

2018
ANNUAL REPORT



together we sail

MEGHNA BANK LTD.
together we sail



Annual Report 2018

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ABOUT THE REPORT

Presenting the sixth integrated Annual Report, Meghna Bank Limited (MGBL) seeks to provide an overview of the integrated nature of the bank's business strategy and operations combining economic, environment and social facts during the financial year 2018. As a fourth generation bank in Bangladesh, the bank fully recognizes its responsibility towards society. Long term sustainability of the bank depends on the successful ties and engagement with shareholders, customers, employees, community, environment and other stakeholders. This forms the basis for integrated thinking and integrated reporting of the bank.

The integrated approach seeks to enable stakeholders to make informed assessments and decision on MGBL, inter alia, its strategy, operational and financial performance, social and environment responsibility, corporate stewardship and future prospects. Towards this end, the bank has progressively moved towards transparency and cohesiveness in its reporting efforts, combining financial reporting including statutory reporting requirements with management commentary and sustainability reporting.

Report Scope

This integrated Annual Report of MGBL presents financial and non- financial information of the bank for the financial year ended 31st December 2018 which was derived from the economic, social and environmental performance of the bank. It has been prepared in line with the Integrated Reporting Framework issued by the International Integrated Reporting Council.

Financial Statements that appear in this report have been prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IASs & IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Where applicable, the bank has followed the following rules and regulations of the country:

- The Companies Act, 1994
- The Bank Companies Act, 1991 (amended in 2013)
- Securities and Exchange Rules, 1987
- International Accounting Standards and International Financial Reporting Standards (IASs & IFRSs)
- The Income Tax Ordinance, 1984
- Relevant Rules, Regulations and Circular of Bangladesh Bank
- Any other applicable laws and regulations of the land

Reporting Boundary and Materiality

The Annual Report this year comprises reports covering the bank's operations spanning the head office and the branch network for the financial year ended 31st December 2018. Wherever relevant, the preceding years' performance and indicators have been reflected for comparative analysis. In addition, the report also provides summary reviews on the performance of MGBL's subsidiary named Meghna Bank Securities Limited for the year ended 31st December 2018.

External Assurance and Test of Compliance

The Financial Statements together with related notes are audited by M/s. MABS & J Partners, Chartered Accountants, Bangladesh and their assurance is given on page 90 of this Report.

SL	Description of Report	External Assurer
1	Consolidated and Separate Financial Statements of Meghna Bank Limited	MABS & J Partners Chartered Accountants
2	Financial Statements of Meghna Bank Securities Limited	Basu Banerjee Nath & Co. Chartered Accountants
3	MGBL Employees Provident Fund	Hoque Bhattacharjee Das & Co. Chartered Accountants

Forward- looking statements

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.



We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Presentation

Printed copies of this report will be posted to shareholders and regulatory bodies in line with MGBL's commitment towards Green banking for reducing the corporate's carbon footprint. However, this report will be made available on the official website at www.meghnabank.com.bd in PDF formats.

Contact

Questions and inquiries on this Integrated Annual Report 2018 and information presented therein are to be directed to:

The Head of Financial Administration Division
Meghna Bank Limited
Head Office
Suvastu Imam Square (3rd Floor)
65, Gulshan Avenue, Gulshan – 1
Dhaka – 1212, Bangladesh
PABX: +880 29857251, 9857045, 9857089, 9851669
FAX: +880 29857124, 9857128
Email: info@meghnabank.com.bd







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.



Values we cherish



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 DIRECTORY

Registered Name	Meghna Bank Limited
Legal Status	Public Limited Company
Date of Incorporation	March 20, 2013
Date of Commence of Business	May 09, 2013
License issued by Bangladesh Bank	March 28, 2013
Enlistment as a Schedule Bank	April 03, 2013
Chairman	H. N. Ashequr Rahman MP
Vice Chairman	Shakhawat Hossain
Chairman, Executive Committee	Md. Kamal Uddin
Chairman, Audit Committee	Uzma Chowdhury
Chairman, Risk Management Committee	Tanveer Ahmed
Managing Director & CEO	Adil Islam
Head of Internal Control & Compliance	Subir Mazumder
Head of Audit	Mohammed Kaiser
Head of Financial Administration Division	Sajib Kumar Saha, FCA
Board Secretary	Md. Rafiqul Islam Khan, FCS
Authorized Capital	Tk.2,000.00 Crore
Paid Up Capital	Tk.469.90 Crore
Number of Branches	47
Number of ATM Booths	16
Registered Address	Suvastu Imam Square (Level-03 & 06) 65, Gulshan Avenue Gulshan – 1, Dhaka – 1212
Auditor	MABS & J Partners Chartered Accountants SMC Tower (7 th Floor) 33, Banani C/A, Road – 17 Dhaka – 1213, Bangladesh
Tax Consultant	Hoque Bhattacharjee Das & Co. Chartered Accountants Cosmic Tower (9th Floor) 106/ka, Box Culvert Road, Dhaka-1000
Telephone	+880 29857251
Fax	+880 29857124, 9857128
Email	info@meghnabank.com.bd
Website	www.meghnabank.com.bd
SWIFT	MGBLBDDH



CODE OF CONDUCT

Meghna Bank emphasize the importance of an effective Code of Conduct to the promotion of fair and ethical practices by all individuals involved within the banking institution as the Code of Conduct is a fundamental basis to support the bank's mission and its business operations. Our employee Code of Conduct applies to everyone who works at Meghna Bank Limited.

The Code of Conduct of Meghna Bank Limited furnished below:

1. Abidance of Laws

All the Employees of the Bank should undertake at all times to comply with or observe all applicable laws and regulations of the country and the Bank, everywhere they operate.

2. Integrity of Records; Customer Privacy and Employer Information

All the Employees of the Bank should maintain books and records with integrity, reflecting in an accurate and timely manner in all transactions. They should uphold the privacy of the customers' affairs. Similar Employees must not share the Bank's plans, methods and activities is considered by the employer to be proprietary and confidential and members must not disclose such information without proper authorization.

3. Free Competition (sharing of policy & procedures)

Bank is facing competition from the similar banks operating in the market. It is expected that its employee should avoid collusive, anti-competitive discussions and/or agreements with the competitors.

4. Misappropriation and Bribery

Any employee of the Bank shall not convert to their own use and benefit any funds or property which are not rightfully theirs, nor knowingly assist another person (whether employee or not) in such misappropriation. No employee should give or accept bribes or involved in any form of corruption.

5. Conflict of Interest – Self and Citizenship duties

Employees must not use their position in the bank for personal gain or to obtain benefits for themselves and members of their families or friends. Employees who discharge citizenship responsibility through membership of public decision making bodies (school boards, society, recreational bodies etc.) should be alert to possible conflicts of interest and declare any such conflict.

6. Use of Corporate Name and Letterhead

Employee should not use Meghna Bank Limited's name, logo or corporate letterhead for any purpose other than in the normal course of banking business.

7. Outside Employment

Employees are not allowed to take any outside employment while they are with the Bank as full time employee.

8. Speculation in Stocks

Employees and their dependent shall not speculate/trade in stocks, shares, securities or commodities of any description nor be connected with the formation or management of a joint-stock company.

9. Prevent Money Laundering and Transaction Structuring

All employees must comply with local laws, regulations on money laundering and fraud prevention.

10. Honesty and integrity

An employee must act honestly and with integrity at all times. An employee must act fairly and equitably when dealing with the public and other members of the Service.

11. Borrowings

No employee shall borrow money from any customer or employee of the Bank or from person(s) likely to have dealings with the Bank and or from the money lenders.



12. Disclosure of Relationship; Employment of Relatives / Conflict of Responsibilities

If an employee of the Bank having loan sanctioning and/or recommending authority has any direct relationship with any borrower of the Bank or the employee is otherwise interested in any loan/advance and other facility etc. given by the Bank, the employee must disclose the same. Family members (father, mother, brother, sister, son or daughter) with whom an employee has close personal relationships (blood related) should not be employed in the bank at a time. If two employees become relatives (e.g. through matrimony) after joining in the Meghna Bank Limited they should not be working in same department/branch or one cannot be the reporting officer of the other. New joiner should declare if they have any relative(s) working in Meghna Bank.

13. Acceptance of Gift

An employee must not accept a gift or benefit if it could be seen by a reasonable member of the public as intended or likely to cause the member to do his or her job in a particular way or to deviate from the proper course of duty. An employee must disclose the receipt of any gift or benefit to the Management. An employee must not engage in any other conduct that may result in his or her position being compromised or appearing to be compromised. Token gifts or benefits may be accepted where refusal to accept may offend, provided that there is no possibility that member might be, or might appear to be, compromised in the process. If in doubt, the member should seek advice from his or her Reporting Officer or other senior officer or his or her supervisor. The value of such gift should not be more than Tk. 2,000.00. Employees are not allowed to receive gifts in the form of cash.

14. Use of Service Facilities

An employee must ensure that Service facilities, equipment and vehicles are used efficiently and economically in the course of performing his or her duties. Unless authorized, a member must not use Service facilities, equipment or vehicles for private or improper purposes except where such use is authorized by the Management. No employee shall borrow money from any customer or employee of the Bank or from person(s) likely to have dealings with the Bank and or from the employees.

15. Alcoholism

An employee must not take any alcoholic drinks during the office hour. It is also suggested that employee should not create any nuisance outside the bank after having alcoholic drinks which will damage the bank's image/ reputation.

16. Drug Addiction

An employee must not even take the fantasy to taste drug substance of any kind. Any employee found drug addicted will be prosecuted accordingly.

17. Respect for others

An employee must acknowledge and respect the rights of other employees of the Bank. An employee must treat other employee of the Service and other members of the public with courtesy and respect. An employee must not discriminate against or harass any other employee of the Bank or members of the public on the ground of sex, race, religion, age, disability, marital status, sexual preference or political opinion. An employee must not behave in a manner that is likely to cause offence or embarrassment to other employees of the Bank or members of the public. An employee must understand and follow the Bank's Equal Employment Opportunity Service Standard.

18. Representation to Directors

An employee shall not make any personal representation to Directors of the Bank. All representations must be addressed to the Managing Director & CEO through proper channel.

19. Participation in political activities

An employee shall not directly or indirectly participate in or subscribe to or in any way assist any political activity or movement during employment.

20. Harassment

All employees should avoid harassment (Racial, Sexual and Bullying) as defined below:

"Any conduct based on age, sex, sexual orientation, gender assignment, disability, HIV status, race, color, language, religion, political or other opinion or belief, national or social origin, association with a minority group, domestic circumstances, property, birth or other status, which is not reciprocated or wanted and which affects the dignity of men and women at work".



a. Racial Harassment

“Unwanted, unwelcome and offensive conduct of a racial nature, or other conduct based on race, which affects the dignity of men and women at work”.

b. Sexual Harassment

“Unwanted conduct of a sexual nature or other conduct based on sex affecting the dignity of women and men at work. This can include unwelcome physical, verbal or non-verbal conduct”.

c. Bullying

“Offensive, abusive, intimidating, malicious or insulting behavior, abuse of power or unfair penal sanction, which makes the recipient feel threatened, humiliated or vulnerable, which undermines their self-confidence, and which may cause them to suffer stress”.

21. Customer complain

All employees should give priority in resolving customer complains quickly, fairly and record those accordingly. Employee must thank them for bringing the problem to them.

22. Speak up

All employees are encouraged to speak out to raise concerns with confidence about any malpractice and misconduct. They should speak up or raise it to the appropriate authority if they suspect any actual, planned or potential behavior that is illegal or unethical and it is going to breach of laws, regulations of the Bank.

23. Misrepresenting and Mis-selling the Bank's product and Services

All employees should be aware about the products and services the Bank provides and they should be careful in selling these to customers. Employees should comply with the rules and regulations on mis-selling and misrepresenting including advertising.

24. Be open and honest with our Regulators

Employees communicating with the Regulators or stakeholders should demonstrate exemplary standard, governance and ethics at all times to show our compliant attitude.





SPONSORS



H.N. Ashequr Rahman, MP



Abdul Alim Khan Selim



Late Maj Gen Amjad Khan Chowdhury (Retd.)



Md. Yasin Ali
Representing Legacy Fashion Ltd



Farah Ahsan



Md. Kamal Uddin



Tanveer Ahmed



SPONSORS



Shakhawat Hossain



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Md. Ali Azim Khan



Alhaj Md. Lokman Hakim



Ashiqur Rahman Lasker



Rehana Ashequr Rahman



Late Md. Mazibur Rahman Khan



SPONSORS



Mohammed Mamun Salam
Representing Salim & Brothers Ltd.



M. A. Maleque



Nuran Fatema



SM Jahangir Alam (Manik)



Md. Saidur Rahman Sarker
Representing Lusaka Fashion Ltd.



Taslima Islam



Md. Rezaul Hossain
Representing Disari Industries Pvt. Ltd.



SPONSORS



Md. Jashim Uddin



Sajibe Kumar Singha
Representing M/s. Anukul Traders



Ziaul Haque



Shahidul Ahsan



Md. Saiful Islam



AKM Mostafizur Rahman



Anita Haque
Representing Paramount Textile Ltd.



SPONSORS



Ishmam Raidah Rahman



Shahriar Imtiaz Rahman



Gazi A.Z.M. Shamim



Rasheq Rahman



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Hafizur Rahman Sarker



SPONSORS



Md. Yasin Ali
Representing Anowara Fashion Ltd.



Md. Nazrul Islam



Hasan Ahmed
Representing Popular Life Insurance Co. Ltd.



SHAREHOLDERS



Uzma Chowdhury



Dr. Tamanna Mostafiz



Tanzima Shahtaj Chaity



Tasmina Shahtaj Juthi



Julia Rahman



Ramisha Islam







**BOARD
OF
DIRECTORS**

H.N. Ashequr Rahman, MP

Chairman



H. N. Ashequr Rahman MP was born on the 11 December 1941 in a respectable Muslim Family. His father late Md. Abdur Rahman was perhaps only Muslim student in M.Sc. in 1927 at the Dhaka University. His mother late Mrs. Hamida Khatun, a housewife was a remarkably generous lady-constantly engaged in philanthropic activities in her own domain.

Mr. Ashequr Rahman obtained BA (Honours) degree in English and MA (English) degree from Rajshahi University in 1962. Thereafter he obtained Post-Graduate Diploma in “Social Urban Studies” from the Institute of Social Studies, The Hague, The Netherlands. He is equally at ease and proficient both in English and Bengali.

After obtaining Masters Degree, he started his career as Assistant Professor of English at the Carmichael College, Rangpur and thereafter as Assistant Professor of English at the Rajshahi University. Through country-wide competitive examination, he joined Civil Service of Pakistan (CSP) in 1966 and served with success and reputation in many responsible positions like Sub Divisional Officer (SDO) Manikganj (now a District), Deputy Secretary, Govt. of Sind in Pakistan, Deputy Commissioner Greater Cumilla District, Member, Bangladesh Tea Board etc. During the tumultuous and trying period of turmoil at the early stage of post-liberation period in March 72, he

was appointed Administrator of Dhaka Municipality. He brought order and financial stability in then chaotic Dhaka Municipality. In 1979, dissatisfied and from unwillingness to serve autocratic regime of General Zia, he resigned from the coveted service voluntarily without pension and other benefits.

At present, he is a businessman as well as an Industrialist, Founder Director of reputed private East West University and Founder Chairman of Meghna Bank Limited. He is involved with Awami League politics and elected Treasurer of Bangladesh Awami League since 1993 for successive terms without break till date. He is the Secretary General of Awami Foundation.

Mr. H N Ashequr Rahman was elected as a Member of 3rd, 7th, 9th and 10th National Parliament. He is a member of current 11th Parliament as well. During the 7th Parliament he served as a State Minister for Environment and Forests. During 7th, 9th and 10th Parliament, he served as Chairman of the Parliamentary Standing Committee on Estimates, Standing Committee on Ministry of Planning and Ministry of Public Administration.

Mr. Rahman is connected with various social, cultural & philanthropic Institutions. He is one of the Founder Directors of East West University-a well-known Institution of higher education of excellence and repute. He is the former Senate Member of Bangladesh Jatiya University, Rajshahi University and Hajee Mohammad Danesh Science & Technology University, Dinajpur. At present he is a Senate Member of Begum Rokeya University, Rangpur and of Bangladesh University of Professionals (BUP), a university run by Bangladesh Defense Forces. He is the Chief Advisor of “Kishore Bhuban”- a Juvenile Magazine since 1995. He is the Founder Chairman and Life Member of Cumilla Foundation. He was a member of Bangladesh Investment Board and Founder General Secretary of United Towns Organization, an organization affiliated to United Nations. He is at present a member of the Executive Committee of Bangladesh Freedom Fighters’ Welfare Trust.

In 1972 invited by Reserve Bank of India he, as a member of industrial delegation, visited Industries at Kolkata, Delhi, Bangalore and Madras regions and discussed about possible collaboration with India on Industrial growth in Bangladesh on advantageous terms and special industrial loans at concessional rates. Sponsored by Government of Bangladesh under the aegis of “United Towns Organization” he under the leadership of Barrister Amirul Islam MP visited England, France, Bulgaria, Italy and other countries in Europe in early 1972 to introduce newly emerged Bangladesh and foster friendship with the people at the grass-roots. The team visited and participated in Seminars and met various discussion groups in the cities of Europe and could create in them a lot of goodwill, friendship and enthusiasm for Bangladesh.

Mr. Rahman in order to transform Dhaka Municipality into City Corporation visited Kolkota, New Delhi, Bangalore, Madras and Bombay City Corporations in 1974 and studied their administrative structure and constitutions. Later on Dhaka Municipality was turned into Dhaka



City Corporation. In 1997 he visited China as a Member of Good Will Mission to exchange views and foster friendship. As a Member of Parliament, Mr. Rahman under the leadership of Hon'ble speaker Mr. Humayun Rashid Choudhury attended 43rd Commonwealth Parliamentary conference at Mauritius in 1977. In 1999, he as the leader of Bangladesh Delegation visited UN at New York and met with representatives from different countries especially from South Asia with object of establishing an "Association of Parliamentarians of South Asia" and formulated the framework of the organization which came into being later in due course.

Mr. Rahman attended 102nd International Parliamentary Union (IPU) conference in 1999 at Berlin and next year, at Jordan he as the Elected Auditor of IPU presented the Audit Report at the Forum of IPU. Under the leadership of Honorable speaker, Mr. Humayun Rashid Choudhury, he joined Millennium conference of Presiding Officers at the UN. He was attached with British Parliament at Westminster, London for 3 (three weeks) in a familiarization programme with methods, precedents, procedures etc. of the British Parliament. Mr. Rahman led the Bangladesh Delegation to Japan for International Conference on "Environment and Development for Asia and Pacific Region" and led another delegation to Germany at Berlin on "Environment Conference on Prevention of Desertification". In 2009, Mr. Rahman participated in the 55th Commonwealth Parliamentary Conference at Tanzania.

In 2000 under the leadership of Mr. Asaduzzaman MP, the then Chairman of Parliamentary Standing Committee on Public Administration, Mr. Rahman visited South Africa for exchanging views and issues on Public Administration in South Africa. In 2015, Mr. Rahman led a delegation of Public Administration to China and Vietnam and met political leaders, Administrative officials, Social leaders and different organizations to gain fruitful knowledge, insight and experience of those countries. At different occasions he attended many other Conferences and Seminars abroad and in Bangladesh and enriched himself with varied experience and knowledge.

Mr. Rahman received Cumilla Foundation Gold Medal in recognition of his good services to Greater Cumilla during his tenure as Deputy Commissioner there.

Mr. Rahman during early eighties could appreciate the need for modernizing and computerizing the country. In 1986 he was the first in establishing a computer company titled as "Business and Education Systems Ltd." and imported Apple Computers even though Computer and its uses at that time were largely unknown to the people. Because of his special efforts, the Desktop version of computer "Apple" created by Steve Jobs was introduced in Bangladesh and that brought about a revolutionary change in printing methods especially in the newspaper industry.

Mr. Mustafa Jabbar, at present Minister, ICT Ministry collaborated with Mr. Rahman and innovated the Bangla Font "Bijoy" which went a long way in the reaching computers to the households as a familiar tool.

Mr. Rahman in his Electoral Constituency "Mithapukur" introduced the innovative program like nutrition (পুষ্টি) for children, modern oven (উন্নত চুলা), Sanitary Pad Project (শাবন্য), Sanitation Programme to protect the health of female students in particular at their young age. Every month 30,000 sanitary pad/packets are distributed among the 30,000 girls of school and colleges and those are specially packed for Mithapukur. He introduced Projects on changing the breed of cattle by establishing Artificial Insemination Centers, on branding and spreading Haribhanga mango in Mithapukur and beyond and other fruit bearing trees like Jackfruit trees, Coconut plants, Banana etc. in every household. Today many milching cows of Mithapukur produce daily 34 litres of milk and the bulls are of bigger and heavy sizes. At present, Mithapukur is surplus in milk, fish, fruits, food, meat and vegetable production. With his active intervention and leadership, widespread development of education and human capital, roads and infrastructure in Mithapukur took place. He also took special Initiative to improve the quality of soil of his area by promoting and nursing the use of Organic fertilizer through vegetation and vermin compost. Thousands of farmers are now engaged in producing vermin compost and at present there are regular markets for trading of vermin compost fertilizer in Mithapukur. He put Mithapukur on march and called the upazilla "পথিকৃত মিঠাপুকুর".

He is the father of 2 (two) sons and 1 (one) daughter. They are all independent and well-established in life. Reading books, promoting Social welfare Projects and their implementation are Mr. Rahman's hobby.

In July 1971 on transfer from the then West Pakistan, Mr. Rahman was posted as Additional Deputy Commissioner, Tangail and thereafter in September 1971 as Deputy Commissioner, Tangail. On the 11th December 71, Tangail was freed from the enemies. During the liberation war in the difficult circumstances, Mr. Rahman worked secretly for the cause of liberation and in many ways extended help and assistance to the common people of Tangail. In the critical and at the time of dire uncertainty, suffocating distress and anxiety, he was a friend of the people of Tangail. The people of Tangail still today remember him with gratitude.





Shakhawat Hossain

Vice Chairman

Shakhawat Hossain is the Chairman of Paramount Group. He is successfully operating his business entities with diverse interests in textiles, agro, power plant, chemicals, banking and insurance.

He is the Sponsor Director of Meghna Bank Limited and currently acting as Vice Chairman of the Bank. He has also served as Chairman of the Audit Committee in the Board of the Bank.

Mr. Shakhawat is the Managing Director of different concerns of Paramount Group and established his first organization, Sunrise Chemical in 1986. Followed by Paramount Insurance, Foodex Intl, Paramount Holdings, Paramount Spinning, Paramount Textile, Mount International, Paramount Agro, Paramount Btrac Energy Ltd.

A Post Graduate in Marketing from University of Dhaka, Mr. Shakhawat is the Honorary Consul of Portugal. Besides, he is an active member of the Dhaka Chamber of Commerce and Industries, Bangladesh Chamber of Commerce and Industries, Bangladesh Employers Federation and Bangladesh German Chamber of Commerce and Industries. Also, Director of Abahani Club Ltd.

Recently he has been awarded the "Order of Merit" on behalf of the President of Portugal. The order of merit is intended to award those who perform extraordinary work in both public and private sectors which reveal self-sacrifice in favor of the community.

Mr. Shakhawat is a widely travelled person and attended various international workshops and seminars in home and abroad.

Md. Yasin Ali

Director

Md. Yasin Ali Son of Late Habibullah Meah born on 19 April 1962. A renowned business leader of the country. He is the Managing Director of Habib Group running business in the line of Apparel, Aviation, Cement, Power, Spinning, Steel and Textile.

He is sponsor Director of Meghna Bank Limited also he is a Chairman of Southern Medical College & Hospital Limited, ANZ Properties Limited and seats as a Director of Continental Insurance Limited.

He is the Member of Bhatiary Golf & Country Club, Member of Chittagong Club Ltd., Member of SAARC Chamber of Commerce & Industry, FBCCI and Member of Chittagong Boat Club.

Mr. Ali completed his post-graduation from University of Chittagong. He also involved in many social activities.



Abdul Alim Khan Selim

Director

Abdul Alim Khan Selim is a Sponsor Director and founder Vice Chairman of Meghna Bank Limited. He also served as the Chairman of Executive Committee and Risk Management Committee of the Board.

Born on 1st January, 1951 in a respected Muslim family at Rajapur of Dhamrai, Dhaka. Mr. Abdul Alim Khan Selim started his primary education in Rajapur Government Primary School then went to Maishamura Basanta Kumari Hingh School and Dhaka College. He did his graduation with honors and post-graduation from University of Dhaka in 1972 (Held in 1974)

He stated his career as a lecturer of Kaliakair Degree College, Gazipur. He also served as the Lecturer of Dhamrai College, Dhamrai, Dhaka. He was the Managing Director of Globe Metals Ltd., Globe Plastic Industries Ltd., National Trading Corporation and A.B Siddique Apparels Ltd. up to 1999.

Currently, he is the Chairman of Capital Homes and Development Ltd. and proprietor of Dhaka Impex Co.

Mr. Abdul Alim Khan Selim actively Participated in student movement rally in 1962, 6 (six) point movement in 1966, mass movement and uprising 11 (Eleven) point demand in 1969 and actively participated in the Liberation War in 1971 at Sector -11.

He is actively engaged in various social works and associated with many philanthropic activities. He is the founder of Rajapur Begum Anowara Girls College, Bir Muktijoddha Abdul Alim Khan Medical Center, Rajapur Islami Education Center and Orphanage, Rajapur Stadium (Under Construction), Chairman of Anowara- Halim Foundation and president of Rajapur Adarsha Samity (Govt. Approved), Dhamrai, Dhaka.



Farah Ahsan

Director

Farah Ahsan born in a respectable Muslim family of Chittagong is a Chairman of AG Agro Foods Limited, Delta Jute Mills Ltd and Managing Director of AG Agro Industries Ltd, AG Property Developments Ltd, Regent Holdings Developments Ltd, AG Ceramics Ltd and many other concern of AG Group. She is truly a dedicated business personality and has been in the business arena since long. She is a person of immense drive and great ambition with high integrity.

Mrs. Ahsan is a Sponsor Director of Meghna Bank Limited and served as a member of Audit Committee of the Board of the Bank.

She completed her post-graduation from University of Chittagong. She is actively engaged in many social and charity organizations and also involved with many educational and religious institutions. She is a widely travelled person and a tended various workshops and seminar across the globe.





Md. Kamal Uddin

Director

Md. Kamal Uddin has an excellent business background and he is a renowned entrepreneur in RMG sector. He is the Managing Director of Diganta Sweaters Ltd., Cosmos Sweaters Ltd., Tricotex Sweaters Ltd., Sweaters Zone Ltd. and Diganta Packaging & Accessories Ltd. He has created job opportunities for about 25,000 people and has been contributing to the national economy with yearly turnover of about US\$ 100.00 million from export. For his contribution he was awarded CIP for consecutive 4 terms by the Government of Bangladesh. He is also contributing in RMG Sector as a Director of Bangladesh Garment Manufacturers & Exporters Association (BGMEA) for 2018 – 2019 and 2019 – 2020 term.

He is one of the Sponsor Directors of Meghna Bank Limited and Chairman of Executive Committee of the Board of the Bank. He is also sponsor of Meridian Finance & Investment Ltd. He is associated with many social works and involved with different organizations. He is Chairman of Executive Committee of Ekhlaspur High School Chandpur for last 12 years, Life Member of Kazim Uddin Chowdhury High School & College, Member of Gulshan Club Limited and Baridhara Cosmopolitan Club Limited. Mr. Kamal is actively engaged with various social works, he provides financial support more than 11,000 underprivileged and disaster affected people and donates a number of hospital and orphanages.

Tanveer Ahmed

Director

Tanveer Ahmed is an inspirational leader and Managing Director of ELEGANT GEOUP from 2007 to now. He has impressive success in the RMG sector, running company-wide operational functions and leading large scale RMG projects, from inception to successful completion, while making/executing sound strategic decisions. In his current role, Mr. Tanveer is heading the 14 sister concerns of team in Bangladesh Office of Elegant Group, a leading representative multi-channel RMG brand available in 50 countries. He has a strong capacity to lead, direct and generate revenue at RMG sector in Bangladesh. He has consistently worked for RMG business growth beyond all expectations.

Mr. Tanveer Ahmed is the Sponsor Director of Meghna Bank Limited and currently serving as Chairman of the Risk Management Committee of the Bank.

He has resided, studied and worked in Indonesia for significant periods of his career prior to taking over the helm at Elegant Group. Upon incompleting his BBA from Indonesia, he moved to Bangladesh in 2007 and joined Elegant Group and serving as Managing Director for last one decade.

His major hobbies are golfing reading books, watching movies and travelling.





Alock Kumar Das

Director

Alock Kuamr Das is the Sponsor Director of Meghna Bank Limited. A self-motivated business leader and versatile business acumen with more than 30 years business experience is involved with Insurance, Textile, RMG, Power, Housing, Chemicals, Agro based industries & trading business etc.

He is the Director of Paramount Textile Limited, Paramount Energy Ltd., Paramount Agro Ltd., Sunrise Chemical Industries Limited, Paramount Holdings Ltd, Paramount Spinning Limited and Managing Partner of, Paramount Agro, Foodex International.

Mr. Alock has been representing as member of Dhaka Chamber of Commerce and Industries, Bangladesh Chamber of Commerce and Industries, Bangladesh Employers Federation and Bangladesh German Chamber of Commerce and Industries.

He is the member of the Audit Committee in the Board of the Bank since its inception.

Md. Ali Azim Khan

Director

Md. Ali Azim Khan has an excellent business background and he is a renowned entrepreneur in RMG sector. He is the Managing Director of Shines Group of Companies Ltd, Shines Apparels Ltd., IL Kwang Textiles Co. Ltd., Young-A Textiles Co. Ltd., Tamim International Traders Ltd., Silver Packaging Ltd., Trust Trouser Ltd., Shines Cargo Services and Nasrin Garments etc. Mr. Azim is also a Director of Zenith Islami Life Insurance Company Ltd. He has been contributing to the national economy and created job opportunities for about 20,000 people. For his contribution he was awarded CIP for consecutive 3 years by the Government of Bangladesh and received 'Sawdhinata Sangshad Business Award' from Sawdhinata Sangshad for his special contribution in business. Mr. Azim is also President of Button Manufactures & Exports Association.

He is one of the Sponsor Directors of Meghna Bank Limited and a member of Audit Committee of the Board of the Bank. Mr. Azim is actively engaged with various social works, he provides financial support to underprivileged and disaster affected people and donates a number of hospital, educational institutions, religious & social institutions and orphanages.





Alhaj Md. Lokman Hakim

Director

Alhaj Md. Lokman Hakim, Director of Meghna Bank Limited is a prominent business person in the country. He is one of the top five Businessman of Ship Breaking sector in Chattogram. He is successfully running a business conglomerate with immense interests in ship breaking and recycling, re-rolling steel, chemicals, engineering services and banking etc. In 1994 he initiated Ziri Subedar Group and started its manual mill for producing steel, the re-rolling mill was one of the very first concerns of the group. Since then the group has gradually enriched its business wings into diverse activities and confirmed its reputation as one of the remarkable organization in the steel sector of Bangladesh. Alhaj Md. Lokman Hakim is the Managing Partner of the group.

He is also member of Executive Committee of the Board of Directors of the Bank. He is also involved in many social activities such as founder of school, hospital etc. and widely acclaimed for his philanthropic contributions.

Ashiqur Rahman Lasker

Director

A very young and promising business leader of the country, Mr. Ashiqur Rahman Lasker is successfully running a business conglomerate with diverse interests in ship breaking and recycling, RMG industries, engineering services, LP Gas, Chemical, banking and securities etc.

He is a Sponsor Director of Meghna Bank Limited and a member of the Risk Management Committee of the Board of the Bank. He holds the position of Managing Director at Maheen Enterprise Ltd., Mihran Ship Recycling Ind. Ltd., Agarpur Navigation & Company Ltd., MM Green Ship Recycling Yard Ltd. and Director of ARL Ship Breakings Ltd., ARL Maritime Services Ltd., M & M Corporation Ltd., ARL Apparels Ltd., and ARL Dresses Ltd.

Mr. Lasker completed his graduation from University of Middlesex. He is involved in many social activities and widely acclaimed for his philanthropic contributions.



Rehana Ashequr Rahman

Director

Rehana Ashequr Rahman is an elected Managing Board Member of Bangladesh Red Crescent Society for last three terms. She is also the elected Vice-Chairman of Bangladesh Red Crescent Society, Rangpur Unit, unanimously elected for successive terms from 2009. She is also a Life Member of the Bangladesh Red Crescent Society.

Since long she has been involved in philanthropic activities in various capacities. As the eldest daughter of Late Mr. M. A. Haque, Member of Parliament, a prominent writer, noted social worker and a former Minister Govt. of Bangladesh, she established M. A. Haque Foundation. The Foundation regularly arranges Seminars, Discussion Programmes on various social issues like reduction of poverty, alleviation of gender gap, affording voice to the voiceless, stimulation of issues of young minds etc. and granting financial assistance and scholarships to needy and meritorious students.

She is the Chairperson of the NGO-DAPPE (Direct Action for Alleviation of Poverty and Protection of Environment). It deals with rural women, promotes skill development and capacity building and encourages them in producing compost fertilizer; maintain healthy hygiene, good sanitation, nutrition and family planning etc. As Life Member of Lions Foundation and Region Chairperson of the Lions Clubs International she has been working with different humanitarian projects. She is also an active member of the Zonta Clubs International and a Member of Rotary Club of Dhaka Mavericks since its inception in 2014. She is a Life Member of Jalalabad Association.

For last twenty years she has been bringing out monthly juvenile magazine "Kishore Bhuban" to ignite the young minds and usher into them world of curiosity, knowledge and infinite happiness and help them grow robust, healthy and humane.

From her Publishing House "Kishore Bhuban Publishers" she has been translating and publishing various themes like Aesop's Fables, popular Fairy Tales and Classics of great writers like Oscar Wilde, Hans Christian Anderson and others in bangla. She has to her credit a number of Biographical Series on world's Great-Poets, Writers, Scholars, Scientists, Statesman, Humanist and so forth to inspire the young generation.

She also brought out books on the art of learning "English from Bangla" and "Bangla from English". In short she has been earnestly engaging herself in nourishing the young minds, investing them with skills and forging the humane attitude in them.

At the moment she is spearheading a programme called "Labonnyo" in Mithapukur, Rangpur, the constituency of her husband Mr. H N Ashequr Rahman MP, ex-State Minister, Chairman Parliamentary Standing Committee on Ministry of Public Administration, where about 30,000 school and college going girls have reached puberty. For lack of knowledge of personal hygiene, a big number of female students drop out from the schools and/or most of them suffer from female diseases from the young ages. The programme has been launched to help good health, uninterrupted good education and healthy motherhood. Distribution of sanitary kits and dissemination of health education amongst the girls are organized. School Management and Teachers have been made involved actively in the process.

Ms. Rahman is a celebrity vocal artist of National TV and Radio in Bangladesh. She has to her credit a number of musical albums. She undertook a broadcasting training course at the BBC London in 1972. She is the President of Bangladesh Sangeet Parishad (National Association of Vocal Artists, Lyricists, Music Directors, Instrumentalists, and Dance Artists).

She is widely travelled and she joined various International Conferences and Seminars organized by Lions Clubs International, Zonta Clubs International and other Cultural bodies. In June 2012, she attended the Red Cross/Red Crescent workshop on "Humanitarian Diplomacy" in Delhi, India. In December 2015 she attended the International Conference of Red Cross / Red Crescent held in Geneva, Switzerland representing Bangladesh as a Managing Board Member of Bangladesh Red Crescent Society. She also attended the Regional Red Cross / Red Crescent Workshop and Seminar in 2014 in Kathmandu, Nepal.

As Business Entrepreneur, she is a Director of Meghna Bank Ltd, Chairperson-Buraq International Ltd. (A Business and Trading Firm) and Director, Diesel Motors and Services (BD) Ltd.



Mohammed Mamun Salam

Director

A renowned businessman Mohammed Mamun Salam born in a respectable Muslim family of Chittagong. Salam is Sponsor Director & representing Salim & Brothers Limited in the Board of Meghna Bank Limited. He is also a member of Audit Committee of the Board of the Bank. He holds the position of Managing Director at Salim & Brothers Ltd., Salam Apparel Ltd., Fashion Craft Ltd., Reliance Apparel Ltd., Reliance Denim Ind. Ltd., Reliance Box Ind. Ltd., Reliance Washing Ind. Ltd., Four Seasons Resorts Limited and Executive Director at Bengal Synthetic Fibres Ltd.

He is involved in many social activities and widely acclaimed for his philanthropic contributions.





M. A. Maleque

Director

Born in a respected Muslim family at Dhamrai, Dhaka M. A. Maleque did his post-graduation from University of Dhaka. He is a Sponsor Director of Meghna Bank Limited and one of the senior members of the Board.

He was an Honorable Member of the 10th Parliament of People's Republic of Bangladesh. He is the Proprietor of Joy Omar Construction. He is actively engaged in many social and charity organizations and involved with many educational, religious and social institutions of his locality.

