

PRIVATE & CONFIDENTIAL

“Meghna Bank Limited”

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

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

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Independent Auditors' Report

To the Shareholders of Meghna Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Meghna Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of Meghna Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2020 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2020 and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in notes 2.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

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



Key Audit Matters

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

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

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

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

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

Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 as amended and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

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

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

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

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

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

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



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

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

Report on other Legal and Regulatory Requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on antifraud internal controls and instances of fraud and forgeries as stated under the Responsibility of Management and those charged with governance for the consolidated & Separate financial statements and internal control for the financial statements and internal control:
 - a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities {other than matters disclosed in these financial statements};
- (iii) financial statements of Meghna Bank Limited's subsidiaries namely, Meghna Bank Securities Ltd. have been audited by MABS & J Partners., Chartered Accountants and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;



- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery as per tripartite meeting held on 01 March, 2021 and Bangladesh bank approved given vide letter no. DBI-1/135/2021/594 dated 07 March, 2021
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 2,533 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dated, Dhaka
22 March 2021


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



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

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



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

Particulars	Notes	2020 Taka	2019 Taka
CONTINGENT LIABILITIES			
Acceptances and Endorsements	19	196,239,172	731,624,552
Letters of Guarantee	20	3,306,789,418	2,774,560,665
Irrevocable Letters of Credit	21	1,418,051,665	738,189,924
Bills for Collection		107,712,365	234,154,720
Other Contingent Liabilities		-	-
Total		5,028,792,620	4,478,529,861
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
TOTAL OFF-BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES		5,028,792,620	4,478,529,861

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


Director


Director


Director


Managing Director & CEO

Signed in terms of our report of even date

Dhaka, 22 March, 2021

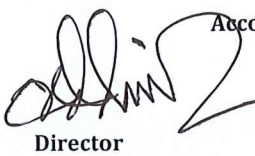

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
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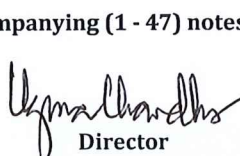


MEGHNA BANK LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED AS ON DECEMBER 31, 2020

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

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



Director


Director


Director


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

Dhaka, 22 March, 2021


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



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

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

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


 Director


 Director


 Director


 Managing Director & CEO



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

Particulars	Paid-up Capital (Taka)	Statutory Reserve (Taka)	Other Reserve (Taka)	Retained Earnings (Taka)	Total (Taka)	Non-controlling Interest (Taka)	Total Equity (Taka)
Balance as at 01 January, 2020	4,698,980,000	641,806,839	540,736	56,263,593	5,397,591,168	102	5,397,591,270
Changes in accounting policy	-	-	-	-	-	-	-
Restated Balance	4,698,980,000	641,806,839	540,736	56,263,593	5,397,591,168	102	5,397,591,270
Net profit for the year	-	-	-	510,666,275	510,666,275	-	510,666,275
Transfer to statutory reserve	-	123,844,052	-	(123,844,052)	-	-	-
Net Surplus/deficit on account of revaluation of Investments	-	-	104,210,808	-	104,210,808	-	104,210,808
Non-controlling Interest	-	-	-	(3)	(3)	3	-
Interim dividend paid by Subsidiary	-	-	-	-	-	-	-
Balance as at 31 December, 2020	4,698,980,000	765,650,891	104,751,544	443,085,813	6,012,468,248	104	6,012,468,352
Balance as at 31 December, 2019	4,698,980,000	641,806,839	540,736	56,263,593	5,397,591,168	102	5,397,591,270

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


Director


Director


Director


Managing Director & CEO



MEGHNA BANK LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2020


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



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

Particulars	Notes	2020 Taka	2019 Taka
CONTINGENT LIABILITIES			
Acceptances and Endorsements	19	196,239,172	731,624,552
Letters of Guarantee	20	3,306,789,418	2,774,560,665
Irrevocable Letters of Credit	21	1,418,051,665	738,189,924
Bills for Collection		107,712,365	234,154,720
Other Contingent Liabilities		-	-
Total		5,028,792,620	4,478,529,861
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
TOTAL OFF-BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES		5,028,792,620	4,478,529,861

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


Director



Director


Director


Managing Director & CEO

Signed in terms of our report of even date

Dhaka, 22 March, 2021



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




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

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

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


Director


Director


Director


Managing Director & CEO

Signed in terms of our report of even date



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

Enrolment No.: 1591

DVC: 2103221591AS311355



Dhaka, 22 March, 2021

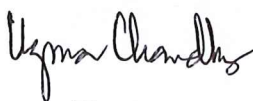
MEGHNA BANK LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED AS ON DECEMBER 31, 2020

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

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



Director



Director



Director



Managing Director & CEO



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

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

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


 Director


 Director


 Director


 Managing Director & CEO



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

Particulars	Up to 01 Month (Taka)	01-03 Months (Taka)	03-12 Months (Taka)	01-05 Years (Taka)	More than 05 years (Taka)	Total (Taka)
Assets						
Cash in hand	593,875,342					593,875,342
Balance with other Banks and Financial Institutions	2,314,611,887	1,767,282,071			1,448,141,040	5,530,034,998
Money at Call on Short Notice	130,000,000					130,000,000
Investment	-	906,200	432,560,978	1,662,059,681	7,368,552,454	9,464,079,314
Loans and Advances	5,220,831,750	5,697,392,312	11,499,627,639	10,631,340,880	2,791,431,724	35,840,624,305
Fixed Assets including Premises, Furniture & Fixtures					218,576,063	218,576,063
Other Assets	240,634,757	89,170,494	115,171,184	291,128,795	357,818,476	1,093,923,705
Non-banking Assets	-	-	-	-	-	-
Total Assets (i)	8,499,953,736	7,554,751,077	12,047,359,801	12,584,529,356	12,184,519,757	52,871,113,727
Liabilities						
Borrowing from Other Banks, Financial Institutions & Agents	-	-	558,616,000	-	-	558,616,000
Deposits and Other Accounts	6,052,357,612	9,689,797,841	10,573,503,410	12,259,333,289	4,755,135,196	43,330,127,348
Provision and Other Liabilities	33,879,876	258,070,315	479,609,433	162,017,930	2,051,328,082	2,984,905,636
Total Liabilities (ii)	6,086,237,488	9,947,868,156	11,611,728,843	12,421,351,219	6,806,463,278	46,873,648,984
Net Liquidity Gap (i-ii)	2,413,716,248	(2,393,117,079)	435,630,958	163,178,137	5,378,056,478	5,997,464,743


Director


Director


Director


Managing Director & CEO



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

1.0 Background of the Bank

1.1 Legal Status of the Bank

Meghna Bank Ltd. (MGBL) is a scheduled commercial bank incorporated as a public limited company with the Registrar of Joint Stock Companies and Firms under the Companies Act 1994 vides Reg. no. C-108068/13 dated 20 March, 2013 in Bangladesh. The bank commenced banking operation on May 09, 2013 by obtaining license from Bangladesh Bank under section 32(1) of The Bank Companies Act 1991 (Amendment 2013). At present the bank has forty seven (47) branches and eighteen (18) own ATM booths covering commercially important locations of the country. All the branches of the bank run on commercial conventional basis.

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

1.2 Nature of Business

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

1.3 Subsidiary Company

A subsidiary is an entity in which the bank has control as per as shareholding and voting rights is concerned. Control exists when the bank has substantial shareholding (more than 50 percent) in the company or the power, directly or indirectly, to govern the financial and operating policies of an enterprise as on the date of the reporting. Separate financial statements and consolidated financial statements are being prepared for subsidiary investment as per International Accounting Standard IAS-27, "separate financial statements" and IFRS-10, "Consolidated Financial Statements". Interest of the Non-controlling is shown as the Non-controlling Interest which includes share capital of the Non-controlling portion as well as profit earned that goes to the non-controlling interest. However, inter group transactions, balances and the resulting unrealized profit/Loss is eliminated on the consolidation.

1.3.1 Meghna Bank Securities Limited

Meghna Bank Securities Limited was incorporated in Bangladesh on February 18, 2015 under the Companies Act, 1994 as a private company vides registration no. C-121270/15. The registered office of the company is located at Suvastu Imam Square, 65 Gulshan Avenue C/A, Gulshan-1, Dhaka. The main objective of the company is to act as a full fledged stock broker and stock dealer to execute buy and sell order and to maintain own portfolio as well as customer portfolio under the discretion of customers.

Meghna Bank Ltd. holds 34,99,999 no of Shares of Meghna Bank Securities Ltd. with face value of Tk. 100 each which is equivalent to 99.99% of total shares of the company.

2.0 Significant Accounting Policies and Basis of Preparation of Financial Statements

2.1 Basis of Accounting

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

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



a) Presentation of Financial Statements

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

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

b) Investments in Shares and Securities

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, investments in quoted shares and unquoted shares are revalued at the year end at market price and Net Assets Value (NAV) of last audited Balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognized at cost.

The bank reviews its investment in shares and securities at each quarter end and took adequate provision has been made as per Bangladesh Bank guidelines {Note-13a.1 (e) and Annexure-A }.

c) Revaluation Gains/Losses on Government Securities

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

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

d) Provisions on Loans and Advances

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



Bangladesh bank: As per BRPD Circular no. 14, dated 23 September 2012, BRPD Circular no. 19, dated 27 December 2012, BRPD Circular no. 05, dated 29 May 2013, BRPD Circular no. 16, dated 18 November 2014, BRPD Circular no. 08, dated 02 August 2015, BRPD Circular no. 15, dated 27 September 2017 and BRPD Circular no. 01, dated 20 February 2018, BRPD Circular no. 03, dated 21 April 2019 a general provision at 0.25% to 2% under different categories of unclassified loans (standard and SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loan, doubtful loans and bad losses, should be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for certain off -balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9. Bangladesh Bank also issue BRPD Circular no. 56, dated 10 December 2020 for maintained a special general provision-COVID-19 at 1% on unclassified loans & advances including SMA loans & Advances.

e) Recognition of Interest in Suspense

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

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

f) Other Comprehensive Income

IFRS: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

Bangladesh bank: Bangladesh Bank has issued templates for financial statements which are strictly to be followed by all banks in Bangladesh. The templates of financial statements issued by Bangladesh Bank do not include other comprehensive income or are the elements of other comprehensive income allowed to be included in a single other comprehensive income statement. As such the bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

g) Financial Guarantees

IFRS: As per IFRS 9: Financial Instruments, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value plus transaction cost that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognized less, income recognized in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee are to be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin and 1% general provision for certain contingent liabilities.

h) Cash and Cash Equivalents

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'Money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bonds are not prescribed to be shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments. However, in the cash flow statement, money at call and on short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, Balance with BB and other banks.

i) Non-Banking Assets

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

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



j) Cash Flow Statement

IFRS: The cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is appropriate for the business or industry. The method selected is 'applied consistently'.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June, 2003, cash flow statement is to be prepared following a mixture of Direct and Indirect method.

k) Balance with Bangladesh bank (Cash Reserve Requirement)

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

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

l) Presentation of Intangible Assets

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

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

m) Off-Balance Sheet Items

IFRS: There is no concept of off balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June, 2003, off-balance sheet items must be disclosed separately on the face of the balance sheet.

n) Disclosure of Appropriation of Profit

IFRS: There is no requirement to show appropriation of profit on the face of statement of profit or loss and other comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June, 2003, an appropriation of profit should be disclosed on the face of profit and loss account.

o) Loans and Advances Net of Provision

IFRS: Loans and advances should be presented net of provision.

