)	(6,647,000)
Provision for Diminution in value of Investments		(773,298)	-
Other Provisions		-	-
Total Provision	37	(78,891,550)	(21,047,000)
Total Profit/(Loss) before Taxes		43,387,870	71,170,005
Provision for Taxation			
Current Tax	13.2	(32,000,000)	(39,192,227)
Net Profit after Taxation		11,387,870	31,977,778
Retained earnings brought forward from previous years		17,743,777	-
		29,131,648	31,977,778
Appropriations			
Statutory Reserve	15	8,677,574	14,234,001
General Reserve		-	-
Dividends		-	-
		8,677,574	14,234,001
Retained Surplus	17	20,454,074	17,743,777
Earnings Per Share (EPS)	38	0.03	0.07

Accompanying notes (1 – 46) form an integral part of these financial statements



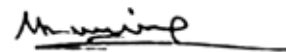
Chairman



Director

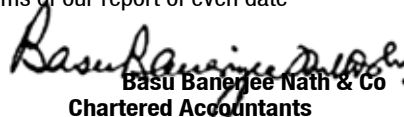


Director



Managing Director & CEO

Signed in terms of our report of even date


Basu Banerjee Nath & Co.
Chartered Accountants

Dated: 15th March 2015
Dhaka Trade Centre (11th Floor)
99, Kazi Nazrul Islam Avenue
Kawranbazar, Dhaka-1215

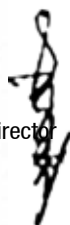
MEGHNA BANK LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER, 2014

Cash Flows from Operating Activities	Notes	2014 Taka	2013 Taka
Interest receipts in cash	39	1,178,536,571	318,805,352
Interest Payments	40	(475,066,110)	(62,464,247)
Dividends Receipts		70,000	-
Fee & Commission receipts in cash		51,006,125	9,093,706
Recoveries on loans previously written off		-	-
Cash Payments to Employees		(222,493,250)	(119,411,162)
Cash Payments to Suppliers		(11,985,109)	(11,382,802)
Income Taxes Paid		(161,015,099)	(23,447,151)
Receipts from other Operating activities	41	39,935,895	5,684,205
Payments for other Operating activities	42	(234,489,515)	(91,678,011)
Operating Profit before changes in Operating Assets and Liabilities		164,499,508	25,199,890
Increase/Decrease in Operating Assets and Liabilities			
Statutory Deposits		-	-
Purchase/Sale of Trading Securities (Treasury bills)		5,703,189	(306,242,038)
Loans and Advances to Other Banks		-	-
Loans and Advances to Customers		(5,697,175,874)	(1,494,856,337)
Other Assets	43	(74,667,046)	(244,113,984)
Deposits from other Banks		(48,160,137)	50,000,000
Deposits from Customers		6,330,395,082	2,620,468,329
Other liabilities on account of customers		-	-
Trading Liabilities		-	-
Other Liabilities	44	19,660,784	688,934
Sub Total		535,755,996	625,944,904
A) Net Cash from Operating Activities		700,255,504	651,144,793
Cash flows from Investing Activities			
Proceeds from sale of Securities		746,589,344	-
Payment for purchases of securities		(3,095,127,026)	(19,931,031)
Purchase/Sale of Property, Plant & Equipments		(142,287,633)	(91,934,227)
Purchase/Sale of subsidiaries		-	-
B) Net Cash Used in Investing Activities		(2,490,825,315)	(111,865,258)
Cash flows from Financing Activities			
Receipts from issue of Loan Capital and Debt Security		-	-
Payments for redemption of Loan Capital and Debt Security		-	-
Receipts from issue of ordinary share		-	4,433,000,000
Dividends Paid		-	-
C) Net Cash from Financing Activities		-	4,433,000,000
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		(1,790,569,811)	4,972,279,535
E) Effect of Exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		4,972,279,534	-
G) Cash and cash equivalents at the end of the year (D+E+F)	45	3,181,709,723	4,972,279,534

Accompanying notes (1 – 46) form an integral part of these financial statements



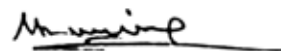
Chairman



Director



Director

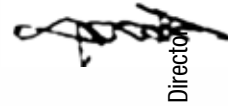


Managing Director & CEO

MEGHNA BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2014

Particulars	Paid-up Capital (Taka)	Statutory Reserve (Taka)	Other Reserve (Taka)	Retained Earnings (Taka)	Total (Taka)
Balance as at 01 January, 2014	4,433,000,000	14,234,001	533,651	17,743,777	4,465,511,429
Changes in accounting policy	-	-	-	-	-
Restated Balance	4,433,000,000	14,234,001	533,651	17,743,777	4,465,511,429
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of Investments	-	-	657,178	-	657,178
Currency translation differences	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	1,190,828	-	1,190,828
Net profit for the year	-	8,677,574	-	2,710,296	11,387,870
Dividends	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Balance as at 31 December 2014	4,433,000,000	22,911,575	1,190,828	20,454,074	4,477,556,477

Accompanying notes (1 – 46) form an integral part of these financial statements



Chairman



Director



Managing Director & CEO


MEGHNA BANK LIMITED
LIQUIDITY STATEMENT
ASSETS AND LIABILITIES MATURITY ANALYSIS
AS AT 31 DECEMBER, 2014

Particulars	Upto 01 Month (Taka)	01-03 Months (Taka)	03-12 Months (Taka)	01-05 Years (Taka)	More than 05 years (Taka)	Total (Taka)
Assets						
Cash in hand	106,822,547	-	-	-	-	106,822,547
Balance with other Banks and Financial Institutions	163,113,296	1,300,000,000	100,000,000	-	521,510,380	2,084,623,676
Money at Call on Short Notice	990,000,000	-	-	-	-	990,000,000
Investment	40,751,649	118,042,952	262,585,954	60,029,453	2,189,051,882	2,670,461,890
Loans and Advances	592,998,197	1,304,338,493	2,807,355,917	1,460,616,310	1,026,723,295	7,192,032,212
Fixed Assets including premises, Furniture & Fixtures	4,101,694	12,305,082	36,915,246	135,878,414	-	189,200,436
Other Assets	48,501,136	52,553,951	152,129,437	164,810,973	119,178,438	537,173,935
Non-banking Assets	-	-	-	-	-	-
Total assets (i)	1,946,288,519	2,787,240,478	3,358,986,554	1,821,335,150	3,856,463,995	13,770,314,696
Liabilities						
Borrowing from Other Banks, Financial Institutions & Agents	-	-	-	-	-	-
Deposits and Other Accounts	423,801,411	2,561,763,520	5,286,053,845	442,704,922	238,379,574	8,952,703,272
Provision and Other Liabilities	15,558,937	52,781,009	139,104,319	21,236,886	111,373,796	340,054,947
Total Liabilities (ii)	439,360,348	2,614,544,529	5,425,158,164	463,941,808	349,753,370	9,292,758,219
Net Liquidity Gap (i-ii)	1,506,928,171	172,695,949	(2,066,171,610)	1,357,393,342	3,506,710,624	4,477,556,477
Cumulative Liquidity Gap	1,506,928,171	1,679,624,120	(386,547,490)	970,845,852	4,477,556,477	-

Accompanying notes (1 – 46) form an integral part of these financial statements


Chairman


Director


Managing Director & CEO

Meghna Bank Limited

Notes to the Financial Statements

As at & for the period ended 31st December, 2014

1.0 Background of the Bank

1.1 Legal Status of the Bank

Meghna Bank Ltd (MGBL) is a private commercial bank incorporated with the Registrar of Joint Stock Companies under the Companies Act 1994 vides Reg. no. C-108068/13 dated 20 March, 2013 in Dhaka. The Bank commenced banking operation on May 09, 2013 by obtaining license from Bangladesh Bank under section 32(1) of the Bank Companies Act 1991 (Amendment 2013). The number of branches of the Bank are sixteen (16) located in Gulshan, Motijheel, Chawkbazar, DEPZ, Dhanmondi, Kalampur, Bandura at Dhaka; Agrabad, Madambibirhat at Chittagong; Shathibari at Rangpur; Bormi Bazar, Gazipur Chowrasta at Gazipur; Narayangonj at Narayangonj; Hatikumrul at Sirajgonj; Choyani Bazar at Noakhali and Madhabdi at Narsingdi as on 31 December, 2014.

1.2 Nature of business

The Bank carries on, undertakes and transacts all kinds of banking activities with its customers in Bangladesh and abroad.

1.3 Treasury

The principal responsibilities of the Treasury Department includes management of liquidity and exposure to market risks, mobilization of resources from domestic as well as international institutions and banks. Further, it leveraged strong relationships with financial sector players to provide a wide range of banking services in addition to Bank's liability products.

The focuses of Treasury Department are to be active in Placement, Inter-Bank Call Money Market, Government securities and Foreign exchange market. There are a contribution in the volumes and profits from Placements and Inter-Bank Call Money Market

1.4 Capital adequacy

Capital Adequacy symbolizes the financial strength and stability of a bank. It limits the extent up to which banks can expand their business in terms of risk-weighted assets. Like all commercial institutions, banks too constantly look at ways of expanding their operations by opening branches, mobilizing deposits, providing loans and investing in other assets. Regulatory capital requirements are therefore necessary to prevent banks from expanding beyond their ability to manage (over trading), to improve the quality of bank's assets, to control the ability of the banks to leverage their growth and to lead to higher earnings to assets, leading to peace of mind of all the stakeholders. MGBL has currently sound capital adequacy ratio suggest prudent lending to good number of Entrepreneurs. The bank keeps a careful check on its Capital Adequacy Ratio.

1.5 Strategic Direction

The strategic direction of the Bank is currently conferred and reviewed periodically by the Management Committee at MANCOM meeting. On preparing the Budget, priority is given on bottom up information sharing

process. The Board of Directors approves the Budget at the Board Meeting and evaluates monthly performance in the Board Meeting for ensuring proper budgetary control and provides guidelines to the Management for overcoming lapses identified.

1.6 Staff Training

The Bank always keeps in mind the development of staff skill and knowledge through training. The staff training is presently limited to participation in trainings conducted by Bangladesh Bank and inside trainings are organized for specific purposes only.

1.7 Resource Efficiency

Deposits and Shareholders' Equity represented the two biggest resources of funds for the Bank. As at December 31, 2014, the deposit to third parties liability ratio is 96.35% and Equity to third parties liability ratio is 48.19%. The Bank tries to mobilize deposits from low cost sources and prudently invest the fund for raising the profitability of the Bank.

Through careful planning, a prudent dividend policy and expenditure on capital items and investments, the Bank will try to optimize the Shareholders' Equity.

1.8 Corporate Governance

1.8.1 Board of Directors

a) Members of the Board

All of the Directors are Non-Executive independent Directors. Only the Managing Director is on the Board as an ex-officio Director.

b) Board Meeting

The Chairman conducts the Board Meetings and ensures effective participation of all Directors, heeding to their concerns and maintaining the balance of power. The Board is in full control of its affairs.

c) Information sharing system

A well-streamlined Management Information System is in place. Accurate and relevant information relating to matters referred to the Members of the Board are made available to them well in advance. Whenever the Board finds that the information sent to them is insufficient, they call for additional information and the Chairman ensures that all Directors are properly briefed on the matters deliberated on at the meetings.

d) Board performance

The Board has implemented a self-assessment exercise covering key functions under the following activities to assess the performance of the Board and carries out the evaluations annually.

- Discharge of Statutory /Regulatory duties and Board responsibilities
- Corporate Governance and Risk Management monitoring
- Seeking and contributing views and opinions on strategic decision making
- Leveraging the skills, expertise, contacts of individual Board Members in furtherance of business
- Understanding and formulating the succession plans to ensure talent availability and address expectations of high potential and high quality staff

1.8.2 Appointment of Directors and Managing Director

a) Director

The Members of the Board of Directors are appointed in accordance with the provisions of the Companies Act 1994, the Memorandum and the Articles of Association of the Company, provisions of Bank Companies Act 1991 (Amendment–2013) and Bangladesh Bank’s Circulars issued from time to time. The Board of Directors believes that the combined knowledge and experience of the Board matches the strategic demands required for the Bank.

b) Managing Director

The Managing Director is appointed by the Board of Directors on contractual basis according to the guidelines provided by the Bangladesh Bank and the provisions of the Bank Companies Act. The Board of Directors sets financial and non–financial goals and objectives for the Managing Director & CEO in line with the short, medium and long–term goals of the Bank. The Managing Director & CEO is entrusted with the management of the Bank’s operations and he is ultimately accountable to the Board of Directors.

2.0 Significant Accounting Policies and Basis of Preparation of Financial Statements

2.1 Basis of Accounting

Financial Statements of the Bank have been prepared as at 31 December 2014 in accordance with “First Schedule”(Sec.38) of the Bank Companies Act 1991 (Amendment–2013), in compliance with the provisions of Bangladesh Bank Circulars, Bangladesh Accounting Standards and other rules & regulations applicable in Bangladesh. The Bank also followed the concept of Accrual basis, Going concern basis under historical cost convention.