Nuran Fatema

Director

Nuran Fatema is a Sponsor Director of Meghna Bank Limited and a member of Risk Management Committee of the Board of the Bank. Born in a respectable Muslim family Fatema did her post-graduation from University of Chittagong. She is the Chairperson of Bismillah International Shipping & Trading Company Ltd. and Proprietor of The Bismillah Marine Services. She is very energetic and potential member of the Board being engaged herself for the growth and development of the Bank.

She is actively engaged in many social and charity organizations and also involved with many educational and religious institutions. She is a widely travelled person and attended various workshops and seminar across the globe.





SM Jahangir Alam (Manik)

Director

Born in a respected family of Noakhali, S.M. Jahangir Alam (Manik) is the Managing Director of Sanji Group.

He has an excellent business background and has a diverse range of business interests including construction, real estate, auto mobile, stainless steels, industrial glass and banking etc. He is the Managing Director of Sanji Automobiles Ltd., Sanji Property Development Ltd., Sanji Stainless Steel Industries Ltd. and Proprietor of Panama CNG Conversion and Sanji Filling & Conversion Center.

He is one of the Sponsor Directors of Meghna Bank Limited and member of Executive Committee and Risk Management Committee of the Board of the Bank. He is involved in many social activities and widely acclaimed for his philanthropic contributions.

Md. Saidur Rahman Sarker

Director

Md. Saidur Rahman Sarker has an excellent business background and he is a renowned entrepreneur in RMG sector engaged since 1995. He is the Managing Director of Lusaka Group which consist Lusaka Fashion Ltd, Tammam Design Ltd, Beq Knit Ltd, Beq Sweaters Ltd, CK Sweaters Ltd, Beq Fabrics (Pvt.) Ltd, Beq Embroidery etc.

He is a Sponsor Director of Meghna Bank Limited representing Lusaka Fashion Ltd in the Board of the Bank. He is involved in many social activities and widely acclaimed for his philanthropic contributions.



Md. Nazrul Islam

Director

Md. Nazrul Islam is a Sponsor Director of Meghna Bank Limited. Nazrul engaged in various businesses for the last 26 years and established a good number of Industries including financial institutes, Bank, Insurance Company etc. His business affiliation is versatile and diversified. He earned notable fame in business community for his integrity and remarkable business activities. He has established himself as an icon of Export-Import Businesses.

He is the Chairman of Fareast Islami Life Insurance Company Limited, Primeasia University, Fareast Islami Securities Limited and Fareast Islami Properties Limited. He is also the Proprietor of M/s. Ramisha Enterprise and M/s. Rimsha Enterprise. As a very prominent entrepreneur he has received many awards from the prestigious institutions at home and abroad. Mr. Md. Nazrul Islam is the Vice Chairman of Prime Multimedia Limited and Bangladesh Institute of Professional Development Ltd. He is also Member of Bangladesh Publicly Listed Companies, Member of Australia Bangladesh Chamber of Commerce, Canada Bangladesh Chamber of Commerce and Industry, Bangladesh Thai Chamber of Commerce and Industry (BTCCI), Bangladesh German Chamber of Commerce & Industry (BGCCI) and Bangladesh Insurance Association. A very widely traveled person, Mr. Nazrul Islam is an amiable personality having track record of making contributions in the social and educational development activities of the country.



Uzma Chowdhury

Director

Uzma Chowdhury, distinguished business personality in Finance and Banking sector of Bangladesh comes from aristocrat family of Natore Chowdhury Bari. She is a registered CPA from State of Texas, USA. After Completing Bachelors of Science in Accounting from University of Texas at Dallas, she had worked in accounting profession for over than 7 years in Petroleum Industry. She served American Women's Society for CPAs for 4 years as Secretary, at Houston Chapter. Since October, 2008 she has been working as Director Finance in PRAN-RFL Group, the largest & most diversified conglomerate of the nation. PRAN is food and beverage brand name which is known to all Bengalis in home and abroad. RFL is the brand for household goods, construction items and cast iron products which is most renowned brand in urban and rural areas of Bangladesh.

Ms. Chowdhury is currently a member of Finance & Audit Committee of Under-Privileged Children Education Program (UCEP), and Committee member of Metropolitan Chamber of Commerce & Industries (MCCI). She has Bachelors in Commerce (Honors) from Dhaka University and mother of three children.





Adil Islam

Managing Director & CEO

Mr. Adil Islam joined Meghna Bank Limited as its Managing Director & CEO in April 2018. Mr. Adil has more than 28 years of banking and business leadership experience, gained through working in various international banks and financial institutions in Southeast Asia and Middle East, in countries such as Bangladesh, Saudi Arabia, Bahrain, UK, Indonesia and Singapore. He has extensive knowledge and experience in business development, governance, risk management, organizational transformation and driving sustainable business growth.

Mr. Islam has held business and functional head positions both in Bangladesh and in overseas locations, working for organizations like HSBC, American Express and ANZ Bank. Over the years, he has held positions which include Chief Risk Officer for South & Southeast Asia, ANZ Bank, Chief Risk Officer, HSBC Indonesia, Head of Wholesale Banking HSBC, Bangladesh and others. His area of specialty spans across Corporate Banking, Trade, Cash Management, Financial Institutions, Commercial Banking, Credit and Risk Governance.





COMMITTEES OF THE BOARD

Executive Committee

Md. Kamal Uddin	Chairman
Md. Yasin Ali	Member
Tanveer Ahmed	Member
Alhaj Md. Lokman Hakim	Member
Rehana Ashequr Rahman	Member
SM Jahangir Alam (Manik)	Member
Md. Nazrul Islam	Member



Risk Management Committee

Tanveer Ahmed	Chairman
Md. Kamal Uddin	Member
Ashiqur Rahman Lasker	Member
Nuran Fatema	Member
SM Jahangir Alam (Manik)	Member

Audit Committee

Uzma Chowdhury	Chairman
Shakhawat Hossain	Member
Alock Kumar Das	Member
Mohammed Mamun Salam	Member
Md. Ali Azim Khan	Member



** Committees were reconstituted on May 06, 2019*



Management Committee





Adil Islam

Managing Director & CEO



Johora Bebe

Additional Managing Director & CRO



Ariful Islam Choudhury

Head of Retail Banking Division



Shamsul Azam Khan
Head of Credit Risk Management Division



Kazi Farhana Zabin
Head of Liability & Wealth Management Division



Md. Sadiqur Rahman
Head of Treasury Division



Md. Towhidu-Zzaman Fuad
Head of Operation Division



Kimiwa Saddat
Head of Corporate Banking Division



Subir Mazumder
Head of Internal Control & Compliance Division



Mohammad Kaiser
Head of Audit



Sultan Mahbubul Haque
Head of Human Resources Division



Hasanur Rahman

Head of Information Technology Division



Sajib Kumar Saha, FCA

Head of Financial Administration Division

The exhibition panel, titled "EMERGENCE OF BANGLADESH", is a long horizontal display on a grey wall. It features several panels of illustrations and text in Bengali. From left to right, the main sections include: 1. "ডায়াল আল-দাওয়াল" (Diyal al-Dawwal) with an illustration of a building and text. 2. "৬ মাসের আন্দোলন" (6 months of movement) with an illustration of people and text. 3. "১৯৫৬-৬৭ সাল" (1956-67 years) with an illustration of a person and text. 4. "১৯৭১ সালের স্বাধীনতা আন্দোলন" (1971 independence movement) with an illustration of a person and text. 5. "১৯৭১ সালের স্বাধীনতা" (1971 independence) with an illustration of a person and text. 6. "১৯৭১ সালের স্বাধীনতা" (1971 independence) with an illustration of a person and text. 7. "১৯৭১ সালের স্বাধীনতা" (1971 independence) with an illustration of a person and text. 8. "১৯৭১ সালের স্বাধীনতা" (1971 independence) with an illustration of a person and text. 9. "১৯৭১ সালের স্বাধীনতা" (1971 independence) with an illustration of a person and text. 10. "১৯৭১ সালের স্বাধীনতা" (1971 independence) with an illustration of a person and text. The title "EMERGENCE OF BANGLADESH" is printed in large, bold, orange letters at the bottom of the panel.

The road to freedom was a long, winding path. This wall is a snapshot of the years of struggle and hardship, our fellow countrymen and inspirational leaders endured to make Bangladesh free and proud.

H. M. AZHAR HOSSAIN, M.
Secretary, Bangladesh Nationalist Party





FIVE YEARS' FINANCIAL SUMMARY

(Figures in million Taka)

Results of Operation	2018	2017	2016	2015	2014
Interest income	3,726.28	2,836.53	2,335.90	1,664.04	1,036.68
Interest expense	2,463.68	1,837.95	1,568.18	1,157.91	660.20
Net interest income	1,262.60	998.57	767.72	506.13	376.48
Investment income	547.41	832.85	884.08	692.13	183.30
Non Funded Income	209.90	263.67	188.06	136.45	67.84
Total Operating income	2,019.91	2,095.10	1,839.86	1,334.71	627.62
Operating expenses	1,172.41	1,078.23	874.52	652.08	505.34
Operating profit	847.50	1,016.87	965.34	682.63	122.28
Provision for Loans, Investments and Other Assets	436.14	270.83	75.50	91.40	78.89
Profit before tax	411.36	746.04	889.84	591.23	43.39
Provision for taxes	320.00	325.00	315.00	140.00	32.00
Net profit after tax	91.36	421.04	574.84	451.23	11.39

Balance Sheet	2018	2017	2016	2015	2014
Authorized capital	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Paid up capital	4,698.98	4,433.00	4,433.00	4,433.00	4,433.00
Shareholders' equity	5,257.35	5,173.34	5,233.92	5,027.33	4,477.56
Borrowing	1.16	906.59	208.32	1,150.00	-
Deposits	36,446.68	32,287.07	25,508.76	16,073.04	8,952.70
Loans and advances	30,153.68	27,457.90	20,990.14	14,385.09	7,192.03
Investments	4,492.79	4,727.58	6,744.94	3,301.43	2,670.46
Fixed assets	316.00	283.16	296.31	259.31	189.20
Off-balance sheet exposure	5,612.41	6,420.62	5,075.20	4,206.80	4,206.80
Total assets	43,849.55	39,776.99	31,841.13	22,790.58	13,770.31
Total liabilities	38,592.20	34,603.64	26,607.21	17,763.25	9,292.76

Share Information	2018	2017	2016	2015	2014
No. of shares outstanding (No. in million)	469.90	443.30	443.30	443.30	443.30
Earnings per share	0.19	0.95	1.30	0.91	0.03
Dividend (percent)	-	6.00%	10.00%	6.00%	-
Cash Dividend (percent)	-	-	10.00%	6.00%	-
Stock Dividend (percent)	-	6.00%	-	-	-
Net asset value per share	11.19	11.67	11.81	11.34	10.10
Price Earning Ratio (times)	N/A	N/A	N/A	N/A	N/A



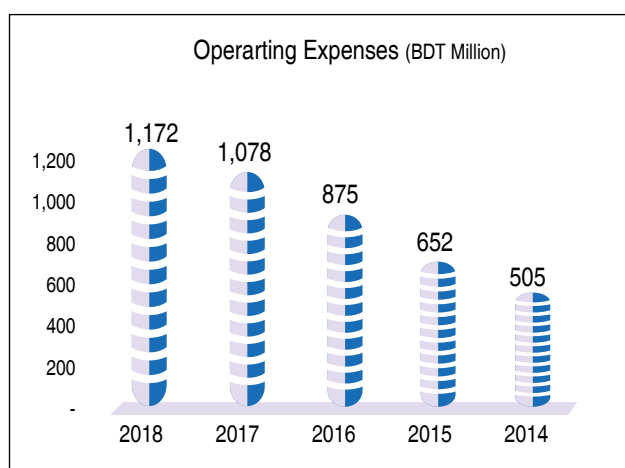
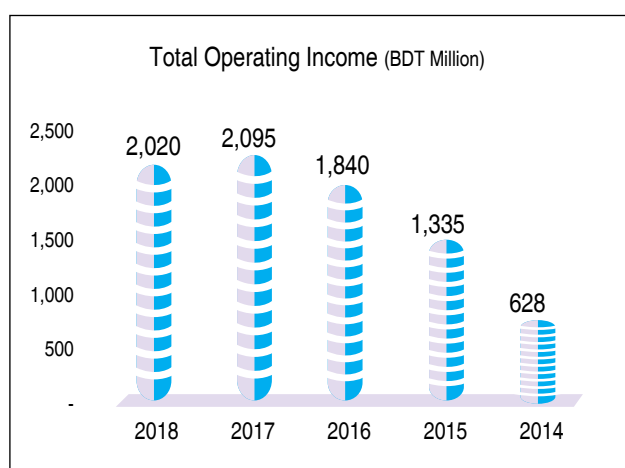
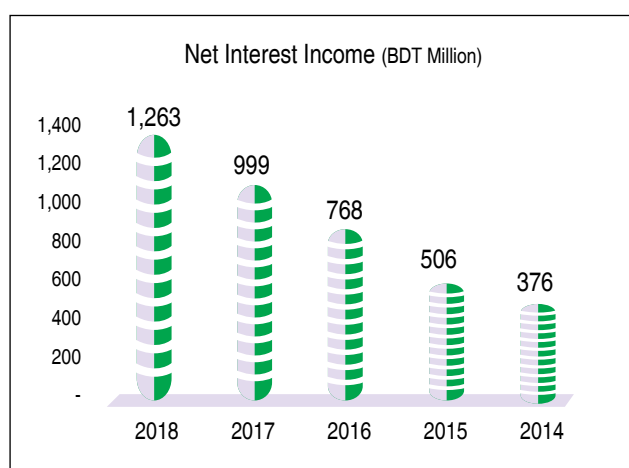
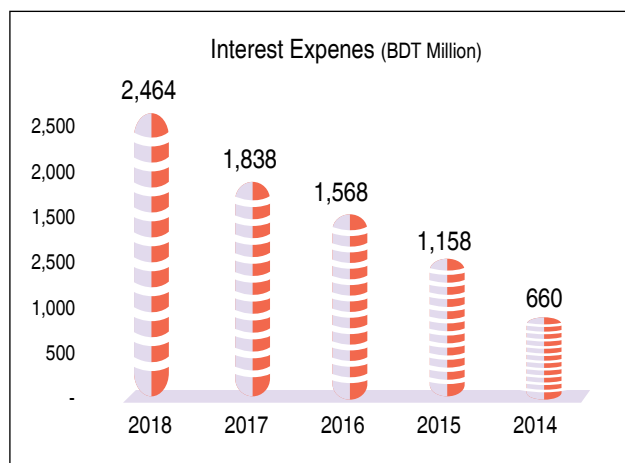
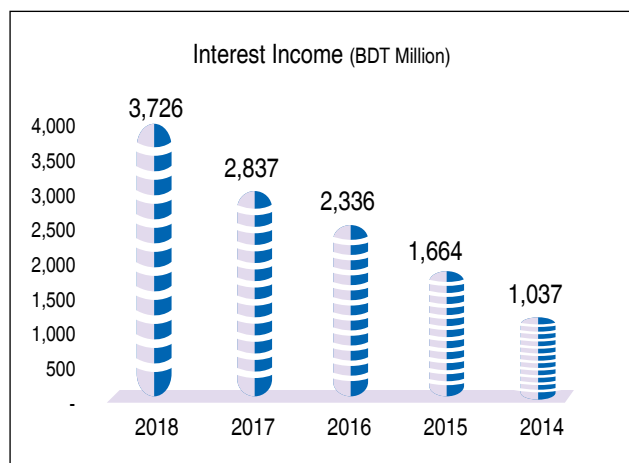
MEGHNA BANK LIMITED

VALUE ADDED STATEMENT
AS ON 31ST DECEMBER 2018

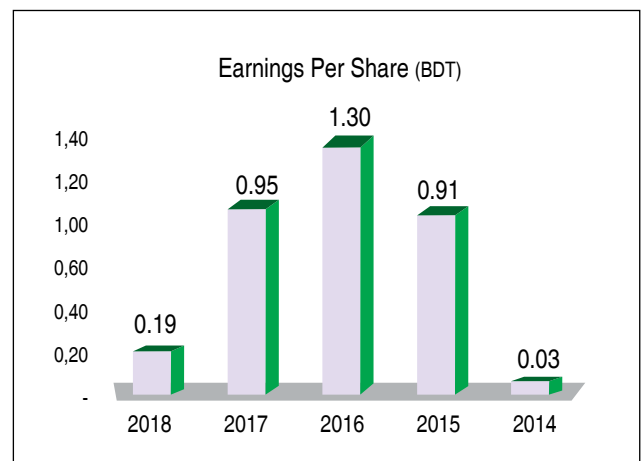
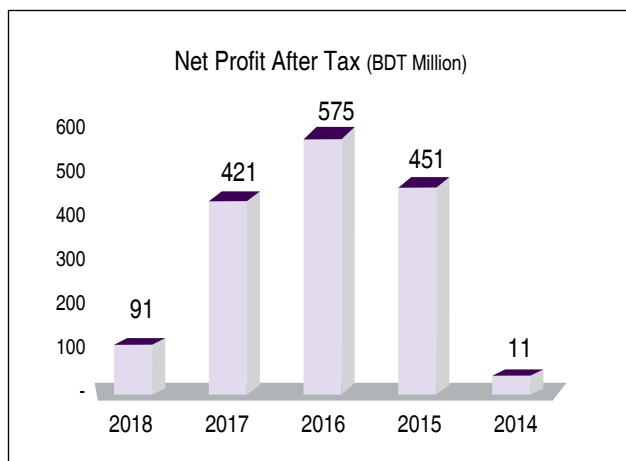
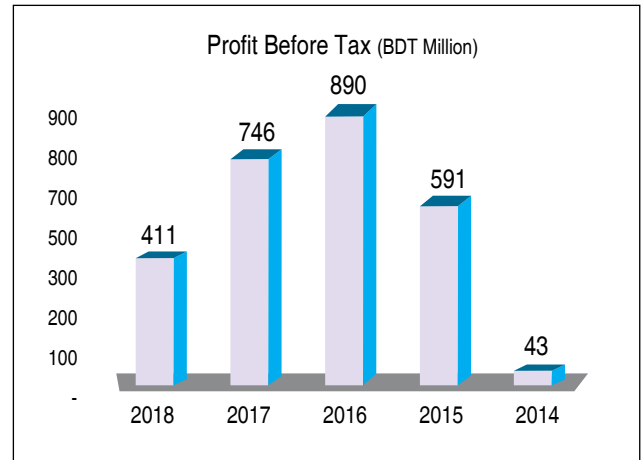
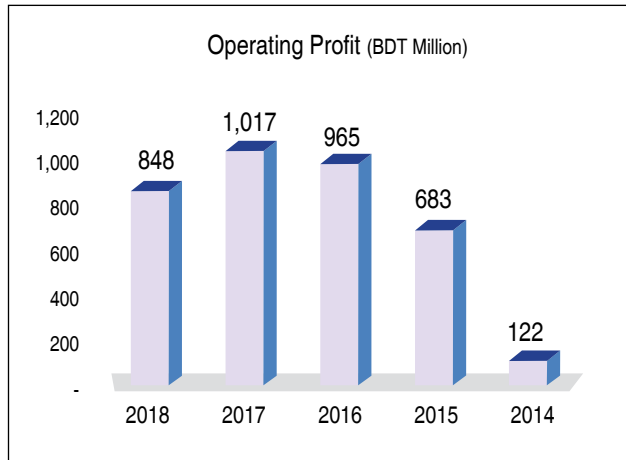
Particulars		2018 Taka	%
Value Created			
Income from Banking Service		4,483,589,103	
Interest Income	3,726,276,848		
Non Interest Income	757,312,255		
Less : Cost of service & Supplier		(2,975,187,726)	
Interest Paid on deposit & Borrowing	2,463,676,482		
Total Operating Expenses	1,172,410,123		
Less : Salary and Allowance	(549,669,716)		
Less : Chief Executive Salary & Allowance	(13,508,433)		
Less : Depreciation	(97,720,730)		
Value Added by Banking Service		1,508,401,377	
Non Banking Income		-	
Provision for Loan & other Asset		(436,140,000)	
		<u>1,072,261,377</u>	
Value Distributed			
To Employees as Salaries & Allowances	563,178,149		53%
To Shareholders as Dividend	-		0%
To Government as Income Tax	320,000,000		30%
		<u>883,178,149</u>	<u>82%</u>
Value Retained (to maintain and develop operation)			
Statutory Reserve	82,272,500		8%
Depreciation	97,720,730		9%
Retained Earnings	9,089,998		0.85%
		<u>189,083,228</u>	<u>18%</u>
		<u>1,072,261,377</u>	<u>100%</u>



Graphical Presentation of Performance



Graphical Presentation of Performance







together wa na



Message from the Chairman

Dear All,

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

I recall the memory of Sponsor Directors Major General (Retired) Amjad Khan Chowdhury and Mr. Mazibur Rahman Khan. They are no more with us. We shall remember their contribution, wisdom and in-depth vision with which they invested our Bank at the beginning of our journey. They were inspirational. Their absence have diminished us.

Month of August is the month of national mourning. We remember in deep reverence and sorrow our Great leader Sheikh Mujibur Rahman, Father of the Nation. Conspiracy loomed large and still continuing against the spirit of liberation and very nationhood. On The 15th August 1975, Bangabandhu along with his family was slaughtered and that was the turning of the handle. Today Bangladesh is not the Bangladesh that we fought for and what it ought to have been.

Overcoming depth of despair and up-hill might of wealth, conspiracy, deliberate and manipulative history-cleansing, Sk. Hasina is now firmly at the wheels. She holds the dream of Bangabandhu. Under her leadership “Sonar Bangla” will be realized. Sacrifice of millions cannot go in vain. However, the path is not smooth. It is winding and will pass through perils. Constant vigilance and Statesmanship are warranted.

But for her political sagacity and vision of present Government of Sk. Hasina, Meghna Bank would not have seen the light of the day. Our Bank is not an ordinary Bank. It is born with a mission. The mission to bring real value of freedom and benefits to the people at the grassroot and furtherance of inclusive banking for all, poor and rich, rural and urban.

I know, from the beginning we are faced with stiff competition and still nothing could subdue us. Despite all odds and even at times Management impropriety from within and suspicious collusion, we have overcome obstacles. Now we are cautious. We are progressing with our Dream Bank.

The growth of the Bank is slow but steady and visible. Compared to previous Corresponding Period, the total deposit of our Bank grew significantly and same is the case with profit.

Today our Bank is much more vigilant on net interest, margin, return on assets, earning per share, asset qualities etc. We are dedicating our attention on low cost deposit, improvement on non-interest income, efficient pricing of deposits and loans, reduction in high cost, improved credit selection and effective Credit monitoring.

Today I notice, Human Resource Policies and practices of our Bank focusing on attracting, motivating and retaining qualified and skilled manpower, improvement of manpower efficiency. Faced with market challenges, our Bank in the recent days has embarked on optimizing functionality of existing resources through internal job posting, transfers, and skill development initiative, Training and Development have assumed significant importance aiming qualitative improvement in capability of the personnel and also instilling in them “the spirit of belonging and pride for performance” for Meghna.

We are looking introducing technology at all levels, e-based service, vibrant ATM Cards, Internet banking, Mobile Banking etc. tailored to the needs of customers for safe banking from anywhere, any time, all time.

Whatever, we may say, the paramount & imperative need for the progress of Meghna Bank or any other Bank, is to have a hard-rock and effective risk management practice. We must also reckon the risks emanating from financial markets. I know these exercises are difficult in our country where there are lack of sound data, absence of collated business intelligence, and sound financial structures, incompetence of incisive professional analysis. I am pleased to point out that in the recent days at least in our bank we are finding transparent data base, professional analysis, presentation on numbers, simple mathematics in work, assessment on future progression, anxiety on having fire-walled IT securities & purposive personnel management.

I feel secure and also hugely relieved about the future of our Bank. Wind of modernization is blowing through the window of Meghna Bank. Aimless, muddleheaded and conventional banking are getting gradually replaced.

I must acknowledge that in bringing about the transformation in key financials and functions in the management of our bank, our dynamic and young CEO Mr. Adil Islam, is largely responsible. He is well-versed in modern day banking and brought with him vast banking experience from varied fields and circumstances. I am sure, he will be able to steer our Bank to a new summit. I am grateful for the unstinted cooperation of our Honorable Directors and Sponsor Shareholders. I hope they will continue to support with their wisdom and experience the Bank and its management in the same way.

The single most pillar of any institution is its personnel – more so in the case of service entity like a Bank.

I acknowledge the diligence and loyalty of the officers and employees at all levels and their dedication to our Bank.

We shall rise very high provided as I pointed before, we remain vigilant and can maintain the loan defaults and nonperforming loan at about zero level and put full efforts in recovering and repairing bad loans. You will be glad to know that our Bank has put in place a Risk Management Structure overseen by a group of Honorable Directors. This is important because capital depletion through loan losses over time has been one of the potent causes of Institutions' failure. We must formulate a robust internal risk rating process in order to increase precision and effectiveness of credit risk management.

We know, the bank is the lubrication and oil for the economy of the country. Conscious of our responsibility, while we will expand our services, we shall also be helping public sector when needed. We shall also become consciously customer friendly and approach them at the door steps. We may offer in suitable cases home improvement loan, home buying, small business ventures, wedding expenses, green loan, medical expenses and others. We shall know our customer intimately and treat him with dignity. He should feel that Meghna knows him, understands him, will help him and reward him. We shall look intently on large and small, on consumers and producers as well.

Which progressing, our Bank also will be engaged in social commitments with compassionate face. In all our transaction, we must avoid financial engineering and uphold transparency in transaction. Rather than making simple thing complex, we shall try to make complex things simple.

Our Motto - "Together we sail"- we mean it. The success of the customer becomes our success. We finance - If industry wins, our company wins, society wins - our country wins.

We are going to create a legacy - a harmony between legacy and profit. We build an institution. That institution will be with us and beyond us and will belong to ages.

Thank you.

A handwritten signature in black ink, appearing to read 'H.N. Ashequr Rahman', with a long horizontal line extending to the right from the end of the signature.

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

Managing Director & CEO's Round up



Thank you for giving me the opportunity to present you with an overview of Meghna Bank's performance over the last one year.

Bangladesh is increasingly becoming an attractive economy. The Government's macro- economic planning in infrastructure building, promoting IT, improving communication, supporting Agro-based business and SME's, driving exports has helped to create a robust economy. The human and social development is becoming more visible and the transformation to a manufacture/service oriented economy supported by consumption driven growth is obvious with the consistent GDP growth rate (7.45% pa in 2018 and is expected to be 8% plus in 2019). However, there is some overhanging cloud in the Banking and Finance sector. The industry has been facing challenges in the area of liquidity, rising non-performing loans (NPL) and compressing margins. In this situation, Meghna Bank has had to navigate its way to set the right strategy to increase business volume, manage NPL and introduce new processes and systems to reduce risk, enhance control and productivity, so that the depositors are well protected and customer experience is enriched.

In spite of challenging liquidity situation in the market, the Bank in 2018, successfully increased its deposit by 13% and loan portfolio by 10%, keeping its A/D ratio at 82.73% at FYE 2018. While increasing its deposit between July-December 2018, the Bank reduced its average cost of deposit by increasing its base with higher amount of CASA (current and savings) account balance. All this resulted in a 26% higher gross regular operating profit in 2018 compared to 2017. However, the NPL situation continued to deteriorate in the industry, reaching an average of 10% in 2018. Meghna Bank's NPL reached 5.69% in 2018, although much below the industry average, there is a lot of work that need to be done to manage and arrest this situation. In this regard, the Bank has centralized Credit Administration Division, formed Special Asset Management Division(SAMD) and Retail Collection team; Centralized the loan classification MIS system and have taken a more focused approach in loan recovery litigation process. We have also formed a central Risk Analysis Unit (RAU) under Credit and Risk division to ensure that the new/renewal loan proposals are within the credit underwriting standards and within the risk appetite framework of the Bank. We foresee NPL management to be an issue in the industry in 2019 as well. Therefore, going forward, SAMD has been brought under direct supervision of the Chief Risk Officer & Additional Managing Director.

We will continue to focus on Corporate Banking, Retail Banking and Middle Enterprise under SME business. In order to grow our business and offer superior value proposition to our customers, we have formed dedicated business segments, mainly for Retail and Corporate banking. While, the branches will primarily focus on acquiring Middle Enterprise business and Retail customers. We will be significantly increasing our customer base within our branch network to create a more sustainable deposit base. In order to enrich the customer experience, going forward, we will be investing more on digital delivery capabilities and replace and enhance our IT infrastructure. Strengthening our digital capabilities will be a key in coming years to keep up with the changes and automation will play a critical role in simplifying process as we strive towards excellence.

We are in the process of creating a customer centric compliant culture within the organization. In order to achieve this, a holistic organizational change initiative is underway with proactive engagement with multiple Leadership Teams and the staff across the Bank. Investments are being made to increase employee engagement and communication. We will continue to upgrade our human resources by identifying and investing in our talent pool. We have set up a training institute within the Bank and during the last 12 months, approximately 56% of the staff have received internal/external training.

As a financial services provider we are cognizant of the role we can play in facilitating economic activity and addressing critical social and environmental issues. Driving gender equality and female empowerment is key in the Bank's sustainability agenda and our efforts in creating a fair and conducive work environment will continue. We consider the diversity of our team as one of our key strengths and the Bank's female representation at senior management level. Meanwhile the Bank's lending criteria gives due consideration to environmental and social risk factors through a comprehensive ESMS (Environmental and Social Management Systems) framework.

Macro-economic challenges are likely to persist over the short-term and the current challenges of NPL, Liquidity and compressing margin in the banking sector is likely to continue as well. Against this backdrop, the Bank will adopt a cautious approach towards growth ensuring that portfolio quality is preserved. Our Credit and Risk Management framework need to remain robust and independent for this purpose. Over the medium to long-term the outlook remains positive as policy reforms over the last couple of years have led to gains on the macro-economic front, as reflected by improved public finances and an effective monetary policy. The Bank will continue to drive penetration in the Retail sector, Mid Enterprise business and the Corporate Sector in which we see considerable opportunity for growth. Our initiatives on process improvement, IT and Digital enhancement and people development will be key towards our sustainable growth. Our core focus will need to be on business development in a compliant and sustainable manner with superior customer experience.

Thank you.



Adil Islam
Managing Director & CEO



DIRECTORS' REPORT

The Board of Directors welcomes you all to the 6th Annual General Meeting (AGM) of the Bank and presents before you the Annual Report along with the Audited Financial Statements for the year 2018. A review of business and financial performance and the underlying forces affecting these have been briefly pointed out.

Global economy and its outlook

The global economy continues to expand, but third-quarter growth has disappointed in some economies. Idiosyncratic factors (new fuel emission standards in Germany) weighed on activity in large economies. But these developments occurred against a backdrop of weakening financial market sentiment, trade policy uncertainty, and concerns about China's outlook. While the December 1 announcement that tariff hikes have been put on hold for 90 days in the US-China trade dispute is welcome, the possibility of tensions resurfacing in the spring casts a shadow over global economic prospects.

Crude oil prices have been volatile since August, reflecting supply influences, including US policy on Iranian oil exports and, more recently, fears of softening global demand. As of early January, crude oil prices stood at around \$55 a barrel, and markets expected prices to remain broadly at that level over the next 4–5 years. Prices of metals and agricultural commodities have softened slightly since August, in part due to subdued demand from China. Consumer price inflation has generally remained contained in recent months in advanced economies but has inched up in the United States, where above-trend growth continues. Among emerging market economies, inflationary pressures are easing with the drop in oil prices. For some, this easing has been partially offset by the pass through of currency depreciations to domestic prices.

Financial conditions in advanced economies have tightened since the fall. Equity valuations—which were stretched in some countries—have been pared back with diminished optimism about earnings prospects amid escalating trade tensions and expectations of slower global growth. Concerns over a US government shutdown further weighed on financial sector sentiment toward year-end. Major central banks also appear to be adopting a more cautious approach. While the US Federal Reserve raised the target range for the federal funds rate to 2.25–2.50 percent in December, it signaled a more gradual pace of rate hikes in 2019 and 2020. The European Central Bank also confirmed that monetary policy would remain amply accommodative, with no increase in policy rates until at least summer 2019, and full reinvestment of maturing securities continuing well past the first rate hike. Among euro area economies, Italian sovereign spreads have declined from their peak in mid-October on a resolution of the budget standoff with the European Commission, but remain elevated at 270 basis points as of January 7. Spreads for other euro area economies have remained largely unchanged over this period.

Financial conditions in emerging markets have tightened modestly since the fall, with notable differentiation based on country-specific factors. Emerging market equity indices have sold off over this period, in a context of rising trade tensions and higher risk aversion. Concerns about inflationary effects from earlier oil price increases and, in some cases, closing output gaps or pass through from currency depreciation have led central banks in many emerging market economies (Chile, Indonesia, Mexico, Philippines, Russia, South Africa, Thailand) to raise policy rates since the fall. By contrast, central banks in China and India maintained policy rates on hold and acted to ease domestic funding conditions (by lowering reserve requirements for banks and providing liquidity to non-bank financial companies, respectively).

Macroeconomic Scenario: Bangladesh Context

The Bangladesh economy has been able to maintain sustained economic growth. The economy grew at a rate of 7.86 percent in FY2017-18, satisfactorily up from 7.28 percent growth in FY2016-17. The per capita national income reached US\$1,751 in FY2017-18, up by US\$141 a year earlier.

During the period broad agriculture sector registered a growth of 4.19 percent, up by 1.22 percentage points compared to the previous year due to the better performance of most of its sectors and sub-sectors. Crop and horticulture sector grew by 3.06 percent, 2.10 percentage point higher than the previous year. Broad industry sector grew by 12.06 percent, higher than the growth of 10.22 percent in the previous year. Of the manufacturing sector, large and medium-scale manufacturing sector grew at a pace of 14.26 percent compared to the growth of 11.20 percent in the preceding year. Growth of broad service sector slightly decreased to 6.39 percent in FY2017-18 from 6.69 percent in FY2016-17.

In demand side, the consumption expenditure stood at 77.17 percent in FY2017-18. Gross domestic savings slightly decreased to 22.83 percent of GDP in FY2017-18, from 25.33 percent a year earlier. However, national savings as percent of GDP reduced to 27.42 percent in FY2017-18 from 29.64 percent in FY2016-17. On the other hand, investment-GDP ratio increased to 31.23 percent in FY2017-18, from 30.51 percent in previous fiscal year.

The Consumer Price Index (CPI) inflation rate in FY2017-18 was 5.78 percent at national level, which was 5.44 percent in FY2016-17. Satisfactory domestic production, favorable domestic environment, low budget deficit and prudent monetary policy coupled with low fuel and commodity prices in the international markets contributed to subdue inflation level.



The monetary policy strategy for FY2017-18 was targeted to maintain an annual average inflation rate below 6.0 percent. To keep inflation within desired level the Monetary Policy Statement (MPS) for FY2017-18 set targets for broad money and reserve money growth at 13.3 percent and 12.0 percent respectively. However, at the end of June 2018 broad money and reserve money growth stood at 9.24 percent and 4.04 percent against 10.88 percent and 16.28 percent increase in FY2016-17 respectively. On the other hand, though lending rate and deposit rate both have slightly increased from June 2017 to June 2018, the intermediation spreads lid down to 4.45 percent at the end of June 2018 from 4.72 percent at the end of the previous fiscal year.

Banking industry in 2018

During the year 2018, Banking Sector displayed a mixed performance in terms of liquidity. Money market of the country is undergoing through some swift changes due to the backlash on the liquidity dry-up in the system. Liquidity drag has been mainly occurred due to the extensive private sector credit growth (19.1% YoY growth in November 2017) pushing most of the Banks' advance deposit ratio (ADR) close to/above 85%. Private sector credit growth was mainly supported by borrowers' appetite for cheap fund and Banks' opportunity to generate profit. Too many banks chasing too few eligible borrowers resulting highly competitive interest rates and rising Nonperforming loan (NPL) have been the major challenges facing the industry. Banking sector indicators reflected a mixed performance in terms of asset growth, profitability and asset quality in 2018. During July-September 2018, banking sector's indicators showed some mixed performance, as reflected in the non-performing loan (NPL), capital adequacy, provision shortfall position and liquidity conditions. During the said period, overall NPL edged up, driven mainly by the performance in the SCBs. Despite the level of stressed asset during July-September 2018, liquidity conditions of the banking system remained stable, as credit growth recalibrated in line with deposit growth. The balance sheet size of the banking sector reached at BDT 14,072.2 billion at the end of September 2018, recording an increase of 11.6% from the end of September 2017. Gross NPL for PCBs increased to 6.7% at the end of September 2018 from 6.0% at the end of June 2018 and gross NPL for SCBs widened further from June 2018 to 31.2% at the end of September 2018. However, industry NPL ratio reached at 11.4% at the end of September 2018 which is 100 basis points higher than that of 30 June 2018 (10.4%).

