

2021

ANNUAL REPORT



MEGHNA BANK 
together we sail

Our Digital Transformation Is Changing The Way Customers Think

There's no doubt that digital transformation is changing how businesses work. As organizations move from traditional paper and spreadsheets to smart applications to manage their operations, they have a chance to reinterpret how they do their business – how they engage with their customers, with digital technology on their side.

The digitalization affects consumers since the ways of communicating, gathering, and exchanging information about banking products and/or services, and obtaining and consuming them, drastically changed. During the pandemic, consumers have moved dramatically toward online channels, and we had to respond in turn. 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

desk and service portal in every possible way. We believe the results clearly show that banks need to expand their focus beyond increasing and enhancing digital service offerings to transform itself into truly effective digital bank. Meghna has its presence in social media platform such as Facebook, Instagram and LinkedIn etc. So, this makes possible for our customer to connect from anywhere, any time.

Meghna believes digital transformation demands new skillsets among employees at all levels across all departments. We have ability in augmenting digital transformation efforts, to accelerate the process and make our transformation journey as seamless as possible. We will continue to transform ourselves digitally in 2022 and coming years to meet the customer propensity as well as shall push the frontiers in next generation banking.

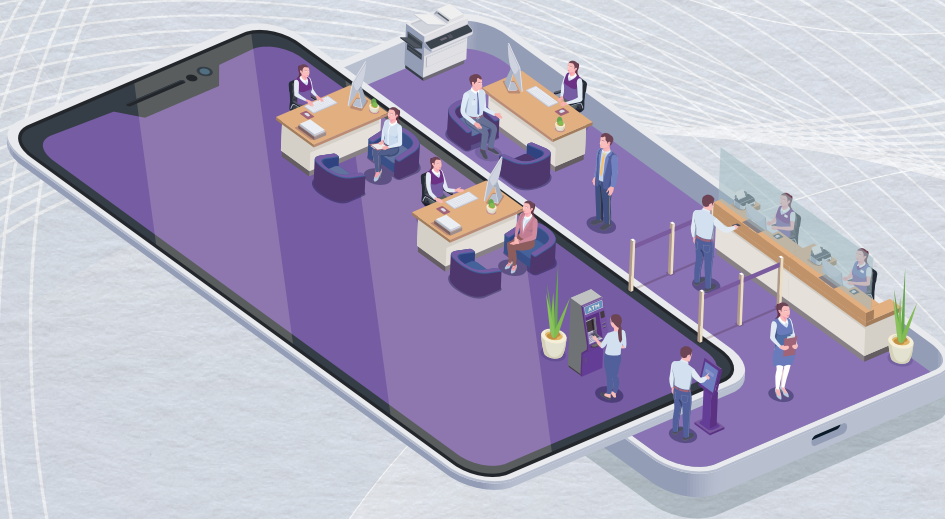


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PERFORMANCE HIGHLIGHTS

BDT in Million



TOTAL ASSETS

2021	2020
65,285	52,871



LOANS & ADVANCES

2021	2020
41,876	35,841



DEPOSITS

2021	2020
52,738	43,330



TOTAL INVESTMENT

2021	2020
15,592	9,464



TOTAL BORROWING

2021	2020
2,105	559



SHAREHOLDERS' EQUITY

2021	2020
6,194	5,997



TOTAL REGULATORY CAPITAL

2021	2020
6,740	6,374



OPERATING PROFIT

2021	2020
1,043	734



NET PROFIT AFTER TAX

2021	2020
308	501



EARNINGS PER SHARE (BDT)

2021	2020
0.61	1.00



RETURN ON ASSETS

2021	2020
0.52%	0.98%



RETURN ON EQUITY

2021	2020
5.05%	8.80%



NON-PERFORMING LOANS

2021	2020
2,346	2,436



NON-PERFORMING LOANS %

2021	2020
5.60%	6.80%



CAPITAL ADEQUACY RATIO

2021	2020
17.12%	17.42%



COST TO INCOME RATIO

2021	2020
53.96%	60.46%

NON – FINANCIAL HIGHLIGHTS



**CUSTOMER CAN PLACE
SERVICE REQUEST
DIGITALLY**



**DIGITALIZATION
IN SERVICE**



**SELF-REGISTRATION
THROUGH CREDIT & DEBIT
CARD**



**INSTANT FUND RECEIVE
FACILITY FROM
ANY BANK**



MOBILE RECHARGE



**INSTANT PIN
GENERATION/RESET**

**24X7
DIGITAL SERVICE
PROVIDING PLATFORM**



**NO PHYSICAL BRANCH
VISIT IS REQUIRED FOR
SERVICE REQUEST**



**INSTANT FUND TRANSFER
FROM CREDIT CARD/
ACCOUNT TO ANY BANK**



UTILITY BILL PAYMENT



**CARD
ACTIVATION/BLOCK**



ABOUT THE REPORT

Our Approach to Reporting

Presenting the ninth 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 2021. 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 2021 which was derived from the economic, social and environmental performance of the bank. It has been prepared in line with the Integrated Reporting Framework issued by the International Integrated Reporting Council.

Financial Statements that appear in this report have been prepared in accordance with the International Accounting Standards and International Financial Reporting Standards

(IASs & IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Where applicable, the bank has followed the following rules and regulations of the country:

- The Companies Act, 1994
- The Bank Companies Act, 1991 (amended in 2013)
- Securities and Exchange Rules, 1987
- International Accounting Standards and International Financial Reporting Standards (IASs & IFRSs)
- The Income Tax Ordinance, 1984
- 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 2021. 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 2021.

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 106 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
4	Gratuity 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 2021 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

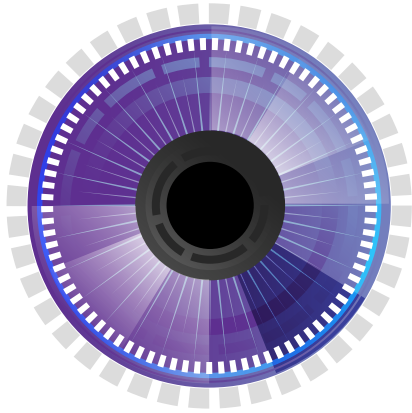
Dhaka – 1212, Bangladesh

PABX: +8809610016736

FAX: +880 29857128

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 (CC)	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.502.79 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	+8802 222297329
Fax	+880 29857128
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



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

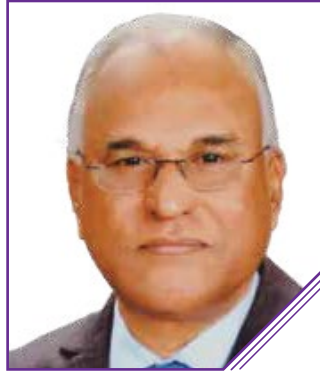
Employees communicating with the Regulators or stakeholders should demonstrate exemplary standard, governance and ethics at all times to show our compliant attitude.



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

SPONSORS



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)



SPONSORS



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

SPONSORS



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



SPONSORS



Md. Yasin Ali

Represented Anowara Fashion Ltd.



Md. Nazrul Islam



Late Hasan Ahmed

Represented Popular Life Insurance Com. Ltd.

SHAREHOLDERS



Uzma Chowdhury



Dr. Tamanna Mostafiz



Julia Rahman



Tasmina Shahtaj Juthi



Tanzima Shahtaj Chaity



Ramisha Islam



Aniq Shama



Samiha Azim



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 Kolkata, 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 (লাবনা), Sanitation Programme to protect the health of female students in particular at their young age. Every month 30,000 sanitary pad/packets are distributed free 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.



Tanveer Ahmed
Director

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

Mr. Tanveer Ahmed is the Sponsor Director of Meghna Bank Limited and currently serving as Chairman of the 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 incompleting his BBA from Indonesia, he moved to Bangladesh in 2007 and joined Elegant Group and serving as Managing Director for last one decade. His major hobbies are golfing, reading books, watching movies and travelling.



S.M. Jahangir Alam (Manik)
Director

Mr. S.M. Jahangir Alam (Manik), Chairman and Managing Director of Sanji Group is an excellent entrepreneur who started his journey in business arena from 1994 and with the passage of time by restless efforts as well as dynamic and prudence leadership of himself presently 04 (Four) conglomerates such as Sanji Automobiles Ltd.; Sanji Property Development Ltd.; Sanji Stainless Steel Ind. Ltd. and Nafisa Enterprise functioning under the umbrella of Sanji Group. It is very much remarkable to recall that he is the pioneer and path finder in CNG sector in Bangladesh. As a process of business expansion, he established Stainless Steel Product manufacturing industry at Savar, where "SANJI" brand earned unchallengeable good reputation in the SS market in Bangladesh.

Mr. Jahangir Alam Manik is one of the Sponsor Director of Meghna Bank Ltd. and currently acting with utmost sincerely and efficiently as the Chairman of Risk Management Committee of the Board of the bank. He has been elected as a Director, The Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) for 2021-2023 term which is prestigious apex body of Business forum in Bangladesh.

He was born in a respected family of Noakhali and obtained LLB (Hons). His father was valiant shahid freedom fighter and has been awarded "Bir Bikram" as recognition in the War of liberation of 1971. He is actively involved in many social activities and established "Bir Bikram Shahid Tariquallah Foundation" through which construct houses and distribute those to helpless deserved and affected families; provides financial support to poor and underprivileged peoples; grant scholarship to meritorious students of poor families; donate cash money to parents who are not able to arrange marriage of daughter. He is also a great lover of education and established by own fund "Lion Jahangir Alam Manik Mohila College" at Senbagh Upazila, Noakhali, in view to create opportunity and encourage girls for higher studies in that region and till now providing all financial support to run that college. This is only exclusively college for girls at Senbagh Upazila first time and as a result literacy rate is grooming up gradually.

He bears a religious and pious personality and established by own fund "Bir Bikram Shahid Tariquallah Jame Masjid" at Senbagh, Noakhali and till now providing all financial support to run that mosque. He also has been extended his support to maintain "Bir Bikram Shahid Tariquallah Stadium" at Senbagh, Noakhali in view to encourage local sports and games.



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.





Rehana Ashequr Rahman

Director

Rehana Ashequr Rahman, elected Managing Board Member of Bangladesh Red Crescent Society for last four terms till 2021, at present Vice-Chairman of Bangladesh Red Crescent Society, Rangpur Unit, unanimously elected for successive terms from 2009, is also a Life Member of the Bangladesh Red Crescent Society.

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

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

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

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

She also brought out books on the art of learning "English from Bangla" and "Bangla from English". In short she has been earnestly

engaging herself in nourishing the young minds, investing them with skills and forging the humane attitude in them.

From late nineties, she has been spearheading a programme called "Labonnyo" in Mithapukur, Rangpur, the constituency of her husband Mr. H N Ashequr Rahman MP, former State Minister, at present Chairman Parliamentary Standing Committee Ministry of Public Administration, among school and college going girls reaching puberty. For lack of knowledge of personal hygiene, a big number of female students drop out from the schools and/or most of them suffer from female diseases from the young ages. The programme has been launched to help good health, uninterrupted good education and healthy motherhood. Distribution of sanitary kits and dissemination of health education amongst the girls are organized. School Management and Teachers have been engaged actively in the process. This is a continuous programme and every month about 30000 sanitary packets specially packed for Mithapukur are distributed free among the adolescent school & college going girls.

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

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

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



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.

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



Md. Ahsan Ullah
Independent Director

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

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

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



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, former Board of Directors in 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



Tanveer Ahmed
Chairman



Md. Kamal Uddin
Member



SM Jahangir Alam (Manik)
Member



Mohammed Mamun Salam
Member



Nuran Fatema
Member

Audit Committee



Uzma Chowdhury
Chairperson



Dr. Syed Ferhat Anwar
Member



Md. Ahsan Ullah
Member

Risk Management Committee



SM Jahangir Alam (Manik)
Chairman



Md. Kamal Uddin
Member



Tanveer Ahmed
Member



Md. Ahsan Ullah
Member

Shari'ah Supervisory Committee



Dr. Mohammad Manzur E Elahi
Chairman



Dr. Md Anwar Hossain Molla
Member (Secretary)



Dr. Muhammad Saifullah
Member



Dr. M. Mohabbat Hossain
Member



Md. Fariduddin Ahmed
Member



Sohail R. K. Hussain
Member



Management Committee



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Sohail R.K. Hussain
Managing Director & CEO

Shyamol Boran Das
Deputy Managing Director & CIO

Kimiwa Saddat
Head of Corporate Banking

Nazeem A. Chowdhury
Head of Retail & SME Banking

05

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Md. Sadiqur Rahman
Head of Treasury

Kazi Farhana Zabin
Head of Liability &
Wealth Management

I.Q. M. Abdul Jalil
Chief Risk Officer (CC)

Khaled Hossain
Head of Operations



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Sufia Akter
Head of Public Sector,
PPP & Cash Management

Mohammad Nuruddin
Head of Islami Banking

Rashedul Alam
Head of Human Resources

Mohammad Kaiser
Head of Audit

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Sajib Kumar Saha, FCA
Head of FAD

Zishan Ahammad
Head of Cards

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



Dolan Bhowmik
Head of CAD



Md. Enamul Kabir
Branch Area Head



Tanvir Shams
Head of ID



Md. Nazir Hossain
Head of Trade Service



Moshir Rahman Quraishy
Head of Retail Credit & Collection



S. M. Sarifuzzaman
Branch Area Head



Md. Mahmudul Hasan
Head of SAMD (CC)



Muhammad Pavel Akhter
Head of IT (CC)



Dipan Hasnat Biplob
Head of Trade Operations



Mohammad Shibly Shohel
Head of Risk Management Department



Md. Tawhid Hasan Juberi
Head of Treasury Operations



Junayed Ahmed Chowdhury
Head of Legal



Faisal Ibn Reza
Head of Liability Operations



Md. Abdullah Al Mamun
Head of Anti Money Laundering Department



STAKEHOLDERS' INFORMATION



FIVE YEAR'S FINANCIAL SUMMARY

(Figures in million Taka)

Results of Operation	2021	2020	2019	2018	2017
Interest income	3178	3210	4264	3726	2837
Interest expense	2583	2596	2801	2464	1838
Net interest income	595	614	1463	1263	999
Investment income	1313	1046	342	547	833
Non Funded Income	359	196	223	210	264
Total Operating income	2266	1856	2028	2020	2095
Operating expenses	1223	1122	1204	1172	1078
Operating profit	1043	734	824	848	1017
Provision for Loans, Investments and Other Assets	490	115	319	436	271
Profit before tax	554	619	505	411	746
Provision for taxes	246	118	370	320	325
Net profit after tax	308	501	135	91	421
Balance Sheet	2021	2020	2019	2018	2017
Authorized capital	20000	20000	20000	20000	20000
Paid up capital	5028	4699	4699	4699	4433
Shareholders' equity	6194	5997	5392	5257	5173
Borrowing	2105	559	0.32	1	907
Deposits	52738	43330	41104	36447	32287
Loans and advances	41876	35841	34363	30154	27458
Investments	15592	9464	5171	4493	4728
Fixed assets	692	219	279	316	283
Off-balance sheet exposure	10135	5029	4479	5612	6421
Total assets	65285	52871	49347	43850	39777
Total liabilities	59091	46874	43955	38592	34604
Share Information	2021	2020	2019	2018	2017
No. of shares outstanding (No. in million)	503	470	470	470	443
Earnings per share	0.61	1.00	0.29	0.19	0.95
Dividend (percent)		7.00%	0.00%	0.00%	6.00%
Cash Dividend (percent)		0.00%	0.00%	0.00%	0.00%
Stock Dividend (percent)		7.00%	0.00%	0.00%	6.00%
Net asset value per share	12.32	12.76	11.48	11.19	11.67
Price Earning Ratio (times)	N/A	N/A	N/A	N/A	N/A



MEGHNA BANK LTD.

VALUE ADDED STATEMENT

AS ON 31ST DECEMBER 2021

Particulars	2021 Taka	%
Value Created		
Income from Banking Service	4,849,205,136	
Interest Income	3,178,068,647	
Non Interest Income	1,671,136,489	
Less : Cost of Service & Supplier	(2,977,246,410)	
Interest Paid on deposit & Borrowing	2,582,720,355	
Total Operating Expenses	1,223,065,924	
Less : Salary and Allowance	(616,062,847)	
Less : Chief Executive Salary & Allowance	(18,106,420)	
Less : Depreciation	(194,370,602)	
Value Added by Banking Service	1,871,958,726	
Non Banking Income	-	
Provision for Loan & other Asset	(489,529,268)	
	1,382,429,458	
Value Distributed		
To Employees as Salaries & Allowances	634,169,267	46%
To Shareholders as Dividend	-	0%
To Government as Income Tax	245,974,735	18%
	880,144,002	64%
Value Retained		
(to maintain and develop operation)		
Statutory Reserve	113,857,067	8%
Depreciation	194,370,602	14%
Retained Earnings	194,057,787	14%
	502,285,456	36%
	1,382,429,458	100%

HORIZONTAL ANALYSIS

BALANCE SHEET

(Figures in million Taka)

	2021	2020	2019	2018	2017
PROPERTY AND ASSETS					
Cash	3,131	3,602	3,185	2,837	4,026
Balance with other banks and financial institutions	2,724	2,522	3,513	3,325	2,286
Money at Call on Short Notice	100	130	2,070	1,990	240
Investments	15,592	9,464	5,171	4,493	4,728
Loans and advances	41,876	35,841	34,363	30,154	27,458
Fixed assets including premises, furniture and fixtures	692	219	279	316	283
Other assets	1,170	1,094	766	735	756
Non-banking assets	-	-	-	-	-
Total Property and Assets	65,285	52,871	49,347	43,850	39,777
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions & agents	2,105	559	0.3	1	907
Convertible Subordinate Bonds	-	-	-	-	-
Money at call on short notice	-	-	-	-	-
Deposits and other accounts	52,738	43,330	41,104	36,447	32,287
Other liabilities	4,248	2,985	2,850	2,144	1,410
Total Liabilities	59,091	46,874	43,955	38,592	34,604
Total shareholders' equity	6,194	5,997	5,392	5,257	5,173
Total Liabilities and Shareholders' Equity	65,285	52,871	49,347	43,850	39,777



HORIZONTAL ANALYSIS

PROFIT & LOSS ACCOUNT

(Figures in million Taka)

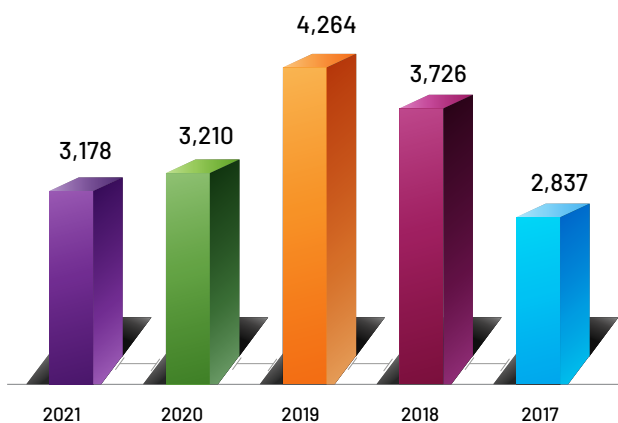
	2021	2020	2019	2018	2017
Interest income	3,178	3,210	4,264	3,726	2,837
Interest paid on deposits and borrowing etc.	2,583	2,596	2,801	2,464	1,838
Net interest income	595	614	1,463	1,263	999
Investment income	1,313	1,046	342	547	833
Commission, exchange and brokerage	164	114	145	143	188
Other operating income	194	82	78	67	75
Total operating income	2,266	1,856	2,028	2,020	2,095
Salaries and allowances	616	533	598	550	462
Rent, taxes, insurance, electricity etc.	85	239	252	224	191
Legal expenses	1	1	1	0.46	1
Postage, stamps, telecommunication etc.	20	21	20	22	17
Stationery, printing, advertisement etc.	15	13	14	17	17
Chief Executive's salary and fees	18	17	15	14	8
Directors' fees	2	1	2	2	3
Auditors' fees	0.38	0.35	0.43	0.40	0.26
Depreciation and repair of the bank's assets	205	91	99	104	81
Other expenses	261	205	203	239	299
Total operating expenses	1,223	1,122	1,204	1,172	1,078
Profit before provisions	1,043	734	824	848	1,017
Provision for loans/Investments:					
Loans and advances	(397)	(124)	(296)	(418)	(232)
Recovery from Write-Off	-	-	-	-	-
Diminution in value of investments	10	16	(25)	(22)	(5)
Off balance sheet items	(46)	(7)	14	8	(14)
Other provisions	(56)	0.02	(12)	(5)	(21)
Total provision	(490)	(115)	(319)	(436)	(271)
Total Profit/(loss) before taxes	554	619	505	411	746
Provision for taxation:					
Current tax expense	(250)	(170)	(370)	(320)	(328)
Deferred tax expense / (income)	4	52	-	-	3
Total provision for taxation	(246)	(118)	(370)	(320)	(325)
Net profit after taxation	308	501	135	91	421

GRAPHICAL PRESENTATION OF PERFORMANCE

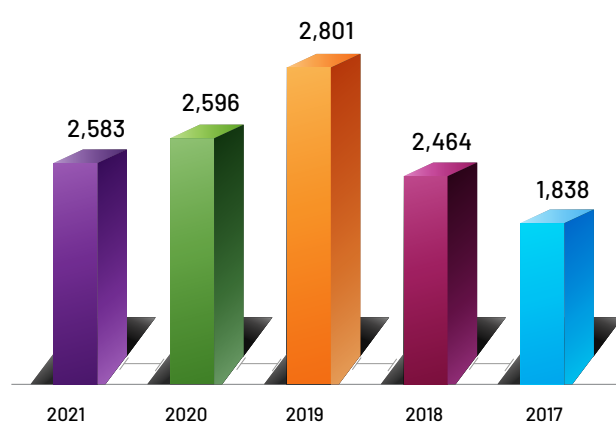
(Figures in million Taka)

Particulars	2021	2020	2019	2018	2017
Interest Income	3,178	3,210	4,264	3,726	2,837
Interest Expense	2,583	2,596	2,801	2,464	1,838
Net Interest Income	595	614	1,463	1,263	999
Total Operating Income	2,266	1,856	2,028	2,020	2,095
Operating Expenses	1,223	1,122	1,204	1,172	1,078
Operating Profit	1,043	734	824	848	1,017
Profit Before Tax	554	619	505	411	746
Net Profit After Tax	308	501	135	91	421
Earnings Per Share	0.61	1.00	0.29	0.19	0.95

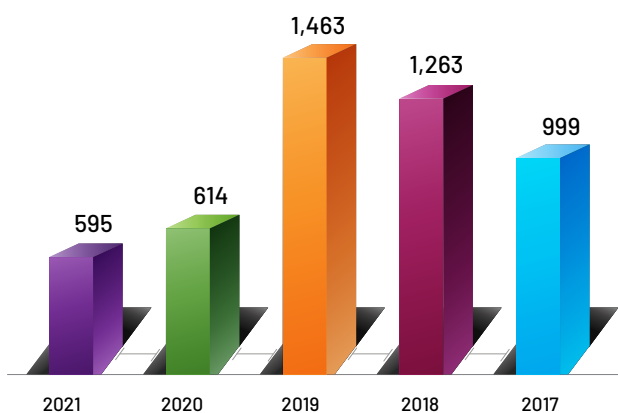
Interest Income (BDT Million)



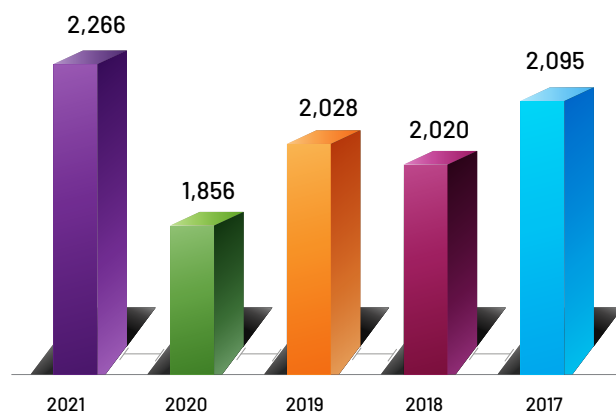
Interest Expenses (BDT Million)



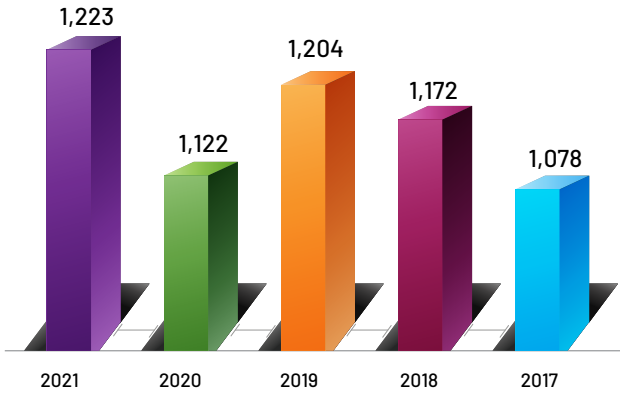
Net Interest Income (BDT Million)



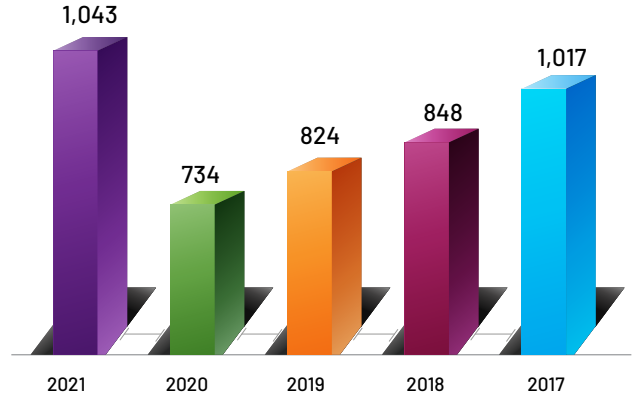
Total Operating Income (BDT Million)



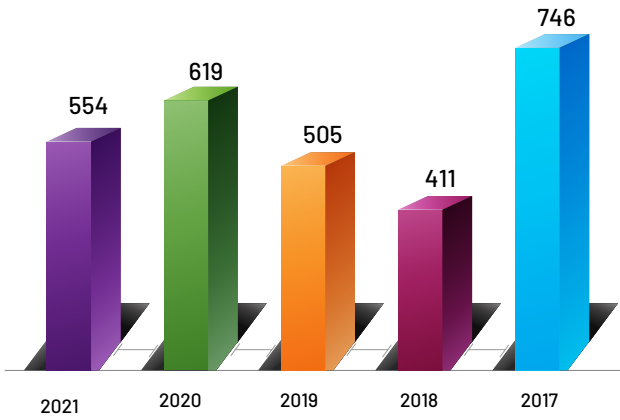
Operating Expenses (BDT Million)



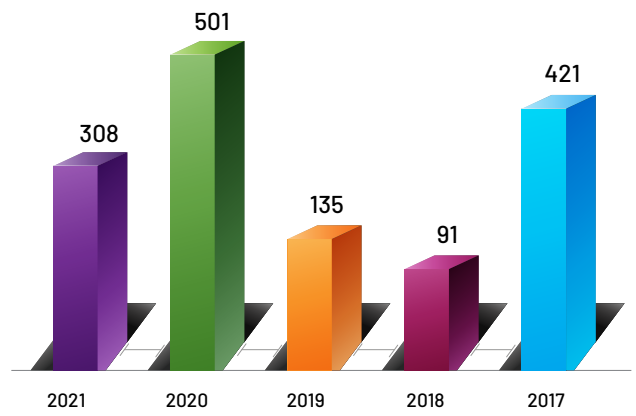
Operating Profit (BDT Million)



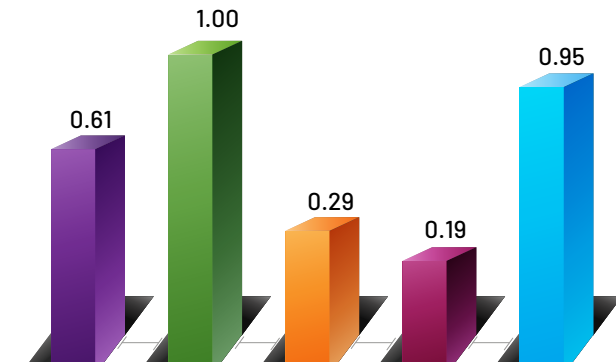
Profit Before Tax (BDT Million)



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, 2021 and other prevailing factors up to date of rating.

Particulars	Entity Rating	Definition
Year of Rating	2021	All Financial and Non-Financial Information Data Based on Year 2021.
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 26th, 2022	Validity of Rating: 25th June 2023



STRATEGIC OVERVIEW



MESSAGE FROM THE CHAIRMAN



A crisis though fraught with risk, also opens the door for newer opportunities and resilience. Despite difficulties, we have been steadfast in our efforts to put Meghna Bank increasingly on strong foundation and reach the people at all levels down to the grassroots-while energizing innovations, commercial and Industrial growth and instilling in common psyche the benefits of multiple use of money.

Dear All,

Esteemed Directors, Sponsors, Share-holders, Management and officers of this Bank.

We are meeting at a moment when the whole world is in a turmoil—on one hand lingering Covid-19 and on the other, the war between Ukraine and Russia. How long the predicament may last is anybody's guess. The world is faced with crisis in Energy, Food adequacy and Productivity embedded with inflation and regression in industrial, trade and other sectors.

Our peril is even larger. From the beginning as a 4th generation Bank, we had an uphill task in the backdrop of numerous competing Banks. The challenge was further accentuated during the onslaught of Covid-19 from 2020 with human communion almost stopped, consumption slackened, initiative to undertake new ventures on hold, interest rate radically reduced, and 'Spread' drastically shrunk; strict and demanding rules & regulations and additional provision slapped on the Banking System.

Fortunately, we have been cautious and correct on our path. Today our bank's image is untarnished and shining. We are reputed for our full compliance, transparency, trustworthiness and credibility.

A crisis though fraught with risk, also opens the door for newer opportunities and resilience. Despite difficulties, we have been steadfast in our efforts to put Meghna Bank increasingly on strong foundation and reach the people at all levels down to the grassroots-while energizing innovations, commercial and Industrial growth and instilling in common psyche the benefits of multiple use of money.

This has been made possible by the trust of our customers, big and small, by the ingenuity and deft handling by our dedicated professionals under dynamic and experienced leadership of Managing Director & CEO Mr. Sohail RK Hussain. Above all, I owe my gratitude to our able and farsighted Board of the Director for their unstinted cooperation and guidance. I would also like to mention the sagacious guidance and analytical wisdom that we have been receiving from our Independent Directors. – Prof.



Dr. Sayed Ferhat Anwer & Mr. Ahsanullah, former Director of Bangladesh Bank. Meghna Bank congratulates Prof. Ferhat Anwer on his recent elevation as Chairman of Asia Marketing Federation - a prestigious International Financial Forum. The recognition is well deserved.

We are looking for introducing technology at all levels- E-based service, vibrant ATM cards, Internet Banking, Mobile Banking etc. We have already launched Agent banking, Islamic Banking, retail banking and offshore banking. By now, you must have noticed the difference. We have been able to gather a number of good and reputed professionals in the key-position in the Bank. The latest addition in the IT division Mr. Shyamal Barmon Das is known in the IT sector for proficiency & innovative applications.

We are conscious that for Meghna or for any other bank for progress and to avoid decline, the paramount need is having a hard rock and effective "Risk" management and practice. We have looked intently at evolving a sound "Credit Culture". We remain vigilant to maintain non-performing loans at Zero level and put full efforts in recovering and repairing bad loans. You would be happy to note, in-the-meanwhile, we have achieved substantial success.

Even though circumstances were tough, time was rough and the Bank undergoing a lot of reform and transformation, we have managed to make modest profit in 2021. With humility, I declare 5% dividend for the year. I believe as time passes, we shall progress.

But we have to reckon a lot of-parameters and we need to tighten our belt and be responsive to what needs to be done. We all know, during the period of Mr. Nurul Amin, a former CEO lot of irresponsible loans were created. I am grateful, with your cooperation by now, we have been able to achieve an equilibrium in the management of our funds.

But still we have to do what we need to do for ensuring and fortifying the future and the growth of Meghna Bank. Mr. Adil Islam, former CEO and the present CEO Mr. Sohail insistently once and again emphasized the vital and inevitable requirement for enhancing equity of our Bank. Addition in equity will act as fundamental catalyst for the survival of the bank and the long journey of glory and height - that we got together to achieve.

Accordingly, the Hon'ble Directors of The Board took the decision to enhance the equity of the Bank by Tk. 200 crore and approved the proposal on July 20, 2020 and it was approved by Bangladesh Bank on September 2020. The decision was confirmed and reconfirmed at the subsequent Board Meeting on August 5, 2021, Oct. 26, 2021 and December 19, 2021. But unfortunately, till today from the internal source our participation has not exceeded 20% of the target. But we must and must accomplish the target, come what may.

Today I give you a graphic picture of the affairs that we are faced with.

1. In the recent year and till today no growth in deposits worthwhile. Deposits, as of now, not enough to carry on the functions of the bank with profit.

2. Scope to invest surplus fund either in loan or in Bonds or in other enter-banking channels or L/C(s) etc. significantly diminished.
3. With "Spread" is minimal, high-cost deposit is untenable and inadvisable.
4. Alternative business opportunities starved and cannot be explored.
5. To be on par with other banks in technology, meet competition and fulfill modern market demands, adequate funds needed. Besides, competent people entail cost.
6. Absence of sound balance sheet hindrance Banks prestige and recognition in the international finance arena.

Needs of the Hour

1. Enhanced equity for Bank soonest.
2. Fastest growth of deposits. Find ways and means to expand multi-pronged dimensions for gathering deposits and business.
3. Sound management with vision.


Before close, I must mention that Meghna Bank grew out of a commitment with promise of innovations and inclusive banking for all. This is a long-term passion and subterranean current for caring for others, inherited from Bangabandhu Sheikh Mujibur Rahman, Father of the Nation. Sacrifices, blood and toil of countless millions must not go in vain. We are carrying the vision and age-old legacy of a noble urge and yearning for the down-trodden who need emancipation and freedom from shackles of poverty. Sheikh Hasina, Prime Minister of the country is carrying the torch of Bangabandhu. But for her we would not have been here. The Meghna Bank Limited is her gift. We are grateful to her beyond measure.

Our Motto "Together we Sail"- we mean it. The success of the customer becomes our success. We finance -if industry wins, we win, our company wins, society wins- our country wins. We cannot and must not fail.

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

Thank You.

Joy Bangla



H.N. Ashequr Rahman M.P.

Chairman

MANAGING DIRECTOR & CEO'S ROUND UP



Despite all the challenges prevailing over 2021, we endeavored to make MGBL a better company. We connected with more clients than before and expanded our digital capabilities and reach. We continued to invest in sustainability and our human resources. We increased our operational and business flexibility. As a result, we are now well positioned to tackle both short-term uncertainties and long-term challenges.

Managing Director & CEO's Round Up

Dear Shareholders,

Firstly I take pride in the way the Meghna Bank family delivered essential services as Bankers to the economy at large during the COVID time. During the year 2021, we achieved key strategic goals through our relentless execution on ambitious transformation projects, across businesses and functions backed by a positive culture change and timely support from Board.

Economic View

The year 2021 marked as Recovering Year after being hit by COVID pandemic. With nations around the world focused on controlling the spread of the virus, global trade and economic activities took a back seat in many parts of the world. However, Bangladesh Government continued ongoing expansionary and accommodative mode supporting the economic recovery process. Timely and prudent government initiatives regarding lock-down measures and COVID-19 vaccine roll-out program were praiseworthy. As such Bangladesh economy grew by 6.94% in FY 2021.

Banking Industry

Almost all the large financial markets around the world have been extremely affected due to the lock-down and other restrictive measures aiming at restricting the escalation of pandemic. Bangladesh Banking Industry also lost the pace of banking business growth. Country's banking sector continued some problems in this year also, notably the non-performing loans, the backlog of the NPL related cases in the court and the lack of governance. During Year -2021, the main priority

of Bangladesh Bank (BB) was to maintain resilience and stability of financial system as well as to support the government initiatives of recovering the economy from the challenging domestic and global market conditions caused by the ongoing COVID-19 pandemic.

Facing Post Pandemic Challenges

Moving forward from a crisis, during the year -2021, bank was going through massive transformation that included incorporation of new technology, segmentation of customers, an extensive drive for attracting customers using alternative channels, redesigning business strategies, adopting the best practices and launching the best lending and deposit products for the customers.

To prepare the bank to retain its business growth in a post-pandemic environment we had put following priorities:

- **Reconfigure business operating model** - From a branch-centric model to a business-matrix and centralized model
- **Strengthening revenue growth engine** - Focusing on non-funded business, Agent Banking, structured finance, Islamic Banking
- **Diversify product portfolio** - Introduce different types of current and saving accounts, offering better values for customers, design solutions to drive transactional accounts
- **Enhance risk management capacity** - developing early warning systems, better NPL management, added measures against cyber threat
- **Reinforce culture and talent** - Maintaining a pool of motivated workforce through equitable reward programs



- **Improvement of service quality** – Promote the service centric mindset to enhance customer experience
- **Adopt digital initiatives** – Digital solution with innovative & competitive offerings
- **Process centralization & automation** – Bank Guarantee, A-Challan, BACPS Outward Clearing Process, BREB Collection Account, RTGS Inward & Charge, Cheque dishonor charge, Intercity Charge, Sanchaypatra & Bond, Welcome Letter.
- **Improve operational efficiency** – Direct delivery of security (Courier) items, NID verification, Introducing of Advice for FD & Scheme Account, E-Signature booklet, E-KYC.
- **Increase customer communications** – Stronger presence in social media, develop channels to reach more customers.
- **Improved value proposition** – Free access to 11k ATM booths, Insurance Backed Products, more tailored products for specific segment i.e. priority banking, islami banking.

Lifted The Growth Trajectory Led By A Performance Driven Culture

Despite all the challenges prevailing over 2021, we endeavored to make MGBL a better company. We connected with more clients than before and expanded our digital capabilities and reach. We continued to invest in sustainability and our human resources. We increased our operational and business flexibility. As a result, we are now well positioned to tackle both short-term uncertainties and long-term challenges.

Glimpses of performances of MGBL's in 2021:

- Due to global pandemic and single digit lending rate cap, our net interest income in 2021 decreased by 3%, but we have tried to cover it up with non-interest income supported by growth of investment income by 26% & Fee based income by 83% over 2020 that helped our operating income to reach BDT 2,266 million in 2021 gaining a growth of 22%. Our focus on process efficiencies and productivity improvements helped to restrict OPEX at 1,223 million which was only 9% increase over 2020. As a result, Operating Profit saw a growth of 42% over 2020 reached at 1,043 million. But due to sharp rise in provision expense which was 327% up than 2020 drag down profit after tax was by BDT 193 million year-on-year reaching at BDT 308 million as PAT for the year-2021.
- Despite facing numerous challenges in the operating environment, the Bank has maintained a total Business of 110,205 million up by 24%, consisting of deposits of 52,737 million, gross advances of 41,876 and Investments 15,592 million as on December 31, 2021.
- Through reconfiguring operation model from branch centric to business-matrix, the bank achieved deposit and loan portfolio a balanced growth of 22% and 17% respectively over 2020.
- Our prudent risk management approach has driven to reduce NPL at 5.60% at the end of 2021 which was 6.80% at the end of 2020.
- During this difficult times, we continue to maximize wealth for our valuable shareholders maintaining ROA of 0.52%, ROE of 5.05%, managed EPS at BDT 0.61 and NAV per share BDT 12.32

Towards Digital Transformation

As part of our strategy to build a future ready organization, progress towards our Digital transformation agenda has been started. We now have over 30+ people dedicated to digital agenda with 10+ member full service in-house team and 35+ automated processes enabled through Intelligent Automation. We are leveraging our in house product, design and engineering teams to create digital solution, impact of which is now visible across the business segments.

The multi-year digital transformation program that we started in 2020 has been progressing well with 40+ large transformational projects

being managed directly by our Information Technology Division. The execution of these projects have largely remained on track with promising outcomes in the form of improved productivity, reduction in turnaround times and better customer experience.

Commitment To Sustainability

Digitalization continues to be an area of relentless focus for us for building a future ready organization. Effort on broadening our banking horizon in renewable energy shall be extended. Turn off lights after office hours, use daylight instead of electric lights, reduce usage of plastics, run air conditioning at 24-25C, move towards paperless office work, manage water consumption, plant trees, and encourage green practices, all of these have been the mainstay of our green banking endeavors.

Putting People First

We have always recognized our employees as our greatest asset and they remain key to achieving our Strategic goals. We have been working towards creating an organization that will lead the industry, not just in business performance but as a distinctive workplace. We continue to be at the forefront of modern workplace practices with hybrid working model. We continued to invest in our people with learning hours across the organization. The community continues to be a critical stakeholder for us. For the second consecutive year, the Bank contributed towards CSR by more than 15 mn.

Looking Ahead

COVID-19 crisis created opportunity for innovation and service excellence. As such, we have planned for introducing many forward-looking and innovative technology to offer seamless and hassle-free services. Strengthening our digital capabilities and customer centricity are central to this agenda as we expand beyond traditional solutions to offer innovative and competitive offerings to drive customer acquisition and deepen relationships with our customers. As the banking sector is compelled to adjust to the low-interest rate environment, we seek to drive increased operational efficiencies to build a leaner, more responsive organization while increasing contributions from fee-based income and other reliable sources.

Acknowledgements

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 with highly capable and reputed professionals who have run large institutions. We have very detailed and rich discussions at the Board on all important matters. I thank every one of them for their thoughtfulness, wisdom, their active participation, and guidance at the Board. To each one of our employees, thank you for being with us and working so hard. I express my sincere thanks to our regulator who monitor us closely, guide us and support us particularly well. I thank the media for your forthright reporting. I thank our customers for their trust in our bank. Finally, I thank all of our shareholders for your 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 9th Annual General Meeting (AGM) of the Bank and presents before you the Annual Report along with the Audited Financial Statements for the year 2021 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 enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have re-imposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of

private consumption also have limited growth prospects.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective.

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

Particulars	2021	2022 p	2023 p
World	5.9	4.4	3.8
Advanced Economies	5.0	3.9	2.6
Other Advanced Economies	4.7	3.6	2.9
USA	5.6	4.0	2.6
Euro Area	5.2	3.9	2.5
Emerging Market and Developing Economies	6.5	4.8	4.7
China	8.1	4.8	5.2
India	9.0	9.0	7.1

Source: IMF World Economic Outlook Update (January 2022); p for projection

Bangladesh Context

In spite of the repeated shocks of COVID-19 and subsequent nationwide lockdowns to contain the pandemic, Bangladesh economy is crawling back to the recovery phase. Badly thrashed by the pandemic, regular economic activity was disrupted nevertheless the country withstood its growth path while output growth in other South Asian countries severely tumbled in 2020. Aided by appropriate policies and 28 stimulus packages worth of around BDT 1.92 trillion until 28 November 2021, Bangladesh continued to show its resiliency of sustaining real GDP growth while most of the other South Asian countries also joined the recovery phase in 2021. The estimate (according to new base FY16=100) of the Bangladesh Bureau of Statistics (BBS) indicates that real GDP recorded a growth of 6.94 percent in FY21, which was higher than 3.45 percent growth in FY20. Considering the cumulative growth of the last

two years, Bangladesh is considered to be the fastest growing country in the South Asia region.

