

ANNUAL REPORT 2015



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MEGHNA BANK LTD.
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ANNUAL REPORT 2015

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ANNUAL REPORT 2015

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Notice of the 3rd Annual General Meeting

Notice is hereby given to all Members of Meghna Bank Limited (the Company) that the 3rd Annual General Meeting of the Members of the Company will be held on Monday, March 28, 2016 at 11:00 am at Ballroom-3, Hotel The Westin Dhaka located at Plot No. 1, CWN (B), Road No. 45, Gulshan-2, Dhaka-1212, to transact the following agenda:

Agenda:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on December 31, 2015 together with the reports of the Auditors and the Directors thereon;
2. To declare dividend for the year ended on December 31, 2015 as recommended by the Board of Directors;
3. 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;
4. To appoint Auditors of the Company for the term until conclusion of the next Annual General Meeting and to fix their remuneration; and
5. To transact any other business with the permission of the Chair.

March 10, 2016

By order of the Board



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

Notes:

1. The Board of Directors recommended for payment of 6% Cash Dividend for the year 2015.
2. The "Record Date" is February 28, 2016 as approved by the Board of Directors of the Company.
3. Shareholders whose name appeared in the Members Register of the Company at the close of business on 28th February, 2016 (Record Date) will be eligible to attend and vote in the 3rd Annual General Meeting and will be entitled to Cash Dividend as mentioned above.
4. Members entitled to attend the Annual General Meeting are entitled to appoint a Proxy to attend and vote on 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 72 hours before the time fixed for holding the Annual General Meeting.



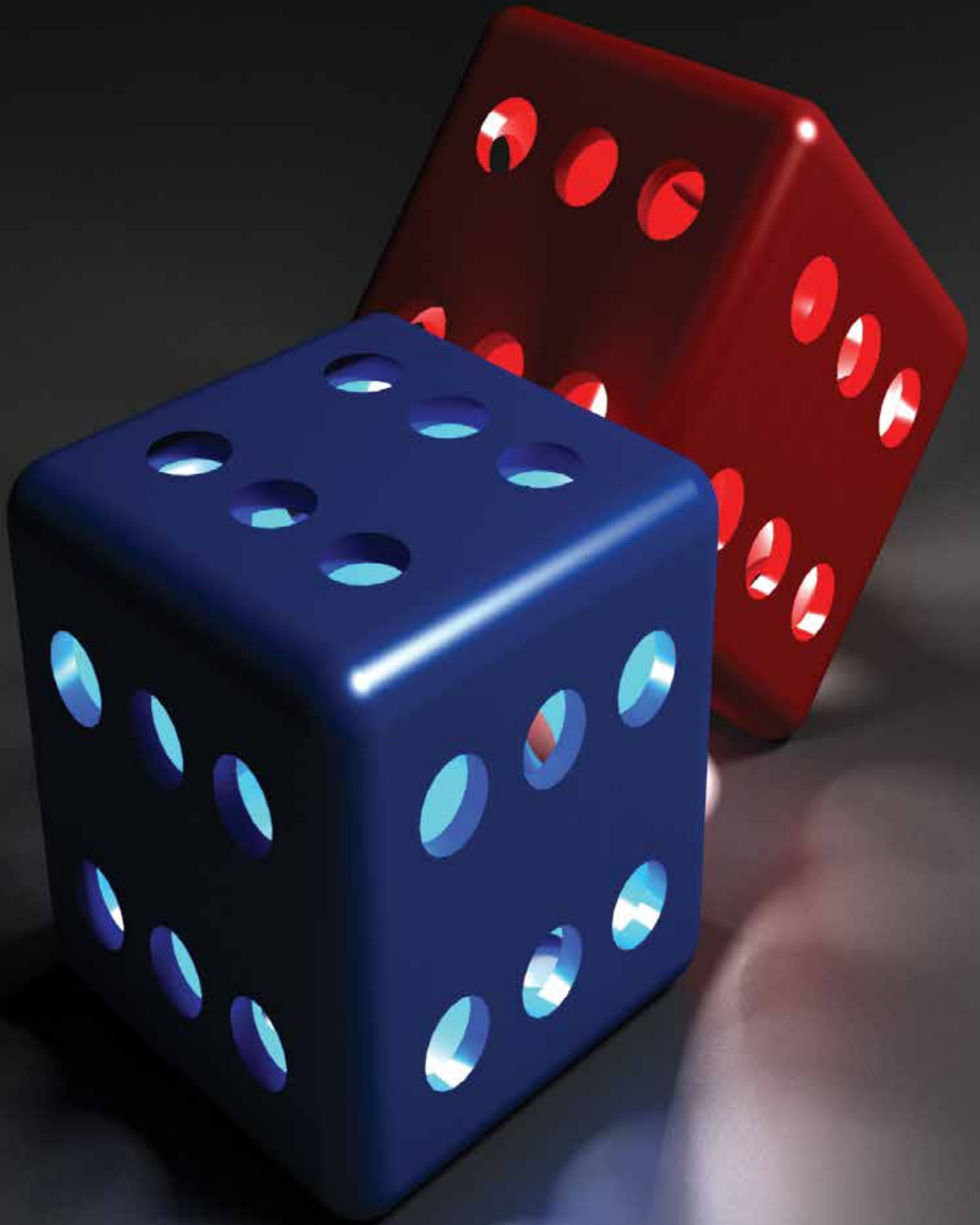
Vision and Mission

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 Values

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



Abdul Alim Khan Selim
Vice Chairman



Md. Yasin Ali
Director
Nominated by
Legacy Fashion Ltd.



Farah Ahsan
Director



Md. Kamal Uddin
Director



Tanveer Ahmed
Director
Nominated by
Cassiopea Fashion Ltd.



Shakhawat Hossain
Director



Alock Kumar Das
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
Salim & Brothers Ltd.



Uzma Chowdhury
Director



M.A Maleque M.P.
Director



Mohammed Nurul Amin
Managing Director & CEO

SPONSOR MEMBERS



Legacy Fashion Ltd.
Represented by
Md. Yasin Ali



H.N. Ashequr Rahman M.P.



Farah Ahsan



Abdul Alim Khan Selim



Md. Kamal Uddin



**Late Maj Gen Amjad Khan
Chowdhury (Retd.)**



Cassiopea Fashion Ltd.
Represented by
Tanveer Ahmed



Uzma Chowdhury

*Effective from 29.12.2014 in place of Maj
Gen Amjad Khan Chowdhury (Retd.) due to
transfer of shares.*



Shakhawat Hossain



Alock Kumar Das



Md. Mazibur Rahman Khan



Md. Ali Azim Khan



**Salim & 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 DIRECTORS

Executive Committee

Md. Yasin Ali	Chairman
Abdul Alim Khan Selim	Member
Md. Kamal Uddin	Member
Ashiqur Rahman Lasker	Member
Rehana Ashequr Rahman	Member
Md. Mazibur Rahman Khan	Member
Md. Nazrul Islam	Member

Risk Management Committee

Md. Kamal Uddin	Chairman
Abdul Alim Khan Selim	Member
Tanveer Ahmed	Member
Mohammed Mamun Salam	Member
S.M. Jahangir Alam (Manik)	Member

Audit Committee

Shakhawat Hossain	Chairman
Md. Ali Azim Khan	Member
Uzma Chowdury	Member
Saidur Rahman Sarker	Member
Nuran Fatema	Member

SENIOR EXECUTIVES

Mohammed Nurul Amin	Managing Director & Chief Executive Officer
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
Md. Shah Alam	Senior Assistant Vice President
Abul Kashem Mohammad Nazmul Karim	Senior Assistant Vice President
Md. Salah Uddin Khan	Senior Assistant Vice President
Kazi Moeenur Rahman Chowdhury	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
Md. Kawsaruzzaman Chowdhury	Assistant Vice President



Leader of the Success





THE MANAGING DIRECTOR AND CEO'S MESSAGE

Dear Sponsors and Directors of the Board,

It is my pleasure to report that 2015 was the year when Meghna Bank has achieved greater penetration with our services and products all around the country to urban, semi-urban and rural areas. Standing on the strategy of continuous improvement in financial parameters in 2015 Meghna Bank has developed a strong deposit base, expanded network, good asset quality and healthy capital adequacy, and above all gained customer confidence.

During the year, we added 10 branches to our network across the country. The number of ATMs also increased which means Meghna Bank has gone even closer to the people. Customers appreciated the branch locations and installation of ATMs. Now we have people coming from different areas to have a branch of Meghna Bank Limited in their respective areas.

This progress is happening for many reasons. To name a few, Customer Service is our priority. Because of our way of dealing with customers they feel like coming back and again as it is their Bank. Our diversified product attracts people from different walks of life. Monitoring different portfolios, remaining vigilant in disbursing loans helped us to maintain zero NPL position at the close of business 2015.

IT and network service is very essential and can create new avenues. Our complete Core Banking System is handling the daily transaction and on the other hand we are creating customized software solutions designed for specific departments. These internal softwares are interlinked with each other, the pace of work increases as a result less paper will be used, less time will be required and customers will get quicker service in future.

I take pride to say that Meghna Bank observes, realizes the necessity and launches new products according to customers' need. Our blending of products satisfies the customers because they know they will get the required service if they come to



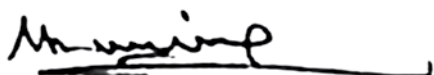
Meghna Bank. Other than retail products Meghna Bank has already started operation of Meghna Bank Securities. And very soon Meghna Bank Credit card will be introduced.

Just like before, Meghna Bank is committed to its responsibilities of its stake holders, to attain highest level of Corporate Governance; the Bank is committed to adopt best Practices in terms of disclosure, transparency, and business ethics.

2015 was the year of the Bank to test its strength and coming up strong, maintain the pace with business with local and foreign business and financial position proved the firmness of the Bank. Meghna Bank concentrated on service, quality and delivery. With the experience of previous years and knowledge of our strengths and weaknesses Meghna Bank is looking forward to year 2016 as the year to achieve and make progressive advancement.

Dear Shareholders:

It is a matter of pride that employees of Meghna Bank are committed to their work. In 2016 we are looking forward to sustainable growth and success. As we say, ensuring all sorts of compliances we are ready to contribute and move forward with a slogan “Service above and beyond” and take Meghna Bank to a position where it should belong.



Mohammed Nurul Amin
Managing Director & CEO

SPEECH BY THE CHAIRMAN

Dear All,

(Esteemed Directors, Shareholders, CEO of Meghna Bank Limited, Management and Officers of the Bank)

While preparing the message for the event of Annual General Meeting, being held today, 28th March of 2016, I was glancing through what I said last year. I was almost admiring myself, wondering how could I have covered almost all the vital issues of banking that I needed to have said at the beginning of our fateful journey.

Desirably, this speech of mine should be read together with the earlier one.

To my surprise, I notice that the scenario is almost same. True, political environment is quiet at present, turmoil is no longer there. Still I must say, it is difficult time. Stagnation in business continues, glut continues to exist. Entrepreneurs are not coming forward with sound and sure investments. The interest rate continues to fall, which rather relates to poor demand for money than from a necessity for supply of adequate fund at an affordable rate to help propel a buoyant emergence of investment expansions. That is why surplus fund is piling up. Funds are underutilized lying in vaults. It is almost a pyrrhic phenomenon.

It is true worldwide growth rate is low and rise in growth is rather slow moving at 2.9%. We can take pride, despite worldwide recession, we are maintaining a healthy growth of 6.5% and currently targeting 7% and above. This is largely due to foreign remittance, garments sector, steady agriculture, low price of fuel, reduced political uncertainty, improved environment, increased pace of reforms and fiscal consolidation etc. But we are yet to turn the situation into a productive multiplier and stretch the opportunity to reach optimized Production Possibility Frontier (উৎপাদনের সীমারেখা).

All said and done, we must reckon that we are fortunate that we can shape our own future to our advantage. We can control and utilize our resources, which are, in fact, limitless.

We are free from adverse conspiratorial impediments and the horizon is within our reach. On this occasion I remember in great gratitude Father of our nation Bangabandhu Sheikh Mujibur Rahman, under whose valiant leadership Bangladesh was born. But for Sheikh Hasina daughter of Bangabandhu, our Prime Minister, Meghna and other Banks of fourth generation would not have come. Today she is at the steering of the country. Bangladesh which lost its way has been brought back to the path of what is righteous and lightened and for what we shed our blood. She wants the Banking system to reach every doorstep in the country with the inclusive banking solution. Under her leadership Sonar Bangla will surely be realized.

Competition is stiff. With difficulty we could invest 70% of our deposit fund. With this kind of investment, we may not be able to float that well. At the same time, we cannot rush to advance loan without scrutiny, business intelligence and investigation of track record of potential customers. We need be cautious and at the same time we need bring equilibrium and build inclusive banking for all, poor and rich, rural and urban. To survive well, we have to go for expanded bundle of fixed deposits, savings deposits and current deposits. We have to look at consumer banking, mobile banking, small loan, medium loan, large loan, investment banking along with debt consolidation, credit card expansion. We must become consciously customer friendly and in suitable cases, allow loan for home improvement, home buying, small venture, business venture, wedding expenses and non-funded investments. We shall as well sanction green loan, medical loan and meet such other exigencies, provided they are within banking norms.

In the effort to avoid the cycle of defaulting and non-performing loans in our Bank, a sound credit culture must be instilled which demands timely regularization of risk and has little tolerance of rating inaccuracy. We must remember that credit risk is the primary financial risk in any banking system. Capital depletion through loan losses over time has been one of the important causes of institutions' failure.

I feel the government should come forward to create demand for money on a massive scale. With domestic funds lying with Banks and as well with hitherto unutilized huge foreign currency reserve of USD 30 billion or so, the Government may come

forward aggressively in building extensive road network of four to six lanes, double track rail lines, development of waterway system and riverine control across the country. And also Government may ensure supply of adequate gas and power throughout the country for building industrial ventures and generating employment opportunities and put up services like school, universities, hospitals etc. in all areas / regions of the country. No point in Bangladesh should be farther away than four-hours from another point of Bangladesh. Dhaka should be buoyant and thriving capital of a shining country. Meghna Bank will come forward to participate in such ventures if undertaken by the Government. We must remember that Bank is a lubrication and oil for the economy of the country and we are ready to play the role effectively.

Nonetheless, we are doing good and we want to do better. We are holding and we shall continue to hold for a better future. I ask for your co-operation. I tell you even though circumstances are not that simple, we have done better than 2014. 2015 was a stable year for us. That was possible for great efforts made by our officers and employees under dynamic guidance of CEO Mr. Mohammed Nurul Amin and your co-operation. You will be glad to know Meghna Bank's profit before provision and taxes in 2015 has shown significant rise. At the year end, profit was over Tk. 69.00 crore. Customer Deposit of the bank at present is about Tk. 2,100.00 crore.

You will be glad to know that recently acquired Securities Company Meghna Bank Securities Limited already started operation from November 2015. We, in the meanwhile, made a profit of Tk. 26 Lac and supposedly earned a dividend of Tk. 72 Lac. Once we can build trust we shall be able to attract increased number of customers to our Securities Company especially in view of falling rate of interest.

In totality we aim to deliver a higher return to our investors and customers while controlling risk elements.

All of us by now know the recent debacle that has happened with our reserve. US Dollar 100 million or so have been hacked. Attempts were made to hack total balance of Bangladesh Bank's Nostro Account with Federal Reserve amounting to US Dollar 1 Billion. But that failed. I have every reason to believe that the lost money will be recovered. But it has given us a lesson. We must strengthen our skill, build our multi-tier caution and vigilance system. We must not compromise with core-quality. We must become technologically stout and strong and see that all those who are involved are totally committed. Even after 45 years of emancipation, serious scarcity in flow of skill, competence, business intelligence, professional analysis, sound financial structure and professionalism exists. Technology is fast and changes every moment. Unless adapted soonest and simultaneously, falling down is inevitable. We must address these issues seriously in good earnest.

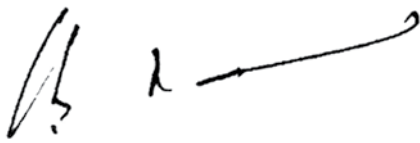
Anti-Money Laundering System and Safety net must be in place 100% safe and secured.

আমাদের ব্যাংক চলার গতিতে চলবে। দিনে দিনে গতি নিশ্চয়ই বাড়বেই। পথ চলাতেই আনন্দ। তবুওতো চলার পথে প্রয়োজন হয় রসদের। আপনারা জেনে খুশি হবেন, এ বছর আমরা ৬% লভ্যাংশ ঘোষণা করেছি এবং আমাদের জন্য যারা ভাল কাজ করেছেন তাদের জন্য দুই মাসের বোনাস।

I am sure that the beloved Institution of ours will overcome the challenges. What we have created will grow far beyond us, grow huge and huge into an iconic image to behold. Truly, Meghna Bank will belong to ages.

Thank you for listening.

জয় বাংলা।



H.N. Ashequr Rahman, M.P.
Chairman

DIRECTORS REPORT

The Board of Directors of Meghna Bank Limited has the pleasure of presenting its report to the Shareholders of the company in the 3rd Annual General Meeting along with the Audited Financial Statements for the year 2015 and the Report of the Auditors to the shareholders. An outline on the global and local market performance with key indicators relating to performance of the bank has also been incorporated in this Report.

Global Economy:

Global growth disappointed again in 2015, slowing to 2.4 percent and is expected to recover at a slower rate than previously envisioned. Growth is projected to reach 2.9 percent in 2016, as a modest recovery in advanced economies continues and actively stabilizes among major commodity exporters. In developing countries, growth in 2015 is estimated at a post-crisis low of 4.3 percent; down from 4.9 percent in 2014. In a development unprecedented since the 1980s, most of the largest emerging economies in each region have been slowing at the same time for three consecutive years. On average, activity in emerging and developing commodity exporters stagnated in 2015, as they continued to be hard hit by declining commodity prices.

Notable exceptions in an otherwise gloomy outlook for developing countries include South Asia, as well as some commodity-importing countries in East Asia. Growth in low-income countries generally remained robust in 2015, although slowing to 5.1 percent from 6.1 percent in 2014. Some low-income economies showed continued strength supported by large scale infrastructure investment, ongoing mine development, and consumer spending. However, fiscal risks have increased in several countries in East Africa because of sharp increases in public debt and contingent liabilities. The recovery in major high-income countries gained grip last year. This has been increasingly driven by stronger domestic demand, particularly in the United States, where employment conditions are robust. In the Euro Area, credit growth is picking up and unemployment is declining. The recovery remains fragile in Japan despite substantial policy stimulus. With external demand negatively affected by a slowdown in large emerging market economies, growth forecasts across major high-income economies in 2016 have been shaded down, but growth should still show some improvement from 2015. The tightening cycle of the U.S. Federal Reserve is projected to be very gradual, while policy accommodation will likely continue in the Euro Area and Japan. China's gradual slowdown and rebalancing continued in 2015, as further deceleration in sectors with excess capacity was partially offset by robust growth in services.

Bangladesh Economy:

Bangladesh economy achieved 6.50% growth in FY 2015 as compared to 6.10% in FY 2014. Outlook for FY2016 is also encouraging as Government targeted economic growth at 7.0% for the year. Bangladesh Bank and World Bank forecasted that Bangladesh economy will grow at 6.80% to 6.90% and at 6.8% respectively in FY 2016.

CPI inflation fell to 6.19 % in December 2015 against 7.28 % in July 2014 due to significant drop in food inflation from 8.55% (July 2014) to 6.05% (December 2015) though nonfood inflation showed an upward tendency to reach 6.41% from as low as 5.41 % over the same period. Core inflation that excludes both food and fuel components rose to 6.79 % in December 2015 from 6.28 % in July 2015.

To boost investment in a relatively improved condition which bringing back market confidence, Bangladesh Bank lowered both repo and reverse repo rates by 50 basis points to reach 6.75 % and 4.75 % respectively. Average lending rate fell to 11.27 % in November 2015 from 12.84 % in July 2014. The average deposit rate fell to 6.46 % from 7.71 % over the same period. The call money rate has fallen from 8.57 % in January 2015 to 3.69 % in December of the same year. Reducing interest rates caused to reduction of interest rate spread from 5.13 % in July 2014 to 4.81 % in November 2015.

There was steady credit growth in Private Sector like previous years. The growth rate was 13.70% in November 2015 as against 13.20 % in the FY 2015. Public Sector credit however experienced a negative growth in the FY 2015.

In FY 2015, Export growth was 3.3% which was significantly less than 12.1% in FY 2014. It was due to low growth of 4.1% in Garments sector which contributes to around 80% of total exports. This was mainly due to soft demand from the European Union and the US and also due to disruptions caused by unfavorable scenario prevailing in the country in early 2015.

Imports growth was 11.20% in FY 2015 as compared to 8.90% in FY 2014. Larger imports of food grains, machinery, fertilizer, and industrial raw materials helped to propel the growth.

MEGHNA BANK LIMITED

Principal Activities

The principal activities of the bank are to do banking business by providing services as a scheduled commercial Bank and other activities related to banking business. Scope of business include accepting deposits, allowing withdrawal, extending credit to borrowers, trade financing, project financing, lease and hire purchase financing, credit cards, remittance services etc.

The bank added 10 new Branches to its network in year 2015 and is currently providing services to its customers through 26 Branches. In addition to building own ATM network by installing more ATMs gradually, Bank has already joined the largest shared ATM network of the country to cater customer demand. Introduction of Internet Banking, Mobile Banking, Credit Card etc. are ongoing.

Risk Management

Effective risk management is must for sustainable growth of a Bank. A bank is susceptible to various elements of credit risk, market risk, operational risk, liquidity risk, reputation risk and some other risks involving business strategy, concentration and compliance of rules and regulations. The Risk Management Committee of the Board is always focused on disciplined risk assessment and measurement procedures and continuous monitoring.

Capital Management

The capital fund includes the paid-up capital, statutory reserve, retained earnings, provision on unclassified loans and advances. Total consolidated capital fund of the bank increased by Tk. 540.80 million and stood at Tk. 5.07 billion at the end of 2015. Details on the capital fund is available in the “Market Discipline–Disclosures on Risk Based Capital” contained in this Annual Report.

Human Resources

Transforming human resources into human capital through enhancement of knowledge level, development of skills, abilities and personal attribution is the vision of the Bank. The Bank is maintaining a good working environment and motivating the workforce with contemporary benefits.

Corporate Governance

The Board is committed to adhere strictly to the statutory obligations and regulatory guidelines. 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).

To discharge the duties and responsibilities of the Board, three Committees i.e. Executive Committee, Audit Committee and Risk Management Committee remained functional with defined 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 2015, thirteen meetings of Board of Directors, nine meetings of Executive Committee, four meetings of Audit Committee and four meetings of Risk Management Committee were held.

Financial position and performance of the bank

Performance of the Bank during Year 2015 was satisfactory. Various parameters reflect that the Bank maintained to grow in all respect. Some of the key indicators reflecting growth of the Bank are summarized below as ready reference of the shareholders. Bank's total asset and liability increased by Tk. 9.02 billion showing growth of 65.51% over year 2014. Details of the items which resulted the overall growth are available in the Audited Financials of the Bank:

Total Assets:

Major contribution in the overall 65.51% growth in assets of the Bank was from increase in loans and advances by Tk. 7.193 billion. The growth was 100.01% as compared to previous year. The table below depicts increase in amount and corresponding growth in major heads of the Bank's asset:

Assets	Year 2015		Year 2014		Growth in 2015	
	Taka	%	Taka	%	Taka	%
Cash	1,743,937,326	7.65%	728,794,886	5.29%	1,015,142,440	139.29%
Balance with Other Banks & FIs	2,408,307,729	10.57%	1,462,651,337	10.62%	945,656,392	64.65%
Money at Call & Short Notice	–	0.00%	990,000,000	7.19%	–990,000,000	–100.00%
Investments	3,300,892,891	14.48%	2,670,461,890	19.39%	630,431,001	23.61%
Loans and Advances	14,385,092,012	63.12%	7,192,032,212	52.23%	7,193,059,800	100.01%
Fixed Assets	259,306,173	1.14%	189,200,436	1.37%	70,105,737	37.05%
Other Assets	693,045,578	3.04%	537,173,935	3.90%	155,871,643	29.02%
Total Assets	22,790,581,709	100.00%	13,770,314,696	100.00%	9,020,267,013	65.51%

Proper monitoring, adherence to right evaluation process and strong commitment to guiding principles of lending contributed to maintaining zero classified loan portfolio like previous year.

