

BUILDING A DIGITAL FUTURE

2020 Annual Report



MEGHNA BANK LTD.
together we sail





BUILDING A DIGITAL FUTURE

The COVID-19 pandemic has had an adverse impact on economies, households, businesses, and financial institutions around the world. At Meghna, we also tested the resilience of our business operations, our people and our financial strength. While we could never have predicted the nature or extent of the crisis we currently face, the Bank has demonstrated tremendous financial and operational resilience during a period of intense stress.

At the same time, we witnessed the acceleration of technological uses in every aspect, changing the ways we work, communicate, collaborate, and share our workspace and creating a globally accepted new normal. More than ever before, senior management and leadership teams need to identify a rigorous approach, drive competitive advantage for their business, create value addition, and become more effective in this work from home culture with collaborative platforms but still achieve our business metrics, which have also naturally evolved due to the global pandemic.

During this challenging times we are constantly in touch with our customers through various channels, providing much needed solutions through our Banking App, Internet Banking, Digital service desk and customer service portal in every possible way. We believe the results clearly show that banks need to expand their focus on building digital ecosystem to thrive besides increasing and enhancing our digital service offerings to transform the bank into a truly digital bank.

We believe in our ability in augmenting digital transformation efforts, to re-engineer & accelerate the process and make our transformation journey as seamless possible to align with the speed of customers technological adaptation. We will continue the transformation in 2021 and coming years to push the frontiers in digital ecosystem, while, This will be a key part of our overall agenda of delivering consistent, profitable, competitive and responsible performance. A further important priority will be to ensure that we retain the speed and agility of response that embodied our performance in 2020.



100
YEARS OF

FATHER OF THE NATION
OF BANGLADESH
BANGABANDHU
SHEIKH MUJIBUR RAHMAN

MEGHNA BANK LTD. 
together we sail

IN MEMORIAM

Remembering our Eternal Members
of The Meghna Bank Family



Maj Gen Amjad Khan Chowdhury (Retd.)
1939-2015



Md. Mazibur Rahman Khan
1959-2018



Md. Ali Azim Khan
1959-2020



Alhaj Md. Lokman Hakim
1956-2021

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PERFORMANCE HIGHLIGHTS

BDT in Million

Year	Particulars	Amount	Year	Particulars	Amount
2019 2020	Total Assets	49,347 52,871	2019 2020	Loans & Advances	34,363 35,841
2019 2020	Deposits	41,104 43,330	2019 2020	Operating Profit	824 734
2019 2020	Net Profit After Tax	135 501	2019 2020	Earnings Per Share(BDT)	0.29 1.07
2019 2020	Return on Assets %	0.29% 0.98%	2019 2020	Return on Equity %	2.53% 8.80%
2019 2020	Non-Performing Loans	2,546 2,436	2019 2020	Non-Performing Loans %	7.41% 6.80%
2019 2020	Capital Adequacy Ratio %	17.89% 17.42%	2019 2020	Shareholder' Equity	5,392 5,998



NON – FINANCIAL HIGHLIGHTS

01

Free Cash withdrawal facility from 11k ATM



02

New Call Centre



03

Internet Banking



04

Islamic Banking



05

Agent Banking



06

Digital Account Opening



07

Priority Center



ABOUT THE REPORT

Our Approach to Reporting

Presenting the eighth integrated Annual Report, Meghna Bank Limited (MGBL) seeks to provide an overview of the integrated nature of the bank's business strategy and operations combining economic, environment and social facets during the financial year 2020. As a fourth generation bank in Bangladesh, the bank fully recognizes its responsibility towards society. Long term sustainability of the bank depends on the successful ties and engagement with shareholders, customers, employees, community, environment and other stakeholders. This forms the basis for integrated thinking and integrated reporting of the bank.

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

Report Scope

This integrated Annual Report of MGBL presents financial and non- financial information of the bank for the financial year ended 31st December 2020 which was derived from the economic, social and environmental performance of the bank. It has been prepared in line with the Integrated Reporting Framework issued by the International Integrated Reporting Council.

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

- The Companies Act, 1994
- The Bank Companies Act, 1991 (amended in 2013)
- Securities and Exchange Rules, 1987
- Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards (BASs & BFRSs)
- The Income Tax Ordinance, 1984
- The Value Added Tax & Supplementary Duty Act, 2012
- Relevant Rules, Regulations and Circular of Bangladesh Bank
- Any other applicable laws and regulations of the land

Reporting Boundary and Materiality

The Annual Report this year comprises reports covering the bank's operations spanning the head office and the branch network for the financial year ended 31st December 2020. Wherever relevant, the preceding years' performance and indicators have been reflected for comparative analysis. In addition, the report also provides summary reviews on the performance of MGBL's subsidiary named Meghna Bank Securities Limited for the year ended 31st December 2020.

External Assurance and Test of Compliance

The Consolidated and Separate Financial Statements together with related notes are audited by M/s Khan Wahab Shafique Rahman & Co., Chartered Accountants, Bangladesh and their assurance is given on page 114 of this Report.



SL	Description of Report	External Assurer
1	Consolidated and Separate Financial Statements of Meghna Bank Limited	Khan Wahab Shafique Rahman & Co. Chartered Accountants
2	Financial Statements of Meghna Bank Securities Limited	MABS & J Partners Chartered Accountants
3	Provident Fund	Mizan Islam & Co. Chartered Accountants

Forward- looking statements

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

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

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

Presentation

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

Contact

Questions and inquiries on this Integrated Annual Report 2020 and information presented therein are to be directed to:

The Head of Financial Administration Division

Meghna Bank Limited

Head Office

Suvastu Imam Square (3rd Floor)

65, Gulshan Avenue, Gulshan – 1

Dhaka – 1212, Bangladesh

PABX: +880 29857251, 9857045, 9857089, 9851669

FAX: +880 29857124, 9857128

Email: info@meghnabank.com.bd





VISION

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

MISSION

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



CORE VALUES

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



CORPORATE DIRECTORY

Registered Name	Meghna Bank Limited
Legal Status	Public Limited Company
Date of Incorporation	March 20, 2013
Date of Commence of Business	March 20, 2013
License issued by Bangladesh Bank	March 28, 2013
Enlistment as a Schedule Bank	April 03, 2013
Chairman	Mr. H. N. Ashequr Rahman M.P.
Vice Chairman	Mr. Md. Kamal Uddin
Chairman, Executive Committee	Mr. Tanveer Ahmed
Chairperson, Audit Committee	Ms. Uzma Chowdhury
Chairman, Risk Management Committee	Mr. S. M. Jahangir Alam (Manik)
Managing Director & CEO	Mr. Sohail R.K. Hussain
Head of Internal Control & Compliance	Mr. Subir Mazumder
Head of Audit	Mr. Mohammed Kaiser
Head of Financial Administration Division	Mr. Sajib Kumar Saha, FCA
Company Secretary	Mr. Md. Rafiqul Islam Khan, FCS
Authorized Capital	Tk.2,000.00 Crore
Paid Up Capital	Tk.469.90 Crore
Number of Branches	47
Number of own ATM Booths	18
Name of Subsidiary	Meghna Bank Securities Limited
Registered Address	Suvastu Imam Square (Level-06) 65, Gulshan Avenue Gulshan – 1, Dhaka – 1212
Auditor	M/s Khan Wahab Shafique Rahman & Co., Chartered Accountants A Member of mgiworldwide Rupali Bima Bhaban (5th & 6th Floor) 7 Rajuk Avenue, Motijheel, Dhaka-1000, Bangladesh
Tax Consultant	Hoque Bhattacharjee Das & Co. Cosmic Tower (9th Floor), 106/ka, Box Culvert Road, Dhaka-1000
Telephone:	+880 29857251
Fax:	+880 29857124, 9857128
Email:	info@meghnabank.com.bd
Website:	www.meghnabank.com.bd
SWIFT:	MGBLBDDH



CODE OF CONDUCT

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

The Code of Conduct of Meghna Bank Limited furnished below:

1. Abidance of Laws

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

2. Integrity of Records; Customer Privacy and Employer Information

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

3. Free Competition (sharing of policy & procedures)

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

4. Misappropriation and Bribery

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

5. Conflict of Interest – Self and Citizenship duties

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

6. Use of Corporate Name and Letterhead

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

7. Outside Employment

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

8. Speculation in Stocks

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

9. Prevent Money Laundering and Transaction Structuring

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

10. Honesty and integrity

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



11. Borrowings

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

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

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

13. Acceptance of Gift

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

14. Use of Service Facilities

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

15. Alcoholism

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

16. Drug Addiction

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

17. Respect for others

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

18. Representation to Directors

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

19. Participation in political activities

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



20. Harassment

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

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

a. Racial Harassment

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

b. Sexual Harassment

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

c. Bullying

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

21. Customer complain

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

22. Speak up

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

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

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

24. Be open and honest with our Regulators

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



SPONSORS



H.N. Ashequr Rahman M.P.



Abdul Alim Khan Selim



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



Md. Yasin Ali
Represented Legacy Fashion Ltd.



Farah Ahsan



Md. Kamal Uddin



Tanveer Ahmed
Represented Cassiopea Fashion Ltd.





Shakhawat Hossain



Alock Kumar Das



Md. Ali Azim Khan
(Late)



Alhaj Md. Lokman Hakim
(Late)



Ashiqur Rahman Lasker



Rehana Ashequr Rahman



Md. Mazibur Rahman Khan
(Late)





Mohammed Mamun Salam
Represented Selim & Brothers Ltd.



M.A Maleque



Nuran Fatema



S.M. Jahangir Alam (Manik)



Md. Saidur Raman Sarker
Represented BEQ Sweaters Ltd



Taslima Islam



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





Md. Jashim Uddin



Sajibe Kumar Singha
Represented Anokul Traders



Ziaul Haque



Shahidul Ahsan



Md. Saiful Islam



AKM Mustafijur Rahman



Anita Haque
Represented Paramount Textile Ltd.





Ishmam Raidah Rahman



Shahriar Imtiaj Rahman



Gazi A.Z.M Shamim



Rasheq Rahman



Shareq Rahman



Bimal Kumar Chanda



Hafizur Rahman Sarker





Md. Yasin Ali
Represented Anowara Fashion Ltd.



Md. Nazrul Islam



Hasan Ahmed
Represented Popular Life Insurance Com. Ltd.



SHAREHOLDERS



Uzma Chowdhury



Dr. Tamanna Mostafiz



Tanzima Shahtaj Chaity



Tasmina Shahtaj Juthi



Julia Rahman



Ramisha Islam



BOARD OF DIRECTORS



H.N. Ashequr Rahman M.P.
Chairman

H. N. Ashequr Rahman MP was born on the 11 December 1941 in a respectable Muslim Family. His father late Md. Abdur Rahman was perhaps only Muslim student in M.Sc. in 1927 at the Dhaka University. His mother late Mrs. Hamida Khatun, a housewife was a remarkably generous lady constantly engaged in philanthropic activities in her own domain. Mr. Ashequr Rahman obtained BA (Honours) degree in English and MA (English) degree from Rajshahi University in 1962. Thereafter he obtained Post-Graduate Diploma in "Social Urban Studies" from the Institute of Social Studies, The Hague, The Netherlands. He is equally at ease and proficient both in English and Bengali. After obtaining Masters Degree, he started his career as Assistant Professor of English at the Carmichael College, Rangpur and thereafter as Assistant Professor of English at the Rajshahi University. Through country-wide competitive examination, he joined Civil Service of Pakistan (CSP) in 1966 and served with success and reputation in many responsible positions like Sub Divisional Officer (SDO) Manikganj (now a District), Deputy Secretary, Govt. of Sind in Pakistan, Deputy Commissioner Greater Cumilla District, Member, Bangladesh Tea Board etc. During the tumultuous and trying period of turmoil at the early stage of post-liberation period in March 72, he was appointed Administrator of Dhaka Municipality. He brought order and financial stability in then chaotic Dhaka Municipality. In 1979, dissatisfied and from unwillingness to serve autocratic regime of General Zia, he resigned from the coveted service voluntarily without pension and other benefits. At present, he is a businessman as well as an Industrialist, Founder Director of reputed private East West University and Founder Chairman of Meghna Bank Limited. He is involved with Awami League politics and elected Treasurer of Bangladesh Awami League since 1993 for successive

terms without break till date. He is the Secretary General of Awami Foundation. Mr. H N Ashequr Rahman was elected as a Member of 3rd, 7th, 9th and 10th National Parliament. He is a member of current 11th Parliament as well. During the 7th Parliament he served as a State Minister for Environment and Forests. During 7th, 9th and 10th Parliament, he served as Chairman of the Parliamentary Standing Committee on Estimates, Standing Committee on Ministry of Planning and Ministry of Public Administration. Mr. Rahman is connected with various social, cultural & philanthropic Institutions. He is one of the Founder Directors of East West University-a well-known Institution of higher education of excellence and repute. He is the former Senate Member of Bangladesh Jatiya University, Rajshahi University and Hajee Mohammad Danesh Science & Technology University, Dinajpur. At present he is a Senate Member of Begum Rokeya University, Rangpur and of Bangladesh University of Professionals (BUP), a university run by Bangladesh Defense Forces. He is the Chief Advisor of "Kishore Bhuban"- a Juvenile Magazine since 1995. He is the Founder Chairman and Life Member of Cumilla Foundation. He was a member of Bangladesh Investment Board and Founder General Secretary of United Towns Organization, an organization affiliated to United Nations. He is at present a member of the Executive Committee of Bangladesh Freedom Fighters' Welfare Trust. In 1972 invited by Reserve Bank of India he, as a member of industrial delegation, visited Industries at Kolkata, Delhi, Bangalore and Madras regions and discussed about possible collaboration with India on Industrial growth in Bangladesh on advantageous terms and special industrial loans at concessional rates. Sponsored by Government of Bangladesh under the aegis of "United Towns Organization" he under the leadership of Barrister Amirul Islam MP



visited England, France, Bulgaria, Italy and other countries in Europe in early 1972 to introduce newly emerged Bangladesh and foster friendship with the people at the grass-roots. The team visited and participated in Seminars and met various discussion groups in the cities of Europe and could create in them a lot of goodwill, friendship and enthusiasm for Bangladesh.

Mr. Rahman in order to transform Dhaka Municipality into City Corporation visited Kolkota, New Delhi, Bangalore, Madras and Bombay City Corporations in 1974 and studied their administrative structure and constitutions. Later on Dhaka Municipality was turned into Dhaka 25 City Corporation. In 1997 he visited China as a Member of Good Will Mission to exchange views and foster friendship. As a Member of Parliament, Mr. Rahman under the leadership of Hon'ble speaker Mr. Humayun Rashid Choudhury attended 43rd Commonwealth Parliamentary conference at Mauritius in 1977. In 1999, he as the leader of Bangladesh Delegation visited UN at New York and met with representatives from different countries especially from South Asia with object of establishing an "Association of Parliamentarians of South Asia" and formulated the framework of the organization which came into being later in due course. Mr. Rahman attended 102nd International Parliamentary Union (IPU) conference in 1999 at Berlin and next year, at Jordan he as the Elected Auditor of IPU presented the Audit Report at the Forum of IPU. Under the leadership of Honorable speaker, Mr. Humayun Rashid Choudhury, he joined Millennium conference of Presiding Officers at the UN. He was attached with British Parliament at Westminster, London for 3 (three weeks) in a familiarization programme with methods, precedents, procedures etc. of the British Parliament. Mr. Rahman led the Bangladesh Delegation to Japan for International Conference on "Environment and Development for Asia and Pacific Region" and led another delegation to Germany at Berlin on "Environment Conference on Prevention of Desertification". In 2009, Mr. Rahman participated in the 55th Commonwealth Parliamentary Conference at Tanzania. In 2000 under the leadership of Mr. Asaduzzaman MP, the then Chairman of Parliamentary Standing Committee on Public Administration, Mr. Rahman visited South Africa for exchanging views and issues on Public Administration in South Africa. In 2015, Mr. Rahman led a delegation of Public Administration to China and Vietnam and met political leaders, Administrative officials, Social leaders and different organizations to gain fruitful knowledge, insight and experience of those countries. At different occasions he attended many other Conferences and Seminars abroad and in Bangladesh and enriched himself with varied experience and knowledge. Mr. Rahman received Cumilla Foundation Gold Medal in recognition of his good services to Greater Cumilla during his tenure as Deputy Commissioner there. Mr.

Rahman during early eighties could appreciate the need for modernizing and computerizing the country. In 1986 he was the first in establishing a computer company titled as "Business and Education Systems Ltd." and imported Apple Computers even though Computer and its uses at that time were largely unknown to the people. Because of his special efforts, the Desktop version of computer "Apple" created by Steve Jobs was introduced in Bangladesh and that brought about a revolutionary change in printing methods especially in the newspaper industry. Mr. Mustafa Jabbar, at present Minister, ICT Ministry collaborated with Mr. Rahman and innovated the Bangla Font "Bijoy" which went a long way in the reaching computers to the households as a familiar tool. Mr. Rahman in his Electoral Constituency "Mithapukur" introduced the innovative program like nutrition (পুষ্টি) for children, modern oven (উন্নত চুলা), Sanitary Pad Project (শাবন্য), Sanitation Programme to protect the health of female students in particular at their young age. Every month 30,000 sanitary pad/packets are distributed among the 30,000 girls of school and colleges and those are specially packed for Mithapukur. He introduced Projects on changing the breed of cattle by establishing Artificial Insemination Centers, on branding and spreading Haribhanga mango in Mithapukur and beyond and other fruit bearing trees like Jackfruit trees, Coconut plants, Banana etc. in every household. Today many milching cows of Mithapukur produce daily 34 litres of milk and the bulls are of bigger and heavy sizes. At present, Mithapukur is surplus in milk, fish, fruits, food, meat and vegetable production. With his active intervention and leadership, widespread development of education and human capital, roads and infrastructure in Mithapukur took place. He also took special Initiative to improve the quality of soil of his area by promoting and nursing the use of Organic fertilizer through vegetation and vermin compost. Thousands of farmers are now engaged in producing vermin compost and at present there are regular markets for trading of vermin compost fertilizer in Mithapukur. He put Mithapukur on march and called the upazilla "পথিকৃত মিঠাপুকুর". He is the father of 2 (two) sons and 1 (one) daughter. They are all independent and well-established in life. Reading books, promoting Social welfare Projects and their implementation are Mr. Rahman's hobby. In July 1971 on transfer from the then West Pakistan, Mr. Rahman was posted as Additional Deputy Commissioner, Tangail and thereafter in September 1971 as Deputy Commissioner, Tangail. On the 11th December 71, Tangail was freed from the enemies. During the liberation war in the difficult circumstances, Mr. Rahman worked secretly for the cause of liberation and in many ways extended help and assistance to the common people of Tangail. In the critical and at the time of dire uncertainty, suffocating distress and anxiety, he was a friend of the people of Tangail. The people of Tangail still today remember him with gratitude.





Md. Kamal Uddin Vice Chairman

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

He is one of the Sponsor Directors of Meghna Bank Limited and currently serving as Vice Chairman 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.



Shakhawat Hossain Director

Mr. 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 and currently acting as member of the Audit Committee of the Bank. He previously served as Chairman of the Audit Committee 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.





Tanveer Ahmed Director

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

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

He has resided, studied and worked in Indonesia for significant periods of his career prior to taking over the helm at Elegant Group. Upon incompletion 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.



S.M. Jahangir Alam (Manik) Director

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

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

He is one of the Sponsor Directors of Meghna Bank Limited and currently serving as the Chairman of Risk Management Committee of the Board of the Bank. Mr. Manik is also a Director of Federation of Bangladesh Chambers of Commerce and Industries. He is involved in many social activities and widely acclaimed for his philanthropic contributions.





Alock Kumar Das Director

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

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

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

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



Mohammed Mamun Salam Director

A renowned businessman Mr. Mohammed Mamun Salam born in a respectable Muslim family of Chittagong. Mr. 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.





Uzma Chowdhury Director

Ms. 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 house-hold 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). Currently she is serving as Chairperson of Audit Committee of the Bank. She has Bachelors in Commerce (Honors) from Dhaka University and mother of three children.



Nuran Fatema Director

Ms. 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 Ms. 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.





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 of 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.





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 MA 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.



Sohail R.K. Hussain Managing Director & CEO

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

Mr. Hussain brings with him over 30 years of experiences and expertise in Corporate, SME, Green, Retail and infrastructure financing. He is a pioneer in digitalization, redefining strategies, merger & acquisition, advisory, and structured finance transactions.

Mr Hussain is also recognized for his instrumental role in transforming two leading Private Commercial Banks in Bangladesh - Eastern Bank Ltd & The City Bank Ltd.; from a branch centric model to a business matrix and centralized model, which has proven to be very effective.

He served The City Bank Limited (CBL) as Managing Director & CEO, from November 2013 to January 2019. During his tenor CBL established strong relationships with major multilaterals such as IFC, ADB, DEG, OeEB, NORFUND, FMO, IDB and many of the major ECA Finance agencies. Under his leadership, the bank obtained many prestigious awards such as Asia Money Best Bank, Finance Asia Best Bank, Euro Money Best Bank, ICMAB Best Corporate etc. Previously Mr. Hussain also served Eastern Bank Ltd, Standard Chartered Grindlays Bank, and ANZ Grindlays Bank.

He was also the Vice Chairman of Association of Bankers, Director of City Bank Capital Resources Ltd., City Brokerage Ltd, VIPBL, IIDFC. An MBA from the Institute of Business Administration, Mr. Hussain, obtained trainings on banking & leadership from both home & abroad.



COMMITTEES OF THE BOARD

Executive Committee



Audit Committee



Risk Management Committee



Shari'ah Supervisory Committee

(Effective from 2021)



Management Committee



01



02



03



04



05



06



07



08

01

Sohail R.K. Hussain
Managing Director & CEO

02

Shyamol Boran Das
Deputy Managing Director &
CIO

03

Kimiwa Saddat
Head of Corporate Banking

04

Ariful Islam Choudhury
Head of Retail Banking

05

Md. Sadiqur Rahman
Head of Treasury

06

Kazi Farhana Zabin
Head of Liability & Wealth
Management

07

I.Q. M. Abdul Jalil
Head of Credit Risk
Management

08

Khaled Hossain
Head of Operations





09



10



11



12



13



14



15



16

09

Sufia Akter

Head of Public Sector,
PPP & Cash Management

10

Md. Rafiqul Islam

Head of Branch Business

11

Mohammad Nuruddin

Head of Islami Banking

12

Rashedul Alam

Head of Human Resources

13

Mohammad Kaiser

Head of Audit

14

Sajib Kumar Saha, FCA

Head of FAD

15

Zishan Ahammad

Head of Cards

16

Md. Rafiqul Islam Khan FCS

Company Secretary



Divisional Heads



Syed Fazle Imam
Head of GSD



S.M. Rasheduzzaman
Head of Agent Banking
Division



Tamanna Quadry
Head of Priority Banking



Tanvir Shams
Head of ID



Subir Mazumder
Head of Internal Control
and Compliance



Moshiur Rahman Quraishy
Head of Retail
Credit & Collection



M. Riyadh Farhan
Head of SME



Muhammad Pavel Akhter
Head of IT (CC)



Dipan Hasnat Biplob
Head of CTOD



Mohammad Shibly Shohel
Head of Risk Management
Department



Md. Tawhid Hasan Juberi
Head of Treasury
Operations



Swarup Kanti Dhar
Head of Liability
Operations



Ziaul Haque
Head of Sales, RBD



Ananda Mohan Ghosh
Head of Anti Money
Laundering



Junayed Ahmed Chowdhury
Head of Legal Unit



Moksedur Rahman
Head of Card Sales



Md. Mokhter Hossain
Head of Call Center





STAKEHOLDERS' INFORMATION

FIVE YEAR'S FINANCIAL SUMMARY

(Figures in million Taka)

Results of Operation	2020	2019	2018	2017	2016
Interest Income	3,210	4,264	3,726	2,837	2,336
Interest Expense	2,596	2,801	2,464	1,838	1,568
Net Interest Income	614	1,463	1,263	999	768
Investment Income	1,046	342	547	833	884
Non Funded Income	196	223	210	264	188
Total Operating Income	1,856	2,028	2,020	2,095	1,840
Operating Expenses	1,122	1,204	1,172	1,078	875
Operating Profit	734	824	848	1,017	965
Provision For Loans, Investments And Other Assets	115	319	436	271	75
Profit Before Tax	619	505	411	746	890
Provision For Taxes	118	370	320	325	315
Net Profit After Tax	501	135	91	421	575
Balance Sheet	2020	2019	2018	2017	2016
Authorized Capital	20,000	20,000	20,000	20,000	20,000
Paid Up Capital	4,699	4,699	4,699	4,433	4,433
Shareholders' Equity	5,997	5,392	5,257	5,173	5,234
Borrowing	559	0.32	1	907	208
Deposits	43,330	41,104	36,447	32,287	25,509
Loans And Advances	35,841	34,363	30,754	27,458	20,990
Investments	9,464	5,171	4,493	4,728	6,745
Fixed Assets	219	279	316	283	296
Off-Balance Sheet Exposure	5,029	4,479	5,612	6,421	5,075
Total Assets	52,871	49,347	43,850	39,777	31,841
Total Liabilities	46,874	43,955	38,592	34,604	26,607
Share Information	2020	2019	2018	2017	2016
No. Of Shares Outstanding (No. In Million)	470	470	470	443	443
Earnings Per Share (In Taka)	1.07	0.29	0.19	0.95	1.30
Dividend (%)		0.00%	0.00%	6.00%	10.00%
Cash Dividend (%)		0.00%	0.00%	0.00%	10.00%
Stock Dividend (%)		0.00%	0.00%	6.00%	0.00%
Net Asset Value Per Share (In Taka)	12.76	11.48	11.19	11.67	11.81
Price Earning Ratio (Times)	N/A	N/A	N/A	N/A	N/A



MEGHNA BANK LTD.

VALUE ADDED STATEMENT

AS ON 31ST DECEMBER 2020

Particulars	2020 Taka	%
Value Created		
Income from Banking Service	4,451,628,272	
Interest Income	3,210,144,344	
Non Interest Income	1,241,483,928	
Less : Cost of Service & Supplier	(3,080,849,172)	
Interest Paid on deposit & Borrowing	2,595,988,252	
Total Operating Expenses	1,121,903,824	
Less : Salary and Allowance	(533,252,515)	
Less : Chief Executive Salary & Allowance	(17,130,135)	
Less : Depreciation	(86,660,254)	
Value Added by Banking Service	1,370,779,100	
Non Banking Income	-	
Provision for Loan & other Asset	(114,515,938)	
	1,256,263,162	
Value Distributed		
To Employees as Salaries & Allowances	550,382,650	44%
To Shareholders as Dividend	-	0%
To Government as Income Tax	118,069,024	9%
	668,451,674	53%
Value Retained		
(to maintain and develop operation)		
Statutory Reserve	123,844,052	10%
Depreciation	86,660,254	7%
Retained Earnings	377,307,182	30%
	587,811,488	47%
	1,256,263,162	100%



HORIZONTAL ANALYSIS

BALANCE SHEET

(Figures in million Taka)

Particulars	2020	2019	2018	2017	2016
ASSETS					
Cash	3,602	3,185	2,837	4,026	2,849
Balance with other banks and financial institutions	2,522	3,513	3,325	2,286	217
Money at Call on Short Notice	130	2,070	1,990	240	-
Investments	9,464	5,171	4,493	4,728	6,745
Loans and advances	35,841	34,363	30,154	27,458	20,990
Fixed assets including premises, furniture and fixtures	219	279	316	283	296
Other assets	1,094	766	735	756	744
Non-banking assets	-	-			
Total Assets	52,871	49,347	43,850	39,777	31,841
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions & agents	-	-	-	900	200
Borrowings from Bangladesh Bank	559	0.3	1	7	8
Convertible Subordinate Bonds	-	-	-	-	-
Money at call on short notice	-	-	-	-	-
Deposits and other accounts	43,330	41,104	36,447	32,287	25,509
Other liabilities	2,985	2,850	2,144	1,410	890
Total Liabilities	46,874	43,955	38,592	34,604	26,607
Total shareholders' equity	5,997	5,392	5,257	5,173	5,234
Total liabilities and shareholders' equity	52,871	49,347	43,850	39,777	31,841



HORIZONTAL ANALYSIS

PROFIT & LOSS ACCOUNT

(Figures in million Taka)

Particulars	2020	2019	2018	2017	2016
Interest Income	3,210	4,264	3,726	2,837	2,336
Interest Paid On Deposits And Borrowing etc.	2,596	2,801	2,464	1,838	1,568
Net Interest Income	614	1,463	1,263	999	768
Investment Income	1,046	342	547	833	884
Commission, Exchange And Brokerage	114	145	143	188	139
Other Operating Income	82	78	67	75	49
Total Operating Income	1,856	2,028	2,020	2,095	1,840
Salaries And Allowances	533	598	550	462	331
Rent, Taxes, Insurance, Electricity etc.	239	252	224	191	157
Legal Expenses	1	1	0.46	1	0.16
Postage, Stamps, Telecommunication etc.	21	20	22	17	16
Stationery, Printing, Advertisement etc.	13	14	17	17	17
Chief Executive's Salary And Fees	17	15	14	8	9
Directors' Fees	1	2	2	3	2
Auditors' Fees	0.35	0.43	0.40	0.26	0.15
Depreciation And Repair of the Bank's Assets	91	99	104	81	75
Other Expenses	205	203	239	299	267
Total Operating Expenses	1,122	1,204	1,172	1,078	875
Profit Before Provisions	734	824	848	1,017	965
Provision For Loans And Investments:					
Loans And Advances	(124)	(296)	(418)	(232)	(67)
Recovery From Write-Off	-	-	-	-	-
Diminution In Value of Investments	16	(25)	(22)	(5)	
Off Balance Sheet Items	(7)	14	8	(14)	(9)
Other Provisions	0.02	(12)	(5)	(21)	
Total Provision	(115)	(319)	(436)	(271)	(76)
Total Profit/(Loss) Before Taxes	619	505	411	746	890
Provision For Taxation:					
Current Tax Expense	(170)	(370)	(320)	(328)	(323)
Deferred Tax Expense / (Income)	52	-	-	3	8
Total Provision For Taxation	(118)	(370)	(320)	(325)	(315)
Net Profit After Taxation	501	135	91	421	575

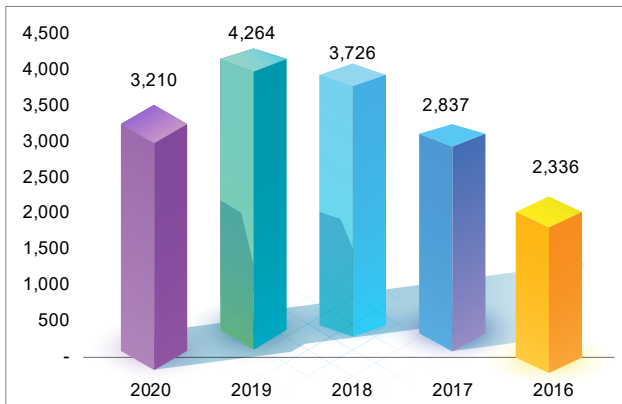


GRAPHICAL PRESENTATION OF PERFORMANCE

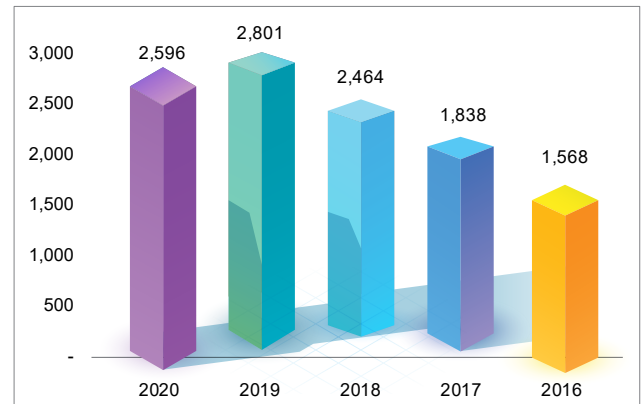
(Figures in million Taka)

Particulars	2020	2019	2018	2017	2016
Interest Income	3,210	4,264	3,726	2,837	2,336
Interest Expense	2,596	2,801	2,464	1,838	1,568
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Total Operating Income	1,856	2,028	2,020	2,095	1,840
Operating Expenses	1,122	1,204	1,172	1,078	875
Operating Profit	734	824	848	1,017	965
Profit Before Tax	619	505	411	746	890
Net Profit After Tax	501	135	91	421	575
Earnings Per Share (in Taka)	1.07	0.29	0.19	0.95	1.30

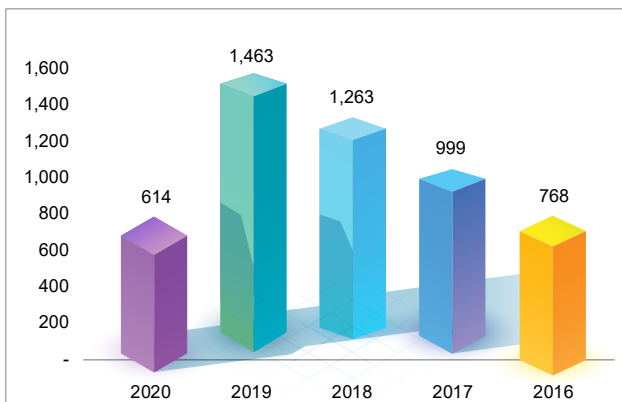
Interest Income (BDT Million)



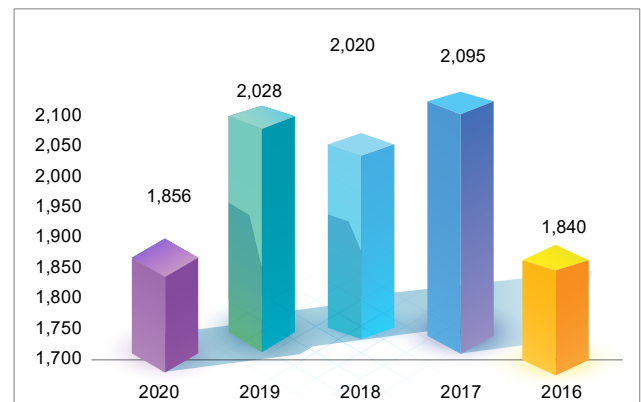
Interest Expense (BDT Million)



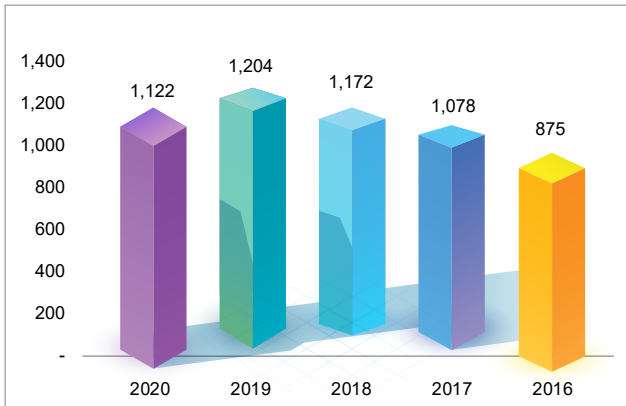
Net Interest Income (BDT Million)



