



ANNUAL
REPORT | 2021



midlandbank ^{ltd}
bank for inclusive growth

Letter of Transmittal

April 24, 2022

All Shareholders of Midland Bank Limited
Bangladesh Bank
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies and Firms (RJSC)
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange Limited (CSE)

Dear Sir,

Annual Report of Midland Bank Limited for the year ended on December 31, 2021

We are pleased to enclose a copy of the Bank's Annual Report 2021, together with the Audited Financial Statements for the year ended December 31, 2021 for your kind information and record.

Thank you.

Sincerely,



Khalid Mohammad Sharif FCS
Company Secretary

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Midland Bank Profile: Success and Promises

Midland Bank Limited (MDB) came to the financial frontier of Bangladesh in 2013 as a fourth generation Bank to serve people from all walks of life. The Bank was issued certificate of incorporation and certificate of commencement of business on March 20, 2013 under the Companies Act 1994 as a Public Limited Company by shares for conducting all types of banking activities. The Bank is led by a Board of Directors who are experienced and expert in their respective field of business. A highly competent and expert team of bankers steers the Bank's everyday operations to the path of progress as envisioned by its Shareholders.

MDB started commercial operation on June 20, 2013 with a corporate slogan "bank for inclusive growth". Bank's business model has been evolving over time in response to significant changes in the operating environment- notably tightening of regulatory oversight, rapid development of new information and communication technologies and the more worth noticing, constantly changing customer behaviour. We are well aware of our requirement to bring qualitative changes in our operational module as to make our position even more competitive and customer centric and shall remain focused to come up to the maximum possible wavelength of our customer satisfaction. MDB as a matter of policy perception believe on innovation and as part of it exploring of new avenues to ramify our financial services across the different demographic and geographical segments.

In the year 2020, MDB launched its Islami Banking Window "MDB Saalam" on 23 April 2020 after getting approval from Bangladesh Bank and within the short time break Deposit stood at BDT 2,717.66 million in Dec'21 compared to BDT 995.47 million in Dec'20, Investment stood at BDT 2,168.45 million in Dec'21 compared to BDT 808.96 million in Dec'20 and aggregated total assets stood at BDT 2,742.55 million in Dec'21 compared to BDT 1,155.92 million in Dec'20. Therefore, the Islami Banking Window of the Bank registered net operating profit of BDT 29.12 million in Dec'21 compared to BDT 0.28 million in Dec'20.

On the other hand, Off-shore Banking Unit (OBU) after getting approval from Bangladesh Bank launched of its operation on 20 June 2020 and as of 31 December 2021 total amount of loans stood at USD 36.75 million in Dec'21 compared to USD 11.61 million in Dec'20 out of bill purchase and discounting facilities. During the period, OBU borrowed USD 36.3 million in Dec'21 compared to USD 11.00 million in Dec'20 from Midland on-shore (DBU-Treasury) and other Banks' OBU. It is noteworthy to mention that from the very outset of launching, the OBU gathered business momentum and as on 31 December 2021, its operating profit reported to USD 350,948 in Dec'21 compared to USD 32,448 in Dec'20.