As such Bank has departed from those contradictory requirements of BFRS in order to comply with rules and regulations of Bangladesh Bank which are disclosed below:

a) Investment in shares and securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value (as measured in accordance with BFRS 13) at the year–end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June, 2003, investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited Balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognized at cost.

b) Revaluation gains/losses on Government securities

BFRS: As per requirement of BAS 39, T–bills and T–bonds fall under the category of “Held for Trading (HFT)”. Any change in the fair value of held for trading assets is recognized through profit and loss account. Securities designated as “Held to Maturity: are measured at amortized cost method and interest income is recognized through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet

date are charged in the profit and loss account. Interest on HFT securities including amortization of discount are recognized in the profit and loss account.

c) Provisions on loans and advances/investments

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh bank: As per BRPD circular no. 14 dated 23 September, 2012, BRPD circular no. 19 dated 27 December, 2012 and BRPD circular no. 05 dated 29 May, 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (goods/standard) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated September 2012, a general provision at 1% is required to be provided for all Off-Balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

d) Other comprehensive income

BFRS: As per BAS 1 other comprehensive income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income Statement.

Bangladesh bank: Bangladesh has issued templates for financial statements which are strictly to be followed by all Banks. The templates of financial statements issued by Bangladesh bank do not include Other Comprehensive Income nor are the elements of other Comprehensive Income allowed to be included in a single Other Comprehensive Income Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

e) Financial guarantees

BFRS: As per BAS 39, financial guarantees are contracts those require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee are to be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

f) Cash and cash equivalents

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'Money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not prescribed to be shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments. However, in the cash flow statement, money at call and on short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, Balance with BB and other banks.

g) Cash flow statement

BFRS: The cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is appropriate for the business or industry. The method selected is 'applied consistently'.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June, 2003, cash flow is the mixture of Direct and Indirect methods.

h) Balance with Bangladesh bank

BFRS: Balance with Bangladesh bank should be treated as other asset as it is not available for use in day to day operations as per BAS 7.

Bangladesh bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

i) Presentation of Intangible assets

BFRS: An intangible asset must be identified and recognized, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no regulation for intangible assets as per BRPD circular no. 14 dated 25 June, 2003.

j) Off-Balance sheet items

BFRS: There is no concept of off-balance sheet items in any BFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June, 2003, off-balance sheet items must be disclosed separately on the face of the balance sheet.

k) Disclosure of appropriation of profit

BFRS: There is no requirement to show appropriation of profit on the face of statement of comprehensive income.

Bangladesh Bank: A BRPD circular no. 14 dated 25 June, 2003, an appropriation of profit should be disclosed on the face of profit and loss account.

l) Loans and advances/investments net of provision

BFRS: Loans and advances/investment should be presented net of provision.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June, 2003, provision on loans and advances/investments are presented separately as liability and cannot be netted off against loans and advances.

Also refer to the Note 2.20 Compliance of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs).

2.2 Presentation of Financial Statement

The financial statements are presented in compliance with the provisions of the Bangladesh Accounting Standards (BAS) – 1 “Presentation of Financial Statements”, BAS – 7 “Cash Flow Statements”, BAS – 12 “Income Taxes”, BAS – 16 “Property, Plant and Equipment” BAS – 18 “Revenue”, along with the guidelines, forms and formats provided by the Bangladesh Bank through BRPD circular No. 14 dated 25 June 2003.

2.3 Use of estimates and judgments

The preparation of financial statements requires management's judgments, estimates and assumptions for which the application of accounting policies and the reported amounts of assets, liabilities, income and expenses may vary and actual results may differ from those estimates.

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

2.4 Consolidation of Financial Statements

The consolidation of financial statements of the Bank includes combined Statement of affairs of Head office and Statement of Affairs of the branches including Profit & Loss Account. In this regard separate statement of Affairs and Profit and Loss Account of the branches are prepared and maintained at the Head office of the Bank based on which segregated information is always available. The individual statements and notes related to the Balance Sheet, Profit & Loss Account and required for stakeholders are presented separately.

2.5 Revenue Recognition

The revenue of the year is recognized in compliance with the provisions of BAS-18 "Revenue ".

a) Interest Income

In compliance to the provisions of the Bangladesh Accounting Standards (BAS) – 18 "Revenue", the interest is recognized on accrual basis, but necessary information of cash movement related to those accruals are reported separately in the notes. Interest is calculated on daily product basis on Loans and advances but charged on a quarterly basis. Noted that no Loans & advances were classified during the year 2014 and interest income arising from transactions of Loans & advances were credited to income.

b) Investment Income

Income on investment is recognized on accrual basis. The current provision for income tax and the taxable income of the year is calculated on the basis of interest receivable on the securities i.e. after deduction of accrued interest related to the Treasury Bills and other securities. Investment income has been constituted by income from Treasury Bills & Bonds, interest on Securities and interest income from placements made to Banks and NBFIs.

c) Dividend Income on shares

Dividend income on shares is recognized during the period in which it is declared and ascertained.

d) Fees and Commission

Fees and Commission income arises from services provided by the Bank for DD, TT, and LBP etc. and recognized on receipt basis. Commission charged on Letters of Credit (LC) and Letters of Guarantee (LG) are credited to income at the time of effecting the transactions. The advance payment of tax on LC commission is duly deposited to the Tax Authority. Similarly, Income Tax and VAT are deducted at source and deposited to the Govt. Exchequer within the time stipulated as per their circulars.

e) Interest and other expenses

In terms of the provision of the Bangladesh Accounting Standard (BAS) –1 "Presentation of Financial Statements", accrual basis is followed for interest payment and other expenses. The necessary disclosures are given in the notes in compliance with the provisions of BRPD Circular No. 14 dated 25 June 2003.

2.6 Assets and the basis of their valuation

Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank, and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank Management for its short-term commitments.

Loans and Advances

- (a) Loans and Advances are stated at gross amount and before off setting general provisions against them.
- (b) Interest on Loans and Advances is calculated on a daily product basis but charged and accounted for quarterly on an accrual basis.
- (c) Provision for Loans and Advances is made on the basis of year-end review by the Management and of instructions contained in Bangladesh Bank circular as amended time to time. The classification rates are given below:

Category/status of loans and advances	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
General provisions for unclassified loans and advances:		
All unclassified loans (Other than loans under small and medium enterprise and consumer financing, special mention account and staff loans)	1%	1%
Small and medium enterprise financing	0.25%	0.25%
Consumer financing (Other than housing finance and loans for professionals under consumer financing scheme)	5%	5%
Consumer financing (For Housing Finance & Loans for professionals set up)	2%	2%
Special mention account	5%	5%

Investments at cost

Investments have been initially recognized at cost, including acquisition charges associated with the investment. Government Treasury Bills and Bonds (categorized as HFT or/and HTM) are accounted for as per Bangladesh Bank DOS circular letter no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January, 2009.

The valuation methods of investment used are:

(a) Held to Maturity (HTM)

Investments which are intended to be held to maturity are classified as "Held to Maturity". These are measured at amortized cost at each year end by taking into account any discount or premium in acquisition. Amortized amount of such premium are booked into profit and loss statement or discount is booked to reserve until maturity or disposal.

b) Held for Trading (HFT)

Investments primarily held for selling or trading is classified in this category. After initial recognition, investments are mark to market weekly. Decrease in the book value is recognized in the profit and loss statement and any increase is transferred to revaluation reserve account.

Value of investments has been enumerated as follows:

Investment class	Initial Recognition	Measurement after initial recognition	Recording of changes
Treasury Bill/Bond (HFT)	Cost	Market value	Loss to P & L, gain to revaluation reserve
Treasury Bill/Bond (HTM)	Cost	Amortized value	Increase in value to equity and decrease in value to P & L
Prize Bond	Cost	None	None

Property, Plant and Equipment

Fixed assets are recognized if it is probable that future economic benefits associated with the assets will flow to the bank and the cost of the assets can be reliably measured.

- i. All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.
- ii. Depreciation on fixed assets is charged for the year at the following annual rates on a Straight Line Method on all fixed assets.

<u>Category of fixed assets</u>	<u>Rate of depreciation</u>
Furniture and fixtures	10%
Machinery and Office Equipment	20%
Motor Vehicles	20%
Computer and Computer Peripherals	33%
Office Tools and Accessories	20%

- iii. For additions during the year, depreciation is charged for the remaining days of the year and for disposal, depreciation is charged up to the date of disposal.
- iv. On disposal of fixed assets, the cost and accumulated depreciation is eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statements.
- v. Bank also follows a policy for amortized of expenditure considering the durability and useful live of items as per policy approved by the Board of Directors and accounting practices.

Intangible Assets

- i. An Intangible asset is recognized if it is probable that future economic benefits associated with the assets will flow to the bank and the cost of the assets can be reliably measured.

- ii. Software (especially Core banking software) is amortized using the straight line method over the estimated useful life of 05 (Five) years commencing from the date of the application software is available for use over the best estimate of its useful economic life.

Other Assets

Other assets include all balance sheet accounts not covered specifically in other areas of the supervisory activity and such accounts may be quite in significant in the overall financial condition of the bank.

Non-banking Assets

There are no assets acquired in exchange for loan during the period of financial statements.

2.7 Capital, Reserve, Liabilities and Provision and basis of their valuation

Share Capital

Ordinary shares are classified as equity where there is a restriction to transfer the share to another person/ institutions within 03 (three) years from date of company formation.

Statutory Reserve

As per Section 24 of Banking Companies Act, 1991, 20% of profit before tax (PBT) of the current year of the Bank is required to be transferred to statutory reserve until such reserve together with share premium account equal to its paid up capital.

Deposits and other accounts

Deposits are recognized when the Bank enters into contractual arrangements with the counterparties, which are generally on trade date and initially measured at the amount of consideration received.

Provision for liabilities

Provision in respect of liability is recognized in the financial statements when the Bank 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 obligation, in accordance with the BAS 37 "Provision, Contingent Liabilities and Contingent Assets".

Retirement Benefits

As part of compensation package every permanent employee will entitle Provident & Gratuity Fund as per covenants mentioned in the relevant deed and rules.

a) Provident fund

Provident fund benefits are given to the permanent employees of the bank in accordance with the Bank's service rules, and accordingly a Trust deed and Provident fund rules were prepared. The Commissioner of taxes, LTU, Dhaka has approved the provident fund as a recognized provident fund within the meaning of section 2 (52), read with the provisions of part – B of the first Schedule of Income Tax Ordinance, 1984.

The recognition took effect from 31 May, 2014. The fund is operated by a Board of Trustees consisting five members (all members from management) of the Bank. All confirmed employees of the bank are contributing 10% of their basic salary as subscription to the fund. The Bank also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members' account on yearly basis.

b) Gratuity Fund

Gratuity Fund is yet to be created by the Bank.

Provision for Taxation

Current Tax

As per Income Tax Ordinance 1984, provision for income tax has been made appropriately considering the admissibility of expenses for exercising the provision. Reliable estimate has been made.

2.8 Foreign currency transactions / translations

- a) Foreign currency transactions are converted into equivalent Taka currency using the exchange rates on the date of such transactions.
- b) Assets and liabilities in foreign currencies are converted into Taka currency by marking to market rate as of 31 December 2014.

2.9 Cash Flow Statement

The Cash Flow Statement is presented by using the "Direct Method" for preparing cash flows in compliance with the provisions of the Bangladesh Accounting Standard (BAS) – 7 and format provided by the Bangladesh Bank vide BRPD Circular No. 14 dated 25 June 2003 as applicable for preparation of Cash Flow Statements. To make the Cash Flow Statement more understandable and user friendly about the constitution of figures inserted into the Cash Flow Statement, a number of notes have been given in the notes to the accounts.

2.10 Statement of Changes in Equity

Statement of changes in Equity has been prepared in accordance with BAS 1 "Presentation of Financial Statements" and following the Guidelines of Bangladesh Bank BRPD circular no. 14 dated 25 June, 2003.

2.11 Liquidity Statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

- a) Balance with other banks and financial institutions, money at call and short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their maturity.
- c) Loans and advances are on the basis of their repayment/maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their realization/adjustment.
- f) Borrowing from other banks, financial institutions and agents as per their maturity/repayment term.
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.

h) Provisions and other liabilities are on the basis of their payment/adjustment schedule.

2.12 Events after the Balance Sheet Date

All known material events after the Balance Sheet date have been considered and appropriate adjustments/disclosures have been made in the Financial Statements, wherever necessary up to the date of preparation of Financial Statements as per BAS-10.

2.13 Earnings per Share

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on 31 December, 2014 as per BAS – 33 “Earnings Per Share”. Diluted earning per share was not required to calculate, as there is no dilution possibilities occurred during the year.

2.14 Reconciliation of Books of Account

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled and found no material differences, which may affect the Financial Statements significantly.

2.15 Directors responsibility on statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

2.16 Materiality and aggregation

Each material item as considered significant by the Management has been presented separately in the financial statements. No amount has been set off unless the Bank has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis when permitted by the relevant accounting standards.

2.17 Memorandum Items

Memorandum items are maintained to have control over all items of importance and for such transactions where the Bank has only a business responsibility and no legal commitment. Bills for collection, Stock of savings certificates and all other fall under the memorandum items. However, Bills for collection is shown under contingent liabilities as per Bangladesh Bank's format.

