

"If you have any query about this document, you may consult the issuer and the trustee"

# Information Memorandum

**Private placement of 200 coupon-bearing non-convertible fully redeemable unsecured Subordinated Bonds of BDT 10,000,000 (Ten million Taka) each at par totaling BDT 2,000,000,000 (Two billion Taka)**

**Coupon Rate:** Latest average 6-month FDR rate of all private commercial banks excluding Islamic banks & foreign banks as published by Bangladesh Bank on the quotation day + 2.5% Margin.

**Coupon Range:** 7.00% to 9.00%, at all times

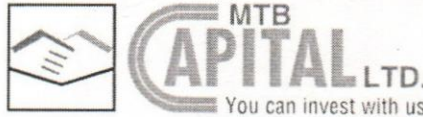
**Issuer: Meghna Bank Limited**



**MEGHNA BANK LTD.**  
together we sail

Suvastu Imam Square (3<sup>rd</sup> Floor)  
65 Gulshan Avenue, Gulshan- 01  
Dhaka-1212

**Trustee to the Issue: MTB Capital Limited**



**Type of Security:** Coupon-bearing Non-Convertible Redeemable Unsecured Subordinated Bond

**Face Value:** BDT 10,000,000 of Each Bond

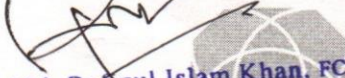

**Issue Price:** BDT 10,000,000 of Each Bond

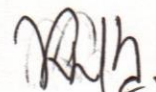
**Total Issue Amount:** BDT 2,000,000,000 (divided into 200 number of securities)

**Credit Rating of the Bond: A<sub>2</sub>(Hyb)**  
**Credit Rating Agency of Bangladesh (CRAB)**




**Lead Arranger**  
**RSA Advisory Limited**

  
**Md. Rafiqul Islam Khan, FCS**  
**Company Secretary**  
**Meghna Bank Limited**  


  
**Khairul Baahar A. T. Mohammed**  
**Chief Executive Officer**  
**MTB Capital Ltd.**  
**Head Office, Dhaka.**

  
**Sohail R. K. Hussain**  
**Managing Director & CEO**  
**Meghna Bank Limited**

  
**Sajib Kumar Saha, FCA**  
**VP & Head**  
**Financial Administration Division**  
**Meghna Bank Limited**



## Notice & Disclaimer

Meghna Bank Limited (hereinafter referred as the "Bank" or the "MGBL" or the "Issuer") has authorized RSA Advisory Limited (hereinafter referred as "RSAAL" or the "Lead Arranger" or just the "Arranger") to distribute this Information Memorandum (IM) in connection with the proposed transaction outlined in it (the "Transaction") and the bonds proposed to be issued in the Transaction (the "Bonds").


This Information Memorandum is provided to prospective investors on a private and confidential basis for use solely in connection with the issue, offer, sale or invitation to subscribe or purchase the MGBL 1<sup>st</sup> Subordinated Coupon Bearing Bond. This Information Memorandum shall not be, in whole or in part, reproduced or used for any other purpose without prior written consent of the Arranger.

This information memorandum has been prepared based on the information provided by the Issuer and the Issuer is solely responsible for its contents. The issuer will comply with all rules, laws and regulations and is responsible for obtaining all regulatory, governmental and corporate approvals for the issuance of the Bonds. The Issuer, having made all reasonable inquiries, confirms that this Information Memorandum contains all the information with respect to itself and the Bonds to be issued by it, which is material in the context of the Bonds; that the information contained in this Information Memorandum is true and accurate in all material respects and is not misleading; that the opinions and intentions expressed in this Information Memorandum are honestly held and that there are no other facts the omission of which would make any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.


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Neither this Information Memorandum nor any other information supplied in connection with the Issue is intended to provide the complete basis of any credit or other evaluation, nor should it be considered as a recommendation by the Arranger to the Issue that any recipient of this Information Memorandum (or any other information supplied in connection with the Issue) should purchase or subscribe for any Bonds. Each investor contemplating purchasing or subscribing for a Bond should make their own independent investigation of the financial condition and affairs, and their own appraisal of the creditworthiness of the Issuer. Investors are advised not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice. Investors are also advised to consult with their own advisors as to all legal, accounting, regulatory, tax, financial and related matters, concerning an investment in the Bonds.


INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR FINANCIAL, LEGAL AND OTHER ADVISERS BEFORE PURCHASING OR ACQUIRING OR INVESTING IN THE MGBL 1<sup>ST</sup> SUBORDINATED COUPON BEARING BONDS.



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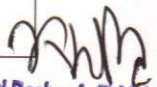
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### ***Issuer's Disclaimer***

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All the Features of MGBL 1<sup>st</sup> Subordinated Coupon Bearing Bond are draft only and finalization of these features are subject to the approvals of concerned regulators. These features may be modified as per the directions of Bangladesh Bank and Bangladesh Securities and Exchange Commission or any other concerned regulators.



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**rsa**  
ADVISORY





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## 1 Report to the Eligible Investor

By investing in the Bonds, you are hereby deemed to have acknowledged, represented and warranted to, and agree (as the case may be) for the benefit of the Arranger, as set out below:

**High risk:** You are fully aware that investment in the Bonds involves a high degree of risk.

**Consultation with advisers:** You have (i) consulted with your own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent you have deemed necessary, (ii) collected and reviewed all information that you or your advisers believe is necessary or appropriate in connection with the purchase of the Bonds, and (iii) made your own investment decisions based upon your own judgment, due diligence and advice from such advisers as you have deemed necessary and not upon any view expressed by or on behalf of the Arrangers.

**No reliance:** You acknowledge and agree that you may not rely on any investigation that the Arrangers or any of its affiliates or any person acting on their behalf may have conducted with respect to the Issuer or any of their affiliates, and neither the Arranger nor its affiliates, employees, officers, directors, legal advisers or representatives have made any representation to you, express or implied, with respect to your investment in the Bonds.

**Informed decision:** You are in possession of all the information that you believe is necessary or appropriate in order to make an informed decision regarding your purchase of the Bonds, including without limitation, adequate information concerning the Issuer's business, financial condition, results of operations and prospects.

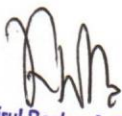
**Knowledge and experience:** You have such knowledge and experience in financial, business and international investment matters that you are capable of evaluating the merits and risks of purchasing the Bonds and are aware that you may be required to bear, and are able to bear, all risks including economic risk of an investment in the Bonds.

**Information of the Company:** You acknowledge that the information provided to you with regard to the Issuer and the Bonds in this Information Memorandum has been supplied to you by the Arrangers only on behalf of the Issuer and that neither the Arranger nor any of its affiliates, employees, officers, directors, legal advisers or representatives has verified such information or makes any representation or warranty as to its accuracy or completeness.


**Review of Information Memorandum:** You have reviewed this Information Memorandum in its entirety, including the risks associated with investment in the Bonds, and you understand and acknowledge all of the risks described herein. By investing in the Bonds, you have determined that:

- i. the Bonds are a suitable investment for you and your investment in the Bonds does not and will not, when consummated, violate any investment or other guidelines, policies or restrictions (corporate or otherwise), or any law, rule, regulation or order applicable to you; and
- ii. you have obtained all approvals and consents (whether internal or external), and have made all notifications necessary for you to invest in the Bonds as contemplated; and you can bear the economic risk of the investment and are able to sustain a complete loss in connection with your investment.

**Own account:** You are purchasing the Bonds for your own account and not with a view to any distribution thereof.



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**MEGHNA BANK LTD.**  
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*Draft Information Memorandum  
Subordinated Coupon Bearing Bonds of up to 2 billion Taka*

**No representation or warranty:** The Arranger has not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Arranger shall not owe any duty whatsoever to you in connection with the Bonds.

**No obligation to purchase:** The Arranger shall have no obligation to purchase or acquire all or any part of the Bonds purchased by you or to support losses, if any, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Bonds, including the non-performance by the issuance, whether to you or otherwise.

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## 2 Risk and Mitigation Process

MGBL operates in the banking industry which is cyclical and hence is exposed to several risk factors arising from external as well as internal matters. Moreover, any investment in debt securities carries risks. Since different debt securities carry different risks, an investment in debt securities has to be evaluated on its own merits.

Investment in MGBL 1<sup>st</sup> Subordinated Coupon Bearing Bond is in that respect no different. Potential investors are strongly encouraged to carefully evaluate all the information in this Information Memorandum, especially the risk factors both internal and external on their own merit and not by referent to any other debt securities whether of a comparable nature or otherwise before making any investment decision.

This section addresses the possible risks an investor might have to bear by investing in the bonds and each risk factor is followed by management's perception regarding the risk. If any of the risks described below materialize, it could have a serious impact on the Issuer's financial results and the ability of the Issuer to fulfill its obligations under the Bonds to be issued. However, the list of risk factors explained below is not meant to be a comprehensive description of all risks which may be relevant to investing in the Bonds. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

### 2.1 Interest Rate Risk

Interest rate risk is the risk that the bank faces due to unfavorable movements of the market and industry interest rates. The bank may face such unfavorable conditions due to rise in borrowing rates and/or fall in lending rates. The bank's financing in different sectors is mostly structured at fixed rates for specified terms. Volatility in the money market can also raise the cost of funding of the issuer and thus hamper its profitability. Any change in the government's monetary policy also might cause unfavorable movement in interest rates. The risks derived from interest rate fluctuation thus may have a significant impact on the bank's business, profitability and financial condition.

#### Management's perception

MGBL conducts its lending and other business operations by taking appropriate and judicious care of the associated risks. Managing a varied and wide range of risks has always been the primary concern of the Issuer. In compliance with the requirement of Bangladesh Bank's Asset Liability Management guidelines, MGBL has formed "Asset Liability Management Committee" (ALCO) with the senior executives. The Committee meets once every month to set and review strategies on Asset Liability Management (ALM). MGBL ALM desk performs Money Market activities, manages liquidity and interest rate risk of the bank, and understands market dynamics i.e. competition, potential target markets etc., updates the balance sheet movements and complies with the statutory obligations as well as the risk elements involved with the business.

### 2.2 Exchange Rate Risk

Exchange rate fluctuation may reduce the profitability of MGBL because it funds foreign trade commitments from various sources of foreign exchange like exports, imports and remittances and holds foreign currencies to serve these purposes. If the local currency appreciates against the major foreign currencies and the bank holds a significant net long position in foreign currencies during that time, the bank might incur losses. Similarly, if the local currency depreciates against the major foreign currencies while the bank holds a net short position in foreign currencies, the bank might also incur losses.



### **Management's perception**

MGBL's policy regarding Foreign Exchange, in line with policy given by Bangladesh Bank, has well-defined internal approval procedures and position limits for each foreign currency transactions, as well as vigorous accounting and information systems and internal compliance control. In compliance with the requirement of Bangladesh Bank's Foreign Exchange Risk Management guidelines, Treasury department performs the foreign exchange dealing in an appropriate manner and manages risks of the organization's overall balance sheet as well as the capital of the Bank. MGBL's internal audit system reports on foreign exchange risk management policy on a regular basis to the senior management. To minimize the potential losses due to foreign exchange risk the bank emphasizes on i) monitoring dealers' dealing limit ii) reconciliation of treasury front and back office positions iii) daily reconciliation of NOSTRO accounts iv) matching of open items and many more.

### **2.3 Non-repayment Risk**

Non-repayment risk is defined as the potential risk that borrower or counterparty will fail to meet its obligations in accordance with agreed terms. Although MGBL sets high standards in repaying all its obligations to the depositors and lenders, it is possible that the bank may fail to repay its obligations arising from the bonds to be issued in extreme cases. In the event of default, the investors might suffer from financial loss.

### **Management's perception**

MGBL operates under the tight regulations and close supervision of Bangladesh Bank. Moreover, it is highly unlikely that a reputed organization like Meghna Bank Limited will risk its reputation by setting an instance of default. Furthermore, in case of any event of default or non-repayment, the Trustee would give notice period to the Issuer in protecting the Event of Default and take further steps to ensure the interest of the investors.

### **2.4 Prepayment, Call or Refunding risk**

Prepayment, call or refunding risks are the risks associated with the early repayment of the principal amount of a bond. Such risks exist in a bond that has prepayment or call option.

### **Management's Perception**

Since there is no provision for early repayment of the principal amount of the Bonds, the bondholders will not be exposed to prepayment or call risks associated with investing in the Bonds.


### **2.5 Security Risk**

Security is the specific revenue sources or assets pledged by an issuer to the bondholder to secure repayment of the bond. Therefore, security risk is all about the process of recovering the investment by the bond holder by utilizing the charge against the collateral securities in case of Issuer's inability to repay the face value of the bond(s).


### **Management's Perception**

MGBL's Coupon Bearing Bond are unsecured bonds. Specific revenue sources or assets are not being pledged against issuance of the bonds. However, investors will have the right on the MGBL's cash flow to get repaid but rank of an unsecured bond holder is below than other loans (or securities) with regard to claims on assets or earnings.

### **2.6 Liquidity Risk**



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The Bank's businesses are subject to liquidity risks and could affect the Bank's ability to meet its financial obligations. In order for the Bank to continue to meet its funding obligations and to maintain or grow its business generally, it relies on customer savings/deposits as well as ongoing access to the wholesale lending markets. The ability of the Bank to access funding sources on favorable economic terms is dependent on a variety of factors, including a number of factors outside of its control, such as general market conditions and confidence in the banking system.

### **Management's Perception**

The management of MGBL is well aware of the risks involving liquidity constraint and is capable of handling such risks by practicing modern Asset Liability Management (ALM) techniques. The ALM committee regularly monitors the overall liquidity position and proactively makes policy changes in due course of time. Therefore, it is very unlikely that the bondholders will face any material loss from liquidity risk.

## **2.7 Management Risk**

Management risk refers to the chance that company managers may put their own interests ahead of the interest of the company and shareholders. The term signifies the risk of the situation that may occur if the company or any of its stakeholders other than the management would have been better off without the choices made by management. The bondholders may suffer financial losses in such an event.

### **Management's Perception**

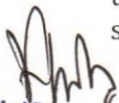
The management of Meghna Bank comprises a group of highly professional individuals with considerable experience and reputation in the country's financial industry. Therefore, it is very unlikely that the management will conduct in such an unprofessional manner. Moreover, the management of the bank is constantly supervised by a board of directors consisting of seasoned professionals and entrepreneurs who work hard to ensure that the interests of all the stakeholders are served by the management. Being operated in the highly regulated banking industry is also a safeguard against this risk as Bangladesh Bank monitors the management to ensure best practice in the industry.

## **2.8 Operational Risk**

The business of the bank depends on the ability to process a large number of transactions efficiently and accurately. Losses may occur from inadequate personnel, inadequate or failed internal control processes and systems, or from external events that interrupt normal business operations. There can be no assurance that the Bank will not suffer material losses from operational risk in the future.

### **Management's Perception**


MGBL has structured Internal Control and Compliance Division (ICC) headed by a senior level executive in light of Core Risk guidelines of Bangladesh Bank. The Division is comprised of three departments; Internal Audit, ICC Compliance Unit and ICC Monitoring Unit. The Bank has developed an Internal Control and Compliance Policy duly approved by the Board of Directors. As a tool of Internal Control, the internal audit teams undertake periodic and special audit and inspection on the branches and departments/divisions of Head Office in order to sort out the weaknesses and defects in the control process and report to the management for taking corrective measures to protect the interests of the Bank. The Compliance & Monitoring Units of this division ensure timely and proper compliance of all regulatory instructions and internal policies and procedures in the day-to-day operation of the Bank by way of using various control tools. They assess the operational risk and take appropriate measures to mitigate the same for smooth operation of the Bank. ICC Division reports serious non-compliances detected by internal



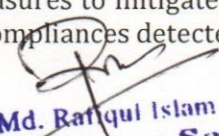
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and external auditors with up-to-date compliance position thereto, large financial risk exposures, control weaknesses etc. to the Audit Committee of the Board for review and taking appropriate measures. The ICC division also ensures the clear definition of organizational structure, appropriate assignment, accountability and delegation of authorities to functional management to create control and compliance culture within organization with the active guidance and supervision of senior management and Board of Directors.

## 2.9 Business Risk

Business risk refers to the possibility that the bank will have lower than anticipated profits, or that it will experience a loss rather than a profit. Business risk of the issuer could occur by numerous factors including interest spread, non-interest income, operating expenses, money & capital market volatility, competition, government regulations and economic climate. Like all other companies Meghna Bank is also exposed to certain business risk factors.

### Management's Perception

Like all other businesses such risks exist in the banking industry. The Bank scrutinizes all of its clients and the associated risks systematically using up to date risk evaluation techniques and thereby has been able to maintain good asset quality so far and expects the same in the future. Some other systematic (Market) risks might arise from the external environment of the Bank, similar to any other bank.

## 2.10 Industry Risk

The issuer is operating in a highly competitive market as modern banking industry has brought greater business diversification. Some banks in the industrialized world are entering into investments, underwriting of securities and portfolio management. The entry of new competitors may also deteriorate the competitive environment and result in lower profitability of the bank.

### Management's Perception

Being a robustly growing fourth generation private commercial bank, MGBL has already carved a commendable position in the banking industry of Bangladesh. The Bank has always been careful in offering its products and services at competitive terms and conditions which in turn optimizes its industry risk exposure. The management also continues to focus on more diversification of the loan book. However, like all the other banks currently operating in Bangladesh, industry risk remains a key risk factor for MGBL.

## 2.11 Market and Technology Related Risk


The financial industry of Bangladesh is currently one of the fastest growing in the country and is increasingly becoming competitive. Especially the entrance of nine more banks in the industry in 2012-13 has made the competitive atmosphere more intense. Strong marketing and brand management would be required to increase the bank's customer base.

As the banking industry is becoming more and more technology dependent the risks deriving from technological use is increasing day by day. The bank might be exposed to risks such as cyber-attack, system collapse, system hacking, unauthorized electronic fund transfers, etc.

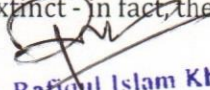
### Management's Perception

Business entities today exist in a highly competitive world. They are constantly innovating to meet their business objectives providing essential and unique services to their customers. Technology advances have business objectives providing essential and unique services to their customers. Technology advances have enabled them to achieve their varied strategies. And yet, the threats of disaster, on account of business interruption, are not extinct - in fact, they have also

  
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evolved along with the technology. Keeping that in mind MGBL has taken up its Business Continuity Planning (BCP) as the most significant challenges working out a way to prevent, if possible, and manage the consequences of a disaster, limiting it to the extent that a business can afford. Besides BCP, the Bank is also focusing on combating security threats as well. In keeping with the centralized management model, each branch within the Bank has its own ICT systems. Actions taken include the updating of software and analyzing new software, enhancing ICT related controls, training of staff in system knowledge and sharing of best practices between branch users.

## 2.12 Risk Related to Potential or Existing Government Regulations

The issuer operates its business under the specific guidelines laid by Bangladesh Bank, Bangladesh Securities and Exchange Commission and other regulatory authorities. The bank is also regulated by Bank Companies Act 1991 (amended up to 2013), Companies Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984 and Value Added Tax (VAT) Act 1991. Moreover, Bangladesh Bank changes policy rates including Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) of banking institutions from time to time. Any abrupt changes in the policies and regulations made by the authorities may adversely affect the business of the company.

### Management's Perception

Unless any policy change that may negatively and significantly affect the industry as a whole, the business of the bank is expected not to be affected materially. Like all scheduled banks in Bangladesh, MGBL has been funding their assets from their deposits after maintaining required SLR including CRR has the bank has been consistently compliant to any such changes. Meghna Bank is capable of dealing with consequences of unfavorable policy or regulatory changes made by the government. Additionally, the regulatory bodies in Bangladesh are least likely to take any steps that might prove detrimental to the country's financial industry.

## 2.13 Risk Related to Potential Changes in Global or National Policies

A financial institution's ability to operate a profitable business is directly related to the monetary and fiscal policies of the country at any given time. Imposition of restrictive monetary and/or fiscal policy by the government at any time may affect a company's profitability. Again, changes in the existing global or national policies can have either positive or negative impacts on the bank.

Every company operates under the economic policies formulated and imposed by the political government. The government tends to reshape these policies time to time for the sake of greater interest of the country's economy. Sometimes those changes in existing policy or any future policy framework adversely affect smooth operation of such companies.

### Management's Perception

The management of the bank is always concerned about the prevailing and upcoming future changes in the global or national policy and shall response appropriately and timely to safeguard its interest. However, it is possible that MGBL suffers from major adverse changes in global and/or national policies in the future.

## 2.14 Credit Risk

Credit risk is the risk due to a borrower's inability to meet its financial obligations to the lender. The credit risk is generally made up of transaction risk or default risk and portfolio risk. This risk is controlled through segmental exposure limits to various industries and sectors, prudential exposure and substantial exposure ceiling and risk mitigation by obtaining collateral and guarantees.

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### Management's Perception

Meghna Bank has put in place a well-structured Credit Risk Management policy duly approved by the Board. In addition to Credit Risk Management Policy, the company has also framed board approved credit policy and ensures compliance with regulatory requirements, more particularly in respect of Exposures norms, Assets Classification guidelines, Capital Adequacy guideline, etc. of Bangladesh Bank/other Statutory Authorities.

Credit Risk is monitored by the company account wise and compliance with the risk limits/exposure cap approved by the board is ensured. The quality of internal control system is also monitored and in-house expertise has been built up to tackle all the facets of Credit Risk.


The Bank follows a well-defined multi-layered discretionary power structure for sanction of loans. Credit Grid has been constituted at Plead office level for considering fresh/enhancements proposals. It assesses various risk factors for new products prior to its introduction. Therefore, the Issuer takes various measures for minimizing its credit risk.

### **2.15 Reputation Risk**



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.

### Management's Perception

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. 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.




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### 3 Use of Proceeds

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#### 3.1 Purpose of Issuance of MGBL 1<sup>st</sup> Subordinated Coupon Bearing Bond

Meghna Bank has decided to raise capital through issuance of subordinated bonds in order to strengthen its capital base in accordance with Basel III guidelines of Bangladesh Bank. The proposed subordinated bond issue will help the bank enhance its capital strength through raising Tier 2 capital and continue its balance sheet growth.

#### 3.2 Plan Regarding Use of Proceeds from the MGBL 1<sup>st</sup> Subordinated Coupon Bearing Bond

Apart from strengthening of the bank's capital base, the proceeds from the issue will be used for undertaking general business activities of the bank including loans and investments in treasury and other securities. In summary, the proceeds will primarily be used for:


- Raising Tier-2 capital of the bank
- Strengthening Advance to Deposit Ratio (ADR)
- Improving Assets Liability Management
- Capitalizing current low-interest rate regime
- Growing the bank's loan portfolio in SME and retail segments
- Investing in treasury securities and other instruments



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#### 4 Features of MGBL 1<sup>st</sup> Subordinated Coupon Bearing Bond

MGBL 1<sup>st</sup> Subordinated Coupon Bearing Bond is a non-convertible, fully redeemable, unsecured debt instrument with a tenure of 5 years. The claims of the potential holders of the Bonds are junior to the claims of the depositors and other creditors of the Issuer. The bonds are unsecured and will not be insured by any deposit insurance scheme. The bonds are non-convertible, unlisted, and fully redeemable.

##### 4.1 Key Features of the Instrument

The major features of MGBL 1<sup>st</sup> Subordinated Coupon Bearing Bond are presented below. **All terms & conditions of this subordinated coupon bearing bond shall be subject to approval from regulatory authorities and may change as per regulatory direction.**

<b>Name of the Instrument</b>	MGBL 1 <sup>st</sup> Subordinated Coupon Bearing Bond				
<b>Issue Size:</b>	BDT 2,000,000,000				
<b>Purpose:</b>	To raise Tier-2 Capital				
<b>Lead Arranger</b>	RSA Advisory Limited				
<b>Trustee</b>	MTB Capital Limited				
<b>Paying Agent, Register, Transfer Agent:</b>	MTB Capital Limited				
<b>Legal Counsel:</b>	Farooq and Associates				
<b>Credit Rating Agency:</b>	Credit Rating Agency of Bangladesh				
<b>Issue Size:</b>	BDT 2,000,000,000 (Two Billion Taka)				
<b>Issue Type:</b>	Tier 2 Eligible Subordinated Bond				
<b>Tenor:</b>	5 years from the date of issuance				
<b>Minimum Subscription:</b>	BDT 10,000,000 (Ten Million)				
<b>Face Value:</b>	BDT 10,000,000 (Ten Million Taka)				
<b>Totals Bonds to be issued</b>	200 (Two Hundred only)				
<b>Investors:</b>	Institutional investors and high net-worth individual investors				
<b>Mode of Placement</b>	Private Placement on a best effort basis				
<b>Yield to Maturity / Rate of Return</b>	Coupon Rate				
<b>Coupon Rate:</b>	Reference Rate + Coupon Margin				
<b>Reference Rate:</b>	Latest average 6-month FDR rate of all private commercial banks excluding Islamic banks & foreign banks as published by Bangladesh Bank on the quotation day.				
<b>Quotation Day:</b>	5 Business Days before the first day of any period for which Coupon is to be paid.				
<b>Coupon Margin:</b>	2.50%				
<b>Range of Coupon Rate:</b>	7.00% to 9.00%, at all times.				
<b>Coupon Payment:</b>	Semi-annually starting after 6 months from the drawdown date				
<b>Mode of Placement:</b>	Private Placement on a best effort basis				
<b>Repayment Schedule:</b>	Face Value (principal) redemptions will be in 5 (five) equal annual tranches commencing at the end of 1 <sup>st</sup> year from the date of drawdown in the following manner.				
	<table border="1"> <thead> <tr> <th>Year</th> <th>Redemption</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> </tbody> </table>	Year	Redemption		
Year	Redemption				



		1	10%
		2	15%
		3	20%
		4	25%
		5	30%
		<b>Total</b>	<b>100%</b>
<b>Prepayment, Call Refunding, Conversion Features:</b>	The Bond is non-convertible and not-callable in nature and has no prepayment option.		
<b>Tax Feature:</b>	According to the laws of Bangladesh		
<b>Late Redemption:</b>	The Issuer shall pay a late payment penalty of 2% (two per cent) higher than the Discount Rate and be payable on the amount not paid on the due date up till the date of actual payment.		
<b>Credit Rating:</b>	<b>Issuer Rating</b> A+ (Long Term), ST-2 (Short Term), Outlook: Stable Rating Date: 27 June 2021		
	<b>Issue Rating</b> A2(Hyb), Outlook: Stable Rating Date: 17 June 2021		
<b>Description of Collateral Security and Type of Charges to be Created Against the Issue:</b>	Unsecured		
<b>Listing:</b>	Unlisted		
<b>Transferability/Liquidity:</b>	Transferable in accordance with the provisions of Trust Deed.		
<b>Governing Law:</b>	Laws of Bangladesh.		
<b>Costs Related to the issue:</b>	Total of Arrangement fee, "Trustee, Paying Agent, Registrar, Transfer Agent fee" (for 5 years), Bond Rating fee, & Legal Counsel Fee: BDT 12,105,088 (approx.)		


#### 4.1.1 Rate of Return, Yield to Maturity, Coupon/Discount Rate

- **Coupon Rate:** Reference Rate + Coupon Margin.
- **Reference Rate:** Latest average 6-month FDR rate of all private commercial banks excluding Islamic banks & foreign banks as published by Bangladesh Bank on the quotation day.
- **Coupon Rate Range:** 7.00% to 9.00%, at all times.
- **Coupon Margin:** 2.50%
- **Coupon Payment:** Semi-annually starting after 6 months from the drawdown date.

#### 4.1.2 Repayment Schedule

Face Value (principal) redemptions will be in 5 (five) equal annual tranches commencing at the end of 1<sup>st</sup> year from the date of drawdown in the following manner.

  
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Table 1: Redemption Schedule of MGBL 1<sup>st</sup> Subordinated Coupon Bearing Bond


Year	No. of Tranche	Beginning Balance (Face Value)	Principal Redemption (%)	Principal Redemption	Ending Balance
1	1	2,000,000,000	10%	200,000,000	1,800,000,000
2	2	1,800,000,000	15%	300,000,000	1,500,000,000
3	3	1,500,000,000	20%	400,000,000	1,100,000,000
4	4	1,100,000,000	25%	500,000,000	600,000,000
5	5	600,000,000	30%	600,000,000	-

## 4.2 Enforcement of Charges over Securities

The Trustee may at any time, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to recover any amounts due in respect of the Bonds which are unpaid or to enforce any of its rights under the Trust Deed or the Conditions but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or a Written Resolution and (b) it shall have been indemnified and/or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith and provided that the Trustee shall not be held liable for the consequence of taking any such action and may take such action without having regard to the effect of such action on individual Bondholders. Only the Trustee may enforce the provisions of the Bonds or the Trust Deed and no Bondholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.



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## 5 Description of collateral Security

Subordinated Bonds are unsecured and rank below deposits, borrowings and secured bonds with regard to claims on assets or earnings. MGBL Subordinated Bonds are unsecured, and the claims of the bondholders are not covered by any collateral or security thereon and therefore no charge against the issues.

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## **6 Rights, Duties and Obligations of the Issuer**

### **6.1 General Covenants by the Issuer**

- 6.1.1 The Issuer hereby covenants that the Bonds will be issued in registered and unlisted form.
- 6.1.2 The Issuer covenants with the Trustee that it will comply with and perform and observe all the provisions of this Trust Deed and the other Transaction Documents which are expressed to be binding on it. The terms and conditions of the Bonds shall be binding on the Issuer, the Bondholders and the Trustee. The Trustee shall be entitled to enforce the obligations of the Issuer under the Bonds as if the same were set out and contained in this Trust Deed, which shall be read and construed as one document with the Bonds. The Trustee shall hold the benefit of this covenant to pay all sums due and payable but unpaid by the Issuer in respect of payments with respect to the Bonds upon trust for itself and the Bondholders.
- 6.1.3 Covenant to comply with Rules and Guidelines of Bangladesh Bank, Bangladesh Securities & Exchange Commission, Trust Deed, conditions, Schedules and Subscription Agreement(s):
- (a) The Issuer hereby covenants with the Trustee to comply with, perform and observe the conditions of all Rules and Guidelines published by the Bangladesh Bank, Bangladesh Securities & Exchange Commission all those provisions of this Trust Deed, the Conditions, the Schedules, the Agency Agreement and the Subscription Agreement which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, the Conditions, the Schedules, Agency Agreement and the Subscription Agreement, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents.
- (b) The Issuer hereby confirms that it has obtained due approval from the Bangladesh Bank and the Bangladesh Securities and Exchange Commission for issuance of the Bonds.
- 6.1.4 As long as any of the Bonds remains outstanding (and, for the avoidance of doubt, a Bond is outstanding as long as it has not been redeemed in full notwithstanding that it has become due) or any amount is outstanding to the Trustee or any Bondholder under any Bond Document, the Issuer undertakes to each of the Trustee and the Bondholders that it shall comply with the provisions of this Clause 7.1.4.

#### **(a) Change of Business**

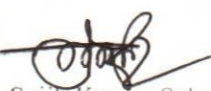
The Issuer shall procure that no substantial change is made to the general nature of the business of the Issuer.

#### **(b) Arms' length transactions**

  
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The Issuer shall not enter into any transaction, agreement or arrangement with any of its Affiliates other than on arm's length basis.

**(c) General Undertakings**

i. Authorisations

The Issuer shall promptly:

- (1) obtain, comply with and do all that is necessary to maintain in full force and effect; and

as and when requested by the Trustee, supply to the Trustee certified copies of, any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Bond Documents to which it is a party (or any of them) and/or to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Bond Document to which it is a party.

ii. Compliance with laws

The Issuer shall comply in all respects with all laws to which it is subject including, without limitation, the requirements and guidelines of the Bangladesh Bank.

iii. Insurance

The Issuer shall maintain insurances on and in relation to its business and assets with reputable underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

iv. Corporate Governance


- (1) The Issuer shall ensure that it remains duly incorporated and validly existing under the laws of its jurisdiction of incorporation.
- (2) The Issuer shall ensure it shall at all times have the power and necessary Authorisations to own its assets and carry on its business as from time to time being conducted.
- (3) The Issuer shall maintain and preserve all of its assets, which may be necessary in the conduct of its business as conducted from time to time, in good working order and condition, ordinary wear and tear excepted.

v. Taxation and claims

The Issuer shall duly and punctually follow the prevailing rules and regulations of taxation.

  
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vi. Maintenance of and access to books and records and inspection

The Issuer shall, maintain books and records (with respect to itself and its business) in the manner described in Clause 17.1 in the Trust Deed.

vii. Further assurance

The Issuer shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Trustee may reasonably specify (and in such form as the Trustee may reasonably require in favour of the Trustee or its nominee(s)) for the exercise of any rights powers and remedies of the Trustee (for and on behalf of any or all of the Trustee and/or the Bondholders) provided by or pursuant to the Bond Documents or by law on a best efforts basis and to the extent permitted by applicable laws.

**(d) Loans and Guarantee**

The Issuer shall not:

(i) be a creditor in respect of any Financial Indebtedness, except for:

(1) any loan in its ordinary course of business consistent with its current practice; and

(ii) incur or allow to remain outstanding any guarantee in respect of any obligation (whether actual or contingent) of any person, or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person, except for:

(1) any guarantee under any Bond Document;

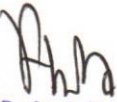
(2) any guarantee in the ordinary course of business consistent with its current practice.

**(e) Undertakings to Comply with BSEC Authorisation and Rules and Guidelines**

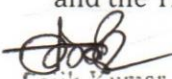
It will at all times comply with the terms of the approval issued by BSEC including the Rules; and any other Guidelines issued by Bangladesh Bank from time to time (including maintaining any required Bangladesh Bank rating)

**(f) Providing Information**

The Issuer shall provide such information and within such period of time identified in Clause 17.2, 17.3 and 17.4 in the Trust Deed to the Bondholders and the Trustee.

  
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Meghna Bank Limited

  
Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited  
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## 6.2 Corporate Covenants by the Issuer:

### 6.2.1 Conduct

The Issuer shall all times carry on and conduct its affairs in a proper and efficient manner in compliance with any requirement of law from time to time in force in Bangladesh and in compliance with its and in compliance with its Memorandum and Articles of Association save where failure to do so would not constitute a Material Adverse Effect.

### 6.2.2 Consents

The Issuer shall obtain, comply with the terms of and do all that is necessary:

- (a) to maintain in full force and effect all authorisations, approvals, licences and consents necessary under any Law in connection with its business; and
- (b) to enable it lawfully to enter into and perform its obligations under the Trust Deed.

### 6.2.3 Authorised Signatories

The Issuer shall deliver to the Trustee upon execution of the Deed and thereafter upon any change of the same, a list of Authorised Signatories of the Issuer together with a specimen signature of each Authorised Signatory.

### 6.2.4 Registered Office

The Issuer shall maintain its registered office. In case of change of registered office, the Issuer will notify this to the Trustee.

### 6.2.5 Financial Statements

The Issuer shall prepare in respect of each financial years, financial statements and provide the same to the Trustee in such form and manner as described in Clause 17 (*Accounts and Audit*) in the Trust Deed.

### 6.2.6 General Negative Covenants


The Issuer shall not until after the final Maturity Date, save to the extent permitted by or contemplated by Applicable Law or with the prior written consent of the Trustee:

- (a) sell, convey, transfer, lease, assign or otherwise dispose of or agree or attempt or purport to sell, convey, transfer, lease or otherwise dispose of or use, invest or otherwise deal with any of its properties, assets or undertaking or grant any option or right to acquire the same which shall reasonably be expected to have a Material Adverse Effect.
- (b) grant, create or permit to exist any encumbrance over (including the grant of security or trust over or the occurrence of execution or diligence in respect of) its assets which shall reasonably be expected to have a Material Adverse Effect.
- (c) consolidate or merge with any other person;
- (e) permit the validity or effectiveness of the Transaction Documents to be impaired or to be amended, hypothecated, subordinated, terminated or discharged.

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



**rsa**  
ADVISORY

  
Rajib Kumar Saha, FCA  
VP & Head  
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#### 6.2.7 Authorisations

The Issuer must:

- (a) promptly obtain and maintain in full force and effect all governmental and regulatory consents, licences, material authorisations and approvals required for the conduct of its business; and
- (b) do all such things as are necessary to maintain its corporate status,
- (c) in each case where failure to do so would be reasonably expected to have a Material Adverse Effect.

#### 6.2.8 Compliance with Transaction Documents

The Issuer shall at all times comply with and perform all its obligations under the Transaction Documents and the Bonds save where non-compliance would not lead to a Material Adverse Effect.

#### 6.2.9 Exercise Rights

The Issuer shall preserve and/or exercise and/or enforce its rights under and pursuant to the Bonds and the Transaction Documents.

#### 6.2.10 Dealing with Trustee

- (a) The Issuer shall upon reasonable notice, during normal business hours allow the Trustee and any persons appointed by the Trustee access to such books of account and other business records as relate to the assigned rights or the benefit of the assigned rights as the Trustee or any such persons may reasonably require.
- (b) So far as permitted by applicable law and subject to any binding confidentiality restrictions, the Issuer shall at all times give to the Trustee such information, opinions, certificates and other evidence as the trustee and any persons appointed by the Trustee shall reasonably require (and which it is reasonably practicable to produce) for the purposes of the discharge of the duties, trusts, powers, authorities and discretions vested in the Trustee by or pursuant to the Trust Deed or any other Transaction Document.

#### 6.2.11 Execution of Further Documents

The Issuer shall, so far as permitted by applicable law and regulatory requirements, execute all such further documents and do all such further acted and things as the Trustee (acting reasonably) may consider to be necessary at the time to give effect to the terms of the relevant Transaction Documents.

#### 6.2.12 Notification of Event Default

The Issuer shall deliver notice to the Trustee forthwith upon becoming aware of any Event of Default without waiting for the Trustee to take any further action.


#### 6.2.13 No Variation and Termination of Transaction Documents

The Issuer shall not until the final Maturity Date, save to the extent permitted by the Transaction Documents or with the prior written consent of the Trustee:

- (a) terminate, repudiate, rescind or discharge any Transaction Documents.

  
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- (b) vary, novate, amend, modify or waive any provision of any Transaction Document;
- (c) permit any person who has obligations under the Transaction Document to be released from such obligations other than in accordance with the terms of the applicable Transaction Document and any applicable requirement of law or regulatory direction.

#### **6.2.14 Filings**

The Issuer shall effect all required filings in respect of the Issuer and file, record or enrol each Transaction Document required to be filed, recorded or enrolled with any court or other authority in Bangladesh and ensure that such required filings and such other filings, recordings or enrolments are at all times maintained in accordance with any applicable requirement of law or regulatory direction.

#### **6.2.15 Payments**

The Issuer shall pay moneys payable by it to the Trustee under this Trust Deed without set off, counterclaim, deduction or withholding, unless otherwise compelled by law.

#### **6.2.16 Notices to Bondholders**

The Issuer shall send or procure to be sent (not less than three days prior to the date of publication) to the Trustee, for the Trustee's approval, one copy of each notice to be given to the Bondholders in accordance with the Trust Deed and not publish such notice without such approval and, upon publication, send to the Trustee two copies of such notice.

#### **6.2.17 Notification of Non-Payment**

The Issuer shall use reasonable endeavours to procure that it notifies the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds of any Series receive unconditionally the full amount in the relevant currency of the monies payable on such due date;

#### **6.2.18 Notification of Late Payment**

The Issuer shall forthwith give notice to the Bondholders through the Trustee of payments of any sum due in respect of the Bonds, made after their due date to the Trustee.

#### **6.2.19 Non-Listing of Bonds in the Stock Exchanges**

The Bonds will be unlisted and remain unlisted throughout the period of the Bond and the Issuer shall not consider the possibilities of listing the Bonds in any of the Stock Exchanges of Bangladesh.

#### **6.2.20 Notification of Tax Deduction**

The Issuer shall promptly give notice to the Trustee:

- (a) if it is required by law to effect a deduction or withholding of Tax in respect of any payment due in respect of any Bonds.
- (b) and in such cases take such action as may be required by the Trustee acting reasonable in respect thereof.





### 6.3 Consolidation, Amalgamation or Merger

The Issuer will not consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any company or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a "Merger"), unless:

- 6.3.1 the company formed or incorporated by such Merger or the person that acquired such properties and assets shall expressly assume, by a supplemental trust deed, all obligations of the Issuer under the Trust Deed and the Bonds and the performance of every covenant and agreement applicable to it contained therein and to ensure that the holder of each Bond then outstanding will have the right to the new company.
- 6.3.2 immediately after giving effect to any such Merger, no Default or Event of Default shall have occurred or be continuing or would result therefrom; and
- 6.3.3 the company formed or incorporated by such Merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each holder of a Bond against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal and interest on the Bonds.

- 6.4 In the event of the passing of an Extraordinary Resolution in accordance with Clause 20 (*Meeting of Holders of the Bond with Power, Scope and Quorum of the Meeting*) in the Trust deed, a modification, waiver or authorisation in accordance with Clause 21 (*Amendment Provisions of the Trust Deed*) the Issuer will procure that the Bondholders be notified in accordance with Clause 19.11 (*Notices*).

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Md. Rafiqul Islam Khan, FCS  
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## 7 Rights, Duties and Obligations of the Trustee


### 7.1 Duties and Powers of the Trustee

The Trustee has the following duties and powers in connection with the Trust:

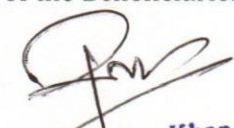
- 7.1.1 to hold the benefit of the covenants made by the Issuer in this Trust Deed and the Conditions on trust for the Bondholders;
- 7.1.2 to open such accounts as it deems necessary for discharging the functions of Trustee;
- 7.1.3 to keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time;
- 7.1.4 to undertake all such actions for the recoveries of any overdue in accordance with the provisions of this Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- 7.1.5 to issue, manage and administer the Bonds in accordance with the terms of this Trust Deed and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- 7.1.6 to call any meetings of the Bondholders in accordance with the provisions of the Trust Deed and the Bonds and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of this Trust Deed;
- 7.1.7 to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof;
- 7.1.8 upon instruction by the Bondholders upon occurrence of an Event of Default in accordance with this Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of this Trust Deed after distribution of amounts standing to their credit;
- 7.1.9 to take such action as may be appropriate for the protection of the interest of the Bondholders in accordance with the Trust Act, 1882 and the provisions of this Trust Deed; and
- 7.1.10 The Trustee shall have power to initiate negotiations with the respective parties for inclusion of any additional terms and conditions for the performance of the obligations under this Trust Deed for the protection of the interest of the Bondholders, and necessary amendments can then be made by way of mutual agreement; and
- 7.1.11 to perform all responsibilities of a trustee as required under the Rules or any other successive rules of the BSEC; and
- 7.1.12 to do all such other acts, deeds and things as may be necessary and incidental to the above objects unless such acts require the prior consent of the Beneficiaries in accordance with this Trust Deed.

### 7.2 Covenant to repay

  
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The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid in accordance with and subject to the terms and conditions of the Bonds in this Trust Deed or any provision of this Trust Deed, unconditionally pay or procure to be paid to or to the order of the Trustee in Taka in freely transferable funds for value the relevant due date for payment the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to any terms and conditions of the Bonds) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Trust Deed, or any of them outstanding from time to time as set out in the Trust Deed provided that:

- 7.2.1 payment in respect of the Bonds or any of them made to or through the Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Trust Deed;
- 7.2.2 if any payment in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the third Business Day after notice by the Trustee to the Bondholders in accordance with the Trust Deed that the full amount has been received by the Paying Agent or the Trustee in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Trust Deed; and
- 7.2.3 in any case where payment due in respect of any Bond is improperly withheld or refused upon due presentation of a Bond Certificate, payment shall accrue in accordance with Clause 19.3 (payment) on the whole or such part of such amount from the date of such withholding or refusal until the date either on which such amount due is paid to the Bondholders or, if earlier, the third Business Day after which notice by the Trustee is given to the Bondholders in accordance with this Trust Deed that the full amount payable in respect of the said principal amount is available for collection by the Bondholders provided that on further due presentation thereof such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenants in Clause 14 (Rights, Duties and Obligations of the Trustee) of the Trust Deed on trust for the Bondholders.