The banking sector, as a whole, was able to maintain the required level of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) as on 30 September 2018. Advance to Deposit Ratio (ADR) of the overall banking industry was 76.4% as on 30 September 2018 which was 76.7% as 30 June 2018, remaining below the maximum regulatory ceiling. Bangladesh Bank instructed all the Banks to lower their ADR to 83.5% from 85.0% for conventional Banks and 89.0% from 90.0% for shariah' based Islamic Banks by June 30, 2018.

In 2018, some of the important initiatives taken by Bangladesh Bank were amendment in loan classification and provisioning regulations, reduction in Advance-Deposit Ratio (ADR) of banks, policy on buyback program for treasury bill/bond, re-fixation of cash reserve ratio (CRR) and repo rate to ease liquidity condition, resetting the tenure of repo instruments, exemption from maintaining general provisions by banks against selected off-balance sheet items, amendment in prudential regulations for consumer financing (credit card), rationalization of deposit and lending rates to reduce interest rate spread, amendment in Guidelines on Risk Based Capital Adequacy (RBCA) for banks, amendment in Asset Liability Management Guidelines, rationalization of schedule of charges and modification in various foreign exchange regulations to smoothen the foreign exchange market in Bangladesh.

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. Meghna Bank is currently providing services to its customers through 47 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.

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 Bank 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, International Financial Reporting Standards (IFRS), International



Accounting Standards (IAS) 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 2018, fourteen meetings of Board of Directors, five 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 2018 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 4.07 billion showing growth of 10.24% over year 2017. Details of the items which results the overall growth are available in the Audited Financial Statements of the Bank:

Total Assets:

Major contribution in the overall 10.24% growth in assets of the Bank was from increase in loans and advances by Tk 2.69 billion. The growth was 9.82% as compared to previous year. The table below depicts increase in amount and corresponding growth in major heads of Bank's asset:

Assets	Year 2018		Year 2017		Growth in 2018	
	Taka	%	Taka	%	Taka	%
Cash	2,836,825,534	6.47	4,026,349,798	10.12	(1,189,524,264)	-29.54
Balance with Other Banks & FIs	3,325,031,067	7.58	2,286,191,993	5.75	1,038,839,074	45.44
Money at Call & Short Notice	1,990,000,000	4.54	240,000,000	0.60	1,750,000,000	729.17
Investments	4,492,789,538	10.25	4,727,584,987	11.89	(234,795,449)	-4.97
Loans and Advances	30,153,677,158	68.77	27,457,897,892	69.03	2,695,779,266	9.82
Fixed Assets	315,995,194	0.72	283,156,053	0.71	32,839,141	11.60
Other Assets	735,235,491	1.68	755,805,042	1.90	(20,569,551)	-2.72
Total Assets	43,849,553,982	100.00	39,776,985,765	100.00	4,072,568,217	10.24

Total Liabilities:

Deposits & Other Accounts increased by Tk. 4.15 billion resulting 12.88% growth over year 2017. Shareholders' Equity increased by Tk. 0.08 billion to Tk.5.25 billion in year 2018 from Tk.5.17 billion in year 2017. Segment wise position of year 2018 compared with year 2017 is below:

Particulars	Year 2018		Year 2017		Growth in 2018	
	Taka	%	Taka	%	Taka	%
Borrowings from other Banks, Financial Institutions and Agents	1,163,095	0.0027	906,590,476	2.28	(905,427,381)	-99.87
Deposits & Other Accounts	36,446,682,722	83.12	32,287,070,205	81.17	4,159,612,517	12.88
Other Liabilities	2,144,356,215	4.89	1,409,982,437	3.54	734,373,778	52.08
Equity	5,257,351,950	11.99	5,173,342,647	13.01	84,009,303	1.62
Total Liability	43,849,553,982	100.00	39,776,985,765	100.00	4,072,568,217	10.24

Contingent Liabilities:

The Non-funded business of the Bank was decreased during the year 2018 as reflected in the table below. Business volume decreased



significantly in year 2018 as compared to year 2017. Amount of non-funded business handled by the bank in year 2018 was Tk. 5.61 billion as compared to Tk. 6.42 billion in year 2017 with overall negative growth of 12.59%. Following table more contains more details of non-funded business in year 2018 and comparison with year 2017.

Particulars	Year 2018		Year 2017		Growth in 2018	
	Taka	%	Taka	%	Taka	%
Acceptances and Endorsements	1,205,433,639	21.48	548,083,662	8.54	657,349,978	119.94
Letters of Guarantee	2,913,254,552	51.91	3,469,691,812	54.04	(556,437,260)	-16.04
Irrevocable Letters of Credit	1,149,951,517	20.49	1,996,158,472	31.09	(846,206,955)	-42.39
Bills for Collection	343,766,187	6.13	406,688,023	6.33	(62,921,836)	-15.47
Total Contingent Liabilities	5,612,405,895	100.00	6,420,621,969	100.00	(808,216,074)	-12.59

Operating Income:

Total operating income of the Bank decreased 3.59% in year 2018 as compared with year 2017. In year 2018, Bank recorded Tk. 2.01 billion as operative income against Tk. 2.09 billion in year 2017. A decrease of 34.27% in Investment Income and 24.06% decrease in Commission Exchange and Brokerage earning played vital role in overall negative growth of income, though Bank was witnessed a positive growth in Net Interest Income of 26.44%. Below is the comparative position of Bank's total operating income for the year 2018 and Year 2017:

Particulars	Year 2018		Year 2017		Growth in 2018	
	Taka	%	Taka	%	Taka	%
Net Interest Income	1,262,600,366	62.51	998,574,887	47.66	264,025,479	26.44
Investment Income	547,414,458	27.10	832,847,023	39.75	(285,432,565)	-34.27
Commission, Exchange & Brokerage	143,132,897	7.09	188,476,303	9.00	(45,343,406)	-24.06
Other Operating Income	66,764,900	3.31	75,197,546	3.59	(8,432,647)	-11.21
Total Operating Income	2,019,912,621	100.00	2,095,095,759	100.00	(75,183,139)	-3.59

Operating Expense:

We opened 5 branches in the year of 2018 and relevant number of employees have been recruited and few were replaced by new one. Moreover, the bank has rented a new floor for its Head Office expansion on the same building. As a result, overall operating expense increased 8.73% in year 2018 as compared to year 2017. Below is the comparative position of Bank's operating expenses for the year 2018 and 2017:

Particulars	Year 2018		Year 2017		Growth in 2018	
	Taka	%	Taka	%	Taka	%
Salaries and Allowances	549,669,716	46.88	462,077,917	42.86	87,591,799	18.96
Rent, Taxes, Insurances, Electricity etc.	224,436,924	19.14	190,630,132	17.68	33,806,792	17.73
Legal Expenses	459,648	0.04	674,914	0.06	(215,266)	-31.90
Postage, Stamps, Telecommunications	21,866,637	1.87	16,869,463	1.56	4,997,173	29.62
Stationery, Printings, Advertisements etc.	17,198,544	1.47	17,054,579	1.58	143,965	0.84
Chief Executive's Salary & Fees	13,508,433	1.15	8,316,000	0.77	5,192,433	62.44
Directors Fee	1,832,000	0.16	2,816,000	0.26	(984,000)	-34.94
Auditors Fee	400,000	0.03	260,000	0.02	140,000	53.85
Depreciation & Repairs	104,407,207	8.91	80,501,872	7.47	23,905,335	29.70
Other Expenses	238,631,014	20.35	299,028,140	27.73	(60,397,126)	-20.20
Total Operating Expenses	1,172,410,123	100.00	1,078,229,017	100.00	94,181,105	8.73

Shareholders' Equity

Consolidated shareholders' equity of the Bank and its subsidiary increased by 1.61% at the end of year 2018 and Bank's shareholders'



equity also increased by 1.62%. Paid-up capital of Meghna Bank was Tk.4.698 billion, statutory reserve increased by Tk. 82.27 million during the year and stood at Tk. 540.90 million at the end of year 2018. Distributable profit stood at Tk. 17.14 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. 25.90 million against year-end position of loans & advances, Tk. 391.80 million for provision for classified loans and advances, Tk. 21.54 million for provision for diminution in value of investments and Tk. 5.00 million for provision for other assets. The Bank has also made provision of Tk. 320.00 million for current year income tax.

Subsidiary of the Bank: Meghna Bank Securities Limited

After commencement of operation on November 19, 2015, Meghna Bank Securities Limited achieved gradual growth in the year 2018. Earning a net profit of Tk.2.41 crore after tax, the company declared cash dividend of 7% to its parent company Meghna Bank Limited for the year 2018.

Appointment of Auditors

M/s. MABS & J Partners, Chartered Accountants have completed their third and last year as statutory auditor of the Company. Therefore, we have to appoint another Chartered Accountants firm to conduct audit for the year 2019. We received few applications from different audit firms among them Audit Committee scrutinized and reviewed the proposals and recommended the Board to appoint M/s. Mahfel Huq & Co., Chartered Accountants, as external Auditor of the Bank for the year 2019 with an audit fee of BDT 300,000/- plus VAT at the applicable rate.

Annual General Meeting

Annual General Meeting will be held on August 4, 2019 at Hotel Le Meridien Dhaka, located at 79/A Commercial Area, Airport Road, Nikunja-2, Khilkhet, Dhaka-1229, at 5.00 p.m. Financial Statements for the year ended on December 31, 2018 was approved in the 84th meeting and Directors' report thereon approved in the 88th meeting of the Board of Directors for presentation to the shareholders in their Annual General Meeting.

Recommendation of Dividend

Having considered the financial position of the company and existing rules of regulatory authorities in terms of provision and appropriations, the Board decided to declare 'no dividend' for the year 2018 and to recommend same to the Shareholders in the 6th Annual General Meeting for their approval.

Acknowledgement

For the unrelenting support and assistance, the Board of Directors of the Bank would like to convey its thanks to all honorable sponsors and shareholders, valued clients and well-wishers of the Bank.

The Board also takes the pleasure to pass on earnest appreciation and profound thanks to the Government of Peoples Republic of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission and Registrar of Joint Stock Companies and Firms for their suggestions and direction extended to the Bank.



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







RISK MANAGEMENT FRAMEWORK & FUNCTIONS

Background:

An efficient and healthy banking system is a prerequisite for sustainable economic growth of a country. In this context, effective risk management practices enable the banking industry to build public trust and confidence in the institutions which is necessary for mobilizing private savings for investment to facilitate economic growth. On the flip side, inadequate risk management practices in the banking industry would result in bank failures leading to erosion of public confidence in the industry having adverse implications for the economic growth. Therefore, an effective risk management framework is a prerequisite for banks to achieve their own business objectives and also play their role in the economic growth of the country.

Risk Management Committee (RMC) Composition:

In compliance with Section 15 Kha (3) of the Bank Companies Act 1991 (amended up to 2013), BRPD Circular No. 11 dated 27 October- 2013 the Board of Directors of Meghna Bank Limited (MGBL) constituted the Risk Management Committee with 5 (five) members.

Objective:

- To play an effective role in mitigating future risks arising from strategies and policies formulated by the Board and to carry out the responsibilities efficiently.
- After identifying and assessing several risk factors like Credit Risks, Foreign Exchange Risks, Internal Control and Compliance Risks, Money Laundering Risks, Information and Communication Technology Risks, Management Risks, Interest Risks, Liquidity Risks etc. the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied. Whether adequate capital and provision is being maintained against the risks identified.

Meeting of the RMC:

The committee is entitled to conduct at least four meetings in a year and call meeting at any time as per requirement. The committee may call the CEO, CRO and Head of Risk Management Department (RMD) or any executive to attend the committee meeting. The RMC of MGBL held 4 (four) meetings during 2018 having detailed discussions and review session with the CEO, CRO and Head of RMD regarding their findings, observations and recommendations on issue of bank affairs that need improvement.

Risk Management Committee consist the following members from the Board of Directors:

SL	Name	Status
1	Tanveer Ahmed	Chairman
2	Md. Kamal Uddin	Member
3	S. M. Jahangir Alam (Manik)	Member
4	Ashiqur Rahman Lasker	Member
5	Nuran Fatema	Member

Roles and Responsibilities of the Board Risk Management Committee:

Risk identification & control policy:

Formulation and Implementation of appropriate strategies for risk assessment and its control is one of the major responsibilities of Risk Management Committee. The committee will review the risk management process to ensure effective prevention and control measures.

Construction of organizational structure:

The responsibility of Risk Management Committee (RMC) is to ensure an adequate organizational structure for managing risk within the Bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of Lending Risk, Foreign Exchange transaction risk, Internal Control and Compliance Risk, Money Laundering Risk, Information and Communication Technology risk including other risk related guidelines.

Management Information System:

Adequate record keeping and reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee may escalate any of their findings, suggestions to the Board of Directors.



Executive Risk Management Committee (ERMC):

MGBL has a well-organized Management level Risk Management Committee dully approved by the Board of Directors with concrete Terms of Reference (TOR). ERMC consists of:

SL	Name	Designation
1	Johora Bebe	AMD and CRO
2	Ariful Islam Choudhury	Head of Retail,SME and other Finance
3	Shamsul Azam Khan	Head of CRM
4	Sadiqur Rahman	Head of Treasury
5	Towhidu-Zzaman Fuad	Head of Operations
6	Hasanur Rahman	Head of IT
7	Subir Mazumder	Head of ICCD
8	Sajib Kumar Saha, FCA	Head of FAD
9	Mohammad Shibly Shohel	Head of RMD
10	Ananda Mohon Ghosh	Head of AMLD

Terms of Reference:

- Allocation of risk capital and determination of global risk limits. Allocation of Capital-at-risk (CAR) for different lines of businesses and for different categories of risks. In the process of allocating capital, the committee wants to ensure adequate diversification of risk and that the Bank has sufficient capital to cushion against stress scenarios.
- Enhancing shareholder value through evaluation of risk-return profiles of business activities and ensuring that they are within the parameters set by the Board of Directors.
- Risk Management Policies.
- Review and recommend to the Board Risk committee for approval of appropriate risk policies so that the risk management framework is in line with corporate plans, best practices, and conforms to legal & regulatory requirements.
- Recommendations on appointment of members to the various risk committees for Board's approval.
- Evaluate and review proposals on new products, investments, businesses and product variations, and subsequently grant the approval in principle prior to operational readiness or recommendation to the Board of Directors for approval.
- Establish and revise guidelines on operational risk management and to approve tools and methodologies for risk assessment and risk controls; also to review the adequacy of resources to manage operational risk.
- Enforce compliance with all risk policies and limits allocated by the various risk committees.
- Risk Identification and measurement.
- Deployment of proper methodology to identify and measure risk for all positions.
- Set strategies to evaluate, monitor risk to be within the tolerance level.
- Approve methodologies and tools for the measurement of credit risk, market risk and operational risk.
- Maintenance of Asset quality through close monitoring.
- Review contingency plan /business continuity management plans of various departments of the Bank and its subsidiaries.
- Review and recommend investment policies.



Supervisory Review Process Committee (SRP)

MGBL has also formed Supervisory Review process committee consists of the following members:

Sl.	Name	Designation
1	Adil Islam	MD & CEO and Head of SRP
2	Johora Bebe	AMD and CRO
3	Md. Ariful Islam Choudhury	Head of Retail, SME and other Finance
4	Md. Shamsul Azam Khan	Head of CRM
5	Md. Sadiqur Rahman	Head of Treasury
6	Md. Towhidu-Zzaman Fuad	Head of Operations
7	Hasanur Rahman	Head of IT
8	Subir Mazumder	Head of ICCD
9	Sajib Kumar Saha, FCA	Head of FAD
10	Mohammad Shibly Shohel	Head of RMD
11	Ananda Mohon Ghosh	Head of AMLD

The committee is exclusively be assigned for reviewing the nature and level of risk relates to banking assets and planning for adequate capital framework. For this, the unit has developed their own review process document. A sound risk Management process is the foundation for an effective assessment of the adequacy or a Bank's capital position.

Supervisory Review Process Committee (SRP) is performing the following factors:

- Review the nature and level of risk being taken by the Bank and how this risk relates to Adequate Capital levels.
- Ensuring the formality and sophistication of the risk management process are appropriate in light of the business profile and business plan.
- Analyze Banks current and future capital requirements.
- Adopt strategic planning process for Banks capital needs, anticipated capital expenditures, desirable capital level and external capital sources.
- Responsible for setting the Banks tolerance level for risks.
- Establishes a framework for assessing the various risks.

The major areas focused and pursued by the Board Risk Management Committee during 2018:

- Review the capital Adequacy Ratio of the Bank from time to time against minimum Capital requirement.
- Reviewed and approved Bank's ICAAP (Internal Capital Adequacy Assessment Process) document and SRP (Supervisory Review Process) return for onward submission to Bangladesh Bank.
- Reviewed the Loan approved by the Management level.
- Reviewed the MGBL Core Risk Policy.
- Reviewed Risk Management papers, discussed on the minutes of Management Risk Committee along with certain directions endorsed the same for onward submission to Bangladesh Bank.
- Reviewed the quarterly Stress Testing Reports.
- Followed up and monitored classified, rescheduled and written-off accounts and recovery there against.
- Reviewed Bangladesh Bank report on Comprehensive Risk Management Rating.

The Minutes of the RMC meetings containing various suggestions and recommendations to the management were placed to the Board subsequently for review and the Board closely reviewed the issues.



DISCLOSURE PER BASEL III GUIDELINES

As on December 31, 2018

Background:

The Disclosures given in the following pages on the position of the Bank's risk profiles, capital adequacy and risk management system under pillar-III of Basel-III are prepared by following the revised "Guidelines on Risk Based capital Adequacy" (RBCA) for banks issued by Bangladesh Bank in December 2014. These quantitative and qualitative disclosures are intended to complement the Minimum Capital Requirement (MCR) under pillar-I and Supervisory Review Process (SRP) under pillar -II of Basel -III.

The Purpose of these disclosures is to establish a transparent and disciplined financial market so that stakeholders can assess the position of the bank's regarding assets and related risk and capital adequacy to meet probable loss of assets.

Scope of application:

The Risk Based Capital Adequacy framework applies to Meghna Bank Limited (MGBL) on 'Solo' basis as well as 'Consolidated' basis as there were one subsidiaries of the bank as on the reporting date i.e. 31st December 2018. The name of the subsidiary company is "Meghna Bank Securities Limited".

Consistency and Validation:

The quantitative disclosures are made on the basis of consolidated audited financial statements of MGBL and its subsidiary for the year ended 31st December 2018 prepared under relevant international accounting and financial reporting standards as adopted by the institute of Chartered Accountants of Bangladesh (ICAB) and related circulars/ instructions issued by Bangladesh Bank from time to time. The assets, liabilities, revenues and expenses of the subsidiaries are combined with those of the parent company (MGBL), eliminating inter-company transactions. So assets of the subsidiaries were risk weighted and equities of subsidiaries were crossed out with the investment of MGBL while consolidating.

Structure of the Report:

1. Capital Adequacy:

- 1.1 Capital Structure.
- 1.2 Conditions for Maintaining Regulatory Capital.
- 1.3 Quantitative Disclosures.
- 1.4 Capital Adequacy.
- 1.5 Quantitative Disclosures

2. Asset Related Risk:

- 2.1 Credit Risk
- 2.2 Qualitative Disclosures
- 2.3 Quantitative Disclosures
- 2.3.i. Total gross credit risk exposures broken down by major types of credit exposure
- 2.3.ii. Geographical distribution of exposures.
- 2.3.iii. Industry or counterparty type distribution of exposures.
- 2.3.iv. Residual contractual maturity breakdown of the portfolio.
- 2.3.v. Provision.
- 2.3.vi. Movement of Non-performing Asset.
- 2.4. Equity Risk.
- 2.5. Quantitative Disclosure.
- 2.6. Capital Requirement for Equity position Risk.
- 2.7. Interest Rate Risk in the Banking Book.
- 2.8. Qualitative Disclosure.
- 2.9. Quantitative Disclosures.
- 2.10. Market Risk
- 2.11. Qualitative Disclosure.
- 2.12. Method used to measure Market Risk.
- 2.13. Market Risk management system.
- 2.14. Policies and processes for mitigating Market risk.
- 2.15. Quantitative Disclosure.
- 2.16. Operational Risk.



- 2.17. Performance gap of executives and staffs.
- 2.18. Potential external events.
- 2.19. Policies and processes for mitigating Operation Risk.
- 2.20. Approach for calculating capital charge for Operational Risk.
- 2.21. Quantitative Disclosure.

3. Liquidity and Leverage:

- 3.1. Liquidity ratio.
 - 3.1.i. Qualitative Disclosure.
 - 3.1.ii. Quantitative Disclosure.
- 3.2. Leverage Ratio
 - 3.2.i. Views of BOD on system to reduce excessive leverage.
 - 3.2.ii. Policies and processes for managing excessive On and Off Balance sheet Leverage.
 - 3.2.iii. Approach for calculating exposure.
 - 3.2.iv. Quantitative Disclosure.

4. Disclosure on Remuneration

- A. Information relating to the bodies that oversee remuneration.
- B. Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.
- 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.
- D. Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.
- E. Description of the ways in which the bank seek to adjust remuneration to take account longer-terms performance.
- 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.
- G. Quantitative Disclosure.

1.1. Capital structure:

Capital Structure of MGBL:

Regulatory capital, as stipulated by the revised RBCA guidelines by BB, is categorized into two tiers as under.

I. Tier 1 Capital (going-concern capital)

- a. Common Equity Tier 1 (CET-1)
- b. Additional Tier 1

II. Tier 2 Capital (gone-concern capital)

Tier 1 capital (going-concern capital) is the capital which can absorb losses without triggering bankruptcy of the bank.

Tier 2 capital (gone-concern capital) is the capital which will absorb losses only in a situation of liquidation of the bank.

1.2. Conditions for Maintaining Regulatory Capital:

The Bank complied with all the required conditions for maintaining regulatory capital as stipulated in the revised RBCA guidelines by Bangladesh Bank as per following details:



SL	Indicator	Compliance Status
1.	Common Equity Tier-1 of at least 4.50% of the total RWA.	Complied
2.	Capital Conservation Buffer 1.875%	Complied
3.	Common Equity Tier -1 plus capital Conservation Buffer(4.50%+1.875%) i.e. 6.375%	Complied
4.	Tier-I Capital will be at least 6.00% of the total RWA.	Complied
5.	Minimum Capital to Risk weighted Asset Ratio (CRAR) of 11.875% of the RWA	Complied
6.	Additional Tier -1 capital can be admitted maximum up to 1.50% of the total RWA or 33.33% of CET1, whichever is higher	MGBL has no Additional Tier-1 capital

1.3. Quantitative Disclosures:

Quantitative Disclosures	Particulars	Amount in Taka
	The amount of Tier-1 capital	5,247,000,197
	Paid up capital	4,698,980,000
	Non-repayable share premium account	-
	Statutory reserve	540,900,474
	General reserve	-
	Retained earnings	19,877,114
	Minority interest in subsidiaries	101
	Adjustment of goodwill and all other intangible assets	(12,757,492)
	Dividend equalization account	-
	The total amount of Tier-2 capital	310,219,083
	Other deductions from capital.	
	Total eligible capital	5,557,219,280

1.4. Capital Adequacy:

Bank's Approach to Assessing Capital Adequacy:

As banks in Bangladesh are now in a stage of developing risk management models, Bangladesh Bank suggested the banks for using Standardized Approach for assessing capital requirement for credit risk for banking book and Standardized (rule based) Approach for assessing capital requirement for market risk in trading book. MGBL used the Basic Indicator Approach (BIA), as prescribed by Bangladesh Bank in determining capital charge against operational risk. Under the Basic Indicator Approach (BIA), the capital charge for operational risk is a fixed percentage (denoted by alpha) of average annual gross income of the bank over the past three years.

MGBL focuses on strengthening and enhancing its risk management culture and internal control environment rather than increasing capital to cover up weak risk management and control practices. It has been generating most of its incremental capital from retained profit to support incremental growth of Risk Weighted Assets (RWA). As of now, the Bank's CRAR remains consistently within the comfort zone after implementation of Basel-III from 2015. During 2018, the CRAR ranges from 16.98% to 18.90% on consolidated and Solo basis against minimum requirement of 11.875% of RWA. Assessing regulatory capital in relation to overall risk exposure of a bank is an integrated and comprehensive process. MGBL, through its Supervisory Review Committee and Management Risk Committee, is taking active measures to identify, quantify manage and monitor all risks to which the Bank is exposed to. Assessment of capital adequacy will be in alignment with the findings of these exercises.

1.5. Quantitative Disclosures:

Following table shows component wise allocation of capital to meet three risks and an amount of additional capital maintained over MCR i.e. 11.875% of RWA. As on the reporting date, Meghna Bank Limited maintained a Capital to Risk weighted Asset Ratio (CRAR) of 18.86%~18.90% on 'Consolidated & Solo Basis against required minimum of 11.875%. We had an excess capital of BDT 155.46 crore (Consolidated) after meeting all three risks as on the reporting date as shown in the following table:



Capital Adequacy	Consolidated	Solo
Capital requirement for Credit Risk	264.59	264.59
Capital requirement for Market Risk	5.09	4.73
Capital requirement for Operational Risk	24.92	24.53
Minimum Capital requirement (MCR)	400.00	400.00
Total Capital Maintained	555.72	555.46
Total Risk Weighted Asset	2,946.02	2,938.60
Capital to Risk Weighted Asset Ratio	18.86%	18.90%

2.1. Credit Risk:

2.2. Qualitative Disclosures:

Definition of Credit Risk:

Credit risk is the possibility that a borrower will fail to meet its obligation in accordance with agreed terms and conditions. That is credit risk is the risk of loss that may occur from the failure of any counterparty to make required payments in accordance with agreed terms and conditions and/or deterioration of credit worthiness. Credit risk is managed through a frame work set by policies and procedures approved by the Board. The responsibility is clearly segregated between originator of business transaction and approver in the risk function.

2.3. Quantitative Disclosures:

2.3.i. Total gross credit risk exposures broken down by major types of credit exposure:

Particulars	Amount in Taka
Cash Credit	5,918,302,631.41
Secured overdraft	2,968,660,326.78
General overdraft	4,382,339,700.94
Import finance	1,558,223,192.80
Export Finance	-
Other Demand Loans	5,552,452,582.55
Hire Purchase Finance	2,477,840.75
Demand Loan (Forced Loan)	134,693,645.12
Consortium/Syndicate Finance	236,819,920.39
House Building Loan	2,478,434,566.82
Credit Card A/C	198,513,256.72
General Term Loans	5,398,724,115.56
Agricultural and Rural Credit Scheme	850,774,531.71
SME Loans and Advances	3,171,375.43
Personal/Professionals Loan Scheme	267,534,136.13
Inland bills purchased and discounted	171,876,033.44
Foreign bills purchased and discounted	30,679,301.35
Total	30,153,677,157.90

2.3.ii. Geographical distribution of exposures:

Name of Area	Amount in Taka
Dhaka	21,488,702,137.33
Chittagong	6,146,641,951.40
Sylhet	460,786,787.77
Rajshahi	907,185,892.10
Rangpur	597,334,442.22
Khulna	203,660,669.87
Barisal	349,365,277.21
Total	30,153,677,157.90

2.3.iii. Industry or counterparty type distribution of exposures:

Particulars	Amount in Taka
Commercial Lending	3,006,496,561.16
Export Financing	172,939,642.39
House Building Loan	2,220,890,736.25
Retail Loan	387,683,051.67
Small and Medium Enterprises	5,333,483,232.79
Special Program Loan	-
Industrial Loans Details :	14,274,556,791.61
Agricultural industries	1,224,140,170.67
Textile industries	424,219,898.90
Food and allied industries	485,014,217.88
Pharmaceutical industries	396,297,497.66
Leather, Chemical, Cosmetics etc.	-
Tobacco industries	200,401,723.67
Cement and Ceramic industries	269,514,905.82
Service industries	4,395,581,269.39
Transport and Communication Industries	110,774,366.91
Other industries including bills purchased and discounted	6,768,612,740.71
Others Loan	1,762,447,179.33
Staff Loan	171,773,397.92
Other Loans and Advances (SOD)	2,823,406,564.78
Total	30,153,677,157.90

2.3.iv. Residual contractual maturity breakdown of the portfolio:

Particulars	Amount in Taka
Re-payable on Demand	-
Not more than 3 months	
Over 3 months but not more than 1 year	8,920,126,522
Over 1 year but not more than 5 years	7,608,697,103
Over 5 years	2,760,933,677
Total	30,153,677,158

2.3.v. Provision:

Particulars	Amount in Taka
Amount of impaired loans and if available, past due loans	NIL
Specific provisions for classified Loans and Advances	609,600,000.00
General Provision for Unclassified Loans and Advances	253,900,000.00
General Provision for Off-Balance Sheet Exposures	56,200,000.00
Gross Non Performing Loans (NPL)	1,737,241,973.00
Non-Performing Assets (NPAs) to Outstanding Loans and advances	5.76%



2.3.vi. Movement of Non-Performing Loans and Advances:

Particulars	Amount in Taka
Opening balance	931,179,152.30
Additions	5,238,909,223.00
Reductions	4,432,846,402.42
Closing balance	1,737,241,973.00
Movement of specific provisions for classified Loans and Advances	
Opening balance	217,800,000.00
Provisions made during the period	391,800,000.00
Write - off	-
Write- back of excess provisions	-
Closing balance	609,600,000.00

2.4. Equities: Disclosures for Banking Book Positions:

Equity Risk:

Equity risk is the risk that one's investments will depreciate because of stock market dynamics causing one to lose money. Investment of MGBL in equity securities is broadly categorized into two parts: Securities (Shares-common or preference, Mutual Fund) that are traded in the secondary market (trading book assets) and Un-quoted securities that are categorized as banking book assets.

Capital charge for equities would apply on their current market value in the bank's trading book. This charge for both specific risk and the general market risk will be at the rate of the required minimum capital adequacy ratio. This is applied to all instruments that exhibit market behavior similar to equities. The instruments covered include equity shares, whether voting or non-voting, convertible securities that behave like equities, for example: units of mutual funds, and commitments to buy or sell equity.

2.5. Quantitative Disclosure:

Total Investment in Capital Market (Consolidated Basis):

Name of Stock	Cost Price	Market Price	Profit / Loss	Required Provision	Provision Maintained	Total Capital as per BCA 1991	% of investment in capital market to total prescribed capital components
Portfolio: Bank							
Shares	13.40	10.55	-2.85	2.85	2.86		
Less Equity investment in subsidiaries other than merchant bank and brokerage subsidiaries							
Mutual Fund/Fund	0.00	0.00	0.00	0.00	0.00		
Bond/Debentures	0.00	0.00	0.00	0.00	0.00		
Loans to others for merchant banking and brokerage activities	0.00	0.00	0.00	0.00	0.00		
Loan to stock dealer	0.00	44.00	0.00	0.00	0.00		
Placement/others	0.00	0.00	0.00	0.00	0.00	516.88	11.18%
Less placement in subsidiaries	0.00	0.00	0.00	0.00	0.00		
Portfolio: Subsidiaries							
Shares	1.78	1.77	-0.01	0.01	0.07		
Mutual Fund/Fund	0.00	0.00	0.00	0.00	0.00		
Bond/Debentures	0.00	0.00	0.00	0.00	0.00		
Loans:							
Margin loans	0.00	1.46	0.00	0.00	0.00		
Bridge loans	0.00	0.00	0.00	0.00	0.00		
Placement/others	0.00	0.00	0.00	0.00	0.00		
Total Capital Market Exposure							11.18%

2.6. Capital Requirement for Equity Position Risk:(Consolidated Basis)

Capital charge for	Market Value	Risk Weight	Required Capital Charge
1	2	3	4=(2*3)
a. Specific Risk:	123,089,092.90	10%	12,308,909
b. General Market Risk:	123,089,092.90	10%	12,308,909
Total	246,178,186		24,617,819

2.7. Interest Rate Risk in the Banking Book (IRRBB)

2.8. Qualitative Disclosures:

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 as well as the net worth of the bank .Re-pricing risk is often the most apparent source of interest rate risk for a bank and is often estimated 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.

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.

2.9. Quantitative Disclosures:

The increase / decline in earnings or economic value for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency as under:

Weighted Average Duration of Asset	1.90
Weighted Average Duration of Liability	0.99
Duration GAP	1.03
CAR After different level of Shock	
Minor Level	17.99%
Moderate Level	16.55%
Major Level	15.11%

2.10. Market Risk:

2.11. Qualitative Disclosure:

Market risk is the possibility of losses 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:

- i. Interest rate risk
- ii. Equity position risk
- iii. Foreign exchange position risk throughout the bank's balance sheet and Off Balance sheet exposure.
- iv. Commodity risk

2.12. Method used to measure market risk:

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 .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.

- 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.

2.13. Market Risk Management System:

The Bank has implemented Foreign Exchange Risk Management Guidelines and Asset Liability Management Guidelines duly approved by the Board for market risk management. Different market risk's issues are discussed in the Asset Liability Management Committee (ALCO) meeting and decisions are taken according to Market situation.

2.14. 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, The Bank has established internal limit duly approved by the Board besides the regulatory limit. For Foreign Exchange Risk management, the 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, The Bank has established wholesale borrowing guideline, LD ratio, Medium Term Funding ratio, maximum cumulative outflow, and SWAP Fund Guideline, VAR and MAT level. The Bank also maintains Gap limit for maturity profile mismatch. Moreover, The Bank has policy for interest rate sensitivity analysis on monthly basis.

2.15. Quantitative Disclosure:

The capital requirements for Market Risk (Consolidated Basis):

SL	Market Risk	Total capital charge
A.	Interest Rate Related instruments	-
B.	Equities	24,617,819
C.	Foreign Exchange Position	26,259,718
D.	Commodities	-
Total		50,877,537

2.16. Operational risk:

Qualitative Disclosures:

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.

Operational risk includes:

- Transaction processing
- Operation control
- Technology and systems
- Risks of physical and logical security
- Unique risk arises due to outsourcing

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.

Operational risk is inherent in the Bank's business activities in day to day operations. As a part of continuous surveillance, the Senior Management Team (SMT), Risk Management Division, Internal Control and Compliance Division regularly reviews different aspects of operational risk. The analytical assessment was reported to the Board/ Risk Management Committee/Audit Committee of the Bank for review and formulating appropriate policies, tools & techniques for mitigating operational risk.

2.17. Performance gap of executives and staff:

The bank believes that training and knowledge sharing is the best way to reduce knowledge gap. Therefore, it arranges trainings on a regular basis for its employees to develop their expertise. The bank offers competitive pay package to its employees based on performance and merit. 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. It always tries to develop a culture where all employees can apply his/her talent and knowledge to work for the organization with high ethical standards in order to add more value to the company and for the economy.

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.

2.18. Potential external events:

No potential external events occurred during the reporting period ended 31st December 2018. The Bank has a separate Operational Risk Policy addressing specific issues involving Operational Risk.

2.19. Policies and processes for mitigating Operation Risk:

Bank has established an effective, integrated operational risk management framework to mitigate the operational risk. If any controls are found to be ineffective during the course of Risk & Control Self-Assessment, corrective measures are adopted in due course. A monitoring system is also in place for tracking the corrective actions plan periodically. The various Board approved policies viz., Risk Management Policy, Internal Control & Compliance Policy, Policy on KYC & AML; ICT Policy address issues pertaining to Operational Risk Management.

2.20. Approach for calculating capital charge for operational risk:

The Bank follows the Basic Indicator Approach (BIA) in terms of BRPD Circular No. 18 dated 21 December 2014 Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III). The BIA stipulates the capital charge for operational risk is a fixed percentage, denoted by α (alpha) of average positive annual gross income of the Bank over the past three years. It also states that if the annual gross income for any year is negative or zero, that should be excluded from both the numerator and denominator when calculating the average gross income. The capital charge for operational risk is enumerated by applying the following formula: $K = [(GI_1 + GI_2 + GI_3) \alpha] / n$

2.21. Quantitative Disclosures:

The capital requirements for operational risk: 24.92 crore

3. LIQUIDITY RATIO:

3.1.i. Qualitative Disclosures:

Views of BOD on system to reduce liquidity Risk:

The Bank has Board Approved policy and limit structure for liquidity risk Management.

Methods used to measure Liquidity risk:

We maintain maturity profile mismatch strictly and maintain prudential limit for each buckets gap.

Liquidity risk management system:

We strictly maintain maximum cumulative outflow (MCO) Medium Term Funding Ratio (MTFR) and conduct cash flow forecasting for liquidity risk management.

Policies and processes for mitigating liquidity risk:

We have laid down liquidity contingency plan, Funding products and Wholesale borrowing guideline.



3.1.ii. Quantitative Disclosures:

Liquidity Coverage Ratio	624.98%
Net Stable Funding Ratio	129.86%
Stock of high Quality Liquid Asset	7,171,911,660.00
Total net cash outflows over the next 30 calendar days	33,153,000.00
Available amount of stable funding	38,16,04,67,000.00
Required amount of stable funding	29,38,59,26,310.00

3.2. Leverage Ratio:

Qualitative Disclosures:

3.2.i. 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.

3.2.ii. Policies & processes for managing excessive On & Off –balance sheet leverage:

The Bank has clearly laid down policy and procedure to manage its exposure level (both on and 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 2019 in line with the BB directive.