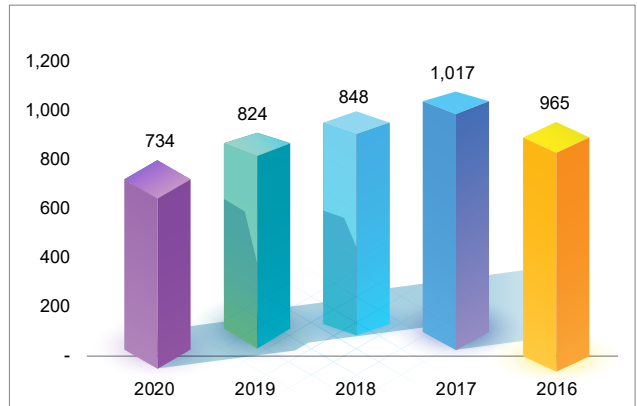
Total Operating Income (BDT Million)



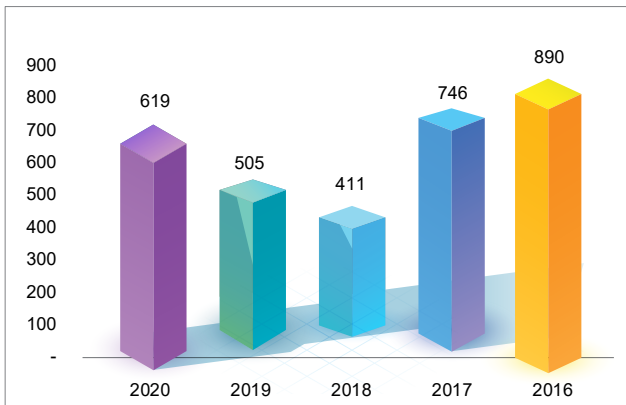
Operating Expenses (BDT Million)



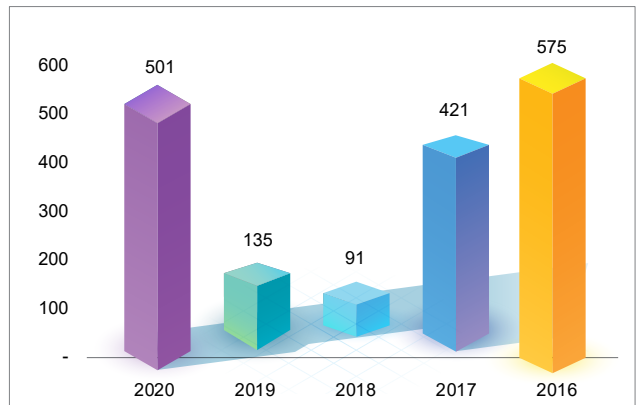
Operating Profit (BDT Million)



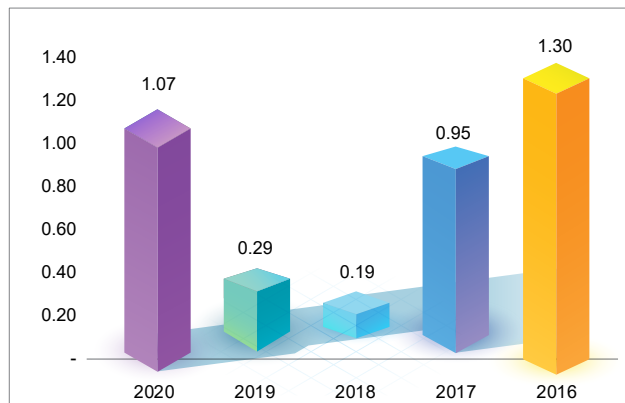
Profit Before Tax (BDT Million)



Net Profit After Tax (BDT Million)



Earnings Per Share (BDT)

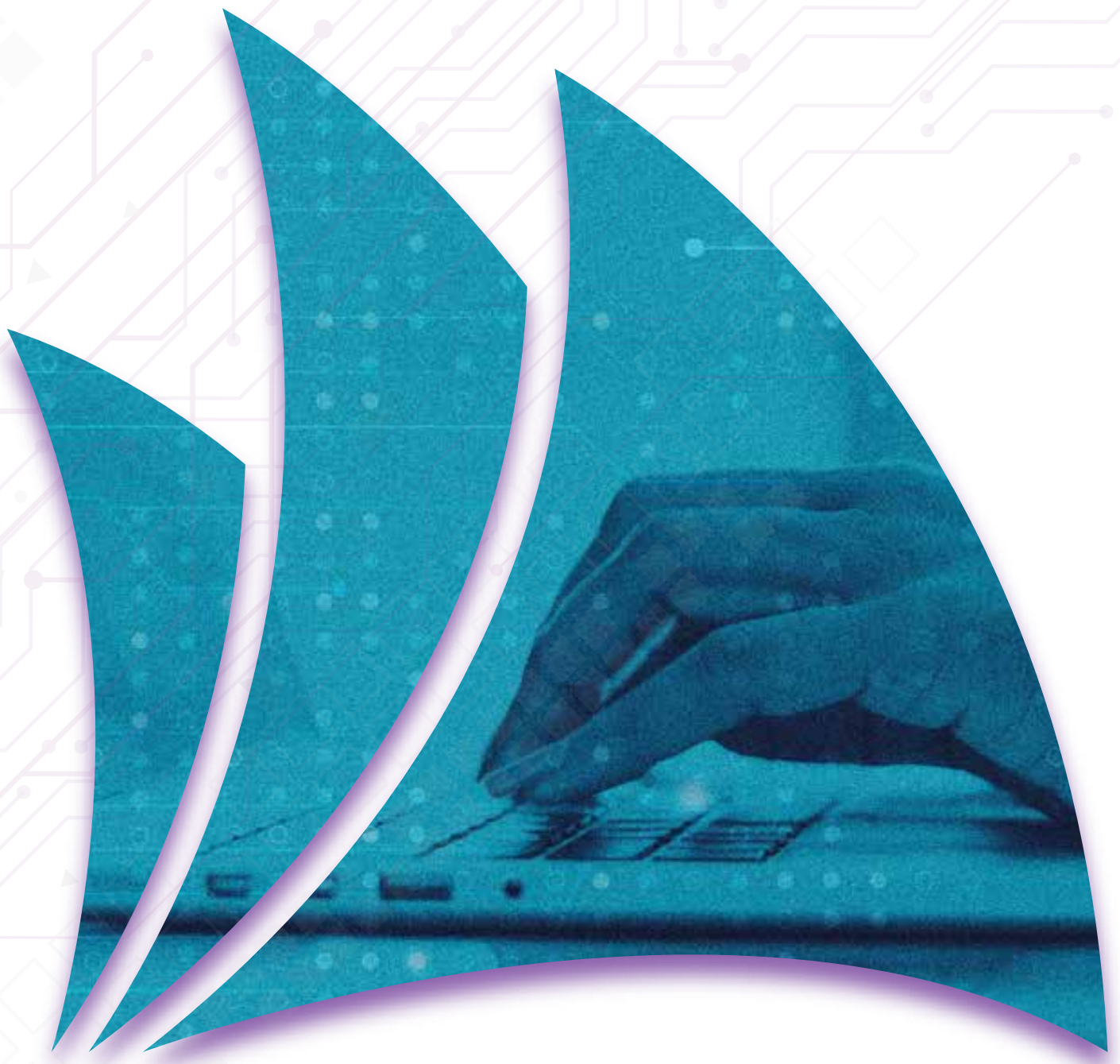


CREDIT RATING

Alpha Credit Rating Limited (Alpha Rating) has affirmed “AA-“(Pronounced as double AA Minus) rating in the Long Term and “ST-2” rating in the Short Term with Stable Outlook to Meghna Bank Limited through an in –depth analysis of the operational and financial performance of the bank along with all its relevant qualitative and quantitative factors. The basis of its evaluation was financial of the bank up to December 31, 2020 and other prevailing factors up to date of rating.

Particulars	Entity Rating	Definition
Year of Rating	2020	All Financial and Non-Financial Information Data Based on Year 2020.
Long Term	AA-	Very Strong Capacity to meet financial commitments and obligations.
Short Term	ST-2	Strong Capacity in terms of the repayment of obligations.
Outlook	Stable	Rating is likely to remain unchanged
Date of Rating	June 27th, 2021	Validity of Rating: 26th June 2022





STRATEGIC OVERVIEW

MESSAGE FROM THE CHAIRMAN



Our Bank grew out of a passion – it is not a trading house for instant profit. Sacrifices, blood and toil of millions must not go in vain. We have inherited the noble urge and yearning from the Founding Father Bangabandhu Sheikh Mujibur Rahman for the down-trodden who need emancipation and freedom from shackles of poverty. Meghna is alive to its commitment and the inherent urges from the soul of ours.



Dear All,

I welcome you to the Annual General Meeting of 2021.

Even though the AGM is partly physical and partly on ZOOM, it is heartening that we are a little closer than before. But it is not the end game. It seems, the third wave of Corona variant 'Omicron' breathing near the ear. It looks we are oblivious of the latent risk and everyone across the country has almost started to live a normal life. We need be vigilant and compliant with health rules. That is wise lest we should stumble unwittingly in another ditch of despair.

Time we are passing is still universally challenging. Yet the hitherto unknown calamity could not subdue the indomitable spirit of ours. We have been conscious that crisis though fraught with risk at the same time opens the door for newer opportunities. While many others have been shy and pushing themselves backward, our progress was steady despite during the period, business becoming slow, human communion almost stopped, consumption slackened, initiative to undertake the new venture on hold, interest rate radically reduced and 'Spread' drastically shrunk, strict and increasingly demanding rules, regulations and additional provisioning slapped on the Banking system. We have been cautious and correct on our path.

I like to point out that today our Corporate Banking Division, Treasury Division, IT Division, Finance Division are stronger than before. Our branches and activities are more transparent, centrally controlled and better monitored. We are looking at evolving a sound credit culture.

Listless wandering does not produce result. Following a definite road map with appropriate technology, we have launched Agent Banking, Islamic Banking, robust Retail Banking and Offshore Banking.

All these are happening with deft handling by our able professionals under the dynamic and experienced leadership of the present Managing Director & CEO Mr. Sohail R.K. Hussain. I am delighted to mention, today Meghna Bank is moored on solid pillars. We have been able to gather a number of very good and reputed professionals in the



key positions in the Bank. The latest addition in the IT Division is Mr. Shyamol Boran Das, known in the IT sector for proficiency.

I express my appreciation for good work done by our people. You will be delighted to know in 2020 and 2021, Meghna Bank has been awarded internationally recognized certifications namely 'Asian Banking and Finance Wholesale Banking Award in category Domestic Initiative in Bangladesh' from Singapore and from UK 'The Global Economic Award' as the Fastest Growing Corporate Bank in Bangladesh in which Head of Corporate Banking Kimiwa Saddat had a significant contribution. In other departments of the Bank as well, we are doing equally well due to committed services rendered by all.

The success that we have achieved and that we are looking at now could not have been possible without the unstinted cooperation and guidance from our very able and farsighted Directors of the Board. Further, we are fortunate to have with us, two very eminent persons as Independent Directors Dr. Syed Ferhat Anwar, erstwhile Director and Professor of Institute of Business Administration (IBA), University of Dhaka and Mr. Md. Ahsan Ullah, former Executive Director of Bangladesh Bank. They have brought with them long and vast experience, knowledge, insight and capacity to recognize the economy in general of the country and monitoring skill of the Banking affairs. We are grateful that they are taking active and lively interest in the affairs of the Bank with their advice and incisive scrutiny. It is, at present, easier for us to arrive at a right decision, develop sound business culture with appropriate steps and troubleshooting within the Bank.

At present, we are looking at enhancing profitability, asset quality, a resilient loan structure, a robust Retail portfolio, initiating an inclusive financial services, developing more awareness in Corporate Social Responsibility and integrating latest digital technology. We aim to be at par with the Financial System of the world and responsive to becoming the driving fuel for the economy of the country.

It is imperative that we need to build Meghna on solid pillars, sound foundation. We must reduce default loans, strengthen the equity base and acquire good rating internationally so that we earn the confidence of corporate world both at home and abroad. This is a must or all that we are doing will be beating about the bush in vain.

Accordingly, the Honorable Directors of the Board took the courageous decision to enhance the equity of the Bank by Tk.200 crore. The Board approved the proposal on July 22, 2020 and it was approved by Bangladesh Bank on September 29, 2020. The decision that we have approved was confirmed and reconfirmed in the subsequent Board meeting on August 5, 2021, October 26, 2021 and December 19, 2021. We must accomplish it without fail, come what may.

Our Bank grew out of a passion – it is not a trading house for instant profit. Sacrifices, blood and toil of millions must not go in vain. We have inherited the noble urge and yearning from the Founding Father Bangabandhu Sheikh Mujibur Rahman for the down-trodden who need emancipation and freedom from shackles of poverty. Meghna is alive to its commitment and the inherent urges from the soul of ours.

Meghna does not belong to anybody and will surely live with ages. With the passage of time, the sponsors will gradually diminish into nothingness. But Meghna will continue remain standing as a shining symbol of our noble venture. We have a long way to go.

Robert Frost এর ভাষায়

“The Woods are lovely, dark and deep
But I have promises to keep
And miles to go before I sleep
And miles to go before I sleep”

I urge you all to rise to the High Task.

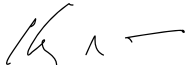
By now you have Audited Financial Statements with you and I presume read. You will see that we have made substantial progress.

Before I bring my statement to a close, I remember with gratitude and sadness the fellow travelers who gathered together with us at the beginning of the great journey of Meghna Bank. They enriched us with their guidance, advice and wisdom. They were men of initiative and great drive.

I remember Maj. Gen. (retd.) Amjad Khan Chowdhury, Mr. Mazibur Rahman Khan, Mr. Ali Azim Khan and Alhaj Lokman Hakim in deep reverence.

May Almighty Allah shower His Infinite Benevolence on them.

Thank You.



H.N. Ashequr Rahman M.P.
Chairman



MANAGING DIRECTOR & CEO'S ROUND UP



“

In all sense, the year 2020 is different from all possible angles due to COVID-19 pandemic. Despite the uncertainty on market and communities around the country as well in the world we have remained resolute and maintained a balanced business portfolio.

”

People First

Over the last year, the world went through extremely challenging times, both from a health and financial perspective. From the onset of the COVID-19 pandemic, our focus was on the well-being of our employees, our clients and our communities. Our mission of putting People First guided us in all our decisions as we progressed. While I am proud of the way we adapted, I must mention, it would not have been possible without the strong engagement of our employees and the profound transformation of the Bank over the past few years.

Meghna has started its operation in 2013 along with other few new Banks. Since its inception, Meghna has always tried to be a different bank. The Bank has started its transformation journey to become one of the leader in providing next generation banking services, where the bank plans to drive such changes through mostly digital platforms. The evolution of our culture into a highly collaborative and agile bank has proven to be a true competitive advantage, for us to play a key role in our ability to adapt and perform well through unprecedented circumstances. I sincerely thank our people and our clients for navigating through this situation being with us.

In the past & current year, we experienced a slowdown on the economy. The impact of the pandemic in 2020 was global in scale, impacting Lives, Trade, supply chain, restrictions on travel, cancellation on export orders, unemployment, return of expatriates working abroad, increasing risk of business failures and so on. The Government of Bangladesh responded with a host of stimulus packages, policy forbearances and other related support to assist the business at all sectors and people at different lives.



A resilient performance despite challenging conditions

There has been a rapid shift from physical to digital banking in the year 2020. Our digitalization objective is to provide customer convenience and reliability, create good customer experiences and deliver digital services that are faster, agile, cost-effective, personalized, and secure. We also reconfigured business operating model from a branch-centric model to a business-matrix and centralized model. The focus of the Bank for the year 2020 has been to instill cost awareness culture, better process control, differentiated customer experience and of course new revenue generation through innovative digitalized products & services to our customers.

In all sense, the year 2020 is different from all possible angles due to COVID -19 pandemic. Despite the uncertainty on market and communities around the country as well in the world we have remained resolute and maintained a balanced business portfolio.

Some notable operational performance are as follows:

- Due to global pandemic and single digit lending rate cap, our net interest income in 2020 decreased by 58%, but we have tried to cover it up with non-interest income supported by investment income growth by 206% from 2019 that helped our operating income to reach BDT 1,856 million in 2020, while profit after tax was up by BDT 367 million year-on-year reaching BDT 501 million backed by less provision charged for loans according to Bangladesh Bank provision requirement.
- Despite facing numerous challenges in the operating environment, the Bank has maintained a total Business of 79,171 million, consisting of deposits of 43,330 million and gross advances of 35,841 million as on December 31, 2020.
- Through reconfiguring operation model from branch centric to business-matrix, the bank achieved deposit and loan portfolio a balanced growth of 5.42% and 4.30% respectively.
- Our prudent risk management approach has driven to reduce NPL at 6.80% at the end of 2020 which was 7.41% at the end of 2019.
- During this difficult times, we continue to maximize wealth for our valuable shareholders maintaining ROA of 0.98% , ROE of 8.80%, improving EPS to BDT 1.07 from BDT 0.29 and NAV per share BDT 12.76 from BDT 11.48.

Accelerating our digital transformation

Due to the COVID-19 pandemic sweeping the world in 2020, the Bank experienced significant challenges in implementing its business plans in Digital and Business Technology sectors. Implementation priorities during the year were re-arranged to enable continuity of service through remote business enablement. Despite this, work continued on the digital transformation journey by modifying and developing many systems and services to match the business market changes and to support Bank's vision and strategy; some of the initiatives are building next generation IT infrastructure to support digital platforms, starting a mission to utilize big data and advanced analytics to understand customer need better, designing the customer journey to meet the customer propensity to technological progress, Artificial Intelligence & Robotics process to reengineer operational processes and above all pursuing collaborations with digital start-ups, Fintechs, MFS and entrepreneurs to build an Ecosystem to promote Open banking practices.

Digitizing the Customer Journey

Digitizing the customer's journey has been a key part of the year's initiatives. Developing digital channels and adding more banking services to the Bank's digital platform became vital to empower customers to conduct their transactions in spite of social distancing. The impact of the pandemic was to act as a catalyst to accelerate a process of digitalization already underway. Retail Banking designed end-to-end digital customer journeys for account opening and credit journeys to boost sales as well as client on-boarding, meeting customer demands despite the impact of the pandemic.

To better serve the customer, several other digital banking systems and procedures were updated by the Bank , such as the system for opening corporate accounts, the procedure for opening individual accounts, inquiries about transfers, enabling password resets, and the 24/7 call center system. We have also revamped our internet banking and Mobile app to help our customers do different transactions and payments to ensure they can sit at home and do banking at ease.



Responding to the Pandemic & Business Continuity

In line with the precautions and procedures related to social distancing, the business technology team's main priority was to facilitate remote working for employees. This important step included supporting and updating security and protection systems, activating remote working for the call center and customer service center, enabling virtual communications and conference services, and enabling employees to work remotely in all regions. The Remote Action Plan has been successfully implemented as part of the Bank's crisis management process to overcome the challenges of the COVID-19 pandemic.

Looking Ahead with Cautious Optimism

Looking back at 2020, I am proud of the results achieved, and our proven ability to adapt in evolving circumstances. Although we remained in the grip of the pandemic at yearend, economic activity has slightly recovered from its lows and we expect gradual improvement in 2021 in the context of continued public health measures and, eventually, the availability of a vaccine.

In closing, I must recognize the sound advice of our Board of Directors, as well as each member of the Head Office and Branches for their incredible leadership and grace under pressure over the past year. We have strong and experienced leaders across the Bank, all of whom have contributed to our digital and cultural transformation.

On behalf of the members of management team, I wish to once again sincerely thank all of our employees for their everyday contributions and commitment to the success of the Bank. Everyone across our bank deserves recognition for their dedication and flexibility in this difficult and demanding environment.

We have an extremely strong Board of Directors who are highly capable and reputed professionals, they have successfully run large institutions. As a good governance practice, We always ensure very detailed and rich discussions at the Board on all important matters and I thank every one of them for their thoughtfulness, wisdom, their active participation & guidance at the Board. I personally Thank each one of our employees, appreciate for being with us and working so hard. Above all, I express my sincere gratitude to our regulators who monitor us closely, guide us and support us to be successful always. I also must thank the media for their forthright reporting about Meghna bank which always makes us motivated to serve our customers better. I thank our customers for their trust in our bank and helping us to grow every day. Finally, I thank all of our shareholders for their continued trust and confidence on us.



Sohail R.K. Hussain

Managing Director & CEO





RISK & GOVERNANCE

DIRECTORS' REPORT

The Board of Directors welcomes you all to the 8th Annual General Meeting (AGM) of the Bank and presents before you the Annual Report along with the Audited Financial Statements for the year 2020 along with all related financial disclosures such as Directors' and Auditors' Report of the company which presents fairly its state of affairs, the results of operations, cash flow and change in equity for your kind consideration, approval and adoption in the AGM. However, it may be pertinent to have a look at the global as well as national economic scenario to help you to have some ideas about the backdrop in which the bank endeavored during the period under review.

Global economy and its outlook

The global economy has climbed out from the depths to which it had plummeted during the Great Lockdown in 2020. The COVID-19 pandemic has inflicted high and rising human costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity. As a result of the pandemic, the global economy was projected to contract sharply by –3 percent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario, which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support.

There is extreme uncertainty around the global growth forecast. After ease of lockdown global trade started to pick up in June where China was a major contributor. In the second half of 2020 financial condition started to ease for advanced economies and for most emerging market and developing economies. This pandemic has increased inequality globally by pushing more people below poverty line mainly those who live on daily wage and are migrant workers. IMF projects that the global economy will grow by 6.0% in 2021. Additional policy support announced for 2021, mainly in USA and Japan, is expected to help in lifting economic activities in advanced economies with favorable spillover to trading partners. However, pace of recovery is likely to vary significantly across countries, depending on access to vaccine, effectiveness of policy support, exposure to cross-country spillovers, and structure of the crisis.

GDP growth (year- on- year, in percent)

Particulars	2020	2021 p	2022 p
World	-3.3	6.0	4.4
Advanced Economies	-4.7	5.1	3.6
Other Advanced Economies	-2.1	4.4	3.4
USA	-3.5	6.4	3.5
Euro Area	-6.6	4.4	3.8
Emerging Market and Developing Economies	-2.2	6.7	5.0
China	2.3	8.4	5.6
India	-8.0	12.5	6.9

Source: IMF World Economic Outlook Update (April 2021);p for projection

Bangladesh Context

The year 2020 began with a cloud of uncertainty hanging over the horizon. The novel coronavirus was spreading in Europe, the destination of over 60 percent exports from Bangladesh, after wreaking havoc in China, its largest trading partner. Bangladesh felt the heat of a looming global crisis though the virus had not yet made its way into the country. On March 8, the authorities confirmed the maiden case of COVID infection in the country. A week later, the first death from the virus was reported.



Soon, the country's economy, one of the shining stars in Asia, came almost to a halt as the government imposed countrywide lockdown to contain the spread of the virus. During the nationwide lockdown, millions lost jobs, poverty rate doubled and many businesses folded up. Income of the vast majority of the population shrank.

Exports hit rock bottom as the importing countries themselves were finding it difficult to keep their economies afloat. The country was staring at an unprecedented three-pronged crisis: health, economic and food. To protect the people and the economy, the government rolled out a massive Tk.120,000/-crore stimulus package, one of the largest in the world. It capped bank interest rates below single digit to help firms and businesses borrow at a record low rate. Multilateral banks and bilateral partners poured billions of dollars to cushion Bangladesh.

But the biggest support came from farmers who continue to feed the country and the migrant workers who proved the grim forecasts wrong, sending home a record amount of remittance. The robust flow of remittance lifted the country's foreign exchange reserves to record highs and put the country on a firm footing.

The reopening of the economy in June was a very bold move and proved to be a judicious one, as the virus did not go out of control. Bangladesh's GDP growth is forecast to drop to 3.8 percent in 2020, compared to 8.2 percent in the previous year. The government debt as a percentage of the GDP rose to 39.6 percent in 2020, considered low as per the international standards.

The government had a fiscal deficit of 6.8 percent in 2020, which allowed it to spend a huge amount of money to cushion the economy. Despite the pandemic, Bangladesh is set to post the third-highest growth in the world and the highest in Asia in 2020, according to the International Monetary Fund. In terms of growth, only Guyana and South Sudan are ahead of Bangladesh. India's GDP would contract by 10.3 percent and Pakistan's by 0.4 percent. Of the 190 IMF member countries, only 23 are forecast to post a positive growth in the outgoing year.

The government of Bangladesh and Bangladesh Bank took a series of timely and appropriate initiatives such as stimulus packages worth more than BDT 1.21 trillion, policy relaxations, low cost refinance schemes to support weaker segments of the economy and to ensure sufficient liquidity in the banking system. These policy initiatives paved the way for the economic recovery of Bangladesh remaining at the forefront among the neighboring South Asian economies. However, MSMEs, which is the backbone of the country's economy, is yet to get the desired momentum due to slower fund disbursement from stimulus packages. Annual average inflation rose to 5.65% in FY 2020 compared to 5.5% in FY 2019. Broad money supply increased by 12.64% at the end of FY 2020 driven largely by public sector borrowing from banking system. Government's revenue collection faced a large fall due to pandemic driven economic slowdown which resulted in 55.51% increase of costly borrowing at the last quarter of FY 2020.

Favored by the expansionary monetary policy and capital market policy supports from regulators, the capital market bounced back in 2020, which is visible in rising share prices, turnover, and market capitalization. The food production, remittance, the stimulus package, the reopening, and the uptick in domestic demand and exports put the country on the path of recovery.

Banking industry in 2020

The liquidity condition of the banking system broadly remained stable and sufficiently adequate. Bangladesh Bank's easing monetary policy stance, higher remittance flow, and government's stimulus packages ensured excess liquidity in the banking system. Due to implementation of lending rate ceiling of 9% from 1 April 2020, weighted average interest rates witnessed a significant decline both in lending and deposit. Moreover, excess liquidity in the banking sector due to pandemic driven weak credit demand led to sharp fall in the interest rate on lending. This induced the banks to lower the interest rate of deposit. Weighted average deposit and lending rates decreased from 7.71% and 11.18% in March 2020 to 6.82% and 9.23% in December 2020, respectively.

Bank deposits grew by 5.42% in December 2020 compared to 12.78% in December 2019 amid the pandemic riding on higher remittance inflows. Loan disbursement from the stimulus packages helped loans and advance of the banking industry to grow marginally by 9.6% in September 2020 compared to 9% in June 2020. However, this growth decelerated to 8.2% in December 2020. Though public sector credit grew due to large flow of foreign loans and selling of national saving certificate, private sector credit demand was slower. Private sector credit grew slowly because of banks' cautiousness towards quality lending as well as investors' stickiness to survival strategies during the COVID-19 period instead of expanding their businesses. As the bank deposits grew faster than bank advances, the overall ADR fell from 74% at the end of September 2020 to 72.7% at the end of December 2020; way below the maximum regulatory ceiling which adversely affected the profitability of the banks.



Some important initiatives taken by Bangladesh Bank in 2020 are as follows:

- Implementation of lending rate cap on 9%.
- Slashing cash reserve ratio (CRR) for both domestic and offshore banking operation.
- Reduction of bank rate and repo rate and increase of the ceiling of ADR.
- Payment by deferral (PBD) facility on loan payments for 2020 without downgrading or classifying the borrowers.
- Instruction on maintaining status quo of loan classification as of 31 December 2019 without downgrading or classifying the borrowers.
- Agricultural credit facility at a concession rate.
- Instruction for waiver of late payment fee/charge/penal interest/additional revenue or any other fee/charge due to delayed credit card bill payment.
- Implementation of government's stimulus packages worth more than BDT 1.21 trillion mainly for export oriented industry, large industries and service sector.
- Refinance Facilities under Stimulus Packages provided to banks for disbursement to target sectors.
- Additional 1% special general provision for COVID-19 on PBD accounts.
- Setting cap on distribution of cash and stock dividend.

Performance of Meghna Bank Limited

Principal Activities

The principal activities of the Bank are to provide all kinds of commercial banking service to its customers that include extending credit/lending to different types of customers, receiving deposits, Consumer and SME financing, trade financing, project financing, lease and hire purchase financing, credit cards, remittance services, etc. Meghna Bank is currently providing services to its customers through 47 Branches. In addition to building own ATM network by installing more ATMs gradually, Bank has already joined the largest shared ATM network of the country to cater customer demand. Introduction of Internet Banking, Mobile Banking, Credit Card etc. are ongoing.

Human Resources

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

Corporate Governance

The Board is committed to adhere strictly to the statutory obligations and regulatory guidelines. The Bank Directors are responsible for the governance of the Bank. Thus preparation of Annual Report and Financial Statements lies to the Board in accordance with the Companies Act 1994, Bank Company (Amendment) Act, 2013, Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS) and stipulations of Bangladesh Securities and Exchange Commission (BSEC). To discharge the duties and responsibilities of the Board, three Committees i.e. Executive Committee, Audit Committee and Risk Management Committee remained functional with defined responsibilities. Each Committee adheres to a set of terms of reference approved by the Board. Their roles, operating procedures and authorities are clearly defined in the terms of reference which the Board reviews from time to time. During the year 2020, twelve meetings of Board of Directors, six meetings of Executive Committee, four meetings of Audit Committee and four meetings of Risk Management Committee were held.

Financial position and performance of the bank

Performance of the Bank during Year 2020 was satisfactory. Various parameters reflect that the Bank maintained to grow in all aspects. Some of the key indicators reflecting growth of the Bank are summarized below as ready reference of the shareholders. Bank's total asset and liability increased by Tk. 3.52 billion showing growth of 7.14% over year 2019. Details of the items which results the overall growth are available in the Audited Financials of the Bank:



Total Assets:

Major contribution in the overall 7.14% growth in assets of the Bank from increase in loans and advances by Tk. 1.48 billion and the growth was 4.30% as compared to previous year. The table below depicts increase in amount and corresponding growth in major heads of Bank's asset:

Assets	Year 2020		Year 2019		Growth in 2020	
	Taka	%	Taka	%	Taka	%
Cash	3,602,162,262	7%	3,184,987,954	6%	417,174,308	13%
Balance with Other Banks & Fis	2,521,748,078	5%	3,512,980,551	7%	(991,232,473)	-28%
Money at Call & Short Notice	130,000,000	0.25%	2,070,000,000	4%	(1,940,000,000)	-94%
Investments	9,464,079,314	18%	5,171,377,021	10%	4,292,702,293	83%
Loans and Advances	35,840,624,305	68%	34,362,615,024	70%	1,478,009,281	4%
Fixed Assets	218,576,063	0.41%	278,789,682	1%	(60,213,619)	-22%
Other Assets	1,093,923,705	2%	766,177,064	2%	327,746,641	43%
Total Assets	52,871,113,727	100%	49,346,927,296	100%	3,524,186,431	7%

Total Liabilities:

Deposits & Other Accounts increased by Tk. 2.23 billion resulting 5.42% growth over year 2019. Shareholders' Equity increased by Tk. 0.61 billion to Tk 6.00 billion in year 2020 from Tk 5.39 billion in year 2019. Segment wise position of year 2020 compared with year 2019 is below:

Particulars	Year 2020		Year 2019		Growth in 2020	
	Taka	%	Taka	%	Taka	%
Borrowings from other Banks, Financial Institutions and Agents	558,616,000	1%	324,256	0%	558,291,744	172176%
Deposits & Other Accounts	43,330,127,348	82%	41,104,080,069	83%	2,226,047,279	5%
Other Liabilities	2,984,905,636	6%	2,850,420,270	6%	134,485,366	5%
Equity	5,997,464,743	11%	5,392,102,701	11%	605,362,042	11%
Total Liability	52,871,113,727	100%	49,346,927,296	100%	3,524,186,431	7%



Contingent Liabilities:

The Non-funded business position of the Bank was increased during the year 2020 as reflected in the table below.

Particulars	Year 2020		Year 2019		Growth in 2020	
	Taka	%	Taka	%	Taka	%
Acceptance and Endorsement	196,239,172	4%	731,624,552	16%	(535,385,380)	-73%
Letters of Guarantee	3,306,789,418	66%	2,774,560,665	62%	532,228,753	19%
Irrevocable Letters of Credit	1,418,051,665	28%	738,189,924	16%	679,861,741	92%
Bills for Collection	107,712,365	2%	234,154,720	5%	(126,442,355)	-54%
Total Contingent Liabilities	5,028,792,620	100%	4,478,529,861	100%	550,262,759	12%

Operating Income:

Total operating income of the Bank decreased 8% in year 2020 as compared with year 2019. The reason for decrease of operating income is negative growth of net interest income and commission, exchange & brokerage income. But the bank has covered this negative growth of operating income from investment income and other operating income. The bank has made significant growth in investment income by 206%. In the year 2020, bank recorded Tk. 1.86 billion. Below is the comparative position of Bank's total operating income for the year 2020 and Year 2019:

Particulars	Year 2020		Year 2019		Growth in 2020	
	Taka	%	Taka	%	Taka	%
Net Interest Income	614,156,092	33%	1,462,882,608	70%	(848,726,516)	-58%
Investment Income	1,045,650,846	56%	341,743,908	19%	703,906,937	206%
Commission, Exchange & Brokerage	114,186,771	6%	145,079,223	7%	(30,892,452)	-21%
Other Operating Income	81,646,311	4%	77,833,100	4%	3,813,211	5%
Total Operating Income	1,855,640,020	100%	2,027,538,839	100%	(171,898,819)	-8%

Operating Expense:

No branches were opened during the year 2020 but a number of employees have been recruited for Formation of new Division and few were replaced by new one. Operating expenses decreased by 6.80% in year 2020 as compared to year 2019. Below is the comparative position of Bank's operating expenses for the year 2020 and 2019:

Particulars	Year 2020		Year 2019		Growth in 2020	
	Taka	%	Taka	%	Taka	%
Salaries and Allowances	533,252,515	48%	597,651,661	50%	(64,399,146)	-11%
Rent, Taxes, Insurances, Electricity etc.	239,135,712	21%	251,836,296	21%	(12,700,584)	-5%
Legal Expenses	609,905	0%	958,630	0%	(348,725)	-36%
Postage, Stamps, Telecommunications	20,674,655	2%	19,571,595	2%	1,103,060	6%
Stationery, Printings, Advertisements etc.	13,189,764	1%	14,022,104	1%	(832,341)	-6%
Chief Executive's Salary & Fees	17,130,135	2%	15,365,090	1%	1,765,045	11%
Directors Fee	1,440,000	0%	1,904,000	0%	(464,000)	-24%
Auditors Fee	350,000	0%	425,000	0%	(75,000)	-18%
Depreciation & Repairs	90,962,242	8%	99,067,786	8%	(8,105,543)	-8%
Other Expenses	205,158,896	18%	202,899,853	17%	2,259,042	1%
Total Operating Expenses	1,121,903,824	100%	1,203,702,015	100%	(81,798,191)	-7%



Shareholders' Equity

Consolidated shareholders' equity of the Bank and its subsidiary increased by 11.39% at the end of year 2020 and Bank's shareholders' equity also increased by 11.23%. Paid-up capital of Meghna Bank was Tk.4.698 billion, statutory reserve increased by Tk. 0.12 billion during the year and stood at Tk. 0.77 billion at the end of year 2020.

