

**Independent Auditor's Report
and
Financial Statements
of
Meghna Bank Limited
As at and for the year ended December 31, 2019**



Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh

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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 subsidiaries (the "Group") as well as the separate financial statements of Meghna Bank Limited (the "Bank"), which comprise the consolidated and separate Balance Sheets as at 31 December 2019 and the consolidated and separate Profit and 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 2019 and of its consolidated and separate Profit and Loss Account 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 Matter

The consolidated and separate financial statements of Meghna Bank Limited for the year ended December 31, 2018, were audited by MABS & J Partners Chartered Accountants who expressed an unmodified opinion on those statements on April 16, 2019.

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.



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

Responsibilities of Management and Those Charged with Governance for the 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 the Bank.
- (iii) financial statements of the Bank's subsidiary namely, Meghna Bank Securities Limited, have been audited by MABS & J Partners, 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 2,352 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, 11 March 2020

Mahfel Huq & Co.
Chartered Accountants

MEGHNA BANK LIMITED
CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2019


Particulars	Notes	2019 Taka	2018 Taka
PROPERTY AND ASSETS			
Cash		3,184,997,622	2,836,832,928
Cash in hand (Including Foreign Currencies)	3	637,077,026	531,995,271
Balance with Bangladesh Bank and Its agent Bank (s) (Including Foreign Currencies)	4	2,547,920,596	2,304,837,657
Balance with other Banks and Financial Institutions	5	3,526,339,733	3,350,276,987
In Bangladesh		3,258,302,893	3,133,743,957
Outside Bangladesh		268,036,840	216,533,030
Money at Call on Short Notice	6	2,070,000,000	1,990,000,000
Investments	7	5,491,137,051	4,810,881,188
Government		4,765,724,684	4,263,726,818
Others		725,412,367	547,154,370
Loans and Advances	8	34,362,615,024	30,153,677,158
Loans, Cash credits, Overdrafts, etc.		34,196,996,809	29,951,121,824
Bills Purchased and Discounted		165,618,215	202,555,334
Fixed Assets Including Premises, Furniture and Fixtures	9	280,943,017	319,140,139
Other Assets	10	435,119,220	383,354,027
Non Banking Assets		-	-
Total Assets		<u>49,351,151,667</u>	<u>43,844,162,427</u>
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	11	324,256	1,163,095
Deposits and Other Accounts	12	41,084,339,157	36,376,462,888
Current Accounts & Other Accounts		3,975,363,378	3,517,473,496
Bills Payable		431,631,087	358,187,863
Savings Bank Deposits		2,165,812,724	1,640,439,099
Fixed Deposits		34,511,531,968	30,860,362,430
Bearer Certificate of Deposit		-	-
Other Deposits		-	-
Other Liabilities	13	2,868,896,984	2,206,456,946
Total Liabilities		<u>43,953,560,397</u>	<u>38,584,082,929</u>
Capital/Shareholders' Equity			
Paid-up Capital	15a.2	4,698,980,000	4,698,980,000
Statutory Reserve	16	641,806,839	540,900,474
Other Reserve (Revaluation of HFT & HTM Securities)	17	540,736	321,809
Surplus in Profit and Loss Account/Retained Earnings	18	56,263,593	19,877,114
Total Shareholders' Equity		5,397,591,168	5,260,079,397
Non-controlling Interest	19	102	101
Total Shareholders' Equity with Non-Controlling Interest		<u>5,397,591,270</u>	<u>5,260,079,498</u>
Total Liabilities & Shareholders' Equity		<u>49,351,151,667</u>	<u>43,844,162,427</u>



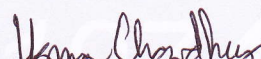
MEGHNA BANK LIMITED
CONSOLIDATED OFF- BALANCE SHEET ITEMS
AS AT DECEMBER 31, 2019

Particulars	Notes	2019 Taka	2018 Taka
CONTINGENT LIABILITIES			
Acceptances and Endorsements	20	731,624,552	1,205,433,639
Letters of Guarantee	21	2,774,560,665	2,913,254,552
Irrevocable Letters of Credit	22	738,189,924	1,149,951,517
Bills for Collection		234,154,720	343,766,187
Other Contingent Liabilities		-	-
Total		4,478,529,861	5,612,405,895
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
TOTAL OFF-BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES		4,478,529,861	5,612,405,895

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


Chairman



Director


Director


Managing Director & CEO

Signed in terms of our report of even date

Dhaka, 11 March, 2020


Mahfel Huq & Co.
Chartered Accountants

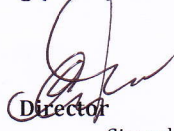


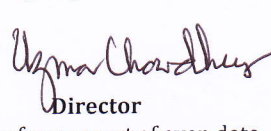
MEGHNA BANK LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED DECEMBER 31, 2019


Particulars	Notes	2019 Taka	2018 Taka
Interest Income	24	4,266,718,694	3,729,227,105
Interest paid on Deposits and borrowings etc	25	2,799,392,304	2,462,649,480
Net Interest Income		1,467,326,390	1,266,577,625
Investment Income	26	408,545,015	578,014,829
Commission, Exchange and Brokerage	27	158,528,006	157,321,556
Other Operating Income	28	74,035,428	62,629,211
		641,108,449	797,965,596
Total Operating Income		2,108,434,839	2,064,543,221
Salaries and Allowances	29	604,359,115	558,587,150
Rent, Taxes, Insurances, Electricity etc.	30	242,983,999	225,461,563
Legal Expenses	31	958,630	459,648
Postage, Stamps, Telecommunication etc.	32	19,643,511	21,920,971
Stationery, Printings, Advertisements etc.	33	14,112,311	17,301,939
Chief Executive's Salary & Fees	34	15,365,090	13,508,433
Directors' Fees	35	1,912,000	1,872,000
Auditors' Fees	36	455,000	430,000
Charges on loan losses		-	-
Depreciation & Repairs of Bank's Assets	37	100,086,245	105,657,323
Other Expenses	38	278,193,358	242,129,374
		1,278,069,259	1,187,328,401
Total Operating Expenses		1,278,069,259	1,187,328,401
Profit/(Loss) before Provision	23	830,365,580	877,214,820
Specific Provision for Classified Loans and Advances		(255,050,000)	(391,800,000)
General Provision for Unclassified Loans and Advances		(41,050,000)	(25,900,000)
General Provision for Off-Balance Sheet Exposures		13,700,000	8,100,000
Provision for Diminution in value of Investments		(27,522,736)	(22,283,474)
Other Provisions		(11,900,000)	(5,000,000)
Total Provision	39	(321,822,736)	(436,883,474)
Total Profit/(Loss) before Taxes		508,542,844	440,331,346
Provision for Taxation			
Current Tax	13.2	(371,250,000)	(324,900,000)
		(371,250,000)	(324,900,000)
Net Profit after Taxation		137,292,844	115,431,346
Retained earnings brought forward from previous years		19,877,114	11,218,268
		157,169,958	126,649,614
Appropriations			
Statutory Reserve	16	100,906,365	82,272,500
Non-controlling Interest	18.1	1	7
General Reserve		-	-
		100,906,366	82,272,507
Retained Surplus		56,263,593	44,377,107
Earnings Per Share (EPS)	40	0.29	0.25

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


Chairman



Director


Director


Managing Director & CEO

Signed in terms of our report of even date

Dhaka, 11 March, 2020


Mahfel Huq & Co.
Chartered Accountants



MEGHNA BANK LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2019

Particulars	Notes	2019 Taka	2018 Taka
Cash Flows from Operating Activities			
Interest receipts in cash	41	4,654,639,751	4,125,933,305
Interest Payments	42	(2,657,174,854)	(2,387,912,241)
Dividends Receipts		10,588,416	41,739,098
Fee & Commission receipts in cash		158,528,006	157,321,556
Recoveries on loans previously written off		-	-
Cash Payments to Employees		(619,724,205)	(572,095,583)
Cash Payments to Suppliers		(14,112,311)	(17,301,939)
Income Taxes Paid		(270,387,569)	(256,578,046)
Receipts from other Operating activities	43	79,858,691	214,537,024
Payments for other Operating activities	44	(554,825,271)	(503,415,554)
Operating Profit before changes in Operating Assets and Liabilities		787,390,654	802,227,621
Increase/Decrease in Operating Assets and Liabilities			
Statutory Deposits		-	-
Purchase/Sale of Trading Securities (Treasury bills)		-	99,337,620
Loans and Advances to Other Banks		-	-
Loans and Advances to Customers		(4,208,937,866)	(2,695,779,266)
Other Assets	45	(42,606,010)	26,132,950
Deposits from other Banks		(1,021,018,269)	1,170,343,345
Deposits from Customers		5,728,894,539	2,942,164,792
Other liabilities on account of customers		-	-
Trading Liabilities		-	-
Other Liabilities	46	97,537,420	173,339,190
Sub Total		553,869,814	1,715,538,631
A) Net Cash from Operating Activities		1,341,260,469	2,517,766,251
Cash flows from Investing Activities			
Proceeds from sale of Securities		-	733,145,473
Payment for purchases of securities		(679,974,136)	(589,527,061)
Purchase/Sale of Property, Plant & Equipment		(56,157,253)	(130,574,871)
Purchase/Sale of Subsidiary		-	-
B) Net Cash Used in Investing Activities		(736,131,390)	13,043,541
Cash flows from Financing Activities			
Borrowing from other banks		(838,839)	(905,427,381)
Receipts from issue of ordinary share		-	-
Dividends Paid		-	(24,500,000)
C) Net Cash from Financing Activities		(838,839)	(929,927,381)
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		604,290,240	1,600,882,410
E) Effect of Exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		8,177,773,315	6,576,890,905
G) Cash and cash equivalents at the end of the year (D+E+F)	47	8,782,063,555	8,177,773,315

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

Chairman

Director

Director

Managing Director & CEO

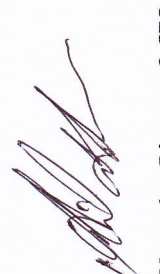
MEGHNA BANK LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2019

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, 2019	4,698,980,000	540,900,474	321,809	19,877,114	5,260,079,397	101	5,260,079,498
Changes in accounting policy	-	-	-	-	-	-	-
Restated Balance	4,698,980,000	540,900,474	321,809	19,877,114	5,260,079,397	101	5,260,079,498
Net profit for the year	-	-	-	137,292,844	137,292,844	-	137,292,844
Transfer to statutory reserve	-	100,906,365	-	(100,906,365)	-	-	-
Net Surplus/deficit on account of revaluation of Investments	-	-	218,927	-	218,927	-	218,927
Minority interest	-	-	-	(1)	(1)	1	-
Interim dividend paid by Subsidiary	-	-	-	-	-	-	-
Balance as at 31 December, 2019	4,698,980,000	641,806,839	540,736	56,263,593	5,397,591,168	102	5,397,591,270
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 (1 - 48) notes form integral parts of these financial statements


Chairman


Director


Managing Director & CEO



MEGHNA BANK LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2019

Particulars	Notes	2019 Taka	2018 Taka
PROPERTY AND ASSETS			
Cash		3,184,987,954	2,836,825,534
Cash in hand (Including Foreign Currencies)	3a	637,067,358	531,987,877
Balance with Bangladesh Bank and Its agent Bank (s) (Including Foreign Currencies)	4a	2,547,920,596	2,304,837,657
Balance with other Banks and Financial Institutions	5a	3,512,980,551	3,325,031,067
In Bangladesh		3,244,943,711	3,108,498,037
Outside Bangladesh		268,036,840	216,533,030
Money at Call on Short Notice	6a	2,070,000,000	1,990,000,000
Investments	7a	5,171,377,021	4,492,789,538
Government		4,765,724,684	4,263,726,818
Others		405,652,337	229,062,720
Loans and Advances	8a	34,362,615,024	30,153,677,158
Loans, Cash credits, Overdrafts, etc.		34,196,996,809	29,951,121,824
Bills Purchased and Discounted		165,618,215	202,555,334
Fixed Assets Including Premises, Furniture and Fixtures	9a	278,789,682	315,995,194
Other Assets	10a	766,177,064	735,235,491
Non Banking Assets		-	-
Total Assets		49,346,927,296	43,849,553,982
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	11a	324,256	1,163,095
Deposits and Other Accounts	12a	41,104,080,069	36,446,682,722
Current Accounts & Other Accounts		3,975,363,378	3,517,473,496
Bills Payable		431,631,087	358,187,863
Savings Bank Deposits		2,165,812,724	1,640,439,099
Fixed Deposits		34,531,272,880	30,930,582,264
Bearer Certificate of Deposit		-	-
Other Deposits		-	-
Other Liabilities	13a	2,850,420,270	2,144,356,215
Total Liabilities		43,954,824,595	38,592,202,032
Capital/Shareholders' Equity			
Paid-up Capital	15a.2	4,698,980,000	4,698,980,000
Statutory Reserve	16	641,806,839	540,900,474
Other Reserve (Revaluation of HFT & HTM Securities)	17	540,736	321,809
Surplus in Profit and Loss Account/Retained Earnings	18a	50,775,126	17,149,667
Total Shareholders' Equity		5,392,102,701	5,257,351,950
Total Liabilities & Shareholders' Equity		49,346,927,296	43,849,553,982




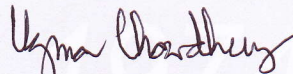
MEGHNA BANK LIMITED
OFF- BALANCE SHEET ITEMS
AS AT DECEMBER 31, 2019

Particulars	Notes	2019 Taka	2018 Taka
CONTINGENT LIABILITIES			
Acceptances and Endorsements	20	731,624,552	1,205,433,639
Letters of Guarantee	21	2,774,560,665	2,913,254,552
Irrevocable Letters of Credit	22	738,189,924	1,149,951,517
Bills for Collection		234,154,720	343,766,187
Other Contingent Liabilities		-	-
Total		4,478,529,861	5,612,405,895
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		<u>4,478,529,861</u>	<u>5,612,405,895</u>

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


Chairman



Director


Director


Managing Director & CEO

Signed in terms of our report of even date

Dhaka, 11 March, 2020


Mahfel Huq & Co.
Chartered Accountants



MEGHNA BANK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED DECEMBER 31, 2019