3.2.iii. Approach for calculating exposure:

Leverage ratio of the bank is calculated in line with the RBCA guideline of BB as at 31st December 2018 bank's leverage ratio was 11.26% and it was calculated as follows:

		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

3.2. iv. Quantitative Disclosures:

Leverage Ratio	11.26%
On balance sheet exposure	4,345.65
Off balance sheet exposure	319.27
Total deduction from On & off balance sheet exposure	1.28
Total exposure	4,663.64

Main disclosures on Remuneration

4. Qualitative Disclosures

A. INFORMATION RELATING TO THE BODIES THAT OVERSEE REMUNERATION.

The Management of Meghna Bank Limited (MGBL) holds the responsibility relating to Remuneration of the Bank. The overall compensation structure is reviewed and implemented to maintain competitive incentives, perquisites, other financial options etc. with a view to attract, motivate and retain competent employees. And if situation requires review and revise 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. 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. To maintain the effective alignment, Management works in close coordination with the Risk Management



Committee of the Bank. 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.

MGBL didn't review the remuneration policy in 2018.

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

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.

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 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 and other benefits are in the process of being linked up with performance of the employee. In the yearly performance review there are different Ratings. 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 if 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 5 (five) 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 8 years and 02 (two) months' last drawn basic for 10th (tenth) completed year and onward services respectively.

- 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.

G. Quantitative disclosures

I	Number of meetings held by the main body overseeing remuneration during the financial year	00
	Remuneration paid to its members.	00
II	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.	00
	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
III	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
IV	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
V	Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs 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



CREDIT RATING

Alpha Credit Rating Limited has affirmed “A+” (pronounced as single A plus) rating in the Long Term and “ST-2” 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, 2017 and other prevailing factors up to date rating.

Particulars	Entity Rating	Definition
Long Term	A+	Strong Capacity
Short Term	ST-2	Strong Capacity
Outlook	Stable	Rating is likely to remain unchanged
Date of Rating		June 27, 2018





REPORT OF THE AUDIT COMMITTEE

Internal Control System:

Internal control is fundamental to the successful operation and day-to-day running of a business and it assists the Bank in achieving its business objectives. It encompasses all controls incorporated into the strategic, governance and management processes, covers the Bank's entire range of activities and operations and not limited to financial operations and reporting. Its scope is not only confined within the control and compliance aspects but also extends to the performance aspects of the business.

Meghna Bank Ltd has established a sound internal control system, which is designed to manage all the risks to an acceptable level. It also helps to achieve the aims and objectives/goals of the bank and provides reasonable assurance that Bank is running operations effective and efficient way the necessary controls are in place which ensure financial and operational controls, reliability of the financial information, compliance with applicable laws & regulations, adherence to management policies, safeguard of bank's assets, prevention of fraud & operational errors and accuracy of the accounting records etc.

The Board of Directors of Meghan Bank Ltd regularly reviews the effectiveness of internal control process through its Audit Committee. The Audit Committee plays an effective role amongst the Board of Directors, Management, Shareholders, Depositors and develops efficient, strong and secure banking system. The Audit committee of the Board (ACB) also performs a very important role for publishing Bank's financial statements, developing appropriate internal control system throughout organization and maintains an effective communication with internal and external auditors. It significantly contributes in controlling and monitoring various risks factors that arise from the business activities of the Bank. Board Audit Committee reviews the actions taken on internal control issues identified in the reports prepared by the internal auditors, external auditors and regulatory authorities. Committee also has active oversight on the internal audit's independence, scope of work and resources. It also reviews the functions of internal control & compliance division particularly the scope of the risk based annual audit plan and the internal audit activities.

Audit Committee of the Board:

An Audit Committee of the Board (ACB) was formed and its roles and responsibilities were defined in line BRPD Circular No.11 issued by Bangladesh Bank (BB) on 27 October 2013. Main objectives of Audit Committee of the Board (ACB) are:

- To assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board for effective functioning of the Bank.
- To review the financial reporting process, the system and effectiveness of internal control process, compliance status of inspection report from Bangladesh Bank and assessment of the overall processes and procedures for monitoring compliance with laws and regulations and its own code of business conduct.

Composition and Qualifications

The Board of Directors as its 74th Board Meeting held on June 26, 2018 constituted with the following Board Members:

SI No.	Name of Committee Members	Status with the Bank	Position in the Committee	Educational Qualification	Meeting Attendance
1	Shakhawat Hossain	Director	Chairman	M.Com (Marketing)	4 of 4
2	Md. Ali Azim Khan	Director	Member	Graduate	4 of 4
3	Farah Ahsan	Director	Member	M.A	2 of 4
4	Alock Kumar Das	Director	Member	B.A	4 of 4
5	Uzma Chowdhury	Director	Member	CPA	4 of 4

Bangladesh Bank suggested banks to hold at least 4 meetings in a year. The Audit Committee of MGBL held 04 (Four) meetings in 2018 and had detailed discussions and review sessions with the In Charge of Internal Control & Compliance, External Auditors regarding their findings and remedial suggestions on various issues that need improvement. The Audit Committee of the Board (ACB) instructed management to follow those remedial suggestions and monitored accordingly. Meeting dates are as follows:

SI No.	Name of Meeting	Date of Meeting
1	19th Audit Committee Meeting	March 8, 2018
2	20th Audit Committee Meeting	April 10, 2018
3	21st Audit Committee Meeting	June 12, 2018
4	22nd Audit Committee Meeting	October 14, 2018



Major areas focused by Audit Committee in 2018:

- Reviewed and approved the 'Risk Based Annual Audit Plan 2018
- Reviewed Annual Financial Statements of the Bank for the year ended 31 December 2017 as certified by the External Auditors, MABS & J partners, Chartered Accountants, before submission to the Board of Directors for approval
- Reviewed Management Report on the Bank for the year ended 31 December 2017 submitted by the External Auditors, MABS & J Partners, Chartered Accountants, and its subsequent compliance by management thereof
- Reviewed Half-yearly Financial Statements (Unaudited) of the Bank for the year 2018
- Reviewed Quarterly Financial Statements (Unaudited) of the Bank for the year 2018
- Reviewed Summary of major findings from Internal Audit Report of Branches for the year 2017
- Reviewed Internal Audit Report of Head Office of the Division for the 2017
- Reviewed the open issues of Internal Audit Report on Branches for the year 2017 and compliance thereof
- Reviewed the open issues of Bangladesh Bank inspection reports and compliance thereof
- Reviewed the annual health report of the Bank 2017
- Reviewed the effectiveness of Internal Control System of the Bank
- Reviewed the Report on Loan Documentation Checklist (LDCL)



Shakhawat Hossain
Chairman
Audit Committee



DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors ("the Board") is responsible for the adequacy and effectiveness of the internal control mechanism in place at the Meghna Bank Limited. ("the Bank"). Among other oversight responsibilities, Board of Directors (BoD) has to ensure that the Financial Statements of the Bank and its subsidiary are prepared in accordance with applicable International Financial Reporting Standards (including International Accounting Standards), relevant provisions of the Companies Act 1994, Bank Company Act 1991 (amended in 2013), guidelines of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) and other applicable laws, rules and regulations.

Responsibility

The Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Company and this process includes the system of Internal Control over Financial Reporting. The process is regularly reviewed by the Board.

The Board is of the view that the system of Internal Control over Financial Reporting in place is sound and adequate to provide reasonable assurance regarding the reliability of Financial Reporting, and that the preparation of Financial Statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

The management assists the Board in the implementation of the Board's policies and procedures pertaining to Internal Control over Financial Reporting. In assessing the Internal Control System over Financial Reporting, identified officers of the Company collated all procedures and controls that are connected with significant accounts and disclosures of the Financial Statements of the Company & continue to review & update every year. These in turn are being observed and checked by the Internal Audit Department of the Company for suitability of design and effectiveness on an on-going basis.

The Board views the governance and oversight of our distinctive business model and prudent strategy as key to the ongoing creation and delivery of value to our stakeholders, particularly in an economic environment that remains both uncertain and challenging.

At MGBL, the Board's primary role is to provide leadership, ensure that it is appropriately managed and deliver long-term shareholder value. It also sets the Group's strategic objectives and provides direction as a whole. A number of key decisions are reserved for and may only be made by the Board, which enables it and the executive management to operate within a clear governance framework.

Confirmation

Based on the above processes, The Board of Directors confirm that the International Financial Reporting Standard (IFRS) and International Accounting Standards, as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh have been adhered to, subject to any material departure being disclosed and explained in the notes to the Financial Statements.

The Board also confirms that the Company keeps accounting records, which disclose with reasonable accuracy, the financial position of the Company, and which enables it to ensure that the financial statements comply with the requirements of the Companies Act, 1994, Securities and Exchange Rules, 1987, Bank Companies Act, 1991 and amendments thereto.

External Auditor's Certification

The External Auditors, MABS & J Partners, Chartered Accountants, have carried out annual audit to review the system of internal controls, as they consider appropriate and necessary, for expressing their opinion on the financial statements. They have also examined the financial statements made available by the management together with all the financial records, related data, minutes of shareholders meetings, relevant policies and expressed their opinion.



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



CEO and Head of FAD's Declaration to the Board of Directors

Board of Directors
Meghna Bank Limited

Subject: CEO and Head of FAD's declaration to the Board of Directors.

In accordance with the condition no. 06 of BSEC notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 we hereby certify that,

1. We have reviewed financial statements for the year 2018 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
2. There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.



Sajib Kumar Saha, FCA
Head, Financial Administration Division



Adil Islam
Managing Director & CEO



**AUDITOR'S REPORT
&
Financial Statements**



INDEPENDENT AUDITOR'S REPORT

To The Shareholders of Meghna Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Meghna Bank Limited, and its subsidiary ("the Group") as well as the separate financial statements of Meghna Bank Limited ("the Bank"), which comprise the consolidated and the separate balance sheet as at 31 December 2018 and the consolidated and separate Profit & Loss Accounts, consolidated and separate Statements of Changes in Equity and consolidated and separate Cash Flow Statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2018, and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as explained in note 2.00.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2.00, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements



Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Bank Company 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 as disclosed in 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 Group and its related entities (other than matters disclosed in these financial statements);
- (iii) financial statements of the bank's subsidiary namely, Meghna Bank Securities Limited, have been audited by Basu Banerjee Nath & Co, Chartered Accountants and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) 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;
- (ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (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 spent over 2,080 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, 16 April 2019


MABS & J Partners
Chartered Accountants



MEGHNA BANK LIMITED

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2018

	Note	2018 Taka	2017 Taka
PROPERTY AND ASSETS			
Cash		2,836,832,928	4,026,368,378
Cash in hand (Including Foreign Currencies)	3	531,995,271	468,125,769
Balance with Bangladesh Bank and Its agent Bank (s) (Including Foreign Currencies)	4	2,304,837,657	3,558,242,609
Balance with other Banks and Financial Institutions	5	3,350,276,987	2,309,997,128
In Bangladesh		3,133,743,957	2,224,942,139
Outside Bangladesh		216,533,030	85,054,989
Money at Call on Short Notice	6	1,990,000,000	240,000,000
Investments	7	4,810,881,188	5,061,052,415
Government		4,263,726,818	4,211,248,398
Others		547,154,370	849,804,017
Loans and Advances	8	30,153,677,158	27,457,897,892
Loans, Cash credits, Overdrafts, etc.		29,951,121,824	27,264,446,784
Bills Purchased and Discounted		202,555,334	193,451,108
Fixed Assets Including Premises, Furniture and Fixtures	9	319,140,139	287,510,993
Other Assets	10	383,354,027	417,394,858
Non Banking Assets		-	-
Total Assets		43,844,162,427	39,800,221,664
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	11	1,163,095	906,590,476
Deposits and Other Accounts	12	36,376,462,888	32,263,954,751
Current Accounts & Other Accounts		3,517,473,496	3,604,630,443
Bills Payable		358,187,863	606,763,598
Savings Bank Deposits		1,640,439,099	1,184,311,513
Fixed Deposits		30,860,362,430	26,868,249,197
Bearer Certificate of Deposit		-	-
Other Deposits		-	-
Other Liabilities	13	2,206,456,946	1,453,175,090
Total Liabilities		38,584,082,929	34,623,720,317
Capital/Shareholders' Equity			
Paid-up Capital	15a.2	4,698,980,000	4,433,000,000
Statutory Reserve	16	540,900,474	458,627,974
Other Reserve (Revaluation of HFT & HTM Securities)	17	321,809	7,675,004
Surplus in Profit and Loss Account/Retained Earnings	18	19,877,114	277,198,268
Total Shareholders' Equity		5,260,079,397	5,176,501,246
Non-controlling Interest	19	101	101
Total Shareholders' Equity with Non-Controlling Interest		5,260,079,498	5,176,501,347
Total Liabilities & Shareholders' Equity		43,844,162,427	39,800,221,664



MEGHNA BANK LIMITED
CONSOLIDATED OFF- BALANCE SHEET ITEMS
AS AT DECEMBER 31, 2018

CONTINGENT LIABILITIES	Note	2018 Taka	2017 Taka
Acceptances and Endorsements	20	1,205,433,639	548,083,662
Letters of Guarantee	21	2,913,254,552	3,469,691,812
Irrevocable Letters of Credit	22	1,149,951,517	1,996,158,472
Bills for Collection		343,766,187	406,688,023
Other Contingent Liabilities		-	-
Total		5,612,405,895	6,420,621,969
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		5,612,405,895	6,420,621,969

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


Chairman


Director


Director


Managing Director & CEO

Signed in terms of our report of even date

Dhaka, 16 April, 2019


MABS & J Partners
Chartered Accountants



MEGHNA BANK LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Taka	2017 Taka
Interest Income	24	3,729,227,105	2,840,052,045
Interest paid on Deposits and borrowings etc	25	2,462,649,480	1,835,539,423
Net Interest Income		1,266,577,625	1,004,512,622
Investment Income	26	578,014,829	843,117,498
Commission, Exchange and Brokerage	27	157,321,556	218,333,256
Other Operating Income	28	62,629,211	71,776,075
		797,965,596	1,133,226,829
Total Operating Income		2,064,543,221	2,137,739,451
Salaries and Allowances	29	558,587,150	470,352,173
Rent, Taxes, Insurances, Electricity etc.	30	225,461,563	191,644,589
Legal Expenses	31	459,648	674,914
Postage, Stamps, Telecommunication etc.	32	21,920,971	16,933,485
Stationery, Printings, Advertisements etc.	33	17,301,939	17,383,331
Chief Executive's Salary & Fees	34	13,508,433	8,316,000
Directors' Fees	35	1,872,000	2,888,000
Auditors' Fees	36	430,000	280,000
Charges on loan losses		-	-
Depreciation & Repairs of Bank's Assets	37	105,657,323	81,653,538
Other Expenses	38	242,129,374	304,685,592
Total Operating Expenses		1,187,328,401	1,094,811,622
Profit/(Loss) before Provision	23	877,214,820	1,042,927,829
Specific Provision for Classified Loans and Advances		(391,800,000)	(204,124,000)
General Provision for Unclassified Loans and Advances		(25,900,000)	(27,701,000)
General Provision for Off-Balance Sheet Exposures		8,100,000	(13,500,000)
Provision for Diminution in value of Investments		(22,283,474)	(5,000,000)
Other Provisions		(5,000,000)	(20,500,000)
Total Provision	39	(436,883,474)	(270,825,000)
Total Profit/(Loss) before Taxes		440,331,346	772,102,829
Provision for Taxation			
Deferred Tax	14	-	3,091,672
Current Tax	13.2	(324,900,000)	(335,541,672)
		(324,900,000)	(332,450,000)
Net Profit after Taxation		115,431,346	439,652,829
Retained earnings brought forward from previous years		11,218,268	4,253,788
		126,649,614	443,906,617
Appropriations			
Statutory Reserve	16	82,272,500	149,208,348
Non-controlling Interest	18.1	7	5
General Reserve		-	-
		82,272,507	149,208,353
Retained Surplus		44,377,107	294,698,264
Earnings Per Share (EPS)	40	0.25	0.94

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


MABS & J Partners
Chartered Accountants

Dhaka, 16 April, 2019



MEGHNA BANK LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash Flows from Operating Activities	Note	2018 Taka	2017 Taka
Interest receipts in cash	41	4,125,933,305	3,297,343,281
Interest Payments	42	(2,387,912,241)	(1,729,340,429)
Dividends Receipts		41,739,098	30,544,987
Fee & Commission receipts in cash		157,321,556	218,333,256
Recoveries on loans previously written off		-	-
Cash Payments to Employees		(572,095,583)	(478,668,173)
Cash Payments to Suppliers		(17,301,939)	(17,383,331)
Income Taxes Paid		(256,578,046)	(266,455,259)
Receipts from other Operating activities	43	214,537,024	458,715,729
Payments for other Operating activities	44	(503,415,554)	(524,655,143)
Operating Profit before changes in Operating Assets and Liabilities		802,227,621	988,434,918
Increase/Decrease in Operating Assets and Liabilities			
Statutory Deposits		-	-
Purchase/Sale of Trading Securities (Treasury bills)		99,337,620	(99,337,620)
Loans and Advances to Other Banks		-	-
Loans and Advances to Customers		(2,695,779,266)	(6,467,757,001)
Other Assets	45	26,132,950	(61,457,226)
Deposits from other Banks		1,170,343,345	2,149,131,643
Deposits from Customers		2,942,164,792	4,624,438,645
Other liabilities on account of customers		-	-
Trading Liabilities		-	-
Other Liabilities	46	173,339,190	109,996,528
Sub Total		1,715,538,631	255,014,969
A) Net Cash from Operating Activities		2,517,766,251	1,243,449,887
Cash Flows from Investing Activities			
Proceeds from sale of Securities		733,145,473	3,224,279,112
Payment for purchases of securities		(589,527,061)	(1,156,209,412)
Purchase/Sale of Property, Plant & Equipment		(130,574,871)	(65,359,538)
Purchase/Sale of Subsidiary		-	-
B) Net Cash Used in Investing Activities		13,043,541	2,002,710,162
Cash Flows from Financing Activities			
Borrowing from other banks		(905,427,381)	698,272,777
Receipts from issue of ordinary share		-	-
Dividends Paid		(24,500,000)	(460,800,000)
C) Net Cash from Financing Activities		(929,927,381)	237,472,777
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		1,600,882,410	3,483,632,826
E) Effect of Exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		6,576,890,905	3,093,258,079
G) Cash and cash equivalents at the end of the year (D+E+F)	47	8,177,773,315	6,576,890,905

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


Chairman


Director

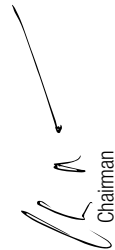

Director


Managing Director & CEO

MEGHNA BANK LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

Particulars	Paid-up Capital (Taka)	Statutory Reserve (Taka)	Other Reserve (Taka)	Retained Earnings (Taka)	Total (Taka)	Non-controlling Interest (Taka)	Total Equity (Taka)
Balance as at 01 January, 2018	4,433,000,000	458,627,974	7,675,004	277,198,268	5,176,501,246	101	5,176,501,347
Changes in accounting policy	-	-	-	-	-	-	-
Restated Balance	4,433,000,000	458,627,974	7,675,004	277,198,268	5,176,501,246	101	5,176,501,347
Dividend paid for 2017	265,980,000	-	-	(265,980,000)	-	-	-
Net profit for the year				115,431,346	115,431,346	-	115,431,346
Transfer to statutory reserve		82,272,500		(82,272,500)	-	-	-
Net Surplus/deficit on account of revaluation of investments	-	-	(7,353,195)	(7)	(7,353,195)	-	(7,353,195)
Minority interest				(7)	(7)	7	-
Interim dividend paid by Subsidiary				(24,499,993)	(24,499,993)	(7)	(24,500,000)
Balance as at 31 December, 2018	4,698,980,000	540,900,474	321,809	19,877,114	5,260,079,397	101	5,260,079,498

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


Chairman


Director


Director


Managing Director & CEO



MEGHNA BANK LIMITED

BALANCE SHEET
AS AT DECEMBER 31, 2018

PROPERTY AND ASSETS	Note	2018 Taka	2017 Taka
Cash		2,836,825,534	4,026,349,798
Cash in hand (Including Foreign Currencies)	3a	531,987,877	468,107,189
Balance with Bangladesh Bank and Its agent Bank (s) (Including Foreign Currencies)	4a	2,304,837,657	3,558,242,609
Balance with other Banks and Financial Institutions	5a	3,325,031,067	2,286,191,993
In Bangladesh		3,108,498,037	2,201,137,004
Outside Bangladesh		216,533,030	85,054,989
Money at Call on Short Notice	6a	1,990,000,000	240,000,000
Investments	7a	4,492,789,538	4,727,584,987
Government		4,263,726,818	4,211,248,398
Others		229,062,720	516,336,589
Loans and Advances	8a	30,153,677,158	27,457,897,892
Loans, Cash credits, Overdrafts, etc.		29,951,121,824	27,264,446,784
Bills Purchased and Discounted		202,555,334	193,451,108
Fixed Assets Including Premises, Furniture and Fixtures	9a	315,995,194	283,156,053
Other Assets	10a	735,235,491	755,805,042
Non Banking Assets		-	-
Total Assets		43,849,553,982	39,776,985,765
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	11a	1,163,095	906,590,476
Deposits and Other Accounts	12a	36,446,682,722	32,287,070,205
Current Accounts & Other Accounts		3,517,473,496	3,604,630,443
Bills Payable		358,187,863	606,763,598
Savings Bank Deposits		1,640,439,099	1,184,311,513
Fixed Deposits		30,930,582,264	26,891,364,651
Bearer Certificate of Deposit		-	-
Other Deposits		-	-
Other Liabilities	13a	2,144,356,215	1,409,982,437
Total Liabilities		38,592,202,032	34,603,643,118
Capital/Shareholders' Equity			
Paid-up Capital	15a.2	4,698,980,000	4,433,000,000
Statutory Reserve	16	540,900,474	458,627,974
Other Reserve (Revaluation of HFT & HTM Securities)	17	321,809	7,675,004
Surplus in Profit and Loss Account/Retained Earnings	18a	17,149,667	274,039,669
Total Shareholders' Equity		5,257,351,950	5,173,342,647
Total Liabilities & Shareholders' Equity		43,849,553,982	39,776,985,765



MEGHNA BANK LIMITED

OFF- BALANCE SHEET ITEMS
AS AT DECEMBER 31, 2018

CONTINGENT LIABILITIES	Note	2018 Taka	2017 Taka
Acceptances and Endorsements	20	1,205,433,639	548,083,662
Letters of Guarantee	21	2,913,254,552	3,469,691,812
Irrevocable Letters of Credit	22	1,149,951,517	1,996,158,472
Bills for Collection		343,766,187	406,688,023
Other Contingent Liabilities		-	-
Total		5,612,405,895	6,420,621,969
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		5,612,405,895	6,420,621,969

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


Chairman


Director


Director


Managing Director & CEO

Signed in terms of our report of even date

Dhaka, 16 April, 2019


MABS & J Partners
Chartered Accountants



MEGHNA BANK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Taka	2017 Taka
Interest Income	24a	3,726,276,848	2,836,526,358
Interest paid on Deposits and borrowings etc	25a	2,463,676,482	1,837,951,471
Net Interest Income		1,262,600,366	998,574,887
Investment Income	26a	547,414,458	832,847,023
Commission, Exchange and Brokerage	27a	143,132,897	188,476,303
Other Operating Income	28a	66,764,900	75,197,546
		757,312,255	1,096,520,872
Total Operating Income		2,019,912,621	2,095,095,759
Salaries and Allowances	29a	549,669,716	462,077,917
Rent, Taxes, Insurances, Electricity etc.	30a	224,436,924	190,630,132
Legal Expenses	31a	459,648	674,914
Postage, Stamps, Telecommunication etc.	32a	21,866,637	16,869,463
Stationery, Printings, Advertisements etc.	33a	17,198,544	17,054,579
Chief Executive's Salary & Fees	34	13,508,433	8,316,000
Directors' Fees	35a	1,832,000	2,816,000
Auditors' Fees	36a	400,000	260,000
Charges on loan losses		-	-
Depreciation & Repairs of Bank's Assets	37a	104,407,207	80,501,872
Other Expenses	38a	238,631,014	299,028,140
Total Operating Expenses		1,172,410,123	1,078,229,017
Profit/(Loss) before Provision	23a	847,502,498	1,016,866,742
Specific Provision for Classified Loans and Advances		(391,800,000)	(204,124,000)
General Provision for Unclassified Loans and Advances		(25,900,000)	(27,701,000)
General Provision for Off-Balance Sheet Exposures		8,100,000	(13,500,000)
Provision for Diminution in value of Investments		(21,540,000)	(5,000,000)
Other Provisions		(5,000,000)	(20,500,000)
Total Provision	39a	(436,140,000)	(270,825,000)
Total Profit/(Loss) before Taxes		411,362,498	746,041,742
Provision for Taxation			
Deferred Tax	14a	-	3,091,672
Current Tax	13a.2	(320,000,000)	(328,091,672)
		(320,000,000)	(325,000,000)
Net Profit after Taxation		91,362,498	421,041,742
Retained earnings brought forward from previous years		8,059,669	2,206,275
		99,422,167	423,248,017
Appropriations			
Statutory Reserve	16	82,272,500	149,208,348
General Reserve		-	-
		82,272,500	149,208,348
Retained Surplus	18a	17,149,667	274,039,669
Earnings Per Share (EPS)	40a	0.19	0.90

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


MABS & J Partners
Chartered Accountants

Dhaka, 16 April, 2019

MEGHNA BANK LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

Cash Flows from Operating Activities	Note	2018 Taka	2017 Taka
Interest receipts in cash	41a	4,122,983,049	3,293,817,594
Interest Payments	42a	(2,388,939,243)	(1,731,752,477)
Dividends Receipts		34,118,048	23,062,781
Fee & Commission receipts in cash		143,132,897	188,476,303
Recoveries on loans previously written off		-	-
Cash Payments to Employees		(563,178,149)	(470,393,917)
Cash Payments to Suppliers		(17,198,544)	(17,054,579)
Income Taxes Paid		(248,474,548)	(260,285,555)
Receipts from other Operating activities	43a	191,262,992	454,918,531
Payments for other Operating activities	44a	(494,312,699)	(513,384,036)
Operating Profit before changes in Operating Assets and Liabilities		779,393,803	967,404,645
Increase/Decrease in Operating Assets and Liabilities			
Statutory Deposits		-	-
Purchase/Sale of Trading Securities (Treasury bills)		99,337,620	(99,337,620)
Loans and Advances to Other Banks		-	-
Loans and Advances to Customers		(2,695,779,266)	(6,467,757,001)
Other Assets	45a	12,661,669	(38,613,862)
Deposits from other Banks		1,170,343,345	2,149,131,643
Deposits from Customers		2,989,269,172	4,629,178,799
Other liabilities on account of customers		-	-
Trading Liabilities		-	-
Other Liabilities	46a	151,971,087	78,111,675
Sub Total		1,727,803,627	250,713,634
A) Net Cash from Operating Activities		2,507,197,430	1,218,118,279
Cash Flows from Investing Activities			
Proceeds from sale of Securities		733,145,473	3,224,279,112
Payment for purchases of securities		(604,902,840)	(1,145,835,235)
Purchase/Sale of Property, Plant & Equipment		(130,559,871)	(64,194,474)
B) Net Cash Used in Investing Activities		(2,317,238)	2,014,249,403
Cash Flows from Financing Activities			
Borrowing from other banks		(905,427,381)	698,272,777
Receipts from issue of ordinary share		-	-
Dividends Paid		-	(443,300,000)
C) Net Cash from Financing Activities		(905,427,381)	254,972,777
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		1,599,452,810	3,487,340,459
E) Effect of Exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		6,553,067,191	3,065,726,732
G) Cash and cash equivalents at the end of the period (D+E+F)	47a	8,152,520,001	6,553,067,191

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 DECEMBER 31, 2018

Particulars	Paid-up Capital (Taka)	Statutory Reserve (Taka)	Other Reserve (Taka)	Retained Earnings (Taka)	Total (Taka)
Balance as at 01 January, 2018	4,433,000,000	458,627,974	7,675,004	274,039,669	5,173,342,647
Changes in accounting policy	-	-	-	-	-
Restated Balance	4,433,000,000	458,627,974	7,675,004	274,039,669	5,173,342,647
Stock Dividend paid for 2017	265,980,000	-	-	(265,980,000)	-
Net profit for the year				91,362,498	91,362,498
Transfer to statutory reserve		82,272,500		(82,272,500)	-
Net Surplus/deficit on account of revaluation of Investments			(7,353,195)		(7,353,195)
Balance as at 31 December, 2018	4,698,980,000	540,900,474	321,809	17,149,667	5,257,351,950

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


Chairman


Director

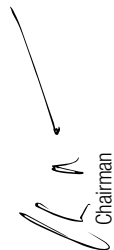

Director


Managing Director & CEO

MEGHNA BANK LIMITED
LIQUIDITY STATEMENT
ASSETS AND LIABILITIES MATURITY ANALYSIS
AS AT DECEMBER 31, 2018

Particulars	Up to 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	531,987,877	-	-	-	-	531,987,877
Balance with other Banks and Financial Institutions	2,002,801,832	1,750,000,000	150,000,000	-	1,727,066,892	5,629,868,724
Money at Call on Short Notice	1,990,000,000	-	-	-	-	1,990,000,000
Investment	663,400	-	189,057,378	220,910,653	4,082,158,107	4,492,789,538
Loans and Advances	4,796,392,325	6,067,527,531	8,920,126,522	7,608,697,103	2,760,933,677	30,153,677,158
Fixed Assets including Premises, Furniture & Fixtures	-	-	-	-	315,995,194	315,995,194
Other Assets	66,711,251	83,663,592	51,977,417	172,273,341	360,609,891	735,235,491
Non-banking Assets	-	-	-	-	-	-
Total Assets (i)	9,388,556,684	7,901,191,123	9,311,161,317	8,001,881,097	9,246,763,761	43,849,553,982
Liabilities						
Borrowing from Other Banks, Financial Institutions & Agents	75,000	375,595	555,953	156,547	-	1,163,095
Deposits and Other Accounts	6,959,556,843	9,735,054,664	8,166,370,405	8,730,047,340	2,855,653,470	36,446,682,722
Provision and Other Liabilities	145,870,951	225,042,301	422,004,327	215,085,642	1,136,352,994	2,144,356,215
Total Liabilities (ii)	7,105,502,794	9,960,472,560	8,588,930,685	8,945,289,529	3,992,006,464	38,592,202,032
Net Liquidity Gap (i-ii)	2,283,053,890	(2,059,281,437)	722,230,632	(943,408,433)	5,254,757,297	5,257,351,950

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


Chairman


Director


Director


Managing Director & CEO



Nurturing our Asset



MEGHNA BANK LIMITED & ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENT
AS AT & FOR THE YEAR ENDED DECEMBER 31, 2018

1.0 Background of the Bank

1.1 Legal Status of the Bank

Meghna Bank Ltd. (MGBL) is a scheduled commercial bank incorporated as a public limited company with the Registrar of Joint Stock Companies and Firms under the Companies Act 1994 vides Reg. no. C-108068/13 dated 20 March, 2013 in Bangladesh. 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). At present the bank has forty seven (47) branches and sixteen (16) own ATM booths covering commercially important locations of the country. All the branches of the bank run on commercial conventional basis.

The principal place of business and registered office of the bank is located at Suvastu Imam Square (Level-06), 65 Gulshan Avenue, Gulshan 01, Dhaka 1212.

1.2 Nature of Business

The Bank offers all kinds of commercial banking activities encompassing a wide range of services including accepting deposits, making loans and advances, treasury management, discounting bills, inland and international remittance services, foreign exchange transactions and other related services such as collections, issuing guarantees, acceptances and letters of credit, securities and custodial services etc.

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 exists 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 International Accounting Standard IAS-27, "separate financial statements" and IFRS-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 Limited

Meghna Bank Securities Limited was incorporated in Bangladesh on February 18, 2015 under the Companies Act, 1994 as a private company vides 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 fledged 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 no of Shares of Meghna Bank Securities Ltd. with face value of Tk. 100 each which is equivalent to 99.99% of total shares of the company.

2.0 Significant Accounting Policies and Basis of Preparation of Financial Statements

2.1 Basis of Accounting

The Financial Statements of the bank and its subsidiary have been prepared on a going concern basis under the historical cost convention, in accordance with "First Schedule"(Sec.38) of the Bank Companies Act 1991 (Amendment-2013), in compliance with the provisions of Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other rules and regulations applicable in Bangladesh.

In cases where the requirements of Bangladesh Bank differ with those of IASs/IFRSs, the guidelines of the Bangladesh Bank has been applied. Material departures from the requirement of IASs & IFRSs are as follows:

a) Presentation of Financial Statements

IFRS: As per requirements of IAS 1 financial statements shall comprise statement of financial position, comprehensive income statement, changes in equity, cash flows statement, adequate notes comprising summary of accounting policies and other explanatory information. As per para 60 of IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.



Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the “First Schedule” (section 38) of the Bank Company Act 1991 (amendment upto 2013) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

b) Investments in Shares and Securities

IFRS: As per requirements of IAS 39 Financial Instruments: Recognition and Measurement, investments 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 IFRS 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 Net Assets Value (NAV) 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.

The bank reviews its investment in shares and securities at each quarter end and took adequate provision has been made as per Bangladesh Bank guidelines.

c) Revaluation Gains/Losses on Government Securities

IFRS: As per requirement of IAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account using an effective interest rate.

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.

d) Provisions on Loans and Advances

IFRS: As per IAS 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 23 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 IAS 39.

e) Recognition of Interest in Suspense

IFRS: As per IAS 39, Interest income on loans and advances is recognized using an effective interest rate method over the term of Loans and Advances. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

f) Other Comprehensive Income

IFRS: As per IAS 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 Bank has issued templates for financial statements which are strictly to be followed by all banks in Bangladesh. The templates of financial statements issued by Bangladesh Bank do not include other comprehensive income or 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.

g) Financial Guarantees

IFRS: As per IAS 39, financial guarantees are contracts which 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.

h) Cash and Cash Equivalents

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 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 bonds 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.

i) Non-Banking Assets

IFRS: No indication of non-banking assets is found in any IAS/ IFRS.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, there must exist a face item named non-banking assets.

j) Cash Flow Statement

IFRS: 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 statement is to be prepared following a mixture of Direct and Indirect method.

k) Balance with Bangladesh bank (Cash Reserve Requirement)

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

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

l) Presentation of Intangible Assets

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

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

m) Off-Balance Sheet Items

IFRS: There is no concept of off balance sheet items in any IFRS; 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.



n) Disclosure of Appropriation of Profit

IFRS: 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.

o) Loans and Advances Net of Provision

IFRS: 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 International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

p) Recovery of Written Off Loans:

IFRS: As per IAS 1, an entity shall not offset assets and liabilities or income or expenses, unless required or permitted by a IFRS. Again recovery of written off loans should be charged to profit and loss account as per IAS 18.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, recoveries of amount previously written off should be adjusted with the specific provision for loans and advances.

2.2 Presentation of Financial Statements

The financial statements are presented in compliance with the provisions of the International Accounting Standards (IAS) - 1 "Presentation of Financial Statements", IAS – 7 "Cash Flow Statements", IAS – 12 "Income Taxes", IAS – 16 "Property, Plant and Equipment" IAS – 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.

Key estimates include the following:

- Loan loss provision
- Revaluation of assets
- Deferred tax assets/liabilities
- Gratuity fund
- Useful lives of depreciable assets

2.4 Consolidation of Financial Statements

The consolidated financial statements includes the financial statements of Meghna Bank Limited. and its subsidiary Meghna Bank Securities Limited. 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 on 31st December 2018.

Subsidiary:

Subsidiary is that enterprise which is controlled by the bank. Control exists 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 statements of subsidiary are 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 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 IFRS framework for the preparation of financial statements together IAS – 1 and IAS – 8, Meghna Bank Ltd. discloses its information consistently 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 transparently in accordance with the requirements of IAS – 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 Basis of Accounting

The financial statements have been prepared on the assessment of the Bank's ability to continue as going concern basis. MGBL has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters such as liquidity, profitability, asset quality, provision sufficiency and capital adequacy of the bank continued to exhibit a healthy trend for couple of years. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as going concern.

2.7 Foreign Currency Transactions

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 transactions are converted into equivalent taka using the ruling exchange rates on the dates of respective transactions as per IAS – 21 “the effects of changes in foreign exchange rates”. 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

a) Interest Income

Interest on unclassified loans and advances is accounted for as income on accrual basis, interest on classified loans and advances is credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD 14 dated 23 September 2012, BRPD 19 dated 27 December 2012 and BRPD 16 dated 18 November 2014 of Bangladesh Bank.

b) Interest Income from Investment

Interest income on investment in Government and other securities, debentures and bonds is accounted for on accrual basis.

c) Dividend Income

Dividend income on investments is recognized during the period in which it is declared and ascertained and right to receive the payment is established as per IAS 18 Revenue.



d) Fees and Commission

Fees and Commission income arises from services provided by the Bank 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 International Accounting Standard (IAS) –1 “Presentation of Financial Statements”, accrual basis is followed for interest payment and other expenses. The necessary disclosures are given in the notes in compliance with the provisions of BRPD Circular No. 14 dated 25 June 2003.