2.18 Risk Management

Meghna Bank aims at the delivery of superior shareholder value by achieving the optimum trade-off between risk and return. Our risk management strategy is based on a clear understanding of various risks taken, well-developed risk-assessment and measurement procedures, effective risk-preventing/ minimizing, measures and continuous monitoring of the entire process at the very top level. The policies and procedures established for this purpose are being continuously improved to be in line with international best practices. As per Bangladesh Bank circular, Meghna Bank has formed a Risk Management Committee headed by a Chief Risk Officer in the rank of Deputy Managing Director to monitor the risk management procedures in line with Risk Management Guidelines conferring the way out to address the lapses identified by the Risk Management Unit.

The risks are defined as the possibility of losses, financial or otherwise. The Risk Management of the Bank

covers 6 (six) Core Risk Areas of banking as defined by the Bangladesh Bank. The Areas are as follows:

- 1) Credit Risk Management
- 2) Foreign Exchange Risk Management
- 3) Asset Liability Management
- 4) Prevention of Money Laundering
- 5) Internal Control & Compliance
- 6) Information Technology Risk

In light of the Risk Management, Bank takes well calculative business risks for safeguarding its capital, financial resources, and profitability. In this context, the Bank took steps to implement the guidelines of Bangladesh Bank as under:

2.18.1 Credit Risk Management

Credit Risk is most simply defined as the potential that a bank's borrower or counter party will fail to meet its obligations in accordance with agreed terms. This includes non-repayment of capital and/or interest within the agreed time frame, at the agreed rate of interest and in the agreed currency. The goal of credit risk management at the MEGHNA Bank Ltd. is to maximize the bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters.

The Bank has designed Credit Risk Management activities by addressing major risks. Credit Risk is of the major risks, which can be assumed as potential loss arising from the failure of a counter party to perform contractual responsibility. This may happen due to unwillingness of the counter party or declining his / her financial abilities for adverse environment.

The officers/ executives involved in credit related activities have been segregated. A separate CRM Division has been established at Head office, which is entrusted with the responsibilities of maintaining effective relationship with customers, making of credit products, exploring new business opportunities.

An effective assessment is made before sanction of any credit facility at Credit Risk Management Division, which includes borrower risk analysis, historical performance of the customer, security of the proposed credit facility etc. The process starts by a Relationship Manager and approved/discharged by the competent authority. Credit approval authority has been delegated to the individual executives. Proposal beyond their delegation are approved /declined by the Executive Committee and the Board of Directors.

In determining Single Borrower/Large Loan limit, the instructions of Bangladesh Bank are strictly followed.

2.18.2 Foreign Exchange Risk Management

Foreign Exchange Risk is defined as the potential change in earnings arising due to change in market prices. The front office of the Treasury Department of the Bank independently conducts the transactions and the back office is responsible for recording of the transactions and passing of their entries in books of accounts. All foreign exchange transactions are revalued periodically at Market rate as determined by Bangladesh Bank. The reconciliation of Nostro accounts are done regularly and outstanding entries reviewed by the Management for its settlement.

2.18.3 Asset Liability Risk Management

The Bank formed an Asset Liability Committee (ALCO) for monitoring Balance Sheet risk and Liquidity risk of the Bank. The Balance Sheet risk is defined as potential change in earnings due to change in rate of interest, foreign exchange rates which are not in trading nature. ALCO reviews Liquidity requirement of the bank, the maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan.

2.18.4 Prevention of Money Laundering

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks the Bank has a designated CAMALCO at Head office and BAMALCO at branches, who independently review the transactions of the accounts to verify suspicious transactions.

The Bank developed a manual for prevention of money laundering activities in 2013 and introduced KYC program since its inception. Training has been continuously given to all the category of officers and executives for developing awareness and skill for identifying suspicious activities.

Market risk is the risk of loss resulting from changes in interest rates, foreign currency exchange rates, equity prices and commodity prices. MEGHNA Bank's exposure to market risk is a function of its trading and asset and liability management activities and its role as a financial intermediary in customer related transactions. The objective of market risk management is to minimize the impact of losses due to market risks on earnings and equity.

Business Volume risk is defined as the volatility in revenue and profitability arising from adverse fluctuations from business volume. Business volumes may adversely fluctuate due to competitor activities, new entrants, competition from substitute financial products and services, changes in banking preferences of the customers resulting in the importance of the process of financial intermediation being reduced, natural disasters, etc.

This is the potential damage to the reputation and image of the Bank, emanating from events such as drop in performance levels or service quality, compliance, corporate governance and management failures and deviations from business ethics, etc.

2.18.5 Internal Control System

The Management established a professional and efficient working environment within the Bank by creating and maintaining adequate and effective internal control systems. Internal audit have been conducted on periodical interval to ensure compliance of Bank's and Regulatory policies. The Audit Committee has been formed for reviewing the performances reporting and apprising the Board as and when necessary.

The Management fully recognizes and appreciates the value and significance of internal controls and ensures the presence of an efficient and effective control system by identifying control objectives, devising pertinent policies/ procedures and establishing relevant control procedures covering all areas of activities, after approval of the competent authority.

2.18.6 Information Technology

The Bank has established an appropriate Information Technology Department (ITD) by placing officials with adequate knowledge and skills to play a major role in the Bank for smooth running of online Banking System and delivery of its service to all the units of the Bank for operations of necessary hardware and software. The

branch network is up graded to high speed, which provides better information sharing management at the branch as well as at the Head Office.

2.19 Fraud and Forgeries

Adequate control system is in place to detect and prevent fraud and forgeries in the operations. IT has been gradually emphasizing in the modernization of operating system and making auto preventive in the detection of Fraud and forgeries. However, Management is proactive in establishing sound operating system and its preventive measure.

2.20 Compliance report on Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

Name of BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Cash Flow Statements	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Balance Sheet Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Segment Reporting	14	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting for Investments	25	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	N/A
Investment in Associates	28	N/A
Interest in Joint Ventures	31	N/A
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied

Name of BAS	BAS No.	Status
Impairment of Assets	36	N/A
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A

Name of BFRS	BFRS No.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	N/A
Operating Segments	8	N/A

2.21 Regulatory Compliance

The Bank complied with the requirements of the following regulatory and legal authorities:

- The Bank Companies Act, 1991(Amendment 2013)
- The Companies Act, 1994.
- Rules and Regulations issued by Bangladesh Bank.
- The Securities and Exchange Commission Act 1993.
- The Income Tax Ordinance, 1984.
- The VAT Act, 1991.

2.22 Off-balance sheet exposures

In compliance with the instruction of BRPD Circular No. 10 dated September 18, 2007 issued by the Bangladesh Bank, provision against the off-balance sheet exposures of the Bank as at reporting date has been made as follows:

Category/status of Off-balance sheet exposures	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
General provisions for off-balance sheet exposures		
All types of Off-balance sheet exposures	1%	1%

2.23 Audit Committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank as per Bangladesh Bank's BRPD Circular No 11 of 27 October 2013. The Board of Directors at its 18th Board Meeting held on September 18, 2014 constituted the committee as under:

SI No.	Committee Members	Status with the Bank	Position in the Committee	Educational Qualification
1	Mr. Shakhawat Hossain	Director	Chairman	MBS (Marketing)
2	Mr. Md. Ali Azim Khan	Director	Member	Graduate
3	Ms. Farah Ahsan	Director	Member	M.A
4	Mr. Ashiqur Rahman Lasker	Director	Member	B.A
5	Mr. Md. Mazibur Rahman Khan	Director	Member	B.A

As per the above Circular of Bangladesh Bank, the Board Secretary of the Bank is the Secretary of the Audit Committee. The Committee has been formed with a vision to review the inspection reports of Bangladesh Bank, Internal Audit Reports of the Bank conducted by Internal auditors, Draft Financial Statements of the Bank audited by the External Auditors and other compliance issues of the Bank.

2.24 Related Party Disclosures

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial and operating decisions. Related party information is given below:

SL No	Name of the Director	Status with the Bank	Name of the Firms/Companies in which they are interested as proprietor, partner, Director, Managing Agent, Guarantor, Employee etc.	Percentage (%) holding in the company	Remarks
1	Mr. H. N. Ashequr Rahman	Chairman	1. Meghna Bank Ltd. 2. Diesel Motors & Services (BD) Limited 3. Bangladesh Consortium Ltd. 4. Newzan Corporation Ltd. 5. Jamuna Sugar Mills Ltd.	2.41% 22.22% 7.50% 12.50%	Chairman Managing Director Director Director
2	Mr. Abdul Alim Khan Selim	Vice Chairman	1. Meghna Bank Ltd. 2. Capital Homes & Development Ltd. 3. Dhaka Impex Co.	2.26% 70.00% 100%	Vice Chairman Managing Director Proprietor

SL No	Name of the Director	Status with the Bank	Name of the Firms/Companies in which they are interested as proprietor, partner, Director, Managing Agent, Guarantor, Employee etc.	Percentage (%) holding in the company	Remarks
3	Mr. Md. Yasin Ali Nominated by Legacy Fashion Ltd.	Director	1. Ali Fashion Limited 2. Anowara Apparels Limited 3. Anowara Fashions Limited 4. Anowara Paper Mills Limited 5. ANZ Properties Ltd. 6. Bangladesh Fertilizer & Agro Chemicals Ltd. 7. Continental Insurance Co. Ltd. 8. Diamond Cement Limited 9. Diamond Pack Ltd. 10. Habib Printers and Publisher Limited 11. Habib Share & Securities Ltd. 12. Habib Sons 13. Habib Steels Limited 14. HG Aviation Limited 15. Legacy Fashion Ware Ltd. 16. Maam Textile Mills Limited 17. MTS Re-Rolling Mills Limited 18. Mudys Navigation Limited 19. Noor Garments Limited 20. Regent Energy and Power Ltd 21. Regent Fabrics Limited 22. Regent Power Limited 23. Regent Spinning Mills Limited 24. Regent Textile Mills Limited 25. Regent Weaving Limited 26. Saims Superior Limited 27. Southern Medical College & Hospital 28. Union Cement Mills Ltd. 29. Union Fertilizer Complex Ltd. 30. Valiant Fashion Ware Limited 31. Valiant Garments Limited	23.81% 22.22% 21.83% 32.50% 33.33% 18.36% 4.55% 14.06% 11.11% 33.30% 16.67% 1:3 33.33% 8.33% 10.60% 16.67% 23.33% 33.33% 25.00% 0.02% 17.00% 13.33% 3.94% 22.22% 25.00% 10.00% 30.00% 11.11% 11.11% 16.67% 16.84%	Managing Director Managing Director Managing Director Managing Director Chairman Managing Director Director Managing Director Managing Director Managing Director Director Managing Partner Managing Director Chairman Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Chairman Managing Director Managing Director Managing Director Managing Director

SL No	Name of the Director	Status with the Bank	Name of the Firms/Companies in which they are interested as proprietor, partner, Director, Managing Agent, Guarantor, Employee etc.	Percentage (%) holding in the company	Remarks
4	Mrs. Farah Ahsan	Director	1. Meghna Bank Ltd. 2. AG Property Development Ltd. 3. AG Agro Industries Ltd. 4. AG Hi-Tech Ltd. 5. AG Ceramic Industries Ltd. 6. AG Ltd. 7. AG Green Property Dev. Ltd. 8. Swadesh Life Insurance Co. Ltd.	4.51% 20.00% 30.00% 10.00% 30.00% 30.00% 30.00% 8.33%	Director Director Director Director Managing Director Director Managing Director Director
5	Mr. Md. Kamal Uddin	Director	1. Meghna Bank Ltd. 2. Diganta Sweaters Ltd. 3. Cosmos Sweaters Ltd. 4. Tricotex Sweaters Ltd. 5. Tricotex Machinery Ltd. 6. Sweaters Zone Ltd. 7. Temacos Fashion Wear Ltd. 8. Diganta Packaging & Accessories Ltd.	9.02% 80.00% 50.00% 40.00% 3.00% 60.00% 3.00% 60.00%	Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director
6	Mr. Tanveer Ahmed Nominated by Cassiopea Fashion Ltd.	Director	1. Cassiopea Apparels Ltd. 2. Cassiopea Fashion Ltd. 3. Elegant Washing Plant Ltd. 4. Cassiopea Clothing Ltd. 5. Cassiopea Garments Ltd. 6. Elegant Accessories Ltd. 7. Lavender Convenience Store Ltd.	52.63% 3.83% 90.00% 50.00% 50.00% 50.00% 20.00%	Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director

SL No	Name of the Director	Status with the Bank	Name of the Firms/Companies in which they are interested as proprietor, partner, Director, Managing Agent, Guarantor, Employee etc.	Percentage (%) holding in the company	Remarks
7	Mr. Shakhawat Hossain	Director	1. Meghna Bank Ltd. 2. Paramount Textile Mills Ltd 3. Paramount Insurance Com. Ltd 4. Paramount Holdings Limited 5. Sunrise Chemical Industries Ltd 6. Paramount Spinning Ltd 7. Foodex International Ltd 8. Mount International 9. Foodex International 10. Paramount Agro 11. Paramount International	4.06% 8.79% 6.67% 50.00% 50.00% 45.45% 50.00% 50.00% 50.00% 50.00% 50.00%	Director Managing Director Sponsor Shareholder Managing Director Managing Director Managing Director Partner Partner Partner
8	Mr. Alock Kumar Das	Director	1. Meghna Bank Ltd. 2. Paramount Textile Ltd 3. Paramount Insurance Co. Ltd 4. Paramount Holdings Limited 5. Sunrise Chemical Industries Ltd 6. Paramount Spinning Ltd 7. Foodex International Ltd 8. Paramount International 9. Mount International 10. Foodex International 11. Sarbon International 12. Foreign Food Traders 13. Ratul Money Changer 14. S.R. Brother 15. Paramount Agro 16. Arihazar Fisheries 17. Emponum Duty Fee	4.51% 8.79% 6.67% 50.00% 50.00% 45.45% 50.00% 50.00% 33.33% 50.00% 50.00% 100.00% 100.00% 100.00% 50.00% 100.00% 100.00%	Director Director Sponsor Shareholder Director Director Director Director Partner Partner Director Partner Proprietor Proprietor Proprietor Partner Proprietor Proprietor