Particulars	Notes	2019 Taka	2018 Taka
Interest Income	24a	4,263,880,353	3,726,276,848
Interest paid on Deposits and borrowings etc	25a	2,800,997,745	2,463,676,482
Net Interest Income		1,462,882,608	1,262,600,366
Investment Income	26a	401,757,276	547,414,458
Commission, Exchange and Brokerage	27a	147,723,382	143,132,897
Other Operating Income	28a	77,833,100	66,764,900
		627,313,758	757,312,255
Total Operating Income		2,090,196,366	2,019,912,621
Salaries and Allowances	29a	597,651,661	549,669,716
Rent, Taxes, Insurances, Electricity etc.	30a	241,922,378	224,436,924
Legal Expenses	31a	958,630	459,648
Postage, Stamps, Telecommunication etc.	32a	19,571,595	21,866,637
Stationery, Printings, Advertisements etc.	33a	14,022,104	17,198,544
Chief Executive's Salary & Fees	34	15,365,090	13,508,433
Directors' Fees	35a	1,904,000	1,832,000
Auditors' Fees	36a	425,000	400,000
Charges on loan losses		-	-
Depreciation & Repairs of Bank's Assets	37a	99,067,786	104,407,207
Other Expenses	38a	275,471,298	238,631,014
		1,266,359,542	1,172,410,123
Total Operating Expenses		1,266,359,542	1,172,410,123
Profit/(Loss) before Provision	23a	823,836,824	847,502,498
Specific Provision for Classified Loans and Advances		(255,050,000)	(391,800,000)
General Provision for Unclassified Loans and Advances		(41,050,000)	(25,900,000)
General Provision for Off-Balance Sheet Exposures		13,700,000	8,100,000
Provision for Diminution in value of Investments		(25,005,000)	(21,540,000)
Other Provisions		(11,900,000)	(5,000,000)
Total Provision	39a	(319,305,000)	(436,140,000)
Total Profit/(Loss) before Taxes		504,531,824	411,362,498
Provision for Taxation			
Current Tax	13a.2	(370,000,000)	(320,000,000)
		(370,000,000)	(320,000,000)
Net Profit after Taxation		134,531,824	91,362,498
Retained earnings brought forward from previous years		17,149,667	8,059,669
		151,681,491	99,422,167
Appropriations			
Statutory Reserve	16	100,906,365	82,272,500
General Reserve		-	-
		100,906,365	82,272,500
Retained Surplus	18a	50,775,126	17,149,667
Earnings Per Share (EPS)	40a	0.29	0.19

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

Chairman

Director

Director

Managing Director & CEO

Signed in terms of our report of even date

Dhaka, 11 March, 2020

Mahfel Huq & Co.
Chartered Accountants



MEGHNA BANK LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2019

Particulars	Notes	2019 Taka	2018 Taka
Cash Flows from Operating Activities			
Interest receipts in cash	41a	4,651,801,410	4,122,983,049
Interest Payments	42a	(2,658,780,295)	(2,388,939,243)
Dividends Receipts		4,585,902	34,118,048
Fee & Commission receipts in cash		147,723,382	143,132,897
Recoveries on loans previously written off		-	-
Cash Payments to Employees		(613,016,751)	(563,178,149)
Cash Payments to Suppliers		(14,022,104)	(17,198,544)
Income Taxes Paid		(267,962,051)	(248,474,548)
Receipts from other Operating activities	43a	77,924,155	191,262,992
Payments for other Operating activities	44a	(545,973,159)	(494,312,699)
		782,280,489	779,393,803
Operating Profit before changes in Operating Assets and Liabilities			
Increase/Decrease in Operating Assets and Liabilities			
Statutory Deposits		-	-
Purchase/Sale of Trading Securities (Treasury bills)		-	99,337,620
Loans and Advances to Other Banks		-	-
Loans and Advances to Customers		(4,208,937,866)	(2,695,779,266)
Other Assets	45a	(21,782,389)	12,661,669
Deposits from other Banks		(1,021,018,269)	1,170,343,345
Deposits from Customers		5,678,415,617	2,989,269,172
Other liabilities on account of customers		-	-
Trading Liabilities		-	-
Other Liabilities	46a	142,503,655	151,971,087
Sub Total		569,180,748	1,727,803,627
A) Net Cash from Operating Activities		1,351,461,237	2,507,197,430
Cash flows from Investing Activities			
Proceeds from sale of Securities		-	733,145,473
Payment for purchases of securities		(678,305,756)	(604,902,840)
Purchase/Sale of Property, Plant & Equipment		(56,141,938)	(130,559,871)
B) Net Cash Used in Investing Activities		(734,447,694)	(2,317,238)
Cash flows from Financing Activities			
Borrowing from other banks		(838,839)	(905,427,381)
Receipts from issue of ordinary share		-	-
Dividends Paid		-	-
C) Net Cash from Financing Activities		(838,839)	(905,427,381)
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		616,174,704	1,599,452,810
E) Effect of Exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		8,152,520,001	6,553,067,191
G) Cash and cash equivalents at the end of the period (D+E+F)	47a	8,768,694,705	8,152,520,001

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

Chairman

Director

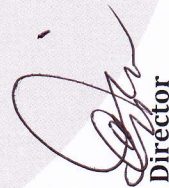
Director

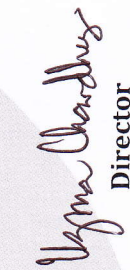
Managing Director & CEO

MEGHNA BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2019

Particulars	Paid-up Capital (Taka)	Statutory Reserve (Taka)	Other Reserve (Taka)	Retained Earnings (Taka)	Total (Taka)
Balance as at 01 January, 2019	4,698,980,000	540,900,474	321,809	17,149,667	5,257,351,950
Changes in accounting policy	-	-	-	-	-
Restated Balance	4,698,980,000	540,900,474	321,809	17,149,667	5,257,351,950
Net profit for the year				134,531,824	134,531,824
Transfer to statutory reserve		100,906,365		(100,906,365)	-
Net Surplus/deficit on account of revaluation of Investments			218,927		218,927
Balance as at 31 December, 2019	4,698,980,000	641,806,839	540,736	50,775,126	5,392,102,701
Balance as at 31 December, 2018	4,698,980,000	540,900,474	321,809	17,149,667	5,257,351,950

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


Chairman


Director


Managing Director & CEO

MEGHNA BANK LIMITED
LIQUIDITY STATEMENT
ASSETS AND LIABILITIES MATURITY ANALYSIS
AS AT DECEMBER 31, 2019

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	637,067,358	-	-	-	-	637,067,358
Balance with other Banks and Financial Institutions	1,596,436,600	2,450,000,000	-	-	2,014,464,547	6,060,901,147
Money at Call on Short Notice	2,070,000,000	-	-	-	-	2,070,000,000
Investment	35,731,017	-	190,647,521	931,080,718	4,013,917,765	5,171,377,021
Loans and Advances	8,302,795,812	5,824,406,065	13,359,558,299	5,225,894,376	1,649,960,472	34,362,615,024
Fixed Assets including Premises, Furniture & Fixtures	-	-	-	-	278,789,682	278,789,682
Other Assets	130,789,990	68,164,906	51,839,926	172,273,341	343,108,901	766,177,064
Non-banking Assets	-	-	-	-	-	-
Total Assets (i)	12,772,820,777	8,342,570,971	13,602,045,746	6,329,248,435	8,300,241,367	49,346,927,296
Liabilities						
Borrowing from Other Banks, Financial Institutions & Agents	-	324,256	-	-	-	324,256
Deposits and Other Accounts	6,331,409,580	14,066,121,225	13,070,719,674	5,559,873,046	2,075,956,544	41,104,080,069
Provision and Other Liabilities	74,454,460	314,818,408	491,912,717	361,139,463	1,608,095,222	2,850,420,270
Total Liabilities (ii)	6,405,864,040	14,381,263,889	13,562,632,391	5,921,012,509	3,684,051,766	43,954,824,595
Net Liquidity Gap (i-ii)	6,366,956,737	(6,038,692,918)	39,413,355	408,235,926	4,616,189,601	5,392,102,701


Chairman


Director


Managing Director & CEO

MEGHNA BANK LIMITED & ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
AS AT & FOR THE YEAR ENDED DECEMBER 31, 2019

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 eighteen (18) 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 IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" 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 other comprehensive income 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 {Note-13a.1 (e) and Annexure-A }.

c) Revaluation Gains/Losses on Government Securities

IFRS: As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Where securities are measured 'at fair value through other comprehensive income' then gains or losses shall be recognised in other comprehensive income (OCI), except for impairment gains or losses and foreign exchange gains and losses. The loss allowance arise from impairment shall be recognised in (OCI) and shall not reduce the carrying amount of financial assets in the Financial Position. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

Bangladesh Bank: According to DOS circular no. 5 dated 26 May 2008 and subsequent clarification issue through DOS circular no. 5 dated 28 January 2009, amortisation loss is charged to profit and loss account mark-to-market loss on revaluation of government securities (T-bills/T-bonds) categorised as held for trading (HFT) is charged to profit and loss account but any unrealised gain on such revaluation is recognised to revaluation reserve account. T-bills/T-bonds designated as held to maturity (HTM) are measured at amortised cost but interest income/gain is recognised through equity.

d) Provisions on Loans and Advances

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.



Bangladesh bank: As per BRPD Circular no. 14, dated 23 September 2012, BRPD Circular no. 19, dated 27 December 2012, BRPD Circular no. 05, dated 29 May 2013, BRPD Circular no. 16, dated 18 November 2014, BRPD Circular no. 08, dated 02 August 2015, BRPD Circular no. 15, dated 27 September 2017 and BRPD Circular no. 01, dated 20 February 2018, BRPD Circular no. 03, dated 21 April 2019 a general provision at 0.25% to 5% under different categories of unclassified loans (standard and SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loan, doubtful loans and bad losses, should 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 certain off -balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

e) Recognition of Interest in Suspense

IFRS: Loans and advances to customers are generally classified at amortized cost as per IFRS 9: Financial Instruments and interest income is recognized by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortized cost of these loans and advances.

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 IFRS 9: Financial Instruments, financial guarantees are contracts that require the issuer 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 original or modified terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value plus transaction cost that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognized less, income recognized in accordance with the principles of IFRS 15. 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 and 1% general provision for certain contingent liabilities.

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.

q) Deferred Tax:

IFRS: As per International Accounting Standards (IAS) 12 Income Tax, Deferred tax asset or liability and corresponding income or expense should be recognized in the financial statements, if any temporary difference is arise.

Bangladesh Bank: As per BRPD circular no. 11 dated December 12, 2019 Deferred Tax Asset may be recognized complying with the International Accounting Standards (IAS) on the expenses for which, according to the income tax law, a future tax benefit will be received.

As per BRPD circular, recognition of Deferred Tax Assets is not mandatory.

r) Leases:

IFRS: As per International Financial Reporting Standards (IFRS) 16 Leases, An entity shall recognise a right-of-use assets and a lease liability.

Bangladesh Bank: Bangladesh Bank has been reviewing the issue and has not yet published any circular regarding IFRS 16. We shall comply with IFRS 16 as soon as Bangladesh Bank publishes any notification regarding this issue.

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" IFRS - 15 "Revenue from Contracts with Customers", 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 in conformity with IAS/IFRS and Bangladesh Bank circulars 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 International Accounting Standard 27 - "Consolidated and Separate Financial Statements" and IFRS 10: Consolidated Financial Statements. The consolidation of the financial statements have been made after eliminating all material inter company balance, income and expenses arising from intercompany transactions.

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 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 as at December 31, 2019 have been converted into taka currency at the revaluation rate determined by Bangladesh bank.

2.7.2 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

2.7.3 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.

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
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)	1-2%	1-2%
Short term agri. Credit	1%	1%
Special Mention Account	0.25% - 5%	0.25% - 5%
Provisions for classified loans and advances:		
Substandard	20%	20%
Doubtful	50%	50%
Bad or Loss	100%	100%

- 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) – 27. 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, refinance borrowing and other term borrowing from banks. These are stated in the balance sheet at amounts payable. Interest paid/ payable on these borrowings is charged to the profit and loss account.



2.17 Provision for Liabilities

Provision in respect of liability is recognized in the financial statements when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation, in accordance with the 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 managed by a Board of Trustees are consisting five members of the bank.

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.

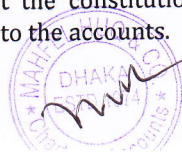
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences relating to the initial recognition of goodwill, 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 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.



2.22 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.

2.23 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.

2.24 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.

2.25 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)

2.26 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.

2.27 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.

2.28 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.

2.29 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 audited financial statements. The following ratings have been awarded:

Particulars	Periods	Date of Rating	Long Term	Short Term
Entity Rating	January to December 2018	26 th June 2019	A+	ST - 2
Entity Rating	January to December 2017	27 th June 2018	A+	ST - 3
Entity Rating	January to December 2016	28 th June 2017	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	IAS 1	Applied
Inventories	IAS 2	Applied
Statement of Cash Flows	IAS 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8	Applied
Events after the Reporting Period	IAS 10	Applied
Construction Contracts	IAS 11	Not Applicable



Income Taxes	IAS 12	Applied
Property, Plant and Equipment	IAS 16	Applied
Leases	IAS 17	Applied
Revenue	IAS 18	Applied
Employee Benefits	IAS 19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS 20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS 21	Applied
Borrowing Costs	IAS 23	Applied
Related Party Disclosures	IAS 24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS 26	Applied
Separate Financial Statements	IAS 27	Applied
Investment in Associates & Joint Ventures	IAS 28	Not Applicable
Interest in Joint Ventures	IAS 31	Not Applicable
Financial Instruments: Presentation	IAS 32	Applied
Earnings per share	IAS 33	Applied
Interim Financial Reporting	IAS 34	Applied
Impairment of Assets	IAS 36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS 37	Applied
Intangible Assets	IAS 38	Applied
Financial Instrument: Recognition and Measurement	IAS 39	Not Applicable
Investment Property	IAS 40	Not Applicable
Agriculture	IAS 41	Not Applicable
Name of IFRS	IFRS No.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	IFRS 1	Not Applicable
Share Based Payment	IFRS 2	Not Applicable
Business Combinations	IFRS 3	Not Applicable
Insurance Contracts	IFRS 4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS 5	Not Applicable
Exploration for and Evaluation of Mineral Resources	IFRS 6	Not Applicable
Financial Instruments: Disclosures	IFRS 7	Applied
Operating Segments	IFRS 8	Applied
Financial Instruments	IFRS 9	Applied
Consolidated Financial Statements	IFRS 10	Applied
Joint Agreements	IFRS 11	Not Applicable
Disclosure of Interest in other Entities	IFRS 12	Applied
Fair Value Measurement	IFRS 13	Applied
Regulatory Deferral Accounts	IFRS 14	Not Applicable
Revenue from Contracts with Customers	IFRS 15	Applied
Leases	IFRS 16	Not Applicable*

* Bangladesh Bank has been reviewing the issue and has not yet published any circular regarding IFRS 16. We shall comply with IFRS 16 as soon as Bangladesh Bank publishes any notification regarding this issue.



2.34 Regulatory Compliance

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

- a) The Bank Companies Act, 1991(Amendment 2018)
- b) The Companies Act, 1994.
- c) Rules & Regulations, Circulars issued by Bangladesh Bank.
- d) The Securities and Exchange Commission Act 1993.
- e) The Income Tax Ordinance, 1984.
- f) The Value Added Tax and Supplementary Duty Act 2012

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 85th Board Meeting held on May 06, 2019 constituted with the following Board Members:

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

* Ms. Farah Ahsan, Ex member of Audit Committee of the Board attended 2 (Two) meeting of Audit Committee of the Board before joining of new member Mr. Mohammed Mamun Salam.