MDB is presenting its 2021 financial results as a fast growing fourth generation Bank in Bangladesh with the pride of a solid capital base, quality assets and strong profitability. The year 2021 has seen that deposit accounts increased by 34,302 from 170,734 in 2020 to 205,036 in 2021, loans/investments accounts increased by 85 from 4,468 in 2020 to 4,553 in 2021, Operating profit before tax increased by 28.99% from BDT 1,217.83 million in 2020 to BDT 1,570.90 million in 2021, but net profit after tax declined by 21.69% from BDT 656.36 million in 2020 to BDT 514.02 million in 2021 due to increasing of tax liability and provisioning of loan loss during the year. Total assets of the Bank rose by 930% from BDT 63,145.97 million in 2020 to BDT 69,018.91 million in 2021. Total loans portfolio increased by 1735% from BDT 39,086.67 million in 2020 to BDT 45,867.48 million in 2021 and total deposits increased by 12.56% from BDT 45,067.57 million in 2020 to BDT 50,730.04 million in 2021. Return on Equities (ROE) stood at 6.85% in 2021 from 8.96% in 2020, Return on Assets (ROA) stood at 0.78% in 2021 from 1.13% in 2020 and earnings per share (EPS) stood at BDT 0.90 in 2021 against BDT 1.15 in 2020. At the year-end of 2021, shareholders' equity stood at BDT 7,404.26 million in 2021 against BDT 7,613.97 million in 2020. Bank's Capital to Risk Weighted Asset Ratio (CRAR) stood at 15.87% in 2021 against 17.44% in 2020 which stayed much above minimum required ceiling of 12.50% as per Basel-III accord. Total deposits customer-base of MDB grew to 157,465 in 2021 against 128,226 accounts in 2020 with considerable growth in the rural customer base. In our strategic action, we are giving priority to developing MSMEs placing special attention to extending finance to manufacturing sector. A total of 617 MSME entrepreneurs got loan of BDT 5,272.20 million in 2021 against 681 MSME entrepreneurs and loans amount of BDT 5,924 million in 2020. We're getting growth rates above the market benchmark which give us confidence for the future.

Being committed to the clients, community and economy, the Bank is on the way to binding the nation together by including people from all across the frontiers - Urban and Rural, Local and Global. The Bank is forging ahead with a soaring ambition. We are convinced that Midland Bank will be succeed in realizing its full potential to become the leading client-centric Bank of the country.