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

Also refer to the Note 2.32 Compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

p) Recovery of Written Off Loans:

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

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

q) Leases:

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

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

2.2 Presentation of Financial Statements

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

2.3 Use of Estimates and Judgments

The preparation of financial statements in conformity with IAS/IFRS and Bangladesh Bank circulars requires management's judgments, estimates and assumptions for which the application of accounting policies and the reported amounts of assets, liabilities, income and expenses may vary and actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Key estimates include the following:

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

2.4 Consolidation of Financial Statements

The consolidated financial statements includes the financial statements of Meghna Bank Limited and its subsidiary Meghna Bank Securities Limited. The consolidated financial statements have been prepared in accordance with International Accounting Standard 27 – "Separate Financial Statements" and IFRS 10: Consolidated Financial Statements. The consolidation of the financial statements have been made after eliminating all material inter company balance, income and expenses arising from intercompany transactions.

2.5 Consistency

In accordance with IFRS framework for the preparation of financial statements together IAS – 1 and IAS – 8, Meghna Bank Ltd. discloses its information consistently from one period to the next. Where selecting and applying a new accounting policies, changes in accounting policies, correction of errors, and the amount involved are accounted for and disclosed transparently in accordance with the requirements of IAS – 8. However, for changes in accounting estimate the related amount is recognized prospectively in the current period and in the next period or periods.

2.6 Going Concern Basis of Accounting

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

2.7 Foreign Currency Transactions

2.7.1 Foreign Currencies Translation

Foreign currency transactions are converted into equivalent taka using the ruling exchange rates on the dates of respective transactions as per IAS – 21 " the effects of changes in foreign exchange rates". Foreign currencies balances as at December 31, 2020 have been converted into taka currency at the revaluation rate determined by Bangladesh bank.

2.7.2 Commitments

Commitments for outstanding forward foreign exchange contractors disclosed in these financial statements are translated at contracted rates. Contingent Liabilities/ Commitments for letter of credit and letters of guarantee denominated in foreign currencies are expressed in taka terms at the rates of exchanges ruling on the balance sheet dates.

2.7.3 Translation Gains and Losses:

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

2.8 Offsetting

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

2.9 Revenue Recognition

a) Interest Income

Interest on unclassified loans and advances is accounted for as income on accrual basis, interest on classified loans and advances is credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 16 dated 18 November 2014 and BRPD circular no. 56 dated 10 December 2020 of Bangladesh Bank.

b) Interest Income from Investment

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

c) Dividend Income

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

d) Fees and Commission

Fees and Commission income arises from services provided by the Bank and recognized on receipt basis. Commission charged on Letters of Credit (LC) and Letters of Guarantee (LG) are credited to income at the time of effecting the transactions. The advance payment of tax on LC commission is duly deposited to the Tax Authority. Similarly, Income Tax and VAT are deducted at source and deposited to the Govt. Exchequer within the time stipulated as per their circulars.

e) Interest and Other Expenses

In terms of the provision of the International Accounting Standard (IAS) -1 "Presentation of Financial Statements", accrual basis is followed for interest payment and other expenses. The necessary disclosures are given in the notes in compliance with the provisions of BRPD Circular No. 14 dated 25 June 2003.

2.10 Dividend paid

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

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

2.11 Assets and the Basis of their Valuation

2.11.1 Cash and Cash Equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank, and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank Management for its short-term commitments.

2.11.2 Loans and Advances

- (a) Loans and Advances are stated at gross amount and before off setting general provisions against them.
- (b) Interest on Loans and Advances is calculated on a daily product basis but charged and accounted for quarterly on an accrual basis.

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



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

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

2.11.3 Investments

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

The valuation methods of investment used are:

a) Held to Maturity (HTM)

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

b) Held for Trading (HFT)

Investments primarily held for selling or trading is classified in this category. After initial recognition, investments are mark to market weekly. Decrease in the book value is recognized in the profit and loss account and any increase is transferred to revaluation reserve account.

Value of investments has been enumerated as follows:

Investment class	Initial Recognition	Measurement after initial recognition	Recording of changes
Treasury Bill/Bond (HFT)	Cost	Market value	Loss to Profit and Loss Account, gain to revaluation reserve.
Treasury Bill/Bond (HTM)	Cost	Amortized value	Increase in value to equity and decrease in value to Profit and Loss Account.
Prize Bond	Cost	None	None

c) Investment in Listed Securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit loss account. But provision for diminution in value of investment is provided in the financial statements of which market price is below the cost price of investment as per Bangladesh bank guidelines.

d) Investment in Unquoted Securities

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

e) Investment in Subsidiary

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

2.11.4 Property, Plant and Equipment

Recognition and Measurement

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

Subsequent Cost

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

Depreciation

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

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

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

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

2.11.5 Intangible Assets

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

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

2.11.6 Other Assets

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

2.11.7 Receivables

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

2.11.8 Non-banking Assets

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

2.12 Capital / Shareholders' Equity

A) Authorized Capital

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

B) Paid Up Capital:

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

2.13 Statutory Reserve

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

2.14 Non-Controlling Interest in Subsidiary

Non-Controlling Interest in business is an accounting concept that refers to the portion of a subsidiary, corporation, stock that is not owned by the parent corporation. The magnitude of the Non-controlling Interest in the subsidiary company is allows less than 50% of outstanding shares, else the corporation would cease to be a subsidiary of the parent. Non-controlling Interest belongs to the other investors and is reported on the consolidated balance sheet of the owning company to reflect the claim on assets belonging to other, non-controlling shareholders also non-controlling interest is reported on the consolidated profit and loss account as a share of profit belonging to non-controlling shareholders.

2.15 Deposits and Other Accounts

Deposits are recognized when the Bank enters into contractual arrangements with the counterparties, which are generally on trade date and initially measured at the amount of consideration received.

2.16 Borrowings from Other Banks, Financial Institutions and Agents

Borrowed funds include call money deposits, borrowings, refinance borrowing and other term borrowing from banks. These are stated in the balance sheet at amounts payable. Interest paid/ payable on these borrowings is charged to the profit and loss account.

2.17 Provision for Liabilities

Provision in respect of liability is recognized in the financial statements when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation, in accordance with the IAS 37 "Provision, Contingent Liabilities and Contingent Assets".

2.18 Retirement Benefits

As part of compensation package every permanent employee will entitle Provident and Gratuity Fund as per covenants mentioned in the relevant deed and rules.

a) Provident Fund

Provident fund benefits are given to the permanent employees of the bank in accordance with the Bank's service rules, and accordingly a Trust deed and Provident fund rules were prepared. The Commissioner of taxes, LTU, Dhaka has approved the provident fund as a recognized provident fund within the meaning of section 2 (52), read with the provisions of part - B of the first Schedule of Income Tax Ordinance, 1984. The recognition took effect from 31 May, 2014. The fund is operated by a Board of Trustees consisting five members (all members from management) of the Bank. All confirmed employees of the bank are contributing 10% of their basic salary as subscription to the fund. The Bank also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members' account on yearly basis.

b) Gratuity Fund

Gratuity benefits are given to the employees of the bank in accordance with the approved gratuity fund rules. National Board of Revenue has approved gratuity fund as a recognized gratuity fund on 29th June, 2014. The fund is managed by a Board of Trustees are consisting five members of the bank.

2.19 Taxation

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

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

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

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

2.20 Contingent Asset & Contingent Liability

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

2.21 Cash Flow Statement

The cash flow statement is presented in compliance with the provisions of the International Accounting Standard (IAS) - 7 and format provided by the Bangladesh Bank vide BRPD Circular No. 14 dated 25 June 2003. To make the cash flow statement more understandable and user friendly about the constitution of figures inserted into the Cash Flow Statement, a number of notes have been given in the notes to the financial statements.

2.22 Statement of Changes in Equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth. The statement also shows item-wise movement along with the description of charges from the end of last year to the end of current year.

2.23 Liquidity Statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

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

2.24 Events after the Balance Sheet Date

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

2.25 Earnings Per Share

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

2.25.1 Increase of Earnings per share (EPS)

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

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

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

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

2.26 Reconciliation of Books of Account

Books of account with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled and found no material differences, which may affect the financial statements significantly.

2.27 Materiality and Aggregation

Each material item as considered significant by the management has been presented separately in the financial statements. No amount has been set off unless the bank has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis when permitted by the relevant accounting standards.

2.28 Memorandum Items

Memorandum items are maintained to have control over all items of importance and for such transactions where the bank has only a business responsibility and no legal commitment. Bills for collection, stock of savings certificates and all other fall under the memorandum items. However, bills for collection is shown under contingent liabilities as per Bangladesh Bank's format.