### 7.3 Terms of Appointment

#### 7.3.1 Reliance on information

- (a) *Advice*: The Trustee may in relation to the Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert and shall not be responsible for any Liability occasioned by so acting;
- (b) *Certificate of directors or Authorised Signatories*: The Trustee, in the exercise of its functions, may call for and shall be at liberty to accept a certificate signed by two Authorised Signatories of the Issuer or other person duly authorised on their behalf as to any fact or matter *prima facie* within the knowledge of the Issuer, as the case may be, as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the




opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do;

- (c) *Resolution or direction of Bondholders:* The Trustee shall not be responsible for acting in good faith upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;
- (d) *Bondholders as a class:* In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including without limitation any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Bondholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Bondholders whatever their number and in particular, but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers, authorities and discretions for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders;
- (e) *No obligation to monitor:* The Trustee shall not be under any obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations;
- (f) *Bonds held by the Issuer:* In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer), that no Bonds are for the time being held by or for the benefit of the Issuer or any of its Affiliates;
- (g) *Events of Default:* The Trustee shall not be bound to give notice to any person of the execution of this Trust Deed or to take any steps to ascertain whether any Default or Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Default or Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and the Bond Documents and no event has happened as a consequence of which any of the Bonds may become repayable;

  
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Company Secretary  
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- (h) *Right to deduct or withhold for taxes:* Deduction or withholding of tax will be as per prevailing laws of Bangladesh;
- (i) *No responsibility to investigate:* The Trustee shall not have any responsibility for or have any duty to investigate except under any applicable laws or regulations:
- (i) the execution, delivery, legality, validity, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any Bond Document;
  - (ii) any recitals, statements, warranties, representations or covenants of any party to any Bond Document;
  - (iii) its ability to exercise the rights, trusts, powers, authorities or discretions purported to be conferred on it by any of the Bond Documents; or
  - (iv) the capacities, powers or credit standing of the Issuer or other party to any of the Bond Documents;
- (j) *Error of judgment:* The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters;
- (k) *No responsibility for loss:* The Trustee shall not in any circumstances, except under any applicable laws or regulations:
- (i) be liable to account to any Bondholder or any other person for anything except sums actually received by the Trustee which have not been distributed or paid to the persons entitled or at the time of payment believed by the Trustee to be entitled thereto, or
  - (ii) be liable to any Bondholder or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any act, default, omission or misconduct of the Trustee, any Appointee or their respective officers, employees or agents in relation to the Bond Documents except to the extent that they shall have been finally judicially determined to have been caused by the Trustee's own gross negligence, wilful default or fraud.
- (l) *Force Majeure:* The Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this Trust Deed or any other Bond Document, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above. However, the Trustee shall use commercially reasonable efforts consistent with accepted practice in its industry to resume performance as soon as practicable under the circumstances.
- (m) *Applicable Law:* Notwithstanding anything contained in this Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable

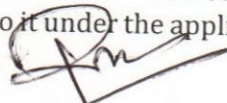
  
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law including but is not limited to The Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2012.

- (n) *Immunities:* The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Trust Deed and final payment of the Bonds but in any event will be subject to any gross negligence, wilful default or fraud of which the Trustee or its officers, directors or employees may be guilty in relation to their duties under this Trust Deed. The Issuer acknowledges that in any proceedings taken in relation to this Trust Deed, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

#### 7.4 Trustee's Determination and Discretion


7.4.1 *Trustee's determination:* The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of any Bond Document or contained in the Bonds is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Trustee certifies that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Bondholders, such certificate shall be conclusive and binding upon the Issuer and the Bondholders provided however that the Trustee may not exercise any powers conferred upon it by this Clause 14.4.1 unless the Trustee having given not less than 15 Business Days' notice of such proposed determination to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by an Extraordinary Resolution or Written Resolution instructing the Trustee as to the determination which shall be made;

7.4.2 *Determination of questions:* the Trustee as between itself and the Bondholders shall have full power to determine all the questions and doubts arising in relation to any of the provisions of this Trust Deed which in the opinion of the Trustee relates to matters and are bond specific matters ("**Bond Specific Matters**") and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders provided however that the Trustee may not exercise any powers conferred upon it by this Clause unless the Trustee having given not less than 15 Business Days' notice of such proposed determination to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by an Extraordinary Resolution or Written Resolution instructing the Trustee as to the determination which shall be made.

7.4.3 *Trustee's discretion:* the the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law, have absolute discretion as to the exercise or non exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non exercise thereof but whenever the Trustee

  
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is under the provisions of this Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing provided however that the Trustee may not exercise any discretion conferred upon it by this Clause unless the Trustee having given not less than 15 Business Days' notice of such exercise of discretion to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by an Extraordinary Resolution or Written Resolution instructing the Trustee as to how such discretion shall be exercised;

7.4.4 *Trustee's consent:* any consent given by the Trustee for the purposes of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;

7.4.5 *Application of proceeds:* the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it;

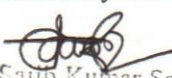
7.4.6 *Delegation:* the Trustee may, with the prior consent in writing of the Issuer, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of this Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate;

7.4.7 *Agents:* Subject to the provisions of the Trust Act 1882, the Trustee may, in the conduct of the trusts of this Trust Deed, with the prior consent in writing of the Issuer, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee, as the case may (including the receipt and payment of money) and, provided that the Trustee shall have exercised reasonable care in the selection and appointment of any such agent(s), the Trustee shall not be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;

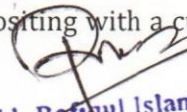
7.4.8 *Custodians and nominees:* the Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian

  
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this Trust Deed or any document relating to the trust created hereunder and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee, the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person; and

- 7.4.9 *Confidential information:* the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with this Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information. The Trustee shall forward to the Bondholders any non-confidential information made available to the Trustee by the Issuer in connection with this Trust Deed.


## 7.5 Financial matters

- 7.5.1 *Professional charges:* any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed and also his incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person;
- 7.5.2 *Expenditure by the Trustee:* nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment (if approved by the Issuer) of such funds or adequate indemnity against, or security for, such risk or liability is not assured to it; and
- 7.5.3 *Restriction on financial transactions with the Issuer:* The Trustee and its directors and officers shall be precluded from making any contracts or entering into any transactions ("**Other Business**") with the Issuer which would place its fiduciary duties towards the Bondholders in conflict with its rights and obligations in such Other Business.

## 7.6 Trustee liable for gross negligence

None of the provisions of this Trust Deed shall in any case in which the Trustee has failed to show the degree of care and diligence required by it as trustee, having regard to the provisions of this Trust Deed conferring on the Trustee any powers, authorities or discretions, relieve or indemnify the Trustee against any liability which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, wilful default or fraud of which it may be guilty in relation to its duties under this Trust Deed.


## 7.7 Exercise of Discretion



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Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



rsa  
ADVISORY



Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited



Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited



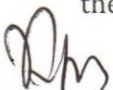
- 7.7.1 Notwithstanding anything in this Trust Deed to the contrary, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination (including, without limitation, any determination as to whether any fact or circumstance or activity or thing is material or substantial or complies with some such similar quantitative standard) or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the holders of not less than 662/3 percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution.
- 7.7.2 The Trustee will not be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result of any exercise or non-exercise of a discretion or the making or failure to make any determination or the taking or failure to take any action by the Trustee, acting on the directions of the Bondholders as aforesaid or pending the provision of such a direction.
- 7.7.3 A certificate delivered in compliance with this Trust Deed of two Authorised Signatories of the Issuer or other person duly authorised on their behalf as to the compliance by the Issuer with any of their respective obligations contained in the Conditions or this Trust Deed shall be conclusive and binding on the Issuer, the Trustee and the Bondholders save in the case of manifest error, but without prejudice to the provisions of Clause 8.7.4 herein above.
- 7.7.4 13.7.4 The Trustee shall have no responsibility for requesting such certificates unless the Issuer has failed to deliver such certificates in accordance with Clause 9 (Terms of Appointment) or the Trustee is requested to do so by any Bondholder. The Trustee shall be entitled to rely on such certificates absolutely and shall not be obliged to enquire further as regards the circumstances then existing and whether they justify the provision and the content of such certificate and will not be responsible for any loss occasioned by so acting. The Trustee shall be entitled to rely on any such certificates as sufficient evidence by the Issuer of such compliance (or non-compliance) and will not be responsible for or for investigating any matter relating to the financial condition of or any other matter relating to the Issuer.

## 7.8 Events of Default

The Events of Default for the purposes of the Bonds and the Trustee's rights, duties and obligations following such an Event of Default shall be as provided for in Clause 19.5 (*Events of Default*) herein below.

## 7.9 Modification and Waiver

The Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in Clause 21 of Trust Deed) to, or the waiver or authorisation of any breach or proposed breach of, any terms of the Trust Deed which is not, materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds or the Trust Deed which, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. All amendments or supplements or modifications to the terms of this Trust Deed or any of the other transaction documents can be made only in writing signed by the Issuer and the Trustee. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Trustee to the Bondholders as soon as practicable thereafter. However, no modification of the



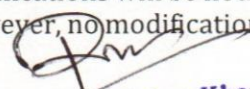
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Company Secretary  
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Features of the Bond mentioned in Clause 23.2 can be made without prior consent of the Bondholders unless required by law.

### **7.10 Interests of Bondholders**

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorisation, waiver or substitution) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders except to the extent provided for in Clause 20.4 (Taxation) and/or any undertakings given in addition thereto or in substitution therefore pursuant to the Trust Deed.

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Company Secretary  
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## **8 Rights and Obligations of the Investors/Bond Holders**

- 8.1** Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors, and which shall be an integral part of this Trust Deed.
- 8.2** The obligations of the Bondholders under the Subscription Agreement and other agreements with identical terms are several and the failure by a Bondholder(s) to perform its obligations under the Bond Documents shall not affect the obligations of the Issuer towards any other Bondholder(s) under other identical agreements nor shall any other Bondholder(s) be liable for the failure by such Bondholder(s) to perform its obligations under the Subscription Agreement or any other Bond Document.
- 8.3** The rights of the Bondholder are several and any debt or other obligation arising under the Subscription Agreement at any time from the Issuer to any other Bondholder(s) shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights independently of any other Bondholder and it shall not be necessary for any other Bondholder(s) to be joined as an additional party in proceedings for such purpose.
- 8.4** The Bondholders shall hold meetings with such power and scope and in the manner provided for in Clause 20 (*Meeting of Holders of the Bond with Power, Scope and Quorum of the Meeting*) in the Trust deed.

### **8.5 Undertaking to Issue**

The Issuer will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, duly execute and deliver to the Bondholder a Bond Certificate attached with the Conditions, representing the allocation amount of Bonds subscribed.

### **8.6 Undertaking to Subscribe**

The Bondholders will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, subscribe and pay the aggregate purchase price for the allocation, in Bangladesh Taka for same day value to such account as the Issuer designates.

### **8.7 Investor Representations**

The Bondholder(s) will comply with all applicable laws and regulations of Bangladesh and each other jurisdiction in which it offers, sells or delivers Bonds or has in its possession or distributes any offering material, in all cases at its own expense.

### **8.8 Indemnity**

The Issuer shall fully indemnify the Bondholder(s) from and against any expense, loss, damage or liability which any of them may incur in connection with the enforcement, protection or preservation of any right or claim of the Bondholders under the Transaction Documents.

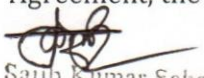
### **8.9 Closing**

#### **8.9.1 Subscription and Closing**

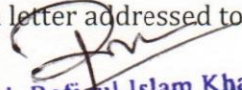
- (a) Subject to the conditions precedent contained in the Subscription Agreement, the closing of the issue of the Bonds shall take place on the Closing Date.
- (b) *Investor Representation Letter*: On the date indicated in the Subscription Agreement, the Bondholders will execute and deliver a letter addressed to the

  
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Issuer in the form attached as Schedule 4 (*Form of Investor Representation Letter*) of the Subscription Agreement.

(c) *Payment of net issue proceeds*: On each Closing Date, of the Bondholders shall pay the purchase price of Bonds to the Issuer in Bangladesh Taka in the manner provided for in the Subscription Agreement.

(d) Bond Certificates:

(i) *Registration*: On each Closing Date, the Issuer shall procure that the principal amount of Bonds subscribed for by the Bondholders for which payment has been received in accordance with the Subscription Agreement and are registered in name of the Bondholders (with a notation on the Register and in each Bond Certificate identifying the Issue Date of such Bond Certificate).

(iii) *Issue*: On the Closing Date, the Issuer shall duly execute and deliver the application requesting the dematerialization of the Bonds to the concerned authorities for issuing Bond Certificates to the Trustee and opening respective DEMAT account. Promptly following the Closing Date, the Issuer will deliver to each Bondholder Bond Certificates, duly authenticated by the Trustee, registered by the Registrar and representing such Investor's entire holding of Bonds.

## 8.10 Termination

The Bondholders may give a termination notice to the Issuer at any time on or prior to the Closing Date if:

8.10.1 *Breach of obligation*: the Issuer fails to perform any of its obligations under the Subscription Agreement;

8.10.2 *Failure of condition precedent*: any of the conditions precedent is not satisfied or waived by the Bondholders on the Closing Date;

8.10.3 *Force majeure*: since the date of the Subscription Agreement there has been (i) any material outbreak or escalation of hostilities involving Bangladesh or declaration by Bangladesh of a national emergency or war or other calamity or crisis or (ii) a material adverse change in economic, political or financial conditions or currency exchange rates or exchange controls in Bangladesh or international market, of such magnitude and severity in its effect on the financial markets as to make it impracticable or inadvisable to proceed with the offer, sale, distribution or delivery of the Bonds

## 8.11 Consequences

Upon the giving of a termination notice under Clause 11.10 (*Termination*) and subject to the Subscription Agreement:

8.11.1 *Discharge of Issuer*: the Issuer shall be discharged from performance of its obligations under the Subscription Agreement except for the liability of the Issuer in relation to expenses related to the Bonds and except for any liability arising before or in relation to such termination; and

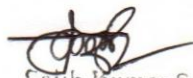
8.11.2 *Discharge of Bondholder*: such Bondholder shall be discharged from performance of their respective obligations under the Subscription Agreement.

## 8.12 Interests of the Bondholders



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**MEGHNA BANK LTD.**  
together we sail

Draft Information Memorandum  
Subordinated Coupon Bearing Bonds of up to 2 billion Taka

The interests of the Bondholders shall be protected and preserved by the Trustee in the manner described in Clause 13.10 (*Interests of Bondholders*) in the Trust Deed.

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**Md. Rafiqul Islam Khan, FCS**  
Company Secretary  
Meghna Bank Limited



## 9 Description of Meghna Bank Limited

Meghna Bank Limited was incorporated as a Public Limited Company on 20 March 2013 under the Companies Act 1994, with an Authorized Share Capital of BDT 20,000,000,000 divided into 2,000,000,000 ordinary shares of BDT 10 each. At present, the Authorized Share Capital of the company is BDT 20,000,000,000 divided into 2,000,000,000 ordinary shares of BDT 10 each.

The Company was also issued Certificate for Commencement of Business on the same day and was granted license on 28 March 2013 by Bangladesh Bank under the Banking Companies Act 1991. Meghna Bank Limited was enlisted as a Scheduled Bank on 03 April 2013 and started its banking operation from May 09, 2013.

Table 2: Basic Information of the Issuer

Registered name of the company	Meghna Bank Limited
Company Registration No.	C-108068/13 on 20 March, 2013
Bangladesh Bank Permission No.	BRPD(P-3)/745(66)/2013-1459 dated March 28, 2013 on 28 March, 2013
SWIFT Code	MGBL BD DH

Over the past 8 years of operation, the Issuer has laid a strong foundation to create a strong brand image and strengthen its foothold in the highly regulated banking industry. MGBL is equipped with strong delivery channels consisting of 47 branches, 18 own ATM booths located in prime commercial areas of the country. The Issuer offers fully integrated real-time Online Banking Services, a 24/7 modern Contact Centre and Internet and SMS banking to its growing customer base, through a dedicated team of experienced Relationship Managers and Alternative Delivery Channels (ADC). Currently there are 702 number of employees working for the Bank.

### 9.1 Subsidiaries of Meghna Bank Limited

The Bank has 1 (one) subsidiary company namely Meghna Bank Securities Limited

#### 9.1.1 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 vide registration no. C-121270/15. The registered office of the company is located at Suvastu Imam Square, 65 Gulshan Avenue C/A, Gulshan-1, Dhaka. The main objective of the company is to act as a full-fledged stockbroker and stock dealer to execute buy and sell order and to maintain own portfolio as well as customer portfolio under the discretion of customers.

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.

### 9.2 Capital Structure (Consolidated basis)


MGBL, the issuer of the subordinated bonds, is a commercial bank and like other banks, its capital structure comprises shareholder's equity, deposits and other liabilities. Most of MGBL's assets (81.9%) have been financed by deposits and other accounts.

Table 3: Sources of Issuer's Fund

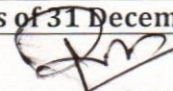
	As of 31 December, 2020
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Md. Raniqul Islam Khan, FCS  
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	BDT Million
<b>Liabilities</b>	<b>46,885</b>
Borrowings from other banks, FIs and agents	559
Deposits and other accounts	43,315
Other liabilities	3,011
<b>Total Equity</b>	<b>6,012</b>
Paid-up capital	4,699
Statutory reserve	766
Other reserve (general + Revaluation)	105
Retained earnings	443
Minority interest	0
<b>Total Liabilities and Shareholders' Equity</b>	<b>52,897</b>

The Issuer maintains appropriate capital adequacy, which enables it to confront various risk factors it may be exposed to. The current CRAR of 17.42% on December 31, 2020 was higher than the minimum requirement of 10% (excluding 2.5% buffer), due to the increase in minimum requirement in accordance with BASEL III implementation roadmap by Bangladesh Bank. The proposed subordinated bond will help meet this requirement. The total eligible capital of the bank, on consolidated basis, was BDT 6,389million as on Dec 31, 2020 against the risk weighted assets of BDT 36,666million.

Table 4: Regulatory Capital of the Issuer

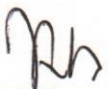
	As of Dec 31, 2020
	BDT Million
Total Risk Weighted Assets	36,666
Core capital (Tier- I)	5,901
Supplementary capital (Tier-II)	488
Total Capital	6,389
Total Required Capital	4,583
Capital Surplus/(Shortfall)	1,806
Capital Adequacy Ratio	17.42%
Core capital to Risk Weighted Assets	16.09%
Supplementary capital to Risk Weighted Assets	1.33%


Issuer's total paid up capital stood at BDT 4,698.98 million at the end of 2020 which was divided into **469,898,000** number of ordinary shares with a face value of BDT 10 per share. Out of the total shares, 100% (469,898,000 number of shares) were held by Sponsors of the Issuer.

Table 5: Shareholding Structure of the Issuer


Particulars	As on Dec 31, 2020		
	No. of Shares	Share Value	% of Holding
Sponsors	469,898,000	4,698,980,000	100.00%
<b>Total</b>	<b>469,898,000</b>	<b>4,698,980,000</b>	<b>100.00%</b>

### 9.3 Business Description

  
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All types of commercial banking services are provided by the Bank within the stipulations laid down by the Bank Companies Act, 1991 (as amended in 2013) and directive as received from the Bangladesh Bank from time to time. Registered office of the Bank is at Suvastu Imam Square (Level- 06), 65 Gulshan Avenue, Gulshan- 01, Dhaka-1212. The Bank started its commercial business from May 09, 2013. The principal activities of the bank are to provide all kinds of commercial banking and related services such as accepting deposits, lending loans to customers, trade and services, treasury functions, cash management, securities and custody services, remittance services etc.

## 9.4 Products & Services

### 9.4.1 Business Banking

MGBL Business Banking services are a blend of the Corporate, Off-Shore Banking, and Syndication & Structured Finance, that focuses on offering a wide range of services to large corporates, multinationals and institutional clients. The bank puts highest priority to assist its customers fund requirements with diversified financial products and services. The bank always focuses on delivering services by creating exceptional value to its customers while offering market competitive relationship loan pricing and conditions.

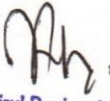
Wholesale banking products includes:


**Term Finance:** MGBL provides loans that have specified repayment schedule and a floating interest rate with tenure more than one year but less than ten years. Their Long Term Products are tailor made. Based on customers purpose and cash flow forecasting, MGBL design the best fit products. MGBL believes success of a business largely depends on matching principal of finance, revenue generation & utilization of fund if long term, only long term facilities can cater the business requirement. It offers term loans for the following broader purposes.

- Term Loan as a Post Finance tool - Financing
  - Machinery
  - Equipment
  - Spares
  - Building Materials
  - Other Items utilization & revenue stream of which is long term
- Stand Alone Term Loan - for Financing
  - Civil Construction
  - Machinery
  - Equipment
  - Spares
  - Building Materials


**Working Capital Finance:** MGBL's regular credit products ranges from short term financing of day-to-day business operations to long term loans for expansion of customers' business. MGBL have a team of dedicated Relationship Manager who work with customers to understand business needs towards designing tailored and structured solutions for customers business. MGBL understand every business is unique and so are their product structuring. MGBL offers export and import finance facilities for its customers depending on their requirements. MGBL's trade finance service is a unity of funded and non-funded facilities:

- Overdraft
- Cash Credit

  
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- Short Term Loan
- Time Loan
- Local Documentary Bill Purchased (LDBP)
- Foreign Documentary Bill Purchased (FDBP)
- LCs (Cash vs B2B, Sight vs Deferred, UPAS)
- Import Loan / LTR
- EDF
- Packing Credit

**Trade Service Products:** MGBL offer a range of products and services to assist customers with trading activities, either in domestic or international markets. MGBL's range of trade solutions includes selective receivable finance and trade loans as well as guarantees and letters of credit.

- Trade Products:
  - Letter of Credit (Documentary Credit)
  - Back-to-back Letter of Credit
  - Shipping Guarantee
  - Export LC (Advising & Transfer)
  - Letter of Guarantee
  - Import Bill Handling
  - Export Bill Negotiation/Collection
  - Import Loan
  - Letter of Trust Receipt (LTR)
  - Time Loan
- Specialized Trade Service Products are:
  - EDF loan
  - Refinancing
  - Packing Credit
  - Time Loan / Short term loan (tailor made)
  - Tailor made Structured LC

**Syndications & Structured Finance:** MGBL is active in the Syndication market with professional team having finest expertise and wide market network for enabling its corporate clients to access large loans through cost efficient structures. MGBL offers tailor made solutions to fit customers' business requirements. It also facilitates its peer group in closing their syndicated deals by co-arranging or by taking large exposures in both Greenfield and Brownfield projects. MGBL can create and tailor the right structured solutions for customers business needs in order to enhance shareholder's wealth as well as customers' market competitiveness. The services are not only applicable for existing clients, but a wide range of products are available for independent engagement such as advisories. These solutions include:

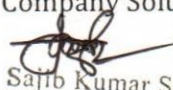
- Participation in Syndication by Other Banks (Good Credit, Big Names, Pipeline names, Good Lead Bank)
- Arranging Syndication. Forming alliance among similar banks, FIs.
- Balance sheet structuring
- Debt Restructuring
- Arranging & participating in Preferential Share, Commercial Paper, Bond
- Foreign Currency Loan arrangement
- Distressed Company Solutions



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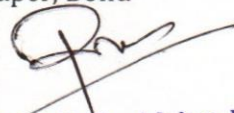
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Company Secretary  
Meghna Bank Limited



- Merger & Acquisitions (M&A)
- Advisory for 100% foreign owned / JV projects from Account opening to company formation
- Advisory to set local companies from Bank A/c opening to licensing. For licensing MoU with external legal council
- Feasibility Report
- Analyzing Financials for Independent Financial Health Check

**Cash Management Solutions:** MGBL care about your money. They understand the importance of prompt capturing of business cash flow so that clients get the maximum benefit. MGBL provide clients with a choice of ways to deposit cash and cheques and provide a range of electronic payment mechanisms to meet client's unique needs. Cash Management Solutions provided by MGBL are:

- Payment & Collection Solutions
- Bulk Cheque Processing
- Utility Bill Collection
- Vendor/Salary payment
- Cash Pick Up & Delivery
- IPO Processing as Banker of Issue and/or Lead Bank
- Internet Banking
- Automated Cheque Writing Software
- Host-to-Host Connectivity

**SME Financing:** MGBL is highly committed to finance country's growing industry like SME which is emphasized by Bangladesh Bank and GoB. So far MGBL has financed BDT 585 crore in SME sector till 31 Dec, 2019 which also includes financing of Women Entrepreneurs. In order to grow business and offer superior value proposition to their customers, MGBL has formed dedicated business segments for SME business.

Meghna Bank has SME specific loan products such as "Meghna Moushumi Rin" and specific loan for Women Entrepreneurs - named as Meghna Nabarupa.


**Agro Financing:** Bangladesh is an agriculturally predominant country. Therefore, financing in agro-sector is essential to achieve self-sufficiency in food. Keeping this in mind, Meghna Bank is financing in agriculture sector and so far financed BDT 61 crore till Dec 31, 2019. MGBL have four agro-based loan products such as:


- Meghna Fashal Rin
- Meghna Khamar Rin
- Meghna Motsho Rin
- Meghna Poultry Rin

MGBL's product basket contains Long Term Financing along with full range of product mix for Short Term Financing of day-to-day operations and non-fund based facilities. The bank always seeks to understand unique needs of its customers' business and incessantly strive to meet and to exceed their expectations.


#### 9.4.2 Retail Banking

MGBL offers various retail banking products to meet its customers' different needs.

  
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Company Secretary  
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a) **Deposit Products:** MGBL has designed various deposit accounts to service its customers' different needs. From a straightforward Savings account to Fixed Deposits, MGBL always strives to offer the best value for its customers' money. Banking with MGBL enables its customers to priorities between flexibility, highest interest yield and convenience. Various deposit products offered by MGBL are explained below.

- **Regular Savings Account:** An easy-to-operate savings account that allows customers to issue cheques, draw Demand Drafts and withdraw cash. This basic Savings Account will facilitates customers to set aside a portion of their liquid funds while earning a monetary return.
- **Platinum Savers Account:** This account provides attractive interest rate based on Monthly Average Balance. Minimum account opening balance is BDT 50,000 and interest will be credited monthly. A really good benefit that comes with this account is Insurance Coverage up to BDT 1.00 Crore based on maintaining certain monthly average balance.
- **Sreyoshi Savings Account:** This is a special savings account only for Bangladeshi Female National aged 18 years & above. Customers can open an account with a minimum balance of BDT 25,000. Customer will receive Health benefit for 18 diseases including Cervical Cancer & Brest Cancer up to BDT 10.00 Lac and Death Benefit of BDT 10,000. Additionally, customers can withdraw funds from 11,000+ Bank ATMs without any charge.
- **Meghna Salary Account:** This is a product for salaried individuals of Medium & Large Corporate Organizations having minimum 25 employees in their payroll. There will not be any Half-yearly Ledger Fee. Additionally, employees will get cheque book and they can avail any branch banking (cash deposit & withdrawal) facility.
- **Young Star's Account:** This is an interest bearing Savings Account exclusively designed for school going Children. Any school student (Bangladeshi male/female) between 6-18 years of age can avail this product. Cheque book will be provided with the account and there will be no Half-yearly Ledger Fee. Also Cash Withdrawal Alert message (InstaAlert) can be set to desired cell phone no.
- **Meghna Child EduPlan:** Meghna Child EduPlan (MCE) is a special savings plan that allows customers to secure their child's future education expense. MCE can be opened in child's name with any one of the natural parents as applicant & the other as nominee. Any person other than natural parents can also be an applicant or nominee. A Minor can also be a nominee under legal guardianship.
- **Regular Current Account:** A Current account is ideal for carrying out day-to-day business transactions. With the MGBL Regular Current Account, customers can access to their accounts anytime, anywhere, pay using payable at par cheques or deposit cheque at any MGBL bank branch.
- **Meghna Regular Fixed Deposit:** Meghna Regular Fixed Deposit (FDR) is a lucrative savings scheme over a certain period of time. MGBL offers fixed deposit products with automatic renewal, overdraft facility etc. Minimum principal amount to open an FDR Account is BDT 10,000.00 in rural areas. Cheque book will be provided with this account and customers can open FDR for the tenures of 1 month, 3 months, 6 months, 12 months. FDR can be opened in single/joint name. FDR can also be opened in the name of a Minor under guardianship. FDR can be opened in the name of firms, companies, associations, societies, trusts, NGOs, educational institutions etc.



- **Nirapad FDR Account:** Nirapad FDR Account can be opened with Minimum Principal Amount BDT 1.00 Lac for 03 months, 06 months and 12 months tenure. There will be Insurance Coverage up to BDT 1.00 Crore based on FDR principal amount. Auto Renewal Facility is also available with this product.
  - **Deposit Pension Scheme:** Any Bangladeshi Individual aged 18 years & above can open DPS. DPS can be opened for periods of 3, 4, 5, 6, 7, 8, 9 & 10 years. Cheque book will be provided with this scheme and Nomination facility is also available.
- b) Loan Products:** MGBL has a comprehensive selection of facilities to offer, from a simple personal loan, credit cards, auto loan and overdraft facilities to home loan. MGBL strives to remain competitive and are committed to constantly reviewing both its lending policies and rates to ensure that customers get the best deals in town.
- **Meghna Personal Loan:** MGBL Personal Loan is simple, convenient and quick. Loan amount varies from BDT 50,000 to BDT 2,000,000. With flexible repayment options it has Loan Tenure of 2-5 years.
  - **Meghna Car Loan:** MGBL Auto Loans are built for utmost speed and competence. MGBL Auto Loan is available for financing both new, reconditioned and Registered used cars. Loan Amount varies from Tk. 300,000 to Tk. 4,000,000. Minimum income should be BDT 30,000 for Salaried Individuals. Other than that Professionals, Landlord/ Landladies, Self-employed and Businessmen are also allowed to apply.
  - **Meghna Home Loan:** Whether it is purchasing a new house or a new apartment, MGBL has a wide range of home loan options that can be customized to customers' specific need. Loan amounts from BDT 500,000 to BDT 12,000,000. This loan can be availed for Home Finance, Home Renovation/Completion, House Building Construction Finance or Take over & Renovation/Construction.
- c) Card Products:** MGBL has designed its card products with a lot of features like - convenient, instant line of credit, global recognition and acceptance, exclusive privileges and more. MGBL's range of cards help the card holders to meet their financial objectives.
- **MGBL Credit Card:** Its credit cards are accepted at over 23 million Merchant Establishments around the world, including 110,000 Merchant Establishments in India. Revolving credit facilities are available with a payment of minimum amount. Card holders can avail the credit facilities up to 45 days without paying any interest from the date of purchase.
  - **MGBL Debit Card:** MGBL Visa Debit card can be used as an ATM card at any VISA ATM across the world, as well as for making purchases at merchant locations. MGBL's Visa Debit card is extremely versatile and simple to use. It allows the card holders to pay directly from their bank account for purchases, without having to carry any cash.

## 9.5 Business Analysis Based on Solo Financials

### 9.5.1 Asset Size & Growth

MGBL's total assets grew significantly during the last 5 years of its operation. At the end of 2020, total assets of the company stood at BDT 52,871 million which is 7.14% higher than that of December 2019. During the last 5 years MGBL's asset size grew at 13.52% CAGR.



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Chief Executive Officer  
MTB Capital Ltd.  
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ADVISORY

Rajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited



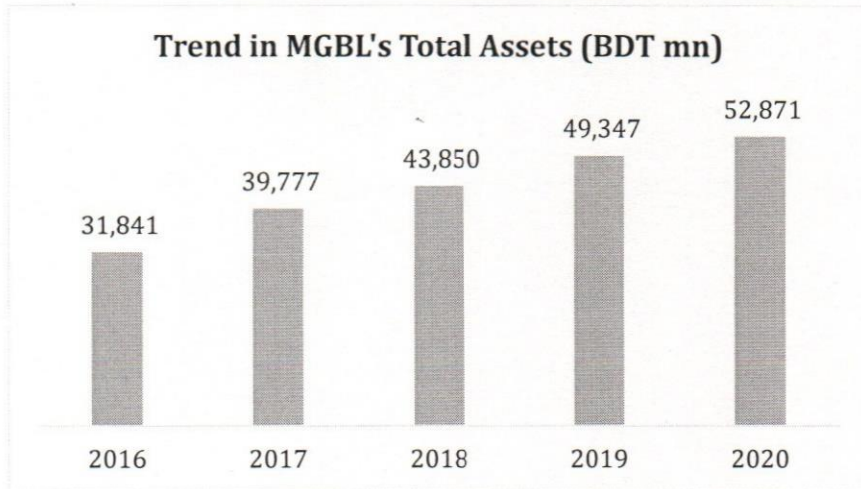
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited



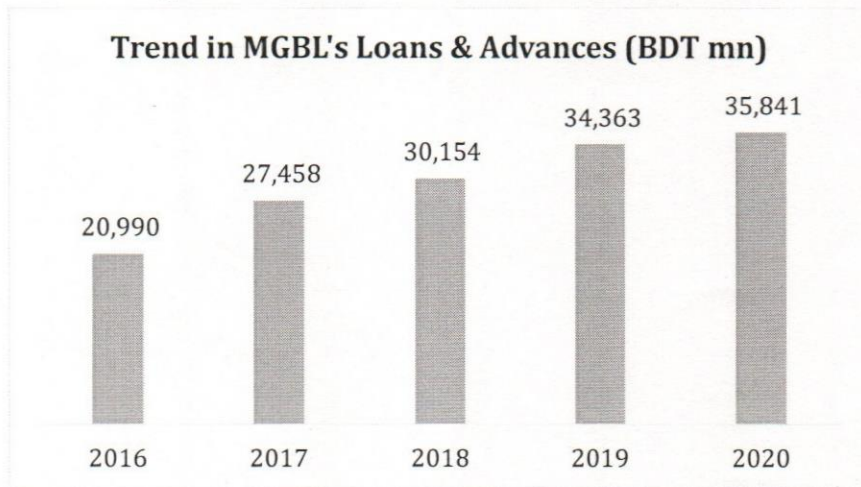
Figure 1: Issuer's Total Assets Size & Growth



### 9.5.2 Growth of Loans & Advances

At the end of 2020 total loans and advances of the Bank stood at BDT 35,841 million which is 4.3% higher than that of 2019. During the last 5 years, MGBL's total loans and advances size grew at 14.31% CAGR.

Figure 2: Issuer's Total Loans & Advances and Growth



### 9.5.3 Growth of Deposits

MGBLL's deposits and other accounts grew by 5.42% in 2020 compared to its preceding year to stand at BDT 43,330 million. During the last five (5) years, the Issuer's total deposit grew at 14.16% compound annual growth rate (CAGR).



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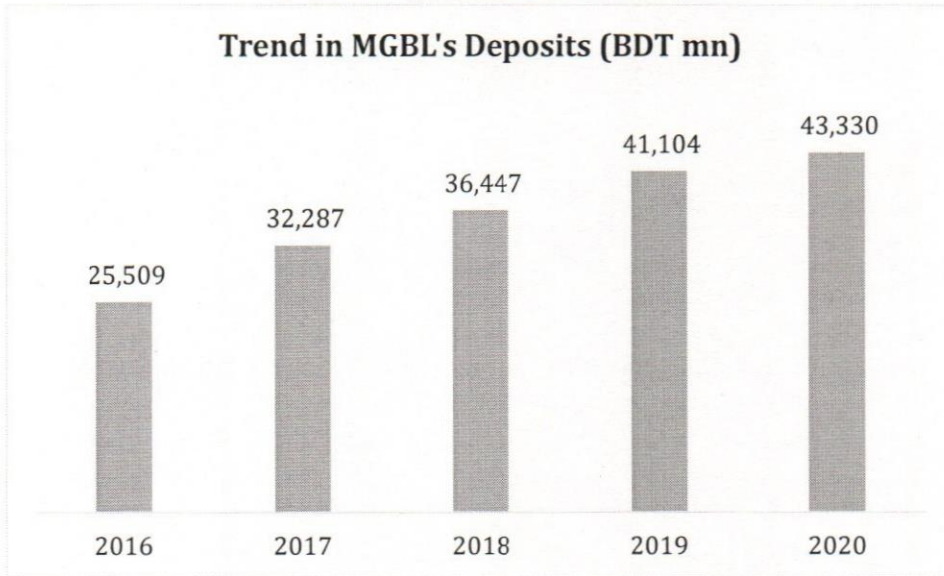
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Managing Director & CEO  
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Md. Rafiqul Islam Khan, FCS  
Company Secretary  
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Figure 3: Issuer's Deposit Size and Growth



#### 9.5.4 Advance Deposit Ratio (ADR)

The Issuer has managed to keep its advance deposit ratio (ADR) at 83.00% at the end of 2020.



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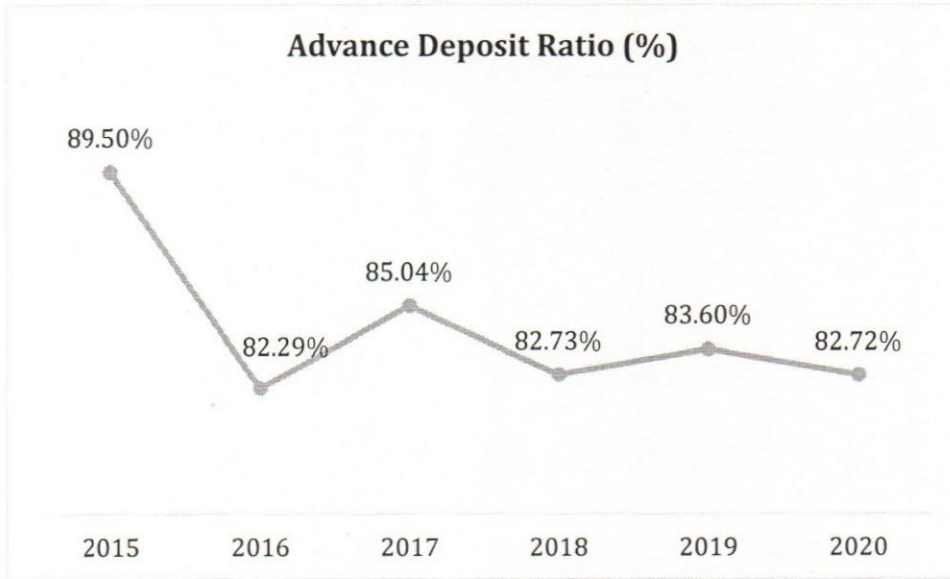
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Figure 4: Historical Advance Deposit Ratio



#### 9.5.5 Operational Performance

Table 6: MGBL's Operating Performance

	2020	2019	2018	2017	2016
<b>NIM</b>	614	1,463	1,263	999	768
<b>Profit before provision</b>	734	824	848	1,017	965
<b>Total Provision</b>	115	319	436	271	76
<b>Profit before tax</b>	619	505	411	746	890
<b>Net profit after tax</b>	501	135	91	421	575
<b>Cost to Income (ratio)</b>	60.46%	59.37%	58.04%	51.46%	47.53%


Cost income ratio was 60.46% in 2020 which is slightly higher than previous year's ratio. The ratio, which measures operating expense as a percentage of operating income, is used to gauge efficiency and productivity for financial institutions. The average cost income ratio was 55.37% over the period from 2016 to 2020.

MGBL's return on assets (ROA) and return on equity (ROE) were 0.98% and 8.80% respectively.

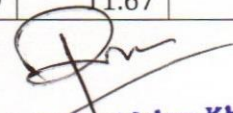
Table 7: Key Ratios for Last 5 years

	2020	2019	2018	2017	2016
<b>CRAR</b>	17.42%	17.89%	18.90%	19.55%	23.55%
<b>Loan-Deposit</b>	82.72%	83.60%	82.73%	85.04%	82.29%
<b>NPL</b>	6.80%	7.41%	6.00%	3.00%	0.99%
<b>Cost-income ratio</b>	60.46%	59.37%	58.04%	51.46%	47.53%
<b>Return on Average Assets</b>	0.98%	0.29%	0.22%	1.18%	1.81%
<b>Return on Average Equity</b>	8.80%	2.53%	1.75%	8.09%	10.98%
<b>Earnings per share (BDT)</b>	1.07	0.29	0.19	0.95	1.30
<b>NAV per share (BDT)</b>	12.76	11.48	11.19	11.67	11.81

  
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## 9.6 Profile of the Board of Directors



**Mr. H.N. Ashequr Rahman, MP  
Chairman**

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

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


After obtaining Masters Degree, he started his career as Assistant Professor of English at the Carmichael College, Rangpur and thereafter as Assistant Professor of English at the Rajshahi University. Through country-wide competitive examination, he joined Civil Service of Pakistan (CSP) in 1966 and served with success and reputation in many responsible positions like Sub Divisional Officer (SDO) Manikganj (now a District), Deputy Secretary, Govt. of Sind in Pakistan, Deputy Commissioner Greater Cumilla District, Member, Bangladesh Tea Board etc. During the tumultuous and trying period of turmoil at the early stage of post-liberation period in March 72, he was appointed Administrator of Dhaka Municipality. He brought order and financial stability in then chaotic Dhaka Municipality. In 1979, dissatisfied and from unwillingness to serve autocratic regime of General Zia, he resigned from the coveted service voluntarily without pension and other benefits.

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

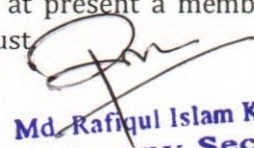
Mr. H N Ashequr Rahman was elected as a Member of 3rd, 7th, 9th and 10th National Parliament. He is a member of current 11th Parliament as well. During the 7th Parliament he served as a State Minister for Environment and Forests. During 7th, 9th and 10th Parliament, he served as Chairman of the Parliamentary Standing Committee on Estimates, Standing Committee on Ministry of Planning and Ministry of Public Administration. Mr. Rahman is connected with various social, cultural & philanthropic Institutions. He is one of the Founder Directors of East West University-a well-known Institution of higher education of excellence and repute. He is the former Senate Member of Bangladesh Jatiya University, Rajshahi University and Hajee Mohammad Danesh Science & Technology University, Dinajpur. At present he is a Senate Member of Begum Rokeya University, Rangpur and of Bangladesh University of Professionals (BUP), a university run by Bangladesh Defense Forces. He is the Chief Advisor of "Kishore Bhuban"- a Juvenile Magazine since 1995. He is the Founder Chairman and Life Member of Cumilla Foundation. He was a member of Bangladesh Investment Board and Founder General Secretary of United Towns Organization, an organization affiliated to United Nations. He is at present a member of the Executive Committee of Bangladesh Freedom Fighters' Welfare Trust.