Total Liabilities:

Liability under Deposits & Other Accounts increased by Tk. 7.120 billion resulting 79.53% growth over year 2014. Shareholders' Equity increased by over half a billion Taka to Tk. 5.027 billion in year 2015 from Tk. 4.477 billion in year 2014. Segment wise position of year 2015 compared with year 2014 is below:

Particulars	Year 2015		Year 2014		Growth in 2015	
	Taka	%	Taka	%	Taka	%
Borrowings from other Banks, Financial Institutions and Agents	1,150,000,000	5.05%	–	0.00%	1,150,000,000	100.00%
Deposits & Other Accounts	16,073,037,373	70.52%	8,952,703,272	65.01%	7,120,334,101	79.53%
Other Liabilities	540,212,096	2.37%	340,054,947	2.47%	200,157,149	58.86%
Equity	5,027,332,240	22.06%	4,477,556,477	32.52%	549,775,763	12.28%
Total Liability	22,790,581,709	100.00%	13,770,314,696	100.00%	9,020,267,013	65.51%

Contingent Liabilities:

There was significant increase in Non-funded business of the Bank as reflected in the table below. Business volume almost doubled in year 2015 as compared with year 2014. Amount of non-funded business handled by the bank in year 2015 was Tk. 4.206 billion as compared to Tk. 2.156 billion in year 2014 with overall growth of 95.06%. Following table contains details of non-funded business in year 2015 and comparison with year 2014.

Particulars	Year 2015		Year 2014		Growth in 2015	
	Taka	%	Taka	%	Taka	%
Acceptance and Endorsement	554,885,389	13.19%	183,649,306	8.52%	371,236,083	202.14%
Letters of Guarantee	2,430,591,621	57.78%	1,038,410,251	48.15%	1,392,181,370	134.07%
Irrevocable Letters of Credit	803,646,694	19.10%	858,925,084	39.83%	-55,278,390	-6.44%
Bills for Collection	417,672,010	9.93%	75,715,876	3.51%	341,956,134	451.63%
Total Contingent Liabilities	4,206,795,714	100.00%	2,156,700,517	100.00%	2,050,095,197	95.06%

Operating Income:

Total operating income of the Bank increased 112.66% in year 2015 as compared with year 2014. In year 2015, Bank recorded Tk. 1.334 billion as operative income against Tk. 627 million in year 2014. 277.59% increase in Investment income and 108.84% increase in Commission Exchange and Brokerage earning played vital role in the growth of income as growth in Net Interest Income was 34.44% only which was mainly declining trend of lending rates. Below is the comparative position of the Bank's total operating income for the year 2015 and Year 2014:

Particulars	Year 2015		Year 2014		Growth in 2015	
	Taka	%	Taka	%	Taka	%
Net Interest Income	506,131,096	37.92%	376,481,818	59.99%	129,649,278	34.44%
Investment Income	692,126,597	51.86%	183,302,281	29.21%	508,824,316	277.59%
Commission, Exchange & Brokerage	106,523,383	7.98%	51,006,125	8.13%	55,517,258	108.84%
Other Operating Income	29,924,384	2.24%	16,832,651	2.68%	13,091,733	77.78%
Total Operating Income	1,334,705,460	100.00%	627,622,875	100.00%	707,082,585	112.66%

Operating Expense:

Expansion of Branch network, putting in place required infrastructure and increase in business resulted in rise in operating expenses. Overall operating expense increased 41.34% in year 2015 as compared to year 2014. All components of operating expenses showed acceptable level of increase details of which is appended in the table below:

Particulars	Year 2015		Year 2014		Growth in 2015	
	Taka	%	Taka	%	Taka	%
Salaries and Allowances	289,422,291	44.38%	214,391,571	46.47%	75,030,720	35.00%
Rent, Taxes, Insurances, Electricity etc.	125,896,411	19.31%	108,786,258	23.58%	17,110,153	15.73%
Legal Expenses	78,822	0.01%	132,730	0.03%	-53,908	-40.61%
Postage, Stamps, Telecommunications	10,018,066	1.54%	10,204,710	2.21%	-186,644	-1.83%
Stationery, Printings, Advertisements etc.	15,094,053	2.31%	11,985,109	2.60%	3,108,944	25.94%
Chief Executive's Salary & Fees	8,820,000	1.35%	8,101,679	1.76%	718,321	8.87%
Directors Fee	1,156,000	0.18%	1,320,000	0.29%	-164,000	-12.42%
Auditors Fee	115,000	0.02%	115,000	0.02%	0	0.00%
Depreciation & Repairs	57,691,641	8.85%	36,629,009	7.94%	21,062,632	57.50%
Other Expenses	143,787,019	22.05%	69,677,389	15.10%	74,109,630	106.36%
Total Operating Expenses	652,079,303	100.00%	461,343,455	100.00%	190,735,848	41.34%

Industrial Loans and Advances:

Total industrial loans and advances of the Bank Tk. 7.302 billion at the end of year 2015 as compared to Tk. 5.127 billion at the end of year 2014. Industrial credit growth in year 2015 was 42.43%. Bank was in line with the national priorities to maintain 79.17% credit growth in Agricultural Industries sector. Changes in position of sector wise credit is summarized in the table below:

Particulars	Year 2015		Year 2014		Growth in 2015	
	Taka	%	Taka	%	Taka	%
Agricultural Industries	616,774,320	8.45%	344,237,542	6.71%	272,536,778	79.17%
Textile Industries	107,192,198	1.47%	94,060,474	1.83%	13,131,724	13.96%
Food & allied Industries	136,852,042	1.87%	68,142,173	1.33%	68,709,869	100.83%
Pharmaceutical Industries	439,100,242	6.01%	-	-	439,100,242	100.00%
Tobacco Industries	481,068,862	6.59%	574,248,524	11.20%	-93,179,662	-16.23%
Cement & Ceramic Industries	119,367,508	1.63%	129,247,922	2.52%	-9,880,414	-7.64%
Service Industries	1,973,943,965	27.03%	1,157,575,928	22.58%	816,368,037	70.52%
Transport & Communication Industries	3,247,874	0.04%	450,156,356	8.78%	-446,908,482	-99.28%
Other Industries	3,425,389,118	46.90%	2,309,614,742	45.05%	1,115,774,376	48.31%
Total	7,302,936,129	100.00%	5,127,283,661	100.00%	2,175,652,468	42.43%

Shareholders' Equity

Consolidated shareholders' equity of the Bank and its subsidiary increased by 12.34 % at the end of year 2015. In the year 2015 Meghna Bank's shareholders' equity increased by 12.28%. Paid-up capital of Meghna Bank was Tk. 4.433 billion, statutory reserve increased by Tk. 108.54 million during the year and stood at Tk. 131.45 million at the end of year 2015. Distributable profit stood at Tk. 314.61 million at the end of the year.

Provision as per regulatory requirement:

Adequate General Provision has been made against unclassified loans and advances and off –balance sheet exposures as per regulatory guideline. Bank made general provision of Tk. 186.30 million against year–end position of loans, advances and contingents and no provision for classified loan was required as all the loans were regular. Bank made consolidated provision of Tk. 141.20 million for current year income tax.

MEGHNA BANK SECURITIES LIMITED

Meghna Bank Securities Limited, a subsidiary company of the Bank commenced operation on November 19, 2015 after obtaining required approval from authorities. The subsidiary has been set up to provide stock brokerage service to customers and therefore purchased TREC no. 124 of Dhaka Stock Exchange Limited. The subsidiary is owner of 7,215,106 shares of Dhaka Stock Exchange Limited.

APPOINTMENT OF AUDITORS

As per requirements of law and regulations, M/s. Basu Banerjee Nath & Co., appointed Statutory Auditors for year 2015, will retire at the 3rd Annual General Meeting. As they completed 3 consecutive terms as auditors of the company, they are not eligible for re–appointment. Based on recommendation of the Audit Committee, the Board recommended appointing M/s. MABS & J Partners, Chartered Accountants as the statutory auditor of the Bank for the year 2016 to continue up to the conclusion of next Annual General Meeting.

ANNUAL GENERAL MEETING

Annual General Meeting will be held on 28th March 2016 at the Ball Room of The Westin Hotel, Gulshan 2, Dhaka at 11.00 a.m. Financial Statements for the year ended on December 31, 2015 and the Directors' Report were approved in the 37th Meeting and 38th Meeting of the Board of Directors respectively for presentation to the shareholders in their annual general meeting.

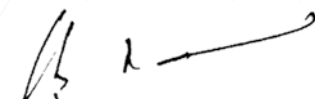
RECOMMENDATION OF DIVIDEND

After all provisions and appropriations, fund available for distribution to shareholders is Tk. 314.61 million (including Tk. 20.45 million from retained earnings of previous year). Board of Directors in its 37th meeting held on February 25, 2016 decided to recommend 6% cash dividend for the year 2015.

ACKNOWLEDGEMENTS

The Board would like to thank the valued Shareholders and all other Stakeholders of the Bank for their continuous support and guidance which led to its cumulative achievements.

On behalf of the Board of Directors,



H.N. Ashequr Rahman M.P.

Chairman

LIST OF BRANCHES AND CATEGORY

Sl No	NAME OF BRANCH	ADDRESS OF BRANCH	DATE OF OPERATION	TYPE OF BRANCH
0	Head Office	Suvastu Imam Square(level-06),65 Gulshan Avenue (Gulshan-01), Dhaka-1212		
1	Principal Branch, Dhaka	Suvastu Imam Square(ground floor), 65 gulshan avenue (Gulshan-01), Dhaka-1212	9-May-13	Urban
2	Shathibari Branch, Rangpur	Highway Shopping Center (Ground & 1st Floor), Sathibari Bazar, Mithapukur, Rangpur	2-Oct-13	Rural
3	ChawkBazar Branch, Dhaka	Hazi Matiur RahmanBhaban,Holding No: 189,Water Works Road, Ward No: 29,Dhaka South City Corporation,Thana: Chawkbazar,District: Dhaka	22-Oct-13	Urban
4	Motijheel Branch, Dhaka	Central Insurance Bhaban (Ground Floor), 7-8 Motijheel C/A, Dhaka-1000	23-Oct-13	Urban
5	Dhaka EPZ Branch, Savar	Swapnil Tower (1st Floor), Bipail (Near Ashulia Police Station), Ashulia, Dhaka	8-Dec-13	Rural
6	Kalampur Branch, Dhamrai	Jahanara Super Market (1st Floor), Kalampur Bazar, Dhamrai, Dhaka	15-Dec-13	Rural
7	Agrabad Branch, Chittagong	Delowar Bhaban,Holding No: 104,Ward No: 28 Chittagong City Corporation,Thana: Doublemuring, District: Chittagong	20-Apr-14	Urban
8	Bormi Bazar, Gazipur	"Paul Market", Pathantek, Barmi Bazar, Sreepur, Gazipur	10-Aug-14	Rural
9	Narayanganj Branch, Narayanganj	"Hazi Hashem Trade Center", Holding#55/A, Ward# 15, S.M. Maleh Road, Tanbazar, Narayanganj.	14-Aug-14	Urban
10	Bandura Branch, Nawabgonj	"SD Shopping Complex", Bandura, Nawabgonj, Dhaka.	24-Aug-14	Rural
11	Madambibirhat Branch, Chittagong	"M A Trade Center", Madambibirhat, Near Sheuli Petrol Pump, Bhatiary, Chittagong.	21-Aug-14	Rural
12	Hatikumrul Branch, Sirajgonj	Haji Iman Ali Complex", Hatikumrul, Sirajgonj Road, Salonga, Sirajgonj.	28-Aug-14	Rural
13	Gazipur Chowrasta Branch, Gazipur	"Chandona Plaza", Dhaka Road, Chandona Chorasta, Gazipur.	15-Sep-14	Urban
14	Choyani Bazar Branch,	"Sobhan Market", School Road, Choyani Uttar Bazar, Begumgonj, Noakhali	21-Sep-14	Rural
15	Madhabdi Branch, Narsinghdi	"Haji Siraj Tower", College Road, Madhabdi Bazar, Madhabdi, Narsinghdi.	24-Sep-14	Urban
16	Dhanmondi Branch, Dhaka	48/8 (New) Vasha Shainik Towaha Sarak (Satmashjid Road), Dhanmondi, Dhaka	30-Oct-14	Urban
17	Jubilee Road Branch, Chittagong	Haque Tower (2nd Floor),610/11 (old), 923/A/1103 (New) Jubilee Road, Chittagong	25-Aug-15	Urban
18	Munshirhat Branch, Comilla	Amir Hossain Dealer Market (1st Floor), Munshirhat Bazar, Chauddagram, Comilla	31-Aug-15	Rural
19	Uttara Branch, Dhaka	Shafina Center (1st & 2nd Floor) 14 Garibe Newaz Avenue, Sector # 11, Uttara, Dhaka	5-Oct-15	Urban
20	Mohipal Branch	Mir Hossain Chowdhury Complex (1st Floor), Holding # 169, Mohipal, Feni-3900	8-Nov-15	Urban
21	Zamindarhat Branch	Oman Market (1st Floor) Zamindarhat, Begumgonj, Noakhali-3825	30-Nov-15	Rural
22	Bogra Branch, Bogra	Jamil Building (1st & 2nd Floor) 51 & 52 (old), 67 & 68 (New) Borogola, Bogra-5800	9-Dec-15	Urban
23	Laldighir Par Branch,Sylhet	Bakht Center (1st Floor) 2837-00,Laldighir Par, Sylhet-3100	13-Dec-15	Urban
24	South Surma Branch, Syhet	Niamah Tower (1st Floor) Chondipul Point, South Surma, Sylhet-3100	13-Dec-15	Rural
25	PatherhatBranch,Chittagong	Noapara School Market (1st Floor), Patherhat, Noapara, Raozan, Chittagong	27-Dec-15	Rural
26	Takerhat Branch, Madaripur	Shahabuddin Molla Complex (1st Floor), Takerhat, Dhaka-Barisal Highway, Rajoir, Madaripur	29-Dec-15	Rural

Value Added Statement

As on 31st December 2015

Particulars		2015 Taka	%
Value Created			
Income from Banking Service		2,492,610,654	
Interest Income	1,664,036,290		
Non-Interest Income	828,574,364		
Less : cost of service & Supplier		(1,503,633,576)	
Interest Paid on deposit & Borrowing	1,157,905,194		
Total Operating Expenses	700,610,772		
Less : Salary and Allowance	(289,422,291)		
Less : Chief Executive Salary & Allowance	(8,820,000)		
Less : Depreciation	(56,640,099)		
Value Added by Banking Service		988,977,078	
Non-Banking Income		–	
Provision for Loan & other Asset		(91,396,450)	
		897,580,628	
Value Distributed			
To Employees as Salaries & Allowances	298,242,291		33%
To Shareholders as Dividend	265,980,000		30%
To Government as Income Tax	140,000,000		15%
		704,222,291	78%
Value Retained			
(to maintain and develop operation)			
Statutory Reserve	108,539,648		12%
Depreciation	56,640,099		7%
Retained Earnings	28,178,590		3%
		193,358,337	22%
		897,580,628	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 III guidelines As on December 31, 2015

Table 16: a) Scope of application			
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		The amount of Tier 1 capital	4,881,652,601.00
		Paid up capital	4,433,000,000.00
		Non-repayable share premium account	-
		Statutory reserve	131,451,223.00
	(b)	General reserve	-
	Retained earnings	317,201,277.00	
	Minority interest in subsidiaries	101.00	
	Non-cumulative irredeemable preference shares	-	
	Dividend equalization account	-	
	(c)	The total amount of Tier 2 capital	186,776,331.00
(d)	Other deductions from capital.		
(e)	Total eligible capital	5,068,428,932.00	

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.	<p>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 2015 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 (CRAR).</p> <p>Bank's CRAR on the basis of solo & consolidated are 27.23% against minimum requirement of 10% as on 31st December 2015. MGBL's policy is to manage and maintain its capital and RWA at an adequate level to raise its CRAR higher than minimum requirement in line with BASEL III. 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.</p>
Quantitative Disclosures	(b)	Capital requirement for Credit Risk	171.56
	(c)	Capital requirement for Market Risk	3.15
	(d)	Capital requirement for Operational Risk	11.39
	(e)	Total CAR	27.23%
		Tier I CAR	26.23%
		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>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: 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 09 (nine) months, the entire loans are classified as “Bad/Loss”. <p>Short-term Agricultural and Micro Credit will be considered irregular if it is not repaid within the due date as stipulated in the loans agreement are classified as under:</p> <ul style="list-style-type: none"> • Sub-standard– if the irregular status continues after a period of 12 (twelve) months, the credits are classified as “Sub-standard”. • Doubtful– if the irregular status continue after a period of 36 (thirty six) months, the credits are classified as “Doubtful”. • Bad/Loss– if the irregular status continue after a period of 60 (sixty) months, the credits 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>

* Definition of past due and impaired (for accounting purposes)

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 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>																										
	<p>(b)</p>	<table border="1"> <tr> <td data-bbox="839 1375 1113 1453">Total gross credit risk exposures broken down by major types of credit exposure.</td> <td data-bbox="1113 1375 1500 1453"></td> </tr> <tr> <td data-bbox="839 1453 1113 1496">Cash Credit</td> <td data-bbox="1113 1453 1500 1496">2,300,958,389.01</td> </tr> <tr> <td data-bbox="839 1496 1113 1539">Secured overdraft</td> <td data-bbox="1113 1496 1500 1539">1,512,470,391.21</td> </tr> <tr> <td data-bbox="839 1539 1113 1582">General overdraft</td> <td data-bbox="1113 1539 1500 1582">1,961,584,013.90</td> </tr> <tr> <td data-bbox="839 1582 1113 1625">Import finance</td> <td data-bbox="1113 1582 1500 1625">1,433,897,608.62</td> </tr> <tr> <td data-bbox="839 1625 1113 1668">Other Demand Loans</td> <td data-bbox="1113 1625 1500 1668">1,396,906,307.09</td> </tr> <tr> <td data-bbox="839 1668 1113 1711">Consortium/Syndicate Finance</td> <td data-bbox="1113 1668 1500 1711">476,750,857.87</td> </tr> <tr> <td data-bbox="839 1711 1113 1754">House Building Loan</td> <td data-bbox="1113 1711 1500 1754">491,472,341.26</td> </tr> <tr> <td data-bbox="839 1754 1113 1798">General Term Loans</td> <td data-bbox="1113 1754 1500 1798">2,488,745,758.76</td> </tr> <tr> <td data-bbox="839 1798 1113 1841">Agricultural and Rural Credit Scheme</td> <td data-bbox="1113 1798 1500 1841">219,757,433.26</td> </tr> <tr> <td data-bbox="839 1841 1113 1884">Personal/Professionals Loan Scheme</td> <td data-bbox="1113 1841 1500 1884">111,125,743.98</td> </tr> <tr> <td data-bbox="839 1884 1113 1927">Inland bills purchased and discounted</td> <td data-bbox="1113 1884 1500 1927">133,858,886.35</td> </tr> <tr> <td data-bbox="839 1927 1113 2007">Total</td> <td data-bbox="1113 1927 1500 2007">12,527,527,731.31</td> </tr> </table>	Total gross credit risk exposures broken down by major types of credit exposure.		Cash Credit	2,300,958,389.01	Secured overdraft	1,512,470,391.21	General overdraft	1,961,584,013.90	Import finance	1,433,897,608.62	Other Demand Loans	1,396,906,307.09	Consortium/Syndicate Finance	476,750,857.87	House Building Loan	491,472,341.26	General Term Loans	2,488,745,758.76	Agricultural and Rural Credit Scheme	219,757,433.26	Personal/Professionals Loan Scheme	111,125,743.98	Inland bills purchased and discounted	133,858,886.35	Total	12,527,527,731.31
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Inland bills purchased and discounted	133,858,886.35																											
Total	12,527,527,731.31																											

Table 19 : d) Credit Risk

(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	
	Dhaka	12,223,950,3444.14
	Chittagong	1,981,721,853.36
	Rajshahi	75,581,751.02
	Sylhet	3,754,569.89
	Rangpur	100,083,493.95
	Total	14,385,092,012.36
(d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	
	i) Commercial Lending	646,955,940.14
	ii) Export Financing	23,989,489.91
	iii) House Building Loan	372,314,808.81
	iv) Retail Loan	111,125,743.98
	v) Small and Medium Enterprises	2,197,117,866.36
	vi) Special Program Loan	–
	vii) Industrial Loans Details :	
	i) Agricultural industries	747,837,660.81
	ii) Textile industries	107,192,197.91
	iii) Food and allied industries	136,852,042.12
	iv) Pharmaceutical industries	439,100,242.70
	v) Leather, Chemical, Cosmetics etc	–
	vi) Tobacco industries	481,068,861.97
	vii) Cement and Ceramic industries	119,367,507.71
	viii) Service industries	2,309,402,443.00
	ix) Transport and Communication Industries	17,992,584.63
	x) Other industries including bills purchased and discounted	3,391,120,632.98
	viii) Others Loan	1,678,970,393.54
	ix) Staff Loan	89,580,092.18
	x) Other Loans and Advances (SOD)	1,515,103,503.61
Total	14,385,092,012.36	

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	631,857,929
	Not more than 3 months	3,687,626,501
	Over 3 months but not more than 1 year	5,621,245,216
	Over 1 year but not more than 5 years	3,058,624,896
	Over 5 years	1,385,737,470
	Total	14,385,092,012
	(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 2015. 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		1,44,200,000
General Provision for Off-Balance Sheet Exposures		42,100,000
* Charges for specific allowances and charge-off during the period.		
(g)	Gross Non Performing Assets (NPAs)	0
	Non-Performing Assets (NPAs) to Outstanding Loans and advances	0
	Movement of Non-Performing Assets	
	Opening balance	0
	Additions	0
	Reductions	0
	Closing balance	0
	Movement of specific provisions for NPAs	
	Opening balance	0
	Provisions made during the period	0
	Write – off	0
	Write– back of excess provisions	0
	Closing balance	0

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 : 5.09 Market Price : 4.59 Difference : (0.50)
	(c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	0.15
	(d)	* Total unrealized gains (losses)	(0.50)
		* 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 : 0.92	

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>	
		<p>Weighted Average Duration of Asset</p>	<p>1.63</p>
		<p>Weighted Average Duration of Liability</p>	<p>0.87</p>
		<p>Duration GAP</p>	<p>0.95</p>
		<p>CAR After different level of Shock</p>	
		<p>Minor Level</p>	<p>26.21%</p>
		<p>Moderate Level</p>	<p>25.17%</p>
		<p>Major Level</p>	<p>24.13%</p>

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;	0.27
		equity position risk;	0.92
		foreign exchange risk;	1.97
		Commodity risk.	0.00
		Total	3.15

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> <ol 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 2015
		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–III as per the Bangladesh Bank Guidelines.
Qualitative Disclosures	(b)	The capital requirements for operational risk	11.39