2.29 Credit Rating

As per BRPD Circular no. 6 dated 5th July 2006, the bank has done its credit rating by Alpha Credit Rating Limited based on the audited financial statements. The following ratings have been awarded:

Particulars	Periods	Date of Rating	Long Term	Short Term
Entity Rating	January to December 2019	27 th June 2020	A+	ST - 2
Entity Rating	January to December 2018	26 th June 2019	A+	ST - 2
Entity Rating	January to December 2017	27 th June 2018	A+	ST - 3

2.30 Risk Management

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

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

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

MGBL's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment, measurement procedures and continuous monitoring. MGBL continues to focus on improving its risk management systems not only to ensure compliance with regulatory requirements but also to ensure better risk-adjusted return and optimal capital utilization keeping in mind of the business objectives. For sound risk management, MGBL manages risk in strategic layer, managerial layer, and operational layer. The assets and liabilities of Meghna Bank Limited is managed so as to minimize, to the degree prudently possible, the Bank's exposure to risk, while at the

same time attempting to provide a stable and steadily increasing flow of net interest income, an attractive rate of return on an appropriate level of capital and a level of liquidity adequate to respond to the needs of depositors and borrowers and earnings enhancement opportunities. These objectives are accomplished by setting in place a planning, control and reporting process, the key objective of which is the coordinated management of the Bank's assets and liabilities, current banking laws and regulations, as well as prudent and generally acceptable banking practices.

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

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

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

2.30.1 Credit Risk Management

Credit risk is most simply defined as the potential that a bank's borrower or counter party will fail to meet its obligations in accordance with agreed terms. This includes non-repayment of capital and/or interest within the agreed time frame, at the agreed rate of interest and in the agreed currency. The goal of credit risk management at the Meghna Bank Ltd. is to maximize the bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters.

The Bank has designed credit risk management activities by addressing major risks. Credit risk is of the major risks, which can be assumed as potential loss arising from the failure of a counter party to perform contractual responsibility. This may happen due to unwillingness of the counter party or declining his / her financial abilities for adverse environment.

The officers/ executives involved in credit related activities have been segregated. A separate CRM division has been established at head office, which is entrusted with the responsibilities of maintaining effective relationship with customers, making of credit products, exploring new business opportunities.

An effective assessment is made before sanction of any credit facility at credit risk management division, which includes borrower risk analysis, historical performance of the customer, security of the proposed credit facility etc. The process starts by a relationship manager and approved/discharged by the competent authority. Credit approval authority has been delegated to the individual executives. Proposal beyond their delegation are approved /declined by the Executive Committee and the Board of Directors.

In determining Single Borrower/Large Loan limit, the instructions of Bangladesh Bank are strictly followed.

2.30.2 Foreign Exchange Risk Management

Foreign exchange risk is defined as the potential change in earnings arising due to change in market prices. The front office of the treasury department of the bank independently conducts the transactions and the back office is responsible for recording of the transactions and passing of their entries in books of accounts. All foreign exchange transactions are revalued periodically at market rate as determined by Bangladesh Bank. The reconciliation of NOSTRO accounts are done regularly and outstanding entries reviewed by the management for its settlement.

2.30.3 Asset Liability Risk Management

The bank formed an Asset Liability Committee (ALCO) for monitoring balance sheet risk and liquidity risk of the bank. The balance sheet risk is defined as potential change in earnings due to change in rate of interest, foreign exchange rates which are not in trading nature. ALCO reviews liquidity requirement of the bank, the maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan.

2.30.4 Money Laundering & Terrorist Financing Risk Management

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. In line with the international standards and initiatives, Bangladesh has passed Money Laundering Prevention Act (MLPA), 2002. Afterwards several amendments were made and a new Money

Laundering Prevention Act, 2012 has been passed and this Act was also amended in 2015. The Government has also enacted Anti-Terrorism Act (ATA) in 2009 aiming to combat terrorism and terrorism financing and this Act was also amended in 2012 and in 2013. Both the Acts have empowered Bangladesh Financial Intelligence Unit (BFIU), Bangladesh Bank (BB) to perform the anchor role in combating ML/TF through issuing instructions and directives for reporting agencies and building awareness in the financial sectors.

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

2.30.5 Internal Control and Compliance

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

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

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

2.30.6 Information & Communication Technology Risk

The bank has established an appropriate Information Technology Department (ITD) by placing officials with adequate knowledge and skills to play a major role in the bank for smooth running of online banking system and delivery of its service to all the units of the bank for operations of necessary hardware and software. The branch network is upgraded to high speed, which provides better information sharing management at the branch as well as at the head office.

2.30.7 Market Risk

Market risk is the risk of loss resulting from changes in interest rates, foreign currency exchange rates, equity prices and commodity prices. Meghna bank's exposure to market risk is a function of its trading and asset and liability management activities and its role as a financial intermediary in customer related transactions. The objective of market risk management is to minimize the impact of losses due to market risks on earnings and equity.

2.30.8 Operation Risk

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



2.30.9 Reputation Risk

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

2.31 Fraud and Forgeries

Adequate control system is in place to detect and prevent fraud and forgeries in the operations. IT has been gradually emphasizing in the modernization of operating system and making auto preventive in the detection of fraud and forgeries. However, management is proactive in establishing sound operating system and its preventive measure.

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

Name of IAS	IAS No.	Status
Presentation of Financial Statements	IAS 1	Applied
Inventories	IAS 2	Applied
Statement of Cash Flows	IAS 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8	Applied
Events after the Reporting Period	IAS 10	Applied
Income Taxes	IAS 12	Applied
Property, Plant and Equipment	IAS 16	Applied
Employee Benefits	IAS 19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS 20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS 21	Applied
Borrowing Costs	IAS 23	Applied
Related Party Disclosures	IAS 24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS 26	Applied
Separate Financial Statements	IAS 27	Applied
Investment in Associates & Joint Ventures	IAS 28	Not Applicable
Financial Instruments: Presentation	IAS 32	Applied
Earnings per share	IAS 33	Applied
Interim Financial Reporting	IAS 34	Applied
Impairment of Assets	IAS 36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS 37	Applied
Intangible Assets	IAS 38	Applied
Financial Instrument: Recognition and Measurement	IAS 39	Applied
Investment Property	IAS 40	Not Applicable
Agriculture	IAS 41	Not Applicable
Name of IFRS	IFRS No.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	IFRS 1	Not Applicable
Share Based Payment	IFRS 2	Not Applicable
Business Combinations	IFRS 3	Not Applicable
Insurance Contracts	IFRS 4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS 5	Not Applicable
Exploration for and Evaluation of Mineral Resources	IFRS 6	Not Applicable
Financial Instruments: Disclosures	IFRS 7	Applied
Operating Segments	IFRS 8	Applied

Financial Instruments	IFRS 9	Applied
Consolidated Financial Statements	IFRS 10	Applied
Joint Agreements	IFRS 11	Not Applicable
Disclosure of Interest in other Entities	IFRS 12	Applied
Fair Value Measurement	IFRS 13	Applied
Regulatory Deferral Accounts	IFRS 14	Not Applicable
Revenue from Contracts with Customers	IFRS 15	Applied
Leases	IFRS 16	Not Applied*

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

2.33 Statement of Compliance

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

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

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

2.34 Audit Committee of the Board

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

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

2.34.1 Composition and Qualifications

The Board of Directors as its 97th Board Meeting held on January 16, 2020 constituted with the following Board Members:

Sl No.	Name of Committee Members	Status with the Bank	Position in the Committee	Educational Qualification	Meeting Attendance
1	Ms. Uzma Chowdhury	Director	Chairperson	CPA	4 of 4
2	Mr. Shakhawat Hossain	Director	Member	M.Com (Marketing)	0 of 4
3	Ms. Nuran Fatema	Director	Member	M.A	2 of 4
4	Mr. Alok Kumar Das	Director	Member	B.A	4 of 4
5	Mr. Mohammed Mamun Salam	Director	Member	Graduate	3 of 4

2.34.2 Meetings of the Audit Committee

Bangladesh Bank suggested banks to hold at least 4 meetings in a year. The Audit Committee of MGBL held 04 (Four) meetings in 2020 and had detailed discussions and review sessions with the In Charge of Internal Control & Compliance, External Auditors regarding their findings and remedial suggestions on various issues that need improvement. The Audit Committee of the Board (ACB) instructed management to follow those remedial suggestions and monitored accordingly. Meeting dates are as follows:

SI No.	Name of Meeting	Date of Meeting
1	27th Audit Committee Meeting	February 26, 2020
2	28th Audit Committee Meeting	March 11, 2020
3	29th Audit Committee Meeting	June 11, 2020
4	30th Audit Committee Meeting	September 17, 2020

2.34.3 Major areas focused by Audit Committee in 2020

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

2.35 Related Party Disclosures

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

SL No.	Name of the Director	Status with the Bank	Name of the Firms /Companies in which they are interested as proprietor, partner, Director, Managing Agent, Guarantor, Employee etc.	Percentage (%) holding in the company	Remarks	
1.	Mr. H. N. Ashequr Rahman	Chairman	1	Meghna Bank Ltd.	2.41%	Chairman
			2	Diesel Motors & Services (BD) Limited	20.00%	Managing Director
			3	Bangladesh Consortium Ltd.	15.00%	Managing Director
			4	Jamuna Sugar Mills Ltd.	12.50%	Director

2	Mr. Md. Kamal Uddin	Vice Chairman	1	Meghna Bank Ltd.	4.83%	Director
			2	Stoll Bangladesh Ltd.	5.00%	Managing Director
			3	Diganta Packaging & Accessories Ltd.	60.00%	Managing Director
3	Mr. Tanveer Ahmed Representative of Cassiopea Fashion Ltd.	Director	1	Cassiopea Apparels Ltd.	52.63%	Managing Director
			2	Cassiopea Fashion Ltd.	3.83%	Managing Director
			3	Elegant Washing Plant Ltd.	99.09%	Managing Director
			4	Cassiopea Clothing Ltd.	50.00%	Managing Director
			5	Cassiopea Garments Ltd.	50.00%	Managing Director
			6	Elegant Accessories Ltd.	50.00%	Managing Director
			7	Lavender Convenience Store Ltd.	20.00%	Managing Director
			8	Cassiopea Dress Ltd.	50.00%	Managing Director
			9	Cassiopea Sweaters Ltd.	96.00%	Managing Director
			10	Elegant Stock & Securities Ltd.	20.81%	Managing Director
			11	Elegant Spinning & Textiles Ltd.	40.00%	Managing Director
			12	Dongbang Facilities BD Ltd.	10.00%	Managing Director
4	Mr. Shakhawat Hossain	Director	1	Meghna Bank Ltd.	4.06%	Vice Chairman
			2	Paramount Textile Ltd	8.79%	Managing Director
			3	Paramount Insurance Company Ltd.	6.67%	Sponsor Shareholder
			4	Paramount Holdings Ltd.	50.00%	Chairman
			5	Sunrise Chemical Industries Ltd	50.00%	Chairman & Managing Director
			6	Paramount Spinning Ltd	45.25%	Managing Director
			7	Foodex International Ltd	41.67%	Director
			8	Mount International	33.00%	Partner
			9	Foodex International	50.00%	Managing Partner
			10	Paramount Agro	50.00%	Managing Partner
			11	Paramount Agro Ltd.	33.33%	Chairman
			12	Paramount International	50.00%	Managing Partner