Measured at current market prices, the GDP of Bangladesh is estimated at BDT 35,301.85 billion for FY21 which is about 11.35 percent higher compared to the preceding year. In FY21, per capita real GDP and GNI are estimated at BDT 1,67,579.94 and BDT 176,400.54 respectively. However, per capita real GDP growth in FY21 was 5.86 percent which was almost double compared to the growth of FY20. During the same period, per capita nominal GDP and GNI were estimated at BDT 2,08,751 (USD 2462) and BDT 2,19,738 (USD 2591) respectively.

Banking industry in 2021

During FY21, the main priority of Bangladesh Bank (BB) was to maintain resilience and stability of financial system as well as to

support the government initiatives of recovering the economy from the challenging domestic and global market conditions caused by the ongoing COVID-19 pandemic. Almost all the large financial markets around the world have been extremely affected due to the lockdown and other restrictive measures aiming at restricting the escalation of pandemic. Bangladesh also lost the pace of internal production as well as export earnings due to regional or countrywide lockdown during the first wave of the pandemic. However, while the pandemic subsided and the economy started to recover in response to the various policy measures taken by the government and BB, second wave of the pandemic hit again in April 2021. Despite being under enormous pressure created by the internal and external situations of the financial market, all scheduled banks of the country remained operational for normal business hours or for specified time in every working day during the lockdown period to provide regular banking services to their customers throughout the pandemic over the last one year and a half.

The burden of default loans of the banks became even heavier in 2021 despite certain forbearance measures allowed by the central bank to help businesses withstand the shock of the pandemic. The ratio of gross NPLs to total loans stood at 7.93% at the end of 2021 from 8.12% at September 2021 but increased from 7.66% at the end of 2020. This huge pileup of bad loans may choke the credit supply channel of the economy with due repercussions on the resilience of the private sector. To prevent the asset-liability mismatch due to the recent declining trend in banks' deposit rate, Bangladesh Bank issued a circular regarding rationalization of deposit rate of scheduled banks where banks were instructed to determine deposit rate (with period of three months and above) not below the average inflation rate of previous three months. Given the liquidity surplus in the banking system following the easy monetary regime in the pandemic period, Bangladesh Bank mopped up some excess liquidity from the banking system in H1, FY 2022 to rationalize the liquidity condition. Growing trend of private sector credit growth also contributed to reduce excess liquidity. Advance-Deposit Ratio (ADR) of the banking industry stood at 73.15% in December 2021 which was 72.08% as at the end-September 2021, reflecting rising demand for loans as the economy returns to normalcy.

The banking sector, as a whole, maintained the required level of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) and other liquidity ratios i.e. Liquidity Coverage ratio (LCR), Net Stable Funding Ratio (NSFR) as on 31 December 2021.

Some important initiatives taken by Bangladesh Bank in 2021 are as follows:

- Raising loan margin ratio to 70:30 for purchasing digital devices (laptop/ computer/ mobile/ tab) under consumer finance from the previous ratio of 30:70.
- Implementation of government's stimulus package of BDT 10 billion for the pandemic-affected tourism sector.
- Instruction to rationalize deposit rate with period of three months and above, not below inflation rate, due to recent declining trend in banks deposit rate.
- Implementation of Basel III in Bangladesh: increasing leverage ratio gradually to 4% by 2026 from current 3% level.

- Guidelines regarding dividend declaration against shareholding of a bank.
- Relaxing loan classification criteria: minimum 15% of the installments payable against the loan from January 2021 to December 2021 is repaid by 31 December 2021.
- A detailed policy regarding treatment of Non-Banking Assets.
- Instruction to verify Financial Statements submitted by borrowers using the Document Verification System (DVS) of the Institute of Chartered Accountants of Bangladesh (ICAB).
- Refinance scheme of BDT 30 billion for agriculture sector.
- Instruction to provide at least 15% of CMSME loans to women entrepreneurs by 2024.
- Refinance scheme of BDT 5 billion for low income group people holding bank accounts of Tk. 10, 50, 100.
- Instruction to buildup own startup fund by transferring 1% of net profit for 5 years from 2021-2025.
- Instruction to run Special CSR activities (1% of PAT) under Corporate Social Responsibility (CSR) of banks to mitigate COVID-19 crisis.

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, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and stipulations of Bangladesh Securities and Exchange Commission (BSEC). To discharge the duties and responsibilities of the Board, three Committees i.e. Executive Committee, Audit Committee and Risk Management



Committee remained functional with defined responsibilities. Each Committee adheres to a set of terms of reference approved by the Board. Their roles, operating procedures and authorities are clearly defined in the terms of reference which the Board reviews from time to time. During the year 2021, twenty meetings of Board of Directors, three 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 2021 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. 12.41 billion showing growth of 23.48% over year 2020. Details of the items which results the overall growth are available in the Audited Financial of the Bank:

Total Assets:

Major contribution in the overall 23.48% growth in assets of the Bank from increase in investments in treasury bills & bonds 6.13 billion and loans and advances by Tk. 6.04 billion. The table below depicts increase in amount and corresponding growth in major heads of Bank's asset:

Assets	Year 2021		Year 2020		Growth in 2021	
	Taka	%	Taka	%	Taka	%
Cash	3,130,545,671	5%	3,602,162,262	7%	(471,616,591)	-13%
Balance with Other Banks & Fis	2,723,637,291	4%	2,521,748,078	5%	201,889,213	8%
Money at Call & Short Notice	100,000,000	0.15%	130,000,000	0.25%	(30,000,000)	-23%
Investments	15,592,157,320	24%	9,464,079,314	18%	6,128,078,006	65%
Loans and Advances	41,876,110,332	64%	35,840,624,305	68%	6,035,486,027	17%
Fixed Assets	692,261,436	1%	218,576,063	0.41%	473,685,373	217%
Other Assets	1,170,068,031	2%	1,093,923,705	2%	76,144,326	7%
Total Assets	65,284,780,081	100%	52,871,113,727	100%	12,413,666,354	23%

Total Liabilities:

Deposits & Other Accounts increased by Tk. 9.41 billion resulting 21.71% growth over year 2020. Shareholders' Equity increased by Tk. 0.20 billion to Tk 6.19 billion in year 2021 from Tk 6.00 billion in year 2020. Segment wise position of year 2021 compared with year 2020 is below:

Particulars	Year 2021		Year 2020		Growth in 2021	
	Taka	%	Taka	%	Taka	%
Borrowings from other Banks, Financial Institutions and Agents	2,105,164,693	3%	558,616,000	1%	1,546,548,693	277%
Deposits & Other Accounts	52,737,870,285	81%	43,330,127,348	82%	9,407,742,937	22%
Other Liabilities	4,247,980,806	7%	2,984,905,636	6%	1,263,075,170	42%
Equity	6,193,764,297	9%	5,997,464,743	11%	196,299,554	3%
Total Liability	65,284,780,081	100%	52,871,113,727	100%	12,413,666,354	23%

Contingent Liabilities:

The Non-funded business of the Bank was increased during the year 2021 as reflected in the table below. Business volume Increased significantly in year 2021 as compared to year 2020. Amount of non-funded business handled by the bank in year 2021 was Tk. 24.48 billion as compared to Tk. 10.29 billion in year 2020 with 138% growth. Following table contains the outstanding position of non-funded business in year 2021 and comparison with year 2020.

Particulars	Year 2021		Year 2020		Growth in 2021	
	Taka	%	Taka	%	Taka	%
Acceptance and Endorsement	1,691,195,649	16%	196,239,172	4%	1,494,956,477	762%
Letters of Guarantee	6,341,589,194	63%	3,306,789,418	66%	3,034,799,776	92%
Irrevocable Letters of Credit	1,527,158,618	15%	1,418,051,665	28%	109,106,953	8%
Bills for Collection	574,679,268	6%	107,712,365	2%	466,966,903	434%
Total Contingent Liabilities	10,134,622,729	100%	5,028,792,620	100%	5,105,830,109	102%

Operating Income:

Total operating income of the Bank increased 22.14% in year 2021 as compared with year 2020. In year 2021, Bank recorded Tk. 2.27 billion as operative income against Tk. 1.86 billion in year 2020. Other operating income increased of 137.78% and Commission, Exchange and Brokerage earning increased 43.99% in the year 2021 as compared with year 2020. Below is the comparative position of Bank's total operating income for the year 2021 and Year 2020:

Particulars	Year 2021		Year 2020		Growth in 2021	
	Taka	%	Taka	%	Taka	%
Net Interest Income	595,348,292	26%	614,156,092	33%	(18,807,800)	-3%
Investment Income	1,312,578,767	58%	1,045,650,846	56%	266,927,921	26%
Commission, Exchange & Brokerage	164,420,861	7%	114,186,771	6%	50,234,090	44%
Other Operating Income	194,136,861	9%	81,646,311	4%	112,490,550	138%
Total Operating Income	2,266,484,781	100%	1,855,640,020	100%	410,844,761	22%

Operating Expense:

No branches were opened during the year 2021 but a number of employees have been recruited for formation of new division and few were replaced by new one. Operating expenses increased by 9.02% in year 2021 as compared to year 2020. The decrease in Rent Expenses & Increase in Depreciation Expenses were resulted from implementation of IFRS-16. Below is the comparative position of Bank's operating expenses for the year 2021 and 2020:

Particulars	Year 2021		Year 2020		Growth in 2021	
	Taka	%	Taka	%	Taka	%
Salaries and Allowances	616,062,847	50%	533,252,515	48%	82,810,332	16%
Rent, Taxes, Insurances, Electricity etc.	84,731,750	7%	239,135,712	21%	(154,403,962)	(65%)
Legal Expenses	1,138,802	0.09%	609,905	0%	528,897	87%
Postage, Stamps, Telecommunications	19,807,441	2%	20,674,655	2%	(867,214)	(4%)
Stationery, Printings, Advertisements etc.	15,144,956	1%	13,189,764	1%	1,955,192	15%
Chief Executive's Salary & Fees	18,106,420	2%	17,130,135	2%	976,285	6%
Directors Fee	1,784,000	0.15%	1,440,000	0%	344,000	24%
Auditors Fee	379,500	0.03%	350,000	0%	29,500	8%
Depreciation & Repairs	204,912,335	17%	90,962,242	8%	113,950,093	125%
Other Expenses	260,997,873	21%	205,158,896	18%	55,838,977	27%
Total Operating Expenses	1,223,065,924	100%	1,121,903,824	100%	101,162,100	9%



Shareholders' Equity

Consolidated shareholders' equity of the Bank and its subsidiary increased by 3.13% at the end of year 2021 and Bank's shareholders' equity also increased by 3.27%. Paid-up capital of Meghna Bank was Tk. 5.03 billion, statutory reserve increased by Tk. 0.11 billion during the year and stood at Tk. 0.88 billion at the end of year 2021. Distributable profit stood at Tk. 0.29 billion at the end of the year.

Provision as per regulatory requirement

Adequate General Provision has been made against unclassified loans and advances and off -balance sheet exposures as per regulatory guideline. During the year bank made general provision of Tk. 62.77 million against year-end position of loans & advances and off-balance sheet exposures, Tk. 380.70 million provision made against classified loans and advances, Tk. 9.95 million provision released against diminution in value of investments and Tk. 56.01 million provision made against other assets. The Bank has also made provision of Tk. 250 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 2021. Earning a net profit of Tk. 37.21 million after tax.

Appointment of Auditors

M/s Khan Wahab Shafique Rahman & Co., Chartered Accountants have completed their second 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 2022 with an audit fee of BDT 346,500 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 346,500 plus VAT. We have also taken the prior approval from Bangladesh Bank to

appoint M/s Khan Wahab Shafique Rahman & Co., Chartered Accountants, until conclusion of 10th 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 5% (Five) cash dividend for the year 2021 and to recommend same to the Shareholders in the 9th Annual General meeting for their approval.

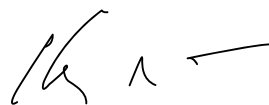
Contribution to national exchequer

Meghna regularly pays corporate tax on time, 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 2021 we contributed BDT 693.41 million to national exchequer as Tax, VAT and Excise Duty. We paid advance corporate tax of BDT 196.20 million, withheld tax of BDT 340.73 million, VAT of BDT 82.47 million and Excise Duty of BDT 74.01 million during the year 2021.

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 (RJSC) and Financial Reporting Council (FRC) 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 Structure:

Responsibility for risk management resides at all levels within the Bank starting from the Board of Directors, Risk Management Committee (RMC) and the Executive committee (EC) down through the organization to each business manager and specialist. Bank distributes these responsibilities so that risk/ return decisions are taken at the most appropriate level; as close as possible to the business and subject to robust and effective review and challenge. The risk management procedures are approved, monitored and mitigated at various stages of the Bank with inputs from the Board of Directors as well as committees and Divisions namely Executive Committee (EC) Audit Committee (AC) Risk Management Committee (RMC), Management Committee (MANCOM), Asset Liability Committee (ALCO), Risk Management Department (RMD), Credit Risk Management Committee (CRMC), Internal Control and Compliance Division (ICCD), and Central Compliance Unit (CCU). On an enterprise basis, the Bank's overall risks are reviewed, monitored and supervised by Chief Risk Officer (CRO) of the Bank Supported by Risk Management Department (RMD).

Risk Management Strategy:

At a strategic level Bank's Risk Management objectives are:

- To identify Bank's material risk.
- To formulate the Bank's Risk Appetite consistent with its overall risk profile and capital adequacy.
- To optimize risk/ return decisions 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.

Risk Management Framework:

The primary objective of the risk management is ensuring that the outcomes of risk taking activities are consistent with the Bank's strategies and risk appetite, and that there is an appropriate balance between risk and reward in order to maximize shareholders returns. The Bank's enterprise wide risk management framework provides the foundation for achieving these goals.

This framework is subject to constant evaluation to ensure that it meets the challenges and requirements of the global markets in which the Bank operates including regulatory standards and industry best practices. The risk management programs of the Bank's subsidiaries confirm in all material respects to the Bank's risk management framework, although the actual execution of their programs may be different. The Bank's risk management framework is applied on an enterprise wide basis and consists of three key elements:

- Risk Governance
- Risk Appetite
- Risk Management Techniques

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.



Organizational Structure:

- Members of the committee will be nominated by the Board of Directors from themselves
- The Risk Management Committee will comprise of maximum 05 (five) members
- Members may be appointed for a 03 (three) year term of office
- Company secretary of the bank will be the secretary of the Risk Management Committee.

Qualifications of the Member:

- Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee
- Each member should be capable of making valuable and effective contributions in the functioning of the committee
- To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.

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 2021 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, 2021 was as follows:

SL	Name	Status
1	Mr. S. M. Jahangir Alam (Manik)	Chairman
2	Mr. Md. Kamal Uddin	Member
3	Mr. Md. Tanveer Ahmed*	Member
4	Mr. Md. Ahsan Ullah, Independent Director	Member

Note: *Mr. Md. Tanveer Ahmed has been performing and the member of the committee since 19.09.21.

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.

Analysis and approval of Risk Management policy:

Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.

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.

Monitoring the implementation of overall Risk Management Policy:

Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.

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	Head of CRM	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 IT	Member
6	Head of ICCD	Member
7	Head of FAD	Member
8	Head of RMD	Member Secretary
9	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

Board and Senior Management oversight:

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:

- I. **Residual Risk:** Error in documentation and error in valuation of collateral security.
- II. **Concentration Risk:** Credit concentration in groups, sectors and regions
- III. **Interest Rate Risk in the Banking Book:** Probable loss due to poor asset liability management and volatile movement of marketable instruments like bill, bond.
- IV. **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).
- V. **Reputation Risk:** Internal and External fraud, non-Payment of ABP, Credit rating and Customer Service.
- VI. **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).
- VII. **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.

VIII. **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.

IX. **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 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 2021:

- 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 status of all NI act cases as of November 25, 2021.

- Review of Loan Reschedule status of the Bank.
- Review of Business performance of Branches.
- Review of policy guidelines of Credit Risk Management of Meghna Bank Limited for the Year-2021.
- Review of Asset Liability Management Guidelines for the year -2021.
- Review of Foreign Exchange Risk Management Guidelines for the year -2021
- Review of Risk Management Guideline of Meghna Bank Limited.
- Review of MGBL ICT security Policy along with all other ITD Procedures.
- Six core Risk Ratings of MGBL for last six 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.
- Review of reconstitution of Executive Risk Management Committee (ERMC) of Meghna Bank Limited.
- Review of reconstitution of Supervisory Review Process (SRP) tem of Meghna Bank Limited.



DISCLOSURE ON RISK BASED CAPITAL ADEQUACY (BASEL-III)

As on December 31, 2021

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 2021. 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 2021 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%	15.70%	15.76%	Complied
2.	Capital Conservation Buffer	2.50%	7.13%	7.19%	Complied
3.	Common Equity Tier -1 plus capital Conservation Buffer (4.50%+2.50%) i.e. 7.00%	7.00%	17.13%	17.19%	Complied
4.	Minimum Tier-I Capital	6.00%	15.70%	15.76%	Complied
5.	Minimum Total Capital Plus Capital Conservation Buffer	12.50%	17.13%	17.19%	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%	8.78%	8.79%	Complied



1.3.a Quantitative Disclosures (Solo basis):

Quantitative Disclosures	Particulars	Amount in Taka
	The amount of Tier- 1 capital	6,181,487,571.00
	Paid up capital	5,027,908,600.00
	Non-repayable share premium account	-
	Statutory reserve	876,428,809.00
	General reserve	-
	Retained earnings	288,199,983.00
	Minority interest in subsidiaries	-
	Non-cumulative irredeemable preference shares	-
	Dividend equalization account	-
	The total amount of Tier 2 capital	559,146,428.00
	Other deductions from capital.	-
	Total eligible capital	6,740,633,999.00

1.3.b Quantitative Disclosures (Consolidated basis):

Quantitative Disclosures	Particulars	Amount in Taka
	The amount of Tier- 1 capital	6,188,038,355.00
	Paid up capital	5,027,908,600.00
	Non-repayable share premium account	-
	Statutory reserve	877,380,313.00
	General reserve	-
	Retained earnings	293,966,438.00
	Minority interest in subsidiaries	102.00
	Non-cumulative irredeemable preference shares	-
	Dividend equalization account	-
	The total amount of Tier 2 capital	559,692,160.00
	Other deductions from capital.	-
	Total eligible capital	6,747,730,515.00

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 2021,

the CRAR ranges from 15.18% to 17.19% 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 17.13%~17.19% on 'Consolidated & Solo Basis against required minimum of 12.50%. We had an excess capital of BDT 184.00 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	441.88	440.17
Capital requirement for Market Risk	7.24	7.88
Capital requirement for Operational Risk	42.87	42.72
Total capital requirement	491.99	490.77
Minimum Capital requirement (MCR) @12.50%	492.00	490.77
Total Capital Maintained	674.06	674.77
Total capital Surplus	182.06	184.00
Total Risk Weighted Asset	3,936.01	3,926.17
Capital to Risk Weighted Asset Ratio	17.13%	17.19%

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	4,826,843,024.00
Secured overdraft	750,891,074.00
General overdraft	4,805,672,249.00

Particulars	Amount in Taka
Import finance	2,636,241,265.00
Export finance	54,239,487.00
Other Demand Loans	12,494,949,048.00
Hire Purchase Finance	186,154,633.00
Demand Loan (Forced Loan)	101,637,304.00
Consortium/Syndicate Finance	581,533,050.00
House Building Loan	2,518,533,061.00
Credit Card A/C	470,277,546.00
General Term Loans	10,637,375,697.00
Agricultural and Rural Credit Scheme	845,594,980.00
SME Loans and Advances	44,624,492.00
Personal/Professionals Loan Scheme	404,148,325.00
Inland bills purchased and discounted	487,883,795.00
Foreign bills purchased and discounted	29,511,302.00
Total	41,876,110,332.00



2.3.ii. Geographical distribution of exposures:

Name of Area	Amount in Taka
Dhaka	31,822,736,027.00
Chittagong	6,916,921,413.00
Sylhet	373,812,387.00
Rajshahi	1,407,892,132.00
Rangpur	679,168,500.00
Khulna	420,868,462.00
Barisal	254,711,411.00
Total	41,876,110,332.00

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

Particulars	Amount in Taka
Commercial Lending	7,257,564,322.00
Export Financing	80,772,594.00
House Building Loan	2,047,044,153.00
Retail Loan	2,869,628,532.00
Small and Medium Enterprises	7,263,864,423.00
Special Program Loan	-
Industrial Loans Details :	20,185,324,061.00
Agricultural industries	449,223,856.00
Textile	2,754,583,966.00
Food and allied industries	1,050,269,255.00
Pharmaceutical industries	631,726,966.00
Leather, Chemical, Cosmetics	1,012,448,311.00
Tobacco industries	-
Cement and Ceramic industries	-
Service industries	3,107,179,558.00
Transport and Communication industries	463,355,973.00
Other industries including bills purchased and discounted	10,716,536,176.00
Others Loan	1,683,755,746.00
Staff Loan	233,641,101.00
Other Loans and Advances (SOD)	254,515,400.00
Total	41,876,110,332.00

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

Particulars	Amount in Taka
Re-payable on Demand	-
Not more than 3 months	36,295,030,514.00
Over 3 months but not more than 1 year	2,775,263,057.00
Over 1 year but not more than 5 years	2,743,144,721.00
Over 5 years	62,672,040.00
Total	41,876,110,332.00

2.3.v.Provision:

Particulars	Amount in Taka
Provision on Classified loans and Advances	1,224,950,000.00
General Provision for Unclassified Loans and Advances	351,400,000.00
General Provision for Off-Balance Sheet Exposures	95,599,435.00
Non-Performing Assets (NPAs)	2,346,447,678.00
Non-Performing Assets (NPAs) to Outstanding Loans and advances	5.60%

2.3.vi. Movement of Non-Performing Assets:

Particulars	Amount in Taka
Opening balance	2,435,672,618.00
Additions	135,932,421.90
Reductions	225,157,361.90
Closing balance	2,346,447,678.00
Movement of specific provisions for NPAs	
Opening balance	844,250,000.00
Provisions made during the period	380,700,000.00
Realized	-
Write - off	-
Write- back of excess provisions	-
Closing balance	1,224,950,000.00

2.4. Equities: Disclosures for Banking Book Positions:

Equity Risk:

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

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



2.5.Quantitative Disclosure:

Total Investment in Capital Market (Consolidated Basis):

Name of Stock	Cost Price	Market Price	Profit / Loss	Required Provision	Provision Maintained	Total Capital as per BCA 1991	% of investment in capital market to total prescribed capital components
Portfolio: Bank							
Shares	14.99	12.22	-2.77	2.77	2.77		
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	30.59	0.00	0.00	0.00		
Placement/others	0.00	0.00	0.00	0.00	0.00	619.93	8.20%
Less placement in subsidiaries	0.00	0.00	0.00	0.00	0.00		
Portfolio: Subsidiaries							
Shares	2.27	2.54	0.27	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	5.46	0.00	0.00	0.00		
Bridge loans	0.00	0.00	0.00	0.00	0.00		
Placement/others	0.00	0.00	0.00	0.00	0.00		
Total Capital Market Exposure							8.20%

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:	147,576,650.00	10%	14,757,665.00
b. General Market Risk:	147,576,650.00	10%	14,757,665.00
Total	295,153,300.00		29,515,330.00

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	2.25
Weighted Average Duration of Liability	0.54
Duration GAP	1.71
CAR After different level of Shock	
Minor Level	16.57%
Moderate Level	13.84%
Major Level	11.10%

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 capital charge against credit risk for banking book and Standardized (rule based) Approach for capital charge against market risk 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 repricing date. In Standardized (rule based) Approach the capital requirement for various market risks (interest rate risk, price, and foreign exchange risk) are determined separately.

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

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

2.13. Market Risk Management System:

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

2.14. Policies and processes for mitigating market risk:

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

For Market risk management purpose, The Bank has established internal limit duly approved by the Board besides the regulatory limit. For Foreign Exchange Risk management, the Bank has regulatory net open position (NOP) limit as well as internal limit like Intra- day limit, individual dealer's limit, stop loss limit, individual currency limit etc. For interest and other market risk management, The Bank has established wholesale borrowing guideline, LD ratio, 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	17,606,163.00	17,606,163.00
B.	Equities	24,432,711.40	29,515,330.00
C.	Foreign Exchange Position	15,908,411.50	15,908,411.50
D.	Commodities	-	-
Total		57,947,285.90	63,029,904.50

2.16. Operational risk:

Qualitative Disclosures:

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

Operational risk includes:

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

The Bank's approach to operational risk is not designed to eliminate risk altogether but rather, to contain risks within levels deemed acceptable by senior management.

All functions, whether business, control or logistics functions, must manage the operational risks that arise from their activities. Operational risks are pervasive, as a failure in one area may have a potential impact on several other areas.

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

2.17. Performance gap of executives and staff:

The bank believes that training and knowledge sharing is the best way to reduce knowledge gap. Therefore, it arranges

trainings on a regular basis for its employees to develop their expertise. The bank offers competitive pay package to its employees based on performance and merit. Besides, the recruitment policy of the Bank always emphasize on sorting out fresh graduate from the reputed universities and nurture them until transformation to a Human Capital of highest quality. It always tries to develop a culture where all employees can apply his/her talent and knowledge to work for the organization with high ethical standards in order to add more value to the company and for the economy.

An accommodating, welcoming, cooperative and congenial work atmosphere motivates its employees to act as a family towards achievement of goal. As such, there exists no performance gap in the Bank.

2.18. Potential external events:

No potential external events occurred during the reporting period ended 31st December 2021. The Bank has a separate Operational Risk Policy addressing specific issues involving Operational Risk.

2.19. Policies and processes for mitigating Operation Risk:

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

2.20. Approach for calculating capital charge for operational risk:

The Bank follows the Basic Indicator Approach (BIA) in terms of BRPD Circular No. 18 dated 21 December 2014 Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III). The BIA stipulates

the capital charge for operational risk is a fixed percentage, denoted by α (alpha) of average positive annual gross income of the Bank over the past three years. It also states that if the annual gross income for any year is negative or zero, that should be excluded from both the numerator and denominator when calculating the average gross income. The capital charge for operational risk is enumerated by applying the following formula: $K = [(GI_1 + GI_2 + GI_3)\alpha]/n$

2.21. Quantitative Disclosures:

The capital requirements for operational risk (Solo): 42.87 crore

The capital requirements for operational risk (Conso): 42.72 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	200.74%
Net Stable Funding Ratio	118.75%
Stock of high Quality Liquid Asset	15,963,947,260.00
Total net cash outflows over the next 30 calendar days	3,49,590,000.00
Available amount of stable funding	52,395,571,600.00
Required amount of stable funding	44,121,403,220.00

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 2021 bank's leverage ratio was 8.79% 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	8.78%	8.79%
On balance sheet exposure	64,091,986,805.54	64,117,012,369.54
Off balance sheet exposure	6,302,509,446.10	6,302,509,446.10
Total deduction from On & off balance sheet exposure	11,049,821.00	11,217,098.00
Total exposure	70,383,446,430.64	70,408,304,717.64

Main disclosures on Remuneration

4. Qualitative Disclosures

A. INFORMATION RELATING TO THE BODIES THAT OVERSEE REMUNERATION.

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

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

MGBL didn't review the remuneration policy in 2021.

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 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 Meghna 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 composition of Audit Committee is as under:

Sl	Name of Committee Members	Position in the Committee	Educational Qualification
1	Ms. Uzma Chowdhury	Chairperson	Certified Public Accountant (CPA)
2	Dr. Syed Ferhat Anwar	Member	Masters in Business Administration (Marketing Major)
3	Mr. Md. Ahsan Ullah	Member	M A in Economics (USA) MBA (IBA)

Bangladesh Bank suggested banks to hold at least 4 meetings in a year. The Audit Committee of MGBL held 04 (Four) meetings in 2021 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:

Major areas focused by Audit Committee in 2021:

- Reviewed and approved the Risk Based Annual Audit Plan 2021
- Reviewed Annual Financial Statements of the Bank for the year ended 31 December 2020 as certified by the External Auditors, Khan Wahab Shafique Rahman & Co. Chartered Accountants, before submission to the Board of Directors for approval
- Reviewed Management Report on the Bank for the year ended 31 December 2020 submitted by the External Auditors, Khan Wahab Shafique Rahman & Co. Chartered Accountants and subsequent compliance thereof
- Reviewed the Financial Statements for the Half Year ended on June 30, 2021 (unaudited)

Sl No.	Name of Meeting	Date of Meeting
1	31 st Audit Committee Meeting	March 10, 2021
2	32 nd Audit Committee Meeting	June 17, 2021
3	33 rd Audit Committee Meeting	October 17, 2021
4	34 th Audit Committee Meeting	December 23, 2021

- Reviewed the Bangladesh Bank inspection reports and compliance thereof
- Reviewed Internal Audit Reports both Branch and Head Office Divisions of the Bank and compliance thereof
- Reviewed the Internal Loan Review Reports of the Bank
- Reviewed the Special Audit Reports of the Bank.
- Reviewed the half yearly Self-Assessment of Anti-Fraud Internal Control of the Bank.
- Reviewed the Staff accounts monitoring reports for period July to December 2020 and January to June 2021.
- Reviewed the Annual Health report of the Bank for the year 2020
- Reviewed the effectiveness of Internal Control System of the Bank for the year 2020
- Reviewed the Report on Loan Documentation Checklist (LDCL) and Quarterly Operation Report (QOR)
- Reviewed the Report on Calendar of Returns
- Re-appointment of External Auditor for the year 2021, M/s Khan Wahab Shafique Rahman & Co.



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.

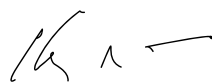
Confirmation

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

RESPONSIBILITY STATEMENT OF CEO AND HEAD OF FAD'S

Name of the company : Meghna Bank Limited

Declaration by CEO and Head of FAD's

Date: 10 April 2022

The Board of Directors

Meghna Bank Limited

Suvastu Imam Square (6th floor)

65, Gulshan Avenue, Gulshan 1, Dhaka-1212

Subject: Declaration on Financial Statements for the year ended on 31 December 2021

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/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 2021 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 2021 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,



Sohail R.K. Hussain

Managing Director & CEO

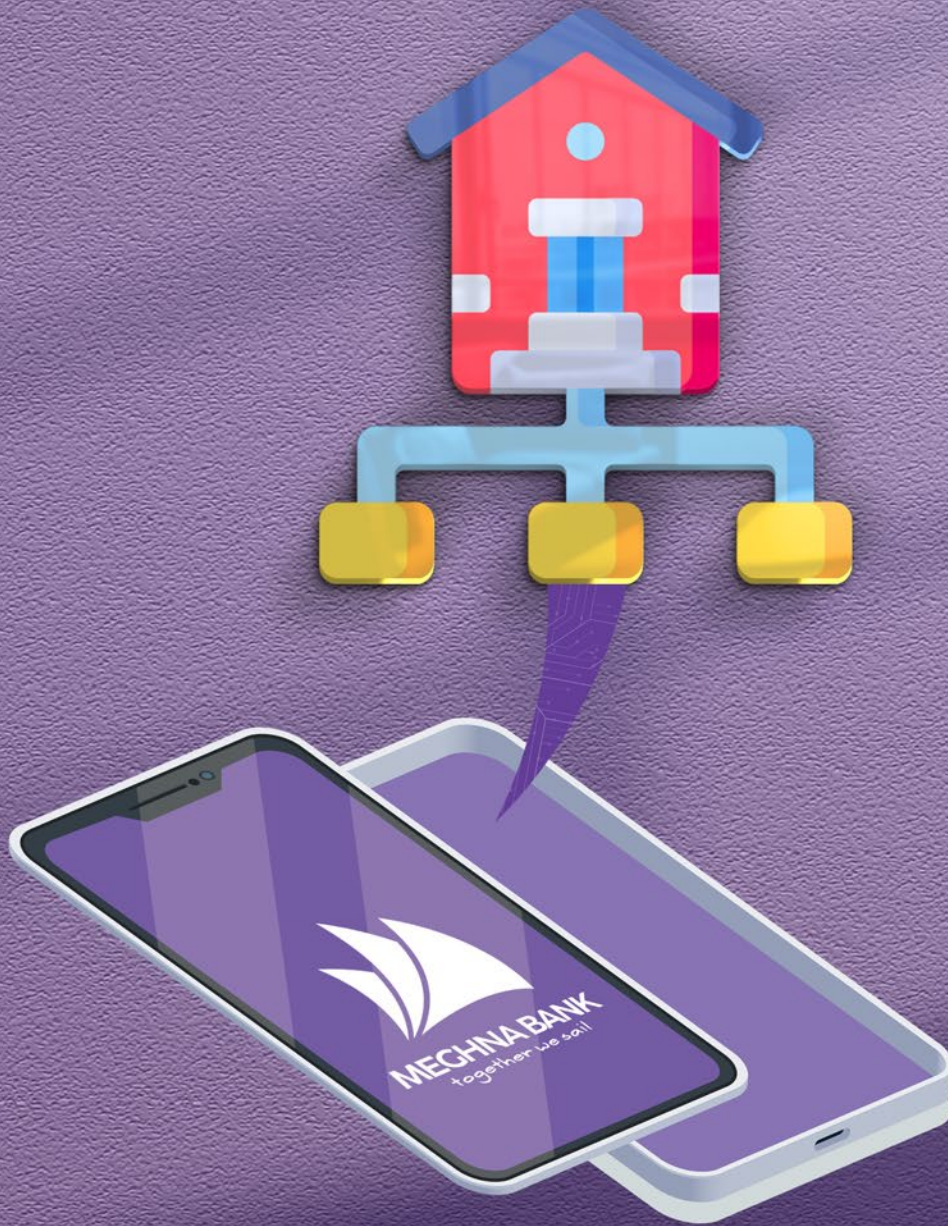


Sajib Kumar Saha, FCA

Head of FAD



MANAGEMENT DISCUSSION



CORPORATE BANKING

INNOVATIONS

ACCOUNTABLE

DIGITALLY READY

FASTEST GROWING CORPORATE

BANK IN BANGLADESH

SOLUTION DRIVEN

PROCESS

DELIGHT

NEW IDEAS

PARTNERSHIP

COMMITTED

SUSTAINABLE

SOLUTIONS

SERVICE

RESULT ORIENTED

GROWTH

BANGLADESH



Solution driven Corporate Banking with experienced Human Capital, is our core strength to set vision for becoming the Best Corporate Bank of Bangladesh.

The results of our corporate banking comprises PEOPLE and TECHNOLOGY as stronghold pillars of success in business. By being pervasively solution driven, we have been able to cater to the different needs of our customers in a rapidly changing environment. The gradual reopening of the economy and country adjustments with COVID conditions get off to a promising start

towards recovery. Throughout the year, we have provided corporate banking supports not to just survive, but to actually thrive in an environment of reduced mobility. We have also introduced solutions that go beyond just enabling businesses but also help customers to easily stay connected with their families, supporting financial inclusivity.

"We believe in organic growth. Given the continuous technological growth and ever changing global scenarios, our Corporate customers need a variety of product mix. They need innovative products and services that will help them combat both the local and the global challenges. And they need Financial Institutions that will help them maneuver through the tough times by designing their services in alignment with the various guidelines that are continuously being circulated by Bangladesh Bank. Corporate Banking wing of Meghna Bank Ltd likes to boast that we have done quite good even in this pandemic situation. Meghna Bank Corporate launched its Off-shore banking unit and Structured Finance unit in 2021. We have achieved 2 global awards in 2021. We have been recognized as the 'Fastest Growing Corporate Bank' in Bangladesh by Global Economics. We bagged Asian Banking & Finance Whole Banking Award 2021 for Bangladesh Domestic Initiative of the Year 2021. In the coming years our plan is to focus on the growing industries of the country, support sustainable finance and to

grow our reach to the foreign markets.

I believe, with the combination of products and services, Meghna Bank Corporate will launch in the



current and upcoming years, we will emerge as one of the most competitive brands to watch out for!"

-Mr. Kimiwa Saddat, SEVP & Head of Corporate Banking

To serve the end-to-end needs of our different customer segments, we have continued to innovate and, in the process, developed New Value Drivers - from solutions that helped our valued client businesses to advance despite the pandemic, to attractive and unique investment solutions and wealth opportunities for customers looking to grow their affluence.

In response to growing concerns on climate change, we have taken bolder steps through our focus on Sustainability to drive collective change. We seek to be there for all our stakeholders, from our customers to our communities, to help them progress on their journey towards transitioning to a low-carbon and sustainable economy, no matter what stage they are at.

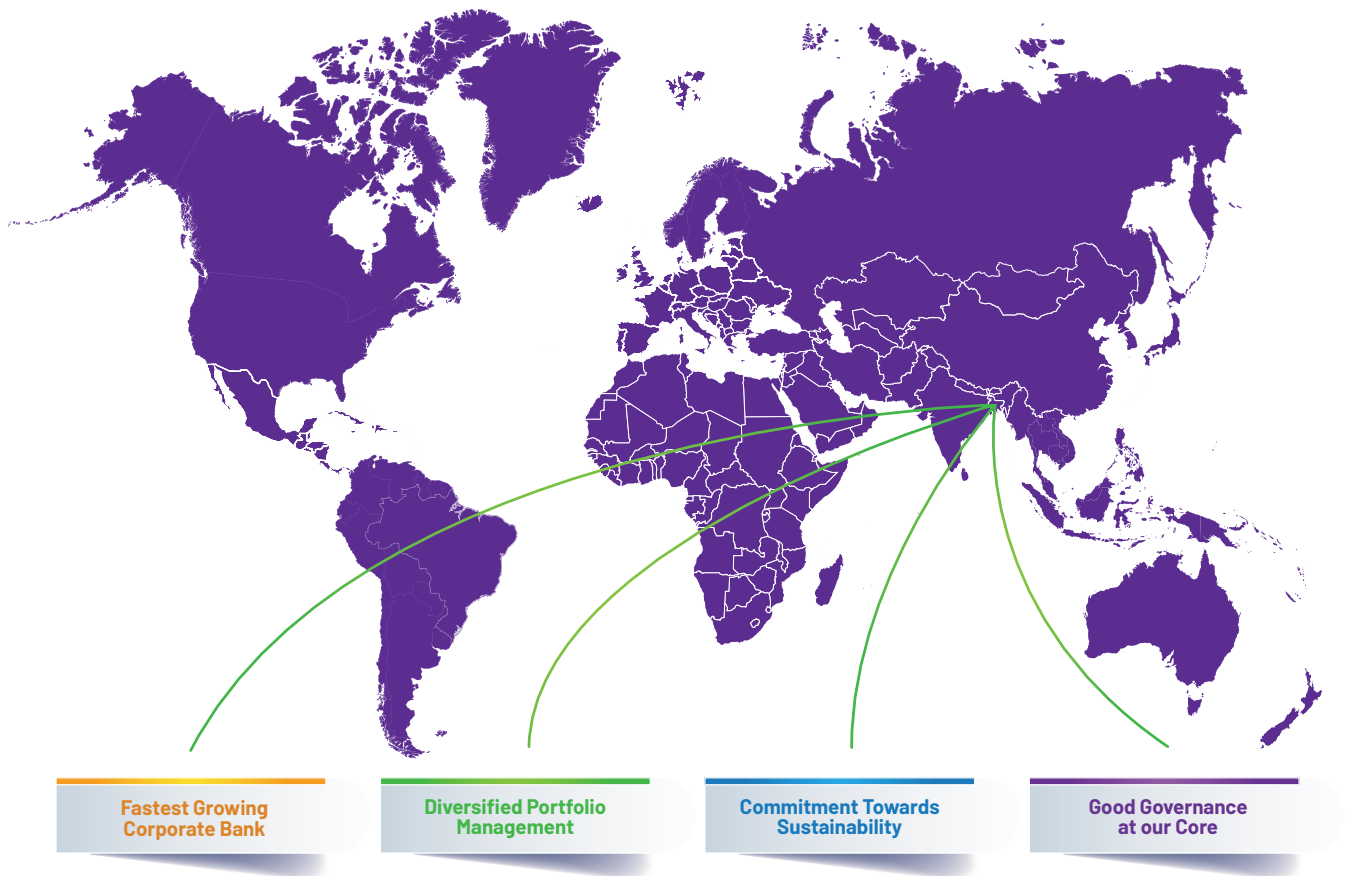


Conceiving the gene of a Corporate Bank, we have grown from strength to strength through all our people working towards shared goals. We seek to continue working together with you to recover from the global crisis to create a sustainable future. As individuals, we are limited. But together, we can achieve greatness. We welcome you to be a part of our journey towards becoming greater, together.

MEGHNA CORPORATE

VISION	MISSION	VALUES
<p>To emerge as a reliable corporate business with a winning culture satisfying customer needs with efficient relationship management and service excellence.</p>	<p>We are focused on our mission of becoming the most reliable corporate bank for all customers in Bangladesh.</p> <ul style="list-style-type: none"> ● 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 	<p>Our core corporate banking team hold the values that reflect:</p> <ul style="list-style-type: none"> ● Accountability and transparency ● Trust through work ● Drive growth through innovation ● Value from technology ● Customer focus ● Respect

Robust independence within our team encompassing diversity in demography, as well as skills and experience. Upholding an effective risk management system to safeguard our assets and stakeholder interests, while incorporating sustainability considerations into everything that we do.



CORPORATE SERVICES

- Dedicated relationship team for 24 X 7
- Blended services of technical skills and market reach to provide end to end financing solutions
- Full range of financial products i.e cross border trade deals, infrastructure financing, Escrow Account Banking services, sustainability solutions, project loan, working capital solutions etc.
- Centralized Trade Service team operated by dedicated trade professionals.
- One Bank Solution- Significantly reduces number of bank accounts.
- Collection Automation with real-time MIS directly to Client's server.
- Diverse nationwide collection methods including Over the Counter Collection, Cash & Courier Pickup, Collection through alternative channels, BEFTN & Direct Debit.
- Reduced lag time for realizing nationwide collection.
- Effective MIS from customized deposit slip to identify each collection.
- A single account for all collection proceeds with preferential interest earning.

- Convenience for distributors/dealers to make payments through any branches of Meghna bank.
- Faster bulk payments through RTGS and BEFTN; no need to issue multiple cheques for similar payments.
- Remote location payment through any of 47 branches of Meghna Bank using one central instruction.
- Dedicated Client Experience Team For Complain & Service Issues

CORPORATE PRODUCTS

- End-to-end Industrial loan solutions
- PPP & Infrastructure financing solutions
- Cross border trade deals
- Cash Management solutions
- Climate Financing solutions
- Syndication and structured finance
- FX deals

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



CORPORATE BANKING ACHIEVEMENTS



ASIAN BANKING & FINANCE WHOLESALE BANKING AWARD 2021

Meghna Bank has awarded the prestigious **Asian Banking & Finance Wholesale Banking Award 2021** for 'Bangladesh Domestic Initiative of the Year' category. This award nomination selects those Financial Institutions that provides Corporates and Institutional clients innovative and timely business solutions. The Bank has bagged the international award in recognition of helping one of its customers to change its fortune from a mere fish trader to a global exporter. It was a time when the company was heavily debt ridden with piled up receivables. The honorable jury board has also declares the new products, services, solutions, initiatives etc. of Meghna Bank in award declaration. Meghna Bank continuously puts energy and effort in innovations and solution driven corporate banking. Throughout the past years the bank has acquired a major place in Wholesale banking in the financial market of Bangladesh.

FASTEST GROWING CORPORATE BANK IN BANGLADESH

In this year, Meghna Bank wins **FASTEST GROWING CORPORATE BANK** in Bangladesh by Global Economics UK. This international award is an endorsement of our on-going efforts towards the transformation we are aiming at. The awards portrays the strength of the Bank in Corporate Business and in commitment to offer the best services to its valued customers. This award is the recognition of its corporate banking effort to support a client in changing its fortune from a mere fish trader to a global exporter.