29: i) Liquidity Ratio

Qualitative Disclosures	(a)	<p>Views of BOD on system to reduce liquidity Risk: Bank has Board Approved policy & limit structure for liquidity risk Management.</p> <p>Methods used to measure Liquidity risk: We maintain maturity profile mismatch strictly & maintain prudential limit for each buckets gap.</p> <p>Liquidity risk management system: We strictly maintain maximum cumulative outflow (MCO) Medium Term Funding Ratio (MTFR) & conduct cash flow forecasting for liquidity risk management.</p> <p>Policies and processes for mitigating liquidity risk: We have laid down liquidity contingency plan, Funding products & Wholesale borrowing guideline.</p>												
	(b)	<table> <tr> <td>Liquidity Coverage Ratio</td> <td>: 326.64%</td> </tr> <tr> <td>Net Stable Funding Ratio (NSFR)</td> <td>: 131.75%</td> </tr> <tr> <td>Stock of High quality liquid assets</td> <td>: 4,422,392,000</td> </tr> <tr> <td>Total net cash outflows over the next 30 calendar days</td> <td>:3,2164,000</td> </tr> <tr> <td>Available amount of stable funding</td> <td>: 2,02,37,143.81</td> </tr> <tr> <td>Required amount of stable funding</td> <td>: 1,53,60,095.65</td> </tr> </table>		Liquidity Coverage Ratio	: 326.64%	Net Stable Funding Ratio (NSFR)	: 131.75%	Stock of High quality liquid assets	: 4,422,392,000	Total net cash outflows over the next 30 calendar days	:3,2164,000	Available amount of stable funding	: 2,02,37,143.81	Required amount of stable funding
Liquidity Coverage Ratio	: 326.64%													
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Total net cash outflows over the next 30 calendar days	:3,2164,000													
Available amount of stable funding	: 2,02,37,143.81													
Required amount of stable funding	: 1,53,60,095.65													

30: i) Leverage Ratio

Qualitative Disclosures	(a)	<p>Views of BOD on system to reduce excessive leverage: High leverage levels can lead to an excessive expansion of bank asset size. In the short to medium term banks return on equity. At the same time leverage– fuelled bank capital structures increase bankruptcy risk, since they are an important cause of bank failures. Therefore, to reduce excessive leverage and to manage the overall asset– liability position, management has implemented BOD approved ALM framework within the bank.</p> <p>Policies & processes for managing excessive On & Off –balance sheet leverage: Bank has clearly laid down policy & procedure to manage its exposure level (both on & off– balance sheet) enumerated in its Asset Liability Management Policy. Leverage parameter of the policy acts as a credible supplementary measure to the risk based capital requirement to control the leverage of the bank. This reflects bank’s tier 1 capital over total exposure of the bank. Reference level of ratio is currently 3% (minimum) and it is expected to be reviewed in 2017 in line with the BB directive.</p> <p>Approach for calculating exposure:</p> <p>Leverage ratio of the bank is calculated in line with the RBCA guideline of BB as at 31st December 2015 bank’s leverage ratio was 19.46% and it was calculated as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;"></th> <th style="width: 35%;">Measured Used</th> <th style="width: 40%;">Description</th> </tr> </thead> <tbody> <tr> <td>Numerator</td> <td>Tier 1 Capital</td> <td>Tier 1 capital constitutes the components specified in the RBCA guideline, December 2014</td> </tr> <tr> <td>Denominator</td> <td>Exposure</td> <td>This is an approximation to the credit risk exposure used for regulatory capital purposes. It consists of the sum of the balance sheet assets as specified in the RBCA Guidelines, December, 2014</td> </tr> </tbody> </table> <p>Policies and processes for managing excessive on and off– balance sheet leverage Approach for calculating exposure</p>		Measured Used	Description	Numerator	Tier 1 Capital	Tier 1 capital constitutes the components specified in the RBCA guideline, December 2014	Denominator	Exposure	This is an approximation to the credit risk exposure used for regulatory capital purposes. It consists of the sum of the balance sheet assets as specified in the RBCA Guidelines, December, 2014
		Measured Used	Description								
Numerator	Tier 1 Capital	Tier 1 capital constitutes the components specified in the RBCA guideline, December 2014									
Denominator	Exposure	This is an approximation to the credit risk exposure used for regulatory capital purposes. It consists of the sum of the balance sheet assets as specified in the RBCA Guidelines, December, 2014									
(b)	<p>Leverage Ratio : 19.43%</p> <p>On balance sheet exposure : 2276.17</p> <p>Off balance sheet exposure : 237.29</p> <p>Total exposure : 2513.45</p>										

MAIN DISCLOSURES ON REMUNERATION

Qualitative Disclosures

A. INFORMATION RELATING TO THE BODIES THAT OVERSEE REMUNERATION.

In Meghna Bank Limited (MGBL) the management holds the responsibilities relating Remuneration. The Management is responsible for farsightedness, future effects thus Build up the frame work, monitor, if necessary review and implement Bank's overall compensation structure. The Management proposes any change with proper justification. Management also reviews polices on remuneration packages payable to other employees and the Directors/MD/any other Bank appointed/engaged person(s)/Material Risk Takers of the Bank. Another prime responsibility of the body is to maintain competitive incentives, perquisites, other financial options etc. with a view to attract, motivate and retain employees. And if situation requires review compensation package to be at par with the market to maintain its competitive edge.

One of the major factors of remuneration management is to cover all type of risk. The To maintain the effective alignment Management works in close coordination with the Risk Management Committee of the Bank MGBL also conducts annual review of the Compensation Policy. The cost Management also ensures that the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.

Meghna Bank so far has not sought advice from any external consultants to date.

MGBL always does environmental scanning. Gathering Market intelligence, analyze and if required propose for modification in compliance with relevant laws and rules and compliance issues. MGBL follows the principles and rules regarding remuneration being paid/to be paid to Directors and all employees of the Bank including the Management.

The Senior Managers or Divisional Heads are considered to be Material Risk Taker since he/she is the Head of a significant business line, or any individuals within their control who have a material impact on the Bank's risk profile.

B. INFORMATION RELATING TO THE DESIGN AND STRUCTURE OF REMUNERATION PROCESSES AND THE KEY FEATURES AND OBJECTIVES OF REMUNERATION POLICY.

The substantive pay and other allowances including perquisites, where applicable, to the employees including all subordinates, officers and executives up to the rank of SEVP are designed/structured in line with the competitive remuneration structure prevailing in the industry. In respect of executives above the rank of SEVP i.e. AMD, DMD & MD, the individual remuneration is fixed by the Board of Directors. Pay Structure and perquisites payable to the employees have been approved by the Board of Directors of the Bank. While determining the remuneration package, the Management and the Board take into consideration the following factors.

1. Experience
2. Qualification
3. Level of Risk involved
4. Leadership
5. Criticality of the job
6. Creativity required in the job
7. Problem solving ability
8. Salesmanship
9. Corporate Rank etc.

The remuneration structure for the Managing Director (MD) of the Bank is subject to approval of the Central Bank i.e. Bangladesh Bank. MGBL did not Review the remuneration policy in 2015 as the Bank only started operation in 2013.

C. DESCRIPTION OF THE WAYS IN WHICH CURRENT AND FUTURE RISKS ARE TAKEN INTO ACCOUNT IN THE REMUNERATION PROCESSES. IT SHOULD INCLUDE THE NATURE AND TYPE OF THE KEY MEASURES USED TO TAKE ACCOUNT OF THESE RISKS.

The people who are involved in risk factors are regularly monitored. The Management time to time reviews the remuneration package/structure of such employees for compliance as well as part of motivation. The functions that mainly deal with the risk factors of the Bank include: Cash Management, Credit Risk Management, Operational Risk, Trade Finance etc. It has been observed that employees working in these particular fields are more in demand in the market. Naturally, their remuneration goes up. On the other hand employees working in the cash department are often paid Cash Risk Allowance.

The Board of Directors through the Management exercises oversight and effective governance over the framing and implementation of the remuneration policy. Human Resource Management under the guidance of MD administers the compensation and Benefit structure in line with the best suited practices and statutory requirements as applicable. The trend has changed as the job responsibility also has gone up and the efficiency of the employees has also improved a lot.

D. DESCRIPTION OF THE WAYS IN WHICH THE BANK SEEKS TO LINK PERFORMANCE DURING A PERFORMANCE MEASUREMENT PERIOD WITH LEVELS OF REMUNERATION.

It is a competitive world. In the Banking sector also performance plays a very vital role on determining someone's remuneration. Right from the entry into the job performance is evaluated and salary is fixed accordingly. Yearly increment, Performance bonus all had now been linked up with performance. In the yearly performance review there are different Ratings and bonus is paid accordingly. The factors taken into account for the annual review and revision in the variable pay and performance bonus are: The performance of the Bank, the performance of the business unit, Individual performance of an employee, other risk perceptions and economic considerations and Future Business Outlook. There is also option of alerting the poor performers as they may have to exit is performance is not improved after certain observation time

E. DESCRIPTION OF THE WAYS IN WHICH THE BANK SEEK TO ADJUST REMUNERATION TO TAKE ACCOUNT LONGER-TERMS PERFORMANCE.

The Bank has various schemes in regards to deferred and vested variable remuneration which are as under:

- PF (Vesting or entitlement to employer's contribution happens on completion of 03 (three) years of regular service and the Bank contributes equal amount of contribution as contributed by the employee) @ 10% of substantive pay
- Gratuity (Vesting or entitlement to employer's contribution happens on completion of 10 (ten) years of regular service in the Bank) @ one basic pay for each completed year of service and for the fraction of 6 months and above. This increases depending on years of service i.e. @1.5 if completed 15 years
- Employee Group Insurance (provides benefits to the employees of the Bank on their death, disability, retirement/or being incapacitated at any time or for any other cause that may be deemed fit as per approved policy).

F. DESCRIPTION OF THE DIFFERENT FORMS OF VARIABLE REMUNERATION (I.E. CASH, SHARES, AND SHARE-LINKED INSTRUMENTS AND OTHER FORMS) THAT THE BANK UTILIZES AND THE RATIONALE FOR USING THESE DIFFERENT FORMS.

Variable pay, as the term denotes usually does not defer between the employees of the same rank. Depending on experience, jobs performed and other traits new hire in the same rank the individuals are offered remuneration that varies from each other. While in the service on recommendation and according to performance extra increment or bonus may be awarded to the employees. Other than this, ex-gratia payment for other employees who are not eligible for performance linked incentives, difference awards on extra-ordinary performance and Leave Fare Assistance (LFA) are paid to the employees according to their rank. The difference that is made in these kinds of payments that is only for their rank in the hierarchy.

Quantitative disclosures

(g)	Number of meetings held by the main body overseeing remuneration during the financial year	9
	Remuneration paid to its members.	00
(h)	Number of employees having received a variable remuneration award during the financial year.	00
	Number and total amount of guaranteed bonuses awarded during financial year.	02
	Number and total amount of sign-on awards made during the financial year.	00
	Number and total amount of severance payments made during the financial year.	00
(i)	Total amount of outstanding deferred remuneration, split into cash, share and share-linked instruments and other forms.	00
	Total Amount of deferred remuneration paid out in the financial year.	00
(j)	Breakdown of amount of remuneration awards for the financial year to show:	
	• Fixed and variable	00
	• Deferred and no-deferred	00
	• Different forms used (cash, shares and share linked instruments, other forms).	00
(k)	Quantitative information about employees' exposure to implicit (eg fluctuations in the value of shares or performance units) and explicit adjustments (eg clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:	00
	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and /or implicit adjustments.	00
	Total amount of reductions during the financial year due to ex post explicit adjustments.	00
	Total amount of reductions during the financial year due to ex post implicit adjustments.	00



**& Auditors' Report
& Financial Statements**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Meghna Bank Limited

We have audited the accompanying consolidated financial statements of Meghna Bank Limited and its subsidiaries (together referred to as the "Group") as well as the separate financial statements of Meghna Bank Limited (the "Bank") which comprise the consolidated and separate Balance Sheets as at 31 December 2015, consolidated and separate profit and loss accounts, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Banking Companies Act, 1991 and the local central bank (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 consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and the separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 consolidated financial statements of the Group and the separate 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 consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2015, and of its consolidated and separate financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in note 2.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, The Banking Companies Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) 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 consolidated financial statements of the Group and the separate 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:
 - (a) Internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 2 to the financial statements appeared to be materially adequate;
 - (b) 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;
- (iii) Financial statements of all subsidiaries of the Bank have been audited by us and have been properly reflected in the consolidated financial statements;
- (iv) In our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- (v) The consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) The expenditures incurred were for the purpose of the Bank's business;
- (vii) The consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) Adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) The records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (x) The information and explanations required by us have been received and found satisfactory;
- (xi) We have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 1,310 person hours during the audit; and
- (xii) Capital Adequacy Ratio (CAR) as required by the Bangladesh Bank has been maintained adequately during the year.



BASU BANERJEE NATH & CO.
CHARTERED ACCOUNTANTS

Date & Place: 28th February 2016, Dhaka.

MEGHNA BANK LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER, 2015

	Notes	2015 Taka	2014 Taka
PROPERTY AND ASSETS			
Cash		1,743,937,326	728,794,886
Cash in hand (Including Foreign Currencies)	3	211,938,097	106,822,547
Balance with Bangladesh Bank and Its agent Bank (s) (Including Foreign Currencies)	4	1,531,999,229	621,972,339
Balance with other Banks and Financial Institutions	5	2,411,632,831	1,462,651,337
In Bangladesh		2,263,646,259	1,432,818,962
Outside Bangladesh		147,986,572	29,832,375
Money at Call on Short Notice	6	-	990,000,000
Investments	7	3,618,392,891	2,670,461,890
Government		2,686,969,297	2,136,888,543
Others		931,423,594	533,573,347
Loans and Advances	8	14,385,092,012	7,192,032,212
Loans, Cash credits, Overdrafts, etc.		14,251,233,126	7,143,132,688
Bills Purchased and Discounted		133,858,886	48,899,524
Fixed Assets Including Premises, Furniture and Fixtures	9	259,401,689	189,200,436
Other Assets	10	343,260,509	537,173,935
Non Banking Assets		-	-
Total Assets		22,761,717,258	13,770,314,696
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	11	1,150,000,000	-
Deposits and Other Accounts	12	16,034,711,798	8,952,703,272
Current Accounts & Other Accounts		867,360,084	414,586,968
Bills Payable		174,048,030	154,972,554
Savings Bank Deposits		427,638,875	378,019,551
Fixed Deposits		14,565,664,809	8,005,124,199
Bearer Certificate of Deposit		-	-
Other Deposits		-	-
Other Liabilities	13	535,674,600	340,054,947
Deferred Tax Liabilities	14	11,409,906	-
Total Liabilities		17,731,796,304	9,292,758,219
Capital/Shareholders' Equity			
Paid-up Capital	15a.2	4,433,000,000	4,433,000,000
Statutory Reserve	16	131,451,223	22,911,575
Other Reserve (Revaluation of HFT & HTM Securities)	17	148,268,353	1,190,828
Surplus in Profit and Loss Account/Retained Earnings	18	317,201,277	20,454,074
Total Shareholders' Equity		5,029,920,853	4,477,556,477
Non-controlling Interest	19	101	-
Total Shareholders' Equity with Non-Controlling Interest		5,029,920,954	4,477,556,477
Total Liabilities & Shareholders' Equity		22,761,717,258	13,770,314,696

MEGHNA BANK LIMITED

CONSOLIDATED OFF- BALANCE SHEET ITEMS

AS AT 31 DECEMBER, 2015

CONTINGENT LIABILITIES

Acceptances and Endorsements
Letters of Guarantee
Irrevocable Letters of Credit
Bills for Collection
Other Contingent Liabilities

Total

Notes	2015 Taka	2014 Taka
20	554,885,389	183,649,306
21	2,430,591,621	1,038,410,251
22	803,646,694	858,925,084
	417,672,010	75,715,876
	-	-
	4,206,795,714	2,156,700,517

OTHER COMMITMENTS

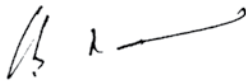
Documentary credits and short term trade related transactions
Forward assets purchased and forward deposits placed
Undrawn note issuance and revolving underwriting facilities
Undrawn formal standby facilities, credit lines and other commitments

Total

TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES

-	-
-	-
-	-
-	-
-	-
-	-
4,206,795,714	2,156,700,517

Accompanying (1 - 48) notes form an integral part of these financial statements



Chairman



Director

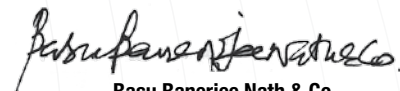


Director



Managing Director & CEO

Dated: 28th February 2016
Dhaka Trade Centre (11th Floor)
99, Kazi Nazrul Islam Avenue
Kawranbazar, Dhaka-1215



Basu Banerjee Nath & Co
Chartered Accountants

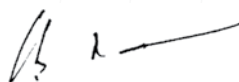
MEGHNA BANK LIMITED

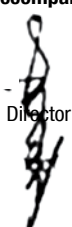
CONSOLIDATED PROFIT AND LOSS ACCOUNT


FOR THE YEAR ENDED 31 DECEMBER, 2015

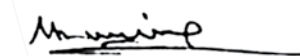
	Notes	2015 Taka	2014 Taka
Interest Income	24	1,664,042,075	1,036,681,445
Interest paid on Deposits and borrowings etc	25	1,149,784,585	660,199,627
Net Interest Income		514,257,490	376,481,818
Investment Income	26	692,126,597	183,302,281
Commission, Exchange and Brokerage	27	106,610,269	51,006,125
Other Operating Income	28	29,939,178	16,832,651
		828,676,044	251,141,057
Total Operating Income		1,342,933,534	627,622,875
Salaries and Allowances	29	289,804,259	214,391,571
Rent, Taxes, Insurances, Electricity etc.	30	125,981,370	108,786,258
Legal Expenses	31	78,822	132,730
Postage, Stamps, Telecommunication etc.	32	10,020,835	10,204,710
Stationery, Printings, Advertisements etc.	33	15,193,875	11,985,109
Chief Executive's Salary & Fees	34	8,820,000	8,101,679
Directors' Fees	35	1,185,750	1,320,000
Auditors' Fees	36	126,500	115,000
Charges on loan losses		-	-
Depreciation & Repairs of Bank's Assets	37	59,107,435	36,629,009
Other Expenses	38	146,199,917	69,677,389
Total Operating Expenses		656,518,763	461,343,455
Profit/(Loss) before amortization of Pre-Incorporation Amortization of Pre-Incorporation expenses		686,414,771	166,279,420
Profit/(Loss) before Provision	23	637,883,302	122,279,420
Specific Provision for Classified Loans and Advances		-	-
General Provision for Unclassified Loans and Advances		(66,602,748)	(63,197,252)
General Provision for Off-Balance Sheet Exposures		(20,532,000)	(14,921,000)
Provision for Diminution in value of Investments		(4,261,702)	(773,298)
Other Provisions		-	-
Total Provision	39	(91,396,450)	(78,891,550)
Total Profit/(Loss) before Taxes		546,486,852	43,387,870
Provision for Taxation			
Deferred Tax	14	(11,409,906)	-
Current Tax	13.2	(129,790,094)	(32,000,000)
		(141,200,000)	(32,000,000)
Net Profit after Taxation		405,286,852	11,387,870
Retained earnings brought forward from previous years		20,454,074	17,743,777
		425,740,926	29,131,648
Appropriations			
Statutory Reserve	16	108,539,648	8,677,574
Non-controlling Interest	18.1	1	-
General Reserve		-	-
		108,539,649	8,677,574
Retained Surplus	18	317,201,277	20,454,074
Earnings Per Share (EPS)	40	0.91	0.03

Accompanying notes (1 - 48) form an integral part of these financial statements

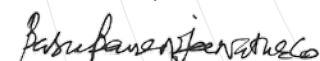

 Chairman


 Director


 Director


 Managing Director & CEO

Signed in terms of our report of even date


Basu Banerjee Nath & Co
 Chartered Accountants

Dated: 28th February 2016
 Dhaka Trade Centre (11th Floor)
 99, Kazi Nazrul Islam Avenue
 Kawranbazar, Dhaka-1215

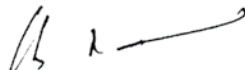
MEGHNA BANK LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2015

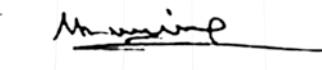
	Notes	2015 Taka	2014 Taka
Cash Flows from Operating Activities			
Interest receipts in cash	41	2,079,887,481	1,178,536,572
Interest Payments	42	(1,099,182,289)	(475,066,111)
Dividends Receipts		877,885	70,000
Fee & Commission receipts in cash		106,610,269	51,006,125
Recoveries on loans previously written off		-	-
Cash Payments to Employees		(298,624,259)	(222,493,250)
Cash Payments to Suppliers		(15,193,875)	(11,985,109)
Income Taxes Paid		(14,534,666)	(161,015,099)
Receipts from other Operating activities	43	316,598,794	39,935,895
Payments for other Operating activities	44	(334,591,216)	(234,489,515)
Operating Profit before changes in Operating Assets and Liabilities		741,848,125	164,499,508
Increase/Decrease in Operating Assets and Liabilities			
Statutory Deposits		-	-
Purchase/Sale of Trading Securities (Treasury bills)		(394,176,799)	5,703,189
Loans and Advances to Other Banks		-	-
Loans and Advances to Customers		(7,193,059,801)	(5,697,175,874)
Other Assets	45	69,106,366	(74,667,046)
Deposits from other Banks		3,528,286	(48,160,137)
Deposits from Customers		7,078,480,240	6,330,395,081
Other liabilities on account of customers		-	-
Trading Liabilities		-	-
Other Liabilities	46	51,635,501	19,660,784
Sub Total		(384,486,206)	535,755,996
A) Net Cash from Operating Activities		357,361,919	700,255,504
Cash flows from Investing Activities			
Proceeds from sale of Securities		2,102,797,100	746,589,344
Payment for purchases of securities		(2,191,861,077)	(3,095,127,026)
Purchase/Sale of Property, Plant & Equipments		(126,561,409)	(142,287,633)
Purchase/Sale of Trec & Shares		(317,500,000)	-
B) Net Cash Used in Investing Activities		(533,125,386)	(2,490,825,315)
Cash flows from Financing Activities			
Borrowing from other banks		1,150,000,000	-
Receipts from issue of ordinary share		100	-
Dividends Paid		-	-
C) Net Cash from Financing Activities		1,150,000,100	-
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		974,236,633	(1,790,569,811)
E) Effect of Exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		3,181,709,723	4,972,279,534
G) Cash and cash equivalents at the end of the year (D+E+F)	47	4,155,946,357	3,181,709,723

Accompanying notes (1 - 48) form an integral part of these financial statements


Chairman


Director


Director


Managing Director & CEO

MEGHNA BANK LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER, 2015

Particulars	Paid-up Capital (Taka)	Statutory Reserve (Taka)	Other Reserve (Taka)	Non-controlling Interest (Taka)	Retained Earnings (Taka)	Total (Taka)
Balance as at 01 January, 2015	4,433,000,000	22,911,575	1,190,828	-	20,454,074	4,477,556,477
Changes in accounting policy	-	-	-	-	-	-
Restated Balance	4,433,000,000	22,911,575	1,190,828	-	20,454,074	4,477,556,477
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of Investments	-	-	147,077,525	-	-	147,077,525
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	147,077,525	-	-	147,077,525
Net profit for the year	-	108,539,648	-	1	296,747,203	405,286,852
Dividends	-	-	-	-	-	-
Issue of share capital	-	-	-	100	-	100
Balance as at 31 December 2015	4,433,000,000	131,451,223	148,268,353	101	317,201,277	5,029,920,954