5	Mr. Alock Kumar Das	Director	1	Meghna Bank Ltd.	4.51%	Director
			2	Paramount Textile Ltd	8.79%	Director
			3	Paramount Insurance Company Ltd	6.67%	Sponsor Shareholder
			4	Paramount Holdings Ltd.	50.00%	Managing Director
			5	Sunrise Chemical Industries Ltd	50.00%	Director
			6	Paramount Spinning Ltd	45.25%	Director
			7	Foodex International Ltd	41.67%	Managing Director
			8	Paramount International	50.00%	Partner
			9	Mount International	50.00%	Partner
			10	Foodex International	50.00%	Managing Partner
			11	Sarbon International	50.00%	Partner
			12	Paramount Agro	50.00%	Partner
			13	Alonitas Enterprise	50.00%	Partner
			14	Foreign Food Traders	100.00%	Proprietor
			15	Ratul Money Changer	100.00%	Proprietor
			16	S.R. Brother	100.00%	Proprietor
			17	Paramount Agro Ltd.	33.33%	Director
			18	Arihazar Fisheries	100.00%	Proprietor
			19	Emponum Duty Fee Shop	100.00%	Proprietor
6	Alhaj Md. Lokman Hakim	Director	1	Meghna Bank Ltd.	4.51%	Director
			2	Ziri Subader Steel Re-Rolling Mills (Unit, Re-Rolling Mills)	100.00%	Proprietor
			3	Ziri Subader Steel Re-Rolling Mills (Unit, Ship Breaking)	100.00%	Proprietor
			4	Ferdous Steel Corporation.	100.00%	Proprietor
			5	Subader Oxygen	100.00%	Proprietor
7	Mr. Mohammed Mamun Salam Representative of Salim & Brothers Ltd.	Director	1	Salim & Brothers Ltd.	99.40%	Managing Director
			2	Salam Apparel Ltd.	85.00%	Managing Director
			3	Fashion Craft Ltd.	60.00%	Managing Director
			4	Reliance Apparel Ltd.	50.00%	Managing Director
			5	Reliance Denim Ind. Ltd.	50.00%	Managing Director
			6	Reliance Box Ind. Ltd.	50.00%	Managing Director
			7	Reliance Washing Ind. Ltd.	50.00%	Managing Director
			8	Bengal Synthetic Fibres Ltd.	53.64%	Executive Director
			9	Four Seasons Resorts Ltd.	50.00%	Managing Director

8	Mrs. Nuran Fatema	Director	1	Meghna Bank Ltd.	1.85%	Director
			2	The Bismillah Marine Services	50.00%	Partnership
			3	The Bismillah International Shipping & Trading Co. Ltd.	50.00%	Chairperson
			4	Bismillah Marine Service	100.00%	Proprietor
			5	The Bismillah Marine Service	100.00%	Proprietor
			6	Bismillah Marine Service	48.00%	Director
			7	Mercantile Islami Life Insurance Ltd.	48.00%	Vice Chairman
9	Mr. S.M. Jahangir Alam (Manik)	Director	1	Meghna Bank Ltd.	4.58%	Director
			2	Sanji Automobiles Ltd.	60.00%	Managing Director
			3	Sanji Property Development Ltd.	60.00%	Managing Director
			4	Sanji Stainless Steel Ind.	80.00%	Managing Director
			5	Panama CNG Conversion	100.00%	Proprietor
			6	Sanji Filling & Conversion Center	100.00%	Proprietor
10	Ms. Uzma Chowdhury	Director	1	Meghna Bank Ltd.	4.51%	Director
			2	Agricultural Marketing Co Ltd (AMCL)	0.41%	Shareholder
			3	Allplast Bangladesh Ltd.	0.04%	Director
			4	Advance Personal Care Ltd.	0.04%	Director
			5	Bangladesh Lift Industries Ltd.	3.57%	Chairman
			6	Banga Plastic Int'l Ltd.	0.04%	Director
			7	Banga Bakers Ltd.	4.00%	Director
			8	Banga Trading House Limited	7.14%	Director
			9	Banga Agro Processing	0.01%	Director
			10	Banga Millers Ltd.	0.01%	Director
			11	Banga Building Materials Ltd.	1.82%	Director
			12	Charka Textile Ltd.	4.17%	Director
			13	Durable Plastic Ltd.	0.19%	Director
			14	Get Well Ltd.	0.01%	Director
			15	Habiganj Agro Ltd	0.01%	Director
			16	Habiganj Metal Industries Limited	4.17%	Director
			17	Multiline Industries Ltd.	0.20%	Director
			18	Natore Agro Limited	1.57%	Director

			19	Property Development Ltd.	0.05%	Chairman
			20	PRAN Foods Ltd.	2.00%	Director
			21	PRAN Agro Ltd.	0.01%	Director
			22	Pran Agro Business Limited	0.01%	Director
			23	Packmat Industries Ltd.	2.15%	Director
			24	RFL Plastic Ltd.	0.02%	Director
			25	Rangpur Foundry Ltd.	0.04%	Shareholder
			26	Rangpur Metal Industries Ltd.	0.01%	Director
			27	Sylvan Agriculture Ltd.	0.01%	Director
			28	Sylvan Technologies Ltd.	0.20%	Director
			29	Sun Basic Chemicals Ltd.	4.17%	Director
			30	Sylvan Poltry Ltd.	2.74%	Director
11	Mr. Syed Ferhat Anwar	Independent Director		N/A		N/A
12	Ar. Md. Ahsan Ullah	Independent Director		N/A		N/A

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

Credit Card Facilities

Name of Director of MGBL	Approved Limit	Type of Securities	Value of Eligible Securities	Outstanding as on December 31, 2020
Mr. H N Ashequr Rahman	BDT 10,00,000	Unsecured	-	-
Mr. MD. Kamal Uddin	BDT 10,00,000	Unsecured	-	5,677
Mr. Tanver Ahmed	USD 40,000	Secured	USD 40000	457,733
Ms. Nuran Fatema	BDT 10,00,000	Unsecured	-	-
Ms. Uzma Chowdhury	BDT 10,00,000	Unsecured	-	3,499
Mr. Shakhawat Hossain	BDT 10,00,000	Unsecured	-	-
Mr. Alock Kumar Das	BDT 10,00,000	Unsecured	-	-
Alhaj Md. Lokman Hakim	BDT 10,00,000	Unsecured	-	-
S M Jahangir Alam(Manik)	BDT 10,00,000	Unsecured	-	582,117

2.37 Covid-19

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

2.38 Approval of Financial Statements

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

2.39 Reporting Period

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

2.40 General

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



		Amount in Taka	
		2020	2019
3	Consolidated Cash in hand (Including foreign currencies)		
	Meghna Bank Limited (Note-3a)	593,875,342	637,067,358
	Meghna Bank Securities Ltd	6,874	9,668
		593,882,216	637,077,026
3a	Cash in hand (Including foreign currencies)		
	In local currency	590,748,088	634,787,114
	In foreign currencies	3,127,254	2,280,244
		593,875,342	637,067,358
4	Consolidated Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		
	Meghna Bank Limited (Note-4a)	3,008,286,920	2,547,920,596
	Meghna Bank Securities Ltd	-	-
		3,008,286,920	2,547,920,596
4a	Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		
	In local currency	2,945,988,446	2,352,466,940
	In foreign currencies	62,298,474	195,453,656
		3,008,286,920	2,547,920,596
	Balance with Sonali Bank Ltd as agent of Bangladesh Bank		
	In local currency	-	-
	In foreign currencies	-	-
		3,008,286,920	2,547,920,596
4a.1	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)		
	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Company Act, 1991 (amended up to 2018) and DOS Circular No.01 dated January 19, 2014 & MPD circular no. 03, dated April 09, 2020 issued by Bangladesh Bank.		
	The bank has been maintaining 3.50% CRR on daily basis and 4.00% on bi-weekly basis. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of December 2020 is maintained on the basis of weekly ATDTL of October 2020) and maintained with Bangladesh Bank. The bank also maintaining 13% SLR on weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. SLR of December 2020 is maintained on the basis of weekly ATDTL of October 2020). Both the reserves maintained by the bank are in excess of the statutory requirements, as shown below:		
4a.2	Cash Reserve Requirement (CRR): 4.00% of Average Total Demand and Time Liabilities on bi-weekly basis.		
	Required Reserve	1,448,141,040	2,014,464,545
	Actual Reserve held with Bangladesh Bank (In local currency)	2,968,743,248	2,321,737,074
	CRR Surplus	1,520,602,208	307,272,529
4a.3	Statutory Liquidity Ratio (SLR): 13.00% of Average Total Demand and Time Liabilities		
	Required Reserve	4,706,458,380	4,761,461,652
	Actual Reserve held	11,145,089,686	5,709,338,371
	SLR Surplus	6,438,631,306	947,876,719
4a.5	Held for Statutory Liquidity Ratio		
	Cash in hand (Note-3a)	593,875,342	637,067,358
	Government Securities - Treasury Bills (Note-7a)	-	-
	Government Treasury Bond (HTM & HFT) (Note-7a)	9,030,612,136	4,764,998,484
	Excess Reserve of CRR (Note-4a.2)	1,520,602,208	307,272,529
		11,145,089,686	5,709,338,371



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



5a.1c.ii FDR with Financial Institutions

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

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

5a.2 Outside Bangladesh (NOSTRO Account)

Current Account

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

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

Currency wise Distribution:

Foreign Currency

USD/ACU
 GBP
 EUR
 JYP
 SAR
 CAD
 NZD

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

5a.3 In accordance with Bangladesh Bank Foreign Exchange Policy Department, Circular FEPD (DEMO/01/2005-677) dated 13 September 2005, the quarterly review of NOSTRO Accounts for the quarter ended 31 December 2020 reflect the true state of the NOSTRO Account entries which are correctly recorded. A separate audit certificate after review have also been given by the External auditor. Details of foreign currency amounts with exchange rates are presented in Annexure - C.