2.10 Dividend paid

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

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.

2.11.2 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, consumer financing, short term agri. credit 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%
Short term agri. Credit	2.5%	2.5%
Special Mention Account	0.25% - 5%	0.25% - 5%

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

2.11.3 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 Profit and Loss Account, gain to revaluation reserve.
Treasury Bill/Bond (HTM)	Cost	Amortized value	Increase in value to equity and decrease in value to Profit and Loss Account.
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 held 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 of 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 International Accounting Standard (IAS) – 28. Accordingly investment in subsidiary is stated in the bank’s balance sheet at cost, less impairment losses if any.

2.11.4 Property, Plant and Equipment

Recognition and Measurement

All fixed assets are stated at historical cost as per IAS-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.

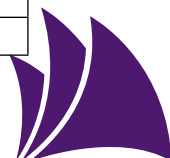
Subsequent Cost

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.

2.11.5 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.

2.11.6 Other Assets

Other asset include mainly advance office rent, investment in subsidiary, unrealized income receivable, advance for operating and capital expenditure and stocks of stationery and stamps etc.

2.11.7 Receivables

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

2.11.8 Non-banking Assets

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

2.12 Capital / Shareholders' 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's 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 accounting 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, refinancing 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 IAS 37 “Provision, Contingent Liabilities and Contingent Assets”.

2.18 Retirement Benefits

As part of compensation package every permanent employee will entitle Provident and 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. The gratuity is calculated on the basis of last basic pay.

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 or 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 International Accounting Standard (IAS) - 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 IAS-10.

2.26 Earnings Per Share

The company calculates earnings per share (EPS) in accordance with IAS 33 “Earnings Per Share (EPS)” the Bank has been reporting ‘Basic EPS’ as there has been no dilution possibilities during the year. Basic EPS is computed by dividing the profit or loss after tax by the total number of ordinary shares outstanding at the end of the year. Bonus shares issued in current period are considered for number of ordinary shares outstanding for preceding period to present comparative EPS with retrospective adjustment (restated)

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 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.

2.29 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.

2.30 Credit Rating

As per BRPD Circular no. 6 dated 5th July 2006, the bank has done its credit rating by Alpha Credit Rating Limited based on the financial statements as at and for the year ended 31 December 2017. The following ratings have been awarded:

Particulars	Periods	Date of Rating	Long Term	Short Term
Entity Rating	January to December 2017	27 th June 2018	A+	ST - 2
Entity Rating	January to December 2016	28 th June 2017	A	ST - 3
Entity Rating	January to December 2015	26 th June 2016	A-	ST - 3



2.31 Risk Management

“Risk is an inherent part of the business activities and risk management is pivotal for the sustainability of business. This era of globalization enables hefty expansion of business activities that ultimately increases competition level for organizations drastically. Financial crisis and volatility in economic growth in some developed countries set the example of imperativeness towards comprehensive risk management. Types of risk, however, vary from business to business, but preparing a risk management plan involves a conjoint process. A comprehensive risk management plan must enumerate strategies for dealing with risks specific to any business but should not be limited to those.”

When it comes to banking business, risk management is in the heart of this business. Banks are to strive for a prudent risk management discipline to combat unpredictable situation. These days, it is transparent that banking organizations are in need of setting up systematic and vigilant way to monitor the activities that are major influencers of this particular business.

The Central Bank of Bangladesh i.e. Bangladesh Bank issued guidelines which forms the basis of risk management of all scheduled banks in Bangladesh. The guidelines require that the banks adopt enhanced policies and procedures of risk management. The risk management of banks broadly cover 6 (Six) core risk areas of banking i.e. a. Credit Risk Management, b. Foreign Exchange Risk Management, c. Asset liability Management, d. Prevention of Money Laundering, e. Internal Control and Compliance, and f. Information & Communication Technology as specified by Bangladesh Bank.

MGBL's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment, measurement procedures and continuous monitoring. MGBL continues to focus on improving its risk management systems not only to ensure compliance with regulatory requirements but also to ensure better risk-adjusted return and optimal capital utilization keeping in mind of the business objectives. For sound risk management, MGBL manages risk in strategic layer, managerial layer, and operational layer. The assets and liabilities of Meghna Bank Limited is managed so as to minimize, to the degree prudently possible, the Bank's exposure to risk, while at the same time attempting to provide a stable and steadily increasing flow of net interest income, an attractive rate of return on an appropriate level of capital and a level of liquidity adequate to respond to the needs of depositors and borrowers and earnings enhancement opportunities. These objectives are accomplished by setting in place a planning, control and reporting process, the key objective of which is the coordinated management of the Bank's assets and liabilities, current banking laws and regulations, as well as prudent and generally acceptable banking practices.

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 Risk Management
- 4) Money Laundering & Terrorist Financing Risk Management
- 5) Internal Control & Compliance
- 6) Information & Communication 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:

2.31.1 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.

2.31.2 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.

2.31.3 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.

2.31.4 Money Laundering & Terrorist Financing Risk Management

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. In line with the international standards and initiatives, Bangladesh has passed Money Laundering Prevention Act (MLPA), 2002. Afterwards several amendments were made and a new Money Laundering Prevention Act, 2012 has been passed and this Act was also amended in 2015. The Government has also enacted Anti-Terrorism Act (ATA) in 2009 aiming to combat terrorism and terrorism financing and this Act was also amended in 2012 and in 2013. Both the Acts have empowered Bangladesh Financial Intelligence Unit (BFIU), Bangladesh Bank (BB) to perform the anchor role in combating ML/TF through issuing instructions and directives for reporting agencies and building awareness in the financial sectors.

For prevention of Money Laundering and Terrorist Financing, the bank has a comprehensive policy which is approved by the Board. The Bank has an organizational set up in place to implement and monitor its AML & CFT Program. The Bank has a Central Compliance Committee (CCC) headed by the Chief Anti Money Laundering Compliance Officer at Head Office and BAMLCOs at the branches. The CCC is supported by AML Division headed by Deputy CAMLCO for discharging day to day activities while the branches have Branch Compliance Unit (BCU) to support BAMLCOs. The regulatory requirements are being complied with and the guidelines are being followed by the bank properly. Branch Anti Money Laundering Compliance officer (BAMLCO) at branches reviews and verifies the transactions of accounts to make Suspicious Transactions Reports (STR), and ensure AML & CFT compliance culture throughout the bank. Training is being conducted continuously for all the officers of the bank to create awareness and develop the skill for ensuring KYC (Know your Clients) compliance and identifying suspicious activities/transactions.

2.31.5 Internal Control and Compliance

Internal control is fundamental to the successful operation and day-to-day running of a business and it assists the bank in achieving its business objectives. It encompasses all controls incorporated into the strategic, governance and management processes, covering the bank's entire range of activities and operations, and not just those directly related to financial operations and reporting. Its scope is not confined to those aspects of a business that could broadly be defined as compliance matters, but extends also to the performance aspects of a business.

Meghna Bank Ltd has established a system of internal control, which is designed to manage all the risks of failure to a reasonable level, achieve aims and objectives/goals of the bank and this system provides reasonable assurance of effective & efficient operations covering all controls including financial & operational controls, reliability of the financial information, compliance with applicable laws & regulations, adherence to management policies, safeguarding of bank's assets, prevention & detection of fraud & errors, and accuracy & completeness of the accounting records.

The Board of Directors of Meghna Bank Ltd regularly reviews the effectiveness of internal control process through its Audit Committee and the Audit Committee plays an effective role amongst the Board of Directors, Management, Shareholders, Depositors and develops an efficient, powerful and a safe banking system. The committee also performs a very important role for publishing Bank's financial statements, developing an appropriate internal control system and maintains an effective communication with internal and external auditors. It significantly contributes in controlling and monitoring various risks factors that arise from the business activities of the bank. Board Audit Committee reviews the actions taken on internal control issues



identified in the reports prepared by the internal & external auditors and regulatory authorities. It has active oversight on the internal audit's independence, scope of work and resources and it also reviews the functions of internal control & compliance division of head office, particularly the scope of the annual audit plan and frequency of the internal audit activities.

2.31.6 Information & Communication Technology Risk

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 upgraded to high speed, which provides better information sharing management at the branch as well as at the head office.

2.31.7 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.

2.31.8 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.

2.31.9 Reputation Risk

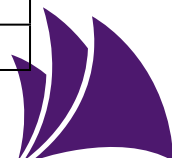
This is the potential damage to the reputation and image of the Bank, emanating from events such as drop in performance levels or service quality, compliance, corporate governance and management failures and deviations from business ethics, etc.

2.32 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.

2.33 Compliance report on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

Name of IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	Not Applicable
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	Not Applicable
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 & Joint Ventures	28	Not Applicable
Interest in Joint Ventures	31	Not Applicable
Financial Instruments: Presentation	32	Applied
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instrument: Recognition and Measurement	39	Applied
Investment Property	40	Not Applicable
Agriculture	41	Not Applicable
Name of IFRS	IFRS No.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	1	Not Applicable
Share Based Payment	2	Not Applicable
Business Combinations	3	Not Applicable
Insurance Contracts	4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	5	Not Applicable
Exploration for and Evaluation of Mineral Resources	6	Not Applicable
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Applied
Financial Instruments	9	Not Applicable
Consolidated Financial Statements	10	Applied
Joint Agreements	11	N/A
Disclosure of Interest in other Entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	N/A

2.34 Regulatory Compliance

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

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

2.35 Audit Committee of the Board

“An Audit Committee of the Board (ACB) was formed and its roles and responsibilities were defined in line BRPD Circular No. 11 issued by Bangladesh Bank (BB) on 27 October 2013. Main objectives of Audit Committee of the Board (ACB) are:

- To assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board for effective functioning of the bank.



- To review the financial reporting process, the system and effectiveness of internal control process, compliance status of inspection report from Bangladesh Bank and assessment of the overall processes and procedures for monitoring compliance with laws and regulations and its own code of business conduct.

2.35.1 Composition and Qualifications

The Board of Directors as its 74th Board Meeting held on June 26, 2018 constituted with the following Board Members:

SI No.	Name of Committee Members	Status with the Bank	Position in the Committee	Educational Qualification	Meeting Attendance
1	Mr. Shakhawat Hossain	Director	Chairman	M.Com (Marketing)	4 of 4
2	Mr. Md. Ali Azim Khan	Director	Member	Graduate	4 of 4
3	Ms. Farah Ahsan	Director	Member	M.A	2 of 4
4	Mr. Alock Kumar Das	Director	Member	B.A	4 of 4
5	Ms. Uzma Chowdhury	Director	Member	CPA	4 of 4

2.35.2 Meetings of the Audit Committee

Bangladesh Bank suggested banks to hold at least 4 meetings in a year. The Audit Committee of MGBL held 04 (Four) meetings in 2018 and had detailed discussions and review sessions with the In Charge of Internal Control & Compliance, External Auditors regarding their findings and remedial suggestions on various issues that need improvement. The Audit Committee of the Board (ACB) instructed management to follow those remedial suggestions and monitored accordingly. Meeting dates are as follows:

SI No.	Name of Meeting	Date of Meeting
1	19 th Audit Committee Meeting	March 8, 2018
2	20 th Audit Committee Meeting	April 10, 2018
3	21 st Audit Committee Meeting	June 12, 2018
4	22 nd Audit Committee Meeting	October 14, 2018

2.35.3 Major areas focused by Audit Committee in 2018

- ❖ Reviewed and approved the 'Risk Based Audit Plan 2018;
- ❖ Reviewed Annual Financial Statements of the Bank for the year ended 31 December 2017 as certified by the External Auditors, MABS & J partners, Chartered Accountants, before submission to the Board of Directors for approval;
- ❖ Reviewed Management Report on the Bank for the year ended 31 December 2017 submitted by the External Auditors, MABS & J Partners, Chartered Accountants, and its subsequent compliance by management thereof;
- ❖ Reviewed Half-yearly Financial Statements (Unaudited) of the Bank for the year 2018;
- ❖ Reviewed Quarterly Financial Statements (Unaudited) of the Bank for the year 2018;
- ❖ Reviewed Summary of major findings from Internal Audit Report of Branches for the year 2017;
- ❖ Reviewed Internal Audit Report of Head Office of the Division for the 2017;
- ❖ Reviewed the open issues of Internal audit Report on Branches for the year 2017 and compliance thereof;
- ❖ Reviewed the annual health report of the Bank-2017;
- ❖ Reviewed the effectiveness of Internal Control System of the Bank;
- ❖ Reviewed the Report on Loan Documentation Checklist (LDCL);

2.36 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.	2.41%	Chairman
			2	Diesel Motors & Services (BD) Limited	22.22%	Managing Director
			3	Bangladesh Consortium Ltd.	7.50%	Director
			4	Newzan Corporation Ltd.		
			5	Jamuna Sugar Mills Ltd.	12.50%	Director
2.	Mr. Md. Yasin Ali Representative of Legacy Fashion Ltd.	Vice Chairman	1	Ali Fashion Ltd.	23.81%	Managing Director
			2	Anowara Apparels Ltd.	22.22%	Managing Director
			3	Anowara Fashions Ltd.	21.83%	Managing Director
			4	Anowara Paper Mills Ltd.	32.50%	Managing Director
			5	ANZ Properties Ltd.	33.33%	Chairman
			6	Bangladesh Fertilizer & Agro Chemicals Ltd.	18.36%	Managing Director
			7	Continental Insurance Co. Ltd.	4.55%	Director
			8	Diamond Cement Ltd.	14.06%	Managing Director
			9	Diamond Pack Ltd.	13.33%	Managing Director
			10	Habib Printers and Publisher Ltd.	33.30%	Managing Director
			11	Habib Share & Securities Ltd.	13.67%	Director
			12	Habib Sons	1:3	Managing Partner
			13	Habib Steels Ltd.	33.33%	Managing Director
			14	HG Aviation Ltd.	8.33%	Chairman
			15	Legacy Fashion Ware Ltd.	1.77%	Managing Director
			16	Maam Textile Mills Ltd.	16.67%	Managing Director
			17	MTS Re-Rolling Mills Ltd.	23.33%	Managing Director
			18	Mudys Navigation Ltd.	33.33%	Managing Director
			19	Noor Garments Ltd.	25.00%	Managing Director
			20	Regent Energy and Power Ltd.	0.02%	Managing Director
			21	Regent Fabrics Ltd.	20.00%	Managing Director
			22	Regent Power Ltd.	13.33%	Managing Director
			23	Regent Spinning Mills Ltd.	73.30%	Managing Director
			24	Regent Textile Mills Ltd.	12.12%	Managing Director
			25	Regent Weaving Ltd.	25.00%	Managing Director
			26	Saims Superior Ltd.	1.00%	Managing Director
			27	Southern Medical College & Hospital	30.00%	Chairman
			28	Union Cement Mills Ltd.	11.11%	Managing Director
			29	Union Fertilizer Complex Ltd.	11.11%	Managing Director
			30	Valiant Fashion Ware Ltd.	16.67%	Managing Director
			31	Valiant Garments Ltd.	16.84%	Managing Director
3.	Mr. Abdul Alim Khan Selim	Director	1	Meghna Bank Ltd.	2.26%	Director
			2	Capital Homes & Development Ltd.	70.00%	Managing Director
			3	Dhaka Impex Co.	100.00%	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	
4.	Ms. Farah Ahsan	Director	1	Meghna Bank Ltd.	4.51%	Director
			2	AG Property Developments Ltd.	20.00%	Director
			3	AG Agro Industries Ltd.	30.00%	Director
			4	AG Hi-Tech Ltd.	10.00%	Director
			5	AG Ceramic Industries Ltd.	30.00%	Managing Director
			6	AG Ltd.	30.00%	Director
			7	AG Green Property Development Ltd.	30.00%	Managing Director
			8	Swadesh Life Insurance Co. Ltd.	8.33%	Director
			9	AG Agro Food Ltd.	65.00%	Chairman
			10	Joina Breeders Ltd.	80.00%	Chairman
			11	AG Poly & Fiber Ind. Ltd.	30.00%	Managing Director
			12	Dhaka Bangla Media & Communication Ltd.	10.00%	Director
			13	Regent Holding Development	10.00%	Managing Director
			14	AG Broilers Ltd.	30.00%	Managing Director
5.	Mr. Md. Kamal Uddin	Director	1	Meghna Bank Ltd.	9.02%	Director
			2	Diganta Sweaters Ltd.	4.00%	Managing Director
			3	Cosmos Sweaters Ltd.	4.00%	Managing Director
			4	Tricotex Sweaters Ltd.	40.00%	Managing Director
			5	Tricotex Machinery Ltd.	3.00%	Managing Director
			6	Sweaters Zone Ltd.	60.00%	Managing Director
			7	Stoll Bangladesh Ltd.	5.00%	Managing Director
			8	Diganta Packaging & Accessories Ltd.	60.00%	Managing Director
6.	Mr. Tanveer Ahmed Representative of Cassiopea Fashion Ltd.	Director	1	Cassiopea Apparels Ltd.	52.63%	Managing Director
			2	Cassiopea Fashion Ltd.	3.83%	Managing Director
			3	Elegant Washing Plant Ltd.	90.00%	Managing Director
			4	Cassiopea Clothing Ltd.	50.00%	Managing Director
			5	Cassiopea Garments Ltd.	50.00%	Managing Director
			6	Elegant Accessories Ltd.	50.00%	Managing Director
			7	Lavender Convenience Store Ltd.	20.00%	Managing Director
7.	Mr. Shakhawat Hossain	Director	1	Meghna Bank Ltd.	4.06%	Director
			2	Paramount Textile Ltd	8.79%	Managing Director
			3	Paramount Insurance Company Ltd.	6.67%	Sponsor Shareholder
			4	Paramount Holdings Ltd.	50.00%	Chairman & Managing Director
			5	Sunrise Chemical Industries Ltd	50.00%	Chairman & Managing Director
			6	Paramount Spinning Ltd	45.25%	Managing Director
			7	Foodex International Ltd	41.67%	Director
			8	Mount International	33.00%	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
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8.	Mr. Alock Kumar Das	Director	9	Foodex International	50.00%	Managing Partner
			10	Paramount Agro	50.00%	Managing Partner
			11	Paramount Agro Ltd.	33.33%	Managing Director
			12	Paramount International	50.00%	Managing Partner
			1	Meghna Bank Ltd.	4.51%	Director
			2	Paramount Textile Ltd	8.79%	Director
			3	Paramount Insurance Company Ltd	6.67%	Sponsor Shareholder
			4	Paramount Holdings Ltd.	50.00%	Director
			5	Sunrise Chemical Industries Ltd	50.00%	Director
			6	Paramount Spinning Ltd	45.25%	Director
			7	Foodex International Ltd	50.00%	Director
			8	Paramount International	50.00%	Partner
			9	Mount International	50.00%	Partner
			10	Foodex International	50.00%	Director
			11	Sarbon International	50.00%	Partner
			12	Paramount Agro	50.00%	Partner
			13	Alonitas Enterprise	50.00%	Partner
			14	Foreign Food Traders	100.00%	Proprietor
			15	Ratul Money Changer	100.00%	Proprietor
16	S.R. Brother	100.00%	Proprietor			
17	Paramount Agro Ltd.	33.34%	Director			
18	Arihazar Fisheries	100.00%	Proprietor			
19	Emponum Duty Fee Shop	100.00%	Proprietor			
9.	Mr. Md. Ali Azim Khan	Director	1	Meghna Bank Ltd.	4.51%	Director
			2	IL Kwang Textiles Co. Ltd.	78.99%	Managing Director
			3	Young-A Textiles Co. Ltd.	79.00%	Managing Director
			4	Tamim International Traders Ltd	28.57%	Managing Director
			5	Silver Packaging Ltd.	50.00%	Managing Director
			6	Trust Trouser Ltd	25.00%	Managing Director
			7	Nipun Pvt. Ltd.	60.00%	Managing Director
			8	Shinest Apparels Ltd.	80.00%	Managing Director
			9	Nasrin Garments	80.00%	Managing Director
			10	Four Brothers Fashion	100.00%	Proprietor
			11	Ashraf Plastic & Label	100.00%	Proprietor
			12	Shinest Washing	100.00%	Proprietor
			13	Shinest Button	100.00%	Proprietor
			14	Shinest Embroidery, Printing & Accessories	100.00%	Proprietor
10.	Alhaj Md. Lokman Hakim	Director	1	Meghna Bank Ltd.	4.51%	Director
			2	Ziri Subader Steel Re-Rolling Mills (Unit, Re-Rolling Mills)	100.00%	Proprietor



SL No.	Name of the Director	Status with the Bank	Name of the Firms /Companies in which they are interested as proprietor, partner, Director, Managing Agent, Guarantor, Employee etc.	Percentage (%) holding in the company	Remarks	
			3	Ziri Subader Steel Re-Rolling Mills (Unit, Ship Breaking)	100.00%	Proprietor
			4	Ferdous Steel Corporation.	100.00%	Proprietor
			5	Subader Oxygen	100.00%	Proprietor
11.	Mr. Ashiqur Rahman Lasker	Director	1	Meghna Bank Ltd.	4.51%	Director
			2	Maheen Enterprise Ltd.	60.00%	Managing Director
			3	ARL Ship Breakings Ltd.	20.00%	Director
			4	Mihran Ship Recycling Ind. Ltd.	50.00%	Managing Director
			5	ARL Maritime Services Ltd.	40.00%	Director
			6	M & M Corporation Ltd.	60.00%	Director
			7	ARL Apparels Ltd.	50.00%	Director
			8	ARL Dresses Ltd	30.00%	Director
			9	Agarpur Navigation & Company Ltd.	80.00%	Managing Director
			10	MM Green Ship Recycling Yard Ltd.	40.00%	Managing Director
			11	Maheen Enterprise	100.00%	Proprietor
12.	Mrs. Rehana Ashequr Rahman	Director	1	Meghna Bank Ltd.	1.42%	Director
			2	Buraq International Ltd.	15.00%	Chairman
			3	Diesel Motors & Services (BD) Ltd.	16.66%	Director
			4	Buraq Express (BD) Ltd.	19.50%	Director
13.	Mr. Mohammed Mamun Salam Representative of Salim & Brothers Ltd.	Director	1	Salim & Brothers Ltd.	99.40%	Managing Director
			2	Salam Apparel Ltd.	85.00%	Managing Director
			3	Fashion Craft Ltd.	60.00%	Managing Director
			4	Reliance Apparel Ltd.	50.00%	Managing Director
			5	Reliance Denim Ind. Ltd.	50.00%	Managing Director
			6	Reliance Box Ind. Ltd.	50.00%	Managing Director
			7	Reliance Washing Ind. Ltd.	50.00%	Managing Director
			8	Bengal Synthetic Fibres Ltd.	53.64%	Executive Director
			9	Four Seasons Resorts Ltd.	50.00%	Managing Director
14.	Mr. M. A. Maleque M.P	Director	1	Meghna Bank Ltd.	2.26%	Director
			2	M/s. Joy Omar Construction	100.00%	Proprietor
15.	Mrs. Nuran Fatema	Director	1	Meghna Bank Ltd.	1.85%	Director
			2	The Bismillah Marine Services	50.00%	Partnership
			3	The Bismillah International Shipping & Trading Co. Ltd.	50.00%	Chairperson
			4	Bismillah Marine Service	100.00%	Proprietor
			5	The Bismillah Marine Service	100.00%	Proprietor
16.	Mr. S.M. Jahangir Alam (Manik)	Director	1	Meghna Bank Ltd.	4.51%	Director
			2	Sanji Automobiles Ltd.	60.00%	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
			3 Sanji Property Development Ltd.	60.00%	Managing Director
			4 Sanji Stainless Steel Ind.	80.00%	Managing Director
			5 Panama CNG Conversion	100.00%	Proprietor
			6 Sanji Filling & Conversion Center	100.00%	Proprietor
17.	Mr. Md. Saidur Rahman Sarker (Representative of Lusaka Fashion Ltd.)	Director	1 Lusaka Fashion Ltd	8.37%	Managing Director
			2 Tammam Design Ltd	25.00%	Managing Director
18.	Mr. Nazrul Islam	Director	1 Meghna Bank Ltd.	2.26%	Director
			2 Fareast Islami Life Insurance Co. Ltd	2.00%	Chairman
			3 Fareast Islami Securities Ltd. Represented by Fareast Islami Life Insurance Co. Ltd.	99.70%	Chairman
			4 Fareast Islami Properties Ltd.	7.00%	Chairman
			5 Ramisha Cold Storage Ltd.	25.00%	Managing Director
			6 Punot Cold Storage Ltd.	25.00%	Managing Director
			7 Fareast Cold Storage Ltd.	25.00%	Managing Director
			8 Ramisha Enterprise	100.00%	Proprietor
			9 Rimsha Enterprise	100.00%	Proprietor
			10 Ramisha BD Ltd	25.00%	Managing Director
			11 Rimsha BD Ltd.	25.00%	Managing Director
			12 Primeasia University	-	Member Board of Trusty
19.	Ms. Uzma Chowdhury	Director	1 Meghna Bank Ltd.	4.51%	Director
			2 Agricultural Marketing Co Ltd (AMCL)	0.41%	Shareholder
			3 Allplast Bangladesh Ltd.	0.04%	Director
			4 Advance Personal Care Ltd.	0.04%	Director
			5 Bangladesh Lift Industries Ltd.	3.57%	Chairman
			6 Banga Plastic Int'l Ltd.	0.04%	Director
			7 Banga Bakers Ltd.	4.00%	Director
			8 Banga Trading House Limited	7.14%	Director
			9 Banga Agro Processing	0.01%	Director
			10 Banga Millers Ltd.	0.01%	Director
			11 Banga Building Materials Ltd.	1.82%	Director
			12 Charka Textile Ltd.	4.17%	Director
			13 Charka Fashion Limited	0.20%	Director
			14 Durable Plastic Ltd.	0.19%	Director
			15 Get Well Ltd.	0.01%	Director
			16 Gonga Plastic Ltd.	0.92%	Director
			17 Habiganj Agro Ltd	0.01%	Director
			18 Habiganj Metal Industries Limited	4.17%	Director
			19 Logi-Care Overseas Ltd.	0.04%	Director
			20 Multiline Industries Ltd.	1.85%	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	
			21	Natore Agro Limited	1.57%	Director
			22	Property Development	0.250%	Chairman
			23	PRAN Foods Ltd.	2.000%	Director
			24	PRAN Agro Ltd.	0.010%	Director
			25	Pran Agro Business Limited	0.010%	Director
			26	Pran Confectionary Limited	0.03%	Director
			27	Packmat Industries Ltd.	4.00%	Director
			28	RFL Plastic	0.02%	Director
			29	RFL Exports	1.850%	Director
			30	RFL Construction Ltd.	1.850%	Director
			31	Rangpur Foundry Ltd.	0.0400%	Shareholder
			32	Rangpur Metal Industries Ltd.	0.01%	Director
			33	Sylvan Agriculture Ltd.	0.010%	Director
			34	Sylvan Technologies Ltd.	0.200%	Director
			35	Sun Basic Chemicals Ltd.	4.17%	Director
			36	Trade Environment Limited	0.20%	Director
			37	Sylvan Poltry Ltd.	2.74%	Director

2.37 The Significant Related Party Transactions During the Year Were as Follows

Credit Facilities

Name of Organisation	Name of Director	Type of security & value of Security	Approved limit	Outstanding as on 31st December 2018	
				Funded	Non-Funded
Ramisha Cold Storage Ltd.	Md. Nazrul Islam	FDR 150,000,000	135,000,000	83,707,563	-

Credit Card Facilities

Name of Director of MGBL	Approved Limit	Type of Securities	Value of Eligible Securities	Outstanding as on December 31, 2018
Ashiqur Rahman Lasker	BDT 24,00,000	Lien FDR	BDT 30,00,000	BDT 2,58,345.80
Tanveer Ahmed	USD 40000	Lien ERQ A/C MTBL	USD 40000	-
Ali Azim Khan	USD 20000	Lien ERQ A/C SEBL	USD 20000	-

2.38 Approval of Financial Statements

These financial statements were reviewed by the audit committee of the Board of the bank in its 24th meeting held on 16 April, 2019 and was subsequently approved by the Board in its 84th meeting held on 16 April, 2019.

2.39 Reporting Period

These financial statements cover the period from 1 January 2018 to 31 December 2018.

2.40 General

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



	2018 Taka	2017 Taka
3 Consolidated Cash in hand (Including foreign currencies)		
Meghna Bank Limited (Note-3a)	531,987,877	468,107,189
Meghna Bank Securities Ltd	7,394	18,579
	531,995,271	468,125,769
3a Cash in hand (Including foreign currencies)		
In local currency	530,753,127	462,186,862
In foreign currencies	1,234,750	5,920,327
	531,987,877	468,107,189
4 Consolidated Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		
Meghna Bank Limited (Note-4a)	2,304,837,657	3,558,242,609
Meghna Bank Securities Ltd	-	-
	2,304,837,657	3,558,242,609
4a Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		
In local currency	2,155,883,784	3,499,782,879
In foreign currencies	148,953,873	58,459,730
	2,304,837,657	3,558,242,609
Balance with Sonali Bank Ltd as agent of Bangladesh Bank		
In local currency	-	-
In foreign currencies	-	-
	2,304,837,657	3,558,242,609
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 (amended upto 2013) and MPD Circular No. 01 dated April 03, 2018 & DOS Circular No.01 dated January 19, 2014 issued by Bangladesh Bank.		
The bank has been maintaining 5.0% CRR on daily basis and 5.5% on bi-weekly basis. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of December 2018 is maintained on the basis of weekly ATDTL of October 2018) and maintained with Bangladesh Bank. The bank also maintaining 13% SLR on weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. SLR of December 2018 is maintained on the basis of weekly ATDTL of October 2018). Both the reserves maintained by the bank are in excess of the statutory requirements, as shown below:		
4a.2 Cash Reserve Requirement (CRR): 5.5% of Average Total Demand and Time Liabilities on bi-weekly basis.		
Required Reserve	1,727,066,892	2,051,159,060
Actual Reserve held with Bangladesh Bank (In local currency)	2,157,583,498	3,491,827,520
CRR Surplus	430,516,606	1,440,668,460
4a.3 Statutory Liquidity Ratio (SLR): 13.00% of Average Total Demand and Time Liabilities		
Required Reserve	4,082,158,107	4,102,318,120
Actual Reserve held	5,225,567,901	6,119,498,647
SLR Surplus	1,143,409,794	2,017,180,527
4a.5 Held for Statutory Liquidity Ratio		
Cash in hand (Note-3a)	531,987,877	468,107,189
Government Securities - Treasury Bills (Note-7a)	-	99,337,620
Government Treasury Bond (HTM & HFT) (Note-7a)	4,263,063,418	4,111,385,378
Excess Reserve of CRR (Note-4a.2)	430,516,606	1,440,668,460
	5,225,567,901	6,119,498,647
5 Consolidated Balance with Other Banks and Financial Institutions		
In Bangladesh		
Meghna Bank Limited (Note-5a)	3,108,498,037	2,201,137,004
Meghna Bank Securities Ltd	95,465,754	46,920,590
	3,203,963,791	2,248,057,594
Less: Inter Company Transaction	70,219,834	23,115,455
	3,133,743,957	2,224,942,139
Outside Bangladesh		
Meghna Bank Limited (Note-5a)	216,533,030	85,054,989
Meghna Bank Securities Ltd	-	-
	216,533,030	85,054,989
	3,350,276,987	2,309,997,128



	2018 Taka	2017 Taka
5a Balance with Other Banks and Financial Institutions		
In Bangladesh (Note-5a.1)	3,108,498,037	2,201,137,004
Outside Bangladesh (Note-5a.2)	216,533,030	85,054,989
	3,325,031,067	2,286,191,993
5a.1 In Bangladesh		
5a.1a Current Account		
Trust Bank Limited, Gulshan Branch	3,240,972	3,057,871
Trust Bank Limited, Shathibari Branch	23,896	1,579,824
Mercantile Bank Ltd, Banglabazar Branch	-	210
AL-Arafah Islami Bank Ltd, Bormi Bazar Branch	7,002,364	1,005,515
Southeast Bank Limited, Bandura Branch	7,585	3,500,794
Eastern Bank Limited, Gulshan Branch	1,250,230	1,384,893
Social Islami Bank Ltd, Sirajgonj Branch	3,950	11,002,400
Bank Asia Limited, Rangpur Branch	54,670	1,758,494
Jamuna Bank Limited, Kalampur Branch	2,199	2,774
Agrani Bank Limited, Munshirhat Branch	24,620	7,020
BRAC Bank Limited, Gulshan Branch	535,965	504,026
Sonali Bank Limited, Local Office	6,169,966	14,120,035
Bank Asia Limited, Bogra Branch	751	4,976
Sonali Bank Limited, Feni Branch	614,049	694,429
Sonali Bank Limited, Sirajganj Branch	4,425	-
Sonali Bank Limited, Kishoreganj Branch	6,262,001	748,990
Sonali Bank Limited, Munshiganj Corporate Branch 2	2,550,685	4,004,100
Sonali Bank Limited, Kushtia Corporate Branch	91,689	-
Sonali Bank Limited, Chehelgazi Branch	82,419	5,096,100
	27,922,436	48,472,450
5a.1b Special Notice Deposits		
Eastern Bank Limited, Principal Branch	-	1,548,912
Southeast Bank Limited, Mohakhali Branch	-	3,250,498
Premier Bank Limited, Gulshan Circle-2 Branch	-	6,156,081
Mercantile Bank Ltd, Agrabad Branch	9,801,067	904,089
NCC Bank Limited, Laldighirpar Branch	42,560,458	7,388,844
Sonali Bank Limited, Mithapukur Branch	28,214,076	18,726,131
	80,575,601	37,974,554
5a.1c FDR with Other Banks & Financial Institutions		
FDR with Other Banks (Note-5a.1c.i)	300,000,000	800,000,000
FDR with Financial Institutions (Note-5a.1c.ii)	2,700,000,000	1,314,690,000
	3,000,000,000	2,114,690,000
5a.1c.i FDR with Other Banks		
AB Bank Limited	-	500,000,000
NRB Bank Limited	-	-
The Farmers Bank Limited	300,000,000	300,000,000
	300,000,000	800,000,000
5a.1c.ii FDR with Financial Institutions		
Phoenix Finance and Investment Ltd	-	14,690,000
IDLC Finance Limited	750,000,000	750,000,000
FAS Finance & Investment Ltd	50,000,000	50,000,000
Meridian Finance and Investment Limited	100,000,000	-
International Leasing Financial Service Limited	150,000,000	-
Uttara Finance and Investment Ltd.	350,000,000	-
GSP Finance Company (Bangladesh) Limited	300,000,000	-
IPDC Finance Limited	400,000,000	-
Lanka Bangla Finance Limited	600,000,000	500,000,000
	2,700,000,000	1,314,690,000
	3,108,498,037	2,201,137,004



5a.2 Outside Bangladesh (NOSTRO Account)

Current Account

AB Bank Ltd, Mumbai
AB Bank Limited, OBU-USD
Mashreq Bank p.s.c. New York, U.S.A
Habib American Bank, New York. U.S.A
MCB Bank Limited, Karachi, Pakistan
Mashreq Bank London, UK
Mashreq Bank London, UK
Kookmin Bank, Seoul Korea
National Bank of Pakistan, Tokoyo, Japan.
Mizuho Bank Ltd, Tokyo, Japan.
State Bank of India, Sydney, Australia
Bank Al Jazira, KSA
AXIS Bank Ltd. Kolkata, India, ACU USD.
BMCE Bank International, Madrid, Spain
BMCE Bank International, GBP
Bhutan National Bank, ACU
Bank of New Zealand

2018 Taka	2017 Taka
23,160,228	7,426,529
-	167,279
128,196,298	45,418,796
26,758,335	10,932,300
812,600	2,255,991
104,507	5,433,375
-	5,138,909
452,613	340,972
76,967	962,164
3,577,768	1,307,632
-	1,194,299
4,175,822	4,123,761
20,351,754	-
6,863,132	-
824,074	-
1,169,569	-
9,363	352,981
216,533,030	85,054,989

Currency wise Distribution:

Foreign Currency

USD/ACU

AUD

GBP

EUR

JYP

SAR

NZD

BDT	Composition
200,901,396	92.78%
-	0.00%
928,582	0.43%
6,863,132	3.17%
3,654,735	1.69%
4,175,822	1.93%
9,363	0.00%
216,533,030	100%

5a.3 In accordance with Bangladesh Bank Foreign Exchange Policy Department, Circular FEPD (DEMO/01/2005-677) dated 13 September 2005, the quarterly review of NOSTRO Accounts for the quarter ended 31 December 2018 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. Details of foreign currency amounts with exchange rates are presented in Annexure - C.