  
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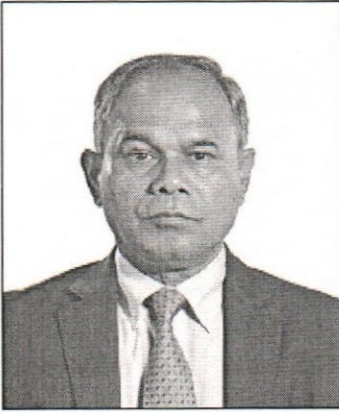
  
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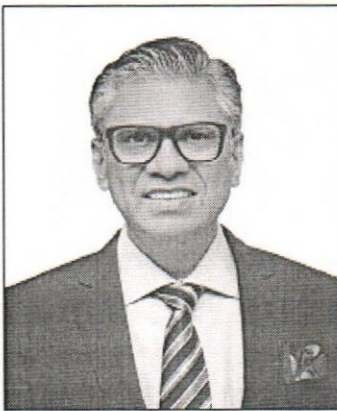


**Mr. Md. Kamal Uddin**  
**Vice Chairman**

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

(BGMEA) for 2018 - 2019 and 2019 - 2020 term.

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



**Mr. Shakhawat Hossain**  
**Director**

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

He is the Sponsor Director of Meghna Bank Limited and a member of Audit Committee of the Board of the Bank.

Mr. Shakhawat is the Managing Director of different concerns of Paramount Group and established his first organization, Sunrise Chemical in 1986. Followed by Paramount Insurance, Foodex Intl,


Paramount Holdings, Paramount Spinning, Paramount Textile, Mount International, Paramount Agro, Paramount BTrac Energy Ltd.

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

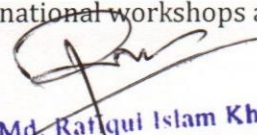
Recently he has been awarded the "Order of Merit" on behalf of the President of Portugal. The order of merit is intended to award those who perform extraordinary work in both public and private sectors which reveal self-sacrifice in favor of the community.

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

  
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**Mr. Alock Kumar Das**  
**Director**

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

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

Managing Partner of, Paramount Agro, Foodex International.

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

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



**Mr. SM Jahangir Alam (Manik)**  
**Director**

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

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

Conversion and Sanji Filling & Conversion Center.

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



**Alhaj Md. Lokman Hakim**  
**Director**

Alhaj Md. Lokman Hakim, Director of Meghna Bank Limited is a prominent business person in the country. He is one of the top five Businessman of Ship Breaking sector in Chattogram. He is successfully running a business conglomerate with immense interests in ship breaking and recycling, re-rolling steel, chemicals, engineering services and banking etc. In 1994 he initiated Ziri Subedar Group and started its manual mill for producing steel, the re-rolling mill was one

of the very first concerns of the group. Since then the group has gradually enriched its business wings into diverse activities and confirmed its reputation as one of the remarkable organization in the steel sector of Bangladesh. Alhaj Md. Lokman Hakim is the Managing Partner of the group.



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

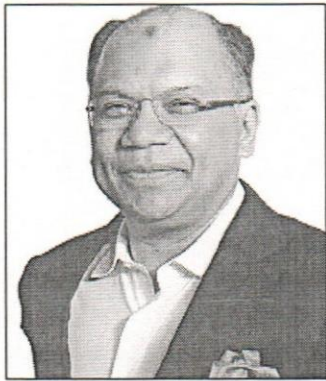


**Mr. Tanveer Ahmed**  
**Director**

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

Bangladesh. He has consistently worked for RMG business growth beyond all expectations.

Mr. Tanveer Ahmed is the Sponsor Director of Meghna Bank Limited and currently served as the Chairman of Executive Committee of the Board of the Bank. He has resided, studied and worked in Indonesia for significant periods of his career prior to taking over the helm at Elegant Group. Upon incompleting his BBA from Indonesia, he moved to Bangladesh in 2007 and joined Elegant Group and serving as Managing Director for last one decade. His major hobbies are golfing reading books, watching movies and travelling.




**Mr. Mohammed Mamun Salam**  
**Director**


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

Executive Director at Bengal Synthetic Fibres Ltd.

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



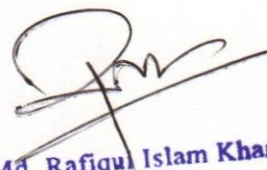
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**Ms. Uzma Chowdhury**  
**Director**

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

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

She is serving as Chairperson of Audit Committee of the Board of the Bank.



**Mrs. Nuran Fatema**  
**Director**

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

the Bank.

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



**Mrs. Taslima Islam**  
**Director**

Ms. Taslima Islam is a Sponsor Director of Meghna Bank Limited. She had her graduation from a public university. She is associated with the development of country's economic growth and development of socio-cultural activities. She is a renowned business person and industrialist. Her business affiliation is versatile and diversified. Her right decisions with proper indications create a pathway to achieve the business goal. She has earned notable fame in the business community for her business integrity with setting the strategic objective. She is the highest



Income Tax payer for a long time in woman category from Munshigonj district and also 2nd highest Income Tax payer in the same district.

Presently, she is the Chairperson of Prime Islami Securities Limited, Ramisha Cold Storage Limited, Punot Cold Storage Limited, Fareast Cold Storage Limited, Fareast Securities Limited, Ramisha BD Limited, Rimsha BD Limited, Apsara Holdings Limited, Ramisha Composite Textiles Mills Limited (proposed).

She is also Proprietor of M/s. Momo Enterprise and Member of Trustees Board of Primeasia University.

She has the attachment with various educational and socio-cultural activities. Under her leadership, women inspired in socially strategic ways to advance individual or group objectives. She is becoming the role of women with decision-making power and influence, over more aspects of social, political and economic life.



**Dr. Syed Ferhat Anwar  
Independent Director**

Dr. Syed Ferhat Anwar joined the Board of Meghna Bank Limited on October 18, 2020 as Independent Director of the Bank. Dr. Ferhat is a Professor and Director at the Institute of Business Administration (IBA), University of Dhaka; the leading business school of the country. He is in the teaching profession for more than 34 years. Dr. Ferhat completed his PhD in Marketing Systems, jointly under University of New Brunswick Canada and University of Dhaka; and Post Graduate Diploma in University Teaching from University of


New Brunswick Canada. Prior to his PhD he completed his MBA from IBA, University of Dhaka and B.Sc. (Honors) and M.Sc. in Biochemistry from University of Dhaka. He has more than 67 publications in international and national journals and writer of 3 major books on business management. His most recent academic contribution has been an introduction chapter on "Evolution and Future of Marketing" in the book 'Strategic Marketing Management in Asia, published in 2017 by Emerald from UK.

Dr. Ferhat has visited various international and regional academic institutes as visiting scholar; including, Indiana University, Bloomington (USA), Pennsylvania State University (USA), Harvard Business School (USA), Stern Business School of NYU (USA), Kellogg School of North Western University (USA), Brunel University (UK), Indian Institute of Management (Ahmadabad), Sri Lankan Institute of Marketing (SLIM), Putra Business School of Universiti Putra Malaysia (Malaysia), Universiti Selengor (Malaysia), Lahore University of Management Sciences (LUMS), etc. He has been involved in many consulting assignments on marketing, social enterprise, and business strategy for various sectors, foremost being education, pharmaceuticals, apparel, ICT, real-estate, and agriculture.

He is also the Chief Advisor of Bangladesh Brand Forum; Chief Patron of Marketing Society Bangladesh; Founder Director of Kotler Center for Marketing Excellence, University of Dhaka; Founder Director of Bangladesh Marketing and Social Research Forum; Adviser of Center of Excellence for Bangladesh Apparel Industry (CEBAI) and Founder member of International Council for Small Business (ICSB), Bangladesh, which is an affiliate of Global ICSB. He has also served as the Pro-Vice Chancellor of East West University.



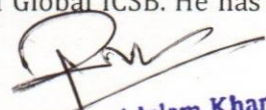
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Meghna Bank Limited



Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited



Dr. Ferhat was associated with Singer (Bangladesh) as an Independent Director of the board. He is also an Independent Director of Bangladesh Diesel Plant, a business support venture of the Bangladesh armed Forces. He is an Adviser to the Board of Center of Excellence for Bangladesh Apparel Industry (CEBAI). He is also the Board member of Asia Marketing Federation (AMF), headquartered in Japan and Vice President of Association of Management Development Institutes of South Asia (AMDISA). He is also associated as member of various academic bodies of Shahjalal University of Science and Technology, Khulna University, University of Professionals, East West University, and Jahangirnagar University.

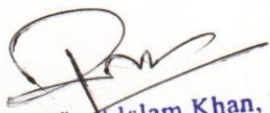


**Mr. Md. Ahsan Ullah  
Independent Director**

Mr. Md. Ahsan Ullah joined the Board of Meghna Bank Limited on November 09, 2020 as Independent Director of the Bank. Economist and Banker Md Ahsan Ullah served in the central bank for more than 35 years and worked in different departments with good reputation. He has extensive knowledge and experience especially in Long Term Project Financing, Foreign Exchange policy, Foreign Exchange Operation and Investment, Strategic policy and so on. He retired as an Executive Director in 2016 and subsequently engaged as an Advisor of Bangladesh Bank to oversee a World Bank supported project of worth USD 350 million which was actually upgradation of existing IT Platform of Bangladesh Bank and Long Term Project Financing through selected commercial banks. As a Project Director, he supervised Central Bank Strengthening Project aimed at automating the functions of the central bank. He also served as the ex-officio Chairman of AD- Bangladesh Bank Forum and also oversaw the activities of the Strategic Planning Unit (SPU). Under his guidance, the SPU successfully conducted two executive retreat programs and developed the 'Bangladesh Bank Strategic Plan 2010-14', a roadmap for transforming Bangladesh Bank into a modern, dynamic and IT based central bank.

Mr. Ahsan is associated with Institute of Business Administration (IBA, Dhaka University) where he is often called to take classes on central banking in addition to the course on International Finance he took for the MBA program. He is also an adjunct / part time faculty in the University of Asia Pacific and East West University, Dhaka. At present, he is also a supernumerary professor at Bangladesh Institute of Bank Management (BIBM), Mirpur, Dhaka. Moreover, he is a member of ICC (International Chamber of Commerce), Banking Commission, Bangladesh


Mr. Ahsan Ullah completed his BA (Hons.) and MA in English from Jahangirnagar University, MBA from IBA, University of Dhaka and M A in Economics from Vanderbilt University, USA. He obtained Diploma /trainings on Banking, Central Banking, Personnel Management and Strategic Management from both home & abroad. During his long tenure in Bangladesh Bank he visited several countries in Asia, Europe and Africa in addition to attending a number of meetings in IMF and World Bank in USA.




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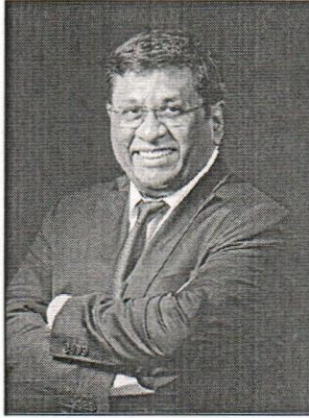


**Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited**



**Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.**






**Mr. Sohail R. K. Hussain**  
**Managing Director & CEO**

Mr. Sohail R K Hussain joined Meghna Bank Limited on April 22, 2020 as Managing Director & CEO.

Mr. Hussain has significant expertise in financial services, corporate banking, consumer banking, consumer marketing and customer loyalty. He is an experienced strategist in understanding and executing hidden opportunities; highly capable of transforming banks towards areas of excellence in business and operations. Before joining the Bank Mr. Hussain was the Director/Managing Partner of RSA Advisory Lt./Blue Wealth Asset Management company from 2019 to 2020. Prior that, at The City Bank Limited he was the Managing Director & CEO from 2013 to 2019, the Additional Managing Director from 2010-2013 and the Deputy Managing Director from 2007-2010. He also has good experience at Eastern Bank Limited from 2001-2007, at Standard Chartered Grindlays from 1999-2001 and at ANZ Grindlays Bank form 1990-1999. Mr. Hussain is successful in his vast career of more than 30 years. He was the former Board of Directors in CBCRL, City Brokerage, VIPBL, IIDFCL and CSR Center. He possesses an MBA from IBA with numerous certifications on Advance Strategy for Directors (from INSEAD), Banking & Development (from IDI) and Corporate Credit (from SCB). Mr. Hussain also achieved many significant awards and milestones as Asia Money Best Bank awards Best Bank in BD 2017, Global Climate Partnership Award 2018, ICMAB Best Corporate award 2016, Global Finance World's Best Digital Bank Awards Best Consumer Digital Bank in BD 2014, 2015, 2017 & 2018 and etc. Under his leadership Meghna Bank has added feather to the crown of full-fledged digitized Bank in the country.



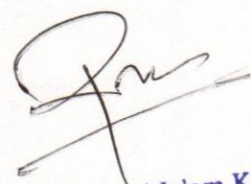
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## 9.7 Profile of Senior Management



**Mr. Kazi Azizur Rahman**  
**Deputy Managing Director & CIO**

Mr. Kazi Azizur Rahman joined Meghna Bank Limited on July 27, 2020 as Deputy Managing Director & CIO.

Mr. Rahman has been one of the top technocrats in the Banking industry. He is experienced leader with demonstrated history of technology management, innovation, strategy planning, business processes re-engineering. Being an expert in technology and digital transformation he has enormously contributed to banking industry in regards to development of digital banking system, payment channels, transformation of technology to businesses with much simplicity etc. Mr. Rahman in his successful and vast career of more than 30 years, worked in different industries home and abroad including a long 18 years in the banking sector of Bangladesh. He started his banking career with Eastern Bank Limited followed by his noteworthy contribution at The City Bank Limited which he left as its Deputy Managing Director and Chief Information Officer. Before joining Meghna Bank he worked for Southeast Bank Limited as DMD. During vast versatile career he also worked with world class multinational corporates house including Grabowsky & Poort B.V., a Dutch company, Net-Linx Americas Inc, Canada and British American Tobacco Company, Bangladesh. Mr. Rahman possesses an overseas bachelor degree in engineering with numerous foreign trainings.



**Mr. Md. Ariful Islam Chowdhury**  
**SEVP & Head of Retail Banking**

Mr. Md. Ariful Islam Choudhury joined Meghna Bank Limited on September 17, 2018 as Senior Executive Vice President.

Mr. Choudhury possesses good and versatile career of more than 20 years. Currently he is leading the Bank as Head of Retail Banking with expertise. Before joining the Bank he was at Bank Asia



as Head of Retail Banking, at BRAC Bank as Head of ICCD, Head of Branch Banking, Head of Customer Experience, Head of Product & Marketing, Head of Liability & NFB Business, Head of L&WMD, at SCB as Sr. Manager and etc. Mr. Choudhury started his career as Management Trainee at South East Bank Ltd. He obtained MBA (Finance) degree from NSU.



**Mr. Mohammad Mahfuzur Rahman**  
**SEVP & Head of Operation**

Mr. Mohammad Mahfuzur Rahman joined Meghna Bank Limited on March 01, 2021 as Senior Executive Vice President.

Mr. Rahman possesses good and versatile career of more than 21 years. Currently he is leading the Bank as Head of Operations with expertise. Before joining the Bank he was at The City Bank Limited. There he added good values in supervising operational process, internal control, risk management and etc. As head of Operations he also supervised overall activities including Centralized Service Delivery, Central Clearing Unit, Trade Support Operations, Treasury Operations, Operations Project and etc. in his career. He earned his MBA (in AIS) degree from University of Dhaka.



**Mr. Kimiwa Saddat**  
**SEVP & Head of Corporate Banking**

Mr. Kimiwa Saddat joined Meghna Bank Limited on March 25, 2019 and currently leading the Bank as Senior Executive Vice President & Head of Corporate Banking.

Mr. Saddat has played an instrumental role in growing Corporate Business since beginning. Under his leadership Meghna Bank Corporate Banking is being recognized as one of the preferred names among leading Corporate Houses in country. He has more than 18 years of experience in banking industry covering both local and multinational banks. During this journey he worked for The City Bank Limited, Eastern Bank Limited, HSBC Bangladesh and GSP Finance Limited in different roles. Mr. Saddat did his BBA and MBA major in Finance from University of Dhaka. He is also a certified Financial Consultant from Institute of Financial Consultants (IFC), Canada.

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Head Office, Dhaka



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Md. Rafiqul Islam Khan, FCS  
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Meghna Bank Limited  
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**Mr. Md. Sadiqur Rahman**  
**EVP & Head of Treasury**

Mr. Md. Sadiqur Rahman joined Meghna Bank Limited on September 01, 2013 and currently leading the Bank as Executive Vice President & Head of Treasury.


Mr. Rahman is playing very instrumental role in Treasury function of the Bank. He possesses good and versatile career of more than 22 years. Before joining the Bank he had long good experience in AB Bank at diversified roles as Head of Corporate Treasury and ALM, Chief Dealer, Branch Manager and etc. He started his career at Sonali Bank as Senior Officer. He obtained his MBA from University of Dhaka and MBM from BIBM.



**Ms. Kazi Farhana Zabin**  
**EVP & Head of L&WMD**

Ms. Kazi Farhana Zabin joined Meghna Bank Limited on April 01, 2013 and currently leading the Bank as Executive Vice President & Head of Liability & Wealth Management Division.


Ms. Zabin possesses good and versatile career of more than 27 years. Before joining the Bank she served ONE Bank Ltd. as Manager Corporate Affairs & HR, Show & Tell Event Management as CEO & Director, Rangs Group as Head of HR & Business Development, Kallol Group of Companies Ltd. as Head of Human Resources, Corporate Affairs & Business Development. She did her Masters from University of Dhaka.



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rsa  
ADVISORY



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**I.Q.M. Abdul Jalil**  
**EVP & Head of CRM**

Mr. I.Q.M. Abdul Jalil joined Meghna Bank Limited on November 30, 2020 as Executive Vice President.

Mr. Jalil possesses good and versatile career of more than 19 years. Currently he is leading the Bank as Head of Credit Risk Management Division with expertise. Before joining the Bank he had long good experience in AB Bank at diversified roles. Mr. Jalil started his career as Management Trainee at The City Bank Ltd. He possesses MBA (Finance) degree from University of Dhaka with numerous overseas trainings.




**Mr. Md. Rafiqul Islam**  
**SVP & Head of Branch Business**

Mr. Md. Rafiqul Islam joined Meghna Bank Limited on March 23, 2020 and currently leading the Bank as Senior Vice President & Head of Branches Division.

Mr. Islam is playing an instrumental role in growing Branch Business. He has more than 16 years of experience in banking industry. During this journey he worked for ONE Bank Ltd. as Head of Retail Business, EBL as Head of Business Performance Management, DBBL as Retail Sales & Services Manager under Retail and SME, HSBC as PFS & MIS supervisor and etc. in different roles. Mr. Islam did his MBA (Marketing) from AIUB.

  
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**Mr. Saifur Rahman Shawkat**  
SVP & Head of IT

Mr. Saifur Rahman Shawkat joined Meghna Bank Limited on January 11, 2021 and currently leading the Bank as Senior Vice President & Head of IT.

Prior to joining Meghna Bank Limited, Mr. Shawkat worked in Southeast Bank Limited, The City Bank Limited and Beximco Computers Limited in different segments. He has more than 20 years of exposure in IT Consulting & Outsourcing, Project Management & Coordination, Technology Transition, Absorption, Quality & Process Management and managed IT support services for large enterprise applications like Core Banking Software, Islamic Banking, Card Management System, Data Warehouse-BI, SAP, etc. He has completed his B.Sc (Physics) and M.Sc (Computer Science) from Dhaka University.




**Rashedul Alam**  
VP & Head of Human Resources


Mr. Rashedul Alam joined Meghna Bank Limited on December 21, 2020 and currently leading the Bank as Vice President & Head of HR.

Prior to joining Meghna Bank Limited, Mr. Alam worked in BRAC & BRAC Enterprises, IFIC Bank Ltd. and Trust Bank Ltd., Dhaka Bank Ltd. in different segments. He has more than 14 years of exposure in diversified roles as GM of Human Resources & Learning, Head of HR Development & Talent Management, Deputy Head of HR and etc. He has completed his Executive MBA from IBA and MBA (Finance) from University of Dhaka.

  
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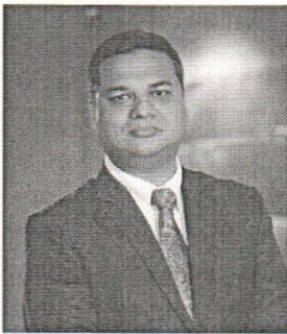




**Mr. Subir Mazumder**  
**VP & Head of ICCD**

Mr. Subir Mazumder joined Meghna Bank Limited on December 10, 2018 and currently leading the Bank as Vice President & Head of Internal Control and Compliance.

Prior to joining Meghna Bank Limited, Mr. Mazumder worked in BRAC Bank Ltd. and MABS & J Partners, Chartered Accountants in different segments. He has more than 18 years of exposure in diversified roles as Chief Auditor, Head of Head Office Audit, Financial Analyst, Consultant, Manager, Audit Supervisor and etc. He has completed his MBA from North South University.




**Mr. Mohammad Kaiser**  
**VP & Head of Audit**

Mr. Mohammad Kaiser joined Meghna Bank Limited on July 15, 2013 and currently leading the Bank as Vice President & Head of Audit.

Prior to joining Meghna Bank Limited, Mr. Kaiser worked in Habib Bank Ltd. as Head of ICU & CAMLCO. He also served EBL as Associate Manager, Audit in his career. He has more than 14 years of exposure in diversified roles. He did his Masters in Bank Management from East West University.




**Khairul Bashar A. T. Mohammed**  
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Head Office, Dhaka.



**Sajib Kumar Saha, FCA**  
VP & Head  
Financial Administration Division  
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**Sohail R. K. Hussain**  
Managing Director & CEO  
Meghna Bank Limited



**Md. Rafiqul Islam Khan, FCS**  
Company Secretary  
Meghna Bank Limited





**Mr. Sajib Kumar Saha, FCA**  
**VP & Head of FAD**

Mr. Sajib Kumar Saha joined Meghna Bank Limited on July 15, 2013 and currently leading the Bank as Vice President & Head of Finance.

Prior to joining Meghna Bank Limited, Mr. Saha worked in Habib Bank Ltd. and ONE Bank Ltd. with multidisciplinary roles. He is also a Chartered Accountant & Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). Mr. Saha possesses good and versatile career of more than 15 years.




**Mr. Zishan Ahammad**  
**VP & Head of Cards**


Mr. Zishan Ahammad joined Meghna Bank Limited on November 26, 2020 and currently leading the Bank as Vice President & Head of Cards.

Prior to joining Meghna Bank Limited, Mr. Ahammad worked in UCBL, The City Bank Ltd., Prime Bank Ltd., NCC Bank Ltd. and Bangladesh Electric Payment Systems (BEPS) on diversified roles. He possess more than 13 years of experience in card management system development and implementation. He has expertise in Digital payments, Product Management, Card operations, Application administration, Payment solutions, Payment networks, programming and etc. He obtained his MBA (MIS) degree from University of Dhaka.

  
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Sohail R. K. Hussain  
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Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited





**Mr. M. Riyadh Farhan**  
**VP & Head of SME**

Mr. M. Riyadh Farhan joined Meghna Bank Limited on January 31, 2021 and currently leading the Bank as Vice President & Head of SME.

Prior to joining Meghna Bank Limited, Mr. Farhan worked in Prime Bank Limited, BRAC Bank Limited and AB Bank Limited in different segments. He has more than 17 years of experience in Medium Business, Micro & Cottage Business, Middle Market & Trade Business etc. He has completed his Master of Professional Banking from University of Dhaka and MBA from Asian University of Bangladesh.




**Md. Rafiqul Islam Khan, FCS**  
**Company Secretary**


Mr. Md. Rafiqul Islam Khan joined Meghna Bank Limited on July 23, 2018 and currently leading the Bank as First Assistant Vice President & Company Secretary.

Prior to joining Meghna Bank Limited, Mr. Khan worked in International Leasing and Financial Services Ltd. as Company Secretary, in GSP Finance Company (Bangladesh) as Deputy Company Secretary and in Advanced Software Development as Executive-HR & Administration. He has more than 14 years of experience in diversified roles. Mr. Khan is a Fellow member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He completed his Honors and Masters from a public university and LLB from National University.

  
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Chief Executive Officer  
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Sajib Kumar Saha, FEA  
VP & Head  
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Company Secretary  
Meghna Bank Limited



## 10 Description of Encumbered and Unencumbered Assets with Value Thereof

### 10.1 Encumbered Assets

Meghna Bank Ltd. has no encumbered assets as on 31 December 2020.

### 10.2 Unencumbered Assets

All the assets of the Issuer including all fixed assets are unencumbered as on 31 December 2020.



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Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited



## 11 Description of Assets and Liabilities

### 11.1 Description of Assets (Solo)

Since Meghna Bank Limited is a commercial bank, most of its assets are financial assets like loans & advances, bills discounted, government treasury securities, debt and equity securities issued by corporates, etc. while loans & advances comprises the lion's share of the company's total assets. At the end of December 2020 total assets of MGBL stood at BDT 52,871.1 million. Details breakdown of total assets are given below.

Table 8: Composition of Total Asset

Types of Assets	31 December 2020
	BDT mn
Cash	3,602.2
Balance with Other Banks & Financial Institutions	2,521.7
Money at Call and Short Notice	130.0
Investments	9,464.1
Loans and Advances	35,840.6
Fixed Asset including Premises, Furniture & Fixture	218.6
Other Assets	1,093.9
<b>Total Assets</b>	<b>52,871.1</b>

#### Cash:

MGBL's Cash & Cash equivalents at the end of December 2020 stood at BDT 3,602.2 million and most of that was kept with Bangladesh Bank.

Table 9: Details of Cash

	31 December 2020
	BDT mn
<b>In Hand (Including foreign currency)</b>	<b>593.9</b>
Local Currency	590.7
Foreign Currency	3.1
<b>Balance with Bangladesh Bank and its Agent Bank</b>	<b>3008.3</b>
Balance with Bangladesh Bank (Local Currency)	2946.0
Balance with Bangladesh Bank (Foreign Currency)	62.3
Balance with Agent Bank	-
<b>Total Cash Balance</b>	<b>3,602.2</b>

#### Balance with Other Banks & Financial Institutions:


MGBL's total Balance with other banks and financial institutions stood at BDT 2,521.7 million on solo basis at the end of December 2020, out of which BDT 305.9 million was outside Bangladesh.

Table 10: Balance with Other Banks & Financial Institutions


	31 December 2020
	BDT mn
In Bangladesh	2,215.9
Outside Bangladesh	305.9
<b>Balance with Other Banks &amp; Financial Institutions</b>	<b>2,521.7</b>

#### Money at Call and Short Notice:

  
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MGBL has BDT 130.0 million outstanding balance lent in call and short notice as on 31 December 2020.

Table 11: Details of Money at Call and Short Notice

	31 December 2020
	BDT Mn
Inside Bangladesh	130.0
Outside Bangladesh	-
<b>Total Money at call and on short notice</b>	<b>130.0</b>

**Investments:**

MGBL's total investments as of 31 December 2020 was BDT 9,464.1 million of which 95% were invested government securities.

Table 12: Details of Investments

	31 December 2020
	BDT mn
<b>Government Securities</b>	<b>9031.5</b>
Treasury Bills	-
Treasury Bonds	9030.6
Prize Bonds	0.9
<b>Others</b>	<b>432.6</b>
1) Trust Bank Limited Subordinate Bond-II	20.0
2) Investment in MAXCAP DPA-IDLC	0.0
3) Investment in Shares at cost	412.6
<b>Total Investment</b>	<b>9,464.1</b>

**Loans and Advances:**

Out of the BDT 35,840.6 million total loans and advances, BDT 7555.13 million was General Term Loan (21.1%).


Table 13: Details of Loans and Advances

	31 December 2020
	BDT mn
<b>i) Loans, Cash Credits, Overdraft, etc.</b>	
Cash Credit	5026.0
Overdraft	6447.5
Import finance	1469.8
Other Demand Loans	10566.8
Hire Purchase Finance	0.1
Demand Loan (Forced Loan)	101.6
Consortium/Syndicate Finance	197.3
House Building Loan	2326.5
Credit Card A/C	250.0
General Term Loans	7555.1
Agricultural and Rural Credit Scheme	1445.9
SME Loans and Advances	1.2
Personal/Professionals Loan Scheme	394.3
<b>ii) Bills purchased and discounted</b>	
Payable Inside Bangladesh	39.7
Payable outside Bangladesh	18.8
<b>Total Loans and Advances</b>	<b>35840.6</b>

Fixed assets:



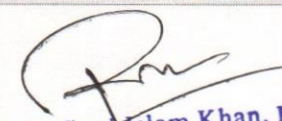
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MGBL's fixed assets include land, buildings, machineries & equipment and furniture and fixtures among others. At the end of 31 December 2020 MGBL's total net fixed assets stood at BDT 218.6 million.

Table 14: Details of Fixed Assets

	<b>31 December 2020</b>
	<b>BDT mn</b>
Vehicles	34.3
Machinery and Equipment	159.4
Furniture & Fixtures	260.0
Computer & Computer Peripherals	177.3
Office Tools & Accessories	22.0
Intangible Assets	77.8
<b>Total Cost</b>	<b>730.7</b>
Less: Accumulated Depreciation	512.2
<b>Written down value at the end of the year</b>	<b>218.6</b>

**Other Assets:**


MGBL's other assets include investments in subsidiary companies, interest/profit receivables, security deposit, suspense account among others. Total other assets of the MGBL at the end of December 2020 stood at BDT 1093.9 million on solo basis.

Table 15: Details of Other Assets


	<b>31 December 2020</b>
	<b>BDT mn</b>
Stock of Stationery, Stamps and Printing Materials etc.	6.8
Advance Rent	169.7
Suspense Account	73.1
Interest receivable	419.1
Security Deposit	0.1
Interest on Sanchaypatra	5.8
NCCB Securities & Financial Services Ltd	0.0
Receivable from MGBL Islamic Banking Project	0.9
Meghna Bank Securities Ltd	1.8
Prepaid Expenses	0.6
Investment in Subsidiary	350.0
Deferred Tax Assets	51.9
BEFTN Adjustment Account	0.2
S/D RFA SEBL - Western Union	0.6
Clearing Adjustment A/C	0.0
Interest on Investment Bond- Customer	2.6
Chargeback Account for VISA Cards	0.1
Accrued Income on Shares	10.5
<b>Total Other assets</b>	<b>1093.9</b>

  
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## 11.2 Description of Liabilities (Solo)

At the end of December 2020, total liabilities of Meghna Bank Limited stood at BDT 46,873.6 million. Description of these liabilities are given below:

Table 16: Description of Liabilities

	<b>31 December 2020</b>
	<b>BDT mn</b>
Borrowings from other Banks, FIs and Agents	558.6
Deposits and Other Accounts	43,330.1
Other Liabilities	2,984.9
<b>Total</b>	<b>46,873.6</b>

### Borrowings from other banks, financial institutions, and agents:

MGBL's borrowing from other banks, financial institutions & agents stood at BDT 558.6 million at the end of December 2020. MGBL borrowed the whole amount from Bangladesh Bank.

Table 17: Description of Borrowings

	<b>31 December 2020</b>
	<b>BDT mn</b>
<b>In Bangladesh</b>	<b>558.6</b>
Bangladesh Bank	558.6
Call & Term Borrowing from Other Banks and FIs	-
<b>Outside Bangladesh</b>	<b>-</b>
<b>Borrowings from other banks, financial institutions and agents</b>	<b>558.6</b>

### Deposits and other accounts:

Given the nature of its business, MGBL's major liabilities come in the form of deposits and other accounts. At the end of December 2020, MGBL's total deposits & other accounts stood at BDT 43,330.1 million.

Table 18: Description of Deposits and Other Accounts

	<b>31 December 2020</b>
	<b>BDT mn</b>
Current Accounts & Other Accounts	3,382.7
Bills Payable	298.1
Savings Bank Deposits	2,845.2
Fixed Deposits	36,804.2
<b>Total Deposit &amp; Other Accounts</b>	<b>43,330.1</b>

### Other Liabilities:

MGBL's other liabilities include various provisions including provision for classified and unclassified loans & advances, provision for off-balance sheet exposure, provision for income tax and others. At the end of December 2020, MGBL's other liabilities stood at BDT 2,984.9 million.

Table 19: Description of Other Liabilities

Interest Payable on Deposits & Borrowings	450.0
Provision for Loans and Advances	1162.5
Special General Provision-COVID-19	120.8
Provision for Off-Balance Sheet items	49.3
Provision for other Assets	37.4
Provision for Investment in Securities	37.7



Non-Resident Accounts	2.8
Interest Suspense A/C	576.2
Settlement with NPSB	0.1
Provision for Taxation	339.5
Sundry Creditors	10.6
BEFT Settlement Account	1.8
Agent Monitoring & Collection Account	0.1
Provision for Gratuity	35.7
MGBL General Account	0.0
MGBL MFS Payable Accounts	1.6
Adjusting Account Credit	158.9
	<b>2984.9</b>



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MTB Capital Ltd.  
Head Office, Dhaka



Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited



Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited



## 12 Description of Previously Issued Debt or Equity Securities

Meghna Bank Limited did not issue any equity shares through Initial Public Offer (IPO) or debt securities under Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2012.



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**13 Auditors' Report Along with Audited Financial Statements of MGBL**

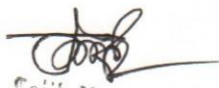
**Meghna Bank Limited & its Subsidiaries**

**Auditors' report on consolidated and separate financial statements**

**For the year ended 31 December 2020**



**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd  
Head Office, Dhaka



**Sojib Kumar Saha, FCA**  
VP & Head  
Financial Administration Division  
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**Md. Rafiqul Islam Khan, FCS**  
Company Secretary  
Meghna Bank Limited



**PRIVATE & CONFIDENTIAL**

**“Meghna Bank Limited”**

**Audit Report and Audited Financial Statements of  
for the year ended December 31, 2020.**

**KWSR** Khan  
Wahab  
Shafique  
Rahman & Co.  
CHARTERED ACCOUNTANTS  
SINCE 1968


A member of

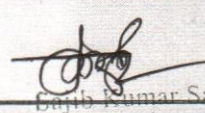
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## Independent Auditors' Report

### To the Shareholders of Meghna Bank Limited

#### Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion

We have audited the consolidated financial statements of Meghna Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of Meghna Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2020 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 and other explanatory information.

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 2020 and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in notes 2.

#### 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), 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

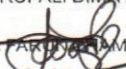
The consolidated and separate financial statements of Meghna Bank Limited for the year ended December 31, 2019, were audited by Mahfel Huq & Co. Chartered Accountants, who expressed an unmodified opinion on those statements on March 11, 2020.

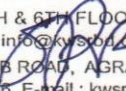


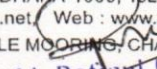
**HEAD OFFICE :** RUPALI BIMA BHABAN, 7, RAJUK AVENUE (5TH & 6TH FLOOR), MOTIJHEEL, DHAKA-1000, Tel: 9565136, 9551663, 9551821  
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Company Secretary  
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## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

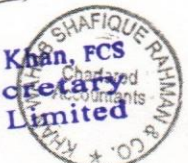
Description of key audit matters	Our response to key audit matters
<b>Measurement of provision for Loans and Advances</b>	
<p>The process for estimating the provision for advance portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At the year end the Bank reported total gross loan and advances of BDT 35,840.62 Million (2019: BDT 34,362.62 Million) and total provision for Loan and Advances BDT 1,162.45 Million (2019: BDT 1,159.60 Million). We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> <li>• Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 &amp; BRPD circular no.03 dated 21 April 2019 &amp; BRPD circular no.17 dated 28 September 2020 &amp; BRPD circular no.56 dated 10 December 2020.</li> <li>• For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows;</li> </ul>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators;</li> <li>• Reviewed quarterly Classification of Loans (CL);</li> <li>• Followed Bangladesh Bank's circular and guidelines;</li> </ul> <p>Our substantive procedures in relation to the provision for loan and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the Banks general and specific provisions;</li> <li>• Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information and;</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> </ul>

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Sohail R. K. Hussain  
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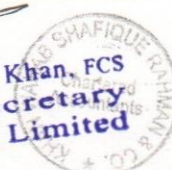
Description of key audit matters	Our response to key audit matters
<p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	
<p>See note no 8a, 8a.10, and 13 to the financial statements</p>	
<p><b>Valuation of treasury bill and treasury bond</b></p>	
<p>The classification and measurement of treasury bill and treasury bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of treasury bill and treasury bond is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Group to identify and confirm the existence of financial instruments.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instrument valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines</p>
<p>See note no 2.11.3 and 7a to the financial statements</p>	
<p><b>Legal and regulatory matters</b></p>	
<p>We focused on this area because the Bank and its subsidiary (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p>

  
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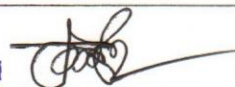
  
 Md. Rafiqul Islam Khan, FCS  
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Description of key audit matters	Our response to key audit matters
<p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We enquired of the Group's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Group's provisions and contingent liabilities disclosure.</p>
<b>IT Systems and controls</b>	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness to the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls).</p> <p>This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization.</p>
<b>Carrying value of investments in subsidiary(s) by the Bank</b>	
<p>The Bank has invested in equity shares of its subsidiary Meghna Bank Securities Ltd. As at 31 December 2020 the carrying value of this investment is BDT 349.99 million.</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in Meghna Bank Securities Ltd. stated at cost.</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p>

  
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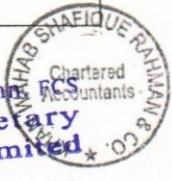
Description of key audit matters	Our response to key audit matters
<p>Management has conducted impairment assessment and calculated recoverable value of its subsidiary Meghna Bank Securities Ltd. in accordance with IAS 36 (Impairment of assets) as there was no existence of impairment indication.</p>	<p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p>
<p>See note no 1.3, 1.3.1, 2.14 and 10.00 to the financial statements</p>	
<p><b>Impact of COVID-19 on Business</b></p>	
<p>On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to corona Virus related respiratory disease commonly called as COVID-19. It has a big impact on imports, other procurement, production, export, and other activities of the Global business. The government of Bangladesh has declared general holidays from 26.03.2020 to 30.05.2020 and majority of entity of our country was compelled to reduce their operation at that period. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are affected which would also impact the Bank as well. Although the business operation of the Bank and profitability of the Bank are impacted due to COVID-19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will prevail, the potential impact of COVID-19 related matters on the Bank's operation and financial results cannot be reasonably assessed.</p>	<p>Regarding COVID-19 pandemic effect on the business activities of Meghna Bank Limited, we have discussed with the management of Meghna Bank Limited on the potential impact of pandemic on the Bank. We also compared the Financial Statements figures of pre-condensed period with the current period to find out the impact of COVID-19 Pandemic on the Business. Moreover, we have checked the deposit, disbursement and recovery pattern during the pandemic period and compared the same with pre pandemic period. We have also analyzed the expenditure management policy and other health and safety regulations on test basis.</p>
<p>See note no 2.37 to the financial statements</p>	

  
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## 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 read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## 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 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 as amended 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

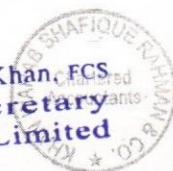
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, 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

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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.

  
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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.

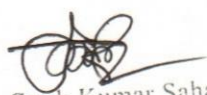
### Report on other Legal and Regulatory Requirements

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

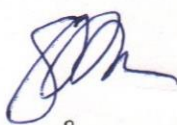
- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility 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 antifraud internal controls and instances of fraud and forgeries as stated under the Responsibility of Management and those charged with governance for the consolidated & Separate financial statements and internal control 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 Bank and its related entities {other than matters disclosed in these financial statements};
- (iii) financial statements of Meghna Bank Limited's subsidiaries namely, Meghna Bank Securities Ltd. 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;



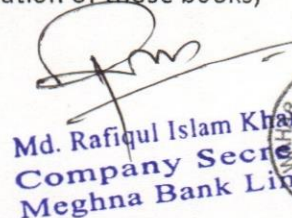
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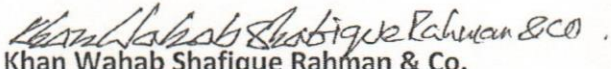
Md. Rafiqul Islam Khan, FCS  
Chartered Accountants  
Company Secretary  
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- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and 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 as per tripartite meeting held on 01 March, 2021 and Bangladesh bank approved given vide letter no. DBI-1/135/2021/594 dated 07 March, 2021
- (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 2,533 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.