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



		Amount in Taka	
		2020	2019
5a.4	Maturity-wise groupings of balance with other Banks and Financial Institutions		
	On Demand	754,466,008	344,321,007
	Not more than 3 months	1,767,282,070	3,168,659,544
	More than 3 months but less than 1 year	-	-
	More than 1 year but less than 5 years	-	-
	More than 5 years	-	-
		2,521,748,078	3,512,980,551
6	Consolidated Money at Call and Short Notice		
	Meghna Bank Limited (Note-6a)	130,000,000	2,070,000,000
	Meghna Bank Securities Ltd	-	-
		130,000,000	2,070,000,000
6a	Money at Call and Short Notice With Bank		
	The City Bank Limited	-	500,000,000
	Midland Bank Limited	-	380,000,000
	NRB Commercial Bank Limited	-	350,000,000
	Jamuna Bank Limited	-	100,000,000
	NRB Bank Limited	-	150,000,000
	Modhumoti Bank Limited	130,000,000	590,000,000
		130,000,000	2,070,000,000
7	Consolidated Investment:		
	Government Securities		
	Meghna Bank Limited (Note-7a)	9,031,518,336	4,765,724,684
	Meghna Bank Securities Ltd	-	-
		9,031,518,336	4,765,724,684
	Other Investments		
	Meghna Bank Limited (Note-7b)	432,560,978	405,652,337
	Meghna Bank Securities Ltd	367,346,492	319,760,030
		799,907,470	725,412,367
		9,831,425,806	5,491,137,051
7a	Investment:		
	i) Investment Classified as per Bangladesh Bank Circular:		
	Held for Trading (HFT)	3,446,235,411	-
	Held to Maturity (HTM)	5,584,376,725	4,764,998,484
	Other Investment	433,467,178	406,378,537
		9,464,079,314	5,171,377,021
	ii) Investment Classified as per Nature:		
	a) Government Securities:		
	1) Treasury Bills (HFT)		
	91 Days Treasury Bills	-	-
	182 Days Treasury Bills	-	-
	364 Days Treasury Bills	-	-
		-	-
	2) Government Bond (HTM & HFT)		
	2,5,10,15 & 20 Years Bonds (Note-7a.2)	9,030,612,136	4,764,998,484
	Prize Bond in Hand	906,200	726,200
		9,031,518,336	4,765,724,684
	Total (1+2)	9,031,518,336	4,765,724,684
	b) Other Investment		
	1) Trust Bank Limited Subordinate Bond-II	20,000,000	40,000,000
	2) Investment in MAXCAP DPA-IDLC (Note - 7a.3)	4,675	4,816
	3) Investment in Shares at cost (Note - 7a.4)	412,556,303	365,647,521
		432,560,978	405,652,337
		9,464,079,314	5,171,377,021

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

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

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

7a.2 Government Bond**HTM**

2 Years Bangladesh Government Treasury Bonds
 5 Years Bangladesh Government Treasury Bonds
 10 Years Bangladesh Government Treasury Bonds
 15 Years Bangladesh Government Treasury Bonds
 20 Years Bangladesh Government Treasury Bonds

HFT

2 Years Bangladesh Government Treasury Bonds
 5 Years Bangladesh Government Treasury Bonds
 10 Years Bangladesh Government Treasury Bonds
 15 Years Bangladesh Government Treasury Bonds
 20 Years Bangladesh Government Treasury Bonds

Total

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

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

Cash Balance

4,675	4,816
4,675	4,816

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

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

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



	Amount in Taka	
	2020	2019
RAK Ceramics (Bangladesh) Limited	3,034,604	3,034,604
Robi Asiata Limited	2,712,540	-
SS Steel Limited	-	67,460
Silva Pharmaceuticals Limited	-	91,940
Square Pharmaceuticals Limited	27,573,928	16,409,552
Square Textile Limited	7,151,302	7,151,302
Silco Pharmaceuticals Limited	-	72,930
Shinepukur Ceramics Limited	-	53,965
SK Trims and Industries Limited	-	100,820
Southeast Bank Limited	783,120	783,120
Titas Gas Transmission & Dist. Co. Limited	8,553,476	8,553,476
VFS Thread Dyeing Limited	-	70,380
United Commercial Bank Limited	16,060,748	16,060,748
Unquoted		
Star Ceramics Limited - Preference Share	-	35,000,000
Summit Gazipur II Power Limited - Preference Share	160,000,000	-
Confidence Power Bogra - Preference Share	100,000,000	200,000,000
	412,556,303	365,647,521

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

8 Consolidated Loans and Advances

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

Bills purchased and discounted

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

8a Loans and Advances

i) Loans, Cash Credits, Overdraft, etc.

Inside Bangladesh

Cash Credit	5,026,012,615	5,206,652,174
Secured overdraft	657,356,693	2,993,583,274
General overdraft	5,790,176,113	4,558,142,421
Import finance	1,469,759,733	1,416,298,769
Other Demand Loans	10,566,793,477	9,038,357,164
Hire Purchase Finance	97,528	1,322,282
Demand Loan (Forced Loan)	101,637,304	101,637,304
Consortium/Syndicate Finance	197,319,482	257,328,833
House Building Loan	2,326,480,835	2,372,103,096
Credit Card A/C	249,982,358	262,772,404
General Term Loans	7,555,130,002	7,038,604,461
Agricultural and Rural Credit Scheme	1,445,922,465	614,545,482
SME Loans and Advances	1,225,758	2,142,226
Personal/Professionals Loan Scheme	394,251,436	333,506,919
	35,782,145,799	34,196,996,809

Outside Bangladesh

	-	-
	35,782,145,799	34,196,996,809

		Amount in Taka	
		2020	2019
ii) Bills purchased and discounted			
<i>Payable Inside Bangladesh</i>			
Inland bills purchased and discounted		39,708,723	165,618,215
<i>Payable outside Bangladesh</i>			
Foreign bills purchased and discounted		18,769,783	-
		58,478,506	165,618,215
		35,840,624,305	34,362,615,024
8a.1 Net Loans and Advances			
Gross performing loans and advances		35,840,624,305	34,362,615,024
Less:			
Interest Suspense (Note-13a)		576,203,650	309,644,474
Provision for loans and advances (Note-13a)		1,162,401,570	1,158,657,439
Special General Provision - Covid-19 (Note-13a)		120,835,938	-
		1,859,441,158	1,468,301,913
		33,981,183,147	32,894,313,111
8a.2 Residual Maturity Grouping of Loans and Advances Including Bills Purchased and Discounted			
Re-payable on Demand		-	-
Not more than 3 months		10,918,224,063	10,827,201,877
Over 3 months but not more than 1 year		11,499,627,638	11,859,558,299
Over 1 year but not more than 5 years		10,631,340,880	8,725,894,376
Over 5 years		2,791,431,724	2,949,960,472
		35,840,624,305	34,362,615,024
8a.3 Residual Maturity Grouping of Bills Purchased and Discounted			
Re-payable:-			
Within 1 month		1,555,881	21,574,124
Over 1 month but less than 3 months		56,564,526	113,098,410
Over 3 months but less than 6 months		358,099	30,945,681
6 months or more		-	-
		58,478,506	165,618,215
8a.4 Loans and Advances on the Basis of Significant Concentration:			
(a) Advances to allied concern of Directors		-	-
(b) Advances to Chief Executives and Other Senior Officers		189,329,464	191,316,544
(c) Advances to Customer Groups:			
i) Commercial Lending		4,658,364,831	4,581,143,501
ii) Export Financing		28,367,946	174,577,573
ii) House Building Loan		2,207,899,698	2,223,699,864
iii) Retail Loan		552,959,774	543,766,340
iv) Small and Medium Enterprises		3,333,914,500	3,529,358,634
vi) Special Program Loan		-	-
v) Industrial Loans Details (Note-8a.4a)		18,500,914,104	15,387,749,719
vi) Others Loan		5,005,298,761	4,398,213,709
vii) Other Loans and Advances (SOD)		1,363,575,227	3,332,789,140
		35,651,294,841	34,171,298,480
		35,840,624,305	34,362,615,024



8a.4a Details of Industrial Loans and Advances

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

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

8a.5 Details of Large Loans and Advances

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

Total outstanding amount to customers at end of the year	:	1,545.62 Crore	1,398.85 Crore
Number of such types of customers	:	34	29
Amount of Classified Advances thereon	:	70.51	60.91
Measures taken for recovery	:	Under Litigation	Not applicable

Each of the thirty four customers exceeds the limit of 10% of Bank's total capital in the year 2020. 10% of Bank's total capital stood as on December 31, 2020 Tk. 63.74 crore.

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

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

Public Sector		8,217,941	47,802,579
Co-Operative Sector		-	-
Private Sector		35,832,406,364	34,314,812,445
		35,840,624,305	34,362,615,024

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

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

8a.8 Inside Bangladesh

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

Amount in Taka	
2020	2019

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

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

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

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

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

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

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



8a.12 Particulars of Loans and Advances:

	Amount in Taka	
	2020	2019
(i) Loans considered good in respect of which the banking company is fully secured.	21,159,588,330	23,766,504,929
(ii) Loans considered good for which the banking company holds no other security than the debtor's personal guarantee.	9,982,217,668	4,318,035,957
(iii) Loans considered good and secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors.	4,698,818,307	6,278,074,138
(iv) Loans adversely classified; provision not maintained there against.	35,840,624,305	34,362,615,024
(v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons.	190,371,457	191,316,543
(vi) Loans due from companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in the case of private companies as members.	3,862,190,574	3,568,664,882
(vii) Maximum total amount of advances, including temporary advance made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other person.	-	-
(viii) Maximum total amount of advances including temporary advances granted during the period to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in the case of private companies as members.	-	1,105,852,155
(ix) Due from Banking Companies	-	-
(x) Classified loans and advances	2,435,672,618	2,545,898,517
a) Amount of classified loans and advances on which interest has not been charged	1,191,523,029	1,433,622,833
b) Provision on classified loans and advances	844,250,000	864,650,000
c) Provision kept against loans classified as bad loss	551,874,458	574,737,369
d) Interest credited to Interest suspense Account	576,203,650	309,644,474
(xi) Cumulative amount of written off Loans & Advances	-	-