Accompanying notes (1 – 48) form an integral part of these financial statements

 Chairman
 Director
 Managing Director & CEO

MEGHNA BANK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER, 2015

	Notes	2015 Taka	2014 Taka
PROPERTY AND ASSETS			
Cash		1,743,937,326	728,794,886
Cash in hand (Including Foreign Currencies)	3a	211,938,097	106,822,547
Balance with Bangladesh Bank and Its agent Bank (s) (Including Foreign Currencies)	4a	1,531,999,229	621,972,339
Balance with other Banks and Financial Institutions	5a	2,408,307,729	1,462,651,337
In Bangladesh		2,260,321,157	1,432,818,962
Outside Bangladesh		147,986,572	29,832,375
Money at Call on Short Notice	6a	–	990,000,000
Investments	7a	3,300,892,891	2,670,461,890
Government		2,686,969,297	2,136,888,543
Others		613,923,594	533,573,347
Loans and Advances	8a	14,385,092,012	7,192,032,212
Loans, Cash credits, Overdrafts, etc.		14,251,233,126	7,143,132,688
Bills Purchased and Discounted		133,858,886	48,899,524
Fixed Assets Including Premises, Furniture and Fixtures	9a	259,306,173	189,200,436
Other Assets	10a	693,045,578	537,173,935
Non Banking Assets		–	–
Total Assets		22,790,581,709	13,770,314,696
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	11a	1,150,000,000	–
Deposits and Other Accounts	12a	16,073,037,373	8,952,703,272
Current Accounts & Other Accounts		867,360,084	414,586,968
Bills Payable		174,048,030	154,972,554
Savings Bank Deposits		427,638,875	378,019,551
Fixed Deposits		14,603,990,384	8,005,124,199
Bearer Certificate of Deposit		–	–
Other Deposits		–	–
Other Liabilities	13a	528,802,190	340,054,947
Deferred Tax Liabilities	14a	11,409,906	–
Total Liabilities		17,763,249,469	9,292,758,219
Capital/Shareholders' Equity	15a.2	4,433,000,000	4,433,000,000
Paid-up Capital		4,433,000,000	4,433,000,000
Statutory Reserve	16	131,451,223	22,911,575
Other Reserve (Revaluation of HFT & HTM Securities)	17	148,268,353	1,190,828
Surplus in Profit and Loss Account/Retained Earnings	18a	314,612,664	20,454,074
Total Shareholders' Equity		5,027,332,240	4,477,556,477
Total Liabilities & Shareholders' Equity		22,790,581,709	13,770,314,696

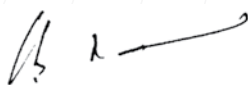
MEGHNA BANK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER, 2015

	Notes	2015 Taka	2014 Taka
Interest Income	24a	1,664,036,290	1,036,681,445
Interest paid on Deposits and borrowings etc	25a	1,157,905,194	660,199,627
Net Interest Income		506,131,096	376,481,818
Investment Income	26a	692,126,597	183,302,281
Commission, Exchange and Brokerage	27a	106,523,383	51,006,125
Other Operating Income	28a	29,924,384	16,832,651
		828,574,364	251,141,057
Total Operating Income		1,334,705,460	627,622,875
Salaries and Allowances	29a	289,422,291	214,391,571
Rent, Taxes, Insurances, Electricity etc.	30a	125,896,411	108,786,258
Legal Expenses	31a	78,822	132,730
Postage, Stamps, Telecommunication etc.	32a	10,018,066	10,204,710
Stationery, Printings, Advertisements etc.	33a	15,094,053	11,985,109
Chief Executive's Salary & Fees	34	8,820,000	8,101,679
Directors' Fees	35a	1,156,000	1,320,000
Auditors' Fees	36a	115,000	115,000
Charges on loan losses		—	—
Depreciation & Repairs of Bank's Assets	37a	57,691,641	36,629,009
Other Expenses	38a	143,787,019	69,677,389
Total Operating Expenses		652,079,303	461,343,455
Profit/(Loss) before amortization of Pre-Incorporation		682,626,157	166,279,420
Amortization of Pre-Incorporation expenses		48,531,469	44,000,000
Profit/(Loss) before Provision	23a	634,094,688	122,279,420
Specific Provision for Classified Loans and Advances		—	—
General Provision for Unclassified Loans and Advances		(66,602,748)	(63,197,252)
General Provision for Off-Balance Sheet Exposures		(20,532,000)	(14,921,000)
Provision for Diminution in value of Investments		(4,261,702)	(773,298)
Other Provisions		—	—
Total Provision	39a	(91,396,450)	(78,891,550)
Total Profit/(Loss) before Taxes		542,698,238	43,387,870
Provision for Taxation			
Deferred Tax	14a	(11,409,906)	—
Current Tax	13a.2	(128,590,094)	(32,000,000)
		(140,000,000)	(32,000,000)
Net Profit after Taxation		402,698,238	11,387,870
Retained earnings brought forward from previous years		20,454,074	17,743,777
		423,152,312	29,131,648
Appropriations			
Statutory Reserve	16	108,539,648	8,677,574
General Reserve		—	—
		108,539,648	8,677,574
Retained Surplus	18a	314,612,664	20,454,074
Earnings Per Share (EPS)	40a	0.91	0.03

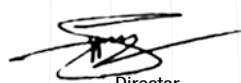
Accompanying notes (1 – 48) form an integral part of these financial statements



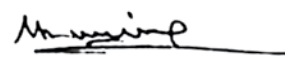
Chairman



Director

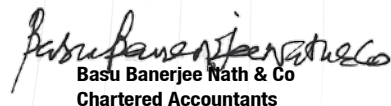


Director



Managing Director & CEO

Signed in terms of our report of even date



Basu Banerjee Nath & Co
Chartered Accountants

Dated: 28th February 2016
Dhaka Trade Centre (11th Floor)
99, Kazi Nazrul Islam Avenue
Kawranbazar, Dhaka-1215

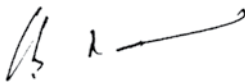
MEGHNA BANK LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2015

	Notes	2015 Taka	2014 Taka
Cash Flows from Operating Activities			
Interest receipts in cash	41a	2,079,881,696	1,178,536,572
Interest Payments	42a	(1,107,302,898)	(475,066,111)
Dividends Receipts		877,885	70,000
Fee & Commission receipts in cash		106,523,383	51,006,125
Recoveries on loans previously written off		–	–
Cash Payments to Employees		(298,242,291)	(222,493,250)
Cash Payments to Suppliers		(15,094,053)	(11,985,109)
Income Taxes Paid		(13,639,942)	(161,015,099)
Receipts from other Operating activities	43a	316,584,000	39,935,895
Payments for other Operating activities	44a	(330,634,330)	(234,489,515)
		738,953,451	164,499,508
Operating Profit before changes in Operating Assets and Liabilities			
Increase/Decrease in Operating Assets and Liabilities			
Statutory Deposits		–	–
Purchase/Sale of Trading Securities (Treasury bills)		(394,176,799)	5,703,189
Loans and Advances to Other Banks		–	–
Loans and Advances to Customers		(7,193,059,801)	(5,697,175,874)
Other Assets	45a	(280,678,703)	(74,667,046)
Deposits from other Banks		3,528,286	(48,160,137)
Deposits from Customers		7,116,805,815	6,330,395,081
Other liabilities on account of customers		–	–
Trading Liabilities		–	–
Other Liabilities	46a	45,068,368	19,660,784
Sub Total		(702,512,834)	535,755,996
A) Net Cash from Operating Activities		36,440,617	700,255,504
Cash flows from Investing Activities			
Proceeds from sale of Securities		2,102,797,100	746,589,344
Payment for purchases of securities		(2,191,861,077)	(3,095,127,026)
Purchase/Sale of Property, Plant & Equipments		(126,465,109)	(142,287,633)
B) Net Cash Used in Investing Activities		(215,529,086)	(2,490,825,315)
Cash flows from Financing Activities			
Borrowing from other banks		1,150,000,000	–
Receipts from issue of ordinary share		–	–
Dividends Paid		–	–
C) Net Cash from Financing Activities		1,150,000,000	–
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		970,911,532	(1,790,569,811)
E) Effect of Exchange rate changes on cash & cash equivalents		–	–
F) Cash and cash equivalents at the beginning of the year		3,181,709,723	4,972,279,534
G) Cash and cash equivalents at the end of the year (D+E+F)	47a	4,152,621,255	3,181,709,723

Accompanying notes (1 – 48) form an integral part of these financial statements



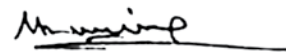
Chairman



Director



Director



Managing Director & CEO

MEGHNA BANK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2015

Particulars	Paid-up Capital (Taka)	Statutory Reserve (Taka)	Other Reserve (Taka)	Retained Earnings (Taka)	Total (Taka)
Balance as at 01 January, 2015	4,433,000,000	22,911,575	1,190,828	20,454,074	4,477,556,477
Changes in accounting policy	-	-	-	-	-
Restated Balance	4,433,000,000	22,911,575	1,190,828	20,454,074	4,477,556,477
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	147,077,525	-	147,077,525
Currency translation differences	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	147,077,525	-	147,077,525
Net profit for the Period	-	108,539,648	-	294,158,590	402,698,238
Dividends	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Balance as at 31 December 2015	4,433,000,000	131,451,223	148,268,353	314,612,664	5,027,332,240

Accompanying notes (1 - 48) form an integral part of these financial statements


Chairman


Director


Director


Managing Director & CEO

MEGHNA BANK LIMITED

LIQUIDITY STATEMENT

ASSETS AND LIABILITIES MATURITY ANALYSIS

AS AT 31 DECEMBER, 2015

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	211,938,097	-	-	-	-	211,938,097
Balance with other Banks and Financial Institutions	946,306,785	1,190,000,000	830,000,000	-	974,000,173	3,940,306,958
Money at Call on Short Notice	-	-	-	-	-	-
Investment	51,299,794	179,413,552	692,391,400	385,452,638	1,992,335,508	3,300,892,891
Loans and Advances	1,208,925,468	3,110,558,962	5,621,245,216	3,058,624,896	1,385,737,470	14,385,092,012
Fixed Assets including Premises, Furniture & Fixtures	5,633,313	11,266,626	50,699,817	142,373,154	49,333,263	259,306,173
Other Assets	43,561,845	64,552,195	41,564,421	101,983,232	441,383,884	693,045,578
Non-banking Assets	-	-	-	-	-	-
Total Assets (i)	2,467,665,301	4,555,791,335	7,235,900,854	3,688,433,920	4,842,790,298	22,790,581,709
Liabilities						
Borrowing from Other Banks, Financial Institutions & Agents	1,150,000,000	-	-	-	-	1,150,000,000
Deposits and Other Accounts	1,054,425,575	4,087,381,150	7,945,741,588	2,352,108,440	633,380,620	16,073,037,373
Provision and Other Liabilities	45,910,138	128,344,861	128,659,372	32,444,277	204,853,449	540,212,097
Total Liabilities (ii)	2,250,335,713	4,215,726,011	8,074,400,959	2,384,552,717	838,234,069	17,763,249,469
Net Liquidity Gap (i-ii)	217,329,588	340,065,324	(838,500,105)	1,303,881,203	4,004,556,229	5,027,332,240
Cumulative Liquidity Gap	217,329,588	557,394,912	(281,105,193)	1,022,776,010	5,027,332,240	-

Accompanying notes (1 - 48) form an integral part of these financial statements



Chairman



Director



Managing Director & CEO

MEGHNA BANK LIMITED & ITS SUBSIDIARY

Notes to the Financial Statements

As at & for the year ended 31 December, 2015

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 vide 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 twenty six (26) located in Gulshan, Motijheel, Chawkbazar, DEPZ, Dhanmondi, Kalampur, Bandura, Uttara at Dhaka; Takerhat at Madaripur; Munshirhat at Comilla; Mohipal at Feni; Agrabad, Madambibirhat, Jubilee Road, Patherhat at Chittagong; Shathibari at Rangpur; Bormi Bazar, Gazipur Chowrasta at Gazipur; Narayangonj at Narayangonj; Hatikumrul at Sirajgonj; Bogra Branch at Bogra; Choyani Bazar, Zamindarhat at Noakhali and Madhabdi at Narsingdi, Laldighir Par, South Surma at Sylhet; as on 31 December, 2015.

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 Subsidiary Company

A subsidiary is an entity in which the bank has control as per as shareholding and voting rights is concerned. Control exist when the bank has substantial shareholding (more than 50 percent) in the company or the power, directly or indirectly, to govern the financial and operating policies of an enterprise as on the date of the reporting. Separate financial statements and consolidated financial statements are being prepared for subsidiary investment as per Bangladesh Accounting Standard BAS-27, "separate financial statements" and BFRS-10, "Consolidated Financial Statements". Interest of the minority is shown as the minority interest which includes share capital of the minority portion as well as profit earned that goes to the non-controlling interest. However, inter group transactions, balances and the resulting unrealized profit/Loss is eliminated on the consolidation.

1.3.1 Meghna Bank Securities Ltd.

Meghna Bank Securities Limited was incorporated in Bangladesh on February 18, 2015 under the Companies Act, 1994 as a private Company vide registration no. C-121270/15. The registered office of the company is located at Suvastu Imam Square, 65 Gulshan Avenue C/A, Gulshan-1, Dhaka. The main objective of the company is to act as a full fledge stock broker and stock dealer to execute buy and sell order and to maintain own portfolio as well as customer portfolio under the discretion of customers. Financial Statements of the company is enclosed herewith.

Meghna Bank Ltd. holds 34,99,999 nos of Shares of Meghna Bank Securities Ltd. with face value of Tk. 100 each which equivalent to 99.99% of total shares of the company.

1.4 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

1.5 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.

1.6 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.

1.7 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.

1.8 Resource Efficiency

Deposits and Shareholders’ Equity represented the two biggest resources of funds for the Bank. As at 31st December 2015, the deposit to third parties liability ratio is 90.49% and Equity to third parties liability ratio is 28.30%. 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.

1.9 Corporate Governance

1.9.1 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

1.9.2 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 2015 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 (HTM)” 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

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: As per 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 net of provision

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

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

Also refer to the Note 2.34 Compliance of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs).

2.2 Presentation of Financial Statements

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 consolidated financial statements includes the financial statements of Meghna Bank Ltd. and its subsidiary Meghna Bank Securities Ltd. made up to the end of the 31st December 2015. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27 – “Consolidated and Separate Financial Statements”. The Consolidated financial statements are prepared to common financial year ended 31st December 2015.

Subsidiary:

Subsidiary is that enterprise which is control by the bank. Control exist when the bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise from the date that control commences until the date that control ceases. The financial statement of subsidiary is included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively ceases. Subsidiary company is consolidated are using purchase method of accounting.

All intra group transaction, balances, income and expenses are eliminated on consolidation. Profit and loss resulting from transactions between group are also eliminated on consolidation.

2.5 Consistency

In accordance with BFRS framework for the preparation of financial statements together BAS – 1 and BAS – 8, Meghna Bank Ltd. discloses its information consistency from one period to the next. Where selecting and applying a new accounting policies, changes in accounting policies, correction of errors, and the amount involved are accounted for and disclosed transparence in accordance with the requirement of BAS – 8. However, for changes in accounting estimate the related amount is recognized prospectively in the current period and in the next period or periods.

2.6 Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the Bank be unable to continue as a going concern.

2.7 Foreign Currency Transaction

2.7.1 Foreign Currency

Items included in the financial statements of each entity in the group are measured using the currency of the primary economy environment in which the entity operates, i.e. the functional currency. The financial statements of the group and the bank are presented in taka which is the bank’s functional and presentation currency.

2.7.2 Foreign Currencies Translation

Foreign currency transaction are converted into equivalent taka using the ruling exchange rates on the dates of respective transaction as per BAS – 21 “ the effects of changes in foreign exchange rates”. Foreign currencies balances held in US dollar are converted into taka at weighted average rate of interbank market as determined by Bangladesh bank on the closing date of every month. Balances held in foreign currencies other than US dollar are converted into equivalent dollar at buying rates of New York closing of the previous day and converted into taka equivalent

2.7.3 Commitments

Commitments for outstanding forward foreign exchange contractors disclosed in this financial statement are translated at contracted rates. Contingent Liabilities/ Commitments for letter of credit and letters of guarantee denominated in foreign currencies are expressed in taka terms at the rates of exchanges ruling on the balance sheet dates.

2.7.4 Translation Gains and Losses:

The resulting exchange transactions gain and losses are included in the profit and loss account.

2.8 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.9 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 2015 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.

1.10 Dividend

Interim dividend is recognized when they are paid to shareholders. Final dividend is recognized when it is approved by Shareholders.

The proposed dividend for the year 2015 has not been recognized as a liability in the balance sheet in accordance with the BAS-10 “Events after the Reporting Period”.

Dividend payable to the Bank’s shareholders is recognized as a liability and deducted from the shareholder’s equity in the period in which the shareholders right to receive payment is established.

2.11 Assets and the basis of their valuation

2.11.1 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	0.25%–5%	0.25%–5%

- d) Commission and discount on bill purchase and discounted are recognized at the time of realization.

2.11.2 Investments

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

C) Investment in Listed Securities

These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit loss account. But provision for diminution in value of investment is provided in the financial statements which market price is below the cost price of investment as per Bangladesh bank guidelines.

D) Investment in unquoted Securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

E) Investment in Subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in bank's financial statements in accordance with the Bangladesh Accounting Standard (BAS) – 28. Accordingly investment in subsidiary is stated in the bank balance sheet at cost, less impairment losses if any.

2.11.3 Property, Plant and Equipment

Recognition and Measurement

All fixed assets are stated at historical cost as per BAS–16 “Property, Plant and Equipment”. The cost of acquisition of asset comprises its purchase price and any directly attributable cost of bringing the assets to its working contribution for its intended use inclusive of inward freight, duties and non–refundable taxes.

Subsequent Cost

The cost of replacing part of such an item of fixed assets is recognized in the carrying amount of an item of property, plant and equipment if it is probable that the future economic benefits embodied with the part will flow to the company and the cost of the item can be measured reliably. The cost of day to day servicing of fixed asset is recognized in profit and loss as incurred.

Depreciation

Depreciation is charged for the year at the following rates on straight line method on all fixed assets:

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

- a) For additions during the year, depreciation is charged for the remaining days of the period and for disposal depreciation is charged up to the date of disposal.
- b) On disposal of fixed assets the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the profit and loss account which is determined with reference to the net book value of the assets and net sale proceeds.

2.11.4 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.

2.11.5 Other Assets

Other asset include mainly advance office rent all other financial asset fees and other unrealized income receivable, advance for operating and capital expenditure and stocks of stationery and stamps etc.

2.11.6 Receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from other entity or person.

2.11.7 Non-banking Assets

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

2.12 Capital / Shareholder's Equity

A) Authorized Capital

Authorized capital is the maximum amount of share capital that the bank is authorized by its memorandum and article of associations to issue to shareholders.

B) Paid Up Capital:

Paid up capital represent total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary share are entitle to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.13 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.

2.14 Minority Interest in Subsidiary

Minority Interest in business is an account concept that refers to the portion of a subsidiary, corporation, stock that is not owned by the parent corporation. The magnitude of the minority interest in the subsidiary company is allows less than 50% of outstanding shares, else the corporation would cease to be a subsidiary of the parent. Minority interest belongs to the other investors and is reported on the consolidated balance sheet of the owning company to reflect the claim on assets belonging to other, non-controlling shareholders also minority interest is reported on the consolidated income statement as a share of profit belonging to minority shareholders.

2.15 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.

2.16 Borrowings from other banks, financial institutions and agents

Borrowed funds include call money deposits, borrowings, refinance borrowing and other term borrowing from banks. These are stated in the balance sheet at amounts payable. Interest paid / payable on these borrowings is charged to the profit and loss account.

2.17 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”.

2.18 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 benefits are given to the employees of the bank in accordance with the approved gratuity fund rules. National Board of Revenue has approved gratuity fund as a recognized gratuity fund on 29th June, 2014. The fund is operated by a Board of Trustees are consisting five members of the bank. Employees are entitled to gratuity benefit after completion of minimum 5 (five) years of service in the bank. The gratuity is calculated on the basis of last basic pay. Obligation for Gratuity Fund is determined on the basis of actuary valuation.

2.19 Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences relating to the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities

are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.20 Contingent Asset & Contingent Liability

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events and on the other hand a contingent liability is a possible obligation that arises from past events and whose existence will also be confirmed only by the occurrence of non-occurrence of one or more uncertain future events. Contingent asset and liability is not recognized rather disclosed in the financial statements.

2.21 Off Balance Sheet items & Provision

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. As per BRPD Circular # 14, dated September 23, 2012 Banks are required to maintain provision @ 1.00% against Off Balance Sheet exposure, (L/C, Guarantee and Bills for Collection).

2.22 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.

2.23 Statement of Changes in Equity

The Statement of changes in Equity reflects information about the increase or decrease in net assets or wealth. The Statement also shows item-wise movement along with the description of Charges from the end of last year to the end of current year.

2.24 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.

2.25 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.

2.26 Earnings per Share

The company calculates Earnings Per Share (EPS) in accordance with BAS 33 “Earnings Per Share (EPS)” which has been shown on the face of Profit and Loss Account. Earnings Per Share (EPS) has been calculated by dividing the net profit after tax by the total number of ordinary shares outstanding at the end of the year. Details are shown in note 38 to the financial statements.

Basic Earnings Per Share

This represents earning for the year attributable to ordinary shareholders. Net profit after tax has been considered as fully attributable to the ordinary shareholders.

Diluted Earnings Per Share

No diluted earnings per share are required to be calculated for the period, as there was no element or scope for dilution during the period under review. However, EPS is restated for the comparative years if it requires as per BAS: 33

2.27 Reconciliation of Books of Account

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

2.28 Directors responsibility on statement

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

2.29 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.

2.30 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.

2.31 Credit Rating

As per BRPD Circular no. 6 dated 5th July 2006, the Bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the financial statements as at and for the year ended 31 December 2014. The following ratings have been awarded:

Particulars	Periods	Date of Rating	Long Term	Short Term
Entity Rating	January to December 2014	29 th June 2015	BBB+	ST – 3
Entity Rating	January to December 2013	20 th April 2014	BBB	ST – 3

2.32 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 Senior Executive Vice President 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:

2.32.1 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.

2.32.2 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.

2.32.3 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.

2.32.4 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.

2.32.5 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.

2.32.6 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.

2.32.7 Market risk

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.

2.32.8 Operation Risk

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.

2.32.9 Reputation Risk

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.

2.33 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.

2.34 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
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 and Reporting by Retirement Benefit Plans	26	Applied
Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	N/A
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instrument	39	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	Applied
Operating Segments	8	Applied
Consolidated Financial Statements	10	Applied
Joint Agreement	11	N/A
Disclosure of Interest in other Entities	12	N/A
Fair Value Measurement	13	Applied

2.35 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.

2.36 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.

2.37 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
3	Mr. Md. Yasin Ali Representative of 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	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%	Managing Director Managing Director Managing Director Managing Director Chairman Managing Director Director Managing Director Managing Director Managing Director Director Managing Partner Managing Director Chairman

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. 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	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 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
4	Ms. Farah Ahsan	Director	1. Meghna Bank Ltd. 2. AG Property Developments Ltd. 3. AG Agro Industries Ltd. 4. AG Hi-Tech Ltd. 5. AG Ceramic Industries Ltd. 6. AG Ltd. 7. AG Green Property Development 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

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
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 Representative of 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
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%	Director Managing Director Sponsor Shareholder Managing Director Managing Director Managing Director Managing Director Partner Partner Partner Partner

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
8	Mr. Alock Kumar Das	Director	1. Meghna Bank Ltd. 2. Paramount Textile Mills 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. Ziri Subader Steel Re–Rolling Mills (Unit, Re–Rolling Mills) 3. Ziri Subader 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 & Co. 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 Representative of 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 M.P.	Director	1. Meghna Bank Ltd. 2. M/s. Joy Omar Construction	2.26% 100%	Director Proprietor
16	Ms. 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 & Conversion 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 Representative of 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

2.38 Approval of Financial Statements

The Board of Directors of the Bank in its meeting held on 25 February, 2016 approved the Financial Statements and authorized the same for issue.