SL No	Name of the Director	Status with the Bank	Name of the Firms/Companies in which they are interested as proprietor, partner, Director, Managing Agent, Guarantor, Employee etc.	Percentage (%) holding in the company	Remarks
09	Mr. Md. Ali Azim Khan	Director	1. Meghna Bank Ltd. 2. IL Kwang Textiles Co. Ltd. 3. Young–A Textiles Co. Ltd. 4. Tamim International Traders Ltd 5. Silver Packaging Ltd. 6. Trust Trouser Ltd 7. Nipun Pvt. Ltd. 8. Shiness Apparels Ltd. 9. Nasrin Garments 10. Four Brothers Fashion 11. Ashraf Plastic & Label 12. Shiness Washing 13. Shiness Button 14. Shiness Embroidery, Printing & Accessories	4.51% 78.99% 79.00% 28.57% 50% 25% 60% 80% 80% 100% 100% 100% 100%	Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Proprietor Proprietor Proprietor Proprietor
10	Alhaj Md. Lokman Hakim	Director	1. Meghna Bank Ltd. 2. ZiriSubader Steel Re–Rolling Mills (Unit, Re–Rolling Mills) 3. ZiriSubader Steel Re–Rolling Mills (Unit, Ship Breaking) 4. Ferdous Steel Corporation. 5. Subader Oxygen.	4.51% 100% 100% 100% 100%	Director Proprietor Proprietor Proprietor Proprietor
11	Mr. Ashiqur Rahman Lasker	Director	1. Meghna Bank Ltd. 2. Maheen Enterprise Ltd. 3. ARL Ship Breakings Ltd. 4. Mihran Ship Recycling Ind. Ltd. 5. ARL Maritime Services Ltd. 6. M & M Corporation Ltd. 7. ARL Apparels Ltd. 8. ARL Dresses Ltd	4.51% 60.00% 20.00% 50.00% 40.00% 60.00% 50.00% 30.00%	Director Managing Director Director Managing Director Director Director Director Director

SL No	Name of the Director	Status with the Bank	Name of the Firms/Companies in which they are interested as proprietor, partner, Director, Managing Agent, Guarantor, Employee etc.	Percentage (%) holding in the company	Remarks
			9. Agarpur Navigation & Com. Ltd. 10.MM Green Ship Recycling Yard Ltd. 11.Maheen Enterprise	80.00% 40.00% 100.00%	Managing Director Managing Director Proprietor
12	Mrs. Rehana Ashequr Rahman	Director	1. Meghna Bank Ltd. 2. Buraq International Ltd. 3. Diesel Motors & Services (BD) Ltd. 4. Buraq Express (BD) Ltd.	1.42% 15% 16.66% 19.50%	Director Chairman Director Director
13	Mr. Md. Mazibur Rahman Khan	Director	1. Meghna Bank Ltd. 2. Olympic Cement Ltd. 3. Olympic Fibre Ltd. 4. Olympic Spinning Ltd. 5. Olympic Properties Ltd. 6. Olympic Agro Ltd. 7. Rahman Traders 8. M. Rahman & Co. 9. Olympic Shipping Lines 10. R. K. Transport 11. Khan Enterprise	4.51% 89% 17% 3% 0.62% 1% 100% 100% 100% 100% 5.00%	Director Managing Director Managing Director Managing Director Managing Director Managing Director Proprietor Proprietor Proprietor Proprietor Partner
14	Mr. Mohammed Mamun Salam Nominated by Salim & Brothers Ltd.	Director	1. Salim & Brothers Ltd. 2. Salam Apparel Ltd. 3. Fashion Craft Ltd. 4. Reliance Apparel Ltd. 5. Reliance Denim Ind. Ltd. 6. Reliance Box Ind. Ltd. 7. Reliance Washing Ind. Ltd. 8. Bengal Synthetic Fibres Ltd. 9. Four Seasons Resorts Limited.	99.40% 85.00% 60.00% 50.00% 50.00% 50.00% 50.00% 53.64% 50.00%	Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Executive Director Managing Director

SL No	Name of the Director	Status with the Bank	Name of the Firms/Companies in which they are interested as proprietor, partner, Director, Managing Agent, Guarantor, Employee etc.	Percentage (%) holding in the company	Remarks
15	Mr. M. A. Maleque	Director	1. Meghna Bank Ltd. 2. M/s. Joy Omar Construction	2.26% 100%	Director Proprietor
16	Mrs. Nuran Fatema	Director	1. Meghna Bank Ltd. 2. The Bismillah Marine Services 3. The Bismillah International Shipping & Trading Co. Ltd. 4. Bismillah Marine Service 5. The Bismillah Marine Service	1.85% 50.00% 50.00% 100% 100%	Director Partnership Chairperson Proprietor Proprietor
17	Mr. S.M. Jahangir Alam (Manik)	Director	1. Meghna Bank Ltd. 2. Sanji Automobiles Ltd. 3. Sanji Property Development Ltd. 4. Sanji Industrial Gases Ltd. 5. Sanji SS Tube Industries 6. Panama CNG Conversion 7. Sanji Filling & Conversation Center	4.51% 60% 60% 80% 100% 100% 100%	Director Managing Director Managing Director Managing Director Proprietor Proprietor Proprietor
18	Mr. Md. Saidur Rahman Sarker Nominated by Lusaka Fashion Ltd.	Director	1. Lusaka Fashion Ltd 2. Tammam Design Ltd	8.37% 25.00%	Managing Director Managing Director
19	Mr. Nazrul Islam	Director	1. Meghna Bank Ltd. 2. Fareast Islami Life Ins. Co. Ltd 3. Fareast Islami Securities Ltd. Represented by Fareast Islami Life Insurance Co. Ltd. 4. Fareast Islami Properties Ltd. 5. Surmi Cold Storage Ltd. 6. Punot Cold Storage Ltd. 7. Fareast Cold Storage Ltd. 8. Ramisha Enterprise 9. Rimsha Enterprise 10. Ramisha BD Ltd 11. Rimsha BD Ltd. 12. Primeasia University	2.26% 2.00% 92.00% 7.00% 50.00% 50.00% 50.00% 100% 100% 25.00% 25.00%	Director Chairman Chairman Chairman Managing Director Managing Director Managing Director Proprietor Proprietor Managing Director Managing Director Member Board of Trusty

2.25 Approval of Financial Statements

The Board of Directors of the Bank in its meeting held on 15 March, 2015 approved the Financial Statements and authorized the same for issue.

2.26 Reporting Period

These financial statements cover for the year ended 31 December, 2014.

2.27 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) The expenses, irrespective of capital or revenue nature, accrued/due not paid have been provided for in the books of the Bank.
- c) Figures of previous year have been re-arranged whenever necessary to conform to the current year's presentation.



3 Cash in hand (Including foreign currencies)

In local currency
In foreign currencies

4 Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)

In local currency
In foreign currencies

Balance with Sonali Bank Ltd as agent of Bangladesh Bank

In local currency
In foreign currencies

2014 Taka	2013 Taka
106,277,107	86,755,298
545,440	–
106,822,547	86,755,298
612,420,144	222,751,674
9,552,196	9,733,481
621,972,339	232,485,155
–	–
–	–
–	–
621,972,339	232,485,155

4.1 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 the Section 33 of the Bank Company Act, 1991 and subsequent BCD Circular No.13 dated May 24, 1992; BRPD Circular No. 12 dated September 20, 1999; BRPD Circular No. 22 dated November 6, 2003, BRPD Circular No. 12 dated August 25, 2005; DOS Circular No.01 dated March 03, 2009, MPD Circular No. 04 & 05 dated December 01, 2010 and MPD circular no. 1 dated June 23, 2014.

4.2 Cash Reserve Requirement (CRR): 6.5% of Average Demand and Time Liabilities

Required Reserve
Actual Reserve held with Bangladesh Bank (In local currency)

CRR Surplus

506,820,380	118,445,800
612,420,144	222,751,674
105,599,764	104,305,874

4.3 Statutory Liquidity Ratio (SLR): 19.50% (including 6.5% CRR) of Average Demand and Time Liabilities

Required Reserve
Actual Reserve held (Note-4.4)

SLR Surplus

1,520,461,140	375,078,360
2,865,683,429	795,963,773
1,345,222,289	420,885,413

4.4 Held for Statutory Liquidity Ratio

Cash in hand (Note-3)
Balance with Bangladesh Bank and its agent Bank (s) (Note-4)
Government Securities (Note-7)

106,822,547	86,755,298
621,972,339	232,485,155
2,136,888,543	476,723,320
2,865,683,429	795,963,773

5 Balance with Other Banks and Financial Institutions

In Bangladesh (Note-5.1)
Outside Bangladesh (Note-5.2)

1,432,818,962	4,485,946,303
29,832,375	7,076,178
1,462,651,337	4,493,022,481

5.1 In Bangladesh**5.1a Current Account**

Janata Bank Limited, Shathibari Branch
Trust Bank Limited, Gulshan Branch
Trust Bank Limited, Shathibari Branch
Mercantile Bank Ltd, Banglabazar Branch
AL-Arafah Islami Bank Ltd, Bormi Bazar Branch
Southeast Bank Limited, Bandura Branch
Social Islami Bank Ltd, Sirajgonj Branch

850	10,000
3,795,670	–
3,505,252	–
5,000	–
100,000	–
10,000	–
100,000	–
7,516,772	10,000

5.1b Special Notice Deposits

Eastern Bank Limited, Principal Branch
Southeast Bank Limited, Mohakhali Branch
Premier Bank Limited, Gulshan Circle-2 Branch
Mercantile Bank Ltd, Agrabad Branch
Sonali Bank Limited, Mithapukur Branch

92,330	61,695
450,450	224,425
433,559	120,960,183
9,615,112	–
20,740	–
10,612,191	121,246,303

5.1c FDR with Other Banks & Financial Institutions

FDR with Other Banks

National Bank Ltd
 NRB Global Bank Limited
 SBAC Bank Ltd
 Jamuna Bank Limited
 Farmers Bank Limited
 Premier Bank Ltd
 Modhumoti Bank Limited

2014 Taka	2013 Taka
–	300,000,000
500,000,000	250,000,000
–	100,000,000
–	500,000,000
150,000,000	200,000,000
–	100,000,000
500,000,000	–
1,150,000,000	1,450,000,000

FDR with Financial Institutions

Prime Finance & Investment Ltd.
 Peoples Leasing & Financial Services Ltd
 Bangladesh Industrial Finance Company Ltd
 Premier Leasing Int'l Ltd.
 Phoenix Finance and Investment Ltd
 International Leasing & Financial Services Ltd
 Uttara Finance & Investment Ltd
 First Lease Finance & Investment Ltd
 FAS Finance & Investment Ltd
 GSP Finance Limited
 National Finance Ltd
 United Leasing Company Limited
 Lanka Bangla Finance Limited
 BD Finance and Investment Ltd
 Investment Corporation of Bangladesh (ICB)
 Union Capital Limited

–	50,000,000
100,000,000	300,000,000
–	100,000,000
–	400,000,000
164,690,000	14,690,000
–	100,000,000
–	200,000,000
–	100,000,000
–	100,000,000
–	100,000,000
–	100,000,000
–	150,000,000
–	200,000,000
–	300,000,000
–	500,000,000
–	200,000,000
264,690,000	2,914,690,000
1,432,818,962	4,485,946,303

5.2 Outside Bangladesh (NOSTRO Account)

Current Account

	Currency	F.C. Amount	Rate	Taka
AB Bank Ltd, Mumbai	ACU	192,540.49	77.9200	15,002,754.98
AB Bank Limited, OBU–USD	USD	2,022.72	77.9200	157,610.34
Mashreq Bank p.s.c. New York, U.S.A	USD	27,697.91	77.9200	2,158,221.15
Habib American Bank, New York. U.S.A	USD	48,655.10	77.9200	3,791,205.39
Mashreq Bank London, UK	GBP	9,780.00	120.9085	1,182,485.13
Mashreq Bank London, UK	EUR	40,155.30	94.5637	3,797,233.74
National Bank of Pakistan, Tokoyo, Japan.	JYP	3,000,410.00	0.6469	1,940,965.23
Mizuho Bank Ltd, Tokyo, Japan.	JYP	1,939,400.00	0.6469	1,254,597.86
National Australia Bank Ltd	AUD	8,643.72	63.3178	547,301.33
				29,832,375

Currency wise Distribution:

Foreign Currency

	BDT	Composition
USD/ACU	21,109,792	70.76%
GBP	1,182,485	3.96%
EUR	3,797,234	12.73%
JYP	3,195,563	10.71%
AUD	547,301	1.83%
	29,832,375	100%

- 5.3 In accordance with Bangladesh Bank Foreign Exchange Policy Department, Circular FEPD (DEMO/01/2005–677) dated 13–09–2005, the quarterly review of NOSTRO Accounts for the quarter ended 31 December 2014 reflect the true state of the NOSTRO Account entries which are correctly recorded. A separate audit certificate after review have also been given by the External auditor. At the year end, no outstanding unmatched entries were found.