9 Consolidated Fixed Assets including Premises, Furniture & Fixtures

Cost:

Meghna Bank Limited (Note-9a)
Meghna Bank Securities Ltd

730,736,123	716,368,588
6,832,556	6,135,678
737,568,679	722,504,266

Accumulated Depreciation:

Meghna Bank Limited (Note-9a)
Meghna Bank Securities Ltd

512,160,060	437,578,906
4,681,754	3,982,343
516,841,814	441,561,249

Carrying value

220,726,865	280,943,017
--------------------	--------------------

9a Fixed Assets including Premises, Furniture & Fixtures

A. Cost:

Opening balance
Add: Addition during the year
Less: Disposal during the year
Closing balance at cost

716,368,588	660,328,644
27,117,878	56,148,944
12,750,343	109,000
730,736,123	716,368,588

B. Depreciation:

Opening balance
Add: Addition during the year
Less: Adjustment / disposal during the year

437,578,906	344,333,450
86,660,254	93,347,528
12,079,100	102,072

Accumulated Depreciation

Carrying value

512,160,060	437,578,906
218,576,063	278,789,682

A schedule of fixed assets is given in Annexure-B



10 Consolidated Other Assets
 Meghna Bank Limited (Note-10a)
 Meghna Bank Securities Ltd
 Less: Inter Company Transaction

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

10a Other Assets

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

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

10a.1 Suspense Account:

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

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

The detail breakup of unadjusted suspense accounts are given below:

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



		Amount in Taka	
		2020	2019
10a.2 Interest Receivable:			
Receivable from Other Banks and NBFIs		14,763,983	16,203,958
Accrued Income on SND		82,000	224,000
Accrued Income on Call Loan		7,222	572,222
Accrued Interest on Loans & Advances		289,202,270	-
Accrued Income on Bonds & Commercial Paper		115,065,834	67,196,224
		419,121,309	84,196,404
10a.3 Investment in Subsidiary:			
Meghna Bank Limited holds 34,99,999 number of ordinary shares of Meghna Bank Securities Limited with a face value of Tk. 100 each which is equivalent to 99.99% of total shares of the company.			
10a.4 Deferred Tax Assets:			
Balance at the beginning of the year		-	-
Add: Addition during the year (Note-10a.4.i)		51,930,976	-
Balance at the end of the year		51,930,976	-
Deferred Tax on Fixed Assets			
Carrying Amount		190,151,458	-
Tax Base		319,978,897	-
Deductible Temporary Difference		129,827,439	-
Effective Tax Rate		40.00%	37.50%
Deferred Tax Assets		51,930,976	-
10a.4.i Deferred Tax Income			
Closing Balance of Deferred Tax Assets		51,930,976	-
Opening Balance of Deferred Tax Assets		-	-
Deferred Tax Income		51,930,976	-
10a.5 Non-Income Generating Other Assets:			
Stock of Stationery, Stamps and Printing Materials etc. (valued at cost)		6,810,139	5,822,946
Advance Rent		169,703,521	199,993,947
Suspense Account (Note-10a.1)		73,110,453	84,204,433
Interest receivable (Note-10a.2)		419,121,309	84,196,404
Security Deposit		115,055	115,055
Interest on Sanchaypatra		5,810,123	27,642,753
NCCB Securities & Financial Services Ltd		-	568
Receivable from MGBL Islamic Banking Project		854,200	-
Meghna Bank Securities Ltd		1,812,128	557,788
Prepaid Expenses		582,395	966,151
Deferred Tax Assets (Note-10a.4)		51,930,976	-
BEFTN Adjustment Account		217,208	89,744
S/D RFA SEBL - Western Union		618,719	1,564,108
Clearing Adjustment A/C		6,000	-
Interest on Investment Bond- Customer		2,622,002	92,351
Chargeback Account for VISA Cards		64,602	66,449
Accrued Income on Shares		10,544,975	10,864,467
		743,923,805	416,177,164
11 Consolidated Borrowings from other Banks & Financial Institutions and Agents			
Meghna Bank Limited (Note-11a)		558,616,000	324,256
Meghna Bank Securities Ltd		-	-
		558,616,000	324,256
11a Borrowings from other Banks & Financial Institutions and Agents			
In Bangladesh (Note-11a.1)		558,616,000	324,256
Outside Bangladesh		-	-
		558,616,000	324,256

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

		Amount in Taka	
		2020	2019
iii) Savings Bank Deposits:			
Savings Deposits		-	-
iv) Fixed Deposits:			
Fixed Deposits		3,690,000,000	2,302,225,000
Short Notice Deposits		-	154,477
Scheme Deposit [Note-X]		-	-
		3,690,000,000	2,302,379,477
		3,693,042,790	2,305,550,377
2) Deposits from customer			
i) Current Deposit & Other Accounts:			
Current Deposit		2,444,818,334	3,238,925,865
Foreign Currency Deposits		13,195,175	13,912,223
Sundry Deposits [Note Y]		921,631,609	719,354,390
		3,379,645,118	3,972,192,478
ii) Bills Payable:			
Payable inside Bangladesh		297,750,798	431,322,051
Payment Order Issued		297,750,798	431,322,051
Payable outside Bangladesh		308,672	309,036
		308,672	309,036
		298,059,470	431,631,087
iii) Savings Bank Deposits:			
Savings Deposits		2,845,203,073	2,165,812,724
		2,845,203,073	2,165,812,724
iv) Fixed Deposits:			
Fixed Deposits		22,831,650,174	23,395,451,326
Short Notice Deposits		3,928,961,341	3,219,990,966
Scheme Deposit [Note-X]		6,353,565,382	5,613,451,111
		33,114,176,897	32,228,893,403
		39,637,084,558	38,798,529,692
X Scheme Deposits:			
Deposit Pension Scheme		2,848,993,922	2,459,357,732
Meghna Child Education Plan		47,696,886	42,248,944
Monthly Income Scheme Deposit		2,187,412,948	1,757,893,750
Meghna Multiplier Scheme		1,269,461,626	1,353,950,685
		6,353,565,382	5,613,451,111
12a.1 Deposits and Other Accounts:			
Current Deposit & Other Accounts:			
a) Deposits from banks		3,042,790	3,170,900
b) Deposits from customers		3,379,645,118	3,972,192,478
		3,382,687,908	3,975,363,378
Bills Payable			
a) Deposits from banks		-	-
b) Deposits from customers		298,059,470	431,631,087
		298,059,470	431,631,087
Savings Bank Deposits:			
a) Deposits from banks		-	-
b) Deposits from customers		2,845,203,073	2,165,812,724
		2,845,203,073	2,165,812,724
Fixed Deposits:			
a) Deposits from banks		3,690,000,000	2,302,379,477
b) Deposits from customers		33,114,176,897	32,228,893,403
		36,804,176,897	34,531,272,880

		Amount in Taka	
		2020	2019
Y. Sundry Deposits			
Margin on letter of guarantee		374,669,675	238,117,105
Margin on letter of credit		157,368,375	196,198,861
VAT/Tax/Excise duty payable to Government Authority		149,745,729	134,267,547
Others		242,890,620	153,941,777
		924,674,399	722,525,290
12a.2 Maturity wise classification of Deposits are as under with a residual maturity of:			
Repayable on demand		1,045,491,179	657,280,719
Within 1 month		5,006,866,433	5,674,128,861
Over 1 month but not more than 6 months		13,726,339,368	23,125,050,700
Over 6 months but not more than 1 year		6,536,961,883	6,611,790,200
Over 1 year but not more than 5 years		12,259,333,289	3,759,873,046
Over 5 years		4,755,135,196	1,275,956,543
		43,330,127,348	41,104,080,069
13 Consolidated Other Liabilities			
Meghna Bank Limited (Note-13a)		2,984,905,636	2,850,420,270
Meghna Bank Securities Ltd		68,360,373	19,034,502
		3,053,266,009	2,869,454,772
Less: Inter Company Transaction		42,351,879	557,788
		3,010,914,130	2,868,896,984
13a Other Liabilities			
Interest Payable on Deposits & Borrowings		450,023,298	642,338,310
Provision for Loans and Advances (Note-13a.1 (a) & (b))		1,162,450,000	1,159,600,000
Special General Provision-COVID-19		120,835,938	-
Provision for Off-Balance Sheet items (Note-13a.1 (c))		49,250,000	42,500,000
Provision for other Assets (Note-13a.1 (d))		37,385,000	37,400,000
Provision for Investment in Securities (Note-13a.1 (e))		37,700,000	53,605,000
Non-Resident Accounts		2,756,000	2,759,250
Interest Suspense A/C (Note-13a.1 (f))		576,203,650	309,644,474
Settlement with NPSB		50,445	50,445
Provision for Taxation (Note-13a.2)		339,516,765	438,017,548
Sundry Creditors		10,562,160	-
BEFT Settlement Account		1,809,362	1,029,430
Agent Monitoring & Collection Account		100,500	100,500
Provision for Gratuity		35,742,884	30,500,000
MGBL General Account		38,649	221,006
MGBL MFS Payable Accounts		1,623,755	3,176,914
Adjusting Account Credit		158,857,230	129,477,393
		2,984,905,636	2,850,420,270
13a.1 Provision for Loans and Advances:			
(a) Provision on Classified Loans and Advances:			
Provision held at the beginning of the year		864,650,000	609,600,000
Less: Fully provided debt written off		-	-
Add: Recoveries of amounts previously written off		-	-
Add: Specific Provision made/(released) during the year		(20,400,000)	255,050,000
Provision held at the end of the year		844,250,000	864,650,000
(b) General Provision on Unclassified Loans and Advances			
Provision held at the beginning of the year		294,950,000	253,900,000
Provision transferred to provision on Classified Loans and Advances		-	-
Provision made/ (released) during the year		23,250,000	41,050,000
Balance at the end of the year		318,200,000	294,950,000
Total Provision for Loans and Advances (a+b)		1,162,450,000	1,159,600,000



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

14a.2 Issued, Subscribed and Paid up Capital:

The Paid-up Capital of the Bank is Tk. 4,698,98,000 divided into 469,898,000 Ordinary Shares of Tk. 10 each

Issued for cash: shares of Tk. 10 each

Issued other than cash: bonus shares of Tk. 10. each

Holding

Sponsor Shareholders Group-A 100%

Amount in Taka	
2020	2019
4,698,980,000	4,698,980,000
4,433,000,000	4,433,000,000
265,980,000	265,980,000
4,698,980,000	4,698,980,000
4,698,980,000	4,698,980,000
4,698,980,000	4,698,980,000