2.39 Reporting Period

These financial statements cover for the year ended 31 December, 2015.

2.40 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.



	2015 Taka	2014 Taka
3 Consolidated Cash in hand (Including foreign currencies)		
Meghna Bank Limited (Note-3a)	211,938,097	106,822,547
Meghna Bank Securities Ltd	-	-
	211,938,097	106,822,547
3a Cash in hand (Including foreign currencies)		
In local currency	211,417,645	106,277,107
In foreign currencies	520,452	545,440
	211,938,097	106,822,547
4 Consolidated Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		
Meghna Bank Limited (Note-4a)	1,531,999,229	621,972,339
Meghna Bank Securities Ltd	-	-
	1,531,999,229	621,972,339
4a Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		
In local currency	1,348,464,077	612,420,144
In foreign currencies	181,533,653	9,552,196
	1,529,997,729	621,972,339
Balance with Sonali Bank Ltd as agent of Bangladesh Bank		
In local currency	2,001,500	-
In foreign currencies	-	-
	2,001,500	-
	1,531,999,229	621,972,339
4a.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 MPD Circular No. 01 & 02 dated June 23, 2014 and December 10, 2013 & DOS Circular No.01 dated January 19, 2014,		
The Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 6.5% has been calculated and maintained with Bangladesh Bank and 13% Statutory Liquidity Ratio excluding CRR, on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including FC balance with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:		
4a.2 Cash Reserve Requirement (CRR): 6.5% of Average Demand and Time Liabilities		
Required Reserve	959,310,173	506,820,380
Actual Reserve held with Bangladesh Bank (In local currency)	1,348,464,077	612,420,144
CRR Surplus	389,153,903	105,599,764
4a.3 Statutory Liquidity Ratio (SLR): 13.00% of Average Demand and Time Liabilities		
Required Reserve	1,918,620,346	1,013,640,760
Actual Reserve held	3,082,442,547	2,253,263,285
SLR Surplus	1,163,822,201	1,239,622,525
4a.4 Total Required Reserve (CRR & SLR)	2,877,930,520	1,520,461,140
Actual Reserve held (Note-4a.5)	4,430,906,624	2,865,683,429
	1,552,976,104	1,345,222,289
4a.5 Held for Statutory Liquidity Ratio		
Cash in hand (Note-3a)	211,938,097	106,822,547
Balance with Bangladesh Bank and its agent Bank (s) (Note-4a)	1,531,999,229	621,972,339
Government Securities (Note-7a)	2,686,969,297	2,136,888,543
	4,430,906,624	2,865,683,429
5 Consolidated Balance with Other Banks and Financial Institutions In Bangladesh		
Meghna Bank Limited (Note-5a)	2,260,321,157	1,432,818,962
Meghna Bank Securities Ltd	41,650,676	-
	2,301,971,833	1,432,818,962
Less: Inter Company Transaction	38,325,575	-
	2,263,646,259	1,432,818,962

Outside Bangladesh

Meghna Bank Limited (Note-5a)
Meghna Bank Securities Ltd

5a Balance with Other Banks and Financial Institutions

In Bangladesh (Note-5a.1)
Outside Bangladesh (Note-5a.2)

5a.1 In Bangladesh**5a.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

5a.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
BRAC Bank Limited,
Sonali Bank Limited, Mithapukur Branch

5a.1c FDR with Other Banks & Financial Institutions**FDR with Other Banks**

NRB Global Bank Limited
Farmers Bank Limited
Modhumoti Bank Limited

FDR with Financial Institutions

Peoples Leasing & Financial Services Ltd
Phoenix Finance and Investment Ltd
IDLC Finance Limited
Delta Brac Housing Finance Corporation Ltd
Premier Leasing Int'l Ltd.
International Leasing & Financial Services Ltd
First Lease Finance & Investment Ltd
FAS Finance & Investment Ltd
GSP Finance Limited
National Finance Ltd
Lanka Bangla Finance Limited
Union Capital Limited

2015 Taka	2014 Taka
147,986,572	29,832,375
-	-
147,986,572	29,832,375
2,411,632,831	1,462,651,337
2,260,321,157	1,432,818,962
147,986,572	29,832,375
2,408,307,729	1,462,651,337

-	850
2,198,401	3,795,670
9,056	3,505,252
2,280	5,000
43,505	100,000
3,342	10,000
7,550	100,000
2,264,134	7,516,772

1,464,909	92,330
468,549	450,450
6,146,718	433,559
3,022,474	9,615,112
383,195	-
11,881,179	20,740
23,367,023	10,612,191

-	500,000,000
-	150,000,000
-	500,000,000
-	1,150,000,000

200,000,000	100,000,000
164,690,000	164,690,000
490,000,000	-
150,000,000	-
50,000,000	-
100,000,000	-
200,000,000	-
100,000,000	-
100,000,000	-
100,000,000	-
100,000,000	-
480,000,000	-
100,000,000	-
2,234,690,000	264,690,000
2,260,321,157	1,432,818,962

5a.2 Outside Bangladesh (NOSTRO Account)

<u>Current Account</u>	<u>Currency</u>	<u>F.C. Amount</u>	<u>Rate</u>	<u>Taka</u>
AB Bank Ltd, Mumbai	ACU	842,381.13	79.0000	66,548,109.27
AB Bank Limited, OBU–USD	USD	2,022.72	79.0000	159,794.88
Mashreq Bank p.s.c. New York, U.S.A	USD	655,047.96	79.0000	51,748,788.84
Habib American Bank, New York. U.S.A	USD	139,099.34	79.0000	10,988,847.86
NIB Bank Limited, Karachi, Pakistan	ACU	304.21	79.0000	24,032.59
Mashreq Bank London, UK	GBP	61,269.57	117.0780	7,173,318.72
Mashreq Bank London, UK	EUR	48,303.70	86.2996	4,168,589.99
Commerzbank AG, Frankfurt, Germany	EUR	917.16	86.2996	79,150.54
National Bank of Pakistan, Tokoyo, Japan.	JYP	1,317,410.00	0.6559	864,089.22
Mizuho Bank Ltd, Tokyo, Japan.	JYP	716,851.00	0.6559	470,182.57
National Australia Bank Ltd	AUD	25,555.81	57.6700	1,473,803.56
Bank of New Zealand	NZD	79,282.44	54.0834	4,287,863.92
				147,986,572

Currency wise Distribution:

<u>Foreign Currency</u>	<u>BDT</u>	<u>Composition</u>
USD/ACU	129,469,573	87.49%
GBP	7,173,319	4.85%
EUR	4,247,741	2.87%
JYP	1,334,272	0.90%
AUD	1,473,804	1.00%
NZD	4,287,864	2.90%
	147,986,572	100%

5a.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 2015 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.

	<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>	
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
Up to 3 months	0	0	6	439,933	4	226.49	9	29,586.15
From 03 months to 06 months	–	–	–	–	–	–	–	–
From 06 months to 09 months	–	–	–	–	–	–	–	–
From 09 months to 12 months	–	–	–	–	–	–	–	–
More than 12 months	–	–	–	–	–	–	–	–
	0	0	6	439,933	4	226.49	9	29,586.15

5a.4 Maturity-wise groupings of balance with other Banks and Financial Institutions

	<u>2015 Taka</u>	<u>2014 Taka</u>
On Demand	173,617,729	47,961,337
Not more than 3 months	1,390,000,000	1,300,000,000
More than 3 months but less than 1 year	830,000,000	100,000,000
More than 1 year but less than 5 years	–	–
More than 5 years	14,690,000	14,690,000
	2,408,307,729	1,462,651,337

6 Consolidated Money at Call and Short Notice

Meghna Bank Limited (Note–6a)	–	990,000,000
Meghna Bank Securities Ltd	–	–
	–	990,000,000

6a Money at Call and Short Notice**With Bank**

Jamuna Bank Limited

With NBFIs

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

7 Consolidated Investment:**Government**

Meghna Bank Limited (Note-7a)

Meghna Bank Securities Ltd

Others

Meghna Bank Limited (Note-7a)

Meghna Bank Securities Ltd

7a Investment:**i) Investment Classified as per Bangladesh Bank Circular:**

Held for Trading (HFT)

Held to Maturity (HTM)

Other Investment

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

2) Government Bond (HTM & HFT)

2,5,10,15 & 20 Years Bonds (Note-7a.2)

Prize Bond in Hand

Total (1+2)**b) Other Investment**

1) Commercial Paper of Anwara Mannan Textile Mills Ltd

2) Commercial Paper of Shanta Properties Ltd

3) Trust Bank Limited Subordinate Bond-II

4) City Bank Limited Subordinate Bond

5) Investment in Shares at cost (Note - 7a.3)

	2015 Taka	2014 Taka
	-	80,000,000
	-	80,000,000
	-	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
	2,686,969,297	2,136,888,543
	-	-
	2,686,969,297	2,136,888,543
	613,923,594	533,573,347
	317,500,000	-
	931,423,594	533,573,347
	3,618,392,891	2,670,461,890
	749,444,718	916,487,726
	1,270,653,548	1,220,137,317
	614,299,794	533,836,847
	2,634,398,060	2,670,461,890
	29,887,564	78,755,745
	149,525,988	136,128,200
	522,388,124	85,659,763
	701,801,676	300,543,708
	1,984,791,422	1,836,081,335
	376,200	263,500
	1,985,167,622	1,836,344,835
	2,686,969,297	2,136,888,543
	150,000,000	-
	-	100,000,000
	100,000,000	100,000,000
	313,000,000	313,000,000
	50,923,594	20,573,347
	613,923,594	533,573,347
	3,300,892,891	2,670,461,890

7a.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

2015 Taka	2014 Taka
51,299,794	40,751,649
179,413,552	118,042,952
692,391,400	262,585,954
385,452,638	60,029,453
1,992,335,508	2,189,051,882
3,300,892,891	2,670,461,890

7a.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

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

Total

20,003,276	20,006,701
19,980,949	19,977,162
560,442,147	669,975,984
359,486,404	359,670,999
310,740,773	150,506,471
31,055,074	–
21,416,616	20,045,590
635,439,758	–
26,226,426	19,869,311
–	576,029,117
1,984,791,422	1,836,081,335

7a.3 Investment in Shares at cost

AB Bank Limited
 Appollo Ispat Complex Ltd
 Barkatullah Electro Dynamics
 Lafarge Surma Cement Ltd
 City Bank Limited
 Eastern Bank Limited
 Grameen Phone
 Square Pharmaceuticals Ltd
 Square Textile Ltd
 Central Pharmaceuticals Ltd
 Uttara Finance Ltd
 IDLC
 Marico
 Renata Ltd
 AIMS First Gtd MF
 Ratanpur Steel Re-Rolling Mills
 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	411,025
–	233,382
–	164,771
583,956	–
1,241,739	422,196
–	418,043
11,260,801	–
9,328,288	7,156,296
4,167,042	–
264,517	–
1,740,520	–
4,588,501	–
161,372	–
3,790,887	–
3,175,992	–
–	59,894
3,316,872	1,949,361
501,852	501,852
3,046,737	2,292,371
3,343,493	6,191,654
–	772,504
50,923,594	20,573,347

8 Consolidated Loans and AdvancesMeghna Bank Limited (**Note-8a**)

Meghna Bank Securities Ltd

Less: Inter Company Transaction

Bills purchased and discountedMeghna Bank Limited (**Note-8a**)

Meghna Bank Securities Ltd

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

Cash Credit

Secured overdraft

General overdraft

Import finance

Export Finance

Other Demand Loans

Demand Loan (Forced Loan)

Consortium/Syndicate Finance

House Building Loan

General Term Loans

Agricultural and Rural Credit Scheme

Personal/Professionals Loan Scheme

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

Inland bills purchased and discounted

Payable outside Bangladesh

Foreign bills purchased and discounted

8a.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-8a.10**)**8a.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

	2015 Taka	2014 Taka
	14,251,233,126	7,143,132,688
	-	-
	14,251,233,126	7,143,132,688
	-	-
	14,251,233,126	7,143,132,688
	133,858,886	48,899,524
	-	-
	133,858,886	48,899,524
	14,385,092,012	7,192,032,212
	2,300,958,389	639,857,270
	1,515,103,684	115,234,004
	3,231,649,190	1,286,863,831
	1,508,918,062	743,232,889
	4,370,018	-
	1,212,795,840	1,307,672,719
	104,217,012	-
	476,750,858	514,419,269
	508,531,347	386,160,049
	2,987,794,005	1,826,126,397
	219,757,433	176,786,262
	180,387,288	146,779,996
	14,251,233,126	7,143,132,688
	-	-
	14,251,233,126	7,143,132,688
	133,858,886	48,899,524
	-	-
	133,858,886	48,899,524
	14,385,092,012	7,192,032,212
	14,385,092,012	7,192,032,212
	-	-
	-	-
	144,200,000	77,597,252
	144,200,000	77,597,252
	14,240,892,012	7,114,434,960
	631,857,929	331,397,921
	3,602,100,329	1,565,938,769
	5,572,912,502	2,807,355,917
	3,058,624,896	1,460,616,310
	1,385,737,470	1,026,723,295
	14,251,233,126	7,192,032,212

8a.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

	2015 Taka	2014 Taka
	45,316,433	11,564,211
	40,209,739	24,600,291
	48,332,714	12,735,022
	-	-
	133,858,886	48,899,524

8a.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) Export Financing

ii) House Building Loan

iii) Retail Loan

iv) Small and Medium Enterprises

v) Industrial Loans Details {Note-8a.4 (d)}

vi) Others Loan

vii) Other Loans and Advances (SOD)

	-	-
	89,580,092	113,732,778
	1,399,956,351	245,387,897
	23,989,490	-
	495,452,256	360,699,427
	111,125,744	67,866,631
	2,374,386,604	634,861,541
	7,302,936,129	5,127,283,661
	1,072,561,662	526,966,273
	1,515,103,684	115,234,004
	14,295,511,920	7,078,299,434
	14,385,092,012	7,192,032,212

(d) Details of Industrial Loans and Advances

i) Agricultural industries

ii) Textile industries

iii) Food and allied industries

iv) Pharmaceutical 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

	616,774,320	344,237,542
	107,192,198	94,060,474
	136,852,042	68,142,173
	439,100,243	-
	481,068,862	574,248,524
	119,367,508	129,247,922
	1,973,943,965	1,157,575,928
	3,247,874	450,156,356
	3,425,389,118	2,309,614,742
	7,302,936,129	5,127,283,661

8a.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

Number of such types of customers

Amount of Classified Advances thereon

Measures taken for recovery

:	270.48 crore	197.75 crore
:	5	3
:	Nil	Nil
:	Not applicable	Not applicable

Each of the five customers exceeds the limit of 10% of Bank's total capital. 10% of Bank's total capital stood as at 31 December, 2015 Tk. 50.66 crore.

For details please refer to **Annexure-D****8a.6 Sector-wise Classification of Loans and Advances Including Bills Purchased and Discounted:**

Public Sector

Co-Operative Sector

Private Sector

	61,283,302	9,034,612
	-	-
	14,323,808,710	7,182,997,599
	14,385,092,012	7,192,032,212

8a.7 Geographical Location-wise Loans and Advances:

Area	As at 31 December 2015		As at 31 December 2014	
	Amount	Composition	Amount	Composition
i) Inside Bangladesh (Note-8a.8)				
a) In Rural Areas	1,109,887,535	7.72%	445,559,672	6.20%
b) In Urban Areas	13,275,204,477	92.28%	6,746,472,540	93.80%
Sub-total	14,385,092,012	100.00%	7,192,032,212	100.00%
ii) Outside Bangladesh	-	-	-	-
Total	14,385,092,012	100.00%	7,192,032,212	100.00%

8a.8 Inside Bangladesh

Division	As at 31 December 2015		As at 31 December 2014	
	Amount	Composition	Amount	Composition
Dhaka	12,223,950,524	84.98%	6,341,913,281	88.18%
Chittagong	1,981,721,853	13.78%	791,051,439	11.00%
Sylhet	3,754,570	0.03%	-	0.00%
Rajshahi	75,581,571	0.53%	16,458,120	0.23%
Rangpur	100,083,494	0.70%	42,609,372	0.59%
Total	14,385,092,012	100.00%	7,192,032,212	100.00%

8a.9 Grouping of Loans and Advances as per Classification Rules of Bangladesh Bank:

Status	As at 31 December 2015		As at 31 December 2014	
	Amount	Composition	Amount	Composition
Unclassified (including staff Loans)	14,050,973,953	97.68%	7,192,032,212	100.00%
Special Mention Account (SMA)	334,118,059	2.32%	-	0.00%
Substandard	-	0.00%	-	0.00%
Doubtful	-	0.00%	-	0.00%
Bad or loss	-	0.00%	-	0.00%
Total	14,385,092,012	100.00%	7,192,032,212	100.00%

8a.10 Particulars of provision for Loans and Advances:

Status	Rate	Basis for Provision	2015	2014
			Taka	Taka
Unclassified (Excluding staff Loans)	1%	10,494,846,498	104,948,465	53,716,096
Staff Loans	0%	89,580,092	-	-
Consumer Financing (Other than HF & LP)	5%	107,012,975	5,350,649	2,824,990
Small & Medium Enterprise	0.25%	2,349,822,207	5,874,556	1,833,970
Housing Finance	2%	625,178,367	12,503,567	4,381,617
Loan for professionals	2%	13,598,261	271,965	40,161
Share Business	2%	485,296,179	9,705,924	10,374,538
Short Term Agri. Credit	2.50%	219,757,433	5,493,936	4,419,657
			144,149,061	77,591,029
Substandard	20%	-	-	-
Doubtful	50%	-	-	-
Bad or loss	100%	-	-	-
Required provision for Loans and Advances			144,149,061	77,591,029
Total provision maintained {Note-13a.1(b)}			144,200,000	77,597,252
Surplus Provision			50,939	6,223

The Bank has maintained provision on unclassified loans and advances amounting to Tk.14,42,00,000 (Note - 13a.1.b). There exists surplus of Tk. 50,939 in unclassified loans and advances.

8a.11 Particulars of provision for Off-Balance Sheet

Status	Basis for Provision	Rate	Rate
		1%	1%
Acceptances and Endorsements	554,885,389	5,548,854	1,836,493
Bills	417,672,010	4,176,720	757,159
Letters of Guarantee	2,430,591,621	24,305,916	10,384,103
Irrevocable Letters of Credit	803,646,694	8,036,467	8,589,251
Required provision for Off Balance Sheet Items	4,206,795,714	42,067,957	21,567,005
Provision maintained {Note-13a.1(c)}		42,100,000	21,568,000
Surplus Provision		32,043	995

8a.12 Particulars of Loans and Advances:

	2015 Taka	2014 Taka
(i) Loans considered good in respect of which the banking company is fully secured.	8,058,014,093	4,929,012,100
(ii) Loans considered good for which the banking company holds no other security than the debtor's personal guarantee.	1,572,705,795	1,061,490,002
(iii) Loans considered good and secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors.	4,754,372,125	1,201,530,110
(iv) Loans adversely classified; provided not maintained there against.	-	-
	14,385,092,012	7,192,032,212
(v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons.	89,580,092	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.	-	-
(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.	7,831,249	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 Consolidated Fixed Assets including Premises, Furniture's & Fixtures		
Cost:		
Meghna Bank Limited (Note-9a)	357,877,843	234,215,957
Meghna Bank Securities Ltd	96,300	-
	357,974,143	234,215,957
Accumulated Depreciation:		
Meghna Bank Limited (Note-9a)	98,571,670	45,015,521
Meghna Bank Securities Ltd	784	-
	98,572,454	45,015,521
Carrying value	259,401,689	189,200,436

9a Fixed Assets including Premises, Furniture's & Fixtures**A. Cost:**

Opening balance

Add: Addition during the year**Less:** Disposal during the year**Closing balance at cost****B. Depreciation:**

Opening balance

Add: Addition during the year**Less:** Adjustment / disposal during the year**Accumulated Depreciation****Carrying value**

For details please refer to Annexure-B

10 Consolidated Other AssetsMeghna Bank Limited (**Note-10a**)

Meghna Bank Securities Ltd

Less: Inter Company Transaction

10a Other Assets

Stock of Stationery, Stamps and Printing Materials etc. (valued at cost)

Advance Rent

Suspense Account (**Note-10a.1**)Interest receivable (**Note-10a.2**)

Security Deposit

Advance against proposed Branch

Interest on Sanchaypatra

Stock of Capex

Prepaid Expenses

Investment in Subsidiary

NCCB Securities & Financial Services Ltd

IDLC Investments Ltd (B/O Account)

Advance Income Tax (**Note-13a.2**)MGBL General Account (**Note-10a.3**)

Pre Incorporation Expenses

10a.1 Suspense Account:

Sundry Debtors

Advance against TA/DA

Advance against Petty Cash

Others

	2015 Taka	2014 Taka
	234,215,957	91,934,228
	132,139,923	142,372,698
	8,478,037	90,969
	357,877,843	234,215,957
	45,015,521	8,645,843
	56,640,099	36,375,581
	3,083,950	5,903
	98,571,670	45,015,521
	259,306,173	189,200,436
	693,045,578	537,173,935
	214,831	-
	693,260,409	537,173,935
	349,999,900	-
	343,260,509	537,173,935
	2,303,475	2,659,457
	214,131,212	189,528,854
	5,546,500	18,015,817
	93,585,845	105,122,881
	92,525	46,900
	21,400,292	48,522,958
	695,003	253,830
	826,000	520,024
	3,920,658	-
	349,999,900	-
	4,853	5,431,400
	538,805	5,270,322
	-	113,270,023
	510	-
	-	48,531,469
	693,045,578	537,173,935
	4,198,500	6,392,817
	95,000	-
	25,000	25,000
	1,228,000	11,598,000
	5,546,500	18,015,817

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	1,763,500	10,000	2,425,000	-	-
2	Advance against TA/DA	95,000	-	-	-	-
3	Advance against Petty Cash	25,000	-	-	-	-
4	Cash Remittance	-	-	-	-	-
5	Legal expenses	-	-	-	-	-
6	Others	1,228,000	-	-	-	-
	Grand Total	3,111,500	10,000	2,425,000	-	-

2015 Taka	2014 Taka
--------------	--------------

10a.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

47,632,576	22,551,144
215,000	9,575,418
-	1,224,153
45,738,269	67,771,431
-	4,000,735
93,585,845	105,122,881

10a.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	510	-	-
Over 3 Months but within 6 months	-	-	-	-
Over 6 Months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	1	510	-	-
Net unreconcile amount				510

11 Consolidated Borrowings from other Banks & Financial Institutions and Agents

Meghna Bank Limited (Note-11 a)
Meghna Bank Securities Ltd

1,150,000,000	-
-	-
1,150,000,000	-

11a Borrowings from other Banks & Financial Institutions and Agents

In Bangladesh
Outside Bangladesh

1,150,000,000	-
-	-
1,150,000,000	-

12 Consolidated Deposits and Other Accounts**Current Deposit & Other Accounts:**

Meghna Bank Limited (Note-12a)

Meghna Bank Securities Ltd

Bills Payable:

Meghna Bank Limited (Note-12a)

Meghna Bank Securities Ltd

Savings Bank Deposits:

Meghna Bank Limited (Note-12a)

Meghna Bank Securities Ltd

Fixed Deposits:

Meghna Bank Limited (Note-12a)

Meghna Bank Securities Ltd

Less: Inter Company Transaction

12a Deposits and Other Accounts

1) Deposits from banks

2) Deposits from customers

1) Deposits from banks

BRAC Bank Limited

Jamuna Bank Limited

Southeast Bank Limited

2) Deposits from customer**i) Current Deposit & Other Accounts:**

Current Deposit

Foreign Currency Deposits

Sundry Deposits [Note Y]

ii) Bills Payable:

Payable inside Bangladesh

Payment Order Issued

Payable outside Bangladesh

iii) Savings Bank Deposits:

Savings Deposits

iv) Fixed Deposits:

Fixed Deposits

Short Notice Deposits

Scheme Deposit [Note-X]

x Scheme Deposits:

Deposit Pension Scheme

Meghna Child Education Plan

Monthly Income Scheme Deposit

Meghna Multiplier Scheme

2015 Taka	2014 Taka
867,360,084	414,586,967
-	-
867,360,084	414,586,967
174,048,030	154,972,554
-	-
174,048,030	154,972,554
427,638,875	378,019,551
-	-
427,638,875	378,019,551
14,603,990,384	8,005,124,199
-	-
14,603,990,384	8,005,124,199
38,325,575	-
14,565,664,809	8,005,124,199
16,034,711,798	8,952,703,272
5,368,149	1,839,863
16,067,669,224	8,950,863,410
16,073,037,373	8,952,703,273
2,240,390	1,839,863
538,274	-
2,589,485	-
5,368,149	1,839,863
512,539,807	231,672,023
9,433,839	12,308
345,386,439	182,902,637
867,360,084	414,586,967
174,048,030	154,972,554
174,048,030	154,972,554
-	-
174,048,030	154,972,554
427,638,875	378,019,551
427,638,875	378,019,551
12,156,790,147	6,410,099,832
296,103,320	821,115,015
2,151,096,916	773,909,352
14,603,990,384	8,005,124,199
16,073,037,373	8,952,703,273
201,926,231	48,868,772
6,519,031	1,888,564
972,445,680	278,780,400
970,205,973	444,371,616
2,151,096,916	773,909,352

12a.1 Deposits and Other Accounts:**Current Deposit & Other Accounts:**

- a) Deposits from banks
b) Deposits from customers

2015 Taka	2014 Taka
3,127,759	–
864,232,325	414,586,967
867,360,084	414,586,967

Bills Payable

- a) Deposits from banks
b) Deposits from customers

–	–
174,048,030	154,972,554
174,048,030	154,972,554

Savings Bank Deposits:

- a) Deposits from banks
b) Deposits from customers

–	–
427,638,875	378,019,551
427,638,875	378,019,551

Fixed Deposits:

- a) Deposits from banks
b) Deposits from customers

2,240,390	1,839,863
14,601,749,994	8,003,284,337
14,603,990,384	8,005,124,199

Y. Sundry Deposits

- Margin on letter of guarantee
Margin on letter of credit
Withholding VAT/Tax/Excise duty payable to Government Authority
Others

129,399,042	70,980,750
124,885,873	84,752,546
39,507,022	14,622,458
51,594,501	12,546,883
345,386,439	182,902,637

12a.2 Maturity wise classification of Deposits are as under with a residual maturity of:

- Repayable on demand
Within 1 month
Over 1 month but not more than 6 months
Over 6 months but not more than 1 year
Over 1 year but not more than 5 years
Over 5 years

210,885,115	183,568,411
843,540,460	240,233,000
7,521,103,626	6,963,835,650
4,512,019,112	883,981,715
2,352,108,440	442,704,922
633,380,620	238,379,574
16,073,037,373	8,952,703,272

13 Consolidated Other Liabilities

- Meghna Bank Limited (Note–13a)
Meghna Bank Securities Ltd

528,802,190	340,054,947
6,872,409	–
535,674,600	340,054,947
–	–
535,674,600	340,054,947

Less: Inter Company Transaction

13a Other Liabilities

- Interest Payable on Deposits & Borrowings
Provision for Loans and Advances (Note–13a.1 (a) & (b))
Provision for Off–Balance Sheet items (Note–13a.1 (c))
Provision for Investment in Securities (Note–13a.1 (e))
Non–Resident Accounts
Settlement with NPSB
Provision for Taxation (Note–13a.2)
MGBL General Account
BEFT Settlement Account
Adjusting Account Credit

270,368,976	219,766,680
144,200,000	77,597,252
42,100,000	21,568,000
5,035,000	773,298
4,449,616	–
240,055	–
1,680,129	–
–	7,165,196
13,547,848	3,564,000
47,180,566	9,620,522
528,802,190	340,054,947

13a.1 Provision for Loans and Advances:**(a) Provision on Classified Loans and Advances:**

Provision held at the beginning of the year

Less: Fully provided debt written off**Add:** Recoveries of amounts previously written off**Add:** Specific Provision for the year**Less:** Recoveries and provisions no longer required**Add:** Net charge to Profit & Loss Account**Provision held at the end of the year****(b) General Provision on Unclassified Loans and Advances**

Provision held at the beginning of the year

Addition during the year

Balance at the end of the year**Total Provision for Loans and Advances (a+b)****(c) General Provision on Off-Balance Sheet items:**

Provision held at the beginning of the year

Addition during the year

Balance at the end of the year**Total Provision for Loans and Advances & Off-Balance Sheet (a+b+c)****(d) Provision for other Assets:**

Provision held at the beginning of the year

Addition during the year

Balance at the end of the year**(e) Provision for Investment in Securities:**

Provision held at the beginning of the year

Addition during the year

Balance at the end of the year**(f) Interest Suspense Account:**

Balance at the beginning of the year

Amount transferred to interest suspense account during the year

Amount recovered from interest suspense account during the year

Amount written off/ waived during the year

Balance at the end of the year**13.2 Consolidated Provision for Taxation****Provision for Current tax**Meghna Bank Limited (**Note-13a.2**)

Meghna Bank Securities Ltd

Advance taxMeghna Bank Limited (**Note-13a.2**)

Meghna Bank Securities Ltd

Balance at the end of the year**13a.2 Provision for Taxation****Provision for Current tax**

Balance at the beginning of the year

Less : Settlement of Income tax for the Income year 2014**Add:** Provision made during the year**Advance tax**

Balance at the beginning of the year

Paid during the year

Less : Settlement of Income tax for the Income year 2014**Balance at the end of the year**

2015 Taka	2014 Taka
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
77,597,252	14,400,000
66,602,748	63,197,252
144,200,000	77,597,252
144,200,000	77,597,252
21,568,000	6,647,000
20,532,000	14,921,000
42,100,000	21,568,000
186,300,000	99,165,252
-	-
-	-
-	-
-	-
-	-
773,298	-
4,261,702	773,298
5,035,000	773,298
-	-
-	-
-	-
-	-
-	-
-	-
165,209,805	39,636,361
1,200,000	-
166,409,805	39,636,361
163,529,677	152,906,384.42
894,724	-
164,424,401	152,906,384.42
1,985,404	(113,270,023)
39,636,361	39,192,227
3,016,650	31,555,866
128,590,094	32,000,000
165,209,805	39,636,361
152,906,384	23,447,151
13,639,942	161,015,099
3,016,650	31,555,866
163,529,677	152,906,384
1,680,129	(113,270,023)

	2015 Taka	2014 Taka
14 Consolidated Deferred Tax Liability		
Meghna Bank Limited (Note-14a)	11,409,906	-
Meghna Bank Securities Ltd	-	-
	11,409,906	-
14a Deferred Tax Liability		
Balance at the beginning of the year	-	-
Add: Provision made during the year	11,409,906	-
Balance at the end of the year	11,409,906	-
15a Capital		
15a.1 Authorized Capital:		
200,00,00,000 ordinary shares of Tk. 10 each	20,000,000,000	20,000,000,000
15a.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	4,433,000,000	4,433,000,000
Issued for cash: shares of Tk. 10 each	4,433,000,000	4,433,000,000
	4,433,000,000	4,433,000,000
Holding		
Sponsor Shareholders Group-A	4,433,000,000	4,433,000,000
In year 2015: 100%	4,433,000,000	4,433,000,000

15.3 Consolidated Capital Adequacy:

Position of capital adequacy are given below:-

a) Core Capital (Tier -I):

- i) Paid-up Capital
- ii) Statutory Reserve (Note-16)
- iii) Retained Earnings (Note-18)
- iv) Non-Controlling Interest (Note-19)

4,433,000,000	4,433,000,000
131,451,223	22,911,575
317,201,277	20,454,074
101	-
4,881,652,601	4,476,365,649
-	48,531,469
4,881,652,601	4,427,834,180

Less : Pre-Incorporation expenses

b) Supplementary Capital (Tier-II):

- i) General Provision {Note 13a.1(b+c)}
- ii) Revaluation of Securities

186,300,000	99,165,252
476,331	595,414
186,776,331	99,760,666
5,068,428,932	4,527,594,846
18,610,048,823	9,937,244,749
4,000,000,000	4,000,000,000
1,068,428,932	527,594,846

c) Total Equity (a +b)

d) Total Risk Weighted Assets (Note-15.4)

e) Required Capital

f) Total Capital Surplus (c-e)

Capital Adequacy Ratio:

Particulars	2015 (Under Basel III)		2014 (Under Basel II)	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Core Capital	5.00%	26.23%	5.00%	44.56%
Supplementary Capital		1.00%		1.00%
Total	10.00%	27.23%	10.00%	45.56%

15.4 Consolidated Risk Weighted Assets (RWA) for

1. Credit Risk
 - On–Balance Sheet
 - Off–Balance Sheet
2. Market Risk
3. Operational Risk

Total Consolidated Risk Weighted Assets (1+2+3)

15a.5 Capital Adequacy:

Position of capital adequacy are given below:–

a) Core Capital (Tier –I):

- i) Paid–up Capital
- ii) Statutory Reserve (Note–16)
- iii) Retained Earnings (Note–18a)

Less : Pre–Incorporation expenses

b) Supplementary Capital (Tier–II):

- i) General Provision (Note 13a.1(b+c))
- ii) Revaluation of Securities

c) Total Equity (a +b)

d) Total Risk Weighted Assets (Note–15a.6)

e) Required Capital

f) Total Capital Surplus (c–e)

Capital Adequacy Ratio:

Particulars	2015 (Under Basel III)		2014 (Under Basel II)	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Core Capital	5.00%	26.22%	5.00%	44.56%
Supplementary Capital		1.00%		1.00%
Total	10.00%	27.23%	10.00%	45.56%

15a.6 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)

16 Statutory Reserve

Opening balance

Add: Addition during the year (20% of Pre–tax profit)

17 Other Reserve (Revaluation of HFT & HTM Securities)

Opening balance

Add: Addition during the year

18 Consolidated Retained Earnings

Meghna Bank Ltd (Note–18a)

Meghna Bank Securities Ltd

Less: Non–controlling Interest

2015 Taka	2014 Taka
--------------	--------------

14,242,305,759	7,564,214,918
2,913,883,660	1,547,387,094
315,345,078	112,424,463
1,138,514,326	713,218,274
18,610,048,823	9,937,244,749

4,433,000,000	4,433,000,000
131,451,223	22,911,575
314,612,664	20,454,074
4,879,063,887	4,476,365,649
–	48,531,469
4,879,063,887	4,427,834,180

186,300,000	99,165,252
476,331	595,414
186,776,331	99,760,666
5,065,840,218	4,527,594,846
18,605,934,786	9,937,244,749
4,000,000,000	4,000,000,000
1,065,840,218	527,594,846

14,242,305,759	7,564,214,918
2,913,883,660	1,547,387,094
315,345,078	112,424,463
1,134,400,289	713,218,274
18,605,934,786	9,937,244,749

22,911,575	14,234,001
108,539,648	8,677,574
131,451,223	22,911,575

1,190,828	533,651
147,077,525	657,177
148,268,354	1,190,828

314,612,664	20,454,074
2,588,614	–
317,201,278	20,454,074
1	–
317,201,277	20,454,074

	2015 Taka	2014 Taka
18.1 Consolidated Current year retained Earnings		
Current Year		
Meghna Bank Ltd (Note-18a)	294,158,590	2,710,296
Meghna Bank Securities Ltd	2,588,614	-
	296,747,205	2,710,296
Less: Non-Controlling Interest	1	-
	296,747,204	2,710,296
18a Retained Earnings of the Bank		
Opening balance	20,454,074	17,743,777
Less: Issue of Bonus shares	-	-
Add: Transfer from Profit & Loss Account	294,158,590	2,710,296
	314,612,664	20,454,074
19 Non-Controlling Interest		
Share Capital	100	-
Retained Earnings	1	-
	101	-
20 Acceptance and Endorsements		
Accepted Bills (Foreign)	237,895,702	65,689,419
Accepted Bills (Inland)	311,284,021	104,642,687
Endorsements (Shipping Guarantee)	5,705,666	13,317,200
	554,885,389	183,649,306
Less: Margin	-	-
	554,885,389	183,649,306
21 Letters of Guarantees		
Letters of guarantee	2,430,591,621	1,038,410,251
Less: Margin { Note-12.a(i) Y }	129,399,042	70,980,750
	2,301,192,579	967,429,501
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	1,394,713,449	-
Banks and other financial institutions	-	-
Others	1,035,878,172	1,038,410,251
	2,430,591,621	1,038,410,251
Less: Margin { Note-12.a(i) Y }	129,399,042	70,980,750
	2,301,192,579	967,429,501
22 Irrevocable Letters of Credit		
Letters of credit	803,646,694	858,925,084
Less: Margin { Note-12.a(i) Y }	124,885,873	84,212,986
	678,760,820	774,712,098
23 Consolidated Income Statement		
Income:		
Interest, discount and similar income (Note-24 & 26)	2,068,350,444	1,196,810,482
Dividend income (Note-26)	877,885	70,000
Fees, Commission and Brokerage (Note-27)	67,278,265	39,191,241
Gains less losses arising from dealing securities	1,500,786	1,206,120
Gains less losses arising from investment securities	285,439,557	21,897,124
Gains less losses arising from dealing in foreign currencies (Note-27)	39,332,004	11,814,884
Income from non-banking assets	-	-
Other operating income (Note-28)	29,939,178	16,832,651
Profit less losses on interest rate changes	-	-
Nominal value of bonus share received	-	-
	2,492,718,120	1,287,822,502

Expenses:

Interest paid on Deposits, borrowings etc. (Note-25)
Losses on Loans and Advances
Administrative expenses
Other operating expenses
Depreciation on banking assets (Annexure-B)

Income over expenditure**23a Income Statement of the Bank**

Income:

Interest, discount and similar income (Note-24a & 26a)
Dividend income (Note-26a)
Fees, Commission and Brokerage (Note-27a)
Gains less losses arising from dealing securities
Gains less losses arising from investment securities
Gains less losses arising from dealing in foreign currencies (Note-27a)
Income from non-banking assets
Other operating income (Note-28a)
Profit less losses on interest rate changes
Nominal value of bonus share received

Expenses:

Interest paid on Deposits, borrowings etc. (Note-25a)
Losses on Loans and Advances
Administrative expenses
Other operating expenses
Depreciation on banking assets (Annexure-B)

Income over expenditure**24 Consolidated Interest Income:**

Meghna Bank Ltd (Note-24a)
Meghna Bank Securities Ltd

Less: Inter Company Transaction

24a Interest Income:

Interest on Loans and Advances: (Note-24a.1)
Interest on balance with other Banks & Financial Institutions

24a.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 Export Finance
Interest Income on Demand Loan (General)
Interest Income on Demand Loan (Forced Loan)
Interest Income on Consortium/Syndicate Finance
Interest Income on House Building Loan
Interest Income on General Term Loan
Interest Income on SME Loan & Advance
Interest Income on Personal Loan Scheme
Interest Income on Agricultural and Rural Loan

2015 Taka	2014 Taka
1,149,784,585	660,199,627
-	-
452,262,953	355,290,485
194,731,386	69,677,389
58,055,893	36,375,581
1,854,834,818	1,121,543,082
637,883,302	166,279,420

2,068,344,659	1,196,810,482
877,885	70,000
67,191,378	39,191,241
1,500,786	1,206,120
285,439,557	21,897,124
39,332,004	11,814,884
-	-
29,924,384	16,832,651
-	-
-	-
2,492,610,654	1,287,822,502

1,157,905,194	660,199,627
-	-
451,652,185	355,290,485
192,318,488	113,677,389
56,640,099	36,375,581
1,858,515,967	1,165,543,082
634,094,688	122,279,420

1,664,036,290	1,036,681,445
8,126,394	-
1,672,162,683	1,036,681,445
8,120,609	-
1,664,042,075	1,036,681,445

1,524,217,726	560,466,324
139,818,564	476,215,122
1,664,036,290	1,036,681,445

191,706,752	32,127,189
132,114,070	9,064,597
354,700,380	120,695,026
21,179,550	3,156,659
160,766,331	47,714,375
201,640	-
175,038,261	124,459,240
1,364,001	-
74,760,794	30,949,715
61,284,326	22,943,147
306,910,929	152,489,323
80,128	-
17,981,048	8,418,670
26,129,516	8,448,382
1,524,217,726	560,466,324

	2015 Taka	2014 Taka
25 Consolidated Interest Paid on Deposits, Borrowing, etc:		
Meghna Bank Ltd (Note-25a)	1,157,905,194	660,199,627
Meghna Bank Securities Ltd	-	-
	1,157,905,194	660,199,627
Less: Inter Company Transaction	8,120,609	-
	1,149,784,585	660,199,627
25a Interest Paid on Deposits, Borrowing, etc:		
a) Interest on Deposits		
Interest Paid on Savings Deposits	16,358,860	4,382,519
Interest Paid on Short Notice Deposits	14,845,753	8,826,311
Interest Paid on Fixed Deposit Receipts	939,321,727	568,809,450
Interest Paid on Deposit Pension Scheme	11,960,453	2,257,738
Interest Paid on Meghna Child Education Plan	459,458	104,793
Interest Paid on Monthly Income Scheme	70,412,206	10,078,389
Interest Paid on Meghna Multiplier Scheme	83,712,904	27,562,671
	1,137,071,361	622,021,869
b) Interest Paid on Borrowings	20,833,833	38,177,758
	1,157,905,194	660,199,627
26 Consolidated Investment Income:		
Meghna Bank Ltd (Note-26a)	692,126,597	183,302,281
Meghna Bank Securities Ltd	-	-
	692,126,597	183,302,281
26a Investment Income:		
Interest Income from Treasury Bills	24,875,975	10,540,411
Interest Income from Treasury Bonds	316,532,601	133,620,250
Gain on Sale of Treasury Bonds	285,439,557	21,897,124
Income from Investment in Commercial Paper	62,899,793	15,968,376
Dividend Income	877,885	70,000
Gain on Sale of Shares	1,500,786	1,206,120
	692,126,597	183,302,281
27 Consolidated Commission, Exchange & Brokerage:		
Meghna Bank Ltd (Note-27a)	106,523,383	51,006,125
Meghna Bank Securities Ltd	86,887	-
	106,610,269	51,006,125
27a Commission, Exchange & Brokerage:		
Income from Commission	67,191,378	39,191,241
Exchange earnings	39,332,004	11,814,884
	106,523,383	51,006,125
28 Consolidated Other Operating Income:		
Meghna Bank Ltd (Note-28a)	29,924,384	16,832,651
Meghna Bank Securities Ltd	14,794	-
	29,939,178	16,832,651
28a Other Operating Income:		
Income From Fees & Charges	6,242,861	8,412,144
Income From Services	9,585,970	4,283,624
Postage, Telex, Swift etc.	2,832,144	748,650
Gain on Sale of Bank's Property	280,727	-
Other charges (Note-28a.1)	10,982,681	3,388,233
	29,924,384	16,832,651

28a.1 Other Charges

Rent of Lockers
 Notice pay earnings
 Rebate Received
 Miscellaneous income

2015 Taka	2014 Taka
46,750	11,000
1,254,044	289,800
1,766,973	416,584
7,914,915	2,670,849
10,982,681	3,388,233

29 Consolidated Salary & Allowances:

Meghna Bank Ltd (**Note-29a**)
 Meghna Bank Securities Ltd

289,422,291	214,391,571
381,968	–
289,804,259	214,391,571

29a Salary & Allowances:

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

111,416,392	88,136,671
91,851,109	80,330,685
18,680,924	21,245,429
56,945,225	16,680,462
10,528,641	7,998,324
289,422,291	214,391,571

30 Consolidated Rent, Taxes, Insurance, Electricity etc.:

Meghna Bank Ltd (**Note-30a**)
 Meghna Bank Securities Ltd

125,896,411	108,786,258
84,959	–
125,981,370	108,786,258

30a Rent, Taxes, Insurance, Electricity etc.:

Rent, Rates & Taxes
 Insurance, Electricity & Lighting

105,891,656	94,816,321
20,004,755	13,969,936
125,896,411	108,786,258

31 Consolidated Legal Expenses:

Meghna Bank Ltd (**Note-31a**)
 Meghna Bank Securities Ltd

78,822	132,730
–	–
78,822	132,730

31a Legal Expenses:

Legal Charges

78,822	132,730
78,822	132,730

32 Consolidated Postage, Stamps, Telecommunication etc:

Meghna Bank Ltd (**Note-32a**)
 Meghna Bank Securities Ltd

10,018,066	10,204,710
2,769	–
10,020,835	10,204,710

32a Postage, Stamps, Telecommunication etc:

Postage
 Swift & Internet charge
 Telephone charges
 Mobile phone charges
 Bloomberg Charges

608,190	207,012
7,137,442	8,535,473
640,136	502,047
1,333,216	960,178
299,082	–
10,018,066	10,204,710

33 Consolidated Stationery, Printing & Advertisements etc:

Meghna Bank Ltd (**Note-33a**)
 Meghna Bank Securities Ltd

15,094,053	11,985,109
99,822	–
15,193,875	11,985,109

	2015 Taka	2014 Taka
33a Stationery, Printing & Advertisements etc:		
Petty Stationery	1,695,798	1,339,819
Printing Stationery	3,241,449	1,983,447
Security Stationery	728,939	307,097
Computer Stationery	2,284,624	1,808,072
Publicity and Advertisement	7,143,243	6,546,674
	15,094,053	11,985,109
34 Chief Executive's Salary & Fees:		
Basic Salary	5,040,000	5,231,226
Allowances	2,520,000	2,030,453
Bonus	1,260,000	840,000
	8,820,000	8,101,679
35 Consolidated Directors' Fees:		
Meghna Bank Ltd (Note-35a)	1,156,000	1,320,000
Meghna Bank Securities Ltd	29,750	-
	1,185,750	1,320,000
35a Directors' Fees:		
Directors Fees	1,156,000	1,320,000
	1,156,000	1,320,000
36 Consolidated auditors' Fees:		
Meghna Bank Ltd (Note-36a)	115,000	115,000
Meghna Bank Securities Ltd	11,500	-
	126,500	115,000
36a Auditors' Fees:		
Auditors Fees	115,000	115,000
	115,000	115,000
37 Consolidated Depreciation, Amortization and Repair on Bank's Assets:		
Meghna Bank Ltd (Note-37a)	57,691,641	36,629,009
Meghna Bank Securities Ltd	1,415,794	-
	59,107,435	36,629,009
37a Depreciation, Amortization and Repair on Bank's Assets:		
a) Depreciation on Bank's Assets (Annexure-B):		
Land & Building	-	-
Vehicles	6,150,768	4,829,906
Machinery & Equipments	12,084,670	5,151,013
Furniture & Fixtures	7,715,293	2,862,659
Computer and Peripherals	17,367,480	13,957,082
Office Tools & Accessories	1,368,888	708,113
	44,687,099	27,508,773
b) Amortization		
Software	11,953,000	8,866,808
c) Repair on Bank's Assets:		
Land & Building	-	-
Vehicles	196,430	-
Machinery & Equipments	483,208	209,038
Furniture & Fixtures	344,144	12,535
Computer and Peripherals	27,760	31,855
Office Tools & Accessories	-	-
	1,051,542	253,428
	57,691,641	36,629,009
38 Consolidated Other Expenses:		
Meghna Bank Ltd (Note-38a)	143,787,019	69,677,389
Meghna Bank Securities Ltd	2,412,898	-
	146,199,917	69,677,389

38a Other Expenses:

	2015 Taka	2014 Taka
Gas Bills	18,100	15,864
Wasa Bill	371,087	47,309
Drinking water Expenses	418,749	285,687
Car Maintenance expenses	2,098,687	2,047,104
Software Maintenance Expenses	16,031,921	362,478
Entertainment	3,619,359	2,539,636
Training, Seminer, Workshop Expenses	1,306,121	1,361,940
Travelling and Conveyance	4,504,052	3,657,340
Subscription	3,100,976	2,321,796
Corporate Social Responsibility	4,000,000	167,500
Written Off– Fixed Assets	3,563,760	–
Loss on Sale of Fixed Assets	2,494,814	80,866
Loss on Revaluation of Investments	50,831,278	11,740,679
Loss on Foreign Currency Revaluation	4,917,748	892,928
Office Maintenance and Service Charge expenses	6,573,693	9,585,347
Bank Charges	1,031,707	1,088,160
Complain Box	16,000	30,080
Board and EC Meeting Expenses	1,487,965	1,031,727
Professional & Consultancy Fees	554,250	1,260,301
Business development & Promotion	3,936,255	3,604,226
Cash Carrying Charges	725,700	354,445
Leverage and Uniform	38,130	156,860
Washing & Cleaning	3,202,761	2,140,480
Security Service–Outsourcing	8,250,923	5,133,053
Crockeries Expenses	130,309	268,858
Newspaper & Magazine Expenses (Office)	190,237	115,582
Branch Inauguration Expenses	346,438	2,449,616
AGM Expenses	381,360	203,895
Miscellaneous Expenses	19,644,640	16,733,631
	143,787,019	69,677,389
39 Consolidated Provision for Loans, Investments, Off–Balance Sheet & Others Assets		
Meghna Bank Ltd (Note–39a)	91,396,450	78,891,550
Meghna Bank Securities Ltd	–	–
	91,396,450	78,891,550
39a Provision for Loans, Investments, Off–Balance Sheet & Others Assets		
Provision for Unclassified Loans and Advances	66,602,748	63,197,252
Provision for Classified Loans and Advances	–	–
Provision for Off–Balance Sheet Exposure	20,532,000	14,921,000
Provisions for Diminution in Value of Investments	4,261,702	773,298
Provision for Other Assets	–	–
	91,396,450	78,891,550
40 Consolidated Earning Per Share (EPS)		
Net Profit after Tax	405,286,852	11,387,870
Number of Ordinary Shares outstanding (Denominator)	443,300,000	443,300,000
	0.91	0.03
40a Earning Per Share (EPS)		
Net Profit after Tax	402,698,238	11,387,870
Number of Ordinary Shares outstanding (Denominator)	443,300,000	443,300,000
	0.91	0.03

Earning per share has been calculated in accordance with BAS – 33: "Earnings Per Share (EPS)".