Amount in US\$

	<u>As per Bank's Book</u>				<u>As per Correspondents' Book</u>			
	<u>Debit entries</u>		<u>Credit entries</u>		<u>Debit entries</u>		<u>Credit entries</u>	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 3 months	0	0	0	0	6	73,185.20	0	0
From 03 months to 06 months			-	-		-		-
From 06 months to 09 months			-	-		-		-
From 09 months to 12 months			-	-		-		-
More than 12 months			-	-		-		-
	0	0	0	0	6	73,185.20	0	0

5.4 Maturity-wise groupings of balance with other Banks and Financial Institutions

On Demand	
Not more than 3 months	
More than 3 months but less than 1 year	
More than 1 year but less than 5 years	
More than 5 years	

2014 Taka	2013 Taka
--------------	--------------

47,961,337	128,332,481
1,300,000,000	1,750,000,000
100,000,000	2,600,000,000
-	-
14,690,000	14,690,000
1,462,651,337	4,493,022,481

6 Money at Call and Short Notice With Bank

BRAC Bank Limited	
Jamuna Bank Limited	

-	10,000,000
80,000,000	-
80,000,000	10,000,000

With NBFi

Prime Finance & Investment Ltd.	
Fareast Finance & Investment Ltd	
Delta Brac Housing Finance Corporation Ltd	
IDLC Finance Limited	
Union Capital Limited	
Industrial and Infrastructure Development Finance Company Ltd	
International Leasing & Financial Services Ltd	

140,000,000	-
100,000,000	-
150,000,000	-
200,000,000	-
120,000,000	-
100,000,000	-
100,000,000	-
910,000,000	-
990,000,000	10,000,000

7 Investment:

i) Investment Classified as per Bangladesh Bank Circular:

Held for Trading (HFT)	
Held to Maturity (HTM)	
Reverse Repo	
Other Investment	

916,487,726	306,775,730
1,220,137,317	19,930,990
-	150,000,000
533,836,847	16,600
2,670,461,890	476,723,320

ii) Investment Classified as per Nature:

a) Government Securities:

1) Treasury Bills (HFT)

91 Days Treasury Bills	
182 Days Treasury Bills	
364 Days Treasury Bills	

78,755,745	306,775,730
136,128,200	-
85,659,763	-
300,543,708	306,775,730

2) Government Bond (HTM & HFT)

2,5,10,15 & 20 Years Bonds (Note-7.2)	
Prize Bond in Hand	

1,836,081,335	19,930,990
263,500	16,600
1,836,344,835	19,947,590

3) Reverse Repo with Bangladesh Bank

Total (1+2+3)

-	150,000,000
2,136,888,543	476,723,320

b) Other Investment

- 1) Commercial Paper of Shanta Properties Ltd
- 2) Trust Bank Limited Subordinate Bond-II
- 3) City Bank Limited Subordinate Bond
- 4) Investment in Shares at cost (**Note – 7.3**)

2014 Taka	2013 Taka
100,000,000	–
100,000,000	–
313,000,000	–
20,573,347	–
533,573,347	–
2,670,461,890	–

7.1 Maturity-wise Grouping of Investment in Securities:

- On demand
- Not more than 3 months
- More than 3 months but less than 1 year
- More than 1 year but less than 5 years
- More than 5 years

40,751,649	150,016,600
118,042,952	306,775,730
262,585,954	–
60,029,453	–
2,189,051,882	19,930,990
2,670,461,890	476,723,320

7.2 Government Bond**HTM**

- 2 Years Bangladesh Government Treasury Bonds
- 5 Years Bangladesh Government Treasury Bonds
- 10 Years Bangladesh Government Treasury Bonds
- 15 Years Bangladesh Government Treasury Bonds
- 20 Years Bangladesh Government Treasury Bonds

HFT

- 5 Years Bangladesh Government Treasury Bonds
- 10 Years Bangladesh Government Treasury Bonds
- 15 Years Bangladesh Government Treasury Bonds
- 20 Years Bangladesh Government Treasury Bonds

Total

20,006,701	–
19,977,162	–
669,975,984	9,975,035
359,670,999	–
150,506,471	9,955,955
20,045,590	–
–	–
19,869,311	–
576,029,117	–
1,836,081,335	19,930,990

7.3 Investment in Shares at cost

- AB Bank Limited
- Appollo Ispat Complex Ltd
- Barkatullah Electro Dynamics
- City Bank Limited
- Eastern Bank Limited
- Ratanpur Steel Re-Rolling Mills
- Square Pharmaceuticals Ltd
- Titas Gas Transmission and Distribution Ltd
- United Commercial Bank Ltd
- Active Fine Chemical Company Ltd
- Bata Shoe Company Ltd
- M.I. Cement Company Ltd

411,025	–
233,382	–
164,771	–
422,196	–
418,043	–
59,894	–
7,156,296	–
1,949,361	–
501,852	–
2,292,371	–
6,191,654	–
772,504	–
20,573,347	–

8 Loans and Advances**i) Loans, Cash Credits, Overdraft, etc.****Inside Bangladesh**

- Cash Credit
- Secured overdraft
- General overdraft
- Import finance
- Other Demand Loans
- Consortium/Syndicate Finance
- House Building Loan
- General Term Loans
- Agricultural and Rural Credit Scheme
- Personal/Professionals Loan Scheme

639,857,270	–
115,234,004	25,278,922
1,286,863,831	508,019,246
743,232,889	155,905,104
1,307,672,719	161,486,305
514,419,269	14,226,732
386,160,049	33,803,088
1,826,126,397	477,388,637
176,786,262	–
146,779,996	105,893,156
7,143,132,688	1,482,001,190
–	–
7,143,132,688	1,482,001,190

Outside Bangladesh

ii) Bills purchased and discounted**Payable Inside Bangladesh**

Inland bills purchased and discounted

Payable outside Bangladesh

Foreign bills purchased and discounted

8.1 Net Loans and Advances

Gross performing loans and advances

Less:

Non-performing loans and advances

Interest Suspense's

Provision for loans and advances **(Note-8.10)****8.2 Maturity wise Classification of Loans and Advances with a residual maturity of:**

Re-payable on Demand

Not more than 3 months

Over 3 months but not more than 1 year

Over 1 year but not more than 5 years

Over 5 years

8.3 Maturity wise Classification of Bills Purchased and Discounted:

Re-payable:-

Within 1 month

Over 1 month but less than 3 months

Over 3 months but less than 6 months

6 months or more

8.4 Loans and Advances on the Basis of Significant Concentration:

(a) Advances to allied concern of Directors

(b) Advances to Chief Executives and Other Senior Officers

(c) Advances to Customer Groups:

i) Commercial Lending

ii) House Building Loan

iii) Retail Loan

iv) Small and Medium Enterprises

v) Industrial Loans Details **{Note-8.4 (d)}**

vi) Others Loan

vii) Other Loans and Advances (SOD)

(d) Details of Industrial Loans and Advances

i) Agricultural industries

ii) Textile industries

iii) Food and allied industries

iv) Tobacco industries

v) Cement and Ceramic industries

vi) Service industries

vii) Transport and Communication Industries

viii) Other industries including bills purchased and discounted

	2014 Taka	2013 Taka
	48,899,524	12,855,147
	—	—
	48,899,524	12,855,147
	7,192,032,212	1,494,856,337
	7,192,032,212	1,494,856,337
	—	—
	—	—
	77,597,252	14,400,000
	77,597,252	14,400,000
	7,114,434,960	1,480,456,337
	331,397,921	93,888,455
	1,565,938,769	25,843,152
	2,807,355,917	740,892,802
	1,460,616,310	505,380,490
	1,026,723,295	128,851,438
	7,192,032,212	1,494,856,337
	11,564,211	2,186,940
	24,600,291	6,674,394
	12,735,022	3,993,813
	—	—
	48,899,524	12,855,147
	—	—
	113,732,778	—
	245,387,897	500,380,691
	360,699,427	3,074,750
	67,866,631	40,146,940
	634,861,541	—
	5,127,283,661	829,568,891
	526,966,273	121,685,065
	115,234,004	—
	7,078,299,434	1,494,856,337
	7,192,032,212	1,494,856,337
	344,237,542	—
	94,060,474	9,998,979
	68,142,173	216,865,915
	574,248,524	—
	129,247,922	14,226,732
	1,157,575,928	10,437,746
	450,156,356	101,565,961
	2,309,614,742	476,473,558
	5,127,283,661	829,568,891

8.5 Details of Large Loans and Advances

Advances allowed to individual customer exceeding 10% of Bank's total capital:

Total outstanding amount to customers at end of the year	:	197.75 crore	62.695 crore
Number of such types of customers	:	3	1
Amount of Classified Advances thereon	:	Nil	Nil
Measures taken for recovery	:	Not applicable	Not applicable

Each of the three customers exceeds the limit of 10% of Bank's total capital. 10% of Bank's total capital stood as at 31 December, 2014 Tk. 45.28 crore.

For details please refer to **Annexure–D**

2014 Taka	2013 Taka
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8.6 Sector-wise Classification of Loans and Advances Including Bills Purchased and Discounted:

Public Sector	9,034,612	–
Co-Operative Sector	–	–
Private Sector	7,182,997,599	1,494,856,337
Total	7,192,032,212	1,494,856,337

8.7 Geographical Location-wise Loans and Advances:

Area	As at 31 December 2014		As at 31 December 2013	
	Amount	Composition	Amount	Composition
i) Inside Bangladesh (Note–8.8)				
a) In Rural Areas	445,559,672	6.20%	5,569,515	0.37%
b) In Urban Areas	6,746,472,540	93.80%	1,489,286,822	99.63%
Sub-total	7,192,032,212	100.00%	1,494,856,337	100.00%
ii) Outside Bangladesh	–	–	–	–
Total	7,192,032,212	100.00%	1,494,856,337	100.00%

8.8 Inside Bangladesh

Division	As at 31 December 2014		As at 31 December 2013	
	Amount	Composition	Amount	Composition
Dhaka	6,341,913,281	88.18%	1,492,354,034	99.83%
Chittagong	791,051,439	11.00%	–	0.00%
Rajshahi	16,458,120	0.23%	–	0.00%
Rangpur	42,609,372	0.59%	2,502,303	0.17%
Total	7,192,032,212	100.00%	1,494,856,337	100.00%

8.9 Grouping of Loans and Advances as per Classification Rules of Bangladesh Bank:

Status	As at 31 December 2014		As at 31 December 2013	
	Amount	Composition	Amount	Composition
Unclassified (including staff Loans)	7,192,032,212	100.00%	1,494,856,337	100.00%
Special Mention Account (SMA)	–	0.00%	–	0.00%
Substandard	–	0.00%	–	0.00%
Doubtful	–	0.00%	–	0.00%
Bad or loss	–	0.00%	–	0.00%
Total	7,192,032,212	100.00%	1,494,856,337	100.00%

8.10 Particulars of provision for Loans and Advances:

Status	Rate	Basis for Provision	2014	2013
			Taka	Taka
Unclassified (Excluding staff Loans)	1%	5,371,609,635	53,716,096	13,551,601
Staff Loans	0%	113,732,778	–	–
Consumer Financing (Other than HF & LP)	5%	56,499,806	2,824,990	746,821
Small & Medium Enterprise	0.25%	733,587,944	1,833,970	–
Housing Finance	2%	219,080,861	4,381,617	61,495
Loan for professionals	2%	2,008,035	40,161	–
Share Business	2%	518,726,891	10,374,538	–
Short Term Agri. Credit	2.50%	176,786,262	4,419,657	–
Special Mention Account	Applicable Rate	–	–	–
			77,591,029	14,359,917
Substandard	20%	–	–	–
Doubtful	50%	–	–	–
Bad or loss	100%	–	–	–
			–	–
Required provision for Loans and Advances			77,591,029	14,359,917
Total provision maintained {Note–13.1(b)}			77,597,252	14,400,000
Surplus Provision			6,223	40,083

The Bank has maintained provision on unclassified loans and advances amounting to Tk. 7,75,97,252 (note – 13.1.b). There exists surplus of Tk. 6,223 in unclassified loans and advances.