14.3 Consolidated Capital Adequacy:

Position of capital adequacy are given below:-

a) Core Capital (Tier-I):

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

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

b) Supplementary Capital (Tier-II):

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

488,285,938	337,450,000
-	-
488,285,938	337,450,000

c) Total Capital (a +b)

- d) Total Risk Weighted Assets (Note-14.4)
- e) Required Capital
- f) Total Capital Surplus (c-e)

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

Capital Adequacy Ratio:

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

14.4 Consolidated Risk Weighted Assets (RWA) for**1. Credit Risk**

- On-Balance Sheet
- Off-Balance Sheet

2. Market Risk**3. Operational Risk****Total Consolidated Risk Weighted Assets (1+2+3)**

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

14a.5 Capital Adequacy:

Position of capital adequacy are given below:-

a) Core Capital (Tier-I):

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

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

b) Supplementary Capital (Tier-II):

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

488,285,938	337,450,000
-	-
488,285,938	337,450,000

c) Total Capital (a +b)

- d) Total Risk Weighted Assets (Note-14a.6)
- e) Required Capital
- f) Total Capital Surplus (c-e)

6,374,427,965	5,721,635,030
36,575,866,813	31,988,691,316
4,571,983,352	4,000,000,000
1,802,444,613	1,721,635,030



Particulars	Amount in Taka			
	2020 (Under Basel III)		2019 (Under Basel III)	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Core Capital	6.00%	16.09%	6.00%	16.83%
Supplementary Capital		1.33%		1.06%
Total	12.50%	17.42%	12.50%	17.89%

14a.6 Risk Weighted Assets (RWA) for

1. Credit Risk

On-Balance Sheet

Off-Balance Sheet

2. Market Risk

3. Operational Risk

Total Risk Weighted Assets (1+2+3)

30,053,300,447	25,546,889,834
2,956,228,485	3,130,005,251
621,019,576	560,745,530
2,945,318,305	2,751,050,701
36,575,866,813	31,988,691,316

15 Statutory Reserve

Opening balance

Add: Addition during the year (20% of Pre-tax profit)

641,806,839	540,900,474
123,844,052	100,906,365
765,650,891	641,806,839

16 Other Reserve (Revaluation of HFT & HTM Securities)

HTM Securities (Note 16.1)

HFT Securities (Note 16.2)

367,841	540,736
104,383,703	-
104,751,544	540,736

16.1 HTM Securities

Opening balance

Add: Gain from revaluation on investment

Less: Adjustment for sale/maturity of securities

540,736	321,809
-	236,924
172,895	17,997
367,841	540,736

16.2 HFT Securities

Opening balance

Add: Gain from revaluation on investment

Less: Adjustment for sale/maturity of securities

-	-
104,383,703	-
-	-
104,383,703	-

17 Consolidated Retained Earnings

Meghna Bank Ltd (Note-17a)

Meghna Bank Securities Ltd

Less: Non-controlling Interest

428,082,308	50,775,126
15,003,509	5,488,469
443,085,817	56,263,595
4	2
443,085,813	56,263,593

17.1 Consolidated Current year retained Earnings

Current Year

Meghna Bank Ltd (Note-17a)

Meghna Bank Securities Ltd

Less: Non-Controlling Interest

377,307,182	33,625,459
9,515,040	2,761,021
386,822,222	36,386,480
3	1
386,822,219	36,386,479

17a Retained Earnings of the Bank

Opening balance

Less: Dividend Paid

Add: Transfer from Profit & Loss Account

50,775,126	17,149,667
-	-
377,307,182	33,625,459
428,082,308	50,775,126

Consolidated Retained Earnings brought forward from previous year

Balance of 01 January

Dividend paid

56,263,593	19,877,114
-	-
56,263,593	19,877,114

	Amount in Taka	
	2020	2019
Retained Earnings brought forward from previous year		
Balance of 01 January	50,775,126	17,149,667
Dividend paid	-	-
Balance at 31 December	50,775,126	17,149,667
18 Non-Controlling Interest		
Share Capital	100	100
Retained Earnings	4	2
	104	102
19 Acceptance and Endorsements		
Accepted Bills (Foreign)	160,315,354	713,287,970
Accepted Bills (Inland)	15,896,255	11,942,068
Endorsements (Shipping Guarantee)	20,027,563	6,394,514
	196,239,172	731,624,552
Less: Margin	-	-
	196,239,172	731,624,552
20 Letters of Guarantees		
Letters of Guarantee	3,306,789,418	2,774,560,665
Less: Margin {Note-12.a(i) Y}	374,669,675	238,117,105
	2,932,119,743	2,536,443,560
a) Claims against the Bank not acknowledged as debts		
b) Money for which the Bank is contingently liable in respect of guarantees given favoring: Directors or Officers		
Government	1,978,234,681	1,661,515,313
Banks and other financial institutions	42,479,806	37,320,768
Others	1,286,074,931	1,075,724,584
	3,306,789,418	2,774,560,665
Less: Margin {Note-12.a(i) Y}	374,669,675	238,117,105
	2,932,119,743	2,536,443,560
21 Irrevocable Letters of Credit		
Letters of credit	1,418,051,665	738,189,924
Less: Margin {Note-12.a(i) Y}	157,368,375	196,198,861
	1,260,683,290	541,991,063
22 Consolidated Profit & Loss Account		
Income:		
Interest, discount and similar income (Note-23 & 25)	3,783,874,927	4,655,146,625
Dividend income (Note-25)	28,824,897	20,025,956
Fees, Commission and Brokerage (Note-26)	72,045,442	83,910,092
Gains less losses arising from dealing securities	3,717,337	91,127
Gains less losses arising from investment securities	449,355,958	(60,013,368)
Gains less losses arising from dealing in foreign currencies (Note-26)	54,922,004	71,973,756
Income from non-banking assets	-	-
Other operating income (Note-27)	78,208,974	74,035,428
Profit less losses on interest rate changes	-	-
Nominal value of bonus share received	-	-
	4,470,949,539	4,845,169,616
Expenses:		
Interest paid on Deposits, borrowings etc. (Note-24)	2,594,947,558	2,799,392,304
Losses on Loans and Advances	-	-
Administrative expenses	838,571,258	915,432,832
Other operating expenses	208,756,262	205,612,913
Depreciation on banking assets	87,384,435	94,365,987
	3,729,659,513	4,014,804,036
Income over expenditure	741,290,026	830,365,580

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

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

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

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



		Amount in Taka	
		2020	2019
37 Consolidated Other Expenses:			
Meghna Bank Ltd (Note-37a)		205,158,896	202,899,853
Meghna Bank Securities Ltd		3,597,366	2,713,060
		208,756,262	205,612,913
37a Other Expenses:			
Gas Bills		1,990	990
Wasa Bill		1,074,850	795,126
Drinking water Expenses		485,690	636,664
Car Expenses		56,312,453	60,223,758
Software Maintenance Expenses		22,826,792	14,079,161
Entertainment		4,773,578	7,263,006
Training, Seminar, Workshop Expenses		180,958	749,875
Travelling and Conveyance		5,190,894	7,780,337
Subscription		2,060,888	3,133,630
Corporate Social Responsibility		19,386,235	10,784,500
Office Maintenance		2,328,968	2,046,932
Bank Charges		3,800,942	3,650,562
NPSB Charges		625,193	559,425
Charges From VISA		3,787,290	3,634,329
Credit Card CIB Charge		122,260	252,670
NID Verification Charges		621,005	510,109
Card Maintenance Expenses, ETC		6,446,794	3,852,310
Board and EC Meeting Expenses		721,789	1,116,769
Professional & Consultancy Fees		3,097,968	1,732,048
Business development & Promotion		6,553,955	8,416,252
Cash Carrying Charges		1,835,457	2,369,476
Leverage and Uniform		550,982	463,136
Washing & Cleaning		1,146,592	4,215,885
Leave Fare Assistance		40,613,386	40,886,405
Security Service-Outsourcing		19,670,672	22,350,177
Crockeries Expenses		80,283	239,525
Newspaper & Magazine Expenses (Office)		240,797	372,716
Branch Inauguration Expenses		61,036	-
AGM Expenses		127,533	426,982
Miscellaneous Expenses		431,666	357,098
		205,158,896	202,899,853
38 Consolidated Provision for Loans, Investments, Off-Balance Sheet & Others Assets			
Meghna Bank Ltd (Note-38a)		(114,515,938)	(319,305,000)
Meghna Bank Securities Ltd		3,261,211	(2,517,736)
		(111,254,727)	(321,822,736)
38a Provision for Loans, Investments, Off-Balance Sheet & Others Assets			
Provision for Unclassified Loans and Advances		(23,250,000)	(41,050,000)
Provision for Classified Loans and Advances		20,400,000	(255,050,000)
Provision for Off-Balance Sheet Exposure		(6,750,000)	13,700,000
Special General Provision - Covid-19		(120,835,938)	-
Provisions for Diminution in Value of Investments		15,905,000	(25,005,000)
Provision for Other Assets		15,000	(11,900,000)
		(114,515,938)	(319,305,000)
39 Consolidated Earning Per Share (EPS)			
Net Profit after Tax		510,666,272	137,292,843
Number of Ordinary Shares outstanding (Denominator)		469,898,000	469,898,000
		1.09	0.29

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



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

Amount in Taka	
2020	2019

46a Cash and Cash Equivalent

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

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

47 Number of Employees

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk.36,000 p. a. or above were 702.


 Director


 Director


 Director


 Managing Director & CEO



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

Annexure-A

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

Provision requirement
Provision maintained as on December 31, 2020.
Provision Surplus/Shortage at the end of December 31, 2020.