This is one of the examples from several success stories of Meghna Corporate. As always, Meghna Bank structures corporate debts to support critical pathways for Corporate Clients. Meghna Bank Ltd also launches corporate avenues through it's Offshore Banking Unit (OBU) solution.



FEW OF OUR SUCCESS STORIES PHOTO GALLERY



RETAIL & SME BANKING DIVISION

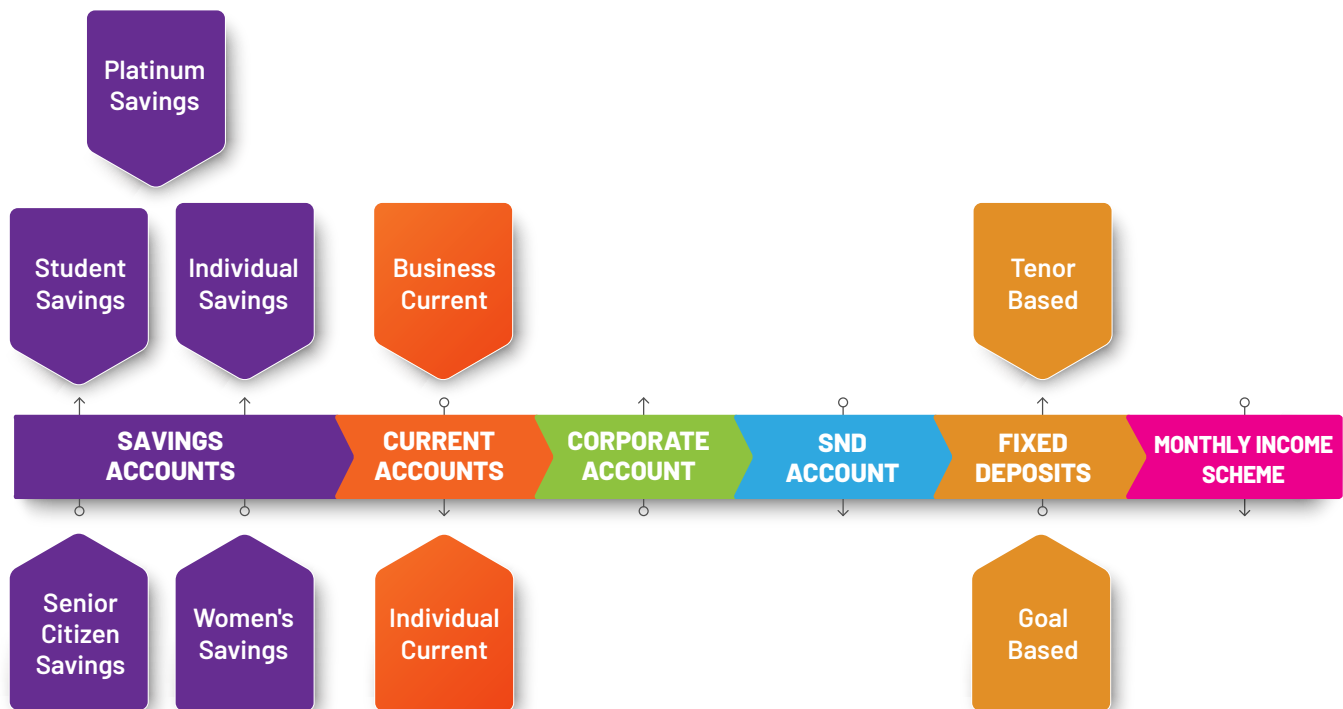
Retail & SME Banking Division (R&SME) is one of the major business divisions of Meghna Bank Limited. The division comprises of Retail & SME Products, Branch Banking, Priority Banking, Islamic Banking and Direct Sales Team. With

increased per capita income, the purchasing and savings power of the population has gone up. Retail & SME Banking division is focused to translate this opportunity into business and contribute positively in the growth of the bank.



Meghna Bank Retail & SME Banking products are designed to cater the deposit and loan need of every strata of the society. Each person is different and so is his/her financial goals. Our objective is to serve them all by offering innovative and practical solutions.

The carefully designed Meghna Bank deposit products simplify the complexities of the financial world for the customers and help them to attain the desired objectives. Right from return based savings to goal-based savings – we have it all.



Meghna Bank introduced insurance backed deposit products to provide extra benefit to the customers. We provide life insurance coverage, critical illness coverage and accidental

death coverage for our Platinum Savers account, Shreyoshi – account for women and Fixed Deposit account. There is nothing like having something extra in life.



Meghna Bank deposit accounts comes with debit card through which customers can withdraw their money from any bank

ATM at zero cost. It's absolutely free! We were the first bank to launch this feature in Bangladesh market.



Meghna Rapid is one app that helps customers open a Meghna Bank account from the comfort of their homes or on the go.

We are one of the pioneers in launching the digital onboarding services.



Meghna Bank also offers Digital Banking app to make the customers' banking experience hassle-free. Fund transfer, bill payment, banking services all are available at the fingertip of the account holder. We are working everyday to further improve the customer experiences.

Meghna Bank has a range to retail loan products to help customers fulfil their lifestyle needs. Starting from personal loans to auto loan and home loan - we have the complete range of personal banking solutions. We have partnered with various white goods, real estate and automobile companies to offer best possible product pricing to our loan customers.



Meghna Bank Home Loan up to BDT 2 Crore with loan tenure up to 25 years

Meghna Bank Auto Loan up to BDT 40 Lac with loan tenure up to 6 years

Meghna Bank Home Loan Takeover at 0% processing fee with loan tenure up to 20 years



Priority Banking is one of core part of Meghna Bank Retail. Launched in April 2021, We have a segmented approach towards the high net worth individuals and offer them unique banking experiences. Along with lifestyle benefits catered around our card products, Meghna Bank Priority is truly an amazing experience for the customers.

Meghna Priority Banking customers enjoy a host of privileges including dedicated relationship managers, priority centers, financial advisory services, meeting room facilities, f&b discounts and offers, travel desk services, global insurance purchase assistance, medical services assistance, airport meet & greet, lounge services and many more.

Small and Medium Enterprises (SMEs) are treated as the engines of growth and drivers of innovation worldwide.

They play a significant role in driving economic growth and generating jobs. In Bangladesh, the sector is actually changing the face of the economy. SMEs are playing a vital role for the country's accelerated industrialization and economic growth, employment generation and reducing poverty. SMEs now occupy an important position in the national economy. They account for about 45 percent of manufacturing value addition, about 80 percent of industrial employment, about 90 percent of total industrial units and about 25 percent of the labor force. Their total contribution to export earnings varies from 75 percent to 80 percent. The industrial sector makes up 31 percent of the country's gross domestic product (GDP), most of which is coming from SMEs. Meghna bank is equally focused with its SME Banking activities.

We offer various types of financing solutions for our SME customers. They can choose from Overdraft, Cash Credit (Hypo), Secured OD, Time/Demand Loan, Short Time Loan, Term Loan, Work Order Financing, Contractor Financing and Trade Financing.

In addition, we offer "Meghan Nabarupa" - a specific loan for Women Entrepreneurs.

Meghna Bank is financing in agricultural sector with its tailored made agro based products - "Meghna Khamar Rin", "Meghna Fosol Rin".

স্বপ্নগুলো মেলুক ডানা
মেঘনা এস এম ই ঋণের সাথে

- সর্বোচ্চ ৭৫.০০ কোটি টাকা পর্যন্ত চলতি, ডিমান্ড ও মেয়াদি অর্থায়ন সুবিধা।
- চলতি মূলধন ও স্থায়ী সম্পদ অর্থায়ন সুবিধা।
- বানিজ্য সহায়ক সুবিধাসমূহ।
- গ্রেস পিরিয়ডসহ ০৫ (পাঁচ) বছর পর্যন্ত পরিশোধের সময়সীমা।
- ক্ষেত্র ও প্রয়োজন মার্কিন অর্থায়ন সুবিধা।





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 Banking 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 complaint environment.

Meghna Bank is going 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 Bank Retail & SME Banking division is focused to grow through product innovation and digital distribution. Financial Inclusion is one of our core objectives. We want to positively contribute towards the lives of our customers and stakeholders.



ISLAMIC BANKING



Islam as a comprehensive system provides guidelines for human behavior throughout life. Economics is one of the most important aspects of human life. Economic behavior, as expressed in terms of economic activities involves the production, distribution and consumption of goods and services. As a part of its guidance, Islam renders clear guidelines towards the economic behavior of human beings.

Following the recent global financial crisis, a great deal of attention has been given to Islamic Banking and Finance by scholars and people. In the last few decades, the world has witnessed a renaissance of Islamic Economics and Finance.

In the view of its importance as well as growing demand in the country Economy, Meghna Bank Limited has commenced Islamic Banking on 1st April, 2021 under the brand name of

“Al-Mustaqeem” through its first Islamic Banking Window at Principal Branch with the commitment to provide cent percent Shariah compliant Banking services.

We are planning to open 9 more physical windows, virtual Islamic banking through rest 37 branches and also through our Agent Banking Channel.

We have introduced 11 Deposit products and 13 Investment products to serve the customers. At present following products are available in our Islamic Banking:

Deposit Products	Investment Products
<ul style="list-style-type: none"> ● Al-Wadeeah Current Account ● Mudarabah Short Notice Deposit (MSND) Account ● Mudarabah Savings Account (MSA) ● Mudarabah Term Deposit Receipt Account (MTDRA) ● Mudarabah NRB Savings Bond (MNSB) Scheme ● Mudarabah Monthly Profit Deposit Scheme Account (MMPDSA) ● Mudarabah Bibaho Savings Account (MBSA) ● Mudarabah Mohor Savings Account (MMSA) ● Mudarabah Special Savings (Pension) Account (MSSA) ● Mudarabah Hajj Savings Account (MHSA) ● Mudarabah Super Savings Scheme ● Mudarabah Cash Waqf Deposit Account (MCWDA) 	<p>Retail Investment Product</p> <ul style="list-style-type: none"> ● Meghna Islamic Apon Aloy Finance ● Meghna Islamic Auto Finance ● Meghna Islamic Home Finance ● Meghna Islamic Household Investment <p>SME & Corporate Product</p> <ul style="list-style-type: none"> ● Bai-Murabaha ● Bai-Salam ● Bank Guarantee ● Earnest Money Finance ● Istisna`a Investment ● Musharakah Export Finance - Inland ● Musharakah (General) ● Post Export Finance-Foreign ● Wakalah Letter Of Credit

All of our Islamic Banking activities and products are strictly monitored by Shariah Supervisory Committee of the Bank. Shariah Supervisory Committee of Meghna Bank Limited

consist of a team of qualified Faqih (expert on Islamic jurisprudent), renowned Shari’ah Scholars, professionals of Islamic Banking and experts in Islamic Finance.



TREASURY MANAGEMENT

Treasury Management has become more important, challenging, volatile and sophisticated during this days of BASEL-III regime. Treasury activities nowadays involve a number of new critical risks with different dimensions. The banking sector of Bangladesh was still facing a great mismatch and challenges in spite of a remarkable falling trend of COVID - 19 pandemic. The market was suffering from excess liquidity due to less private sector credit demand along with sluggish borrowing from the banking sector up to third quarter. Ultimately interest rate remained a little bit downward trend. But the demand started to pick up from last quarter and the yields on T-bills and T -bonds started to increase gradually. 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 2021 and also for the forthcoming years.

Performance of Treasury in 2021 Vs 2020

Figure in BDT crore

Particulars	2021	2020	% Growth
Money Market Income	13.68	27.20	-50%
Investment Income	131.26	104.57	26%
Foreign Exchange Income	7.23	5.49	32%
Other Income	0.05	0.14	-64%
Total Income	152.21	137.40	11%

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.

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 experienced moderate 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 2021.

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 significantly increased in 2021 and the FX reserve of the country reached historically high at USD 48.06 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 significant income for the bank at the end of the year although there was an upward movement of the yield curve.

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:

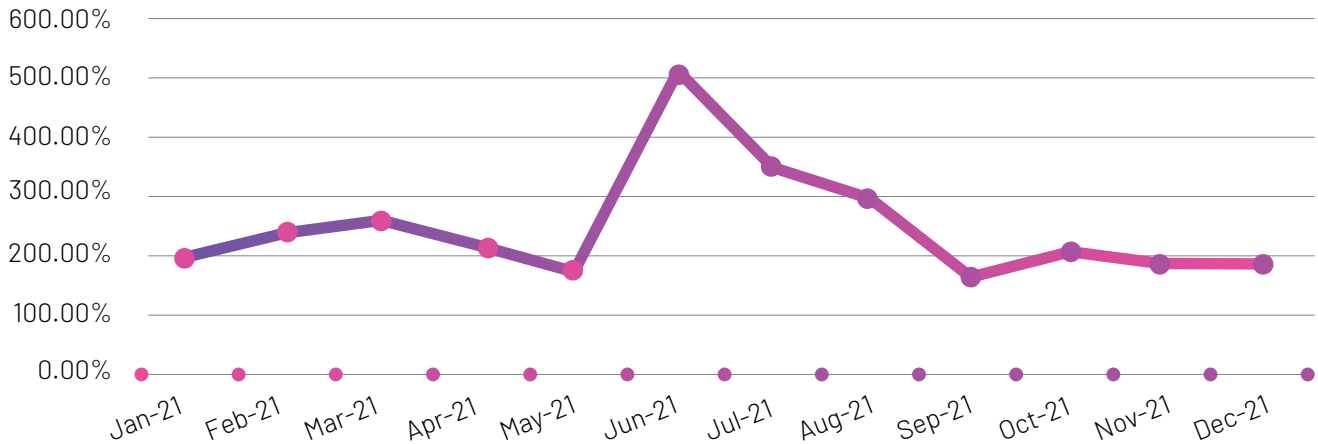
- To organize monthly and special ALCO meetings and taking records and minutes of the same and follow up implementation status;
- To prepare and circulate ALCO pack for the ALCO members;
- To identify and manage maturity profile mis-match / Gap for liquidity management;
- To propose interest rate/pricing 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 2021, we conducted monthly ALCO meeting

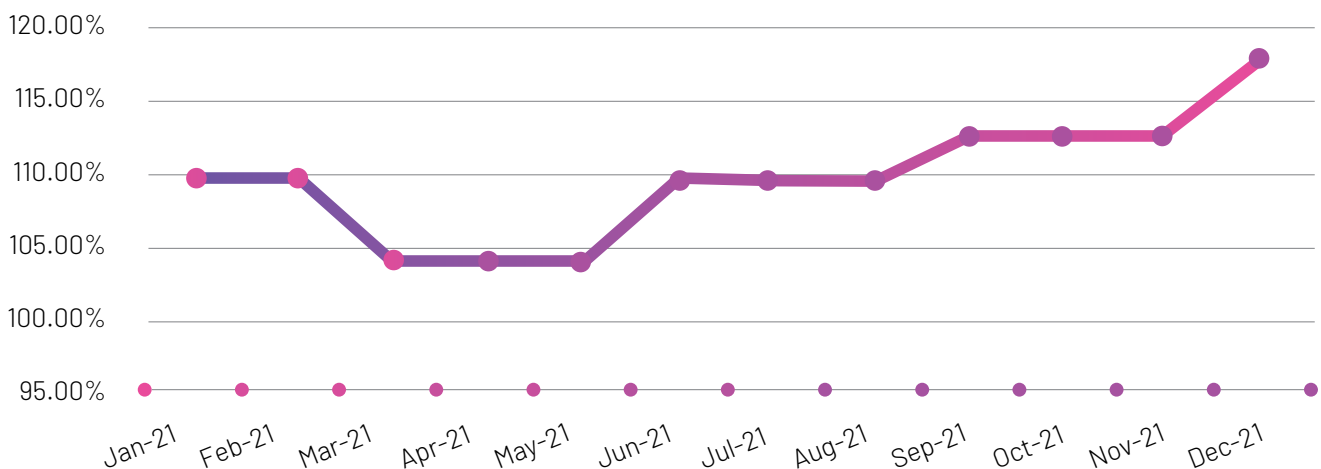
regularly and took many optimistic decisions to cope with the market dynamics which helped the bank to close the year with great achievements and growth. Moreover, the ALCO regularly monitored various regulatory requirements like, AD Ratio, Liquidity Coverage Ratio(LCR), Net Stable Funding Ratio (NSFR), 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 2021 is 262.13 percent.

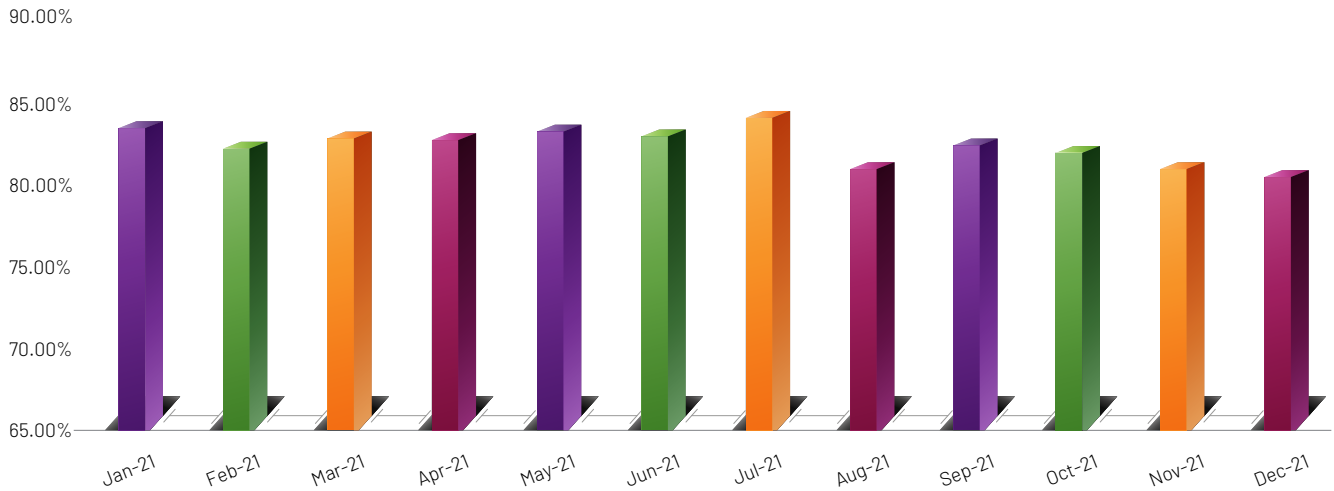
Net Stable Funding Ratio (NSFR)



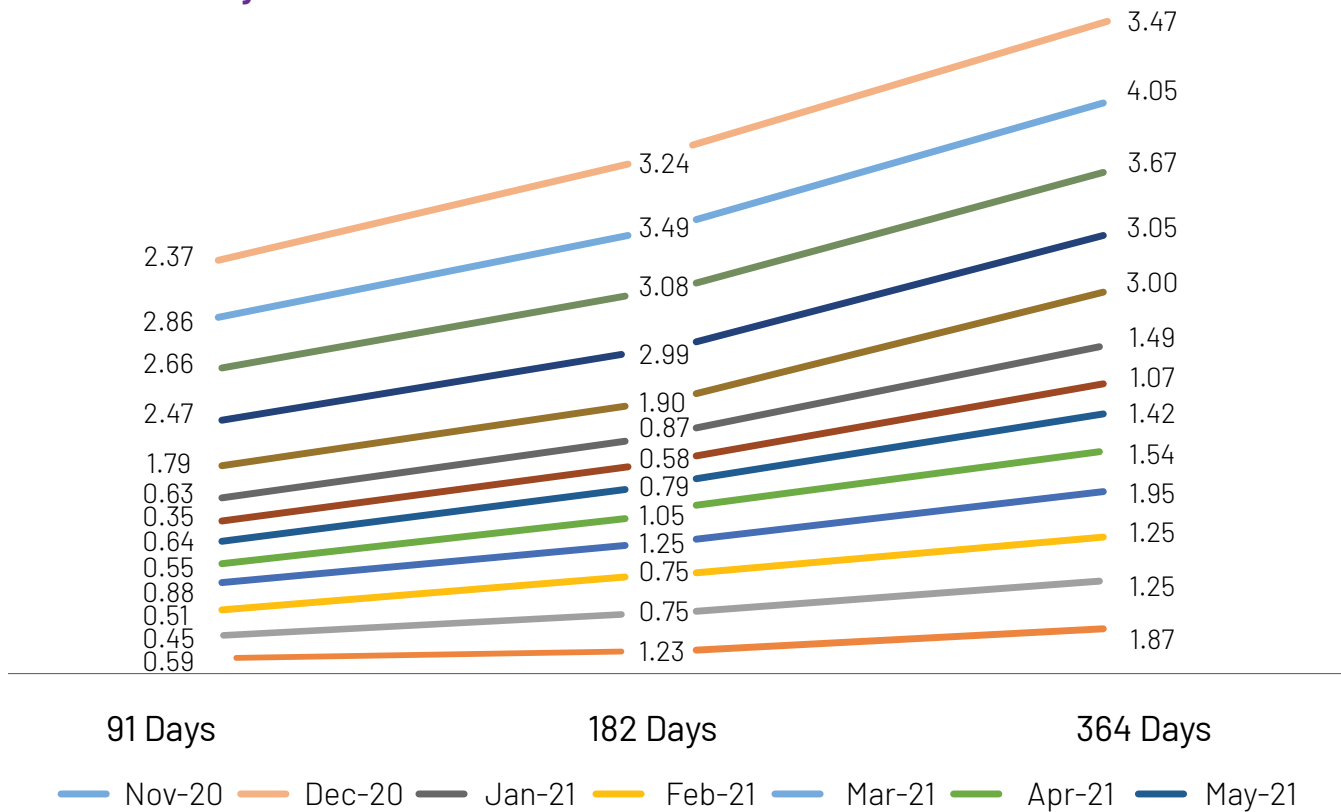
Net Stable Funding Ratio (NSFR) is calculated as per format provided by Bangladesh Bank. Average NSFR for 2020 is 109.59 percent.



Trend of Advances Deposit (AD) Ratio:

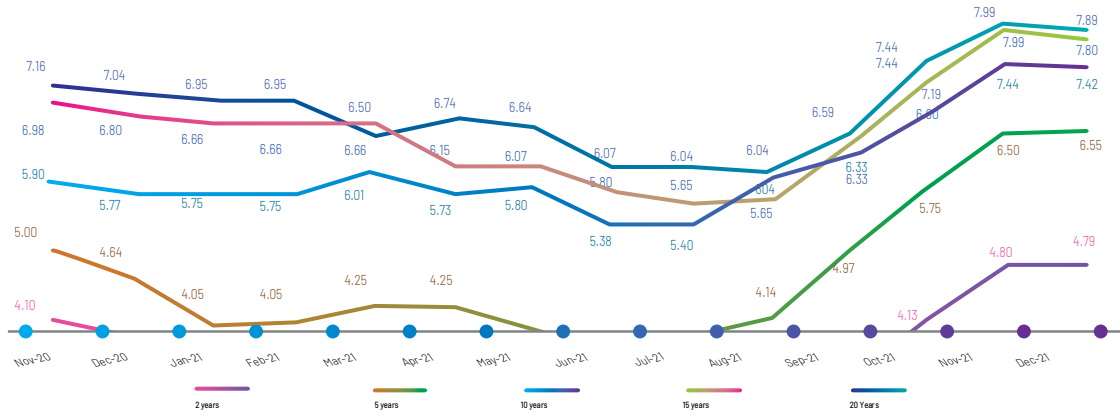


Trend of Treasury Bills Yield

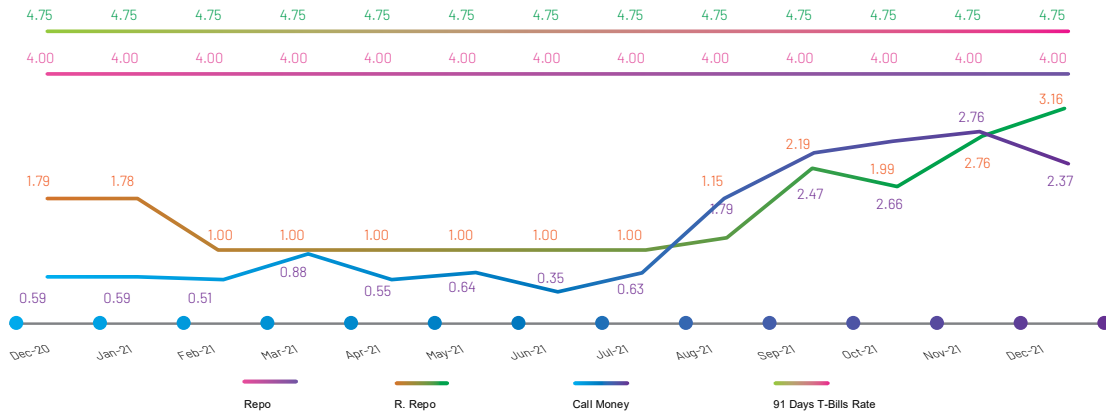


Trend of Treasury Bonds Yield

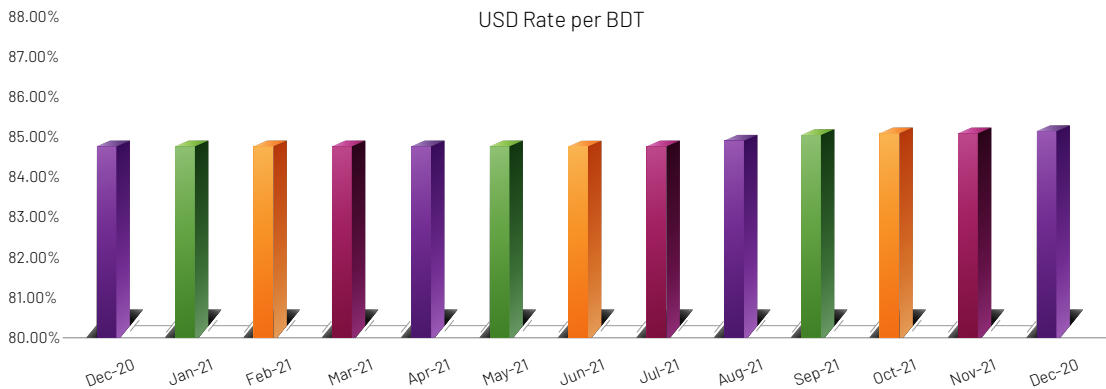
Treasury Bond Trend



Repo R. Repo & Call Money Trend



Trend of USD/BDT Exchange Rate



AGENT BANKING



The Meghna Bank Limited's Agent Banking division was formed in December 2020 and 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. The division aims to give its clients better increased control over their financial needs.

The uniqueness of Meghna 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 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 Agent Banking will essentially be providing all sorts of banking services as per the Prudential Guideline of Bangladesh Bank for Agent Banking services in Bangladesh.

Digitization is definitely the way forward and herein lies the biggest arsenal that Meghna Bank will be deploying throughout its banking services. From services at every touch point to providing digital apps to aide everyday activities. This whole idea is aimed at a multitude of aspects such as expansion, customer engagement, service availability and overall ease of access to financial services. With the world moving ever speedily towards financial inclusion in different platforms using different methods, MGBL's aim is to provide the simplest and easiest solutions that can be accepted and adapted by the general populous.

The rural population holds a great deal of the unbanked individuals in the community and Meghna Agent Banking is working tirelessly in bringing these populous under the grasp of banking services. Currently, Meghna Agent Banking has 12 outlets facilitating over BDT 15 Crore. Our current business plan views to have hundreds of outlets in the coming year throughout the country. In view of increasing Meghna 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.

Out collection system will be an additional service within the paradigm of agent banking that will play a very vital role for the years to come. It will be a feature that will benefit enterprises of different scales to ensure their regular cash collections throughout the country. Brokers, employees, distributors, corporations, FMCGs, small agencies and other individuals involved in this trade will soon be able to go to any agent outlet and deposit the regular collection payments to ensure smooth business operations.

The tremendous growth of the Agent Banking Channel in our country and the whole world 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 loans. Meghna 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 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

In the era of digitalization and to establish a cashless society, card plays a vital role. Meghna Bank has re-launched its card business in 2021 by introducing and upgrading several benefits & features like: Welcome Gift, Meghna 360° Rewards, Credit Shield Premium (CSP), 24x7 Call Center with Instant PIN generation service, Digital Service request platform (Digital Service Desk - DSD), Discount & EMI Partner list and many more.

Performance Highlights

Particulars	2020	2021
Number of Credit cards issued	773	6418
Credit card outstanding (BDT Million)	249.98	470.28
Credit card BDT Transaction (BDT Million)	666.36	1151.96
Credit card USD Transaction (BDT Thousand)	412178.23	343179.63

Key Achievements

743.63% Credit Card E-Commerce Business Growth	72.87% Credit Card Transaction Growth	730.27% Credit Card Issuance Growth	88.13% Credit Card Outstanding Growth	24x7 Call Center with Green PIN
284.03% Debit Card E-Commerce Business Growth	32.31% Debit Card Transaction Growth	90.69% Internet Banking User Growth	451.57% Internet Banking Transaction Growth	57 Customer Engagement Campaign

Meghna Bank is devoted to provide customer service by ensuring and extending services through digital transformation. Digitalization is an important surface for the cards business. Meghna Bank believes in establishing a cashless society in the era of digitalization which will ensure smooth and digital transaction through cards, by fueling new and attractive features. Some of the key developments of 2021 are exemplified below:

Value Added Services: The more diversified value added service an organization provides, the more loyal and satisfied customers gets added in its portfolio. With a view to increasing Meghna Cards portfolio, we have introduced several kinds of value added services which are below mentioned -

Welcome Gift (Value Pillar):

50% Cashback Partners:



Voucher Partners:

Dream Square Resort	1 night stay with a companion
NovoAir	BDT 4,000 worth voucher
United Hospital Limited	Free health check-up

BIG1 Free Meal with 5 Star Hotels:

Amari Dhaka	Doreen Hotels & Resorts
Intercontinental Dhaka	Le Méridien Dhaka
Pan Pacific Sonargaon Dhaka	Radisson Blu Dhaka Water Garden
Renaissance Dhaka Gulshan Hotel	The Westin Dhaka

- Green PIN (no paper PIN) generation service through call center (16735).
- Shared ATM (Ek Card a Bangladesh)



- Free cash withdrawal with Meghna Debit Card, across Bangladesh.
- Access to approx. 11,000 ATM all-over Bangladesh.
- Re-structured Meghna 360° Rewards, to waive cards annual fee from 2nd years & onwards and pay outstanding.
- Re-structured Insurance Coverage (CSP - Credit Shield Premium) for Credit Card Customers.

Automation:

In the era of Digitalization, smooth, digitalized and faster customer service ensures customer satisfaction, which results in customer loyalty. Thus, helps to on-board new customers in the portfolio. We have launched and upgraded several digital platform to provide services digitally. Some of the highlighted services are:

<p>Digital Service Desk (DSD)</p> <ul style="list-style-type: none"> ● Customer can place service request digitally. ● 24x7 digital service providing platform. ● Digitalization in service. ● No physical branch visit is required for service request. 	<p>Internet Banking</p> <ul style="list-style-type: none"> ● Self-registration through Credit & Debit Card. ● Instant Fund Transfer from Credit Card/Account to any bank. ● Instant Fund Receive facility from any bank. ● Utility Bill Payment. ● Mobile Recharge. ● Card Activation/Block. ● Instant PIN Generation/Reset.
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Campaigns:

We have launched 57 individual customer oriented campaigns over the year. Some of the highlighted campaigns are Valentine's Campaign, 50% Cashback campaign at Star Cineplex & foodpanda, Discount campaign with Akash-DTH, Eid Campaign (Eid ul Fitr & Eid ul Adha), 0% Processing Fee at Internet Banking Fund Transfer, 1% Processing Fee at Card Cheque & ATM Transaction, and so on.



CREDIT RISK MANAGEMENT DIVISION

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

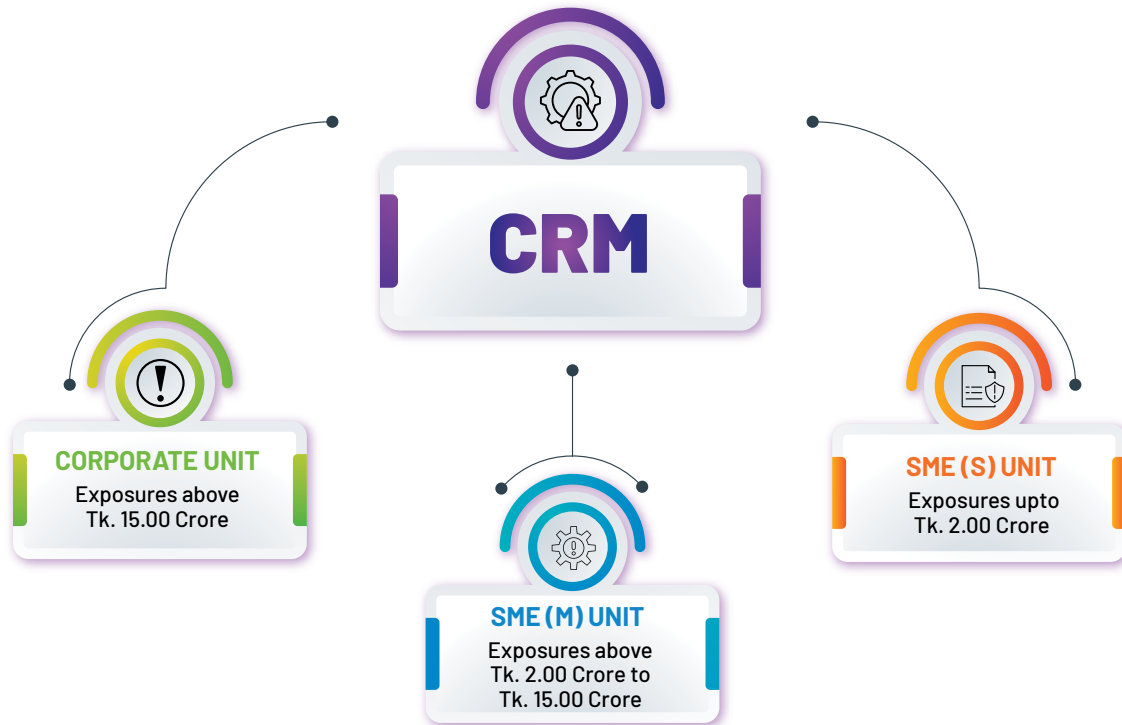
client's support mechanisms. Meghna Bank's credit risk management includes processes and policies relating to problem recognitions, portfolio reviews, stress tests, watch-lists, stressed and classification triggers.

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:

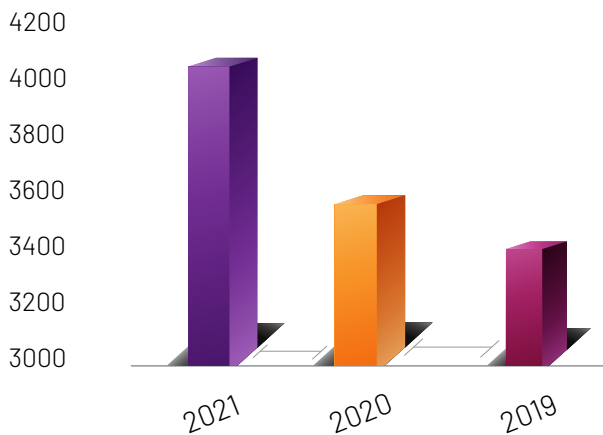


Growth in loans and advances and asset quality management:

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, 2021 has added more challenges to the industry due to impact of COVID19.

Despite facing numerous challenges, Meghna Bank has catered a positive transformation resulting an increased by 16.82% in its total loans and advances portfolio from Tk. 3,584 Crore in 2020 to Tk.4,188 Crore in 2021.

Loan Portfolio (Taka in Crore)



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, 2021, Meghna Bank's NPL stands at 5.60% of total loan portfolio which is far below the industry average of 7.90%. A year wise comparative NPL ratio is as follows:

2019	2020	2021
7.41%	6.80%	5.60%

Way forward:

In the context of the overall commotion in the financial sector, driven by lethargic credit offtake across the country, Russia-Ukraine war and prevailing COVID19 pandemic, we expect the year 2022 to continue to be very challenging. To this extent, 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 sector and business wise risk appetite based on socio economic and industry dynamism.
- Ensuring meticulous compliance 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 6.80% to 5.60%. MGBL focus will be to maintain this trend and make it even better. Recovery measures should be strengthened to this end.
- Facilitating the dedicated SME Business Team to ensure proper portfolio diversification.
- Ensure centralization is all aspects to sustain a healthy portfolio.

SPECIAL ASSET MANAGEMENT DIVISION

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 2021 a bit different considering the past. However, classified loans have reduced from the previous year 2020. 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 6.80% to 5.60% in Year 2021, compare to previous year.

Last year, SAMD has extended its scope of works in following way:

- 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.

The summary of SAM Division performance are as follows:

- Managing total BDT 792.98 Crore portfolio of the bank, out of which BDT 549.41 Crore portfolio are in stressed.
- Cash recovery of Tk. 73.55 Crore from different NPL and stressed customers.
- Contribution in income of BDT 60.45 Crore, out of which BDT 18.12 Crore released from interest suspense head.
- Release of provision of BDT 5.52 Crore through rescheduling or adjustment of classified liability.
- Fully adjusted NPL & Stressed liability of 19 nos. of customers, having exposure of BDT 13.54 Crore.
- The percentage of NPL ratio decreased from 6.80% to 5.60% in Year 2021.

Future plan/Outlook Vision and Mission of 2022:

With the consideration of COVID-19 pandemic and overall economic situation 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 DIVISION

Meghna Bank Limited is dedicated to HR best practices which ensure the onboarding of best resources, develop human capital, higher employee retention and make congenial environment for the employees who contribute their best. Human Resources philosophy of Meghna Bank is to create the right mindset to enable business performance by providing a foundation of trust, reinforced by knowledge, backed by cutting-edge technology. We have commenced the development of human resources with most supportive and caring way, so that our human resources to become the human capital to face the challenges of this economy. Employees are crucial to the success of any sustainable organizational growth. Our HR strategy always try to balance the needs of the Bank and employees.

Employee's Health and Safety is our concern

At Meghna Bank, we recognize our employees' physical and mental health and wellbeing as highly important, deserving both protection and promotion. We believe, a healthy employee will be more productive in the workplace and a healthy workplace can lead to organizational success in terms of productivity, teamwork and employee wellbeing. We also take care of our employee's health and safety. In 2021 we arranged "Health Camp" program for the employees in collaboration with United Hospital. We also brought few emergency medical contact for our employees



"Health Camp" program for the employees in collaboration with United Hospital

Reward & Recognition

Because of financial and competitive pressures; Meghna Bank Limited shifting its attention from purely financial pay package to total rewards – that include reward & recognition program, health and wellbeing programs and training & career development. Non cash rewards such as gift cards, goodie pack, certificate of recognition etc. are cost effective and improve performance. Meghna Bank Limited feels that the individual and team effort should be regularly appreciated and recognized so as to keep our employees motivated to

give in their best efforts. And more importantly by recognizing these performances, we reinforce our employees to use their "superpowers" to propel the bank forward. In 2021 we introduced Reward & Recognition for the employees.



HR Lounge

For any business practices to work, all individual process must be aligned. Data-driven software simplifies compiling a list of best HR practices by giving access to real-time metrics and analytics. With this backdrop, Meghna Bank Limited has signed agreement with hSenid Business Solution (Globally recognized HRIS software provider) to implement PeoplesHR which will provide universal access to HR services through technology and dramatically changing the human resource practices



Performance Driven Culture through Balance Scorecard Performance Management

Meghna Bank Limited is committed to develop a performance driven culture where performance and reward & recognition will be perfectly correlated. We implemented Balanced Scorecard based Performance Management System to balance between quantity and quality; hence sustainability of the bank. With a view to implement performance driven culture we have developed KPI Based Performance Appraisal policy, review half yearly performance and overall intend to implement performance driven culture.

Culture Development

Meghna Bank HR has started creating a dynamic culture by encouraging open & honest communication, strengthening relation among employees, supporting career development for employees where employee can work with pride and feel workplace as their home of happiness

Learning and Development

Learning and Development in Meghna Bank Limited encompasses an wide range of activities designed to enhance the capacity and capability of all employees working in the organization. These include not only the functional skills and knowledge but also their leadership and behavioral competencies and aims at excelling the continued growth and development of Bank's most valuable resource, its people

All training and learning interventions are subject to organization's business interest and follows need and competency based development plan to ensure translating the learning to work. Weighing the 21st Century Demand, our approach for Learning and Development incorporates the holistic '70-20-10' model:

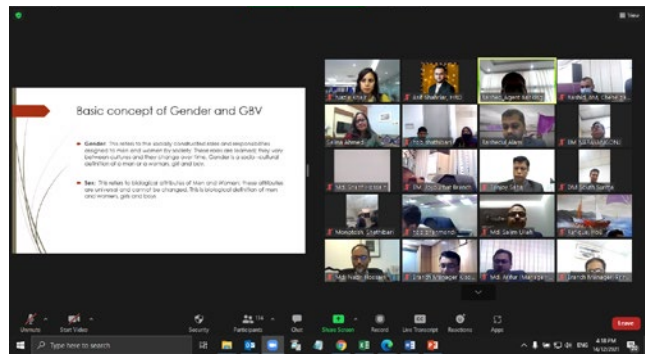


Around 70% of learning occurs through challenging assignments, job rotation, shadowing etc.

Around 20% of learning happens through structured mentoring, coaching and networking.

Around 10% of learning comes through formal training, workshop, e-Learning programs.

To develop the skill knowledge and ability as well as aware employees of current affair we introduced Learning bytes portal through which learning materials are shared with the employees.



Employee Engagement program

Human Resources Division of Meghna Bank Limited adopted number of employee engagement programs which connect with the employee and keep engaged with the Bank. We foster an open environment of feedback and communication which make employees feel engaged, trusted, respected, and valued. We believe Employee engagement is essential from onboarding to exit interviews



For the upcoming year, Meghna Bank HR aims to engage in the best practice human resource management that will enable the Bank's excellence to be recognized as best employer in the industry. We focus on creating an environment that promotes collaboration of ideas and information sharing.



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 2021 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 7 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 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 proceed centrally from this wing.

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Correspondent Banking:

Meghna Bank maintains active relationships with a reasonable network of banks all over the world considering 9 years of bank's operation. Correspondent network of Meghna Bank includes 137 members, covering 82 banks spread across 47 countries as on December 31, 2021. The Bank also maintains 20 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 to buy and sell trade assets along with instigation of new transactions.

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Payment System:

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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 proceed centrally from this wing. Currently, outward clearing process is being done centrally and BACPs service charges are realized automatically. Besides, reconciliation of BEFTN transactions are carried out from this unit.

Central Trade Operations Division:

1. Trade Operations are functioning centrally under two HUBs i.e. CTOD in Dhaka and CTPU (Central Trade Processing Unit) in Chattogram.

Due to COVID-19, Global Trade Business faced unprecedented 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 Guarantee (BG)
494.25 Cr	144.36 Cr	163.92 Cr

2. Amid immense impact of COVID-19, we have added BG (including e-GP) operation under the centralization process to ensure smooth operation during pandemic.
3. We have been operating BG (including e-GP) centrally (on partial basis) from July 26, 2020.
4. We have approved "Trade Based Money Laundering" policy paper within the deadline of BFIU, Bangladesh Bank as per their Guidelines.
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Retail Credit & Collection:

Retail Banking Division of Meghna Bank has several retail Loan and Card products. Retail Banking Division of Meghna Bank successfully runs these Loans and Cards since the inception of the Bank. We have unsecured personal loan, secured auto loan, secured Home Loan, secured OD, secured EMI based loan & Credit Cards in Retail product line. Our product line is as similar as other Bank and FI.