Provision as per regulatory requirement

Adequate General Provision has been made against unclassified loans and advances and off -balance sheet exposures as per regulatory guideline. During the year bank made general provision of Tk. 150.84 million against year-end position of loans & advances, off-balance sheet exposures and special provision for COVID -19, Tk. 20.40 million provision released against classified loans and advances, Tk. 15.91 million provision released against diminution in value of investments and Tk. 0.02 million provision released against other assets. The Bank has also made provision of Tk. 118 million for current year income tax.

Subsidiary of the Bank

Meghna Bank Securities Limited

After commencement of operation on November 19, 2015, Meghna Bank Securities Limited achieved gradual growth in the year 2020. Earning a net profit after tax of Tk. 9.52 million.

Appointment of Auditors

M/s Khan Wahab Shafique Rahman & Co., Chartered Accountants have completed their first year as statutory auditor of the Bank. Being eligible for the reappointment, the existing auditor M/s Khan Wahab Shafique Rahman & Co., Chartered Accountants offered themselves for reappointment. In this regard the Audit Committee scrutinized and reviewed the proposals and recommended the Board to appoint M/s Khan Wahab Shafique Rahman & Co., Chartered Accountants, as external Auditor of the Bank for the year 2021 with an audit fee of BDT 330,000 plus VAT at the applicable rate.

The Board in its meeting recommended to the shareholders to appoint M/s Khan Wahab Shafique Rahman & Co., Chartered Accountants at a remuneration of BDT 330,000 plus VAT. We need to take approval from Bangladesh Bank to appoint M/s Khan Wahab Shafique Rahman & Co., Chartered Accountants, until conclusion of 9th AGM.

Recommendation of Dividend

Having considered the financial position of the Company and existing rules of regulatory authorities in terms of provisions and appropriations, the Board decided to declare 07%(Seven) Stock dividend for the year 2020 and to recommend same to the Shareholders in the 8th Annual General meeting for their approval.

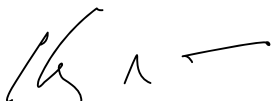
Contribution to national exchequer

Meghna bank regularly pays corporate tax as per regulatory requirement, sometime even before it falls due if demanded by the tax authority. We also deposit excise duty, withheld tax and VAT to govt. exchequer on time deducted from customers, employees' salary as well as on bills from third parties including vendors. During the calendar year 2020 we contributed BDT 722.37 million to national exchequer as tax, VAT and excise duty. We paid advance corporate tax of BDT 268.61 million while deposited withheld tax of BDT 340.84 million, VAT of BDT 52.40 million and Excise Duty of BDT 60.52 million during the year 2020.

Acknowledgement

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

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



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



RISK MANAGEMENT FRAMEWORK & FUNCTIONS

Background:

An efficient and healthy banking system is a prerequisite for sustainable economic growth of a country. In this context, effective risk management practices enable the banking industry to build public trust and confidence in the institutions which is necessary for mobilizing private savings for investment to facilitate economic growth. On top of that, inadequate risk management practices in the banking industry would result in bank failures leading to erosion of public confidence in the industry having adverse implications for the economic growth. On the other hand risks are usually defined by the adverse impact on profitability of several distinct sources of uncertainty. Risk management system is a pro-active action in the present for the future. Business grows mainly by taking risk. It is generally understood that the greater the risk, the higher the profit. Therefore, every bank must strike a balance between the two. In view of the above, an effective risk management framework is a prerequisite for banks to achieve their own business objectives and also play their role in the economic growth of the country.

Risk Management Committee (BRMC) Composition:

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

Objective:

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

Meeting of the BRMC:

The committee is entitled to conduct at least four meetings in a year and call meeting at any time as per requirement. The committee may call the CEO, CRO and Head of Risk Management Department (RMD) or any executive to attend the committee meeting. The BRMC of MGBL held 4(four) meetings during 2020 having detailed discussions and review session with the CRO, CEO and Head of RMD regarding their findings, observations and recommendations on issue of bank affairs that need improvement.

The Board Risk Management Committee as of December 31, 2020 was as follows:

SL	Name	Status
1	Mr. S. M. Jahangir Alam (Manik)	Chairman
2	Mr. Md. Kamal Uddin	Member
3	Mr. Md. Nazrul Islam*	Member
4	Mr. Md. Ali Azim Khan*	Member
5	Mr. Alhaj Lokman Hakim	Member
6	Mr. Md. Ahsan Ullah, Independent Director*	Member

Note: During the year RMC reconstituted several times

Mr. Md. Nazrul Islam was represented the committee from 17.01.20 to 06.12.20

Mr. Ali Azim Khan was represented the committee from 16.01.20 to 11.11.20

Mr. Md. Ahsan Ullah, Independent Director has been performing and the member of the committee since 24.12.20.



Roles and Responsibilities of the Board Risk Management Committee (BRMC):

Risk identification & control policy:

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

Construction of organizational structure:

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

Management Information System:

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

Executive Risk Management Committee (ERMC):

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

SL	Designation	Role
1	Additional Managing Director	Chief Risk Officer & Chairman
2	Head of Retail, SME and other Finance	Member
3	Head of Operations	Member
4	Head of Treasury	Member
5	Head of CRM	Member
6	Head of IT	Member
7	Head of ICCD	Member
8	Head of FAD	Member
9	Head of RMD	Member Secretary
10	Head of AMLD	Member

Terms of Reference:

- Allocation of risk capital and determination of global risk limits. Allocation of Capital-at-risk (CRAR) for different lines of businesses and for different categories of risks. In the process of allocating capital, the committee wants to ensure adequate diversification of risk and that the Bank has sufficient capital to cushion against stress scenarios.
- Enhancing shareholder value through evaluation of risk-return profiles of business activities and ensuring that they are within the parameters set by the Board of Directors.
- Risk Management Policies.
- Review and recommend to the Board Risk committee for approval of appropriate risk policies so that the risk management framework is in line with corporate plans, best practices, and conforms to legal & regulatory requirements.
- Recommendations on appointment of members to the various risk committees for Board's approval.
- Evaluate and review proposals on new products, investments, businesses and product variations, and subsequently grant the approval in principle prior to operational readiness or recommendation to the Board of Directors for approval.
-



- Establish and revise guidelines on operational risk management and to approve tools and methodologies for risk assessment and risk controls, also to review the adequacy of resources to manage operational risk.
- To identify the Bank's material risks.
- To formulate the Bank's Risk Appetite consistent with its overall risk profile and capital adequacy.
- To optimize risk/ return decision by taking them as closely as possible to the business while establishing strong and independent review and challenge structures.
- To ensure that business growth plans are properly supported by effective risk infrastructure.
- To help executives improve the control and coordination of risk taking across the business.
- Enforce compliance with all risk policies and limits allocated by the various risk committees.
- Risk Identification and measurement.
- Deployment of proper methodology to identify and measure risk for all positions.
- Set strategies to evaluate, monitor risk to be within the tolerance level.
- Approve methodologies and tools for the measurement of credit risk, market risk and operational risk.
- Maintenance of Asset quality through close monitoring.
- Review contingency plan /business continuity management plans of various departments of the Bank and its subsidiaries.
- Review and recommend investment policies.

Supervisory Review Process (SRP):

Supervisory Review Process, the second pillar of Basel-III of Risk Based Capital Adequacy Framework is intended not only to ensure that banks have adequate capital to support all the risks in their business, but also to encourage banks to develop and use better risk management techniques in monitoring and managing their risk. The key principle of the Supervisory Review Process (SRP) enjoins that banks should have a process for assessing overall Capital Adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level. The Main aspects of a rigorous SRP are as follows:

- Board and Senior Management oversight
- Sound capital assessment
- Comprehensive Assessment of Risks
- Monitoring and Reporting

As per Bangladesh Bank Guidelines, SRP of the bank is being implemented under the following structure of three layers:

- A. Strategic Layer:** The Risk Management Committee will be responsible on behalf of the Board of Directors to implement SRP in banks. The committee will monitor the managerial layer. The agenda of each meeting of the committee must include the SRP implementation in banks.
- B. Managerial Layer:** Banks must have an exclusive body naming SRP team which will be constituted by the concerned departmental heads of the bank and headed by Managing Director. The formation and modification of SRP team and its terms of reference (ToR) must be approved by the Board of Directors and to be notified to Bangladesh Bank. Banks must have a document (called Internal Capital Adequacy Assessment Process-ICAAP) for assessing their overall risk profile and a strategy for maintaining adequate capital. This document is also to be approved by the Board of Directors.
- C. Operational Layer:** The banks must have an operational unit in this respect which will be responsible for collecting information from concerned departments and branches, regulatory correspondences, compiling the required calculations of ICAAP reporting and the tasks assigned by the SRP team.

Sound Capital Assessment:

Bangladesh Bank issued a Manual of Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP manual includes:



- Policies and procedures designed to ensure that the bank identifies, measures and reports all material risks.
- A process that relates capital to the level of risks.
- A process that states capital adequacy goals with respect to risk taking account of the banks strategic focus and business plan.
- A process of internal control, review and audit to ensure the integrity of the overall management process.

Comprehensive Assessment of Risk in SRP:

All material risk faced by the bank are addressed in the adequate capital assessment process except (Credit Risk, Market Risk and Operational Risk) which is calculated in the Pillar -1 of Basel-III. Therefore, SRP considers all risk of the Banks not considered under pillar-1 of Basel –III are as follows:

- Residual Risk:** Error in documentation and error in valuation of collateral security.
- Concentration Risk:** Credit concentration in groups, sectors and regions
- Interest Rate Risk in the Banking Book:** Probable loss due to poor asset liability management and volatile movement of marketable instrument like bill, bond.
- Liquidity Risk:** Inability to fulfill the commitments on time as payment falls due. The indicators tracked for identification of the risks include CRR, SLR, Medium Term Funding Ratio(MTFR) Maximum Cumulative Outflow(MCO) Advance Deposit ratio (ADR) Liquidity Coverage Ratio(LCR) and Net Stable Funding Ratio(NSFR)
- Reputation Risk:** Internal and External fraud, non-Payment of ABP, Credit rating and Customer Service.
- Strategic Risk:** CAMELS rating falling below 2, Operating Expenses exceeding 45% of Operating income, Classified Loans exceeding 5% of total loan, Recovery rate falling below 20%,Interest waiver exceeding 5% of total classified loans, cost of fund, strategic plan(Deposit growth plan, Loans growth Plan, Profit growth plan)Rescheduling of loans and advances (rescheduled more than three times capital charge are considered)
- Settlement Risk:** The risks posed to the banks when it fulfills its contractual obligations (payment or delivery), but the counterparty fails or default to do the same. Non receiving or delayed of receivable bills (foreign and domestic) are evaluated to assess settlement risk.
- Appraisal of Core Risk Management:** BB identified 6(six) risk areas which are termed as core risks through issuing an industry best practice framework. The Bank developed its own methodology for assessing each core risk separately. No capital charge is imposed for risk rating Strong and Satisfactory. Additional capital charge is imposed for Fair, Marginal and unsatisfactory.
- Environmental and Climate Change Risk:** To evaluate this risk, Sector Environmental Due Diligence (EDD) check list in Guidelines on Environmental Risk Management (ERM) issued vide BRPD circular No. 01/2011 dated 30/01/2011. For the loans under the sectors specified in the guidelines and which have EnvRR21 of “High” are considered for the capital charge against this risk.

In order to address the SRP issues under BASEL-III in Meghna Bank Limited an exclusive body namely SRP team headed by Managing Director is in place within the following terms of reference:

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

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



Monitoring and Reporting:

Ensure that business activities are within approved limits or guidelines, and are aligned with the Bank's strategies and risk Appetite. Breaches, if any, of these limits or guidelines are reported to the senior Management, and / or the Board depending on the limit or guideline.

Through Department of Offsite supervision (DOS) circular letter no. 04 dated 02 October 2018, Bangladesh Bank Instituted greater expertise in the area of Risk Management activities of the bank through exercise of international best practices. Accordingly, the Bank conducts Risk Reporting as per Bangladesh Bank reporting format namely Comprehensive Risk Management Report (CRMR) another reporting format namely Monthly Risk management Report (MRMR). In addition to the above issues, the Bank also complies with the following instructions of Bangladesh Bank:

- The RMD shall report high risk related matters identified by the Management level risk committee, directly to the Board risk Management committee and shall provide a copy to the Managing Director for acknowledgement.
- Banks shall entrust in the RMD the responsibility of monitoring implementation of required corrective action related to objections revealed in the inspections conducted on the basis of the core risk management guidelines.

The major areas focused and pursued by the Board Risk Management Committee during 2020:

- Review the capital Adequacy Ratio of the Bank from time to time against minimum Capital requirement.
- Reviewed and approved Bank's ICAAP (Internal Capital Adequacy Assessment Process) document and SRP (Supervisory Review Process) return for onward submission to Bangladesh Bank.
- Review of Risk Appetite Statement.
- Review of Risk Management framework and functions of RMD.
- Review of NPL status of the Bank.
- Review of Loan Reschedule status of the Bank.
- Review of Asset Liability Management Guidelines for the year -2020.
- Review of Foreign Exchange Risk Management Guidelines for the year -2020
- Review of Risk Management Policy Guidelines on Money Laundering and Terrorist Financing for the Year-2020.
- Review of MGBL Agent Banking Policy.
- Review of Guidelines on Prevention of Trade Based Money Laundering.
- Six core Risk Ratings of MGBL for last three years
- Review of BASEL –III Statement (Minimum Capital Requirement) under Pillar -1 on quarterly basis.
- Reviewed the quarterly Stress Testing Reports.
- Reviewed Bangladesh Bank report on Comprehensive Risk Management Rating.



DISCLOSURE ON RISK BASED CAPITAL ADEQUACY (BASEL-III)

As on December 31, 2020

Background:

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

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

Scope of application:

The Risk Based Capital Adequacy framework applies to Meghna Bank Limited (MGBL) on 'Solo' basis as well as 'Consolidated' basis as there were one subsidiaries of the bank as on the reporting date i.e. 31st December 2020. The name of the subsidiary company is "Meghna Bank Securities Limited".

Consistency and Validation:

The quantitative disclosures are made on the basis of consolidated audited financial statements of MGBL and its subsidiary for the year ended 31st December 2020 prepared under relevant international accounting and financial reporting standards as adopted by the institute of Chartered Accountants of Bangladesh (ICAB) and related circulars/ instructions issued by Bangladesh Bank from time to time. The assets, liabilities, revenues and expenses of the subsidiaries are combined with those of the parent company (MGBL), eliminating inter-company transactions. So assets of the subsidiaries were risk weighted and equities of subsidiaries were crossed out with the investment of MGBL while consolidating.

Structure of the Report:

1. Capital Adequacy:

- 1.1 Capital Structure.
- 1.2 Conditions for Maintaining Regulatory Capital.
- 1.3.a Quantitative Disclosures (solo Basis).
- 1.3.b Quantitative Disclosures (consolidated Basis).
- 1.4 Capital Adequacy.
- 1.5 Quantitative Disclosures

2. Asset Related Risk:

- 2.1 Credit Risk
- 2.2 Qualitative Disclosures
- 2.3 Quantitative Disclosures
 - 2.3.i. Total gross credit risk exposures broken down by major types of credit exposure
 - 2.3. ii. Geographical distribution of exposures.
 - 2.3.iii. Industry or counterparty type distribution of exposures.
 - 2.3.iv. Residual contractual maturity breakdown of the portfolio.



- 2.3.v. Provision.
- 2.3.vi. Movement of Non-performing Asset.
- 2.4. Equity Risk.
- 2.5. Quantitative Disclosure.
- 2.6. Capital Requirement for Equity position Risk.
- 2.7. Interest Rate Risk in the Banking Book.
- 2.8. Qualitative Disclosure.
- 2.9. Quantitative Disclosures.
- 2.10. Market Risk
- 2.11. Qualitative Disclosure.
- 2.12. Method used to measure Market Risk.
- 2.13. Market Risk management system.
- 2.14. Policies and processes for mitigating Market risk.
- 2.15. Quantitative Disclosure.
- 2.16. Operational Risk.
- 2.17. Performance gap of executives and staffs.
- 2.18. Potential external events.
- 2.19. Policies and processes for mitigating Operation Risk.
- 2.20. Approach for calculating capital charge for Operational Risk.
- 2.21. Quantitative Disclosure.

3. Liquidity and Leverage:

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

4. Disclosure on Remuneration

- A. Information relating to the bodies that oversee remuneration.
- B. Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.
- C. Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.
- D. Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.
- E. Description of the ways in which the bank seek to adjust remuneration to take account longer-terms performance.



- F. Description of the different forms of variable remuneration (i.e. cash, shares, and share-linked instruments and other forms) that the bank utilizes and the rationale for using these different forms.
- G. Quantitative Disclosure.

1.1. Capital structure:

Capital Structure of MGBL:

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

- I. Tier 1 Capital (going-concern capital)
- a. Common Equity Tier 1 (CET-1)
- b. Additional Tier 1
- II. Tier 2 Capital (gone-concern capital)

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

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

1.2. Conditions for Maintaining Regulatory Capital:

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

SL	Indicator	Bangladesh Bank Criteria	MGBL Position (Solo)	MGBL Position (Conso)	Compliance Status
1.	Common Equity Tier- 1	4.50%	16.09%	16.09%	Complied
2.	Capital Conservation Buffer	2.50%	7.43%	7.43%	Complied
3.	Common Equity Tier -1 plus capital Conservation Buffer (4.50%+2.50%) i.e. 7.00%	7.00%	17.43%	17.43%	Complied
4.	Minimum Tier-I Capital	6.00%	16.09%	16.09%	Complied
5.	Minimum Total Capital Plus Capital Conservation Buffer	12.50%	17.43%	17.43%	Complied
6.	Additional Tier 1 capital can be admitted maximum up to	1.50% of the total RWA or 33.33% of CET1, whichever is higher	NIL	NIL	MGBL has no Additional Tier 1 capital
7.	Leverage Ratio	3.00%	10.83%	10.84%	Complied



1.3.a Quantitative Disclosures (Solo basis):

Quantitative Disclosures	Particulars	Amount in Taka
	The amount of Tier- 1 capital	5,886,142,027.00
	Paid up capital	4,698,980,000.00
	Non-repayable share premium account	-
	Statutory reserve	765,650,891.00
	General reserve	-
	Retained earnings	428,082,308.00
	Minority interest in subsidiaries	-
	Non-cumulative irredeemable preference shares	-
	Dividend equalization account	-
	The total amount of Tier 2 capital	488,285,938.00
	Other deductions from capital.	
	Total eligible capital	6,374,427,965.00

1.3.b Quantitative Disclosures (Consolidated basis):

Quantitative Disclosures	Particulars	Amount in Taka
	The amount of Tier- 1 capital	5,901,117,833.00
	Paid up capital	4,698,980,000.00
	Non-repayable share premium account	-
	Statutory reserve	765,650,891.00
	General reserve	-
	Retained earnings	443,085,813.00
	Minority interest in subsidiaries	104.00
	Non-cumulative irredeemable preference shares	-
	Dividend equalization account	-
	The total amount of Tier 2 capital	488,285,938.00
	Other deductions from capital.	
	Total eligible capital	6,389,403,771.00

1.4. Capital Adequacy:

Bank's Approach to Assessing Capital Adequacy:

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

MGBL focuses on strengthening and enhancing its risk management culture and internal control environment rather than increasing capital to cover up weak risk management and control practices. It has been generating most of its incremental capital from retained profit to support incremental growth of Risk Weighted Assets (RWA). As of now,



the Bank's CRAR remains consistently within the comfort zone after implementation of Basel-III from 2015. During 2020, the CRAR ranges from 16.74% to 19.09% on consolidated and Solo basis against minimum requirement of 12.50% of RWA. Assessing regulatory capital in relation to overall risk exposure of a bank is an integrated and comprehensive process. MGBL, through its Supervisory Review Committee and Management Risk Committee, is taking active measures to identify, quantify manage and monitor all risks to which the Bank is exposed to. Assessment of capital adequacy will be in alignment with the findings of these exercises.

1.5. Quantitative Disclosures:

Following table shows component wise allocation of capital to meet three risks and an amount of additional capital maintained over MCR i.e. 12.50% of RWA. As on the reporting date, Meghna Bank Limited maintained a Capital to Risk weighted Asset Ratio (CRAR) of 17.43% on 'Consolidated & Solo Basis against required minimum of 12.50%. We had an excess capital of BDT 180.61 crore (Consolidated) after meeting all three risks as on the reporting date as shown in the following table:

Fig in crore

Capital Adequacy	Solo	Consolidated
Capital requirement for Credit Risk	412.62	412.62
Capital requirement for Market Risk	7.76	8.44
Capital requirement for Operational Risk	36.82	37.27
Total capital requirement	457.20	458.33
Minimum Capital requirement (MCR)	400.00	400.00
Total Capital Maintained	637.44	638.94
Total capital Surplus	180.24	180.61
Total Risk Weighted Asset	3,657.59	3,666.64
Capital to Risk Weighted Asset Ratio	17.42%	17.42%

2.1. Credit Risk:

2.2. Qualitative Disclosures:

Definition of Credit Risk:

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

2.3. Quantitative Disclosures:

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

Particulars	Amount in Taka
Cash Credit	5,026,012,615.00
Secured overdraft	657,356,693.00
General overdraft	5,790,176,113.00
Import finance	1,469,759,733.00
Other Demand Loans	10,566,793,477.00
Hire Purchase Finance	97,528.00
Demand Loan (Forced Loan)	101,637,304.00
Consortium/Syndicate Finance	197,319,482.00



Particulars	Amount in Taka
House Building Loan	2,326,480,835.00
Credit Card A/C	249,982,358.00
General Term Loans	7,555,130,002.00
Agricultural and Rural Credit Scheme	1,445,922,465.00
SME Loans and Advances	1,225,758.00
Personal/Professionals Loan Scheme	394,251,436.00
Inland bills purchased and discounted	39,708,723.00
Foreign bills purchased and discounted	18,769,783.00
Total	35,840,624,305.00

2.3.ii. Geographical distribution of exposures:

Name of Area	Amount in Taka
Dhaka	25,079,224,841.00
Chittagong	7,887,298,505.00
Sylhet	365,230,386.00
Rajshahi	1,383,118,415.00
Rangpur	641,934,207.00
Khulna	219,796,484.00
Barisal	264,021,467.00
Total	35,840,624,305.00

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

Particulars	Amount in Taka
Commercial Lending	4,658,364,831.00
Export Financing	28,367,946.00
House Building Loan	2,207,899,698.00
Retail Loan	552,959,774.00
Small and Medium Enterprises	3,333,914,500.00
Special Program Loan	-
Industrial Loans Details :	18,500,914,,104.00
Agricultural industries	1,749,246,582.00
Textile	528,312,635.00
Food and allied industries	829,941,955.00
Pharmaceutical industries	783,420,277.00
Leather,Chemical, Cosmetics	180,741,413.00
Tobacco industries	704,745,336.00
Cement and Ceramic industries	504,139,745.00
Service industries	3,123,988,413.00
Transport and Communication industries	356,620,135.00
Other industries including bills purchased and discounted	9,739,757,613.00



Particulars	Amount in Taka
Others Loan	5,005,298,761.00
Staff Loan	189,329,464.00
Other Loans and Advances (SOD)	1,363,575,227.00
Total	35,840,624,305.00

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

Particulars	Amount in Taka
Re-payable on Demand	-
Not more than 3 months	10,918,224,063.00
Over 3 months but not more than 1 year	11,499,627,638.00
Over 1 year but not more than 5 years	10,631,340,880.00
Over 5 years	2,791,431,724.00
Total	35,840,624,305.00

2.3.v.Provision:

Particulars	Amount in Taka
Provision on Classified loans and Advances	844,250,000.00
General Provision for Unclassified Loans and Advances	318,200,000.00
General Provision for Off-Balance Sheet Exposures	49,250,000.00
Non Performing Assets (NPAs)	2,435,672,618.00
Non-Performing Assets (NPAs) to Outstanding Loans and advances	6.80%

2.3.vi. Movement of Non-Performing Assets:

Particulars	Amount in Taka
Opening balance	2,545,898,517.00
Additions	-
Reductions	11,02,25,899.00
Closing balance	2,435,672,618.00
Movement of specific provisions for NPAs	
Opening balance	86,46,50,000.00
Provisions made during the period	-
Realized	(20,400,000.00)
Write - off	-
Write- back of excess provisions	-
Closing balance	844,250,000.00

2.4. Equities: Disclosures for Banking Book Positions:

Equity Risk:

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



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

2.5. Quantitative Disclosure:

Total Investment in Capital Market (Consolidated Basis):

Name of Stock	Cost Price	Market Price	Profit / Loss	Required Provision	Provision Maintained	Total Capital as per BCA 1991	% of investment in capital market to total prescribed capital components
Portfolio: Bank						525.98	8.85%
Shares	15.26	11.49	-3.77	3.77	3.77		
Less Equity investment in subsidiaries other than merchant bank and brokerage subsidiaries							
Mutual Fund/Fund	0.00	0.00	0.00	0.00	0.00		
Bond/Debentures	0.00	0.00	0.00	0.00	0.00		
Loans to others for merchant banking and brokerage activities	0.00	0.00	0.00	0.00	0.00		
Loan to stock dealer	0.00	30.78	0.00	0.00	0.00		
Placement/others	0.00	0.00	0.00	0.00	0.00		
Less placement in subsidiaries	0.00	0.00	0.00	0.00	0.00		
Portfolio: Subsidiaries							
Shares	2.52	2.72	0.20	0.00	0.00		
Mutual Fund/Fund	0.00	0.00	0.00	0.00	0.00		
Bond/Debentures	0.00	0.00	0.00	0.00	0.00		
Loans:							
Margin loans	0.00	1.57	0.00	0.00	0.00		
Bridge loans	0.00	0.00	0.00	0.00	0.00		
Placement/others	0.00	0.00	0.00	0.00	0.00		
Total Capital Market Exposure	8.85%						

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

Capital charge for	Market Value	Risk Weight	Required Capital Charge
1	2	3	4=(2*3)
a. Specific Risk:	142,061,406.60	10%	14,206,104.66
b. General Market Risk:	142,061,406.60	10%	14,206,104.66
Total	284,122,813.20		28,412,281.32



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

2.8. Qualitative Disclosures:

Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's Financial condition. Changes in interest rates affect both the current earnings as well as the net worth of the bank. Re pricing risk is often the most apparent source of interest rate risk for a bank and is often estimated by comparing the volume of a bank's assets that mature or re-price within a given time period with the volume of liabilities that do so.

The short term impact of changes in interest rates is on the bank's Net Interest Income (NII). In a longer term, changes in interest rates impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the bank arising out of all re-pricing mismatches and other interest rate sensitive position.

2.9. Quantitative Disclosures:

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

Weighted Average Duration of Asset	1.93
Weighted Average Duration of Liability	0.61
Duration GAP	1.39
CAR After different level of Shock	
Minor Level	15.70%
Moderate Level	13.83%
Major Level	11.95%

2.10. Market Risk:

2.11. Qualitative Disclosure:

Market risk is the possibility of losses in balance sheet and off-balance sheet positions arising out of volatility in market variables i.e., interest rate, exchange rate and price. Allocation of capital is required in respect of the exposure to risks deriving from changes in interest rates and equity prices in the bank's trading book, in respect of exposure to risks deriving from changes in foreign exchange rates and commodity price in the overall banking activity. The total capital requirement for banks against their market risk shall be the sum of capital charges against:

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

2.12. Method used to measure market risk:

As banks in Bangladesh are now in a stage of developing risk measurement models, Bangladesh Bank suggested the banks for using Standardized Approach for credit risk capital requirement for banking book and Standardized (rule based) Approach for market risk capital charge in their trading book. Maturity Method has been prescribed by Bangladesh Bank in determining capital against market risk. In the maturity method, long or short positions in debt securities and other sources of interest rate exposures, including derivative instruments, are slotted into a maturity ladder comprising 13 time-bands (or 15 time-bands in case of low coupon instruments). Fixed-rate instruments are allocated according to the residual term to maturity and floating-rate instruments according to the residual term to the next reprising date. In Standardized (rule based) Approach the capital requirement for various market risks (interest rate risk, price, and foreign exchange risk) are determined separately.

The total capital requirement in respect of market risk is the sum of capital requirement calculated for each of these market risk sub-categories. e.g.



- a. Capital Charge for Interest Rate Risk = Capital Charge for Specific Risk+ Capital Charge for General Market Risk.
- b. Capital Charge for Equity Position Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk.
- c. Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk.
- d. Capital Charge for Commodity Position Risk = Capital charge for General Market risk.

2.13. Market Risk Management System:

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

2.14. Policies and processes for mitigating market risk:

ALCO is primarily responsible for establishing the market risk management and asset liability management of the Bank, procedures thereof, implementing core risk management framework issued by the regulator, best risk management practices followed by globally and ensuring that internal parameters, procedures, practices/ policies and risk management prudential limits are adhere to.

For Market risk management purpose, The Bank has established internal limit duly approved by the Board besides the regulatory limit. For Foreign Exchange Risk management, the Bank has regulatory net open position (NOP) limit as well as internal limit like Intra- day limit, individual dealer's limit, stop loss limit, individual currency limit etc. For interest and other market risk management, The Bank has established wholesale borrowing guideline, LD ratio, and Medium Term Funding ratio (MTFR), Maximum Cumulative Outflow (MCO), and SWAP Fund Guideline, VAR and MAT level. The Bank also maintains Gap limit for maturity profile mismatch. Moreover, The Bank has policy for interest rate sensitivity analysis on monthly basis.

2.15. Quantitative Disclosure:

The capital requirements for Market Risk :

SL	Market Risk	Total capital charge (Solo)	Total capital charge (conso)
A.	Interest Rate Related instruments	15,993,515.00	15,993,515.00
B.	Equities	22,976,205.40	28,412,281.32
C.	Foreign Exchange Position	23,132,237.23	23,132,237.23
D.	Commodities	-	-
Total		62,101,957.63	67,538,033.55

2.16. Operational risk:

Qualitative Disclosures:

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk. MGBL has established an effective, integrated operational risk management framework to mitigate the operational risk. The focus of operational risk is on low probability/high loss vs. high probability/ low loss events.

Operational risk includes:

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



The Bank's approach to operational risk is not designed to eliminate risk altogether but rather, to contain risks within levels deemed acceptable by senior management. All functions, whether business, control or logistics functions, must manage the operational risks that arise from their activities. Operational risks are pervasive, as a failure in one area may have a potential impact on several other areas.

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

2.17. Performance gap of executives and staff:

The bank believes that training and knowledge sharing is the best way to reduce knowledge gap. Therefore, it arranges trainings on a regular basis for its employees to develop their expertise. The bank offers competitive pay package to its employees based on performance and merit. Besides, the recruitment policy of the Bank always emphasize on sorting out fresh graduate from the reputed universities and nurture them until transformation to a Human Capital of highest quality. At the same time the bank also emphasizes to hire knowledgeable and experienced resources from the competitive organizations. It always tries to develop a culture where all employees can apply his/her talent and knowledge to work for the organization with high ethical standards in order to add more value to the company and for the economy. An accommodating, welcoming, cooperative and congenial work atmosphere motivates its employees to act as a family towards achievement of goal. As such, there exists no performance gap in the Bank.

2.18. Potential external events:

No potential external events occurred during the reporting period ended 31st December 2020. The Bank has a separate Operational Risk Policy addressing specific issues involving Operational Risk.

2.19. Policies and processes for mitigating Operation Risk:

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

2.20. Approach for calculating capital charge for operational risk:

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

2.21. Quantitative Disclosures:

The capital requirements for operational risk (Solo): 36.82 crore

The capital requirements for operational risk (Conso): 37.27 crore

3. Liquidity Ratio:

3.1.i. Qualitative Disclosures:

Views of BOD on system to reduce Liquidity Risk:

The Bank has Board Approved policy and limit structure for Liquidity Risk Management.

Methods used to measure Liquidity Risk:

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



Liquidity Risk management system:

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

Policies and processes for mitigating liquidity risk:

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

3.1.ii.Quantitative Disclosures:

Liquidity Coverage Ratio	255.63%
Net Stable Funding Ratio	109.77%
Stock of high Quality Liquid Asset	12,632,773,130.00
Total net cash outflows over the next 30 calendar days	2,19,409,000.00
Available amount of stable funding	42,330,426,190.00
Required amount of stable funding	38,563,719,290.00

3.2.Leverage Ratio:

Qualitative Disclosures:

3.2.i.Views of BOD on system to reduce excessive leverage:

High leverage levels can lead to an excessive expansion of bank asset size. In the short to medium term banks return on equity. At the same time leverage- fuelled bank capital structures increase bankruptcy risk, since they are an important cause of bank failures. Therefore, to reduce excessive leverage and to manage the overall asset-liability position, management has implemented BOD approved ALM framework within the bank.

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

The Bank has clearly laid down policy and procedure to manage its exposure level (both on and off- balance sheet) enumerated in its Asset Liability Management Policy. Leverage parameter of the policy acts as a credible supplementary measure to the risk based capital requirement to control the leverage of the bank. This reflects bank's Tier- 1 capital over total exposure of the bank. Reference level of ratio is currently 3% (minimum).

3.2.iii. Approach for calculating exposure:

Leverage ratio of the bank is calculated in line with the RBCA guideline of BB. As at 31st December 2020 bank's leverage ratio was 10.84% and it was calculated as follows:

	Measured Used	Description
Numerator	Tier 1 Capital	Tier 1 capital constitutes the components specified in the RBCA guideline, December 2014
Denominator	Exposure	This is an approximation to the credit risk exposure used for regulatory capital purposes. It consists of the sum of the balance sheet assets as specified in the RBCA Guidelines, December 2014

3.2. iv. Quantitative Disclosures:

Particulars	Solo	Conso
Leverage Ratio	10.83%	10.84%
On balance sheet exposure	51,982,734,158.00	52,049,170,504.00
Off balance sheet exposure	2,375,754,024.80	2,375,754,024.80
Total deduction from On & off balance sheet exposure	6,571,172.00	6,598,975.00
Total exposure	54,351,917,010.80	54,418,325,553.80



Main disclosures on Remuneration

4. Qualitative Disclosures

A. INFORMATION RELATING TO THE BODIES THAT OVERSEE REMUNERATION.

The Management of Meghna Bank Limited (MGBL) holds the responsibility relating to Remuneration of the Bank. The overall compensation structure is reviewed and implemented to maintain competitive incentives, perquisites, other financial options etc. with a view to attract, motivate and retain competent employees. And if situation requires review and revise compensation package to be at par with the market to maintain its competitive edge.

One of the major factors of remuneration management is to cover all type of risk. MGBL always does environmental scanning. Gathering Market intelligence, analyze and if required propose for modification in compliance with relevant laws and rules and compliance issues. To maintain the effective alignment, Management works in close coordination with the Risk Management Committee of the Bank. The cost Management also ensures that the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.

MGBL didn't review the remuneration policy in 2020.

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

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

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

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

The remuneration structure for the Managing Director (MD) of the Bank is subject to approval of the Central Bank i.e. Bangladesh Bank.

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

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



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

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

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

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

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

- PF (Vesting or entitlement to employer's contribution happens on completion of 03 (three) years of regular service and the Bank contributes equal amount of contribution as contributed by the employee) @ 10% of substantive pay.
- Gratuity (Vesting or entitlement to employer's contribution happens on completion of 5 (five) years of regular service in the Bank) @ one basic pay for each completed year of service and for the fraction of 6 months and above. This increases depending on years of service i.e. @1.5 if completed 8 years and 02 (two) months' last drawn basic for 10th (tenth) completed year and onward services respectively.