Corporate Information

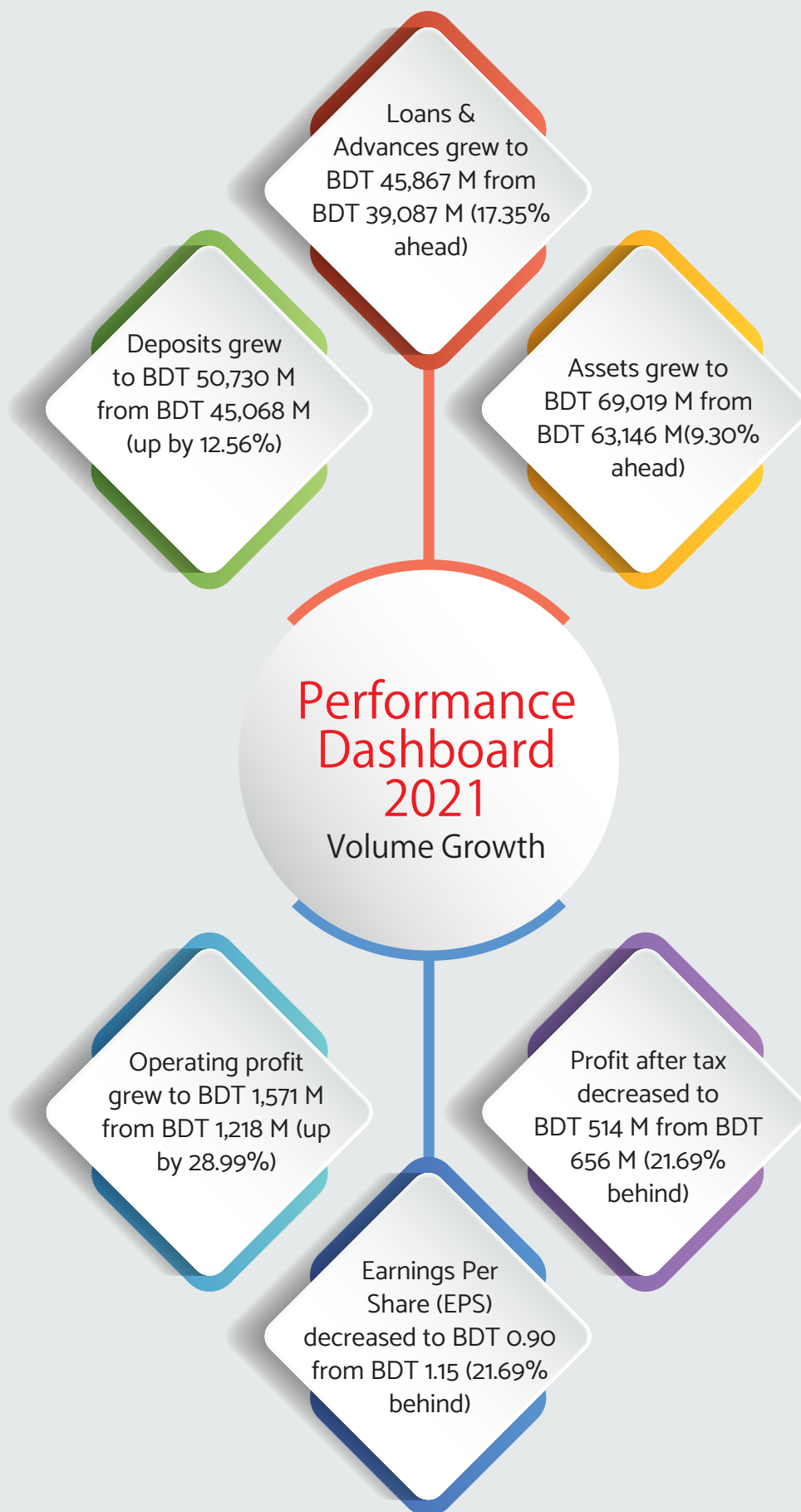
Name of the company: Midland Bank Limited (MDB)	Authorized capital: BDT 10,000 million	Chairman: Mrs. Nilufer Zafarullah
Legal form: Public Limited Company	Paid up capital: BDT 5,696.70 million	Vice Chairman: Mr. Md. Shamsuzzaman
Registered office: N.B. Tower (Level 6 to 9), 40/7 North Avenue, Gulshan-2, Dhaka-1212	Total Capital (Tier-i & ii) BDT 8,132.78 million	Managing Director & CEO Mr. Md. Ahsan-uz Zaman
Date of incorporation: March 20, 2013	Capital to Risk Weighted Asset Ratio (CRAR) 15.87%	Deputy Managing Director Mr. Md. Zahid Hossain
Company registration: C-108070/13	Total Assets: BDT 69,018.91million	Chief Risk Officer (CRO) Mr. Md. Zahid Hossain
Bangladesh Bank permission: BRPD (P-3)745(67)/2013-1665, April 09, 2013	Statutory reserves BDT 1,408.60million	Chief Financial Officer (CFO) Mr. Md. Zahirul Islam, FCA
Formal inauguration: June 20, 2013	Earnings per share (EPS) BDT 0.90	Company Secretary Mr. Khalid Mohammad Sharif FCS
Institutional banking activities: All types of commercial banking activities (both conventional and islamic), Money market operations, Financial intermediary services and any related financial services	Net asset value per share (NAV) BDT 13.00	Head of Internal Control & Compliance: Mr. Mohammad Syejuddin Ahmmed
Delivery channels: 35 Branches (16 urban and 19 rural), 13 Sub-branches, 100 Agent Banking Centres, 10 Collection Booths, 44 ATMs, Real-Time Online Banking, Internet Banking, SMS/Alert Banking, Debit/ Credit/ Prepaid Card with global access.	Total Manpower Employee: 711 (including 225 contractual)	Statutory Auditors A Qasem & Co. Chartered Accountants (Member firm of ECOVIS)
Contact Centre: 16596 (Short Code), (+88) 09617016596 and (+88) 09611016596	Website: www.midlandbankbd.net	Accounting Year-end December 31