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 2019 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:

Sl No.	Name of Meeting	Date of Meeting
1	23 st Audit Committee Meeting	February 17, 2019
2	24 th Audit Committee Meeting	April 16, 2019
3	25 st Audit Committee Meeting	July 11, 2019
4	26 nd Audit Committee Meeting	November 6, 2019



2.35.3 Major areas focused by Audit Committee in 2019

- Reviewed and approved the 'Risk Based Audit Plan 2019' ;
- Reviewed Submitted Self Assessment of Anti Fraud Internal Control;
- Reviewed Annual Financial Statements of the Bank for the year ended 31 December 2018 (draft) 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 2018 submitted by the External Auditors, MABS & J Partners, Chartered Accountants, and it's subsequent compliance;
- Reviewed summary of Financial Statements (Unaudited) for the Half-year ended on June 30, 2019;
- The Board Audit Committee considered the request of M/s Mahfel Huq & Co., Chartered Accountants for appointment as the statutory auditor for the year 2019;
- Reviewed the Annual Health report of the Bank-2018;
- Reviewed the Amendment of ICC manual (Vol-1) ;
- Reviewed Summary of major findings from Internal Audit Report of Branches for the year 2018;
- Reviewed the Internal audit Report on Branches, Head Office Divisions and compliance thereof;
- Reviewed the reported issues of Bangladesh Bank Inspection Report and compliance thereof;
- Reviewed the Report on Quarterly Operation of the MGBL Branches;
- 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	20.00%	Managing Director
			3	Bangladesh Consortium Ltd.	15.00%	Managing Director
			4	Jamuna Sugar Mills Ltd.	12.50%	Director
2	Mr. Shakhawat Hossain	Vice Chairman	1	Meghna Bank Ltd.	4.06%	Vice Chairman
			2	Paramount Textile Ltd	8.79%	Managing Director
			3	Paramount Insurance Company Ltd.	6.67%	Sponsor Shareholder
			4	Paramount Holdings Ltd.	50.00%	Chairman
			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
			9	Foodex International	50.00%	Managing Partner
			10	Paramount Agro	50.00%	Managing Partner
			11	Paramount Agro Ltd.	33.33%	Chairman
			12	Paramount International	50.00%	Managing Partner



3	Mr. Md. Yasin Ali Representative of Legacy Fashion Ltd.	Director	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 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	Noor Garments Ltd.	25.00%	Managing Director
			19	Regent Energy and Power Ltd.	0.02%	Managing Director
			20	Regent Fabrics Ltd.	20.00%	Managing Director
			21	Regent Power Ltd.	13.33%	Managing Director
			22	Regent Spinning Mills Ltd.	73.30%	Managing Director
			23	Regent Textile Mills Ltd.	12.12%	Managing Director
			24	Regent Weaving Ltd.	25.00%	Managing Director
			25	Saims Superior Ltd.	1.00%	Managing Director
			26	Southern Medical College & Hospital	30.00%	Chairman
			27	Union Cement Mills Ltd.	11.11%	Managing Director
			28	Union Fertilizer Complex Ltd.	11.11%	Managing Director
			29	Valiant Fashion Ware Ltd.	16.67%	Managing Director
			30	Valiant Garments Ltd.	16.84%	Managing Director
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	Swadeshi 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
			15	Delta Mute Mills Ltd.	10.00%	Chairman



5	Mr. Md. Kamal Uddin	Director	1	Meghna Bank Ltd.	4.83%	Director
			2	Stoll Bangladesh Ltd.	5.00%	Managing Director
			3	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.	99.09%	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
			8	Cassiopea Dress Ltd.	50.00%	Managing Director
			9	Cassiopea Sweaters Ltd.	96.00%	Managing Director
			10	Elegant Stock & Securities Ltd.	20.81%	Managing Director
			11	Elegant Spinning & Textiles Ltd.	40.00%	Managing Director
			12	Dongbang Facilities BD Ltd.	10.00%	Managing Director
7.	Mr. Alock Kumar Das	Director	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%	Managing Director
			5	Sunrise Chemical Industries Ltd	50.00%	Director
			6	Paramount Spinning Ltd	45.25%	Director
			7	Foodex International Ltd	41.67%	Managing Director
			8	Paramount International	50.00%	Partner
			9	Mount International	50.00%	Partner
			10	Foodex International	50.00%	Managing Partner
			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



8.	Mr. Md. Ali Azim Khan	Director	1	Meghna Bank Ltd.	4.58%	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
9.	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
			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
10.	Mrs. Rehana Ashequr Rahman	Director	1	Meghna Bank Ltd.	1.42%	Director
			2	Buraq International Ltd.	65.00%	Chairman
			3	Diesel Motors & Services (BD) Ltd.	20.00%	Director
			4	Buraq Express (BD) Ltd.	19.50%	Director
11.	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



12.	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
			6	Mercantile Islami Life Insurance Ltd.	48.00%	Vice Chairman
13.	Mr. S.M. Jahangir Alam (Manik)	Director	1	Meghna Bank Ltd.	4.58%	Director
			2	Sanji Automobiles Ltd.	60.00%	Managing Director
			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
14.	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	Prime Multimedia Ltd.	10.00%	Director
			6	Ramisha Cold Storage Ltd.	25.00%	Managing Director
			7	Punot Cold Storage Ltd.	25.00%	Managing Director
			8	Ramisha Composite Textiles Mills Ltd.	25.00%	Managing Director
			9	Apsara Holding Ltd.	25.00%	Managing Director
			10	Fareast Cold Storage Ltd.	25.00%	Managing Director
			11	M/S Ramisha Enterprise	100.00%	Proprietor
			12	M/S Rimsha Enterprise	100.00%	Proprietor
			13	Ramisha BD Ltd	90.00%	Managing Director
			14	Rimsha BD Ltd.	25.00%	Managing Director
			15	Fareast Securities Ltd.	25.00%	Managing Director
			16	Primeasia University	-	Chairman Board of Trusty



15.	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	Durable Plastic Ltd.	0.19%	Director
			14	Get Well Ltd.	0.01%	Director
			15	Habiganj Agro Ltd	0.01%	Director
			16	Habiganj Metal Industries Limited	4.17%	Director
			17	Multiline Industries Ltd.	0.20%	Director
			18	Natore Agro Limited	1.57%	Director
			19	Property Development Ltd.	0.05%	Chairman
			20	PRAN Foods Ltd.	2.00%	Director
			21	PRAN Agro Ltd.	0.01%	Director
			22	Pran Agro Business Limited	0.01%	Director
			23	Packmat Industries Ltd.	2.15%	Director
			24	RFL Plastic Ltd.	0.02%	Director
			25	Rangpur Foundry Ltd.	0.04%	Shareholder
			26	Rangpur Metal Industries Ltd.	0.01%	Director
			27	Sylvan Agriculture Ltd.	0.01%	Director
			28	Sylvan Technologies Ltd.	0.20%	Director
			29	Sun Basic Chemicals Ltd.	4.17%	Director
			30	Sylvan Poltry Ltd.	2.74%	Director



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

Credit Card Facilities

Name of Director of MGBL	Approved Limit	Type of Securities	Value of Eligible Securities	Outstanding as on December 31, 2019
Tanver 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 28th meeting held on 11 March 2020 and was subsequently approved by the Board in its 99th meeting held on 11 March 2020.

2.39 Reporting Period

These financial statements cover the period from 1 January 2019 to 31 December 2019.

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.



		Amount in Taka	
		2019	2018
3	Consolidated Cash in hand (Including foreign currencies)		
	Meghna Bank Limited (Note-3a)	637,067,358	531,987,877
	Meghna Bank Securities Ltd	9,668	7,394
		637,077,026	531,995,271
3a	Cash in hand (Including foreign currencies)		
	In local currency	634,787,114	530,753,127
	In foreign currencies	2,280,244	1,234,750
		637,067,358	531,987,877
4	Consolidated Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		
	Meghna Bank Limited (Note-4a)	2,547,920,596	2,304,837,657
	Meghna Bank Securities Ltd	-	-
		2,547,920,596	2,304,837,657
4a	Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		
	In local currency	2,352,466,940	2,155,883,784
	In foreign currencies	195,453,656	148,953,873
		2,547,920,596	2,304,837,657
	Balance with Sonali Bank Ltd as agent of Bangladesh Bank		
	In local currency	-	-
	In foreign currencies	-	-
		2,547,920,596	2,304,837,657

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 2019 is maintained on the basis of weekly ATDTL of October 2019) 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 2019 is maintained on the basis of weekly ATDTL of October 2019). 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	2,014,464,545	1,727,066,892
Actual Reserve held with Bangladesh Bank (In local currency)	2,321,737,074	2,157,583,498
CRR Surplus	307,272,529	430,516,606

4a.3 Statutory Liquidity Ratio (SLR): 13.00% of Average Total Demand and Time Liabilities

Required Reserve	4,761,461,652	4,082,158,107
Actual Reserve held	5,709,338,371	5,225,567,901
SLR Surplus	947,876,719	1,143,409,794

4a.5 Held for Statutory Liquidity Ratio

Cash in hand (Note-3a)	637,067,358	531,987,877
Government Securities - Treasury Bills (Note-7a)	-	-
Government Treasury Bond (HTM & HFT) (Note-7a)	4,764,998,484	4,263,063,418
Excess Reserve of CRR (Note-4a.2)	307,272,529	430,516,606
	5,709,338,371	5,225,567,901



		Amount in Taka	
		2019	2018
5 Consolidated Balance with Other Banks and Financial Institutions In Bangladesh			
Meghna Bank Limited (Note-5a)		3,244,943,711	3,108,498,037
Meghna Bank Securities Ltd		33,100,094	95,465,754
		3,278,043,805	3,203,963,791
Less: Inter Company Transaction		19,740,912	70,219,834
		3,258,302,893	3,133,743,957
Outside Bangladesh			
Meghna Bank Limited (Note-5a)		268,036,840	216,533,030
Meghna Bank Securities Ltd		-	-
		268,036,840	216,533,030
		3,526,339,733	3,350,276,987
5a Balance with Other Banks and Financial Institutions			
In Bangladesh (Note-5a.1)		3,244,943,711	3,108,498,037
Outside Bangladesh (Note-5a.2)		268,036,840	216,533,030
		3,512,980,551	3,325,031,067
5a.1 In Bangladesh			
5a.1a Current Account			
Trust Bank Limited, Gulshan Branch		963,895	3,240,972
Trust Bank Limited, Shathibari Branch		2,557,850	23,896
AL-Arafah Islami Bank Ltd, Bormi Bazar Branch		8,482	7,002,364
Southeast Bank Limited, Bandura Branch		3,504,625	7,585
Eastern Bank Limited, Gulshan Branch		492,426	1,250,230
Social Islami Bank Ltd, Sirajgonj Branch		15,049,495	3,950
Bank Asia Limited, Rangpur Branch		51,020	54,670
Jamuna Bank Limited, Kalampur Branch		1,049	2,199
Agrani Bank Limited, Munshirhat Branch		3,567,703	24,620
BRAC Bank Limited, Gulshan Branch		538,495	535,965
Sonali Bank Limited, Local Office		15,320,825	6,169,966
Bank Asia Limited, Bogra Branch		176	751
Sonali Bank Limited, Feni Branch		805,802	614,049
Sonali Bank Limited, Sirajganj Branch		3,075	4,425
Sonali Bank Limited, Kishoreganj Branch		23,416,286	6,262,001
Sonali Bank Limited, Munshiganj Corporate Branch 2		4,564,152	2,550,685
Sonali Bank Limited, Kushtia Corporate Branch		5,370,135	91,689
Sonali Bank Limited, Chehelgazi Branch		68,677	82,419
		76,284,168	27,922,436
5a.1b Special Notice Deposits			
Mercentile Bank Ltd, Agrabad Branch		21,011,886	9,801,067
NCC Bank Limited, Laldighirpar Branch		27,619,414	42,560,458
Sonali Bank Limited, Mithapukur Branch		45,315,743	28,214,076
		93,947,043	80,575,601
5a.1c FDR with Other Banks & Financial Institutions			
FDR with Other Banks (Note-5a.1c.i)		300,000,000	300,000,000
FDR with Financial Institutions (Note-5a.1c.ii)		2,774,712,500	2,700,000,000
		3,074,712,500	3,000,000,000
5a.1c.i FDR with Other Banks			
Padma Bank Limited		300,000,000	300,000,000
		300,000,000	300,000,000



5a.1c.ii **FDR with Financial Institutions**

IDLC Finance Limited
 FAS Finance & Investment Ltd
 Meridian Finance and Investment Limited
 International Leasing Financial Service Limited
 Uttara Finance and Investment Ltd.
 GSP Finance Company (Bangladesh) Limited
 IPDC Finance Limited
 Lanka Bangla Finance Limited

Amount in Taka	
2019	2018
750,000,000	750,000,000
50,000,000	50,000,000
100,000,000	100,000,000
64,712,500	150,000,000
350,000,000	350,000,000
300,000,000	300,000,000
400,000,000	400,000,000
760,000,000	600,000,000
2,774,712,500	2,700,000,000
3,244,943,711	3,108,498,037

5a.2 **Outside Bangladesh (NOSTRO Account)**

Current Account

AB Bank Ltd, Mumbai, ACU
 Mashreq Bank p.s.c. New York, USD
 Habib American Bank, New York, USD
 MCB Bank Limited, Karachi, Pakistan, ACU
 Mashreq Bank London, UK, GBP
 BANCA Popolare Di Sondrio, Sondrio, Italy, EURO
 Kookmin Bank, Seoul Korea, USD
 Kookmin Bank, Seoul Korea, GBP
 National Bank of Pakistan, Tokoyo, Japan., JPY
 Mizuho Bank Ltd, Tokyo, Japan, JPY
 HDFC Bank Limited, Mumbai, India, ACU
 Bank Al Jazira, KSA, SAR
 AXIS Bank Ltd. Kolkata, India, ACU
 BMCE Bank International, Madrid, Spain, EURO
 BMCE Bank International, GBP
 Bhutan National Bank, ACU
 United Bank of India, Kolkata, ACU
 Bank of New Zealand, NZD

23,554,048	23,160,228
65,069,018	128,196,298
40,370,362	26,758,335
640,503	812,600
-	104,507
1,281,139	-
5,946,714	452,613
852,295	-
1,309,960	76,967
-	3,577,768
3,107,742	-
4,230,520	4,175,822
117,793,311	20,351,754
1,167,982	6,863,132
864,633	824,074
96,956	1,169,569
1,684,076	-
67,581	9,363
268,036,840	216,533,030

Currency wise Distribution:

Foreign Currency

USD/ACU
 GBP
 EUR
 JPY
 SAR
 NZD

BDT	Composition
258,262,730	96.35%
1,716,928	0.64%
2,449,121	0.91%
1,309,960	0.49%
4,230,520	1.58%
67,581	0.03%
268,036,840	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	Credit entries	Debit entries	Credit entries			
No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 3 months	-	24 1,717,644.00	5	10,232.71	20	295,804.45	-
From 03 months to 06 months	-	-	-	-	-	-	-
From 06 months to 09 months	-	-	-	-	-	-	-
From 09 months to 12 months	-	-	-	-	-	-	-
More than 12 months	-	-	-	-	-	-	-
	-	24 1,171,644.00	5	10,232.71	20	295,804.45	

		Amount in Taka	
		2019	2018
5a.4 Maturity-wise groupings of balance with other Banks and Financial Institutions			
On Demand		344,321,007	244,455,466
Not more than 3 months		3,168,659,544	2,930,575,601
More than 3 months but less than 1 year		-	150,000,000
More than 1 year but less than 5 years		-	-
More than 5 years		-	-
		3,512,980,551	3,325,031,067
6 Consolidated Money at Call and Short Notice			
Meghna Bank Limited (Note-6a)		2,070,000,000	1,990,000,000
Meghna Bank Securities Ltd		-	-
		2,070,000,000	1,990,000,000
6a Money at Call and Short Notice			
With Bank			
The City Bank Limited		500,000,000	300,000,000
Uttara Bank Limited		-	600,000,000
AB Bank Limited		-	700,000,000
Commercial Bank of Ceylon		-	60,000,000
Midland Bank Limited		380,000,000	-
NRB Commercial Bank Limited		350,000,000	-
Jamuna Bank Limited		100,000,000	-
NRB Bank Limited		150,000,000	-
Modhumoti Bank Limited		590,000,000	60,000,000
		2,070,000,000	1,720,000,000
With NBFI			
Lanka Bangla Finance Limited		-	150,000,000
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
		2,070,000,000	1,990,000,000
7 Consolidated Investment:			
Government Securities			
Meghna Bank Limited (Note-7a)		4,765,724,684	4,263,726,818
Meghna Bank Securities Ltd		-	-
		4,765,724,684	4,263,726,818
Other Investments			
Meghna Bank Limited (Note-7b)		405,652,337	229,062,720
Meghna Bank Securities Ltd		319,760,030	318,091,650
		725,412,367	547,154,370
		5,491,137,051	4,810,881,188
7a Investment:			
i) Investment Classified as per Bangladesh Bank Circular:			
Held for Trading (HFT)		-	-
Held to Maturity (HTM)		4,764,998,484	4,263,063,418
Other Investment		406,378,537	229,726,120
		5,171,377,021	4,492,789,538
ii) Investment Classified as per Nature:			
a) Government Securities:			
1) Treasury Bills (HFT)			
91 Days Treasury Bills		-	-
182 Days Treasury Bills		-	-
364 Days Treasury Bills		-	-
		-	-



2) Government Bond (HTM & HFT)
2,5,10,15 & 20 Years Bonds (Note-7a.2)
Prize Bond in Hand

Total (1+2)

b) Other Investment

- 1) Trust Bank Limited Subordinate Bond-II
2) Investment in MAXCAP DPA-IDLC (Note - 7a.3)
3) Investment in Shares at cost (Note - 7a.4)

7a.1 Maturity-wise Grouping of Investment in Securities:

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

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

7a.3 Investment in MAXCAP DPA-IDLC

Ordinary Share

- Bata Shoe Company (Bangladesh) Limited
Marico Bangladesh Limited
Square Pharmaceuticals Limited
Cash Balance

7a.4 Investment in Shares at cost

Quoted

- Advent Pharma Limited
BSRM Steels Limited
Beximco Pharmaceuticals Ltd.
BRAC Bank Limited
C and A Textiles Limited
City Bank Limited
Coppertech Industries Limited
Dhaka Bank Limited

Amount in Taka	
2019	2018
4,764,998,484	4,263,063,418
726,200	663,400
4,765,724,684	4,263,726,818
4,765,724,684	4,263,726,818

40,000,000	60,000,000
4,816	3,490,880
365,647,521	165,571,840
405,652,337	229,062,720
5,171,377,021	4,492,789,538

35,000,000	-
726,200	663,400
190,652,337	189,057,378
931,080,718	220,910,653
4,013,917,766	4,082,158,107
5,171,377,021	4,492,789,538

-	-
-	19,994,657
761,227,803	780,598,041
1,579,268,467	1,611,084,108
2,424,502,214	1,851,386,612
-	-
-	-
-	-
-	-
-	-
4,764,998,484	4,263,063,418

-	3,188,702
-	161,372
-	121,230
4,816	19,576
4,816	3,490,880

34,570	34,570
6,926,260	6,926,260
1,059,413	1,059,413
4,088,550	4,088,550
2,620,440	2,620,440
1,517,823	1,517,823
47,410	-
717,860	717,860



	Amount in Taka	
	2019	2018
Genex Infosys Limited	52,330	104,660
Heidelberg Cement Bangladesh Limited	9,291,098	9,291,098
IDLC Finance Limited	3,070,734	3,070,734
IFAD Autos Limited	1,927,117	1,927,116
Intraco Refueling Station Limited	53,340	53,340
Indo-Bangla Pharmaceuticals Limited	29,450	29,450
Jamuna Oil Company Limited	14,073,833	14,073,833
Kattali Textile Limited	100,640	100,640
Lafarge Surma Cement Limited	10,279,614	10,279,614
Meghna Petroleum Ltd.	3,045,459	3,045,459
Mercantile Bank Limited	903,600	903,600
MJL Bangladesh Limited	10,558,727	10,558,727
M.L. Dyeing Limited	60,400	60,400
New Line Clothings Limited	75,130	-
Olympic Industries Limited	7,663,426	7,663,426
RAK Ceramics (Bangladesh) Limited	3,034,604	3,034,604
SS Steel Limited	67,460	134,920
Silva Pharmaceuticals Limited	91,940	91,940
Square Pharmaceuticals Limited	16,409,552	16,409,552
Square Textile Limited	7,151,302	7,151,302
Silco Pharmaceuticals Limited	72,930	-
Shinepukur Ceramics Limited	53,965	53,965
SK Trims and Industries Limited	100,820	100,820
Southeast Bank Limited	783,120	783,120
Titas Gas Transmission & Dist. Co. Limited	8,553,476	8,553,476
VFS Thread Dyeing Limited	70,380	70,380
United Commercial Bank Limited	16,060,748	16,060,748
Unquoted		
Star Ceramics Limited - Preference Share	35,000,000	35,000,000
Summit Gazipur II Power Limited - Preference Share	200,000,000	-
	365,647,521	165,571,840

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

8 Consolidated Loans and Advances

Meghna Bank Limited (Note-8a)	34,196,996,809	29,951,121,824
Meghna Bank Securities Ltd	-	-
	34,196,996,809	29,951,121,824
Less: Inter Company Transaction	-	-
	34,196,996,809	29,951,121,824
Bills purchased and discounted		
Meghna Bank Limited (Note-8a)	165,618,215	202,555,334
Meghna Bank Securities Ltd	-	-
	165,618,215	202,555,334
	34,362,615,024	30,153,677,158



		Amount in Taka	
		2019	2018
8a	Loans and Advances		
	i) Loans, Cash Credits, Overdraft, etc.		
	<i>Inside Bangladesh</i>		
	Cash Credit	5,206,652,174	5,918,302,631
	Secured overdraft	2,993,583,274	2,968,660,327
	General overdraft	4,558,142,421	4,382,339,701
	Import finance	1,416,298,769	1,558,223,193
	Other Demand Loans	9,038,357,164	5,552,452,583
	Hire Purchase Finance	1,322,282	2,477,841
	Demand Loan (Forced Loan)	101,637,304	134,693,645
	Consortium/Syndicate Finance	257,328,833	236,819,920
	House Building Loan	2,372,103,096	2,478,434,567
	Credit Card A/C	262,772,404	198,513,257
	General Term Loans	7,038,604,461	5,398,724,116
	Agricultural and Rural Credit Scheme	614,545,482	850,774,532
	SME Loans and Advances	2,142,226	3,171,375
	Personal/Professionals Loan Scheme	333,506,919	267,534,136
		34,196,996,809	29,951,121,824
	<i>Outside Bangladesh</i>	-	-
		34,196,996,809	29,951,121,824
	ii) Bills purchased and discounted		
	<i>Payable Inside Bangladesh</i>		
	Inland bills purchased and discounted	165,618,215	171,876,033
	<i>Payable outside Bangladesh</i>		
	Foreign bills purchased and discounted	-	30,679,301
		165,618,215	202,555,334
		34,362,615,024	30,153,677,158
8a.1	Net Loans and Advances		
	Gross performing loans and advances	34,362,615,024	30,153,677,158
	Less:		
	Interest Suspense (Note-13a)	309,644,474	141,108,080
	Provision for loans and advances (Note-8a.10)	1,158,657,439	863,352,789
		1,468,301,913	1,004,460,869
		32,894,313,111	29,149,216,289
8a.2	Residual Maturity Grouping of Loans and Advances Including Bills Purchased and Discounted		
	Re-payable on Demand	-	-
	Not more than 3 months	10,827,201,877	10,863,919,856
	Over 3 months but not more than 1 year	11,859,558,299	8,920,126,522
	Over 1 year but not more than 5 years	8,725,894,376	7,608,697,103
	Over 5 years	2,949,960,472	2,760,933,677
		34,362,615,024	30,153,677,158
8a.3	Residual Maturity Grouping of Bills Purchased and Discounted		
	Re-payable:-		
	Within 1 month	21,574,124	22,855,531
	Over 1 month but less than 3 months	113,098,410	145,889,577
	Over 3 months but less than 6 months	30,945,681	33,810,227
	6 months or more	-	-
		165,618,215	202,555,335



8a.4 Loans and Advances on the Basis of Significant Concentration:

- (a) Advances to allied concern of Directors
 (b) Advances to Chief Executives and Other Senior Officers
 (c) Advances to Customer Groups:
 i) Commercial Lending
 ii) Export Financing
 iii) House Building Loan
 iv) Retail Loan
 v) Small and Medium Enterprises
 vi) Special Program Loan
 vii) Industrial Loans Details (Note-8a.4a)
 viii) Others Loan
 ix) Other Loans and Advances (SOD)

Amount in Taka	
2019	2018
-	-
191,316,544	171,773,398
4,581,143,501	3,006,496,561
174,577,573	172,939,642
2,223,699,864	2,220,890,736
543,766,340	387,683,052
3,529,358,634	5,333,483,233
-	-
15,387,749,719	14,274,556,792
4,398,213,709	1,762,447,179
3,332,789,140	2,823,406,565
34,171,298,480	29,981,903,760
34,362,615,024	30,153,677,158

8a.4a Details of Industrial Loans and Advances

- i) Agricultural industries
 ii) Textile industries
 iii) Food and allied industries
 iv) Pharmaceutical industries
 v) Leather, Chemical, Cosmetics etc
 vi) Tobacco industries
 vii) Cement and Ceramic industries
 viii) Service industries
 ix) Transport and Communication Industries
 x) Other industries including bills purchased and discounted

2,082,741,949	1,224,140,171
568,048,890	424,219,899
723,011,016	485,014,218
729,696,957	396,297,497
364,186,029	-
788,862,949	200,401,724
59,155,416	269,514,906
3,075,307,449	4,395,581,269
324,222,769	110,774,367
6,672,516,295	6,768,612,741
15,387,749,719	14,274,556,792

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	: 1,398.85 Crore	1036.58 Crore
Number of such types of customers	: 29	21
Amount of Classified Advances thereon	: 60.91	Nil
Measures taken for recovery	: Not applicable	Not applicable

Each of the twenty nine customers exceeds the limit of 10% of Bank's total capital in the year 2019. 10% of Bank's total capital stood as on December 31, 2019 Tk. 57.22 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	47,802,579	9,777,254
Co-Operative Sector	34,314,812,445	30,143,899,904
Private Sector	34,362,615,024	30,153,677,158

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

Area	As at 31 December 2019		As at 31 December 2018	
	Amount	Composition	Amount	Composition
i) Inside Bangladesh (Note-8a.8)				
a) In Rural Areas	3,349,878,242	9.75%	3,723,221,771	12.35%
b) In Urban Areas	31,012,736,782	90.25%	26,430,455,387	87.65%
Sub-total	34,362,615,024	100.00%	30,153,677,158	100.00%
ii) Outside Bangladesh	-	-	-	-
Total	34,362,615,024	100.00%	30,153,677,158	100.00%

Amount in Taka	
2019	2018

8a.8 Inside Bangladesh

Division	As at 31 December 2019		As at 31 December 2018	
	Amount	Composition	Amount	Composition
Dhaka	25,514,251,048	74.25%	21,488,702,137	71.26%
Chittagong	6,506,607,293	18.94%	6,146,641,952	20.38%
Sylhet	418,283,668	1.22%	460,786,788	1.53%
Rajshahi	824,408,003	2.40%	907,185,892	3.01%
Rangpur	616,731,269	1.79%	597,334,442	1.98%
Khulna	220,344,853	0.64%	203,660,670	0.68%
Barisal	261,988,890	0.76%	349,365,277	1.16%
Total	34,362,615,024	100.00%	30,153,677,158	100.00%

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

Status	As at 31 December 2019		As at 31 December 2018	
	Amount	Composition	Amount	Composition
a) Unclassified				
Unclassified (including staff Loans)	31,392,474,553	91.36%	27,373,722,051	90.78%
Special Mention Account (SMA)	424,241,954	1.23%	1,042,713,134	3.46%
	31,816,716,507		28,416,435,185	
a) Classified				
Substandard	504,698,735	1.47%	211,410,851	0.70%
Doubtful	607,576,949	1.77%	164,359,427	0.55%
Bad or loss	1,433,622,833	4.17%	1,361,471,695	4.52%
	2,545,898,517		1,737,241,973	
Total	34,362,615,024	100.00%	30,153,677,158	100.00%

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

Status	Rate	Basis for Provision		
Unclassified (Excluding staff Loans)	1%	23,411,769,669	234,117,697	189,011,347
Staff Loans	0%	191,316,543	-	-
Consumer Financing (Credit Card)	2%	248,301,912	4,966,038	3,847,263
Consumer Financing (Other than HF & LP)	5%	206,633,708	10,331,685	8,428,604
Small & Medium Enterprise	0.25%	4,834,534,394	12,086,336	13,934,809
Housing Finance	1%	1,987,227,885	19,872,279	20,961,024
Loan for professionals	2%	22,284,948	445,699	594,694
Share Business	2%	304,253,666	6,085,073	8,421,322
Short Term Agri. Credit	1%	610,393,782	6,103,938	8,617,648
Special Mention Account	Applicable Rate	-	-	-
			294,008,745	253,816,711
Substandard	20%	250,784,737	50,156,947	15,575,913
Doubtful	50%	479,508,756	239,754,378	17,465,379
Bad or loss	100%	574,737,369	574,737,369	576,494,786
			864,648,694	609,536,078
Required provision for Loans and Advances			1,158,657,439	863,352,789
Total provision maintained {Note-13a.1 (a) & (b)}			1,159,600,000	863,500,000
Surplus Provision			942,561	147,211

The Bank has maintained provision on loans and advances amounting to Tk. 1,159,600,000 {note - 13a.1(a) & (b)}. There exists surplus of Tk. 942,561 in loans and advances.