Employee Group Insurance (provides benefits to the employees of the Bank on their death, disability, retirement/or being incapacitated at any time or for any other cause that may be deemed fit as per approved policy.

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

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

G. Quantitative disclosures

I	Number of meetings held by the main body overseeing remuneration during the financial year	00
	Remuneration paid to its members.	00
II	Number of employees having received a variable remuneration award during the financial year.	00
	Number and total amount of guaranteed bonuses awarded during financial year.	00
	Number and total amount of sign-on awards made during the financial year.	00



	Number and total amount of severance payments made during the financial year.	00
III	Total amount of outstanding deferred remuneration, split into cash, share and share-linked instruments and other forms.	00
	Total Amount of deferred remuneration paid out in the financial year.	00
IV	Breakdown of amount of remuneration awards for the financial year to show:	
	Fixed and variable	00
	Deferred and no-deferred	00
	Different forms used (cash, shares and share linked instruments, other forms).	00
V	Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:	00
	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and /or implicit adjustments.	00
	Total amount of reductions during the financial year due to ex post explicit adjustments.	00
	Total amount of reductions during the financial year due to ex post implicit adjustments.	00



REPORT OF THE AUDIT COMMITTEE

Internal Control System:

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

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

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

Audit Committee of the Board:

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

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

Composition and Qualifications

The Board of Directors in its 97th and 107th meeting held on January 16 and November 24, 2020 respectively reconstituted the Audit Committee with the following Board Members:

SI	Name of Committee Members	Position in the Committee	Educational Qualification
1	Ms. Uzma Chowdhury	Chairperson	Certified Public Accountant (CPA)
2	Mr. Shakhawat Hossain	Member	MBS (Marketing)
3	Mr. Alock Kumar Das	Member	B.A



SI	Name of Committee Members	Position in the Committee	Educational Qualification
4	Dr. Syer Ferhat Anwar*	Member	Masters in Business Administration (Marketing Major) Masters in Science (Biochemistry)
5	Mr. Md. Ahsan Ullah*	Member	M A in Economics (USA). MBA (IBA)
6	Mr. Mohammad Mamun Salam	Member	B.A (Hons)
7	Ms. Nuran Fatema	Member	M.Sc

* Dr. Syed Ferhat Anwar and Mr. Md. Ahsan Ullah both the Independent Directors were nominated as member of the Audit Committee in place of Mr. Mohammed Mamun Salam and Ms. Nuran Fatema.

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:

SI 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

Major areas focused by Audit Committee in 2020

- Reviewed and approved the Risk Based Annual Audit Plan 2020
- 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 compliance thereof
- Reviewed the Financial Statements for the Half Year ended on June 30, 2020 (unaudited)
- Reviewed the Bangladesh Bank inspection reports and compliance thereof
- Reviewed Internal Audit Reports of the Bank and compliance thereof
- Reviewed the half yearly Self-Assessment of Anti-Fraud Internal Control of the Bank.
- Reviewed the Annual Health report of the Bank for the year 2019
- Reviewed the effectiveness of Internal Control System of the Bank for the year 2019
- Reviewed the Report on Loan Documentation Checklist (LDCL) and Quarterly Operation Report (QOR)
- Appointment of external auditor of Meghna Bank Ltd.

Uzma Chowdhury

Uzma Chowdhury

Chairperson

Audit Committee



DIRECTORS' RESPONSIBILITY STATEMENT

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

Responsibility

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

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

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

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

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

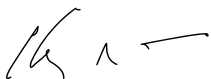
Confirmation

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

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

External Auditor’s Certification

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



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



CEO AND HEAD OF FAD'S

Declaration to the Board of Directors

Board of Directors
Meghna Bank Limited
Gulshan Avenue
Dhaka

Subject: Declaration on Financial Statements for the year ended on 31 December 2020

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed under the Commission's Notification No. BSEC/CMRRC/2006-158/207/Admin/80, dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Meghna Bank Bank Limited for the year ended on 31 December 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- i. We have reviewed the financial statements for the year ended on 31 December 2020 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Sajib Kumar Saha, FCA
Head of FAD



Sohail R.K. Hussain
Managing Director & CEO





MANAGEMENT DISCUSSION

CORPORATE BANKING

Aim To Build The Best Corporate Bank Of Bangladesh By Accelerating Digital Transformation, Improved Processes & Human Capital.

Our corporate banking puts people and technology as stronghold pillars of success in business. We continuously reinvent our business to provide the best experience for our clients. We design our services to provide superior customer satisfaction starting from onboarding to post-trade. Under the Corporate Banking division, accounts are managed by a team of relationship managers supported by our geographically diversified platforms. The objective of the relationship team is to ensure on-time delivery with seamless portfolio management.

Relationship managers also engage into discussions with our clients on their future plans and strategies. Apart from traditional corporate credit products, MGBL corporate has a dedicated 'Trade Sales Unit' to ensure great trade experience and faster processing time to add value to customer businesses.

Attractive source of committed funding, which offers competitive pricing to high credit rated businesses and is scalable to finance trading growth

**Anonymous
access to
financial
markets**

**The possibility
to achieve
off-balance
sheet treatment**

**Strong balance
sheet management
tool to improve
financial ratios and
overall pricing**

**Multiple sellers
can be
included in
one programme.**



VISION:

To emerge as a reliable corporate business with a winning culture satisfying customer needs with efficient relationship management and service excellence.



MISSION:

We are focused on our mission of becoming the most reliable corporate bank for all customers in Bangladesh.

- Challenge processes and streamline platforms to enhance productivity and service delivery
- Ensure best working environment by establishing good governance and compliance
- Promote transparency in customer service



VALUES:

- Our core corporate banking team hold the values that reflect:
- Accountability and transparency
- Trust through work
- Drive growth through innovation
- Value from technology
- Customer focus
- Respect



The corporate team in Meghna Bank has shown unbelievable resilience during this pandemic 2020. We identified opportunities that enabled us to enhance our market relevance and branding to our customers. We managed the same level of service excellence to highlight our potential as the new upcoming bank in the market. In this respect, we established clear strategies to advance in our goals and objectives despite this pandemic period. As we believe the best corporate banking service is delivery of customer business requirements relentlessly.

KIMIWA SADDAT, SEVP & Head of Corporate Banking



CORPORATE BANKING SERVICES

- Dedicated Relationship Manager 24/7
- One Stop Solution For The Corporate Names
- Same Day Transactions For Day To Day Activities
- Centralized Trade Hub & Trade Express Services
- Dedicated Trade Sales Team
- Dedicated Client Experience Team For Complain & Service Issues

CORPORATE BANKING PRODUCTS:

- Industrial and Project Financing
- Investments/ Capital Market Services
- Transaction services
- Trade Services and FX
- Deposits & Cash Management Solutions
- Structured Finance Solutions
- Risk Management Solutions

TRADE SERVICES:

Experience our market-leading trade finance solutions that help buyers and suppliers meet their working capital, risk mitigation and cash flow objectives.

- We support client's working capital with a scalable solution that offers supply chain finance and dynamic discounting.
- Increase confidence knowing your business is supported by the strength, security and scale of Meghna Bank Limited.
- Ensure long-term financial stability for your business and suppliers by taking advantage of our attractive early payment offers.

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
- EDF loan
- Refinancing
- Packing Credit
- Time Loan / Short term loan (tailor made)
- Tailor made Structured LC



WORKING CAPITAL MANAGEMENT:

Our regular credit products ranges from short term financing of day-to-day business operations to long term loans for expansion of your business.

Working Capital Lines Include:

- Overdraft
- Cash Credit
- 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

STRUCTURED FINANCE:

The structured finance division allows us to innovate, propose and implement vibrant financing structures to cater to the needs of our clients. The division offers world class advisory services, efficient debt products and client-focused services to ensure highest customer satisfaction.

Deliver growth with the 3 “A’s”:

- Develop structured products for clients for their specific capital requirements
- Provide advisory services such as capital restructuring, capital and debt raising, mergers and acquisitions.
- Leveraging structured finance team experience to support clients in large scale projects in sectors such as infrastructure, power, ready-made garments, information technology, consumer goods, pharmaceuticals, etc.

STRUCTURED FINANCE PRODUCTS:

- Loan Syndication
- Preference Share Raising
- Commercial Paper
- SPV Administration
- Bonds & Convertibles
- Administrative Agency Services
- Islamic Products

Cash Management Solutions:

We understand the importance of prompt capturing of client’s cash flow requirement so that they receive the maximum benefit. We provide client with a choice of ways to deposit their cash and cheques in a systematic and effortless manner. We provide a range of electronic payment mechanisms to meet their unique needs.

- 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



CORP SUCCESS STORIES

Meghna Bank Ltd. has extended a trade facilitation line to Israq Cotton Mills Ltd, one of the leading yarn manufacturing groups in Bangladesh.

With an aggregate limit of BDT 800 Million, Israq Cotton will enjoy different trade facilities including FX and hedging products from Meghna Bank



Meghna Bank Ltd. has recently partnered with EON group, a leading & fast growing conglomerate in Agro-based industry having both vertical and horizontal linkages.

Under this arrangement, Bank will extend BDT 750M credit facilities to groups Agro, chemical & Agro inputs including tractor business.

Moreover, Meghna Bank Credit Card holders shall enjoy facilities and privileged pricing from the group's restaurant & bakery arms – BBQ Bangladesh and Puro Pastry.

Meghna Bank Ltd. has recently inked deal with Debonair group, country's one of the largest Jacket manufacturing group with backward linkages including padding, quilting, geo textile solutions.

Debonair Group in a span of only ten years - has bagged green certification for its four factories and gold certifications from buyers like H&M.



Meghna Bank Ltd has extended a trade facilitation line including commercial paper favoring Advanced Chemical Industries Ltd (ACI) for BDT 1,000 M.

pharmaceuticals, consumer, agricultural & animal health products in coming days. The financial bundle also includes stimulus package declared by the Central Bank towards mitigating COVID impact in industries.



Meghna Bank Ltd has partnered with TMSS (Thengamara Mohila Sabuj Sangha) – country's one of the largest Non-Government Organizations. Under this deal, Meghna Bank will channelize BDT 500 M agri loan through TMSS as per Central Bank's Agricultural & Rural Credit Policy & Program for the financial year 2020-21. The on lending scheme shall finance TMSS' Agriculture Development program for the underprivileged, and disadvantaged poor and vulnerable people to promote their socio economic, environmental and cultural status.

Meghna Bank Ltd has extended an aggregate credit facility of BDT 725.50 Million favoring UDDIPAN (United Development Initiatives for Programmed Actions).

Under the arrangement, UDDIPAN shall avail Meghna Bank Guarantee to obtain fund of BDT 325.50 Million under SMAP project (Small and Marginal Sized Farmers Agricultural Productivity Improvement and Diversification Financing Project) of Bangladesh Bank – a fund arranged from JICA. Moreover, UDDIPAN will also avail BDT 400 Million from Meghna Bank Ltd under the refinance scheme of Bangladesh Bank.



RETAIL BANKING

Retail Banking Division (RBD) is one of the major Business Divisions of Meghna Bank Limited. The division comprises of Retail Products, Branch Banking, Priority Banking, Islamic Banking and Retail sales team. With a vision to be the part of the customers' journey of development and growth, RBD focuses on building and maintaining a long-term mutually beneficial relationship with customers. RBD is focused on achieving its objective, being profitable by adopting customer-centric approach.

Retail Products

RBD is continuously developing customized and flexible Retail products to simplify the complexities of the financial world for the customers and helping them to attain the desired objectives. To meet the diverse financial needs of customers, the Retail Banking Division offers a broad spectrum of products and services.

Our Retail Products are designed in such a way that customers get the benefit of easy banking, digital platform and great value from the products and services.

Transactional Account: To encourage customers on saving we have introduced several products to cater different target groups, like Insurance Backed Saving for HNW customers & Women customers, Senior Citizen Account, Children (students aged 6-18 years) Account and so on.



Platinum Savers Account is a very lucrative savings

account with the facility of free insurance coverage for customers. We are offering attractive interest rate against this account which will be credited on monthly basis. As insurance coverage the account holder will be entitled to Accidental death benefit up to BDT 1 crore, living benefit up to BDT 10 Lac for treatment of 18 critical diseases and Normal death benefit up to BDT 50,000, for maintain certain monthly average balance

Sreyoshi Savings account has been designed as an exclusive women banking platform to meet the special needs, requirements and expectation of women from all walks of life. The account holder will get free insurance facility which includes living benefit for treatment of 18 critical diseases up to BDT 10 Lac upon maintaining certain monthly average balance.





- **Senior Citizen Savings account:** This account is specially designed for Bangladeshi Citizens aged over 60 years. This account has no maintenance fee and Debit Card charge and provides Cheque book & Internet Banking Facility.

Youngster's Savings Account is specially designed for the school and college going students to encourage them to save for future. This account has no account maintenance fee and Debit card charge and can avail Internet Banking Service. The account need to be opened jointly with parents/ legal guardian.

- **Regular Current Account:** Regular current account is designed to make day to day transaction with the availability of Debit card, Cheque book and Internet banking.
- **Regular Savings Account:** Regular Savings account is designed to encourage one's savings tendency with a benefit of interest on the half-yearly average balance, Debit card, Cheque book and Internet Banking service
- **Meghna Salary Account:** Medium and Large Corporate Organizations having minimum 25 employees can open Meghna Salary Account for their Employees with no account maintenance fee

Fixed Deposit: Meghna Bank offers attractive interest rate and flexible tenure (1m/3m/91d/ 6m/181d/12m/365d) and also up to 90% of SOD loan facility on the fixed deposit accounts.

Meghna Nirapad is a Fixed Deposit Account with free insurance facility. Minimum FDR amount is BDT 1 Lac. Meghna Nirapad account holders will get Normal Death Benefit of BDT 50,000 and Accidental Death Benefit up to BDT 1.00 Crore based on FDR principal amount. Apart from Death Benefit, Meghna Nirapad Account holder with principal FDR amount of BDT 1.00 Crore and above will get BDT 10 Lac as living benefit for the treatment of 18 diseases. We are offering flexible tenor (03 months/ 06 months/12 months) and also allows to take auto Renewal facility and SOD loan up to 90% of the principal amount with auto renewal facility.



Millionaire/Kotipotri Scheme: We have introduced some special Deposit Scheme products. The details are mentioned below:

- **Meghna Millionaire:** Meghna Millionaire is an exclusively designed recurring deposit Scheme for individual clients who will receive BDT 1,000,000 (One million) after maturity. This account can be maintained with or without monthly installment and have flexible tenure (3y/5y/8y & 10y). This specific product also allows to take SOD loan/Term Loan up to 95% of deposited amount
- **Meghna Money Builder:** This recurring deposit scheme is specially designed for SME and non-individual clients. We are offering flexible tenure (3y/5y/7y & 10y) and allows to take SOD loan/Secured Term Loan facility up to 95% of deposited amount
- **Meghna Kotipotri:** Meghna Kotipotri is an exclusively designed recurring deposit scheme for individual clients who will receive BDT 1 Crore (One Crore) after maturity. This account can be maintain with or without initial balance and have flexible tenure (5y/8y/10y/12y/15y/18y). This specific product also allows to take SOD loan/Term Loan up to 95% of deposited amount.

Deposit Pension Scheme: These schemes are for monthly savings and a great way to fulfill your future financial need. We are offering flexible monthly installment with flexible tenor (3y/ 4y/ 5y/ 6y/7y/ 9y/10y) and SOD loan up to 90%.



Retail Loan:

Home Loan: Meghna Bank Provides Home loan facility to purchase the Home of your dream. We are providing loan up to BDT 2 Crore with loan tenure up to 25 years and offering attractive interest rate with maximum 12 months

of grace period.

Moreover we are offering **Home loan Takeover** at 0% processing fees and maximum tenure up to 20 years.

Auto Loan: Meghna Bank allows you to drive your dream car. The allowable limit of this loan is up to BDT 40 Lacs with loan tenure of 6 Years. With this loan, you may purchase brand new/reconditioned/registered used vehicle.





Personal Loan: Meghna Personal Loan is any purpose loan with maximum limit of BDT 10 Lac and a tenure of up to 5 years at interest rate of 9%.

Branch Banking

Branch Banking plays a significant role in catering financial needs of the customer specially the customers' demand to interact with the bank when, where, and how they want. Meghna Bank has introduced 47 branches in 25 Districts to provide a superior service to our customers all over the country. Our branch team has been emerged to create customer loyalty through brand engagement and customer experience through faster service and providing access to all financial products and services. Notably, we are working as one-stop service provider where the customers can enjoy all types of business solutions under a compliant environment.

However, Meghna Bank has been working to introduce **Sub-branch** in prospective business hubs which will facilitate all the services that a conventional branch can offer and strengthen the branches network.

Meghna Priority Banking

Meghna Bank Limited launched "Meghna Priority Banking Services" for the High Net Worth customers. This new proposition was launched through an exclusive virtual event held on Saturday, June 12, 2021.

In order to bring focus on customer's needs and aspirations, Meghna Bank Priority Banking Services categorized the customers into 3 (three) segments, Blue diamond, Jade and Jasper. These segments are designed to meet the evolving needs of High Net Worth customers where customers can take advantage of exclusive perks and benefits.





Blue Diamond Banking services will help you to live your dreams & create the life you love. Our Blue diamond banking begins with a host of exclusive privileges and includes all the existing offers that makes you 'Feel value and rewarded'

For any Individual customer who maintain an average balance of BDT 5 crore and above in last six months and for any Non-Individual customer (Corporate) maintaining an average balance of BDT 20 crore and above in last six month will be eligible for Blue Diamond privileges.

Jade is a special segment offering a unique combination of personalized relationship management, financial solutions and luxury lifestyle services to support the needs of high net worth individuals who maintain deposit threshold of BDT 1 Crore and above but less than BDT 5 Crore.



Jasper is the segment for ensuring customers' needs and aspiration where our main focus is to build customer relationship which may help to build value over a lifetime. These are the customers who will have to maintain a deposit threshold of BDT 25 Lac and above but less than BDT 1 Crore.



Priority Banking Proposition:

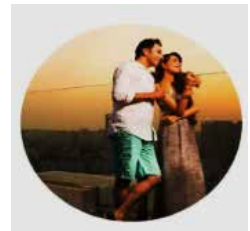
Our **Blue Diamond & Jade** customers will be eligible to the following privileges

Exclusive Lounge Facility: Our exclusive lounges are designed to complement your lifestyle so that you can carry out your banking services with utmost pleasure and security. Starting from private high tech meeting room for your personal use to luncheon privileges, we have a complete set up to serve you.



Dedicated Relationship Manager: A dedicated & assigned Relationship Manager will advise you on your financial & investment planning and will whole-heartedly support your total financial relationship with the bank, providing proper guidance on enhancing your relationship with the bank.

Healthy Living: In assurance of your healthy living, free annual health-screening service either in Mount Elizabeth, Singapore or Bumrungrad Hospital, Bangkok will be provided to our Blue Diamond customers. In addition to that, we will also provide free annual health check-up in a local reputed hospital to both Blue Diamond & Jade customers



Holiday Privileges: As a premium customer, you will be entitled to an extravagant travel package in Singapore/ Kualalampur/ Bangkok/ Dubai which include complementary return air tickets and sumptuous accommodation

facilities.



Laundry Service: Relax... We have right choice to cover your laundry service. As a Blue





Diamond or Jade customer, we will offer you laundry service in one of the 5-star hotels of the country.

Entertainment: Premier movie show ticket at country's premium movie theaters and digital international & local entertainment subscriptions like Netflix/Akash DTH.



Fine Dine-in: Enjoy complementary fine dine-in experiences at renowned 5 star eateries in Dhaka as Blue Diamond signifies that your time is well spent along with a good company while dining at some premier venues. Besides, there is Ladies Night for our respected lady customers at Intercontinental Dhaka where they can avail up-to 50% discount on all F & B outlets (applicable only for Saturday and Tuesday).



Birthday/ Anniversary celebration: We want to be a part of your special days and would like to ecstatically celebrate your happy occasions be it

your birthday or anniversary.



Meet & Greet Assistance: A premium Meet & Greet services offered to our valued customers at Hazrat Shahjalal International Airport who appreciates the luxury of the personal attention. We would also like to handle airport drop-off and pick-ups for our members. Also you can relax in style and enjoy the luxury at Balaka Lounge.

Other Facilities: As a valued customer, you are also entitled to our Insurance coverage based on the balance you maintain in Nirapad FDR & Platinum Savers account. The coverage Includes: critical illness, normal death &

accidental death.

Islamic Banking

As a large number of the population becomes sensitive to embrace banking as prescribed by the religion and Shariah principles, our country is moving towards embracing Islamic banking in a very significant way.

Meghna Bank clearly wants to recognize this as an opportunity to become a part of the Islamic community by



Introducing Islamic Banking. We have started the operation of our first Islamic Banking Window in Principal Branch, Gulshan, Dhaka on April 01, 2021. By this year, we are planning to roll out Islamic Banking products & services from all of the 47 branches across the country and create an authentic Shariah-compliant banking platform.

To uphold Shariah values, a Shariah supervisory committee has been constructed for supervising Islamic Banking operations and certifies compliance with Shariah principles. Dr. Mohammad Manzur E Elahi is the Chairman of Shariah Supervisory Committee. Other members of the committee are Dr. Md Anwar Hossain Molla, Dr. Muhammad Saifullah, Dr. M. Mohabbat Hossain, Mr. Md. Fariduddin Ahmed and Sohail R. K. Hussain, CEO & MD, Meghna Bank Limited

Considering the growing demand of Shariah banking in the country, the department has come up with products that suits a wide range of customer segments. Our Islamic Banking team has introduced Deposit products on Mudarabah and Al-Wadeeah principle & Investment products based on HPSM and by Murabah mode of Islamic Shariah which are mentioned below:

Deposit Products	Investment Products
Al-Wadeeah Current Account	
Mudarabah Short Notice Deposit (MSND) Account	
Mudarabah Savings Account (MSA)	
Mudarabah Term Deposit Receipt Account (MTDRA)	Household Durables Investment Scheme
Mudarabah Monthly Profit Deposit Scheme Account (MMPDSA)	Auto Finance
Mudarabah Bibaho Savings Account (MBSA)	House Finance
Mudarabah Mohor Savings Account (MMSA)	Fixed and Working Capital Finance
Mudarabah Special Savings (Pension) Account (MSSA)	
Mudarabah Hajj Savings Account (MHSA)	



Mudarabah Cash Waqf Deposit Account (MCWDA)	
Mudarabah NRB Savings Bond (MNSB) Scheme	

Retail Sales

The changing demographic patterns of Bangladesh driven by the rising income levels across middle class consumers have created buoyancy in consumer market. The growing midlevel management employees are also contributing to the growth in the consumer market. With the ever increasing population with rising income levels, the demand for Retail loans & deposits products are expected to keep rising in the years ahead. Various other factors are also fuelling the growth of consumer products. A major factor behind this increasing demand is also attributable to the easy availability of consumer loans & deposits and home services by Direct Sales Force. Keeping that in mind, Meghna Bank introduced Retail Sales team who will visit door to door to sell Retail Loan & Deposit products. The main goal of Retail sales is to move rapidly to cover every corner of the country from urban metropolitan areas to remote rural regions, to grow more customers and deposit accounts. Currently we are in operation in Dhaka, but in coming years we will cover Chittagong, Sylhet & Cumilla region.

TREASURY MANAGEMENT

Treasury Management has become more important, challenging, volatile and sophisticated during this days of BASEL-III regime. Treasury activities now a days involve a number of new critical risks with different dimensions. The banking sector of Bangladesh faced huge challenges amid COVID – 19 pandemic along with paradigm shift of interest rate to single digit. Despite all the unprecedented Challenges, MGBL treasury played the most vital role in driving the bank's overall business strategy, balance sheet growth, maximizing return on capital, minimizing major market risk factors and finally improved the bank's profitability on RAROC basis for the year 2020 and also for the forthcoming years.

Performance of Treasury in 2020 Vs 2019

Figure in BDT crore

Particulars	2020	2019	% Growth
Money Market Income	27.20	36.17	(25%)
Investment Income	104.57	34.17	206%
Foreign Exchange Income	5.49	7.20	(24%)
Total Income	137.26	77.54	77%

On a broad scale, the main objectives and responsibilities of treasury are to ensure regulatory compliance, managing balance sheet through ALM process, operate in the money market, FX market, G – sec market, capital market and other non-listed securities market to generate sufficient revenue for the bank as per business plan. Moreover, treasury has to forecast the market liquidity, interest rate movement as well as foreign exchange rate movement for future business strategy setting. As per Board approved organogram, MGBL treasury has the following designated desks:

Money Market Desk;

- Foreign Exchange Market Desk;
- Fixed Income Securities Desk;
- Corporate Dealing Desk and
- Asset – liability Management Desk

Money Market Desk: The main function of MM desk is to ensure Cash Reserve Ratio (CRR). Apart from this, MM desk ensures optimum use of fund as well as day to day liquidity management. Due to COVID -19 pandemic,



increased flow of inward remittance, low growth of private sector credit growth, frequent reduction of CRR and reference rate, the market was over flooded with excess liquidity.

In spite of facing many unprecedented challenges, MGBL treasury had been able to shift the banking and trading book as per market trend which helped to add substantial contribution to the bank's profitability, mitigation of risk and sound liquidity management in the year 2020.

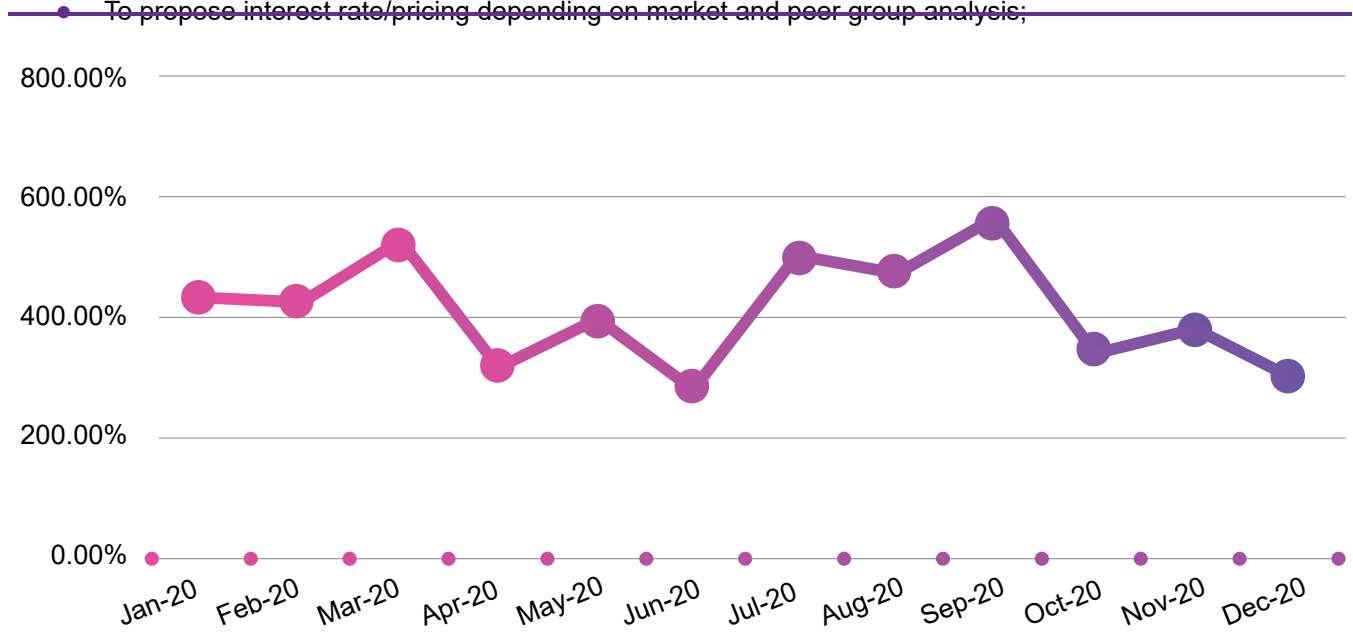
Foreign Exchange Market Desk: In spite of COVID – 19 pandemic effect and slow economic projection by the national and international research organizations, Bangladesh's foreign remittance volume increased substantially in 2020 and the FX reserve of the country crossed USD 42 billion. There was also a remarkable improvement in BOP position. Because of these all favorable condition of the FX market, our treasury had been able to earn a good FX gain from international trade.

Fixed Income Securities Desk: In addition to excess liquidity, sluggish demand for private sector credit paved the way for investment in risk free G – sec portfolio. And eventually we availed of the opportunity in right time to invest in G – sec which resulted a huge income for the bank at the end of the year.

Corporate Dealing Desk: In line with the bank's transformation process, we established the corporate dealing desk for providing specialized and tailor-made diversified products to the corporate customers as per their requirement. And in many cases we provide important market information and outlook to the customers so that they can optimize their return from taking appropriate investment, venture and hedging decisions.

Asset- liability Management Desk: ALM desk has become the most important area for any bank management. The principal objective of the ALM desk is to formulate and implement the bank's balance sheet strategy. Besides, the ALM desk renders the following functions:

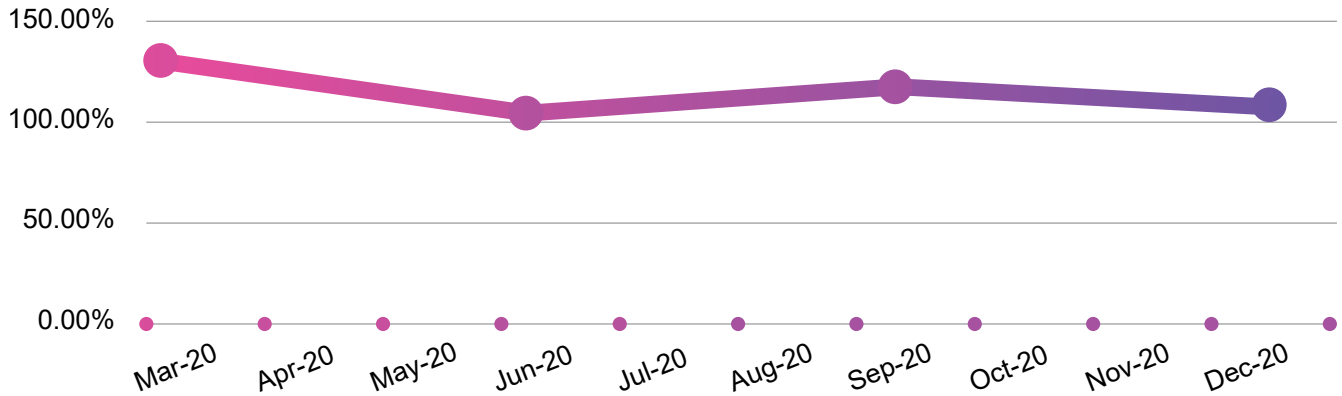
- To organize monthly and special ALCO meetings and taking records and minutes of the same and follow up implementation status;
- To prepare and circulate ALCO pack for the ALCO members;
- To identify and manage maturity profile mis-match /Gap for liquidity management;
- To propose interest rate/pricing depending on market and peer group analysis;



- To identify and present the balance sheet dynamics to the ALCO;
- To provide market view on setting balance sheet strategy;

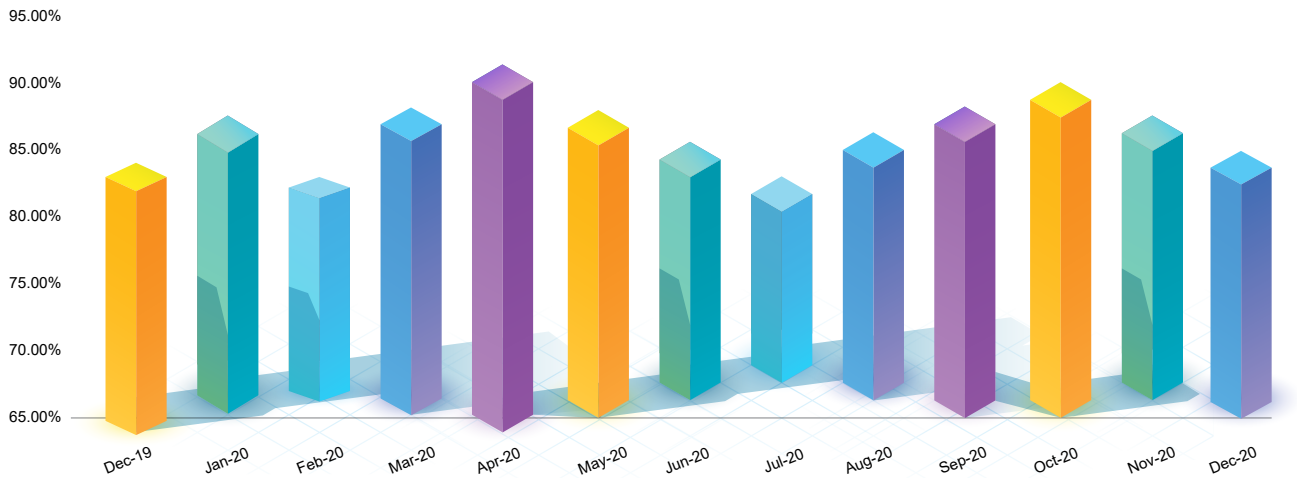


- To prepare new investment plan/product for increasing bank's profitability; and

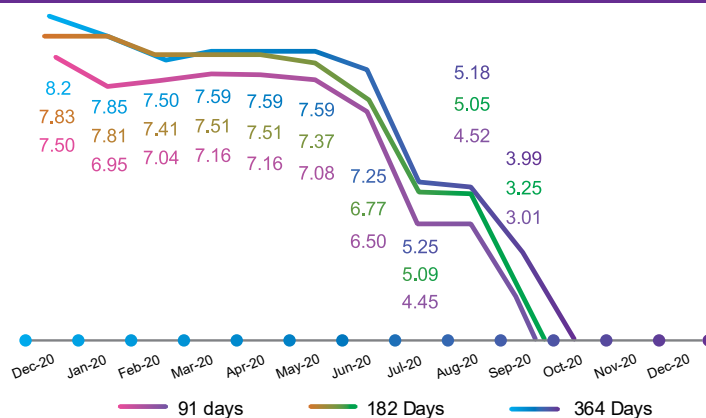


- To propose appropriate transfer pricing.

During the year 2020, we conducted monthly ALCO meeting regularly and took many optimistic decisions to cope with the market dynamics which helped the bank to close the year with great achievements and growth. Moreover, the ALCO regularly monitored various regulatory requirements like, AD Ratio, Liquidity Coverage Ratio(LCR), Net Stable Funding Ratio (NSFR), Maximum Cumulative Outflow(MCO), etc. to ensure overall financial stability and



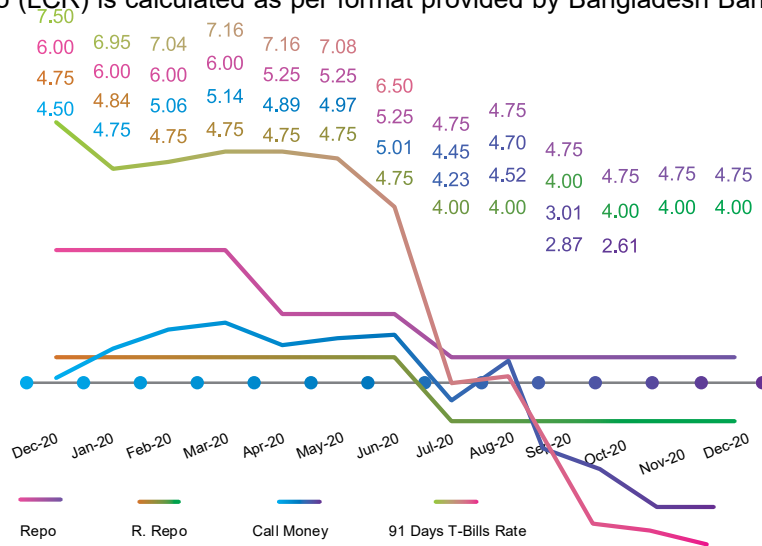
long term sustainability of the bank.