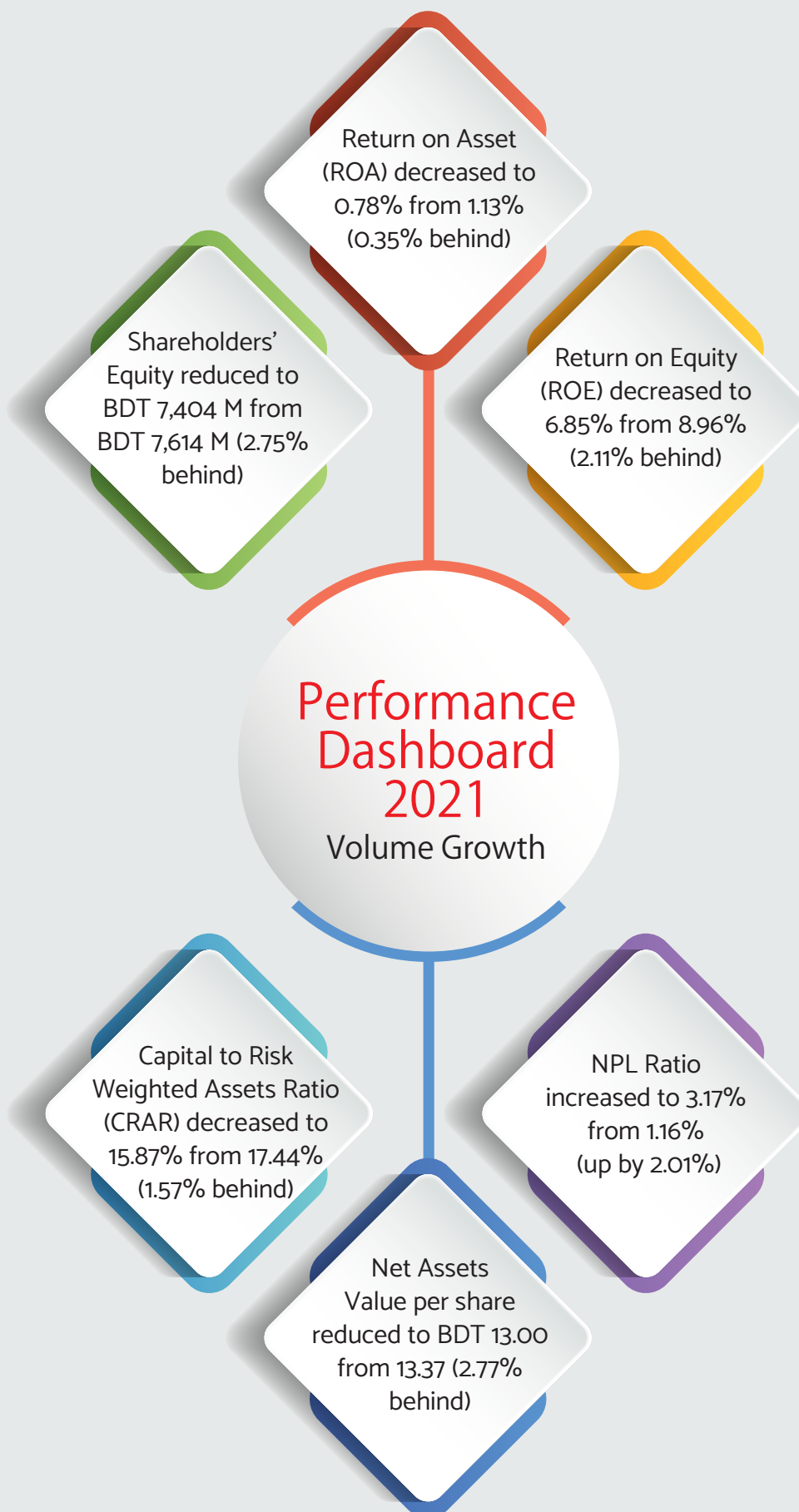
Credit Rating: Credit Rating Agency of Bangladesh Limited (CRAB)

Long Term	A1	Bank's long term rating is "A1" which indicates strong capacity to meet financial commitments/obligations of the Bank. It is judged to be of high quality and are subject to low variability in credit risk.
Short Term	ST-2	Bank's short term rating stood at ST-2 (High Grade). It indicates strong capacity for timely repayment of obligations. It is also characterised with commendable position in terms of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.
Outlook Status	Stable	Bank's outlook status is "Stable" which underlines that Bank's overall status is stable. The outlook provides information to investors on the potential evolution of a rating, thereby underpins the precision of the rating status.