8.11 Particulars of provision for Off–Balance Sheet

Status	Basis for Provision	Rate	Rate
		1%	1%
Acceptances and Endorsements	183,649,306	1,836,493	1,000,125.00
Export Bills	75,715,876	757,159	–
Letters of Guarantee	1,038,410,251	10,384,103	3,505,371
Irrevocable Letters of Credit	858,925,084	8,589,251	1,574,053
Required provision for Off Balance Sheet Items	2,156,700,517	21,567,005	6,079,549
Provision maintained {Note–13.1(c)}		21,568,000	6,647,000
Surplus Provision		995	567,451

8.12 Particulars of Loans and Advances:

(i) Loans considered good in respect of which the banking company is fully secured.	4,929,012,100	25,278,922
(ii) Loans considered good for which the banking company holds no other security than the debtor's personal guarantee.	1,061,490,002	105,893,156
(iii) Loans considered good and secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors.	1,201,530,110	1,363,684,259
(iv) Loans adversely classified; provided not maintained there against.	–	–
	7,192,032,212	1,494,856,337
(v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons.	113,732,778	–
(vi) Loans due from companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in the case of private companies as members.	–	–

	2014 Taka	2013 Taka
(vii) Maximum total amount of advances, including temporary advance made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other person.	23,769,451	-
(viii) Maximum total amount of advances including temporary advances granted during the period to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in the case of private companies as members.	-	-
(ix) Due from Banking Companies	-	-
(x) Classified loans and advances	-	-
a) Classified loans and advances on which interest has not been charged	-	-
b) Provision on Classified loans and advances	-	-
c) Provision kept against loans classified as bad debts	-	-
d) Interest credited to Interest suspense Account	-	-
(xi) Cumulative amount of written off Loans & Advances	-	-
9 Fixed Assets including Premises, Furniture's & Fixtures		
A. Cost:		
Opening balance	91,934,228	-
Add: Addition during the year	142,372,698	91,934,228
Less: Disposal during the year	90,969	-
Closing balance at cost	234,215,957	91,934,228
B. Depreciation:		
Opening balance	8,645,843	-
Add: Addition during the year	36,375,581	8,645,843
Less: Adjustment / disposal during the year	5,903	-
Accumulated Depreciation	45,015,521	8,645,843
Carrying value	189,200,436	83,288,385
For details please refer to Annexure-B		
10 Other Assets		
Stock of Stationery, Stamps and Printing Materials etc. (valued at cost)	2,659,457	350,581
Advance Rent	189,528,854	68,128,460
Suspense Account (Note-10.1)	18,015,817	83,074,474
Interest receivable (Note-10.2)	105,122,881	86,848,971
Security Deposit	46,900	29,000
Advance against proposed Branch	48,522,958	-
Interest on Sanchaypatra	253,830	-
Stock of Capex	520,024	-
NCCB Securities & Financial Services Ltd	5,431,400	-
IDLIC Investments Ltd (B/O Account)	5,270,322	-
Advance Income Tax (Note-13.2)	113,270,023	-
Preliminary Expenses	-	10,282,075
Pre Incorporation Expenses	48,531,469	82,249,394
	537,173,935	330,962,955
10.1 Suspense Account:		
Sundry Debtors	6,392,817	65,864,235
Advance against TA/DA	-	50,000
Advance against Petty Cash	25,000	25,000
Others	11,598,000	17,135,239
	18,015,817	83,074,474

The detail breakup of unadjusted suspense accounts are given below:

Amount in Taka

Sl	Breakup	Less than 03 months	03 months to less than 06 months	06 months to less than 09 months	09 months to less than 12 months	12 months and more
1	Sundry Debtors	5,359,892	-	-	-	1,032,925
2	Advance against TA/DA	-	-	-	-	-
3	Advance against Petty Cash	25,000	-	-	-	-
4	Cash Remittance	-	-	-	-	-
5	Legal expenses	-	-	-	-	-
6	Others	8,000	-	-	6,650,000	4,940,000
	Grand Total	5,392,892	-	-	6,650,000	5,972,925

10.2 Interest Receivable:

Receivable from Other Banks and NBFIs
Accrued Income on SND
Accrued Income on Call Loan
Accrued Income on Bonds & Commercial Paper
On Loans and Advances

2014 Taka	2013 Taka
22,551,144	55,375,268
9,575,418	30,557,346
1,224,153	47,639
67,771,431	153,482
4,000,735	715,236
105,122,881	86,848,971

11 Borrowings from other Banks & Financial Institutions and Agents

In Bangladesh
Outside Bangladesh

-	-
-	-
-	-

12 Deposits and Other Accounts

a) Deposits from banks
b) Deposits from customers

1,839,863	50,000,000
8,950,863,410	2,620,468,329
8,952,703,273	2,670,468,329

a) Deposits from banks

BRAC Bank Limited

1,839,863	50,000,000
1,839,863	50,000,000

b) Deposits from customer

i) Current Deposit & Other Accounts:

Current Deposit
Foreign Currency Deposits
Sundry Deposits

231,672,023	105,384,886
12,308	789,781
182,902,637	60,013,320
414,586,967	166,187,988

ii) Bills Payable:

Payable inside Bangladesh
Payment Order Issued

154,972,554	83,831,142
154,972,554	83,831,142

Payable outside Bangladesh

-	-
154,972,554	83,831,142

iii) Savings Bank Deposits:

General Deposits

378,019,551	34,646,700
378,019,551	34,646,700

	2014 Taka	2013 Taka
iv) Fixed Deposits:		
Fixed Deposits	6,410,099,832	2,246,889,117
Short Notice Deposits	821,115,015	122,876,349
Scheme Deposit [Note-12b(iv)]	773,909,352	16,037,033
	8,005,124,199	2,385,802,499
	8,952,703,273	2,670,468,329
12b(iv) Scheme Deposits:		
Deposit Pension Scheme	48,868,772	4,454,210
Meghna Child Education Plan	1,888,564	17,632
Monthly Income Scheme Deposit	278,780,400	100,267
Meghna Multiplier Scheme	444,371,616	11,464,924
	773,909,352	16,037,033
12.1 Deposits and Other Accounts:		
Current Deposit & Other Accounts:		
a) Deposits from banks	-	-
b) Deposits from customers	414,586,967	166,187,988
	414,586,967	166,187,988
Bills Payable		
a) Deposits from banks	-	-
b) Deposits from customers	154,972,554	83,831,142
	154,972,554	83,831,142
Savings Bank Deposits:		
a) Deposits from banks	-	-
b) Deposits from customers	378,019,551	34,646,700
	378,019,551	34,646,700
Fixed Deposits:		
a) Deposits from banks	1,839,863	50,000,000
b) Deposits from customers	8,003,284,337	2,335,802,499
	8,005,124,199	2,385,802,499
12b(i) Sundry Deposits		
Margin on letter of guarantee	70,980,750	17,583,076
Margin on letter of credit	84,752,546	35,233,008
Withholding VAT/Tax/Excise duty payable to Government Authority	14,622,458	7,128,157
Others	12,546,883	69,079
	182,902,637	60,013,320
12.2 Maturity wise classification of Deposits are as under with a residual maturity of:		
Repayable on demand	183,568,411	257,895,282
Within 1 month	240,233,000	44,971,468
Over 1 month but not more than 6 months	6,963,835,650	1,641,669,089
Over 6 months but not more than 1 year	883,981,715	709,995,724
Over 1 year but not more than 5 years	442,704,922	3,824,988
Over 5 years	238,379,574	12,111,778
	8,952,703,272	2,670,468,329
13 Other Liabilities		
Interest Payable on Deposits & Borrowings	219,766,680	34,633,163
Provision for Loans and Advances [Note-13.1 (a) & (b)]	77,597,252	14,400,000
Provision for Off-Balance Sheet items [Note-13.1 (c)]	21,568,000	6,647,000
Provision for Investment in Securities	773,298	-
Interest Suspense A/C	-	-
Provision for Taxation (Note-13.2)	-	15,745,076
MGBL General Account	7,165,196	-
Adjusting Account Credit	13,184,522	688,934
	340,054,947	72,114,173

- 13.3** MGBL General Account represents outstanding Inter-Branch and Head Office transactions (Net) originated but yet to be responded by the Balance Sheet date. The break-up of MGBL general account are given below:

	Debit		Credit	
	No. of entry	Amount	No. of entry	Amount
Up to 3 months	–	–	1	7,165,196
Over 3 Months but within 6 months	–	–	–	–
Over 6 Months but within 1 year	–	–	–	–
Over 1 year but within 5 years	–	–	–	–
	–	–	1	7,165,196
Net unreconcile amount				(7,165,196)

13.4 Provision against entries of NOSTRO Account

No provision is required as per Circular Letter No. FEPA(FEMO)/01/2005-677 dated 13 September 2005 for unreconciled NOSTRO debit entries as there is no outstanding entry over 3 months (**note: 5.3**).

14 Capital

14.1 Authorized Capital:

200,00,00,000 ordinary shares of Tk. 10 each

14.2 Issued, Subscribed and Paid up Capital:

The Paid-up Capital of the Bank is Tk. 4,433,000,000 divided into 443,300,000 Ordinary Shares of Tk 10 each

Issued for cash: shares of Tk. 10 each

	2014 Taka	2013 Taka
	20,000,000,000	20,000,000,000
	4,433,000,000	4,433,000,000
	4,433,000,000	4,433,000,000
	4,433,000,000	4,433,000,000
	4,433,000,000	4,433,000,000
	4,433,000,000	4,433,000,000

Holding

Sponsor Shareholders Group-A

In year 2014: 100%

14.3 Capital Adequacy:

Position of capital adequacy are given below:–

a) Core Capital (Tier –I):

- i) Paid-up Capital
- ii) Statutory Reserve (**Note-15**)
- iii) Retained Earnings (**Note-17**)

Less : Pre-Incorporation expenses

b) Supplementary Capital (Tier-II):

- i) General Provision **{Note 13.1(b+c)}**
- ii) Revaluation of Securities (**Note-16**) (50%)

c) Total Equity (a +b)

d) Total Risk Weighted Assets (**Note-14.4**)

e) Required Capital

f) Total Capital Surplus (c–e)

4,433,000,000	4,433,000,000
22,911,575	14,234,001
20,454,074	17,743,777
4,476,365,649	4,464,977,778
48,531,469	–
4,427,834,180	4,464,977,778
99,165,252	21,047,000
595,414	–
99,760,666	21,047,000
4,527,594,846	4,486,024,778
9,937,244,749	5,330,617,156
4,000,000,000	4,000,000,000
527,594,846	486,024,778

Capital Adequacy Ratio:

Particulars	2014 (Under Basel II)		2013 (Under Basel II)	
	Requirement	Capital	Requirement	Capital Maintained
Core Capital	5.00%	44.56%	5.00%	83.76%
Supplementary Capital		1.00%		0.39%
Total	10.00%	45.56%	10.00%	84.16%

14.4 Risk Weighted Assets (RWA) for

1. Credit Risk

On-Balance Sheet

Off-Balance Sheet

2. Market Risk

3. Operational Risk

Total Risk Weighted Assets (1+2+3)**15 Statutory Reserve**

Opening balance

Add: Addition during the year (20% of Pre-tax profit)**16 Other Reserve (Revaluation of HFT & HTM Securities)**

Opening balance

Add: Addition during the year**17 Retained Earnings**

Opening balance

Less: Issue of Bonus shares**Add:** Transfer from Profit & Loss Account**18 Acceptance and Endorsements**

Accepted Bills (Foreign)

Accepted Bills (Inland)

Endorsements (Shipping Guarantee)

Less: Margin**19 Letters of Guarantees**

Letters of guarantee

Less: Margin {Note-12.b(i)}

a) Claims against the Bank not acknowledged as debts

b) Money for which the Bank is contingently liable in respect of guarantees

given favoring: Directors or Officers

Government

Banks and other financial institutions

Others

Less: Margin**20 Irrevocable Letters of Credit**

Letters of credit

Less: Margin

	2014 Taka	2013 Taka
	7,564,214,918	4,768,073,906
	1,547,387,094	383,452,628
	112,424,463	17,423,210
	713,218,274	161,667,412
	9,937,244,749	5,330,617,156
	14,234,001	-
	8,677,574	14,234,001
	22,911,575	14,234,001
	533,651	-
	657,178	533,651
	1,190,828	533,651
	17,743,777	-
	-	-
	2,710,296	17,743,777
	20,454,074	17,743,777
	65,689,419	-
	104,642,687	100,012,500
	13,317,200	-
	183,649,306	100,012,500
	-	-
	183,649,306	100,012,500
	1,038,410,251	350,537,085
	70,980,750	17,583,076
	967,429,501	332,954,009
	-	-
	-	-
	-	-
	1,038,410,251	350,537,085
	1,038,410,251	350,537,085
	70,980,750	17,583,076
	967,429,501	332,954,009
	858,925,084	157,405,300
	84,212,986	35,233,008
	774,712,098	122,172,292

21 Income Statement

Income:

Interest, discount and similar income (Note-22 & 24)
Dividend income (Note-24)
Fees, Commission and Brokerage (Note-25)
Gains less losses arising from dealing securities
Gains less losses arising from investment securities
Gains less losses arising from dealing in foreign currencies (Note-25)
Income from non-banking assets
Other operating income (Note-26)
Profit less losses on interest rate changes
Nominal value of bonus share received

Expenses:

Interest paid on Deposits, borrowings etc. (Note-23)
Losses on Loans and Advances
Administrative expenses
Other operating expenses
Depreciation on banking assets (Annexure-B)

Income over expenditure**22 Interest Income:**

Interest on Loans and Advances: (Note-22.1)
Interest on balance with other Banks & Financial Institutions