Liquidity Coverage Ratio (LCR)

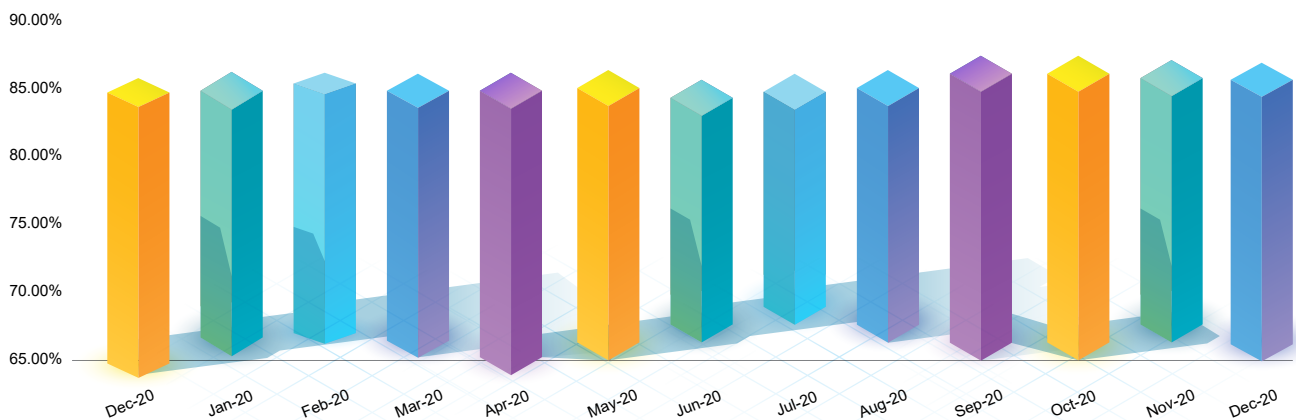


Liquidity Coverage Ratio (LCR) is calculated as per format provided by Bangladesh Bank. Average LCR for 2020



was 437.09%

Net Stable Funding Ratio (NSFR)



Net Stable Funding Ratio (NSFR) is calculated as per format provided by Bangladesh Bank. Average NSFR for 2020 was 187.87%.

Trend of Advances Deposit (AD) Ratio:

Bar Chart of Advances Deposit Ratio

Trend of Treasury Bills Yield

Trend of Treasury Bonds Yield

Repo, R. Repo, 91 Days T-Bills & Call Money Trend

Trend of USD/BDT Exchange Rate

USD Rate per BDT

SME

Meghna SME Banking - Let's Grow Your Business

Economy of Bangladesh has changed a lot during last decade in terms of doing business index, regulatory support, and development initiatives by government and international bodies etc. CMSMEs are recognized as engines of economic growth worldwide and in our country there are about 8.00 million formal CMSMEs doing business with significant contribution to employment, national GDP, foreign trade. But this larger sector our economy often lacks Access to Finance from local formal sector financial institutions more particularly from Banks.

For us as a bank, our focus on the SME segment is to, in the main, bridge the yawning gap for capacity building in the small and medium enterprises development space and help SMEs in Bangladesh.

PRODUCTS AND OFFERINGS - We have tailor-made offering for SMEs:

Deposit Products:

- Meghna Current Account
- Meghna Liberty – interest bearing current account
- Meghna SND
- Meghna Fixed Deposit

Asset Products:

SME Borrowers have ample opportunities for conducting his business by choosing following financing mode –

- Overdraft
- Cash Credit (Hypo)



- Secured OD
- Time/Demand Loan
- Short Time Loan
- Term Loan
- Work Order Financing
- Contractor Financing
- Trade Financing

In addition, we offer “Meghna Nabarupa” - a specific loan for Women Entrepreneurs. In order to encourage savings by women- a value packed savings account was also introduced, named as “Meghna Sreyoshi”.

Moreover considering the fact, as an agriculturally predominate country, Meghna Bank is financing in agricultural sector with its tailored made agro based products – “Meghna Khamar Rin”, “Meghna Fosol Rin”.

AGENT BANKING

The Meghna Bank Limited’s Agent Banking started its operation through a soft launch in April 2021 with the objective of being aligned with the Government’s financial inclusion goals. The operation was launched amidst a very saturated market, with the sole aim to uphold financial inclusion by providing easily accessible banking services for the masses in a secure and simple manner in regions that are both remote and financially excluded.

The core objective for MGBL has and will be bringing low-income groups into the grasp of banking services and informing them about the benefits of using these services to conduct transactions, practice saving and take loans over existing traditional methods. Agent Banking Division of the bank aims to give its clients better increased control over their financial needs.

The uniqueness of Meghna Bank Agent Banking is how it is expanding to provide additional services to its customer. Meaning, apart from banking services, it is working on providing more and more extra services for the customers. Giving a one stop solution for customers creates and empowers customers as well. Along with financial inclusion, Meghna Bank Agent Banking is bringing its customer in to the grasp of digital inclusion. Some of the services offered to customers include instant fund transfer facilities and various utility bill payments through the agent outlets. This is helping both customers and enterprises, as customers are able to pay on time and enterprises are able to make their collections in a more reliable and timely fashion. Meghna Bank Agent Banking will essentially be providing all sorts of banking services as per the Prudential Guideline of Bangladesh Bank for Agent Banking Operation in Bangladesh.

The rural population holds a great deal of the unbanked individuals in the community and Meghna Bank Agent



Banking is working tirelessly in bringing these populous under the grasp of banking services. Currently, Meghna Bank Agent Banking has 12 outlets throughout the country and views to have hundred in the coming year. In view of increasing Meghna Bank Agent Banking's coverage in the rural communities, massive expansion will be taking place in the coming year. The dynamic team members of Meghna Agent Banking are working tirelessly to ensure that this coverage is increased at a phenomenal rate.

The tremendous growth of the Agent Banking Channel in our country is a blessing in the context of financial inclusion. We select agents who are locally known and accepted by the people of that area. This helps in building customer trust as they are known beforehand. Another key area where agent banking has scope to flourish is SME loans. Meghna Bank Agent Banking is emphasizing on this opportunity and is designing special products targeted specifically for this market. By creating targeted products under our micro financing initiative, Meghna Bank Agent Banking will be leading an unprecedented move in the loan segment of the banking industry. Like many other countries and international organizations, the government of Bangladesh has also taken a number of initiatives and formulated national strategy. All these combined with our joined effort will prove fruitful as it will encompass financial inclusion in the country and bring more growth for the bank.

CARDS

We will Re-launch the Card business coming year with more features for our customers. The new products will be launched with new technological support for our customers. Out of the projected features below are some instances-

Launch New Team: To re-launch MGBL Cards and ensure market growth, the below dynamic team needs to be on boarded to ensure the service, diversified product category, customer satisfaction:

Launch New Cards: To reach more customers, MGBL Card Division is going to introduce new cards in the business portfolio as below:

- **Prepaid Card:**
 - i. Student Prepaid Card.
 - ii. Payroll Prepaid Card.
 - iii. General Prepaid Card.
- **Dual Currency Credit & Debit Card.**
- **Islamic Banking (Halal) Debit Card.**

Value Added Services: Intending to increase MGBL Cards portfolio, MGBL Card Division will be providing several kinds of value-added services as below:

- Welcome Pack (Value Pillar) for Newly issued cards.
- B1G1 Free Meal with 5 Star Hotels.
- Green PIN (no paper PIN) generation service through the call center
- **Shared ATM (Ek Card a Bangladesh)**
 - i. Free cash withdrawal with Meghna Debit Card, across Bangladesh.
 - ii. Access to approx. 11,000 ATM all-over Bangladesh.
- Re-structure Meghna 360 Rewards, to waive cards annual fee from 2nd year & onwards and pay outstanding.
- Insurance Coverage (CSP à Credit Shield Premium).

Campaigns: MGBL Card Division will be taking several initiatives to launch customer-oriented campaigns over the year.

Automation: In the era of Digitalization, smooth, digitalized and faster customer service ensures customer satisfaction, which results in customer loyalty. Thus, helps to onboard new customers in the portfolio. MGBL Card Division will be taking several initiatives to digitalize its services to provide the best services to its customers.

- **Web-based Service Portal:**
 - i. The customer will place a service request digitally 24/7.
- **Call center with IVR based service:**



- i. Instant PIN generation
 - ii. Credit card and account information by self service
 - iii. Smart IVR
 - iv. Utility bill payment
 - v. Fund transfer
- **Internet Banking for credit card services:**
 - i. Self-registration.
 - ii. Real-time fund Transfer through NPSB 24/7.
 - iii. Card Activation/Block.
 - iv. Self Service Request.
 - v. PIN Generation/Change.

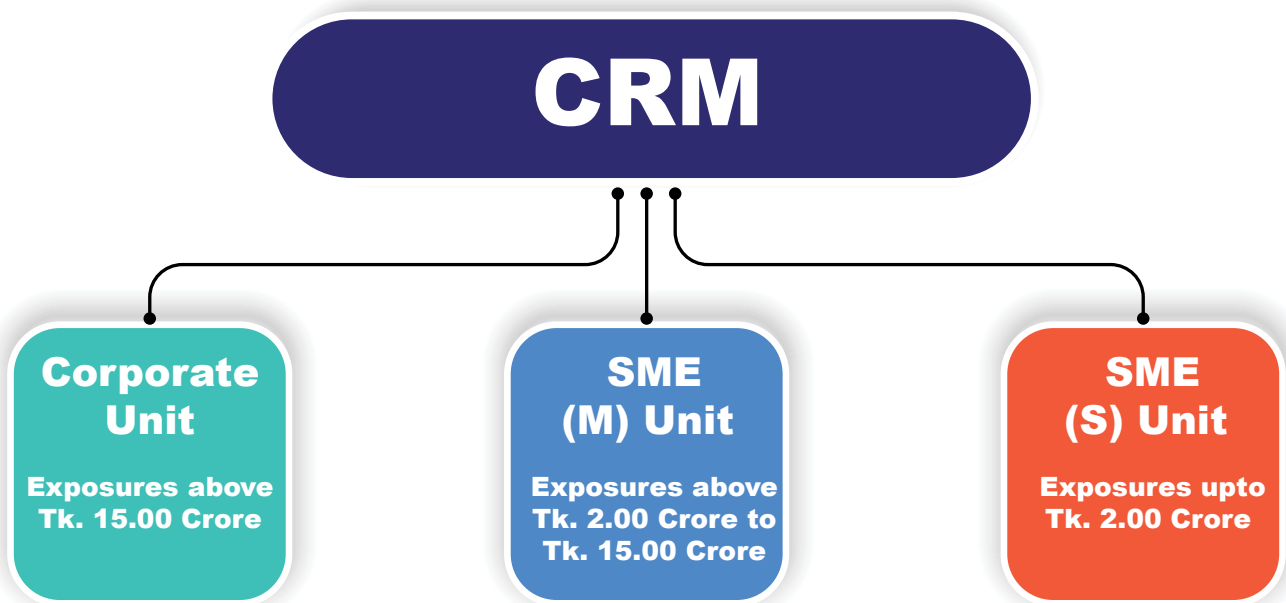
CREDIT RISK MANAGEMENT

Credit Risk:

Credit risk refers to the risk of potential losses incurred from the failure of clients, customers or counterparties including sovereigns to honor and fulfill their contractual obligations in terms of banking norms including the full and timely repayment of principal, interest, security or other receivables. Credit risk is the most important risk in terms of liability and capital consumption which includes counterparty risk, country risk and sovereign risk. Meghna Bank manages its credit risk based on the rigorous evaluation of the risk profile of the borrowers or counterparty, repayment sources, nature of the underlying collateral and other support given to prevalent events, conditions and expectations.

Credit Risk Management in MGBL:

Meghna Bank amplifies its underwriting and credit risk management practices, as well as credit standards to meet the demands of a fast-transforming economic environment. Further, to mitigate losses and enhance customer

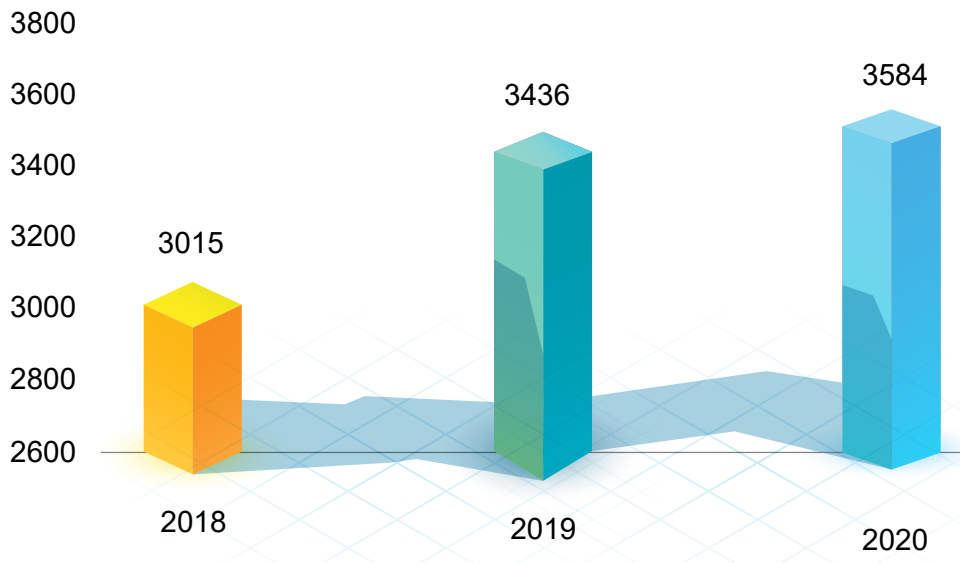


support, we have incorporated devastative collection program and client's support mechanisms. Meghna Bank's credit risk management includes processes and policies relating to problem recognitions, portfolio reviews, stress tests, watch-lists, stressed and classification triggers.

CRM policy:



Effective management of credit risk requires establishment of an appropriate risk based culture. At Meghna Bank, we practice a culture developed under a well-established framework under a robust Credit Risk Management Policy for managing credit risks which includes well defined risk appetite and credit limits for both at the business level as well as organization wide. The policy covers structured and standardized CRM processes for corporate and SME



exposures. Retail division portfolios are managed separately to reflect the diverse nature of the assets. The policy is updated from time to time based on socio economic and industry dynamism.

Structure of CRM:

Meghna Bank CRM Division works under 03 separate units:

Growth in loans and advances and asset quality management:

Increasing NPL levels, depressed export markets, fluctuating foreign currency exchange rate, market volatility with frequent interest rate adjustments, etc., have contributed to sharply moderate credit growth in private sector banking during last few years. Moreover, 2020 has added more challenges to the industry due to impact of COVID19 and capping of lending rate by the Central Bank.

New Management has taken the driving wheel of Meghna Bank limited and catered disruptive transformation resulting an increase of 4.13% in its total loans and advances portfolio from Tk.3436 Crore in 2019 to Tk.3584 Crore in 2020.

At present, Bank's underlying focus is on asset quality with rigorous performance and risk monitoring strategies for both pre and post loan approval. The Bank has strengthened its recovery strategies to ensure NPL at minimum level. As on 31 December, 2020, Meghna Bank's NPL stands at 6.80% of total loan portfolio which is far below the industry average of 7.66%.



Way forward:

In the context of the overall commotion in the financial sector, driven by lethargic credit offtake across the country and prevailing COVID19 pandemic, we expect the year 2021 to continue to be very challenging. To this extend, Meghna Bank Limited has initiated dynamic strategies, some of our key initiatives include the followings:

- Preparation of industry papers on key sectors to facilitate the Bank to take informed decision in accordance with the macro and micro economic aspects.
- Review and updating the CRM policy from time to time based on socio economic and industry dynamism.
- Introduction of various Monitoring tools including Account monitoring checklist for Corporate/Branch/SME to ensure better portfolio health.
- The NPL ratio of the Bank has reduced from 7.41% to 6.80%. MGBL focus will be to maintain this trend and make it even better. Recovery measures should be strengthened to this end.
- Establishing a dedicated SME Business Team to ensure proper portfolio diversification.
- Ensure centralization is all aspects to sustain a healthy portfolio.

SPECIAL ASSET MANAGEMENT

SAMD deals with Non-Performing loans and at present scenario after worldwide spread of COVID-19 pandemic, recovery against NPL has become a challenging job. Major activities of this division round the year are as follows:

- Preparation account wise action plan and special focus on recovery strategy.
- Ensuring cash recovery from NPL account for rescheduling and settlement of loans.
- Recovery drive through visiting business and collateral of NPL clients.
- Liaison with the Legal Division to initiate legal action against defaulters for serving of legal notice, publication of auction notice in daily newspapers and filing of case under N.I. Act, 1881 and Artha-Rin-Adalat Ain, 2003.
- Regular follow up meeting with banks enlisted lawyers for quick disposal of cases/suits for recovery against NPL.

SAMD's responsibilities:

There are two types of customer dealt by SAMD. One, Stressed Customer and two, NPL Customer.

Stressed Accounts Management Strategy:

- Deals with stressed accounts having chronic overdue, EOLs, unpaid interest/ instalment. But these accounts have underlying cash-flows and by way of proper nurturing through restructuring, rescheduling, time extension, extending fresh financial support, etc., their stressed situation can be overcome.

NPL Accounts Management Strategy:

- If there is any scope for recovering from the group cash flow, voluntary sale of property, the Bank may take supportive steps to regularize the account by way of rescheduling/ restructuring with a view to help the client and their group to overcome the situation.
- For borrowers that have no underlying cash flow or are willful defaulters, legal proceedings will be initiated for recovery of Bank dues.

Divisional update:

Undoubtedly, corona virus pandemic has made the year 2020 a bit different considering the past. However, classified loans have reduced from the previous year 2019. MGBL is always cautious and serious against NPL to keep it in a minimum level. Compared with industry average, it has been consistently running with lower rate of CL percentage. The percentage of NPL ratio decreased from 7.41% to 6.80% in Year 2020, compare to previous year.

Last year, SAMD has extended its scope of works as follows:

- Contributes to the bank's income through real recovery against classified accounts and stressed accounts- release of interest suspense or unapplied interest or reduction of provision against classified accounts.
- Re-organizing SAMD organogram with adequate manpower. Recruited skilled manpower to ensure smooth



functioning and attainment of targets.

- Re-organizing legal team for coordination of SAMD team.
- Extensive visit to the NPL & Stressed clients of different area of the country.

Future plan/Outlook Vision and Mission of 2021:

With the consideration of COVID-19 pandemic in mind, our singular focus will be to enhance recovery despite the difficulties. Some of our key initiatives include the following:

- NPL ratio will be within 5.00% by way of upholding the spirit of team work and adding more manpower for acceleration of recovery process.
- Strengthen account monitoring system to ensure recovery.
- Ensuring accurate and timely MIS to facilitate management decisions and compliances.
- Priority set and expediting full settlement of large NPL accounts. Initiation of legal action in all appropriate cases so that the possibility of recovery will be high.

HUMAN RESOURCES MANAGEMENT

Meghna Bank Limited strives to create the kind of work environment in which every employee feels proud and is able to develop his or her full potential and capabilities. The Bank recognizes that its success is deeply embedded in the success of its human capital. HR practices play a key role in developing, reinforcing and changing the culture of an organization. Compensation & benefits, performance management, training and development, recruitment & onboarding and reinforcing the values of the business are all essential elements of business culture covered by HR practices. Human resource practice is the process of linking the human resource functions with the strategic objectives of the Bank in order to improve performance. The efficient HR policies & practices are being designed in Meghna Bank to enhance the performance level to its maximum. To cope up with changing HR needs, the human resource policy of the bank is reviewed from time to time.

In 2020, Meghna Bank HR has streamlined the organogram, job description of employees, introduced KPI based reward system and developed employee benefits related policies to inspire the employees. Mentionable here that Bank has declared good number promotions for the year of 2020 in recognition of the contributions and Bank is also rewarding its employees through its KPI based bonus & reward system. The Bank has revived the salary to keep motivated of the employees. Bank has also introduced employee engagement program like “Coffee with CEO” program.

Bank has taken initiative for e-learning facilities to facilitate the learning culture of the Bank. We believes that learning is an ongoing process. Towards this end, the Bank has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external training programmes. To develop strong human capital base, Bank has always identified the individual need, sharpen the skill through learning and development programs to ensure greater productivity.

The Bank believes that a transparent organization structure ensures efficient communication. HR Division has introduced “HR Communication” a communication portal through which employees are kept updated with all HR activities and initiatives. The Bank has its own HR page, an intranet portal created to offer a one-click destination to employees for easy access of HR related information, policies, procedures, circulations.

We understand that the management of health and safety in the workplace contributes to the overall performance of the Bank. Bank try to ensure workplace safety. The chief aim of workplace safety is to protect an organization’s most valuable asset—its people. The overall effectiveness of workplace safety measures will depend on an organization’s ability to effectively communicate health and safety related issues to the employees. In this connection, HR Division has introduced “Health & Safety” communication portal through which employees are being informed always with health & safety related issues.

Meghna Bank believes in workforce diversity. We encourage bringing together of a variety of people to workplace.



Bank always try to hire talent from industry who are blended with multi exposure. The HR Division has adopted a number of initiatives to engage and encourage women employees to take up more challenging roles across the Bank, and provides a supportive framework for them to be successful at work. The Bank always celebrates Women’s Day and Mother’s Day to recognize the contribution of female colleagues.

Employees average age and service length in this bank has increased. Bank ensured the Code of conduct, professional grooming and work life balance for the employees which boosted up moral, indignity and service first strategy of Meghna Bank.

MGBL has future plan to develop the human resource through HR service automation, reward & recognition, align HR strategy with business strategy, creates employee value proposition and talent Management. The Meghna Bank Limited (MGBL) is is committed to creating and maintaining a high performance culture while maintaining core



values of the bank. The Bank has also adopted Performance Improvement Plan (PIP). Performance Improvement Plan is the process through which Bank provides support, guide and advice employees who may be experiencing difficulties in performing their duties to the required standard and to provide managers with a clear framework to manage employees who may be underperforming in their role.

OPERATIONS

Meghna Bank’s Operations division has been undergoing through restructuring process with an objective to establish customer centric operational delivery model to provide superior customer experiences.

Continuous process reengineering along with enterprise wise automation has always been the main focus to



reinforce the bank's proposition in a competitive market place along with strengthening compliance standards.

In 2020 Meghna bank's Operations division embraced a centralization drive, consists of a number of departments working together in synchronization with other business divisions of the bank to achieve both productivity and efficiency gains.

Liability Operations:

Liability Operations is established to carry out the bulk processing of the daily works of the branches on liability products like CASA, Scheme & FD Accounts of all segments of business (Retail, SME, Corporate, Wealth Management etc.). In centralized operational processes of the bank, Liability Operations operates as a major function to facilitate such services as opening, maintenance, closing, interest payment etc. of these accounts.

Business Operations:

Business Operations is another centralized wing primarily mandated with the responsibility of ensuring smooth operations. Efforts were also invested in substituting existing process through simplification and automation to reduce manual intervention as much as possible.

International Division:

Meghna Bank's International Division mainly focuses on two key areas i.e Correspondent Banking and Foreign Remittance.

Correspondent Banking:

Meghna Bank maintains active relationships with a reasonable network of banks all over the world considering 8 years of bank's operation. Correspondent network of Meghna Bank includes 117 members, covering 75 banks spread across 45 countries as on December 31, 2020. The Bank also maintains 18 Nostro Accounts in all major currencies with reputed international banks around the world in all the important global financial centers. Meghna Bank enjoys reasonable credit limits with a number of International banks. Besides, Meghna Bank has arrangement with TRADEASSETS, a protected block-chain technology platform to buy and sell trade assets along with instigation of new transactions and arrangement with CCR Manager, Singapore to support buying and selling trade assets faster at better prices for customers.

Foreign Remittance:

The Bank has two major streams of inward remittance categorized as Commercial Remittance and Wage Earners Remittance. Both Commercial and Wage Earner remittance contributed significant flows during the year 2020. For wage remittance, Meghna Bank has bilateral business relationship with the exchange houses in the Middle-east, USA, UK and global MTOs.

Payment System:

Payment system includes BACH Operations and EFTN.

BACH:

BACH is a core operation, performing the crucial role of processing the customer's cheques, pay order under the Bangladesh Bank's BACPS operating rules & procedures. All the inward cheques are being processed centrally from this wing.

Central Trade Operations Division:

- i. Since starting the operations, we have been functioning Trade Operations centrally under two HUBs i.e. CTOD in Dhaka and CTPU in Chittagong.

Due to COVID-19, Global trade business faced huge challenges in 2020. Throughout the year, trade customers in particular were severely impacted by the pandemic.

Confronting the pandemic situations, we could not achieve our trade business target in 2020 but run our trade business with full satisfaction of our clients.

Trade performance in 2020:



Import	Export	Bank Gurantee(BG)
494.25 cr	144.36 cr	163.92

- ii. Amid immense impact of COVID-19, we have added BG (including e-GP) operation under the centralization process to ensure smooth operation during pandemic.

We have been operating BG (including e-GP) centrally (on partial basis) from July 26, 2020.

- iii. We have approved “Trade Based Money Laundering” policy paper within the deadline of BFIU, Bangladesh Bank as per their Guidelines.

Credit Administrative Division:

Meghna Credit Administration Division (CAD) is the vital part of the loan business along with mitigation of credit risk under MGBL-Operations. Last year (2020), it has completed its centralized operation successfully. Now, all preapproval loan process such as collection of legal opinion, title search and survey of proposed security are conducted through CAD centrally rapidly. Objective of Centralized Credit Administration are to enhance capacity build up, decrease cost, increase lending profit, streamline process, standardize of documentation for future aids in litigation issue, transparency, zero tolerance in compliance, reduce risk etc. CAD disbursed the loan after full completion of documentation perfectly as per approval. After disbursement CAD execute strong Credit Monitoring process through some tools such as Status of Insurance, Doc Deferral Status and Covenant Status etc. to enhance credit/asset quality. It has been started successfully in 2020.

Submission of Regulatory Reports to central bank is significant which is done by CAD timely and accurately. Observation of external, internal, and Bangladesh Bank audit are complied by CAD centrally which has been started last year 2020 successfully.

In 2021, CAD has some projects to start such as Management of Past Due and Excess Over Limit (EOL) accounts, Insurance Monitoring and Independent Stock Inspection etc.

Treasury Operations:

Meghna Bank’s Treasury Operations renders their services as Back Office of the Treasury Business unit to support and execute Service Excellence.

In 2020 the success of this Department are as below:

1. Treasury Operations handled a substantial amount (approximately BDT 5.87 Billion) of transactions of Govt. Securities (T.Bill & T.Bond) i.e. Purchase, Sale, Repo, ALS etc. From these transactions bank earned the most significant amount of profit which was near about 1.00 billion from T.Bill and T.Bond only.



2. Treasury Operations always maintained close liaison and co-operation with business unit to maintain the bank's stipulated internal policy as well as regulatory guidelines for minimizing risk.
3. Treasury Operations settled all transactions accurately related to Money Market, Fx, Fixed Income Trading, Capital Market Trading, Branch, Fx transactions related with CTOD, investments in Commercial Paper, Investments in Preference share and other Investments.

Anti-Money Laundering & Combating the Financing of Terrorism Division:

For prevention of Money Laundering and Terrorist Financing, Meghna 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.

INFORMATION TECHNOLOGY

At Meghna Bank, investments in technology to achieve excellence has been a priority since the beginning. The bank's focus on revamping its technological platform to ensure the best business outcomes and provide superlative customer experience has been at the forefront of all of the Information Technology Division's initiatives. IT Division ensured robust and dependable tech-enabled customer services, while also ensuring the best hardware and software support to employees. Also focused on more accurate MIS capture and reporting that enabled improved decision-making among the senior management. IT Division also working on strengthened Bank's image as a digital bank, enabling customers to access a large range of the Bank's products and services conveniently through digital channels.

Overview

Meghna Bank's robust and advanced technology ensured the dispensation of convenient, reliable and trustworthy services to customers, enriched by digital channels. Furthermore, a number of IT initiatives undertaken in the year 2020 aim to enable the Bank to achieve greater levels of efficiency, reduce costs and streamline processes.

Despite various challenges progress in 2020

The covid-19 crisis will come on top of the pre-crisis challenges of the traditional banking business models, Meghna Bank take multiple measures to support its employees and customers, and help bolster the financial system in a bearable way. It won't be an easy ride ahead. It is essential for Meghna to strengthen its operational resilience and business continuity planning to weather this storm. Below are insights and materials from Meghna Bank's IT teams across help respond the challenges in the present, and prepare for the future and a new reality:

- **Adopting central bank directives:** Implemented complex directives and guidelines from the regulators.
- **Ensuring WFH (work-from-home) preparedness:** Arranged for VPN and VC facilities to provide employees access to the bank's secured network environment from their homes
- **Supporting VC calls:** Seamlessly enabled the bank to transition into virtual meetings in a secure and reliable environment
- Numbers of in-house business development and cost-saving initiatives delivered to business and support functions in 2020.
- **Introduction of Managed Printing Service:** Managed print services (MPS) are services offered by an external provider to optimize or manage a company's document output.
- **Reorganizing of WAN Connectivity:** Restructuring of MGBL WAN Connectivity with



Significant Cost Reduction.

- **Improvement in ICT Awareness Risk:** ITD has continuously conducting ICT awareness related training for employee which are aligned with Learning and Development Center.

Impact created in 2020

The key initiatives embraced during the year 2020 include the following:

BankUltimus core banking system upgrade: This upgrade is a top priority of Meghna Bank, which target implementation date was of mid-2020. The main core banking system of the Bank will be migrated from version 2.0.0.112 to 3.0.0.2 under this initiative. The entire infrastructure and relevant ecosystems are expected to be configured in the same manner to extend the performance, scalability and security applications of the Bank.

iBanking Enhancement: iBanking is Meghna Bank's mobile app-based internet banking solution that enormously facilitates the digitization aspirations of the Bank. Several new features were incorporated in MGBL iBanking solution in 2020, comprising the following:

Strategy and roadmap, 2021

At Meghna Bank, we realize that digitalization is the next big change that most customers are demanding and customer propensity to adopt banking as a platform will be very challenging and, mostly, personal device-based. In line with the wave of digitalization, at Meghna Bank, we have strategized our technological adoption from the beginning and onwards to be more on the digital banking platform even as we direct our efforts to digitalize internally as well as externally to achieve outcomes faster to ensure greater employee efficiency as well as customer convenience.

As such, we have analyzed and found that Document Management system, Loan Origination system would help us internally digitize most manual processes which, in turn, will help us bring forth the benefits of digitalization for customers to have a differentiated experience in respect to our competitors.

Some of the major business imperatives for 2021 include the following:

- **Enterprise Call center solution:** Enables to deliver seamless omnichannel support from a single, open technology platform including Account and Card Service Request with Smart IVR.
- **Digital account opening:** Assistant mode (Individual and Joint Account opening with NID from branches and DST)
- **Agent banking solution:** Implement a modern platform to help propel the bank's Agent Banking business, enabling footprint expansion and thus enhancing financial inclusion.
- **Human Resource Management System:** On Boarding advanced HRMS system to manage human



resources and related processes throughout the employee lifecycle at Meghna Bank.

- **Priority Banking Solution:** To provide priority customers with dedicated relationship managers who will guide the customers and provide information and assistance in this kind of banking.
- **Islamic Banking solution:** Modernise and refresh Islamic Banking solution by ensuring high availability and scalability, thus making Islamic Banking products as the first line of dedicated offering
- **Corporate internet banking:** Develop an integrated digital platform catering to corporate and institutional customers that would collectively include modules for transactional banking, cash management and trade solutions
- **IDTP:** Develop an Interoperable Digital Transaction Platform (IDTP), comprising a processing and settlement system for electronic payments, where the main participants are banks, MFS (mobile financial services) and PSPs (payment service providers), in compliance with a regulatory directive.
- Implement **ISO-27001** for better control and governance of the rapidly-evolving information security standards
- Obtain **PCI-DSS** certificate aims to protect organizations and their customers against payment card fraud
- Vulnerabilities Assessment and Penetration Testing for IT infrastructure and Internet facing applications.
- Deploy Privilege Access Management (PAM) and Encryption system to secure organization data.

INTERNAL CONTROL AND COMPLIANCE

The Bank's internal control system is designed to facilitate effective and efficient operations and to ensure the quality of internal and external reporting and compliance with applicable laws and regulations. A system of internal control is designed to manage, but not to eliminate, the risk of failure to achieve business objectives and provide a reasonable, but not absolute, assurance against the risk of material misstatement, fraud or losses.

During the year 2020 Internal Control and Compliance Division had carried out various activities and a summary of those activities are given below:

Internal Audit:

Summary of activities carried out by Internal Audit Department are as follows:

- Internal Audit: 47 Branches, 05 Divisions, 49 IT Operational Audit (Branches and Head Office), 47 AML Independent Testing Reports and 2 regulatory required audit as per Risk Based approved Annual Audit Plan 2020 and submitted the reports to the Bank Management and Audit Committee of the Board for necessary action and corrective measures.
- Special Audit and Investigation: 15 Special Audit/Investigation as required by Bank management and submitted the reports to the Bank Management and Audit Committee of the Board for necessary action and corrective measures.
- Surprise Inspection: Conducted surprise Cash Checking on 5 Branches as per instruction of the Managing Director & CEO.

Compliance:

Summary of activities carried out by Compliance Unit are as follows:

- **Coordination of Bangladesh Bank Inspection and Compliance thereof:**
3 Branches, 6 Core Risk Inspection, Head office Comprehensive Inspection and 2 Surprise Special Inspection at the Branches of the Bank for base year 2020. Meghna Bank has received 12 new reports from Bangladesh Bank for base date 2020 and previously received 11 reports total 23 compliance reports for follow-up compliance and carried out the compliance thereof.
- **Compliance of Internal Audit Reports:**
Compliance of 47 branches and 5 Head office divisions for the year 2020 and previous 47 branches for the year 2019 and 4 Head office Divisions reports for the year 2018 and 2019.
- **Compliance of Management Reports issued by External Auditor:**
Compliance of Management Report for the year 2018 and 2019.



Monitoring

Summary of activities carried out by Monitoring Unit are as follows:

- Staff Account monitoring
- Calendar of regulatory/external returns by Branches/ Divisions
- Review of Quarterly Operation reports
- Review of Loan Documentation Checklist
- Integrate the Annual Health Report of the Bank
- Self-Assessment of Anti-Fraud Internal Controls of the Bank
- Monitoring of DCFCL of the Branches
- Review and circulation of Regulatory circulars with reporting obligation.