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

Status	Amount in Taka		
	2019	2018	
	Basis for Provision	Rate	Rate
Acceptances and Endorsements	731,624,552	1%	12,054,336
Bills	234,154,720	1%	3,437,662
Letters of Guarantee	2,774,560,665	1%	29,132,546
Irrevocable Letters of Credit	738,189,924	1%	11,499,515
Required provision for Off Balance Sheet Items	4,478,529,861		56,124,059
Provision maintained {Note-13a.1(c)}			42,500,000
Surplus Provision			56,248
			75,941

8a.12 Particulars of Loans and Advances:

(i) Loans considered good in respect of which the banking company is fully secured.	23,766,504,929	22,650,981,402
(ii) Loans considered good for which the banking company holds no other security than the debtor's personal guarantee.	4,318,035,957	5,260,300,879
(iii) Loans considered good and secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors.	6,278,074,138	2,242,394,877
(iv) Loans adversely classified; provision not maintained there against.	34,362,615,024	30,153,677,158
(v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons.	191,316,543	171,773,398
(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.	3,568,664,882	83,707,563
(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.	-	-
(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.	1,105,852,155	83,707,563
(ix) Due from Banking Companies	-	-
(x) Classified loans and advances	2,545,898,517	1,737,241,973
a) Amount of classified loans and advances on which interest has not been charged	1,433,622,833	1,361,471,695
b) Provision on classified loans and advances	864,650,000	609,600,000
c) Provision kept against loans classified as bad loss	574,737,369	576,494,786
d) Interest credited to Interest suspense Account	309,644,474	141,634,865
(xi) Cumulative amount of written off Loans & Advances	-	-

9 Consolidated Fixed Assets including Premises, Furniture & Fixtures

Cost:

Meghna Bank Limited (Note-9a)	716,368,588	660,328,644
Meghna Bank Securities Ltd	6,135,678	6,120,368
	722,504,266	666,449,012

Accumulated Depreciation:

Meghna Bank Limited (Note-9a)	437,578,906	344,333,450
Meghna Bank Securities Ltd	3,982,343	2,975,423

Carrying value

	441,561,249	347,308,873
	280,943,017	319,140,139



		Amount in Taka	
		2019	2018
9a Fixed Assets including Premises, Furniture & Fixtures			
A. Cost:			
Opening balance		660,328,644	529,768,773
Add: Addition during the year		56,148,944	130,559,871
Less: Disposal during the year		109,000	-
Closing balance at cost		716,368,588	660,328,644
B. Depreciation:			
Opening balance		344,333,450	246,612,720
Add: Addition during the year		93,347,528	97,720,730
Less: Adjustment / disposal during the year		102,072	-
Accumulated Depreciation		437,578,906	344,333,450
Carrying value		278,789,682	315,995,194
A schedule of fixed assets is given in Annexure-B			
10 Consolidated Other Assets			
Meghna Bank Limited (Note-10a)		766,177,064	735,235,491
Meghna Bank Securities Ltd		19,499,844	17,903,238
		785,676,908	753,138,729
Less: Inter Company Transaction		350,557,688	369,784,702
		435,119,220	383,354,027
10a Other Assets			
Stock of Stationery, Stamps and Printing Materials etc. (valued at cost)		5,822,946	4,414,284
Advance Rent		199,993,947	217,506,936
Suspense Account (Note-10a.1)		84,164,433	26,213,912
Interest receivable (Note-10a.2)		84,196,404	84,474,761
Security Deposit		115,055	103,055
Advance against proposed Branch		-	16,170,000
Advance Against Salary		40,000	-
Cash Remittance		-	5,000,000
Interest on Sanchaypatra		27,642,753	8,191,143
NCCB Securities & Financial Services Ltd		568	568
Meghna Bank Securities Ltd		557,788	19,784,802
Prepaid Expenses		966,151	1,286,977
Investment in Subsidiary (Note-10a.3)		349,999,900	349,999,900
BEFTN Adjustment Account		89,744	250,772
S/D RFA SEBL - Western Union		1,564,108	4,903
Interest on Investment Bond- Customer		92,351	369,402
Chargeback Account for VISA Cards		66,449	37,150
Accrued Income on Shares		10,864,467	1,426,926
		766,177,064	735,235,491
10a.1 Suspense Account:			
Sundry Debtors		25,569,648	11,195,300
Advance against TA/DA		30,000	418,938
Advance against Petty Cash		35,000	35,000
Advance Against Suits/ Cases for NPL A/C		1,090,991	796,741
Encashment of Sanchaypatra		49,587,957	4,400,000
Premature Encashment of Sanchaypatra		7,850,837	9,367,933
		84,164,433	26,213,912

The detail breakup of unadjusted suspense accounts are given below:



							Amount in Taka	
							2019	2018
							Amount in Taka	
Sl	Breakup	Less than 03 months	03 months to less than 06 months	06 months to less than 09 months	09 months to less than 12 months	12 months and more		
1	Sundry Debtors	5,977,840	2,829,900	11,961,908	-	4,800,000		
2	Advance against TA/DA	30,000	-	-	-	-		
3	Advance against Petty Cash	35,000	-	-	-	-		
4	Advance Against Suits/ Cases for NPL A/C	8,200	118,100	37,950	130,000	796,741		
5	Encashment of PSP/BSP/BG	22,112,243	15,086,387	17,036,385	3,203,779	-		
	Grand Total	28,163,283	18,034,387	29,036,243	3,333,779	5,596,741		

10a.2 Interest Receivable:

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

16,203,958	15,315,972
224,000	212,000
572,222	1,216,667
-	-
67,196,224	67,730,122
84,196,404	84,474,761

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
Advance Against Salary
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
Interest on Investment Bond- Customer
Chargeback Account for VISA Cards
Accrued Income on Shares

5,822,946	4,414,284
199,993,947	217,506,936
84,164,433	26,213,912
84,196,404	84,474,761
115,055	103,055
-	16,170,000
40,000	-
-	5,000,000
27,642,753	8,191,143
568	568
557,788	19,784,802
966,151	1,286,977
89,744	250,772
1,564,108	4,903
92,351	369,402
66,449	37,150
10,864,467	1,426,926
416,177,164	385,235,591

11 Consolidated Borrowings from other Banks & Financial Institutions and Agents

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

324,256	1,163,095
-	-
324,256	1,163,095

11a Borrowings from other Banks & Financial Institutions and Agents

In Bangladesh (Note-11a.1)
Outside Bangladesh

324,256	1,163,095
-	-
324,256	1,163,095



		Amount in Taka	
		2019	2018
11a.1 In Bangladesh			
Refinance against SME Loan from Bangladesh Bank		324,256	1,163,095
		324,256	1,163,095
11a.2 Security against Borrowings from other Banks & Financial Institutions and Agents			
Secured		-	-
Unsecured		324,256	1,163,095
		324,256	1,163,095
11a.3 Maturity grouping of Borrowings from other Banks & Financial Institutions and Agents			
Payable on demand		-	-
Up to 1 Month		-	75,000
Over 1 Month but within 3 Months		324,256	375,595
Over 3 Months but within 1 Year		-	555,952
Over 1 Year but within 5 Years		-	156,548
Over 5 Years		-	-
		324,256	1,163,095
12 Consolidated Deposits and Other Accounts			
Current Deposit & Other Accounts:			
Meghna Bank Limited (Note-12a)		3,975,363,378	3,517,473,496
Meghna Bank Securities Ltd		-	-
		3,975,363,378	3,517,473,496
Less: Inter Company Transaction		-	-
		3,975,363,378	3,517,473,496
Bills Payable:			
Meghna Bank Limited (Note-12a)		431,631,087	358,187,863
Meghna Bank Securities Ltd		-	-
		431,631,087	358,187,863
Savings Bank Deposits:			
Meghna Bank Limited (Note-12a)		2,165,812,724	1,640,439,099
Meghna Bank Securities Ltd		-	-
		2,165,812,724	1,640,439,099
Fixed Deposits:			
Meghna Bank Limited (Note-12a)		34,531,272,880	30,930,582,264
Meghna Bank Securities Ltd		-	-
		34,531,272,880	30,930,582,264
Less: Inter Company Transaction		19,740,912	70,219,834
		34,511,531,968	30,860,362,430
		41,084,339,157	36,376,462,888
12a Deposits and Other Accounts			
1) Deposits from banks		2,305,550,377	3,326,568,646
2) Deposits from customers		38,798,529,692	33,120,114,076
		41,104,080,069	36,446,682,722
1) Deposits from banks			
i) Current Deposit & Other Accounts			
Current Deposit		-	-
Foreign Currency Deposits		-	-
Sundry Deposits [Note Y]		3,170,900	1,287,852
		3,170,900	1,287,852
ii) Bills Payable:			
Payable inside Bangladesh		-	-
		-	-
Payable outside Bangladesh		-	-
		-	-
iii) Savings Bank Deposits:			
Savings Deposits		-	-
		-	-



iv) Fixed Deposits:

Fixed Deposits
Short Notice Deposits
Scheme Deposit [Note-X]

Amount in Taka	
2019	2018
2,302,225,000	3,319,075,000
154,477	6,205,794
-	-
2,302,379,477	3,325,280,794
2,305,550,377	3,326,568,646

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

Current Deposit
Foreign Currency Deposits
Sundry Deposits [Note Y]

3,238,925,865	2,901,653,268
13,912,223	12,054,759
719,354,390	602,477,617
3,972,192,478	3,516,185,644

ii) Bills Payable:

Payable inside Bangladesh
Payment Order Issued

431,322,051	357,882,904
431,322,051	357,882,904
309,036	304,959
431,631,087	358,187,863

Payable outside Bangladesh

iii) Savings Bank Deposits:

Savings Deposits

2,165,812,724	1,640,439,099
2,165,812,724	1,640,439,099

iv) Fixed Deposits:

Fixed Deposits
Short Notice Deposits
Scheme Deposit [Note-X]

23,395,451,326	20,628,893,873
3,219,990,966	1,583,014,106
5,613,451,111	5,393,393,491
32,228,893,403	27,605,301,470
38,798,529,692	33,120,114,076

X Scheme Deposits:

Deposit Pension Scheme
Meghna Child Education Plan
Monthly Income Scheme Deposit
Meghna Multiplier Scheme

2,459,357,732	1,789,021,761
42,248,944	33,351,126
1,757,893,750	1,979,169,580
1,353,950,685	1,591,851,024
5,613,451,111	5,393,393,491

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

a) Deposits from banks
b) Deposits from customers

3,170,900	1,287,852
3,972,192,478	3,516,185,644
3,975,363,378	3,517,473,496

Bills Payable

a) Deposits from banks
b) Deposits from customers

-	-
431,631,087	358,187,863
431,631,087	358,187,863

Savings Bank Deposits:

a) Deposits from banks
b) Deposits from customers

-	-
2,165,812,724	1,640,439,099
2,165,812,724	1,640,439,099

Fixed Deposits:

a) Deposits from banks
b) Deposits from customers

2,302,379,477	3,325,280,794
32,228,893,403	27,605,301,470
34,531,272,880	30,930,582,264



Y. Sundry Deposits

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

Amount in Taka	
2019	2018
238,117,105	198,527,044
196,198,861	167,890,512
134,267,547	111,075,929
153,941,777	126,271,984
722,525,290	603,765,469

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

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

657,280,719	709,326,560
5,674,128,861	6,250,230,283
23,125,050,700	15,649,236,310
6,611,790,200	2,252,188,759
3,759,873,046	8,730,047,340
1,275,956,543	2,855,653,470
41,104,080,069	36,446,682,722

13 Consolidated Other Liabilities

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

Less: Inter Company Transaction

2,850,420,270	2,144,356,215
19,034,502	81,885,533
2,869,454,772	2,226,241,748
557,788	19,784,802
2,868,896,984	2,206,456,946

13a Other Liabilities

Interest Payable on Deposits & Borrowings
Provision for Loans and Advances {Note-13a.1 (a) & (b)}
Provision for Off-Balance Sheet items {Note-13a.1 (c)}
Provision for other Assets {Note-13a.1 (d)}
Provision for Investment in Securities {Note-13a.1 (e)}
Non-Resident Accounts
Interest Suspense A/C {Note-13a.1 (f)}
Settlement with NPSB
Provision for Taxation (Note-13a.2)
BEFT Settlement Account
Agent Monitoring & Collection Account
Provision for Gratuity
MGBL General Account
MGBL MFS Payable Accounts
Adjusting Account Credit

642,338,310	500,120,860
1,159,600,000	863,500,000
42,500,000	56,200,000
37,400,000	25,500,000
53,605,000	28,600,000
2,759,250	25,649,855
309,644,474	141,634,865
50,445	50,445
438,017,548	335,979,599
1,029,430	10,089,181
100,500	100,500
30,500,000	60,000,000
221,006	-
3,176,914	4,974,927
129,477,393	91,955,983
2,850,420,270	2,144,356,215

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

Provision held at the beginning of the year
Less: Fully provided debt written off
Add: Recoveries of amounts previously written off
Add: Specific Provision for the year
Provision held at the end of the year

609,600,000	217,800,000
-	-
-	-
255,050,000	391,800,000
864,650,000	609,600,000

(b) General Provision on Unclassified Loans and Advances

Provision held at the beginning of the year
Provision made/ (released) during the year
Balance at the end of the year
Total Provision for Loans and Advances (a+b)

253,900,000	228,000,000
41,050,000	25,900,000
294,950,000	253,900,000
1,159,600,000	863,500,000