Value creation for stakeholders during 2021

Customers:	2021	2020
Total Deposit accounts	205,036	170,734
Total advances and loans/investment accounts	4,553	4,468
Total Deposits	BDT 50,730.04 M	BDT 45,067.57 M
Interest/Profit paid to customers	BDT 2,262.66 M	BDT 2,748.19 M
Loans & advances/investments	BDT 45,867.48 M	BDT 39,086.67 M
Interest/profit on loans/investments	BDT 3,232.76 M	BDT 3,160.18 M
Investment in government securities	BDT 12,361.07 M	BDT 13,552.62 M
Income from investments	BDT 1,358.11 M	BDT 1,565.25 M
Shareholders:		
Paid up capital	BDT 5,696.70 M	BDT 5,696.70 M
Profit after tax	BDT 514.02 M	BDT 656.36 M
Shareholders' equity	BDT 7,404.26 M	BDT 7,613.97 M
Earnings per share (EPS)	BDT 0.90	BDT 1.15
Dividend payout	5.00% cash	7.50% cash
Employees:		
Total regular headcount	486	454
Total contractual headcount	225	196
Total staff cost	BDT 533.62 M	BDT 608.41 M
Operating profit	BDT 1,570.90 M	BDT 1,217.83 M
Talent development training hours	1,000 hrs (approx.)	1,200 hrs (approx.)
Per employee operating profit before tax	3.23 M	2.68 M
Per employee net profit after tax	1.06 M	1.45 M
Government Institutions:		
Tax paid to Government	BDT 916.78 M	BDT 931.00 M
VAT & Withholding Tax collected on behalf of government	BDT 506.84 M	BDT 480.00 M
Excise Duty collected on behalf of government	BDT 93.09 M	BDT 74.00 M
Business partners:		
Commission, exchange & fees	BDT 224.19 M	BDT 276.58 M
Payment to service providers	BDT 367.61 M	BDT 269.77 M
No. of correspondent banks (RMA)	101	122
Business partnership signed	93 Deals	73 Deals
Community:		
CSR/Donation	BDT 0.50 M	BDT 19.06 M
Internet customers (midland online)	42,811	22,575
Refinance to SME, Agri, Women and Green Finance	336.48 M	152.27 M
Utility bill collection	10,394.92 M	8,670.00 M
Call received by call centre	109,664	69,696
Service points	01	01
SMS alert a/c	126,881	107,472
Total Digital a/c	2,423	1,161
Total Digital self e-KYC	5,896	1,072