Internal Control and Compliance Division's activities for the year 2021 will be carried on the basis of approved Annual Audit plan for the year 2021 as well as Bank Management, Board and Audit Committee of Board instruction, directives and recommendations.

FINANCIAL ADMINISTRATION

Meghna Bank Limited's Financial Administration Division is continuously adopting new technology and automating its process to be aligned with the bank's digital transformation mandate. Since the inception of the banks, this division has evolved itself from a traditional finance department to a developer of strategic decisions and crafter of overall financial strategy. At present, Financial Administration Division has two-dimensional roles; one side is future-proofing the divisions, which requires continuous adaption of technology and evolving workplace culture; another one is performing core finance & accounting functions to support business and different stakeholders needs. Let's explore each in more detail.

Recording:

This broad accounting function involves entering, categorizing, and reviewing all financial transactions for the bank. It is essential for maintaining accurate financial records.

Controlling:

This function oversees the recording function of the business to ensure company ledgers are accurate and adhere to financial regulations.

Financial Planning and Analysis:

This Function involves gathering relevant financial data and synthesizing it into digestible trends and forecasts for making informed business decisions.





**FINANCIAL STATEMENTS
OF MEGHNA BANK LIMITED**

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.

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
Measurement of provision for Loans and Advances	
<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"> • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 & BRPD circular no.03 dated 21 April 2019 & BRPD circular no.17 dated 28 September 2020 & BRPD circular no.56 dated 10 December 2020. • 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; <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); • Followed Bangladesh Bank's circular and guidelines; • Our substantive procedures in relation to the provision for loan and advances portfolio comprised the following: • Reviewed the adequacy of the Banks general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information and; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note no 8a, 8a.10, and 13 to the financial statements	
Valuation of treasury bill and treasury bond	
<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>



Description of key audit matters	Our response to key audit matters
See note no 2.11.3 and 7a to the financial statements	
Legal and regulatory matters	
<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>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 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> <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>
IT Systems and controls	
<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>
Carrying value of investments in subsidiary(s) by the Bank	
<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>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 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> <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>
See note no 1.3, 1.3.1, 2.14 and 10.00 to the financial statements	



Description of key audit matters	Our response to key audit matters
Impact of COVID-19 on Business	
<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>
See note no 2.37 to the financial statements	

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

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

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

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



Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Bank Company Act, 1991 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;
- 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



MEGHNA BANK LIMITED

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2020

Particulars	Notes	Amount in Taka	
		2020	2019
PROPERTY AND ASSETS			
Cash		3,602,169,136	3,184,997,622
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
Balance with other Banks and Financial Institutions	5	2,540,880,292	3,526,339,733
In Bangladesh		2,235,029,866	3,258,302,893
Outside Bangladesh		305,850,426	268,036,840
Money at Call on Short Notice	6	130,000,000	2,070,000,000
Investments	7	9,831,425,806	5,491,137,051
Government		9,031,518,336	4,765,724,684
Others		799,907,470	725,412,367
Loans and Advances	8	35,800,084,555	34,362,615,024
Loans, Cash credits, Overdrafts, etc.		35,741,606,049	34,196,996,809
Bills Purchased and Discounted		58,478,506	165,618,215
Fixed Assets Including Premises, Furniture and Fixtures	9	220,726,865	280,943,017
Other Assets	10	771,723,669	435,119,220
Non Banking Assets		-	-
Total Assets		52,897,010,323	49,351,151,667
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	11	558,616,000	324,256
Deposits and Other Accounts	12	43,315,011,841	41,084,339,157
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		-	-
Other Liabilities	13	3,010,914,130	2,868,896,984
Total Liabilities		46,884,541,971	43,953,560,397
Capital/Shareholders' Equity			
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
Total Shareholders' Equity		6,012,468,248	5,397,591,168
Non-controlling Interest	18	104	102
Total Shareholders' Equity with Non-Controlling Interest		6,012,468,352	5,397,591,270
Total Liabilities & Shareholders' Equity		52,897,010,323	49,351,151,667



MEGHNA BANK LIMITED

CONSOLIDATED OFF- BALANCE SHEET ITEMS

AS AT DECEMBER 31, 2020

Particulars	Notes	Amount in Taka	
		2020	2019
CONTINGENT LIABILITIES			
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		-	-
Total		5,028,792,620	4,478,529,861
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
TOTAL OFF-BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES		5,028,792,620	4,478,529,861

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

Dhaka, 22 March, 2021



MEGHNA BANK LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED AS ON DECEMBER 31, 2020

Particulars	Notes	Amount in Taka	
		2020	2019
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
Net Interest Income		617,853,544	1,467,326,390
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
		1,258,148,437	578,450,922
Total Operating Income		1,876,001,981	2,045,777,312
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
Total Operating Expenses		1,134,711,955	1,215,411,732
Profit/(Loss) before Provision	22	741,290,026	830,365,580
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)
Total Provision	38	(111,254,727)	(321,822,736)
Total Profit/(Loss) before Taxes		630,035,299	508,542,844
Provision for Taxation			
Current Tax	13.2	(171,300,000)	(371,250,000)
Deferred Tax	10a.4	51,930,976	-
		(119,369,024)	(371,250,000)
Net Profit after Taxation		510,666,275	137,292,844
Retained earnings brought forward from previous years		56,263,593	19,877,114
		566,929,868	157,169,958
Appropriations			
Statutory Reserve	15	123,844,052	100,906,365
Non-controlling Interest	17.1	3	1
General Reserve		-	-
		123,844,055	100,906,366
Retained Surplus	17	443,085,813	56,263,593
Earnings Per Share (EPS)	39	1.09	0.29

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

Dhaka, 22 March, 2021



MEGHNA BANK LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED AS ON DECEMBER 31, 2020

Particulars	Notes	Amount in Taka	
		2020	2019
Cash Flows from Operating Activities			
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)
Operating Profit before changes in Operating Assets and Liabilities		27,729,345	787,390,654
Increase/Decrease in Operating Assets and Liabilities			
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
Sub Total		1,166,097,522	553,869,814
A. Net Cash from Operating Activities		1,193,826,867	1,341,260,469
Cash flows from Investing Activities			
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. Net Cash Used in Investing Activities		(4,260,226,538)	(736,131,390)
Cash flows from Financing Activities			
Borrowing from other banks		558,291,744	(838,839)
Receipts from issue of ordinary share		-	-
Dividends Paid		-	-
C. Net Cash from Financing Activities		558,291,744	(838,839)
D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		(2,508,107,927)	604,290,240
E. Effect of Exchange rate changes on cash & cash equivalents		-	-
F. Cash and cash equivalents at the beginning of the year		8,782,063,555	8,177,773,315
G. Cash and cash equivalents at the end of the year (D+E+F)	46	6,273,955,628	8,782,063,555

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


Director


Director


Director


Managing Director & CEO





MEGHNA BANK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED AS ON 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				510,666,275	510,666,275	-	510,666,275
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	-	104,210,808
Non-controlling Interest				(3)	(3)	3	-
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



MEGHNA BANK LIMITED

BALANCE SHEET

AS AT DECEMBER 31, 2020

Particulars	Notes	Amount in Taka	
		2020	2019
PROPERTY AND ASSETS			
Cash		3,602,162,262	3,184,987,954
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
Balance with other Banks and Financial Institutions	5a	2,521,748,078	3,512,980,551
In Bangladesh		2,215,897,652	3,244,943,711
Outside Bangladesh		305,850,426	268,036,840
Money at Call on Short Notice	6a	130,000,000	2,070,000,000
Investments	7a	9,464,079,314	5,171,377,021
Government		9,031,518,336	4,765,724,684
Others		432,560,978	405,652,337
Loans and Advances	8a	35,840,624,305	34,362,615,024
Loans, Cash credits, Overdrafts, etc.		35,782,145,799	34,196,996,809
Bills Purchased and Discounted		58,478,506	165,618,215
Fixed Assets Including Premises, Furniture and Fixtures	9a	218,576,063	278,789,682
Other Assets	10a	1,093,923,705	766,177,064
Non Banking Assets		-	-
Total Assets		52,871,113,727	49,346,927,296
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	11a	558,616,000	324,256
Deposits and Other Accounts	12a	43,330,127,348	41,104,080,069
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		-	-
Other Liabilities	13a	2,984,905,636	2,850,420,270
Total Liabilities		46,873,648,984	43,954,824,595
Capital/Shareholders' Equity			
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
Total Shareholders' Equity		5,997,464,743	5,392,102,701
Total Liabilities & Shareholders' Equity		52,871,113,727	49,346,927,296



MEGHNA BANK LIMITED

OFF- BALANCE SHEET ITEMS

AS AT DECEMBER 31, 2020

Particulars	Notes	Amount in Taka	
		2020	2019
CONTINGENT LIABILITIES			
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		-	-
Total		5,028,792,620	4,478,529,861
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
TOTAL OFF-BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES		5,028,792,620	4,478,529,861

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



MEGHNA BANK LIMITED

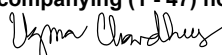
PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED AS ON DECEMBER 31, 2020

Particulars	Notes	Amount in Taka	
		2020	2019
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
Net Interest Income		614,156,092	1,462,882,608
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
		1,241,483,928	564,656,231
Total Operating Income		1,855,640,020	2,027,538,839
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
		1,121,903,824	1,203,702,015
Total Operating Expenses		1,121,903,824	1,203,702,015
Profit/(Loss) before Provision	22a	733,736,196	823,836,824
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)
		(114,515,938)	(319,305,000)
Total Provision	38a	(114,515,938)	(319,305,000)
Total Profit/(Loss) before Taxes		619,220,258	504,531,824
Provision for Taxation			
Current Tax	13a.2	(170,000,000)	(370,000,000)
Deferred Tax	10a.4	51,930,976	-
		(118,069,024)	(370,000,000)
Net Profit after Taxation		501,151,234	134,531,824
Retained earnings brought forward from previous years		50,775,126	17,149,667
		551,926,360	151,681,491
Appropriations			
Statutory Reserve	15	123,844,052	100,906,365
General Reserve		-	-
		123,844,052	100,906,365
Retained Surplus	17a	428,082,308	50,775,126
Earnings Per Share (EPS)	39a	1.07	0.29


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

Dhaka, 22 March, 2021



MEGHNA BANK LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED AS ON DECEMBER 31, 2020

Particulars	Notes	Amount in Taka	
		2020	2019
Cash Flows from Operating Activities			
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)
Operating Profit before changes in Operating Assets and Liabilities		22,160,321	782,280,489
Increase/Decrease in Operating Assets and Liabilities			
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
Sub Total		1,117,612,968	569,180,748
A) Net Cash from Operating Activities		1,139,773,290	1,351,461,237
Cash flows from Investing Activities			
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) Net Cash Used in Investing Activities		(4,211,943,199)	(734,447,694)
Cash flows from Financing Activities			
Borrowing from other banks		558,291,744	(838,839)
Receipts from issue of ordinary share		-	-
Dividends Paid		-	-
C) Net Cash from Financing Activities		558,291,744	(838,839)
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		(2,513,878,165)	616,174,704
E) Effect of Exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		8,768,694,705	8,152,520,001
G) Cash and cash equivalents at the end of the period (D+E+F)	46a	6,254,816,540	8,768,694,705

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


Director


Director


Director


Managing Director & CEO





MEGHNA BANK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED AS ON 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	-	-	-	-	-
Restated Balance	4,698,980,000	641,806,839	540,736	50,775,126	5,392,102,701
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
Balance as at 31 December, 2019	4,698,980,000	641,806,839	540,736	50,775,126	5,392,102,701

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



Director



Director



Director



Managing Director & CEO




MEGHNA BANK LIMITED

LIQUIDITY STATEMENT (ASSET AND LIABILITY 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)
Assets						
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	-	-	-	-	-	-
Total Assets (i)	8,499,953,736	7,554,751,077	12,047,359,801	12,584,529,356	12,184,519,757	52,871,113,727
Liabilities						
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
Total Liabilities (ii)	6,086,237,488	9,947,868,156	11,611,728,843	12,421,351,219	6,806,463,278	46,873,648,984
Net Liquidity Gap (i-ii)	2,413,716,248	(2,393,117,079)	435,630,958	163,178,137	5,378,056,478	5,997,464,743


 Director


 Director


 Director


 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:

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.



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.

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.

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.

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

(a) Loans and Advances are stated at gross amount and before off setting general provisions against them.

(b) Interest on Loans and Advances is calculated on a daily product basis but charged and accounted for quarterly on an accrual basis.

(c) Provision for Loans and Advances is made on the basis of year-end review by the Management and of instructions contained in Bangladesh Bank circular as amended time to time. The classification rates are given below:

Category/Status of loans and advances	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
Provisions for unclassified loans and advances:		
All unclassified loans (Other than loans under small and medium enterprise, consumer financing, short term agri. credit and staff loans)	1%	1%
Small and medium enterprise financing	0.25%	0.25%
Consumer financing (Other than housing finance and loans for professionals under consumer financing scheme)	5%	5%
Consumer financing (For Housing Finance & Loans for professionals set up)	1-2%	1-2%
Short term agri. Credit	1%	1%
Special general provision-COVID-19	1%	1%
Special Mention Account	0.25% - 2%	0.25% - 2%
Provisions for classified loans and advances:		
Substandard	20%	20%
Doubtful	50%	50%
Bad or Loss	100%	100%

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

2.11.3 Investments

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

The valuation methods of investment used are:

a) Held to Maturity (HTM)

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

e) Investment in Subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in bank's financial statements in accordance with the International Accounting Standard (IAS) – 27. Accordingly investment in subsidiary is stated in the bank's balance sheet at cost, less impairment losses if any.

2.11.4 Property, Plant and Equipment

Recognition and Measurement

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

Subsequent Cost

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

Depreciation

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

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

a) For additions during the year, depreciation is charged for the remaining days of the period and for disposal, depreciation is charged up to the date of disposal.



b) On disposal of fixed assets the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the profit and loss account which is determined with reference to the net book value of the assets and net sale proceeds.

2.11.5 Intangible Assets

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

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

2.11.6 Other Assets

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

2.11.7 Receivables

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

2.11.8 Non-banking Assets

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

2.12 Capital / Shareholders' Equity

A) Authorized Capital

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

B) Paid Up Capital:

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

2.13 Statutory Reserve

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

2.14 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 29th June, 2014. The fund is managed by a Board of Trustees are consisting five members of the bank.

2.19 Taxation

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

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences relating to the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.20 Contingent Asset & Contingent Liability

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

2.21 Cash Flow Statement

The cash flow statement is presented 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:

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

2.24 Events after the Balance Sheet Date

All known material events after the balance sheet date have been considered and appropriate adjustments/ disclosures have been made in the financial statements, wherever necessary up to the date of preparation of financial statements as per IAS-10.

2.25 Earnings Per Share

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

2.25.1 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.

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 5th July 2006, the bank has done its credit rating by Alpha Credit Rating Limited based on the audited financial statements. The following ratings have been awarded:

Particulars	Periods	Date of Rating	Long Term	Short Term
Entity Rating	January to December 2019	27th June 2020	A+	ST - 2
Entity Rating	January to December 2018	26th June 2019	A+	ST - 2
Entity Rating	January to December 2017	27th 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, while at the same time attempting to provide a stable and steadily increasing flow of net interest income, an attractive rate of return on an appropriate level of capital and a level of liquidity adequate to respond to the needs of depositors and borrowers and earnings enhancement opportunities. These objectives are accomplished by setting in place a planning, control and reporting process, the key objective of which is the coordinated management of the Bank's assets and liabilities, current banking laws and regulations, as well as prudent and generally acceptable banking practices.

The risks are defined as the possibility of losses, financial or otherwise. The risk management of the bank covers 6 (six) core risk areas of banking as defined by the Bangladesh Bank. The areas are as follows:



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

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

2.30.1 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 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.



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
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:

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

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 its 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
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



SL No.	Name of the Director	Status with the Bank	Name of the Firms /Companies in which they are interested as proprietor, partner, Director, Managing Agent, Guarantor, Employee etc.		Percentage (%) holding in the company	Remarks
3	Mr. 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



SL No.	Name of the Director	Status with the Bank	Name of the Firms /Companies in which they are interested as proprietor, partner, Director, Managing Agent, Guarantor, Employee etc.	Percentage (%) holding in the company	Remarks	
5	Mr. 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



SL No.	Name of the Director	Status with the Bank	Name of the Firms /Companies in which they are interested as proprietor, partner, Director, Managing Agent, Guarantor, Employee etc.	Percentage (%) holding in the company	Remarks	
7	Mr. 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
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



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	
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
			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 31st meeting held on March 10, 2021 and was subsequently approved by the Board of Directors in its 114th meeting held on March 22, 2021.

2.39 Reporting Period

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

2.40 General

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



		Amount in Taka	
		2020	2019
3	Consolidated Cash in hand (Including foreign currencies)		
	Meghna Bank Limited (Note-3a)	593,875,342	637,067,358
	Meghna Bank Securities Ltd	6,874	9,668
		593,882,216	637,077,026
3a	Cash in hand (Including foreign currencies)		
	In local currency	590,748,088	634,787,114
	In foreign currencies	3,127,254	2,280,244
		593,875,342	637,067,358
4	Consolidated Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		
	Meghna Bank Limited (Note-4a)	3,008,286,920	2,547,920,596
	Meghna Bank Securities Ltd	-	-
		3,008,286,920	2,547,920,596
4a	Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		
	In local currency	2,945,988,446	2,352,466,940
	In foreign currencies	62,298,474	195,453,656
		3,008,286,920	2,547,920,596
	Balance with Sonali Bank Ltd as agent of Bangladesh Bank		
	In local currency	-	-
	In foreign currencies	-	-
		3,008,286,920	2,547,920,596
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
	CRR Surplus	1,520,602,208	307,272,529
4a.3	Statutory Liquidity Ratio (SLR): 13.00% of Average Total Demand and Time Liabilities		



		Amount in Taka	
		2020	2019
	Required Reserve	4,706,458,380	4,761,461,652
	Actual Reserve held	11,145,089,686	5,709,338,371
	SLR Surplus	6,438,631,306	947,876,719
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
		11,145,089,686	5,709,338,371
5	Consolidated Balance with Other Banks and Financial Institutions		
	In Bangladesh		
	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
		2,235,029,866	3,258,302,893
	Outside Bangladesh		
	Meghna Bank Limited (Note-5a)	305,850,426	268,036,840
	Meghna Bank Securities Ltd	-	-
		305,850,426	268,036,840
		2,540,880,292	3,526,339,733
5a	Balance with Other Banks and Financial Institutions		
	In Bangladesh (Note-5a.1)	2,215,897,652	3,244,943,711
	Outside Bangladesh (Note-5a.2)	305,850,426	268,036,840
		2,521,748,078	3,512,980,551
5a.1	In Bangladesh		
5a.1a	Current Account		
	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



		Amount in Taka	
		2020	2019
	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
		80,078,567	76,284,168
5a.1b	Special Notice Deposits		
	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
		49,782,070	93,947,043
5a.1c	FDR with Other Banks & Financial Institutions		
	FDR with Other Banks (Note-5a.1c.i)	300,000,000	300,000,000
	FDR with Financial Institutions (Note-5a.1c.ii)	1,786,037,015	2,774,712,500
		2,086,037,015	3,074,712,500
5a.1c.i	FDR with Other Banks		
	Padma Bank Limited	300,000,000	300,000,000
		300,000,000	300,000,000
5a.1c.ii	FDR with Financial Institutions		
	IDLC Finance Limited	750,000,000	750,000,000
	FAS Finance & Investment Ltd	52,500,000	50,000,000
	Meridian Finance and Investment Limited	-	100,000,000
	International Leasing Financial Service Limited	68,537,015	64,712,500
	Uttara Finance and Investment Ltd.	200,000,000	350,000,000
	GSP Finance Company (Bangladesh) Limited	315,000,000	300,000,000
	IPDC Finance Limited	400,000,000	400,000,000
	Lanka Bangla Finance Limited	-	760,000,000
		1,786,037,015	2,774,712,500
		2,215,897,652	3,244,943,711
5a.2	Outside Bangladesh (NOSTRO Account)		
	Current Account		
	AB Bank Ltd, Mumbai, ACU	34,701,108	23,554,048
	Mashreq Bank p.s.c. New York, USD	105,581,139	65,069,018
	Habib American Bank, New York. USD	50,733,793	40,370,362



	Amount in Taka	
	2020	2019
MCB Bank Limited, Karachi, Pakistan, ACU	8,896,725	640,503
BANCA Popolare Di Sondrio, Sondrio, Italy, EURO	14,107,902	1,281,139
Kookmin Bank, Seoul Korea, USD	6,747,222	5,946,714
Kookmin Bank, Seoul Korea, GBP	393,906	852,295
Kookmin Bank, Seoul Korea, CAD	471,616	-
National Bank of Pakistan, Tokyo, Japan., JPY	1,069,846	1,309,960
HDFC Bank Limited, Mumbai, India, ACU	12,224,289	3,107,742
Bank Al Jazira, KSA, SAR	4,236,415	4,230,520
AXIS Bank Ltd. Kolkata, India, ACU	45,829,000	117,793,311
BMCE Bank International, Madrid, Spain, EURO	1,017,336	1,167,982
BMCE Bank International, GBP	891,738	864,633
Bhutan National Bank, ACU	8,684,538	96,956
United Bank of India, Kolkata, ACU	10,263,853	1,684,076
Bank of New Zealand, NZD	-	67,581
	305,850,426	268,036,840

Currency wise Distribution:

Foreign Currency

	BDT	Composition
USD/ACU	283,661,667	92.75%
GBP	1,285,644	0.42%
EUR	15,125,238	4.95%
JYP	1,069,846	0.35%
SAR	4,236,415	1.39%
CAD	471,616	0.15%
NZD	-	0.00%
	305,850,426	100%

5a.3 In accordance with Bangladesh Bank Foreign Exchange Policy Department, Circular FEPD (DEMO/01/2005-677) dated 13 September 2005, the quarterly review of NOSTRO Accounts for the quarter ended 31 December 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.

	Amount in US\$					
	As per Bank's Book		As per Correspondents' Book			
	Debit entries	Credit entries	Debit entries	Credit entries		
	No. Amount	No. Amount	No. Amount	No. Amount		
Up to 3 months	- 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



		Amount in Taka	
		2020	2019
5a.4	Maturity-wise groupings of balance with other Banks and Financial Institutions		
	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	-	-
		2,521,748,078	3,512,980,551
6	Consolidated Money at Call and Short Notice		
	Meghna Bank Limited (Note-6a)	130,000,000	2,070,000,000
	Meghna Bank Securities Ltd	-	-
		130,000,000	2,070,000,000
6a	Money at Call and Short Notice		
	With Bank		
	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
		130,000,000	2,070,000,000
7	Consolidated Investment:		
	Government Securities		
	Meghna Bank Limited (Note-7a)	9,031,518,336	4,765,724,684
	Meghna Bank Securities Ltd	-	-
		9,031,518,336	4,765,724,684
	Other Investments		
	Meghna Bank Limited (Note-7b)	432,560,978	405,652,337
	Meghna Bank Securities Ltd	367,346,492	319,760,030
		799,907,470	725,412,367
		9,831,425,806	5,491,137,051
7a	Investment:		
	i) Investment Classified as per Bangladesh Bank Circular:		
	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
		9,464,079,314	5,171,377,021



		Amount in Taka	
		2020	2019
ii) Investment Classified as per Nature:			
a) Government Securities:			
1) Treasury Bills (HFT)			
91 Days Treasury Bills	-	-	-
182 Days Treasury Bills	-	-	-
364 Days Treasury Bills	-	-	-
	-	-	-
2) Government Bond (HTM & HFT)			
2,5,10,15 & 20 Years Bonds (Note-7a.2)	9,030,612,136	4,764,998,484	
Prize Bond in Hand	906,200	726,200	
	9,031,518,336	4,765,724,684	
Total (1+2)	9,031,518,336	4,765,724,684	
b) Other Investment			
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	
	432,560,978	405,652,337	
	9,464,079,314	5,171,377,021	
7a.1 Maturity-wise Grouping of Investment in Securities:			
On demand	-	35,000,000	
Not more than 3 months	906,200	726,200	
More than 3 months but less than 1 year	432,560,978	190,652,337	
More than 1 year but less than 5 years	1,662,059,681	931,080,718	
More than 5 years	7,368,552,455	4,013,917,766	
	9,464,079,314	5,171,377,021	
7a.2 Government Bond			
HTM			
2 Years Bangladesh Government Treasury Bonds	-	-	
5 Years Bangladesh Government Treasury Bonds	-	-	
10 Years Bangladesh Government Treasury Bonds	1,338,801,133	761,227,803	
15 Years Bangladesh Government Treasury Bonds	1,572,618,550	1,579,268,467	
20 Years Bangladesh Government Treasury Bonds	2,672,957,042	2,424,502,214	
HFT			
2 Years Bangladesh Government Treasury Bonds	10,356,620	-	
5 Years Bangladesh Government Treasury Bonds	663,387,180	-	
10 Years Bangladesh Government Treasury Bonds	-	-	
15 Years Bangladesh Government Treasury Bonds	-	-	
20 Years Bangladesh Government Treasury Bonds	2,772,491,611	-	
Total	9,030,612,136	4,764,998,484	



		Amount in Taka	
		2020	2019
7a.3	Investment in MAXCAP DPA-IDLC		
	Ordinary Share		
	Cash Balance	4,675	4,816
		4,675	4,816
7a.4	Investment in Shares at cost		
	Quoted		
	Advent Pharma Limited	-	34,570
	British American Tobacco Company Limited	2,188,692	-
	BSRM Steels Limited	6,926,260	6,926,260
	Beximco Pharmaceuticals Ltd.	-	1,059,413
	BRAC Bank Limited	9,439,310	4,088,550
	C and A Textiles Limited	2,620,440	2,620,440
	City Bank Limited	2,826,803	1,517,823
	Coppertech Industries Limited	-	47,410
	Crystal Insurance Company Limited	108,790	-
	Dhaka Bank Limited	717,860	717,860
	Genex Infosys Limited	-	52,330
	Heidelberg Cement Bangladesh Limited	9,291,098	9,291,098
	IDLC Finance Limited	4,055,156	3,070,734
	IFAD Autos Limited	1,927,117	1,927,117
	Intraco Refueling Station Limited	-	53,340
	Indo-Bangla Pharmaceuticals Limited	-	29,450
	Jamuna Oil Company Limited	14,073,833	14,073,833
	Kattali Textile Limited	-	100,640
	Lafarge Surma Cement Limited	10,279,614	10,279,614
	Meghna Petroleum Ltd.	3,045,459	3,045,459
	Mercantile Bank Limited	903,600	903,600
	MJL Bangladesh Limited	10,558,727	10,558,727
	M.L. Dyeing Limited	60,400	60,400
	New Line Clothings Limited	-	75,130
	Olympic Industries Limited	7,663,426	7,663,426
	RAK Ceramics (Bangladesh) Limited	3,034,604	3,034,604
	Robi Asiata Limited	2,712,540	-
	SS Steel Limited	-	67,460
	Silva Pharmaceuticals Limited	-	91,940
	Square Pharmaceuticals Limited	27,573,928	16,409,552
	Square Textile Limited	7,151,302	7,151,302



	Amount in Taka	
	2020	2019
Silco Pharmaceuticals Limited	-	72,930
Shinepukur Ceramics Limited	-	53,965
SK Trims and Industries Limited	-	100,820
Southeast Bank Limited	783,120	783,120
Titas Gas Transmission & Dist. Co. Limited	8,553,476	8,553,476
VFS Thread Dyeing Limited	-	70,380
United Commercial Bank Limited	16,060,748	16,060,748
Unquoted		
Star Ceramics Limited - Preference Share	-	35,000,000
Summit Gazipur II Power Limited - Preference Share	160,000,000	-
Confidence Power Bogra - Preference Share	100,000,000	200,000,000
	412,556,303	365,647,521

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

8 Consolidated Loans and Advances

Meghna Bank Limited (Note-8a)	35,782,145,799	34,196,996,809
Meghna Bank Securities Ltd	-	-
	35,782,145,799	34,196,996,809
Less: Inter Company Transaction	40,539,750	-
	35,741,606,049	34,196,996,809

Bills purchased and discounted

Meghna Bank Limited (Note-8a)	58,478,506	165,618,215
Meghna Bank Securities Ltd	-	-
	58,478,506	165,618,215
	35,800,084,555	34,362,615,024

8a Loans and Advances

i) Loans, Cash Credits, Overdraft, etc.

Inside Bangladesh

Cash Credit	5,026,012,615	5,206,652,174
Secured overdraft	657,356,693	2,993,583,274
General overdraft	5,790,176,113	4,558,142,421
Import finance	1,469,759,733	1,416,298,769
Other Demand Loans	10,566,793,477	9,038,357,164
Hire Purchase Finance	97,528	1,322,282
Demand Loan (Forced Loan)	101,637,304	101,637,304
Consortium/Syndicate Finance	197,319,482	257,328,833
House Building Loan	2,326,480,835	2,372,103,096
Credit Card A/C	249,982,358	262,772,404
General Term Loans	7,555,130,002	7,038,604,461



		Amount in Taka	
		2020	2019
	Agricultural and Rural Credit Scheme	1,445,922,465	614,545,482
	SME Loans and Advances	1,225,758	2,142,226
	Personal/Professionals Loan Scheme	394,251,436	333,506,919
		35,782,145,799	34,196,996,809
	Outside Bangladesh	-	-
		35,782,145,799	34,196,996,809
	ii) Bills purchased and discounted		
	Payable Inside Bangladesh		
	Inland bills purchased and discounted	39,708,723	165,618,215
	Payable outside Bangladesh		
	Foreign bills purchased and discounted	18,769,783	-
		58,478,506	165,618,215
		35,840,624,305	34,362,615,024
8a.1	Net Loans and Advances		
	Gross performing loans and advances	35,840,624,305	34,362,615,024
	Less:		
	Interest Suspense (Note-13a)	576,203,650	309,644,474
	Provision for loans and advances (Note-13a)	1,162,401,570	1,158,657,439
	Special General Provision - Covid-19 (Note-13a)	120,835,938	-
		1,859,441,158	1,468,301,913
		33,981,183,147	32,894,313,111
8a.2	Residual Maturity Grouping of Loans and Advances Including Bills Purchased and Discounted		
	Re-payable on Demand	-	-
	Not more than 3 months	10,918,224,063	10,827,201,877
	Over 3 months but not more than 1 year	11,499,627,638	11,859,558,299
	Over 1 year but not more than 5 years	10,631,340,880	8,725,894,376
	Over 5 years	2,791,431,724	2,949,960,472
		35,840,624,305	34,362,615,024
8a.3	Residual Maturity Grouping of Bills Purchased and Discounted		
	Re-payable:-		
	Within 1 month	1,555,881	21,574,124
	Over 1 month but less than 3 months	56,564,526	113,098,410
	Over 3 months but less than 6 months	358,099	30,945,681
	6 months or more	-	-
		58,478,506	165,618,215



		Amount in Taka	
		2020	2019
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	189,329,464	191,316,544
	(c) Advances to Customer Groups:		
	i) Commercial Lending	4,658,364,831	4,581,143,501
	ii) Export Financing	28,367,946	174,577,573
	ii) House Building Loan	2,207,899,698	2,223,699,864
	iii) Retail Loan	552,959,774	543,766,340
	iv) Small and Medium Enterprises	3,333,914,500	3,529,358,634
	vi) Special Program Loan	-	-
	v) Industrial Loans Details (Note-8a.4a)	18,500,914,104	15,387,749,719
	vi) Others Loan	5,005,298,761	4,398,213,709
	vii) Other Loans and Advances (SOD)	1,363,575,227	3,332,789,140
		35,651,294,841	34,171,298,480
		35,840,624,305	34,362,615,024
8a.4a	Details of Industrial Loans and Advances		
	i) Agricultural industries	1,749,246,582	2,082,741,949
	ii) Textile industries	528,312,635	568,048,890
	iii) Food and allied industries	829,941,955	723,011,016
	iv) Pharmaceutical industries	783,420,277	729,696,957
	v) Leather, Chemical, Cosmetics etc	180,741,413	364,186,029
	iv) Tobacco industries	704,745,336	788,862,949
	v) Cement and Ceramic industries	504,139,745	59,155,416
	vi) Service industries	3,123,988,413	3,075,307,449
	vii) Transport and Communication Industries	356,620,135	324,222,769
	viii) Other industries including bills purchased and discounted	9,739,757,613	6,672,516,295
		18,500,914,104	15,387,749,719
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
		35,840,624,305	34,362,615,024



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%
Sub-total	35,840,624,305	100.00%	34,362,615,024	100.00%
ii) Outside Bangladesh	-	-	-	-
Total	35,840,624,305	100.00%	34,362,615,024	100.00%

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%
Total	35,840,624,305	100.00%	34,362,615,024	100.00%

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
a) Unclassified				
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	
a) Classified				
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	
Total	35,840,624,305	100.00%	34,362,615,024	100.00%



			Amount in Taka	
			2020	2019
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



	Amount in Taka	
	2020	2019
8a.12 Particulars of Loans and Advances:		
(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.	35,840,624,305	34,362,615,024
(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
	737,568,679	722,504,266
Accumulated Depreciation:		
Meghna Bank Limited (Note-9a)	512,160,060	437,578,906
Meghna Bank Securities Ltd	4,681,754	3,982,343
	516,841,814	441,561,249
Carrying value	220,726,865	280,943,017



		Amount in Taka	
		2020	2019
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	730,736,123	716,368,588
	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	512,160,060	437,578,906
	Carrying value	218,576,063	278,789,682
	A schedule of fixed assets is given in Annexure-B		
10	Consolidated Other Assets		
	Meghna Bank Limited (Note-10a)	1,093,923,705	766,177,064
	Meghna Bank Securities Ltd	29,611,993	19,499,844
		1,123,535,698	785,676,908
	Less: Inter Company Transaction	351,812,029	350,557,688
		771,723,669	435,119,220
10a	Other Assets		
	Stock of Stationery, Stamps and Printing Materials etc. (valued at cost)	6,810,139	5,822,946
	Advance Rent	169,703,521	199,993,947
	Suspense Account (Note-10a.1)	73,110,453	84,204,433
	Interest receivable (Note-10a.2)	419,121,309	84,196,404
	Security Deposit	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 (Note-10a.3)	349,999,900	349,999,900
	Deferred Tax Assets (Note-10a.4)	51,930,976	-
	BEFTN Adjustment Account	217,208	89,744
	S/D RFA SEBL - Western Union	618,719	1,564,108
	Clearing Adjustment A/C	6,000	-
	Interest on Investment Bond- Customer	2,622,002	92,351
	Chargeback Account for VISA Cards	64,602	66,449
	Accrued Income on Shares	10,544,975	10,864,467
		1,093,923,705	766,177,064



		Amount in Taka	
		2020	2019
10a.1	Suspense Account:		
	Sundry Debtors	39,623,935	25,569,648
	Advance against TA/DA	168,675	30,000
	Advance against Petty Cash	35,000	35,000
	Advance Against Suits/ Cases for NPL A/C	1,941,855	1,090,991
	Encashment of Sanchaypatra	21,300,000	49,587,957
	Advance Against Salary	5,000	40,000
	Settlement A/C for Credit Card Fund Transfer Through I-Banking	516,038	-
	Premature Encashment of Sanchaypatra	9,519,950	7,850,837
		73,110,453	84,204,433