Almost all Banks have dedicated Retail Credit and Collection unit for processing and monitoring of consumer Loans and Cards. Similarly Meghna Bank have Retail Credit and Collection (RCC) team who are playing an important role to approve and monitor retail asset portfolios. Retail Credit and Collection is working as support division of retail business unit of Meghna Bank Limited. Retail Credit & Collection is playing multifunctional support unit of business function. RCC is managing retail file processing and collection through centralized processing and



monitoring. RCC is working to increase healthy asset portfolio for the Bank. By managing a healthy asset portfolio, RCC is contributing to increase retail earnings.

Treasury Operations:

Meghna Bank's Treasury Operations works as a back office of the Treasury Business to support Service Excellence. In 2020 the success of these Departments are as below:

1. We have handled lots of transactions of Govt. Securities (T.Bill & T.Bond) i.e. Purchase, sale, Repo, ALS etc. From these transactions we earned mentionable amount of profit which was near about 99.10 crore only from T.Bill and T.Bond.
2. For risk minimization we have participated with business unit and reduced risky investment and collect pending interest.
3. We settled accurately on investment in Commercial Paper, investment in Preference share, Capital market investments and other investments.

Anti-Money Laundering Division:

Managing the AML/CFT Risk

The intention of wrongdoers to conceal the true source of fund or often purpose of the fund can expose banks to great risk. Financial institutions across the globe are working hard to fight financial crime driven by demands to protect assets and maintain regulatory compliance. Globally, anti-money laundering and combating financing of terrorism (AML & CFT) efforts were affected by COVID-19 pandemic that hampered transaction monitoring, vigilance and ensuring the proper AML/CFT & Sanction Compliance.

Violation of the provision of Money Laundering Prevention Act (MLPA) 2012 & Anti-Terrorism Act (ATA) 2009 is punishable crime that can result in financial penalties, reputational risk as far as license cancellation. Combating Money Laundering

and Terrorist Financing is a key element in promoting a strong, sound and stable financial sector. Meghna Bank has set the tone from the top to identify, assess, monitor and mitigate ML & TF risk.

To prevent money laundering and combat terrorist financing through our banking channel, Bank has strong Customer Due Diligence (CDD) & Enhanced Due Diligence (EDD) in place for customer on boarding and their lifecycle management. The Bank also 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. We also monitor credit backed transactions & trade based transactions for preventing money laundering.

Ensuring citizens remain safe from harm caused by criminal activity including money laundering and terrorist financing should remain a priority for Meghna Bank. Going forward, Meghna Bank is aware of the new challenges and the changes in the nature of ML & TF threats that the next year may bring to light.

We do expect everyone's support as socially responsible citizen by providing all required documents and information to prevent money laundering and terrorist financing as per regulatory requirement to the stability and the integrity of our financial sector. Hope our combined endeavor will help to create a harm free society and stable economy.

INFORMATION TECHNOLOGY

Information Technology has played a fundamental role in Meghna Bank's promising journey. The Bank continues to invest in leading technologies to implement a robust, secure and digital-first infrastructure to provide a superior and seamless experience to customers. Similar to other Bank in Bangladesh, Meghna Bank Limited was also not impervious to the devastating shock that Bangladesh experienced in FY 2020-2021 due to the meteoric rise of coronavirus. Because of coronavirus effect, in the last couple of years, the country has witnessed a significant increase in the usage of digital channels and the trend is likely to continue in the foreseeable future. The growing popularity and usage of digital channels rely on technology to ensure scalability, performance and up-time. Meghna Bank has scaled up investments in technology in view and business strategy for growth.

OVERVIEW

Meghna Bank has commenced steps to implement future-ready technologies that will sustain growth and enrich customer experience through. In line with this, Meghna Bank has established the modernization of its technology architecture in FY 2020-21. Bank has reinvested to build its infrastructure as part of the Data Centre (DC) and Disaster Recovery (DR) Centre strategy, with state-of-the-art technology to ensure Zero Data loss of sensitive banking information. Meghna Bank has also invested in both Hardware Systems & Network Infrastructure as well as security systems to ensure the delivery of transactions in a robust and secure environment. Meghna Bank has been working on a new application stack and onboarding applications to support its growth objectives that are in an advanced stage of implementation in the areas of Islamic banking, digital account opening and Express Account Opening, Internet Banking for both retail & corporate houses. The technology team is diligently and relentlessly working with partners to carry out the transformation under the guidance of the Management and the Board.

KEY INITIATIVES DURING 2021

- MGBL Data Center Build & Migration Project: With a view to establish advance technology Meghna Bank Limited has established state-of-the-art Tier-3 Smart Modular Data Center Facility at its Head Office, Gulshan in 2021 to ensure following facilities :
 - ◆ Assure almost 100% service uptime with Tier-3 Smart Modular Data Center facility;
 - ◆ N+1 fault tolerant Data Center is providing 72 hours of power outage protection;
 - ◆ With upgrade facilities of its core network backbone from 1G to 40G;
- ◆ Power-packed arrangements facilities to deal with undesirable cause, such as component failure, power fluctuations, and catastrophes;
- ◆ Assure banks customer data safe and secure from unauthorized or unethical activities;
- ◆ Expansion facilities to adopt requirements for next 10(Ten) years business forecast;
- Islamic Banking Solution: In 2021, MGBL has launched Islamic Banking window, first ever in banking journey of Meghna bank. To start this new journey, we have implemented Islamic Banking Solution and through this system, now MGBL is offering Deposit, Loan, Trade, Channel transactions (ATM, Cards, POS, E-Commerce) based products to its customers.
- Digital Account opening (Self e-KYC): Customer on boarding had always been a long and unwieldy process both for banks and customers. The reason for that was a good portion of the on boarding was about verification of identity of the customer wishing to be on boarded. Bangladesh now has NID and banks are allowed access to NID database maintained by election commission. On top of that, Bangladesh Financial Intelligence Unit (BFIU) had issued e-KYC guidelines directing stakeholders to onboard using NID card. Based on that MGBL introduced Self e-KYC. Customers can access the system using Laptops, tabs or Mobile devices. Onboarding at MGBL is now in customers' finger tips!
- Digital Gift: In collaboration with fin-tech, country's first digital gift and reward platform MGBL initiated this digital gift service through its Internet banking App that allows individuals to send gift cards to their friends and family from merchant list. The gift receiver will be able to select gifts and rewards as per their choice. Country's well-known fashion brands, restaurants, electronics brands, e-Commerce sites and other merchants are in fin-tech valued merchant platform.
- Agent Banking: Implement a modern platform to help propel the bank's Agent Banking business, enabling footprint expansion to unbanked people and thus enhancing financial inclusion.
- Priority Banking Solution: To provide priority customers service with dedicated relationship managers who will guide the customers and provide



information and assistance Meghna Bank Limited implemented Priority Banking Solution for this kind of banking.

- E-Signature Booklet: Moving from paper based Signature Booklet to digital platform Meghna Bank Limited has introduced E-Signature Booklet to ensure secure & readily available Digital Signature Booklet for verifying authorized specimen signature of the Officials of correspondent banks.
- Locker Management Solution: Implement digital platform for maintaining paper less Locker Service Management.
- Express Account Opening: To ensure faster and secured account opening process with central monitoring and maintenance Express Account Opening process has been implemented for superior and seamless customer experience.
- Enterprise Call center solution: Established Enterprise Call Center Solution to deliver seamless Omni channel support from a single, open technology platform including Account and Card Service Request with IVR System.

ROADMAP FOR BANKING DIGITAL TRANSFORMATION IN 2022

The banking sector is under stress as consumers shift spending to tap into new technological edges. To compete in this new digital landscape, Meghna banks has developed a clear digital strategy that considers their customers' essentials and sets them up for accomplishment in the future. What had started in FY 2020-2021 as a response to the raging pandemic, took a more proactive form in current FY 2021-2022. The focus included not only ensuring proper communication and ease of access to banking services like the previous fiscal year, but also providing the maximum comfort and new services to customers. Essentially, Information Technology division made it a priority to pursue global level excellence and offer new and improved banking services and features of that caliber. Some of the major business imperatives for 2022 include the following:

- **Corporate Internet Banking**
 - ◆ Digital Account opening (Assistant e-KYC)
 - ◆ Loan Approval Solution for Retail Loan & Cards

- ◆ Loan Collateral Security Document Management Solution
- ◆ Human Resource Management Solution
- ◆ Fixed Asset Management Solution
- ◆ VAT Management Solution
- ◆ Call Center Phase 2
- ◆ Meghna Service 360
- ◆ Enterprise Content Management Solution
- ◆ ISO-27001 Certification
- ◆ PCI-DSS Certification
- ◆ Mobile Financial Services
- ◆ Chabot Solution
- ◆ MGBL Access Control System
- ◆ MGBL Tech Refreshment-Network Part
- ◆ HCI Server Systems & Enterprise Backup Solution for Meghna Bank Ltd
- **Internet Banking Enhancement:**
 - ◆ User registration by Prepaid card
 - ◆ MGBL Card (Prepaid & Credit) to Nagad & bKash
 - ◆ MGBL Card service request from APP & web
 - ◆ Ekpays for Utility bill collection Integration
 - ◆ Cheque Book Request
 - ◆ Positive Pay Instruction
 - ◆ TD Opening Request
 - ◆ Priority Banking Service
 - ◆ EMI request for fund transfer to other from credit card and prepaid card
- **Email marketing solution**
- **MGBL Career**
- **MGBL eLearning Module**
- **Enhance Banking physical network by Branch & Sub Branch Opening**
- **IP Telephone System Deployment**



INTERNAL CONTROL AND COMPLIANCE DIVISION

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 2021 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, 08 Divisions, 47 IT Operational Audit, 47 AML Independent Testing Reports and 3 regulatory required audit as per Risk Based approved Annual Audit Plan 2021 and submitted the reports to the Bank Management and Audit Committee of the Board for necessary action and corrective measures.
- **Special Audit and Investigation:** 20 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 11 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:

- Compliance team coordinated Bangladesh Bank Inspection team to conduct inspection of 6 (six) Branches, Core Risk Inspection of 5 (five) functions and 01 (one) Comprehensive Inspection of Head

Office. Apart from that 02 (two) special Inspection was conducted on Anti Money Laundering and Central Trade Operations Department of the Bank for the year 2021. Meghna Bank has received 11 new reports and 44 follow up reports from Bangladesh Bank during the year 2021; New (fresh) and follow-up compliance were carried out for total 55 Bangladesh Bank Inspection reports.

Compliance of Internal Audit Reports:

- Compliance of internal audit reports of 47 branches and 8 Head office divisions for the year 2021 and previous 47 branches and 5 Head Office Divisions for the year 2020 have been conducted.

Compliance of Management Reports issued by External Auditor:

- Compliance of Management Report for the year 2020 and 2019 have been conducted.

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.

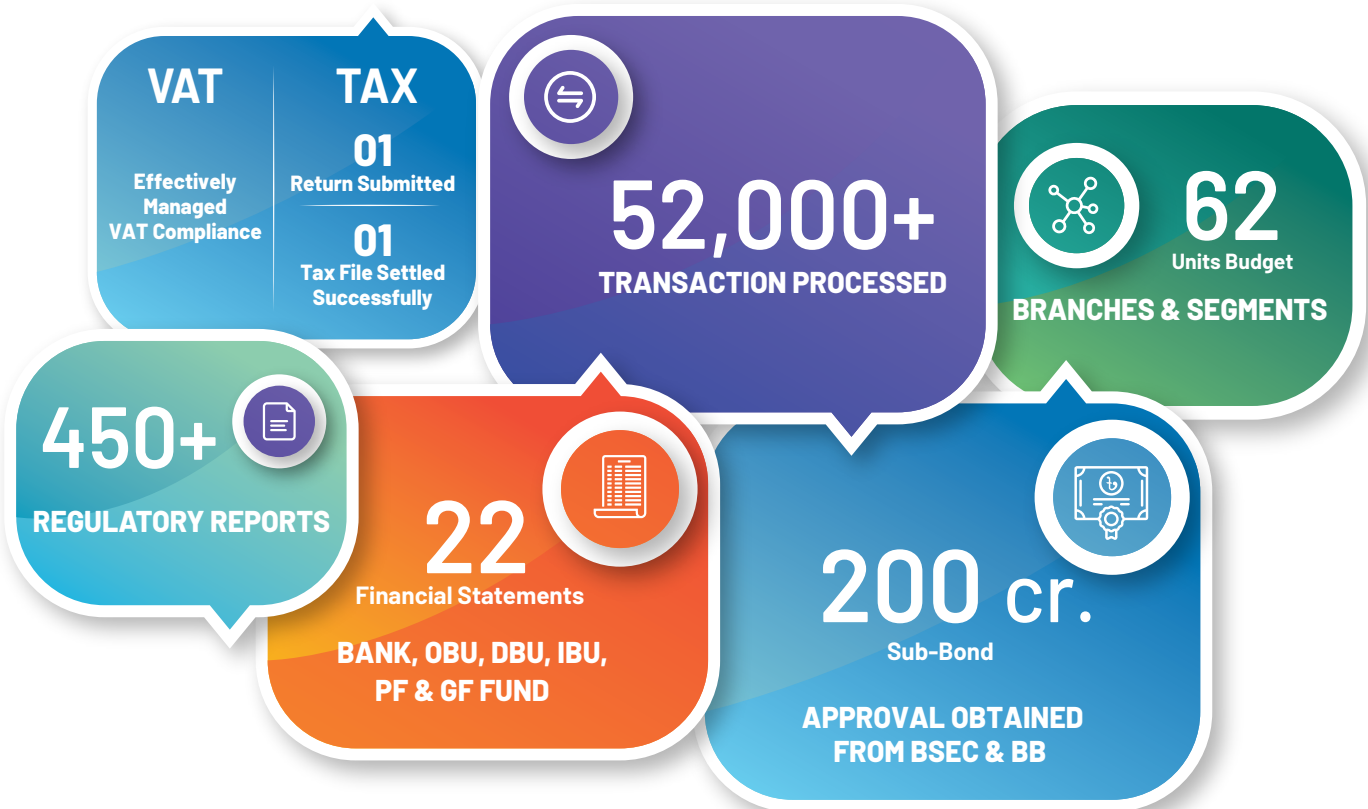
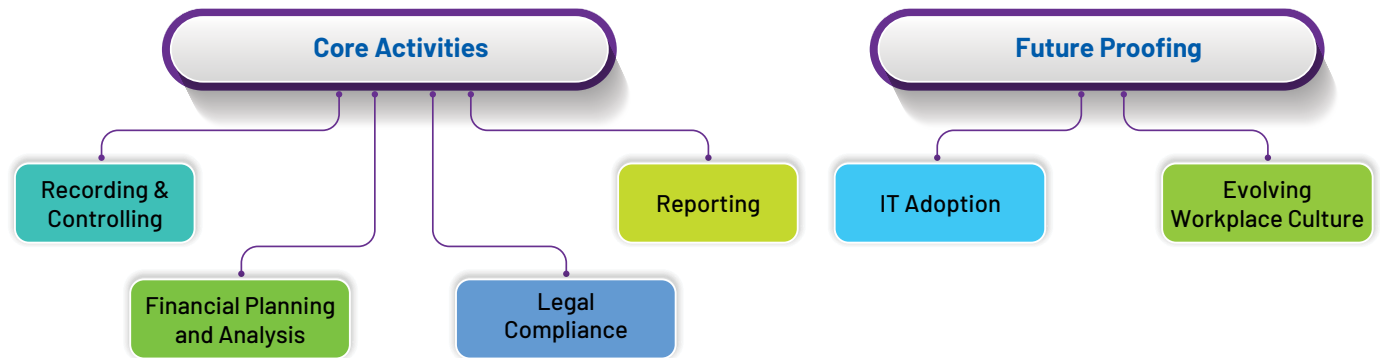
Internal Control and Compliance Division's activities for the year 2022 will be carried on the basis of approved Annual Audit plan for the year 2022 as well as Bank Management, Board and Audit Committee of Board instruction, directives and recommendations.



FINANCIAL ADMINISTRATION

Aligning the bank's digital transformation mandate, Financial Administration Division is continuously adopting new technology and automating its process while overseeing all financial activities of bank's operations. The Division is proactive, flexible and focused on long term in decision making process.

ROLE OF FINANCIAL ADMINISTRATION DIVISION





MIS

- Monthly Business Segment/unit wise Performance
- Monthly Profitability Analysis
- Daily Segmental Business Monitoring Report
- Daily Branch Monitoring report
- Monthly Segmental Cost Benefit Analysis, Value Analysis, Contribution Analysis

TAT

Reduced substantially
regard to Business Support

01

Employee Turnover



KEY INITIATIVES IN 2021

- Provided Necessary Analysis In Order to Ensure Shareholders Wealth Maximization
- Conducted Business Review Meeting with Branches at Regular Intervals in Order Boost up Profitability
- Capital Planning for 5 Years and Process has been Started for Issuance of BDT 200 Cr. Sub-bond



NEW INITIATIVES

- Segmental Revenue Calculation Model
- Implementation of Budgetary Control of Islamic Banking Window & Agent Banking
- Automated Tool for Continuous Business Monitoring
- Process Automation In MIS Reporting
- Review of Processes And Policies to Facilitate Business Support



FINANCIAL STATEMENTS OF MEGHNA BANK LIMITED



INDEPENDENT AUDITORS' REPORT

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 31st December 2021 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 31st December 2021 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.

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 loan & advances portfolio associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> ● Future business performance of the borrower; ● Key assumptions relating to further business performance of the borrower; ● Market value of the collateral; ● Ability to repossess collateral; and ● Recovery rates. <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued from time to time.</p> <p>Due to high level of judgement involved and using some manual process in estimating the provision for loans and advances, we considered this to be a key audit matter.</p> <p>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> <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p> <p>At the year end the Bank reported total gross loan and advances BDT 41,876.11 Million (2020: BDT 35,840.62 Million) and total provision for Loan and Advances BDT 1,576.35 Million (2020: BDT 1,162.45 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 and BRPD circular no. 56 dated 10 December 2020. <p>Bangladesh Bank has taken into consideration the further negative impact on business and economy due to the subsequent waves of Covid-19 and issued BRPD Circulars no. 3 dated 31 January, 2021, no. 5 dated 24 March, 2021 and no. 51 dated 29 December 2021 and BRPD Circular letter No. 53 dated 30 December 2021 respectively through which the Banks are allowed to continue moratorium on further downgrading of the classification of loan and advances subject to certain conditions. One of such conditions is to receive by 31 December 2021, at least 15% of the total instalment amounts due on 2021 from the concerned Client as per the Banker and Client relationship.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> ● Credit monitoring and provisioning process; ● Identification of loss events, including early warning and default warning indicators; and ● Review of quarterly Classification of Loans (CL). ● Follow Bangladesh Bank's circular and guidelines; <p>Our substantive procedures in relation to the provision for loan and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> ● 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. ● Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. ● Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.
See note no 8a, 8a.10, and 13a.1 to the financial statements	

Description of key audit matters	Our response to key audit matters
Recognition of Interest Income	
<p>Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income has involvement of complex IT environment. We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.</p> <p>Moreover, as per Bangladesh Bank BRPD circular no 53 dated 30 December 2021, considering future risk banks were allowed to recognize outstanding/ arrear interest income on loans where deferral facilities were given upon receiving at least 15% of the total receivable amount.</p> <p>Accordingly, this has been considered as key audit matter.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans and advances. We performed test of operating effectiveness on automated control in place to measure and recognise interest income. We have also performed substantive procedure to check whether interest income is recognised completely and accurately. We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of interest recognized during the year with reference to the product wise outstanding loan balances.</p>
See note no 23.a to the financial statements	
Measurement of deferred tax assets (DTA)	
<p>At the year end of 31 December 2021 the Bank reported total deferred tax assets of BDT 55.95 million (31 December 2020: BDT 51.93 million) and deferred tax income of BDT .40 million (31 December 2020: BDT 51.93 million).</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Bank's future taxable income. We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. The Bank has sufficient taxable profit to recover the deferred tax assets in foreseeable future. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTAs. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
See note no 10.a.4 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 we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no 2.11.3 and 7a to the financial statements	



Description of key audit matters	Our response to key audit matters
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 of 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). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
Implementation of IFRS 16 Leases	
<p>The Bank has adopted IFRS 16 for the first time during the current period</p> <p>IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate.</p> <p>Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are inappropriate.</p>	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <p>Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank;</p> <p>Assessed the appropriateness of the discount rates applied in determining lease liabilities;</p> <p>Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and</p> <p>Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.</p>
See note no. 9a, 13a & 36a.	

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 financial statements of the Bank in accordance with IFRSs as explained in note 2 & 3 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) 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. The Bangladesh Bank guidelines 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 21 March, 2022 and Bangladesh bank approved given vide letter no. DBI-4/135/2022-396 dated 28 March, 2022;
- 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 2,610 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

Dhaka, 10 April, 2022



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

Enrolment No.: 1591

Firm Registration: 11970 E.P.

DVC: 2204101591AS140106



MEGHNA BANK LIMITED

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
PROPERTY AND ASSETS			
Cash		3,130,549,939	3,602,169,136
Cash in hand (Including Foreign Currencies)	3	736,258,427	593,882,216
Balance with Bangladesh Bank and Its agent Bank (s) (Including Foreign Currencies)	4	2,394,291,512	3,008,286,920
Balance with other Banks and Financial Institutions	5	2,755,354,199	2,540,880,292
In Bangladesh		2,205,349,614	2,235,029,866
Outside Bangladesh		550,004,585	305,850,426
Money at Call on Short Notice	6	100,000,000	130,000,000
Investments	7	16,000,512,350	9,831,425,806
Government		12,891,788,462	9,031,518,336
Others		3,108,723,888	799,907,470
Loans and Advances/ Investments	8	41,817,164,363	35,815,766,791
Loans, Cash credits, Overdrafts, etc./ Investments		41,299,769,266	35,757,288,285
Bills Purchased and Discounted		517,395,097	58,478,506
Fixed Assets Including Premises, Furniture and Fixtures	9	702,017,954	220,726,865
Other Assets	10	804,206,840	756,041,433
Non Banking Assets		-	-
Total Assets		65,309,805,645	52,897,010,323
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	11	2,105,164,693	558,616,000
Deposits and Other Accounts	12	52,665,337,091	43,315,011,841
Current/Al-Wadeeah Current Accounts & Other Accounts		3,283,314,890	3,382,687,908
Bills Payable		244,480,062	298,059,470
Savings/Mudaraba Saving Deposits		3,594,145,026	2,845,203,073
Fixed Deposits/ Mudaraba Term Deposit		45,543,397,113	36,789,061,390
Bearer Certificate of Deposit		-	-
Other Deposits		-	-
Other Liabilities	13	4,338,821,503	3,010,914,130
Total Liabilities		59,109,323,287	46,884,541,971
Capital/Shareholders' Equity			
Paid-up Capital	14a.2	5,027,908,600	4,698,980,000
Statutory Reserve	15	877,380,313	765,650,891
Revaluation Reserve on Investment in Securities	16	1,226,905	104,751,544
Retained Earnings	17	293,966,438	443,085,813
Total Shareholders' Equity		6,200,482,256	6,012,468,248
Non-controlling Interest	18	102	104
Total Shareholders' Equity with Non-Controlling Interest		6,200,482,358	6,012,468,352
Total Liabilities & Shareholders' Equity		65,309,805,645	52,897,010,323



MEGHNA BANK LIMITED

CONSOLIDATED OFF- BALANCE SHEET ITEMS

AS AT DECEMBER 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
CONTINGENT LIABILITIES			
Acceptances and Endorsements	19	1,691,195,649	196,239,172
Letters of Guarantee	20	6,341,589,194	3,306,789,418
Irrevocable Letters of Credit	21	1,527,158,618	1,418,051,665
Bills for Collection		574,679,268	107,712,365
Other Contingent Liabilities		-	-
Total		10,134,622,729	5,028,792,620
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		10,134,622,729	5,028,792,620

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


Chairman


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

Firm Registration: 11970 E.P.

DVC: 2204101591AS140106

Dhaka, 10 April, 2022

MEGHNA BANK LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED AS ON DECEMBER 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
Interest Income/ Profit on Investment	23	3,177,072,142	3,212,801,102
Interest/ Profit paid on Deposits and borrowings etc	24	2,581,234,261	2,594,947,558
Net Interest/ Investment Income		595,837,881	617,853,544
Investment Income	25	1,340,917,016	1,052,972,017
Commission, Exchange and Brokerage	26	199,939,558	126,967,446
Other Operating Income	27	196,039,908	78,208,974
		1,736,896,482	1,258,148,437
Total Operating Income		2,332,734,363	1,876,001,981
Salaries and Allowances	28	625,446,083	540,276,462
Rent, Taxes, Insurances, Electricity etc.	29	85,302,575	240,317,243
Legal Expenses	30	1,138,802	609,905
Postage, Stamps, Telecommunication etc.	31	19,925,490	20,764,871
Stationery, Printings, Advertisements etc.	32	15,290,923	13,287,654
Chief Executive's Salary & Fees	33	18,106,420	17,130,135
Directors' Fees	34	1,856,000	1,488,000
Auditors' Fees	35	439,500	395,000
Charges on Loan Losses		-	-
Depreciation & Repairs of Bank's Assets	36	207,000,171	91,686,423
Other Expenses	37	268,049,359	208,756,262
Total Operating Expenses		1,242,555,323	1,134,711,955
Profit/(Loss) Before Provision	22	1,090,179,040	741,290,026
Specific Provision for Classified Loans and Advances		380,700,000	(20,400,000)
General Provision for Unclassified Loans and Advances		33,745,732	23,250,000
General Provision for Off-Balance Sheet Exposures		46,349,435	6,750,000
Special General Provision - Covid-19		(16,779,605)	120,835,938
Provision for Diminution in Value of Investments		(9,950,000)	(19,166,211)
Provision for Other Asset		56,009,438	(15,000)
Total Provision	38	490,075,000	111,254,727
Total Profit/(Loss) Before Taxes		600,104,040	630,035,299
Provision for Taxation			
Current Tax	13.2	259,000,000	171,300,000
Deferred Tax Expense/ (Income)	10a.4	(4,025,265)	(51,930,976)
		254,974,735	119,369,024
Net Profit After Taxation		345,129,305	510,666,275
Retained Earnings Brought Forward From Previous Years		95,145,705	56,263,593
		440,275,010	566,929,868
Appropriations			
Statutory Reserve	15.1	111,729,422	123,844,052
Non-controlling Interest	17.1	11	3
Start-Up Fund	13a.3	3,079,149	-
		114,808,582	123,844,055
Retained Surplus		325,466,428	443,085,813
Earnings Per Share (EPS)	39	0.69	1.02

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



Chairman


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

Firm Registration: 11970 E.P.

DVC: 2204101591AS140106

Dhaka, 10 April, 2022



MEGHNA BANK LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED AS ON DECEMBER 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
Cash Flows from Operating Activities			
Interest/ Profit receipts in cash	40	3,754,331,030	3,378,870,540
Interest/ Profit Payments	41	(2,538,377,419)	(2,787,262,570)
Dividends Receipts		103,509,057	29,144,388
Fee & Commission receipts in cash		199,939,558	126,967,446
Recoveries on loans previously written off		-	-
Cash Payments to Employees		(643,552,503)	(557,406,597)
Cash Payments to Suppliers		(15,290,923)	(13,287,654)
Income Taxes Paid		(203,343,667)	(271,185,001)
Receipts from other Operating activities	42	982,729,698	602,549,807
Payments for other Operating activities	43	(513,788,289)	(480,661,015)
Operating Profit before changes in Operating Assets and Liabilities		1,126,156,542	27,729,345
Increase/Decrease in Operating Assets and Liabilities			
Statutory Deposits		-	-
Purchase/Sale of Trading Securities (Treasury bills)		(108,104,907)	-
Loans and Advances/ Investments to Other Banks		-	-
Loans and Advances/ Investments to Customers		(6,001,397,571)	(1,437,469,532)
Other Assets	44	(173,342,702)	49,931,940
Deposits from other Banks		1,413,102,806	1,387,492,414
Deposits from Customers		7,937,222,444	843,180,270
Other liabilities on account of customers		-	-
Trading Liabilities		-	-
Other Liabilities	45	213,739,805	322,962,430
Sub Total		3,281,219,875	1,166,097,522
A) Net Cash from Operating Activities		4,407,376,417	1,193,826,867
Cash flows from Investing Activities			
Proceeds from sale of Securities		-	-
Payment for purchases of securities		(6,161,894,512)	(4,235,897,946)
Purchase/Sale of Property, Plant & Equipment		(65,245,888)	(24,328,593)
Purchase/Sale of Subsidiary		-	-
B) Net Cash Used in Investing Activities		(6,227,140,400)	(4,260,226,538)
Cash flows from Financing Activities			
Borrowing from other banks		1,546,548,693	558,291,744
Receipts from issue of ordinary share		-	-
Dividends Paid		(14,000,000)	-
C) Net Cash from Financing Activities		1,532,548,693	558,291,744
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		(287,215,290)	(2,508,107,927)
E) Effect of Exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		6,273,955,628	8,782,063,555
G) Cash and cash equivalents at the end of the year (D+E+F)	46	5,986,740,338	6,273,955,628

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


Chairman


Director


Director


Managing Director & CEO

MEGHNA BANK LIMITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED AS ON DECEMBER 31, 2021

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, 2021	4,698,980,000	765,650,891	104,751,544	443,085,813	6,012,468,248	104	6,012,468,352
Changes in accounting policy	-	-	-	-	-	-	-
Restated Balance	4,698,980,000	765,650,891	104,751,544	443,085,813	6,012,468,248	104	6,012,468,352
Net profit for the year				345,129,305	345,129,305	-	345,129,305
Transfer to statutory reserve		111,729,422		(111,729,422)	-	-	-
Net Surplus/deficit on account of revaluation of investments			(103,524,639)		(103,524,639)	-	(103,524,639)
Transfer to Start-Up-Fund				(8,090,661)	(8,090,661)		(8,090,661)
Non-controlling Interest				(11)	(11)	11	-
Dividend paid for the year 2020	328,928,600			(342,928,596)	(13,999,996)	(4)	(14,000,000)
Interim Dividend paid by Subsidiary for 2021				(31,499,991)	(31,499,991)	(9)	(31,500,000)
Balance as at 31 December, 2021	5,027,908,600	877,380,313	1,226,905	293,966,438	6,200,482,256	102	6,200,482,358
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

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


Chairman


Director


Director


Managing Director & CEO



MEGHNA BANK LIMITED

BALANCE SHEET

AS AT DECEMBER 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
PROPERTY AND ASSETS			
Cash		3,130,545,671	3,602,162,262
Cash in hand (Including Foreign Currencies)	3a	736,254,159	593,875,342
Balance with Bangladesh Bank and Its agent Bank (s) (Including Foreign Currencies)	4a	2,394,291,512	3,008,286,920
Balance with other Banks and Financial Institutions	5a	2,723,637,291	2,521,748,078
In Bangladesh		2,173,632,706	2,215,897,652
Outside Bangladesh		550,004,585	305,850,426
Money at Call on Short Notice	6a	100,000,000	130,000,000
Investments	7a	15,592,157,320	9,464,079,314
Government		12,891,788,462	9,031,518,336
Others		2,700,368,858	432,560,978
Loans and Advances/ Investments	8a	41,876,110,332	35,840,624,305
Loans, Cash credits, Overdrafts, etc./ Investments		41,358,715,235	35,782,145,799
Bills Purchased and Discounted		517,395,097	58,478,506
Fixed Assets Including Premises, Furniture and Fixtures	9a	692,261,436	218,576,063
Other Assets	10a	1,170,068,031	1,093,923,705
Non Banking Assets		-	-
Total Assets		65,284,780,081	52,871,113,727
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	11a	2,105,164,693	558,616,000
Deposits and Other Accounts	12a	52,737,870,285	43,330,127,348
Current/Al-Wadeeah Current Accounts & Other Accounts		3,283,314,889	3,382,687,908
Bills Payable		244,480,062	298,059,470
Savings/Mudaraba Saving Deposits		3,594,145,026	2,845,203,073
Fixed Deposits/ Mudaraba Term Deposit		45,615,930,308	36,804,176,897
Bearer Certificate of Deposit		-	-
Other Deposits		-	-
Other Liabilities	13a	4,247,980,806	2,984,905,636
Total Liabilities		59,091,015,784	46,873,648,984
Capital/Shareholders' Equity			
Paid-up Capital	14a.2	5,027,908,600	4,698,980,000
Statutory Reserve	15a	876,428,809	765,650,891
Revaluation Reserve on Investment in Securities	16	1,226,905	104,751,544
Retained Earnings	17a	288,199,983	428,082,308
Total Shareholders' Equity		6,193,764,297	5,997,464,743
Total Liabilities & Shareholders' Equity		65,284,780,081	52,871,113,727



MEGHNA BANK LIMITED

OFF- BALANCE SHEET ITEMS

AS AT DECEMBER 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
CONTINGENT LIABILITIES			
Acceptances and Endorsements	19	1,691,195,649	196,239,172
Letters of Guarantee	20	6,341,589,194	3,306,789,418
Irrevocable Letters of Credit	21	1,527,158,618	1,418,051,665
Bills for Collection		574,679,268	107,712,365
Other Contingent Liabilities		-	-
Total		10,134,622,729	5,028,792,620
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		10,134,622,729	5,028,792,620

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


Chairman


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

Firm Registration: 11970 E.P.

DVC: 2204101591AS140106

Dhaka, 10 April, 2022



MEGHNA BANK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED AS ON DECEMBER 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
Interest Income/ Profit on Investment	23a	3,178,068,647	3,210,144,344
Interest/ Profit paid on Deposits and borrowings etc	24a	2,582,720,355	2,595,988,252
Net Interest/ Investment Income		595,348,292	614,156,092
Investment Income	25a	1,312,578,767	1,045,650,846
Commission, Exchange and Brokerage	26a	164,420,861	114,186,771
Other Operating Income	27a	194,136,861	81,646,311
		1,671,136,489	1,241,483,928
Total Operating Income		2,266,484,781	1,855,640,020
Salaries and Allowances	28a	616,062,847	533,252,515
Rent, Taxes, Insurances, Electricity etc.	29a	84,731,750	239,135,712
Legal Expenses	30a	1,138,802	609,905
Postage, Stamps, Telecommunication etc.	31a	19,807,441	20,674,655
Stationery, Printings, Advertisements etc.	32a	15,144,956	13,189,764
Chief Executive's Salary & Fees	33	18,106,420	17,130,135
Directors' Fees	34a	1,784,000	1,440,000
Auditors' Fees	35a	379,500	350,000
Charges on Loan Losses		-	-
Depreciation & Repairs of Bank's Assets	36a	204,912,335	90,962,242
Other Expenses	37a	260,997,873	205,158,896
		1,223,065,924	1,121,903,824
Total Operating Expenses		1,223,065,924	1,121,903,824
Profit/(Loss) Before Provision	22a	1,043,418,857	733,736,196
Specific Provision for Classified Loans and Advances		380,700,000	(20,400,000)
General Provision for Unclassified Loans and Advances		33,200,000	23,250,000
General Provision for Off-Balance Sheet Exposures		46,349,435	6,750,000
Special General Provision - Covid-19		(16,779,605)	120,835,938
Provision for Diminution in Value of Investments		(9,950,000)	(15,905,000)
Provision for Other Asset		56,009,438	(15,000)
		489,529,268	114,515,938
Total Provision	38a	489,529,268	114,515,938
Total Profit/(Loss) Before Taxes		553,889,589	619,220,258
Provision for Taxation			
Current Tax	13a.2	250,000,000	170,000,000
Deferred Tax Expense/ (Income)	10a.4	(4,025,265)	(51,930,976)
		245,974,735	118,069,024
Net Profit After Taxation		307,914,854	501,151,234
Retained Earnings Brought Forward From Previous Years		94,142,196	50,775,126
		402,057,050	551,926,360
Appropriations			
Statutory Reserve	15a	110,777,918	123,844,052
Start-Up Fund	13a.3	3,079,149	-
		113,857,067	123,844,052
Retained Surplus	17a	288,199,983	428,082,308
Earnings Per Share (EPS)	39a	0.61	1.00

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


Chairman


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

Firm Registration: 11970 E.P.

DVC: 2204101591AS140106

Dhaka, 10 April, 2022

MEGHNA BANK LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED AS ON DECEMBER 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
Cash Flows from Operating Activities			
Interest/ Profit receipts in cash	40a	3,755,327,535	3,376,213,782
Interest/ Profit Payments	41a	(2,539,863,513)	(2,788,303,264)
Dividends Receipts		98,902,650	26,829,445
Fee & Commission receipts in cash		164,420,861	114,186,771
Recoveries on loans previously written off		-	-
Cash Payments to Employees		(634,169,267)	(550,382,650)
Cash Payments to Suppliers		(15,144,956)	(13,189,764)
Income Taxes Paid		(196,285,241)	(268,500,783)
Receipts from other Operating activities	42a	959,120,733	596,977,940
Payments for other Operating activities	43a	(504,429,941)	(471,671,156)
Operating Profit before changes in Operating Assets and Liabilities		1,087,878,861	22,160,321
Increase/Decrease in Operating Assets and Liabilities			
Statutory Deposits		-	-
Purchase/Sale of Trading Securities (Treasury bills)		(108,104,907)	-
Loans and Advances/ Investments to Other Banks		-	-
Loans and Advances/ Investments to Customers		(6,035,486,026)	(1,478,009,282)
Other Assets	44a	(201,321,622)	58,789,748
Deposits from other Banks		1,413,102,806	1,387,492,414
Deposits from Customers		7,994,640,131	838,554,866
Other liabilities on account of customers		-	-
Trading Liabilities		-	-
Other Liabilities	45a	189,025,767	310,785,223
Sub Total		3,251,856,149	1,117,612,968
A) Net Cash from Operating Activities		4,339,735,010	1,139,773,290
Cash flows from Investing Activities			
Proceeds from sale of Securities		-	-
Payment for purchases of securities		(6,123,567,739)	(4,188,311,484)
Purchase/Sale of Property, Plant & Equipment		(62,513,342)	(23,631,715)
B) Net Cash Used in Investing Activities		(6,186,081,081)	(4,211,943,199)
Cash flows from Financing Activities			
Borrowing from other banks		1,546,548,693	558,291,744
Receipts from issue of ordinary share		-	-
Dividends Paid		-	-
C) Net Cash from Financing Activities		1,546,548,693	558,291,744
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		(299,797,378)	(2,513,878,165)
E) Effect of Exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		6,254,816,540	8,768,694,705
G) Cash and cash equivalents at the end of the period (D+E+F)	46a	5,955,019,162	6,254,816,540

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


Chairman


Director


Director


Managing Director & CEO



MEGHNA BANK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED AS ON DECEMBER 31, 2021

Particulars	Paid-up Capital (Taka)	Statutory Reserve (Taka)	Other Reserve (Taka)	Retained Earnings (Taka)	Total (Taka)
Balance as at 01 January, 2021	4,698,980,000	765,650,891	104,751,544	428,082,308	5,997,464,743
Changes in accounting policy	-	-	-	-	-
Restated Balance	4,698,980,000	765,650,891	104,751,544	428,082,308	5,997,464,743
Net profit for the year				307,914,854	307,914,854
Transfer to statutory reserve		110,777,918		(110,777,918)	-
Transfer to Start-Up-Fund				(8,090,661)	(8,090,661)
Stock Dividend paid for 2020	328,928,600			(328,928,600)	-
Net Surplus/deficit on account of revaluation of Investments	-	-	(103,524,639)		(103,524,639)
Balance as at 31 December, 2021	5,027,908,600	876,428,809	1,226,905	288,199,983	6,193,764,297
Balance as at 31 December, 2020	4,698,980,000	765,650,891	104,751,544	428,082,308	5,997,464,743

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


Chairman


Director


Director


Managing Director & CEO



MEGHNA BANK LIMITED

LIQUIDITY STATEMENT (ASSET AND LIABILITY MATURITY ANALYSIS)

AS AT DECEMBER 31, 2021

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	736,254,159	-	-	-	-	736,254,159
Balance with other Banks and Financial Institutions	1,288,862,282	1,972,813,517	-	-	1,856,253,004	5,117,928,803
Money at Call on Short Notice	100,000,000	-	-	-	-	100,000,000
Investment	-	836,200	995,651,371	3,707,550,227	10,888,119,522	15,592,157,320
Loans and Advances/ Investments	7,912,471,419	14,472,375,602	6,046,345,215	12,042,798,648	1,402,119,448	41,876,110,332
Fixed Assets including Premises, Furniture & Fixtures	10,420,737	20,841,474	93,786,632	354,809,031	212,403,562	692,261,436
Other Assets	110,668,148	341,552,441	203,307,030	164,414,556	350,125,856	1,170,068,031
Non-banking Assets						-
Total Assets (i)	10,158,676,745	16,808,419,234	7,339,090,248	16,269,572,462	14,709,021,392	65,284,780,081
Liabilities						
Borrowing from Other Banks, Financial Institutions & Agents	600,600,000	703,499,990	801,064,703	-	-	2,105,164,693
Deposits and Other Accounts	9,343,921,141	13,931,844,991	5,661,158,139	15,559,664,852	8,241,281,162	52,737,870,285
Provision and Other Liabilities	44,897,776	283,349,522	579,811,111	572,684,562	2,767,237,835	4,247,980,806
Total Liabilities (ii)	9,989,418,917	14,918,694,503	7,042,033,953	16,132,349,414	11,008,518,997	59,091,015,784
Net Liquidity Gap (i-ii)	169,257,828	1,889,724,731	297,056,295	137,223,048	3,700,502,395	6,193,764,297


Chairman


Director


Director


Managing Director & CEO



MEGHNA BANK LIMITED & ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

AS AT & FOR THE YEAR ENDED DECEMBER 31, 2021

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 (Amended up to 2020) 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 (Amended up to 2018). At present the bank has forty seven (47) branches, one (1) islamic banking window, twelve (12) agents and eighteen (18) own ATM booths covering commercially important locations of the country.

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 Principal Activities and Nature of Operations of the Bank

The Bank offers all kinds of conventional & islamic 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. as per provisions of the Banking Companies Act, 1991 as amended, Bangladesh bank's directives and directives of other regulatory authorities.

1.3 Islamic Banking Unit

The Bank obtained permission from Bangladesh Bank to operate Islamic Banking Unit as a separate business unit vide Bangladesh Bank's letter no. BRPD (P-3)745(66)/2020-2359 dated February 26, 2020. The Islamic Banking Unit is governed following the principles of Islamic Shari'ah, the provisions of the Banking Companies Act, 1991 as amended, Bangladesh bank's directives and directives of other regulatory authorities.

1.4 Off-shore Banking Unit (OBU)

Off-shore Banking Unit (OBU) is a separate business unit of Meghna Bank Limited governed under the rules and guidelines of Bangladesh Bank after obtained permission from Bangladesh Bank vide Bangladesh Bank's letter no. BRPD (OB) 744 (129)/2020-8501 dated October 11, 2020. The principal activities of OBU are to provide all kinds of commercial banking services to its customers in bangladesh in foreign currency namely United States Dollar (USD). In preparation of Financial Statements, foreign currency have been translated into the presentation currency, i.e. Bangladeshi Taka (BDT) as per IAS 21.

1.5 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.