22.1 Interest on Loans and Advances:

Interest Income on Cash Credit
Interest Income on Secured Over Draft
Interest Income on General Over Draft Loan
Interest Income on Inland Bill Purchased/Discount
Interest Income on Import Finance
Interest Income on Demand Loan (General)
Interest Income on Consortium/Syndicate Finance
Interest Income on House Building Loan
Interest Income on General Term Loan
Interest Income on Personal Loan Scheme
Interest Income on Agricultural and Rural Loan

23 Interest Paid on Deposits, Borrowing, etc:

a) Interest on Deposits

Interest Paid on Savings Deposits
Interest Paid on Short Notice Deposits
Interest Paid on Fixed Deposit Receipts
Interest Paid on Deposit Pension Scheme
Interest Paid on Meghna Child Education Plan
Interest Paid on Monthly Income Scheme
Interest Paid on Meghna Multiplier Scheme

b) Interest Paid on Borrowings

	2014 Taka	2013 Taka
	1,196,810,482	405,654,322
	70,000	-
	39,191,241	7,743,951
	1,206,120	-
	21,897,124	-
	11,814,884	1,349,755
	-	-
	16,832,651	5,684,205
	-	-
	-	-
	-	-
	1,287,822,502	420,432,233
	660,199,627	97,097,410
	-	-
	355,290,485	195,398,353
	69,677,389	27,073,622
	36,375,581	8,645,843
	1,121,543,082	328,215,228
	166,279,420	92,217,005
	560,466,324	56,578,471
	476,215,122	332,347,978
	1,036,681,445	388,926,449
	32,127,189	-
	9,064,597	1,858,562
	120,695,026	24,949,027
	3,156,659	307,113
	47,714,375	2,652,994
	124,459,240	14,318,160
	30,949,715	193,871
	22,943,147	788,986
	152,489,323	11,149,108
	8,418,670	360,651
	8,448,382	-
	560,466,324	56,578,471
	4,382,519	370,121
	8,826,311	7,101,363
	568,809,450	88,861,229
	2,257,738	99,457
	104,793	147
	10,078,389	267
	27,562,671	307,854
	622,021,869	96,740,438
	38,177,758	356,972
	660,199,627	97,097,410

24 Investment Income:

Income from Treasury Bills
 Income from Treasury Bonds
 Gain on Sale of Treasury Bonds
 Income from Investment in Commercial Paper
 Dividend Income
 Gain on Sale of Shares

2014 Taka	2013 Taka
10,540,411	16,667,673
133,620,250	60,200
21,897,124	–
15,968,376	–
70,000	–
1,206,120	–
183,302,281	16,727,873

25 Commission, Exchange & Brokerage:

Income from Commission
 Exchange earnings

39,191,241	7,743,951
11,814,884	1,349,755
51,006,125	9,093,706

26 Other Operating Income:

Income From Fees & Charges
 Income From Services
 Postage, Telex, Swift etc.
 Other charges (Note – 26.1)

8,412,144	665,473
4,283,624	606,839
748,650	105,650
3,388,233	4,306,243
16,832,651	5,684,205

26.1 Other Charges

Rent of Lockers
 Notice pay earnings
 Rebate Received
 Miscellaneous income

11,000	3,000
289,800	270,000
416,584	5,443
2,670,849	4,027,800
3,388,233	4,306,243

27 Salary & Allowances:

Basic Salary
 Allowances
 Consolidated Pay
 Bonus
 Bank's Contribution to Provident fund

88,136,671	39,608,758
80,330,685	50,423,196
21,245,429	8,666,052
16,680,462	10,637,513
7,998,324	3,955,643
214,391,571	113,291,162

28 Rent, Taxes, Insurance, Electricity etc.:

Rent, Rates & Taxes
 Insurance, Electricity & Lighting

94,816,321	54,770,789
13,969,936	7,519,541
108,786,258	62,290,330

29 Legal Expenses:

Legal Charges

132,730	222,528
132,730	222,528

30 Postage, Stamps, Telecommunication etc:

Postage
 Swift & Internet charge
 Telephone charges
 Mobile phone charges

207,012	67,642
8,535,473	510,480
502,047	120,607
960,178	288,363
10,204,710	987,092

31 Stationery, Printing, Advertisements etc:

Table Stationery
 Printing Stationery
 Security Stationery
 Computer Stationery
 Advertisement

1,339,819	705,501
1,983,447	1,093,967
307,097	23,575
1,808,072	325,364
6,546,674	9,234,395
11,985,109	11,382,802

32 Chief Executive's Salary & Fees:

Basic Salary
 Allowances
 Bonus

2014 Taka	2013 Taka
5,231,226	3,240,000
2,030,453	2,160,000
840,000	720,000
8,101,679	6,120,000

33 Directors' Fees:

Directors Fees

1,320,000	799,250
1,320,000	799,250

34 Auditors' Fees:

Auditors Fees

115,000	207,000
115,000	207,000

35 Depreciation, Amortization and Repair on Bank's Assets:**a) Depreciation on Bank's Assets (Annexure – B):**

Land & Building
 Vehicles
 Machinery & Equipments
 Furniture & Fixtures
 Computer and Peripherals
 Office Tools & Accessories

–	–
4,829,906	2,100,191
5,151,013	718,807
2,862,659	93,060
13,957,082	5,688,114
708,113	45,671
27,508,773	8,645,843

b) Amortization

Software

8,866,808	–
------------------	---

c) Repair on Bank's Assets:

Land & Building
 Vehicles
 Machinery & Equipments
 Furniture & Fixtures
 Computer and Peripherals
 Office Tools & Accessories

–	–
–	–
209,038	14,480
12,535	–
31,855	83,710
–	–
253,428	98,190
36,629,009	8,744,033

36 Other Expenses:

Petrol, Oil and Lubricants
 Entertainment
 Subscription
 Corporate Social Responsibility
 Travelling and Conveyance
 Training Expenses
 Car Maintenance expenses
 Office Maintenance and Service Charge expenses
 Newspaper & Magazine Expenses (Office)
 Software Maintenance Expenses
 Professional & Consultancy Fees
 Bank Charges
 Business development & Promotion
 Washing & Cleaning
 Security Service–Outsourcing
 Cash Carrying Charges
 Board and EC Meeting Expenses
 Drinking water Expenses
 Wasa Bill
 Gas Bills
 Crockerries Expenses
 Branch Inauguration Expenses
 Leverage and Uniform
 Miscellaneous Expenses

1,436,477	698,449
2,539,636	1,544,534
2,321,796	822,040
167,500	10,000,000
3,657,340	1,608,617
1,361,940	428,879
610,627	140,546
9,585,347	8,225,303
115,582	8,655
362,478	370,518
1,260,301	250,000
1,088,160	177,839
3,604,226	162,787
2,140,480	4,964
5,133,053	1,443,141
354,445	11,500
1,031,727	369,129
285,687	93,745
47,309	75,037
15,864	57,664
268,858	243,433
2,449,616	–
156,860	–
29,682,079	336,843
69,677,389	27,073,622

	2014	2013
	Taka	Taka
37 Provision for Loans, Investments, Off-Balance Sheet & Others Assets		
Provision for Unclassified Loans and Advances	63,197,252	14,400,000
Provision for Classified Loans and Advances	-	-
Provision for Off-Balance Sheet Exposure	14,921,000	6,647,000
Provisions for Diminution in Value of Investments	773,298	-
Provision for Other Assets	-	-
	78,891,550	21,047,000
38 Earning Per Share (EPS)		
Net Profit after Tax	11,387,870	31,977,778
Number of Ordinary Shares outstanding (Denominator)	443,300,000	443,300,000
	0.03	0.07
Earning per share has been calculated in accordance with BAS – 33: "Earnings Per Share (EPS)".		
39 Interest Receipts in Cash		
Interest income receipt (Note-22 & 24)	1,196,810,482	405,654,322
Add: Opening Interest Receivable (Note-10.2)	86,848,971	-
Less: Closing Interest Receivable (Note-10.2)	105,122,881	86,848,971
	1,178,536,571	318,805,352
40 Interest Payments		
Interest Paid on Deposits & Borrowings (Note-23)	660,199,627	97,097,410
Add: Opening Interest Payable on Deposit (Note-13)	34,633,163	-
Less: Closing Interest Payable on Deposit (Note-13)	219,766,680	34,633,163
	475,066,110	62,464,247
41 Cash Receipts from other Operating activities (Note – 26)		
Income From Fees & Charges	8,412,144	665,473
Income From Services	4,283,624	606,839
Postage, Telex, Swift etc.	748,650	105,650
Gain on Sale of Treasury Bonds and Shares	23,103,244	-
Other charges (Except income from sale of fixed assets)	3,388,233	4,306,243
	39,935,895	5,684,205
42 Cash Payments for other Operating activities		
Rent, Taxes, Insurance, Lighting etc. (Note-28)	108,786,258	62,290,330
Legal Expenses (Note-29)	132,730	222,528
Postage, Stamp, Telegram & Telephone (Note-30)	10,204,710	987,092
Directors' Fees (Note-33)	1,320,000	799,250
Auditors' Fees (Note-34)	115,000	207,000
Repair & Maintenance of Bank's Assets (Note-35.c)	253,428	98,190
Other Expenses	113,677,389	27,073,622
	234,489,515	91,678,011
43 Cash Increase/ Decrease in Other Assets (Note-10)		
Stock of Stationery and Stamps	2,659,457	350,581
Advance Rent	189,528,854	68,128,460
Suspense Account	18,015,817	83,074,474
Security Deposits	46,900	29,000
Advance against proposed Branch	48,522,958	-
Interest on Sanchaypatra	253,830	-
Stock of Capex	520,024	-
NCCB Securities & Financial Services Ltd	5,431,400	-
IDLC Investments Ltd (B/O Account)	5,270,322	-
Preliminary Expenses	-	10,282,075
Pre Incorporation Expenses	48,531,469	82,249,394
	318,781,030	244,113,984
Cash (Increase)/ Decrease in Other Assets	(74,667,046)	(244,113,984)

44 Cash Increase/ Decrease in Other Liabilities (Note-13)

MGBL General Account
Adjusting account credit

2014 Taka	2013 Taka
7,165,196	—
13,184,522	688,934
20,349,718	688,934
19,660,784	688,934

Cash Increase/ (Decrease) in Other Liabilities

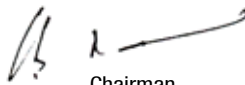


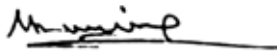
45 Cash and Cash Equivalent

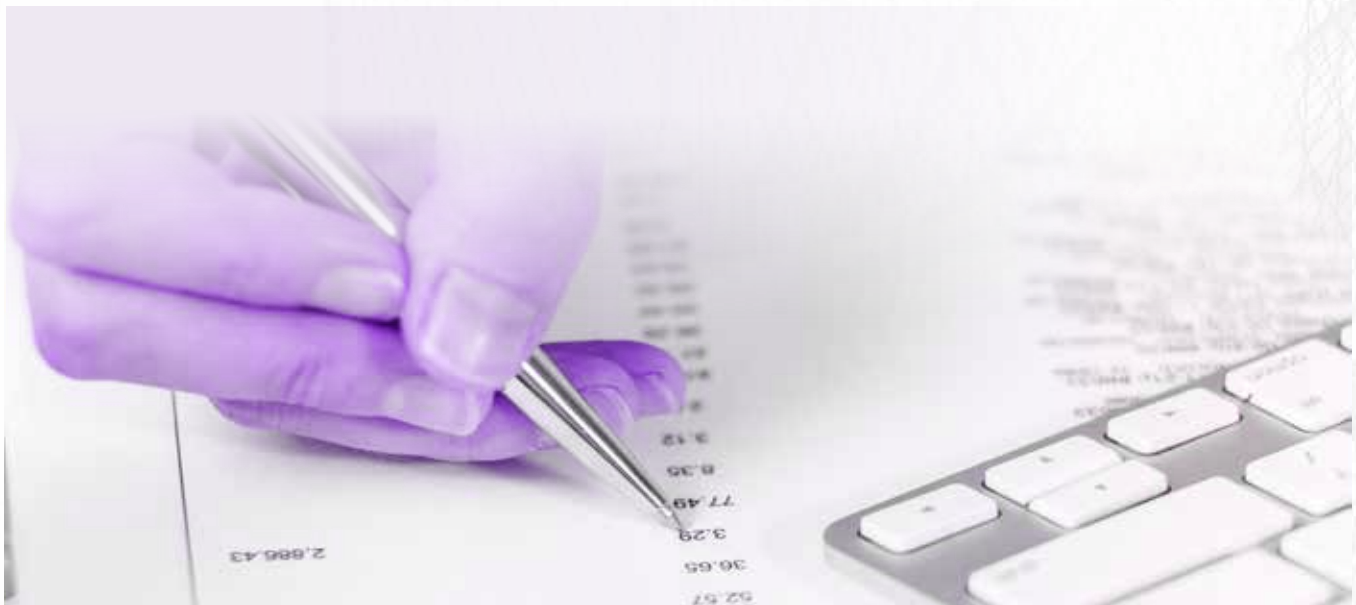
Cash in Hand
Balance with Bangladesh Bank & Sonali Bank Ltd (as agent of Bangladesh Bank)
Balance with Other Banks & Financial Institutions
Money at Call and Short Notice
Reverse Repo with Bangladesh Bank
Prize Bond in Hand

106,822,547	86,755,298
621,972,339	232,485,155
1,462,651,337	4,493,022,481
990,000,000	10,000,000
—	150,000,000
263,500	16,600
3,181,709,723	4,972,279,534

46 Number of Employees

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk.36,000 p. a. or above were 292.