The detail breakup of unadjusted suspense accounts are given below:

Amount in Taka

SI	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	-	-
	Grand Total	34,192,401	9,493,843	994,568	2,173,452	26,256,189

10a.2	Interest Receivable:		
	Receivable from Other Banks and NBFIs	14,763,983	16,203,958
	Accrued Income on SND	82,000	224,000
	Accrued Income on Call Loan	7,222	572,222
	Accrued Interest on Loans & Advances	289,202,270	-
	Accrued Income on Bonds & Commercial Paper	115,065,834	67,196,224
		419,121,309	84,196,404

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)	51,930,976	-
	Balance at the end of the year	51,930,976	-



		Amount in Taka	
		2020	2019
Deferred Tax on Fixed Assets			
	Carrying Amount	190,151,458	-
	Tax Base	319,978,897	-
	Deductible Temporary Difference	129,827,439	-
	Effective Tax Rate	40.00%	37.50%
Deferred Tax Assets		51,930,976	-
10a.4.i	Deferred Tax Income		
	Closing Balance of Deferred Tax Assets	51,930,976	-
	Opening Balance of Deferred Tax Assets	-	-
	Deferred Tax Income	51,930,976	-
10a.5	Non-Income Generating Other Assets:		
	Stock of Stationery, Stamps and Printing Materials etc. (valued at cost)	6,810,139	5,822,946
	Advance Rent	169,703,521	199,993,947
	Suspense Account (Note-10a.1)	73,110,453	84,204,433
	Interest receivable (Note-10a.2)	419,121,309	84,196,404
	Security Deposit	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
	Deferred Tax Assets (Note-10a.4)	51,930,976	-
	BEFTN Adjustment Account	217,208	89,744
	S/D RFA SEBL - Western Union	618,719	1,564,108
	Clearing Adjustment A/C	6,000	-
	Interest on Investment Bond- Customer	2,622,002	92,351
	Chargeback Account for VISA Cards	64,602	66,449
	Accrued Income on Shares	10,544,975	10,864,467
		743,923,805	416,177,164
11	Consolidated Borrowings from other Banks & Financial Institutions and Agents		
	Meghna Bank Limited (Note-11a)	558,616,000	324,256
	Meghna Bank Securities Ltd	-	-
		558,616,000	324,256
11a	Borrowings from other Banks & Financial Institutions and Agents		
	In Bangladesh (Note-11a.1)	558,616,000	324,256
	Outside Bangladesh	-	-
		558,616,000	324,256



		Amount in Taka	
		2020	2019
11a.1	In Bangladesh		
	Refinance from Bangladesh Bank	558,616,000	324,256
	Sonali Bank Limited	-	-
		558,616,000	324,256
11a.2	Security against Borrowings from other Banks & Financial Institutions and Agents		
	Secured	-	-
	Unsecured	558,616,000	324,256
		558,616,000	324,256
11a.3	Maturity grouping of Borrowings from other Banks & Financial Institutions and Agents		
	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	-	-
		558,616,000	324,256
12	Consolidated Deposits and Other Accounts		
	Current Deposit & Other Accounts:		
	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	-	-
		3,382,687,908	3,975,363,378
	Bills Payable:		
	Meghna Bank Limited (Note-12a)	298,059,470	431,631,087
	Meghna Bank Securities Ltd	-	-
		298,059,470	431,631,087
	Savings Bank Deposits:		
	Meghna Bank Limited (Note-12a)	2,845,203,073	2,165,812,724
	Meghna Bank Securities Ltd	-	-
		2,845,203,073	2,165,812,724
	Fixed Deposits:		
	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
		36,789,061,390	34,511,531,968
		43,315,011,841	41,084,339,157



		Amount in Taka	
		2020	2019
12a	Deposits and Other Accounts		
	1) Deposits from banks	3,693,042,790	2,305,550,377
	2) Deposits from customers	39,637,084,558	38,798,529,692
		43,330,127,348	41,104,080,069
	1) Deposits from banks		
	i) Current Deposit & Other Accounts		
	Current Deposit	-	-
	Foreign Currency Deposits	-	-
	Sundry Deposits [Note Y]	3,042,790	3,170,900
		3,042,790	3,170,900
	ii) Bills Payable:		
	Payable inside Bangladesh	-	-
	Payable outside Bangladesh	-	-
		-	-
		-	-
	iii) Savings Bank Deposits:		
	Savings Deposits	-	-
		-	-
	iv) Fixed Deposits:		
	Fixed Deposits	3,690,000,000	2,302,225,000
	Short Notice Deposits	-	154,477
	Scheme Deposit [Note-X]	-	-
		3,690,000,000	2,302,379,477
		3,693,042,790	2,305,550,377
	2) Deposits from customer		
	i) Current Deposit & Other Accounts:		
	Current Deposit	2,444,818,334	3,238,925,865
	Foreign Currency Deposits	13,195,175	13,912,223
	Sundry Deposits [Note Y]	921,631,609	719,354,390
		3,379,645,118	3,972,192,478
	ii) Bills Payable:		
	Payable inside Bangladesh		
	Payment Order Issued	297,750,798	431,322,051
	Payable outside Bangladesh	297,750,798	431,322,051
		308,672	309,036
		308,672	309,036
		298,059,470	431,631,087



		Amount in Taka	
		2020	2019
iii) Savings Bank Deposits:			
	Savings Deposits	2,845,203,073	2,165,812,724
		2,845,203,073	2,165,812,724
iv) Fixed Deposits:			
	Fixed Deposits	22,831,650,174	23,395,451,326
	Short Notice Deposits	3,928,961,341	3,219,990,966
	Scheme Deposit [Note-X]	6,353,565,382	5,613,451,111
		33,114,176,897	32,228,893,403
		39,637,084,558	38,798,529,692
X	Scheme Deposits:		
	Deposit Pension Scheme	2,848,993,922	2,459,357,732
	Meghna Child Education Plan	47,696,886	42,248,944
	Monthly Income Scheme Deposit	2,187,412,948	1,757,893,750
	Meghna Multiplier Scheme	1,269,461,626	1,353,950,685
		6,353,565,382	5,613,451,111
12a.1	Deposits and Other Accounts:		
	Current Deposit & Other Accounts:		
	a) Deposits from banks	3,042,790	3,170,900
	b) Deposits from customers	3,379,645,118	3,972,192,478
		3,382,687,908	3,975,363,378
	Bills Payable		
	a) Deposits from banks	-	-
	b) Deposits from customers	298,059,470	431,631,087
		298,059,470	431,631,087
	Savings Bank Deposits:		
	a) Deposits from banks	-	-
	b) Deposits from customers	2,845,203,073	2,165,812,724
		2,845,203,073	2,165,812,724
	Fixed Deposits:		
	a) Deposits from banks	3,690,000,000	2,302,379,477
	b) Deposits from customers	33,114,176,897	32,228,893,403
		36,804,176,897	34,531,272,880
Y.	Sundry Deposits		
	Margin on letter of guarantee	374,669,675	238,117,105
	Margin on letter of credit	157,368,375	196,198,861
	VAT/Tax/Excise duty payable to Government Authority	149,745,729	134,267,547
	Others	242,890,620	153,941,777
		924,674,399	722,525,290



		Amount in Taka	
		2020	2019
12a.2	Maturity wise classification of Deposits are as under with a residual maturity of:		
	Repayable on demand	1,045,491,179	657,280,719
	Within 1 month	5,006,866,433	5,674,128,861
	Over 1 month but not more than 6 months	13,726,339,368	23,125,050,700
	Over 6 months but not more than 1 year	6,536,961,883	6,611,790,200
	Over 1 year but not more than 5 years	12,259,333,289	3,759,873,046
	Over 5 years	4,755,135,196	1,275,956,543
		43,330,127,348	41,104,080,069
13	Consolidated Other Liabilities		
	Meghna Bank Limited (Note-13a)	2,984,905,636	2,850,420,270
	Meghna Bank Securities Ltd	68,360,373	19,034,502
		3,053,266,009	2,869,454,772
	Less: Inter Company Transaction	42,351,879	557,788
		3,010,914,130	2,868,896,984
13a	Other Liabilities		
	Interest Payable on Deposits & Borrowings	450,023,298	642,338,310
	Provision for Loans and Advances {Note-13a.1 (a) & (b)}	1,162,450,000	1,159,600,000
	Special General Provision-COVID-19	120,835,938	-
	Provision for Off-Balance Sheet items {Note-13a.1 (c)}	49,250,000	42,500,000
	Provision for other Assets {Note-13a.1 (d)}	37,385,000	37,400,000
	Provision for Investment in Securities {Note-13a.1 (e)}	37,700,000	53,605,000
	Non-Resident Accounts	2,756,000	2,759,250
	Interest Suspense A/C {Note-13a.1 (f)}	576,203,650	309,644,474
	Settlement with NPSB	50,445	50,445
	Provision for Taxation (Note-13a.2)	339,516,765	438,017,548
	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 General Account	38,649	221,006
	MGBL MFS Payable Accounts	1,623,755	3,176,914
	Adjusting Account Credit	158,857,230	129,477,393
		2,984,905,636	2,850,420,270



		Amount in Taka	
		2020	2019
13a.1	Provision for Loans and Advances:		
	(a) Provision on Classified Loans and Advances:		
	Provision held at the beginning of the year	864,650,000	609,600,000
	Less: Fully provided debt written off	-	-
	Add: Recoveries of amounts previously written off	-	-
	Add: Specific Provision made/(released) during the year	(20,400,000)	255,050,000
	Provision held at the end of the year	844,250,000	864,650,000
	(b) General Provision on Unclassified Loans and Advances		
	Provision held at the beginning of the year	294,950,000	253,900,000
	Provision transferred to provision on Classified Loans and Advances	-	-
	Provision made/ (released) during the year	23,250,000	41,050,000
	Balance at the end of the year	318,200,000	294,950,000
	Total Provision for Loans and Advances (a+b)	1,162,450,000	1,159,600,000
	(c) General Provision on Off-Balance Sheet items:		
	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)
	Balance at the end of the year	49,250,000	42,500,000
	(d) Provision for other Assets:		
	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
	Balance at the end of the year	37,385,000	37,400,000
	(e) Provision for Investment in Securities:		
	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
	Balance at the end of the year	37,700,000	53,605,000
	(f) Interest Suspense Account:		
	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	-	-
	Balance at the end of the year	576,203,650	309,644,474
13.2	Consolidated Provision for Taxation		
	<u>Provision for Current tax</u>		
	Meghna Bank Limited (Note-13a.2)	440,748,707	592,557,108
	Meghna Bank Securities Ltd	7,945,643	6,676,782
		448,694,350	599,233,890



		Amount in Taka	
		2020	2019
Advance tax			
	Meghna Bank Limited (Note-13a.2)	101,231,942	154,539,560
	Meghna Bank Securities Ltd	11,774,656	9,121,578
		113,006,598	163,661,138
	Balance at the end of the year	335,687,752	435,572,752
13a.2	Provision for Taxation		
	Provision for Current tax		
	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: Provision made during the year	170,000,000	370,000,000
		440,748,707	592,557,108
Advance tax			
	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
		101,231,942	154,539,560
	Balance at the end of the year	339,516,765	438,017,548
14a	Capital		
14a.1	Authorized Capital:		
	200,00,00,000 ordinary shares of Tk. 10 each	20,000,000,000	20,000,000,000
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	4,698,980,000	4,698,980,000
	Issued for cash: shares of Tk. 10 each	4,433,000,000	4,433,000,000
	Issued other than cash: bonus shares of Tk. 10. each	265,980,000	265,980,000
		4,698,980,000	4,698,980,000
		Holding	
	Sponsor Shareholders Group-A	100%	
		4,698,980,000	4,698,980,000
		4,698,980,000	4,698,980,000
14.3	Consolidated Capital Adequacy:		
	Position of capital adequacy are given below:-		
	a) Core Capital (Tier -I):		
	i) Paid-up Capital (Note-14a.2)	4,698,980,000	4,698,980,000
	ii) Statutory Reserve (Note-15)	765,650,891	641,806,839
	iii) Retained Earnings (Note-17)	443,085,813	56,263,593
	iv) Non-Controlling Interest (Note-18)	104	102
	v) Adjustment of Goodwill and all other Intangible Assets	(6,598,975)	(7,452,068)
		5,901,117,833	5,389,598,466



	Amount in Taka	
	2020	2019
b) Supplementary Capital (Tier-II):		
i) General Provision {Note 13a}	488,285,938	337,450,000
ii) Revaluation of Securities	-	-
	488,285,938	337,450,000
c) Total Capital (a +b)	6,389,403,771	5,727,048,466
d) Total Risk Weighted Assets (Note-14.4)	36,666,398,492	32,075,193,996
e) Required Capital	4,583,299,811	4,009,399,250
f) Total Capital Surplus (c-e)	1,806,103,959	1,717,649,216

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%
Total	12.50%	17.42%	12.50%	17.85%

14.4 Consolidated 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	675,380,335	590,275,950
3. Operational Risk	2,981,489,225	2,808,022,961
Total Consolidated Risk Weighted Assets (1+2+3)	36,666,398,492	32,075,193,996

14a.5 Capital Adequacy:

Position of capital adequacy are given below:-

a) Core Capital (Tier -I):

i) Paid-up Capital (Note-14a.2)	4,698,980,000	4,698,980,000
ii) Statutory Reserve (Note-15)	765,650,891	641,806,839
iii) Retained Earnings (Note-17a)	428,082,308	50,775,126
iv) Adjustment of Goodwill and all other Intangible Assets	(6,571,172)	(7,376,935)
	5,886,142,027	5,384,185,030

b) Supplementary Capital (Tier-II):

i) General Provision {Note 13a}	488,285,938	337,450,000
ii) Revaluation of Securities	-	-
	488,285,938	337,450,000
c) Total Capital (a +b)	6,374,427,965	5,721,635,030
d) Total Risk Weighted Assets (Note-14a.6)	36,575,866,813	31,988,691,316
e) Required Capital	4,571,983,352	4,000,000,000
f) Total Capital Surplus (c-e)	1,802,444,613	1,721,635,030



	Amount in Taka	
	2020	2019

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%	16.83%
Supplementary Capital		1.33%		1.06%
Total	12.50%	17.42%	12.50%	17.89%

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
Total Risk Weighted Assets (1+2+3)	36,575,866,813	31,988,691,316

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
	765,650,891	641,806,839

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	-
	104,751,544	540,736

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
	367,841	540,736

16.2 HFT Securities

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

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
	443,085,813	56,263,593



		Amount in Taka	
		2020	2019
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
		386,822,219	36,386,479
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
		428,082,308	50,775,126
	Consolidated Retained Earnings brought forward from previous year		
	Balance of 01 January	56,263,593	19,877,114
	Dividend paid	-	-
		56,263,593	19,877,114
	Retained Earnings brought forward from previous year		
	Balance of 01 January	50,775,126	17,149,667
	Dividend paid	-	-
	Balance at 31 December	50,775,126	17,149,667
18	Non-Controlling Interest		
	Share Capital	100	100
	Retained Earnings	4	2
		104	102
19	Acceptance and Endorsements		
	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
		196,239,172	731,624,552
	Less: Margin	-	-
		196,239,172	731,624,552
20	Letters of Guarantees		
	Letters of Guarantee	3,306,789,418	2,774,560,665
	Less: Margin {Note-12.a(i) Y}	374,669,675	238,117,105
		2,932,119,743	2,536,443,560



		Amount in Taka	
		2020	2019
	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
		3,306,789,418	2,774,560,665
	Less: Margin {Note-12.a(i) Y}	374,669,675	238,117,105
		2,932,119,743	2,536,443,560
21	Irrevocable Letters of Credit		
	Letters of credit	1,418,051,665	738,189,924
	Less: Margin {Note-12.a(i) Y}	157,368,375	196,198,861
		1,260,683,290	541,991,063
22	Consolidated Profit & Loss Account		
	Income:		
	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	-	-
		4,470,949,539	4,845,169,616
	Expenses:		
	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
		3,729,659,513	4,014,804,036
	Income over expenditure	741,290,026	830,365,580



		Amount in Taka	
		2020	2019
22a	Profit & Loss Account of the Bank		
	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	-	-
		4,451,628,272	4,828,536,584
	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
		3,717,892,076	4,004,699,760
	Income over expenditure	733,736,196	823,836,824
23	Consolidated Interest Income:		
	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
		3,212,801,102	4,266,718,694
23a	Interest Income:		
	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
		3,210,144,344	4,263,880,353
23a.1	Interest on Loans and Advances:		
	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	-



		Amount in Taka	
		2020	2019
	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
		2,938,151,451	3,902,139,941
24	Consolidated Interest Paid on Deposits, Borrowing, etc:		
	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
		2,594,947,558	2,799,392,304
24a	Interest Paid on Deposits, Borrowing, etc:		
	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
		2,595,988,252	2,800,997,745
25	Consolidated Investment Income:		
	Meghna Bank Ltd (Note-25a)	1,045,650,846	341,743,908
	Meghna Bank Securities Ltd	7,321,171	6,787,739
		1,052,972,017	348,531,647



		Amount in Taka	
		2020	2019
25a	Investment Income:		
	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
		1,045,650,846	341,743,908
26	Consolidated Commission, Exchange & Brokerage:		
	Meghna Bank Ltd (Note-26a)	114,186,771	145,079,223
	Meghna Bank Securities Ltd	12,780,675	10,804,624
		126,967,446	155,883,847
26a	Commission, Exchange & Brokerage:		
	Income from Commission	59,264,767	73,105,467
	Exchange earnings	54,922,004	71,973,756
		114,186,771	145,079,223
27	Consolidated Other Operating Income:		
	Meghna Bank Ltd (Note-27a)	81,646,311	77,833,100
	Meghna Bank Securities Ltd	565,639	1,149,304
		82,211,950	78,982,404
	Less: Inter Company Transaction	4,002,976	4,946,976
		78,208,974	74,035,428
27a	Other Operating Income:		
	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
		81,646,311	77,833,100
27a.1	Other Charges		
	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
		9,015,765	11,223,137



		Amount in Taka	
		2020	2019
28	Consolidated Salary & Allowances:		
	Meghna Bank Ltd (Note-28a)	533,252,515	597,651,661
	Meghna Bank Securities Ltd	7,023,947	6,707,454
		540,276,462	604,359,115
28a	Salary & Allowances:		
	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
		533,252,515	597,651,661
29	Consolidated Rent, Taxes, Insurance, Electricity etc.:		
	Meghna Bank Ltd (Note-29a)	239,135,712	251,836,296
	Meghna Bank Securities Ltd	5,184,507	6,017,597
		244,320,219	257,853,893
	Less: Inter Company Transaction	4,002,976	4,946,976
		240,317,243	252,906,917
29a	Rent, Taxes, Insurance, Electricity etc.:		
	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
		239,135,712	251,836,296
30	Consolidated Legal Expenses:		
	Meghna Bank Ltd (Note-30a)	609,905	958,630
	Meghna Bank Securities Ltd	-	-
		609,905	958,630
30a	Legal Expenses:		
	Legal Fees	2,500	264,500
	Legal Charges	607,405	694,130
		609,905	958,630
31	Consolidated Postage, Stamps, Telecommunication etc:		
	Meghna Bank Ltd (Note-31a)	20,674,655	19,571,595
	Meghna Bank Securities Ltd	90,216	71,916
		20,764,871	19,643,511



		Amount in Taka	
		2020	2019
31a	Postage, Stamps, Telecommunication etc:		
	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
		20,674,655	19,571,595
32	Consolidated Stationery, Printing & Advertisements etc:		
	Meghna Bank Ltd (Note-32a)	13,189,764	14,022,104
	Meghna Bank Securities Ltd	97,890	90,207
		13,287,654	14,112,311
32a	Stationery, Printing & Advertisements etc:		
	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
		13,189,764	14,022,104
33	Chief Executive's Salary & Fees:		
	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	-
		17,130,135	15,365,090
34	Consolidated Directors' Fees:		
	Meghna Bank Ltd (Note-34a)	1,440,000	1,904,000
	Meghna Bank Securities Ltd	48,000	8,000
		1,488,000	1,912,000
34a	Directors' Fees:		
	Directors Fees	1,440,000	1,904,000
	Other Benefits	-	-
		1,440,000	1,904,000

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.



		Amount in Taka	
		2020	2019
35	Consolidated auditor's Fees:		
	Meghna Bank Ltd (Note-35a)	350,000	425,000
	Meghna Bank Securities Ltd	45,000	30,000
		395,000	455,000
35a	Auditor's Fees:		
	Auditor's Fees	350,000	425,000
		350,000	425,000
36	Consolidated Depreciation, Amortization and Repair on Bank's Assets:		
	Meghna Bank Ltd (Note-36a)	90,962,242	99,067,786
	Meghna Bank Securities Ltd	724,181	1,018,459
		91,686,423	100,086,245
36a	Depreciation, Amortization and Repair on Bank's Assets:		
	a) Depreciation on Bank's Assets (Annexure-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
		83,257,091	87,211,304
	b) Amortization		
	Software	3,403,163	6,136,224
	c) Repair on Bank's Assets:		
	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
		4,301,988	5,720,258
		90,962,242	99,067,786
37	Consolidated Other Expenses:		
	Meghna Bank Ltd (Note-37a)	205,158,896	202,899,853
	Meghna Bank Securities Ltd	3,597,366	2,713,060
		208,756,262	205,612,913



		Amount in Taka	
		2020	2019
37a	Other Expenses:		
	Gas Bills	1,990	990
	Wasa Bill	1,074,850	795,126
	Drinking water Expenses	485,690	636,664
	Car Expenses	56,312,453	60,223,758
	Software Maintenance Expenses	22,826,792	14,079,161
	Entertainment	4,773,578	7,263,006
	Training, Seminar, Workshop Expenses	180,958	749,875
	Travelling and Conveyance	5,190,894	7,780,337
	Subscription	2,060,888	3,133,630
	Corporate Social Responsibility	19,386,235	10,784,500
	Office Maintenance	2,328,968	2,046,932
	Bank Charges	3,800,942	3,650,562
	NPSB Charges	625,193	559,425
	Charges From VISA	3,787,290	3,634,329
	Credit Card CIB Charge	122,260	252,670
	NID Verification Charges	621,005	510,109
	Card Maintenance Expenses, ETC	6,446,794	3,852,310
	Board and EC Meeting Expenses	721,789	1,116,769
	Professional & Consultancy Fees	3,097,968	1,732,048
	Business development & Promotion	6,553,955	8,416,252
	Cash Carrying Charges	1,835,457	2,369,476
	Leverage and Uniform	550,982	463,136
	Washing & Cleaning	1,146,592	4,215,885
	Leave Fare Assistance	40,613,386	40,886,405
	Security Service-Outsourcing	19,670,672	22,350,177
	Crockerries Expenses	80,283	239,525
	Newspaper & Magazine Expenses (Office)	240,797	372,716
	Branch Inauguration Expenses	61,036	-
	AGM Expenses	127,533	426,982
	Miscellaneous Expenses	431,666	357,098
		205,158,896	202,899,853
38	Consolidated Provision for Loans, Investments, Off-Balance Sheet & Others Assets		
	Meghna Bank Ltd (Note-38a)	(114,515,938)	(319,305,000)
	Meghna Bank Securities Ltd	3,261,211	(2,517,736)
		(111,254,727)	(321,822,736)



		Amount in Taka	
		2020	2019
38a	Provision for Loans, Investments, Off-Balance Sheet & Others Assets		
	Provision for Unclassified Loans and Advances	(23,250,000)	(41,050,000)
	Provision for Classified Loans and Advances	20,400,000	(255,050,000)
	Provision for Off-Balance Sheet Exposure	(6,750,000)	13,700,000
	Special General Provision - Covid-19	(120,835,938)	-
	Provisions for Diminution in Value of Investments	15,905,000	(25,005,000)
	Provision for Other Assets	15,000	(11,900,000)
		(114,515,938)	(319,305,000)
39	Consolidated Earning Per Share (EPS)		
	Net Profit after Tax	510,666,272	137,292,843
	Number of Ordinary Shares outstanding (Denominator)	469,898,000	469,898,000
		1.09	0.29
39a	Earning Per Share (EPS)		
	Net Profit after Tax	501,151,234	134,531,824
	Number of Ordinary Shares outstanding (Denominator)	469,898,000	469,898,000
		1.07	0.29
Earning per share has been calculated in accordance with IAS - 33: "Earnings Per Share (EPS)".			
40	Consolidated Interest Receipts in Cash		
	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
		3,378,870,540	4,594,626,383
40a	Interest Receipts in Cash		
	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
		3,376,213,782	4,591,788,042
41	Consolidated Interest Payments		
	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
		2,787,262,570	2,657,174,854



		Amount in Taka	
		2020	2019
41a	Interest Payments		
	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
		2,788,303,264	2,658,780,295
42	Consolidated Cash Receipts from other Operating activities		
	Meghna Bank Ltd (Note-42a)	596,977,940	77,924,155
	Meghna Bank Securities Ltd	5,571,867	1,934,536
		602,549,807	79,858,691
42a	Cash Receipts from other Operating activities		
	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
		596,977,940	77,924,155
43	Consolidated Cash Payments for other Operating activities		
	Meghna Bank Ltd (Note-43a)	471,671,156	483,315,632
	Meghna Bank Securities Ltd	8,989,859	8,852,112
		480,661,015	492,167,744
43a	Cash Payments for other Operating activities		
	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
		471,671,156	483,315,632
44	Consolidated Cash Increase/ Decrease in Other Assets		
	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
		290,126,409	340,058,349
	Consolidated Cash (Increase)/ Decrease in Other Assets	49,931,940	(42,606,010)



		Amount in Taka	
		2020	2019
44a	Cash Increase/ Decrease in Other Assets		
	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
		612,326,445	671,116,193
	Cash (Increase)/ Decrease in Other Assets	58,789,748	(21,782,389)
45	Consolidated Cash Increase/ Decrease in Other Liabilities		
	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
		817,582,141	494,619,711
	Cash Increase/ (Decrease) in Other Liabilities	322,962,430	97,537,420
45a	Cash Increase/ Decrease in Other Liabilities		
	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
		787,744,635	476,959,412
	Consolidated Cash Increase/ (Decrease) in Other Liabilities	310,785,223	142,503,655



		Amount in Taka	
		2020	2019
46	Consolidated Cash and Cash Equivalent		
	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
		6,273,955,628	8,782,063,555
46a	Cash and Cash Equivalent		
	Cash in Hand	593,875,342	637,067,358
	Balance with Bangladesh Bank & Sonali Bank Ltd (as agent of Bangladesh Bank)	3,008,286,920	2,547,920,596
	Balance with Other Banks & Financial Institutions	2,521,748,078	3,512,980,551
	Money at Call and Short Notice	130,000,000	2,070,000,000
	Prize Bond in Hand	906,200	726,200
		6,254,816,540	8,768,694,705
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



MEGHNA BANK LIMITED

INVESTMENT IN SHARES - QUOTED & UNQUOTED

AS AT DECEMBER 31, 2020

Annexure-A

SI 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)
Quoted:						
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)
Unquoted: Preference Share						
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	-
Total				374,881,027	412,556,303	(37,675,276)

Taka

Provision requirement

37,675,276

Provision maintained as on December 31, 2020.

37,700,000

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

24,724



MEGHNA BANK LIMITED

SCHEDULE OF FIXED ASSETS

AS AT DECEMBER 31, 2020

Annexure-B

Particulars	C O S T				Rate of Depreciation	D E P R E C I A T I O N				WDV as on December 31, 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		Balance as on January 1, 2020	Transfer/ Adjustment during the year	Charge for the year	Balance as on December 31, 2020		
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
Total (A)	641,198,624	24,520,478	12,750,343	652,968,759		369,785,877	12,079,100	83,257,091	440,963,868	212,004,891	271,412,747
Particulars	C O S T				Rate of Amortization	A M O R T I Z A T I O N				WDV as on December 31, 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		Balance as on January 1, 2020	Transfer/ Adjustment during the year	Charge for the year	Balance as on December 31, 2020		
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
Total (B)	75,169,964	2,597,400	-	77,767,364		67,793,029	-	3,403,163	71,196,192	6,571,172	7,376,935
Total (A + B)	716,368,588	27,117,878	12,750,343	730,736,123		437,578,906	12,079,100	86,660,254	512,160,060	218,576,063	278,789,682





MEGHNA BANK LIMITED

BALANCE WITH OTHER BANKS-OUTSIDE BANGLADESH (NOSTRO ACCOUNT)

AS AT DECEMBER 31, 2020

Annexure-C

SL No.	Name of the Banks	Currency Name	2020			2019		
			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
Total					305,850,426			268,036,840





MEGHNA BANK LIMITED

DETAILS INFORMATION OF LOANS AND ADVANCES MORE THAN 10% OF BANK'S TOTAL CAPITAL (FUNDED & NON-FUNDED)

AS AT DECEMBER 31, 2020

Annexure-D
(Tk. In Crore)

SL. No.	Name of client	Outstanding		% of Loans to Total Capital			
		Funded	Non-funded	Funded	Non-funded		
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%
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	IAZ 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%
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%
Total		1,306.76	238.86	1,545.62			

Bank's total Capital as on 31 December 2020 is Tk. 637.44 Crore



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





FINANCIAL STATEMENTS

MEGHNA BANK SECURITIES LIMITED

DSE Tower, Level - 09, Nikunja - 02, Dhaka - 1229

For the year ended 31 December 2020

BOARD OF MEGHNA BANK SECURITIES



REPORT OF THE DIRECTORS

Dear Shareholders,

Assaalmu Alaikum Wa Rahmatullah

On behalf of the Board of Directors, I welcome you all to the 6th Annual General Meeting of Meghna Bank Securities Limited. We have the pleasure to place herewith the Directors' Report and the Auditors' Report together with the Audited Financial Statements of the Company for the year ended 31st December, 2020.

Short Profile of the Company:

Meghna Bank Securities Limited (MGBSL), the only subsidiary company of Meghna Bank Limited; engaged as stock brokerage business in Bangladesh Capital Market. MGBSL was incorporated in Bangladesh on February 18, 2015 under the Companies Act, 1994 as a private Company vide Registration No. C-121270/15. The Registered Office of the company is located at Suvastu Imam Square, 65 Gulshan Avenue C/A, Gulshan-1, Dhaka. The Company obtained permission from Bangladesh Securities and Exchange Commission on September 16, 2015 to operate as a full-fledged Stock-Broker and Stock-Dealer bearing Registration No. Reg-3.1/DSE-124/2015/537 and Reg-3.1/DSE-124/2015/536 respectively and started commercial operation on November 19, 2015 having 3 outlets across the Dhaka City with a paid up capital of Tk. 35.00 crore. Bangladesh Capital Market faced a mixed trend throughout the year in 2020 whereas it was in bearish trend in 2019. Total Market capitalization of Dhaka Stock Exchange stood at Tk. 448,230 crore on as on December 31, 2020 from Tk 339,551 crore on as on December 31, 2019 representing a growth of 32.01%.

After commencement of operation, MGBSL has achieved significant growth in its business and profitability within short span of time. Total revenue of MGBSL stood at Tk. 2.30 crore in December, 2020 which was Tk. 2.20 crore in December, 2019, representing a growth of 4.55%. Number of total client reached at 1,422 in 2020, which was 1,358 in the previous year, representing a growth of 4.71% and client's equity stood at Tk. 142.65 crore at the end of 2020 which was Tk. 124.91 crore in December 2019 representing a growth of 14.20%.

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

Board of Directors:

Board of Directors as on 31.12.2020

Sl. No.	Name of the Directors	Designation	Remarks
1.	Mr. H.N. Ashequr Rahman, MP	Chairman	Representative of the Board of Meghna Bank Ltd.
2.	Mr. Md. Kamal Uddin	Director	Representative of the Board of Meghna Bank Ltd.
3.	Mr. Tanveer Ahmed	Director	Representative of the Board of Meghna Bank Ltd.
4.	Mr. SM Jahangir Alam Manik	Director	Representative of the Board of Meghna Bank Ltd.
5.	Mr. Sohail R.K. Hussain	Director	Representative of the Board of Meghna Bank Ltd.
6.	Mr. Kazi Azizur Rahman	Director	Representative of Meghna Bank Ltd.
7.	Mr. Kimiwa Saddat	Director	Representative of Meghna Bank Ltd.
8.	Mr. IQM Abdul Jalil	Director	Representative of Meghna Bank Ltd.
9.	Mr. Sajib Kumar Saha	Director	Representative of Meghna Bank Ltd.
10.	Mr. Md. Sadiqur Rahman	Director	Shareholder



Role of Responsibility of the Board:

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

Property, Plant and Equipment:

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

Share Capital Report:

Details of the movement of the Share Capital of the Company during the period is set out in note 11 (Eleven) to the company's financial statements. The directors confirm that the Directors Report and the financial statements have been prepared in compliance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the companies' act 1994, and other applicable laws and regulations.

Election of Directors:

According to Section 79, Schedule-1 of the Companies Act 1994, at the 6th Annual General Meeting, one third the directors are to retire from the Board and are eligible for reappointment.

Appointment of Auditors:

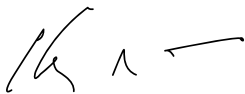
As per requirements of Laws & Regulations, M/s MABS & J Partners., Chartered Accountants was appointed as Auditors for the year 2020. Being eligible, the Board of Director in its 24th meeting held on March 11, 2021 recommended to appoint M/s MABS & J Partners., Chartered Accountants as the statutory Auditor for the year 2021 with an audit fee of BDT 60,000/- inclusive VAT & Tax at the applicable rate.

Recommendation of Dividend:

The Board of Directors recommended for declaring @ 4% cash dividend for the financial year 2020.