		Amount in Taka	
		2019	2018
(c) General Provision on Off-Balance Sheet items:			
Provision held at the beginning of the year		56,200,000	64,300,000
Provision made/ (released) during the year		(13,700,000)	(8,100,000)
Balance at the end of the year		42,500,000	56,200,000
Total Provision for Loans and Advances & Off-Balance Sheet (a+b+c)		1,202,100,000	919,700,000
(d) Provision for other Assets:			
Provision held at the beginning of the year		25,500,000	20,500,000
Provision made/ (released) during the year		11,900,000	5,000,000
Balance at the end of the year		37,400,000	25,500,000
(e) Provision for Investment in Securities:			
Provision held at the beginning of the year		28,600,000	7,060,000
Provision made/ (released) during the year		25,005,000	21,540,000
Balance at the end of the year		53,605,000	28,600,000
(f) Interest Suspense Account:			
Balance at the beginning of the year		141,634,865	53,627,242
Amount transferred to interest suspense account during the year		168,009,609	88,007,623
Amount written off/ waived during the year		-	-
Balance at the end of the year		309,644,474	141,634,865
13.2 Consolidated Provision for Taxation			
Provision for Current tax			
Meghna Bank Limited (Note-13a.2)		592,557,108	502,835,843
Meghna Bank Securities Ltd		6,676,782	16,561,945
		599,233,890	519,397,788
Advance tax			
Meghna Bank Limited (Note-13a.2)		154,539,560	166,856,244
Meghna Bank Securities Ltd		9,121,578	17,831,223
		163,661,138	184,687,467
Balance at the end of the year		435,572,752	334,710,321
13a.2 Provision for Taxation			
Provision for Current tax			
Balance at the beginning of the year		502,835,843	429,381,353
Less : Settlement of Income tax for the Income year 2017			246,545,510
Less : Settlement of Income tax for the Income year 2018		280,278,735	
Add : Transferred from Deferred Tax Liability		-	-
Add : Provision made during the year		370,000,000	320,000,000
		592,557,108	502,835,843
Advance tax			
Balance at the beginning of the year		166,856,244	164,927,206
Add : Paid during the year		267,962,051	248,474,548
Less : Settlement of Income tax for the Income year 2017		-	246,545,510
Less : Settlement of Income tax for the Income year 2018		280,278,735	-
		154,539,560	166,856,244
Balance at the end of the year		438,017,548	335,979,599
14 Deferred Tax			
As per BRPD circular no. 11 dated December 12, 2019 Deferred Tax Asset may be recognized complying with the International Accounting Standards (IAS) on the expenses for which, according to the income tax law, a future tax benefit will be received.			
The bank has taxable temporary difference of Tk. 12.31 crore as on December 31, 2019 and subsequently has Deferred Tax Assets of Tk. 4.62 crore. Though recognition of Deferred Tax Assets is not mandatory as per Bangladesh Bank circular, the bank has decided not to recognise Deferred Tax Assets.			
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 469,898,000 Ordinary Shares of Tk 10 each

Issued for cash: shares of Tk. 10 each

Issued other than cash: bonus shares of Tk 10 each

Amount in Taka	
2019	2018
4,698,980,000	4,698,980,000
4,433,000,000	4,433,000,000
265,980,000	265,980,000
4,698,980,000	4,698,980,000
 Holding	
Sponsor Shareholders Group-A	100%
4,698,980,000	4,698,980,000
4,698,980,000	4,698,980,000

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	4,698,980,000
641,806,839	540,900,474
56,263,593	19,877,114
102	101
(7,452,068)	(12,757,492)
5,389,598,466	5,247,000,197

b) Supplementary Capital (Tier-II):

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

337,450,000	310,100,000
-	119,083
337,450,000	310,219,083

c) Total Equity (a +b)

d) Total Risk Weighted Assets (Note-15.4)

e) Required Capital

f) Total Capital Surplus (c-e)

5,727,048,466	5,557,219,280
32,075,193,996	29,460,192,984
4,000,000,000	4,000,000,000
1,727,048,466	1,557,219,280

Capital Adequacy Ratio:

Particulars	2019 (Under Basel III)		2018 (Under Basel III)	
	Requirement	Capital	Requirement	Capital
Core Capital	6.00%	16.80%	6.00%	17.81%
Supplementary Capital		1.05%		1.05%
Total	12.50%	17.85%	11.875%	18.86%

15.4 Consolidated Risk Weighted Assets (RWA) for

1. Credit Risk

On-Balance Sheet

Off-Balance Sheet

2. Market Risk

3. Operational Risk

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

25,546,889,834	22,511,384,412
3,130,005,251	3,947,927,993
590,275,950	508,775,366
2,808,022,961	2,492,105,213
32,075,193,996	29,460,192,984

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	4,698,980,000
641,806,839	540,900,474
50,775,126	17,149,667
(7,376,935)	(12,635,159)
5,384,185,030	5,244,394,982

b) Supplementary Capital (Tier-II):

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

337,450,000	310,100,000
-	119,083
337,450,000	310,219,083

c) Total Equity (a +b)

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

e) Required Capital

f) Total Capital Surplus (c-e)

5,721,635,030	5,554,614,065
31,988,691,316	29,385,987,168
4,000,000,000	4,000,000,000
1,721,635,030	1,554,614,065



	Amount in Taka			
	2019		2018	
Capital Adequacy Ratio:				
Particulars	2019 (Under Basel III)		2018 (Under Basel III)	
	Requirement	Capital	Requirement	Capital
Core Capital	6.00%	16.83%	6.00%	17.85%
Supplementary Capital		1.06%		1.06%
Total	12.50%	17.89%	11.875%	18.90%

15a.6 Risk Weighted Assets (RWA) for

1. Credit Risk				
On-Balance Sheet		25,546,889,834		22,511,384,412
Off-Balance Sheet		3,130,005,251		3,947,927,993
2. Market Risk		560,745,530		473,340,546
3. Operational Risk		2,751,050,701		2,453,334,217
Total Risk Weighted Assets (1+2+3)		31,988,691,316		29,385,987,168

16 Statutory Reserve

Opening balance	540,900,474	458,627,974
Add: Addition during the year (20% of Pre-tax profit)	100,906,365	82,272,500
	641,806,839	540,900,474

17 Other Reserve (Revaluation of HFT & HTM Securities)

HTM Securities (Note 17.1)	540,736	321,809
HFT Securities (Note 17.2)	-	-
	540,736	321,809

17.1 HTM Securities

Opening balance	321,809	208,828
Add: Gain from revaluation on investment	236,924	133,015
Less: Adjustment for sale/maturity of securities	17,997	20,034
	540,736	321,809

17.2 HFT Securities

Opening balance	-	7,466,176
Add: Gain from revaluation on investment	-	1,312,291
Less: Adjustment for sale/maturity of securities	-	8,778,467
	-	-

18 Consolidated Retained Earnings

Meghna Bank Ltd (Note-18a)	50,775,126	17,149,667
Meghna Bank Securities Ltd	5,488,469	2,727,448
	56,263,595	19,877,115
Less: Non-controlling Interest	2	1
	56,263,593	19,877,114

18.1 Consolidated Current year retained Earnings

Current Year		
Meghna Bank Ltd (Note-18a)	33,625,459	9,089,998
Meghna Bank Securities Ltd	2,761,021	24,068,847
	36,386,480	33,158,845
Less: Non-Controlling Interest	1	7
	36,386,480	33,158,839

18a Retained Earnings of the Bank

Opening balance	17,149,667	274,039,669
Less: Dividend Paid	-	(265,980,000)
Add: Transfer from Profit & Loss Account	33,625,459	9,089,998
	50,775,126	17,149,667

Consolidated Retained Earnings brought forward from previous year

Balance of 01 January	19,877,114	277,198,268
Dividend paid	-	(265,980,000)
	19,877,114	11,218,268



		Amount in Taka	
		2019	2018
Retained Earnings brought forward from previous year			
	Balance of 01 January	17,149,667	274,039,669
	Dividend paid	-	(265,980,000)
	Balance at 31 December	17,149,667	8,059,669
19	Non-Controlling Interest		
	Share Capital	100	100
	Retained Earnings	2	1
		102	101
20	Acceptance and Endorsements		
	Accepted Bills (Foreign)	713,287,970	1,173,614,199
	Accepted Bills (Inland)	11,942,068	31,237,781
	Endorsements (Shipping Guarantee)	6,394,514	581,659
		731,624,552	1,205,433,639
	Less: Margin	-	-
		731,624,552	1,205,433,639
21	Letters of Guarantees		
	Letters of Guarantee	2,774,560,665	2,913,254,552
	Less: Margin {Note-12.a(i) Y}	238,117,105	198,527,044
		2,536,443,560	2,714,727,508
	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	1,661,515,313	1,750,470,098
	Banks and other financial institutions	37,320,768	47,422,900
	Others	1,075,724,584	1,115,311,554
		2,774,560,665	2,913,204,552
	Less: Margin {Note-12.a(i) Y}	238,117,105	198,527,044
		2,536,443,560	2,714,677,508
22	Irrevocable Letters of Credit		
	Letters of credit	738,189,924	1,149,951,517
	Less: Margin {Note-12.a(i) Y}	196,198,861	167,890,512
		541,991,063	982,061,005
23	Consolidated Income Statement		
	Income:		
	Interest, discount and similar income (Note-24 & 26)	4,670,706,183	4,153,805,848
	Dividend income (Note-26)	4,466,399	28,937,995
	Fees, Commission and Brokerage (Note-27)	83,910,092	96,985,332
	Gains less losses arising from dealing securities	91,127	10,814,025
	Gains less losses arising from investment securities	-	113,684,066
	Gains less losses arising from dealing in foreign currencies (Note-27)	74,617,914	60,336,224
	Income from non-banking assets	-	-
	Other operating income (Note-28)	74,035,428	62,629,211
	Profit less losses on interest rate changes	-	-
	Nominal value of bonus share received	-	-
		4,907,827,143	4,527,192,701
	Expenses:		
	Interest paid on Deposits, borrowings etc. (Note-25)	2,799,392,304	2,462,649,480
	Losses on Loans and Advances	-	-
	Administrative expenses	905,509,914	846,228,181
	Other operating expenses	278,193,358	242,129,374
	Depreciation on banking assets	94,365,987	98,970,846
		4,077,461,563	3,649,977,881
	Income over expenditure	830,365,580	877,214,820



		Amount in Taka	
		2019	2018
23a	Income Statement of the Bank		
	Income:		
	Interest, discount and similar income (Note-24a & 26a)	4,661,080,103	4,120,255,220
	Dividend income (Note-26a)	4,466,399	28,937,995
	Fees, Commission and Brokerage (Note-27a)	73,105,468	82,796,673
	Gains less losses arising from dealing securities	91,127	10,814,025
	Gains less losses arising from investment securities	-	113,684,066
	Gains less losses arising from dealing in foreign currencies (Note-27a)	74,617,914	60,336,224
	Income from non-banking assets	-	-
	Other operating income (Note-28a)	77,833,100	66,764,900
	Profit less losses on interest rate changes	-	-
	Nominal value of bonus share received	-	-
		4,891,194,111	4,483,589,103
	Expenses:		
	Interest paid on Deposits, borrowings etc. (Note-25a)	2,800,997,745	2,463,676,482
	Losses on Loans and Advances	-	-
	Administrative expenses	897,540,716	836,058,379
	Other operating expenses	275,471,298	238,631,014
	Depreciation on banking assets (Annexure-B)	93,347,528	97,720,730
		4,067,357,287	3,636,086,605
	Income over expenditure	823,836,824	847,502,498
24	Consolidated Interest Income:		
	Meghna Bank Ltd (Note-24a)	4,263,880,353	3,726,276,848
	Meghna Bank Securities Ltd	4,443,782	3,977,259
		4,268,324,135	3,730,254,107
	Less: Inter Company Transaction	1,605,441	1,027,002
		4,266,718,694	3,729,227,105
24a	Interest Income:		
	Interest on Loans and Advances: (Note-24a.1)	3,902,139,941	3,419,626,185
	Interest on balance with other Banks & Financial Institutions	361,740,412	306,650,663
		4,263,880,353	3,726,276,848
24a.1	Interest on Loans and Advances:		
	Interest Income on Cash Credit	708,424,670	779,686,064
	Interest Income on Secured Over Draft	212,640,842	145,235,667
	Interest Income on General Over Draft Loan	607,475,447	623,251,585
	Interest Income on Inland Bill Purchased/Discount	33,501,537	16,158,943
	Interest Income on Foreign Bill Purchased/Discount	-	7,145
	Interest Income on Import Finance	187,751,119	231,857,418
	Interest Income on Export Finance	3,226,249	12,198,436
	Interest Income on Demand Loan (General)	819,096,880	497,146,771
	Interest Income on Demand Loan (Forced Loan)	4,124,908	3,623,912
	Interest Income on Consortium/Syndicate Finance	9,884,959	28,063,170
	Interest Income on Hire Purchase Finance	269,341	421,478
	Interest Income on House Building Loan	338,277,003	309,704,753
	Interest Income on General Term Loan	832,697,025	635,162,910
	Interest Income on SME Loan & Advance	423,832	469,143
	Interest Income on Personal Loan Scheme	36,187,044	30,264,538
	Interest Income on Credit Card	38,812,002	23,237,894
	Interest Income on Agricultural and Rural Loan	69,347,083	83,136,358
		3,902,139,941	3,419,626,185



		Amount in Taka	
		2019	2018
25 Consolidated Interest Paid on Deposits, Borrowing, etc:			
Meghna Bank Ltd (Note-25a)		2,800,997,745	2,463,676,482
Meghna Bank Securities Ltd		-	-
		2,800,997,745	2,463,676,482
Less: Inter Company Transaction		1,605,441	1,027,002
		2,799,392,304	2,462,649,480
25a Interest Paid on Deposits, Borrowing, etc:			
a) Interest on Deposits			
Interest Paid on Current Deposit		12,320,191	465,854
Interest Paid on Savings Deposit		60,379,845	42,251,454
Interest Paid on Short Notice Deposit		141,869,043	30,918,555
Interest Paid on Fixed Deposit Receipt		2,044,105,105	1,869,027,712
Interest Paid on Deposit Pension Scheme		196,248,358	133,689,836
Interest Paid on Meghna Child Education Plan		3,830,026	2,830,953
Interest Paid on Monthly Income Scheme		158,587,978	204,713,642
Interest Paid on Meghna Multiplier Scheme		173,500,732	167,576,098
		2,790,841,278	2,451,474,104
b) Interest Paid on Borrowings		10,156,467	12,202,378
		2,800,997,745	2,463,676,482
26 Consolidated Investment Income:			
Meghna Bank Ltd (Note-26a)		401,757,276	547,414,458
Meghna Bank Securities Ltd		6,787,739	30,600,371
		408,545,015	578,014,829
26a Investment Income:			
Interest Income from Treasury Bills		3,936,650	662,380
Interest Income from Treasury Bonds		376,993,721	350,554,564
Gain on Sale of Treasury Bonds		-	113,684,066
Income from Investment in Commercial Paper		6,712,329	36,154,449
Dividend Income from Investment in Preference Share		9,557,050	6,606,979
Dividend Income		4,466,399	28,937,995
Gain on Sale of Shares		91,127	10,814,025
		401,757,276	547,414,458
27 Consolidated Commission, Exchange & Brokerage:			
Meghna Bank Ltd (Note-27a)		147,723,382	143,132,897
Meghna Bank Securities Ltd		10,804,624	14,188,659
		158,528,006	157,321,556
27a Commission, Exchange & Brokerage:			
Income from Commission		73,105,468	82,796,673
Exchange earnings		74,617,914	60,336,224
		147,723,382	143,132,897
28 Consolidated Other Operating Income:			
Meghna Bank Ltd (Note-28a)		77,833,100	66,764,900
Meghna Bank Securities Ltd		1,149,304	294,711
		78,982,404	67,059,611
Less: Inter Company Transaction		4,946,976	4,430,400
		74,035,428	62,629,211
28a Other Operating Income:			
Income From Fees & Charges		38,173,325	23,878,763
Income From Services		26,015,239	27,266,344
Postage, Telex, Swift etc.		2,421,327	2,771,417
Gain on Sale of Bank's Property		72	-
Other charges (Note-28a.1)		11,223,137	12,848,376
		77,833,100	66,764,900