 Chairman
  Director
  Director
  Managing Director & CEO



Basu Banerjee Nath & Co.
Chartered Accountants

Meghna Bank Limited
As on December 31, 2014

Annexure-A

Direct Investment in quoted Shares & Securities:

Sl No	Name of the Company	No. of Shares/ Securities	Market price per share	Market value Dec 31, 2014	Cost price Dec 31, 2014	Unrealized Gain/(loss)
1	AB Bank Limited	15,000	29.90	448,500	411,025	37,475
2	Appollo Ispat Complex Ltd	10,000	19.90	199,000	233,382	(34,382)
3	Barkatullah Electro Dynamics	5,000	33.00	165,000	164,771	229
4	City Bank Limited	20,000	21.80	436,000	422,196	13,804
5	Eastern Bank Limited	15,000	27.20	408,000	418,043	(10,043)
6	Ratanpur Steel Re-Rolling Mills	1,000	57.90	57,900	59,894	(1,994)
7	Square Pharmaceuticals Ltd	27,100	258.50	7,005,350	7,156,296	(150,946)
8	Titans Gas Transmission and Distribution Ltd	22,000	79.70	1,753,400	1,949,361	(195,961)
9	United Commercial Bank Ltd	18,000	29.30	527,400	501,852	25,549
10	Active Fine Chemical Company Ltd	30,000	73.90	2,217,000	2,292,371	(75,371)
11	Bata Shoe Company Ltd	5,000	1,172.10	5,860,500	6,191,654	(331,154)
12	M.I. Cement Company Ltd	10,000	72.20	722,000	772,504	(50,504)
Total				19,800,050	20,573,347	(773,297)

Taka

773,297
773,298
1

Provision requirement
Provision maintained up to 31 December 2014
Provision Surplus at the end of this year

MEGHNA BANK LIMITED
FOR THE YEAR ENDED 31 DECEMBER, 2014
SCHEDULE OF FIXED ASSETS

Annexure-B

A) Tangible Assets :

Particulars	C O S T				Rate of Depreciation	D E P R E C I A T I O N				WDV as on 31 December 2013
	Balance as on 1 January 2014	Additions during the year	Disposal/ Transfer during the year	Balance as on 31 December 2014		Balance as on 1 January 2014	Transfer/ Adjustment during the year	Charge for the year	Balance as on 31 December 2014	
Vehicles	21,265,046	9,923,220	-	31,188,266	20%	-	4,829,906	6,930,097	24,258,169	19,164,855
Machine and Equipment's	14,673,997	31,497,087	-	46,171,084	20%	-	5,151,013	5,869,820	40,301,264	13,955,190
Furniture & Fixtures	2,990,412	39,385,362	90,969	42,284,805	10%	5,903	2,862,659	2,949,816	39,334,989	2,897,352
Computer & Computer Peripherals	29,991,611	19,453,418	-	49,445,029	33%	-	13,957,082	18,209,764	31,235,265	25,738,929
Office Tools & Accessories	1,298,162	4,063,611	-	5,361,773	20%	-	708,113	753,784	4,607,989	1,252,491
Total (A)	70,219,228	104,322,698	90,969	174,450,957		5,903	27,508,773	34,713,281	139,737,676	63,008,817

B) Intangible Assets :

Particulars	C O S T				Rate of Amortization	A M O R T I Z A T I O N				WDV as on 31 December 2013
	Balance as on 1 January 2014	Additions during the year	Disposal/ Transfer during the year	Balance as on 31 December 2014		Balance as on 1 January 2014	Transfer/ Adjustment during the year	Charge for the year	Balance as on 31 December 2014	
Software	21,715,000	38,060,000	-	59,765,000	20%	-	8,866,808	10,302,240	49,462,760	20,279,568
Total (B)	21,715,000	38,060,000	-	59,765,000		-	8,866,808	10,302,240	49,462,760	20,279,568
Total (A + B)	91,934,228	142,372,698	90,969	234,215,957		5,903	36,375,581	45,015,521	189,200,436	83,288,385

Meghna Bank Limited
Balance with other banks in foreign currency

Annexure-C

[Referred to Note 5.2 of these financial statements]

SL No.	Name of the Banks	Currency Name	2014			2013		
			Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.
1	AB Bank Ltd, Mumbai	ACU	192,540.49	77.9200	15,002,754.98	11,094.00	77.7500	862,558.50
2	AB Bank Limited, OBU-USD	USD	2,022.72	77.9200	157,610.34	44,162.72	77.7500	3,433,651.48
3	Mashreq Bank p.s.c. New York, U.S.A	USD	27,697.91	77.9200	2,158,221.15	35,755.21	77.7500	2,779,967.58
4	Habib American Bank, New York, U.S.A	USD	48,655.10	77.9200	3,791,205.39			
5	Mashreq Bank London, UK	GBP	9,780.00	120.9085	1,182,485.13			
6	Mashreq Bank London, UK	EUR	40,155.30	94.5637	3,797,233.74			
7	National Bank of Pakistan, Tokoyo, Japan.	JYP	3,000,410.00	0.6469	1,940,965.23			
8	Mizuho Bank Ltd, Tokyo, Japan.	JYP	1,939,400.00	0.6469	1,254,597.86			
9	National Australia Bank Ltd	AUD	8,643.72	63.3178	547,301.33			
	Total				29,832,375.15			7,076,177.56

Meghna Bank Limited

Details information of Loans & Advances more than 10% of Bank's total capital (funded & non-funded)

Annexure – D
(Tk. In Crore)

SL. No.	Name of client	Outstanding		% of Loans to Total Capital			
		Funded	Non-funded	Total	Funded	Non-funded	Total
1	SM Steel Re-Rolling Mills Ltd	51.06	20.08	71.14			
	Rex Motors		2.87	2.87			
	Group-total	51.06	22.95	74.01	11.28%	5.07%	16.35%
2	Abul Khair Tobacco Co. Ltd	53.17	–	53.17			
	Abul Khair Ltd	4.25	11.15	15.40			
	Group-total	57.42	11.15	68.57	12.68%	2.46%	15.14%
3	Navana Construction Ltd	33.80	8.80	42.60			
	Simplex-Navana JV	2.98	9.59	12.57			
	Group-total	36.78	18.39	55.17	8.12%	4.06%	12.19%
	Total	145.26	52.49	197.75			

Bank's total Capital as on 31 December 2014 is Tk. 452.76 Crore

FINANCIAL HIGHLIGHTS

(Amount in Taka)

SL	PARTICULARS	2014	2013
1	Paid up Capital	4,433,000,000	4,433,000,000
2	Total Capital (Core + Supplementary)	4,527,594,846	4,486,024,778
3	Capital Surplus	527,594,846	486,024,778
4	Total Assets	13,770,314,696	7,208,093,931
5	Total Deposit	8,952,703,272	2,670,468,329
6	Total Loans & Advances	7,192,032,212	1,494,856,337
7	Total Contingent Liabilities and Commitments	2,156,700,517	657,830,605
8	Advance Deposit Ratio (%)	80.33%	55.98%
9	Percentage of Classified Loans against total Loans and Advances	0.00%	0.00%
10	Profit after Tax and Provision	11,387,870	31,977,778
11	Amount of Classified Loans During Current Year	–	–
12	Provisions kept against classified Loans	–	–
13	Provisions surplus	6,223	40,083
14	Cost of Fund	14.22%	15.36%
15	Net Cost of Fund	13.30%	13.41%
16	Weighted Average Return	14.91%	14.77%
17	Interest Earning Assets	12,315,145,439	6,474,602,138
18	Non–Interest Earning Assets	1,455,169,257	733,491,793
19	Return on Investment (ROI)	11.65%	10.69%
20	Return on Assets (ROA)	0.11%	0.44%
21	Income from Investment	183,302,281	16,727,873
22	Earning Per Share	0.03	0.07
23	Net Income Per Share	0.03	0.07

ROUND THE YEAR

EVENTS

2014



The 1st Annual General Meeting of Meghna Bank Limited was held on June 25, 2014 at Spectra Convention Center, Gulshan-1, Dhaka. Chairman of the Bank Mr. H. N. Ashequr Rahman MP presided over the meeting. Among others Vice Chairman, Mr. Abdul Alim Khan Selim, Managing Director & CEO, Mr. Mohammed Nurul Amin, Directors and Sponsors attended the meeting.

Meghna Bank limited has celebrated its one year successful journey at a simple ceremony at Banks principal Branch, Doreen tower, Gulshan 2, Dhaka. Mr. Abdul Alim Khan Selim, Vice Chairman, Meghna Bank Ltd, Mr. Md. Mohashin Miah, Managing Director & CEO (CC) together with Directors, Sponsors, senior executives of the Bank, respected clients and local elites were present in the celebration.



Half-yearly Business Review Meeting of Meghna Bank Limited was held at the head office of Meghna Bank Limited. At inaugural session Chairman of The Meghna Bank Ltd. The meeting was presided by the Managing Director of Meghna Bank Mr. Mohammed Nurul Amin. Among others the Additional Managing Director Mr. Md. Mohashin Miah, Senior Officials and Branch Managers were present at the meeting.

Meghna Bank participated in a Syndicated Finance program for BSRM Steels Limited



Meghna Bank financed in Agricultural Sector.

Meghna Bank financed in women entrepreneurship business.





The 14th branch of Meghna Bank Limited was inaugurated Choyani Bazar, Begumgonj, Noakhali. Managing Director & CEO of the Bank Mr. Mohammed Nurul Amin headed the opening program. Mr. Abdul Alim Khan Salim, Vice Chairman, Meghna Bank Limited inaugurated the branch as chief guest & Mr. Md. Shohidul Ahsan Chairman of Ahsan Group was attended as special guest.

The 16th Branch of Meghna Bank Limited was inaugurated at Dhanmondi, Dhaka. Managing Director & CEO of the Bank Mr. Mohammed Nurul Amin headed the opening program. Mr. H. N. Ashequr Rahman MP, Chairman, Meghna Bank Limited inaugurated the Branch as Chief Guest.



Retail, SME & Other Finance Division of Meghna Bank Limited arranged a workshop on "CUSTOMER SERVICE & PRODUCT MARKETING" for its employees, at Head Office, Dhaka. Managing Director & CEO of The Bank Mr. Mohammed Nurul Amin inaugurated the workshop as Chief Guest.

Meghna Bank handed over blankets under Bank's CSR activities to Bangladesh Bank for distribution among the cold-stricken people in different parts of the country to reduce their sufferings. Mr. Arif Quadri Deputy Managing Director of Meghna Bank handed over a sample of the blankets to Mr. AFM Asaduzzaman, General Manager of Governor's secretariate of Bangladesh Bank at Bangladesh Bank, Head Office, Dhaka.



Meghna Bank Inaugurate its first ATM booth "Meghna AnyTime" to its Principal Branch. Chairman of the Bank Mr. H. N. Ashequr Rahman MP inaugurate "Meghna AnyTime" as chief guest. Among Directors Mr. Md. Kamal Uddin, Mr. S. M. Jahangir Alam Manik, Ms. Rehana Ashequr Rahman & Sponsors of the Bank Mr. Md. Shohidul Ahsan & Mr. Md. Saiful Islam were attended the occasion as Special Guest. Managing Director & CEO of the Bank Mr. Mohammed Nurul Amin presided the program.

Meghna Bank Limited has recently signed an Agreement with Trans-Fast Remittance LLC, USA to facilitate Inward remittance of expatriates Bangladeshis residing abroad.

Mr. Mohammad Khairuzzaman, Country Head of Trans-Fast has handed over the Agreement to Mr. Mohammed Nurul Amin, Managing Director and CEO of Meghna Bank Limited at a simple ceremony at Meghna Bank Head Office.





Together We Sail

It's time to think again to make your dreams come true.
Be with us, feel the power of togetherness.



Proxy Form

I/We.....being member of Meghna Bank Limited and entitled to vote, hereby appoint
Mr./Ms..... as member of Meghna Bank Ltd.
with folio no..... as my/our proxy to attend and vote on my/our behalf at the 1st Annual General
Meeting of the Company to be held on Thursday, 13th August 2015 at 12:30 pm at the Eden Ballroom of Hotel Amari Dhaka located at Plot No.
47, Road No. 41, Gulshan-2, Dhaka-1212 or at any adjournment thereof.

Signed this.....day of....., 2015.

Signature of Proxy.....

.....
Signature of Shareholder

Revenue Stamp
Tk. 20.00

Folio No.....

No. of Shares.....

N.B.

1. This Proxy Form, duly completed, must be deposited at least 48 hours before the meeting at the Company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the Shareholders should agree with the Specimen Signature registered with the Company.



Attendance Slip

I hereby record my attendance at the 2nd Annual General Meeting of the Company being held on Thursday, 13th August 2015 at the Eden Ballroom of Hotel Amari Dhaka located at Plot No. 47, Road No. 41, Gulshan-2, Dhaka-1212.

Name of Member or Proxy.....

Folio No.....

Signature.....

Date.....

- N.B.** Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and deposit the same at the entrance of the meeting hall.



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