Acknowledgements:

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



H. N. Ashequr Rahman M.P.

Chairman



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Meghna Bank Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meghna Bank Securities Limited**, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

Report on Other Legal and Regulatory Requirements

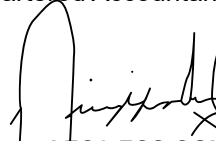
We also report that:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Signed for & on behalf of

MABS & J Partners

Chartered Accountants



Nasir Uddin Ahmed FCA, FCS, CGMA, ACMA (UK)

Senior Partner

ICAB Enrollment No: 535

DVC No.: 2103180535AS875408

Dhaka, Bangladesh

Date: 11 March, 2021



MEGHNA BANK SECURITIES LIMITED

STATEMENT OF FINANCIAL POSITION

AS ON DECEMBER 31, 2020

Particulars	Notes	Amount in Taka	
		2020	2019
ASSETS			
Non Current Assets		301,613,032	301,615,564
Property, Plant and Equipment	3.0	2,122,999	2,078,201
Intangible Assets	4.0	27,803	75,133
DSE TREC & Shares at Cost	5.0	299,462,230	299,462,230
Current Assets		131,750,850	72,907,407
Investment in Dealer Account	6.0	26,847,817	20,297,800
Investment in Special Fund Account	7.0	41,036,445	-
Accounts Receivable	8.0	27,482,094	16,678,880
Advances, Deposits and Prepayments	9.0	2,129,899	2,820,965
Cash and Cash Equivalents	10.0	34,254,595	33,109,762
Total Assets		433,363,882	374,522,971
EQUITY AND LIABILITIES			
Capital and Reserves			
Paid up Capital	11	350,000,000	350,000,000
Retained Earnings	12	15,003,509	5,488,469
Shareholders' Equity		365,003,509	355,488,469
Non Current Liabilities		-	-
Current Liabilities			
Accounts Payable	13	67,681,228	17,637,803
Other Liabilities	14	679,145	1,396,699
Total Current Liabilities		68,360,373	19,034,502
Total Liabilities		68,360,373	19,034,502
Total Equity and Liabilities		433,363,882	374,522,971

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


Director


Director


Director

Signed in terms of our report of even date annexed



Company Secretary
Signed for & on behalf of
MABS & J Partners
Chartered Accountants


Nasir Uddin Ahmed FCA, FCS, CGMA, ACMA (UK)
Senior Partner
ICAB Enrollment No: 535
DVC No.: 2103180535AS875408

Dhaka, Bangladesh
Date: 11 March, 2021



MEGHNA BANK SECURITIES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

Particulars	Notes	Amount in Taka	
		2020	2019
Operating Revenue			
Brokerage Commission Income	15	12,780,675	10,804,624
Interest on Margin Loan	16	2,186,764	2,340,683
Other Operating Income	17	221,757	344,024
		15,189,196	13,489,331
Less: Direct Expenses	18	1,318,904	1,226,873
Net Revenue from Operation		13,870,292	12,262,457
Add: Other Income	19	9,175,740	9,696,119
Total Revenue		23,046,032	21,958,576
General & Administrative Expenses			
Salary & Allowances	20	7,023,947	6,707,454
Rent, Taxes, Insurance, Electricity	21	5,184,507	6,017,597
Postage, Stamp & Telecommunication	22	48,216	44,366
Stationery, Printing and Advertisement	23	97,890	90,207
Director's Fees	24	48,000	8,000
Auditor's Fees		45,000	30,000
Depreciation, Amortization and Repair & Maintenance	25	724,181	1,018,459
Other Expenses	26	2,320,462	1,513,737
		15,492,203	15,429,819
Profit/(Loss) before Provisions		7,553,829	6,528,758
Fluctuation in Shares for Investment		(3,261,211)	2,517,736
Total Provision		(3,261,211)	2,517,736
Profit/(Loss) before Tax		10,815,040	4,011,021
Less: Income Tax Expense	14.1	1,300,000	1,250,000
Net Profit after Tax		9,515,040	2,761,021
Other Comprehensive Income		-	-
Total Comprehensive Income		9,515,040	2,761,021
Earning Per Share (EPS)	27	2.72	0.79

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


Director


Director


Director


Company Secretary

Signed in terms of our report of even date annexed

Signed for & on behalf of
MABS & J Partners
Chartered Accountants


Nasir Uddin Ahmed FCA, FCS, CGMA, ACMA(UK)
Senior Partner
ICAB Enrollment No: 535
DVC No.: 2103180535AS875408

Dhaka, Bangladesh
Date: 11 March, 2021



MEGHNA BANK SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

Particulars	Amount in Taka		
	Paid up Capital	Retained Earnings	Total
Balance as at 01 January 2020	350,000,000	5,488,469	355,488,469
Net profit after tax for the period ended December 31, 2020	-	9,515,040	9,515,040
Total Shareholders' Equity as at December 31, 2020	350,000,000	15,003,509	365,003,509


Director


Director


Director


Company Secretary

Dhaka, Bangladesh
Date: 11 March, 2021



MEGHNA BANK SECURITIES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

Particulars	Amount in Taka	
	2020	2019
Cash flows from operating activities:		
Brokerage commission received	12,780,675	10,804,624
Interest received on margin loan	2,186,764	2,340,683
Received from operating & other income	2,076,327	3,252,404
Payment for operating & other expenses	(16,111,696)	(15,649,772)
Income taxes paid	(2,684,218)	(2,425,518)
	(1,752,148)	(1,677,580)
Changes in operating assets and liabilities :		
Other assets	(10,112,148)	(1,596,607)
Other liabilities	53,971,299	(64,193,250)
	43,859,151	(65,789,857)
Net cash (used in)/generated from operating activities:	42,107,003	(67,467,437)
Cash flows from investing activities:		
(Purchases)/Sale of Property, Plant & Equipments	(696,879)	(15,309)
(Payment)/Receipts for (Purchases)/Sale of Shares & Investment (Dealer)	(6,550,017)	(1,668,380)
(Payment)/Receipts for (Purchases)/Sale of Shares & Investment (SF)	(41,036,445)	-
Capital Gain / Realised on sale of shares (Dealer)	5,006,228	785,232
Capital Gain / Realised on sale of shares (DSE)	-	-
Dividend received	2,314,943	6,002,507
Net cash (used in)/generated from investing activities	(40,962,170)	5,104,050
Cash flows from financing activities:		
Interim dividend paid in cash	-	-
Net cash (used in)/generated from financing activities	-	-
Net increase/(decrease) in cash & cash equivalents	1,144,833	(62,363,387)
Cash and cash equivalents at the beginning of the year	33,109,762	95,473,148
Cash and cash equivalents at the end of the year	34,254,595	33,109,762
Closing cash and cash equivalents represents:		
Cash in hand	6,874	9,668
Cash at bank & equivalents	34,247,721	33,100,094
	34,254,595	33,109,762


Director


Director


Director


Company Secretary

Dhaka, Bangladesh

Date: 11 March, 2021



MEGHNA BANK SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2020

1. Background Information and Principal Activities

1.1 Legal form of the Company

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

The Authorized Capital of the Company is BDT 2,000,000,000 divided into 20,000,000 nos. ordinary shares of Tk. 100 each out of which the Issued, Subscribed & Paid-up capital is BDT 350,000,000 divided into 3,500,000 nos. ordinary shares of Tk. 100 each fully paid up in cash. The Meghna Bank Limited holds all shares except 1 share.

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

1.2 Nature of the business activities

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

2. Significant Accounting Policies

2.1 Basis of the Presentation of Financial Statements

The Financial Statements (except the Statement of Cash Flows) have been prepared on a going concern basis following the system of accrual basis of accounting in accordance with the Company's Act 1994, Securities & Exchange Rules 1987, the listing Rules of Dhaka Stock Exchange Ltd. and International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and other applicable laws and regulations. The Statement of Cash Flows has been prepared following the principles related to the movements of the cash in accordance with International Accounting Standard (IAS-7) under Direct Method.

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

2.2 Components of the Financial Statements

The Financial Statements referred to here comprise of:

- a) Statement of Financial Position;
- b) Statement of Profit or Loss and Other Comprehensive Income;
- c) Statement of Changes in Equity;
- d) Statement of Cash Flows; and
- e) Notes to the Financial Statements

2.3 Basis of Measurement

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

2.4 Functional and Presentational Currency

These Financial Statements are prepared in Bangladeshi Taka which has been using as the Company's functional currency. All the financial figures have been rounded off to the nearest integer.



2.5 Use of Estimates and Judgments

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

2.6 Revenue Recognition

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

2.7 Property, Plant and Equipment

Recognition and Measurement

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

Subsequent Costs

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

Depreciation

Assets other than intangible Assets

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

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

2.8 Intangible Asset

Recognition and Measurement

Intangible asset is measured in accordance with IAS-38 at cost less accumulated amortisation and accumulated impairment loss, if any.

Amortisation

Amortisation is recognised in the statement of profit or loss and other comprehensive income on straight line method at the rate of 20% per annum.

2.9 Provision for Current Tax

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

2.10 Related Party Transactions

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

2.11 Directors' Responsibility toward Financial Statements

The Board of Directors takes the responsibility for the preparation and presentation of these Financial Statements and was subsequently approved by the board in its 24th meeting held on 11 March, 2021.

2.12 Reporting period

These financial statements cover the period from January 01, 2020 to December 31, 2020.



Notes	Particulars	Amount in Taka	
		2020	2019
3.0	Property, Plant & Equipment		
	Property, Plant & Equipment at Cost	6,596,556	5,899,677
	Less: Accumulated Depreciation	4,473,557	3,821,476
	Written Down Value (WDV)	2,122,999	2,078,201
	For details please refer to Annexure-A		
4.0	Intangible Assets		
	Software (Note-4.01)	27,803	75,133
		27,803	75,133
4.01	Software		
	Software	236,000	236,000
	Less: Accumulated Amortization	208,197	160,867
		27,803	75,133
5.0	DSE TREC & Shares at Cost	299,462,230	299,462,230
		299,462,230	299,462,230
6.0	Investment in Dealer Account		
	Investment at cost (Note-06.01)	26,847,817	20,297,800
		26,847,817	20,297,800
6.01	The amount represents as Investment in Dealer Account at cost is the investment in purchase of shares for Meghna Bank Securities Ltd.		
7.0	Investment in Special Fund Account		
	Investment at cost (Note-07.01)	41,036,445	-
		41,036,445	-
7.01	The amount represents as Investment in Special Fund Account at cost is the investment in purchase of shares for Meghna Bank Securities Ltd. (Ref. Bangladesh Bank's DOS Circular No. 01, Dated February 10,2020).		
8.0	Accounts Receivable		
	DSE Investor's Protection Fund	100,000	100,000
	Receivable from Clients	284,648	203,768
	Receivable from DSE Ltd (Note-8.01)	11,415,210	-
	Margin Loan to Clients	15,682,236	16,375,112
		27,482,094	16,678,880
8.01	Receivable from Dhaka Stock Exchange Limited is the balance amount of the transactions of selling and buying of shares.		
9.0	Advances, Deposits and Prepayments		
	CDBL Security Deposit	100,000	100,000
	Telephone Security Deposit	6,500	4,500
	Accrued Income	1,623,399	2,705,665
	Suspense A/C Sundry Debtors	400,000	-
	Other prepaid Expenses	-	10,800
		2,129,899	2,820,965



Notes	Particulars	Amount in Taka	
		2020	2019
10.0	Cash and Cash Equivalents		
	Cash in Hand	6,874	9,668
	Cash at Bank (Note-10.01)	34,247,721	33,100,094
		34,254,595	33,109,762
10.01	Cash at Banks:		
	SND/GCD Account with:		
	The City Bank Limited. #1001 (Customer A/C)	17,867,649	13,236,511
	The City Bank Limited.# 1002 (IPO- Public Issue App. A/C)	1,264,566	122,671
	Meghna Bank Limited.# 28 (Customer A/C)	13,812,616	19,505,654
	Meghna Bank Limited.# 63 (Company A/C)	1,245,465	235,258
	Meghna Bank Limited.# 70 (Special Fund A/C)	57,425	-
		34,247,721	33,100,094
11	Share capital		
	Authorized Capital		
	2,00,00,000 Ordinary shares of Tk. 100 each	2,000,000,000	2,000,000,000
	Issued, Subscribed & Paid-up capital		
	35,00,000 Ordinary shares of Tk. 100 each fully paid up in cash	350,000,000	350,000,000

The Shareholding position for the period ended as on December 31, 2020 are as follows:

Sl. No.	Name of Shareholders	No. of Shares	2020	2019
1	Meghna Bank Limited	3,499,999	349,999,900	349,999,900
2	Md. Sadiqur Rahman	1	100	100
	Total	3,500,000	350,000,000	350,000,000

12	Retained Earnings		
	Balance at the beginning of the year	5,488,469	2,727,448
	Add: Net Profit during the period ended/year	9,515,040	2,761,021
	Less: Interim Dividend	-	-
		15,003,509	5,488,469
13	Accounts Payable		
	Payable to Clients	27,116,691	14,756,479
	Payable to Dhaka Stock Exchange Ltd.(Note-13.01) (Broker)	-	2,856,538
	Suspense Account	23,894	23,894
	Overdraft A/C MGBL	40,539,750	-
	Sundry Payable	892	892
		67,681,228	17,637,803

13.01 Payable to Dhaka Stock Exchange Limited is the balance amount of the transactions of selling and buying of shares.



Notes	Particulars	Amount in Taka	
		2020	2019
14	Other Liabilities		
	Provision for Expenditure	901,810	424,686
	Provision for Fluctuation in Shares	-	3,261,211
	Provision for Income Tax (Note-14.1)	(3,829,013)	(2,444,796)
	Provision for Gratuity	532,543	-
	BO A/C Opening fee Payable (CDBL)	1,750	1,400
	IPO Application A/C	2,939,000	-
	VAT on Procurement	-	132
	Tax on Procurement	1,134	57
	VAT on Service	35,213	196
	Tax on Service	6,540	2,691
	VAT on Audit Fee	-	3,913
	Tax on Audit Fee	-	2,609
	VAT on Board Meeting Fee	3,600	-
	Tax on Board Meeting Fee	2,400	-
	VAT on Professional Fee	-	1,304
	Tax on Professional	-	791
	VAT on Office Rent	29,376	84,379
	Tax on Office Rent	9,792	28,127
	Provision for Auditors' Fee	45,000	30,000
		679,145	1,396,699
14.1	Provision for Income Tax		
	Provision for Income Tax		
	Balance at the beginning of the year	6,676,782	16,561,945
	Add: Provision made during the period ended/Year	1,300,000	1,250,000
	Less: Adjusted during the period ended	-	-
	Less: Settlement of Income Tax for the Income year 2015	(31,139)	-
	Less: Settlement of Income Tax for the Income year 2016	-	(3,731,977)
	Less: Settlement of Advance Tax for the Income year 2017	-	(500,000)
	Less: Settlement of Income Tax for the Income year 2017	-	(6,903,186)
	Balance at the end of the period ended/ year	7,945,643	6,676,782
	Advance tax		
	Balance at the beginning of the year	9,121,578	17,831,223
	Add: Paid during the period ended / year	2,653,078	2,425,518
	Less: Adjusted during the period ended	-	-
	Less: Settlement of Income Tax for the Income year 2015	-	-
	Less: Settlement of Income Tax for the Income year 2016	-	(3,731,977)



Notes	Particulars	Amount in Taka	
		2020	2019
	Less: Settlement of Advance Tax for the Income year 2017	-	(500,000)
	Less: Settlement of Income Tax for the Income year 2017	-	(6,903,186)
	Balance at the end of the period ended/year	11,774,656	9,121,578
	Balance at the end of period ended/year	(3,829,013)	(2,444,796)
15	Brokerage Commission Income		
	Commission Income through DSE	12,780,675	10,804,624
		12,780,675	10,804,624
16	Interest on Margin Loan		
		2,186,764	2,340,683
		2,186,764	2,340,683
17	Other Operating Income		
	Yearly BO Account Fee (Maintenance)	135,450	142,500
	BO Account Opening Fees	32,500	29,000
	CDBL Charge	29,333	139,168
	Cheque Dishonor Charge	8,000	9,500
	IPO Application Fee	9,615	11,580
	BO Closing Charge	6,500	12,000
	Sale proceed of fraction Bonus Share(DLR)	349	276
	IPO Refund Charge	10	-
		221,757	344,024
18	Direct Expenses		
	Laga Charges-DSE	911,310	776,271
	CDBL Expenses	407,594	450,603
		1,318,904	1,226,873
19	Other Income		
	Capital Gain on Sale of Shares	5,006,228	785,232
	Interest Income on SND A/C	1,510,688	2,103,100
	Other Income	276,725	805,280
	Notice Pay Earnings	67,157	-
	Dividend Income on Shares	2,314,943	6,002,507
		9,175,740	9,696,119
20	Salary and Allowances		
	Basic Salary	3,382,788	3,564,808
	Houe Rent Allowance	995,635	1,205,127
	Conveyance Allowance	51,932	56,452
	Medical Allowance	347,372	383,432



Notes	Particulars	Amount in Taka	
		2020	2019
	Market Allowance	1,419	-
	Leave Encashment	80,580	41,776
	Bonus	602,432	579,432
	PF Company Contribution	336,462	356,479
	Gratuity	693,719	-
	Consolidated Pay	531,608	519,948
		7,023,947	6,707,454
21	Rent, Taxes, Insurance, Electricity etc.		
	Office Rent	4,735,901	5,808,804
	Service Charge-DSE Tower	269,963	-
	Electricity & Generator	178,643	208,793
		5,184,507	6,017,597
22	Postage, Stamps, Telecommunication etc.		
	Postage & Courier Charge	172	148
	Internet Connectivity Charge	14,728	15,336
	Telecommunication Expenses	20,916	17,422
	Non-Judicial Stamps	2,500	360
	Cable TV Charge	9,900	11,100
		48,216	44,366
23	Stationery, Printing & Advertisement etc.		
	Stationery, Printing & Advertisements	68,754	71,886
	Computer accessories	26,391	9,557
	Newspaper, Journal & Periodicals	2,745	8,764
		97,890	90,207
24	Director's Fees	48,000	8,000
		48,000	8,000
25	Depreciation, Amortization and Repair & Maintenance		
	Depreciation on tangible assets (Annexure A)	652,081	959,720
	Amortization on intangible assets	47,330	47,200
	Repair & Maintenance	24,770	11,539
		724,181	1,018,459
26	Other Expenses		
	Bank Charge	169,076	61,347
	Interest Expenses on SOD	583,083	-
	Entertainment	52,574	66,228
	Wasa Charge	48,380	10,944



Notes	Particulars	Amount in Taka	
		2020	2019
	Swerage Charge	4,500	1,900
	Travelling & Conveyance	35,128	23,531
	Drinking Water	18,270	19,502
	Cleaning Expenses	2,270	28,914
	DSE Charges	17,000	9,000
	Registration & Renewal Fees	166,600	94,600
	Training, Development & Promotion	-	7,980
	Broker Association Fees	12,500	12,500
	WAN Connectivity	242,070	243,120
	Authorized Representative Expenses	42,000	51,500
	TWS Application Fee	5,500	-
	Mobile Allowance	38,000	52,205
	Insurance	11,443	10,288
	Investors Protection Fund	1,913	5,020
	Cutleries & Crockeries	480	1,200
	Anti Virus Charges	18,916	18,925
	Software Maintenance	134,325	131,325
	Miscellaneous Expenses	-	500
	Legal & Professional Fees	133,417	27,250
	Mass Mail Solutions	42,000	27,550
	Business Promotion	9,338	-
	RJSC Fee & Expenses	1,863	6,463
	LFA	529,818	549,945
	Seminar Fees	-	52,000
		2,320,462	1,513,737
27	Earning Per Share (EPS) (IAS-33)		
	Net Profit after Tax	9,515,040	2,761,021
	Number of Ordinary Shares outstanding (Denominator)	3,500,000	3,500,000
	Earning Per Share (EPS)	2.72	0.79


Director


Director


Director


Company Secretary

Dhaka, Bangladesh
Date: 11 March, 2021



MEGHNA BANK SECURITIES LIMITED

FIXED ASSETS SCHEDULE

For the year ended December 31, 2020

Annexure-A

Amount in Taka

Tangible Assets :	C O S T				Rate of Depreciation	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 1st January 2020	Additions during the period ended	Disposal/ Transfer during the period ended	Balance as on December 31, 2020		Balance as on 1st January 2020	Transfer/ Adjustment during the period ended	Charge for the period ended	Balance as on December 31, 2020		
Furniture & Fixtures	2,706,895	-	-	2,706,895	10%	1,047,304	-	271,436	1,318,740	1,388,155	1,659,591
Office Equipment	1,087,377	178,945	-	1,266,322	20%	759,247	-	223,876	983,123	283,199	328,130
Computer & Server	2,105,405	517,934	-	2,623,339	33%	2,014,925	-	156,769	2,171,694	451,645	90,480
Total (A)	5,899,677	696,879	-	6,596,556		3,821,476	-	652,081	4,473,557	2,122,999	2,078,201
Intangible Assets :	C O S T				Rate of Amortization	A M O R T I Z A T I O N				WDV as on December 31, 2020	WDV as on December 31, 2019
Particulars	Balance as on 1st January 2020	Additions during the period ended	Disposal/ Transfer during the period ended	Balance as on December 31, 2020		Balance as on 1st January 2020	Transfer/ Adjustment during the period ended	Charge for the period ended	Balance as on December 31, 2020		
Software	236,000	-	-	236,000	20%	160,867	-	47,330	208,197	27,803	75,133
Total (B)	236,000	-	-	236,000		160,867	-	47,330	208,197	27,803	75,133
Total (A + B)	6,135,677	696,879	-	6,832,556		3,982,343	-	699,411	4,681,754	2,150,802	2,153,334





SUPPLEMENTARY INFORMATION

EVENT HIGHLIGHTS



HN Ashequr Rahman, Chairman of MGBL hands over a cheque for BDT 100 million to Prime Minister Sheikh Hasina for observing the “Mujib Borsho”



Launching of Meghna Bank Islami Banking window



Partnership with Grameenphone Ltd



Annual Business Conference 2020



Participants of “COFFEE WITH CEO” session



As a part of employee engagement HR Division initiated a program named “COFFEE WITH CEO”





An assembly of MGBL family members in front of Gulshan head office was led by Chairman of Meghna Bank HN Ashequr Rahman MP to observe Mujib Borsho



Meghna Bank celebrated the auspicious occasion at all offices and branches across the country



Winners of Deposit Campaign 2020



Meghna Bank opens new Priority Banking Lounge at its Head Office, Gulshan



1st Meeting of the Shariah Supervisory Committee of Meghna Bank Ltd.



Managing Director & CEO of Meghna bank Greets Md. Sayedul Islam, Chairman, BADC





Sadekul Islam, In –Charge of Meghna Bank Securities Ltd Greets Professor Shibli Rubayat-Ul-Islam, Chairman, BSEC on behalf of Managing Director & CEO of the Bank



Managing Director & CEO handing over Health Kit to an employee



Meghna Bank arranges Remembrance meeting on the honor of Late Ali Azim Khan



Chairman, Directors of the Board and Shareholders of MGBL at the 7th AGM held on digital platform due to COVID-19 pandemic



Sohail R.K. Hussain, Managing Director & CEO of MGBL hands over blankets to the Prime Minister's Relief and Welfare Fund



Launching of Meghna Bank Offshore Banking Unit (OBU)





Meghna Bank signed an agreement with Rangpur Dairy & Food Products Ltd (RD)



Meghna Bank signed an agreement with SARP Composite limited

FINANCED PROJECT



Confidence Power Bogura Ltd.



Runner Automobiles Ltd



Salek Textile Ltd



Salek Textile Ltd



Samuda Chemical Complex Ltd



BRANCH NETWORK

SI	Name of Branch	Address	Date of Operation
	Head Office	Suvastu Imam Square (3rd & 6th Floor), 65 Gulshan Avenue (Gulshan-1), Dhaka	
1	Principal Branch	Suvastu Imam Square (Ground Floor), 65 Gulshan Avenue (Gulshan-1), Dhaka	9-May-13
2	Sathibari Branch	Highway Shopping Center (Ground & 1st Floor), Sathibari Bazar, Mithapukur, Rangpur	2-Oct-13
3	Chawkbazar Branch	M/s. Hazi Matiur Rahman Bhaban (1st Floor), 189 Water Works Road, Lalbagh, Chawkbazar, Dhaka	22-Oct-13
4	Motijheel Branch	Jibon Bima Bhaban (Ground Floor), 10 Dilkusha C/A, Dhaka.	23-Oct-13
5	DEPZ Branch	Swapnil Tower (1st Floor), Bipail (Near Ashulia Police Station), Ashulia, Dhaka	7-Dec-13
6	Kalampur Branch	Jahanara Super Market (1st Floor), Kalampur Bazar, Dhamrai, Dhaka	15-Dec-13
7	Agrabad Branch	Delowar Bhaban (1st Floor) 104 Agrabad C. A., Chittagong	19-Apr-14
8	Bormi Bazar Branch	“Paul Market” (1st Floor), Pathantek, Bormi Bazar, Sreepur, Gazipur	10-Aug-14
9	Narayangonj Branch	“Hazi Hashem Trade Center” (2nd Floor), 55/A, S.M. Maleh Road, Tanbazar, Narayangonj.	14-Aug-14
10	Madambibirhat Branch	“M A Trade Center”, Madambibirhat, Near Sheuli Petrol Pump, Bhatiary, Chittagong	21-Aug-14
11	Bandura Branch	SD Shopping Complex (1st Floor, Bandura, Nawabgonj, Dhaka	24-Aug-14
12	Hatikumrul Branch	Haji Iman Ali Complex (1st Floor), Hatikumrul, Sirajgonj Road, Salonga, Sirajgonj.	28-Aug-14
13	Gazipur Chowrasta Branch	Chandona Plaza (1st Floor), Holding # 48, Dhaka Road, Chandona Chowrasta, Gazipur.	15-Sep-14
14	Choyani Bazar Branch	Abul Kashem Plaza (1st & 2nd floor) Bank Road, Choyani Bazar, Begumgonj, Noakhali.	21-Sep-14
15	Madhabdi Branch	Haji Siraj Tower (1st & 2nd Floor), College Road, Madhabdi Bazar, Madhabdi, Narsingdi	24-Sep-14
16	Dhanmondi Branch	1st Floor, Holding # 48/8, Road # 9/A, Vasha Shainik Towaha Sarak (Satmasjid Road), Dhanmondi, Dhaka	30-Oct-14
17	Jubilee Road Branch	Haque Tower (2nd Floor), 610/11 (old), 923/A/1103 (New), Jubilee Road, Chittagong	25-Aug-15
18	Munshirhat Branch	Amir Hossain Dealer Market (1st Floor), Munshirhat Bazar, Chauddagam, Comilla	31-Aug-15
19	Uttara Branch	Shafina Center (1st & 2nd Floor), 14 Garibe Newaz Avenue, Sector # 11, Uttara, Dhaka	5-Oct-15
20	Feni Branch	Kamal and Rafiq Plaza, 327 SSK Road, Feni	8-Nov-15
21	Zamindarhat Branch	Oman Market (1st Floor) Zamindarhat, Begumgonj, Noakhali-3825	30-Nov-15
22	Bogra Branch	Jamil Building (1st & 2nd Floor), 51 & 52 (old), 67 & 68 (New) Borogola, Bogra-5800	9-Dec-15



SI	Name of Branch	Address	Date of Operation
23	Laldighir Par Branch	Bakht Center (1st Floor) 2837-00, Laldighir Par, Sylhet-3100	13-Dec-15
24	South Surma Branch	Niamah Tower (1st Floor) Chondipul Point, South Surma, Sylhet-3100	13-Dec-15
25	Patherhat Branch	Noapara School Market (1st Floor), Patherhat, Noapara, Raozan, Chittagong	27-Dec-15
26	Takerhat Branch	Shahabuddin Molla Complex (1st Floor), Takerhat, Dhaka-Barisal Highway, Rajoir, Madaripur	29-Dec-15
27	Rangpur Branch	Khan Bahadur Abdur Rauf Plaza House# 1, Road # 1, Station Road, Rangpur	5-Jun-16
28	Khulna Branch	19 KDA Avenue, Tetultolar Mor, Sheikhpara, Khulna	7-Aug-16
29	Barisal Branch	"Barisal Islamia Urban Shomobaya Samity Ltd. Building", 116 Sadar Road (old), 559 Birshreshtha Captain Mohiuddin Jahangir Road (New), Barisal	18-Aug-16
30	Chehelgazi Branch	Hajee Mohammad Danesh Science and Technology University Academic Building # 2 (Near Gate # 1) Chehelgazi, Dinajpur Sadar, Dinajpur	24-Aug-16
31	Mirpur Branch	"Islam Plaza", Plot#7, Harun Mollah Road – 3, Section- 7, Pallabi, Dhaka-1216	30-Aug-16
32	Zirabo Branch	Jalil Complex, Vill: Zirabo, Union: Yearpur Thana: Ashulia, District: Dhaka	21-Sep-16
33	Rampal Branch	Sufia Plaza, Shipahi Para, Rampal, Munshigonj	1-Nov-16
34	Aman Bazar Branch	"Sanowara Convention Hall" Aman Bazar, Chickondondi Union Thana: Hathazari, District: Chittagong	14-Nov-16
35	Ananda Bazar Branch	Area: Ananda Bazar, Vill: Ramdaspur Mouza: Ramdaspur, Union: Farajikandi, Thana: Matlab Uttar, District: Chandpur	8-Dec-16
36	Rajshahi Branch	"Prince Tower" 25 Rani Bazar, Batar Mor, Rajshahi.	20-Dec-16
37	Kishoregonj Branch	"Amzad Bhuiyan Plaza" 370 Boro Bazar, Kishoregonj.	19-Mar-17
38	Rampur Bazar Branch	"Gawsia Tower" Rampur Bazar, Hajigonj, Chandpur.	13-Sep-17
39	Senbagh Branch	"Amir Ali Market" Senbagh Bazar, Senbagh, Noakhali.	14-Sep-17
40	Sonargaon Road Branch	"R K Tower" 86, Bir Uttam C. R. Datta Road, Dhaka-1205.	10-Dec-17
41	Pangsha Branch	"Maya Super Market" Pangsha bazar, Pangsha, Rajbari.	21-Dec-17
42	Anowara Branch	"Anu Meah Market" Shah Mohsen Aulia Sarak, Anowara, Chittagong.	27-Dec-17
43	Comilla Branch	"Razzak Mansion Complex" 63 Nazrul Avenue, Kandirpar, Comilla .	23-Jan-18
44	Kushtia Branch	"Bashar Tower" 72 N.S. Road, Kushtia.	13-Feb-18
45	Nalchity Branch	"J R Complex" 11 Station Road, Nalchity, Jhalakathi.	5-Mar-18
46	Jessore Branch	20 R.N. Road, Jessore.	27-Mar-18
47	Joypurhat Branch	"Tazim plaza" 84, Batamore, Joypurhat.	28-Mar-18



NOTICE OF THE 8TH AGM

NOTICE is hereby given to all the Members of Meghna Bank Limited (MGBL) that the 8th Annual General Meeting (AGM) will be held on Monday, December 27, 2021 at 11.30 A.M. (Dhaka Time) at Head Office of the Bank and by using Digital Platform ZOOM link <https://us06web.zoom.us/j/84119107024> to transact the following Agenda:

Agenda – 1: To receive, consider and adopt the Audited Financial Statements of the Bank for the year ended on December 31, 2020 together with the reports of the Auditors and the Directors thereon;

Agenda – 2: To declare dividend for the year 2020;

Agenda – 3: To appoint Auditors of the Bank for the term until conclusion of the next Annual General Meeting and to fix their remuneration;

Agenda – 4: To elect/re-elect Directors;

Dated: December 06, 2021

By order of the Board



Md. Rafiqul Islam Khan, FCS
Company Secretary

Notes:

1. The “Record Date” is December 19, 2021 as approved by the Board of Directors of the Bank.
2. Shareholders whose name appeared in the Members Register of the Bank at the close of business on 19th December, 2021 (Record Date) will be eligible to attend and vote in the Eighth Annual General Meeting and will be entitled for Dividend (if any).
3. Members entitled to attend the Annual General Meeting are allowed to appoint a Proxy to attend and vote on his/her behalf. The Proxy Form, affixed with requisite revenue stamp, duly filled-in and signed, must be deposited at the Registered Office of the Company at least 72 hours before the time fixed for holding the Annual General Meeting.





PROXY FORM

MEGHNA BANK LTD.
together we sail



Head Office

Suvastu Imam Square (3rd & 6th Floor),
65 Gulshan Avenue (Gulshan-1), Dhaka

I.....of.....being a
Member(s) of Meghna Bank Limited do hereby appoint.....of
..... or failing him/her
.....of..... as

my proxy in my absence to attend and vote for me, and on my behalf, at the 8th Annual General Meeting of the Bank, to be held on the 27th day of December 2021, Monday, at 11:30 a.m. (Dhaka Time) by using Digital Platform ZOOM link <https://zoom.us/j/92914825151> and at any adjournment there of.

Signature of Proxy:

Signature of Member:

Folio Number:.....

No. of Shares held

**Affix Revenue
Stamp
of Tk.20**

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

MEGHNA BANK LTD.
together we sail



Head Office

Suvastu Imam Square (3rd & 6th Floor),
65 Gulshan Avenue (Gulshan-1), Dhaka

ATTENDANCE SLIP

I hereby record my attendance at the 8th Annual General Meeting of the Company, to be held on the 27th day of December 2021, Monday, at 11:30 a.m. (Dhaka Time) by using Digital Platform ZOOM link <https://zoom.us/j/92914825151>

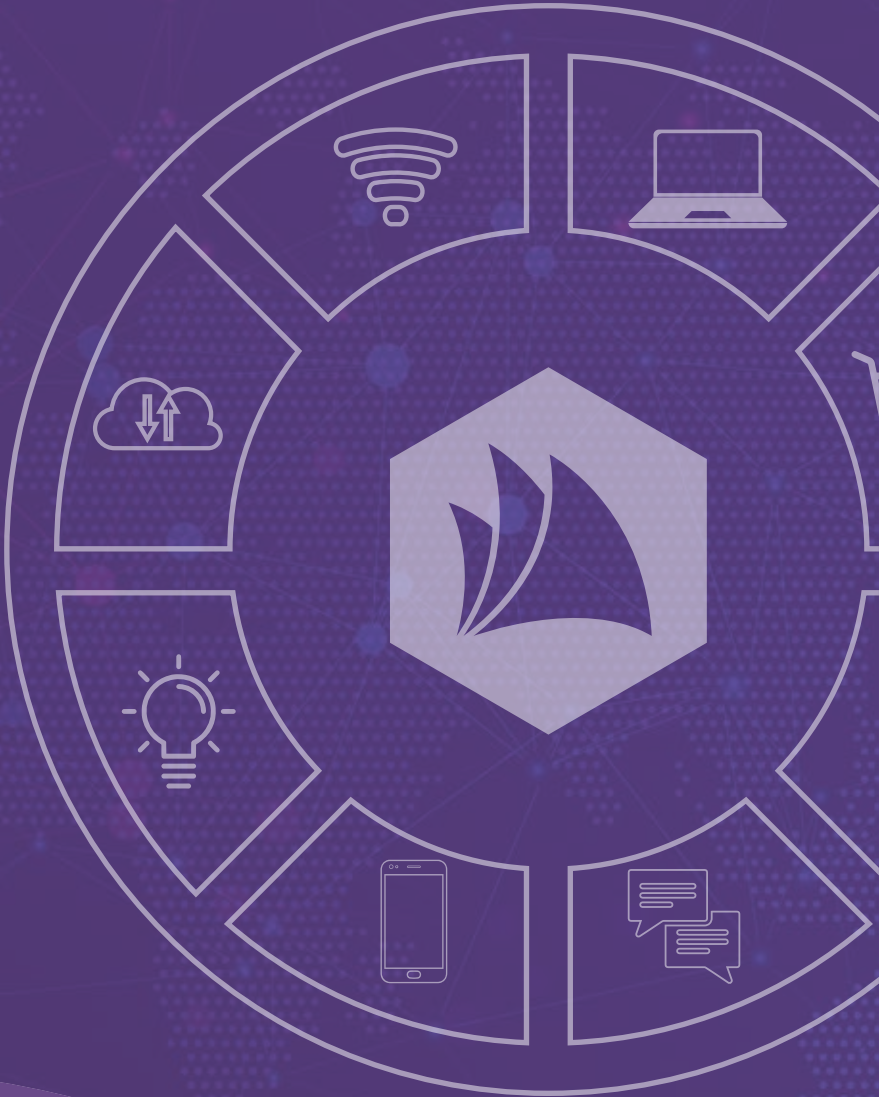
Name of Member/ Proxy.....

Signature of the Member/ Proxy

Date:



BUILDING A DIGITAL FUTURE



MEGHNA BANK LTD.
together we sail



Head Office:

Suvastu Imam Square (Level-3 & 6), 65, Gulshan Avenue (Gulshan-1), Dhaka-1212

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