Amount in US\$

	As per Bank's Book		As per Correspondents' Book	
	Debit entries No. Amount	Credit entries No. Amount	Debit entries No. Amount	Credit entries No. Amount
Up to 3 months	3 82,371.11	24 798,629.86	6 2,916.16	21 1,045,117.45
From 03 months to 06 months	- -	1 575.00	1 1,247.40	1 3,129.81
From 06 months to 09 months	- -	- -	- -	- -
From 09 months to 12 months	- -	- -	- -	- -
More than 12 months	- -	- -	- -	- -
	3 82,371.11	25 799,204.86	7 4,163.56	22 1,048,247.26

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

On Demand

Not more than 3 months

More than 3 months but less than 1 year

More than 1 year but less than 5 years

More than 5 years

244,455,466	433,527,439
2,930,575,601	1,837,974,554
150,000,000	14,690,000
-	-
-	-
3,325,031,067	2,286,191,993

6 Consolidated Money at Call and Short Notice

Meghna Bank Limited (Note-6a)

Meghna Bank Securities Ltd

1,990,000,000	240,000,000
-	-
1,990,000,000	240,000,000



	2018 Taka	2017 Taka
6a Money at Call and Short Notice		
With Bank		
Midland Bank Limited	-	50,000,000
The City Bank Limited	300,000,000	-
Uttara Bank Limited	600,000,000	-
AB Bank Limited	700,000,000	-
Commercial Bank of Ceylon	60,000,000	-
Modhumoti Bank Limited	60,000,000	-
	1,720,000,000	50,000,000
With NBFi		
Lanka Bangla Finance Limited	150,000,000	190,000,000
Uttara Finance and Investment Limited	40,000,000	-
IPDC Finance Limited	40,000,000	-
Delta Brac Housing Finance Corporation Limited	40,000,000	-
	270,000,000	190,000,000
	1,990,000,000	240,000,000
7 Consolidated Investment:		
Government Securities		
Meghna Bank Limited (Note-7a)	4,263,726,818	4,211,248,398
Meghna Bank Securities Ltd	-	-
	4,263,726,818	4,211,248,398
Other Investments		
Meghna Bank Limited (Note-7a)	229,062,720	516,336,589
Meghna Bank Securities Ltd	318,091,650	333,467,428
	547,154,370	849,804,017
	4,810,881,188	5,061,052,415
7a Investment:		
i) Investment Classified as per Bangladesh Bank Circular:		
Held for Trading (HFT)	-	169,791,282
Held to Maturity (HTM)	4,263,063,418	4,040,931,716
Other Investment	229,726,120	516,861,989
	4,492,789,538	4,727,584,987
ii) Investment Classified as per Nature:		
a) Government Securities:		
1) Treasury Bills (HFT)		
91 Days Treasury Bills	-	99,337,620
182 Days Treasury Bills	-	-
364 Days Treasury Bills	-	-
	-	99,337,620
2) Government Bond (HTM & HFT)		
2,5,10,15 & 20 Years Bonds (Note-7a.2)	4,263,063,418	4,111,385,378
Prize Bond in Hand	663,400	525,400
	4,263,726,818	4,111,910,778
Total (1+2)	4,263,726,818	4,211,248,398
b) Other Investment		
1) Trust Bank Limited Subordinate Bond-II	60,000,000	80,000,000
2) City Bank Limited Subordinate Bond	-	234,750,000
3) Investment in MAXCAP DPA-IDLC (Note - 7a.3)	3,490,880	3,531,447
4) Investment in Shares at cost (Note - 7a.4)	165,571,840	198,055,142
	229,062,720	516,336,589
	4,492,789,538	4,727,584,987
7a.1 Maturity-wise Grouping of Investment in Securities:		
On demand	-	132,111,989
Not more than 3 months	663,400	149,347,844
More than 3 months but less than 1 year	189,057,378	-
More than 1 year but less than 5 years	220,910,653	667,683,074
More than 5 years	4,082,158,107	3,778,442,080
	4,492,789,538	4,727,584,987



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

	2018 Taka	2017 Taka
	-	-
	19,994,657	19,989,659
	780,598,041	900,387,228
	1,611,084,108	1,464,705,041
	1,851,386,612	1,655,849,788
	-	50,010,224
	-	20,443,438
	-	-
	-	-
	-	-
Total	4,263,063,418	4,111,385,378

7a.3 Investment in MAXCAP DPA-IDLC**Ordinary Share**

Bata Shoe Company (Bangladesh) Limited
 Marico Bangladesh Limited
 Green Delta MF
 Square Pharmaceuticals Limited
 Cash Balance

	3,188,702	3,188,702
	161,372	161,372
	-	60
	121,230	125,681
	19,576	55,632
	3,490,880	3,531,447

7a.4 Investment in Shares at cost**Quoted**

Advent Pharma Limited
 BBS Cables Limited
 BSRM Steels Limited
 Beximco Pharmaceuticles Ltd.
 BRAC Bank Limited
 C and A Textiles Limited
 City Bank Limited
 Dhaka Bank Limited
 Genex Infosys Limited
 Grameenphone Limited
 Heidelberg Cement Bangladesh Limited
 IDLC Finance Limited
 IFAD Autos Limited
 Intraco Refueling Station Limited
 Indo-Bangla Pharmaceuticals Limited
 Jamuna Oil Company Limited
 Kattali Textile Limited
 Lafarge Surma Cement Limited
 Meghna Petroleum Ltd.
 Mercantile Bank Limited
 MJL Bangladesh Limited
 M.L. Dyeing Limited
 Nahee Aluminum Composite Panel Limited
 Nurani Dyeing & Sweater Limited
 Olympic Industries Limited
 Oimex Electrode Limited
 Pacific Denims Limited
 RAK Ceramics (Bangladesh) Limited
 SS Steel Limited
 Shepherd Industries Limited
 Singer BD. Limited
 Silva Pharmaceuticals Limited
 Square Pharmaceuticals Limited
 Square Textile Limited
 Summit Power Limited
 Shinepukur Ceramics Limited
 SK Trims and Industries Limited
 Southeast Bank Limited
 Titas Gas Transmission & Dist. Co. Limited
 VFS Thread Dyeing Limited
 United Commercial Bank Limited

Unquoted

Star Ceramics Limited - Preference Share

	34,570	-
	-	46,180
	6,926,260	6,926,260
	1,059,413	-
	4,088,550	-
	2,620,440	2,620,440
	1,517,823	1,003,944
	717,860	-
	104,660	-
	-	5,744,363
	9,291,098	9,291,098
	3,070,734	-
	1,927,116	-
	53,340	-
	29,450	-
	14,073,833	14,073,833
	100,640	-
	10,279,614	10,279,614
	3,045,459	3,045,459
	903,600	-
	10,558,727	10,558,727
	60,400	-
	-	114,120
	-	303,330
	7,663,426	7,663,426
	-	129,620
	-	309,720
	3,034,604	3,034,604
	134,920	-
	-	226,180
	-	2,335,103
	91,940	-
	16,409,552	9,966,382
	7,151,302	7,151,302
	-	8,617,212
	53,965	-
	100,820	-
	783,120	-
	8,553,476	8,553,476
	70,380	-
	16,060,748	16,060,748
	35,000,000	70,000,000
	165,571,840	198,055,142

Details of investment in share with market value are presented in Annexure - A.



	2018 Taka	2017 Taka
8 Consolidated Loans and Advances		
Meghna Bank Limited (Note-8a)	29,951,121,824	27,264,446,784
Meghna Bank Securities Ltd	-	-
	29,951,121,824	27,264,446,784
Bills purchased and discounted		
Meghna Bank Limited (Note-8a)	202,555,334	193,451,108
Meghna Bank Securities Ltd	-	-
	202,555,334	193,451,108
	30,153,677,158	27,457,897,892
8a Loans and Advances		
i) Loans, Cash Credits, Overdraft, etc.		
Inside Bangladesh		
Cash Credit	5,918,302,631	5,709,372,024
Secured overdraft	2,968,660,327	2,496,102,679
General overdraft	4,382,339,701	5,470,263,466
Import finance	1,558,223,193	1,962,741,769
Export Finance	-	9,272,509
Other Demand Loans	5,552,452,583	2,569,942,426
Hire Purchase Finance	2,477,841	3,602,713
Demand Loan (Forced Loan)	134,693,645	153,393,454
Consortium/Syndicate Finance	236,819,920	277,789,299
House Building Loan	2,478,434,567	2,375,270,480
Credit Card A/C	198,513,257	105,520,355
General Term Loans	5,398,724,116	5,004,296,640
Agricultural and Rural Credit Scheme	850,774,532	870,316,844
SME Loans and Advances	3,171,375	1,182,385
Personal/Professionals Loan Scheme	267,534,136	255,379,740
	29,951,121,824	27,264,446,784
Outside Bangladesh	-	-
	29,951,121,824	27,264,446,784
ii) Bills purchased and discounted		
Payable Inside Bangladesh		
Inland bills purchased and discounted	171,876,033	192,150,535
Payable outside Bangladesh		
Foreign bills purchased and discounted	30,679,301	1,300,573
	202,555,334	193,451,108
	30,153,677,158	27,457,897,892
8a.1 Net Loans and Advances		
Gross performing loans and advances	30,153,677,158	27,457,897,892
Less:		
Interest Suspense (Note-13a)	141,108,080	52,415,243
Provision for loans and advances (Note-8a.10)	863,352,789	439,985,812
	1,004,460,869	492,401,055
	29,149,216,289	26,965,496,838
8a.2 Residual Maturity Grouping of Loans and Advances Including Bills Purchased and Discounted		
Re-payable on Demand	-	-
Not more than 3 months	10,863,919,856	10,990,853,623
Over 3 months but not more than 1 year	8,920,126,522	9,625,248,417
Over 1 year but not more than 5 years	7,608,697,103	4,121,240,605
Over 5 years	2,760,933,677	2,720,555,247
	30,153,677,158	27,457,897,892
8a.3 Residual Maturity Grouping of Bills Purchased and Discounted		
Re-payable:-		
Within 1 month	22,855,531	70,995,822
Over 1 month but less than 3 months	145,889,577	97,033,597
Over 3 months but less than 6 months	33,810,227	25,421,690
6 months or more	-	-
	202,555,335	193,451,108



	2018 Taka	2017 Taka
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	171,773,398	134,648,952
(c) Advances to Customer Groups:		
i) Commercial Lending	3,006,496,561	2,991,665,605
ii) Export Financing	172,939,642	128,971,193
ii) House Building Loan	2,220,890,736	2,302,633,230
iii) Retail Loan	387,683,052	298,888,394
iv) Small and Medium Enterprises	5,333,483,233	6,586,285,627
vi) Special Program Loan	-	-
v) Industrial Loans Details (Note-8a.4a)	14,274,556,792	9,872,559,779
vi) Others Loan	1,762,447,179	2,786,429,305
vii) Other Loans and Advances (SOD)	2,823,406,565	2,355,815,808
	29,981,903,760	27,323,248,941
	30,153,677,158	27,457,897,892

8a.4a Details of Industrial Loans and Advances

i) Agricultural industries	1,224,140,171	989,649,819
ii) Textile industries	424,219,899	193,284,485
iii) Food and allied industries	485,014,218	436,644,964
iv) Pharmaceutical industries	396,297,497	401,321,064
v) Leather, Chemical, Cosmetics etc	-	-
iv) Tobacco industries	200,401,724	-
v) Cement and Ceramic industries	269,514,906	20,031,176
vi) Service industries	4,395,581,269	2,892,104,898
vii) Transport and Communication Industries	110,774,367	14,515,819
viii) Other industries including bills purchased and discounted	6,768,612,741	4,925,007,553
	14,274,556,792	9,872,559,779

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	: 1036.58 Crore	812.60 Crore
Number of such types of customers	: 21	18
Amount of Classified Advances thereon	: Nil	Nil
Measures taken for recovery	: Not applicable	Not applicable

Each of the twenty one customers exceeds the limit of 10% of Bank's total capital in the year 2018. 10% of Bank's total capital stood as on December 31, 2018 Tk. 55.55 crore.

A schedule of details large loans and advances is given in Annexure-D

8a.6 Sector-wise Classification of Loans and Advances Including Bills Purchased and Discounted:

Public Sector	9,777,254	85,357,084
Co-Operative Sector	-	-
Private Sector	30,143,899,904	27,372,540,808
	30,153,677,158	27,457,897,892

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

Area	As at 31 December 2018		As at 31 December 2017	
	Amount	Composition	Amount	Composition
i) Inside Bangladesh (Note-8a.8)				
a) In Rural Areas	3,723,221,771	12.35%	3,605,747,928	13.13%
b) In Urban Areas	26,430,455,387	87.65%	23,852,149,965	86.87%
Sub-total	30,153,677,158	100.00%	27,457,897,892	100.00%
ii) Outside Bangladesh	-	-	-	-
Total	30,153,677,158	100.00%	27,457,897,892	100.00%

2018
Taka

2017
Taka

8a.8 Inside Bangladesh

Division	As at 31 December 2018		As at 31 December 2017	
	Amount	Composition	Amount	Composition
Dhaka	21,488,702,137	71.26%	20,504,916,414	74.68%
Chittagong	6,146,641,952	20.38%	4,619,753,138	16.82%
Sylhet	460,786,788	1.53%	471,309,462	1.72%
Rajshahi	907,185,892	3.01%	732,967,443	2.67%
Rangpur	597,334,442	1.98%	557,528,744	2.03%
Khulna	203,660,670	0.68%	179,133,648	0.65%
Barisal	349,365,277	1.16%	392,289,043	1.43%
Total	30,153,677,158	100.00%	27,457,897,892	100.00%

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

Status	As at 31 December 2018		As at 31 December 2017	
	Amount	Composition	Amount	Composition
a) Unclassified				
Unclassified (including staff Loans)	27,373,722,051	90.78%	25,587,399,230	93.19%
Special Mention Account (SMA)	1,042,713,134	3.46%	939,319,510	3.42%
	28,416,435,185		26,526,718,740	
a) Classified				
Substandard	211,410,851	0.70%	247,105,190	0.90%
Doubtful	164,359,427	0.55%	272,523,540	0.99%
Bad or loss	1,361,471,695	4.52%	411,550,422	1.50%
	1,737,241,973		931,179,152	
Total	30,153,677,158	100.00%	27,457,897,892	100.00%

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

Status	Rate	Basis for Provision	2018	2017
Unclassified (Excluding staff Loans)	1%	18,901,134,709	189,011,347	159,995,660
Staff Loans	0%	171,773,398	-	-
Consumer Financing (Credit Card)	2%	192,363,152	3,847,263	2,110,407
Consumer Financing (Other than HF & LP)	5%	168,572,088	8,428,604	9,315,632
Small & Medium Enterprise	0.25%	5,573,923,754	13,934,809	16,712,444
Housing Finance	1%	2,096,102,441	20,961,024	21,569,277
Loan for professionals	2%	29,734,722	594,694	693,470
Share Business	2%	421,066,093	8,421,322	7,596,885
Short Term Agri. Credit	1%	861,764,828	8,617,648	8,442,479
Special Mention Account	Applicable Rate	-	-	-
			253,816,711	226,436,253
Substandard	20%	77,879,566	15,575,913	29,047,153
Doubtful	50%	34,930,759	17,465,379	67,411,223
Bad or loss	100%	576,494,786	576,494,786	117,091,183
			609,536,078	213,549,559
Required provision for Loans and Advances			863,352,789	439,985,812
Total provision maintained {Note-13a.1 (a) & (b)}			863,500,000	445,800,000
Surplus Provision			147,211	5,814,188

The Bank has maintained provision on loans and advances amounting to Tk. 863,500,000 {note - 13a.1(a) & (b)}. There exists surplus of Tk. 147,211 in loans and advances.



	2018 Taka	2017 Taka
8a.11 Particulars of provision for Off-Balance Sheet		
Status	Basis for Provision	Rate 1%
Acceptances and Endorsements	1,205,433,639	12,054,336
Bills	343,766,187	3,437,662
Letters of Guarantee	2,913,254,552	29,132,546
Irrevocable Letters of Credit	1,149,951,517	11,499,515
Required provision for Off Balance Sheet Items	5,612,405,895	56,124,059
Provision maintained {Note-13a.1(c)}	<u>56,200,000</u>	<u>64,300,000</u>
Surplus Provision	<u>75,941</u>	<u>93,780</u>

8a.12 Particulars of Loans and Advances:

(i) Loans considered good in respect of which the banking company is fully secured.	22,650,981,402	22,334,123,323
(ii) Loans considered good for which the banking company holds no other security than the debtor's personal guarantee.	5,260,300,879	3,278,988,578
(iii) Loans considered good and secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors.	2,242,394,877	1,844,785,991
(iv) Loans adversely classified; provision not maintained there against.	-	-
	<u>30,153,677,158</u>	<u>27,457,897,892</u>
(v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons.	<u>171,773,398</u>	<u>134,648,952</u>
(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.	<u>83,707,563</u>	<u>130,479,558</u>
(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.	-	<u>8,858,223</u>
(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.	<u>83,707,563</u>	<u>130,479,558</u>
(ix) Due from Banking Companies	-	-
(x) Classified loans and advances	<u>1,737,241,973</u>	<u>931,179,152</u>
a) Amount of classified loans and advances on which interest has not been charged	1,361,471,695	411,550,422
b) Provision on classified loans and advances	609,600,000	217,800,000
c) Provision kept against loans classified as bad loss	576,494,786	117,091,183
d) Interest credited to Interest suspense Account	<u>141,634,865</u>	<u>53,627,242</u>
(xi) Cumulative amount of written off Loans & Advances	-	-

9 Consolidated Fixed Assets including Premises, Furniture & Fixtures

Cost:

Meghna Bank Limited (Note-9a)	660,328,644	529,768,773
Meghna Bank Securities Ltd	6,120,368	6,105,368
	<u>666,449,012</u>	<u>535,874,141</u>

Accumulated Depreciation:

Meghna Bank Limited (Note-9a)	344,333,450	246,612,720
Meghna Bank Securities Ltd	2,975,423	1,750,428
	<u>347,308,873</u>	<u>248,363,148</u>

Carrying value

	<u>319,140,139</u>	<u>287,510,993</u>
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	2018 Taka	2017 Taka
9a Fixed Assets including Premises, Furniture & Fixtures		
A. Cost:		
Opening balance	529,768,773	466,232,163
Add: Addition during the year	130,559,871	64,641,720
Less: Disposal during the year	-	1,105,110
Closing balance at cost	660,328,644	529,768,773
B. Depreciation:		
Opening balance	246,612,720	169,920,967
Add: Addition during the year	97,720,730	77,396,485
Less: Adjustment / disposal during the year	-	704,732
Accumulated Depreciation	344,333,450	246,612,720
Carrying value	315,995,194	283,156,053
A schedule of fixed assets is given in Annexure-B		
10 Consolidated Other Assets		
Meghna Bank Limited (Note-10a)	735,235,491	755,805,042
Meghna Bank Securities Ltd	17,903,238	14,713,105
	753,138,729	770,518,147
Less: Inter Company Transaction	369,784,702	353,123,289
	383,354,027	417,394,858
10a Other Assets		
Stock of Stationery, Stamps and Printing Materials etc. (valued at cost)	4,414,284	3,687,488
Advance Rent	217,506,936	229,074,956
Suspense Account (Note-10a.1)	26,213,912	42,031,263
Interest receivable (Note-10a.2)	84,474,761	93,809,569
Security Deposit	103,055	105,265
Advance against proposed Branch	16,170,000	9,217,023
Cash Remittance	5,000,000	3,500,000
Interest on Sanchaypatra	8,191,143	19,698,940
NCCB Securities & Financial Services Ltd	568	1,468
Meghna Bank Securities Ltd	19,784,802	3,123,389
Prepaid Expenses	1,286,977	846,153
Investment in Subsidiary (Note-10a.3)	349,999,900	349,999,900
BEFTN Adjustment Account	250,772	191,325
S/D RFA SEBL - Western Union	4,903	279,691
Trans-Fast-Remittance Payment Account	-	8,000
Interest on Investment Bond- Customer	369,402	29,611
Chargeback Account for VISA Cards	37,150	1,000
Accrued Income on Shares	1,426,926	-
MFS Funding Account	-	200,000
	735,235,491	755,805,042
10a.1 Suspense Account:		
Sundry Debtors	11,195,300	6,384,518
Advance against TA/DA	418,938	55,000
Advance Against Salary	-	50,000
Advance against Petty Cash	35,000	25,000
Advance Against Suits/ Cases for NPL A/C	796,741	27,525
Encashment of Sanchaypatra	4,400,000	27,000,000
Advance Against Board/EC Meeting	-	-
Premature Encashment of Sanchaypatra	9,367,933	8,489,220
	26,213,912	42,031,263

The detail breakup of unadjusted suspense accounts are given below:



2018 Taka	2017 Taka
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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	6,264,300	131,000	-	-	4,800,000
2	Advance against TA/DA	368,663	50,275	-	-	-
3	Advance against Petty Cash	35,000	-	-	-	-
4	Advance Against Suits/ Cases for NPL A/C	13,529	307,687	429,375	37,000	9,150
5	Encashment of PSP/BSP/BG	11,419,162	2,028,551	20,220	300,000	-
	Grand Total	18,100,654	2,517,513	449,595	337,000	4,809,150

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

15,315,972	21,590,467
212,000	111,173
1,216,667	117,222
67,730,122	71,990,707
84,474,761	93,809,569

10a.3 Investment in Subsidiary:

Meghna Bank Limited holds 34,99,999 number of ordinary shares of Meghna Bank Securities Limited with a face value of Tk. 100 each which is equivalent to 99.99% of total shares of the company.

10a.4 Non-Income Generating 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

Cash Remittance

Interest on Sanchaypatra

NCCB Securities & Financial Services Ltd

Meghna Bank Securities Ltd

Prepaid Expenses

BEFTN Adjustment Account

S/D RFA SEBL - Western Union

Trans-Fast-Remittance Payment Account

Interest on Investment Bond- Customer

Chargeback Account for VISA Cards

Accrued Income on Shares

MFS Funding Account

4,414,284	3,687,488
217,506,936	229,074,956
26,213,912	42,031,263
84,474,761	93,809,569
103,055	105,265
16,170,000	9,217,023
5,000,000	3,500,000
8,191,143	19,698,940
568	1,468
19,784,802	3,123,389
1,286,977	846,153
250,772	191,325
4,903	279,691
-	8,000
369,402	29,611
37,150	1,000
1,426,926	-
-	200,000
385,235,591	405,805,142

11 Consolidated Borrowings from other Banks & Financial Institutions and Agents

Meghna Bank Limited (Note-11a)

Meghna Bank Securities Ltd

1,163,095	906,590,476
-	-
1,163,095	906,590,476

11a Borrowings from other Banks & Financial Institutions and Agents

In Bangladesh (Note-11a.1)

Outside Bangladesh

1,163,095	906,590,476
-	-
1,163,095	906,590,476

11a.1 In Bangladesh

Sonali Bank Limited

Janata Bank Limited

Refinance against SME Loan from Bangladesh Bank

-	450,000,000
-	450,000,000
1,163,095	6,590,476
1,163,095	906,590,476



	2018 Taka	2017 Taka
11a.2 Security against Borrowings from other Banks & Financial Institutions and Agents		
Secured	-	-
Unsecured	1,163,095	906,590,476
	1,163,095	906,590,476
11a.3 Maturity grouping of Borrowings from other Banks & Financial Institutions and Agents		
Payable on demand	-	-
Up to 1 Month	75,000	900,000,000
Over 1 Month but within 3 Months	375,595	-
Over 3 Months but within 1 Year	555,952	6,590,476
Over 1 Year but within 5 Years	156,548	-
Over 5 Years	-	-
	1,163,095	906,590,476
12 Consolidated Deposits and Other Accounts		
Current Deposit & Other Accounts:		
Meghna Bank Limited (Note-12a)	3,517,473,496	3,604,630,443
Meghna Bank Securities Ltd	-	-
	3,517,473,496	3,604,630,443
Less: Inter Company Transaction	-	-
	3,517,473,496	3,604,630,443
Bills Payable:		
Meghna Bank Limited (Note-12a)	358,187,863	606,763,598
Meghna Bank Securities Ltd	-	-
	358,187,863	606,763,598
Savings Bank Deposits:		
Meghna Bank Limited (Note-12a)	1,640,439,099	1,184,311,513
Meghna Bank Securities Ltd	-	-
	1,640,439,099	1,184,311,513
Fixed Deposits:		
Meghna Bank Limited (Note-12a)	30,930,582,264	26,891,364,651
Meghna Bank Securities Ltd	-	-
	30,930,582,264	26,891,364,651
Less: Inter Company Transaction	70,219,834	23,115,454
	30,860,362,430	26,868,249,197
	36,376,462,888	32,263,954,751
12a Deposits and Other Accounts		
1) Deposits from banks	3,326,568,646	2,156,225,301
2) Deposits from customers	33,120,114,076	30,130,844,904
	36,446,682,722	32,287,070,205
1) Deposits from banks		
i) Current Deposit & Other Accounts		
Current Deposit	-	-
Foreign Currency Deposits	-	-
Sundry Deposits [Note Y]	1,287,852	1,013,029
	1,287,852	1,013,029
ii) Bills Payable:		
Payable inside Bangladesh	-	-
Payable outside Bangladesh	-	-
	-	-
iii) Savings Bank Deposits:		
Savings Deposits	-	-
	-	-
iv) Fixed Deposits:		
Fixed Deposits	3,319,075,000	2,150,000,000
Short Notice Deposits	6,205,794	5,212,272
Scheme Deposit [Note-X]	-	-
	3,325,280,794	2,155,212,272
	3,326,568,646	2,156,225,301



	2018 Taka	2017 Taka
2) Deposits from customer		
i) Current Deposit & Other Accounts:		
Current Deposit	2,901,653,268	2,672,008,271
Foreign Currency Deposits	12,054,759	33,055,148
Sundry Deposits [Note Y]	602,477,617	898,553,995
	3,516,185,644	3,603,617,414
ii) Bills Payable:		
Payable inside Bangladesh	357,882,904	606,470,840
Payment Order Issued	357,882,904	606,470,840
Payable outside Bangladesh	304,959	292,758
	358,187,863	606,763,598
iii) Savings Bank Deposits:		
Savings Deposits	1,640,439,099	1,184,311,513
	1,640,439,099	1,184,311,513
iv) Fixed Deposits:		
Fixed Deposits	20,628,893,873	19,040,723,930
Short Notice Deposits	1,583,014,106	754,547,020
Scheme Deposit [Note-X]	5,393,393,491	4,940,881,429
	27,605,301,470	24,736,152,379
	33,120,114,076	30,130,844,904
X Scheme Deposits:		
Deposit Pension Scheme	1,789,021,761	1,094,591,843
Meghna Child Education Plan	33,351,126	29,177,715
Monthly Income Scheme Deposit	1,979,169,580	2,402,570,950
Meghna Multiplier Scheme	1,591,851,024	1,414,540,921
	5,393,393,491	4,940,881,429
12a.1 Deposits and Other Accounts:		
Current Deposit & Other Accounts:		
a) Deposits from banks	1,287,852	1,013,029
b) Deposits from customers	3,516,185,644	3,603,617,414
	3,517,473,496	3,604,630,443
Bills Payable		
a) Deposits from banks	-	-
b) Deposits from customers	358,187,863	606,763,598
	358,187,863	606,763,598
Savings Bank Deposits:		
a) Deposits from banks	-	-
b) Deposits from customers	1,640,439,099	1,184,311,513
	1,640,439,099	1,184,311,513
Fixed Deposits:		
a) Deposits from banks	3,325,280,794	2,155,212,272
b) Deposits from customers	27,605,301,470	24,736,152,379
	30,930,582,264	26,891,364,651
Y. Sundry Deposits		
Margin on letter of guarantee	198,527,044	211,073,885
Margin on letter of credit	167,890,512	298,349,862
VAT/Tax/Excise duty payable to Government Authority	111,075,929	84,838,999
Others	126,271,984	305,304,278
	603,765,469	899,567,024
12a.2 Maturity wise classification of Deposits are as under		
with a residual maturity of:		
Repayable on demand	709,326,560	452,852,500
Within 1 month	6,250,230,283	2,218,080,917
Over 1 month but not more than 6 months	15,649,236,310	13,093,247,550
Over 6 months but not more than 1 year	2,252,188,759	7,543,503,696
Over 1 year but not more than 5 years	8,730,047,340	3,419,035,496
Over 5 years	2,855,653,470	5,560,350,046
	36,446,682,722	32,287,070,205



	2018 Taka	2017 Taka
13 Consolidated Other Liabilities		
Meghna Bank Limited (Note-13a)	2,144,356,215	1,409,982,437
Meghna Bank Securities Ltd	81,885,533	46,316,041
	2,226,241,748	1,456,298,479
Less: Inter Company Transaction	19,784,802	3,123,389
	2,206,456,946	1,453,175,090
13a Other Liabilities		
Interest Payable on Deposits & Borrowings	500,120,860	425,383,621
Provision for Loans and Advances (Note-13a.1 (a) & (b))	863,500,000	445,800,000
Provision for Off-Balance Sheet items (Note-13a.1 (c))	56,200,000	64,300,000
Provision for other Assets (Note-13a.1 (d))	25,500,000	20,500,000
Provision for Investment in Securities (Note-13a.1 (e))	28,600,000	7,060,000
Non-Resident Accounts	25,649,855	4,460,825
Interest Suspense A/C (Note-13a.1 (f))	141,634,865	53,627,242
Settlement with NPSB	50,445	50,445
Provision for Taxation (Note-13a.2)	335,979,599	264,454,147
Deferred Tax Liability (Note-14a)	-	-
BEFT Settlement Account	10,089,181	4,380,073
Agent Monitoring & Collection Account	100,500	100,500
Provision for Gratuity	60,000,000	30,000,000
MGBL General Account	-	51,777
Payable on Sale of Lottery Ticket	-	50,580
MGBL MFS Payable Accounts	4,974,927	1,345,900
Adjusting Account Credit	91,955,983	88,417,328
	2,144,356,215	1,409,982,437
13a.1 Provision for Loans and Advances:		
(a) Provision on Classified Loans and Advances:		
Provision held at the beginning of the year	217,800,000	13,676,000
Less: Fully provided debt written off	-	-
Add: Recoveries of amounts previously written off	-	-
Add: Specific Provision for the year	391,800,000	204,124,000
Less: Recoveries and provisions no longer required	-	-
Add: Provision transferred from Provision for Investment in Securities	-	-
Provision held at the end of the year	609,600,000	217,800,000
(b) General Provision on Unclassified Loans and Advances		
Provision held at the beginning of the year	228,000,000	200,299,000
Provision transferred to provision on Classified Loans and Advances	-	-
Provision transferred from Provision for Investment in Securities	-	-
Provision made/ (released) during the year	25,900,000	27,701,000
Balance at the end of the year	253,900,000	228,000,000
Total Provision for Loans and Advances (a+b)	863,500,000	445,800,000
(c) General Provision on Off-Balance Sheet items:		
Provision held at the beginning of the year	64,300,000	50,800,000
Provision transferred from provision on Unclassified Loans and Advances	-	-
Provision made/ (released) during the year	(8,100,000)	13,500,000
Balance at the end of the year	56,200,000	64,300,000
Total Provision for Loans and Advances & Off-Balance Sheet (a+b+c)	919,700,000	510,100,000
(d) Provision for other Assets:		
Provision held at the beginning of the year	20,500,000	-
Provision made/ (released) during the year	5,000,000	20,500,000
Balance at the end of the year	25,500,000	20,500,000
(e) Provision for Investment in Securities:		
Provision held at the beginning of the year	7,060,000	2,060,000
Provision transferred to provision on Unclassified Loans and Advances	-	-
Provision transferred to provision on Classified Loans and Advances	-	-
Provision made/ (released) during the year	21,540,000	5,000,000
Balance at the end of the year	28,600,000	7,060,000



	2018 Taka	2017 Taka
(f) Interest Suspense Account:		
Balance at the beginning of the year	53,627,242	8,064,034
Amount transferred to interest suspense account during the year	88,007,623	45,563,208
Amount recovered from interest suspense account during the year	-	-
Amount written off/ waived during the year	-	-
Balance at the end of the year	141,634,865	53,627,242
13.2 Consolidated Provision for Taxation		
Provision for Current tax		
Meghna Bank Limited (Note-13a.2)	502,835,843	429,381,353
Meghna Bank Securities Ltd	16,561,945	12,556,669
	519,397,788	441,938,022
Advance tax		
Meghna Bank Limited (Note-13a.2)	166,856,244	164,927,206
Meghna Bank Securities Ltd	17,831,223	10,622,449
	184,687,467	175,549,655
Balance at the end of the year	334,710,321	266,388,367
13a.2 Provision for Taxation		
Provision for Current tax		
Balance at the beginning of the year	429,381,353	342,896,490
Less : Settlement of Income tax for the Income year 2013	-	1,000,000
Less : Settlement of Income tax for the Income year 2016	-	240,606,809
Less : Settlement of Income tax for the Income year 2017	246,545,510	-
Add: Transferred from Deferred Tax Liability	-	3,091,672
Add: Provision made during the year	320,000,000	325,000,000
	502,835,843	429,381,353
Advance tax		
Balance at the beginning of the year	164,927,206	146,248,460
Add: Paid during the year	248,474,548	259,285,555
Less : Settlement of Income tax for the Income year 2016	246,545,510	240,606,809
	166,856,244	164,927,206
Balance at the end of the year	335,979,599	264,454,147
14 Consolidated Deferred Tax Liability		
Meghna Bank Limited (Note-14a)	-	-
Meghna Bank Securities Ltd	-	-
	-	-
14a Deferred Tax Liability		
Balance at the beginning of the year	-	3,091,672
Add: Provision made during the year	-	-
Less: Transfer to Current Tax Liability	-	3,091,672
Balance at the end of the year	-	-
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. 4,698,98,000 divided into	4,698,980,000	4,433,000,000
469,898,000 Ordinary Shares of Tk 10 each	4,433,000,000	4,433,000,000
Issued for cash: shares of Tk. 10 each	265,980,000	-
Issued other than cash: bonus shares of Tk 10 each	4,698,980,000	4,433,000,000
	4,698,980,000	4,433,000,000
	4,698,980,000	4,433,000,000
Sponsor Shareholders Group-A	100%	100%
	4,698,980,000	4,433,000,000



2018 Taka	2017 Taka
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15.3 Consolidated Capital Adequacy:

Position of capital adequacy are given below:-

a) Core Capital (Tier -I):

- i) Paid-up Capital (Note-15a.2)
- ii) Statutory Reserve (Note-16)
- iii) Retained Earnings (Note-18)
- iv) Non-Controlling Interest (Note-19)
- v) Adjustment of Goodwill and all other Intangible Assets

4,698,980,000	4,433,000,000
540,900,474	458,627,974
19,877,114	277,198,268
101	101
(12,757,492)	(19,154,902)
5,247,000,197	5,149,671,441

b) Supplementary Capital (Tier-II):

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

310,100,000	292,300,000
119,083	238,166
310,219,083	292,538,166

c) Total Equity (a +b)

- d) Total Risk Weighted Assets (Note-15.4)
- e) Required Capital
- f) Total Capital Surplus (c-e)

5,557,219,280	5,442,209,607
29,460,192,984	27,873,135,120
4,000,000,000	4,000,000,000
1,557,219,280	1,442,209,607

Capital Adequacy Ratio:

Particulars	2018 (Under Basel III)		2017 (Under Basel III)	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Core Capital	6.00%	17.81%	6.00%	18.48%
Supplementary Capital		1.05%		1.05%
Total	11.875%	18.86%	11.25%	19.52%

15.4 Consolidated Risk Weighted Assets (RWA) for

1. Credit Risk

- On-Balance Sheet
- Off-Balance Sheet

22,511,384,412	21,596,558,899
3,947,927,993	3,707,265,841
508,775,366	728,902,766
2,492,105,213	1,840,407,614

2. Market Risk

3. Operational Risk

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

29,460,192,984	27,873,135,120
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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)
- iv) Adjustment of Goodwill and all other Intangible Assets

4,698,980,000	4,433,000,000
540,900,474	458,627,974
17,149,667	274,039,669
(12,635,159)	(18,985,369)
5,244,394,982	5,146,682,273

b) Supplementary Capital (Tier-II):

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

310,100,000	292,300,000
119,083	238,166
310,219,083	292,538,166

c) Total Equity (a +b)

- d) Total Risk Weighted Assets (Note-15a.6)
- e) Required Capital
- f) Total Capital Surplus (c-e)

5,554,614,065	5,439,220,439
29,385,987,168	27,824,425,952
4,000,000,000	4,000,000,000
1,554,614,065	1,439,220,439

Capital Adequacy Ratio:

Particulars	2018 (Under Basel III)		2017 (Under Basel III)	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Core Capital	6.00%	17.85%	6.00%	18.50%
Supplementary Capital		1.06%		1.05%
Total	11.875%	18.90%	11.25%	19.55%