1.5.1 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 Preparation of Financial Statements

The separate financial statements of the Bank as on and for the year ended December 31, 2021 comprise those of Domestic Banking Unit (main operations), Islamic Banking Unit and Offshore Banking Unit (OBU) together referred to as 'the Bank'. Consolidated financial statements comprise those of the bank (parent) and its subsidiaries together referred to as 'the Group'. The Financial Statements have been prepared on a going concern basis under the historical cost convention and in accordance with "First Schedule"(Sec.38) of the Bank Companies Act 1991 (Amended up to 2018), 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), the Companies Act 1994 (Amended up to 2020), the Bangladesh Securities and Exchange Rules 1987, guideline of Financial Reporting Council (FRC) under Financial Reporting Act 2015 and other rules and regulations applicable in Bangladesh.

2.2 Statement of Compliance

The Bank also complied with the requirements of the following laws and regulations from various regulatory bodies in the preparation of financial statements for the year 2021:

- a) The Bank Companies Act, 1991(Amended up to 2018)
- b) The Companies Act, 1994 (Amended up to 2020)
- c) Rules & Regulations, Circulars issued by Bangladesh Bank from time to time
- d) The Securities and Exchange Commission Act 1993
- e) The Income Tax Ordinance, 1984 and amendments thereon
- f) The Value Added Tax and Supplementary Duty Act 2012 and subsequent amendment thereon,
- g) Statutory Regulatory Orders (SROs), General orders and notifications issued by NRB time to time,
- h) The Financial Reporting Act, 2015.

In cases any requirements of Banking Company Act 1991 (Amended up to 2018) and provision & circulars issued by Bangladesh Bank differ with those of IASs/IFRSs, the requirements of Banking Company Act 1991 (Amended up to 2018) and provision & circulars issued by Bangladesh Bank shall prevail. 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 (amended up to 2018) 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 take 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. 50, dated 14 December 2021 for maintained a special general provision-COVID-19 @ 2% on loans & advances taking advantage as per BRPD circular no 19/2021.

e) Recognition of Interest/ Profit in Suspense

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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan/ investments is classified, interest/ profit on such loans/ investments are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest/ profit 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 Bangladesh Bank 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 as 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 IAS/ 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/ Investments Net of Provision

IFRS: Loans and Advances/ Investments should be presented net of provision.

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

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 and Advances/ Investments:

IFRS: As per IAS1, an entity shall not offset assets and liabilities or income or expenses, unless required or permitted by an IAS/ 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/ investments.

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:

Provision on Loans & Advances/ Investments and Off Balance Sheet Items.

Provision for Taxation.

Revaluation of Assets.

Deferred Tax Assets/ Liabilities.

Gratuity Fund.

Useful Life 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

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, 2021 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/ Profit on Investments

Interest/ profit on unclassified loans and advances/ investments is accounted for as income on accrual basis, interest/ profit on classified loans and advances/ investments is credited to interest/ profit suspense account with actual receipt of interest/ profit 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/ profit Income from Investment

Interest/ profit 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/ Profit 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/ profit 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/ Investments

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

(b) Interest/ profit on loans and advances/ investments is charged and accounted for quarterly on an accrual basis.

(c) Provision for Loans and Advances/ Investments 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/ Investments	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
Provisions for unclassified loans and advances/ Investments:		
All unclassified loans/ investments (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/ investments for professionals under consumer financing scheme)	5%	5%
Consumer financing (For Housing Finance & Loans/ Investments for professionals set up)	1-2%	1-2%
Short term agri. Credit	1%	1%
Special general provision-COVID-19	1.50%-2%	1.50%-2%
Special Mention Account	0.25% - 2%	0.25% - 2%
Provisions for classified loans and advances/ Investments:		
Substandard	5%-20%	5%-20%
Doubtful	5%-50%	5%-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 allowed 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/ profit 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 to the Employees

The bank provide following post employment benefits to the every permanent employee 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/ profit 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. Adequate contributions have been made as per provision of gratuity fund deed and rules.

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)

2.26 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 2020	27th June 2021	AA-	ST - 2
Entity Rating	January to December 2019	27th June 2020	A+	ST - 2
Entity Rating	January to December 2018	26th June 2019	A+	ST - 2

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.

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 Risk Management, d. Money Laundering & Terrorist Financing Risk Management, e. Internal Control and Compliance, and f. Information & Communication Technology Risk 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 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.



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 Reporting in Hyperinflationary Economies	IAS 29	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
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	Applied

2.33 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.

2.33.1 Composition and Qualifications

The Board of Directors as its 107th Board Meeting held on November 24, 2020 constituted with the following Board Members:

SI No.	Name of Committee Members	Status with the Bank	Position in the Committee	Educational Qualification	Meeting Attendance
1	Ms. Uzma Chowdhury	Director	Chairperson	CPA	4 of 4
2	Mr. Shakhawat Hossain	Director	Member	M.Com (Marketing)	1 of 4
3	Mr. Alok Kumar Das	Director	Member	B.A	4 of 4
4	Dr. Syed Ferhat Anwar	Independent Director	Member	MBA, CMC, Ph.D	2 of 4
5	Md. Ahsan Ullah	Independent Director	Member	MBA (IBA, DU) M. A in Economics (USA)	4 of 4

2.33.2 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 2021 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	31st Audit Committee Meeting	March 10, 2021
2	32nd Audit Committee Meeting	June 17, 2021
3	33rd Audit Committee Meeting	October 17, 2021
4	34th Audit Committee Meeting	December 23, 2021

2.33.3 Major areas focused by Audit Committee in 2021

- Reviewed and approved the 'Risk Based Audit Plan 2021';
- Reviewed Submitted Self Assessment of Anti Fraud Internal Control;
- Reviewed Annual Financial Statements of the Bank for the year ended 31 December 2020 as certified by the External Auditors, Khan Wahab Shafique Rahman & Co., Chartered Accountants, before submission to the Board of Directors for approval;
- Reviewed Management Report on the Bank for the year ended 31 December 2020 submitted by the External Auditors, Khan Wahab Shafique Rahman & Co., Chartered Accountants, and its subsequent compliance;
- Reviewed summary of Financial Statements (Unaudited) for the Half-year ended on June 30, 2021;
- Reviewed the Annual Health report of the Bank-2020;
- Reviewed Summary of major findings from Internal Audit Report of Branches for the year 2020;
- 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);



2.34 Related Party Disclosures

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial and operating decisions. Related party information is given below:

SL No.	Name of the Director	Status with the Bank	Name of the Firms /Companies in which they are interested as proprietor, partner, Director, Managing Agent, Guarantor, Employee etc.	Percentage (%) holding in the company	Remarks	
1.	Mr. H. N. Ashequr Rahman	Chairman	1	Meghna Bank Ltd.	2.41%	Chairman
			2	Diesel Motors & Services (BD) Limited	22.22%	Managing Director
			3	Bangladesh Consortium Ltd.	7.50%	Director
			4	Jamuna Sugar Mills Ltd.	12.50%	Director
2	Mr. Md. Kamal Uddin	Vice Chairman	1	Meghna Bank Ltd.	4.83%	Vice Chairman
			2	Stoll Bangladesh Ltd.	5.00%	Managing Director
			3	Diganta Packaging & Accessories Ltd.	60.00%	Managing Director
3	Mr. Tanveer Ahmed Representative of Cassiopea Fashion Ltd.	Director	1	Cassiopea Appearles 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
			13	Elegant Coal & mining Company	100.00%	Proprietor
			14	Elegant Fashion	100.00%	Proprietor
			15	Elegant Construction Ltd.	50.00%	Managing Director
4	Mr. Shakhawat Hossain	Director	1	Meghna Bank Ltd.	4.06%	Director
			2	Paramount Holdings Ltd.	50.00%	Chairman
			3	Foodex International Ltd	41.67%	Chairman
			4	Paramount Agro Ltd.	33.33%	Chairman
			5	Sunrise Chemical Industries Ltd	50.00%	Managing Director
			6	Paramount Spinning Ltd	45.25%	Managing Director
			7	Paramount Agro	33.33%	Managing Partner
			8	Foodex International	50.00%	Managing Partner
			9	Paramount Textile Ltd	8.79%	Managing Director
			10	Paramount Insurance Company Ltd.	6.67%	Sponsor Shareholder

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	Paramount Agro Ltd.	33.33%	Director
			8	Foodex International Ltd	41.67%	Managing Director
			9	Foodex International	50.00%	Managing Partner
			10	Sarbon International	50.00%	Managing Partner
			11	Paramount Agro	50.00%	Managing Partner
			12	Alonitas Enterprise	50.00%	Managing Partner
			13	Foreign Food Traders	100.00%	Proprietor
			14	Ratul Money Changer	100.00%	Proprietor
			15	S.R. Brother	100.00%	Proprietor
			16	Excellent Food	100.00%	Proprietor
			17	Arihazar Fisheries	100.00%	Proprietor
			18	Emporium Duty Fee Shop	100.00%	Proprietor
6	Mr. Mohammed Mamun Salam Representative of Salim & Brothers Ltd.	Director	1	Salim & Brothers Ltd.	99.32%	Managing Director
			2	Reliance Denim Ind. Ltd.	50.00%	Managing Director
			3	Reliance Box Ind. Ltd.	50.00%	Managing Director
			4	Reliance Washing Ind. Ltd.	50.00%	Managing Director
			5	Reliance Dresses Ltd.	50.00%	Executive Director
			6	Four Seasons Resorts Ltd.	50.00%	Managing Director
7	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



SL No.	Name of the Director	Status with the Bank	Name of the Firms /Companies in which they are interested as proprietor, partner, Director, Managing Agent, Guarantor, Employee etc.	Percentage (%) holding in the company	Remarks	
8	Mr. 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%	Proprietor
			5	Panama CNG Conversion	100.00%	Proprietor
			6	Sanji Filling & Conversion Center	100.00%	Proprietor
9	Mrs. Taslima Islam	Director	1	Meghna Bank Ltd.	2.26%	Director
			2	Fareast Islami Life Insurance Co. Ltd	2.10%	Director
			3	CAPM Venture Capital & Finance Ltd. (CVCFL)	6.00%	Director
			4	Ramisha Cold Storage Ltd.	75.00%	Chairperson
			5	Punot Cold Storage Ltd.	75.00%	Chairperson
			6	Fareast Cold Storage Ltd.	25.00%	Chairperson
			7	M/S Momo Enterprise	100.00%	Proprietor
			8	Ramisha BD Ltd	100.00%	Chairperson
			9	Rimsha BD Ltd.	100.00%	Chairperson
			10	Primeasia University	-	Member Board of Trustee
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	Bangladesh Lift Industries Ltd.	3.57%	Director
			5	Banga Plastic Int'l Ltd.	0.04%	Director
			6	Banga Bakers Ltd.	4.00%	Director
			7	Banga Millers Ltd.	0.01%	Director
			8	Banga Building Materials Ltd.	1.82%	Director
			9	Chorka Textile Ltd.	4.17%	Director
			10	Durable Plastic Ltd.	0.19%	Director
			11	Get Well Ltd.	0.01%	Director
			12	Habiganj Agro Ltd	0.01%	Director
			13	Habiganj Textile Ltd.	0.04%	Director
			14	Mymensingh Agro Ltd.	0.02%	Director
			15	Natore Agro Limited	1.57%	Director
			16	Property Development Ltd.	0.25%	Chairman
			17	PRAN Foods Ltd.	2.00%	Director
			18	PRAN Agro Ltd.	0.05%	Director
			19	PRAN Exports Ltd.	0.04%	Director
			20	PRAN Beverage Ltd.	0.03%	Director
			21	Packmat Industries Ltd.	4.00%	Director
			22	Rangpur Foundry Ltd.	0.04%	Shareholder
			23	Rangpur Metal Industries Ltd.	0.06%	Director
			24	Sylvan Agriculture Ltd.	0.20%	Director
			25	Sylvan Technologies Ltd.	0.01%	Director
			26	Sun Basic Chemicals Ltd.	4.17%	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
11	Mr. Syed Ferhat Anwar	Independent Director		N/A	N/A
12	Ar. Md. Ahsan Ullah	Independent Director		N/A	N/A

2.35 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, 2021
Mr. H N Ashequr Rahman	BDT 10,00,000	Unsecured	-	-
Mr. MD. Kamal Uddin	BDT 10,00,000	Unsecured	-	-
Mr. Tanver Ahmed	BDT 37,00,000	Secured	USD 40000	2,824,256
Ms. Nuran Fatema	BDT 10,00,000	Unsecured	-	350
Ms. Uzma Chowdhury	BDT 10,00,000	Unsecured	-	1,005
Md. Mamun Salam	BDT 10,00,000	Unsecured	-	924.64
S M Jahangir Alam(Manik)	BDT 10,00,000	Unsecured	-	444,198

2.36 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 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.

2.37 Approval of Financial Statements

These financial statements were reviewed by the audit committee of the Board of the bank in its 36th meeting held on April 03, 2022 and was subsequently approved by the Board of Directors in its 132th meeting held on April 10, 2022.

2.38 Reporting Period

These financial statements cover the period from 1 January 2021 to 31 December 2021.

2.39 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	
		2021	2020
3	Consolidated Cash in hand (Including foreign currencies)		
	Meghna Bank Limited (Note-3a)	736,254,159	593,875,342
	Meghna Bank Securities Ltd	4,268	6,874
		736,258,427	593,882,216
3a	Cash in hand (Including foreign currencies)		
	In local currency	732,300,667	590,748,088
	In foreign currencies	3,953,492	3,127,254
		736,254,159	593,875,342
4	Consolidated Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		
	Meghna Bank Limited (Note-4a)	2,394,291,512	3,008,286,920
	Meghna Bank Securities Ltd	-	-
		2,394,291,512	3,008,286,920
4a	Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		
	In local currency	2,321,901,264	2,945,988,446
	In foreign currencies	72,390,248	62,298,474
		2,394,291,512	3,008,286,920
	Balance with Sonali Bank Ltd as agent of Bangladesh Bank		
	In local currency	-	-
	In foreign currencies	-	-
		2,394,291,512	3,008,286,920
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 for Domestic Banking Operation (DBU) and BRPD circular No. 31 dated June 18, 2020 for Offshore Banking Unit (OBU) issued by Bangladesh Bank.

The bank has been maintaining 3.50% as CRR on daily basis and 4.00% as CRR on bi-weekly basis for Domestic Banking Operation (DBU) & Islamic Banking Unit and 1.50% as CRR on daily basis & 2.00% on bi-weekly basis for Offshore Banking Unit (OBU). 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 2021 is maintained on the basis of weekly ATDTL of October 2021) and maintained with Bangladesh Bank. The bank also maintaining 13% as 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 2021 is maintained on the basis of weekly ATDTL of October 2021) for conventional banking & Offshore banking unit and 5.50% as 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 2021 is maintained on the basis of weekly ATDTL of October 2021) for Islamic Banking Unit. Both the reserves maintained by the bank are in excess of the statutory requirements, as shown below:

		Amount in Taka	
		2021	2020
4a.2	Cash Reserve Requirement (CRR): Base on Average Total Demand and Time Liabilities on bi-weekly basis.		
	For Domestic Banking Unit (DBU)		
	Required Reserve	1,845,016,000	1,448,141,040
	Actual Reserve held with Bangladesh Bank (In local currency)	2,275,751,564	2,968,743,248
	CRR Surplus	430,735,564	1,520,602,208
	For Offshore Banking Unit (OBU)		
	Required Reserve	-	-
	Actual Reserve held with Bangladesh Bank (In local currency)	-	-
	CRR Surplus	-	-
	For Islamic Banking Unit (IBU)		
	Required Reserve	11,237,004	-
	Actual Reserve held with Bangladesh Bank (In local currency)	39,235,424	-
	CRR Surplus	27,998,420	-
4a.3	Statutory Liquidity Ratio (SLR): Base on Average Total Demand and Time Liabilities on daily basis.		
	For Domestic Banking Unit (DBU)		
	Required Reserve	5,996,302,910	4,706,458,380
	Actual Reserve held	14,056,145,393	11,145,089,686
	SLR Surplus	8,059,842,483	6,438,631,306
	Held for Statutory Liquidity Ratio		
	Cash in hand (Note-3a)	734,457,567	593,875,342
	Government Securities - Treasury Bills (Note-7a)	108,669,783	-
	Government Treasury Bond (HTM & HFT) (Note-7a)	12,782,282,479	9,030,612,136
	Excess Reserve of CRR (Note-4a.2)	430,735,564	1,520,602,208
		14,056,145,393	11,145,089,686
	For Offshore Banking Unit (OBU)		
	Required Reserve	-	-
	Actual Reserve held	-	-
	SLR Surplus	-	-
	Held for Statutory Liquidity Ratio		
	Cash in hand (Note-3a)	-	-
	Government Securities - Treasury Bills (Note-7a)	-	-
	Government Treasury Bond (HTM & HFT) (Note-7a)	-	-
	Excess Reserve of CRR (Note-4a.2)	-	-
		-	-



		Amount in Taka	
		2021	2020
For Islamic Banking Unit (IBU)			
	Required Reserve	15,451,403	-
	Actual Reserve held	87,345,012	-
	SLR Surplus	71,893,609	-
Held for Statutory Liquidity Ratio			
	Cash in hand (Note-3a)	1,796,592	-
	Government Securities - Treasury Bills (Note-7a)	-	-
	Government Treasury Bond (HTM & HFT) (Note-7a)	57,550,000	-
	Excess Reserve of CRR (Note-4a.2)	27,998,420	-
		87,345,012	-
5	Consolidated Balance with Other Banks and Financial Institutions		
	In Bangladesh		
	Meghna Bank Limited (Note-5a)	2,173,632,706	2,215,897,652
	Meghna Bank Securities Ltd	104,250,103	34,247,721
		2,277,882,809	2,250,145,373
	Less: Inter Company Transaction	72,533,195	15,115,507
		2,205,349,614	2,235,029,866
	Outside Bangladesh		
	Meghna Bank Limited (Note-5a)	550,004,585	305,850,426
	Meghna Bank Securities Ltd	-	-
		550,004,585	305,850,426
		2,755,354,199	2,540,880,292
5a	Balance with Other Banks and Financial Institutions		
	In Bangladesh (Note-5a.1)	2,173,632,706	2,215,897,652
	Outside Bangladesh (Note-5a.2)	550,004,585	305,850,426
		2,723,637,291	2,521,748,078
5a.1	In Bangladesh		
5a.1a	Current Account		
	Trust Bank Limited, Gulshan Branch	567,900	2,688,442
	Trust Bank Limited, Shathibari Branch	50,867	54,561
	AL-Arafah Islami Bank Ltd, Bormi Bazar Branch	4,075	5,122
	Southeast Bank Limited, Bandura Branch	7,342	1,205
	Eastern Bank Limited, Gulshan Branch	394,874	2,797,820
	Social Islami Bank Ltd, Sirajgonj Branch	20,425	36,115
	Jamuna Bank Limited, Kalampur Branch	14	359

		Amount in Taka	
		2021	2020
	Agrani Bank Limited, Munshirhat Branch	57,805	597,983
	BRAC Bank Limited, Gulshan Branch	537,995	537,995
	Sonali Bank Limited, Local Office	39,516,023	33,522,779
	Bank Asia Limited, Bogra Branch	1	1
	Sonali Bank Limited, Feni Branch	30,284,497	521,322
	Sonali Bank Limited, Sirajganj Branch	4,040	2,385
	Sonali Bank Limited, Kishoreganj Branch	4,178,316	9,424,772
	Sonali Bank Limited, Munshiganj Corporate Branch 2	43,228	59,630
	Sonali Bank Limited, Kushtia Corporate Branch	542,148	16,332,753
	Sonali Bank Limited, Rangpur Corporate Branch	7,765,475	13,434,568
	Sonali Bank Limited, Chehelgazi Branch	64,833	60,755
		84,039,858	80,078,567
5a.1b	Special Notice Deposits		
	Mercentile Bank Ltd, Agrabad Branch	3,891,746	12,001,358
	NCC Bank Limited, Laldighirpar Branch	59,168,965	8,626,069
	Sonali Bank Limited, Nalchity Branch	2,009	1,138,055
	Sonali Bank Limited, Mithapukur Branch	53,716,611	28,016,588
		116,779,331	49,782,070
5a.1c	FDR with Other Banks & Financial Institutions		
	FDR with Other Banks (Note-5a.1c.i)	400,000,000	300,000,000
	FDR with Financial Institutions (Note-5a.1c.ii)	1,572,813,517	1,786,037,015
		1,972,813,517	2,086,037,015
5a.1c.i	FDR with Other Banks		
	Padma Bank Limited	300,000,000	300,000,000
	EXIM Bank Limited	100,000,000	-
		400,000,000	300,000,000
5a.1c.ii	FDR with Financial Institutions		
	IDLC Finance Limited	750,000,000	750,000,000
	FAS Finance & Investment Ltd	53,522,500	52,500,000
	International Leasing Financial Service Limited	74,291,017	68,537,015
	Uttara Finance and Investment Ltd.	-	200,000,000
	GSP Finance Company (Bangladesh) Limited	295,000,000	315,000,000
	IPDC Finance Limited	400,000,000	400,000,000
		1,572,813,517	1,786,037,015
		2,173,632,706	2,215,897,652



5a.2 Outside Bangladesh (NOSTRO Account)

Current Account

	Amount in Taka	
	2021	2020
AB Bank Ltd, Mumbai, ACU	32,515,509	34,701,108
Mashreq Bank p.s.c. New York, USD	210,304,780	105,581,139
Habib American Bank, New York. USD	72,970,113	50,733,793
MCB Bank Limited, Karachi, Pakistan, ACU	8,796,234	8,896,725
BANCA Popolare Di Sondrio, Sondrio, Italy, EURO	3,040,185	14,107,902
Kookmin Bank, Seoul Korea, USD	1,238,950	6,747,222
Kookmin Bank, Seoul Korea, GBP	148,724	393,906
Kookmin Bank, Seoul Korea, CAD	67,008	471,616
National Bank of Pakistan, Tokyo, Japan., JPY	9,921,808	1,069,846
HDFC Bank Limited, Mumbai, India, ACU	10,492,900	12,224,289
Bank Al Jazira, KSA, SAR	4,022,917	4,236,415
AXIS Bank Ltd. Kolkata, India, ACU	138,870,565	45,829,000
BMCE Bank International, Madrid, Spain, EURO	950,141	1,017,336
BMCE Bank International, GBP	898,855	891,738
Bhutan National Bank, ACU	14,113,414	8,684,538
United Bank of India, Kolkata, ACU	-	10,263,853
Sonali Bank UK, USD	6,612,164	-
Punjab National Bank, Kolkata, ACU	35,040,318	-
	550,004,585	305,850,426

Currency wise Distribution:

Foreign Currency

	BDT	Composition
USD/ACU	530,954,947	96.54%
GBP	1,047,579	0.19%
EUR	3,990,326	0.73%
JYP	9,921,808	1.80%
SAR	4,022,917	0.73%
CAD	67,008	0.01%
	550,004,585	100%

Amount in Taka	
2021	2020

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 2021 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	-	23 647,346.44	9 350,371.39	18 281,543.68
From 03 months to 06 months	-	-	-	-
From 06 months to 09 months	-	-	-	-
From 09 months to 12 months	-	-	-	-
More than 12 months	-	-	-	-
	-	23 647,346.44	9 350,371.39	18 281,543.68

Amount in Taka	
2021	2020

5a.4 Maturity-wise Groupings of Balance with Other Banks and Financial Institutions

On Demand	750,823,774	754,466,008
Not more than 3 months	1,972,813,517	1,767,282,070
More than 3 months but less than 1 year	-	-
More than 1 year but less than 5 years	-	-
More than 5 years	-	-
	2,723,637,291	2,521,748,078

6 Consolidated Money at Call and Short Notice

Meghna Bank Limited (Note-6a)	100,000,000	130,000,000
Meghna Bank Securities Ltd	-	-
	100,000,000	130,000,000

6a Money at Call and Short Notice

With Bank

South Bangla Agriculture and Commerce Bank Limited	100,000,000	-
Modhumoti Bank Limited	-	130,000,000
	100,000,000	130,000,000



		Amount in Taka	
		2021	2020
7	Consolidated Investment:		
	Government Securities		
	Meghna Bank Limited (Note-7a,ii,a)	12,891,788,462	9,031,518,336
	Meghna Bank Securities Ltd	-	-
		12,891,788,462	9,031,518,336
	Other Investments		
	Meghna Bank Limited (Note-7a,ii,b)	2,700,368,858	432,560,978
	Meghna Bank Securities Ltd	408,355,030	367,346,492
		3,108,723,888	799,907,470
		16,000,512,350	9,831,425,806
7a	Investment:		
	i) Investment Classified as per Bangladesh Bank Circular:		
	Held for Trading (HFT)	4,174,827,594	3,446,235,411
	Held to Maturity (HTM)	8,716,124,668	5,584,376,725
	Other Investment	2,701,205,058	433,467,178
		15,592,157,320	9,464,079,314
	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	108,669,783	-
		108,669,783	-
	2) Government Bond (HTM & HFT)		
	2,5,10,15 & 20 Years Bonds (Note-7a.2)	12,782,282,479	9,030,612,136
	Prize Bond in Hand	836,200	906,200
		12,783,118,679	9,031,518,336
	Total (1+2)	12,891,788,462	9,031,518,336
	b) Other Investment		
	1) Trust Bank Limited Subordinate Bond-II	-	20,000,000
	2) Investment in MAXCAP DPA-IDLC (Note - 7a.3)	4,411	4,675
	3) Investment in Shares at cost (Note - 7a.4)	2,439,910,353	412,556,303
	4) Investment in Shares at cost under Special Fund (Note - 7a.5)	260,454,094	-
		2,700,368,858	432,560,978
		15,592,157,320	9,464,079,314

		Amount in Taka	
		2021	2020
7a.1	Maturity-wise Grouping of Investment:		
	On demand	-	-
	Not more than 3 months	836,200	906,200
	More than 3 months but less than 1 year	995,651,371	432,560,978
	More than 1 year but less than 5 years	3,707,550,227	1,662,059,681
	More than 5 years	10,888,119,522	7,368,552,455
		15,592,157,320	9,464,079,314
7a.2	Government Bond		
	HTM		
	2 Years Bangladesh Government Treasury Bonds	-	-
	5 Years Bangladesh Government Treasury Bonds	-	-
	10 Years Bangladesh Government Treasury Bonds	1,322,699,575	1,338,801,133
	15 Years Bangladesh Government Treasury Bonds	1,663,291,568	1,572,618,550
	20 Years Bangladesh Government Treasury Bonds	5,672,583,525	2,672,957,042
	HFT		
	2 Years Bangladesh Government Treasury Bonds	10,112,730	10,356,620
	5 Years Bangladesh Government Treasury Bonds	763,176,423	663,387,180
	10 Years Bangladesh Government Treasury Bonds	176,170,993	-
	15 Years Bangladesh Government Treasury Bonds	1,225,629,000	-
	20 Years Bangladesh Government Treasury Bonds	1,891,068,665	2,772,491,611
	SUKUK BOND		
	5 Years Sukuk Bonds	57,550,000	-
	Total	12,782,282,479	9,030,612,136
7a.3	Investment in MAXCAP DPA-IDLC		
	Ordinary Share		
	Cash Balance	4,411	4,675
		4,411	4,675
7a.4	Investment in Shares at cost		
	Quoted		
	British American Tobacco Company Limited	-	2,188,692
	BSRM Steels Limited	6,926,260	6,926,260
	BRAC Bank Limited	-	9,439,310
	C and A Textiles Limited	2,620,440	2,620,440
	City Bank Limited	3,551,148	2,826,803
	Crystal Insurance Company Limited	-	108,790



	Amount in Taka	
	2021	2020
Dhaka Bank Limited	-	717,860
Eastern Bank Limited	8,007,181	
Grameen Phone Limited	9,456,812	-
Heidelberg Cement Bangladesh Limited	9,291,098	9,291,098
IDLC Finance Limited	7,087,500	4,055,156
IFAD Autos Limited	1,927,117	1,927,117
Jamuna Oil Company Limited	15,840,873	14,073,833
Jamuna Bank Limited	2,479,880	-
Lafarge Surma Cement Limited	-	10,279,614
Meghna Petroleum Ltd.	-	3,045,459
Mercantile Bank Limited	-	903,600
MJL Bangladesh Limited	10,558,727	10,558,727
M.L. Dyeing Limited	-	60,400
Olympic Industries Limited	14,604,102	7,663,426
RAK Ceramics (Bangladesh) Limited	-	3,034,604
Robi Asiata Limited	2,000,000	2,712,540
Square Pharmaceuticals Limited	9,569,770	27,573,928
Square Textile Limited	7,151,302	7,151,302
Summit Power Limited	14,223,919	-
Southeast Bank Limited	-	783,120
Titas Gas Transmission & Dist. Co. Limited	8,553,476	8,553,476
United Commercial Bank Limited	16,060,748	16,060,748
Unquoted - Preference Share		
Karnaphuli Power Limited	600,000,000	-
Summit Gazipur II Power Limited	120,000,000	160,000,000
Baraka Shikalbaha Power Limited	560,000,000	-
Flamingo Fashions Limited	460,000,000	-
Jinnat Knitwears Limited	450,000,000	-
Confidence Power Bogra Limited	100,000,000	100,000,000
	2,439,910,353	412,556,303

		Amount in Taka	
		2021	2020
7a.5	Investment in Shares at cost under Special Fund		
	Quoted		
	British American Tobacco Company Limited	9,496,839	-
	IPDC Finance Limited	22,169,995	-
	City Bank Limited	14,243,246	-
	Grameen Phone Limited	38,021,076	-
	IDLC Finance Limited	47,368,612	-
	Jamuna Bank Limited	12,300,297	-
	Prime Bank Limited	11,721,231	-
	Square Pharmaceuticals Limited	48,227,860	-
	Summit Power Limited	56,904,938	-
		260,454,094	-
	Details of investment in share with market value are presented in Annexure - A.		
8	Consolidated Loans and Advances/ Investments		
	Meghna Bank Limited (Note-8a)	41,358,715,235	35,782,145,799
	Meghna Bank Securities Ltd	54,573,247	15,682,236
		41,413,288,482	35,797,828,035
	Less: Inter Company Transaction	113,519,216	40,539,750
		41,299,769,266	35,757,288,285
	Bills purchased and discounted		
	Meghna Bank Limited (Note-8a)	517,395,097	58,478,506
	Meghna Bank Securities Ltd	-	-
		517,395,097	58,478,506
		41,817,164,363	35,815,766,791
8a	Loans and Advances/ Investments		
	i) Loans, Cash Credits, Overdraft, etc.		
	Inside Bangladesh		
	Cash Credit	4,826,843,024	5,026,012,615
	Secured overdraft	750,891,074	657,356,693
	General overdraft	4,805,672,249	5,790,176,113
	Import finance	2,636,241,265	1,469,759,733
	Export finance	54,239,487	-



		Amount in Taka	
		2021	2020
	Other Demand Loans	12,494,949,048	10,566,793,477
	Hire Purchase Finance	186,154,633	97,528
	Demand Loan (Forced Loan)	101,637,304	101,637,304
	Consortium/Syndicate Finance	581,533,050	197,319,482
	House Building Loan	2,518,533,061	2,326,480,835
	Credit Card A/C	470,277,546	249,982,358
	General Term Loans	10,637,375,697	7,555,130,002
	Agricultural and Rural Credit Scheme	845,594,980	1,445,922,465
	SME Loans and Advances	44,624,492	1,225,758
	Personal/Professionals Loan Scheme	404,148,325	394,251,436
		41,358,715,235	35,782,145,799
	Outside Bangladesh	-	-
		41,358,715,235	35,782,145,799
	ii) Bills purchased and discounted		
	Payable Inside Bangladesh		
	Inland bills purchased and discounted	487,883,795	39,708,723
	Payable outside Bangladesh		
	Foreign bills purchased and discounted	29,511,302	18,769,783
		517,395,097	58,478,506
		41,876,110,332	35,840,624,305
8a.1	Net Loans and Advances/ Investments		
	Gross performing loans and advances/ Investments	41,876,110,332	35,840,624,305
	Less:		
	Interest Suspense (Note-13a)	788,064,947	576,203,650
	Provision for loans and advances/ Investments (Note-13a)	1,576,350,000	1,162,450,000
	Special General Provision - Covid-19 (Note-13a)	104,056,333	120,835,938
		2,468,471,280	1,859,489,588
		39,407,639,052	33,981,134,717
8a.2	Residual Maturity Grouping of Loans and Advances/ Investments Including Bills Purchased and Discounted		
	Re-payable on Demand	-	-
	Not more than 3 months	36,295,030,514	10,918,224,063
	Over 3 months but not more than 1 year	2,775,263,057	11,499,627,638
	Over 1 year but not more than 5 years	2,743,144,721	10,631,340,880
	Over 5 years	62,672,040	2,791,431,724
		41,876,110,332	35,840,624,305

		Amount in Taka	
		2021	2020
8a.3	Residual Maturity Grouping of Bills Purchased and Discounted		
	Re-payable:-		
	Within 1 month	3,525,884	1,555,881
	Over 1 month but less than 3 months	81,060,276	56,564,526
	Over 3 months but less than 6 months	432,808,937	358,099
	6 months or more	-	-
		517,395,097	58,478,506
8a.4	Loans and Advances/ Investments on the Basis of Significant Concentration:		
	(a) Advances to allied concern of Directors	-	-
	(b) Advances to Chief Executives and Other Senior Officers	233,641,101	189,329,464
	(c) Advances to Customer Groups:		
	i) Commercial Lending	7,257,564,322	4,658,364,831
	ii) Export Financing	80,772,594	28,367,946
	ii) House Building Loan	2,047,044,153	2,207,899,698
	iii) Retail Loan	2,869,628,532	552,959,774
	iv) Small and Medium Enterprises	7,263,864,423	3,333,914,500
	vi) Special Program Loan	-	-
	v) Industrial Loans Details (Note-8a.4a)	20,185,324,061	18,500,914,104
	vi) Others Loan	1,683,755,746	5,005,298,761
	vii) Other Loans and Advances/ Investments (SOD)	254,515,400	1,363,575,227
		41,642,469,231	35,651,294,841
		41,876,110,332	35,840,624,305
8a.4a	Details of Industrial Loans and Advances/ Investments		
	i) Agricultural industries	449,223,856	1,749,246,582
	ii) Textile industries	2,754,583,966	528,312,635
	iii) Food and allied industries	1,050,269,255	829,941,955
	iv) Pharmaceutical industries	631,726,966	783,420,277
	v) Leather, Chemical, Cosmetics etc	1,012,448,311	180,741,413
	iv) Tobacco industries	-	704,745,336
	v) Cement and Ceramic industries	-	504,139,745
	vi) Service industries	3,107,179,558	3,123,988,413
	vii) Transport and Communication Industries	463,355,973	356,620,135
	viii) Other industries including bills purchased and discounted	10,716,536,176	9,739,757,613
		20,185,324,061	18,500,914,104



Amount in Taka	
2021	2020

8a.5 Details of Large Loans and Advances/ Investments

Advances allowed to individual customer exceeding 10% of Bank's total capital:

Total outstanding amount to customers at end of the year	1,699.15 Crore	1,545.62 Crore
Number of such types of customers	43	34
Amount of Classified Advances thereon	70.51	70.51
Measures taken for recovery	Under Litigation	Under Litigation

Each of the forty three customers exceeds the limit of 10% of Bank's total capital in the year 2021. 10% of Bank's total capital stood as on December 31, 2021 Tk. 67.41 crore.

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

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

Public Sector		8,217,941
Co-Operative Sector		-
Private Sector	41,876,110,332	35,832,406,364
	41,876,110,332	35,840,624,305

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

Area	As at 31 December 2021		As at 31 December 2020	
	Amount	Composition	Amount	Composition
i) Inside Bangladesh (Note-8a.8)				
a) In Rural Areas	3,370,321,636	8.05%	3,358,003,422	9.37%
b) In Urban Areas	38,505,788,696	91.95%	32,482,620,883	90.63%
Sub-total	41,876,110,332	100.00%	35,840,624,305	100.00%
ii) Outside Bangladesh	-	-	-	-
Total	41,876,110,332	100.00%	35,840,624,305	100.00%

8a.8 Inside Bangladesh

Division	As at 31 December 2021		As at 31 December 2020	
	Amount	Composition	Amount	Composition
Dhaka	31,822,736,027	75.99%	25,079,224,841	69.97%
Chittagong	6,916,921,413	16.52%	7,887,298,505	22.01%
Sylhet	373,812,387	0.89%	365,230,386	1.02%
Rajshahi	1,407,892,132	3.36%	1,383,118,415	3.86%
Rangpur	679,168,500	1.62%	641,934,207	1.79%
Khulna	420,868,462	1.01%	219,796,484	0.61%
Barisal	254,711,411	0.61%	264,021,467	0.74%
Total	41,876,110,332	100.00%	35,840,624,305	100.00%

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

Status	As at 31 December 2021		As at 31 December 2020	
	Amount	Composition	Amount	Composition
a) Unclassified				
Unclassified (including staff Loans)	39,206,795,658	93.63%	33,180,624,324	92.58%
Special Mention Account (SMA)	322,866,996	0.77%	224,327,363	0.63%
	39,529,662,654		33,404,951,687	
a) Classified				
Substandard	16,577,171	0.04%	479,029,069	1.34%
Doubtful	275,519,839	0.66%	765,120,520	2.13%
Bad or loss	2,054,350,668	4.91%	1,191,523,029	3.32%
	2,346,447,678		2,435,672,618	
Total	41,876,110,332	100.00%	35,840,624,305	100.00%

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

Status	Rate	Basis for Provision	Amount in Taka	
			2021	2020
Unclassified (Excluding staff Loans)	1%	28,202,152,050	282,021,520	259,172,265
Staff Loans	0%	-	-	-
Consumer Financing (Credit Card)	2%	428,636,713	8,572,734	4,747,798
Consumer Financing (Other than HF & LP)	2%	413,220,490	8,264,410	5,515,474
Small & Medium Enterprise	0.25%	3,228,047,612	8,070,119	10,873,740
Housing Finance	1%	2,140,300,732	21,403,007	19,770,291
Loan for professionals	2%	9,311,214	186,224	298,401
Share Business	2%	705,821,301	14,116,426	5,816,166
Short Term Agri. Credit	1%	805,191,790	8,051,918	11,984,770
Special Mention Account	Applicable Rate		-	-
			350,686,358	318,178,905



			Amount in Taka	
			2021	2020
Substandard	20%	50,974,729	10,194,946	44,727,992
Doubtful	50%	90,945,789	49,643,911	247,620,215
Bad or loss	100%	1,165,095,030	1,165,095,030	551,874,458
			1,224,933,887	844,222,665
Required provision for Loans and Advances/ Investments			1,575,620,245	1,162,401,570
Total provision maintained {Note-13a.1(a) & (b)}			1,576,350,000	1,162,450,000
Surplus Provision			729,755	48,430

The Bank has maintained provision on loans and advances/ Investments amounting to Tk. 1,576,350,000 {note - 13a.1(a) & (b)}. There exists surplus of Tk. 729,755 in loans and advances/ Investments. The bank has also maintained special general provision for COVID 19 of Tk. 104,056,333 as per Bangladesh Bank circular (note - 13a).