Dated, Dhaka  
22 March 2021

  
Khan Wahab Shafique Rahman & Co.  
Chartered Accountants  
Signed by: Faruk Ahmed FCA  
Partner  
Enrolment No.: 1591  
DVC: 2103221591AS311355

  
Chairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

  
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited


  
Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited



**MEGHNA BANK LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT DECEMBER 31, 2020**

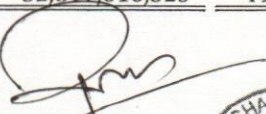
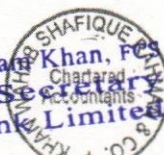
Particulars	Notes	2020 Taka	2019 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		<b>3,602,169,136</b>	<b>3,184,997,622</b>
Cash in hand (Including Foreign Currencies)	3	593,882,216	637,077,026
Balance with Bangladesh Bank and Its agent Bank (s) (Including Foreign Currencies)	4	3,008,286,920	2,547,920,596
<b>Balance with other Banks and Financial Institutions</b>	5	<b>2,540,880,292</b>	<b>3,526,339,733</b>
In Bangladesh		2,235,029,866	3,258,302,893
Outside Bangladesh		305,850,426	268,036,840
<b>Money at Call on Short Notice</b>	6	<b>130,000,000</b>	<b>2,070,000,000</b>
<b>Investments</b>	7	<b>9,831,425,806</b>	<b>5,491,137,051</b>
Government		9,031,518,336	4,765,724,684
Others		799,907,470	725,412,367
<b>Loans and Advances</b>	8	<b>35,800,084,555</b>	<b>34,362,615,024</b>
Loans, Cash credits, Overdrafts, etc.		35,741,606,049	34,196,996,809
Bills Purchased and Discounted		58,478,506	165,618,215
<b>Fixed Assets Including Premises, Furniture and Fixtures</b>	9	<b>220,726,865</b>	<b>280,943,017</b>
<b>Other Assets</b>	10	<b>771,723,669</b>	<b>435,119,220</b>
<b>Non Banking Assets</b>		-	-
<b>Total Assets</b>		<b>52,897,010,323</b>	<b>49,351,151,667</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other Banks, Financial Institutions and Agents</b>	11	<b>558,616,000</b>	<b>324,256</b>
<b>Deposits and Other Accounts</b>	12	<b>43,315,011,841</b>	<b>41,084,339,157</b>
Current Accounts & Other Accounts		3,382,687,908	3,975,363,378
Bills Payable		298,059,470	431,631,087
Savings Bank Deposits		2,845,203,073	2,165,812,724
Fixed Deposits		36,789,061,390	34,511,531,968
Bearer Certificate of Deposit		-	-
Other Deposits		-	-
<b>Other Liabilities</b>	13	<b>3,010,914,130</b>	<b>2,868,896,984</b>
<b>Total Liabilities</b>		<b>46,884,541,971</b>	<b>43,953,560,397</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	14a.2	4,698,980,000	4,698,980,000
Statutory Reserve	15	765,650,891	641,806,839
Other Reserve (Revaluation of HFT & HTM Securities)	16	104,751,544	540,736
Surplus in Profit and Loss Account/Retained Earnings	17	443,085,813	56,263,593
<b>Total Shareholders' Equity</b>		<b>6,012,468,248</b>	<b>5,397,591,168</b>
Non-controlling Interest	18	104	102
<b>Total Shareholders' Equity with Non-Controlling Interest</b>		<b>6,012,468,352</b>	<b>5,397,591,270</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>52,897,010,323</b>	<b>49,351,151,667</b>

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

10

  
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited

  
Md. Rafiqul Islam Khan, FCA  
Chartered  
Company Secretary  
Meghna Bank Limited  




**MEGHNA BANK LIMITED**  
**CONSOLIDATED OFF- BALANCE SHEET ITEMS**  
**AS AT DECEMBER 31, 2020**

Particulars	Notes	2020 Taka	2019 Taka
<b>CONTINGENT LIABILITIES</b>			
Acceptances and Endorsements	19	196,239,172	731,624,552
Letters of Guarantee	20	3,306,789,418	2,774,560,665
Irrevocable Letters of Credit	21	1,418,051,665	738,189,924
Bills for Collection		107,712,365	234,154,720
Other Contingent Liabilities		-	-
<b>Total</b>		<b>5,028,792,620</b>	<b>4,478,529,861</b>
<b>OTHER COMMITMENTS</b>			
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		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES</b>		<b>5,028,792,620</b>	<b>4,478,529,861</b>

Accompanying (1 - 47) notes form integral parts of these financial statements

  
 Director

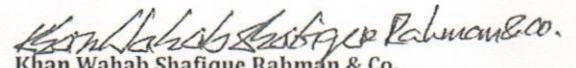
  
 Director

  
 Director


  
 Managing Director & CEO


Signed in terms of our report of even date

Dhaka, 22 March, 2021

  
 Khan Wahab Shafique Rahman & Co.  
 Chartered Accountants  
 Signed by: Faruk Ahmed FCA  
 Partner  
 Enrolment No.: 1591  
 DVC: 2103221591AS311355

  
 Khairul Bashar A. T. Mphammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

  
 Sajib Kumar Saha, FCA  
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 Financial Administration Division  
 Meghna Bank Limited

11  
  
 Sohail R. K. Hussain  
 Managing Director & CEO  
 Meghna Bank Limited

  
 Md. Rafiqul Islam Khan FCS  
 Company Secretary  
 Meghna Bank Limited

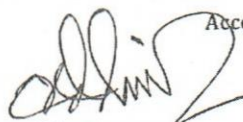





**MEGHNA BANK LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED AS ON DECEMBER 31, 2020**

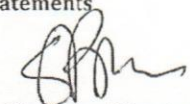
Particulars	Notes	2020 Taka	2019 Taka
Interest Income	23	3,212,801,102	4,266,718,694
Interest paid on Deposits and borrowings etc	24	2,594,947,558	2,799,392,304
<b>Net Interest Income</b>		<b>617,853,544</b>	<b>1,467,326,390</b>
Investment Income	25	1,052,972,017	348,531,647
Commission, Exchange and Brokerage	26	126,967,446	155,883,847
Other Operating Income	27	78,208,974	74,035,428
		<b>1,258,148,437</b>	<b>578,450,922</b>
<b>Total Operating Income</b>		<b>1,876,001,981</b>	<b>2,045,777,312</b>
Salaries and Allowances	28	540,276,462	604,359,115
Rent, Taxes, Insurances, Electricity etc.	29	240,317,243	252,906,917
Legal Expenses	30	609,905	958,630
Postage, Stamps, Telecommunication etc.	31	20,764,871	19,643,511
Stationery, Printings, Advertisements etc.	32	13,287,654	14,112,311
Chief Executive's Salary & Fees	33	17,130,135	15,365,090
Directors' Fees	34	1,488,000	1,912,000
Auditors' Fees	35	395,000	455,000
Charges on loan losses		-	-
Depreciation & Repairs of Bank's Assets	36	91,686,423	100,086,245
Other Expenses	37	208,756,262	205,612,913
<b>Total Operating Expenses</b>		<b>1,134,711,955</b>	<b>1,215,411,732</b>
<b>Profit/(Loss) before Provision</b>	22	<b>741,290,026</b>	<b>830,365,580</b>
Specific Provision for Classified Loans and Advances		20,400,000	(255,050,000)
General Provision for Unclassified Loans and Advances		(23,250,000)	(41,050,000)
General Provision for Off-Balance Sheet Exposures		(6,750,000)	13,700,000
Special General Provision - Covid-19		(120,835,938)	-
Provision for Diminution in value of Investments		19,166,211	(27,522,736)
Other Provisions		15,000	(11,900,000)
<b>Total Provision</b>	38	<b>(111,254,727)</b>	<b>(321,822,736)</b>
<b>Total Profit/(Loss) before Taxes</b>		<b>630,035,299</b>	<b>508,542,844</b>
<b>Provision for Taxation</b>			
Current Tax	13.2	(171,300,000)	(371,250,000)
Deferred Tax	10a.4	51,930,976	-
		<b>(119,369,024)</b>	<b>(371,250,000)</b>
<b>Net Profit after Taxation</b>		<b>510,666,275</b>	<b>137,292,844</b>
Retained earnings brought forward from previous years		56,263,593	19,877,114
		<b>566,929,868</b>	<b>157,169,958</b>
<b>Appropriations</b>			
Statutory Reserve	15	123,844,052	100,906,365
Non-controlling Interest	17.1	3	1
General Reserve		-	-
		<b>123,844,055</b>	<b>100,906,366</b>
<b>Retained Surplus</b>		<b>443,085,813</b>	<b>56,263,593</b>
<b>Earnings Per Share (EPS)</b>	39	<b>1.09</b>	<b>0.29</b>

Accompanying (1 - 47) notes form integral parts of these financial statements

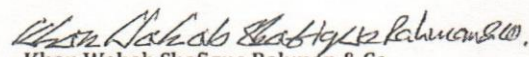
  
Director

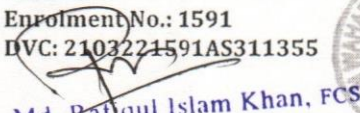
  
Director

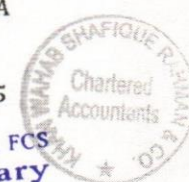
  
Director

  
Managing Director & CEO  
Signed in terms of our report of even date


Dhaka, 22 March, 2021

  
Khan Wahab Shafique Rahman & Co.  
Chartered Accountants  
Signed by: Faruk Ahmed FCA  
Partner  
Enrolment No.: 1591  
DVC: 2103221591AS311355

  
Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited



  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

  
12  
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



**MEGHNA BANK LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED AS ON DECEMBER 31, 2020**

Particulars	Notes	2020 Taka	2019 Taka
<b>Cash Flows from Operating Activities</b>			
Interest receipts in cash	40	3,378,870,540	4,594,626,383
Interest Payments	41	(2,787,262,570)	(2,657,174,854)
Dividends Receipts		29,144,388	10,588,416
Fee & Commission receipts in cash		126,967,446	155,883,847
Recoveries on loans previously written off		-	-
Cash Payments to Employees		(557,406,597)	(619,724,205)
Cash Payments to Suppliers		(13,287,654)	(14,112,311)
Income Taxes Paid		(271,185,001)	(270,387,569)
Receipts from other Operating activities	42	602,549,807	79,858,691
Payments for other Operating activities	43	(480,661,015)	(492,167,744)
<b>Operating Profit before changes in Operating Assets and Liabilities</b>		<b>27,729,345</b>	<b>787,390,654</b>
<b>Increase/Decrease in Operating Assets and Liabilities</b>			
Statutory Deposits		-	-
Purchase/Sale of Trading Securities (Treasury bills)		-	-
Loans and Advances to Other Banks		-	-
Loans and Advances to Customers		(1,437,469,532)	(4,208,937,866)
Other Assets	44	49,931,940	(42,606,010)
Deposits from other Banks		1,387,492,414	(1,021,018,269)
Deposits from Customers		843,180,270	5,728,894,539
Other liabilities on account of customers		-	-
Trading Liabilities		-	-
Other Liabilities	45	322,962,430	97,537,420
<b>Sub Total</b>		<b>1,166,097,522</b>	<b>553,869,814</b>
<b>A) Net Cash from Operating Activities</b>		<b>1,193,826,867</b>	<b>1,341,260,469</b>
<b>Cash flows from Investing Activities</b>			
Proceeds from sale of Securities		-	-
Payment for purchases of securities		(4,235,897,946)	(679,974,136)
Purchase/Sale of Property, Plant & Equipment		(24,328,593)	(56,157,253)
Purchase/Sale of Subsidiary		-	-
<b>B) Net Cash Used in Investing Activities</b>		<b>(4,260,226,538)</b>	<b>(736,131,390)</b>
<b>Cash flows from Financing Activities</b>			
Borrowing from other banks		558,291,744	(838,839)
Receipts from issue of ordinary share		-	-
Dividends Paid		-	-
<b>C) Net Cash from Financing Activities</b>		<b>558,291,744</b>	<b>(838,839)</b>
<b>D) Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>(2,508,107,927)</b>	<b>604,290,240</b>
<b>E) Effect of Exchange rate changes on cash &amp; cash equivalents</b>		-	-
<b>F) Cash and cash equivalents at the beginning of the year</b>		<b>8,782,063,555</b>	<b>8,177,773,315</b>
<b>G) Cash and cash equivalents at the end of the year (D+E+F)</b>	46	<b>6,273,955,628</b>	<b>8,782,063,555</b>

Accompanying (1 - 47) notes form integral parts of these financial statements


  
 Director

  
 Director

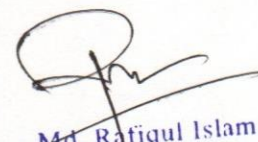
  
 Director

  
 Managing Director & CEO

  
 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

  
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 VP & Head  
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 Meghna Bank Limited

  
 13  
 Sohail R. K. Hussain  
 Managing Director & CEO  
 Meghna Bank Limited

  
 Md. Rafiqul Islam Khan, FCS  
 Chartered Accountants  
 Company Secretary  
 Meghna Bank Limited

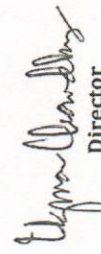


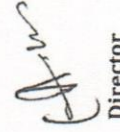
**MEGHNA BANK LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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, 2020	4,698,980,000	641,806,839	540,736	56,263,593	5,397,591,168	102	5,397,591,270
Changes in accounting policy	-	-	-	-	-	-	-
Restated Balance	4,698,980,000	641,806,839	540,736	56,263,593	5,397,591,168	102	5,397,591,270
Net profit for the year	-	123,844,052	-	510,666,275	510,666,275	-	510,666,275
Transfer to statutory reserve	-	-	104,210,808	(123,844,052)	104,210,808	-	104,210,808
Net Surplus/deficit on account of revaluation of Investments	-	-	-	(3)	(3)	3	-
Non-controlling Interest	-	-	-	-	-	-	-
Interim dividend paid by Subsidiary	-	-	-	-	-	-	-
Balance as at 31 December, 2020	4,698,980,000	765,650,891	104,751,544	443,085,813	6,012,468,248	104	6,012,468,352
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

Accompanying (1 - 47) notes form integral parts of these financial statements

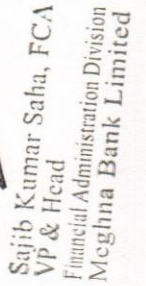
  
**Director**

  
**Director**

  
**Director**

  
**Managing Director & CEO**

  
**Chief Executive Officer**  
**MTB Capital Ltd.**  
 Head Office, Dhaka.

  
**VP & Head**  
 Financial Administration Division  
 Meghna Bank Limited

  
**Managing Director & CEO**  
 Meghna Bank Limited

  
**Company Secretary**  
 Meghna Bank Limited





**MEGHNA BANK LIMITED**  
**BALANCE SHEET**  
**AS AT DECEMBER 31, 2020**


Particulars	Notes	2020 Taka	2019 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		<b>3,602,162,262</b>	<b>3,184,987,954</b>
Cash in hand (Including Foreign Currencies)	3a	593,875,342	637,067,358
Balance with Bangladesh Bank and Its agent Bank (s) (Including Foreign Currencies)	4a	3,008,286,920	2,547,920,596
<b>Balance with other Banks and Financial Institutions</b>	5a	<b>2,521,748,078</b>	<b>3,512,980,551</b>
In Bangladesh		2,215,897,652	3,244,943,711
Outside Bangladesh		305,850,426	268,036,840
<b>Money at Call on Short Notice</b>	6a	<b>130,000,000</b>	<b>2,070,000,000</b>
<b>Investments</b>	7a	<b>9,464,079,314</b>	<b>5,171,377,021</b>
Government		9,031,518,336	4,765,724,684
Others		432,560,978	405,652,337
<b>Loans and Advances</b>	8a	<b>35,840,624,305</b>	<b>34,362,615,024</b>
Loans, Cash credits, Overdrafts, etc.		35,782,145,799	34,196,996,809
Bills Purchased and Discounted		58,478,506	165,618,215
<b>Fixed Assets Including Premises, Furniture and Fixtures</b>	9a	<b>218,576,063</b>	<b>278,789,682</b>
<b>Other Assets</b>	10a	<b>1,093,923,705</b>	<b>766,177,064</b>
<b>Non Banking Assets</b>		-	-
<b>Total Assets</b>		<b>52,871,113,727</b>	<b>49,346,927,296</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other Banks, Financial Institutions and Agents</b>	11a	<b>558,616,000</b>	<b>324,256</b>
<b>Deposits and Other Accounts</b>	12a	<b>43,330,127,348</b>	<b>41,104,080,069</b>
Current Accounts & Other Accounts		3,382,687,908	3,975,363,378
Bills Payable		298,059,470	431,631,087
Savings Bank Deposits		2,845,203,073	2,165,812,724
Fixed Deposits		36,804,176,897	34,531,272,880
Bearer Certificate of Deposit		-	-
Other Deposits		-	-
<b>Other Liabilities</b>	13a	<b>2,984,905,636</b>	<b>2,850,420,270</b>
<b>Total Liabilities</b>		<b>46,873,648,984</b>	<b>43,954,824,595</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	14a.2	4,698,980,000	4,698,980,000
Statutory Reserve	15	765,650,891	641,806,839
Other Reserve (Revaluation of HFT & HTM Securities)	16	104,751,544	540,736
Surplus in Profit and Loss Account/Retained Earnings	17a	428,082,308	50,775,126
<b>Total Shareholders' Equity</b>		<b>5,997,464,743</b>	<b>5,392,102,701</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>52,871,113,727</b>	<b>49,346,927,296</b>


  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
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Sohail R. K. Hussain  
Managing Director & CEO  
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Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited






**MEGHNA BANK LIMITED**  
**OFF- BALANCE SHEET ITEMS**  
**AS AT DECEMBER 31, 2020**

Particulars	Notes	2020 Taka	2019 Taka
<b>CONTINGENT LIABILITIES</b>			
Acceptances and Endorsements	19	196,239,172	731,624,552
Letters of Guarantee	20	3,306,789,418	2,774,560,665
Irrevocable Letters of Credit	21	1,418,051,665	738,189,924
Bills for Collection		107,712,365	234,154,720
Other Contingent Liabilities		-	-
<b>Total</b>		<b>5,028,792,620</b>	<b>4,478,529,861</b>
<b>OTHER COMMITMENTS</b>			
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		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES</b>		<b>5,028,792,620</b>	<b>4,478,529,861</b>

Accompanying (1 - 47) notes form integral parts of these financial statements

  
Director

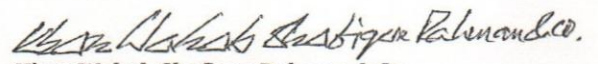
  
Director

  
Director

  
Managing Director & CEO


Signed in terms of our report of even date

Dhaka, 22 March, 2021

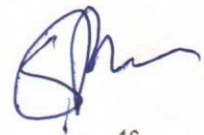
  
Khan Wahab Shafique Rahman & Co.  
Chartered Accountants  
Signed by: Faruk Ahmed FCA  
Partner  
Enrolment No.: 1591  
DVC: 2103221591AS311355



  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka

  
Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

16

  
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited


  
Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited

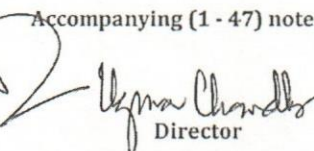


**MEGHNA BANK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED AS ON DECEMBER 31, 2020**

Particulars	Notes	2020 Taka	2019 Taka
Interest Income	23a	3,210,144,344	4,263,880,353
Interest paid on Deposits and borrowings etc	24a	2,595,988,252	2,800,997,745
<b>Net Interest Income</b>		<b>614,156,092</b>	<b>1,462,882,608</b>
Investment Income	25a	1,045,650,846	341,743,908
Commission, Exchange and Brokerage	26a	114,186,771	145,079,223
Other Operating Income	27a	81,646,311	77,833,100
		<b>1,241,483,928</b>	<b>564,656,231</b>
<b>Total Operating Income</b>		<b>1,855,640,020</b>	<b>2,027,538,839</b>
Salaries and Allowances	28a	533,252,515	597,651,661
Rent, Taxes, Insurances, Electricity etc.	29a	239,135,712	251,836,296
Legal Expenses	30a	609,905	958,630
Postage, Stamps, Telecommunication etc.	31a	20,674,655	19,571,595
Stationery, Printings, Advertisements etc.	32a	13,189,764	14,022,104
Chief Executive's Salary & Fees	33	17,130,135	15,365,090
Directors' Fees	34a	1,440,000	1,904,000
Auditors' Fees	35a	350,000	425,000
Charges on loan losses		-	-
Depreciation & Repairs of Bank's Assets	36a	90,962,242	99,067,786
Other Expenses	37a	205,158,896	202,899,853
<b>Total Operating Expenses</b>		<b>1,121,903,824</b>	<b>1,203,702,015</b>
<b>Profit/(Loss) before Provision</b>	22a	<b>733,736,196</b>	<b>823,836,824</b>
Specific Provision for Classified Loans and Advances		20,400,000	(255,050,000)
General Provision for Unclassified Loans and Advances		(23,250,000)	(41,050,000)
General Provision for Off-Balance Sheet Exposures		(6,750,000)	13,700,000
Special General Provision - Covid-19		(120,835,938)	-
Provision for Diminution in value of Investments		15,905,000	(25,005,000)
Other Provisions		15,000	(11,900,000)
<b>Total Provision</b>	38a	<b>(114,515,938)</b>	<b>(319,305,000)</b>
<b>Total Profit/(Loss) before Taxes</b>		<b>619,220,258</b>	<b>504,531,824</b>
<b>Provision for Taxation</b>			
Current Tax	13a.2	(170,000,000)	(370,000,000)
Deferred Tax	10a.4	51,930,976	-
		<b>(118,069,024)</b>	<b>(370,000,000)</b>
<b>Net Profit after Taxation</b>		<b>501,151,234</b>	<b>134,531,824</b>
Retained earnings brought forward from previous years		50,775,126	17,149,667
		<b>551,926,360</b>	<b>151,681,491</b>
<b>Appropriations</b>			
Statutory Reserve	15	123,844,052	100,906,365
General Reserve		-	-
		<b>123,844,052</b>	<b>100,906,365</b>
<b>Retained Surplus</b>	17a	<b>428,082,308</b>	<b>50,775,126</b>
<b>Earnings Per Share (EPS)</b>	39a	<b>1.07</b>	<b>0.29</b>

Accompanying (1 - 47) notes form integral parts of these financial statements


  
Director

  
Director

  
Director

  
Managing Director & CEO

Signed in terms of our report of even date



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

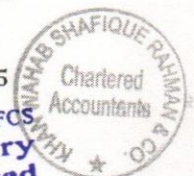
Enrolment No.: 1591

DVC: 2103221591AS311355

Md. Rafiqul Islam Khan, FCS


Company Secretary

Meghna Bank Limited



Dhaka, 22 March, 2021

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

  
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



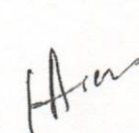
**MEGHNA BANK LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED AS ON DECEMBER 31, 2020**


Particulars	Notes	2020 Taka	2019 Taka
<b>Cash Flows from Operating Activities</b>			
Interest receipts in cash	40a	3,376,213,782	4,591,788,042
Interest Payments	41a	(2,788,303,264)	(2,658,780,295)
Dividends Receipts		26,829,445	4,585,902
Fee & Commission receipts in cash		114,186,771	145,079,223
Recoveries on loans previously written off		-	-
Cash Payments to Employees		(550,382,650)	(613,016,751)
Cash Payments to Suppliers		(13,189,764)	(14,022,104)
Income Taxes Paid		(268,500,783)	(267,962,051)
Receipts from other Operating activities	42a	596,977,940	77,924,155
Payments for other Operating activities	43a	(471,671,156)	(483,315,632)
<b>Operating Profit before changes in Operating Assets and Liabilities</b>		<b>22,160,321</b>	<b>782,280,489</b>
<b>Increase/Decrease in Operating Assets and Liabilities</b>			
Statutory Deposits		-	-
Purchase/Sale of Trading Securities (Treasury bills)		-	-
Loans and Advances to Other Banks		-	-
Loans and Advances to Customers		(1,478,009,282)	(4,208,937,866)
Other Assets	44a	58,789,748	(21,782,389)
Deposits from other Banks		1,387,492,414	(1,021,018,269)
Deposits from Customers		838,554,866	5,678,415,617
Other liabilities on account of customers		-	-
Trading Liabilities		-	-
Other Liabilities	45a	310,785,223	142,503,655
<b>Sub Total</b>		<b>1,117,612,968</b>	<b>569,180,748</b>
<b>A) Net Cash from Operating Activities</b>		<b>1,139,773,290</b>	<b>1,351,461,237</b>
<b>Cash flows from Investing Activities</b>			
Proceeds from sale of Securities		-	-
Payment for purchases of securities		(4,188,311,484)	(678,305,756)
Purchase/Sale of Property, Plant & Equipment		(23,631,715)	(56,141,938)
<b>B) Net Cash Used in Investing Activities</b>		<b>(4,211,943,199)</b>	<b>(734,447,694)</b>
<b>Cash flows from Financing Activities</b>			
Borrowing from other banks		558,291,744	(838,839)
Receipts from issue of ordinary share		-	-
Dividends Paid		-	-
<b>C) Net Cash from Financing Activities</b>		<b>558,291,744</b>	<b>(838,839)</b>
<b>D) Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>(2,513,878,165)</b>	<b>616,174,704</b>
<b>E) Effect of Exchange rate changes on cash &amp; cash equivalents</b>		-	-
<b>F) Cash and cash equivalents at the beginning of the year</b>		<b>8,768,694,705</b>	<b>8,152,520,001</b>
<b>G) Cash and cash equivalents at the end of the period (D+E+F)</b>	46a	<b>6,254,816,540</b>	<b>8,768,694,705</b>

Accompanying (1 - 47) notes form integral parts of these financial statements

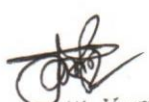
  
Director


  
Director

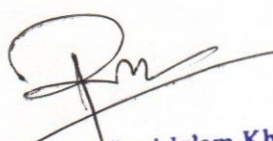
  
Director


  
Managing Director & CEO

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka

  
Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

  
18  
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited

  
Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited



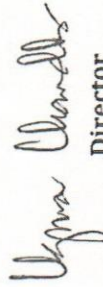


**MEGHNA BANK LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Particulars	Paid-up Capital (Taka)	Statutory Reserve (Taka)	Other Reserve (Taka)	Retained Earnings (Taka)	Total (Taka)
Balance as at 01 January, 2020	4,698,980,000	641,806,839	540,736	50,775,126	5,392,102,701
Changes in accounting policy	-	-	-	-	-
<b>Restated Balance</b>	<b>4,698,980,000</b>	<b>641,806,839</b>	<b>540,736</b>	<b>50,775,126</b>	<b>5,392,102,701</b>
Net profit for the year				501,151,234	501,151,234
Transfer to statutory reserve		123,844,052		(123,844,052)	-
Net Surplus/deficit on account of revaluation of Investments			104,210,808		104,210,808
Balance as at 31 December, 2020	4,698,980,000	765,650,891	104,751,544	428,082,308	5,997,464,743
<b>Balance as at 31 December, 2019</b>	<b>4,698,980,000</b>	<b>641,806,839</b>	<b>540,736</b>	<b>50,775,126</b>	<b>5,392,102,701</b>

Accompanying (1 - 47) notes form integral parts of these financial statements


  
 Director

  
 Director

  
 Managing Director & CEO

  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

  
 Sajib Kumar Saha, FCA  
 VP & Head  
 Financial Administration Division  
 Meghna Bank Limited

  
 Sohail R. K. Hussain  
 Managing Director & CEO  
 Meghna Bank Limited

  
 Md. Rafiqul Islam Khan, FCS  
 Company Secretary  
 Meghna Bank Limited






**MEGHNA BANK LIMITED**  
**LIQUIDITY STATEMENT**  
**ASSETS AND LIABILITIES MATURITY ANALYSIS**  
**AS AT DECEMBER 31, 2020**

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)
<b>Assets</b>						
Cash in hand	593,875,342					593,875,342
Balance with other Banks and Financial Institutions	2,314,611,887	1,767,282,071			1,448,141,040	5,530,034,998
Money at Call on Short Notice	130,000,000					130,000,000
Investment		906,200	432,560,978	1,662,059,681	7,368,552,454	9,464,079,314
Loans and Advances	5,220,831,750	5,697,392,312	11,499,627,639	10,631,340,880	2,791,431,724	35,840,624,305
Fixed Assets including Premises, Furniture & Fixtures					218,576,063	218,576,063
Other Assets	240,634,757	89,170,494	115,171,184	291,128,795	357,818,476	1,093,923,705
Non-banking Assets						
<b>Total Assets (i)</b>	<b>8,499,953,736</b>	<b>7,554,751,077</b>	<b>12,047,359,801</b>	<b>12,584,529,356</b>	<b>12,184,519,757</b>	<b>52,871,113,727</b>
<b>Liabilities</b>						
Borrowing from Other Banks, Financial Institutions & Agents			558,616,000			558,616,000
Deposits and Other Accounts	6,052,357,612	9,689,797,841	10,573,503,410	12,259,333,289	4,755,135,196	43,330,127,348
Provision and Other Liabilities	33,879,876	258,070,315	479,609,433	162,017,930	2,051,328,082	2,984,905,636
<b>Total Liabilities (ii)</b>	<b>6,086,237,488</b>	<b>9,947,868,156</b>	<b>11,611,728,843</b>	<b>12,421,351,219</b>	<b>6,806,463,278</b>	<b>46,873,648,984</b>
<b>Net Liquidity Gap (i-ii)</b>	<b>2,413,716,248</b>	<b>(2,393,117,079)</b>	<b>435,630,958</b>	<b>163,178,137</b>	<b>5,378,056,478</b>	<b>5,997,464,743</b>

  
Director


  
Khairul Bashar A. I. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
Director

  
Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

  
Director

  
Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited

  
Managing Director & CEO





**MEGHNA BANK LIMITED & ITS SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT & FOR THE YEAR ENDED DECEMBER 31, 2020**

**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, 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, card business, treasury management, internet banking, 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 Non-controlling is shown as the Non-controlling Interest which includes share capital of the Non-controlling 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.

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:

**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka

**Sajib Kumar Saha, FCA**  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

**Sohail R. K. Hussain**  
Managing Director & CEO  
Meghna Bank Limited

**Md. Kamrul Islam Khatun**  
Company Secretary  
Meghna Bank Limited





#### a) Presentation of Financial Statements

**IFRS:** As per requirements of IAS 1 financial statements shall comprise statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows, notes, comprising significant 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 from 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 recognized through the profit and loss account. Where securities are measured 'at fair value through other comprehensive income' then gains or losses shall be recognized 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 recognized in (OCI) and shall not reduce the carrying amount of financial assets in the statement of financial position. Securities designated as amortized cost are measured at effective interest rate method and interest income is recognized 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, amortization loss is charged to profit and loss account mark-to-market loss on revaluation of government securities (T-bills/T-bonds) categorized as held for trading (HFT) is charged to profit and loss account but any unrealized gain on such revaluation is recognized to revaluation reserve account. T-bills/T-bonds designated as held to maturity (HTM) are measured at amortized cost but interest income/gain is recognized through equity.

#### d) Provisions on Loans and Advances

**IFRS:** As per IFRS 9 an entity shall recognize 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.

  
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Chief Executive Officer  
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22  
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited

  
Md. Khatiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited





**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 2% 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. Bangladesh Bank also issue BRPD Circular no. 56, dated 10 December 2020 for maintained a special general provision-COVID-19 at 1% on unclassified loans & advances including SMA loans & Advances.

#### 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 recognized 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.

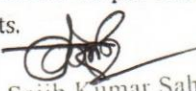
**Bangladesh Bank:** Some cash and cash equivalent items such as 'Money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bonds are not prescribed to be shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury 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

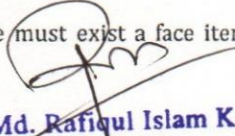
**IFRS:** No indication of non-banking assets is found in any IAS/ IFRS.

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

  
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#### 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 profit or loss and other 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 2.32 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 statement of profit or loss and other comprehensive income.

**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) Leases:


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

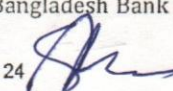
**Bangladesh Bank:** Bangladesh Bank has been reviewing the issue and has not yet published any circular regarding IFRS 16. We shall comply with IFRS 16 as soon as Bangladesh Bank publishes any notification regarding this issue.

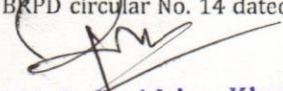
### 2.2 Presentation of Financial Statements

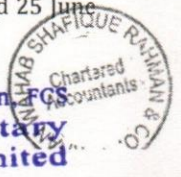
The financial statements are presented in compliance with the provisions of the International Accounting Standards (IAS) - 1 "Presentation of Financial Statements", IAS - 7 "Cash Flow Statements", IAS - 12 "Income Taxes", IAS - 16 "Property, Plant and Equipment" IFRS - 15 "Revenue from Contracts with Customers", along with the guidelines forms and formats provided by the Bangladesh Bank through BRPD circular No. 14 dated 25 June 2003.

  
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Company Secretary  
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## 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 – "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, 2020 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 these financial statements are translated at contracted rates. Contingent Liabilities/ Commitments for letter of credit and letters of guarantee denominated in foreign currencies are expressed in taka terms at the rates of exchanges ruling on the balance sheet dates.

### 2.7.3 Translation Gains and Losses:

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

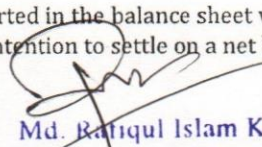
## 2.8 Offsetting

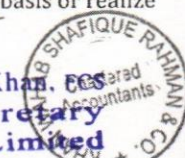
Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

  
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## 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 circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 16 dated 18 November 2014 and BRPD circular no. 56 dated 10 December 2020 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.

If an entity declares dividends to holders of equity instruments (as defined in IAS 32 Financial Instruments: Presentation) after the reporting period, the entity shall not recognize those dividends as a liability at the end of the reporting period as per IAS 10, Para 12.

## 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

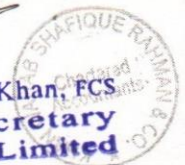
- Loans and Advances are stated at gross amount and before off setting general provisions against them.
- Interest on Loans and Advances is calculated on a daily product basis but charged and accounted for quarterly on an accrual basis.
- Provision for Loans and Advances is made on the basis of year-end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

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Category/Status of loans and advances	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
<b>Provisions for unclassified loans and advances:</b>		
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 general provision-COVID-19	1%	1%
Special Mention Account	0.25% - 2%	0.25% - 2%
<b>Provisions for classified loans and advances:</b>		
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 account 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 account 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

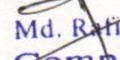
Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.



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#### 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

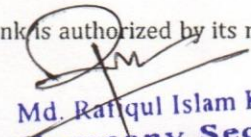
##### A) Authorized Capital

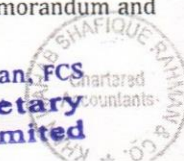
Authorized capital is the maximum amount of share capital that the bank is authorized by its memorandum and article of associations to issue to shareholders.

  
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## **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 Non-Controlling Interest in Subsidiary**

Non-Controlling 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 Non-controlling 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. Non-controlling 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 non-controlling interest is reported on the consolidated profit and loss account as a share of profit belonging to non-controlling 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 29<sup>th</sup> 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 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. 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 financial statements.

## 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:

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

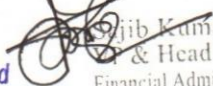
The company calculates earnings per share (EPS) in accordance with IAS 33 "Earnings Per Share (EPS)" the Bank has been reporting 'Basic EPS' as there has been no dilution possibilities during the year. Basic EPS is computed by dividing the profit or loss after tax by the total number of ordinary shares 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).

### 2.25.1 Increase of Earnings per share (EPS)

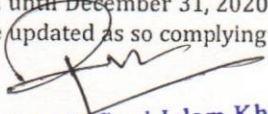
There has been a significant variance/ increase in EPS due to decrease in provisions for loans and advances following BRPD Circular No. 17 dated 28 September 2020 and increasing Investment income.

As per BRPD circular 17 dated 28 September 2020, the classification status of loans and advances should be prevailed as stood on January 01, 2020 without any further deterioration until December 31, 2020. However, any amelioration in classification status of the said loans and advances may be updated as so complying the prescribed manner.

  
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Head Office, Dhaka.

  
M. Jib Kumar Saha, FCA  
& Head  
Financial Administration Division  
Meghna Bank Limited

  
Suhail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited

  
Md Rafiqul Islam Khan, FCA  
Company Secretary  
Meghna Bank Limited





The bank kept provision of Tk. 1,159,600,000 as on 01 January 2020 on behalf of loans and advances whereas the said provision stood at Tk. 1,162,450,000 as on 31 December 2020, which is in compliance with the aforementioned circular.

The bank also kept provision of Tk. 120,835,938 as special general provision-COVID-19 in compliance with the BRPD circular No. 56 dated 10 December 2020.

## 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 5<sup>th</sup> 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 2019	27 <sup>th</sup> June 2020	A+	ST - 2
Entity Rating	January to December 2018	26 <sup>th</sup> June 2019	A+	ST - 2
Entity Rating	January to December 2017	27 <sup>th</sup> June 2018	A+	ST - 3

## 2.30 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.

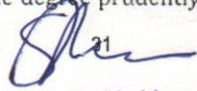
When it comes to banking business, risk management is in the heart of this business. Banks are to strive for a prudent risk management discipline to combat unpredictable situation. These days, it is transparent that banking organizations are in need of setting up systematic and vigilant way to monitor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

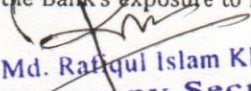
The Central Bank of Bangladesh i.e. Bangladesh Bank issued guidelines which forms the basis of risk management of all scheduled banks in Bangladesh. The guidelines require that the banks adopt enhanced policies and procedures of risk management. The risk management of banks broadly cover 6 (Six) core 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.

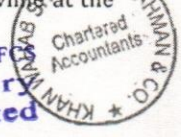
MGBL's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment, measurement procedures and continuous monitoring. MGBL continues to focus on improving its risk management systems not only to ensure compliance with regulatory requirements but also to ensure 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, which at the

  
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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:

#### 2.30.1 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.

#### 2.30.2 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.

#### 2.30.3 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.

#### 2.30.4 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



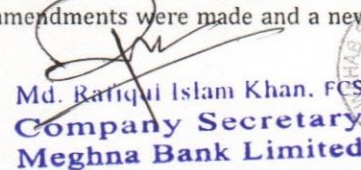
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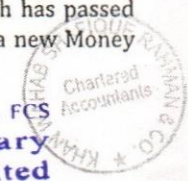
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Laundering Prevention Act, 2012 has been passed and this Act was also amended in 2015. The Government has also enacted Anti-Terrorism Act (ATA) in 2009 aiming to combat terrorism and terrorism financing and this Act was also amended in 2012 and in 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.

### 2.30.5 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.

### 2.30.6 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.

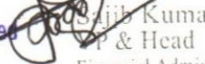
### 2.30.7 Market Risk

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.

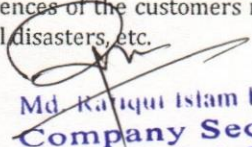
### 2.30.8 Operation Risk

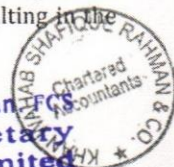
Business Volume risk is defined as the volatility in revenue and profitability arising from adverse fluctuations from business volume. Business volumes may adversely fluctuate due to competitor activities, new entrants, competition from substitute financial products and services, changes in banking preferences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

  
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### 2.30.9 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.

### 2.31 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.

### 2.32 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
Income Taxes	IAS 12	Applied
Property, Plant and Equipment	IAS 16	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
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	Applied
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

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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 Applied*

\* Bangladesh Bank has been reviewing the issue and has yet to be published any circular regarding IFRS 16. Implementation of IFRS 16 is under process.

### 2.33 Statement of Compliance

The financial statements of the Bank and its subsidiaries have been prepared for the year ended on 31 December, 2020 on a going concern basis in accordance with the First Schedule (Sec-38) of the Bank Companies Act, 1991 (as amended up to 2013), BRPD circular # 14 dated 25 June 2003, other Bangladesh Bank circulars, International Accounting Standards (IAS) & International Financial Reporting Standards (IFRS) and all other applicable rules & regulations.

The Bank has complied with the requirements of the following laws and regulations from various Government bodies:

- The Bank Companies Act, 1991(Amendment 2013),
- The Companies Act, 1994,
- Rules & Regulations, Circulars issued by Bangladesh Bank time to time,
- The Securities and Exchange Commission Act 1993,
- The Income Tax Ordinance, 1984 and Finance Act 2020,
- Statutory Regulatory Orders (SROs), General orders and notifications issued by NRB time to time,
- The Value Added Tax and Supplementary Duty Act 2012 and subsequent amendment thereon,
- The Financial Reporting Act, 2015.

### 2.34 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.

#### 2.34.1 Composition and Qualifications

The Board of Directors as its 97th Board Meeting held on January 16, 2020 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	Chairperson	CPA	4 of 4
2	Mr. Shakhawat Hossain	Director	Member	M.Com (Marketing)	0 of 4
3	Ms. Nuran Fatema	Director	Member	M.A	2 of 4
4	Mr. Alok Kumar Das	Director	Member	B.A	4 of 4
5	Mr. Mohammed Mamun Salam	Director	Member	Graduate	3 of 4

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### 2.34.2 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 2020 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	27th Audit Committee Meeting	February 26, 2020
2	28th Audit Committee Meeting	March 11, 2020
3	29th Audit Committee Meeting	June 11, 2020
4	30th Audit Committee Meeting	September 17, 2020

### 2.34.3 Major areas focused by Audit Committee in 2020

- Reviewed and approved the 'Risk Based Audit Plan 2020' ;
- Reviewed Submitted Self Assessment of Anti Fraud Internal Control;
- Reviewed Annual Financial Statements of the Bank for the year ended 31 December 2019 as certified by the External Auditors, Mahfel Huq & Co., Chartered Accountants, before submission to the Board of Directors for approval;
- Reviewed Management Report on the Bank for the year ended 31 December 2019 submitted by the External Auditors, Mahfel Huq & Co., Chartered Accountants, and it's subsequent compliance;
- Reviewed summary of Financial Statements (Unaudited) for the Half-year ended on June 30, 2020;
- Reviewed the Annual Health report of the Bank-2019;
- Reviewed Summary of major findings from Internal Audit Report of Branches for the year 2019;
- 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);

### 2.35 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

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2	Mr. Md. Kamal Uddin	Vice Chairman	1	Meghna Bank Ltd.	4.83%	Director
			2	Stoll Bangladesh Ltd.	5.00%	Managing Director
			3	Diganta Packaging & Accessories Ltd.	60.00%	Managing Director
3	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
4	Mr. Shakhawat Hossain	Director	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

  
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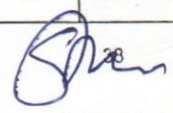


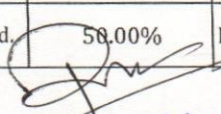


5	Mr. Alock Kumar Das	Director	1	Meghna Bank Ltd.	4.51%	Director
			2	Paramount Textile Ltd	8.79%	Director
			3	Paramount Insurance Company Ltd	6.67%	Sponsor Shareholder
			4	Paramount Holdings Ltd.	50.00%	Managing Director
			5	Sunrise Chemical Industries Ltd	50.00%	Director
			6	Paramount Spinning 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.	33.33%	Director
			18	Arihazar Fisheries	100.00%	Proprietor
			19	Emponum Duty Fee Shop	100.00%	Proprietor
6	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
7	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

  
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 Company Secretary  
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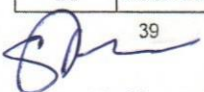





8	Mrs. Nuran Fatema	Director	1	Meghna Bank Ltd.	1.85%	Director
			2	The Bismillah Marine Services	50.00%	Partnership
			3	The Bismillah International Shipping & Trading Co. Ltd.	50.00%	Chairperson
			4	Bismillah Marine Service	100.00%	Proprietor
			5	The Bismillah Marine Service	100.00%	Proprietor
			6	Bismillah Marine Service	48.00%	Director
			7	Mercantile Islami Life Insurance Ltd.	48.00%	Vice Chairman
9	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
10	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

  
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 Financial Administration Division  
 Meghna Bank Limited

  
 Sohail R. K. Hussain  
 Managing Director & CEO  
 Meghna Bank Limited

  
 Md. Rafiqul Islam Khan, FCS  
 Company Secretary  
 Meghna Bank Limited





			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
11	Mr. Syed Ferhat Anwar	Independent Director		N/A		N/A
12	Ar. Md. Ahsan Ullah	Independent Director		N/A		N/A

### 2.36 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, 2020
Mr. H N Ashequr Rahman	BDT 10,00,000	Unsecured	-	-
Mr. MD. Kamal Uddin	BDT 10,00,000	Unsecured	-	5,677
Mr. Tanver Ahmed	USD 40,000	Secured	USD 40000	457,733
Ms. Nuran Fatema	BDT 10,00,000	Unsecured	-	-
Ms. Uzma Chowdhury	BDT 10,00,000	Unsecured	-	3,499
Mr. Shakhawat Hossain	BDT 10,00,000	Unsecured	-	-
Mr. Alock Kumar Das	BDT 10,00,000	Unsecured	-	-
Alhaj Md. Lokman Hakim	BDT 10,00,000	Unsecured	-	-
S M Jahangir Alam(Manik)	BDT 10,00,000	Unsecured	-	582,117

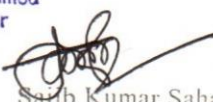
### 2.37 Covid-19

During the period, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of disease, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are affected which also make huge impact to the economy. The business operation and profitability of the Bank is also impacted due to COVID-19.

### 2.38 Approval of Financial Statements

These financial statements were reviewed by the audit committee of the Board of the bank in its 31<sup>st</sup> meeting held on March 10, 2021 and was subsequently approved by the Board of Directors in its 114<sup>th</sup> meeting held on March 22, 2021.

  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

  
**Sajib Kumar Saha, FCA**  
 VP & Head  
 Financial Administration Division  
 Meghna Bank Limited

  
 40  
**Sohail R. K. Hussain**  
 Managing Director & CEO  
 Meghna Bank Limited

  
**Md. Rafiqul Islam Khan, FCS**  
 Company Secretary  
 Meghna Bank Limited





### 2.39 Reporting Period

These financial statements cover the period from 1 January 2020 to 31 December 2020.

### 2.40 General

- a) These financial statements are presented in Taka, which is the bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- b) The expenses, irrespective of capital or revenue nature, accrued/due not paid have been provided for in the books of the Bank.
- c) Figures of previous year have been re-arranged whenever necessary to conform to the current year's presentation.



Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited



Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited



Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



		Amount in Taka	
		2020	2019
<b>3</b>	<b>Consolidated Cash in hand (Including foreign currencies)</b>		
	Meghna Bank Limited (Note-3a)	593,875,342	637,067,358
	Meghna Bank Securities Ltd	6,874	9,668
		<b>593,882,216</b>	<b>637,077,026</b>
<b>3a</b>	<b>Cash in hand (Including foreign currencies)</b>		
	In local currency	590,748,088	634,787,114
	In foreign currencies	3,127,254	2,280,244
		<b>593,875,342</b>	<b>637,067,358</b>
<b>4</b>	<b>Consolidated Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)</b>		
	Meghna Bank Limited (Note-4a)	3,008,286,920	2,547,920,596
	Meghna Bank Securities Ltd	-	-
		<b>3,008,286,920</b>	<b>2,547,920,596</b>
<b>4a</b>	<b>Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)</b>		
	In local currency	2,945,988,446	2,352,466,940
	In foreign currencies	62,298,474	195,453,656
		<b>3,008,286,920</b>	<b>2,547,920,596</b>
	<b>Balance with Sonali Bank Ltd as agent of Bangladesh Bank</b>		
	In local currency	-	-
	In foreign currencies	-	-
		<b>3,008,286,920</b>	<b>2,547,920,596</b>

#### 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 up to 2018) and DOS Circular No.01 dated January 19, 2014 & MPD circular no. 03, dated April 09, 2020 issued by Bangladesh Bank.

The bank has been maintaining 3.50% CRR on daily basis and 4.00% 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 2020 is maintained on the basis of weekly ATDTL of October 2020) 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 2020 is maintained on the basis of weekly ATDTL of October 2020). Both the reserves maintained by the bank are in excess of the statutory requirements, as shown below:

#### 4a.2 Cash Reserve Requirement (CRR): 4.00% of Average Total Demand and Time Liabilities on bi-weekly basis.


Required Reserve	1,448,141,040	2,014,464,545
Actual Reserve held with Bangladesh Bank (In local currency)	2,968,743,248	2,321,737,074
<b>CRR Surplus</b>	<b>1,520,602,208</b>	<b>307,272,529</b>


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

Required Reserve	4,706,458,380	4,761,461,652
Actual Reserve held	11,145,089,686	5,709,338,371
<b>SLR Surplus</b>	<b>6,438,631,306</b>	<b>947,876,719</b>

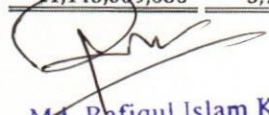
#### 4a.5 Held for Statutory Liquidity Ratio

Cash in hand (Note-3a)	593,875,342	637,067,358
Government Securities - Treasury Bills (Note-7a)	-	-
Government Treasury Bond (HTM & HFT) (Note-7a)	9,030,612,136	4,764,998,484
Excess Reserve of CRR (Note-4a.2)	1,520,602,208	307,272,529
	<b>11,145,089,686</b>	<b>5,709,338,371</b>

  
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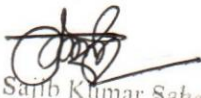
  
Md. Rafiqul Islam Khan, FCS  
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Meghna Bank Limited





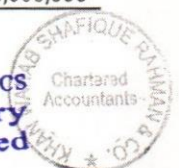
		Amount in Taka	
		2020	2019
<b>5</b>	<b>Consolidated Balance with Other Banks and Financial Institutions In Bangladesh</b>		
	Meghna Bank Limited (Note-5a)	2,215,897,652	3,244,943,711
	Meghna Bank Securities Ltd	34,247,721	33,100,094
		2,250,145,373	3,278,043,805
	Less: Inter Company Transaction	15,115,507	19,740,912
		<u>2,235,029,866</u>	<u>3,258,302,893</u>
	<b>Outside Bangladesh</b>		
	Meghna Bank Limited (Note-5a)	305,850,426	268,036,840
	Meghna Bank Securities Ltd	-	-
		<u>305,850,426</u>	<u>268,036,840</u>
		<u>2,540,880,292</u>	<u>3,526,339,733</u>
<b>5a</b>	<b>Balance with Other Banks and Financial Institutions</b>		
	In Bangladesh (Note-5a.1)	2,215,897,652	3,244,943,711
	Outside Bangladesh (Note-5a.2)	305,850,426	268,036,840
		<u>2,521,748,078</u>	<u>3,512,980,551</u>
<b>5a.1</b>	<b>In Bangladesh</b>		
<b>5a.1a</b>	<b>Current Account</b>		
	Trust Bank Limited, Gulshan Branch	2,688,442	963,895
	Trust Bank Limited, Shathibari Branch	54,561	2,557,850
	AL-Arafah Islami Bank Ltd, Bormi Bazar Branch	5,122	8,482
	Southeast Bank Limited, Bandura Branch	1,205	3,504,625
	Eastern Bank Limited, Gulshan Branch	2,797,820	492,426
	Social Islami Bank Ltd, Sirajgonj Branch	36,115	15,049,495
	Bank Asia Limited, Rangpur Branch	-	51,020
	Jamuna Bank Limited, Kalampur Branch	359	1,049
	Agrani Bank Limited, Munshirhat Branch	597,983	3,567,703
	BRAC Bank Limited, Gulshan Branch	537,995	538,495
	Sonali Bank Limited, Local Office	33,522,779	15,320,825
	Bank Asia Limited, Bogra Branch	1	176
	Sonali Bank Limited, Feni Branch	521,322	805,802
	Sonali Bank Limited, Sirajganj Branch	2,385	3,075
	Sonali Bank Limited, Kishoreganj Branch	9,424,772	23,416,286
	Sonali Bank Limited, Munshiganj Corporate Branch 2	59,630	4,564,152
	Sonali Bank Limited, Kushtia Corporate Branch	16,332,753	5,370,135
	Sonali Bank Limited, Rangpur Corporate Branch	13,434,568	-
	Sonali Bank Limited, Chehelgazi Branch	60,755	68,677
		<u>80,078,567</u>	<u>76,284,168</u>
<b>5a.1b</b>	<b>Special Notice Deposits</b>		
	Mercentile Bank Ltd, Agrabad Branch	12,001,358	21,011,886
	NCC Bank Limited, Laldighirpar Branch	8,626,069	27,619,414
	Sonali Bank Limited, Nalchity Branch	1,138,055	-
	Sonali Bank Limited, Mithapukur Branch	28,016,588	45,315,743
		<u>49,782,070</u>	<u>93,947,043</u>
<b>5a.1c</b>	<b>FDR with Other Banks &amp; Financial Institutions</b>		
	FDR with Other Banks (Note-5a.1c.i)	300,000,000	300,000,000
	FDR with Financial Institutions (Note-5a.1c.ii)	1,786,037,015	2,774,712,500
		<u>2,086,037,015</u>	<u>3,074,712,500</u>
<b>5a.1c.i</b>	<b>FDR with Other Banks</b>		
	Padma Bank Limited	300,000,000	300,000,000
		<u>300,000,000</u>	<u>300,000,000</u>

  
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 Meghna Bank Limited





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	
2020	2019
750,000,000	750,000,000
52,500,000	50,000,000
-	100,000,000
68,537,015	64,712,500
200,000,000	350,000,000
315,000,000	300,000,000
400,000,000	400,000,000
-	760,000,000
<b>1,786,037,015</b>	<b>2,774,712,500</b>
<b>2,215,897,652</b>	<b>3,244,943,711</b>

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  
 BANCA Popolare Di Sondrio, Sondrio, Italy, EURO  
 Kookmin Bank, Seoul Korea, USD  
 Kookmin Bank, Seoul Korea, GBP  
 Kookmin Bank, Seoul Korea, CAD  
 National Bank of Pakistan, 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

34,701,108	23,554,048
105,581,139	65,069,018
50,733,793	40,370,362
8,896,725	640,503
14,107,902	1,281,139
6,747,222	5,946,714
393,906	852,295
471,616	-
1,069,846	1,309,960
12,224,289	3,107,742
4,236,415	4,230,520
45,829,000	117,793,311
1,017,336	1,167,982
891,738	864,633
8,684,538	96,956
10,263,853	1,684,076
-	67,581
<b>305,850,426</b>	<b>268,036,840</b>

Currency wise Distribution:

Foreign Currency

USD/ACU  
 GBP  
 EUR  
 JYP  
 SAR  
 CAD  
 NZD

BDT	Composition
283,661,667	92.75%
1,285,644	0.42%
15,125,238	4.95%
1,069,846	0.35%
4,236,415	1.39%
471,616	0.15%
-	0.00%
<b>305,850,426</b>	<b>100%</b>

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 2020 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.

	As per Bank's Book		Amount in US\$				
			As per Correspondents' Book				
	Debit entries	Credit entries	Debit entries	Credit entries			
No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 3 months	-	47 1,228,914.47	5	8,765.70	11	329,641.47	-
From 03 months to 06 months	-	-	-	-	-	-	-
From 06 months to 09 months	-	-	-	-	-	-	-
From 09 months to 12 months	-	-	-	-	-	-	-
More than 12 months	-	-	-	-	-	-	-
	-	47 1,228,914.47	5	8,765.70	11	329,641.47	-

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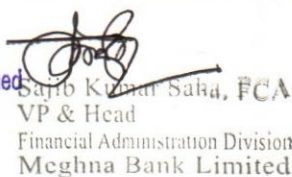
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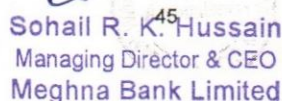


		Amount in Taka	
		2020	2019
<b>5a.4</b>	<b>Maturity-wise groupings of balance with other Banks and Financial Institutions</b>		
	On Demand	754,466,008	344,321,007
	Not more than 3 months	1,767,282,070	3,168,659,544
	More than 3 months but less than 1 year	-	-
	More than 1 year but less than 5 years	-	-
	More than 5 years	-	-
		<u>2,521,748,078</u>	<u>3,512,980,551</u>
<b>6</b>	<b>Consolidated Money at Call and Short Notice</b>		
	Meghna Bank Limited (Note-6a)	130,000,000	2,070,000,000
	Meghna Bank Securities Ltd	-	-
		<u>130,000,000</u>	<u>2,070,000,000</u>
<b>6a</b>	<b>Money at Call and Short Notice</b>		
	<b>With Bank</b>		
	The City Bank Limited	-	500,000,000
	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	130,000,000	590,000,000
		<u>130,000,000</u>	<u>2,070,000,000</u>
<b>7</b>	<b>Consolidated Investment:</b>		
	<b>Government Securities</b>		
	Meghna Bank Limited (Note-7a)	9,031,518,336	4,765,724,684
	Meghna Bank Securities Ltd	-	-
		<u>9,031,518,336</u>	<u>4,765,724,684</u>
	<b>Other Investments</b>		
	Meghna Bank Limited (Note-7b)	432,560,978	405,652,337
	Meghna Bank Securities Ltd	367,346,492	319,760,030
		<u>799,907,470</u>	<u>725,412,367</u>
		<u>9,831,425,806</u>	<u>5,491,137,051</u>
<b>7a</b>	<b>Investment:</b>		
	<b>i) Investment Classified as per Bangladesh Bank Circular:</b>		
	Held for Trading (HFT)	3,446,235,411	-
	Held to Maturity (HTM)	5,584,376,725	4,764,998,484
	Other Investment	433,467,178	406,378,537
		<u>9,464,079,314</u>	<u>5,171,377,021</u>
	<b>ii) Investment Classified as per Nature:</b>		
	<b>a) Government Securities:</b>		
	<b>1) Treasury Bills (HFT)</b>		
	91 Days Treasury Bills	-	-
	182 Days Treasury Bills	-	-
	364 Days Treasury Bills	-	-
		-	-
	<b>2) Government Bond (HTM &amp; HFT)</b>		
	2,5,10,15 & 20 Years Bonds (Note-7a.2)	9,030,612,136	4,764,998,484
	Prize Bond in Hand	906,200	726,200
		<u>9,031,518,336</u>	<u>4,765,724,684</u>
	<b>Total (1+2)</b>	<u>9,031,518,336</u>	<u>4,765,724,684</u>
	<b>b) Other Investment</b>		
	1) Trust Bank Limited Subordinate Bond-II	20,000,000	40,000,000
	2) Investment in MAXCAP DPA-IDLC (Note - 7a.3)	4,675	4,816
	3) Investment in Shares at cost (Note - 7a.4)	412,556,303	365,647,521
		<u>432,560,978</u>	<u>405,652,337</u>
		<u>9,464,079,314</u>	<u>5,171,377,021</u>



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**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

Amount in Taka	
2020	2019
-	35,000,000
906,200	726,200
432,560,978	190,652,337
1,662,059,681	931,080,718
7,368,552,455	4,013,917,766
<b>9,464,079,314</b>	<b>5,171,377,021</b>

**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**

-	-
-	-
1,338,801,133	761,227,803
1,572,618,550	1,579,268,467
2,672,957,042	2,424,502,214
10,356,620	-
663,387,180	-
-	-
-	-
2,772,491,611	-
<b>9,030,612,136</b>	<b>4,764,998,484</b>

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

Cash Balance

4,675	4,816
<b>4,675</b>	<b>4,816</b>

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

Advent Pharma Limited  
 British American Tobacco Company Limited  
 BSRM Steels Limited  
 Beximco Pharmaceuticals Ltd.  
 BRAC Bank Limited  
 C and A Textiles Limited  
 City Bank Limited  
 Coppertech Industries Limited  
 Crystal Insurance Company Limited  
 Dhaka Bank Limited  
 Genex Infosys Limited  
 Heidelberg Cement Bangladesh Limited  
 IDLC Finance Limited  
 IFAD Autos Limited  
 Intraco Refueling Station Limited  
 Indo-Bangla Pharmaceuticals Limited  
 Jamuna Oil Company Limited  
 Kattali Textile Limited  
 Lafarge Surma Cement Limited  
 Meghna Petroleum Ltd.  
 Mercantile Bank Limited  
 MJL Bangladesh Limited  
 M.L. Dyeing Limited  
 New Line Clothings Limited  
 Olympic Industries Limited

-	34,570
2,188,692	-
6,926,260	6,926,260
-	1,059,413
9,439,310	4,088,550
2,620,440	2,620,440
2,826,803	1,517,823
-	47,410
108,790	-
717,860	717,860
-	52,330
9,291,098	9,291,098
4,055,156	3,070,734
1,927,117	1,927,117
-	53,340
-	29,450
14,073,833	14,073,833
-	100,640
10,279,614	10,279,614
3,045,459	3,045,459
903,600	903,600
10,558,727	10,558,727
60,400	60,400
-	75,130
7,663,426	7,663,426

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 VP & Head  
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Sohail R. K. Hussain  
 Managing Director & CEO  
 Meghna Bank Limited

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Md. Rafiqul Islam Khan, FCS  
 Company Secretary  
 Meghna Bank Limited



RAK Ceramics (Bangladesh) Limited
Robi Asiata Limited
SS Steel Limited
Silva Pharmaceuticals Limited
Square Pharmaceuticals Limited
Square Textile Limited
Silco Pharmaceuticals Limited
Shinepukur Ceramics Limited
SK Trims and Industries Limited
Southeast Bank Limited
Titas Gas Transmission & Dist. Co. Limited
VFS Thread Dyeing Limited
United Commercial Bank Limited
<b>Unquoted</b>
Star Ceramics Limited - Preference Share
Summit Gazipur II Power Limited - Preference Share
Confidence Power Bogra - Preference Share

Amount in Taka	
2020	2019
3,034,604	3,034,604
2,712,540	-
-	67,460
-	91,940
27,573,928	16,409,552
7,151,302	7,151,302
-	72,930
-	53,965
-	100,820
783,120	783,120
8,553,476	8,553,476
-	70,380
16,060,748	16,060,748
-	-
160,000,000	-
100,000,000	200,000,000
<b>412,556,303</b>	<b>365,647,521</b>

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

**8 Consolidated Loans and Advances**

Meghna Bank Limited (Note-8a)
Meghna Bank Securities Ltd

35,782,145,799	34,196,996,809
-	-
35,782,145,799	34,196,996,809
40,539,750	-
<b>35,741,606,049</b>	<b>34,196,996,809</b>

Less: Inter Company Transaction

**Bills purchased and discounted**

Meghna Bank Limited (Note-8a)
Meghna Bank Securities Ltd

58,478,506	165,618,215
-	-
58,478,506	165,618,215
<b>35,800,084,555</b>	<b>34,362,615,024</b>

**8a Loans and Advances**


**i) Loans, Cash Credits, Overdraft, etc.**

**Inside Bangladesh**


Cash Credit
Secured overdraft
General overdraft
Import finance
Other Demand Loans
Hire Purchase Finance
Demand Loan (Forced Loan)
Consortium/Syndicate Finance
House Building Loan
Credit Card A/C
General Term Loans
Agricultural and Rural Credit Scheme
SME Loans and Advances
Personal/Professionals Loan Scheme

5,026,012,615	5,206,652,174
657,356,693	2,993,583,274
5,790,176,113	4,558,142,421
1,469,759,733	1,416,298,769
10,566,793,477	9,038,357,164
97,528	1,322,282
101,637,304	101,637,304
197,319,482	257,328,833
2,326,480,835	2,372,103,096
249,982,358	262,772,404
7,555,130,002	7,038,604,461
1,445,922,465	614,545,482
1,225,758	2,142,226
394,251,436	333,506,919
35,782,145,799	34,196,996,809
-	-
<b>35,782,145,799</b>	<b>34,196,996,809</b>

**Outside Bangladesh**

  
Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

  
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Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited

  
Chartered  
Accountant  
Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



ii) Bills purchased and discounted  
**Payable Inside Bangladesh**  
 Inland bills purchased and discounted  
**Payable outside Bangladesh**  
 Foreign bills purchased and discounted

Amount in Taka	
2020	2019
39,708,723	165,618,215
18,769,783	-
<b>58,478,506</b>	<b>165,618,215</b>
<b>35,840,624,305</b>	<b>34,362,615,024</b>

**8a.1 Net Loans and Advances**

Gross performing loans and advances  
 Less:  
 Interest Suspense (Note-13a)  
 Provision for loans and advances (Note-13a)  
 Special General Provision - Covid-19 (Note-13a)

35,840,624,305	34,362,615,024
576,203,650	309,644,474
1,162,401,570	1,158,657,439
120,835,938	-
<b>1,859,441,158</b>	<b>1,468,301,913</b>
<b>33,981,183,147</b>	<b>32,894,313,111</b>

**8a.2 Residual Maturity Grouping of Loans and Advances Including Bills Purchased and Discounted**

Re-payable on Demand  
 Not more than 3 months  
 Over 3 months but not more than 1 year  
 Over 1 year but not more than 5 years  
 Over 5 years

-	-
10,918,224,063	10,827,201,877
11,499,627,638	11,859,558,299
10,631,340,880	8,725,894,376
2,791,431,724	2,949,960,472
<b>35,840,624,305</b>	<b>34,362,615,024</b>

**8a.3 Residual Maturity Grouping of Bills Purchased and Discounted**

Re-payable:-  
 Within 1 month  
 Over 1 month but less than 3 months  
 Over 3 months but less than 6 months  
 6 months or more


1,555,881	21,574,124
56,564,526	113,098,410
358,099	30,945,681
-	-
<b>58,478,506</b>	<b>165,618,215</b>

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


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

-	-
189,329,464	191,316,544
4,658,364,831	4,581,143,501
28,367,946	174,577,573
2,207,899,698	2,223,699,864
552,959,774	543,766,340
3,333,914,500	3,529,358,634
-	-
18,500,914,104	15,387,749,719
5,005,298,761	4,398,213,709
1,363,575,227	3,332,789,140
<b>35,651,294,841</b>	<b>34,171,298,480</b>
<b>35,840,624,305</b>	<b>34,362,615,024</b>

  
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 Sohail R. K. Hussain  
 Managing Director & CEO  
 Meghna Bank Limited

  
 Md. Rafiqul Islam Khan, FCS  
 Company Secretary  
 Meghna Bank Limited





**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
- iv) Tobacco industries
- v) Cement and Ceramic industries
- vi) Service industries
- vii) Transport and Communication Industries
- viii) Other industries including bills purchased and discounted

Amount in Taka	
2020	2019
1,749,246,582	2,082,741,949
528,312,635	568,048,890
829,941,955	723,011,016
783,420,277	729,696,957
180,741,413	364,186,029
704,745,336	788,862,949
504,139,745	59,155,416
3,123,988,413	3,075,307,449
356,620,135	324,222,769
9,739,757,613	6,672,516,295
<b>18,500,914,104</b>	<b>15,387,749,719</b>

**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	: 1,545.62 Crore	1,398.85 Crore
Number of such types of customers	: 34	29
Amount of Classified Advances thereon	: 70.51	60.91
Measures taken for recovery	: Under Litigation	Not applicable

Each of the thirty four customers exceeds the limit of 10% of Bank's total capital in the year 2020. 10% of Bank's total capital stood as on December 31, 2020 Tk. 63.74 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	8,217,941	47,802,579
Co-Operative Sector	-	-
Private Sector	35,832,406,364	34,314,812,445
	<b>35,840,624,305</b>	<b>34,362,615,024</b>


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

Area	As at 31 December 2020		As at 31 December 2019	
	Amount	Composition	Amount	Composition
i) Inside Bangladesh (Note-8a.8)				
a) In Rural Areas	3,358,003,422	9.37%	3,349,878,242	9.75%
b) In Urban Areas	32,482,620,883	90.63%	31,012,736,782	90.25%
<b>Sub-total</b>	<b>35,840,624,305</b>	<b>100.00%</b>	<b>34,362,615,024</b>	<b>100.00%</b>
ii) Outside Bangladesh	-	-	-	-
<b>Total</b>	<b>35,840,624,305</b>	<b>100.00%</b>	<b>34,362,615,024</b>	<b>100.00%</b>

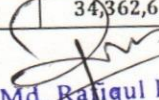
**8a.8 Inside Bangladesh**

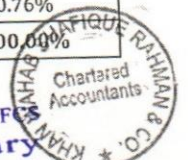
Division	As at 31 December 2020		As at 31 December 2019	
	Amount	Composition	Amount	Composition
Dhaka	25,079,224,841	69.97%	25,514,251,048	74.25%
Chittagong	7,887,298,505	22.01%	6,506,607,293	18.94%
Sylhet	365,230,386	1.02%	418,283,668	1.22%
Rajshahi	1,383,118,415	3.86%	824,408,003	2.40%
Rangpur	641,934,207	1.79%	616,731,269	1.79%
Khulna	219,796,484	0.61%	220,344,853	0.64%
Barisal	264,021,467	0.74%	261,988,890	0.76%
<b>Total</b>	<b>35,840,624,305</b>	<b>100.00%</b>	<b>34,362,615,024</b>	<b>100.00%</b>

  
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49  
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited

  
Md. Rafiqul Islam Khan, FCA  
Company Secretary  
Meghna Bank Limited





Amount in Taka	
2020	2019

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

Status	As at 31 December 2020		As at 31 December 2019	
	Amount	Composition	Amount	Composition
<b>a) Unclassified</b>				
Unclassified (including staff Loans)	33,180,624,324	92.58%	31,392,474,553	91.36%
Special Mention Account (SMA)	224,327,363	0.63%	424,241,954	1.23%
	33,404,951,687		31,816,716,507	
<b>a) Classified</b>				
Substandard	479,029,069	1.34%	504,698,735	1.47%
Doubtful	765,120,520	2.13%	607,576,949	1.77%
Bad or loss	1,191,523,029	3.32%	1,433,622,833	4.17%
	2,435,672,618		2,545,898,517	
<b>Total</b>	<b>35,840,624,305</b>	<b>100.00%</b>	<b>34,362,615,024</b>	<b>100.00%</b>

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

Status	Rate	Basis for Provision		
Unclassified (Excluding staff Loans)	1%	24,874,575,104	259,172,265	234,117,697
Staff Loans	0%	-	-	-
Consumer Financing (Credit Card)	2%	237,389,876	4,747,798	4,966,038
Consumer Financing (Other than HF & LP)	2%	275,773,673	5,515,474	10,331,685
Small & Medium Enterprise	0.25%	4,346,649,207	10,873,740	12,086,336
Housing Finance	1%	1,977,029,099	19,770,291	19,872,279
Loan for professionals	2%	14,920,032	298,401	445,699
Share Business	2%	290,808,290	5,816,166	6,085,073
Short Term Agri. Credit	1%	1,198,476,967	11,984,770	6,103,938
Special Mention Account	Applicable Rate	-	-	-
			318,178,905	294,008,745
Substandard	20%	223,639,958	44,727,992	50,156,947
Doubtful	50%	495,240,430	247,620,215	239,754,378
Bad or loss	100%	539,358,607	551,874,458	574,737,369
			844,222,665	864,648,694
Required provision for Loans and Advances			1,162,401,570	1,158,657,439
Total provision maintained (Note-13a.1 (a) & (b))			1,162,450,000	1,159,600,000
Surplus Provision			48,430	942,561

The Bank has maintained provision on loans and advances amounting to Tk. 1,162,450,000 (note - 13a.1(a) & (b)). There exists surplus of Tk. 48,430 in loans and advances. The bank has also maintained special general provision for COVID 19 of Tk. 120,835,938 as per Bangladesh Bank circular (note - 13a).

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

Status	Basis for Provision	Rate	Rate
		1%	1%
Acceptances and Endorsements	196,239,172	1,800,406	7,316,246
Bills	107,712,365	-	-
Letters of Guarantee	3,306,789,418	33,067,894	27,745,607
Irrevocable Letters of Credit	1,418,051,665	14,380,792	7,381,899
Required provision for Off Balance Sheet Items	5,028,792,620	49,249,092	42,443,752
Provision maintained (Note-13a.1(c))		49,250,000	42,500,000
Surplus Provision		908	56,248

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Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited



**8a.12 Particulars of Loans and Advances:**

	Amount in Taka	
	2020	2019
(i) Loans considered good in respect of which the banking company is fully secured.	21,159,588,330	23,766,504,929
(ii) Loans considered good for which the banking company holds no other security than the debtor's personal guarantee.	9,982,217,668	4,318,035,957
(iii) Loans considered good and secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors.	4,698,818,307	6,278,074,138
(iv) Loans adversely classified; provision not maintained there against.		
	<b>35,840,624,305</b>	<b>34,362,615,024</b>
(v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons.	190,371,457	191,316,543
(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.	3,862,190,574	3,568,664,882
(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
(ix) Due from Banking Companies	-	-
(x) Classified loans and advances	2,435,672,618	2,545,898,517
a) Amount of classified loans and advances on which interest has not been charged	1,191,523,029	1,433,622,833
b) Provision on classified loans and advances	844,250,000	864,650,000
c) Provision kept against loans classified as bad loss	551,874,458	574,737,369
d) Interest credited to Interest suspense Account	576,203,650	309,644,474
(xi) Cumulative amount of written off Loans & Advances	-	-

**9 Consolidated Fixed Assets including Premises, Furniture & Fixtures**

**Cost:**

Meghna Bank Limited (Note-9a)	730,736,123	716,368,588
Meghna Bank Securities Ltd	6,832,556	6,135,678
	<b>737,568,679</b>	<b>722,504,266</b>

**Accumulated Depreciation:**

Meghna Bank Limited (Note-9a)	512,160,060	437,578,906
Meghna Bank Securities Ltd	4,681,754	3,982,343
	<b>516,841,814</b>	<b>441,561,249</b>

**Carrying value**

	<b>220,726,865</b>	<b>280,943,017</b>
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**9a Fixed Assets including Premises, Furniture & Fixtures**

**A. Cost:**

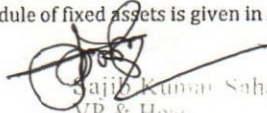
Opening balance	716,368,588	660,328,644
Add: Addition during the year	27,117,878	56,148,944
Less: Disposal during the year	12,750,343	109,000
Closing balance at cost	<b>730,736,123</b>	<b>716,368,588</b>


**B. Depreciation:**

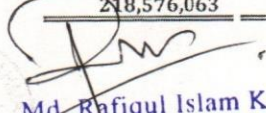
Opening balance	437,578,906	344,333,450
Add: Addition during the year	86,660,254	93,347,528
Less: Adjustment / disposal during the year	12,079,100	102,072
Accumulated Depreciation	<b>512,160,060</b>	<b>437,578,906</b>
Carrying value	<b>218,576,063</b>	<b>278,789,682</b>

A schedule of fixed assets is given in Annexure-B

  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

  
**Sajib Kumar Saha, FCA**  
 VP & Head  
 Financial Administration Division  
 Meghna Bank Limited

  
**Shohail R. K. Hussain**  
 Managing Director & CEO  
 Meghna Bank Limited

  
**Md. Rafiqul Islam Khan, FCS**  
 Company Secretary  
 Meghna Bank Limited



**10 Consolidated Other Assets**  
Meghna Bank Limited (Note-10a)  
Meghna Bank Securities Ltd

Less: Inter Company Transaction

Amount in Taka	
2020	2019
1,093,923,705	766,177,064
29,611,993	19,499,844
1,123,535,698	785,676,908
351,812,029	350,557,688
<b>771,723,669</b>	<b>435,119,220</b>

**10a Other Assets**

Stock of Stationery, Stamps and Printing Materials etc. (valued at cost)  
Advance Rent  
Suspense Account (Note-10a.1)  
Interest receivable (Note-10a.2)  
Security Deposit  
Interest on Sanchaypatra  
NCCB Securities & Financial Services Ltd  
Receivable from MGBL Islamic Banking Project  
Meghna Bank Securities Ltd  
Prepaid Expenses  
Investment in Subsidiary (Note-10a.3)  
Deferred Tax Assets (Note-10a.4)  
BEFTN Adjustment Account  
S/D RFA SEBL - Western Union  
Clearing Adjustment A/C  
Interest on Investment Bond- Customer  
Chargeback Account for VISA Cards  
Accrued Income on Shares

6,810,139	5,822,946
169,703,521	199,993,947
73,110,453	84,204,433
419,121,309	84,196,404
115,055	115,055
5,810,123	27,642,753
-	568
854,200	-
1,812,128	557,788
582,395	966,151
349,999,900	349,999,900
51,930,976	-
217,208	89,744
618,719	1,564,108
6,000	-
2,622,002	92,351
64,602	66,449
10,544,975	10,864,467
<b>1,093,923,705</b>	<b>766,177,064</b>

**10a.1 Suspense Account:**

Sundry Debtors  
Advance against TA/DA  
Advance against Petty Cash  
Advance Against Suits/ Cases for NPL A/C  
Encashment of Sanchaypatra  
Advance Against Salary  
Settlement A/C for Credit Card Fund Transfer Through I-Banking  
Premature Encashment of Sanchaypatra

39,623,935	25,569,648
168,675	30,000
35,000	35,000
1,941,855	1,090,991
21,300,000	49,587,957
5,000	40,000
516,038	-
9,519,950	7,850,837
<b>73,110,453</b>	<b>84,204,433</b>

The detail breakup of unadjusted suspense accounts are given below:

Amount in Taka						
Sl	Breakup	Less than 03 months	03 months to less than 06 months	06 months to less than 09 months	09 months to less than 12 months	12 months and more
1	Sundry Debtors	19,545,549	3,555,500	-	30,000	16,492,886
2	Advance against TA/DA	168,675	-	-	-	-
3	Advance against Petty Cash	35,000	-	-	-	-
4	Advance Against Suits/ Cases for NPL A/C	427,139	337,175	82,800	3,750	1,090,991
5	Encashment of PSP/BSP/BG	13,500,000	5,601,168	906,768	2,139,702	8,672,312
6	Others	516,038	-	5,000	-	-
	<b>Grand Total</b>	<b>34,192,401</b>	<b>9,493,843</b>	<b>994,568</b>	<b>2,173,452</b>	<b>26,256,189</b>

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Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka

Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



**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

Amount in Taka	
2020	2019
14,763,983	16,203,958
82,000	224,000
7,222	572,222
289,202,270	-
115,065,834	67,196,224
<b>419,121,309</b>	<b>84,196,404</b>

**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 Deferred Tax Assets:**

Balance at the beginning of the year  
 Add: Addition during the year (Note-10a.4.i)  
 Balance at the end of the year

-	-
51,930,976	-
<b>51,930,976</b>	<b>-</b>

**Deferred Tax on Fixed Assets**

Carrying Amount  
 Tax Base  
 Deductible Temporary Difference  
 Effective Tax Rate  
 Deferred Tax Assets

190,151,458	-
319,978,897	-
129,827,439	-
40.00%	37.50%
<b>51,930,976</b>	<b>-</b>

**10a.4.i Deferred Tax Income**

Closing Balance of Deferred Tax Assets  
 Opening Balance of Deferred Tax Assets  
 Deferred Tax Income

51,930,976	-
-	-
<b>51,930,976</b>	<b>-</b>

**10a.5 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  
 Interest on Sanchaypatra  
 NCCB Securities & Financial Services Ltd  
 Receivable from MGBL Islamic Banking Project  
 Meghna Bank Securities Ltd  
 Prepaid Expenses  
 Deferred Tax Assets (Note-10a.4)  
 BEFTN Adjustment Account  
 S/D RFA SEBL - Western Union  
 Clearing Adjustment A/C  
 Interest on Investment Bond- Customer  
 Chargeback Account for VISA Cards  
 Accrued Income on Shares

6,810,139	5,822,946
169,703,521	199,993,947
73,110,453	84,204,433
419,121,309	84,196,404
115,055	115,055
5,810,123	27,642,753
-	568
854,200	-
1,812,128	557,788
582,395	966,151
51,930,976	-
217,208	89,744
618,719	1,564,108
6,000	-
2,622,002	92,351
64,602	66,449
10,544,975	10,864,467
<b>743,923,805</b>	<b>416,177,164</b>

**11 Consolidated Borrowings from other Banks & Financial Institutions and Agents**

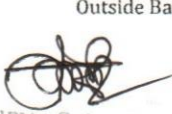
Meghna Bank Limited (Note-11a)  
 Meghna Bank Securities Ltd


558,616,000	324,256
-	-
<b>558,616,000</b>	<b>324,256</b>

**11a Borrowings from other Banks & Financial Institutions and Agents**

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

558,616,000	324,256
-	-
<b>558,616,000</b>	<b>324,256</b>

  
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 Sohail R. K. Hussain  
 Managing Director & CEO  
 Meghna Bank Limited



		Amount in Taka	
		2020	2019
<b>11a.1 In Bangladesh</b>			
Refinance from Bangladesh Bank		558,616,000	324,256
Sonali Bank Limited		-	-
		<b>558,616,000</b>	<b>324,256</b>
<b>11a.2 Security against Borrowings from other Banks &amp; Financial Institutions and Agents</b>			
Secured		-	-
Unsecured		558,616,000	324,256
		<b>558,616,000</b>	<b>324,256</b>
<b>11a.3 Maturity grouping of Borrowings from other Banks &amp; Financial Institutions and Agents</b>			
Payable on demand		-	-
Up to 1 Month		-	-
Over 1 Month but within 3 Months		-	324,256
Over 3 Months but within 1 Year		558,616,000	-
Over 1 Year but within 5 Years		-	-
Over 5 Years		-	-
		<b>558,616,000</b>	<b>324,256</b>
<b>12 Consolidated Deposits and Other Accounts</b>			
<b>Current Deposit &amp; Other Accounts:</b>			
Meghna Bank Limited (Note-12a)		3,382,687,908	3,975,363,378
Meghna Bank Securities Ltd		-	-
		3,382,687,908	3,975,363,378
Less: Inter Company Transaction		-	-
		<b>3,382,687,908</b>	<b>3,975,363,378</b>
<b>Bills Payable:</b>			
Meghna Bank Limited (Note-12a)		298,059,470	431,631,087
Meghna Bank Securities Ltd		-	-
		<b>298,059,470</b>	<b>431,631,087</b>
<b>Savings Bank Deposits:</b>			
Meghna Bank Limited (Note-12a)		2,845,203,073	2,165,812,724
Meghna Bank Securities Ltd		-	-
		<b>2,845,203,073</b>	<b>2,165,812,724</b>
<b>Fixed Deposits:</b>			
Meghna Bank Limited (Note-12a)		36,804,176,897	34,531,272,880
Meghna Bank Securities Ltd		-	-
		36,804,176,897	34,531,272,880
Less: Inter Company Transaction		15,115,507	19,740,912
		<b>36,789,061,390</b>	<b>34,511,531,968</b>
		<b>43,315,011,841</b>	<b>41,084,339,157</b>
<b>12a Deposits and Other Accounts</b>			
1) Deposits from banks		3,693,042,790	2,305,550,377
2) Deposits from customers		39,637,084,558	38,798,529,692
		<b>43,330,127,348</b>	<b>41,104,080,069</b>
<b>1) Deposits from banks</b>			
<b>i) Current Deposit &amp; Other Accounts</b>			
Current Deposit		-	-
Foreign Currency Deposits		-	-
Sundry Deposits [Note Y]		3,042,790	3,170,900
		<b>3,042,790</b>	<b>3,170,900</b>
<b>ii) Bills Payable:</b>			
Payable inside Bangladesh		-	-
Payable outside Bangladesh		-	-

  
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iii) Savings Bank Deposits:  
Savings Deposits

iv) Fixed Deposits:

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

2) Deposits from customer

i) Current Deposit & Other Accounts:

Current Deposit  
Foreign Currency Deposits  
Sundry Deposits [Note Y]

ii) Bills Payable:

Payable inside Bangladesh  
Payment Order Issued  
Payable outside Bangladesh

iii) Savings Bank Deposits:  
Savings Deposits

iv) Fixed Deposits:

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

X Scheme Deposits:

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

12a.1 Deposits and Other Accounts:

Current Deposit & Other Accounts:

a) Deposits from banks  
b) Deposits from customers

Bills Payable

a) Deposits from banks  
b) Deposits from customers

Savings Bank Deposits:

a) Deposits from banks  
b) Deposits from customers

Fixed Deposits:

a) Deposits from banks  
b) Deposits from customers

Amount in Taka	
2020	2019
-	-
-	-
3,690,000,000	2,302,225,000
-	154,477
-	-
3,690,000,000	2,302,379,477
3,693,042,790	2,305,550,377

2,444,818,334	3,238,925,865
13,195,175	13,912,223
921,631,609	719,354,390
3,379,645,118	3,972,192,478

297,750,798	431,322,051
297,750,798	431,322,051
308,672	309,036
308,672	309,036
298,059,470	431,631,087

2,845,203,073	2,165,812,724
2,845,203,073	2,165,812,724

22,831,650,174	23,395,451,326
3,928,961,341	3,219,990,966
6,353,565,382	5,613,451,111
33,114,176,897	32,228,893,403
39,637,084,558	38,798,529,692

2,848,993,922	2,459,357,732
47,696,886	42,248,944
2,187,412,948	1,757,893,750
1,269,461,626	1,353,950,685
6,353,565,382	5,613,451,111

3,042,790	3,170,900
3,379,645,118	3,972,192,478
3,382,687,908	3,975,363,378

-	-
298,059,470	431,631,087
298,059,470	431,631,087

-	-
2,845,203,073	2,165,812,724
2,845,203,073	2,165,812,724

3,690,000,000	2,302,379,477
33,114,176,897	32,228,893,403
36,804,176,897	34,531,272,880

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Managing Director & CEO  
Meghna Bank Limited



**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	
2020	2019
374,669,675	238,117,105
157,368,375	196,198,861
149,745,729	134,267,547
242,890,620	153,941,777
<b>924,674,399</b>	<b>722,525,290</b>

**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

1,045,491,179	657,280,719
5,006,866,433	5,674,128,861
13,726,339,368	23,125,050,700
6,536,961,883	6,611,790,200
12,259,333,289	3,759,873,046
4,755,135,196	1,275,956,543
<b>43,330,127,348</b>	<b>41,104,080,069</b>

**13 Consolidated Other Liabilities**

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

Less: Inter Company Transaction

2,984,905,636	2,850,420,270
68,360,373	19,034,502
3,053,266,009	2,869,454,772
42,351,879	557,788
<b>3,010,914,130</b>	<b>2,868,896,984</b>

**13a Other Liabilities**

Interest Payable on Deposits & Borrowings  
 Provision for Loans and Advances (Note-13a.1 (a) & (b))  
 Special General Provision-COVID-19  
 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)  
 Sundry Creditors  
 BEFT Settlement Account  
 Agent Monitoring & Collection Account  
 Provision for Gratuity  
 MGBL General Account  
 MGBL MFS Payable Accounts  
 Adjusting Account Credit

450,023,298	642,338,310
1,162,450,000	1,159,600,000
120,835,938	-
49,250,000	42,500,000
37,385,000	37,400,000
37,700,000	53,605,000
2,756,000	2,759,250
576,203,650	309,644,474
50,445	50,445
339,516,765	438,017,548
10,562,160	-
1,809,362	1,029,430
100,500	100,500
35,742,884	30,500,000
38,649	221,006
1,623,755	3,176,914
158,857,230	129,477,393
<b>2,984,905,636</b>	<b>2,850,420,270</b>

**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 made/(released) during the year  
 Provision held at the end of the year

864,650,000	609,600,000
-	-
-	-
(20,400,000)	255,050,000
<b>844,250,000</b>	<b>864,650,000</b>

**(b) General Provision on Unclassified Loans and Advances**

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

294,950,000	253,900,000
-	-
23,250,000	41,050,000
<b>318,200,000</b>	<b>294,950,000</b>
<b>1,162,450,000</b>	<b>1,159,600,000</b>

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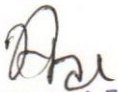


	Amount in Taka	
	2020	2019
<b>(c) General Provision on Off-Balance Sheet items:</b>		
Provision held at the beginning of the year	42,500,000	56,200,000
Provision made/ (released) during the year	6,750,000	(13,700,000)
<b>Balance at the end of the year</b>	<b>49,250,000</b>	<b>42,500,000</b>
<b>(d) Provision for other Assets:</b>		
Provision held at the beginning of the year	37,400,000	25,500,000
Provision made/ (released) during the year	(15,000)	11,900,000
<b>Balance at the end of the year</b>	<b>37,385,000</b>	<b>37,400,000</b>
<b>(e) Provision for Investment in Securities:</b>		
Provision held at the beginning of the year	53,605,000	28,600,000
Provision made/ (released) during the year	(15,905,000)	25,005,000
<b>Balance at the end of the year</b>	<b>37,700,000</b>	<b>53,605,000</b>
<b>(f) Interest Suspense Account:</b>		
Balance at the beginning of the year	309,644,474	141,634,865
Amount transferred to interest suspense account during the year	266,559,176	168,009,609
Amount written off/ waived during the year	-	-
<b>Balance at the end of the year</b>	<b>576,203,650</b>	<b>309,644,474</b>
<b>13.2 Consolidated Provision for Taxation</b>		
<b><u>Provision for Current tax</u></b>		
Meghna Bank Limited (Note-13a.2)	440,748,707	592,557,108
Meghna Bank Securities Ltd	7,945,643	6,676,782
	<b>448,694,350</b>	<b>599,233,890</b>
<b><u>Advance tax</u></b>		
Meghna Bank Limited (Note-13a.2)	101,231,942	154,539,560
Meghna Bank Securities Ltd	11,774,656	9,121,578
	<b>113,006,598</b>	<b>163,661,138</b>
<b>Balance at the end of the year</b>	<b>335,687,752</b>	<b>435,572,752</b>
<b>13a.2 Provision for Taxation</b>		
<b><u>Provision for Current tax</u></b>		
Balance at the beginning of the year	592,557,108	502,835,843
Less : Settlement of Income tax for the Income year 2015	4,594,194	280,278,735
Less : Settlement of Income tax for the Income year 2019	317,214,207	-
Add: Transferred from Deferred Tax Liability	-	-
Add: Provision made during the year	170,000,000	370,000,000
	<b>440,748,707</b>	<b>592,557,108</b>
<b><u>Advance tax</u></b>		
Balance at the beginning of the year	154,539,560	166,856,244
Add: Paid during the year	246,231,943	267,962,051
Less : Settlement of Income tax for the Income year 2019	299,539,561	-
Less : Settlement of Income tax for the Income year 2018	-	280,278,735
	<b>101,231,942</b>	<b>154,539,560</b>
<b>Balance at the end of the year</b>	<b>339,516,765</b>	<b>438,017,548</b>
<b>14a Capital</b>		
<b>14a.1 Authorized Capital:</b>		
200,00,00,000 ordinary shares of Tk. 10 each	<b>20,000,000,000</b>	<b>20,000,000,000</b>