	2015 Taka	2014 Taka
41 Consolidated Interest Receipts in Cash		
Meghna Bank Ltd (Note-41a)	2,079,881,696	1,178,536,572
Meghna Bank Securities Ltd	8,126,394	-
	2,088,008,089	1,178,536,572
Less: Inter Company Transaction	8,120,609	-
	2,079,887,481	1,178,536,572
41a Interest Receipts in Cash		
Interest income receipt (Note-24a & 26a)	2,068,344,659	1,196,810,482
Add: Opening Interest Receivable (Note-10a.2)	105,122,881	86,848,971
Less: Closing Interest Receivable (Note-10a.2)	93,585,845	105,122,881
	2,079,881,696	1,178,536,572
42 Consolidated Interest Payments		
Meghna Bank Ltd (Note-42a)	1,107,302,898	475,066,111
Meghna Bank Securities Ltd	-	-
	1,107,302,898	475,066,111
Less: Inter Company Transaction	8,120,609	-
	1,099,182,289	475,066,111
42a Interest Payments		
Interest Paid on Deposits & Borrowings (Note-23a)	1,157,905,194	660,199,627
Add: Opening Interest Payable on Deposit (Note-13a)	219,766,680	34,633,163
Less: Closing Interest Payable on Deposit (Note-13a)	270,368,976	219,766,680
	1,107,302,898	475,066,111
43 Consolidated Cash Receipts from other Operating activities (Note-28)		
Meghna Bank Ltd (Note-43a)	316,584,000	39,935,895
Meghna Bank Securities Ltd	14,794	-
	316,598,794	39,935,895
43a Cash Receipts from other Operating activities (Note-28a)		
Income From Fees & Charges	6,242,861	8,412,144
Income From Services	9,585,970	4,283,624
Postage, Telex, Swift etc.	2,832,144	748,650
Gain on Sale of Treasury Bonds and Shares	286,940,343	23,103,244
Other charges (Except income from sale of fixed assets)	10,982,681	3,388,233
	316,584,000	39,935,895
44 Consolidated Cash Payments for other Operating activities		
Meghna Bank Ltd (Note-44a)	330,634,330	234,489,515
Meghna Bank Securities Ltd	3,956,886	-
	334,591,216	234,489,515
44a Cash Payments for other Operating activities		
Rent, Taxes, Insurance, Lighting etc. (Note-30a)	125,896,411	108,786,258
Legal Expenses (Note-31a)	78,822	132,730
Postage, Stamp, Telegram & Telephone (Note-32a)	10,018,066	10,204,710
Directors' Fees (Note-35a)	1,156,000	1,320,000
Auditors' Fees (Note-36a)	115,000	115,000
Repair & Maintenance of Bank's Assets (Note-37a.c)	1,051,542	253,428
Other Expenses	192,318,488	113,677,389
	330,634,330	234,489,515
45 Consolidated Cash Increase/ Decrease in Other Assets (Note-10)		
Meghna Bank Ltd (Note-45a)	599,459,733	318,781,030
Meghna Bank Securities Ltd	214,831	-
	599,674,564	318,781,030
Less: Inter Company Transaction	349,999,900	-
	249,674,664	318,781,030
Consolidated Cash (Increase)/ Decrease in Other Assets	69,106,366	(74,667,046)

45a Cash Increase/ Decrease in Other Assets (Note-10a)

Stock of Stationery and Stamps
Advance Rent
Suspense Account
Security Deposits
Advance against proposed Branch
Interest on Sanchaypatra
Stock of Capex
Prepaid Expenses
Investment in Subsidiary
NCCB Securities & Financial Services Ltd
IDLC Investments Ltd (B/O Account)
MGBL General Account
Pre Incorporation Expenses

	2015 Taka	2014 Taka
2,303,475	2,659,457	
214,131,212	189,528,854	
5,546,500	18,015,817	
92,525	46,900	
21,400,292	48,522,958	
695,003	253,830	
826,000	520,024	
3,920,658	-	
349,999,900	-	
4,853	5,431,400	
538,805	5,270,322	
510	-	
-	48,531,469	
599,459,733	318,781,030	
(280,678,703)	(74,667,046)	

Cash (Increase)/ Decrease in Other Assets**46 Consolidated Cash Increase/ Decrease in Other Liabilities (Note-13)**

Meghna Bank Ltd (Note- 46a)
Meghna Bank Securities Ltd

Less: Inter Company Transaction

65,418,085	20,349,718
6,567,133	-
71,985,219	20,349,718
-	-
71,985,219	20,349,718
51,635,501	19,660,784

Cash Increase/ (Decrease) in Other Liabilities**46a Cash Increase/ Decrease in Other Liabilities (Note-13a)**

Non-Resident Accounts
Settlement with NPSB
MGBL General Account
BEFT Settlement Account
Adjusting account credit

4,449,616	-
240,055	-
-	7,165,196
13,547,848	3,564,000
47,180,566	9,620,522
65,418,085	20,349,718
45,068,368	19,660,784

Consolidated Cash Increase/ (Decrease) in Other Liabilities**47 Consolidated Cash and Cash Equivalent**

Meghna Bank Ltd (Note-47a)
Meghna Bank Securities Ltd

Less: Inter Company Transaction

4,152,621,255	3,181,709,723
41,650,676	-
4,194,271,932	3,181,709,723
38,325,575	-
4,155,946,357	3,181,709,723

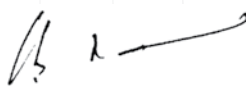
47a Cash and Cash Equivalent

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
Prize Bond in Hand

211,938,097	106,822,547
1,531,999,229	621,972,339
2,408,307,729	1,462,651,337
-	990,000,000
376,200	263,500
4,152,621,255	3,181,709,723

48 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 359.



Chairman



Director



Director



Managing Director & CEO

MEGHNA BANK LIMITED

As on December 31, 2015

Direct Investment in quoted Shares & Securities:

Sl No	Name of the Company	No. of Shares/ Securities	Market price per share	Market value Dec 31, 2015	Cost price Dec 31, 2015	Unrealized Gain/(loss)
1	AB Bank Limited	16,875	20.90	352,688	411,025	(58,338)
2	Lafarge Surma Cement Ltd	5,000	74.60	373,000	583,956	(210,956)
3	City Bank Limited	60,375	20.40	1,231,650	1,241,739	(10,089)
4	Grameen Phone	35,000	253.00	8,855,000	11,260,801	(2,405,801)
5	Square Pharmaceuticals Ltd	38,313	253.60	9,716,177	9,328,288	387,889
6	Square Textile Ltd	50,000	75.50	3,775,000	4,167,042	(392,042)
7	Central Pharmaceuticals Ltd	10,263	21.00	215,523	264,517	(48,994)
8	Uttara Finance Ltd	27,000	60.90	1,644,300	1,740,520	(96,220)
9	IDLC	71,250	63.60	4,531,500	4,588,501	(57,001)
10	Marico	100	1,417.90	141,790	161,372	(19,582)
11	Renata Ltd	3,035	1,245.10	3,778,879	3,790,887	(12,009)
12	AIMS First Gtd MF	146,332	18.15	2,655,199	3,175,992	(520,793)
13	Titas Gas Transmission and Distribution Ltd	40,000	47.40	1,896,000	3,316,872	(1,420,872)
14	United Commercial Bank Ltd	21,600	21.30	460,080	501,852	(41,772)
15	Active Fine Chemical Company Ltd	49,000	55.90	2,739,100	3,046,737	(307,637)
16	Bata Shoe Company Ltd	2,700	1,306.30	3,527,010	3,343,493	183,517
	Total			45,892,895	50,923,594	(5,030,698)

Taka

5,030,698
5,035,000
4,302

Provision requirement
Provision maintained as on 31 December 2015
Provision Surplus at the end of the year

MEGHNA BANK LIMITED

FOR THE YEAR ENDED 31 DECEMBER, 2015
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 2014
	Balance as on 1 January 2015	Additions during the year	Disposal/Transfer during the year		Balance as on 31 December 2015	Transfer/Adjustment during the year	Charge for the year	Balance as on 31 December 2015	WDV as on 31 December 2015	
Vehicles	31,188,266	-	5,115,000	26,073,266	2,376,723	6,150,768	10,704,142	15,369,124	24,258,169	
Machinery and Equipments	46,171,084	27,466,543	-	73,637,627	-	12,084,670	17,954,490	55,683,137	40,301,264	
Furniture & Fixtures	42,284,805	88,410,355	2,925,776	127,769,384	387,008	7,715,293	10,278,101	117,491,283	39,334,989	
Computer & Computer Peripherals	49,445,029	12,020,971	437,261	61,028,739	320,219	17,367,480	35,257,025	25,771,714	31,235,265	
Office Tools & Accessories	5,361,773	4,242,054	-	9,603,827	-	1,368,888	2,122,672	7,481,155	4,607,989	
Total (A)	174,450,957	132,139,923	8,478,037	298,112,843	3,083,950	44,687,099	76,316,430	221,796,413	139,737,676	

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 2014
	Balance as on 1 January 2015	Additions during the year	Disposal/Transfer during the year		Balance as on 31 December 2015	Transfer/Adjustment during the year	Charge for the year	Balance as on 31 December 2015	WDV as on 31 December 2015	
Software	59,765,000	-	-	59,765,000	-	11,963,000	22,255,240	37,509,760	49,462,760	
Total (B)	59,765,000	-	-	59,765,000	-	11,963,000	22,255,240	37,509,760	49,462,760	
Total (A + B)	234,215,957	132,139,923	8,478,037	357,877,843	3,083,950	56,640,099	98,571,670	259,306,173	189,200,436	

MEGHNA BANK LIMITED

Balance with other banks in foreign currency

Annexure-C

[Referred to Note Sa.2 of these financial statements]

Sl. No.	Name of the Banks	Currency Name	2015			2014		
			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	345.6318	66,548,109.27	192,540.49	77.9200	15,002,754.98
2	AB Bank Limited, OBU-USD	USD	2,022.72	79.0000	159,794.88	2,022.72	77.9200	157,610.34
3	Mashreq Bank p.s.c. New York, U.S.A	USD	27,697.91	1,868.3283	51,748,788.84	27,697.91	77.9200	2,158,221.15
4	Habib American Bank, New York, U.S.A	USD	48,655.10	225.8519	10,988,847.86	48,655.10	77.9200	3,791,205.39
5	NIB Bank Limited, Karachi, Pakistan	ACU	304.21	79.0000	24,032.59	-	-	-
6	Mashreq Bank London, UK	GBP	9,780.00	733.4682	7,173,318.72	9,780.00	120.9085	1,182,485.13
7	Mashreq Bank London, UK	EUR	40,155.30	103.8117	4,168,589.99	40,155.30	94.5637	3,797,233.74
8	Commerzbank AG, Frankfurt, Germany	EUR	917.16	86.2996	79,150.54	-	-	-
9	National Bank of Pakistan, Tokoyo, Japan.	JYP	3,000,410.00	0.2880	864,089.22	3,000,410.00	0.6469	1,940,965.23
10	Mizuho Bank Ltd, Tokyo, Japan.	JYP	1,939,400.00	0.2424	470,182.57	1,939,400.00	0.6469	1,254,597.86
11	National Australia Bank Ltd	AUD	8,643.72	170.5057	1,473,803.56	8,643.72	63.3178	547,301.33
12	Bank of New Zealand	NZD	79,282.44	54.0834	4,287,863.92	-	-	-
	Total				147,986,572			29,832,375

MEGHNA BANK LIMITED

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

Annexure - D

(Tk. In Crore)

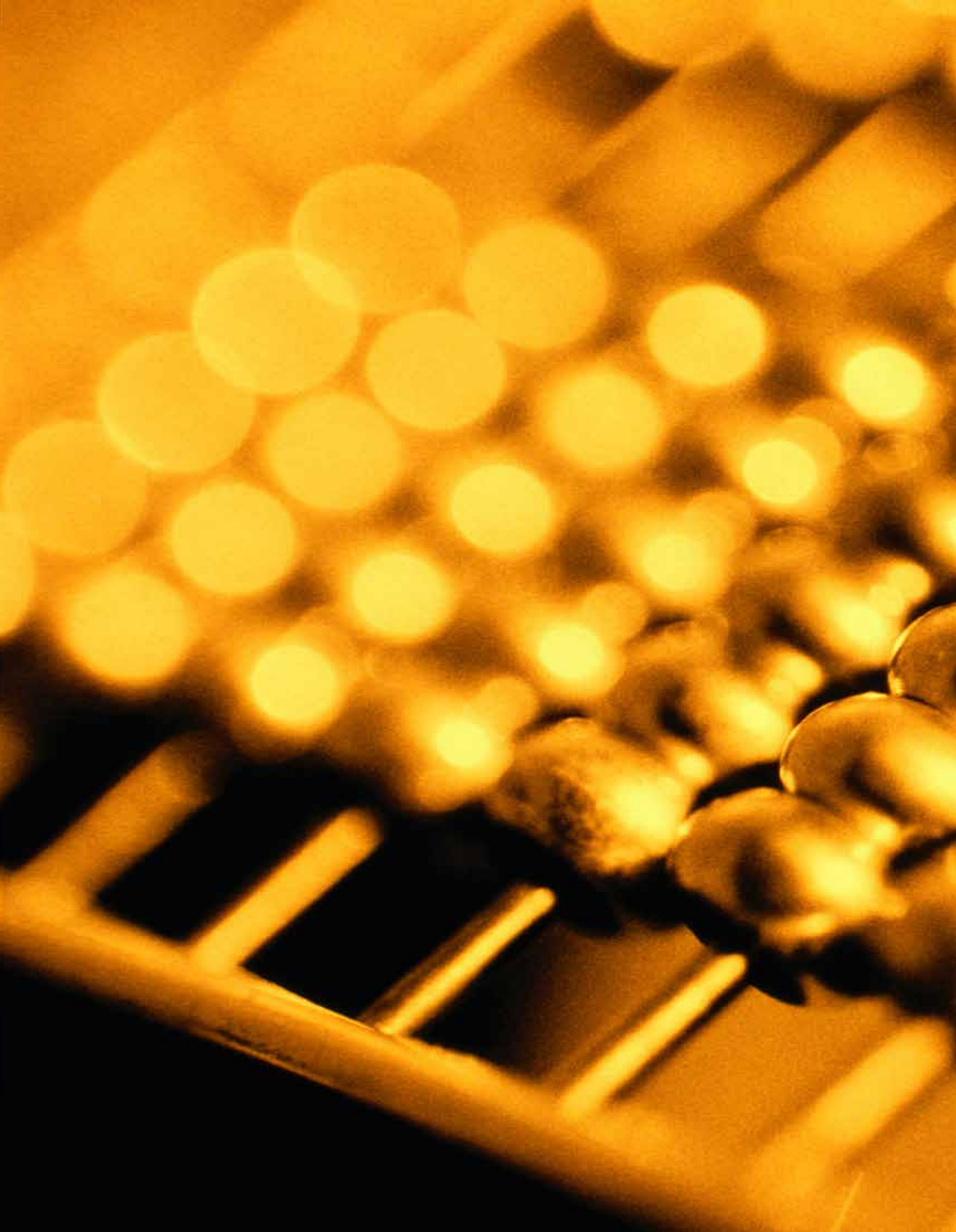
SL. No.	Name of client	Outstanding		% of Loans to Total Capital			
		Funded	Non-funded	Total	Funded	Non-funded	Total
1	Three Angle Marine Ltd	31.44	72.85	104.29	6.21%	14.38%	20.59%
2	SM Steel Re-Rolling Mills Ltd	78.96	20.11	99.07			
	Rex Motors		0.68	0.68			
	Group-total	78.96	20.79	99.75	15.59%	4.10%	19.69%
3	Abul Khair Tobacco Co. Ltd	48.11	-	48.11			
	Abul Khair Ltd	-	15.98	15.98			
	Group-total	48.11	15.98	64.09	9.50%	3.15%	12.65%
	Stylish Garments Ltd	9.15	0.09	9.24			
4	Md. Aboul Aziz Chowdhury	47.93	-	47.93			
	Md. Satauddin Chowdhury						
	Md. Abu Tareq Chowdhury						
	Group-total	57.08	0.09	57.17	11.27%	0.02%	11.29%
5	Energypac Engineering Ltd	35.09	-	35.09			
	Energypac Power Generation Ltd	19.80	-	19.80			
	Group-total	54.89	-	54.89	10.84%	0.00%	10.84%
	Total	270.48	109.71	380.19			

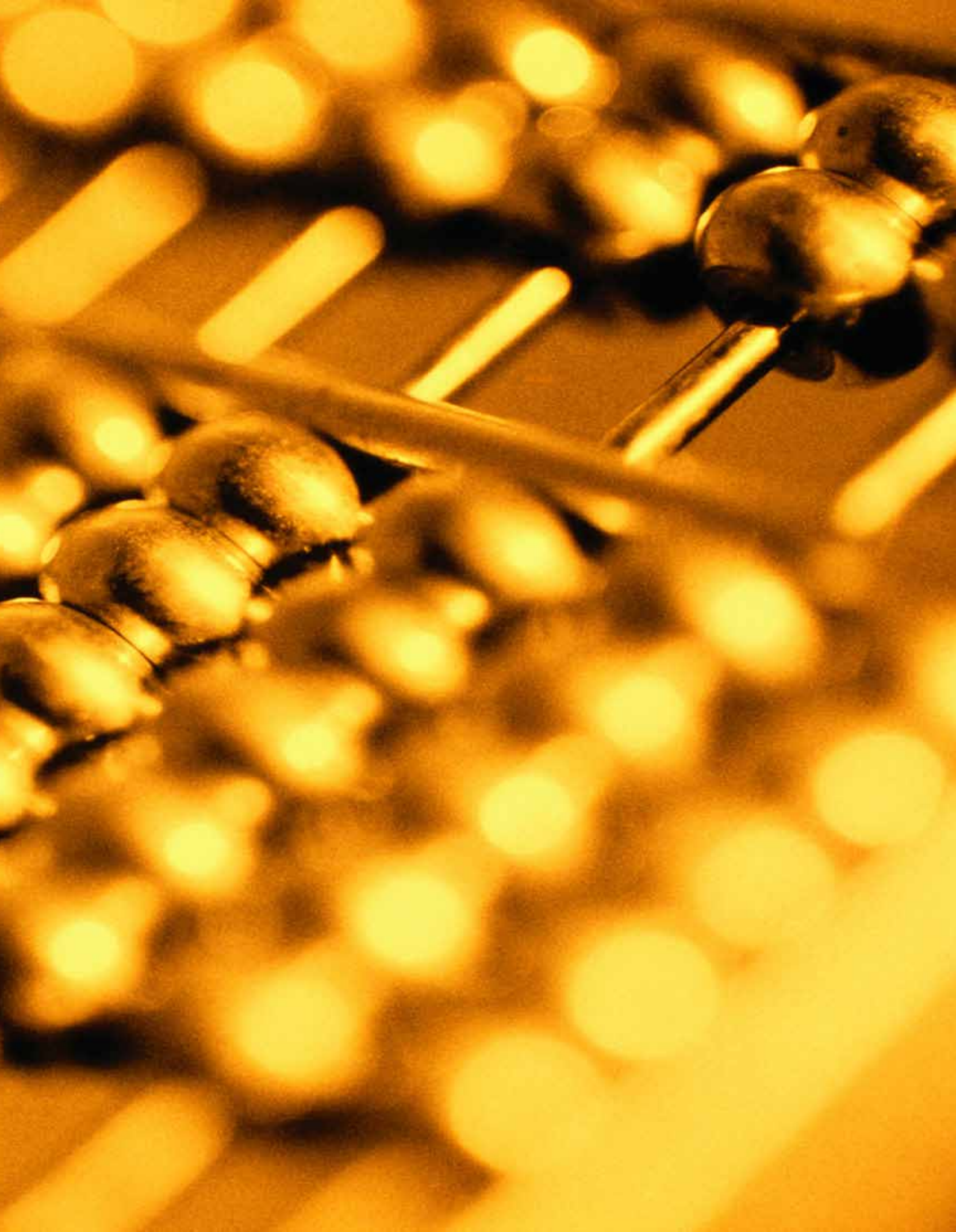
Bank's total Capital as on 31 December 2015 is Tk. 506.58 Crore

FINANCIAL HIGHLIGHTS OF THE BANK

(Amount in Taka)

SL	PARTICULARS	2015	2014
1	Paid up Capital	4,433,000,000	4,433,000,000
2	Total Capital (Core + Supplementary)	5,065,840,218	4,527,594,846
3	Capital Surplus	1,065,840,218	527,594,846
4	Total Assets	22,790,581,709	13,770,314,696
5	Total Deposit	16,073,037,373	8,952,703,272
6	Total Loans & Advances	14,385,092,012	7,192,032,212
7	Total Contingent Liabilities and Commitments	4,206,795,714	2,156,700,517
8	Advance Deposit Ratio (%)	89.50%	80.33%
9	Percentage of Classified Loans against total Loans and Advances	0.00%	0.00%
10	Profit after Tax and Provision	402,698,238	11,387,870
11	Amount of Classified Loans During Current Year	–	–
12	Provisions kept against classified Loans	–	–
13	Provisions surplus	50,939	6,223
14	Cost of Fund	13.39%	14.22%
15	Weighted Average Return	14.37%	14.91%
16	Interest Earning Assets	19,427,797,801	12,315,145,439
17	Non–Interest Earning Assets	3,362,783,908	1,455,169,257
18	Return on Investment (ROI)	23.18%	11.65%
19	Return on Assets (ROA)	2.20%	0.11%
20	Income from Investment	692,126,597	183,302,281
21	Earning Per Share	0.91	0.03
22	Net Income Per Share	0.91	0.03





INDEPENDENT AUDITOR'S REPORT

To The Shareholders of Meghna Bank Securities Limited

Introduction

We have audited the accompanying financial statements of Meghna Bank Securities Limited, which comprise the Statement of Financial Position as at December 31, 2015 and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations 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.