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

Status	Basis for	Rate	Rate
	Provision	1%	1%
Acceptances and Endorsements	1,691,195,649	16,911,957	1,800,406
Bills	574,679,268	-	-
Letters of Guarantee	6,341,589,194	63,415,892	33,067,894
Irrevocable Letters of Credit	1,527,158,618	15,271,586	14,380,792
Required provision for Off Balance Sheet Items	10,134,622,729	95,599,435	49,249,092
Provision maintained {Note-13a.1(c)}		95,599,435	49,250,000
Surplus Provision		-	908

8a.12 Particulars of Loans and Advances/ Investments:

(i)	Loans and Advances/ Investments considered good in respect of which the banking company is fully secured.	24,123,178,373	21,159,588,330
(ii)	Loans and Advances/ Investments considered good for which the banking company holds no other security than the debtor's personal guarantee.	1,408,511,605	9,982,217,668
(iii)	Loans and Advances/ Investments considered good and secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors.	16,344,420,354	4,698,818,307
(iv)	Loans and Advances/ Investments adversely classified; provision not maintained there against.	-	-
		41,876,110,332	35,840,624,305

		Amount in Taka	
		2021	2020
(v)	Loans and Advances/ Investments due by directors or officers of the banking company or any of them either separately or jointly with any other persons.	233,641,101	190,371,457
(vi)	Loans and Advances/ Investments 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.	2,350,219,354	3,862,190,574
(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.	-	-
(ix)	Due from Banking Companies	-	-
(x)	Classified Loans and Advances/ Investments	2,346,447,678	2,435,672,618
	a) Amount of classified loans and advances/ investments on which interest/ profit has not been charged	2,054,350,668	1,191,523,029
	b) Provision on classified loans and advances/ investments	1,224,950,000	844,250,000
	c) Provision kept against loans and advances/ investments classified as bad loss	1,165,095,030	551,874,458
	d) Interest credited to Interest suspense Account	788,064,947	576,203,650
(xi)	Cumulative amount of written off Loans and Advances/ Investments	-	-

8a.13 Preservation of Audited Financial Statements in Loan/Investments' File:

In compliance with BRPD circular no. 04 dated January 04, 2021, BRPD circular no. 35 dated July 06, 2021 and FRC letter no. 178/FRC/APR/2021/27(27), the bank are needed to preserve audited financial statements in respective loans & advance/ investments file. A summary of scenario has been given below:

Particulars	No. of File Approved in 2021	Preserved Audited FS	Rate of Compliance
New Loans & Advances/ Investments	30	28	93%
Loans & Advances/ Investments Renewal	71	69	97%

9 Consolidated Fixed Assets including Premises, Furniture & Fixtures

Cost:

Meghna Bank Limited (Note-9a)	1,389,577,497	730,736,123
Meghna Bank Securities Ltd	16,026,565	6,832,556
	1,405,604,062	737,568,679

Accumulated Depreciation:

Meghna Bank Limited (Note-9a)	697,316,061	512,160,060
Meghna Bank Securities Ltd	6,270,047	4,681,754
	703,586,108	516,841,814

Carrying value

	702,017,954	220,726,865
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		Amount in Taka	
		2021	2020
9a	Fixed Assets including Premises, Furniture & Fixtures		
	A. Cost:		
	Opening balance	730,736,123	716,368,588
	Add: Addition during the year	669,553,231	27,117,878
	Less: Disposal during the year	10,711,857	12,750,343
	Closing balance at cost	1,389,577,497	730,736,123
	B. Depreciation:		
	Opening balance	512,160,060	437,578,906
	Add: Addition during the year	194,370,602	86,660,254
	Less: Adjustment / disposal during the year	9,214,601	12,079,100
	Accumulated Depreciation	697,316,061	512,160,060
	Carrying value	692,261,436	218,576,063
	A schedule of fixed assets is given in Annexure-B		
10	Consolidated Other Assets		
	Meghna Bank Limited (Note-10a)	1,170,068,031	1,093,923,705
	Meghna Bank Securities Ltd	26,498,765	13,929,757
		1,196,566,796	1,107,853,462
	Less: Inter Company Transaction	392,359,956	351,812,029
		804,206,840	756,041,433
10a	Other Assets		
	Stock of Stationery, Stamps and Printing Materials etc. (valued at cost)	6,716,119	6,810,139
	Advance Rent	134,066,198	169,703,521
	Suspense Account (Note-10a.1)	133,043,298	73,110,453
	Interest receivable (Note-10a.2)	203,374,195	419,121,309
	Security Deposit	125,955	115,055
	Advance against proposed Branch	8,067,000	-
	Interest on Sanchaypatra	21,115,761	5,810,123
	Receivable from MGBL Islamic Banking Project	39,000	854,200
	Receivable from MGBL OBU-USD	806,516	-

	Amount in Taka	
	2021	2020
Meghna Bank Securities Ltd	7,610,127	1,812,128
Meghna Bank Securities Ltd - Special Fund	3,249,938	-
Prepaid Expenses	9,480,984	582,395
Investment in Subsidiary (Note-10a.3)	349,999,900	349,999,900
Deferred Tax Assets (Note-10a.4)	55,956,241	51,930,976
BEFTN Adjustment Account	94,641	217,208
S/D RFA SEBL - Western Union	377,414	618,719
Clearing Adjustment A/C	-	6,000
Payment of Investment Bond- Customer	4,074,000	
Interest on Investment Bond- Customer	4,377,017	2,622,002
Chargeback Account for VISA Cards	255,132	64,602
Receivable from MiTP	123,387,999	-
Accrued Income	103,850,596	10,544,975
	1,170,068,031	1,093,923,705
10a.1 Suspense Account:		
Sundry Debtors	71,000,990	39,623,935
Advance against TA/DA	242,025	168,675
Advance against Petty Cash	34,964	35,000
Advance Against Suits/ Cases for NPL A/C	4,810,910	1,941,855
Encashment of Sanchaypatra	52,550,000	21,300,000
Advance Against Salary	-	5,000
Settlement A/C for Credit Card Fund Transfer Through I-Banking	1,202,425	516,038
IBFT Other Bank Account to MGBL Account NPSB	1,686,407	-
IBFT Other Bank Account/Card to MGBL Card NPSB	255,927	-
Premature Encashment of Sanchaypatra	1,259,650	9,519,950
	133,043,298	73,110,453



Amount in Taka

The detail breakup of unadjusted suspense accounts are given below:

SI	Breakup	Amount in Taka				
		2021	2020			
		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	39,721,189	1,499,777	1,715,700	11,009,438	17,054,886
2	Advance against TA/DA	242,025	-	-	-	-
3	Advance against Petty Cash	34,964	-	-	-	-
4	Advance Against Suits/ Cases for NPL A/C	1,623,043	-	1,052,457	198,390	1,937,020
5	Encashment of PSP/BSP/BG	53,306,560	189,080	-	-	314,010
6	Others	3,144,759	-	-	-	-
	Grand Total	98,072,540	1,688,857	2,768,157	11,207,828	19,305,916

10a.2 Interest Receivable:

Receivable from Other Banks and NBFIs	5,687,564	14,763,983
Accrued Income on SND	55,000	82,000
Accrued Income on Call Loan	13,889	7,222
Accrued Interest on Loans & Advances/ Investments	272,249	289,202,270
Interest Receivable from Bangladesh Bank	46,858,077	-
Accrued Income on Treasury Bills, Bonds & Others	150,487,416	115,065,834
	203,374,195	419,121,309

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	51,930,976	-
Add: Addition during the year (Note-10a.4.i)	4,025,265	51,930,976
Balance at the end of the year	55,956,241	51,930,976
Deferred Tax on Fixed Assets		
Carrying Amount	182,601,500	190,151,458
Tax Base	322,492,101	319,978,897
Deductible Temporary Difference	139,890,601	129,827,439
Effective Tax Rate	40.00%	40.00%
Deferred Tax Assets	55,956,241	51,930,976

		Amount in Taka	
		2021	2020
10a.4.i	Deferred Tax Income		
	Closing Balance of Deferred Tax Assets	55,956,241	51,930,976
	Opening Balance of Deferred Tax Assets	51,930,976	-
	Deferred Tax Income	4,025,265	51,930,976
10a.5	Non-Income Generating Other Assets:		
	Stock of Stationery, Stamps and Printing Materials etc. (valued at cost)	6,716,119	6,810,139
	Advance Rent	134,066,198	169,703,521
	Suspense Account (Note-10a.1)	133,043,298	73,110,453
	Interest receivable (Note-10a.2)	203,374,195	419,121,309
	Security Deposit	125,955	115,055
	Advance against proposed Branch	8,067,000	-
	Cash Remittance	-	-
	Interest on Sanchaypatra	21,115,761	5,810,123
	NCCB Securities & Financial Services Ltd	-	-
	Receivable from MGBL Islamic Banking Project	39,000	854,200
	Receivable from MGBL OBU-USD	806,516	-
	Meghna Bank Securities Ltd	7,610,127	1,812,128
	Meghna Bank Securities Ltd - Special Fund	3,249,938	-
	Prepaid Expenses	9,480,984	582,395
	Deferred Tax Assets (Note-10a.4)	55,956,241	51,930,976
	BEFTN Adjustment Account	94,641	217,208
	S/D RFA SEBL - Western Union	377,414	618,719
	Clearing Adjustment A/C	-	6,000
	Payment of Investment Bond- Customer	4,074,000	-
	Interest on Investment Bond- Customer	4,377,017	2,622,002
	Chargeback Account for VISA Cards	255,132	64,602
	Receivable from MiTP	123,387,999	-
	Accrued Income on Sale of Sanchaypatra	-	-
	Accrued Income on OBU	-	-
	Accrued Income on Accepted Bill	-	-
	Accrued Income	103,850,595	10,544,975
		820,068,130	743,923,805



		Amount in Taka	
		2021	2020
11	Consolidated Borrowings from other Banks & Financial Institutions and Agents		
	Meghna Bank Limited (Note-11a)	2,105,164,693	558,616,000
	Meghna Bank Securities Ltd	-	-
		2,105,164,693	558,616,000
11a	Borrowings from other Banks & Financial Institutions and Agents		
	In Bangladesh (Note-11a.1)	2,105,164,693	558,616,000
	Outside Bangladesh	-	-
		2,105,164,693	558,616,000
11a.1	In Bangladesh		
	Refinance from Bangladesh Bank	1,504,564,693	558,616,000
	Jamuna Bank Limited	171,600,000	-
	One Bank Limited	171,600,000	-
	National Credit and Commerce Bank Limited	85,800,000	-
	Mutual Trust Bank Limited	85,800,000	-
	Modhumoti Bank Limited	85,800,000	-
		2,105,164,693	558,616,000
11a.2	Security against Borrowings from other Banks & Financial Institutions and Agents		
	Secured	-	-
	Unsecured	2,105,164,693	558,616,000
		2,105,164,693	558,616,000
11a.3	Maturity grouping of Borrowings from other Banks & Financial Institutions and Agents		
	Payable on demand	-	-
	Up to 1 Month	600,600,000	-
	Over 1 Month but within 3 Months	703,499,990	-
	Over 3 Months but within 1 Year	801,064,703	558,616,000
	Over 1 Year but within 5 Years	-	-
	Over 5 Years	-	-
		2,105,164,693	558,616,000

		Amount in Taka	
		2021	2020
12	Consolidated Deposits and Other Accounts		
	Current/Al-Wadeeah Current Accounts & Other Accounts:		
	Meghna Bank Limited (Note-12a)	3,283,314,890	3,382,687,908
	Meghna Bank Securities Ltd	-	-
		3,283,314,890	3,382,687,908
	Less: Inter Company Transaction	-	-
		3,283,314,890	3,382,687,908
	Bills Payable:		
	Meghna Bank Limited (Note-12a)	244,480,062	298,059,470
	Meghna Bank Securities Ltd	-	-
		244,480,062	298,059,470
	Savings/Mudaraba Saving Deposits:		
	Meghna Bank Limited (Note-12a)	3,594,145,026	2,845,203,073
	Meghna Bank Securities Ltd	-	-
		3,594,145,026	2,845,203,073
	Fixed Deposits/ Mudaraba Term Deposit:		
	Meghna Bank Limited (Note-12a)	45,615,930,308	36,804,176,897
	Meghna Bank Securities Ltd	-	-
		45,615,930,308	36,804,176,897
	Less: Inter Company Transaction	72,533,195	15,115,507
		45,543,397,113	36,789,061,390
		52,665,337,091	43,315,011,841
12a	Deposits and Other Accounts		
	1) Deposits from banks	5,106,145,596	3,693,042,790
	2) Deposits from customers	47,631,724,689	39,637,084,558
		52,737,870,285	43,330,127,348
	1) Deposits from banks		
	i) Current/Al-Wadeeah Current Accounts & Other Accounts		
	Current/Al-Wadeeah Current Accounts	-	-
	Foreign Currency Deposits	-	-
	Sundry Deposits [Note Y]	2,823,903	3,042,790
		2,823,903	3,042,790



	Amount in Taka	
	2021	2020
ii) Bills Payable:		
Payable inside Bangladesh	-	-
Payable outside Bangladesh	-	-
	-	-
	-	-
iii) Savings/Mudaraba Saving Deposits:		
Savings/Mudaraba Saving Deposits	-	-
	-	-
iv) Fixed Deposits/ Mudaraba Term Deposit:		
Fixed Deposits/ Mudaraba Term Deposit	5,100,000,000	3,690,000,000
Short Notice Deposits	3,321,693	-
Scheme Deposit [Note-X]	-	-
	5,103,321,693	3,690,000,000
	5,106,145,596	3,693,042,790
2) Deposits from customer		
i) Current/Al-Wadeeah Current Accounts & Other Accounts:		
Current/Al-Wadeeah Current Accounts	2,466,557,094	2,444,818,334
Foreign Currency Deposits	13,697,171	13,195,175
Sundry Deposits [Note Y]	800,236,721	921,631,609
	3,280,490,986	3,379,645,118
ii) Bills Payable:		
Payable inside Bangladesh		
Payment Order Issued	244,167,750	297,750,798
Payable outside Bangladesh	244,167,750	297,750,798
	312,312	308,672
	312,312	308,672
	244,480,062	298,059,470
iii) Savings/Mudaraba Saving Deposits:		
Savings/Mudaraba Saving Deposits	3,594,145,026	2,845,203,073
	3,594,145,026	2,845,203,073
iv) Fixed Deposits/ Mudaraba Term Deposit:		
Fixed Deposits/ Mudaraba Term Deposit	28,284,571,169	22,831,650,174
Short Notice Deposits	4,300,849,321	3,928,961,341
Scheme Deposit [Note-X]	7,927,188,125	6,353,565,382
	40,512,608,615	33,114,176,897
	47,631,724,689	39,637,084,558

		Amount in Taka	
		2021	2020
X	Scheme Deposits:		
	Deposit Pension Scheme/ Mudaraba Deposit Pension Scheme	3,214,769,365	2,848,993,922
	Meghna Millionaire Scheme	6,407,833	-
	Meghna Kotipoti Scheme	2,177,741	-
	Meghna Child Education Plan	58,543,116	47,696,886
	Monthly Income Scheme Deposit	3,689,203,860	2,187,412,948
	Mudaraba Super Saving Scheme	280,000	-
	Meghna Money Builder Scheme	851,812	-
	Meghna Multiplier Scheme	954,954,398	1,269,461,626
		7,927,188,125	6,353,565,382
12a.1	Deposits and Other Accounts:		
	Current/AI-Wadeeah Current Accounts & Other Accounts:		
	a) Deposits from banks	2,823,903	3,042,790
	b) Deposits from customers	3,280,490,986	3,379,645,118
		3,283,314,889	3,382,687,908
	Bills Payable		
	a) Deposits from banks	-	-
	b) Deposits from customers	244,480,062	298,059,470
		244,480,062	298,059,470
	Savings/Mudaraba Saving Deposits:		
	a) Deposits from banks	-	-
	b) Deposits from customers	3,594,145,026	2,845,203,073
		3,594,145,026	2,845,203,073
	Fixed Deposits/ Mudaraba Term Deposit:		
	a) Deposits from banks	5,103,321,693	3,690,000,000
	b) Deposits from customers	40,512,608,615	33,114,176,897
		45,615,930,308	36,804,176,897
Y.	Sundry Deposits		
	Margin on letter of guarantee	253,743,708	374,669,675
	Margin on letter of credit	162,956,969	157,368,375
	VAT/Tax/Excise duty payable to Government Authority	175,129,365	149,745,729
	Others	211,230,582	242,890,620
		803,060,624	924,674,399



		Amount in Taka	
		2021	2020
12a.2	Maturity wise classification of Deposits are as under with a residual maturity of:		
	Repayable on demand	1,060,935,320	1,045,491,179
	Within 1 month	8,282,985,822	5,006,866,433
	Over 1 month but not more than 6 months	13,386,150,355	13,726,339,368
	Over 6 months but not more than 1 year	6,206,852,774	6,536,961,883
	Over 1 year but not more than 5 years	15,559,664,852	12,259,333,289
	Over 5 years	8,241,281,162	4,755,135,196
		52,737,870,285	43,330,127,348
13	Consolidated Other Liabilities		
	Meghna Bank Limited (Note-13a)	4,247,980,806	2,984,905,636
	Meghna Bank Securities Ltd	246,719,970	68,360,373
		4,494,700,776	3,053,266,009
	Less: Inter Company Transaction	155,879,273	42,351,879
		4,338,821,503	3,010,914,130
13a	Other Liabilities		
	Interest Payable on Deposits & Borrowings	492,880,140	450,023,298
	Provision for Loans and Advances/ Investments {Note-13a.1 (a) & (b)}	1,576,350,000	1,162,450,000
	Special General Provision-COVID-19	104,056,333	120,835,938
	Provision for Off-Balance Sheet items {Note-13a.1 (c)}	95,599,435	49,250,000
	Provision for other Assets {Note-13a.1 (d)}	93,394,438	37,385,000
	Provision for Investment in Securities {Note-13a.1 (e)}	27,750,000	37,700,000
	Interest Suspense A/C {Note-13a.1 (f)}	788,064,947	576,203,650
	Provision for Taxation (Note-13a.2)	393,231,524	339,516,765
	Lease Obligation on ROU Assets	479,857,873	-
	Start-Up Fund (Note-13a.3)	8,090,661	-
	Non-Resident Accounts	2,574,000	2,756,000
	Settlement with NPSB	50,445	50,445
	Sundry Creditors	-	10,562,160
	BEFT Settlement Account	470,396	1,809,362
	Agent Monitoring & Collection Account	100,500	100,500
	Provision for Gratuity	-	35,742,884
	MGBL General Account	13,936	38,649
	MGBL MFS Payable Accounts	1,623,755	1,623,755
	Adjusting Account Credit	183,872,423	158,857,230
		4,247,980,806	2,984,905,636

13a.1 Provision for Loans and Advances/ Investments:

(a) Provision on Classified Loans and Advances/ Investments:

	Amount in Taka	
	2021	2020
Provision held at the beginning of the year	844,250,000	864,650,000
Less: Fully provided debt written off	-	-
Add: Recoveries of amounts previously written off	-	-
Add: Specific Provision made/(released) during the year	380,700,000	(20,400,000)
Provision held at the end of the year	1,224,950,000	844,250,000

(b) General Provision on Unclassified Loans and Advances/ Investments

Provision held at the beginning of the year	318,200,000	294,950,000
Provision transferred to provision on Classified Loans and Advances/ Investments	-	-
Provision made/ (released) during the year	33,200,000	23,250,000
Balance at the end of the year	351,400,000	318,200,000
Total Provision for Loans and Advances/ Investments (a+b)	1,576,350,000	1,162,450,000

(c) General Provision on Off-Balance Sheet items:

Provision held at the beginning of the year	49,250,000	42,500,000
Provision made/ (released) during the year	46,349,435	6,750,000
Balance at the end of the year	95,599,435	49,250,000

(d) Provision for other Assets:

Provision held at the beginning of the year	37,385,000	37,400,000
Provision made/ (released) during the year	56,009,438	(15,000)
Balance at the end of the year	93,394,438	37,385,000

(e) Provision for Investment in Securities:

Provision held at the beginning of the year	37,700,000	53,605,000
Provision made/ (released) during the year	(9,950,000)	(15,905,000)
Balance at the end of the year	27,750,000	37,700,000

(f) Interest Suspense Account:

Balance at the beginning of the year	576,203,650	309,644,474
Amount transferred to interest suspense account during the year	211,861,297	266,559,176
Amount written off/ waived during the year	-	-
Balance at the end of the year	788,064,947	576,203,650



		Amount in Taka	
		2021	2020
13.2	Consolidated Provision for Taxation		
	Provision for Current tax		
	Meghna Bank Limited (Note-13a.2)	504,174,152	440,748,707
	Meghna Bank Securities Ltd	16,885,079	7,945,643
		521,059,231	448,694,350
	Advance tax		
	Meghna Bank Limited (Note-13a.2)	110,942,628	101,231,942
	Meghna Bank Securities Ltd	18,772,515	11,774,656
		129,715,143	113,006,598
	Balance at the end of the year	391,344,088	335,687,752
	Consolidated Provision for Taxation Addition		
	Meghna Bank Limited (Note-13a.2)	250,000,000	170,000,000
	Meghna Bank Securities Ltd	9,000,000	1,300,000
		259,000,000	171,300,000
13a.2	Provision for Taxation		
	Provision for Current tax		
	Balance at the beginning of the year	440,748,707	592,557,108
	Less : Settlement of Income tax for the Income year 2015	24,742,176	4,594,194
	Less : Settlement of Income tax for the Income year 2016	7,229,011	-
	Less : Settlement of Income tax for the Income year 2017	44,643,988	-
	Less : Settlement of Income tax for the Income year 2019	-	317,214,207
	Less : Settlement of Income tax for the Income year 2013	4,293,229	-
	Less : Settlement of Income tax for the Income year 2020	105,666,151	-
	Add: Provision made during the year	250,000,000	170,000,000
		504,174,152	440,748,707
	Advance tax		
	Balance at the beginning of the year	101,231,942	154,539,560
	Add: Paid during the year	128,154,633	246,231,943
	Less : Settlement of Income tax for the Income year 2020	105,666,151	-
	Less : Settlement of Income tax for the Income year 2019	-	299,539,561
	Less : Settlement of Income tax for the Income year 2017	12,777,796	-
		110,942,628	101,231,942
	Balance at the end of the year	393,231,524	339,516,765

		Amount in Taka	
		2021	2020
13a.3	Start-Up Fund		
	Opening balance	-	-
	Add: Addition for the year 2020	5,011,512	-
	Add: Addition for the year 2021	3,079,149	-
		8,090,661	-
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. 5,027,908,600 divided into 502,790,860 Ordinary Shares of Tk. 10 each	5,027,908,600	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 for the year 2017	265,980,000	265,980,000
	Issued other than cash: bonus shares of Tk. 10. each for the year 2020	328,928,600	-
		5,027,908,600	4,698,980,000
		Holding	
	Sponsor Shareholders Group-A	100%	
		5,027,908,600	4,698,980,000
		5,027,908,600	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)	5,027,908,600	4,698,980,000
	ii) Statutory Reserve (Note-15)	877,380,313	765,650,891
	iii) Retained Earnings (Note-17)	293,966,438	443,085,813
	iv) Non-Controlling Interest (Note-18)	102	104
	v) Adjustment of Goodwill and all other Intangible Assets	(11,217,098)	(6,598,975)
		6,188,038,355	5,901,117,833
	b) Supplementary Capital (Tier-II):		
	i) General Provision {Note 13a}	559,692,160	488,285,938
	ii) Revaluation of Securities	-	-
		559,692,160	488,285,938
	c) Total Capital (a +b)	6,747,730,515	6,389,403,771
	d) Total Risk Weighted Assets (Note-14.4)	39,261,715,191	36,666,398,492
	e) Required Capital	4,907,714,399	4,583,299,811
	f) Total Capital Surplus (c-e)	1,840,016,116	1,806,103,959



Capital Adequacy Ratio:

Amount in Taka	
2021	2020

Particulars	2021 (Under Basel III)		2020 (Under Basel III)	
	Requirement	Maintained	Requirement	Maintained
Core Capital	6.00%	15.76%	6.00%	16.09%
Supplementary Capital		1.43%		1.33%
Total	12.50%	17.18%	12.50%	17.42%

14.4 Consolidated Risk Weighted Assets (RWA) for

1. Credit Risk

On-Balance Sheet

31,551,928,113

30,053,300,447

Off-Balance Sheet

3,661,786,354

2,956,228,485

2. Market Risk

630,299,045

675,380,335

3. Operational Risk

3,417,701,679

2,981,489,225

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

39,261,715,191

36,666,398,492

14a.5 Capital Adequacy:

Position of capital adequacy are given below:-

a) Core Capital (Tier -I):

i) Paid-up Capital (Note-14a.2)

5,027,908,600

4,698,980,000

ii) Statutory Reserve (Note-15)

876,428,809

765,650,891

iii) Retained Earnings (Note-17a)

288,199,983

428,082,308

iv) Adjustment of Goodwill and all other Intangible Assets

(11,049,821)

(6,571,172)

6,181,487,571

5,886,142,027

b) Supplementary Capital (Tier-II):

i) General Provision (Note 13a)

559,146,428

488,285,938

ii) Revaluation of Securities

-

-

559,146,428

488,285,938

c) Total Capital (a +b)

6,740,633,999

6,374,427,965

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

39,360,087,334

36,575,866,813

e) Required Capital

4,920,010,917

4,571,983,352

f) Total Capital Surplus (c-e)

1,820,623,082

1,802,444,613



		Amount in Taka		
		2021	2020	
Capital Adequacy Ratio:				
Particulars	2021 (Under Basel III)		2020 (Under Basel III)	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Core Capital	6.00%	15.70%	6.00%	16.09%
Supplementary Capital		1.42%		1.33%
Total	12.50%	17.12%	12.50%	17.42%
14a.6 Risk Weighted Assets (RWA) for				
1. Credit Risk				
On-Balance Sheet		31,688,910,634	30,053,300,447	
Off-Balance Sheet		3,661,786,354	2,956,228,485	
2. Market Risk				
		579,472,859	621,019,576	
3. Operational Risk				
		3,429,917,487	2,945,318,305	
Total Risk Weighted Assets (1+2+3)		39,360,087,334	36,575,866,813	
15 Consolidated Statutory Reserve				
Meghna Bank Ltd (Note-15a)		876,428,809	765,650,891	
Meghna Bank Securities Ltd		951,504	-	
		877,380,313	765,650,891	
15.1 Consolidated Statutory Reserve Addition During the Year				
Meghna Bank Ltd (Note-15a)		110,777,918	123,844,052	
Meghna Bank Securities Ltd		951,504	-	
		111,729,422	123,844,052	
15a Statutory Reserve				
Opening balance		765,650,891	641,806,839	
Add: Addition during the year (20% of Pre-tax profit)		110,777,918	123,844,052	
		876,428,809	765,650,891	
16 Other Reserve (Revaluation of HFT & HTM Securities)				
HTM Securities (Note 16.1)		-	367,841	
HFT Securities (Note 16.2)		1,226,905	104,383,703	
		1,226,905	104,751,544	
16.1 HTM Securities				
Opening balance		367,841	540,736	
Add: Gain from revaluation on investment		-	-	
Less: Adjustment for sale/maturity of securities		367,841	172,895	
		-	367,841	



		Amount in Taka	
		2021	2020
16.2	HFT Securities		
	Opening balance	104,383,703	-
	Add: Gain from revaluation on investment	-	104,383,703
	Less: Adjustment for sale/maturity of securities	(103,156,798)	-
		1,226,905	104,383,703
17	Consolidated Retained Earnings		
	Meghna Bank Ltd (Note-17a)	288,199,983	428,082,308
	Meghna Bank Securities Ltd	5,766,457	15,003,509
		293,966,440	443,085,817
	Less: Non-controlling Interest	2	4
		293,966,438	443,085,813
17.1	Consolidated Current year retained Earnings		
	Current Year		
	Meghna Bank Ltd (Note-17a)	194,057,787	377,307,182
	Meghna Bank Securities Ltd	37,214,452	9,515,040
		231,272,239	386,822,222
	Less: Non-Controlling Interest	11	3
		231,272,228	386,822,219
17a	Retained Earnings of the Bank		
	Opening balance	428,082,308	50,775,126
	Less: Dividend Paid	328,928,600	-
	Less: Transfer to Start-Up Fund for the year 2020	5,011,512	-
	Add: Transfer from Profit & Loss Account	194,057,787	377,307,182
		288,199,983	428,082,308
	Consolidated Retained Earnings Brought Forward from Previous Year		
	Balance of 01 January	443,085,813	56,263,593
	Less: Transfer to Start-Up Fund	5,011,512	-
	Less: Dividend paid	342,928,596	-
		95,145,705	56,263,593
	Retained Earnings Brought Forward from Previous Year		
	Balance of 01 January	428,082,308	50,775,126
	Less: Dividend paid	328,928,600	-
	Less: Transfer to Start-Up Fund	5,011,512	-
	Balance at 31 December	94,142,196	50,775,126

		Amount in Taka	
		2021	2020
18	Non-Controlling Interest		
	Share Capital	100	100
	Retained Earnings	2	4
		102	104
19	Acceptance and Endorsements		
	Accepted Bills (Foreign)	1,601,053,696	160,315,354
	Accepted Bills (Inland)	88,453,670	15,896,255
	Endorsements (Shipping Guarantee)	1,688,283	20,027,563
		1,691,195,649	196,239,172
	Less: Margin	-	-
		1,691,195,649	196,239,172
20	Letters of Guarantees		
	Letters of Guarantee	6,341,589,194	3,306,789,418
	Less: Margin {Note-12.a(i) Y}	253,743,708	374,669,675
		6,087,845,486	2,932,119,743
	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	2,041,251,171	1,978,234,681
	Banks and other financial institutions	1,623,732,555	42,479,806
	Others	2,676,605,468	1,286,074,931
		6,341,589,194	3,306,789,418
	Less: Margin {Note-12.a(i) Y}	253,743,708	374,669,675
		6,087,845,486	2,932,119,743
21	Irrevocable Letters of Credit		
	Letters of credit	1,527,158,618	1,418,051,665
	Less: Margin {Note-12.a(i) Y}	162,956,969	157,368,375
		1,364,201,649	1,260,683,290



		Amount in Taka	
		2021	2020
22	Consolidated Profit & Loss Account		
	Income:		
	Interest/ Profit, discount and similar income (Note-23 & 25)	3,942,735,834	3,783,874,927
	Dividend income (Note-25)	190,053,610	28,824,897
	Fees, Commission and Brokerage (Note-26)	127,663,333	65,156,860
	Gains less losses arising from dealing securities	26,793,419	3,717,337
	Gains less losses arising from investment securities	358,406,295	449,355,958
	Gains less losses arising from dealing in foreign currencies (Note-26)	72,276,225	61,810,586
	Income from non-banking assets	-	-
	Other operating income (Note-27)	196,039,908	78,208,974
	Profit less losses on interest rate changes	-	-
	Nominal value of bonus share received	-	-
		4,913,968,624	4,470,949,539
	Expenses:		
	Interest/ Profit paid on Deposits, borrowings etc. (Note-24)	2,581,234,261	2,594,947,558
	Losses on Loans and Advances/ Investments	-	-
	Administrative expenses	778,280,528	838,571,258
	Other operating expenses	268,049,359	208,756,262
	Depreciation on banking assets	196,225,436	87,384,435
		3,823,789,584	3,729,659,513
	Income over expenditure	1,090,179,040	741,290,026
22a	Profit & Loss Account of the Bank		
	Income:		
	Interest/ Profit, discount and similar income (Note-23a & 25a)	3,920,000,497	3,776,211,942
	Dividend income (Note-25a)	185,447,203	26,509,953
	Fees, Commission and Brokerage (Note-26a)	92,144,636	52,376,186
	Gains less losses arising from dealing securities	26,793,419	3,717,337
	Gains less losses arising from investment securities	358,406,295	449,355,958
	Gains less losses arising from dealing in foreign currencies (Note-26a)	72,276,225	61,810,586
	Income from non-banking assets	-	-
	Other operating income (Note-27a)	194,136,861	81,646,311
	Profit less losses on interest rate changes	-	-
	Nominal value of bonus share received	-	-
		4,849,205,136	4,451,628,272

		Amount in Taka	
		2021	2020
Expenses:			
Interest/ Profit paid on Deposits, borrowings etc. (Note-24a)		2,582,720,355	2,595,988,252
Losses on Loans and Advances		-	-
Administrative expenses		767,697,449	830,084,674
Other operating expenses		260,997,873	205,158,896
Depreciation on banking assets (Annexure-B)		194,370,602	86,660,254
		3,805,786,279	3,717,892,076
Income over expenditure		1,043,418,857	733,736,196
23 Consolidated Interest Income:			
Meghna Bank Ltd (Note-23a)		3,178,068,647	3,210,144,344
Meghna Bank Securities Ltd		8,495,957	3,697,452
		3,186,564,604	3,213,841,796
Less: Inter Company Transaction		9,492,462	1,040,694
		3,177,072,142	3,212,801,102
23a Interest Income/ Profit on Investments:			
Interest/ Profit on Loans and Advances/ Investments: (Note-23a.1)		3,041,308,247	2,938,151,451
Interest/ Profit on balance with other Banks & Financial Institutions		136,760,400	271,992,893
		3,178,068,647	3,210,144,344
23a.1 Interest/ Profit on Loans and Advances/ Investments:			
Interest Income/ Profit on Cash Credit		393,686,588	444,379,777
Interest Income/ Profit on Secured Over Draft		59,862,293	137,886,949
Interest Income/ Profit on General Over Draft		499,660,803	455,705,516
Interest Income/ Profit on Inland Bill Purchased/Discount		3,265,890	13,879,445
Interest Income/ Profit on Foreign Bill Purchased/Discount		6,266,211	296,675
Interest Income/ Profit on Import Finance		120,764,886	127,459,122
Interest Income/ Profit on Export Finance		6,748,795	2,621,300
Interest Income/ Profit on Demand Loan (General)		796,992,236	735,293,381
Interest Income/ Profit on Consortium/Syndicate Finance		30,435,688	42,412,156
Interest Income/ Profit on Hire Purchase Finance		3,985,335	77,734
Interest Income/ Profit on House Building Loan/ Investments		211,422,028	236,326,179
Interest Income/ Profit on General Term Loan/ Investments		743,876,921	609,776,750
Interest Income/ Profit on SME Loan & Advance/ Investments		528,467	155,870
Interest Income/ Profit on Personal Loan/ Investments		33,446,097	31,969,350
Interest Income/ Profit on Credit Card		35,479,168	44,680,939
Interest Income/ Profit on Agricultural and Rural Loan/ Investments		94,886,841	55,230,308
		3,041,308,247	2,938,151,451



		Amount in Taka	
		2021	2020
24	Consolidated Interest/ Profit Paid on Deposits, Borrowing, etc:		
	Meghna Bank Ltd (Note-24a)	2,582,720,355	2,595,988,252
	Meghna Bank Securities Ltd	8,006,368	-
		2,590,726,723	2,595,988,252
	Less: Inter Company Transaction	9,492,462	1,040,694
		2,581,234,261	2,594,947,558
24a	Interest/ Profit Paid on Deposits, Borrowing, etc:		
	a) Interest/ Profit on Deposits		
	Interest/ Profit Paid on Meghna Supreme Account	21,489,868	47,175,308
	Interest/ Profit Paid on Savings Deposit	95,004,817	85,651,791
	Interest/ Profit Paid on Short Notice Deposit	156,071,825	130,441,163
	Interest/ Profit Paid on Fixed Deposit Receipt	1,642,336,456	1,764,983,088
	Interest/ Profit Paid on Deposit Pension Scheme	265,098,087	233,122,262
	Interest/ Profit Paid on Deposit Millionaire Scheme	89,672	-
	Interest/ Profit Paid on Deposit Kotipoti Scheme	36,783	-
	Interest/ Profit Paid on Meghna Child Education Plan	5,472,671	4,531,223
	Interest/ Profit Paid on Monthly Income Scheme	248,259,595	164,002,745
	Interest/ Profit Paid on Meghna Multiplier Scheme	107,797,315	138,229,522
	Interest/ Profit Paid on Money Builder Scheme	8,157	-
		2,541,665,246	2,568,137,102
	b) Interest/ Profit Paid on Borrowings	41,055,109	27,851,150
		2,582,720,355	2,595,988,252
25	Consolidated Investment Income:		
	Meghna Bank Ltd (Note-25a)	1,312,578,767	1,045,650,846
	Meghna Bank Securities Ltd	28,338,249	7,321,171
		1,340,917,016	1,052,972,017
25a	Investment Income:		
	Interest Income/ Profit from Treasury Bills	548,977	-
	Interest Income/ Profit from Treasury Bonds	739,670,544	553,216,410
	Gain on Revaluation against Bonds	738,817,861	514,429,213

		Amount in Taka	
		2021	2020
	Loss on Revaluation of Investments	(380,411,566)	(65,073,254)
	Income from Investment in Bond & Others	1,712,329	12,851,187
	Dividend Income from Investment in Preference Share	129,066,468	23,743,798
	Dividend Income	56,380,735	2,766,155
	Gain on Sale of Shares	26,801,929	3,717,337
	Loss on sale of Shares	(8,510)	-
		1,312,578,767	1,045,650,846
26	Consolidated Commission, Exchange & Brokerage:		
	Meghna Bank Ltd (Note-26a)	164,420,861	114,186,771
	Meghna Bank Securities Ltd	35,518,697	12,780,675
		199,939,558	126,967,446
26a	Commission, Exchange & Brokerage:		
	Income from Commission	92,144,636	59,264,767
	Exchange Earnings	89,356,090	61,810,586
	Exchange Loss	(17,079,865)	(6,888,582)
		164,420,861	114,186,771
27	Consolidated Other Operating Income:		
	Meghna Bank Ltd (Note-27a)	194,136,861	81,646,311
	Meghna Bank Securities Ltd	2,558,887	565,639
		196,695,748	82,211,950
	Less: Inter Company Transaction	655,840	4,002,976
		196,039,908	78,208,974
27a	Other Operating Income:		
	Income From Fees & Charges	147,874,458	48,386,830
	Income From Services	34,928,844	19,669,695
	Postage, Telex, Swift etc.	3,641,302	1,759,100
	Gain on Sale of Bank's Property	635,918	2,814,921
	Other charges (Note-27a.1)	7,056,339	9,015,765
		194,136,861	81,646,311



		Amount in Taka	
		2021	2020
27a.1	Other Charges		
	Rent of Lockers	290,000	294,400
	Rent on Property/ Rental Income	655,840	4,002,976
	Notice Pay Earnings	4,093,005	2,662,609
	Rebate Received	1,533,817	1,039,772
	Miscellaneous Income	483,677	1,016,008
		7,056,339	9,015,765
28	Consolidated Salary & Allowances:		
	Meghna Bank Ltd (Note-28a)	616,062,847	533,252,515
	Meghna Bank Securities Ltd	9,383,236	7,023,947
		625,446,083	540,276,462
28a	Salary & Allowances:		
	Basic Salary	301,232,833	285,612,903
	Allowances	159,635,214	119,954,485
	Consolidated Pay	44,726,374	34,219,710
	Leave Salary Encashment	6,467,619	6,334,922
	Bonus	51,480,319	24,956,994
	Gratuity	22,400,000	35,742,884
	Bank's Contribution to Provident Fund	30,120,488	26,430,617
		616,062,847	533,252,515
29	Consolidated Rent, Taxes, Insurance, Electricity etc.:		
	Meghna Bank Ltd (Note-29a)	84,731,750	239,135,712
	Meghna Bank Securities Ltd	1,226,665	5,184,507
		85,958,415	244,320,219
	Less: Inter Company Transaction	655,840	4,002,976
		85,302,575	240,317,243
29a	Rent, Taxes, Insurance, Electricity etc.:		
	Rent, Rates & Taxes (Note-29a.1)	24,521,233	187,642,258
	Service Charge	9,969,601	9,907,670
	Insurance, Electricity & Lighting	50,240,916	41,585,784
		84,731,750	239,135,712

		Amount in Taka	
		2021	2020
29a.1	Rent, Rates & Taxes		
	Actual Payment for Rent, Rates & Taxes	173,971,298	187,642,258
	Less: Separate Presentation for Implementation of IFRS 16 "Leases"		
	Depreciation for ROU of Lease Assets	125,048,842	-
	Interest Charge for ROU of Lease Assets	24,401,223	-
		149,450,065	-
		24,521,233	187,642,258
30	Consolidated Legal Expenses:		
	Meghna Bank Ltd (Note-30a)	1,138,802	609,905
	Meghna Bank Securities Ltd	-	-
		1,138,802	609,905
30a	Legal Expenses:		
	Legal Fees	426,075	2,500
	Legal Charges	712,727	607,405
		1,138,802	609,905
31	Consolidated Postage, Stamps, Telecommunication etc:		
	Meghna Bank Ltd (Note-31a)	19,807,441	20,674,655
	Meghna Bank Securities Ltd	118,049	90,216
		19,925,490	20,764,871
31a	Postage, Stamps, Telecommunication etc:		
	Postage	2,326,203	1,593,309
	Internet charge	79,750	1,973,200
	SWIFT Charges	698,937	415,351
	Telephone charges	325,682	468,644
	Mobile phone charges	4,575,389	4,226,045
	Network Connection Expense	9,266,188	9,576,766
	Online Communication Expense	31,445	-
	Bloomberg Charges	2,503,847	2,421,340
		19,807,441	20,674,655
32	Consolidated Stationery, Printing & Advertisements etc:		
	Meghna Bank Ltd (Note-32a)	15,144,956	13,189,764
	Meghna Bank Securities Ltd	145,967	97,890
		15,290,923	13,287,654



		Amount in Taka	
		2021	2020
32a	Stationery, Printing & Advertisements etc:		
	Petty Stationery	3,067,187	2,989,578
	Printing Stationery	4,148,528	2,861,224
	Security Stationery	3,606,090	2,891,371
	Computer Stationery	3,269,969	2,617,306
	Publicity and Advertisement	1,053,182	1,830,285
		15,144,956	13,189,764
33	Chief Executive's Salary & Fees:		
	Basic Salary	9,000,000	9,452,840
	Allowances	6,706,420	6,304,795
	Bonus	1,500,000	750,000
	Bank's Contribution to Provident Fund	900,000	622,500
		18,106,420	17,130,135
34	Consolidated Directors' Fees:		
	Meghna Bank Ltd (Note-34a)	1,784,000	1,440,000
	Meghna Bank Securities Ltd	72,000	48,000
		1,856,000	1,488,000
34a	Directors' Fees:		
	Directors Fees	1,784,000	1,440,000
	Other Benefits	-	-
		1,784,000	1,440,000
	Each director of the bank is provided for Tk. 8,000.00 per board or board committee meeting attended in 2021 as per BRPD circular no. 11 dated 4 October 2015.		
35	Consolidated Auditors' Fees:		
	Meghna Bank Ltd (Note-35a)	379,500	350,000
	Meghna Bank Securities Ltd	60,000	45,000
		439,500	395,000
35a	Auditors' Fees:		
	Auditors Fees	379,500	350,000
		379,500	350,000
36	Consolidated Depreciation, Amortization and Repair on Bank's Assets:		
	Meghna Bank Ltd (Note-36a)	204,912,335	90,962,242
	Meghna Bank Securities Ltd	2,087,836	724,181
		207,000,171	91,686,423

		Amount in Taka	
		2021	2020
36a	Depreciation, Amortization and Repair on Bank's Assets:		
	a) Depreciation on Bank's Assets (Annexure-B):		
	Land & Building	-	-
	Vehicles	4,274,097	2,858,580
	Machinery & Equipment	14,590,135	19,655,673
	Furniture & Fixtures	26,570,220	25,949,796
	Computer and Peripherals	18,665,010	31,789,270
	Office Tools & Accessories	2,133,192	3,003,772
	Right of Use - Lease Assets under IFRS 16	125,048,842	-
		191,281,496	83,257,091
	b) Amortization (Annexure-B):		
	Software	3,089,106	3,403,163
	c) Repair on Bank's Assets:		
	Fitting and Replacement	706,399	1,821,277
	Vehicles	11,000	-
	Machinery & Equipment	4,480,825	1,168,491
	Furniture & Fixtures	1,801,022	202,992
	Computer and Peripherals	1,837,862	144,588
	Maintenance Expense	1,704,625	964,640
		10,541,733	4,301,988
		204,912,335	90,962,242
37	Consolidated Other Expenses:		
	Meghna Bank Ltd (Note-37a)	260,997,873	205,158,896
	Meghna Bank Securities Ltd	7,051,486	3,597,366
		268,049,359	208,756,262
37a	Other Expenses:		
	Gas Bills	-	1,990
	Wasa Bill	1,288,656	1,074,850
	Drinking water Expenses	727,354	485,690
	Car Expenses	63,591,493	56,312,453
	Software Maintenance Expenses	31,601,204	22,826,792
	Entertainment	4,984,343	4,773,578



	Amount in Taka	
	2021	2020
Training, Seminar, Workshop Expenses	759,533	180,958
Travelling and Conveyance	7,798,930	5,190,894
Subscription	2,607,452	2,060,888
Corporate Social Responsibility	16,225,750	19,386,235
Office Maintenance	2,918,563	2,328,968
Bank Charges	4,108,664	3,800,942
Complain Box	8,280	-
NPSB Charges	440,800	625,193
Charges From VISA	5,503,491	3,787,290
Credit Card CIB Charge	728,800	122,260
NID Verification Charges	231,879	621,005
Card Maintenance Expenses, ETC	4,585,562	6,446,794
Debit Card ATM Transaction Fee	2,481,616	-
IBFT Transaction Fee	34,835	-
Board and EC Meeting Expenses	921,211	721,789
Professional & Consultancy Fees	7,834,539	3,097,968
Business development & Promotion	11,756,966	6,553,955
Cash Carrying Charges	1,633,821	1,835,457
Leverage and Uniform	219,318	550,982
Washing & Cleaning	1,507,793	1,146,592
Leave Fare Assistance	44,699,658	40,613,386
Security Service-Outsourcing	16,930,578	19,670,672
Crockerries Expenses	156,699	80,283
Newspaper & Magazine Expenses (Office)	82,520	240,797
Branch Inauguration Expenses	-	61,036
AGM Expenses	23,205	127,533
Interest Charge for ROU Lease Assets under IFRS 16	24,401,223	-
Miscellaneous Expenses	203,137	431,666
	260,997,873	205,158,896

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

Meghna Bank Ltd (Note-38a)	489,529,268	114,515,938
Meghna Bank Securities Ltd	545,732	(3,261,211)
	490,075,000	111,254,727



		Amount in Taka	
		2021	2020
38a	Provision for Loans, Investments, Off-Balance Sheet & Others Assets		
	Provision for Unclassified Loans and Advances/ Investments	33,200,000	23,250,000
	Provision for Classified Loans and Advances/ Investments	380,700,000	(20,400,000)
	Provision for Off-Balance Sheet Exposure	46,349,435	6,750,000
	Special General Provision - Covid-19	(16,779,605)	120,835,938
	Provisions for Diminution in Value of Investments	(9,950,000)	(15,905,000)
	Provision for Other Assets	56,009,438	(15,000)
		489,529,268	114,515,938
39	Consolidated Earning Per Share (EPS)		
	Net Profit after Tax	345,129,295	510,666,272
	Number of Ordinary Shares outstanding (Denominator)	502,790,860	502,790,860
	Consolidated Earning Per Share (EPS) (Restated if Required)	0.69	1.02
39a	Earning Per Share (EPS)		
	Net Profit after Tax	307,914,854	501,151,234
	Number of Ordinary Shares outstanding (Denominator)	502,790,860	502,790,860
	Earning Per Share (EPS) (Restated if Required)	0.61	1.00
	Earning per share has been calculated in accordance with IAS - 33: "Earnings Per Share (EPS)".		
40	Consolidated Interest/ Profit Receipts in Cash		
	Meghna Bank Ltd (Note-40a)	3,755,327,535	3,376,213,782
	Meghna Bank Securities Ltd	8,495,957	3,697,452
		3,763,823,492	3,379,911,234
	Less: Inter Company Transaction	9,492,462	1,040,694
		3,754,331,030	3,378,870,540
40a	Interest/ Profit Receipts in Cash		
	Interest income/ Profit receipt (Note-23a & 25a)	3,539,580,421	3,711,138,687
	Add: Opening Interest/ Profit Receivable (Note-10a.2)	419,121,309	84,196,404
	Less: Closing Interest/ Profit Receivable (Note-10a.2)	203,374,195	419,121,309
		3,755,327,535	3,376,213,782
41	Consolidated Interest/ Profit Payments		
	Meghna Bank Ltd (Note-41a)	2,539,863,513	2,788,303,264
	Meghna Bank Securities Ltd	8,006,368	-
		2,547,869,881	2,788,303,264
	Less: Inter Company Transaction	9,492,462	1,040,694
		2,538,377,419	2,787,262,570



		Amount in Taka	
		2021	2020
41a	Interest/ Profit Payments		
	Interest/ Profit Paid on Deposits & Borrowings (Note-24a)	2,582,720,355	2,595,988,252
	Add: Opening Interest/ Profit Payable on Deposit (Note-13a)	450,023,298	642,338,310
	Less: Closing Interest/ Profit Payable on Deposit (Note-13a)	492,880,140	450,023,298
		2,539,863,513	2,788,303,264
42	Consolidated Cash Receipts from Other Operating Activities		
	Meghna Bank Ltd (Note-42a)	959,120,733	596,977,940
	Meghna Bank Securities Ltd	23,608,965	5,571,867
		982,729,698	602,549,807
42a	Cash Receipts from Other Operating Activities		
	Income From Fees & Charges	147,874,458	48,386,830
	Income From Services	34,928,844	19,669,695
	Postage, Telex, Swift etc.	3,641,302	1,759,100
	Gain on Sale of Treasury Bonds and Shares	765,619,790	518,146,550
	Other charges (Except Income from Sale of Fixed Assets)	7,056,339	9,015,765
		959,120,733	596,977,940
43	Consolidated Cash Payments for other Operating activities		
	Meghna Bank Ltd (Note-43a)	504,429,941	471,671,156
	Meghna Bank Securities Ltd	9,358,348	8,989,859
		513,788,289	480,661,015
43a	Cash Payments for other Operating activities		
	Rent, Taxes, Insurance, Lighting etc. (Note-29a)	209,780,592	239,135,712
	Legal Expenses (Note-30a)	1,138,802	609,905
	Postage, Stamp, Telegram & Telephone (Note-31a)	19,807,441	20,674,655
	Directors' Fees (Note-34a)	1,784,000	1,440,000
	Auditors' Fees (Note-35a)	379,500	350,000
	Repair & Maintenance of Bank's Assets (Note-36a.c)	10,541,733	4,301,988
	Other Expenses	260,997,873	205,158,896
		504,429,941	471,671,156
44	Consolidated Cash Increase/ Decrease in Other Assets		
	Meghna Bank Ltd (Note-44a)	813,648,067	612,326,445
	Meghna Bank Securities Ltd	26,498,764	13,929,757
		840,146,831	626,256,202
	Less: Inter Company Transaction	392,359,956	351,812,029
		447,786,875	274,444,173
	Consolidated Cash (Increase)/ Decrease in Other Assets	(173,342,702)	49,931,940

		Amount in Taka	
		2021	2020
44a	Cash Increase/ Decrease in Other Assets		
	Stock of Stationery and Stamps	6,716,119	6,810,139
	Advance Rent	134,066,198	169,703,521
	Suspense Account	133,043,298	73,110,453
	Security Deposits	125,955	115,055
	Advance Against Proposed Branch	8,067,000	-
	Interest on Sanchaypatra	21,115,761	5,810,123
	Receivable from MGBL Islamic Banking Project	39,000	854,200
	Receivable from MGBL OBU-USD	806,516	-
	Meghna Bank Securities Ltd	7,610,127	1,812,128
	Meghna Bank Securities Ltd - Special Fund	3,249,938	-
	Prepaid Expenses	9,480,984	582,395
	Investment in Subsidiary	349,999,900	349,999,900
	BEFTN Adjustment Account	94,641	217,208
	S/D RFA SEBL - Western Union	377,414	618,719
	Trans-Fast-Remittance Payment Account	-	6,000
	Payment of Investment Bond-Customer	4,074,000	
	Interest on Investment Bond-Customer	4,377,017	2,622,002
	Receivable from MiTP	123,387,999	-
	Accrued Income on OBU	6,761,068	-
	Chargeback Account for VISA Cards	255,132	64,602
		813,648,067	612,326,445
	Cash (Increase)/ Decrease in Other Assets	(201,321,622)	58,789,748
45	Consolidated Cash Increase/ Decrease in Other Liabilities		
	Meghna Bank Ltd (Note- 45a)	976,770,402	787,744,635
	Meghna Bank Securities Ltd	210,430,817	72,189,385
		1,187,201,219	859,934,020
	Less: Inter Company Transaction	155,879,273	42,351,879
		1,031,321,946	817,582,141
	Cash Increase/ (Decrease) in Other Liabilities	213,739,805	322,962,430



		Amount in Taka	
		2021	2020
45a	Cash Increase/ Decrease in Other Liabilities		
	Non-Resident Accounts	2,574,000	2,756,000
	Interest Suspense A/C	788,064,947	576,203,650
	Settlement with NPSB	50,445	50,445
	Sundry Creditors	-	10,562,160
	BEFT Settlement Account	470,396	1,809,362
	Agent Monitoring & Collection Account	100,500	100,500
	Provision for Gratuity	-	35,742,884
	MGBL MFS Payable Accounts	1,623,755	1,623,755
	MGBL General Account	13,936	38,649
	Adjusting account credit	183,872,423	158,857,230
		976,770,402	787,744,635
	Consolidated Cash Increase/ (Decrease) in Other Liabilities	189,025,767	310,785,223
46	Consolidated Cash and Cash Equivalent		
	Meghna Bank Ltd (Note-46a)	5,955,019,162	6,254,816,540
	Meghna Bank Securities Ltd	104,254,371	34,254,595
		6,059,273,533	6,289,071,135
	Less: Inter Company Transaction	72,533,195	15,115,507
		5,986,740,338	6,273,955,628
46a	Cash and Cash Equivalent		
	Cash in Hand	736,254,159	593,875,342
	Balance with Bangladesh Bank & Sonali Bank Ltd (as agent of Bangladesh Bank)	2,394,291,512	3,008,286,920
	Balance with Other Banks & Financial Institutions	2,723,637,291	2,521,748,078
	Money at Call and Short Notice	100,000,000	130,000,000
	Prize Bond in Hand	836,200	906,200
		5,955,019,162	6,254,816,540

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 727.