	2018 Taka	2017 Taka
15a.6 Risk Weighted Assets (RWA) for		
1. Credit Risk		
On-Balance Sheet	22,511,384,412	21,596,558,899
Off-Balance Sheet	3,947,927,993	3,707,265,841
2. Market Risk	473,340,546	697,037,755
3. Operational Risk	2,453,334,217	1,823,563,457
Total Risk Weighted Assets (1+2+3)	29,385,987,168	27,824,425,952
16 Statutory Reserve		
Opening balance	458,627,974	309,419,626
Add: Addition during the year (20% of Pre-tax profit)	82,272,500	149,208,348
	540,900,474	458,627,974
17 Other Reserve (Revaluation of HFT & HTM Securities)		
HTM Securities (Note 17.1)	321,809	208,828
HFT Securities (Note 17.2)	-	7,466,176
	321,809	7,675,004
17.1 HTM Securities		
Opening balance	208,828	79,204
Add: Gain from revaluation on investment	133,015	129,624
Less: Adjustment for sale/maturity of securities	20,034	-
	321,809	208,828
17.2 HFT Securities		
Opening balance	7,466,176	45,911,854
Add: Gain from revaluation on investment	1,312,291	92,161,718
Less: Adjustment for sale/maturity of securities	8,778,467	130,607,396
	-	7,466,176
18 Consolidated Retained Earnings		
Meghna Bank Ltd (Note-18a)	17,149,667	274,039,669
Meghna Bank Securities Ltd	2,727,448	3,158,601
	19,877,115	277,198,269
Less: Non-controlling Interest	1	1
	19,877,114	277,198,268
18.1 Consolidated Current year retained Earnings		
Current Year		
Meghna Bank Ltd (Note-18a)	9,089,998	271,833,393
Meghna Bank Securities Ltd	24,068,847	18,611,087
	33,158,845	290,444,480
Less: Non-Controlling Interest	7	5
	33,158,839	290,444,475
18a Retained Earnings of the Bank		
Opening balance	274,039,669	445,506,275
Less: Dividend Paid	(265,980,000)	(443,300,000)
Add: Transfer from Profit & Loss Account	9,089,998	271,833,393
	17,149,667	274,039,669
Consolidated Retained Earnings brought forward from previous year		
Balance of 01 January	277,198,268	447,553,788
Dividend paid	(265,980,000)	(443,300,000)
	11,218,268	4,253,788
Retained Earnings brought forward from previous year		
Balance of 01 January	274,039,669	445,506,275
Dividend paid	(265,980,000)	(443,300,000)
Balance at 31 December	8,059,669	2,206,275
19 Non-Controlling Interest		
Share Capital	100	100
Retained Earnings	1	1
	101	101



	2018 Taka	2017 Taka
20 Acceptance and Endorsements		
Accepted Bills (Foreign)	1,173,614,199	441,261,709
Accepted Bills (Inland)	31,237,781	98,616,071
Endorsements (Shipping Guarantee)	581,659	8,205,882
	1,205,433,639	548,083,662
Less: Margin	-	-
	1,205,433,639	548,083,662
21 Letters of Guarantees		
Letters of Guarantee	2,913,254,552	3,469,691,812
Less: Margin {Note-12.a(i) Y}	198,527,044	211,073,885
	2,714,727,508	3,258,617,927
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	1,750,470,098	2,246,977,137
Banks and other financial institutions	47,422,900	22,126,931
Others	1,115,311,554	1,200,587,744
	2,913,204,552	3,469,691,812
Less: Margin {Note-12.a(i) Y}	198,527,044	211,073,885
	2,714,677,508	3,258,617,927
22 Irrevocable Letters of Credit		
Letters of credit	1,149,951,517	1,996,158,472
Less: Margin {Note-12.a(i) Y}	167,890,512	298,349,862
	982,061,005	1,697,808,610
23 Consolidated Income Statement		
Income:		
Interest, discount and similar income (Note-24 & 26)	4,153,805,848	3,280,338,910
Dividend income (Note-26)	28,937,995	23,062,781
Fees, Commission and Brokerage (Note-27)	96,985,332	141,887,522
Gains less losses arising from dealing securities	10,814,025	22,000,553
Gains less losses arising from investment securities	113,684,066	357,767,300
Gains less losses arising from dealing in foreign currencies (Note-27)	60,336,224	76,445,734
Income from non-banking assets	-	-
Other operating income (Note-28)	62,629,211	71,776,075
Profit less losses on interest rate changes	-	-
Nominal value of bonus share received	-	-
	4,527,192,701	3,973,278,874
Expenses:		
Interest paid on Deposits, borrowings etc. (Note-25)	2,462,649,480	1,835,539,423
Losses on Loans and Advances	-	-
Administrative expenses	846,228,181	711,577,879
Other operating expenses	242,129,374	304,685,592
Depreciation on banking assets	98,970,846	78,548,151
	3,649,977,881	2,930,351,046
Income over expenditure	877,214,820	1,042,927,829
23a Income Statement of the Bank		
Income:		
Interest, discount and similar income (Note-24a & 26a)	4,120,255,220	3,266,542,748
Dividend income (Note-26a)	28,937,995	23,062,781
Fees, Commission and Brokerage (Note-27a)	82,796,673	112,030,568
Gains less losses arising from dealing securities	10,814,025	22,000,553
Gains less losses arising from investment securities	113,684,066	357,767,300
Gains less losses arising from dealing in foreign currencies (Note-27a)	60,336,224	76,445,734
Income from non-banking assets	-	-
Other operating income (Note-28a)	66,764,900	75,197,546
Profit less losses on interest rate changes	-	-
Nominal value of bonus share received	-	-
	4,483,589,103	3,933,047,230



	2018 Taka	2017 Taka
Expenses:		
Interest paid on Deposits, borrowings etc. (Note-25a)	2,463,676,482	1,837,951,471
Losses on Loans and Advances	-	-
Administrative expenses	836,058,379	706,804,392
Other operating expenses	238,631,014	299,028,140
Depreciation on banking assets (Annexure-B)	97,720,730	77,396,485
	3,636,086,605	2,921,180,488
Income over expenditure	847,502,498	1,011,866,742
24 Consolidated Interest Income:		
Meghna Bank Ltd (Note-24a)	3,726,276,848	2,836,526,358
Meghna Bank Securities Ltd	3,977,259	5,937,734
	3,730,254,107	2,842,464,092
Less: Inter Company Transaction	1,027,002	2,412,047
	3,729,227,105	2,840,052,045
24a Interest Income:		
Interest on Loans and Advances: (Note-24a.1)	3,419,626,185	2,702,450,330
Interest on balance with other Banks & Financial Institutions	306,650,663	134,076,028
	3,726,276,848	2,836,526,358
24a.1 Interest on Loans and Advances:		
Interest Income on Cash Credit	779,686,064	565,075,874
Interest Income on Secured Over Draft	145,235,667	122,749,231
Interest Income on General Over Draft Loan	623,251,585	582,305,012
Interest Income on Inland Bill Purchased/Discount	16,158,943	23,268,934
Interest Income on Foreign Bill Purchased/Discount	7,145	-
Interest Income on Import Finance	231,857,418	238,961,125
Interest Income on Export Finance	12,198,436	8,072,286
Interest Income on Demand Loan (General)	497,146,771	308,647,384
Interest Income on Demand Loan (Forced Loan)	3,623,912	15,198,746
Interest Income on Consortium/Syndicate Finance	28,063,170	29,507,801
Interest Income on Hire Purchase Finance	421,478	541,889
Interest Income on House Building Loan	309,704,753	206,182,556
Interest Income on General Term Loan	635,162,910	491,504,227
Interest Income on SME Loan & Advance	469,143	275,783
Interest Income on Personal Loan Scheme	30,264,538	26,596,732
Interest Income on Meghna Bank Student Loan	-	-
Interest Income on Credit Card	23,237,894	10,964,137
Interest Income on Agricultural and Rural Loan	83,136,358	72,598,612
	3,419,626,185	2,702,450,330
25 Consolidated Interest Paid on Deposits, Borrowing, etc:		
Meghna Bank Ltd (Note-25a)	2,463,676,482	1,837,951,471
Meghna Bank Securities Ltd	-	-
	2,463,676,482	1,837,951,471
Less: Inter Company Transaction	1,027,002	2,412,048
	2,462,649,480	1,835,539,423
25a Interest Paid on Deposits, Borrowing, etc:		
a) Interest on Deposits		
Interest Paid on Current Deposit	465,854	-
Interest Paid on Savings Deposit	42,251,454	34,974,339
Interest Paid on Short Notice Deposit	30,918,555	51,599,307
Interest Paid on Fixed Deposit Receipt	1,869,027,712	1,280,266,758
Interest Paid on Deposit Pension Scheme	133,689,836	78,275,732
Interest Paid on Meghna Millionaire Scheme	-	25
Interest Paid on Meghna Child Education Plan	2,830,953	2,255,113
Interest Paid on Monthly Income Scheme	204,713,642	226,674,804
Interest Paid on Meghna Multiplier Scheme	167,576,098	144,697,795
	2,451,474,104	1,818,743,872
b) Interest Paid on Borrowings	12,202,378	19,207,599
	2,463,676,482	1,837,951,471



	2018 Taka	2017 Taka
26 Consolidated Investment Income:		
Meghna Bank Ltd (Note-26a)	547,414,458	832,847,023
Meghna Bank Securities Ltd	30,600,371	10,270,475
	578,014,829	843,117,498
26a Investment Income:		
Interest Income from Treasury Bills	662,380	184,466
Interest Income from Treasury Bonds	350,554,564	374,003,007
Interest Income from Bangladesh Bank Bills	-	-
Gain on Sale of Treasury Bonds	113,684,066	357,767,300
Income from Investment in Commercial Paper	36,154,449	48,909,125
Dividend Income from Investment in Preference Share	6,606,979	6,919,792
Dividend Income	28,937,995	23,062,781
Gain on Sale of Shares	10,814,025	22,000,553
	547,414,458	832,847,023
27 Consolidated Commission, Exchange & Brokerage:		
Meghna Bank Ltd (Note-27a)	143,132,897	188,476,303
Meghna Bank Securities Ltd	14,188,659	29,856,953
	157,321,556	218,333,256
27a Commission, Exchange & Brokerage:		
Income from Commission	82,796,673	112,030,568
Exchange earnings	60,336,224	76,445,734
	143,132,897	188,476,303
28 Consolidated Other Operating Income:		
Meghna Bank Ltd (Note-28a)	66,764,900	75,197,546
Meghna Bank Securities Ltd	294,711	1,008,929
	67,059,611	76,206,475
Less: Inter Company Transaction	4,430,400	4,430,400
	62,629,211	71,776,075
28a Other Operating Income:		
Income From Fees & Charges	23,878,763	25,547,688
Income From Services	27,266,344	28,913,605
Postage, Telex, Swift etc.	2,771,417	5,559,378
Gain on Sale of Bank's Property	-	46,868
Other charges (Note-28a.1)	12,848,376	15,130,008
	66,764,900	75,197,546
28a.1 Other Charges		
Rent of Lockers	213,000	123,000
Rent on Property/ Rental Income	4,430,400	4,430,400
Notice pay earnings	1,699,861	852,908
Rebate Received	4,766,752	6,933,177
Miscellaneous income	1,738,363	2,790,523
	12,848,376	15,130,008
29 Consolidated Salary & Allowances:		
Meghna Bank Ltd (Note-29a)	549,669,716	462,077,917
Meghna Bank Securities Ltd	8,917,434	8,274,256
	558,587,150	470,352,173
29a Salary & Allowances:		
Basic Salary	255,934,894	198,518,018
Allowances	117,581,578	92,415,747
Consolidated Pay	40,761,132	36,414,779
Bonus	80,788,910	95,197,490
Gratuity	30,000,000	20,000,000
Bank's Contribution to Provident fund	24,603,202	19,531,883
	549,669,716	462,077,917



	2018 Taka	2017 Taka
30 Consolidated Rent, Taxes, Insurance, Electricity etc.:		
Meghna Bank Ltd (Note-30a)	224,436,924	190,630,132
Meghna Bank Securities Ltd	5,455,039	5,444,857
	229,891,963	196,074,989
Less: Inter Company Transaction	4,430,400	4,430,400
	225,461,563	191,644,589
30a Rent, Taxes, Insurance, Electricity etc.:		
Rent, Rates & Taxes	180,987,463	148,098,496
Insurance, Electricity & Lighting	43,449,461	42,531,636
	224,436,924	190,630,132
31 Consolidated Legal Expenses:		
Meghna Bank Ltd (Note-31a)	459,648	674,914
Meghna Bank Securities Ltd	-	-
	459,648	674,914
31a Legal Expenses:		
Legal Fees	92,000	-
Legal Charges	367,648	674,914
	459,648	674,914
32 Consolidated Postage, Stamps, Telecommunication etc.:		
Meghna Bank Ltd (Note-32a)	21,866,637	16,869,463
Meghna Bank Securities Ltd	54,334	64,022
	21,920,971	16,933,485
32a Postage, Stamps, Telecommunication etc.:		
Postage	1,974,051	1,626,776
Swift & Internet charge	2,471,202	3,735,512
Telephone charges	723,716	730,422
Mobile phone charges	3,206,783	2,398,254
Network Connection Expense	11,239,278	6,007,718
Bloomberg Charges	2,251,607	2,370,781
	21,866,637	16,869,463
33 Consolidated Stationery, Printing & Advertisements etc.:		
Meghna Bank Ltd (Note-33a)	17,198,544	17,054,579
Meghna Bank Securities Ltd	103,395	328,752
	17,301,939	17,383,331
33a Stationery, Printing & Advertisements etc.:		
Petty Stationery	3,742,566	3,386,263
Printing Stationery	3,913,366	3,348,440
Security Stationery	2,501,965	1,886,641
Computer Stationery	4,749,213	4,429,892
Publicity and Advertisement	2,291,434	4,003,343
	17,198,544	17,054,579
34 Chief Executive's Salary & Fees:		
Basic Salary	7,723,200	4,944,000
Allowances	4,306,833	2,472,000
Bonus	1,478,400	900,000
	13,508,433	8,316,000
35 Consolidated Directors' Fees:		
Meghna Bank Ltd (Note-35a)	1,832,000	2,816,000
Meghna Bank Securities Ltd	40,000	72,000
	1,872,000	2,888,000
35a Directors' Fees:		
Directors Fees	1,832,000	2,816,000
Other Benefits	-	-
	1,832,000	2,816,000

Each director of the bank is provided for Tk. 8,000.00 per board or board committee meeting attended in 2018 as per BRPD circular no. 11 dated 4 October 2015.



	2018 Taka	2017 Taka
36 Consolidated auditors' Fees:		
Meghna Bank Ltd (Note-36a)	400,000	260,000
Meghna Bank Securities Ltd	30,000	20,000
	430,000	280,000
36a Auditors' Fees:		
Auditors Fees	400,000	260,000
	400,000	260,000
37 Consolidated Depreciation, Amortization and Repair on Bank's Assets:		
Meghna Bank Ltd (Note-37a)	104,407,207	80,501,872
Meghna Bank Securities Ltd	1,250,116	1,151,666
	105,657,323	81,653,538
37a Depreciation, Amortization and Repair on Bank's Assets:		
a) Depreciation on Bank's Assets (Annexure-B):		
Land & Building	-	-
Vehicles	5,523,075	5,540,439
Machinery & Equipment	28,048,433	24,606,885
Furniture & Fixtures	21,803,128	19,112,280
Computer and Peripherals	25,154,987	11,506,026
Office Tools & Accessories	4,028,829	3,347,907
	84,558,452	64,113,537
b) Amortization		
Software	13,162,278	13,282,948
c) Repair on Bank's Assets:		
Fitting and Replacement	1,356,406	-
Vehicles	1,150	94,188
Machinery & Equipment	1,910,971	1,252,172
Furniture & Fixtures	1,619,038	801,235
Computer and Peripherals	827,240	957,792
Maintenance Expense	971,672	-
	6,686,477	3,105,387
	104,407,207	80,501,872
38 Consolidated Other Expenses:		
Meghna Bank Ltd (Note-38a)	238,631,014	299,028,140
Meghna Bank Securities Ltd	3,498,360	5,657,452
	242,129,374	304,685,592
38a Other Expenses:		
Gas Bills	13,400	24,400
Wasa Bill	599,043	534,825
Drinking water Expenses	622,861	619,710
Car Expenses	51,013,281	44,563,038
Software Maintenance Expenses	13,582,399	7,905,518
Entertainment	7,840,487	7,101,027
Training, Seminar, Workshop Expenses	709,727	815,294
Travelling and Conveyance	6,786,855	6,943,541
Subscription	2,827,901	2,733,038
Corporate Social Responsibility	15,980,640	27,293,000
Written Off- Fixed Assets	-	-
Loss on Sale of Fixed Assets	-	197,146
Loss on Revaluation of Investments	34,070,224	101,801,101
Loss on Foreign Currency Revaluation	4,864,872	11,365,316
Office Maintenance and Service Charge expenses	10,274,762	7,840,929
Bank Charges	4,430,186	1,716,512
Complain Box	15,361	20,558
NPSB Charges	361,920	171,073
Handling Charges on Remittance	-	427
Charges From VISA	4,989,765	1,004,144
Credit Card CIB Charge	211,400	106,180



	2018 Taka	2017 Taka
NID Verification Charges	879,374	759,000
Card Maintenance Expenses, ETC	2,149,348	728,114
Board and EC Meeting Expenses	985,862	1,592,024
Professional & Consultancy Fees	2,152,561	515,309
Business development & Promotion	1,167,241	10,642,235
Cash Carrying Charges	2,888,573	2,732,010
Leverage and Uniform	186,395	230,593
Washing & Cleaning	7,902,844	6,325,851
Leave Fare Assistance	36,913,808	30,579,772
Security Service-Outsourcing	22,769,827	20,103,350
Crockerries Expenses	104,375	225,464
Newspaper & Magazine Expenses (Office)	349,909	327,823
Branch Inauguration Expenses	254,411	796,999
AGM Expenses	362,644	391,411
Miscellaneous Expenses	368,758	321,409
	238,631,014	299,028,140
39 Consolidated Provision for Loans, Investments, Off-Balance Sheet & Others Assets		
Meghna Bank Ltd (Note-39a)	436,140,000	270,825,000
Meghna Bank Securities Ltd	743,474	-
	436,883,474	270,825,000
39a Provision for Loans, Investments, Off-Balance Sheet & Others Assets		
Provision for Unclassified Loans and Advances	25,900,000	27,701,000
Provision for Classified Loans and Advances	391,800,000	204,124,000
Provision for Off-Balance Sheet Exposure	(8,100,000)	13,500,000
Provisions for Diminution in Value of Investments	21,540,000	5,000,000
Provision for Other Assets	5,000,000	20,500,000
	436,140,000	270,825,000
40 Consolidated Earning Per Share (EPS)		
Net Profit after Tax	115,431,339	439,652,823
Number of Ordinary Shares outstanding (Denominator)	469,898,000	469,898,000
	0.25	0.94
40a Earning Per Share (EPS)		
Net Profit after Tax	91,362,498	421,041,742
Number of Ordinary Shares outstanding (Denominator)	469,898,000	469,898,000
	0.19	0.90
Earning per share has been calculated in accordance with BAS - 33: "Earnings Per Share (EPS)".		
41 Consolidated Interest Receipts in Cash		
Meghna Bank Ltd (Note-41a)	4,122,983,049	3,293,817,594
Meghna Bank Securities Ltd	3,977,259	5,937,734
	4,126,960,308	3,299,755,329
Less: Inter Company Transaction	1,027,003	2,412,047
	4,125,933,305	3,297,343,281
41a Interest Receipts in Cash		
Interest income receipt (Note-24a & 26a)	4,113,648,241	3,266,542,748
Add: Opening Interest Receivable (Note-10a.2)	93,809,569	121,084,415
Less: Closing Interest Receivable (Note-10a.2)	84,474,761	93,809,569
	4,122,983,049	3,293,817,594
42 Consolidated Interest Payments		
Meghna Bank Ltd (Note-42a)	2,388,939,243	1,731,752,477
Meghna Bank Securities Ltd	-	-
	2,388,939,243	1,731,752,477
Less: Inter Company Transaction	1,027,003	2,412,047
	2,387,912,241	1,729,340,429



	2018 Taka	2017 Taka
42a Interest Payments		
Interest Paid on Deposits & Borrowings (Note-23a)	2,463,676,482	1,837,951,471
Add: Opening Interest Payable on Deposit (Note-13a)	425,383,621	319,184,627
Less: Closing Interest Payable on Deposit (Note-13a)	500,120,860	425,383,621
	2,388,939,243	1,731,752,477
43 Consolidated Cash Receipts from other Operating activities (Note-28)		
Meghna Bank Ltd (Note-43a)	191,262,992	454,918,531
Meghna Bank Securities Ltd	23,274,032	3,797,198
	214,537,024	458,715,729
43a Cash Receipts from other Operating activities (Note-28a)		
Income From Fees & Charges	23,878,763	25,547,688
Income From Services	27,266,344	28,913,605
Postage, Telex, Swift etc.	2,771,417	5,559,378
Gain on Sale of Treasury Bonds and Shares	124,498,092	379,767,853
Other charges (Except income from sale of fixed assets)	12,848,376	15,130,008
	191,262,992	454,918,531
44 Consolidated Cash Payments for other Operating activities		
Meghna Bank Ltd (Note-44a)	494,312,699	513,384,036
Meghna Bank Securities Ltd	9,102,855	11,271,106
	503,415,554	524,655,143
44a Cash Payments for other Operating activities		
Rent, Taxes, Insurance, Lighting etc. (Note-30a)	224,436,924	190,630,132
Legal Expenses (Note-31a)	459,648	674,914
Postage, Stamp, Telegram & Telephone (Note-32a)	21,866,637	16,869,463
Directors' Fees (Note-35a)	1,832,000	2,816,000
Auditors' Fees (Note-36a)	400,000	260,000
Repair & Maintenance of Bank's Assets (Note-37a.c)	6,686,477	3,105,387
Other Expenses	238,631,013	299,028,140
	494,312,699	513,384,036
45 Consolidated Cash Increase/ Decrease in Other Assets (Note-10)		
Meghna Bank Ltd (Note-45a)	649,333,804	661,995,473
Meghna Bank Securities Ltd	17,903,237	14,713,105
	667,237,041	676,708,578
Less: Inter Company Transaction	369,784,702	353,123,289
	297,452,339	323,585,289
Consolidated Cash (Increase)/ Decrease in Other Assets	26,132,950	(61,457,226)
45a Cash Increase/ Decrease in Other Assets (Note-10a)		
Stock of Stationery and Stamps	4,414,284	3,687,488
Advance Rent	217,506,936	229,074,956
Suspense Account	26,213,912	42,031,263
Security Deposits	103,055	105,265
Advance against proposed Branch	16,170,000	9,217,023
Cash Remittance	5,000,000	3,500,000
Interest on Sanchaypatra	8,191,143	19,698,940
NCCB Securities & Financial Services Ltd	568	1,468
Receivable from MGBL Securities	-	-
Meghna Bank Securities Ltd	19,784,802	3,123,389
Prepaid Expenses	1,286,977	846,153
Investment in Subsidiary	349,999,900	349,999,900
BEFTN Adjustment Account	250,772	191,325
S/D RFA SEBL - Western Union	4,903	279,691
Trans-Fast-Remittance Payment Account	-	8,000
Interest on Investment Bond-Customer	369,402	29,611
Chargeback Account for VISA Cards	37,150	1,000
MFS Funding Account	-	200,000
	649,333,804	661,995,473
Cash (Increase)/ Decrease in Other Assets	12,661,669	(38,613,862)




	2018 Taka	2017 Taka
46 Consolidated Cash Increase/ Decrease in Other Liabilities (Note-13)		
Meghna Bank Ltd (Note- 46a)	334,455,756	182,484,669
Meghna Bank Securities Ltd	82,411,337	44,381,821
	416,867,093	226,866,490
Less: Inter Company Transaction	19,784,802	3,123,389
	397,082,291	223,743,101
Cash Increase/ (Decrease) in Other Liabilities	173,339,190	109,996,528
46a Cash Increase/ Decrease in Other Liabilities (Note-13a)		
Non-Resident Accounts	25,649,855	4,460,825
Interest Suspense A/C	141,634,865	53,627,242
Settlement with NPSB	50,445	50,445
BEFT Settlement Account	10,089,181	4,380,073
Agent Monitoring & Collection Account	100,500	100,500
Provision for Gratuity	60,000,000	30,000,000
Payable on Sale of Lottery Ticket	-	50,580
MGBL MFS Payable Accounts	4,974,927	1,345,900
MGBL General Account	-	51,777
Adjusting account credit	91,955,983	88,417,328
	334,455,756	182,484,669
Consolidated Cash Increase/ (Decrease) in Other Liabilities	151,971,087	78,111,675
47 Consolidated Cash and Cash Equivalent		
Meghna Bank Ltd (Note-47a)	8,152,520,001	6,553,067,191
Meghna Bank Securities Ltd	95,473,148	46,939,169
	8,247,993,149	6,600,006,359
Less: Inter Company Transaction	70,219,834	23,115,455
	8,177,773,315	6,576,890,905
47a Cash and Cash Equivalent		
Cash in Hand	531,987,877	468,107,189
Balance with Bangladesh Bank & Sonali Bank Ltd (as agent of Bangladesh Bank)	2,304,837,657	3,558,242,609
Balance with Other Banks & Financial Institutions	3,325,031,067	2,286,191,993
Money at Call and Short Notice	1,990,000,000	240,000,000
Prize Bond in Hand	663,400	525,400
	8,152,520,001	6,553,067,191

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 700.


Chairman


Director


Director


Managing Director & CEO

MEGHNA BANK LIMITED

INVESTMENT IN SHARES - QUOTED & UNQUOTED

AS AT DECEMBER 31, 2018

Annexure-A

SI No	Name of the Company	No. of Shares/ Securities	Market price per share	Market value December 31, 2018	Cost price December 31, 2018	Unrealized Gain/ (loss)
Quoted:						
1	Advent Pharma Limited	3,802	40.90	155,502	34,570	120,932
2	Bata Shoe Company (Bangladesh) Limited	2,575	1,116.40	2,874,730	3,188,702	(313,972)
3	BSRM Steels Limited	77,000	59.90	4,612,300	6,926,260	(2,313,960)
4	Beximco Pharmaceuticles Ltd.	10,000	79.10	791,000	1,059,413	(268,413)
5	BRAC Bank Limited	60,000	72.70	4,362,000	4,088,550	273,450
6	C and A Textiles Limited	200,000	4.10	820,000	2,620,440	(1,800,440)
7	City Bank Limited	46,639	30.20	1,408,498	1,517,823	(109,325)
8	Dhaka Bank Limited	50,000	14.20	710,000	717,860	(7,860)
9	Genex Infosys Limited	10,466	10.00	104,660	104,660	-
10	Heidelberg Cement Bangladesh Limited	16,805	334.70	5,624,634	9,291,098	(3,666,464)
11	IDLC Finance Limited	40,000	69.70	2,788,000	3,070,734	(282,734)
12	IFAD Autos Limited	16,500	108.40	1,788,600	1,927,117	(138,517)
13	Intraco Refueling Station Limited	5,600	26.80	150,080	53,340	96,740
14	Indo-Bangla Pharmaceuticals Limited	3,239	31.10	100,733	29,450	71,283
15	Jamuna Oil Company Limited	65,000	190.50	12,382,500	14,073,833	(1,691,333)
16	Kattali Textile Limited	11,070	25.30	280,071	100,640	179,431
17	LafargeHolcim Bangladesh Limited	130,000	43.50	5,655,000	10,279,614	(4,624,614)
18	Marico Bangladesh Limited	100	1,200.20	120,020	161,372	(41,352)
19	Meghna Petroleum Ltd.	15,000	188.60	2,829,000	3,045,459	(216,459)
20	Mercantile Bank Limited	50,000	18.00	900,000	903,600	(3,600)
21	MJL Bangladesh Limited	89,250	99.20	8,853,600	10,558,727	(1,705,127)
22	M.L. Dyeing Limited	7,248	29.70	215,266	60,400	154,866
23	Olympic Industries Limited	26,433	216.20	5,714,815	7,663,426	(1,948,612)
24	RAK Ceramics (Bangladesh) Limited	55,000	39.00	2,145,000	3,034,604	(889,604)
25	SS Steel Limited	13,492	10.00	134,920	134,920	-
26	Silva Pharmaceuticals Limited	9,194	30.10	276,739	91,940	184,799
27	Square Pharmaceuticals Limited	62,195	254.20	15,810,005	16,530,782	(720,777)
28	Square Textile Limited	110,250	47.10	5,192,775	7,151,302	(1,958,527)
29	Shinepukur Ceramics Limited	2,500	14.00	35,000	53,965	(18,965)
30	SK Trims and Industries Limited	11,090	46.30	513,467	100,820	412,647
31	Southeast Bank Limited	50,000	15.60	780,000	783,120	(3,120)
32	Titas Gas Transmission & Dist. Co. Limited	150,000	36.40	5,460,000	8,553,476	(3,093,476)
33	VFS Thread Dyeing Limited	7,741	57.80	447,430	70,380	377,050
34	United Commercial Bank Limited	650,000	17.60	11,440,000	16,060,748	(4,620,748)
Unquoted:						
35	Star Ceramics Limited	3,500,000	10.00	35,000,000	35,000,000	-
Total				140,476,343	169,043,145	(28,566,802)

Provision requirement
Provision maintained as on December 31, 2018.
Provision Surplus/Shortage at the end of December 31, 2018.

Taka
28,566,802
28,600,000
<u>33,198</u>





MEGHNA BANK LIMITED
SCHEDULE OF FIXED ASSETS
AS AT DECEMBER 31, 2018

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 December 31, 2017		
	Balance as on January 1, 2018	Additions during the year	Disposal/ Transfer during the year		Balance as on December 31, 2018	Transfer/ Adjustment during the year	Charge for the year	Balance as on December 31, 2018		WDV as on December 31, 2018	
Vehicles	29,394,829	9,907,996	-	39,302,825	20%	21,473,520	-	5,523,075	26,996,595	12,306,230	7,921,309
Machinery and Equipment	132,112,716	16,269,100	-	148,381,816	20%	60,384,580	-	28,048,433	88,433,013	59,948,803	71,728,136
Furniture & Fixtures	201,537,785	25,431,061	-	226,968,846	10%	44,785,639	-	21,803,128	66,588,767	160,380,079	156,752,146
Computer & Computer Peripherals	80,734,589	69,672,246	-	150,406,835	33%	63,647,215	-	25,154,987	88,802,202	61,604,633	17,087,374
Office Tools & Accessories	18,508,958	2,467,400	-	20,976,358	20%	7,827,239	-	4,028,829	11,856,068	9,120,290	10,681,719
Total (A)	462,288,877	123,747,803	-	586,036,680		198,118,193	-	84,558,452	282,676,645	303,360,035	264,170,684

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 December 31, 2017		
	Balance as on January 1, 2018	Additions during the year	Disposal/ Transfer during the year		Balance as on December 31, 2018	Transfer/ Adjustment during the year	Charge for the year	Balance as on December 31, 2018		WDV as on December 31, 2018	
Software	67,479,896	6,812,068	-	74,291,964	20%	48,494,527	-	13,162,278	61,656,805	12,635,159	18,985,369
Total (B)	67,479,896	6,812,068	-	74,291,964		48,494,527	-	13,162,278	61,656,805	12,635,159	18,985,369
Total (A + B)	529,768,773	130,559,871	-	660,328,644		246,612,720	-	97,720,730	344,333,450	315,995,194	283,156,053

MEGHNA BANK LIMITED

BALANCE WITH OTHER BANKS-OUTSIDE BANGLADESH (NOSTRO ACCOUNT)
AS AT DECEMBER 31, 2018

Annexure-C

SL No.	Name of the Banks	Currency Name	2018			2017		
			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	ACUD	276,441.01	83.78	23,160,227.82
2	AB Bank Limited, OBU-USD	USD	-	-	-	2,022.72	82.70	167,278.94
3	Mashreq Bank p.s.c. New York, U.S.A	USD	1,530,153.95	83.78	128,196,297.93	549,199.47	82.70	45,418,796.17
4	Habib American Bank, New York. U.S.A	USD	319,388.10	83.78	26,758,335.02	132,192.26	82.70	10,932,299.90
5	MCB Bank Limited, Karachi, Pakistan	ACUD	9,699.21	83.78	812,599.81	27,279.21	82.70	2,255,990.67
6	Mashreq Bank London, UK	GBP	985.00	106.10	104,507.52	48,956.65	110.98	5,433,375.47
7	Mashreq Bank London, UK	EURO	-	-	-	52,169.55	98.50	5,138,909.35
8	Kookmin Bank, Seoul Korea	USD	5,402.40	83.78	452,613.07	4,123.00	82.70	340,972.10
9	National Bank of Pakistan, Tokoyo, Japan.	JPY	101,902.00	0.76	76,966.58	1,316,410.00	0.73	962,164.07
10	Mizuho Bank Ltd, Tokyo, Japan.	JPY	4,736,884.00	0.76	3,577,768.49	1,789,071.00	0.73	1,307,631.99
11	Bank Al Jazira, KSA	SAR	187,000.00	22.33	4,175,822.20	187,000.00	22.05	4,123,761.40
12	AXIS Bank Ltd. Kolkata, India, ACU USD	USD	242,919.00	83.78	20,351,753.82	-	-	-
13	BMCE Bank International, Madrid, Spain	EURO	71,934.03	95.41	6,863,132.29	-	-	-
14	BMCE Bank International, GBP	GBP	7,767.03	106.10	824,074.12	-	-	-
15	Bhutan National Bank, ACU	ACUD	13,960.00	83.78	1,169,568.80	-	-	-
16	State Bank of India, Sydney	AUD	-	-	-	18,646.00	64.05	1,194,298.68
17	Bank of New Zealand	NZD	166.15	56.35	9,362.62	6,030.25	58.54	352,981.29
	Total				216,533,030			85,054,989





MEGHNA BANK LIMITED

DETAILS INFORMATION OF LOANS AND ADVANCES MORE THAN 10% OF BANK'S TOTAL CAPITAL (FUNDED & NON-FUNDED)
AS AT DECEMBER 31, 2018

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	AKOTA GROUP	9.01	12.94	21.95	1.62%	2.33%	3.95%
2	ABUL KHAIR GROUP	71.66	6.08	77.74	12.90%	1.10%	14.00%
3	RSRM GROUP	82.05	-	82.05	14.77%	0.00%	14.77%
4	NAVANA GROUP	41.83	2.98	44.82	7.53%	0.54%	8.07%
5	S. R. IMPEX GROUP	36.80	4.56	41.36	6.63%	0.82%	7.45%
6	THREE ANGLE MARINE LIMITED	26.85	11.05	37.90	4.83%	1.99%	6.82%
7	STANDARD ASIATIC OIL COMPANY LTD.	0.98	-	0.98	0.18%	0.00%	0.18%
8	S. S. ENGINEERING & CONSTRUCTION LTD.	58.93	23.17	82.10	10.61%	4.17%	14.78%
9	AMAN GROUP	36.95	10.33	47.27	6.65%	1.86%	8.51%
10	PARTEX BEVERAGE LIMITED	48.50	0.32	48.82	8.73%	0.06%	8.79%
11	BAIZID STEEL INDUSTRIES LTD.	65.82	5.49	71.30	11.85%	0.99%	12.84%
12	DESHBANDHU GROUP	20.28	17.40	37.69	3.65%	3.13%	6.78%
13	NITOL MOTORS	63.50	-	63.50	11.43%	0.00%	11.43%
14	ENERGY PAC GROUP	77.26	-	77.26	13.91%	0.00%	13.91%
15	NIAZ TRADERS	14.50	16.67	31.18	2.61%	3.00%	5.61%
16	M/S. KHOKAN TRADING AGENCY	23.78	17.42	41.20	4.28%	3.14%	7.42%
17	ANWAR LANDMARK LIMITED AND OTHERS	7.60	7.42	15.02	1.37%	1.34%	2.70%
18	MEGHNA GROUP OF INDUSTRIES (MGI)	0.002	36.99	36.99	0.00%	6.66%	6.66%
19	BSRM STEEL MILLS LIMITED	77.52	-	77.52	13.96%	0.00%	13.96%
20	SOMATEC & BANGLADESH PAPER	40.66	1.35	42.01	7.32%	0.24%	7.56%
21	RUBY FOOD PRODUCTS LTD	19.67	38.25	57.93	3.54%	6.89%	10.43%
	Total	824.15	212.42	1,036.58			

Bank's total Capital as on 31 December 2018 is Tk. 555.46 Crore

MEGHNA BANK LIMITED FINANCIAL HIGHLIGHTS

(Amount in Taka)

SL	PARTICULARS	2018	2017
1	Paid up Capital	4,698,980,000	4,433,000,000
2	Total Capital (Core + Supplementary)	5,554,614,065	5,439,382,149
3	Capital Surplus	1,554,614,065	1,439,382,149
4	Total Assets	43,849,553,982	39,776,985,765
5	Total Deposit	36,446,682,722	32,287,070,205
6	Total Loans & Advances	30,153,677,158	27,457,897,892
7	Total Contingent Liabilities and Commitments	5,612,405,895	6,420,621,969
8	Advance Deposit Ratio (%)	83%	85%
9	Percentage of Classified Loans against total Loans and Advances	6%	3%
10	Profit after Tax and Provision	91,362,498	421,041,742
11	Amount of Classified Loans During Current Year	1,737,241,973	931,179,152
12	Provisions kept against Classified Loan	609,600,000	217,800,000
13	Provisions Surplus	147,211	5,814,188
14	Cost of Fund	10.16%	9.51%
15	Interest Earning Assets	40,266,774,024	35,013,202,322
16	Non-Interest Earning Assets	3,582,779,958	4,763,783,443
17	Return on Investment (ROI)	11.87%	14.52%
18	Return on Assets (ROA)	0.22%	1.18%
19	Income from Investment	547,414,458	832,847,023
20	Earning Per Share	0.19	0.95
21	Net Income Per Share	0.19	0.95
22	Price Earning Ratio	N/A	N/A





Meghna Bank Securities Limited

REPORT OF THE DIRECTORS

Dear Shareholders,

Assaalmu Alaikum Wa Rahmatullah

On behalf of the Board of Directors, I welcome you all to the 4th Annual General Meeting of Meghna Bank Securities Limited. We have the pleasure to place herewith the Directors' Report and the Auditors' Report together with the Audited Financial Statements of the Company for the year ended 31st December, 2018.