  
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**14a.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	
2020	2019
4,698,980,000	4,698,980,000
4,433,000,000	4,433,000,000
265,980,000	265,980,000
<b>4,698,980,000</b>	<b>4,698,980,000</b>
<b>Holding</b>	
Sponsor Shareholders Group-A	100%
4,698,980,000	4,698,980,000
<b>4,698,980,000</b>	<b>4,698,980,000</b>

**14.3 Consolidated Capital Adequacy:**

Position of capital adequacy are given below:-

**a) Core Capital (Tier-I):**

- i) Paid-up Capital (Note-14a.2)
- ii) Statutory Reserve (Note-15)
- iii) Retained Earnings (Note-17)
- iv) Non-Controlling Interest (Note-18)
- v) Adjustment of Goodwill and all other Intangible Assets

4,698,980,000	4,698,980,000
765,650,891	641,806,839
443,085,813	56,263,593
104	102
(6,598,975)	(7,452,068)
<b>5,901,117,833</b>	<b>5,389,598,466</b>

**b) Supplementary Capital (Tier-II):**

- i) General Provision (Note 13a)
- ii) Revaluation of Securities

488,285,938	337,450,000
-	-
<b>488,285,938</b>	<b>337,450,000</b>

**c) Total Capital (a + b)**

d) Total Risk Weighted Assets (Note-14.4)

e) Required Capital

**f) Total Capital Surplus (c-e)**

<b>6,389,403,771</b>	<b>5,727,048,466</b>
36,666,398,492	32,075,193,996
4,583,299,811	4,009,399,250
<b>1,806,103,959</b>	<b>1,717,649,216</b>

**Capital Adequacy Ratio:**

Particulars	2020 (Under Basel III)		2019 (Under Basel III)	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Core Capital	6.00%	16.09%	6.00%	16.80%
Supplementary Capital		1.33%		1.05%
<b>Total</b>	<b>12.50%</b>	<b>17.42%</b>	<b>12.50%</b>	<b>17.85%</b>

**14.4 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)**

30,053,300,447	25,546,889,834
2,956,228,485	3,130,005,251
675,380,335	590,275,950
2,981,489,225	2,808,022,961
<b>36,666,398,492</b>	<b>32,075,193,996</b>

**14a.5 Capital Adequacy:**

Position of capital adequacy are given below:-

**a) Core Capital (Tier-I):**

- i) Paid-up Capital (Note-14a.2)
- ii) Statutory Reserve (Note-15)
- iii) Retained Earnings (Note-17a)
- iv) Adjustment of Goodwill and all other Intangible Assets

4,698,980,000	4,698,980,000
765,650,891	641,806,839
428,082,308	50,775,126
(6,571,172)	(7,376,935)
<b>5,886,142,027</b>	<b>5,384,185,030</b>

**b) Supplementary Capital (Tier-II):**

- i) General Provision (Note 13a)
- ii) Revaluation of Securities

488,285,938	337,450,000
-	-
<b>488,285,938</b>	<b>337,450,000</b>

**c) Total Capital (a + b)**

d) Total Risk Weighted Assets (Note-14a.6)

e) Required Capital

**f) Total Capital Surplus (c-e)**

<b>6,374,427,965</b>	<b>5,721,635,030</b>
36,575,866,813	31,988,691,316
4,571,983,352	4,000,000,000
<b>1,802,444,013</b>	<b>1,721,635,030</b>

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Particulars	Amount in Taka			
	2020		2019	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Core Capital	6.00%	16.09%	6.00%	16.83%
Supplementary Capital		1.33%		1.06%
<b>Total</b>	<b>12.50%</b>	<b>17.42%</b>	<b>12.50%</b>	<b>17.89%</b>

**14a.6 Risk Weighted Assets (RWA) for**

1. Credit Risk				
On-Balance Sheet		30,053,300,447		25,546,889,834
Off-Balance Sheet		2,956,228,485		3,130,005,251
2. Market Risk		621,019,576		560,745,530
3. Operational Risk		2,945,318,305		2,751,050,701
<b>Total Risk Weighted Assets (1+2+3)</b>		<b>36,575,866,813</b>		<b>31,988,691,316</b>

**15 Statutory Reserve**

Opening balance	641,806,839	540,900,474
Add: Addition during the year (20% of Pre-tax profit)	123,844,052	100,906,365
	<b>765,650,891</b>	<b>641,806,839</b>

**16 Other Reserve (Revaluation of HFT & HTM Securities)**

HTM Securities (Note 16.1)	367,841	540,736
HFT Securities (Note 16.2)	104,383,703	-
	<b>104,751,544</b>	<b>540,736</b>

**16.1 HTM Securities**

Opening balance	540,736	321,809
Add: Gain from revaluation on investment	-	236,924
Less: Adjustment for sale/maturity of securities	172,895	17,997
	<b>367,841</b>	<b>540,736</b>

**16.2 HFT Securities**

Opening balance	-	-
Add: Gain from revaluation on investment	104,383,703	-
Less: Adjustment for sale/maturity of securities	-	-
	<b>104,383,703</b>	<b>-</b>

**17 Consolidated Retained Earnings**

Meghna Bank Ltd (Note-17a)	428,082,308	50,775,126
Meghna Bank Securities Ltd	15,003,509	5,488,469
	443,085,817	56,263,595
Less: Non-controlling Interest	4	2
	<b>443,085,813</b>	<b>56,263,593</b>

**17.1 Consolidated Current year retained Earnings**

**Current Year**

Meghna Bank Ltd (Note-17a)	377,307,182	33,625,459
Meghna Bank Securities Ltd	9,515,040	2,761,021
	386,822,222	36,386,480
Less: Non-Controlling Interest	3	1
	<b>386,822,219</b>	<b>36,386,479</b>

**17a Retained Earnings of the Bank**

Opening balance	50,775,126	17,149,667
Less: Dividend Paid	-	-
Add: Transfer from Profit & Loss Account	377,307,182	33,625,459
	<b>428,082,308</b>	<b>50,775,126</b>

**Consolidated Retained Earnings brought forward from previous year**

Balance of 01 January	56,263,593	19,877,114
Dividend paid	-	-
	<b>56,263,593</b>	<b>19,877,114</b>

Sajib Kumar Saha, FCA  
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Chief Executive Officer  
MTB Capital Ltd  
Head Office, Dhaka.

Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



	Amount in Taka	
	2020	2019
<b>Retained Earnings brought forward from previous year</b>		
Balance of 01 January	50,775,126	17,149,667
Dividend paid	-	-
<b>Balance at 31 December</b>	<b>50,775,126</b>	<b>17,149,667</b>
<b>18 Non-Controlling Interest</b>		
Share Capital	100	100
Retained Earnings	4	2
	<b>104</b>	<b>102</b>
<b>19 Acceptance and Endorsements</b>		
Accepted Bills (Foreign)	160,315,354	713,287,970
Accepted Bills (Inland)	15,896,255	11,942,068
Endorsements (Shipping Guarantee)	20,027,563	6,394,514
	<b>196,239,172</b>	<b>731,624,552</b>
Less: Margin	-	-
	<b>196,239,172</b>	<b>731,624,552</b>
<b>20 Letters of Guarantees</b>		
Letters of Guarantee	3,306,789,418	2,774,560,665
Less: Margin (Note-12.a(i) Y)	374,669,675	238,117,105
	<b>2,932,119,743</b>	<b>2,536,443,560</b>
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	1,978,234,681	1,661,515,313
Banks and other financial institutions	42,479,806	37,320,768
Others	1,286,074,931	1,075,724,584
	<b>3,306,789,418</b>	<b>2,774,560,665</b>
Less: Margin (Note-12.a(i) Y)	374,669,675	238,117,105
	<b>2,932,119,743</b>	<b>2,536,443,560</b>
<b>21 Irrevocable Letters of Credit</b>		
Letters of credit	1,418,051,665	738,189,924
Less: Margin (Note-12.a(i) Y)	157,368,375	196,198,861
	<b>1,260,683,290</b>	<b>541,991,063</b>
<b>22 Consolidated Profit &amp; Loss Account</b>		
<b>Income:</b>		
Interest, discount and similar income (Note-23 & 25)	3,783,874,927	4,655,146,625
Dividend income (Note-25)	28,824,897	20,025,956
Fees, Commission and Brokerage (Note-26)	72,045,442	83,910,092
Gains less losses arising from dealing securities	3,717,337	91,127
Gains less losses arising from investment securities	449,355,958	(60,013,368)
Gains less losses arising from dealing in foreign currencies (Note-26)	54,922,004	71,973,756
Income from non-banking assets	-	-
Other operating income (Note-27)	78,208,974	74,035,428
Profit less losses on interest rate changes	-	-
Nominal value of bonus share received	-	-
	<b>4,470,949,539</b>	<b>4,845,169,616</b>
<b>Expenses:</b>		
Interest paid on Deposits, borrowings etc. (Note-24)	2,594,947,558	2,799,392,304
Losses on Loans and Advances	-	-
Administrative expenses	838,571,258	915,432,832
Other operating expenses	208,756,262	205,612,913
Depreciation on banking assets	87,384,435	94,365,987
	<b>3,729,659,513</b>	<b>4,014,804,036</b>
<b>Income over expenditure</b>	<b>741,290,026</b>	<b>830,365,580</b>

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VP & Head  
Financial Administration Division  
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Md. Rafiqul Islam Khan, F6S  
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Chief Executive Officer  
KITE Capital Ltd.  
Head Office, Dhaka.

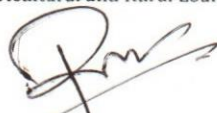
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



		Amount in Taka	
		2020	2019
<b>22a Profit &amp; Loss Account of the Bank</b>			
Income:			
Interest, discount and similar income (Note-23a & 25a)		3,776,211,942	4,651,523,053
Dividend income (Note-25a)		26,509,953	14,023,449
Fees, Commission and Brokerage (Note-26a)		59,264,767	73,105,467
Gains less losses arising from dealing securities		3,717,337	91,127
Gains less losses arising from investment securities		449,355,958	(60,013,368)
Gains less losses arising from dealing in foreign currencies (Note-26a)		54,922,004	71,973,756
Income from non-banking assets		-	-
Other operating income (Note-27a)		81,646,311	77,833,100
Profit less losses on interest rate changes		-	-
Nominal value of bonus share received		-	-
		<b>4,451,628,272</b>	<b>4,828,536,584</b>
Expenses:			
Interest paid on Deposits, borrowings etc. (Note-24a)		2,595,988,252	2,800,997,745
Losses on Loans and Advances		-	-
Administrative expenses		830,084,674	907,454,634
Other operating expenses		205,158,896	202,899,853
Depreciation on banking assets (Annexure-B)		86,660,254	93,347,528
		<b>3,717,892,076</b>	<b>4,004,699,760</b>
<b>Income over expenditure</b>		<b>733,736,196</b>	<b>823,836,824</b>
<b>23 Consolidated Interest Income:</b>			
Meghna Bank Ltd (Note-23a)		3,210,144,344	4,263,880,353
Meghna Bank Securities Ltd		3,697,452	4,443,782
		3,213,841,796	4,268,324,135
Less: Inter Company Transaction		1,040,694	1,605,441
		<b>3,212,801,102</b>	<b>4,266,718,694</b>
<b>23a Interest Income:</b>			
Interest on Loans and Advances: (Note-23a.1)		2,938,151,451	3,902,139,941
Interest on balance with other Banks & Financial Institutions		271,992,893	361,740,412
		<b>3,210,144,344</b>	<b>4,263,880,353</b>
<b>23a.1 Interest on Loans and Advances:</b>			
Interest Income on Cash Credit		444,379,777	708,424,670
Interest Income on Secured Over Draft		137,886,949	212,640,842
Interest Income on General Over Draft Loan		455,705,516	607,475,447
Interest Income on Inland Bill Purchased/Discount		13,879,445	33,501,537
Interest Income on Foreign Bill Purchased/Discount		296,675	-
Interest Income on Import Finance		127,459,122	187,751,119
Interest Income on Export Finance		2,621,300	3,226,249
Interest Income on Demand Loan (General)		735,293,381	819,096,880
Interest Income on Demand Loan (Forced Loan)		-	4,124,908
Interest Income on Consortium/Syndicate Finance		42,412,156	9,884,959
Interest Income on Hire Purchase Finance		77,734	269,341
Interest Income on House Building Loan		236,326,179	338,277,003
Interest Income on General Term Loan		609,776,750	832,697,025
Interest Income on SME Loan & Advance		155,870	423,832
Interest Income on Personal Loan Scheme		31,969,350	36,187,044
Interest Income on Credit Card		44,680,939	38,812,002
Interest Income on Agricultural and Rural Loan		55,230,308	69,347,083
		<b>2,938,151,451</b>	<b>3,902,139,941</b>



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VP & Head  
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Meghna Bank Limited



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Company Secretary  
Meghna Bank Limited



Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



		Amount in Taka	
		2020	2019
<b>24 Consolidated Interest Paid on Deposits, Borrowing, etc:</b>			
Meghna Bank Ltd (Note-24a)		2,595,988,252	2,800,997,745
Meghna Bank Securities Ltd		-	-
		2,595,988,252	2,800,997,745
Less: Inter Company Transaction		1,040,694	1,605,441
		<b>2,594,947,558</b>	<b>2,799,392,304</b>
<b>24a Interest Paid on Deposits, Borrowing, etc:</b>			
a) Interest on Deposits			
Interest Paid on Current Deposit		47,175,308	12,320,191
Interest Paid on Savings Deposit		85,651,791	60,379,845
Interest Paid on Short Notice Deposit		130,441,163	141,869,043
Interest Paid on Fixed Deposit Receipt		1,764,983,088	2,044,105,105
Interest Paid on Deposit Pension Scheme		233,122,262	196,248,358
Interest Paid on Meghna Child Education Plan		4,531,223	3,830,026
Interest Paid on Monthly Income Scheme		164,002,745	158,587,978
Interest Paid on Meghna Multiplier Scheme		138,229,522	173,500,732
		2,568,137,102	2,790,841,278
b) Interest Paid on Borrowings		27,851,150	10,156,467
		<b>2,595,988,252</b>	<b>2,800,997,745</b>
<b>25 Consolidated Investment Income:</b>			
Meghna Bank Ltd (Note-25a)		1,045,650,846	341,743,908
Meghna Bank Securities Ltd		7,321,171	6,787,739
		<b>1,052,972,017</b>	<b>348,531,647</b>
<b>25a Investment Income:</b>			
Interest Income from Treasury Bills		-	3,936,650
Interest Income from Treasury Bonds		553,216,410	376,993,721
Gain on Revaluation against Bonds		514,429,213	-
Loss on Revaluation of Investments		(65,073,254)	(60,013,368)
Income from Investment in Commercial Paper		12,851,187	6,712,329
Dividend Income from Investment in Preference Share		23,743,798	9,557,050
Dividend Income		2,766,155	4,466,399
Gain on Sale of Shares		3,717,337	91,127
		<b>1,045,650,846</b>	<b>341,743,908</b>
<b>26 Consolidated Commission, Exchange &amp; Brokerage:</b>			
Meghna Bank Ltd (Note-26a)		114,186,771	145,079,223
Meghna Bank Securities Ltd		12,780,675	10,804,624
		<b>126,967,446</b>	<b>155,883,847</b>
<b>26a Commission, Exchange &amp; Brokerage:</b>			
Income from Commission		59,264,767	73,105,467
Exchange earnings		54,922,004	71,973,756
		<b>114,186,771</b>	<b>145,079,223</b>
<b>27 Consolidated Other Operating Income:</b>			
Meghna Bank Ltd (Note-27a)		81,646,311	77,833,100
Meghna Bank Securities Ltd		565,639	1,149,304
		<b>82,211,950</b>	<b>78,982,404</b>
Less: Inter Company Transaction		4,002,976	4,946,976
		<b>78,208,974</b>	<b>74,035,428</b>
<b>27a Other Operating Income:</b>			
Income From Fees & Charges		48,386,830	38,173,325
Income From Services		19,669,695	26,015,239
Postage, Telex, Swift etc.		1,759,100	2,421,327
Gain on Sale of Bank's Property		2,814,921	72
Other charges (Note-27a.1)		9,015,765	11,223,137
		<b>81,646,311</b>	<b>77,833,100</b>

Sajib Kumar Saha, FCA  
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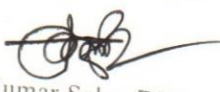
Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited

Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



		Amount in Taka	
		2020	2019
<b>27a.1 Other Charges</b>			
Rent of Lockers		294,400	199,000
Rent on Property/ Rental Income		4,002,976	4,946,976
Notice pay earnings		2,662,609	3,268,724
Rebate Received		1,039,772	2,072,463
Prize Money on Prize Bond		-	59,900
Miscellaneous income		1,016,008	676,074
		<b>9,015,765</b>	<b>11,223,137</b>
<b>28 Consolidated Salary &amp; Allowances:</b>			
Meghna Bank Ltd (Note-28a)		533,252,515	597,651,661
Meghna Bank Securities Ltd		7,023,947	6,707,454
		<b>540,276,462</b>	<b>604,359,115</b>
<b>28a Salary &amp; Allowances:</b>			
Basic Salary		285,612,903	278,639,696
Allowances		119,954,485	131,085,486
Consolidated Pay		34,219,710	38,222,193
Leave Salary Encashment		6,334,922	6,413,717
Bonus		24,956,994	85,924,539
Gratuity		35,742,884	30,500,000
Bank's Contribution to Provident Fund		26,430,617	26,866,030
		<b>533,252,515</b>	<b>597,651,661</b>
<b>29 Consolidated Rent, Taxes, Insurance, Electricity etc.:</b>			
Meghna Bank Ltd (Note-29a)		239,135,712	251,836,296
Meghna Bank Securities Ltd		5,184,507	6,017,597
		<b>244,320,219</b>	<b>257,853,893</b>
Less: Inter Company Transaction		4,002,976	4,946,976
		<b>240,317,243</b>	<b>252,906,917</b>
<b>29a Rent, Taxes, Insurance, Electricity etc.:</b>			
Rent, Rates & Taxes		187,642,258	196,652,573
Service Charge		9,907,670	9,913,918
Insurance, Electricity & Lighting		41,585,784	45,269,805
		<b>239,135,712</b>	<b>251,836,296</b>
<b>30 Consolidated Legal Expenses:</b>			
Meghna Bank Ltd (Note-30a)		609,905	958,630
Meghna Bank Securities Ltd		-	-
		<b>609,905</b>	<b>958,630</b>
<b>30a Legal Expenses:</b>			
Legal Fees		2,500	264,500
Legal Charges		607,405	694,130
		<b>609,905</b>	<b>958,630</b>
<b>31 Consolidated Postage, Stamps, Telecommunication etc:</b>			
Meghna Bank Ltd (Note-31a)		20,674,655	19,571,595
Meghna Bank Securities Ltd		90,216	71,916
		<b>20,764,871</b>	<b>19,643,511</b>
<b>31a Postage, Stamps, Telecommunication etc:</b>			
Postage		1,593,309	1,790,267
Internet charge		1,973,200	63,600
SWIFT Charges		415,351	475,012
Telephone charges		468,644	640,440
Mobile phone charges		4,226,045	3,405,750
Network Connection Expense		9,576,766	11,105,053
Bloomberg Charges		2,421,340	2,091,473
		<b>20,674,655</b>	<b>19,571,595</b>
<b>32 Consolidated Stationery, Printing &amp; Advertisements etc:</b>			
Meghna Bank Ltd (Note-32a)		13,189,764	14,022,104
Meghna Bank Securities Ltd		97,890	90,207
		<b>13,287,654</b>	<b>14,112,311</b>

  
Sajib Kumar Saha, FCA  
VP & Head  
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Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited

  
Chairman  
Chief Executive Officer  
MFB Capital Ltd.  
Head Office, Dhaka  
  
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



		Amount in Taka	
		2020	2019
<b>32a Stationery, Printing &amp; Advertisements etc:</b>			
Petty Stationery		2,989,578	4,065,292
Printing Stationery		2,861,224	2,669,470
Security Stationery		2,891,371	2,318,933
Computer Stationery		2,617,306	4,464,533
Publicity and Advertisement		1,830,285	503,876
		<b>13,189,764</b>	<b>14,022,104</b>
<b>33 Chief Executive's Salary &amp; Fees:</b>			
Basic Salary		9,452,840	8,870,400
Allowances		6,304,795	5,016,290
Bonus		750,000	1,478,400
Bank's Contribution to Provident Fund		622,500	-
		<b>17,130,135</b>	<b>15,365,090</b>
<b>34 Consolidated Directors' Fees:</b>			
Meghna Bank Ltd (Note-34a)		1,440,000	1,904,000
Meghna Bank Securities Ltd		48,000	8,000
		<b>1,488,000</b>	<b>1,912,000</b>
<b>34a Directors' Fees:</b>			
Directors Fees		1,440,000	1,904,000
Other Benefits		-	-
		<b>1,440,000</b>	<b>1,904,000</b>
Each director of the bank is provided for Tk. 8,000.00 per board or board committee meeting attended in 2020 as per BRPD circular no. 11 dated 4 October 2015.			
<b>35 Consolidated auditor's Fees:</b>			
Meghna Bank Ltd (Note-35a)		350,000	425,000
Meghna Bank Securities Ltd		45,000	30,000
		<b>395,000</b>	<b>455,000</b>
<b>35a Auditor's Fees:</b>			
Auditor's Fees		350,000	425,000
		<b>350,000</b>	<b>425,000</b>
<b>36 Consolidated Depreciation, Amortization and Repair on Bank's Assets:</b>			
Meghna Bank Ltd (Note-36a)		90,962,242	99,067,786
Meghna Bank Securities Ltd		724,181	1,018,459
		<b>91,686,423</b>	<b>100,086,245</b>
<b>36a Depreciation, Amortization and Repair on Bank's Assets:</b>			
<b>a) Depreciation on Bank's Assets (Annexure-B):</b>			
Land & Building		-	-
Vehicles		2,858,580	4,049,546
Machinery & Equipment		19,655,673	25,949,856
Furniture & Fixtures		25,949,796	23,630,688
Computer and Peripherals		31,789,270	30,019,196
Office Tools & Accessories		3,003,772	3,562,018
		<b>83,257,091</b>	<b>87,211,304</b>
<b>b) Amortization</b>			
Software		3,403,163	6,136,224
<b>c) Repair on Bank's Assets:</b>			
Fitting and Replacement		1,821,277	1,318,076
Vehicles		-	24,820
Machinery & Equipment		1,168,491	1,998,287
Furniture & Fixtures		202,992	887,002
Computer and Peripherals		144,588	436,277
Maintenance Expense		964,640	1,055,796
		<b>4,301,988</b>	<b>5,720,258</b>
		<b>90,962,242</b>	<b>99,067,786</b>

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Head Office, Dhaka.

Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



**37 Consolidated Other Expenses:**

Meghna Bank Ltd (Note-37a)  
Meghna Bank Securities Ltd

Amount in Taka	
2020	2019
205,158,896	202,899,853
3,597,366	2,713,060
<b>208,756,262</b>	<b>205,612,913</b>

**37a Other Expenses:**

Gas Bills  
Wasa Bill  
Drinking water Expenses  
Car Expenses  
Software Maintenance Expenses  
Entertainment  
Training, Seminar, Workshop Expenses  
Travelling and Conveyance  
Subscription  
Corporate Social Responsibility  
Office Maintenance  
Bank Charges  
NPSB Charges  
Charges From VISA  
Credit Card CIB Charge  
NID Verification Charges  
Card Maintenance Expenses, ETC  
Board and EC Meeting Expenses  
Professional & Consultancy Fees  
Business development & Promotion  
Cash Carrying Charges  
Leverage and Uniform  
Washing & Cleaning  
Leave Fare Assistance  
Security Service-Outsourcing  
Crockerries Expenses  
Newspaper & Magazine Expenses (Office)  
Branch Inauguration Expenses  
AGM Expenses  
Miscellaneous Expenses

1,990	990
1,074,850	795,126
485,690	636,664
56,312,453	60,223,758
22,826,792	14,079,161
4,773,578	7,263,006
180,958	749,875
5,190,894	7,780,337
2,060,888	3,133,630
19,386,235	10,784,500
2,328,968	2,046,932
3,800,942	3,650,562
625,193	559,425
3,787,290	3,634,329
122,260	252,670
621,005	510,109
6,446,794	3,852,310
721,789	1,116,769
3,097,968	1,732,048
6,553,955	8,416,252
1,835,457	2,369,476
550,982	463,136
1,146,592	4,215,885
40,613,386	40,886,405
19,670,672	22,350,177
80,283	239,525
240,797	372,716
61,036	-
127,533	426,982
431,666	357,098
<b>205,158,896</b>	<b>202,899,853</b>

**38 Consolidated Provision for Loans, Investments, Off-Balance Sheet & Others Assets**

Meghna Bank Ltd (Note-38a)  
Meghna Bank Securities Ltd

(114,515,938)	(319,305,000)
3,261,211	(2,517,736)
<b>(111,254,727)</b>	<b>(321,822,736)</b>

**38a Provision for Loans, Investments, Off-Balance Sheet & Others Assets**


Provision for Unclassified Loans and Advances  
Provision for Classified Loans and Advances  
Provision for Off-Balance Sheet Exposure  
Special General Provision - Covid-19  
Provisions for Diminution in Value of Investments  
Provision for Other Assets

(23,250,000)	(41,050,000)
20,400,000	(255,050,000)
(6,750,000)	13,700,000
(120,835,938)	-
15,905,000	(25,005,000)
15,000	(11,900,000)
<b>(114,515,938)</b>	<b>(319,305,000)</b>

**39 Consolidated Earning Per Share (EPS)**

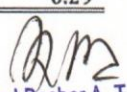
Net Profit after Tax  
Number of Ordinary Shares outstanding (Denominator)

510,666,272	137,292,843
469,898,000	469,898,000
<b>1.09</b>	<b>0.29</b>

  
Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited


  
Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited


  
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited


  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



		Amount in Taka	
		2020	2019
<b>39a Earning Per Share (EPS)</b>			
Net Profit after Tax		501,151,234	134,531,824
Number of Ordinary Shares outstanding (Denominator)		469,898,000	469,898,000
		<u>1.07</u>	<u>0.29</u>
Earning per share has been calculated in accordance with IAS - 33: "Earnings Per Share (EPS)".			
<b>40 Consolidated Interest Receipts in Cash</b>			
Meghna Bank Ltd (Note-40a)		3,376,213,782	4,591,788,042
Meghna Bank Securities Ltd		3,697,452	4,443,782
		3,379,911,234	4,596,231,824
Less: Inter Company Transaction		1,040,694	1,605,441
		<u>3,378,870,540</u>	<u>4,594,626,383</u>
<b>40a Interest Receipts in Cash</b>			
Interest income receipt (Note-23a & 25a)		3,711,138,687	4,591,509,685
Add: Opening Interest Receivable (Note-10a.2)		84,196,404	84,474,761
Less: Closing Interest Receivable (Note-10a.2)		419,121,309	84,196,404
		<u>3,376,213,782</u>	<u>4,591,788,042</u>
<b>41 Consolidated Interest Payments</b>			
Meghna Bank Ltd (Note-41a)		2,788,303,264	2,658,780,295
Meghna Bank Securities Ltd		-	-
		2,788,303,264	2,658,780,295
Less: Inter Company Transaction		1,040,694	1,605,441
		<u>2,787,262,570</u>	<u>2,657,174,854</u>
<b>41a Interest Payments</b>			
Interest Paid on Deposits & Borrowings (Note-24a)		2,595,988,252	2,800,997,745
Add: Opening Interest Payable on Deposit (Note-13a)		642,338,310	500,120,860
Less: Closing Interest Payable on Deposit (Note-13a)		450,023,298	642,338,310
		<u>2,788,303,264</u>	<u>2,658,780,295</u>
<b>42 Consolidated Cash Receipts from other Operating activities</b>			
Meghna Bank Ltd (Note-42a)		596,977,940	77,924,155
Meghna Bank Securities Ltd		5,571,867	1,934,536
		<u>602,549,807</u>	<u>79,858,691</u>
<b>42a Cash Receipts from other Operating activities</b>			
Income From Fees & Charges		48,386,830	38,173,325
Income From Services		19,669,695	26,015,239
Postage, Telex, Swift etc.		1,759,100	2,421,327
Gain on Sale of Treasury Bonds and Shares		518,146,550	91,127
Other charges ( Except income from sale of fixed assets)		9,015,765	11,223,137
		<u>596,977,940</u>	<u>77,924,155</u>
<b>43 Consolidated Cash Payments for other Operating activities</b>			
Meghna Bank Ltd (Note-43a)		471,671,156	483,315,632
Meghna Bank Securities Ltd		8,989,859	8,852,112
		<u>480,661,015</u>	<u>492,167,744</u>
<b>43a Cash Payments for other Operating activities</b>			
Rent, Taxes, Insurance, Lighting etc. (Note-29a)		239,135,712	251,836,296
Legal Expenses (Note-30a)		609,905	958,630
Postage, Stamp, Telegram & Telephone (Note-31a)		20,674,655	19,571,595
Directors' Fees (Note-34a)		1,440,000	1,904,000
Auditors' Fees (Note-35a)		350,000	425,000
Repair & Maintenance of Bank's Assets (Note-36a.c)		4,301,988	5,720,258
Other Expenses		205,158,896	202,899,853
		<u>471,671,156</u>	<u>483,315,632</u>

  
Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

  
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Company Secretary  
Meghna Bank Limited

  
Khairul Bashar A.T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



		Amount in Taka	
		2020	2019
<b>44 Consolidated Cash Increase/ Decrease in Other Assets</b>			
Meghna Bank Ltd (Note-44a)		612,326,445	671,116,193
Meghna Bank Securities Ltd		29,611,993	19,499,844
		641,938,438	690,616,037
Less: Inter Company Transaction		351,812,029	350,557,688
<b>Consolidated Cash (Increase)/ Decrease in Other Assets</b>		<b>290,126,409</b>	<b>340,058,349</b>
		<b>49,931,940</b>	<b>(42,606,010)</b>
<b>44a Cash Increase/ Decrease in Other Assets</b>			
Stock of Stationery and Stamps		6,810,139	5,822,946
Advance Rent		169,703,521	199,993,947
Suspense Account		73,110,453	84,204,433
Security Deposits		115,055	115,055
Interest on Sanchaypatra		5,810,123	27,642,753
NCCB Securities & Financial Services Ltd		-	568
Receivable from MGBL Islamic Banking Project		854,200	-
Meghna Bank Securities Ltd		1,812,128	557,788
Prepaid Expenses		582,395	966,151
Investment in Subsidiary		349,999,900	349,999,900
BEFTN Adjustment Account		217,208	89,744
S/D RFA SEBL - Western Union		618,719	1,564,108
Trans-Fast-Remittance Payment Account		6,000	-
Interest on Investment Bond-Customer		2,622,002	92,351
Chargeback Account for VISA Cards		64,602	66,449
		<b>612,326,445</b>	<b>671,116,193</b>
<b>Cash (Increase)/ Decrease in Other Assets</b>		<b>58,789,748</b>	<b>(21,782,389)</b>
<b>45 Consolidated Cash Increase/ Decrease in Other Liabilities</b>			
Meghna Bank Ltd (Note- 45a)		787,744,635	476,959,412
Meghna Bank Securities Ltd		72,189,385	18,218,088
		859,934,020	495,177,500
Less: Inter Company Transaction		42,351,879	557,788
<b>Cash Increase/ (Decrease) in Other Liabilities</b>		<b>817,582,141</b>	<b>494,619,711</b>
		<b>322,962,430</b>	<b>97,537,420</b>
<b>45a Cash Increase/ Decrease in Other Liabilities</b>			
Non-Resident Accounts		2,756,000	2,759,250
Interest Suspense A/C		576,203,650	309,644,474
Settlement with NPSB		50,445	50,445
Sundry Creditors		10,562,160	-
BEFT Settlement Account		1,809,362	1,029,430
Agent Monitoring & Collection Account		100,500	100,500
Provision for Gratuity		35,742,884	30,500,000
MGBL MFS Payable Accounts		1,623,755	3,176,914
MGBL General Account		38,649	221,006
Adjusting account credit		158,857,230	129,477,393
		<b>787,744,635</b>	<b>476,959,412</b>
<b>Consolidated Cash Increase/ (Decrease) in Other Liabilities</b>		<b>310,785,223</b>	<b>142,503,655</b>
<b>46 Consolidated Cash and Cash Equivalent</b>			
Meghna Bank Ltd (Note-46a)		6,254,816,540	8,768,694,705
Meghna Bank Securities Ltd		34,254,595	33,109,762
		6,289,071,135	8,801,804,467
Less: Inter Company Transaction		15,115,507	19,740,912
		<b>6,273,955,628</b>	<b>8,782,063,555</b>



Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited



Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited



Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



Amount in Taka	
2020	2019

**46a 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

593,875,342	637,067,358
3,008,286,920	2,547,920,596
2,521,748,078	3,512,980,551
130,000,000	2,070,000,000
906,200	726,200
<b>6,254,816,540</b>	<b>8,768,694,705</b>

**47 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 702.

  
 Director

  
 Director

  
 Director

  
 Managing Director & CEO

  
 Sajib Kumar Saha, FCA  
 VP & Head  
 Financial Administration Division  
 Meghna Bank Limited

  
 Md. Rafiqul Islam Khan, FCS  
 Company Secretary  
 Meghna Bank Limited

  
 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



  
 Sohail R. K. Hussain  
 Managing Director & CEO  
 Meghna Bank Limited



**MEGHNA BANK LIMITED**  
**INVESTMENT IN SHARES - QUOTED & UNQUOTED**  
**AS AT DECEMBER 31, 2020**

Annexure-A

Sl No	Name of the Company	No. of Shares/ Securities	Market price per share	Market value December 31, 2020	Cost price December 31, 2020	Unrealized Gain/(loss)
<b>Quoted:</b>						
1	British American Tobacco Bangladesh	2,000	1,180.80	2,361,600	2,188,692	172,908
2	BSRM Steels Limited	77,000	42.50	3,272,500	6,926,260	(3,653,760)
3	BRAC Bank Limited	200,000	44.30	8,860,000	9,439,310	(579,310)
4	C and A Textiles Limited	200,000	2.40	480,000	2,620,440	(2,140,440)
5	City Bank Limited	100,000	24.80	2,480,000	2,826,803	(346,803)
6	Crystal Insurance company Limited	10,879	39.40	428,633	108,790	319,843
7	Dhaka Bank Limited	55,125	11.90	655,988	717,860	(61,873)
8	Heidelberg Cement Bangladesh Limited	16,805	149.60	2,514,028	9,291,098	(6,777,070)
9	IDLC Finance Limited	60,000	63.40	3,804,000	4,055,156	(251,156)
10	IFAD Autos Limited	16,830	47.20	794,376	1,927,117	(1,132,741)
11	Jamuna Oil Company Limited	65,000	165.50	10,757,500	14,073,833	(3,316,333)
12	LafargeHolcim Bangladesh Limited	130,000	47.80	6,214,000	10,279,614	(4,065,614)
13	Meghna Petroleum Ltd.	15,000	198.00	2,970,000	3,045,459	(75,459)
14	Mercantile Bank Limited	60,375	12.70	766,763	903,600	(136,838)
15	MJL Bangladesh Limited	89,250	76.90	6,863,325	10,558,727	(3,695,402)
16	M.L. Dyeing Limited	8,751	50.00	437,550	60,400	377,150
17	Olympic Industries Limited	26,433	191.10	5,051,346	7,663,426	(2,612,080)
18	RAK Ceramics (Bangladesh) Limited	60,500	26.10	1,579,050	3,034,604	(1,455,554)
19	Robi Axiata Limited	271,254	29.80	8,083,369	2,712,540	5,370,829
20	Square Pharmaceuticals Limited	124,425	219.50	27,311,288	27,573,928	(262,640)
21	Square Textile Limited	110,250	29.80	3,285,450	7,151,302	(3,865,852)
22	Southeast Bank Limited	56,375	12.50	704,688	783,120	(78,433)
23	Titas Gas Transmission & Dist. Co. Limited	150,000	30.80	4,620,000	8,553,476	(3,933,476)
24	United Commercial Bank Limited	750,750	14.10	10,585,575	16,060,748	(5,475,173)
<b>Unquoted: Preference Share</b>						
25	Confidence Power Bogra Limited	10,000,000	10.00	100,000,000	100,000,000	-
26	Summit Gazipur II Power Limited	16,000,000	10.00	160,000,000	160,000,000	-
<b>Total</b>				<b>374,881,027</b>	<b>412,556,303</b>	<b>(37,675,276)</b>

Provision requirement

Provision maintained as on December 31, 2020.

Provision Surplus/Shortage at the end of December 31, 2020.

Taka

37,675,276

37,700,000

24,724

Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

Md. Rafiqul Islam Khan, FCS  
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Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka



Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



MEGHNA BANK LIMITED  
SCHEDULE OF FIXED ASSETS  
AS AT DECEMBER 31, 2020

Annexure-B

Particulars	C O S T			D E P R E C I A T I O N			WDV as on December 31, 2020	WDV as on December 31, 2019			
	Balance as on January 1, 2020	Additions during the year	Disposal/ Transfer during the year	Balance as on December 31, 2020	Rate of Depreciation	Balance as on January 1, 2020			Transfer/ Adjustment during the year	Charge for the year	
Vehicles	39,322,825	6,230,000	11,275,046	34,277,779	20%	31,046,141	11,275,043	2,858,580	22,629,678	11,648,101	8,276,684
Machinery and Equipment	157,027,011	2,386,290	-	159,413,301	20%	114,280,797	-	19,655,673	133,936,470	25,476,831	42,746,214
Furniture & Fixtures	258,544,155	2,899,468	1,475,297	259,968,326	10%	90,219,455	804,057	25,949,796	115,365,194	144,603,132	168,324,700
Computer & Computer Peripherals	164,735,385	12,558,320	-	177,293,705	33%	118,821,398	-	31,789,270	150,610,668	26,683,037	45,913,987
Office Tools & Accessories	21,569,248	446,400	-	22,015,648	20%	15,418,086	-	3,003,772	18,421,858	3,593,790	6,151,162
<b>Total (A)</b>	<b>641,198,624</b>	<b>24,520,478</b>	<b>12,750,343</b>	<b>652,968,759</b>		<b>369,785,877</b>	<b>12,079,100</b>	<b>83,257,091</b>	<b>440,963,868</b>	<b>212,004,891</b>	<b>271,412,747</b>

B) Intangible Assets :

Particulars	C O S T			A M O R T I Z A T I O N			WDV as on December 31, 2020	19WDV as on December 31, 2019			
	Balance as on January 1, 2020	Additions during the year	Disposal/ Transfer during the year	Balance as on December 31, 2020	Rate of Amortization	Balance as on January 1, 2020			Transfer/ Adjustment during the year	Charge for the year	
Software	75,169,964	2,597,400	-	77,767,364	20%	67,793,029	-	3,403,163	71,196,192	6,571,172	7,376,935
<b>Total (B)</b>	<b>75,169,964</b>	<b>2,597,400</b>	<b>-</b>	<b>77,767,364</b>		<b>67,793,029</b>	<b>-</b>	<b>3,403,163</b>	<b>71,196,192</b>	<b>6,571,172</b>	<b>7,376,935</b>
<b>Total (A + B)</b>	<b>716,368,588</b>	<b>27,117,878</b>	<b>12,750,343</b>	<b>730,736,123</b>		<b>437,578,906</b>	<b>12,079,100</b>	<b>86,660,254</b>	<b>512,160,060</b>	<b>218,576,063</b>	<b>278,789,682</b>

VP & Head  
Financial Administration

Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited

Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited

Khairul Basir A. T. Mohammod  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.





**MEGHNA BANK LIMITED**  
**BALANCE WITH OTHER BANKS-OUTSIDE BANGLADESH (NOSTRO ACCOUNT)**  
**AS AT DECEMBER 31, 2020**

SL No.	Name of the Banks	Currency Name	2020			2019			Annexure-C
			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	409,211.18	84.80	34,701,108.06	277,432.84	84.90	23,554,048.12	
2	Mashreq Bank p.s.c. New York, USD	USD	1,245,060.60	84.80	105,581,138.88	766,419.53	84.90	65,069,018.10	
3	Habib American Bank, New York, USD	USD	598,275.86	84.80	50,733,792.93	475,504.85	84.90	40,370,361.77	
4	MCB Bank Limited, Karachi, Pakistan, ACU	ACUD	104,914.21	84.80	8,896,725.01	7,544.21	84.90	640,503.43	
5	BANCA Popolare Di Sondrio, Sondrio, Italy, EURO	EURO	135,444.79	104.16	14,107,902.24	13,471.99	95.10	1,281,139.10	
6	Kookmin Bank Seoul Korea, USD	USD	79,566.30	84.80	6,747,222.24	70,043.74	84.90	5,946,713.53	
7	Kookmin Bank, Seoul Korea, GBP	GBP	3,430.92	114.81	393,906.33	7,656.20	111.32	852,295.07	
8	Kookmin Bank, Seoul Korea, CAD	CAD	7,116.50	66.27	471,615.54				
9	National Bank of Pakistan, Tokoyo, Japan,, JPY	JPY	1,303,578.00	0.82	1,069,846.46	1,684,186.00	0.78	1,309,959.87	
10	Bank Al Jazira, KSA, SAR	SAR	187,486.00	22.60	4,236,414.91	187,000.00	22.62	4,230,519.70	
11	AXIS Bank Ltd, Kolkata, India, ACU USD	ACUD	540,436.32	84.80	45,828,999.94	1,387,435.94	84.90	117,793,311.31	
12	BMCE Bank International, Madrid, Spain	EURO	9,767.07	104.16	1,017,336.06	12,282.07	95.10	1,167,981.87	
13	BMCE Bank International, GBP	GBP	7,767.03	114.81	891,738.15	7,767.03	111.32	864,632.77	
14	Bhutan National Bank, ACU	ACUD	102,412.00	84.80	8,684,537.60	1,142.00	84.90	96,955.80	
15	HDFC Bank Ltd., Mumbai	ACUD	144,154.35	84.80	12,224,288.88	36,604.73	84.90	3,107,741.58	
16	United Bank of India, Kolkata	ACUD	121,036.00	84.80	10,263,852.80	19,836.00	84.90	1,684,076.40	
17	Bank of New Zealand, NZD	NZD		-		1,186.12	56.98	67,580.85	
	<b>Total</b>				<b>305,850,426</b>			<b>268,036,840</b>	

Head Office  
 Meghna Bank Ltd.  
 Dhaka, Bangladesh

*[Signature]*

**Mr. Rafiqul Islam Khan, FCS**  
 Company Secretary  
 Meghna Bank Limited

*[Signature]*

**Mr. R. K. Hussain**  
 Managing Director & CEO  
 Meghna Bank Limited

**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.





## MEGHNA BANK LIMITED

## DETAILS INFORMATION OF LOANS AND ADVANCES MORE THAN 10% OF BANK'S TOTAL CAPITAL (FUNDED &amp; NON-FUNDED)

AS AT DECEMBER 31, 2020

(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.	99.32	0.09	99.40	15.66%	0.01%	15.68%
2	ACI Group	77.78	18.44	96.21	12.27%	2.91%	15.17%
3	UDDIPAN	61.02	32.55	93.57	9.62%	5.13%	14.76%
4	Confidence Group	66.62	24.31	90.93	10.51%	3.83%	14.34%
5	BRAC	85.00	-	85.00	13.41%	0.00%	13.41%
6	RSRM Group	82.64	-	82.64	13.03%	0.00%	13.03%
7	Abul Khair Group	70.47	10.94	81.42	11.11%	1.73%	12.84%
8	ACME Group	78.84	-	78.84	12.43%	0.00%	12.43%
9	Nitol Motors	74.66	-	74.66	11.77%	0.00%	11.77%
10	Mussa and Issa Brothers	70.51	-	70.51	11.12%	0.00%	11.12%
11	S. S. ENGINEERING & CONSTRUCTION LTD.	48.61	17.14	65.75	7.67%	2.70%	10.37%
12	Summit Group	65.00	-	65.00	10.25%	0.00%	10.25%
13	Energypac Group	64.05	-	64.05	10.10%	0.00%	10.10%
14	BSRM STEEL MILLS LIMITED	60.61	-	60.61	9.56%	0.00%	9.56%
15	Independent Group	49.86	5.96	55.81	7.86%	0.94%	8.80%

Sajib Kumar Saha, FCA  
 VP & Head  
 Financial Administration Division  
 Meghna Bank Limited



Md. Rafiqul Islam Khan, FCS  
 Company Secretary  
 Meghna Bank Limited

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Schail R. K. Hussain  
 Managing Director & CEO  
 Meghna Bank Limited



Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.