Chairman


Director


Director


Managing Director & CEO

MEGHNA BANK LIMITED

INVESTMENT IN SHARES - QUOTED & UNQUOTED

AS AT DECEMBER 31, 2021

Annexure-A

Sl No	Name of the Company	No. of Shares/ Securities	Market Price per Share	Market Value December 31, 2021	Cost Price December 31, 2021	Unrealized Gain/(Loss)
Quoted: Regular Investment						
1	BSRM Steels Limited	77,000	71.10	5,474,700	6,926,260	(1,451,560)
2	Eastern Bank Limited	200,000	38.50	7,700,000	8,007,181	(307,181)
3	C and A Textiles Limited	200,000	7.60	1,520,000	2,620,440	(1,100,440)
4	City Bank Limited	125,000	27.30	3,412,500	3,551,148	(138,648)
5	Grameenphone Limited	25,000	349.50	8,737,500	9,456,812	(719,312)
6	Jamuna Bank Limited	100,000	23.40	2,340,000	2,479,880	(139,880)
7	Heidelberg Cement Bangladesh Limited	16,805	272.40	4,577,682	9,291,098	(4,713,416)
8	IDLC Finance Limited	100,000	60.30	6,030,000	7,087,500	(1,057,500)
9	IFAD Autos Limited	16,830	47.30	796,059	1,927,117	(1,131,058)
10	Jamuna Oil Company Limited	75,000	171.10	12,832,500	15,840,873	(3,008,373)
11	Summit Power Limited	300,000	38.90	11,670,000	14,223,919	(2,553,919)
12	MJL Bangladesh Limited	89,250	88.30	7,880,775	10,558,727	(2,677,952)
13	Olympic Industries Limited	65,000	160.60	10,439,000	14,604,102	(4,165,102)
14	Robi Axiata Limited	200,000	34.60	6,920,000	2,000,000	4,920,000
15	Square Pharmaceuticals Limited	40,000	214.30	8,572,000	9,569,770	(997,770)
16	Square Textile Limited	110,250	52.20	5,755,050	7,151,302	(1,396,252)
17	Titas Gas Transmission & Dist. Co. Limited	150,000	36.30	5,445,000	8,553,476	(3,108,476)
18	United Commercial Bank Limited	788,287	15.30	12,060,791	16,060,748	(3,999,957)
	Sub Total			122,163,557	149,910,353	(27,746,796)
Unquoted: Preference Share						
19	Confidence Power Bogra Limited	10,000,000	10.00	100,000,000	100,000,000	-
20	Karnaphuli Power Limited	60,000,000	10.00	600,000,000	600,000,000	-
21	Baraka Shikalbaha Power Limited	56,000,000	10.00	560,000,000	560,000,000	-



MEGHNA BANK LIMITED

INVESTMENT IN SHARES - QUOTED & UNQUOTED

AS AT DECEMBER 31, 2021

Annexure-A

Sl No	Name of the Company	No. of Shares/ Securities	Market Price per Share	Market Value December 31, 2021	Cost Price December 31, 2021	Unrealized Gain/(Loss)
22	Plamingo Fashions Limited	46,000,000	10.00	460,000,000	460,000,000	-
23	Jinnat Knitwears Limited	45,000,000	10.00	450,000,000	450,000,000	-
24	Summit Gazipur II Power Limited	12,000,000	10.00	120,000,000	120,000,000	-
	Sub Total			2,290,000,000	2,290,000,000	-
Quoted: Special Fund						
25	British American Tobacco Bangladesh	15,000	635.60	9,534,000	9,496,839	-
26	City Bank Limited	500,000	27.30	13,650,000	14,243,246	-
27	Grameenphone Limited	100,000	349.50	34,950,000	38,021,076	-
28	IDLC Finance Limited	700,000	60.30	42,210,000	47,368,612	-
29	IPDC Finance Limited	500,000	38.60	19,300,000	22,169,995	-
30	Jamuna Bank Limited	500,000	23.40	11,700,000	12,300,297	-
31	Prime Bank Limited	500,000	21.50	10,750,000	11,721,231	-
32	Square Pharmaceuticals Limited	200,000	214.30	42,860,000	48,227,860	-
33	Summit Power Limited	1,200,000	38.90	46,680,000	56,904,938	-
	Sub Total			231,634,000	260,454,094	-
	Grand Total			2,643,797,557	2,700,364,447	-

Taka

Provision Requirement as on December 31, 2021.

27,746,796

Provision Maintained as on December 31, 2021.

27,750,000

Provision Surplus/Shortage at the end of December 31, 2021.

3,204

Note: As per DOS circular no. 01 dated February 10, 2020, no provision is required to maintained for investment in shares under special fund.



MEGHNA BANK LIMITED

SCHEDULE OF FIXED ASSETS

AS AT DECEMBER 31, 2021

Annexure-B

A) Tangible Assets :

Particulars	C O S T				Rate of Depreciation	DEPRECIATION/ AMORTIZATION				WDV as on December 31, 2021	WDV as on December 31, 2020
	Balance as on January 1, 2021	Additions during the year	Disposal/ Transfer during the year	Balance as on December 31, 2021		Balance as on January 1, 2021	Transfer/ Adjustment during the year	Charge for the year	Balance as on December 31, 2021		
Vehicles	34,277,779	3,877,458	2,223,220	35,932,017	20%	22,629,678	2,223,219	4,274,097	24,680,556	11,251,461	11,648,101
Machinery and Equipment	159,413,301	19,090,816	2,346,350	176,157,767	20%	133,936,470	2,346,337	14,590,135	146,180,268	29,977,499	25,476,831
Furniture & Fixtures	259,968,326	15,584,313	4,550,287	271,002,352	10%	115,365,194	3,053,065	26,570,220	138,882,349	132,120,003	144,603,132
Computer & Computer Peripherals	177,293,705	17,154,928	1,592,000	192,856,633	33%	150,610,668	1,591,980	18,665,010	167,683,698	25,172,935	26,683,037
Office Tools & Accessories	22,015,648	1,371,246	-	23,386,894	20%	18,421,858	-	2,133,192	20,555,050	2,831,844	3,593,790
Sub Total (A)	652,968,759	57,078,761	10,711,857	699,335,663		440,963,868	9,214,601	66,232,654	497,981,921	201,353,742	212,004,891

B) Intangible Assets :

Software	77,767,364	7,567,755	-	85,335,119	20%	71,196,192	-	3,089,106	74,285,298	11,049,821	6,571,172
Sub Total (B)	77,767,364	7,567,755	-	85,335,119		71,196,192	-	3,089,106	74,285,298	11,049,821	6,571,172

C) ROU - Assets for Lease Rent :

ROU - Assets for Lease Rent	-	604,906,715.2	-	604,906,715	-	-	-	125,048,842	125,048,842	479,857,873	-
Sub Total (C)	-	604,906,715	-	604,906,715		-	-	125,048,842	125,048,842	479,857,873	-
Total (A+B+C)	730,736,123	669,553,231	10,711,857	1,389,577,497		512,160,060	9,214,601	194,370,602	697,316,061	692,261,436	218,576,063



MEGHNA BANK LIMITED

BALANCE WITH OTHER BANKS-OUTSIDE BANGLADESH (NOSTRO ACCOUNT)

AS AT DECEMBER 31, 2021

Annexure-C

SL No.	Name of the Banks	Currency Name	2021			2020		
			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	378,968.64	85.80	32,515,509.31	409,211.18	84.80	34,701,108.06
2	Mashreq Bank p.s.c. New York, USD	USD	2,451,104.66	85.80	210,304,779.83	1,245,060.60	84.80	105,581,138.88
3	Habib American Bank, New York, USD	USD	850,467.52	85.80	72,970,113.22	598,275.86	84.80	50,733,792.93
4	MCB Bank Limited, Karachi, Pakistan, ACU	ACUD	102,520.21	85.80	8,796,234.02	104,914.21	84.80	8,896,725.01
5	BANCA Popolare Di Sondrio, Sondrio, Italy, EURO	EURO	31,251.90	97.28	3,040,184.83	135,444.79	104.16	14,107,902.24
6	Kookmin Bank, Seoul Korea, USD	USD	14,439.98	85.80	1,238,950.28	79,566.30	84.80	6,747,222.24
7	Kookmin Bank, Seoul Korea, GBP	GBP	1,285.13	115.73	148,724.24	3,430.92	114.81	393,906.33
8	Kookmin Bank, Seoul Korea, CAD	CAD	998.95	67.08	67,007.97	7,116.50	66.27	471,615.54
9	National Bank of Pakistan, Tokoyo, Japan., JPY	JPY	13,303,578.00	0.75	9,921,808.47	1,303,578.00	0.82	1,069,846.46
10	Bank Al Jazira, KSA, SAR	SAR	175,986.00	22.86	4,022,916.77	187,486.00	22.60	4,236,414.91
11	AXIS Bank Ltd. Kolkata, India, ACU USD	ACUD	1,618,538.05	85.80	138,870,564.69	540,436.32	84.80	45,828,999.94
12	BMCE Bank International, Madrid, Spain	EURO	9,767.07	97.28	950,140.57	9,767.07	104.16	1,017,336.06
13	BMCE Bank International, GBP	GBP	7,767.03	115.73	898,855.08	7,767.03	114.81	891,738.15
14	Bhutan National Bank, ACU	ACUD	164,492.00	85.80	14,113,413.60	102,412.00	84.80	8,684,537.60
15	HDFC Bank Ltd., Mumbai	ACUD	122,294.87	85.80	10,492,899.85	144,154.35	84.80	12,224,288.88
16	United Bank of India, Kolkata	ACUD	-	-	-	121,036.00	84.80	10,263,852.80
17	Sonali Bank UK, USD	USD	77,064.85	85.80	6,612,164.13	-	-	-
18	Punjab National Bank, Kolkata, ACU	NZD	408,395.32	85.80	35,040,318.46	-	-	-
	Total				550,004,585			305,850,426



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

AS AT DECEMBER 31, 2021

Annexure-D
(Tk. In Crore)

SL. No.	Name of client	Outstanding		Total	% of Loans to Total Capital		
		Funded	Non-funded		Funded	Non-funded	Total
1	AKOTA GROUP	37.33	44.39	81.72	5.52%	6.57%	12.09%
2	ABUL KHAIR GROUP	-	11.11	11.11	0.00%	1.64%	1.64%
3	RSRM GROUP	90.32	-	90.32	13.37%	0.00%	13.37%
4	S. S. ENGINEERING & CONSTRUCTION LTD.	56.48	18.76	75.24	8.36%	2.78%	11.13%
5	BAIZID STEEL INDUSTRIES LTD.	99.08	-	99.08	14.66%	0.00%	14.66%
6	NITOL MOTORS	82.88	-	82.88	12.26%	0.00%	12.26%
7	ENERGYPAC GROUP	64.26	-	64.26	9.51%	0.00%	9.51%
8	NAZ TRADERS	8.52	18.42	26.94	1.26%	2.73%	3.99%
9	M/S. KHOKAN TRADING AGENCY	23.54	40.52	64.06	3.48%	6.00%	9.48%
10	ANWAR LANDMARK LIMITED AND OTHERS	12.71	6.70	19.42	1.88%	0.99%	2.87%
11	MEGHNA GROUP OF INDUSTRIES (MGI)	29.69	2.14	31.82	4.39%	0.32%	4.71%
12	BSRM STEEL MILLS LIMITED	0.00	-	0.00	0.00%	0.00%	0.00%
13	SUPER PETROCHEMICAL (PVT) LTD.	0.08	28.18	28.26	0.01%	4.17%	4.18%
14	ACME GROUP	52.27	-	52.27	7.74%	0.00%	7.74%
15	CITY GROUP	30.13	-	30.13	4.46%	0.00%	4.46%
16	BRAC	-	-	-	0.00%	0.00%	0.00%
17	BANGLADESH PETROLEUM CORP	-	16.76	16.76	0.00%	2.48%	2.48%
18	UNITED CHATTOGRAM POWER & OTHERS	50.00	200.00	250.00	7.40%	29.60%	37.00%
19	SUMMIT GROUP	88.00	-	88.00	13.02%	0.00%	13.02%
20	CONFIDENCE GROUP	19.71	89.67	109.38	2.92%	13.27%	16.19%
21	INDEPENDENT GROUP	48.10	17.07	65.18	7.12%	2.53%	9.65%
22	UDDIPAN	51.77	-	51.77	7.66%	0.00%	7.66%
23	ACI GROUP	70.72	-	70.72	10.46%	0.00%	10.46%
24	MUSSA AND ISSA BROTHERS	70.51	-	70.51	10.43%	0.00%	10.43%



MEGHNA BANK LIMITED

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

AS AT DECEMBER 31, 2021

Annexure-D
(Tk. In Crore)

25	ISRAQ COTTON MILLS LIMITED	33.42	16.25	49.67	4.95%	2.41%	7.35%
26	ANANTA GROUP	-	-	-	0.00%	0.00%	0.00%
27	PREMIER CEMENT MILLS LTD	96.65	47.93	144.59	14.30%	7.09%	21.40%
28	DEBONAIR GROUP	18.05	15.92	33.97	2.67%	2.36%	5.03%
29	EON GROUP	19.61	26.39	46.01	2.90%	3.91%	6.81%
30	BUTTERFLY MANUFACTURING CO. LTD.	49.20	4.45	53.64	7.28%	0.66%	7.94%
31	KHULNA SHIPYARD LIMITED	-	-	-	0.00%	0.00%	0.00%
32	BURO BANGLADESH	-	-	-	0.00%	0.00%	0.00%
33	NORTEX TEXTILE & BASHER SPINNING	43.12	7.34	50.46	6.38%	1.09%	7.47%
34	GENERAL PHARMACEUTICALS LIMITED	9.74	2.96	12.71	1.44%	0.44%	1.88%
35	IPDC FINANCE LTD.	18.35	-	18.35	2.71%	0.00%	2.71%
36	NOAPARA TRADE INTERNATIONAL	-	-	-	0.00%	0.00%	0.00%
37	SALEK TEXTILE LTD.	74.25	-	74.25	10.99%	0.00%	10.99%
38	BARAKA GROUP	-	71.12	71.12	0.00%	10.52%	10.52%
39	MEGHNA KNIT COMPOSITE LIMITED	94.61	37.62	132.23	14.00%	5.57%	19.57%
40	SUFIA COTTON MILLS LIMITED	89.79	6.72	96.51	13.29%	0.99%	14.28%
41	APEX FOOTWEAR LTD	101.25	-	101.25	14.98%	0.00%	14.98%
42	CROWN GROUP	15.00	-	15.00	2.22%	0.00%	2.22%
43	TMSS	50.01	-	50.01	7.40%	0.00%	7.40%
	Total	1,699.15	730.44	2,429.59			

Bank's total Capital as on 31 December 2021 is Tk. 674.06 Crore



MEGHNA BANK LIMITED

FINANCIAL HIGHLIGHTS

(Amount in Taka)

SL	PARTICULARS	2021	2020
1	Paid up Capital	5,027,908,600	4,698,980,000
2	Total Capital (Core + Supplementary)	6,740,633,999	6,374,427,965
3	Capital Surplus	1,820,623,082	1,802,444,613
4	Total Assets	65,284,780,081	52,871,113,727
5	Total Deposit	52,737,870,285	43,330,127,348
6	Total Loans & Advances/ Investments	41,876,110,332	35,840,624,305
7	Total Contingent Liabilities and Commitments	10,134,622,729	5,028,792,620
8	Credit Deposit Ratio (%)*	75%	81%
9	Percentage of Classified Loans against total Loans and Advances/ Investments	5.60%	6.80%
10	Profit after Tax and Provision	307,914,854	501,151,234
11	Amount of Classified Loans & Advances/ Investments	2,346,447,678	2,435,672,618
12	Provisions kept against Classified Loans & Advances/ Investments	1,224,950,000	844,250,000
13	Provisions Surplus	729,755	48,430
14	Cost of Fund	8.23%	9.76%
15	Interest Earning Assets	60,518,094,964	48,186,603,009
16	Non-Interest Earning Assets	4,766,685,117	4,684,510,718
17	Return on Investment (ROI)	11.26%	14.92%
18	Return on Assets (ROA)	0.52%	0.98%
19	Income from Investment	1,312,578,767	1,045,650,846
20	Earning Per Share	0.61	1.00
21	Net Income Per Share	0.61	1.00
22	Price Earning Ratio	N/A	N/A

* Credit Deposit Ratio (%) calculation is made as per Bangladesh Bank guidelines.



MEGHNA BANK LIMITED

BALANCE SHEET OF ISLAMIC BANKING

AS AT DECEMBER 31, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
PROPERTY AND ASSETS			
Cash in Hand		41,032,009	-
Cash in hand (Including Foreign Currencies)	1b	1,796,592	-
Balance with Bangladesh Bank and Its agent Bank (s) (Including Foreign Currencies)	2b	39,235,417	-
Balance with other Banks and Financial Institutions	3b	-	-
In Bangladesh		-	-
Outside Bangladesh		-	-
Placement with Banks & other Financial Institutions	4b	100,000,000	-
Investments in Shares & Securities	5b	57,550,000	-
Government		57,550,000	-
Others		-	-
Investments	6b	186,154,633	-
General Investments		186,154,633	-
Bills Purchased and Discounted		-	-
Fixed Assets Including Premises	7b	4,186,817	-
Other Assets	8b	20,612,917	-
Non Banking Assets		-	-
Total Assets		409,536,376	-
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions	9b	-	-
Deposits and Other Accounts	10b	401,553,963	-
Al-Wadeeah Current Accounts & Other Accounts		25,490,519	-
Bills Payable		-	-
Mudaraba Saving Deposits		32,707,774	-
Mudaraba Term Deposits		343,355,670	-
Other Mudaraba Deposits		-	-
Other Liabilities	11b	7,982,413	-
Total Liabilities		409,536,376	-

MEGHNA BANK LIMITED

OFF- BALANCE SHEET ITEMS OF ISLAMIC BANKING

AS AT DECEMBER 31, 2021

Particulars	Notes	2021 Taka	2020 Taka
CONTINGENT LIABILITIES			
Acceptances and Endorsements		-	-
Letters of Guarantee		-	-
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Other Contingent Liabilities		-	-
CONTINGENT LIABILITIES		-	-



MEGHNA BANK LIMITED

PROFIT AND LOSS ACCOUNT OF ISLAMIC BANKING

FOR THE YEAR ENDED AS ON DECEMBER 31, 2021

Particulars	Notes	2021 Taka	2020 Taka
Investment Income	12b	5,220,594	-
Profit paid on Deposits	13b	5,837,090	-
Net Investment Income		(616,496)	-
Income from Investment in Shares/ Securities	14b	420,192	-
Other Operating Income	15b	129,597	-
		549,789	-
Total Operating Income		(66,707)	-
Salaries and Allowances	16b	5,347,461	-
Rent, Taxes, Insurances, Electricity etc.	17b	33,454	-
Legal Expenses	18b	8,050	-
Postage, Stamps, Telecommunication etc.	19b	10	-
Stationery, Printings, Advertisements etc.	20b	23,636	-
Shariah Supervisory Committee's Fees & Expenses	21b	146,494	-
Depreciation & Repairs of Bank's Assets	22b	583,280	-
Other Expenses	23b	1,118,773	-
Total Operating Expenses		7,261,158	-
Profit/(Loss) Before Provision		(7,327,865)	-
General Provision for Unclassified Loans and Advances		3,591,541	-
Total Provision		3,591,541	-
Total Profit/(Loss) Before Taxes		(10,919,406)	-
Provision for Taxation			
Current Tax		-	-
		-	-
Net Profit After Taxation		(10,919,406)	-

		Amount in Taka	
		2021	2020
1b	Cash in hand (Including foreign currencies)		
	In local currency	1,796,592	-
	In foreign currencies	-	-
		1,796,592	-
2b	Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		
	In local currency	39,235,417	-
	In foreign currencies	-	-
		39,235,417	-
	Balance with Sonali Bank Ltd as agent of Bangladesh Bank		
	In local currency	-	-
	In foreign currencies	-	-
		-	-
		39,235,417	-
2b.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 subsequent Bangladesh Bank Circular No. 02 dated December 10, 2013 & MPD circular no. 03, dated April 09, 2020.		
	The bank has been maintaining 3.50% as CRR on daily basis and 4.00% as CRR on bi-weekly basis for Islamic Banking. 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 2021 is maintained on the basis of weekly ATDTL of October 2021) and maintained with Bangladesh Bank. The bank also maintaining 5.50% as 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 2021 is maintained on the basis of weekly ATDTL of October 2021) for Islamic Banking. Both the reserves maintained by the bank are in excess of the statutory requirements, as shown below:		
2b.2	Cash Reserve Requirement (CRR): Base on Average Total Demand and Time Liabilities on bi-weekly basis.		
	Required Reserve	11,237,004	-
	Actual Reserve held with Bangladesh Bank (In local currency)	39,235,424	-
	CRR Surplus	27,998,420	-
2b.3	Statutory Liquidity Ratio (SLR): Base on Average Total Demand and Time Liabilities on daily basis.		
	Required Reserve	15,451,403	-
	Actual Reserve held	87,345,012	-
	SLR Surplus	71,893,609	-
	Held for Statutory Liquidity Ratio		
	Cash in hand (Note-1b)	1,796,592	-
	Sukuk Bond (Note-5b)	57,550,000	-
	Excess Reserve of CRR (Note-2b.2)	27,998,420	-
		87,345,012	-



		Amount in Taka	
		2021	2020
3b	Balance with Other Banks and Financial Institutions		
	In Bangladesh	-	-
	Outside Bangladesh	-	-
		-	-
4b	Placement with Banks & other Financial Institutions		
	Placement with Other Banks (Note-4a.1)	100,000,000	-
	Placement with Financial Institutions	-	-
		100,000,000	-
4b.1	FDR with Other Banks		
	EXIM Bank Limited	100,000,000	-
		100,000,000	-
5b	Investments in Shares & Securities		
	Government		
	5 Years Sukuk Bonds	57,550,000	-
	Total	57,550,000	-
6b	Investments:		
	i) General Investments		
	Inside Bangladesh		
	Hire Purchase Finance	186,154,633	-
		186,154,633	-
	Outside Bangladesh	-	-
		186,154,633	-
	ii) Bills purchased and discounted		
	Payable Inside Bangladesh		
	Inland bills purchased and discounted	-	-
	Payable outside Bangladesh		
	Foreign bills purchased and discounted	-	-
		-	-
		186,154,633	-
7b	Fixed Assets Including Premises		
	A. Cost:		
	Opening balance	-	-
	Add: Addition during the year	4,523,272	-
	Less: Disposal during the year	-	-
	Closing balance at cost	4,523,272	-

		Amount in Taka	
		2021	2020
B. Depreciation:			
Opening balance		-	-
Add: Addition during the year		336,455	-
Less: Adjustment / disposal during the year		-	-
Accumulated Depreciation		336,455	-
Carrying value		4,186,817	-
A schedule of fixed assets is given in Annexure-A			
8b Other Assets			
Stock of Stationery, Stamps and Printing Materials etc.		63,500	-
Sundry Debtors		42,850	-
Advance Income Tax		97,785	-
MGBL General Account		19,768,750	-
Accrued Income		640,032	-
		20,612,917	-
9b Placement from Banks & other Financial Institutions			
In Bangladesh (Note-11a.1)		-	-
Outside Bangladesh		-	-
		-	-
10b Deposits and Other Accounts			
1) Deposits from banks		60,000,000	-
2) Deposits from customers		341,553,963	-
		401,553,963	-
1) Deposits from banks			
i) Al-Wadeeah Current Accounts & Other Accounts			
Al-Wadeeah Current Accounts		10,000,000	-
Sundry Deposits [Note Y]		-	-
		10,000,000	-
ii) Bills Payable:			
Payable inside Bangladesh		-	-
Payable outside Bangladesh		-	-
		-	-
		-	-



		Amount in Taka	
		2021	2020
iii) Mudaraba Saving Deposits:			
Mudaraba Saving Deposits		-	-
		-	-
iv) Mudaraba Term Deposit:			
Mudaraba Term Deposit		-	-
Mudaraba Short Notice Deposits		50,000,000	-
Mudaraba Scheme Deposit [Note-X]		-	-
		50,000,000	-
		60,000,000	-
2) Deposits from customer			
i) Al-Wadeeah Current Accounts & Other Accounts:			
Al-Wadeeah Current Accounts		14,798,846	-
Sundry Deposits [Note Y]		691,674	-
		15,490,520	-
ii) Bills Payable:			
Payable inside Bangladesh			
Payment Order Issued		-	-
Payable outside Bangladesh		-	-
		-	-
		-	-
		-	-
iii) Mudaraba Saving Deposits:			
Mudaraba Saving Deposits		32,707,774	-
		32,707,774	-
iv) Mudaraba Term Deposit:			
Mudaraba Term Deposit		287,953,289	-
Mudaraba Short Notice Deposits		3,093,381	-
Mudaraba Scheme Deposit [Note-X]		2,309,000	-
		293,355,670	-
		341,553,963	-
X	Scheme Deposits:		
Mudaraba Deposit Pension Scheme		2,029,000	-
Mudaraba Super Saving Scheme		280,000	-
		2,309,000	-

		Amount in Taka	
		2021	2020
10b.1	Deposits and Other Accounts:		
	Al-Wadeeah Current Accounts & Other Accounts:		
	a) Deposits from banks	10,000,000	-
	b) Deposits from customers	15,490,520	-
		25,490,519	-
	Bills Payable		
	a) Deposits from banks	-	-
	b) Deposits from customers	-	-
		-	-
	Mudaraba Saving Deposits:		
	a) Deposits from banks	-	-
	b) Deposits from customers	32,707,774	-
		32,707,774	-
	Mudaraba Term Deposit:		
	a) Deposits from banks	50,000,000	-
	b) Deposits from customers	293,355,670	-
		343,355,670	-
Y.	Sundry Deposits		
	VAT/Tax/Excise duty payable to Government Authority	691,674	-
		691,674	-
11b	Other Liabilities		
	Interest Payable on Deposits & Borrowings	2,790,872	-
	Provision for Investments	3,591,541	-
	Adjusting Account Credit	1,600,000	-
		7,982,413	-
12b	Investments Income		
	Income from Investments: (Note-12b.1)	3,984,762	-
	Profit on Placement with Banks & Financial Institutions	1,235,832	-
		5,220,594	-
12b.1	Investments Income		
	Profit on Hire Purchase Finance	3,984,762	-
		3,984,762	-



		Amount in Taka	
		2021	2020
13b	Profit Paid on Deposits		
	a) Profit on Deposits		
	Profit Paid on Savings Deposit	359,306	-
	Profit Paid on Short Notice Deposit	161,084	-
	Profit Paid on Fixed Deposit Receipt	5,271,199	-
	Profit Paid on Scheme Deposit	45,501	-
		5,837,090	-
14b	Income from Investment in Shares/ Securities		
	Income from 5 Years Sukuk Bond	420,192	-
		420,192	-
15b	Other Operating Income:		
	Income From Fees & Charges	42,500	-
	Income From Services	87,097	-
		129,597	-
16b	Salary & Allowances:		
	Basic Salary	1,962,938	-
	Allowances	1,140,839	-
	Consolidated Pay	1,584,509	-
	Bonus	224,204	-
	Gratuity	238,674	-
	Bank's Contribution to Provident Fund	196,297	-
		5,347,461	-
17b	Rent, Taxes, Insurance, Electricity etc.:		
	Rent, Rates & Taxes	-	-
	Insurance, Electricity & Lighting	33,454	-
		33,454	-
18b	Legal Expenses:		
	Legal Fees	-	-
	Legal Charges	8,050	-
		8,050	-
19b	Postage, Stamps, Telecommunication etc:		
	Postage	10	-
		10	-
20b	Stationery, Printing & Advertisements etc:		
	Petty Stationery	22,537	-
	Printing Stationery	1,099	-
		23,636	-

		Amount in Taka	
		2021	2020
21b	Shariah Supervisory Committee's Fees & Expenses		
	Shariah Supervisory Committee's Fees	126,000	-
	Shariah Supervisory Committee's Expenses	20,494	-
		146,494	-
22b	Depreciation, Amortization and Repair on Bank's Assets:		
	a) Depreciation on Bank's Assets (Annexure-A):		
	Machinery & Equipment	974	-
	Furniture & Fixtures	16,657	-
	Computer and Peripherals	29,509	-
		47,140	-
	b) Amortization (Annexure-A):		
	Software	289,315	-
	c) Repair on Bank's Assets:		
	Machinery & Equipment	6,325	-
	Furniture & Fixtures	230,000	-
	Computer and Peripherals	10,500	-
		246,825	-
		583,280	-
23b	Other Expenses:		
	Car Expenses	511,383	-
	Travelling and Conveyance	60,360	-
	Bank Charges	40,000	-
	Professional & Consultancy Fees	23,000	-
	Business development & Promotion	30,196	-
	Leave Fare Assistance	453,834	-
		1,118,773	-



MEGHNA BANK LIMITED

SCHEDULE OF FIXED ASSETS OF ISLAMIC BANKING

AS AT DECEMBER 31, 2021

Annexure-A

Particulars	C O S T				Rate of Depreciation	DEPRECIATION/ AMORTIZATION			WDV as on December 31, 2021	WDV as on December 31, 2020	
	Balance as on January 1, 2021	Additions during the year	Disposal/ Transfer during the year	Balance as on December 31, 2021		Balance as on January 1, 2021	Transfer/ Adjustment during the year	Charge for the year			Balance as on December 31, 2021
Machinery and Equipment	-	15,000	-	15,000	20%	-	-	974	974	14,026	-
Furniture & Fixtures	-	254,898	-	254,898	10%	-	-	16,657	16,657	238,241	-
Computer & Computer Peripherals	-	253,374	-	253,374	33%	-	-	29,509	29,509	223,865	-
Sub Total (A)	-	523,272	-	523,272		-	-	47,140	47,140	476,132	-
B) Intangible Assets :											
Software	-	4,000,000	-	4,000,000	20%	-	-	289,315	289,315	3,710,685	-
Sub Total (B)	-	4,000,000	-	4,000,000		-	-	289,315	289,315	3,710,685	-
Total (A+B)	-	4,523,272	-	4,523,272		-	-	336,455	336,455	4,186,817	-

MEGHNA BANK LIMITED

BALANCE SHEET OF OFF-SHORE BANKING UNIT

AS AT DECEMBER 31, 2021

Particulars	Notes	2021		2020	
		USD	TK.	USD	TK.
PROPERTY AND ASSETS					
Cash		-	-	-	-
Cash in hand (Including Foreign Currencies)		-	-	-	-
Balance with Bangladesh Bank and Its agent Bank (s) (Including Foreign Currencies)		-	-	-	-
Balance with other Banks and Financial Institutions	1c	24,567	2,107,813	-	-
In Bangladesh		-	-	-	-
Outside Bangladesh		24,567	2,107,813	-	-
Investments		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
Loans and Advances	2c	5,044,393	432,808,937	-	-
Loans, Cash credits, Overdrafts, etc.		-	-	-	-
Bills Purchased and Discounted		5,044,393	432,808,937	-	-
Fixed Assets Including Premises, Furniture and Fixtures		-	-	-	-
Other Assets		-	-	-	-
Non Banking Assets		-	-	-	-
Total Assets		5,068,960	434,916,750	-	-
LIABILITIES					
Borrowings from other Banks, Financial Institutions and Agents	3c	5,039,078	432,352,910	-	-
Deposits and Other Accounts		-	-	-	-
Current Accounts & Other Accounts		-	-	-	-
Bills Payable		-	-	-	-
Saving Deposits		-	-	-	-
Term Deposit		-	-	-	-
Other Deposits		-	-	-	-
Other Liabilities	4c	29,882	2,563,840	-	-
Total Liabilities		5,068,960	434,916,750	-	-



MEGHNA BANK LIMITED

OFF- BALANCE SHEET ITEMS OF OFF-SHORE BANKING UNIT

AS AT DECEMBER 31, 2021

Particulars	Notes	2021		2020	
		USD	TK.	USD	TK.
CONTINGENT LIABILITIES					
Acceptances and Endorsements		-	-	-	-
Letters of Guarantee		-	-	-	-
Irrevocable Letters of Credit		-	-	-	-
Bills for Collection		-	-	-	-
Other Contingent Liabilities		-	-	-	-
CONTINGENT LIABILITIES		-	-	-	-

MEGHNA BANK LIMITED

PROFIT AND LOSS ACCOUNT OF OFF-SHORE BANKING UNIT

FOR THE YEAR ENDED AS ON DECEMBER 31, 2021

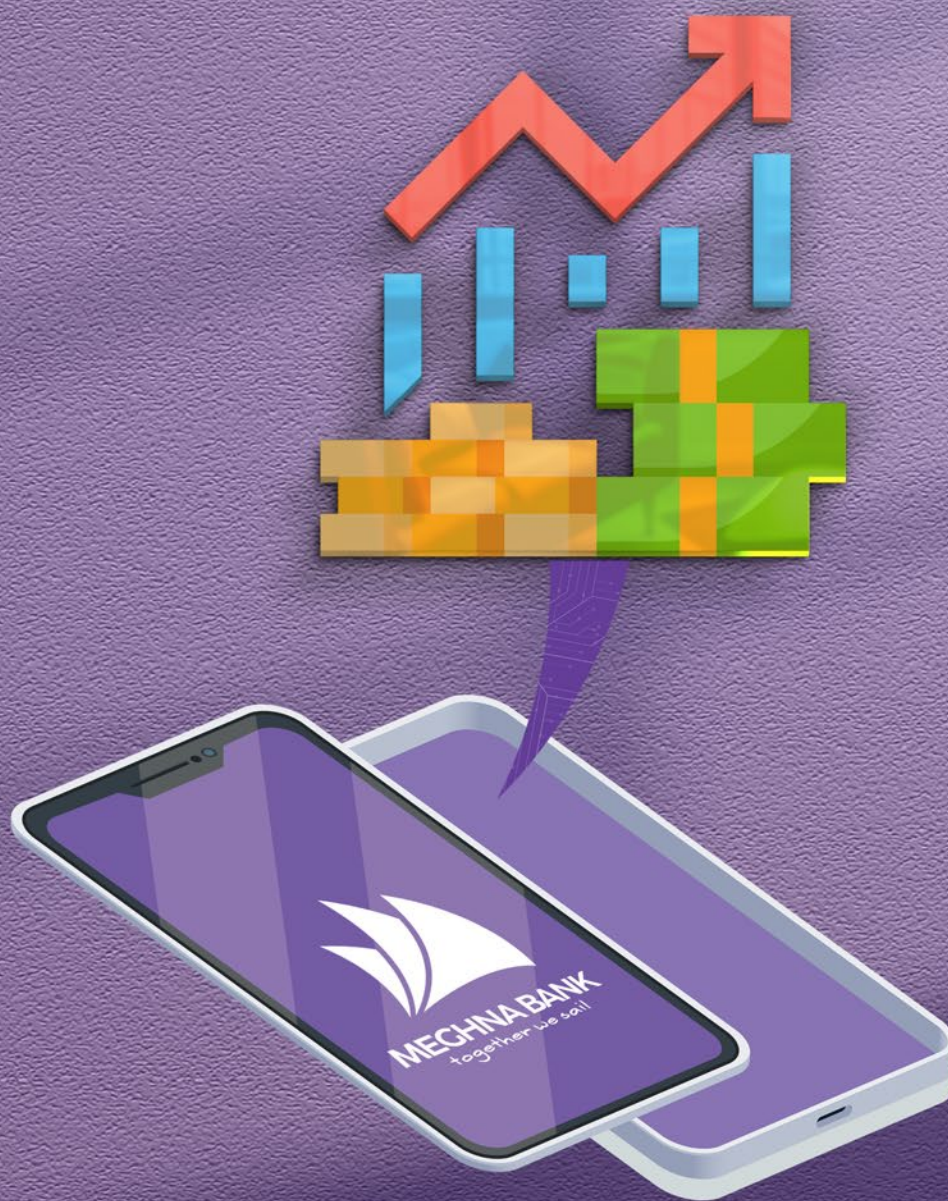
Particulars	Notes	2021		2020	
		USD	TK.	USD	TK.
Interest Income	5c	52,617	4,514,521	-	-
Interest paid on Deposits and borrowings etc	6c	35,565	3,051,494	-	-
Net Interest Income		17,052	1,463,026	-	-
Investment Income		-	-	-	-
Commission, Exchange and Brokerage		-	-	-	-
Other Operating Income	7c	12,830	1,100,814	-	-
		12,830	1,100,814	-	-
Total Operating Income		29,882	2,563,840	-	-
Salaries and Allowances		-	-	-	-
Rent, Taxes, Insurances, Electricity etc.		-	-	-	-
Legal Expenses		-	-	-	-
Postage, Stamps, Telecommunication etc.		-	-	-	-
Stationery, Printings, Advertisements etc.		-	-	-	-
Depreciation & Repairs of Bank's Assets		-	-	-	-
Other Expenses		-	-	-	-
Total Operating Expenses		-	-	-	-
Profit/(Loss) Before Provision		29,881	2,563,840	-	-



	2021		2020	
	IN USD	In BTD	IN USD	In BTD
1c Balance with Other Banks and Financial Institutions				
In Bangladesh	24,567	2,107,813	-	-
Outside Bangladesh (Note-1c.1)	-	-	-	-
	24,567	2,107,813	-	-
1c.1 Outside Bangladesh (NOSTRO ACCOUNT)				
AB Bank Ltd, Mumbai, ACU	9,472	812,676	-	-
Mashreq Bank p.s.c. New York, USD	655	56,187	-	-
Kookmin Bank, Seoul Korea, USD	14,440	1,238,950	-	-
	24,567	2,107,813	-	-
2c Loans and Advances				
i) General Investments	-	-	-	-
ii) Bills purchased and discounted				
Payable Inside Bangladesh				
Inland bills purchased and discounted	4,925,654	422,621,109	-	-
Payable outside Bangladesh				
Foreign bills purchased and discounted	118,739	10,187,828	-	-
	5,044,393	432,808,937	-	-
	5,044,393	432,808,937	-	-
3c Borrowings from other Banks & Financial Institutions and Agents				
In Bangladesh				
Borrowing from Meghna Bank Limited - Treasury division	5,039,078	432,352,910	-	-
	5,039,078	432,352,910	-	-
4c Other Liabilities				
Due to Head Office (Retained Earnings)	29,882	2,563,840	-	-
	29,882	2,563,840	-	-
5c Interest Income:				
Interest on Loans and Advances: (Note-5c.1)	52,617	4,514,521	-	-
Interest on balance with other Banks & Financial Institutions	-	-	-	-
	52,617	4,514,521	-	-
5c.1 Interest on Loans and Advances:				
Interest Income on Inland Bill Purchased/ Discount	303	25,978	-	-
Interest Income on Foreign Bill Purchased/ Discount	52,314	4,488,543	-	-
	52,617	4,514,521	-	-
6c Interest Paid on Deposits, Borrowing, etc:				
a) Interest on Deposits	-	-	-	-
b) Interest Paid on Borrowings	35,565	3,051,494	-	-
	35,565	3,051,494	-	-
7c Other Operating Income:				
Income From Services	9,315	799,227	-	-
Other Charges	3,515	301,587	-	-
	12,830	1,100,814	-	-

FINANCIAL STATEMENTS

OF MEGHNA BANK SECURITIES LIMITED



BOARD OF MEGHNA BANK SECURITIES



HN Ashequr Rahman MP
Chairman



Md. Kamal Uddin
Director



Tanveer Ahmed
Director



SM Jahangir Alam Manik
Director



Sohail R.K. Hussain
Director



Shyamol Boran Das
Director



Kimiwa Saddat
Director



Md. Sadiqur Rahman
Director



I.Q.M. Abdul Jalil
Director



Sajib Kumar Saha, FCA
Director



Md. Sadekul Islam
In - Charge



Md. Rafiqul Islam Khan, FCS
Company Secretary

REPORT OF THE DIRECTORS

Dear Shareholders,

Assaalmu Alaikum Wa Rahmatullah

On behalf of the Board of Directors, I welcome you all to the 7th 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, 2021.