Short Profile of the Company:

Meghna Bank Securities Limited (MGBSL), the only subsidiary company of Meghna Bank Limited; engaged as stock brokerage business in Bangladesh Capital Market. MGBSL 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 No. Reg-3.1/DSE-124/2015/537 and Reg-3.1/DSE-124/2015/536 respectively and started commercial operation on November 19, 2015 having 3 outlets across the Dhaka City with a paid up capital of Tk. 35.00 crore. Bangladesh Capital Market faced a mixed trend throughout the year in 2018 whereas it was in bearish trend in 2017. Total Market capitalization of Dhaka Stock Exchange stood at Tk. 387,295 crore on as on December 31, 2018 from Tk. 422,895 crore on as on December 31, 2017 representing a growth of -10.55%.

After commencement of operation, MGBSL has achieved significant growth in its business and profitability within short span of time. Total revenue of MGBSL stood at Tk. 4.75 crore in December, 2018 which was Tk. 4.33 crore in December, 2017, representing a growth of 9.70%. Number of total client reached at 1432 in 2018, which was 1,483 in the previous year, representing a growth of -3.44% and client's equity stood at Tk. 120.59 crore at the end of 2018 which was Tk. 117.28 Crore in December 2017.

Major products and services for the customers of MGBSL are Brokerage Service, CDBL service, Margin Loan, Low commission for Cash Account with wide Branch Network, Research Service, One-stop service for NRB Investors. MGBSL provides Margin Loan Facilities to its portfolio customers for purchase of shares and Securities. Loans are fully secured by way of shares purchased under margin loan account as per Margin Rules, 1999 by Bangladesh Securities & Exchange Commission. We have plan for launching Internet based Trading & SMS service. We have already established Mobile Apps trading plat form for our valued client.

Board of Directors:

Mr. Adil Islam, Managing Director & CEO of Meghna Bank Limited has appointed as nominated director from Meghna Bank Ltd. on May 30, 2018.

Board of Directors as on 31.12.2018

Sl. No.	Name of the Directors	Designation	Remarks
1.	Mr. H. N. Ashequr Rahman, MP	Chairman	Representative of the Board of Meghna Bank Ltd.
2.	Mr. Md. Yasin Ali	Director	Representative of the Board of Meghna Bank Ltd.
3.	Mr. Adil Islam	Director	Representative of Meghna Bank Ltd.
4.	Ms. Johora Bebe	Director	Representative of Meghna Bank Ltd.
5.	Mr. A.F. Shabbir Ahmad	Director	Representative of Meghna Bank Ltd.
6.	Mr. Sajib Kumar Saha	Director	Representative of Meghna Bank Ltd.
7.	Mr. Md. Sadiqur Rahman	Director	Shareholder

Board Meeting:

04 (four) meetings of the Board of Directors were held during the year 2018.

Role of Responsibility of The Board:

The Board is devoted to the Company and enthusiastic for achieving sustainable long term prosperity with meeting stakeholders, expectations. The Board determines to ensure the best practice in accordance with statutory requirements.



Property, Plant and Equipment:

Details of the movement during the period in the property, plant and equipment of the company set out in note 03 (three) to the company's financial statements.

Share Capital Report:

Details of the movement in the share capital of the company during the period is set out in note 10 (Ten) to the company's financial statements. The directors confirm that the Directors Report and the financial statements have been prepared in compliance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), the companies' act 1994, and other applicable laws and regulations.

Election of Directors:

According to Section 79, Schedule-1 of the Companies Act 1994, at the 4th Annual General Meeting, one third the directors are to retire from the Board and are eligible for reappointment.

Appointment of Auditors:

As per requirements of Law & Regulations, M/s. Basu Banerjee Nath & Co., Chartered Accountants is appointed Auditors for the year, 2018. The Board of Directors in its 20th meeting held on April 16, 2019 recommended to appoint MABS & J Partners, Chartered Accountants as the Statutory Auditor for the year 2019 with an audit fee of BDT 30,000/- plus VAT at the applicable rate.

Annual General Meeting:

Annual General Meeting will be held on August 4, 2019 at 4.30 p.m. at Hotel Le Meridien Dhaka located at 79/A Commercial Area, Airport Road, Nikunja-2, Khilkhet, Dhaka-1229. Financial Statements for the year ended on December 31, 2018 and the Directors' Report were approved in the 20th Meeting of the Board of Directors on April 16, 2019 for presentation to the shareholders in their Annual General Meeting.

Recommendation of Dividend:

The Board of Directors recommended 7.00% cash dividend as final dividend for the financial year 2018. As per approval of the Board, the amount has already been paid to the shareholders as interim dividend.

Acknowledgements:

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



H. N. Ashequr Rahman M.P.
Chairman



Independent Auditor's Report

To The Shareholders of Meghna Bank Securities Limited

Opinion

We have audited the financial statements of **Meghna Bank Securities Limited**, which comprise the Statement of Financial Position as at **December 31, 2018** and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Meghna Bank Securities Limited** as at **December 31, 2018** and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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

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

Managements is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the Securities and Exchange Rules 1987, 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.

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

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

Auditors Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also report that:

- a) We have obtained all the information and explanation which to 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 organization so far as it appeared from our examination of those books.
- c) The organization's Statement of Financial Position and Statement of Income and Expenditure dealt with by the report are in agreement with the books of accounts and returns.

Dhaka, Bangladesh
Date : 16 April 2019


Basu Banerjee Nath & Co.
Chartered Accountants

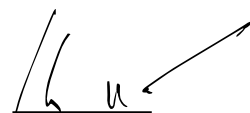


MEGHNA BANK SECURITIES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018


	Notes	2018 Taka	2017 Taka
PROPERTY AND ASSETS			
Non Current Assets			
		302,607,175	321,854,940
Property, Plant and Equipment	03	3,022,612	4,185,407
Intangible Assets	04	122,333	169,533
DSE TREC & Shares at Cost	05	299,462,230	317,500,000
Current Assets			
		132,005,805	77,619,702
Investment in Dealer Account	06	18,629,420	15,967,428
Accounts Receivable	07	17,787,937	14,608,605
Advances, Deposits and Prepayments	08	115,300	104,500
Cash and Cash Equivalents	09	95,473,148	46,939,169
Total Assets		434,612,980	399,474,642
EQUITY AND LIABILITIES			
Capital and Reserves			
Paid up Capital	10	350,000,000	350,000,000
Retained Earnings	11	2,727,448	3,158,601
Shareholders' Equity		352,727,448	353,158,601
Non Current Liabilities		-	-
Current Liabilities			
Accounts Payable	12	76,073,486	39,718,284
Other Liabilities	13	5,812,046	6,597,757
Total Current Liabilities		81,885,532	46,316,041
Total Liabilities		81,885,532	46,316,041
Total Equity and Liabilities		434,612,980	399,474,642

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


Chairman


Director


Director


Company Secretary

Signed in terms of our report of even date annexed

Dhaka, Bangladesh
Date : 16 April 2019

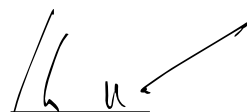

Basu Banerjee Nath & Co.
Chartered Accountants



MEGHNA BANK SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended on December 31, 2018


	Notes	2018 Taka	2017 Taka
Operating Revenue			
Brokerage Commission Income	14	14,188,659	29,856,953
Interest on Margin Loan	15	2,256,051	2,152,820
Other Operating Income	16	233,410	1,002,842
		16,678,120	33,012,615
Less: Direct expenses	17	1,546,249	3,723,369
Net Revenue from Operation		15,131,871	29,289,246
Add: Other Income	18	32,382,879	14,061,477
Total Revenue		47,514,750	43,350,723
General & Administrative Expenses			
Salaries & Allowance	19	8,917,434	8,274,256
Rent, Taxes, Insurance, Electricity etc.	20	5,455,039	5,444,857
Postage, Stamp & Telecommunication	21	54,334	64,022
Stationery, Printing and Advertisement	22	103,395	328,752
Director Fees	23	40,000	72,000
Auditor's Fees	24	30,000	20,000
Depreciation, Amortization and Repair & Maintenance	25	1,250,116	1,151,666
Other Expenses	26	1,952,111	1,934,083
		17,802,429	17,289,636
Profit/(Loss) before provisions		29,712,321	26,061,087
Provision for Investment Fluctuation in Shares		743,474	-
Total Provision		743,474	-
Profit/(Loss) before Tax		28,968,847	26,061,087
Less: Provision for income Tax		4,900,000	7,450,000
Net Profit after Tax		24,068,847	18,611,087
Other Comprehensive Income		-	-
Total Comprehensive Income		24,068,847	18,611,087
Earning Per Share (EPS)	27	6.88	5.32

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


Chairman


Director


Director


Company Secretary

Signed in terms of our report of even date annexed

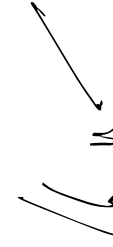
Dhaka, Bangladesh
Date : 16 April 2019


Basu Banerjee Nath & Co.
Chartered Accountants

MEGHNA BANK SECURITIES LIMITED

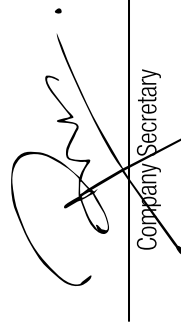
STATEMENT OF CHANGES IN EQUITY
For the year ended on December 31, 2018

Particulars	Paid up Capital Taka	Retained Earnings Taka	Total Taka
Balance as at 01 January 2018	350,000,000	3,158,601	353,158,601
Net profit after tax for the year 2018	-	24,068,847	24,068,847
Interim Dividend for 2018	-	(24,500,000)	(24,500,000)
Total Shareholders' Equity as at December 31, 2018	350,000,000	2,727,448	352,727,448


Chairman


Director


Director


Company Secretary

Dhaka, Bangladesh
Date : 16 April 2019

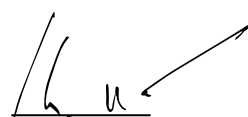


MEGHNA BANK SECURITIES LIMITED

STATEMENT OF CASH FLOWS


For the year ended on December 31, 2018

	2018 Taka	2017 Taka
Cash Flows from Operating Activities:		
Brokerage commission received	14,188,659	29,856,953
Interest received on margin loan	2,256,051	2,152,820
Received from operating & other income	2,015,918	4,793,844
Payment for operating & other expenses	(18,123,683)	(19,874,114)
Income taxes paid	(8,103,498)	(6,169,704)
	(7,766,553)	10,759,799
Changes in Operating Assets and Liabilities :		
Other Assets	(3,190,132)	(4,321,462)
Other Liabilities	38,029,515	13,362,951
	34,839,383	9,041,489
A) Net cash from operating activities:	27,072,830	19,801,288
Cash flows from Investing Activities:		
(Purchases)/Sale of Property, Plant & Equipments	(15,000)	(1,165,064)
(Payment)/Receipts for (Purchases)/Sale of Shares & Investment	15,375,778	(10,374,177)
Capital Gain / Realised on sale of shares (Dealer)	3,137,774	2,788,269
Capital Gain / Realised on sale of shares (DSE)	19,841,547	-
Dividend received	7,621,050	7,482,206
B) Net Cash from Investing Activities	45,961,149	(1,268,766)
Cash flows from Financing Activities:		
Interim Dividend paid in cash	(24,500,000)	(17,500,000)
C) Net Cash from Financing Activities	(24,500,000)	(17,500,000)
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	48,533,979	1,032,522
E) Cash and cash equivalents at the beginning of the year	46,939,169	45,906,647
F) Cash and cash equivalents at the end of the year (D+E)	95,473,148	46,939,169
Closing cash and cash equivalents represents:		
Cash in hand	7,394	18,579
Cash at Banks	95,465,754	46,920,590
	95,473,148	46,939,169


Chairman


Director


Director


Company Secretary

Dhaka, Bangladesh
Date : 16 April 2019

MEGHNA BANK SECURITIES LIMITED

Notes to the Financial Statements
As at & For the year ended on December 31, 2018

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 Limited 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 Authorized Capital of the Company is BDT 2,000,000,000 divided into 200,000,000 nos. ordinary shares of Tk. 100 each out of which the Issued, Subscribed & Paid-up capital is BDT 350,000,000 divided into 3,500,000 nos. ordinary shares of Tk. 100 each fully paid up in cash. The Meghna Bank Limited holds all shares except 1 share.

The Company has 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 related to capital market as and when regulators permit 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 (except the Statement of Cash Flows) have been prepared on a going concern basis following the system of accrual basis of accounting in accordance with the Company's Act 1994, Securities & Exchange Rules 1987, the listing Rules of Dhaka Stock Exchange 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. The Statement of Cash Flows has been prepared following the principles related to the movements of the cash as well as Bangladesh Accounting Standard-7 and under Direct Method.

Previous year's figures have been rearranged wherever considered necessary to confirm to current year's presentation.

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 has been using as the Company's functional currency. All the financial figures have been rounded off 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 where revisions to accounting estimates are recognized in the periods in which the estimate is revised and that may be affected for any future periods.

Revenue Recognition

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

2.6 Property, Plant and Equipment

Recognition and Measurement

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation where 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 Profit or Loss and Other Comprehensive Income as incurred.

Depreciation

Assets other than intangible Assets

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

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

Assets other than tangible Assets

This includes only software for which straight line basis are applied for amortizing within five years i.e., @ 20% per annum.

2.7 Provision for Current Tax

The provision for Income Tax is made following the norms of section 82C of the Income Tax Ordinance (ITO) income from company's normal course of business and 35% on company's income from other sources.

2.8 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 deals with related parties.

2.9 Directors' Responsibility toward Financial Statements

The Board of Directors takes the responsibility for the preparation and presentation of these Financial Statements and was subsequently approved by the board in its 20th meeting held on April 16, 2019.

2.10 Reporting period

These financial statements cover the period from January 01, 2018 to December 31, 2018.



	2018 Taka	2017 Taka
03 Property, Plant & Equipment (IAS-16)		
Property, Plant & Equipment at Cost	5,884,368	5,869,368
Less: Accumulated Depreciation	2,861,756	1,683,961
Written Down Value (WDV)	3,022,612	4,185,407
For details please refer to Annexure-A		
04 Intangible Assets		
Software (4.01)	122,333	169,533
	122,333	169,533
04.01 Software		
Software	236,000	236,000
Less: Accumulated Amortization	113,667	66,467
	122,333	302,467
05 DSE TREC & Shares at Cost	299,462,230	317,500,000
	299,462,230	317,500,000
Sale proceeds of 25% of DSE Shares @ Tk 10		
06 Investment in Dealer Account		
Investment at cost (06.01)	18,629,420	15,967,428
	18,629,420	15,967,428
06.01 The amount represents as Investment in Dealer Account at cost is the investment in purchase of shares for Meghna Bank Securities Ltd.		
07 Accounts Receivable		
DSE Investor's Protection Fund	100,000	100,000
Receivable from Clients	51,471	211,679
Receivable from DSE Ltd (7.01)	2,999,932	-
Margin Loan to Clients	14,636,534	14,296,926
	17,787,937	14,608,605
7.01 Receivable from Dhaka Stock Exchange Limited is the balance amount of the transactions of selling and buying of shares.		
08 Advances, Deposits and Prepayments		
CDBL Security Deposit	100,000	100,000
Telephone Security Deposit	4,500	4,500
Other prepaid Expenses	10,800	-
	115,300	104,500
09 Cash and Cash Equivalents		
Cash in hand	7,394	18,579
Cash at bank (Note 09.01)	95,465,754	46,920,590
	95,473,148	46,939,169
09.01 Cash at Banks:		
SND/GCD Account with:		
The City Bank Limited. #1001	25,125,920	23,805,136
The City Bank Limited.# 1002	120,000	-
Meghna Bank Limited.# 28	53,905,830	-
Meghna Bank Limited.# 63	16,314,004	23,115,454
	95,465,754	46,920,590
10 Share capital		
Authorized Capital		
2,00,00,000 Ordinary shares of Tk. 100 each	2,000,000,000	2,000,000,000
Issued, Subscribed & Paid-up capital		
35,00,000 Ordinary shares of Tk. 100 each fully paid up in cash	350,000,000	350,000,000



			2018 Taka	2017 Taka
The Shareholding position as on December 31, 2018 are as follows:				
Sl. No.	Name of Shareholders	No. of Shares		
1	Meghna Bank Limited	3499999	349,999,900	349,999,900
2	Md. Sadiqur Rahman	1	100	100
	Total	3,500,000	350,000,000	350,000,000
11	Retained Earnings			
	Balance at the beginning of the year		3,158,601	2,047,514
	Add: Net Profit during the year		24,068,847	18,611,087
	Less: Interim Dividend for 2018 (11.01)		(24,500,000)	(17,500,000)
			2,727,448	3,158,601
11.01	The Board of Directors has declared 7% Interim dividend and approved the same in their meeting held on 09.12.2018 and the said dividend has already been paid in cash.			
12	Accounts Payable			
	Payable to Clients		76,048,700	39,110,781
	Payable to Dhaka Stock Exchange Ltd. (12.01)		-	580,216
	Overdraft A/C (MGBL)		-	2,501
	Suspense Account		23,894	23,894
	Sundry Payable		892	892
			76,073,486	39,718,284
12.01	Payable to Dhaka Stock Exchange Limited is the balance amount of the transactions of selling and buying of shares.			
13	Other liabilities			
	Accrued expenses		805,280	807,501
	Tax Payable to Interim cash Dividend		4,899,999	3,500,000
	Provision for expenditure		601,171	333,586
	Provision for Fluctuation in Shares		743,474	-
	Provision for Income Tax (13.1)		(1,269,278)	1,934,220
	BO A/C Opening fee Payable (CDBL)		1,400	2,450
	Provision for Auditors' fee		30,000	20,000
			5,812,046	6,597,757
13.1	Provision for Income Tax (IAS-12)			
	Provision for Income Tax			
	Balance at the beginning of the year		12,556,669	5,280,626
	Add: Provision made during the year		4,900,000	7,450,000
	Less: Adjusted during the year		-	(173,957)
	Less: Settlement of Income Tax for the Income year 2015		(894,724)	-
	Balance at the end of the year (A)		16,561,945	12,556,669
	Advance tax			
	Balance at the beginning of the year		10,622,449	4,626,702
	Add: Paid during the year		8,103,498	5,995,747
	Less: Settlement of Income Tax for the Income year 2015		(894,724)	-
	Balance at the end of the year (B)		17,831,223	10,622,449
	Balance at the end of year (C)=(B-A)		(1,269,278)	1,934,220
14	Brokerage Commission Income			
	Commission income through DSE		14,188,659	29,856,953
			14,188,659	29,856,953



	2018 Taka	2017 Taka
15 Interest on Margin Loan	2,256,051	2,152,820
	2,256,051	2,152,820
16 Other operating Income		
Yearly BO Account Fee	148,200	765,950
BO Account Opening Fees	34,000	137,000
CDBL Charge	8,803	50,186
Cheque Dishonor Charge	7,000	11,000
IPO Application Fee	12,710	8,870
BO Closing Charge	22,566	29,801
Sale proceed of fraction Bonus Share(DLR)	121	-
IPO Refund Charge	10	35
	233,410	1,002,842
17 Direct Expenses		
Howla Charges-DSE	-	1,350
Laga Charges-DSE	1,010,035	2,063,839
CDBL Expenses	536,214	1,658,180
	1,546,249	3,723,369
18 Other Income		
Capital Gain on Sale of Shares	3,137,774	2,788,269
Capital Gain from DSE Shares	19,841,547	-
Interest Income on Bank Deposit (SND)	1,721,208	3,406,996
Interest Income on FDR	-	377,919
Other Income	7,300	6,087
Notice Pay Earnings	54,000	-
Dividend Income on Shares	7,621,050	7,482,206
	32,382,879	14,061,477
19 Salary and Allowance		
Basic Salary	4,423,247	4,034,930
Houe Rent Allowance	1,460,286	1,317,075
Conveyance Allowance	66,827	34,379
Utility Allowance	-	149,204
Medical Allowance	464,637	378,375
Bonus	1,541,851	1,458,103
PF Company Contribution	440,638	403,493
Consolidated Pay	519,948	498,697
	8,917,434	8,274,256
20 Rent, Taxes, Insurance, Electricity etc.:		
Office Rent	5,227,440	5,245,360
Electricity & Generator	227,599	199,497
	5,455,039	5,444,857
21 Postage, Stamps, Telecommunication etc:		
Postage & Courier Charge	554	145
Internet Connectivity Charge	16,068	16,800
Telecommunication Expenses	24,067	30,787
Non-Judicial Stamps	2,845	8,790
Cable TV Charge	10,800	7,500
	54,334	64,022
22 Stationery, Printing & Advertisements etc:		
Stationery, Printing & Advertisements	73,513	304,160
Computer accessories	23,603	20,412
Newspaper, Journal & Periodicals	6,279	4,180
	103,395	328,752

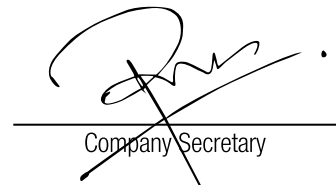


	2018 Taka	2017 Taka
23 Director's Fees	40,000	72,000
	40,000	72,000
24 Auditor's Fees	30,000	20,000
	30,000	20,000
25 Depreciation, Amortization and Repair & Maintenance		
Depreciation on Tangible assets (Annexure A)	1,177,795	1,091,691
Amortization on Intangible assets	47,200	47,200
Repair & maintenance	25,121	12,775
	1,250,116	1,151,666
26 Other Expenses		
Bank Charge	75,603	106,900
Interest expenses on SOD	33,307	2,503
Entertainment	89,412	130,728
Wasa Charge	30,188	11,479
Swerage Charge	1,943	2,577
Travelling & Conveyance	26,376	22,911
Drinking Water	29,576	17,429
Cleaning Expenses	51,231	50,140
Cutleries & Crockeries	4,250	4,420
DSE Charges	38,000	16,000
RJSC Fee & Expenses	3,885	51,024
Anti Virus Charges	17,334	17,896
TWS Application Fee	-	6,000
Registration & Renewal Fees	94,600	118,100
Generator Charges	22,264	7,986
Training, Development & Promotion	17,250	7,985
Web Hosting & Domain	-	75,000
Broker Association Fee	12,500	-
WAN Connectivity	263,310	261,900
Authorized Representative Expenses	56,000	53,600
Uniform	2,180	2,180
Mobile Allowance	57,147	68,500
Insurance	-	20,075
Investors Protection Fund	1,601	7,050
Business Promotion Expenses	132,898	84,415
Miscellaneous Expenses	1,700	14,065
Legal & Professional Fee	51,750	17,250
Law Charge	10,000	-
Software Maintenance	120,675	120,175
LFA	650,806	625,795
Donation	-	10,000
Seminar Fee	56,324	-
	1,952,111	1,934,083
27 Earning Per Share (EPS) (IAS-33)		
Net Profit after Tax	24,068,847	18,611,087
Number of Ordinary Shares outstanding (Denominator)	3,500,000	3,500,000
Earning Per Share (EPS)	6.88	5.32


Chairman


Director


Director


Company Secretary

MEGHNA BANK SECURITIES LIMITED

For the year ended on December 31, 2018

SCHEDULE OF FIXED ASSETS

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 December 31, 2017	
	Balance as on 1st January 2018	Additions during the year	Disposal/ Transfer during the year		Balance as on December 31, 2018	Transfer/ Adjustment during the year	Charge for the year	Balance as on December 31, 2018		WDV as on December 31, 2018
Furniture & Fixtures	2,706,895	-	-	2,706,895	10%	-	270,694	776,610	1,930,285	2,200,979
Office Equipment	1,085,068	-	-	1,085,068	20%	-	217,014	541,922	543,146	760,160
Computer & Server	2,077,405	15,000	-	2,092,405	33%	-	690,087	1,543,224	549,181	1,224,268
Total (A)	5,869,368	15,000	-	5,884,368		-	1,177,795	2,861,756	3,022,612	4,185,407

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 December 31, 2017	
	Balance as on 1st January 2018	Additions during the year	Disposal/ Transfer during the year		Balance as on December 31, 2018	Transfer/ Adjustment during the year	Charge for the year	Balance as on December 31, 2018		WDV as on December 31, 2018
Software	236,000	-	-	236,000	20%	-	47,200	113,667.00	122,333	169,533
Total (B)	236,000	-	-	236,000		-	47,200	113,667	122,333	169,533
Total (A + B)	6,105,368	15,000	-	6,120,368		-	1,224,995	2,975,423	3,144,945	4,354,940



EXIT



MECHNA BANK LTD.
together we win



EVENTS



Annual General Meeting of Meghna Bank Limited



Factory Financed by Meghna Bank Ltd.



Customer's Factory visit



Launching Ceremony of NFC based EMV Visa 'PLATINUM Credit Card'



EVENTS



Launching of Co-Branded Credit Card



Manager's Conference 2019



Agreement signing with the Partners



EVENTS



Agreement signing with Discount Partner



Corporate Social Responsibility Program - 'Besides the Distressed'



Celebrating Colorful Women's Day



EVENTS



Customer Visit



Town Hall Meeting



Workshop on AML & CFT





Branch Network

SI	Name of Branch	Address	Date of Operation
1	Principal Branch	“Suvastu Imam Square” (Ground Floor), 65 Gulshan Avenue (Gulshan - 1), Dhaka.	9-May-13
2	Sathibari Branch	“Highway Shopping Center” (Ground & 1st Floor), Sathibari Bazar, Mithapukur, Rangpur.	2-Oct-13
3	Chawkbazar Branch	“Hazi Matiur Rahman Bhaban” (1st Floor), 189 Water Works Road, Lalbagh, Chawkbazar, Dhaka.	22 - Oct-13
4	Motijheel Branch	“Central Insurance Bhaban” (Ground Floor), 7 - 8 Motijheel C/A, Dhaka - 1000.	23-Oct-13
5	DEPZ Branch	“Swapnil Tower” (1st Floor), Bipail (Near Ashulia Police Station), Ashulia, Dhaka.	8-Dec-13
6	Kalampur Branch	“Jahanara Super Market” (1st Floor) Kalampur Bazar, Dhamrai, Dhaka.	15-Dec-13
7	Agrabad Branch	“Delowar Bhaban” (1st Floor) 104 Agrabad C. A., Chattogram.	20-Apr-14
8	Bormi Bazar Branch	“Paul Market” (1st Floor), Pathantek, Bormi Bazar, Sreepur, Gazipur.	10-Aug-14
9	Narayangonj Branch	“Hazi Hashem Trade Center” (2nd Floor), 55/A, S.M. Maleh Road, Tanbazar, Narayangonj.	14-Aug-14
10	Madambibirhat Branch	“M A Trade Center” (1st Floor), Madambibirhat, Near Sheuli Petrol Pump, Bhatiary, Chattogram.	21-Aug-14
11	Bandura Branch	“SD Shopping Complex” (1st Floor), Bandura, Nawabgonj, Dhaka.	24-Aug-14
12	Hatikumrul Branch	“Haji Iman Ali Complex” (1st Floor), Hatikumrul, Sirajgonj Road, Salonga, Sirajgonj.	28-Aug-14
13	Gazipur Chowrasta Branch	“Chandona Plaza” (1st Floor), Holding # 48, Dhaka Road, Chandona Chowrasta, Gazipur.	15-Sep-14
14	Choyani Bazar Branch	“Sobhan Market” (1st Floor), School Road, Choyani Uttar Bazar, Begumgonj, Noakhali.	21-Sep-14
15	Madhabdi Branch	“Haji Siraj Tower” (1st & 2nd Floor), College Road, Madhabdi Bazar, Madhabdi, Narsingdi.	24-Sep-14



16	Dhanmondi Branch	Holding # 48/8, (1st & 2nd Floor), Road # 9/A, Vasha Shainik Towaha Sarak (Satmasjid Road), Dhanmondi, Dhaka.	30-Oct-14
17	Jubilee Road Branch	“Haque Tower” (2nd Floor) 610/11 (old), 923/A/1103 (New) Jubilee Road, Chattogram.	25-Aug-15
18	Munshirhat Branch	“Amir Hossain Dealer Market” (1st Floor), Munshirhat Bazar Chauddagram, Cumilla.	31-Aug-15
19	Uttara Branch	“Shafina Center” (1st & 2nd Floor) 14 Garib - E - Newaz Avenue, Sector # 11, Uttara, Dhaka.	5-Oct-15
20	Mohipal Branch	“Mir Hossain Chowdhury Complex” (1st Floor), Holding # 169, Mohipal, Feni - 3900.	8-Nov-15
21	Zamindarhat Branch	“Oman Market” (1st Floor) Zamindarhat, Begumgonj, Noakhali - 3825.	30-Nov-15
22	Bogura Branch	“Jamil Building” (1st & 2nd Floor) 51 & 52 (old), 67 & 68 (New) Borogola, Bogura - 5800.	9-Dec-15
23	Laldighir Par Branch	“Bakht Center” (1st Floor) Holding # 2837 - 00 Laldighir Par, Sylhet - 3100.	13-Dec-15
24	South Surma Branch	“Niamah Tower” (1st Floor) Chondipul Point, South Surma, Sylhet - 3100.	13-Dec-15
25	Patherhat Branch	“Noapara School Market” (1st Floor), Patherhat, Noapara, Raozan, Chattogram.	27-Dec-15
26	Takerhat Branch	“Shahabuddin Molla Complex” (1st Floor), Takerhat, Dhaka - Barisal Highway, Rajoir, Madaripur.	29-Dec-15
27	Rangpur Branch	“Khan Bahadur Abdur Rauf Plaza” (1st Floor) House # 1, Road # 1, Station Road, Rangpur.	5-Jun-16
28	Khulna Branch	19 KDA Avenue (1st Floor), Tetultolar Mor, Sheikhpara, Khulna.	7-Aug-16
29	Barishal Branch	“Barishal Islamia Urban Shomobaya Samity Ltd. Building” (1st Floor), 116 Sadar Road (old), 559 Birshreshtha Captain Mohiuddin Jahangir Road (New), Barishal.	18-Aug-16
30	Chehelgazi Branch	Hajee Mohammad Danesh Science and Technology University, Academic Building # 2 (Ground Floor) (Near Gate # 1), Chehelgazi, Dinajpur Sadar, Dinajpur.	24-Aug-16
31	Mirpur Branch	“Islam Plaza” (1st Floor), Plot # 7, Harun Mollah Road - 3, Section - 7, Pallabi, Dhaka - 1216.	30-Aug-16
32	Zirabo Branch	“Jalil Complex” (1st Floor), Vill : Zirabo, Union : Yearpur Thana : Ashulia, District : Dhaka.	21-Sep-16



33	Rampal Branch	“Sufia Plaza” (1st Floor), Shipahi Para, Rampal, Munshigonj.	1-Nov-16
34	Aman Bazar Branch	“Sanowara Convention Hall” (1st Floor), Aman Bazar, Chickondondi Union Thana : Hathazari, District : Chattogram.	14-Nov-16
35	Ananda Bazar Branch	Ananda Bazar Vill : Ramdaspur, Mouza : Ramdaspur Union : Farajikandi, Thana : Matlab Uttar, District : Chandpur.	8-Dec-16
36	Rajshahi Branch	“Prince Tower” (1st Floor), 25 Rani Bazar, Batar Mor, Rajshahi.	20-Dec-16
37	Kishoregonj Branch	“Amzad Bhuiyan Plaza” (1st & 2nd Floor), 370 Boro Bazar, Kishoregonj.	19-Mar-17
38	Rampur Bazar Branch	“Gawsia Tower” (1st Floor), Rampur Bazar, Hajigonj, Chandpur.	13-Sep-17
39	Senbagh Branch	“Amir Ali Market” (1st Floor), Senbagh Bazar, Senbagh, Noakhali.	14-Sep-17
40	Sonargaon Road Branch	“R K Tower” (1st Floor), 86, Bir Uttam C. R. Datta Road, Dhaka - 1205.	10-Dec-17
41	Pangsha Branch	“Maya Super Market” (1st Floor), Pangsha bazar, Pangsha, Rajbari.	21-Dec-17
42	Anowara Branch	“Anu Meah Market” (1st Floor), Shah Mohsen Aulia Sarak, Anowara, Chattogram.	27-Dec-17
43	Cumilla Branch	“Razzak Mansion Complex” (1st Floor), 63 Nazrul Avenue, Kandirpar, Cumilla .	23-Jan-18
44	Kushtia Branch	“Bashar Tower” (1st Floor), 72 N.S. Road, Kushtia.	13-Feb-18
45	Nalchity Branch	“J R Complex” (1st Floor), 11 Station Road, Nalchity, Jhalakathi.	5-Mar-18
46	Jashore Branch	20 R.N. Road (1st Floor), Jashore.	27-Mar-18
47	Joypurhat Branch	“Tazim plaza” (1st Floor), 84, Batamore, Joypurhat.	28-Mar-18



NOTICE OF THE SIXTH ANNUAL GENERAL MEETING

Notice is hereby given to all Members of Meghna Bank Limited (the Company) that the **Sixth Annual General Meeting** of the Members of the Company will be held on **Sunday, August 4, 2019 at 5:00 p.m. at Hotel Le Meridien Dhaka**, located at 79/A Commercial Area, Airport Road, Nikunja-2, Khilkhet, Dhaka-1229, to transact the following agenda:

Ordinary Business:

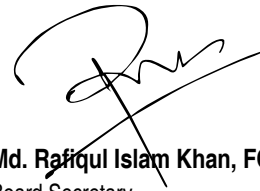
1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2018 together with the reports of the Auditors and the Directors thereon;
2. To declare dividend for the year ended December 31, 2018;
3. To elect/re-elect Directors;
4. To appoint Auditors of the Company for the term until conclusion of the next Annual General Meeting and to fix their remuneration;

Special Business:

1. To consider issuance of new shares;
2. To consider amendment of Articles of Association of the Bank;

Dated: June 19, 2019

By order of the Board



Md. Rafiqul Islam Khan, FCS
Board Secretary

Notes:

1. The "Record Date" is June 27, 2019 as approved by the Board of Directors of the Company.
2. Shareholders whose name appeared in the Members Register of the Company at the close of business on 27th June, 2019 (Record Date) will be eligible to attend and vote in the Sixth Annual General Meeting and will be entitled for dividend (if any).
3. Members entitled to attend the Annual General Meeting are allowed 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.





Registered Office: Suvastu Imam Square (Level-06)
65 North Avenue C/A, Gulshan-1, Dhaka-1212

PROXY FORM

I.....of.....being
a Member(s) of Meghna Bank Limited do hereby appoint.....of
..... or failing him/her
.....of.....
my proxy in my absence to attend and vote for me, and on my behalf, at the 6th Annual General Meeting of the
Company, to be held on the **4th day of August 2019, Sunday, at 5:00 p.m. at Hotel Le Meridien Dhaka, located
at 79/A Commercial Area, Airport Road, Nikunja-2, Khilkhet, Dhaka-1229** and at any adjournment there of.

Signature of Proxy:

Signature of Member:

Folio Number:.....

No. of Shares held

Affix Revenue Stamp
of Tk. 20.00

N.B: This Proxy Form, duly completed and signed, must be deposited at the Registered Office of the Company at least 72 hours before the Meeting. Proxy is invalid if not signed and stamped as explained above.



Registered Office: Suvastu Imam Square (Level-06)
65 North Avenue C/A, Gulshan-1, Dhaka-1212

ATTENDANCE SLIP

I hereby record my attendance at the 6th Annual General Meeting of the Company being held on the **4th day of August 2019, Sunday, at 5:00 p.m. at Hotel Le Meridien Dhaka, located at 79/A Commercial Area, Airport Road, Nikunja-2, Khilkhet, Dhaka-1229**

Name of Member/ Proxy.....

Name of Member/ Proxy.....

Date:





MEGHNA BANK LTD.
Together we sail



Head Office:

Suvastu Imam Square (Level-3 & 6), 65, Gulshan Avenue (Gulshan-1), Dhaka-1212.
Tel: +88 02-9857352, +88 02-9857089