## MEGHNA BANK LIMITED

## DETAILS INFORMATION OF LOANS AND ADVANCES MORE THAN 10% OF BANK'S TOTAL CAPITAL (FUNDED &amp; NON-FUNDED)

AS AT DECEMBER 31, 2020

(Tk. In Crore)

Sl. No.	Name of client	Outstanding			% of Loans to Total Capital		
		Funded	Non-funded	Total	Funded	Non-funded	Total
16	Aman Group	51.55	3.10	54.65	8.13%	0.49%	8.62%
17	M/S. KHOKAN TRADING AGENCY	15.87	36.40	52.27	2.50%	5.74%	8.24%
18	City Group	48.91	-	48.91	7.71%	0.00%	7.71%
19	DANISH FOOD LTD.	43.95	1.28	45.22	6.93%	0.20%	7.13%
20	PREMIER CEMENT MILLS LTD	45.13	-	45.13	7.12%	0.00%	7.12%
21	AKOTA GROUP	0.14	35.00	35.14	0.02%	5.52%	5.54%
22	NAZ TRADERS	9.64	13.28	22.92	1.52%	2.09%	3.61%
23	ANWAR LANDMARK LIMITED AND OTHERS	15.70	6.70	22.41	2.48%	1.06%	3.53%
24	BANGLADESH PETROLEUM CORP	-	16.99	16.99	0.00%	2.68%	2.68%
25	SUPER PETROCHEMICAL(PVT)LTD.	15.35	0.45	15.80	2.42%	0.07%	2.49%
26	ISRAQ COTTON MILLS LIMITED	-	14.10	14.10	0.00%	2.22%	2.22%
27	Butterfly Manufacturing Co. Ltd.	5.55	-	5.55	0.87%	0.00%	0.87%
28	Meghna Group of Industries (MGI)	0.02	2.14	2.15	0.00%	0.34%	0.34%
29	UNITED CHATTOGRAM POWER & OTHERS	0.00	-	0.00	0.00%	0.00%	0.00%
30	Deshbandhu Group	-	-	-	0.00%	0.00%	0.00%

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 Financial Administration Division  
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 Company Secretary  
 Meghna Bank Limited

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Sohail R. K. Hussain  
 Managing Director & CEO  
 Meghna Bank Limited

Khairul Bashir A. T. Mohammed  
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## MEGHNA BANK LIMITED

## DETAILS INFORMATION OF LOANS AND ADVANCES MORE THAN 10% OF BANK'S TOTAL CAPITAL (FUNDED &amp; NON-FUNDED)

AS AT DECEMBER 31, 2020

(Tk. In Crore)

SL. No.	Name of client	Outstanding			% of Loans to Total Capital		
		Funded	Non-funded	Total	Funded	Non-funded	Total
31	Somatec & Bangladesh paper	-	-	-	0.00%	0.00%	0.00%
32	Ananta Group	-	-	-	0.00%	0.00%	0.00%
33	DEBONAIR GROUP	-	-	-	0.00%	0.00%	0.00%
34	Eon Group	-	-	-	0.00%	0.00%	0.00%
	<b>Total</b>	<b>1,306.76</b>	<b>238.86</b>	<b>1,545.62</b>			

Bank's total Capital as on 31 December 2020 is Tk. 637.44 Crore



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**MEGHNA BANK LIMITED  
FINANCIAL HIGHLIGHTS**

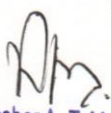
(Amount in Taka)

SL	PARTICULARS	2020	2019
1	Paid up Capital	4,698,980,000	4,698,980,000
2	Total Capital ( Core + Supplementary)	6,374,427,965	5,721,635,030
3	Capital Surplus	1,802,444,613	1,721,635,030
4	Total Assets	52,871,113,727	49,346,927,296
5	Total Deposit	43,330,127,348	41,104,080,069
6	Total Loans & Advances	35,840,624,305	34,362,615,024
7	Total Contingent Liabilities and Commitments	5,028,792,620	4,478,529,861
8	Advance Deposit Ratio ( % )	83%	84%
9	Percentage of Classified Loans against total Loans and Advances	6.80%	7.41%
10	Profit after Tax and Provision	501,151,234	134,531,824
11	Amount of Classified Loans During Current Year	2,435,672,618	2,545,898,517
12	Provisions kept against Classified Loan	844,250,000	864,650,000
13	Provisions Surplus	48,430	942,561
14	Cost of Fund	9.76%	10.74%
15	Interest Earning Assets	48,186,603,009	45,234,986,833
16	Non-Interest Earning Assets	4,684,510,718	4,111,940,463
17	Return on Investment (ROI)	14.29%	8.31%
18	Return on Assets (ROA)	0.98%	0.29%
19	Income from Investment	1,045,650,846	341,743,908
20	Earning Per Share	1.07	0.29
21	Net Income Per Share	1.07	0.29
22	Price Earning Ratio	N/A	N/A

  
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## 14 Comparative Financial Statements of MGBL for the Last 3 (Three) Years

### 14.1 Comparative Balance Sheet (Consolidated)

**Meghna Bank Limited & Its Subsidiaries**  
**Consolidated Balance Sheet**  
**As on December 31 of respective year**

	2020	2019	2018
	BDT mn	BDT mn	BDT mn
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	<b>3,602</b>	<b>3,185</b>	<b>2,837</b>
Cash in hand (incl. Foreign Currencies)	594	637	532
Balance with Bangladesh Bank and its agent bank(s) (incl. FCs)	3,008	2,548	2,305
<b>Balance with other Banks and Financial Institutions</b>	<b>2,541</b>	<b>3,526</b>	<b>3,350</b>
In Bangladesh	2,235	3,258	3,134
Outside Bangladesh	306	268	217
<b>Money at Call and on Short Notice</b>	<b>130</b>	<b>2,070</b>	<b>1,990</b>
<b>Investment</b>	<b>9,831</b>	<b>5,491</b>	<b>4,811</b>
Government	9,032	4,766	4,264
Others	800	725	547
<b>Loans and Advances</b>	<b>35,800</b>	<b>34,363</b>	<b>30,154</b>
Loans, Cash credits, Overdrafts, etc.	35,742	34,197	29,951
Bills Purchased and Discounted	58	166	203
<b>Fixed Assets incl. Premises, Furniture and Fixtures</b>	<b>221</b>	<b>281</b>	<b>319</b>
<b>Other Assets</b>	<b>772</b>	<b>435</b>	<b>383</b>
<b>Total Assets</b>	<b>52,897</b>	<b>49,351</b>	<b>43,844</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other Banks, FIs and Agents</b>	<b>559</b>	<b>0</b>	<b>1</b>
<b>Deposits and Other Accounts</b>	<b>43,315</b>	<b>41,084</b>	<b>36,376</b>
Current Accounts & Other Accounts	3,383	3,975	3,517
Bills Payable	298	432	358
Savings Bank Deposits	2,845	2,166	1,640
Fixed Deposits	36,789	34,512	30,860
Other Deposits	-	-	-
<b>Other Liabilities</b>	<b>3,011</b>	<b>2,869</b>	<b>2,206</b>
<b>Total Liabilities</b>	<b>46,885</b>	<b>43,954</b>	<b>38,584</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	4,699	4,699	4,699
Statutory Reserve	766	642	541
Other Reserve (Revaluation of HFT & HTM Securities)	105	1	0
Surplus in Profit and Loss Account/Retained Earnings	443	56	20
Minority Interest	0	0	0
<b>Total Shareholders' Equity</b>	<b>6,012</b>	<b>5,398</b>	<b>5,260</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>52,897</b>	<b>49,351</b>	<b>43,844</b>



## 14.2 Comparative Balance Sheet (Solo)

**Meghna Bank Limited**  
**Balance Sheet**  
**As on December 31, 2020**

	2020	2019	2018
	BDT mn	BDT mn	BDT mn
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	<b>3,602</b>	<b>3,185</b>	<b>2,837</b>
Cash in hand (incl. Foreign Currencies)	594	637	532
Balance with Bangladesh Bank and its agent bank(s) (incl. FCs)	3,008	2,548	2,305
<b>Balance with other Banks and Financial Institutions</b>	<b>2,522</b>	<b>3,513</b>	<b>3,325</b>
In Bangladesh	2,216	3,245	3,108
Outside Bangladesh	306	268	217
<b>Money at Call and on Short Notice</b>	<b>130</b>	<b>2,070</b>	<b>1,990</b>
<b>Investment</b>	<b>9,464</b>	<b>5,171</b>	<b>4,493</b>
Government	9,032	4,766	4,264
Others	433	406	229
<b>Loans and Advances</b>	<b>35,841</b>	<b>34,363</b>	<b>30,154</b>
Loans, Cash credits, Overdrafts, etc.	35,782	34,197	29,951
Bills Purchased and Discounted	58	166	203
<b>Fixed Assets incl. Premises, Furniture and Fixtures</b>	<b>219</b>	<b>279</b>	<b>316</b>
<b>Other Assets</b>	<b>1,094</b>	<b>766</b>	<b>735</b>
<b>Total Assets</b>	<b>52,871</b>	<b>49,347</b>	<b>43,850</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other Banks, FIs and Agents</b>	<b>559</b>	<b>0</b>	<b>1</b>
<b>Deposits and Other Accounts</b>	<b>43,330</b>	<b>41,104</b>	<b>36,447</b>
Current Accounts & Other Accounts	3,383	3,975	3,517
Bills Payable	298	432	358
Savings Bank Deposits	2,845	2,166	1,640
Fixed Deposits	36,804	34,531	30,931
Other Deposits	-	-	-
<b>Other Liabilities</b>	<b>2,985</b>	<b>2,850</b>	<b>2,144</b>
<b>Total Liabilities</b>	<b>46,874</b>	<b>43,955</b>	<b>38,592</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	4,699	4,699	4,699
Statutory Reserve	766	642	541
Other Reserve (Revaluation of HFT & HTM Securities)	105	1	0
Surplus in Profit and Loss Account/Retained Earnings	428	51	17
Minority Interest	-	-	-
<b>Total Shareholders' Equity</b>	<b>5,997</b>	<b>5,392</b>	<b>5,257</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>52,871</b>	<b>49,347</b>	<b>43,850</b>

Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited



Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited

Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited







Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



### 14.3 Comparative Profit & Loss Account (Consolidated)

<b>Meghna Bank Limited &amp; Its Subsidiaries</b>			
<b>Consolidated Profit and Loss Account</b>			
<b>For the year ended December 31 of respective year</b>			
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>BDT mn</b>	<b>BDT mn</b>	<b>BDT mn</b>
Interest Income	3,213	4,267	3,729
Interest paid on Deposits and borrowings etc	2,595	2,799	2,463
<b>Net Interest Income</b>	<b>618</b>	<b>1,467</b>	<b>1,267</b>
Investment Income	1,053	349	578
Commission, Exchange and Brokerage	127	156	157
Other Operating Income	78	74	63
	<b>1,258</b>	<b>578</b>	<b>798</b>
<b>Total Operating Income</b>	<b>1,876</b>	<b>2,046</b>	<b>2,065</b>
Salaries and Allowances	540	604	559
Rent, Taxes, Insurances, Electricity etc.	240	253	225
Legal Expenses	1	1	0
Postage, Stamps, Telecommunication etc.	21	20	22
Stationery, Printings, Advertisements etc.	13	14	17
Chief Executive's Salary & Fees	17	15	14
Directors' Fees	1	2	2
Auditors' Fees	0	0	0
Depreciation & Repairs of Bank's Assets	92	100	106
Other Expenses	209	206	242
<b>Total Operating Expenses</b>	<b>1,135</b>	<b>1,215</b>	<b>1,187</b>
<b>Profit/(Loss) before Provision</b>	<b>741</b>	<b>830</b>	<b>877</b>
Specific Provision for Classified Loans and Advances	20	(255)	(392)
General Provision for Unclassified Loans and Advances	(23)	(41)	(26)
General Provision for Off-Balance Sheet Exposures	(7)	14	8
Special General Provision - Covid-19	(121)	-	-
Provision for Diminution in value of Investments	19	(28)	(22)
Other Provisions	0	(12)	(5)
<b>Total Provision</b>	<b>(111)</b>	<b>(322)</b>	<b>(437)</b>
<b>Total Profit/(Loss) before Taxes</b>	<b>630</b>	<b>509</b>	<b>440</b>
<b>Provision for Taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>
Current Tax	(171)	(371)	(325)
Deferred Tax	52	-	-
	<b>(119)</b>	<b>(371)</b>	<b>(325)</b>
<b>Net Profit after Taxation</b>	<b>511</b>	<b>137</b>	<b>115</b>
Retained earnings brought forward from previous years	56	20	11
	<b>567</b>	<b>157</b>	<b>127</b>
<b>Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>
Statutory Reserve	124	101	82
Non-controlling Interest	0	0	0
General Reserve	-	-	-
	<b>124</b>	<b>101</b>	<b>82</b>
<b>Retained Surplus</b>	<b>443</b>	<b>56</b>	<b>44</b>
<b>Earnings Per Share (EPS)</b>	<b>1.09</b>	<b>0.29</b>	<b>0.25</b>

### 14.4 Comparative Profit & Loss Account (Solo)

<b>Meghna Bank Limited</b>	
	
	
Financial Administration Division Meghna Bank Limited	<b>Md. Rafiqul Islam Khan, FCS</b> <b>Company Secretary</b> <b>Meghna Bank Limited</b>
	
<b>Sohail R. K. Hussain</b> Managing Director & CEO Meghna Bank Limited	<b>Khairul Bashar A. T. Mohammed</b> Chief Executive Officer Capital Ltd. Head Office, Dhaka.



**Profit and Loss Account**  
**For the year ended December 31 of respective year**

	2020 BDT mn	2019 BDT mn	2018 BDT mn
Interest Income	3,210	4,264	3,726
Interest Expense	2,596	2,801	2,464
<b>Net Interest Income</b>	<b>614</b>	<b>1,463</b>	<b>1,263</b>
Investment Income	1,046	342	547
Commission, Exchange and Brokerage	114	145	143
Other Operating Income	82	78	67
<b>Total Operating Income</b>	<b>1,241</b>	<b>565</b>	<b>757</b>
	<b>1,856</b>	<b>2,028</b>	<b>2,020</b>
Salaries and Allowances	533	598	550
Rent, Taxes, Insurances, Electricity etc.	239	252	224
Legal Expenses	1	1	0
Postage, Stamps, Telecommunication etc.	21	20	22
Stationery, Printings, Advertisements etc.	13	14	17
Chief Executive's Salary & Fees	17	15	14
Directors' Fees	1	2	2
Auditors' Fees	0	0	0
Depreciation & Repairs of Bank's Assets	91	99	104
Other Expenses	205	203	239
<b>Total Operating Expenses</b>	<b>1,122</b>	<b>1,204</b>	<b>1,172</b>
<b>Profit/(Loss) before Provision</b>	<b>734</b>	<b>824</b>	<b>848</b>
Specific Provision for Classified Loans and Advances	20	(255)	(392)
General Provision for Unclassified Loans and Advances	(23)	(41)	(26)
General Provision for Off-Balance Sheet Exposures	(7)	14	8
Special General Provision - Covid-19	(121)	-	-
Provision for Diminution in value of Investments	16	(25)	(22)
Other Provisions	0	(12)	(5)
<b>Total Provision</b>	<b>(115)</b>	<b>(319)</b>	<b>(436)</b>
<b>Total Profit/(Loss) before Taxes</b>	<b>619</b>	<b>505</b>	<b>411</b>
<b>Provision for Taxation</b>			
Current Tax	(170)	(370)	(320)
Deferred Tax	52	-	-
	<b>(118)</b>	<b>(370)</b>	<b>(320)</b>
<b>Net Profit after Taxation</b>	<b>501</b>	<b>135</b>	<b>91</b>
Retained earnings brought forward	51	17	8
	<b>552</b>	<b>152</b>	<b>99</b>
<b>Appropriations</b>			
Statutory Reserve	124	101	82
General Reserve	-	-	-
	<b>124</b>	<b>101</b>	<b>82</b>
<b>Retained Surplus</b>	<b>428</b>	<b>51</b>	<b>17</b>
<b>Earnings Per Share (EPS)</b>	<b>1.07</b>	<b>0.29</b>	<b>0.19</b>

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Managing Director & CEO  
Meghna Bank Limited



## 14.5 Comparative Cash Flow Statement (Consolidated)

**Meghna Bank Limited & Its Subsidiaries**  
**Consolidated Cash Flow Statement**  
**As at December 31 of respective year**

	2020 BDT mn	2019 BDT mn	2018 BDT mn
<b>Cash Flows from Operating Activities</b>			
Interest receipts in cash	3,379	4,595	4,126
Interest Payments	(2,787)	(2,657)	(2,388)
Dividends Receipts	29	11	42
Fee & Commission receipts in cash	127	156	157
Recoveries on loans previously written off	-	-	-
Cash Payments to Employees	(557)	(620)	(572)
Cash Payments to Suppliers	(13)	(14)	(17)
Income Taxes Paid	(271)	(270)	(257)
Receipts from other Operating activities	603	80	215
Payments for other Operating activities	(481)	(492)	(503)
<b>Operating Profit before changes in Operating Assets and Liabilities</b>	<b>28</b>	<b>787</b>	<b>802</b>
<b>Increase/Decrease in Operating Assets and Liabilities</b>			
Purchase/Sale of Trading Securities (Treasury bills)	-	-	99
Loans and Advances to Customers	(1,437)	(4,209)	(2,696)
Other Assets	50	(43)	26
Deposits from other Banks	1,387	(1,021)	1,170
Deposits from Customers	843	5,729	2,942
Other Liabilities	323	98	173
<b>Sub Total</b>	<b>1,166</b>	<b>554</b>	<b>1,716</b>
<b>Net Cash from Operating Activities</b>	<b>1,194</b>	<b>1,341</b>	<b>2,518</b>
<b>Cash flows from Investing Activities</b>			
Proceeds from sale of Securities	-	-	733
Payment for purchases of securities	(4,236)	(680)	(590)
Purchase/Sale of Property, Plant & Equipment	(24)	(56)	(131)
<b>Net Cash Used in Investing Activities</b>	<b>(4,260)</b>	<b>(736)</b>	<b>13</b>
<b>Cash flows from Financing Activities</b>			
Borrowing from other banks	558	(1)	(905)
Receipts from issue of ordinary share	-	-	-
Dividends Paid	-	-	(25)
<b>Net Cash from Financing Activities</b>	<b>558</b>	<b>(1)</b>	<b>(930)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(2,508)</b>	<b>604</b>	<b>1,601</b>
Cash and cash equivalents at the beginning of the year	8,782	8,178	6,577
<b>Cash and cash equivalents at the end of the year</b>	<b>6,274</b>	<b>8,782</b>	<b>8,178</b>

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Head Office. Dhaka.

Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



## 14.6 Comparative Cash Flow Statement (Solo)

<b>Meghna Bank Limited Cash Flow Statement As at December 31</b>			
	<b>2020 BDT mn</b>	<b>2019 BDT mn</b>	<b>2018 BDT mn</b>
<b>Cash Flows from Operating Activities</b>			
Interest receipts in cash	3,376	4,592	4,123
Interest Payments	(2,788)	(2,659)	(2,389)
Dividends Receipts	27	5	34
Fee & Commission receipts in cash	114	145	143
Recoveries on loans previously written off	-	-	-
Cash Payments to Employees	(550)	(613)	(563)
Cash Payments to Suppliers	(13)	(14)	(17)
Income Taxes Paid	(269)	(268)	(248)
Receipts from other Operating activities	597	78	191
Payments for other Operating activities	(472)	(483)	(494)
<b>Operating Profit before changes in Operating Assets and Liabilities</b>	<b>22</b>	<b>782</b>	<b>779</b>
<b>Increase/Decrease in Operating Assets and Liabilities</b>			
Purchase/Sale of Trading Securities (Treasury bills)	-	-	99
Loans and Advances to Customers	(1,478)	(4,209)	(2,696)
Other Assets	59	(22)	13
Deposits from other Banks	1,387	(1,021)	1,170
Deposits from Customers	839	5,678	2,989
Other Liabilities	311	143	152
<b>Sub Total</b>	<b>1,118</b>	<b>569</b>	<b>1,728</b>
<b>Net Cash from Operating Activities</b>	<b>1,140</b>	<b>1,351</b>	<b>2,507</b>
<b>Cash flows from Investing Activities</b>			
Proceeds from sale of Securities	-	-	733
Payment for purchases of securities	(4,188)	(678)	(605)
Purchase/Sale of Property, Plant & Equipment	(24)	(56)	(131)
<b>Net Cash Used in Investing Activities</b>	<b>(4,212)</b>	<b>(734)</b>	<b>(2)</b>
<b>Cash flows from Financing Activities</b>			
Borrowing from other banks	558	(1)	(905)
Receipts from issue of ordinary share	-	-	-
Dividends Paid	-	-	-
<b>Net Cash from Financing Activities</b>	<b>558</b>	<b>(1)</b>	<b>(905)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(2,514)</b>	<b>616</b>	<b>1,599</b>
Cash and cash equivalents at the beginning of the year	8,769	8,153	6,553
<b>Cash and cash equivalents at the end of the period</b>	<b>6,255</b>	<b>8,769</b>	<b>8,153</b>

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VP & Head  
Financial Administration Division  
Meghna Bank Limited

Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited

Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited


Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka  
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## 15 Financial Ratios for last 3 (Three) Years


Table 20: Financial Ratios of MGBLTB for Last Three Years

Sl.	Particulars	Metric	2020	2019	2018
1	Current Ratio	N/A	N/A	N/A	N/A
2	Quick Ratio	N/A	N/A	N/A	N/A
3	Times Interest Earned Ratio	N/A	N/A	N/A	N/A
4	Break-Even Point	N/A	N/A	N/A	N/A
5	Debt to Equity Ratio	N/A	N/A	N/A	N/A
6	Debt to Total Asset Ratio	N/A	N/A	N/A	N/A
7	Accounts Receivable Turnover Ratio	N/A	N/A	N/A	N/A
8	Inventory Turnover Ratio	N/A	N/A	N/A	N/A
9	Asset Turnover Ratio	N/A	N/A	N/A	N/A
10	Debt Service Coverage Ratio	N/A	N/A	N/A	N/A
11	Gross Margin Ratio	N/A	N/A	N/A	N/A
12	Operating Income Ratio	N/A	N/A	N/A	N/A
13	Net Income Ratio	N/A	N/A	N/A	N/A
14	Cost of Fund	%	9.76%	10.74%	10.16%
15	Loan Deposit Ratio	%	82.72%	83.60%	82.73%
16	Cost Income Ratio	%	60.46%	59.37%	58.04%
17	Return Avg. Assets	%	0.98%	0.29%	0.22%
18	Capital Adequacy Ratio	%	17.42%	17.89%	18.90%
19	Non-performing Loan Ratio	%	6.80%	7.41%	6.00%
20	Return on Avg. Equity	%	8.80%	2.53%	1.75%
21	Earnings Per Share	BDT	1.07	0.29	0.19
22	NAV per Share	BDT	12.76	11.48	11.19

  
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**16 Credit Rating Report of MGBL 1<sup>st</sup> Subordinated Coupon Bearing Bond**

**Credit Rating Report**

**MGBL 1<sup>st</sup> Subordinated Coupon Bearing Bond (Up to BDT 2 billion) of Meghna Bank Limited**



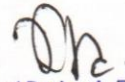
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**CRAB Structured Finance Rating**

**Credit Rating Report**

**Subordinated Coupon bearing Bond BDT 2,000.0 million of Meghna Bank Ltd.**

**Analysts:**  
**Tahmina Islam**  
 tahmina.islam@crab.com.bd  
**Shahtaj Noor**  
 shahtaj.noor@crab.com.bd

**Assigned Ratings:**

**Bond Rating**  
 Long Term : **A<sub>2</sub> (Hyb)**  
 Outlook : **Stable**

Date of Rating	Valid Till
17 June 2021	30 June 2022

**RATING BASED ON:** Audited financial statement up to 31 December 2020 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

**Key Performance Indicator of the Bank**

--Year ended December 31--

(Mil. BDT)	2020	2019
Loans	35,840.62	34,362.62
Deposit	43,330.13	41,104.08
Gross NPL	2,435.67	2,545.90
Shareholders Equity	5,997.46	5,392.10
(%)		
NIM	1.57	3.88
ROAA (after tax)	0.98	0.29
Return on Avg. RWA	1.46	0.44
Cost to Income Ratio	60.46	59.37
Capital to Risk weighted Asset Ratio	17.42	17.89
Common Equity Tier I Ratio	16.09	16.83
Gross NPL Ratio	6.80	7.41

Methodology: CRAB's structured finance Rating Methodology (www.crab.com.bd)

**ISSUER PROFILE**

Meghna Bank Limited (hereinafter referred to as 'Meghna Bank' or 'the Bank') commenced its operation from May 09, 2013. The paid up capital of the Bank reached BDT 4,698.98 million against authorized capital of BDT 20,000.0 million at the end of December 2020. The Bank offers all kinds of banking and investment services for retail and corporate customers through its network of 47 branches. The Bank has one subsidiary named Meghna Bank Securities Limited. The principal activities of the bank are to provide all kinds of commercial banking and related services such as accepting deposits, lending loans to customers, trade and services, treasury functions, cash management, securities and custody services and remittance services etc.

**RATIONALE**

Credit Rating Agency of Bangladesh Limited (CRAB) has assigned "A<sub>2</sub> (Hyb)" (pronounced Single A two hybrid) rating in the long term to Meghna Bank's issue of subordinated coupon bearing bond BDT 2,000.0 million, in line with CRAB's standard notching practices. The assignment of the final rating follows the completion of the bond issuance and receipts of documents conforming to the information received at the time of issuing this rating.

According to the Term Sheet provided to CRAB, the bond will be non-convertible and not-callable coupon bearing bond in nature and has no prepayment option. The Bond is unsecured and ranked below deposits, borrowings and secured bonds with regard to claims on assets or earnings. The rating outlook is stable, reflecting the outlook on the issuer's credit rating. CRAB performed the rating based on audited financial statement of the Bank as of 31 December 2020 and other relevant information up to the date of rating declaration.

Meghna Bank Ltd. has decided to raise capital through issuance of subordinated bond in order to strengthen its capital base in accordance with Basel III guidelines of Bangladesh Bank. The proposed subordinated bond issue will help the bank enhance its capital strength through raising Tier 2 capital and continue its balance sheet growth. The Bank is planning to issue non-convertible coupon bearing bond worth BDT 2,000.0 million having denomination of

**Subordinated Bond BDT 2,000 million of Meghna Bank Ltd.**

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Managing Director  
 Credit Rating Agency  
 of Bangladesh Ltd

Enail R. K. Hussain  
 Managing Director & CEO  
 Meghna Bank Limited

*Khairul Bashar A. T. Mohammed*  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka





each BDT 10.0 million. There will be semi-annually coupon payment of the Bond. Coupon rate is ranged between 7.00% - 9.50%. Coupon rate will be based on latest average 6-month FDR rate of all private commercial banks excluding Islami banks & foreign banks as published by Bangladesh Bank on the quotation day. The final maturity of the Bonds will be at the end of 5<sup>th</sup> year of the Bonds from the Issue Date. Principal redemption will be in 5 equal annual tranches commencing at the end of 1<sup>st</sup> year from the date of drawdown. There is no pre-payment option.

Meghna Bank's subordinated Coupon bearing bond is an unsecured bond. Specific revenue sources or assets are not being pledged against issuance of the bonds. However, investors will have the right on the Bank's cash flow to get repaid but rank of an unsecured bond holder is below than other loans (or securities) with regard to claims on assets or earnings. The subordinated coupon bearing bonds have been structured for Tier 2 own fund eligibility according to BB regulation.

According to CRAB methodology, the subordinated bond is classified as capital due to regulatory override within CRAB's risk based capital calculation and is classified as debt for the agency's financial leverage calculations. The new issue will expected to increase financial leverage on a pro-forma basis to 8.16 times from 7.46 times based on 30 Dec' 2020 figures. The bond rating reflects the issuer's Meghna Bank strength in terms of operating efficiency and strong Tier I capital. However, Meghna Bank's continuation of non-performing loan, significant share of large loan borrower and cost to income ratio should be taken into consideration for future adverse impact. As the deposit rate in the money market is very low continued from the last year, coupon payment was made as variable thus payment will be varied in each payment.

**KEY FEATURES OF THE INSTRUMENT**
**Table 1**

Name of the Instrument (1 <sup>st</sup> Series):	Subordinated Coupon Bearing Bond
Issue Size:	BDT 2,000,000,000
Purpose:	To raise Tier-2 Capital
Lead Arranger	RSA Advisory Limited
Trustee	MTB Capital Limited
Paying Agent, Register, Transfer Agent:	MTB Capital Limited
Legal Counsel:	Farooq and Associates
Credit Rating Agency:	Credit Rating Agency of Bangladesh
Issue Size:	BDT 2,000,000,000 (Two Billion Taka)
Issue Type:	Tier 2 Eligible Subordinated Bond
Tenor:	5 years from the date of issuance
Minimum Subscription:	BDT 10,000,000 (Ten Million)
Face Value:	BDT 10,000,000 (Ten Million Taka)
Totals Bonds to be issued	200 (Two Hundred only)
Investors:	Institutional investors and high net-worth individual investors
Mode of Placement	Private Placement on a best effort basis
Yield to Maturity / Rate of Return	Coupon Rate
Coupon Rate:	Reference Rate + Coupon Margin
Reference Rate:	Latest average 6-month FDR rate of all private commercial banks excluding Islamic banks & foreign banks as published by Bangladesh Bank on the quotation day.
Quotation Day:	5 Business Days before the first day of any period for which Coupon is to be paid.
Coupon Margin:	2.50%



Range of Coupon Rate:	7.00% to 9.50%, at all times.														
Coupon Payment:	Semi-annually starting after 6 months from the drawdown date														
Mode of Placement:	Private Placement on a best effort basis														
Repayment Schedule:	<p>Face Value (principal) redemptions will be in 5 (five) equal annual tranches commencing at the end of 1<sup>st</sup> year from the date of drawdown in the following manner.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Redemption</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>10%</td> </tr> <tr> <td>2</td> <td>15%</td> </tr> <tr> <td>3</td> <td>20%</td> </tr> <tr> <td>4</td> <td>25%</td> </tr> <tr> <td>5</td> <td>30%</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table>	Year	Redemption	1	10%	2	15%	3	20%	4	25%	5	30%	Total	100%
Year	Redemption														
1	10%														
2	15%														
3	20%														
4	25%														
5	30%														
Total	100%														
Prepayment, Call Refunding, Conversion Features:	The Bond is non-convertible and not-callable in nature and has no prepayment option.														
Tax Feature:	According to the laws of Bangladesh														
Late Redemption:	The Issuer shall pay a late payment penalty of 2% (two per cent) higher than the Discount Rate and be payable on the amount not paid on the due date up till the date of actual payment.														
Credit Rating:	<p><u>Issuer Rating</u> A+ (Long Term), ST-2 (Short Term), Outlook: Stable</p>														
Description of Collateral Security and Type of Charges to be Created Against the Issue:	Unsecured														
Listing:	Unlisted														
Transferability/Liquidity:	Transferable in accordance with the provisions of Trust Deed.														
Governing Law:	Laws of Bangladesh.														

**REDEMPTION STATUS OF THE BOND**

The coupon rate of the Bond is determined as a sum of reference rate and margin ranged between 7.00% - 9.50%. Reference rate of the bond will be based on latest average 6 months FDR rate of all private commercial banks excluding Islamic banks & foreign banks as published by Bangladesh Bank on the quotation day. The non-convertible, unsecured coupon bearing sub ordinate bond will be in private placement. The principal amount of the Bond will be redeemed in 5 equal annual tranches starting from end of 1<sup>st</sup> year from the date of drawdown. Coupon payment will be done semi-annually starting after 6 months from the drawdown date.

Table 2

Transaction Structure of the Bond for Single denomination of BDT 10.0 million					
Semi-Annually Coupon No	Outstanding Amount of the Principal	Each Coupon Amount @7.0%	Each Coupon Amount @8.5%	Each Coupon Amount @9.5%	Redemption Amount of Principal
1st	10,000,000	350,000	425,000	475,000	
2nd	10,000,000	350,000	425,000	475,000	1,000,000
3rd	9,000,000	315,000	382,500	427,500	
4th	9,000,000	315,000	382,500	427,500	1,500,000
5th	8,500,000	297,500	361,250	403,750	
6th	8,500,000	297,500	361,250	403,750	2,000,000
7th	8,000,000	280,000	340,000	380,000	





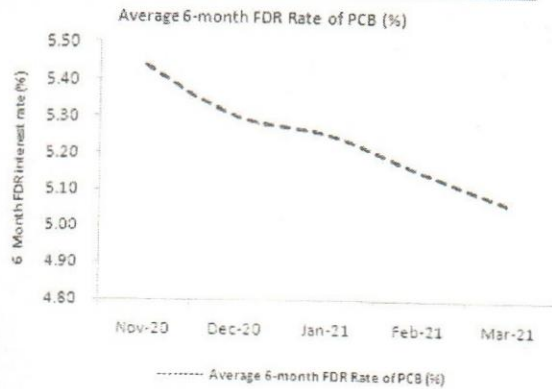


## CRAB Structured Finance Rating

Subordinated Coupon bearing Bond of Meghna Bank Ltd.

8th	8,000,000	280,000	340,000	380,000	2,500,000
9th	7,000,000	245,000	297,500	332,500	
10th	7,000,000	245,000	297,500	332,500	7,000,000

### INTEREST RATE RISK OF THE BOND



Graph 1:

Redemption of the bonds will be in 5 equal installments starting from the end of 36<sup>th</sup> month from the issue date and each 12 months from thereafter. As the bond is not listed in any bourses, public trade of the bond is not expected but can be traded privately. However, yield of the bond may be affected by interest rate movement of the country considering the long term nature of the bond. Coupon rate of the Bond will be determined as a sum of reference rate and margin ranged between 7.00% - 9.50%. However during the tenure the yield (reference rate + margin) will be floored at 7.00% p.a and capped (reference rate + coupon margin) at 9.50%. Reference rate will be taken from average 6 months FDR rate of Private Commercial Banks (PCB) (excluding Islami Banks & Foreign Banks on the Quotation Day). In this context, current highest fixed deposit rate of Meghna Bank Limited for 6 months is now ranged 5.50% - 6.50%.

### PURPOSE OF ISSUANCE

Meghna Bank Ltd. is going to issue BDT 2,000.0 million unsecured, coupon bearing subordinated bond mainly to increase its Tier 2 capital and hence the overall capital adequacy ratio of the Bank. Meghna Bank's capital adequacy ratio was 17.42% at the end of Dec' 2020 (Dec'2019: 17.89%). The proposed BDT 2,000.0 million bonds will provide the Bank additional capital cushion and thereby will help to maintain healthy capital adequacy ratio for next few years. It will also help to meet long term financing need facilitate its continuous business expansion in terms of loan portfolio and branches. The range of discount rate will be within 7.00% to 9.50% which is subject to the regulatory approval. In this context, fixed deposit rate of Meghna Bank for 6 months and more terms was 5.50% to 6.50% for as of March 2021, whereas cost of fund of Meghna Bank was 9.76% in Dec'2020 (Dec'2019: 10.74%). The proposed bond may increase average cost of fund Meghna Bank marginally.

### RISK FACTORS

#### Credit Risk

The stress test for credit risk assessed the impact of increase level of non-performing loans of the issuer. This involves two types of shocks.

#### 1) Increase in NPL Amount

Increased NPLs directly downgraded to bad & loss category having 100% provisioning requirement. Shocks are given to NPL amount of BDT 2,435.67 million as of 30 Dec 2020.

#### 2) Shift in NPLs categories

The three scenarios explained the impact of 50%, 80% and 100% downward shift in the NPLs categories without changing the total NPL. For 50% shift in NPL category tax adjusted loss of Meghna Bank would be BDT 151.30 million whereas for 100% shift in next NPL categories, tax adjusted loss would be BDT 302.60 million. Shocks are given to BDT 1,669.90 million weighted base for provision (required).

Table 3

Credit Risk - Increase in NPL Amount	
Mil. BDT	--As of 30 Dec 2020--
Magnitude of Shock	After Shock Additional Provision Required
5%	121.7
10%	243.5
20%	487.1

Table 4

Credit Risk - Shift In NPL categories	
Mil. BDT	--As of 30 Dec 2020--
Magnitude of Shock	After Shock Additional Provision Required
50%	263.1
80%	421.2
100%	526.3



## CRAB Structured Finance Rating

*Subordinated Coupon bearing Bond of Meghna Bank Ltd.*

### ■ PROFILE AND PERFORMANCE OF THE ISSUER

Meghna Bank Limited was incorporated as a Public Limited Company on 20 March 2013 under the Companies Act 1994. Meghna Bank Limited was enlisted as a Scheduled Bank on 03 April 2013 and started its banking operation from May 09, 2013. The principal activities of the bank are to provide all kinds of commercial banking and related services such as accepting deposits, lending loans to customers, trade and services, treasury functions, cash management, securities and custody services, remittance services etc. The paid up capital of the Bank reached BDT 4,698.98 million against authorized capital of BDT 20,000.0 million at the end of December 2020.

**Asset Profile:** Meghna Bank's asset structure remained almost similar for the last few of years. On an average, loans and advances dominated the asset structure by 68.80% of total for the last 4 years. At the end of 2020, total asset was BDT 52,871.11 million which was strongly dominated by loans & advances (67.79% of total) followed by investment (17.90% of total) and cash in hand and with BB (6.81% of total) and balance with other Banks and FI's shared (4.77% of total). Other asset was BDT 1,093.92 million at the end of Dec'2020, major portion of which includes investment in its subsidiary company and interest receivable. The Bank's Risk weighted asset was 69.18% of total asset in Dec' 2020 (Dec'2019: 64.82%).

Table 5

Asset Composition of the Bank									
Year ended December 31	2020			2019			2018		
	Amount	%	Growth (%)	Amount	%	Growth (%)	Amount	%	Growth (%)
(Mil. BDT)									
Money at Call	130.00	0.25	(93.72)	2,070.00	4.19	4.02	1,990.00	4.54	729.17
Cash in hand and with BB	3,602.16	6.81	13.10	3,184.99	6.45	12.27	2,836.83	6.47	(29.54)
Balance with other Bank & FI's	2,521.75	4.77	(28.22)	3,512.98	7.12	5.65	3,325.03	7.58	45.44
Investment	9,464.08	17.90	83.01	5,171.38	10.48	15.10	4,492.79	10.25	(4.97)
Loans and advances	35,840.62	67.79	4.30	34,362.62	69.63	13.96	30,153.68	68.77	9.82
Fixed Assets	218.58	0.41	(21.60)	278.79	0.56	(11.77)	316.00	0.72	11.60
Other Assets	1,093.92	2.07	42.78	766.18	1.55	4.21	735.24	1.68	(2.72)
<b>Total</b>	<b>52,871.11</b>	<b>100.00</b>	<b>7.14</b>	<b>49,346.93</b>	<b>100.00</b>	<b>12.54</b>	<b>43,849.55</b>	<b>100.00</b>	<b>10.24</b>

**Investment Profile:** On 31 Dec' 2020, investment portfolio of the Bank increased to BDT 9,464.08 million from BDT 5,171.38 million in Dec'2019. Major portion of the Bank's investment portfolio consisted of high quality liquid assets; Government securities (95.42% of total). Besides Government securities, the Bank had investment in subordinates bond of other banks, quoted and unquoted shares mainly. Market price of Meghna Bank's quoted share was BDT 374.88 million at 31 Dec'2020 against cost price of BDT 412.56 million. The Bank maintained BDT 37.70 million provisions for investment as per regulatory requirement. During 2020, the Bank earned BDT 1,045.65 million income from its investment.

Table 6

Investment Portfolio of Bank				
(Mil. BDT)	--Year ended December 31--			
	2020		2019	
	Amount	% of Total	Amount	% of Total
Government Securities & Bonds	9,030.61	95.42	4,765.00	92.14
Others	433.47	4.58	406.38	7.86
Quoted Shares-Market Price	152.56	1.61	130.65	2.53
Unquoted Shares	260.00	2.75	235.00	4.54
Mutual fund				
Subordinate Bond	20.00	0.21	40.00	0.77
Others	0.91	0.01	0.73	0.01
<b>Total</b>	<b>9,464.08</b>	<b>100.00</b>	<b>5,171.38</b>	<b>100.00</b>



**Loan portfolio Profile:** The Bank's loan portfolio grew by 4.30% during 2020 and reached BDT 35,840.62 million. Sectors wise concentration of loans portfolio remained high in industrial loan sector financing (51.62% of total) followed by other loan (13.97% of total) and commercial lending (13.00% of total) which is the usual trend of the industry. The Bank top 50 large loans outstanding exposures amounted to BDT 21,479.05 million, held 59.93% of total loan portfolio in Dec'2020.

**Loan Quality:**

Gross NPL (in absolute amount) slightly reduced (by 4.53%) and reached BDT 2,435.67 million in Dec'2020. There was loan moratorium regulation convey by Bangladesh Bank in 2020. However, the Bank has BDT 63.15 million cash recovery and rescheduled BDT 214.89 million in the same duration. In 2020, loan portfolio grew 4.30% along with zero fresh NPL generation. The Bank also hasn't written off loans in 2020.