		Amount in Taka	
		2019	2018
28a.1 Other Charges			
Rent of Lockers		199,000	213,000
Rent on Property/ Rental Income		4,946,976	4,430,400
Notice pay earnings		3,268,724	1,699,861
Rebate Received		2,072,463	4,766,752
Prize Money on Prize Bond		59,900	-
Miscellaneous income		676,074	1,738,363
		11,223,137	12,848,376
29 Consolidated Salary & Allowances:			
Meghna Bank Ltd (Note-29a)		597,651,661	549,669,716
Meghna Bank Securities Ltd		6,707,454	8,917,434
		604,359,115	558,587,150
29a Salary & Allowances:			
Basic Salary		278,639,696	255,934,894
Allowances		137,499,203	117,581,578
Consolidated Pay		38,222,193	40,761,132
Bonus		85,924,539	80,788,910
Gratuity		30,500,000	30,000,000
Bank's Contribution to Provident fund		26,866,030	24,603,202
		597,651,661	549,669,716
30 Consolidated Rent, Taxes, Insurance, Electricity etc.:			
Meghna Bank Ltd (Note-30a)		241,922,378	224,436,924
Meghna Bank Securities Ltd		6,008,597	5,455,039
		247,930,975	229,891,963
Less: Inter Company Transaction		4,946,976	4,430,400
		242,983,999	225,461,563
30a Rent, Taxes, Insurance, Electricity etc.:			
Rent, Rates & Taxes		196,652,573	180,987,463
Insurance, Electricity & Lighting		45,269,805	43,449,461
		241,922,378	224,436,924
31 Consolidated Legal Expenses:			
Meghna Bank Ltd (Note-31a)		958,630	459,648
Meghna Bank Securities Ltd		-	-
		958,630	459,648
31a Legal Expenses:			
Legal Fees		264,500	92,000
Legal Charges		694,130	367,648
		958,630	459,648
32 Consolidated Postage, Stamps, Telecommunication etc.:			
Meghna Bank Ltd (Note-32a)		19,571,595	21,866,637
Meghna Bank Securities Ltd		71,916	54,334
		19,643,511	21,920,971
32a Postage, Stamps, Telecommunication etc.:			
Postage		1,790,267	1,974,051
Swift & Internet charge		538,612	2,471,202
Telephone charges		640,440	723,716
Mobile phone charges		3,405,750	3,206,783
Network Connection Expense		11,105,053	11,239,278
Bloomberg Charges		2,091,473	2,251,607
		19,571,595	21,866,637
33 Consolidated Stationery, Printing & Advertisements etc.:			
Meghna Bank Ltd (Note-33a)		14,022,104	17,198,544
Meghna Bank Securities Ltd		90,207	103,395
		14,112,311	17,301,939



		Amount in Taka	
		2019	2018
33a Stationery, Printing & Advertisements etc:			
Petty Stationery		4,065,292	3,742,566
Printing Stationery		2,669,470	3,913,366
Security Stationery		2,318,933	2,501,965
Computer Stationery		4,464,533	4,749,213
Publicity and Advertisement		503,876	2,291,434
		14,022,104	17,198,544
34 Chief Executive's Salary & Fees:			
Basic Salary		8,870,400	7,723,200
Allowances		5,016,290	4,306,833
Bonus		1,478,400	1,478,400
		15,365,090	13,508,433
35 Consolidated Directors' Fees:			
Meghna Bank Ltd (Note-35a)		1,904,000	1,832,000
Meghna Bank Securities Ltd		8,000	40,000
		1,912,000	1,872,000
35a Directors' Fees:			
Directors Fees		1,904,000	1,832,000
Other Benefits		-	-
		1,904,000	1,832,000
Each director of the bank is provided for Tk. 8,000.00 per board or board committee meeting attended in 2019 as per BRPD circular no. 11 dated 4 October 2015.			
36 Consolidated auditors' Fees:			
Meghna Bank Ltd (Note-36a)		425,000	400,000
Meghna Bank Securities Ltd		30,000	30,000
		455,000	430,000
36a Auditors' Fees:			
Auditors Fees		425,000	400,000
		425,000	400,000
37 Consolidated Depreciation, Amortization and Repair on Bank's Assets:			
Meghna Bank Ltd (Note-37a)		99,067,786	104,407,207
Meghna Bank Securities Ltd		1,018,459	1,250,116
		100,086,245	105,657,323
37a Depreciation, Amortization and Repair on Bank's Assets:			
a) Depreciation on Bank's Assets (Annexure-B):			
Land & Building		-	-
Vehicles		4,049,546	5,523,075
Machinery & Equipment		25,949,856	28,048,433
Furniture & Fixtures		23,630,688	21,803,128
Computer and Peripherals		30,019,196	25,154,987
Office Tools & Accessories		3,562,018	4,028,829
		87,211,304	84,558,452
b) Amortization			
Software		6,136,224	13,162,278
c) Repair on Bank's Assets:			
Fitting and Replacement		1,318,076	1,356,406
Vehicles		24,820	1,150
Machinery & Equipment		1,998,287	1,910,971
Furniture & Fixtures		887,002	1,619,038
Computer and Peripherals		436,277	827,240
Maintenance Expense		1,055,796	971,672
		5,720,258	6,686,477
		99,067,786	104,407,207



		Amount in Taka	
		2019	2018
38 Consolidated Other Expenses:			
Meghna Bank Ltd (Note-38a)		275,471,298	238,631,014
Meghna Bank Securities Ltd		2,722,060	3,498,360
		278,193,358	242,129,374
38a Other Expenses:			
Gas Bills		990	13,400
Wasa Bill		795,126	599,043
Drinking water Expenses		636,664	622,861
Car Expenses		60,223,758	51,013,281
Software Maintenance Expenses		14,079,161	13,582,399
Entertainment		7,263,006	7,840,487
Training, Seminar, Workshop Expenses		749,875	709,727
Travelling and Conveyance		7,780,337	6,786,855
Subscription		3,133,630	2,827,901
Corporate Social Responsibility		10,784,500	15,980,640
Loss on Revaluation of Investments		60,013,368	34,070,224
Loss on Foreign Currency Revaluation		2,644,159	4,864,872
Office Maintenance and Service Charge expenses		11,960,850	10,274,762
Bank Charges		3,650,562	4,430,186
Complain Box		-	15,361
NPSB Charges		559,425	361,920
Charges From VISA		3,634,329	4,989,765
Credit Card CIB Charge		252,670	211,400
NID Verification Charges		510,109	879,374
Card Maintenance Expenses, ETC		3,852,310	2,149,348
Board and EC Meeting Expenses		1,116,769	985,862
Professional & Consultancy Fees		1,732,048	2,152,561
Business development & Promotion		8,416,252	1,167,241
Cash Carrying Charges		2,369,476	2,888,573
Leverage and Uniform		463,136	186,395
Washing & Cleaning		4,215,885	7,902,844
Leave Fare Assistance		40,886,405	36,913,808
Security Service-Outsourcing		22,350,177	22,769,827
Crockerries Expenses		239,525	104,375
Newspaper & Magazine Expenses (Office)		372,716	349,909
Branch Inauguration Expenses		-	254,411
AGM Expenses		426,982	362,644
Miscellaneous Expenses		357,098	368,758
		275,471,298	238,631,014
39 Consolidated Provision for Loans, Investments, Off-Balance Sheet & Others Assets			
Meghna Bank Ltd (Note-39a)		319,305,000	436,140,000
Meghna Bank Securities Ltd		2,517,736	743,474
		321,822,736	436,883,474
39a Provision for Loans, Investments, Off-Balance Sheet & Others Assets			
Provision for Unclassified Loans and Advances		41,050,000	25,900,000
Provision for Classified Loans and Advances		255,050,000	391,800,000
Provision for Off-Balance Sheet Exposure		(13,700,000)	(8,100,000)
Provisions for Diminution in Value of Investments		25,005,000	21,540,000
Provision for Other Assets		11,900,000	5,000,000
		319,305,000	436,140,000
40 Consolidated Earning Per Share (EPS)			
Net Profit after Tax		137,292,843	115,431,339
Number of Ordinary Shares outstanding (Denominator)		469,898,000	469,898,000
		0.29	0.25



		Amount in Taka	
		2019	2018
40a Earning Per Share (EPS)			
Net Profit after Tax		134,531,824	91,362,498
Number of Ordinary Shares outstanding (Denominator)		469,898,000	469,898,000
		0.29	0.19
Earning per share has been calculated in accordance with IAS - 33: "Earnings Per Share (EPS)".			
41 Consolidated Interest Receipts in Cash			
Meghna Bank Ltd (Note-41a)		4,651,801,410	4,122,983,049
Meghna Bank Securities Ltd		4,443,782	3,977,259
		4,656,245,192	4,126,960,308
Less: Inter Company Transaction		1,605,441	1,027,003
		4,654,639,751	4,125,933,305
41a Interest Receipts in Cash			
Interest income receipt (Note-24a & 26a)		4,651,523,053	4,113,648,241
Add: Opening Interest Receivable (Note-10a.2)		84,474,761	93,809,569
Less: Closing Interest Receivable (Note-10a.2)		84,196,404	84,474,761
		4,651,801,410	4,122,983,049
42 Consolidated Interest Payments			
Meghna Bank Ltd (Note-42a)		2,658,780,295	2,388,939,243
Meghna Bank Securities Ltd		-	-
		2,658,780,295	2,388,939,243
Less: Inter Company Transaction		1,605,441	1,027,003
		2,657,174,854	2,387,912,241
42a Interest Payments			
Interest Paid on Deposits & Borrowings (Note-23a)		2,800,997,745	2,463,676,482
Add: Opening Interest Payable on Deposit (Note-13a)		500,120,860	425,383,621
Less: Closing Interest Payable on Deposit (Note-13a)		642,338,310	500,120,860
		2,658,780,295	2,388,939,243
43 Consolidated Cash Receipts from other Operating activities (Note-28)			
Meghna Bank Ltd (Note-43a)		77,924,155	191,262,992
Meghna Bank Securities Ltd		1,934,536	23,274,032
		79,858,691	214,537,024
43a Cash Receipts from other Operating activities (Note-28a)			
Income From Fees & Charges		38,173,325	23,878,763
Income From Services		26,015,239	27,266,344
Postage, Telex, Swift etc.		2,421,327	2,771,417
Gain on Sale of Treasury Bonds and Shares		91,127	124,498,092
Other charges (Except income from sale of fixed assets)		11,223,137	12,848,376
		77,924,155	191,262,992
44 Consolidated Cash Payments for other Operating activities			
Meghna Bank Ltd (Note-44a)		545,973,159	494,312,699
Meghna Bank Securities Ltd		8,852,112	9,102,855
		554,825,271	503,415,554
44a Cash Payments for other Operating activities			
Rent, Taxes, Insurance, Lighting etc. (Note-30a)		241,922,378	224,436,924
Legal Expenses (Note-31a)		958,630	459,648
Postage, Stamp, Telegram & Telephone (Note-32a)		19,571,595	21,866,637
Directors' Fees (Note-35a)		1,904,000	1,832,000
Auditors' Fees (Note-36a)		425,000	400,000
Repair & Maintenance of Bank's Assets (Note-37a.c)		5,720,258	6,686,477
Other Expenses		275,471,298	238,631,013
		545,973,159	494,312,699



		Amount in Taka	
		2019	2018
45 Consolidated Cash Increase/ Decrease in Other Assets (Note-10)			
Meghna Bank Ltd (Note-45a)		671,116,193	649,333,804
Meghna Bank Securities Ltd		19,499,844	17,903,237
		690,616,037	667,237,041
Less: Inter Company Transaction		350,557,688	369,784,702
		340,058,349	297,452,339
		(42,606,010)	26,132,950
Consolidated Cash (Increase)/ Decrease in Other Assets			
45a Cash Increase/ Decrease in Other Assets (Note-10a)			
Stock of Stationery and Stamps		5,822,946	4,414,284
Advance Rent		199,993,947	217,506,936
Suspense Account		84,164,433	26,213,912
Security Deposits		115,055	103,055
Advance against proposed Branch		-	16,170,000
Advance Against Salary		40,000	-
Cash Remittance		-	5,000,000
Interest on Sanchaypatra		27,642,753	8,191,143
NCCB Securities & Financial Services Ltd		568	568
Meghna Bank Securities Ltd		557,788	19,784,802
Prepaid Expenses		966,151	1,286,977
Investment in Subsidiary		349,999,900	349,999,900
BEFTN Adjustment Account		89,744	250,772
S/D RFA SEBL - Western Union		1,564,108	4,903
Interest on Investment Bond-Customer		92,351	369,402
Chargeback Account for VISA Cards		66,449	37,150
		671,116,193	649,333,804
		(21,782,389)	12,661,669
Cash (Increase)/ Decrease in Other Assets			
46 Consolidated Cash Increase/ Decrease in Other Liabilities (Note-13)			
Meghna Bank Ltd (Note- 46a)		476,959,412	334,455,756
Meghna Bank Securities Ltd		18,218,088	82,411,337
		495,177,500	416,867,093
Less: Inter Company Transaction		557,788	19,784,802
		494,619,711	397,082,291
		97,537,420	173,339,190
Cash Increase/ (Decrease) in Other Liabilities			
46a Cash Increase/ Decrease in Other Liabilities (Note-13a)			
Non-Resident Accounts		2,759,250	25,649,855
Interest Suspense A/C		309,644,474	141,634,865
Settlement with NPSB		50,445	50,445
BEFT Settlement Account		1,029,430	10,089,181
Agent Monitoring & Collection Account		100,500	100,500
Provision for Gratuity		30,500,000	60,000,000
MGBL MFS Payable Accounts		3,176,914	4,974,927
MGBL General Account		221,006	-
Adjusting account credit		129,477,393	91,955,983
		476,959,412	334,455,756
		142,503,655	151,971,087
Consolidated Cash Increase/ (Decrease) in Other Liabilities			
47 Consolidated Cash and Cash Equivalent			
Meghna Bank Ltd (Note-47a)		8,768,694,705	8,152,520,001
Meghna Bank Securities Ltd		33,109,762	95,473,148
		8,801,804,467	8,247,993,149
Less: Inter Company Transaction		19,740,912	70,219,834
		8,782,063,555	8,177,773,315




47a Cash and Cash Equivalent

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

Amount in Taka	
2019	2018
637,067,358	531,987,877
2,547,920,596	2,304,837,657
3,512,980,551	3,325,031,067
2,070,000,000	1,990,000,000
726,200	663,400
8,768,694,705	8,152,520,001

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 712.