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 (BSAs). Those standards require that we comply with relevant 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 auditors' judgment, including the assessment of the risk 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 and fair presentation of the financial statements 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.

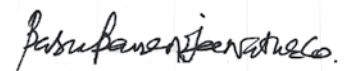
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Meghna Bank Securities Limited as at December 31, 2015 and its financial performance and its cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), comply with the Companies Act 1994 and Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The Statement of Financial Position and the Statement of Comprehensive Income dealt with the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred and payments made were for the purpose of the Company's business;


(BASU BANERJEE NATH & CO.)
CHARTERED ACCOUNTANTS

Date & Place: 24th February 2016, Dhaka.

MEGHNA BANK SECURITIES LIMITED

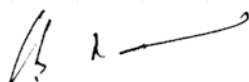
STATEMENT OF FINANCIAL POSITION

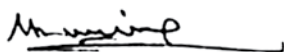
AS AT 31 DECEMBER 2015

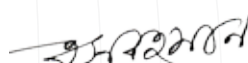
PROPERTY AND ASSETS	Note	2015 Taka	2014 Taka
Non current assets		317,595,516	-
Property, Plant and Equipment	3	95,516	-
Intangible Assets	4	-	-
DSE TREC & Shares at Cost	5	317,500,000	-
Current assets		41,865,507	-
Investment in Marketable Securities	6	-	-
Accounts Receivable	7	100,000	-
Advances, Deposits and Prepayments	8	114,831	-
Margin Loan to Customers	9	-	-
Cash and Cash Equivalents	10	41,650,676	-
Total Assets		359,461,023	-
EQUITY AND LIABILITIES			
Capital and reserves			
Paid up Capital	11	350,000,000	-
Retained Earnings	12	2,588,614	-
Equity		352,588,614	-
Non Current Liabilities		-	-
Current liabilities			
Short Term Loan	13	-	-
Accounts Payable	14	6,173,665	-
Other Liabilities	15	393,468	-
Provision for Income Tax	16	305,276	-
Total Current Liabilities		6,872,409	-
Total Liabilities		6,872,409	-
Total Equity and Liabilities		359,461,023	-

(The annexed notes form an integral part of these financial statements)

For Meghna Bank Securities Limited


Chairman


Director


Director


Company Secretary

Signed in terms of our report of even date annexed

Dhaka, Bangladesh
Date: February 24, 2016

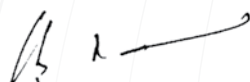

Basu Banerjee Nath & Co
Chartered Accountants

MEGHNA BANK SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2015

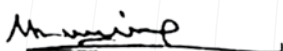
	Note	2015 Taka	2014 Taka
Operating Revenue			
Brokerage Commission	17	86,887	-
Interest on Margin Loan	18	-	-
Other Operating Income	19	14,794	-
		101,681	-
Less: Direct expenses	20	9,040	-
Net Revenue from Operation		92,640	-
Add: Other Income	21	8,126,394	-
Total Revenue		8,219,034	-
General & Administrative Expenses			
Salaries & Allowance	22	381,968	-
Rent, Taxes, Insurance, Electricity etc.	23	84,959	-
Postage, Stamp & Telecommunication	24	2,769	-
Stationery, Printing and Advertisement	25	99,822	-
Director Fees	26	29,750	-
Audit Fees	27	11,500	-
Depreciation, Amortization and Repair & Maintenance	28	1,415,794	-
Other Expenses	29	2,403,858	-
		4,430,420	-
Profit/(Loss) before provisions		3,788,614	-
Provision for Investment Fluctuation in Shares		-	-
Provision for Unrealized Loss in Margin Loan		-	-
Total Provision		-	-
Profit/(Loss) before Tax		3,788,614	-
Less: Provision for income Tax		1,200,000	-
Net Profit after Tax		2,588,614	-
Other Comprehensive Income		-	-
Total Comprehensive Income		2,588,614	-
Earning Per Share (EPS)	30	0.74	-

(The annexed notes form an integral part of these financial statements)

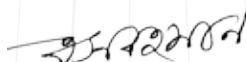
For Meghna Bank Securities Limited



Chairman



Director




Director



Company Secretary

Signed in terms of our report of even date annexed

Dhaka, Bangladesh
 Date: February 24, 2016

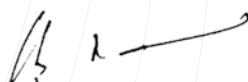

 Basu Banerjee Nath & Co
 Chartered Accountants

MEGHNA BANK SECURITIES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 Taka	2014 Taka
Cash Flow from Operating Activities		
Brokerage commission received	86,887	-
Interest received on margin loan	-	-
Received from operating & other income	8,141,188	-
Payment for operating & other expenses	(4,438,676)	-
Interest paid	-	-
Income taxes paid	(894,724)	-
	2,894,674	-
Changes in Operating Assets and Liabilities		
Other Assets	(214,831)	-
Other Liabilities	6,567,133	-
	6,352,302	-
A) Net cash from operating activities	9,246,976	-
Cash flows from Investing Activities		
Purchases/Sale of Property, Plant & Equipments	(96,300)	-
Payment for purchases of shares	-	-
Payment for purchases of DSE TREC & Shares	(317,500,000)	-
Gain/ realized on sale of shares	-	-
Dividend received	-	-
Margin loan to customers	-	-
B) Net Cash from Investing Activities	(317,596,300)	-
Cash flows from Financing Activities		
Receipts against short term Loans	-	-
Receipts from issue of shares capital	350,000,000	-
Dividend Paid in cash	-	-
C) Net Cash from Financing Activities	350,000,000	-
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	41,650,676	-
E) Cash and cash equivalents at the beginning of the year	-	-
F) Cash and cash equivalents at the end of the year (D+E)	41,650,676	-

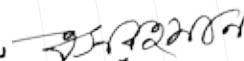
For Meghna Bank Securities Limited



Chairman



Director



Director



Company Secretary

Dhaka, Bangladesh
Date: February 24, 2016

MEGHNA BANK SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

Particulars	Paid up Capital Taka	Retained Earnings Taka	Total Taka
Balance as at 01 January 2015	-	-	-
Issue of share	350,000,000	-	350,000,000
Net profit after tax for the year 2015	-	2,588,614	2,588,614
Interim cash dividend	-	-	-
Total Shareholders' Equity as at 31 December 2015	350,000,000	2,588,614	352,588,614

For Meghna Bank Securities Limited



Chairman



Director



Director



Company Secretary

Dhaka, Bangladesh

Date: February 24, 2016

MEGHNA BANK SECURITIES LTD.

Notes to the Financial Statements
For the year ended 31st December 2015

1. Background Information and Principal Activities

1.1 Legal form of the Company

Meghna Bank Securities Limited was incorporated in Bangladesh on February 18, 2015 under the Companies Act, 1994 as a private Company vide registration no. C-121270/15. The registered office of the company is located at Suvastu Imam Square, 65 Gulshan Avenue C/A, Gulshan-1, Dhaka.

The Company obtained permission from Bangladesh Securities and Exchange Commission on September 16, 2015 to operate as a full-fledged Stock-Broker and Stock-Dealer bearing registration nos. Reg-3.1/DSE-124/2015/537 and Reg-3.1/DSE-124/2015/536 respectively.

1.2 Nature of the business activities

The main objective of the Company is to act as a full-fledged stock broker and stock dealer to execute buy and sell orders and to maintain own portfolio as well as customer's portfolio under the discretion of customers. The Company also performs the other activities relates to capital market as and when regulators permits the company to carry out activities as per their guidelines.

2. Significant Accounting Policies

2.1 Basis of the Presentation of Financial Statements

The Financial Statements have been Prepared on a going concern basis following accrual basis of accounting except for Statement of Cash Flows in accordance with the Company's Act 1994, Securities & Exchange Rules 1987, the listing Rules of Dhaka Stock Exchanges Ltd and International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Financial Reporting Standards (BFRSs) and other applicable laws and regulations.

2.2 Components of the Financial Statements

The Financial Statements referred to here comprise of:

- a) Statement of Financial Position;
- b) Statement of Profit or Loss and other Comprehensive Income;
- c) Statement of Changes in Equity;
- d) Statement of Cash Flows; and
- e) Summary of significant Accounting Policies and Other Explanatory Information.

2.3 Basis of Measurement

The Financial Statements have been prepared based on historical cost convention basis. No adjustment has been made for inflationary factors affecting the financial statement. The accounting policies, unless otherwise stated, have been consistently applied by the Company.

2.4 Functional and Presentational Currency

These Financial Statements are prepared in Bangladeshi Taka which is the Company's functional currency. All financial information presented in Taka has been rounded to the nearest integer.

2.5 Use of Estimates and Judgments

The preparation of financial statements in conformity with BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the periods in which the estimate is revised and in any future periods affected.

Revenue Recognition

Income from brokerage commission is recognized on daily basis in the Profit and Loss Account after receiving the trading note of securities transacted from Dhaka Stock Exchange Limited Stock Exchange Limited, at which point performance is assured to be completed.

2.6 Cash Flow Statement

Cash Flow Statement has been prepared as per Bangladesh Accounting Standard–7 Under Direct Method.

2.7 Property, Plant and Equipment

Recognition and Measurement

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent Costs

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in the Statement of Comprehensive Income Account as incurred.

Depreciation

Depreciation is charged to Computer & Peripherals, Office Equipment and Furniture & Fixtures on the Straight Line Method. The rates of depreciation are as follows:

Items	Methods	Rate
Computer & Peripherals	Straight Line Method	33%
Office Equipment	Straight Line Method	20%
Furniture & Fixtures	Straight Line Method	10%

2.8 Provision for Current Tax

The Income Tax is assured under section 82BB of the Income Tax Ordinance (ITO) 1984 on income from company's normal course of business and at 35% on company's income from other sources. Under section 82C, income tax deducted under certain section of the ITO is treated as final discharge of tax payer's tax liabilities from that source.

2.9 Related Party Transactions

As per Bangladesh Accounting Standards (BAS) – 24 "Related Party Disclosures" parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

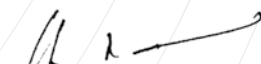
2.10 Directors' Responsibility Statement


The Board of Directors takes the responsibility for the preparation and presentation of these Financial Statements.


		2015 Taka	2014 Taka
3	Property, Plant & Equipment		
	Property, Plant & Equipment at Cost	96,300	-
	Less: Accumulated Depreciation	784	-
	Written Down Value (WDV)	95,516	-
	For details please refer to Annexure-A		
4	Intangible Assets		
	Preliminary Expenses		
	Application Fee to BSEC	5,000	-
	Consent Fee for raising Capital to BSEC	110,000	-
	Registration Fees to RJSC	1,000,000	-
	Trade License Fee	24,650	-
	Audit Fees	11,500	-
	Legal Fees	230,000	-
		1,381,150	-
	Less: Amortized during the year	1,381,150	-
		-	-
5	DSE TREC & Shares at Cost	317,500,000	-
		317,500,000	-
6	Investment in Marketable Securities	-	-
7	Accounts Receivable		
	DSE Investor's Protection Fund	100,000	-
		100,000	-
8	Advances, Deposits and Prepayments		
	CDBL Security Deposits	100,000	-
	Petty Cash	14,831	-
		114,831	-
9	Margin Loan to Customers	-	-
10	Cash and Cash Equivalents		
	Cash in hand	-	-
	Cash at bank (Note 10.1)	41,650,676	-
		41,650,676	-
10.1	Cash at banks:		
	SND Account with:		
	The City Bank Limited.	3,325,102	-
	Meghna Bank Limited.	2,825,575	-
		6,150,676	-
	FDR Account with:		
	Meghna Bank Limited	35,500,000	-
		35,500,000	-
		41,650,676	-
11	Share capital		
	Authorized Capital		
	2,00,00,000 shares of Tk. 100 each	2,000,000,000	-
	Issued, Subscribed & Paid-up capital		
	35,00,000 shares of Tk. 100 each	350,000,000	-
Sl. No.	Name of Shareholders	No. of Shares	
1	Meghna Bank Limited	3,499,999	349,999,900
2	Md. Sadiqur Rahman	1	100
	Total	3,500,000	350,000,000

	2015 Taka	2014 Taka
12 Retained Earnings		
Balance at the beginning of the year	-	-
Add: Net Profit during the year	2,588,614	-
	2,588,614	-
13 Short Term Loan	-	-
14 Accounts Payable		
Payable to Client	2,349,379	-
Payable to Dhaka Stock Exchange Ltd	862,937	-
Suspense Account	23,894	-
Sundry Payable	2,937,456	-
	6,173,665	-
15 Other liabilities		
Accrued expenses	381,968	-
VAT payable	1,500	-
Auditors' fee	10,000	-
	393,468	-
16 Provision for Income Tax Provision		
Balance at the beginning of the year	-	-
Add: Provision made during the year	1,200,000	-
	1,200,000	-
Advance tax		
Balance at the beginning of the year	-	-
Add: Paid during the year	894,724	-
	894,724	-
Net balance as at 31.12.2015	305,276	-
17 Brokerage Commission Income		
Commission income through DSE	86,887	-
	86,887	-
18 Interest on Margin Loan	-	-
19 Other operating Revenue		
Yearly BO Account Fee	6,500	-
BO Account Opening Fees	4,500	-
CDBL Charge	3,734	-
IPO Refund Charge	60	-
	14,794	-
20 Direct Expenses		
Howla Charges-DSE	-	-
Laga Charges-DSE	5,313	-
CDBL Expenses	3,727	-
Interest on Short Term Loan	-	-
	9,040	-
21 Other Income		
Interest on balance with other Banks	8,126,394	-
Capital Gain on Sale of Shares	-	-
Dividend on Shares	-	-
	8,126,394	-

	2015 Taka	2014 Taka
22 Salary and Allowance		
Bonus	381,968	-
	381,968	-
23 Rent, Taxes, Insurance, Electricity etc.:		
Office Rent	62,568	-
Electricity & generator	22,391	-
	84,959	-
24 Postage, Stamps, Telecommunication etc:		
Internet Connectivity Charge	1,400	-
Telecommunication Expenses	1,069	-
Cable TV Charge	300	-
	2,769	-
25 Stationery, Printing & Advertisements etc:		
Stationery, Printing & Advertisements	77,287	-
Computer accessories	22,425	-
Newspaper, Journal & Periodicals	110	-
	99,822	-
26 Director's Fees	29,750	-
	29,750	-
27 Audit Fees	11,500	-
	11,500	-
28 Depreciation, Amortization, Repair & Maintenance		
Depreciation (Annexure A)	784	-
Amortization of Preliminary Expenses (Note - 4)	1,381,150	-
Repair & maintenance:	33,860	-
	1,415,794	-
29 Other Expenses		
Bank Charge	83,936	-
Entertainment	734	-
Sewerage Charge	1,006	-
Travelling & Conveyance	1,010	-
Drinking Water	400	-
Cleaning Expenses	500	-
Cutleries & Crockeries	920	-
Stock Broker & Stock Dealer License	40,000	-
Application Fee for DP	12,500	-
DSE Entrance Fee	1,105,000	-
RJSC Fee & Expenses	497,032	-
TWS Application Fee	10,000	-
Trade License Fee	33,000	-
Registration & Renewal Fees	50,000	-
Anti Virus Charges	13,000	-
Broker Association Fee	500,000	-
Authorized Representative Expense	3,000	-
Business Promotion Expenses	22,006	-
Miscellaneous Expenses	29,814	-
	2,403,858	-
30 Earning Per Share (EPS)		
Net Profit after Tax	2,588,614	-
Number of Ordinary Shares outstanding (Denominator)	3,500,000	-
Earning Per Share (EPS)	0.74	-


Chairman


Director


Director


Company Secretary

MEGHNA BANK SECURITIES LIMITED

SCHEDULE OF FIXED ASSETS FOR THE YEAR ENDED 31 DECEMBER 2015

Annexure-A

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 2015	WDV as on 31 December 2014
	Balance as on 1 January 2015	Additions during the year	Disposal/ Transfer during the year	Balance as on 31 December 2015		Balance as on 1 January 2015	Transfer/ Adjustment during the year	Charge for the year	Balance as on 31 December 2015		
Furniture & Fixtures		89,300		89,300	10%			631	631	88,669	-
Computer & Computer Peripherals		7,000		7,000	33%			153	153	6,847	-
Total (A)	-	96,300	-	96,300		-	-	784	784	95,516	-

ROUND THE YEAR

EVENTS

2015



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.

Annual Conference of Managers-2015 of Meghna Bank Limited was held on Saturday, January 24, 2015 at Six Seasons Hotel, Gulshan-2, Dhaka. At inaugural session Chairman of The Meghna Bank Ltd. Mr. H. N. Ashequr Rahman MP was present as Chief Guest and Vice Chairman Mr. Abdul Alim Khan Selim and other Directors of the bank were present as Special Guests. The meeting was presided by the Managing Director of Meghna Bank Limited Mr. Mohammed Nurul Amin. In the meeting, Meghna Bank management reviewed previous business progress and set strategic business plan for this year.



Meghna Bank Limited has recently signed an Agreement with BRAC Saajan Exchange Limited, UK to facilitate Inward remittance of expatriates Bangladeshis residing abroad. Mr. Abdus Salam, Managing Director & CEO of Brac Saajan Exchange Limited, UK and Mr. Mohammed Nurul Amin, Managing Director and CEO of Meghna Bank Ltd has exchanged the agreement on their own behalf at a simple ceremony at Meghna Bank Head Office held on November 15, 2015. Mr. Md. Mohashin Miah, AMD, Mr. A.F. Shabbir Ahmad, SEVP and Head of Operations and other Officials from both organizations were present at the ceremony.

Meghna Bank participate in 'Banking Fair Bangladesh-2015' organized by Bangladesh Bank to showcase its products and services of financial sector. Managing Director & CEO of Meghna Bank Mr. Mohammed Nurul Amin visits Meghna Bank stall. Mr. Md. Mohashin Miah, Additional Managing Director, Mr. Md. Mojibar Rahman Khan, SVP & Head of Corporate Affairs and other Senior Officials of the Bank were attended in the fair.



Among the new Banks, Meghna Bank first time started its subsidiary company for securities trading on November 22, 2015 at Dhaka Stock Exchange (DSE). Honorable Vice Chairman of the Bank Mr. Abdul Alim Khan Salim attended the function as chief guest while Mr. Md. Ali Azim Khan, Honour director of the bank attended as special guest. Managing Director & CEO of the Bank Mr. Mohammed Nurul Amin presided over the inaugurating ceremony. Additional Managing Director of Meghna Bank Mr. Md. Mohashin Miah and other high officials were also present here.

A Women Entrepreneur financed by Meghna Bank is seen with her products at MGBL stall in the Women Entrepreneur Conference & Fair organized by Bangladesh Bank.





The 19th Branch of Meghna Bank Limited was inaugurated at Uttara, 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.

Executive Director of the Bangladesh Bank, Bogra, Mr. Bishnu Pada Saha inaugurated Meghna Bank ATM Booth “Meghna AnyTime” as Honorable guest at Hatikumrul, Sirajgonj on December 9, 2015. Honorable Vice Chairman of the Meghna Bank Mr. Abdul Alim Khan Selim was present there as Chief Guest. Managing Director & CEO of the Bank Mr. Mohammed Nurul Amin, Additional Managing Director Mr. Md. Mohashin Miah & Other Senior Executives of the Bank, Local Elites and Business Personalities were also attended the program. All the Q-Cash sponsored, VISA, AMEX and NPSB cards are operable in our ATM.



Abdul Alim Khan Salim, Vice Chairman and Md. Kamal Uddin, Director and Chairman of Risk Management Committee of Meghna Bank Limited congratulate Prime Minister Sheikh Hasina at Ganobhaban for receiving ‘Champions of the Earth’ award by United Nations. Moreover, they handed over a donation cheque for Tk.25 Lacs to the PM for “Prime Ministers Relief Fund”.

Photograph of the Old Town Fashions Ltd, Narayanganj, A Readymade Garments Factory Financed by Meghna Bank Ltd.



Photograph of the National Feed mill Ltd, Financed by Meghna Bank Ltd.

Photograph of Western Agro Products Ltd, Sherpur, Bogra, An Agro based industry Financed by Meghna Bank Ltd.





Meghna Bank Limited organized a training program on Integrated Supervision System (ISS) Reporting, at the premise of Meghna Bank Ltd training institute on Saturday, November 21, 2015. The meeting was presided over by Mr. Md. Mohashin Miah, Additional Managing Director of Meghna Bank Ltd. Mr. Md. Abdur Razzak, Deputy Director and Mr. Mohammad Atiq Deputy director of Bangladesh Bank conducted the training session

Meghna Bank Limited organized a training program on “Prevention of Money Laundering & Terrorist Financing”, at the premise of Bangladesh Institute of Bank Management, Mirpur on Saturday, December 19, 2015. Deputy CAMLCO & Head of Anti–Money Laundering Division Mr. Md. Mojibar Rahman khan was present there.



Deputy Managers' Conference of Meghna Bank Limited was held on Saturday, October 31, 2015 at the Head Office of Meghna Bank Limited. At inaugural session, the meeting was presided over by the Managing Director & CEO of Meghna Bank Ltd Mr. Mohammed Nurul Amin. Among others, the Additional Managing Director Mr. Md. Mohashin Miah and Heads/In charge of different divisions/ departments were present at the meeting. In the meeting, business progresses were reviewed and strategic business plans were set for next few months of this year.



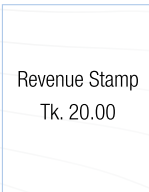
Proxy Form

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 3rd Annual General
Meeting of the Members of the Company will be held on Monday, March 28, 2016 at 11:00 am at Ballroom, Hotel The Westin Dhaka located at
Plot No. 1, CWN (B), Road No. 45, Gulshan-2, Dhaka-1212 or at any adjournment thereof.

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

Signature of Proxy.....

.....
Signature of Shareholder



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 3rd Annual General Meeting of the Members of the Company will be held on Monday, March 28, 2016 at 11:00 am at Ballroom, Hotel The Westin Dhaka located at Plot No. 1, CWN (B), Road No. 45, 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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