**Table 7**
**NPL Movement of the Bank**

Mil. BDT Particulars	--Year ended December 31--			
	2020		2019	
	Amount	% of Total Loans	Amount	% of Total Loans
Opening balance of NPL	2,545.90	7.10	1,737.24	5.06
Add : Fresh NPL Generation	-	-	1,288.75	3.75
Add: Interest & other charges	167.82	0.47	18.75	0.05
Less: Cash Recovery	63.15	0.18	114.86	0.33
Less: Rescheduling	214.89	0.60	383.83	1.12
Less: Write off	-	-	-	-
Closing Balance of NPL	2,435.67	6.80	2,545.90	7.41

The Bank maintained BDT 1,211.70 million provisions for classified and unclassified loans & advances as well as for off-balance sheet exposures in Dec'2020. Additional provision was kept due to COVID-19 pandemic amount BDT 120.83 mill in 2020 as per Bangladesh circular. Gross NPL coverage ratio was 49.75% in Dec'2020 (Dec'2019: 47.22%). On an average, the Bank's pre-provision profit to net loan ratio was 3.17% for the last five years which indicates that 3.17% of currently performing loans can be written off without charging on reserves and equity.

**Capital Adequacy:**

The Bank's total capital (Tier 1 and Tier 2) grew marginally and reached BDT 6,374.43 million at the end of Dec'2020. On the other hand, risk weighted asset increased by 14.34% mainly resulted from growth of loans & advances. Thus, capital to risk weighted asset ratio of Meghna Bank reduced to 17.42% at the end of Dec'2020 from 17.89% in Dec'2019. Core capital to total exposure (on and off balance sheet) of the Bank was 10.02% at the end of Dec'2020. The Bank conducted stress testing based on "Simple Sensitivity and Scenario Analysis". Stress test in 2020 revealed that the Bank's capital adequacy ratio may be affected if there is enhanced NPL especially in top large loan borrower. In 2020, 74.58% of corporate exposure was rated.

**Table 8**
**Capital Structure of the Bank**

Mil. BDT Particulars	Year ended December 31					
	2020		2019		2018	
	Amount	% of RWA	Amount	% of RWA	Amount	% of RWA
Tier 1 Capital	5,886.14	16.09	5,384.19	16.83	5,244.39	17.85
Tier 2 Capital	488.29	1.33	337.45	1.05	310.22	1.06
Total Capital	6,374.43	17.42	5,721.64	17.89	5,554.61	18.90
Required Capital	4,571.98	12.50	4,000.00	12.50	4,000.00	13.61
Capital Surplus/ (Shortfall)	1,802.44	4.93	1,721.64	5.38	1,554.61	5.29

**Liability and Liquidity Profile:** Total asset of the Bank was funded by deposit (81.95%) followed by equity (11.34% of asset) followed by other liabilities (5.65% of asset) and Total deposits of the Bank reached BDT 43,330.13 million at the end of Dec'2020 from BDT 41,104.08 million registering growth of 5.42%. During Dec'2020, total deposit of



the Bank was strongly dominated by term deposit (84.94% of total deposit) followed by current deposit (7.81% of total deposit) and savings deposit (6.57% of total deposit).

**Table 9**

Funding Mix of the Bank									
--Year ended December 31--									
(Mil. BDT)	2020			2019			2018		
Particulars	Amount	%	Growth (%)	Amount	%	Growth (%)	Amount	%	Growth (%)
Current Deposit	3,382.69	7.81	(14.91)	3,975.36	9.67	13.02	3,517.47	9.65	(2.42)
Bills Payable	298.06	0.69	(30.95)	431.63	1.05	20.50	358.19	0.98	(40.97)
Savings Deposit	2,845.20	6.57	31.37	2,165.81	5.27	32.03	1,640.44	4.50	38.51
Term Deposit/Fixed Deposit	36,804.18	84.94	6.58	34,531.27	84.01	11.64	30,930.58	84.87	15.02
<b>Total Deposit</b>	<b>43,330.13</b>	<b>100.00</b>	<b>5.42</b>	<b>41,104.08</b>	<b>100.00</b>	<b>12.78</b>	<b>36,446.68</b>	<b>100.00</b>	<b>12.88</b>

Contribution of low cost deposit was relatively lower (14.37% of total deposit) as a 4<sup>th</sup> generation bank it is making every effort. Average cost of deposit & borrowing of the Bank was 6.11% as on 31 December 2020. The Advances to deposits ratio of the Bank was 81.01% at the end of 2020 with a monthly average of 83.22%. In the table 9 liquidity profile of the Bank showed that it possessed positive net liquidity gap in all maturity buckets except 1-3 months maturity buckets. Liquid asset to total deposit & borrowing was 34.83% at the end of Dec'2020 (Dec'2019: 32.93%). LCR and NSFR of the Bank were 255.63% and 109.77% respectively. 255.63% LCR depicts that 255.63% of liquidity needs up to 30 calendar days of the Bank are covered by its unencumbered liquid assets.

**Table 10**

Liquidity Profile of the Bank						
Mil.BDT	Year ended on 31 December 2020					
Particulars	Up to 1 month	1-3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Assets	8,499.95	7,554.75	12,047.36	12,584.53	12,184.52	52,871.11
Liabilities	6,086.24	9,947.87	11,611.73	12,421.35	6,806.46	46,873.65
<b>Net Liquidity Gap</b>	<b>2,413.72</b>	<b>(2,393.12)</b>	<b>435.63</b>	<b>163.18</b>	<b>5,378.06</b>	<b>5,997.46</b>
<i>Cumulative Liquidity Gap</i>	<i>2,413.72</i>	<i>20.60</i>	<i>456.23</i>	<i>619.41</i>	<i>5,997.46</i>	<i>11,994.93</i>
Gap as % of Liability (%)	39.66	(24.06)	3.75	1.31	79.01	12.79

The exhibit no. 10 shows the maturity wise interest sensitive asset and liabilities and thereby the exposures to interest rate risk of the Bank. Meghna Bank had asset sensitive positions in all maturity buckets up to 12 months except 3-6 months and 6-12 months maturity bucket.

**Table 11**

Interest Rate Risk Exposure					
Mil.BDT	As of December 31, 2020				
Particulars	Up to 1 month	1- 3 months	3 to 6 months	6 to 12 months	Above 12 months
Int. Sensitive Assets	802.00	1,124.00	470.00	334.00	2,004.00
Int. Sensitive Liabilities	(498.00)	(1,091.00)	660.00	557.00	(645.00)
<b>Gap</b>	<b>1,300.00</b>	<b>2,215.00</b>	<b>(190.00)</b>	<b>(223.00)</b>	<b>2,649.00</b>
<b>Cumulative Earning impact</b>					
(1% point int. rate increase)	1.08	4.78	4.30	3.19	3.19
<b>Cumulative Earning impact</b>					
(1% point int. rate decrease)	(1.08)	(4.78)	(4.30)	(3.19)	(3.19)



Gap indicates that the Bank will be benefited on increasing interest rates scenario and will suffer on decreasing interest rate scenario marginally. For 1 percentage point interest rate increase the Bank will gain BDT 3.19 million and will lose the same amount for 1 percentage point interest rate decrease.

**Table 12**
**Structural Liquidity Profile**

Amount in BDT Million

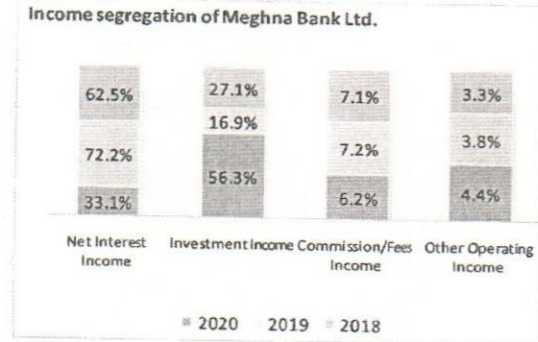
--For month ended 31 Dec. 2020

Particulars	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
Net Mismatch	136.18	(490.94)	(925.10)	146.70	691.55	(441.61)
Cumulative Net Mismatch	136.18	(354.76)	(1,279.86)	(1,133.16)	(441.61)	-

**Off Balance Sheet Exposures**

The Bank's off balance sheet portfolio grew 12.29% in Dec'2020 and reached BDT 5,028.80 million. In Dec'2020, contingent liabilities portfolio was mainly dominated by letter of guarantee (65.76% of total) followed by letter of credit (28.20% of total) and acceptance and endorsements (3.90% of total). Total off balance sheet exposures of the Bank was 9.51% of total assets and 1.07 times of its total capital at the end of Dec'2020.

**Earning Profile:** Revenue composition of the Bank experienced a drastic change in 2020. In Dec'2020, total operating income of the Bank was dominated by investment income (56.35% of total) followed by net interest income (33.10% of total), commission/fees & exchange income (6.15% of total) and other operating income (4.40% of total). Other operating income was BDT 81.65 million in Dec'2020 which consists of other income, fees and charges etc.

**Graph 2**  
**Income segregation of Meghna Bank Ltd.**


Interest income of Meghna Bank reduced by 24.71% at the end of Dec'2020 compared to that of its previous period on the back of lending interest rate capped and loan growth. At the same duration, interest expense reduced too by 7.32% and reached BDT 2,595.99 million resulted from deposit rate regulated in banking industry. As an overall effect, net interest income decreased by 58.02% and reached BDT 614.16 million. Net interest margin ratio reduced 2.31 percentage points to 1.57% at the end of Dec'2020.

**Table 13**
**Key Performance Indicator of the Bank**

--Year ended December 31--

(Mil. BDT)	2020		2019		2018	
	Amount	Growth (%)	Amount	Growth (%)	Amount	Growth (%)
Interest Income	3,210.14	(24.71)	4,263.88	14.43	3,726.28	31.37
Interest Expense	2,595.99	(7.32)	2,801.00	13.69	2,463.68	34.04
Net Interest Income	614.16	(58.02)	1,462.88	15.86	1,262.60	26.44
Investment Income	1,045.65	205.97	341.74	(37.57)	547.41	(34.27)
Commission/Exchange & Brokerage Income	114.19	(21.29)	145.08	1.36	143.13	(24.06)
Other Operating Income	81.65	4.90	77.83	16.58	66.76	(11.21)
Total Operating Income	1,855.64	(8.48)	2,027.54	0.38	2,019.91	(3.59)
Personnel expense	550.38	(10.22)	613.02	8.85	563.18	21.88
Overhead expense	571.52	(3.24)	590.69	(3.04)	609.23	(1.12)
Total Operating Expense	1,121.90	(6.80)	1,203.70	2.67	1,172.41	8.73
Pre Provision Profit	733.74	(10.94)	823.84	(2.79)	847.50	(16.66)



Provision	114.52	(64.14)	319.31	(26.79)	436.14	61.04
Profit Before Taxes	619.22	22.73	504.53	22.65	411.36	(44.86)
Provision for Tax	118.07	(68.09)	370.00	15.63	320.00	(1.54)
Profit After Tax	501.15	272.52	134.53	47.25	91.36	(78.30)

In the same duration, investment income of Meghna Bank grew significantly to BDT 1,045.65 million due to income received from Govt. securities. Fees & commission income reached BDT 114.19 million. As an overall effect, total operating income of the Bank reached BDT 1,855.64 million at the end of Dec'2020. Operating expense was BDT 1,121.90 million for the same period. Cost to income ratio of the Bank was 60.46% in Dec'2020. Pre provision profit reached BDT 733.74 million at the end of Dec'2020. Provision expense was BDT 114.52 million. As an overall effect, profit after tax of the Bank reached BDT 501.15 million at the end of Dec'2020. Net profit margin ratio enhanced significantly to 27.01% in Dec'2020 compared to that of Dec'2019 resulted from decreased provision expense in 2020.

#### Senior Management

Presently, the management of the Bank is headed by the Managing Director and CEO Mr. Sohail R K Hossain. He has more than 30 years of experience in Banking and financial services sector. The MD is supported by a group of trained and experienced professionals comprising of one Deputy Managing Director and departmental heads.

#### Board of Directors

The Bank's Board comprises of 14 members including Managing Director as ex-officio member of the Board. Presently, Mr. H. N. Ashequr Rahman, MP is the Chairman of the Bank. There are two independent directors in the Board. Board is involved in policy formulations, strategic direction setting, business plan approval and review of various activities and also providing necessary direction to the management for conducting businesses in a competitive and profitable manner. Board also ensures effective risk management across the Bank as per the Central Bank's guidelines. The Bank's Board of Directors meets virtually in present pandemic situation; it can hold more meetings in case there are special needs.

Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited

Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



**APPENDIX 1: DEFINITIONS OF SELECTED RATIOS**
**Definitions of Selected Ratios**

1. Loans and advances include Loans, Cash Credit, Overdrafts, Bill purchased and discounted unless mentioned otherwise.
2. Deposits include Deposits & other accounts and bills payables unless mentioned otherwise.
3. Average Assets, Average investment assets, Average Earning Assets and Average equity are calculated on the basis of opening and year end balances.
4. Interest Earning Assets include total loans & advances, money at call & short notice, balance with other banks & FIs, foreign currency balance with Bangladesh Bank and interest earning assets in Offshore Unit.
5. Net Loans & Advances has been calculated by deducting Specific Provision and Interest Suspense Accounts from Gross Loans & Advances.
6. Net Profit Margin = Net Profit after Tax / Operating Income

**APPENDIX 2: ASSUMPTIONS FOR INTEREST RISK EXPOSURE**

1. Assets and liabilities are re-priced on the first day of the re-pricing interval and, therefore, that interest rate change affects the whole period.
2. Assets and liabilities are rolled over into the same types of instruments with the same maturities.

**APPENDIX 3:**
**Table 3.1: Shareholding structure of the Issuer**

Particulars	As on Dec 31, 2020		
	No. of Shares	Share Value	% of Holding
Sponsors	469,898,000	4,698,980,000	100.00%
Total	469,898,000	4,698,980,000	100.00%



Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited



Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited



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Head Office, Dhaka.



**CREDIT RATING SCALES AND DEFINITIONS - LONG TERM: DEBT INSTRUMENTS**

Rating	Definition
AAA Triple A (Extremely Strong Capacity)	Debt instruments rated AAA have extremely strong capacity to meet financial commitments. These are judged to be of the highest quality, with minimal credit risk.
AA <sub>1</sub> , AA <sub>2</sub> , AA <sub>3</sub> * Double A (Very Strong Capacity)	Debt instruments rated AA have very strong capacity to meet financial commitments. These are judged to be of very high quality, subject to very low credit risk.
A <sub>1</sub> , A <sub>2</sub> , A <sub>3</sub> Single A (Strong Capacity)	Debt instruments rated A have strong capacity to meet financial commitments, but susceptible to the adverse effects of changes in circumstances and economic conditions. These are judged to be of high quality, subject to low credit risk.
BBB <sub>1</sub> , BBB <sub>2</sub> , BBB <sub>3</sub> Triple B (Adequate Capacity)	Debt instruments rated BBB have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. They are subject to moderate credit risk. Such rated projects possess certain speculative characteristics.
BB <sub>1</sub> , BB <sub>2</sub> , BB <sub>3</sub> Double B (Inadequate Capacity)	Debt instruments rated BB have inadequate capacity to meet financial commitments. They have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. Such projects have speculative elements, and are subject to substantial credit risk.
B <sub>1</sub> , B <sub>2</sub> , B <sub>3</sub> Single B (Weak Capacity)	Debt instruments rated B have weak capacity to meet financial commitments. They have speculative elements and are subject to high credit risk.
CCC <sub>1</sub> , CCC <sub>2</sub> , CCC <sub>3</sub> Triple C (very Weak Capacity)	Debt instruments rated CCC have very weak capacity to meet financial obligations. They have very weak standing and are subject to very high credit risk.
CC Double C (Extremely Weak Capacity)	Debt instruments rated CC have extremely weak capacity to meet financial obligations. They are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C Single C (Near to Default)	Debt instruments rated C are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. They are typically in default, with little prospect for recovery of principal or interest.
D (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

\*Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

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Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

**Md. Rafiqul Islam Khan, FCS**  
**Company Secretary**  
**Meghna Bank Limited**

**Khairul Bashar A. T. Mohammed**  
**Chief Executive Officer**  
**MTB Capital Ltd.**  
**Head Office, Dhaka.**

**Sohail R. K. Hussain**  
**Managing Director & CEO**  
**Meghna Bank Limited**





## 17 Description of the Trustee

MTB Capital Limited (MTBCL) shall act as the Trustee for MGBL Subordinated subject to regulatory approval.

### 17.1 Overview to the Trustee

MTB Capital Limited (MTBCL), a fully owned subsidiary of Mutual Trust Bank Limited, was incorporated in Bangladesh as a private limited company. MTBCL obtained registration certificate No. MB-55/2010 under the Bangladesh Securities and Exchange Commission Act, 1993 on December 06, 2010 as a full-fledged merchant bank and obtained registration No. C-80040 from the Registrar of Joint Stock Companies and Firms (RJSC), Dhaka, Bangladesh on October 08, 2009 under the Companies Act, 1994. The company has commenced its operation on April 18, 2011.

The registered office of the company is situated at 111 Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000, Bangladesh.

### 17.2 Board of Directors

#### Mr. Md. Hedayetullah, Chairman

Mr. Md. Hedayetullah is the Chairman of MTB Capital Ltd. He is also the Chairman of Mutual Trust Bank Ltd. (MTB). Prior to this, he was the Vice Chairman of the Board from February 26, 2016 to May 30, 2018. He was also the Chairman of the Executive Committee of MTB.

He is presently serving as the:

- Chairman of Hedayetullah Securities Ltd.
- Managing Director of FB Footwear Ltd.
- Managing Director of Footbed Footwear Ltd.
- Director of Apex Tannery Ltd.
- Director of Apex Property Development Ltd.

Mr. Md. Hedayetullah obtained B.Sc. (Honors) degree in Leather Technology from the British School of Leather Technology, Northampton, UK and M.A. in International Business from Webster University, Regents College, London, UK.

#### Mr. Syed Mahbubur Rahman, Director

Syed Mahbubur Rahman has recently been appointed as Managing Director & CEO of Mutual Trust Bank Limited (MTB). Prior to joining MTB, he was the Managing Director & CEO of Dhaka Bank Limited. Before joining Dhaka Bank Limited, he served BRAC Bank Limited as Managing Director & CEO and Deputy Managing Director (DMD). He also served Prime Bank Limited as Deputy Managing Director. He is the Immediate Past Chairman of the Association of Bankers, Bangladesh Limited (ABB). He was accorded with 'The Asian Banker Leadership Achievement Award' for Bangladesh for his achievement in the period from 2011 to 2013.

After completing Master of Business Administration (MBA) from Institute of Business Administration of the University of Dhaka, he started his career with Saudi-Bangladesh Industrial & Agricultural Investment Co. Ltd. (SABINCO) as a Monitoring Officer (Officer in Charge of Monitoring) in 1988. He served Industrial Leasing & Development Co. (BD) Limited (IDLC) as Manager, Monitoring from 1993 to 1996. He also served ANZ Grindlays Bank, Bangladesh as Manager, Corporate Banking from 1996 to 1998 and Standard Chartered Bank as Relationship Manager, Corporate Banking from 1998 to 2000. In 2002, he joined Citibank N.A. as Resident Vice President and left the bank in 2008 when he was a Director of the bank and was serving as the Head of Financial Institutions Group.



Mahbub has attended various local and overseas training courses and workshops, and frequently delivers lectures in the field of finance, banking and management. He has a happy family with his wife and two lovely daughters.

**Ms. Nasreen Sattar, Independent Director**

Ms. Nasreen Sattar is an Independent Director of Mutual Trust Bank Limited (MTB). Prior to joining MTB, she was an Independent Director and Member of Executive Committee & Audit Committee of IPDC Finance Limited – IPDC is a Non-Banking Financial Institution with foreign and local Institutional investors including Government of Bangladesh.

Ms. Sattar began her banking career with ANZ Grindlays Bank, Bangladesh as a Management Trainee Officer, in 1986, where she served for 6 years in various roles, including the Head of Institutional Banking. In the year 2007, she joined Standard Chartered Bank, where she took various important roles, including the Regional Head for Development Organizations for South Asia.

Prior to joining CONSUMARK, a niche service provider in the areas of Human Resource Management, and Outsourced Services, she was the Chief Executive Officer of Standard Chartered Bank, Afghanistan.

During her service in Standard Chartered Bank, Afghanistan as a Chief Executive Officer, she managed challenges of security, volatility in nascent financial markets, with limited options for revenue generation and developed local staff, created retention culture. She, in line with Standard Chartered Bank Group Policy, also developed local resources to replace senior level expatriate jobs. She, as a member of Afghanistan Bank Association (ABA), assisted Central Bank (DAB) with anti-money laundering issues and other financial sector issues. During her service in Standard Chartered Bank, Afghanistan, she successively attained Camel Rating 1 for two years by Central Bank Audit Inspection.

In 2012 Standard Chartered Bank sold its business in Afghanistan to a leading local bank – Afghanistan International Bank (AIB). She was invited by Afghanistan International Bank (AIB) to join a team of International Consultants on a short-term assignment for three months to help integration/transition of business from Standard Chartered to AIB and in skills development for the latter institution.

**Mr. Syed Rafiqul Haq, Director**

Mr. Syed Rafiqul Haq joined Mutual Trust Bank Ltd. (MTB) as Deputy Managing Director. Prior to his joining MTB, he was the Area Head, Corporate Banking of Eastern Bank Ltd., an organization he joined in 1998.

Rafiq, who completed his MBA from the Institute of Business Administration (IBA) after doing his M.Sc from the University of Dhaka, started his career with IFIC Bank Limited as a Probationary Officer in 1984. During his tenure with the Bank, he served different departments including discharging of responsibility as Branch Manager. A veteran in the banking industry, Haq has received multifarious professional training at home and abroad including International Banking from Commerzbank, Frankfurt, Germany and Unicredit Bank, Milan, Italy. Rafiq is the eldest son of Begum Halima Haq and Late Syed Mazharul Haq, former Chairman, Department of Geology, University of Dhaka.

**Mr. Sayed Abul Hashem, Director, Director**

Mr. Sayed Abul Hashem is acting as Senior Executive Vice President (SEVP) and Group Chief Financial Officer (GCFO) of Mutual Trust Bank Limited (MTB).

**Mr. Khairul Bashar Abu Taher Mohammed, CEO & SEVP**




Financial Administration Division  
Meghna Bank Limited

Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited



Sohail R. K. Hussain  
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Meghna Bank Limited



Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MEGHNA Capital Ltd.  
Head Office, Dhaka.



Mr. Khairul Bashar Abu Taher Mohammed is the Executive Vice President & Chief Executive Officer of MTB Capital Ltd. He joined MTB on March 1 2011.  
Prior to his joining MTB, Mr. Bashar worked in EC Securities Ltd as Chief Operating Officer. He also served SEC as Deputy Director.

Bashar did his Masters of Business Administration (MBA, Business Finance) from University of Hull, United Kingdom in 1997 and also had his Master of Commerce (Finance & Banking) from University of Dhaka, Bangladesh in 1991.

### 17.3 Product and Services

#### 17.3.1 Portfolio Management Services:

MTBCL offers a wide range of portfolio management services for both individual and institutional clients and provide margin loan facilities to the client if required. It designed different types of products aiming to serve all groups of investors based on their needs through combining our expertise of highly experienced and skilled portfolio management and research team.

#### 17.3.2 Issue Management Services:

Issue Management functions of MTBCL includes:

- Initial Public Offer (IPO) of Shares & Bonds
- Repeat Public Offer (RPO) of Shares & Bonds
- Issue of Right Shares
- Issue of shares under Book Building method or Direct listing method

#### 17.3.3 Underwriting Services:

Underwriting function allows the company to undertake and subscribe the un-subscribed portion of shares/ debentures offered through public issue/ right issue by any public limited company. MTBCL works as Underwriter of IPO's and Right's share issues.

#### 17.3.4 Corporate Advisory Services:

MTBCL provides financial and other corporate advisory services to the clients with its professional advisory team who needs guidance in making informed decisions on strategic issues to unlock values. MTBCL provides various types of advisory services such as capital structuring and optimization, minimizing cost of capital, emphasizing growth drivers, capital raising, issue management, merger and acquisition, economic and financial appraisal and modeling etc.

#### 17.3.5 Margin Loan

MTBCL provides brokerage margin to facilitate leverage on your investment. We provide margin trading facility as per Margin Rules 1999. A customer has to go through proper credit evaluation to get margin loan. Loan limit is guided by the prevailing rules and regulations set by the regulatory authority. A margin loan management committee determines the margin limits of investors. The committee periodically announces the marginable stocks. Investors have to utilize their margin facilities in the selected stocks only.

#### 17.3.6 NRB Trading Facilities

- Non Resident Bangladeshis (NRB) can invest into the Bangladeshi Capital Market from anywhere in the world



- A Non-resident Investor Taka Account (NITA) will be opened with any preferred custodian bank e.g. HSBC, BRAC Bank etc.
- This will allow 100% repatriation of investment, capital gains and dividend
- NRB clients can apply for IPOs as well as buy and sell shares in the secondary market. They can use Internet trading facilities (to be introduced shortly), e-mail, fax or phone to place trade orders.

## 17.4 Key Operational Results


MTB Capital Limited is one of the new merchant banks in Bangladesh. The following table shows the financial position of the company.

Table 21: Key Financials of the Trustee (in BDT million)

Particulars	December 31, 2019	December 31, 2018	December 31, 2017
Total Assets	477.92	448.70	396.36
Shareholders' Equity	363.85	359.85	320.60
Paid up Capital	339.89	308.99	280.90
Investment in Securities	165.06	156.75	108.16
Total Income	59.71	82.63	92.17
Profit Before Provision	39.20	62.76	66.01
Net Profit After Tax	4.00	39.24	37.93

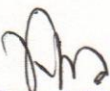
Currently MTB Capital Ltd. is acting Trustee of the following issues.

SL	Name of the Issuer of Bond	Type of Bond	Issue Date	Value of debt Securities (in crore)	Default (if any)	Principle Repayment
1	AB Bank Ltd	Subordinated Bond	04-Dec-2017	500	Regular	Not started
2	One Bank Ltd	Subordinated Bond	26-Sep-2018	400	Regular	Not started
3	United Commercial Bank Ltd	Subordinated Bond	22-Oct-2018	800	Regular	Not started
4	AB Bank Ltd	Subordinated Bond	12-Feb-2019	400	Regular	Not started
5	Standard Bank Ltd	Subordinated Bond	03-Oct-2019	500	Regular	Not started
6	United Finance Ltd	Zero Coupon Bond	03-Oct-2019	100	Regular	Not started
7	United Commercial Bank Ltd	Perpetual Bond	10-Dec-2020	400	Regular	Not started
8	BRAC	Zero Coupon Bond	10-Dec-2020	1350	Regular	Not started
9	Trust Bank Ltd.	Perpetual Bond	27-Dec-2020	400	Regular	Not started

  
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Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



**18 Due Diligence of the Trustee**



A Mutual Trust Bank Company

Due Diligence Certificate of the Trustee

April 25, 2021

**The Chairman**

Bangladesh Securities and Exchange Commission  
Securities Commission Bhaban  
Plot E-6/C, Agargaon, Sher-e-Bangla Nagar  
Dhaka 1207, Bangladesh

Dear Sir,

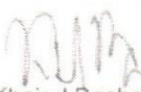
**ISSUANCE OF NON-CONVERTIBLE FULLY REDEEMABLE UNSECURED  
SUBORDINATED BOND OF TK. 4,000 MILLION (CONSISTING OF BDT 2,000 MILLION  
COUPON BEARING BOND AND BDT 2,000 MILLION ZERO-COUPON BOND)  
OF MEGHNA BANK LIMITED.**

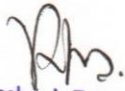
We, the under-noted Trustee to the above mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above mentioned issue on behalf of the eligible investors, have examined the draft information Memorandum (IM), legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer;

**WE CONFIRM THAT:**

- (a) All information and documents as are relevant to the issue have been received and examined by us and the draft Information Memorandum, draft Deed of Trust and draft Subscription Agreement forwarded to the Commission has been approved by us;
- (b) We have also examined all documents of the assets to be charged with the Trust and are satisfied that the assets bear the value, title and charge status as disclosed in the Information Memorandum;
- (c) While examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) We shall act as trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the issuer and shall assume the duties and responsibilities as described in the Deed of trust and in the Information Memorandum;
- (e) We shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) The above declarations are unequivocal and irrevocable.

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Limited

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

**MTB Capital Ltd:** Chandrashila Suvasna Tower (2nd Floor), 69/1, Panthapath, Dhaka-1000



  
Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

  
Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited

  
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited



## 19 Modus Operandi of the Issue including

### 19.1 Form, Denomination and Title

#### 19.1.1 Form and Denomination

The Bonds, (each, a "Series") are issued in registered form via private placement where minimum denomination of BDT 5,000,000 (Five Million) per lot in face value and integral multiples thereof. The Bonds will be issued by the Issuer in the name of the Bondholders at issue price and integral multiples thereof. A bond certificate (each a "Bond Certificate") in the electronic form via DEMAT account will be issued to each Bondholder in respect of its registered holding of each series of Bonds. Each Bond and each Bond Certificate will be given with beneficial owner identification number which will be recorded on the relevant DEMAT account and in the register of Bondholders (the "Register"), the Issuer and a copy or details of which will be kept by the Issuer, Paying Agent and the Registrar. The Issuer may, without the consent of the Bondholders of a Series, create and issue other Series of Bonds with the same terms and conditions as the Bonds (except for the Issue Date and the Redemption Date).

#### 19.1.2 Title

Title to the Bonds passes only by transfer and registration in the Register and respective DEMAT account. A registered Bondholder shall (except as otherwise required by law) be treated as the absolute owner of such Bond for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any changes in the Bond Certificate relating thereto (other than the endorsed Instrument of Transfer) or any notice of any previous loss or damage of such Bond Certificate) and no person shall be liable for so treating such Bondholder. In these provisions "**Bondholder**" and (in relation to a Bond) "**holder**" means the person in whose name a Bond is registered as owner of the Bond. In the event of any inconsistency between the Register, the record of the holders in the respective DEMAT account shall prevail.

### 19.2 Register

The Issuer will maintain an authoritative Register and will procure that the Trustee maintain a duplicate register in respect of the Bonds and also as per the guidelines of the regulatory authorities. The "**Holder**" of a Bond means the person in whose name such Bond is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Bondholder**" shall be construed accordingly. The Register shall be prima facie evidence of any matter in relation to the rights under the Bonds except as ordered by a court of competent jurisdiction or as required by applicable law. Bondholders and the Trustee shall be entitled to inspect the Register and take copies therefrom upon payment of fees as may be prescribed by the Issuer from time to time.

### 19.3 Payments

#### 19.3.1 Calculation of Discount Rate



- (a) The Bonds shall be issued on their respective Issue Date within range of discount rate of up to 7.5% per annum (the "Discount Rate"). Such discount rate is payable on the Redemption Date of each Bond in arrears, subject as provided in this Deed.
- (b) All amounts resulting from any calculations referred to in this Clause 19.3 (*Payments*) will be rounded upwards to the nearest unit (if 0.5 of a unit or higher) and downwards to the nearest unit (if less than 0.5 of a unit) of BDT.

### 19.3.2 Payments of To Bondholders

Payment of redemption amount and other payments (if any) will be made on the Redemption Date in accordance with Clause 13.2 (Scheduled Redemption) by the Issuer into the DEMAT account to be designated by the Trustee (all cost of maintaining such account to be borne by Issuer). All such payments shall be made by the Trustee by transfer to the registered account of the Bondholder. Trustee shall forthwith notify the Issuer regarding the amount paid by the Trustee to each Bondholder. The Trustee shall cancel the same and shall make the corresponding entries in the duplicate Register & also in respective registered account with a notification to the Issuer. If the Trustee made payment in part against a Bond Certificate it shall act in accordance with Clause 19.3.5 below. For the purposes of this Clause, a Bondholder's "registered account" means the DEMAT account maintained in respect of the holders subscribed bonds, details of which appear on the Bond Certificates and the duplicate register at the close of business, and a Bondholder's "registered address" means its address appearing on the Register at that time. The details of the account through which payments would be received and paid by the Trustee is (unless otherwise changed by the Trustee) as follows:

Name of Account:[insert]

Name of Account Holder:

Bank: [insert]

Account Number: [insert]

Currency: *BDT*

### 19.3.3 Payments subject to applicable laws

All payments in respect of the Bonds are subject in all cases to any applicable laws and regulations of Bangladesh, but without prejudice to the provisions of Clause 19.5 (*Events of Default*). No commissions or expenses shall be charged to the Bondholders in respect of such payments.

### 19.3.4 Payments on Business Days

Payments will be made by the Paying Agent (a) (in the case of payments of principal and Discount Rate payable on redemption) on the later of the due date for payment and the day on which the relevant Bond Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of the Paying Agent. A holder of a Bond shall not be entitled to any payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

### 19.3.5 Partial payments



If the Trustee makes a partial payment in respect of any Bond, the Issuer shall procure that the amount and date of such payment are noted on the duplicate Register & the respective DEMAT account and, in the case of partial payment, that a statement indicating the amount and the date of such payment is endorsed on the relevant Bond Certificate.

#### 19.3.6 Record Date

Each payment in respect of a Bond will be made to the person shown as the holder in the Register at the close of business on the day that is ten Business Days before the due date for such payment (the "Record Date").

#### 19.3.7 Default Rate

If the Issuer fails to pay any sum in respect of the Bonds on the Redemption Date under the Trust Deed, Issuer shall pay Default Rate to the Bondholders from the Redemption Date until the date of payment of such amount to the Bondholders;

#### 19.3.8 Payment to Nominee

If the Holder of a Bond is a natural person, he may appoint a nominee and fill up a signed form in the format as prescribed in Schedule 6 & also fill in due information regarding the nominee in dematerialisation request form, who shall on the death of the Holder of a Bond is entitled to all money in relation to the Bond held in the name of the Bondholder in the Register. Bondholder shall inform the Trustee in the prescribed form the name of his nominee and upon receipt of such information the Trustee shall record the name of nominee in the Register & respective DEMAT account and shall inform the Issuer. If the Holder of a Bond is more than one person each Holder of a Bond may appoint a nominee for himself who shall hold the Bond along with the surviving Holder of the Bond. Payment by the Trustee to the nominee on the Redemption Date on the death of the Bondholder shall be sufficient to discharge payment obligations of the Issuer to the Bondholders.

### 19.4 Taxation

All payments made by the Issuer under or in respect of the Bonds and the Trust Deed will be made subject to tax imposed by law of Bangladesh and the Issuer shall, promptly provide necessary certificate for such deduction.


### 19.5 Events of Default

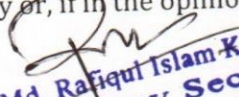
Each of the events or circumstances set out in the following sub-clauses of this Clause 19.5 is an Event of Default, provided however that no Event of Default under paragraph Clause 19.5.2 to 19.5.13 below will occur if the failure to comply is capable of remedy and is, unless otherwise extended by the Trustee (acting under the instructions of an Extraordinary Resolution) remedied within thirty (30) days of the earlier of (A) any Bond Holder or Trustee giving notice to the Issuer or (B) the Issuer becoming aware of the failure to comply.


19.5.1 *Non-Payment*: a default is made in the payment due remain unpaid for seven days from the due date in respect of the Bonds;

19.5.2 *Breach of Other Obligations*: the Issuer does not perform or comply with one or more of its other obligations in the Bonds or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in



  
Amar Saha, FCA  
Head  
Financial Administration Division  
Meghna Bank Limited

  
Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited

  
Sonali R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



the opinion of the Trustee remedied within 90 days after written notice of such default shall have been given to the Issuer by the Trustee;

- 19.5.3 *Misrepresentation*: any representation or statement made or deemed to be made by the Issuer in any Bond Document or any other document delivered by or on behalf of the Issuer under or in connection with any Bond Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
- 19.5.4 *Insolvency*: the Issuer is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer; an administrator or liquidator of the Issuer or the whole or any material part of the assets and turnover of the Issuer is appointed (or application for any such appointment is made);
- 19.5.5 *Cross-Default*: (a) any other present or future indebtedness (whether actual or contingent) of the Issuer for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described), or (b) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (c) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iv) have occurred equals or exceeds BDT 100,000,000 or its equivalent in any other currency on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantees or indemnity;
- 19.5.6 *Enforcement Proceedings*: a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or turnover of the Issuer and is not discharged or stayed within 90 days;
- 19.5.7 *Security Enforced*: an encumberer takes possession or an administrative or other receiver or an administrator or other similar officer is appointed of the whole or a material part of the property, assets or turnover of the Issuer and is not discharged or stayed within 90 days;
- 19.5.8 *Winding-up*: an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or the Issuer ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders;



- 19.5.9 *Nationalisation*: (a) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or (b) the Issuer is prevented from exercising normal control over all or a material part of its property, assets and turnover;
- 19.5.10 *Governmental Intervention*: by or under the authority of any government or of Bangladesh Bank (as the case may be) (a) the management of the Issuer is wholly or partially displaced; or (b) the authority of the Issuer in the conduct of its business is wholly or partially curtailed; or (c) any of the Shares of the Issuer or any material part of its assets is seized, nationalised, expropriated or acquired;
- 19.5.11 *Repudiation*: it rescinds or purports to rescind or repudiates or purports to repudiate a Bond Document or evidences an intention to rescind or repudiate a Bond Document.
- 19.5.12 *Illegality*: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed;
- 19.5.13 *Material Adverse Change*: any event or circumstance (or any series of events or circumstances) occurs which the Trustee reasonably believes might have a Material Adverse Effect.

## 19.6 Acceleration

- (a) If an Event of Default as defined in Clause 19.5 occurs and is known to the trustee, the trustee shall give notice of the default within seven days after it occurs to Bondholders and BSEC and shall convene a Meeting of the Bondholders in accordance with Clause 20 (*Meeting of Holders of the Bond with Power, Scope and Quorum of the Meeting*) in the Trust deed.
- (b) If no Meeting is held after providing notice as required by sub-rule (a) or the Meeting does not adopt any Extraordinary Resolution instructing the Trustee, the Trustee shall declare all other amounts accrued or outstanding under the Bonds be immediately due and payable, whereupon they shall become immediately due and payable and the Trustee can proceed to file Enforcement Proceedings in accordance with Clause 19.7. If the Meeting takes place and adopt any Extraordinary Resolution instructing the Trustee, the Trustee shall follow those instructions.
- (c) The trustee shall incur no liability if it follows the Extraordinary Resolution or, if there is no Extraordinary Resolution, the procedures required by the Trust Deed, and notwithstanding anything contained in the Trust Deed, Trustee will not be bound to take any Enforcement Proceedings unless it shall have been indemnified and/or secured to its satisfaction.

## 19.7 Enforcement Proceedings

At any time after the Bonds have become due and repayable, the Trustee may, without further notice to Issuer, take action, remedy or methods of judicial proceedings for the enforcement of rights of Bondholders, only by way of petitioning for the winding up or dissolution of the Issuer and/or by proving for the amount due and payable under the Bonds in the liquidation or administration of the Issuer (Enforcement Proceedings) including instructing the Security Agent to enforce the Security which shall be held by the Security Agent. Any such instruction shall be binding upon the Security Agent, and the



Security Agent shall, upon such instructions, forthwith take all available steps under the relevant Security document. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period but not more than thirty (30) days from default, and such failure shall be continuing.

In case of an Event of Default by the Issuer in the performance or observance of any Covenant, Condition or provision contained in the Bond or the Trust Deed or any of the Transaction Documents (save for failure to pay any amount of principal, coupon or expenses or in respect of any other payment obligation), (i) the Trustee or any Bondholder shall not be entitled to any remedy available to the Trustee or any Bondholder which in substance amounts to a remedy to recover any amounts under any payment obligation of the Issuer under the Bonds and (ii) any other remedy available.

### 19.8 Application of Moneys

All moneys received by the Trustee in respect of the Bonds or amounts payable under the Trust Deed, under an Enforcement Proceeding or otherwise, will be held by the Trustee on trust to apply them (subject to the terms of the Trust Deed):

- (a) first, in payment or satisfaction of all costs, charges, expenses and liabilities incurred by, or other amounts owing to, the Trustee in relation to the preparation, execution, enforcement of the Trust Deed (including remuneration of the Trustee) agreed between the Trustee and the Issuer but not paid by the Issuer;
- (b) secondly, in or towards payment pari passu and rateably of all amounts remaining due and unpaid in respect of the Bonds; and
- (c) thirdly, the balance (if any) in payment to the Issuer for itself.

### 19.9 Certificates/Reports

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of this Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

In the event of the passing of an Extraordinary Resolution in accordance with Clause 20.2 (Meetings) of the Trust Deed, a modification, waiver in accordance with Clause 21.2 and 21.1 of the Trust Deed respectively the Issuer will procure that the Bondholders be notified in accordance with Clause 19.11(Notices).

### 19.10 Replacement of Certificates

As the Bond Certificates are in the electronic form, it may be replaced or amended in the specified form at the specified office of the Registrar or any Agent as directed by the regulatory authorities upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may require.

### 19.11 Notices



### 19.11.1 Addresses for notices

All notices and other communications hereunder shall be made in writing (by letter or fax) and shall be sent as follows:

(a) *Issuer*: If to the Issuer, to it at:

**MEGHNA BANK LIMITED**

Address: Suvastu Imam Square,  
65, Gulshan Avenue,  
Dhaka-1212, Bangladesh  
Attention: Managing Director & CEO, Meghna Bank Limited

(b) *Trustee*: If to the Trustee, to it at:

**MTB Capital Limited**

Address: MTB Tower (Level 3)  
111 Kazi Nazrul Islam Avenue  
Bangla Motor, Dhaka 1000  
Attention: Chief Executive Officer

### 19.11.2 Effectiveness

Every notice or other communication sent in accordance with Clause 19.11.1 shall be effective if sent by letter, three days after the time of despatch and if sent by fax at the time of despatch *provided that* any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

### 19.11.3 Notices to Bondholders:

All notices are validly given if:

- (a) mailed to the Bondholders at their respective addresses in the Register; or
- (b) published in one English newspaper and one Bengali newspaper, each having wide circulation in Bangladesh; or
- (c) emailed to the Bondholders at their respective addresses set out in the Issuer Register.

Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the later of the date of such publications.


### 19.12 Indemnification


The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

### 19.13 Cancellation

  
Sajib Kumar Saha, FCA  
VP  
Company Administration Division  
Meghna Bank Limited


  
Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited


  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd  
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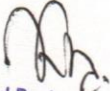


All Bonds which are redeemed by the Issuer, will forthwith be cancelled.

  
Sajib Kumar Saha, FCA  
VP & Head  
Financial Administration Division  
Meghna Bank Limited

  
Md. Rafiqul Islam Khan, FCS  
Company Secretary  
Meghna Bank Limited

  
Sohail R. K. Hussain  
Managing Director & CEO  
Meghna Bank Limited

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.




## 20 Cost Relating to The Issuance of Subordinated Bond

Total expected issue cost of the MGBL 1<sup>st</sup> Subordinated Coupon Bearing Bond will be ~BDT14.14 million. Below table shows head-wise costs of this bond.

Particulars	Year 0	Year 1	Year 2	Year 3	Year 4
BSEC Consent Fee	2,000,000	-	-	-	-
BSEC Application Fee	10,000	-	-	-	-
Trustee Application Fee	5,000	-	-	-	-
Trustee Registration Fee	50,000	-	-	-	-
Trustee Fee, including VAT	345,000	345,000.00	345,000.00	345,000.00	345,000.00
Legal Fee, including VAT	414,000	-	-	-	-
Credit Rating Fee, including VAT	115,000	115,000.00	115,000.00	115,000.00	115,000.00
Trust Deed Registration Fee	1,000,000	-	-	-	-
DEMAT Fee	300,000	-	-	-	-
Lead Arranger Fee, Including VAT	8,065,589	-	-	-	-
<b>Total Issue Cost</b>	<b>12,304,589</b>	<b>460,000.00</b>	<b>460,000.00</b>	<b>460,000.00</b>	<b>460,000.00</b>




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