Chairman


Director


Director


Managing Director & CEO



MEGHNA BANK LIMITED
INVESTMENT IN SHARES - QUOTED & UNQUOTED
AS AT DECEMBER 31, 2019

Annexure-A

SI No	Name of the Company	No. of Shares/ Securities	Market price per share	Market value December 31, 2019	Cost price December 31, 2019	Unrealized Gain/(loss)
Quoted:						
1	Advent Pharma Limited	4,182	22.40	93,677	34,570	59,107
2	Bata Shoe Company (Bangladesh) Limited			-		-
3	BSRM Steels Limited	77,000	39.20	3,018,400	6,926,260	(3,907,860)
4	Beximco Pharmaceuticals Limited	10,000	69.40	694,000	1,059,413	(365,413)
5	BRAC Bank Limited	69,000	57.10	3,939,900	4,088,550	(148,650)
6	C and A Textiles Limited	200,000	1.80	360,000	2,620,440	(2,260,440)
7	City Bank Limited	48,970	21.10	1,033,267	1,517,823	(484,556)
8	Coppertech Industries Limited	4,978	23.50	116,983	47,410	69,573
9	Dhaka Bank Limited	52,500	12.00	630,000	717,860	(87,860)
10	Genex Infosys Limited	6,017	67.40	405,546	52,330	353,216
11	Heidelberg Cement Bangladesh Limited	16,805	164.80	2,769,464	9,291,098	(6,521,634)
12	IDLC Finance Limited	40,000	45.40	1,816,000	3,070,734	(1,254,734)
13	IFAD Autos Limited	16,500	46.20	762,300	1,927,117	(1,164,817)
14	Intraco Refueling Station Limited	6,160	13.60	83,776	53,340	30,436
15	Indo-Bangla Pharmaceuticals Limited	3,530	18.30	64,599	29,450	35,149
16	Jamuna Oil Company Limited	65,000	141.90	9,223,500	14,073,833	(4,850,333)
17	Kattali Textile Limited	12,177	11.30	137,600	100,640	36,960
18	LafargeHolcim Bangladesh Limited	130,000	33.60	4,368,000	10,279,614	(5,911,614)
19	Meghna Petroleum Ltd.	15,000	163.80	2,457,000	3,045,459	(588,459)
20	Mercantile Bank Limited	57,500	13.20	759,000	903,600	(144,600)
21	MJL Bangladesh Limited	89,250	63.30	5,649,525	10,558,727	(4,909,202)
22	M.L. Dyeing Limited	8,335	32.90	274,222	60,400	213,822
23	New Line Clothings Limited	8,038	14.80	118,962	75,130	43,832
24	Olympic Industries Limited	26,433	165.00	4,361,445	7,663,426	(3,301,981)
25	RAK Ceramics (Bangladesh) Limited	60,500	28.70	1,736,350	3,034,604	(1,298,254)
26	SS Steel Limited	7,420	22.50	166,950	67,460	99,490
27	Silco Pharmaceuticals Limited	8,022	30.30	243,067	72,930	170,137
28	Silva Pharmaceuticals Ltd	9,653	16.80	162,170	91,940	70,230
29	Square Pharmaceuticals Limited	65,974	190.00	12,535,060	16,409,552	(3,874,492)
30	Square Textile Limited	110,250	31.00	3,417,750	7,151,302	(3,733,552)
31	Shinepukur Ceramics Limited	2,500	8.30	20,750	53,965	(33,215)
32	SK Trims and Industries Limited	12,199	47.00	573,353	100,820	472,533
33	Southeast Bank Limited	55,000	13.40	737,000	783,120	(46,120)
34	Titas Gas Transmission & Dist. Co. Limited	150,000	30.90	4,635,000	8,553,476	(3,918,476)
35	VFS Thread Dyeing Limited	8,515	20.00	170,300	70,380	99,920
36	United Commercial Bank Limited	715,000	13.30	9,509,500	16,060,748	(6,551,248)
Unquoted: Preference Share						
37	Star Ceramics Limited	3,500,000	10.00	35,000,000	35,000,000	-
38	Summit Gazipur II Power Limited	20,000,000	10.00	200,000,000	200,000,000	-
Total				312,044,416	365,647,521	(53,603,105)

Provision requirement
Provision maintained as on December 31, 2019.
Provision Surplus/Shortage at the end of December 31, 2019.

Taka
53,603,105
53,605,000
1,895



MEGHNA BANK LIMITED
SCHEDULE OF FIXED ASSETS
AS AT DECEMBER 31, 2019

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, 2018
	Balance as on January 1, 2019	Additions during the year	Disposal/ Transfer during the year	Balance as on December 31, 2019		Balance as on January 1, 2019	Transfer/ Adjustment during the year	Charge for the year	Balance as on December 31, 2019	
Vehicles	39,302,825	20,000	-	39,322,825	20%	26,996,595	-	4,049,546	31,046,141	12,306,230
Machinery and Equipment	148,381,816	8,754,195	109,000	157,027,011	20%	88,433,013	102,072	25,949,856	114,280,797	59,948,803
Furniture & Fixtures	226,968,846	31,575,309	-	258,544,155	10%	66,588,767	-	23,630,688	90,219,455	160,380,079
Computer & Computer Peripherals	150,406,835	14,328,550	-	164,735,385	33%	88,802,202	-	30,019,196	118,821,398	61,604,633
Office Tools & Accessories	20,976,358	592,890	-	21,569,248	20%	11,856,068	-	3,562,018	15,418,086	9,120,290
Total (A)	586,036,680	55,270,944	109,000	641,198,624		282,676,645	102,072	87,211,304	369,785,877	271,412,747

B) Intangible Assets :

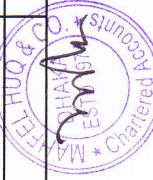
Particulars	C O S T				Rate of Amortization	A M O R T I Z A T I O N				WDV as on December 31, 2018
	Balance as on January 1, 2019	Additions during the year	Disposal/ Transfer during the year	Balance as on December 31, 2019		Balance as on January 1, 2019	Transfer/ Adjustment during the year	Charge for the year	Balance as on December 31, 2019	
Software	74,291,964	878,000	-	75,169,964	20%	61,656,805	-	6,136,224	67,793,029	12,635,159
Total (B)	74,291,964	878,000	-	75,169,964		61,656,805	-	6,136,224	67,793,029	12,635,159
Total (A + B)	660,328,644	56,148,944	109,000	716,368,588		344,333,450	102,072	93,347,528	437,578,906	278,789,682



MEGHNA BANK LIMITED
BALANCE WITH OTHER BANKS-OUTSIDE BANGLADESH (NOSTRO ACCOUNT)
AS AT DECEMBER 31, 2019

Annexure-C

SL No.	Name of the Banks	Currency Name	2019			2018		
			Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT
1	AB Bank Ltd, Mumbai, ACU	ACUD	277,432.84	84.90	23,554,048.12	276,441.01	83.78	23,160,227.82
2	Mashreq Bank p.s.c. New York, USD	USD	766,419.53	84.90	65,069,018.10	1,530,153.95	83.78	128,196,297.93
3	Habib American Bank, New York, USD	USD	475,504.85	84.90	40,370,361.77	319,388.10	83.78	26,758,335.02
4	MCB Bank Limited, Karachi, Pakistan, ACU	ACUD	7,544.21	84.90	640,503.43	9,699.21	83.78	812,599.81
5	Mashreq Bank London, UK, GBP	GBP				985.00	106.10	104,507.52
6	BANCA Popolare Di Sondrio, Sondrio, Italy, EURO	EURO	13,471.99	95.10	1,281,139.10	-	-	-
7	Kookmin Bank, Seoul Korea, USD	USD	70,043.74	84.90	5,946,713.53	5,402.40	83.78	452,613.07
8	Kookmin Bank, Seoul Korea, GBP	GBP	7,656.20	111.32	852,295.07			
9	National Bank of Pakistan, Tokoyo, Japan., JPY	JPY	1,684,186.00	0.78	1,309,959.87	101,902.00	0.76	76,966.58
10	Mizuho Bank Ltd, Tokyo, Japan, JPY	JPY	-	-	-	4,736,884.00	0.76	3,577,768.49
11	Bank Al Jazira, KSA, SAR	SAR	187,000.00	22.62	4,230,519.70	187,000.00	22.33	4,175,822.20
12	AXIS Bank Ltd. Kolkata, India, ACU USD	USD	1,387,435.94	84.90	117,793,311.31	242,919.00	83.78	20,351,753.82
13	BMCE Bank International, Madrid, Spain	EURO	12,282.07	95.10	1,167,981.87	71,934.03	95.41	6,863,132.29
14	BMCE Bank International, GBP	GBP	7,767.03	111.32	864,632.77	7,767.03	106.10	824,074.12
15	Bhutan National Bank, ACU	ACUD	1,142.00	84.90	96,955.80	13,960.00	83.78	1,169,568.80
16	HDFC Bank Ltd., Mumbai	ACUD	36,604.73	84.90	3,107,741.58	-	-	-
17	United Bank of India, Kolkata	ACUD	19,836.00	84.90	1,684,076.40			
18	Bank of New Zealand, NZD	NZD	1,186.12	56.98	67,580.85	166.15	56.35	9,362.62
	Total				268,036,839			216,533,030



MEGHNA BANK LIMITED

**DETAILS INFORMATION OF LOANS AND ADVANCES MORE THAN 10% OF BANK'S TOTAL CAPITAL (FUNDED & NON-FUNDED)
AS AT DECEMBER 31, 2019**

(Tk. In Crore)

SL. No.	Name of client	Outstanding			% of Loans to Total Capital		
		Funded	Non-funded	Total	Funded	Non-funded	Total
1	BAIZID STEEL INDUSTRIES LTD.	84.48	16.45	100.93	16.11%	3.14%	19.24%
2	ABUL KHAIR GROUP	78.89	10.94	89.83	15.04%	2.09%	17.13%
3	UNITED CHATTOGRAM POWER LIMITED (UPCL) & U	81.43	-	81.43	15.53%	0.00%	15.53%
4	S. S. ENGINEERING & CONSTRUCTION LTD.	55.63	22.87	78.50	10.61%	4.36%	14.97%
5	RSRM GROUP	76.36	-	76.36	14.56%	0.00%	14.56%
6	BRAC	75.00	-	75.00	14.30%	0.00%	14.30%
7	ACME GROUP	65.35	-	65.35	12.46%	0.00%	12.46%
8	M/S. KHOKAN TRADING AGENCY	17.21	47.78	64.99	3.28%	9.11%	12.39%
9	NITOL MOTORS	61.88	-	61.88	11.80%	0.00%	11.80%
10	MUSSA AND ISSA BROTHERS	60.24	-	60.24	11.49%	0.00%	11.49%
11	AMAN GROUP	47.85	11.50	59.35	9.12%	2.19%	11.32%
12	ENERGYPAC GROUP	58.93	-	58.93	11.24%	0.00%	11.24%
13	BSRM STEEL MILLS LIMITED	54.68	-	54.68	10.43%	0.00%	10.43%
14	CITY GROUP	53.19	-	53.19	10.14%	0.00%	10.14%
15	THREE ANGLE MARINE LIMITED	21.95	23.50	45.46	4.19%	4.48%	8.67%
16	DESHBANDHU GROUP	31.20	14.11	45.30	5.95%	2.69%	8.64%
17	RUBY FOOD PRODUCTS LTD	43.28	-	43.28	8.25%	0.00%	8.25%

MEGHNA BANK LIMITED
DETAILS INFORMATION OF LOANS AND ADVANCES MORE THAN 10% OF BANK'S TOTAL CAPITAL (FUNDED & NON-FUNDED)
AS AT DECEMBER 31, 2019

SL. No.	Name of client	Outstanding		Total	% of Loans to Total Capital		Total
		Funded	Non-funded		Funded	Non-funded	
18	MEGHNA GROUP OF INDUSTRIES (MGI)	40.68	2.34	43.02	7.76%	0.45%	8.20%
19	DANISH FOOD LTD.	39.21	3.67	42.87	7.48%	0.70%	8.18%
20	SOMATEC & BANGLADESH PAPER	41.06	1.59	42.65	7.83%	0.30%	8.13%
21	SUMMIT GROUP	37.05	-	37.05	7.06%	0.00%	7.06%
22	KISHAN GROUP	24.61	2.44	27.05	4.69%	0.47%	5.16%
23	IAZ TRADERS	12.22	14.11	26.33	2.33%	2.69%	5.02%
24	AKOTA GROUP	6.23	19.49	25.71	1.19%	3.72%	4.90%
25	ANWAR LANDMARK LIMITED AND OTHERS	11.34	6.70	18.05	2.16%	1.28%	3.44%
26	SUPER PETROCHEMICAL(PVT)LTD.	17.46	-	17.46	3.33%	0.00%	3.33%
27	STANDARD ASIATIC OIL COMPANY LTD.	3.98	-	3.98	0.76%	0.00%	0.76%
28	BANGLADESH PETROLEUM CORPORATION	-	-	-	0.00%	0.00%	0.00%
29	ACI Group	-	-	-	0.00%	0.00%	0.00%
	Total	1,201.36	197.49	1,398.85			

Bank's total Capital as on 31 December 2019 is Tk. 572.16 Crore



**MEGHNA BANK LIMITED
FINANCIAL HIGHLIGHTS**

(Amount in Taka)

SL	PARTICULARS	2019	2018
1	Paid up Capital	4,698,980,000	4,698,980,000
2	Total Capital (Core + Supplementary)	5,721,635,030	5,554,614,065
3	Capital Surplus	1,721,635,030	1,554,614,065
4	Total Assets	49,346,927,296	43,849,553,982
5	Total Deposit	41,104,080,069	36,446,682,722
6	Total Loans & Advances	34,362,615,024	30,153,677,158
7	Total Contingent Liabilities and Commitments	4,478,529,861	5,612,405,895
8	Advance Deposit Ratio (%)	84%	83%
9	Percentage of Classified Loans against total Loans and Advances	7.41%	6%
10	Profit after Tax and Provision	134,531,824	91,362,498
11	Amount of Classified Loans During Current Year	2,545,898,517	1,737,241,973
12	Provisions kept against Classified Loan	864,650,000	609,600,000
13	Provisions Surplus	942,561	147,211
14	Cost of Fund	10.74%	10.16%
15	Interest Earning Assets	45,234,986,833	40,266,774,024
16	Non-Interest Earning Assets	4,111,940,463	3,582,779,958
17	Return on Investment (ROI)	8.31%	11.87%
18	Return on Assets (ROA)	0.29%	0.22%
19	Income from Investment	401,757,276	547,414,458
20	Earning Per Share	0.29	0.19
21	Net Income Per Share	0.29	0.19
22	Price Earning Ratio	N/A	N/A