Taka
37,675,276
37,700,000
<u>24,724</u>



MEGHNA BANK LIMITED
SCHEDULE OF FIXED ASSETS
AS AT DECEMBER 31, 2020

Annexure-B

A) Tangible Assets :

Particulars	C O S T				Rate of Depreciation	D E P R E C I A T I O N				WDV as on December 31, 2019	
	Balance as on January 1, 2020	Additions during the year	Disposal/ Transfer during the year	Balance as on December 31, 2020		Balance as on January 1, 2020	Transfer/ Adjustment during the year	Charge for the year	Balance as on December 31, 2020		
Vehicles	39,322,825	6,230,000	11,275,046	34,277,779	20%	31,046,141	11,275,043	2,858,580	22,629,678	11,648,101	8,276,684
Machinery and Equipment	157,027,011	2,386,290		159,413,301	20%	114,280,797		19,655,673	133,936,470	25,476,831	42,746,214
Furniture & Fixtures	258,544,155	2,899,468	1,475,297	259,968,326	10%	90,219,455	804,057	25,949,796	115,365,194	144,603,132	168,324,700
Computer & Computer Peripherals	164,735,385	12,558,320	-	177,293,705	33%	118,821,398	-	31,789,270	150,610,668	26,683,037	45,913,987
Office Tools & Accessories	21,569,248	446,400	-	22,015,648	20%	15,418,086	-	3,003,772	18,421,858	3,593,790	6,151,162
Total (A)	641,198,624	24,520,478	12,750,343	652,968,759		369,785,877	12,079,100	83,257,091	440,963,868	212,004,891	271,412,747

B) Intangible Assets :

Particulars	C O S T				Rate of Amortization	A M O R T I Z A T I O N				WDV as on December 31, 2019	
	Balance as on January 1, 2020	Additions during the year	Disposal/ Transfer during the year	Balance as on December 31, 2020		Balance as on January 1, 2020	Transfer/ Adjustment during the year	Charge for the year	Balance as on December 31, 2020		
Software	75,169,964	2,597,400	-	77,767,364	20%	67,793,029	-	3,403,163	71,196,192	6,571,172	7,376,935
Total (B)	75,169,964	2,597,400	-	77,767,364		67,793,029	-	3,403,163	71,196,192	6,571,172	7,376,935
Total (A + B)	716,368,588	27,117,878	12,750,343	730,736,123		437,578,906	12,079,100	86,660,254	512,160,060	218,576,063	278,789,682



MEGHNA BANK LIMITED
BALANCE WITH OTHER BANKS-OUTSIDE BANGLADESH (NOSTRO ACCOUNT)
AS AT DECEMBER 31, 2020

SL No.	Name of the Banks	Currency Name	2020			2019		
			Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT
1	AB Bank Ltd, Mumbai, ACU	ACUD	409,211.18	84.80	34,701,108.06	277,432.84	84.90	23,554,048.12
2	Mashreq Bank p.s.c. New York, USD	USD	1,245,060.60	84.80	105,581,138.88	766,419.53	84.90	65,069,018.10
3	Habib American Bank, New York, USD	USD	598,275.86	84.80	50,733,792.93	475,504.85	84.90	40,370,361.77
4	MCB Bank Limited, Karachi, Pakistan, ACU	ACUD	104,914.21	84.80	8,896,725.01	7,544.21	84.90	640,503.43
5	BANCA Popolare Di Sondrio, Sondrio, Italy, EURO	EURO	135,444.79	104.16	14,107,902.24	13,471.99	95.10	1,281,139.10
6	Kookmin Bank, Seoul Korea, USD	USD	79,566.30	84.80	6,747,222.24	70,043.74	84.90	5,946,713.53
7	Kookmin Bank, Seoul Korea, GBP	GBP	3,430.92	114.81	393,906.33	7,656.20	111.32	852,295.07
8	Kookmin Bank, Seoul Korea, CAD	CAD	7,116.50	66.27	471,615.54			
9	National Bank of Pakistan, Tokoyo, Japan,, JPY	JPY	1,303,578.00	0.82	1,069,846.46	1,684,186.00	0.78	1,309,959.87
10	Bank Al Jazira, KSA, SAR	SAR	187,486.00	22.60	4,236,414.91	187,000.00	22.62	4,230,519.70
11	AXIS Bank Ltd. Kolkata, India, ACU USD	ACUD	540,436.32	84.80	45,828,999.94	1,387,435.94	84.90	117,793,311.31
12	BMCE Bank International, Madrid, Spain	EURO	9,767.07	104.16	1,017,336.06	12,282.07	95.10	1,167,981.87
13	BMCE Bank International, GBP	GBP	7,767.03	114.81	891,738.15	7,767.03	111.32	864,632.77
14	Bhutan National Bank, ACU	ACUD	102,412.00	84.80	8,684,537.60	1,142.00	84.90	96,955.80
15	HDFC Bank Ltd., Mumbai	ACUD	144,154.35	84.80	12,224,288.88	36,604.73	84.90	3,107,741.58
16	United Bank of India, Kolkata	ACUD	121,036.00	84.80	10,263,852.80	19,836.00	84.90	1,684,076.40
17	Bank of New Zealand, NZD	NZD		-	-	1,186.12	56.98	67,580.85
	Total				305,850,426			268,036,840

Annexure-C



MEGHNA BANK LIMITED

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

AS AT DECEMBER 31, 2020

(Tk. In Crore)

SL. No.	Name of client	Outstanding			% of Loans to Total Capital		
		Funded	Non-funded	Total	Funded	Non-funded	Total
1	Baizid Steel Industries Ltd.	99.32	0.09	99.40	15.66%	0.01%	15.68%
2	ACI Group	77.78	18.44	96.21	12.27%	2.91%	15.17%
3	UDDIPAN	61.02	32.55	93.57	9.62%	5.13%	14.76%
4	Confidence Group	66.62	24.31	90.93	10.51%	3.83%	14.34%
5	BRAC	85.00	-	85.00	13.41%	0.00%	13.41%
6	RSRM Group	82.64	-	82.64	13.03%	0.00%	13.03%
7	Abul Khair Group	70.47	10.94	81.42	11.11%	1.73%	12.84%
8	ACME Group	78.84	-	78.84	12.43%	0.00%	12.43%
9	Nitol Motors	74.66	-	74.66	11.77%	0.00%	11.77%
10	Mussa and Issa Brothers	70.51	-	70.51	11.12%	0.00%	11.12%
11	S. S. ENGINEERING & CONSTRUCTION LTD.	48.61	17.14	65.75	7.67%	2.70%	10.37%
12	Summit Group	65.00	-	65.00	10.25%	0.00%	10.25%
13	Energypac Group	64.05	-	64.05	10.10%	0.00%	10.10%
14	BSRM STEEL MILLS LIMITED	60.61	-	60.61	9.56%	0.00%	9.56%
15	Independent Group	49.86	5.96	55.81	7.86%	0.94%	8.80%



MEGHNA BANK LIMITED

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

AS AT DECEMBER 31, 2020

(Tk. In Crore)

SL. No.	Name of client	Outstanding			% of Loans to Total Capital		
		Funded	Non-funded	Total	Funded	Non-funded	Total
16	Aman Group	51.55	3.10	54.65	8.13%	0.49%	8.62%
17	M/S. KHOKAN TRADING AGENCY	15.87	36.40	52.27	2.50%	5.74%	8.24%
18	City Group	48.91	-	48.91	7.71%	0.00%	7.71%
19	DANISH FOOD LTD.	43.95	1.28	45.22	6.93%	0.20%	7.13%
20	PREMIER CEMENT MILLS LTD	45.13	-	45.13	7.12%	0.00%	7.12%
21	AKOTA GROUP	0.14	35.00	35.14	0.02%	5.52%	5.54%
22	IAZ TRADERS	9.64	13.28	22.92	1.52%	2.09%	3.61%
23	ANWAR LANDMARK LIMITED AND OTHERS	15.70	6.70	22.41	2.48%	1.06%	3.53%
24	BANGLADESH PETROLEUM CORP	-	16.99	16.99	0.00%	2.68%	2.68%
25	SUPER PETROCHEMICAL(PVT)LTD.	15.35	0.45	15.80	2.42%	0.07%	2.49%
26	ISRAQ COTTON MILLS LIMITED	-	14.10	14.10	0.00%	2.22%	2.22%
27	Butterfly Manufacturing Co. Ltd.	5.55	-	5.55	0.87%	0.00%	0.87%
28	Meghna Group of Industries (MGI)	0.02	2.14	2.15	0.00%	0.34%	0.34%
29	UNITED CHATTOGRAM POWER & OTHERS	0.00	-	0.00	0.00%	0.00%	0.00%
30	Deshbandhu Group	-	-	-	0.00%	0.00%	0.00%



MEGHNA BANK LIMITED

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

AS AT DECEMBER 31, 2020

(Tk. In Crore)

SL. No.	Name of client	Outstanding			% of Loans to Total Capital		
		Funded	Non-funded	Total	Funded	Non-funded	Total
31	Somatec & Bangladesh paper	-	-	-	0.00%	0.00%	0.00%
32	Ananta Group	-	-	-	0.00%	0.00%	0.00%
33	DEBONAIR GROUP	-	-	-	0.00%	0.00%	0.00%
34	Eon Group	-	-	-	0.00%	0.00%	0.00%
	Total	1,306.76	238.86	1,545.62			

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



**MEGHNA BANK LIMITED
FINANCIAL HIGHLIGHTS**

(Amount in Taka)

SL	PARTICULARS	2020	2019
1	Paid up Capital	4,698,980,000	4,698,980,000
2	Total Capital (Core + Supplementary)	6,374,427,965	5,721,635,030
3	Capital Surplus	1,802,444,613	1,721,635,030
4	Total Assets	52,871,113,727	49,346,927,296
5	Total Deposit	43,330,127,348	41,104,080,069
6	Total Loans & Advances	35,840,624,305	34,362,615,024
7	Total Contingent Liabilities and Commitments	5,028,792,620	4,478,529,861
8	Advance Deposit Ratio (%)	83%	84%
9	Percentage of Classified Loans against total Loans and Advances	6.80%	7.41%
10	Profit after Tax and Provision	501,151,234	134,531,824
11	Amount of Classified Loans During Current Year	2,435,672,618	2,545,898,517
12	Provisions kept against Classified Loan	844,250,000	864,650,000
13	Provisions Surplus	48,430	942,561
14	Cost of Fund	9.76%	10.74%
15	Interest Earning Assets	48,186,603,009	45,234,986,833
16	Non-Interest Earning Assets	4,684,510,718	4,111,940,463
17	Return on Investment (ROI)	14.29%	8.31%
18	Return on Assets (ROA)	0.98%	0.29%
19	Income from Investment	1,045,650,846	341,743,908
20	Earning Per Share	1.07	0.29
21	Net Income Per Share	1.07	0.29
22	Price Earning Ratio	N/A	N/A