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 2021 whereas it was in bearish trend

in 2020. Total Market capitalization of Dhaka Stock Exchange stood at Tk. 542,196 crore on as on December 31, 2021 from Tk. 448,230 crore on as on December 31, 2020 representing a growth of 20.96%.

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. 7.49 crore in December, 2021 which was Tk. 2.44 crore in December, 2020, representing a growth of 206.97%. Number of total client reached at 1,387 in 2021, which was 1,422 in the previous year, representing a growth of (2.46%) and client's equity stood at Tk. 173.18 crore at the end of 2021 which was Tk. 142.65 crore in December 2020 representing a growth of 21.40%.

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 31.12.2021

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 12 (Twelve) 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 7th 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 2021. Being eligible, the Board of Director in its 28th meeting held on August 11, 2022 recommended to appoint M/s MABS & J Partners., Chartered Accountants as the statutory Auditor for the year 2022 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 @ 9% cash dividend for the financial year 2021.

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 2021, 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 2021, 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.

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs 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

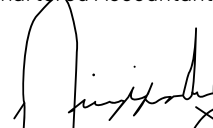
We also report that:

- 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(AICPA), ACMA(UK), FCA(England & Wales)

Deputy Managing Partner

ICAB Enrollment No: 535

DVC No.: 2204050535AS696150

Dhaka, Bangladesh

Date: 04 April 2022



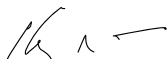
MEGHNA BANK SECURITIES LIMITED

STATEMENT OF FINANCIAL POSITION

AS ON DECEMBER 31, 2021

Particulars	Notes	Amount in Taka	
		December, 2021	December, 2020
ASSETS			
Non Current Assets		309,218,748	301,613,032
Property, Plant and Equipment	3	3,754,691	2,122,999
Intangible Assets	4	167,277	27,803
Right-of-use (ROU) Assets	5	5,834,550	-
DSE TREC & Shares at Cost	6	299,462,230	299,462,230
Current Assets		294,219,183	131,750,850
Investment in Dealer Account	7	25,413,093	26,847,817
Investment in Special Fund Account	8	83,479,707	41,036,445
Accounts Receivable	9	80,370,933	27,482,094
Advances, Deposits and Prepayments	10	701,079	2,129,899
Cash and Cash Equivalents	11	104,254,371	34,254,595
Total Assets		603,437,931	433,363,882
EQUITY AND LIABILITIES			
Capital and Reserves			
Paid up Capital	12	350,000,000	350,000,000
Capital Reserve	12.04	951,504	-
Retained Earnings	13	5,766,457	15,003,509
Shareholders' Equity		356,717,961	365,003,509
Non Current Liabilities			
Lease Liabilities	14	4,618,395	-
Current Liabilities			
Accounts Payable	15	119,530,007	27,141,478
Lease Liabilities	16	1,512,464	-
Loans and Borrowings	17	113,519,216	40,539,750
Other Liabilities	18	7,539,888	679,145
Total Current Liabilities		242,101,575	68,360,373
Total Liabilities		246,719,970	68,360,373
Total Equity and Liabilities		603,437,931	433,363,882

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


Director

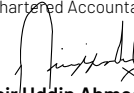

Director


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 (AICPA), ACMA (UK), FCA (England & Wales)

Deputy Managing Partner

ICAB Enrollment No: 535

DVC No.: 2204050535AS696150

Dhaka, Bangladesh

Date: 04 April 2022



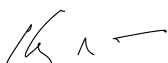
MEGHNA BANK SECURITIES LIMITED

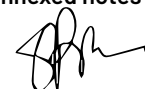
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED AS ON DECEMBER 31, 2021

Particulars	Notes	Amount in Taka	
		December, 2021	December, 2020
Operating Revenue			
Brokerage Commission Income	19	35,518,697	12,780,675
Interest on Margin Loan	20	5,731,973	2,186,764
Other Operating Income	21	333,726	221,757
		41,584,396	15,189,196
Less: Direct Expenses	22	4,144,492	1,318,904
Net Revenue from Operation		37,439,904	13,870,292
Add: Other Income	23	33,327,395	9,175,740
Total Revenue		70,767,299	23,046,032
General & Administrative Expenses			
Salary & Allowances	24	9,383,236	7,023,947
Rent, Taxes, Insurance, Electricity	25	1,644,177	5,184,507
Postage, Stamp & Telecommunication	26	76,049	48,216
Stationery, Printing and Advertisement	27	145,967	97,890
Director's Fees	28	72,000	48,000
Auditor's Fees	29	60,000	45,000
Depreciation, Amortization and Repair & Maintenance	30	2,082,176	724,181
Other Expenses	31	10,543,510	2,320,462
		24,007,115	15,492,203
Profit/(Loss) before Provisions		46,760,184	7,553,829
Fluctuation in Shares for Investment		-	(3,261,211)
Provision on Margin Loan	18.01	545,732	-
Total Provision		545,732	(3,261,211)
Profit/(Loss) before Tax		46,214,452	10,815,040
Less: Income Tax Expense	18.02	9,000,000	1,300,000
Net Profit after Tax		37,214,452	9,515,040
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss)		37,214,452	9,515,040
Appropriation			
Capital Reserve	12.04	951,504	-
General Reserve		-	-
		951,504	-
Earning Per Share (EPS)	32	10.63	2.72

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


Director

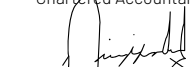

Director


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 (AICPA), ACMA (UK), FCA (England & Wales)
Deputy Managing Partner
ICAB Enrollment No: 535
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Dhaka, Bangladesh

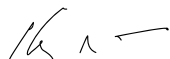
Date: 04 April 2022

MEGHNA BANK SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED AS ON DECEMBER 31, 2021

Particulars	Amount in Taka			
	Paid up Capital	Capital Reserve	Retained Earnings	Total
Balance as at 01 January 2021	350,000,000	-	15,003,509	365,003,509
Net profit after tax for the period ended December 31, 2021	-	-	37,214,452	37,214,452
Final Dividend paid to shareholders' for 2020	-	-	(14,000,000)	(14,000,000)
Interim cash dividend for 2021	-	-	(31,500,000)	(31,500,000)
Transfer to Capital Reserve	-	951,504	(951,504)	-
Total Shareholders' Equity as at December 31, 2021	350,000,000	951,504	5,766,457	356,717,961


Director


Director


Director


Company Secretary

Dhaka, Bangladesh

Date: 04 April 2022

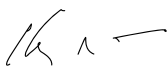


MEGHNA BANK SECURITIES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED AS ON DECEMBER 31, 2021

Particulars	Amount in Taka	
	December, 2021	December, 2020
Cash flows from operating activities:		
Brokerage commission received	35,518,697	12,780,675
Interest received on margin loan	5,731,973	2,186,764
Received from operating & other income	5,322,872	2,076,327
Payment for operating & other expenses	(26,893,919)	(16,111,696)
Income taxes paid	(7,058,423)	(2,684,218)
	12,621,200	(1,752,148)
Changes in operating assets and liabilities :		
Other assets	(51,460,019)	(10,112,148)
Loans and Borrowings	72,979,466	-
Other liabilities	65,261,964	53,971,299
	86,781,411	43,859,151
	99,402,611	42,107,003
Net cash (used in)/generated from operating activities:		
Cash flows from investing activities:		
(Purchases)/Sale of Property, Plant & Equipments	(2,732,546)	(696,879)
(Payment)/Receipts for (Purchases)/Sale of Shares & Investment (Dealer)	4,116,489	(6,550,017)
(Payment)/Receipts for (Purchases)/Sale of Shares & Investment (SF)	(42,443,262)	(41,036,445)
Capital Gain / Realised on sale of shares (Dealer)	21,050,078	5,006,228
Capital Gain / Realised on sale of shares (DSE)	-	-
Dividend received	4,606,407	2,314,943
	(15,402,835)	(40,962,170)
Net cash (used in)/generated from investing activities		
Cash flows from financing activities:		
Dividend paid in cash	(14,000,000)	-
	(14,000,000)	-
Net cash (used in)/generated from financing activities		
Net increase/(decrease) in cash & cash equivalents	69,999,776	1,144,833
Cash and cash equivalents at the beginning of the year	34,254,595	33,109,762
Cash and cash equivalents at the end of the year	104,254,371	34,254,595
Closing cash and cash equivalents represents:		
Cash in hand	4,268	6,874
Cash at bank & equivalents	104,250,103	34,247,721
	104,254,371	34,254,595


Director


Director


Director


Company Secretary

Dhaka, Bangladesh

Date: 04 April 2022

MEGHNA BANK SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2021

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 applicable sections and rules of the Income Tax Ordinance (ITO) 1984 and 30% tax rate is considered on Income from company's normal course of business.

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 27th meeting held on April 04, 2022.

2.12 Reporting period

These financial statements cover the period from January 01, 2021 to December 31, 2021.

Notes	Particulars	Amount in Taka	
		December, 2021	December, 2020
3	Property, Plant & Equipment		
	Property, Plant & Equipment at Cost	8,720,308	6,596,556
	Less: Accumulated Depreciation	4,965,617	4,473,557
	Written Down Value (WDV)	3,754,691	2,122,999
	For details please refer to Annexure-A		
4	Intangible Assets		
	Software (Note-4.01)	167,277	27,803
		167,277	27,803
4.01	Software		
	Software	416,000	236,000
	Less: Accumulated Amortization	248,723	208,197
	Written Down Value (WDV)	167,277	27,803
5	Right of Use of Asset		
	At Cost	6,890,257	-
	Less: Accumulated Amortization for Right of Use of Asset	1,055,707	-
	Written Down Value (WDV)	5,834,550	-
	For details please refer to Annexure-A		
	Meghna Bank Securities Ltd. using the space for Nikunja Office from Dhaka Stock Exchange and Motijheel Ext. Office from Meghna Bank Ltd. To comply IFRS 16 when measuring lease liabilities, MGBSL discounted lease payment by using as per existing borrowing rate @ 7% .		
6	DSE TREC & Shares at Cost	299,462,230	299,462,230
		299,462,230	299,462,230
7	Investment in Dealer Account		
	Investment at cost (Note-07.01)	25,413,093	26,847,817
		25,413,093	26,847,817
7.01	Investment in securities under dealer account are shown at market value and any unrealized gain or loss are effected into profit & loss account as per IFRS 9 and DSE Guideline ref. DSE/COM/TAD/CLR/AFS_2021/434. Investment instrument segregated by category wise below:		
	Value of 'A' Category Instrument	17,917,893	20,502,603
	Value of 'B' Category Instrument	233,200	1,351,609
	Value of 'N' Category Instrument	6,920,000	2,712,540
	Value of 'Z' Category Instrument	342,000	612,959
	Ledger Balance	-	1,668,106
		25,413,093	26,847,817



Notes	Particulars	Amount in Taka	
		December, 2021	December, 2020
8	Investment in Special Fund Account		
	Investment at cost (Note-08.01)	83,479,707	41,036,445
		83,479,707	41,036,445
8.01	Special Fund investment in marketable securities are valued on an aggregate portfolio basis at cost price, at the balance sheet date. Investment made under Bangladesh Bank DOS circular No. 01 dated February 10, 2020. Investment instrument segregated by category wise below:		
	Value of 'A' Category Instrument	63,204,438	33,847,868
	Ledger Balance	20,275,269	7,188,577
		83,479,707	41,036,445
9	Accounts Receivable		
	Amount Receivable from Margin Clients (Note-09.01)	54,573,247	15,682,236
	Amount Receivable from Others (Note-09.02)	25,797,686	11,799,858
		80,370,933	27,482,094
9.01	Amount Receivable from Margin Clients		
	Having no margin or full erosion of equity (e.g. no equity against DB)	-	-
	Fall under force sale condition (e.g. equity is > DB but < 125% of DB)	-	-
	Fall under margin call (e.g. equity is >125% of DB but <150% of DB)	-	-
	Regular Margin Clients (e.g. equity is >150% of debit balance)	54,573,247	15,682,236
		54,573,247	15,682,236
	The Company extends margin loan facilities to customers for trading of shares on the secondary capital market in Bangladesh. Margin loans are extended on a ratio based on the equity invested by individual customers. The ration during the year based on the directives issued by Bangladesh Securities and Exchange Commission.		
9.02	Amount Receivable from Other		
	DSE Investor's Protection Fund	100,000	100,000
	Receivable from Clients due to Diff. Charges	222,795	284,648
	Receivable from DSE Ltd. against Securities Trading (Note-09.03)	420,950	11,415,210
	IPO Application Receivable from DSE Ltd.	25,053,940	-
		25,797,686	11,799,858
9.03	Amount Receivable from Securities Trading		
	Value of 'A' Category Instrument	-	11,355,733
	Value of 'Z' Category Instrument	420,950	59,477
		420,950	11,415,210

Notes	Particulars	Amount in Taka	
		December, 2021	December, 2020
10	Advances, Deposits and Prepayments		
	CDBL Security Deposit	100,000	100,000
	Security Deposit	6,500	6,500
	Accrued Income	-	1,623,399
	Suspense A/C Sundry Debtors (Note-10.01)	400,000	400,000
	Other prepaid Expenses (Note-10.02)	194,579	-
		701,079	2,129,899
10.01	Sundry debtors creates as advance payment to ' M/S Design View' regarding renovation and relocation of Branch office of Meghna Bank Securities Ltd. to DSE Tower at July 21, 2020.		
10.02	Other prepaid Expenses creates by Bank Guarantee charge which deducted by Meghna Bank Ltd. for providing Bank Guarantee to DSE on behalf of Meghna Bank Securities Ltd. upto October,2022 starts from November, 2021.		
11	Cash and Cash Equivalents		
	Cash in Hand	4,268	6,874
	Cash at Bank (Note-11.01)	104,250,103	34,247,721
		104,254,371	34,254,595
11.01	Cash at Banks:		
	SND/GCD Account with:		
	The City Bank Ltd. # 3101707641001 (Consolidated Customer A/C)	23,603,755	17,867,649
	The City Bank Ltd.# 3101707641002 (IPO A/C)	127,952	1,264,566
	The City Bank Ltd.# 3101707641003 (Dealer A/C)	7,985,202	-
	Meghna Bank Ltd.# 110313500000028 (Consolidated Customer A/C)	67,756,988	13,812,616
	Meghna Bank Ltd.# 110113500000063 (Company A/C)	1,563,432	1,245,465
	Meghna Bank Ltd.#110313500000070 (Special Fund A/C)	3,212,775	57,425
		104,250,103	34,247,721
12	Share capital		
12.01	Authorized Capital		
	2,00,00,000 Ordinary shares of Tk. 100 each	2,000,000,000	2,000,000,000
12.02	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, 2021 are as follows:

Sl. No.	Name of Shareholders	No. of Shares		
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



Notes	Particulars	Amount in Taka	
		December, 2021	December, 2020
12.03	Consolidated Capital		
	Position of capital are given below:		
	a) Core Capital (Tier-I)		
	i) Paid-up Capital	350,000,000	350,000,000
	ii) Capital Reserve (Note-12.04)	951,504	-
	iii) Retained Earnings (Note-13)	5,766,457	15,003,509
		356,717,961	365,003,509
	b) Supplementary Capital (Tier-II)		
	i) General Provision	-	-
	ii) Revauation of Secutities	-	-
		-	-
	c) Total Capital (a+b)	356,717,961	365,003,509
12.04	Capital Reserve	951,504	-
13	Retained Earnings		
	Balance at the beginning of the year	15,003,509	5,488,469
	Add: Net Profit during the period ended/year	37,214,452	9,515,040
	Less: Final Dividend Paid for FY-2020 (Note-13.01)	14,000,000	-
	Less: Interim Dividend for 2021 (Note-13.02)	31,500,000	-
	Less: Transfer to Capital Reserve	951,504	-
		5,766,457	15,003,509
13.01	4% Final Dividend is declared in companies 6th Annual General Meeting (AGM) held on June 28, 2021.		
13.02	The Board of Directors has declared 9% Interim dividend and approved the same in their 26th Board meeting held on December 19,2021.		
14	Lease Liabilities		
	Opening Balance	-	-
	Add: Addition During the Year	6,890,257	-
		6,890,257	-
	Less: Conversion to Short Term	2,271,862	-
		4,618,395	-
15	Accounts Payable		
	Payable to Clients for Securities Trading	85,658,187	27,116,691
	Payable to Dhaka Stock Exchange Ltd.	1,528,575	-
	Accrued Expenses (Profit Bonus)	818,459	-
	Suspense Account	23,894	23,894
	Interim Dividend Payable for 2021	31,500,000	-
	Sundry Payable	892	892
		119,530,007	27,141,478

Notes	Particulars	Amount in Taka	
		December, 2021	December, 2020
16	Lease Liabilities		
	Opening Balance	-	-
	Add: Addition During the Period	2,271,862	-
		2,271,862	-
	Less: Paid During the Period	759,398	-
	Closing Balance	1,512,464	-
	Meghna Bank Securities Ltd. using the space for Nikunja Office from Dhaka Stock Exchange and Motijheel Ext. Office from Meghna Bank Ltd. To comply IFRS 16 when measuring lease liabilities, MGBSL discounted lease payment by using as per existing borrowing rate @ 7% .		
17	Loans and Borrowings		
	Overdraft Loan from Meghna Bank Limited		
	OD A/C No. 1103 71600000021	71,292,886	40,470,000
	OD A/C No. 1103 71600000023	42,226,330	69,750.00
		113,519,216	40,539,750
	Overdraft loan is taken from Meghna Bank Ltd. @7% in both account.		
18	Other Liabilities		
	Provision for Expenditure	1,150,014	901,810
	Provision on Margin Loan (Note-18.01)	545,732	-
	Provision for Income Tax (Note-18.02)	(1,887,436)	(3,829,013)
	Provision for Gratuity	1,049,413	532,543
	Payable to Clients for IPO Application	4,190,000	2,939,000
	Yearly BO A/C Maintenance Fee (CDBL) Payable	700	-
	BO A/C Opening fee Payable (CDBL)	1,750	1,750
	Interest Payable	2,212,629	-
	Sundry Creditors	126,363	-
	VAT on Procurement	9,185	-
	Tax on Procurement	3,218	1,134
	Tax on Printing	-	-
	VAT on Printing	-	-
	VAT on Service	3,154	35,213
	Tax on Service	8,446	6,540
	VAT on Others	5,000	-
	Tax on Dividend	-	-
	VAT on Board Meeting Fee	3,200	3,600
	Tax on Board Meeting Fee	3,200	2,400
	VAT on Office Rent	41,490	29,376
	Tax on Office Rent	13,830	9,792
	Provision for Auditors' Fee	60,000	45,000
		7,539,888	679,145



Notes	Particulars	Amount in Taka	
		December, 2021	December, 2020
18.01	Provision on Margin Loan	545,732	-
18.02	Provision for Income Tax		
	Provision for Income Tax		
	Balance at the Beginning of the Year	7,945,643	6,676,782
	Add: Provision Made During the Period Ended/Year	9,000,000	1,300,000
	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	(60,564)	-
	Less: Settlement of Advance Tax for the Income year 2017	-	-
	Less: Settlement of Income Tax for the Income year 2017	-	-
	Balance at the End of the Period/ Year	16,885,079	7,945,643
	Advance Tax		
	Balance at the Beginning of the Year	11,774,656	9,121,578
	Add: Paid During the Period Ended / Year	6,997,859	2,653,078
	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	-	-
	Less: Settlement of Advance Tax for the Income year 2017	-	-
	Less: Settlement of Income Tax for the Income year 2017	-	-
	Balance at the End of the Period /Year	18,772,515	11,774,656
	Balance at the End of Period /Year	(1,887,436)	(3,829,013)
19	Brokerage Commission Income		
	Commission Income through DSE	35,518,697	12,780,675
		35,518,697	12,780,675
20	Interest on Margin Loan	5,731,973	2,186,764
		5,731,973	2,186,764
21	Other Operating Income		
	Yearly BO Account Fee (Maintenance)	165,150	135,450
	BO Account Opening Fees	18,000	32,500
	CDBL Charge	79,069	29,333
	Cheque Dishonor Charge	13,500	8,000
	IPO Application Fee	25,595	9,615
	BO Closing Charge	32,396	6,500
	Sale proceed of Fraction Bonus Share(DLR)	6	349
	IPO Refund Charge	10	10
		333,726	221,757

Notes	Particulars	Amount in Taka	
		December, 2021	December, 2020
22	Direct Expenses		
	Laga Charges-DSE	2,666,471	911,310
	Howla Charges-DSE	100	-
	CDBL Expenses	1,477,920	407,594
		4,144,492	1,318,904
23	Other Income		
	Realised Capital Gain on Sale of Shares	21,050,077	5,006,228
	Un-Realised Capital Gain (Note : 23.01)	2,681,765	-
	Interest Income on SND A/C	2,763,984	1,510,688
	Other Income	2,071,316	276,725
	Notice Pay Earnings	153,846	67,157
	Dividend Income on Shares	4,606,407	2,314,943
		33,327,395	9,175,740
23.01	Investment in securities under dealer account are shown at market value and any unrealized gain or loss are effected into profit & loss account as per IFRS 9 and DSE Guideline ref. DSE/COM/TAD/CLR/AFS_2021/434.		
24	Salary and Allowances		
	Basic Salary	4,228,985	3,382,788
	Houe Rent Allowance	1,424,197	995,635
	Conveyance Allowance	64,774	51,932
	Medical Allowance	453,115	347,372
	Market Allowance	249,641	1,419
	Leave Encashment	103,566	80,580
	Bonus	600,657	602,432
	Profit Bonus	818,459	-
	PF Company Contribution	422,912	336,462
	Gratuity	516,870	693,719
	Consolidated Pay	500,060	531,608
		9,383,236	7,023,947
25	Rent, Taxes, Insurance, Electricity etc.		
	Office Rent & Others (Note: 25.01)	775,208	4,735,901
	Service Charge-DSE Tower	647,910	269,963
	Electricity & Generator	221,059	178,643
		1,644,177	5,184,507

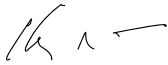


Notes	Particulars	Amount in Taka	
		December, 2021	December, 2020
25.01	Office Rent & Others		
	Office Rent	357,696	4,735,901
	Interest Portion on Lease Liabilities	417,512	-
		775,208	4,735,901
	Total rent expenses for the year 2021 was Tk. 1,534,606 as per IAS 17 from this amount Tk. 357,696 which rent agreement was expired within 2021 and rest of amount Tk. 1,176,910 is taken for comply "IFRS 16". To implement "IFRS 16: Lease" this rent expense has been adjusted with amortization Tk. 1,055,707 arises against right of use of assets (ref: Annex I) and interest expenses Tk. 417,512 arises against lease liabilities.		
26	Postage, Stamps, Telecommunication etc.		
	Postage & Courier Charge	320	172
	Internet Connectivity Charge	15,336	14,728
	Telecommunication Expenses	33,043	20,916
	Non-Judicial Stamps	20,450	2,500
	Cable TV Charge	6,900	9,900
		76,049	48,216
27	Stationery, Printing & Advertisement etc.		
	Stationery, Printing & Advertisements	118,868	68,754
	Computer accessories	25,484	26,391
	Newspaper, Journal & Periodicals	1,615	2,745
		145,967	97,890
28	Director's Fees	72,000	48,000
		72,000	48,000
29	Auditor's Fees	60,000	45,000
		60,000	45,000
30	Depreciation, Amortization and Repair & Maintenance		
	Depreciation & Amortization on tangible assets (Annex- A)	1,808,647	652,081
	Amortization on intangible assets (Annex- A)	40,526	47,330
	Repair & Maintenance	233,003	24,770
		2,082,176	724,181

Notes	Particulars	Amount in Taka	
		December, 2021	December, 2020
31	Other Expenses		
	Bank Charge	263,679	169,076
	Interest Expenses on OD Account	5,793,739	583,083
	Interest Expenses on CCA Account	2,212,629	-
	Entertainment	137,852	52,574
	Wasa Charge	26,182	48,380
	Swerage Charge	-	4,500
	Travelling & Conveyance	57,333	35,128
	Drinking Water	21,593	18,270
	Cleaning Expenses	6,885	2,270
	Donation	10,000	-
	DSE Charges	35,500	17,000
	Registration & Renewal Fees	130,605	166,600
	Broker Association Fees	12,500	12,500
	WAN Connectivity	258,970	242,070
	Authorized Representative Expenses	21,700	42,000
	Electrical Goods	5,660	-
	TWS Application Fee	4,000	5,500
	Mobile Allowance	55,827	38,000
	Insurance	17,100	11,443
	Investors Protection Fund	13,234	1,913
	Cutleries & Crockeries	5,410	480
	Anti Virus Charges	32,325	18,916
	Software Maintenance	270,716	134,325
	Miscellaneous Expenses	400	-
	Legal & Professional Fees	266,500	133,417
	Mass Mail Solutions	42,000	42,000



Notes	Particulars	Amount in Taka	
		December, 2021	December, 2020
	Business Promotion	5,097	9,338
	RJSC Fee & Expenses	15,686	1,863
	LFA	647,363	529,818
	Loss on Disposal of Furniture & Fixture	167,913	-
	Training & Development Expenses	5,111	-
		10,543,510	2,320,462
32	Earning Per Share (EPS) (IAS-33)		
	Net Profit after Tax	37,214,452	9,515,040
	Number of Ordinary Shares outstanding (Denominator)	3,500,000	3,500,000
	Earning Per Share (EPS)	10.63	2.72


Director


Director


Director


Company Secretary

Place: Dhaka

Dated: 04 April 2022

MEGHNA BANK SECURITIES LIMITED

FIXED ASSETS SCHEDULE

AS AT DECEMBER 31, 2021

Annexure-A

Amount in Taka

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, 2021	WDV as on December 31, 2020
	Balance as on 1st January 2021	Additions during the period ended	Disposal/ Transfer during the period ended		Balance as on December 31, 2021	Transfer/ Adjustment during the period ended	Charge for the period ended	Balance as on December 31, 2021		
Furniture & Fixtures	2,706,895	1,300,890	436,611	3,571,174	10%	260,880	354,230	1,412,090	2,159,084	1,388,155
Office Equipment	1,266,322	195,185	-	1,461,506	20%	-	133,343	1,116,466	345,040	283,199
Computer & Server	2,623,339	1,064,289	-	3,687,628	33%	-	265,367	2,437,061	1,250,567	451,645
Total (A)	6,596,556	2,560,364	436,611	8,720,308		260,880	752,940	4,965,617	3,754,691	2,122,999

Right of Use of Assets :

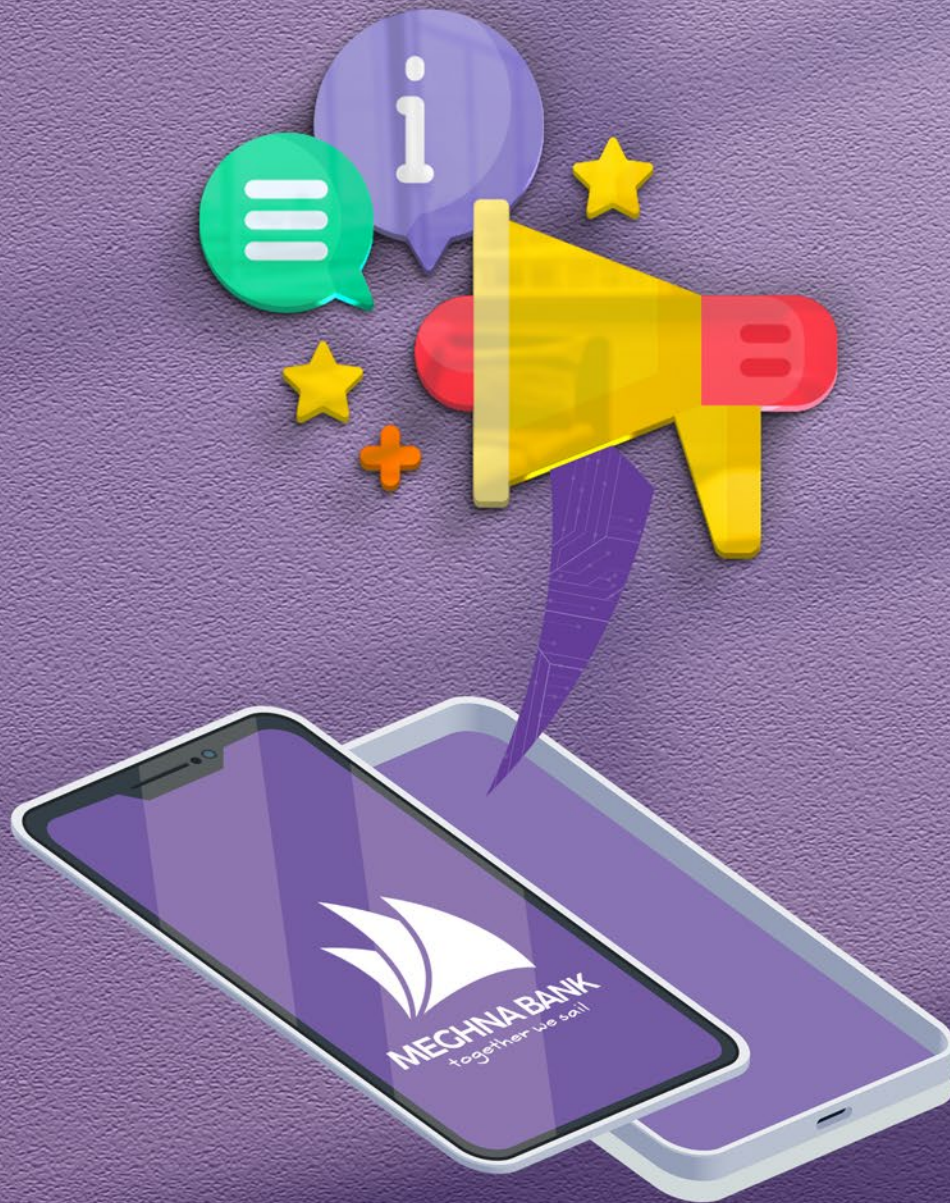
Particulars	C O S T			Rate of Amortization	A M O R T I Z A T I O N			WDV as on December 31, 2021	WDV as on December 31, 2020	
	Balance as on 1st January 2021	Additions during the period ended	Disposal/ Transfer during the period ended		Balance as on December 31, 2021	Transfer/ Adjustment during the period ended	Charge for the period ended			
Office Space	-	6,890,257	-	6,890,257	-	-	1,055,707	1,055,707	5,834,550	
Total (B)	-	6,890,257	-	6,890,257		-	1,055,707	1,055,707	5,834,550	
Total Property Plant & Equipments										
Total (A+B)	6,596,556	9,450,621	436,611	15,610,565	-	260,880	1,808,647	6,021,324	9,589,241	2,122,999

Intangible Assets :

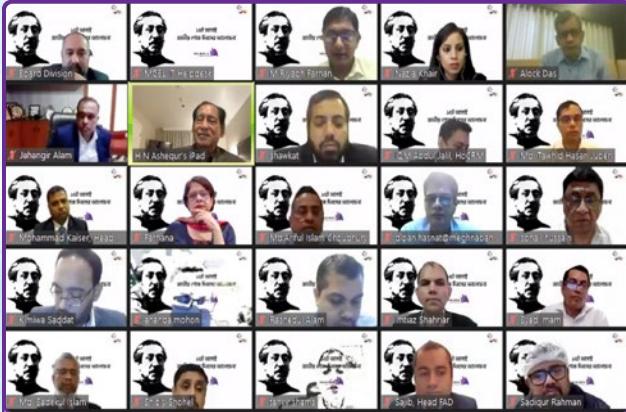
Particulars	C O S T			Rate of Amortization	A M O R T I Z A T I O N			WDV as on December 31, 2021	WDV as on December 31, 2020	
	Balance as on 1st January 2021	Additions during the period ended	Disposal/ Transfer during the period ended		Balance as on December 31, 2021	Transfer/ Adjustment during the period ended	Charge for the period ended			
Software	236,000	180,000	-	416,000	20%	-	40,526	248,723	167,277	27,803
Total (C)	236,000	180,000	-	416,000		-	40,526	248,723	167,277	27,803
Total (A + B + C)	6,832,556	9,630,621	436,611	16,026,565		260,880	1,849,173	6,270,047	9,756,518	2,150,802



SUPPLEMENTARY INFORMATION



EVENT HIGHLIGHTS



15 August-Natioal Mourning Day Meeting



Agreement with Basher Group



Agreement with Jams Construction Limited



Agreement with SARP Composite



Agreement with Star Cineplex



Agreement with The Structural Engineers LTD





Agreement with EURO VIGIL



Congratulation to Mr. Kaus Mia for best Tax Payer



Data Centre Handover Ceremony



First Sariah Meeting of Islamic Banking Wing



In the area of digitalization, Meghna Bank Ltd. launched 247 Call Center 16735 and Digital Service Desk (DSD) to provide the best Service



International Women's Day-2021 Celebration



With Stepping Stone International School



Islamic Banking Opening Cream Ceremony



Launching of Meghna Structured Finance Wing



With MD of Grameen Kalyan, Mr. Moin Chowdhury



Meeting with the Notre Dame College



Meeting with the Notre Dame College





Meghna Bank Limited has Launched its Offshore Banking Operation in a Simple Ceremony Held at Head Office of the Bank on January 3, 2021



Meghna Bank Limited launched "Agent Banking Operation Commercially"



Meghna Bank Limited launched "Meghna Priority Banking Services" on June 12, 2021



Meghna Bank Limited recently signed an "Employee Banking" agreement with Rangpur Dairy Food Products Ltd.



MEGHNA BANK LIMITED Signed Agreement with Suvastu Properties Limited



Meghna Bank Limited Signed Agreement with TechVen Properties Limited



Meghna Bank Limited signed an agreement with Real Estate Developer Sanmar Properties Limited



Meghna Bank Limited signed an agreement with Shamsul Alamin Real Estate Ltd.



Meghna Bank Limited started the operation of its first Islamic Banking Window in Principal Branch, Gulshan, Dhaka on April 01, 2021.



Meghna Bank Ltd signed agreement with Guardian Life Insurance Limited



Meghna Bank Organized a "Health Camp" for its employees



Meghna Bank Securities Limited handed over 9 percent Cash Dividend pay order for the year 2021 to Meghna bank Ltd.





MEGHNA BANK SIGNED AN AGREEMENT WITH ANF Management Co. Ltd.



Meghna Bank Signs deal with Bangladesh Bank on Automated Challan System



New Year Greetings between Meghna Bank – Narayanganj City Corporation Head of Liability – Wealth Management Division Kazi Farhana Zabin



New Year Greetings between Meghna Bank Limited With Bangladesh Agricultural Development Corporation (BADC) Sohail R K Hussain, MD & CEO, Meghna Bank Ltd.



Wholesale Banking Award 2021 -News



Welcoming New Head of BFIU, Mr. Md. Masud Biswas



With Chairman of RAJUK, Mr. Anisuzzaman Miah



With MD of Bangladesh Submarine Cable Company Limited, Mr. A K M Habibur Rahman



Managing Director of Meghna Bank greets Chairman of Khulna Development Authority



Agreement with RM GEO Textile



Agreement with Debonair Group



Corporate Agreement with ACI





TMSS Agreement



BIDA Agreement



Agreement with Israq Cotton



Signing Ceremony with Banglalink



Meghna Bank team greets City Group Chairman on its 50 year anniversary

FINANCED PROJECT





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	"Jiban Bima Bhaban (Ground Floor), 10 Dilkusha C/A Dhaka-1000"	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), Bazar 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 Chauddagram, 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 & Rafiq Plaza (1st Floor), 327 SSK Road, Feni-3900	8-Nov-15



SI	Name of Branch	Address	Date of Operation
21	Zamindarhat Branch	Oman Market (1st Floor) Zamindarhat, Begumgonj, Noakhali-3825	30-Nov-15
22	Bogra Branch	Jamil Building (1st Floor) 51 & 52 (old), 67 & 68 (New) Borogola, Bogra-5800	9-Dec-15
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

SI	Name of Branch	Address	Date of Operation
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

AGENT BANKING OUTLETS

SI	Name of Agent Outlet	Address	Date of Operation
1	Charbhadrasan Agent Banking Outlet	Charbhadrasan Bazar, Charbhadrasan, Faridpur.	3-May-21
2	Sonatala Agent Banking Outlet	Pourashava Lane, Sonatala, Bogura.	24-Oct-21
3	Pabna Agent Banking Outlet	Aurangzeb Road, Pabna Sadar, Pabna.	25-Oct-21
4	Sonahata Bazar Agent Banking Outlet	Sonahata Bazar, Dhunat, Bogura.	27-Oct-21
5	Dinajpur Agent Banking Outlet	Kalitola, Dinajpur Sadar, Dinajpur.	28-Oct-21
6	Panchagarh Agent Banking Outlet	Puratan Panchagarh, Dhakkamara, Panchagarh.	10-Nov-21
7	Dania Agent Banking Outlet	Paterbag, Dania, Jatrabari, Dhaka.	14-Nov-21
8	Kurigram Agent Banking Outlet	Bazar Road, Kalibari, Kurigram Sadar, Kurigram.	16-Nov-21
9	Mohuripara Agent Banking Outlet	Mohuripara Bazar, Adarhat, Mithapukur, Rangpur.	21-Nov-21
10	Thakurgaon Agent Banking Outlet	Thakurgaon Bus Stand, Santi Nagar, Thakurgaon Sadar, Thakurgaon.	22-Nov-21
11	Tetulia Road Agent Banking Outlet	Tetulia Road, Panchagarh Sadar, Panchagarh.	23-Nov-21
12	Chengutia Bazar Agent Banking Outlet	M. K Super Market, Chengutia, Abhaynagar, Jashore.	26-Jun-22
13	Niketon Agent Banking Outlet	House No: 65, (3rd floor), Road# 14/1, Block-G, Niketon, Gulshan-1, Dhaka.	21-Jul-22



NOTICE OF THE 9TH ANNUAL GENERAL MEETING

NOTICE is hereby given to all the Members of Meghna Bank Limited (MGBL) that the 9th Annual General Meeting (AGM) will be held on Saturday, October 29, 2022 at 11.00 A.M. (Dhaka Time) at LAVITA Hall, Lakeshore Hotels (Gulshan) at House - 46, Road - 41, Gulshan, Dhaka - 1212 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, 2021 together with the reports of the Auditors and the Directors thereon;

Agenda - 2: To declare dividend for the year 2021;

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: September 29, 2022

By order of the Board



Md. Rafiqul Islam Khan, FCS
Company Secretary

Notes:

1. The "Book Closure/Record Date" was April 24, 2022 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 24th April, 2022 (Book Closure/Record Date) will be eligible to attend and vote in the Ninth 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



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 9th Annual General Meeting of the Bank, to be held on the 29th day of October 2022, Saturday, at 11:00 a.m. (Dhaka Time) at LAVITA Hall, Lakeshore Hotels (Gulshan) at House - 46, Road - 41, Gulshan, Dhaka - 1212 and at any adjournment thereof.

Signature of Proxy:
Signature of Member:
Folio Number:.....
No. of Shares held



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.



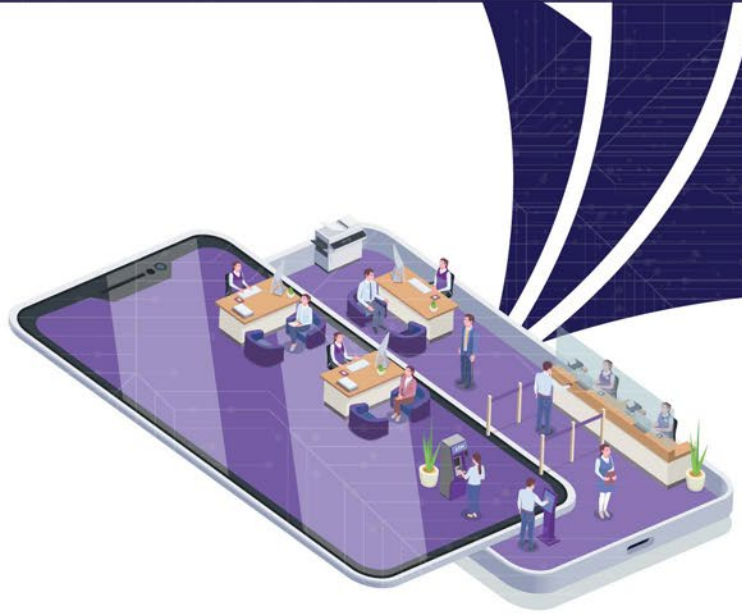
Head Office

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

ATTENDANCE SLIP

I hereby record my attendance at the 9th Annual General Meeting of the Company, to be held on the 29th day of October 2022, Saturday, at 11:00 a.m. (Dhaka Time) at LAVITA Hall, Lakeshore Hotels (Gulshan) at House - 46, Road - 41, Gulshan, Dhaka - 1212

Name of Member/ Proxy.....
Signature of the Member/ Proxy
Date:



MEGHNA BANK

together we sail

Head Office:

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

+8802 222291352 & 16735

Email: info@meghnabank.com.bd; Website: www.meghnabank.com.bd