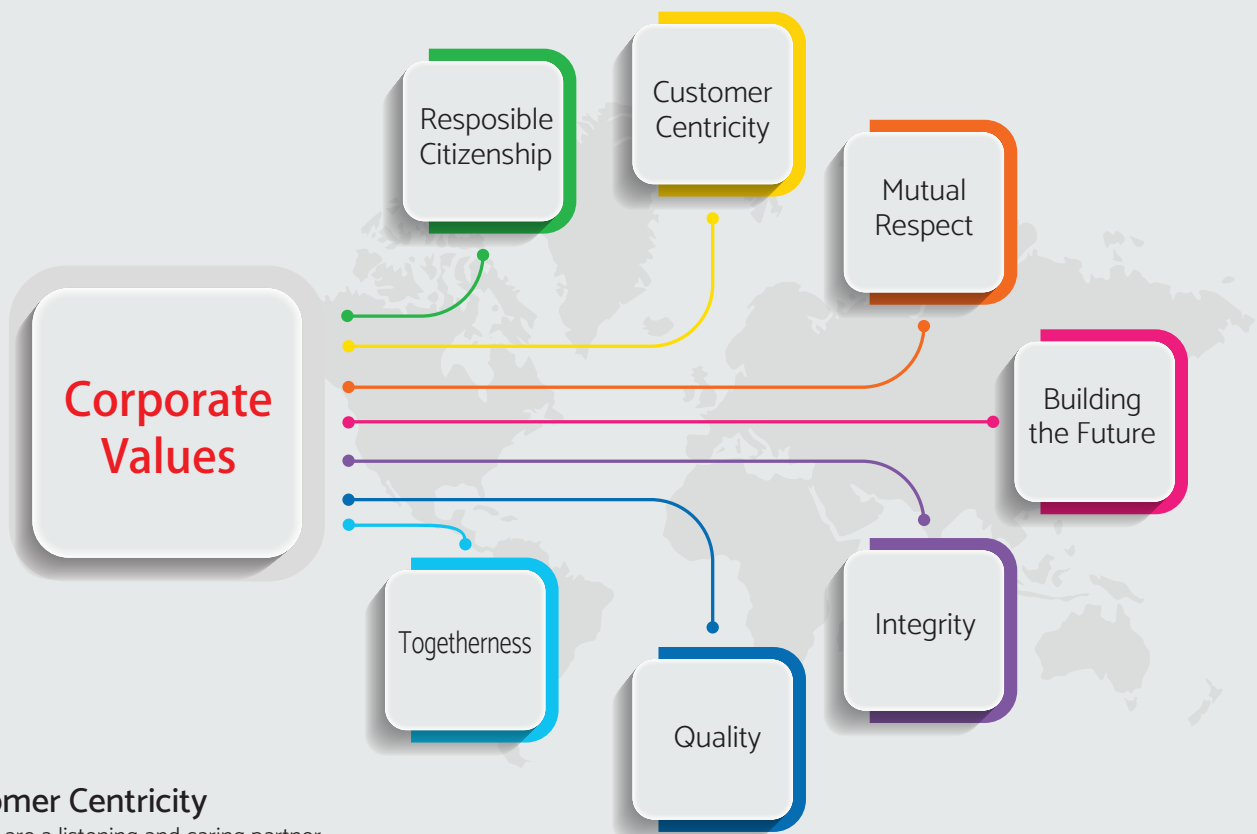
Vision

We seek to be the first choice of our customers as a distinct financial service provider, trusted, respected and valued by all stakeholders within the region and beyond pursuing an endless voyage towards excellence in every respect.

Mission

We, in our everyday journey forward, nurture and practice the following values underpinning supporting our mission:

- To continuously provide quality banking service with enhanced customer focus and innovate a wide variety of need based products with widely popular solutions.
- To achieve supremacy in customer service through state-of-the-art delivery channels and user-friendly tools and technology.
- To sharpen leadership with the standard of a learning organization well supported by the finest team of banking experts and professionals.
- To maintain a healthy and diversified financial profile for inclusive economic growth.
- To be a responsible social enterprise by effectively blending commercial pursuits with social banking.
- To be the benchmark for the regulators in terms of compliance, corporate governance and ethics.
- To build long-term shareholder value with consistent growth momentum.



Customer Centricity

- We are a listening and caring partner.
- We continuously improve our efficiency to serve customer better.
- We Focus on solutions and deliver on our promises.

Quality

- We strive to exceed expectations.
- We take delight in delivering high standards in all areas of operations.
- We do not compromise with our service standard.

Togetherness

- We value teamwork and work together for success.
- We support each other in our journey to excellence.
- We draw strength from our diversity and synergy.

Mutual Respect

- We treat our customers and colleagues with respect.
- We inspire each individual so that we can make a difference.
- We recognize achievement and ensure rewards and fair returns for all.

Integrity

- Integrity and ethics is the hallmark of our banking relationship.
- We prefer truth, justice and fair-play above all means.
- We do business on a win-win proposition.

Responsible Citizenship

- We are Tax compliant.
- We are committed to corporate governance and internal control and compliance.
- We are respectful to the laws and values of the land.

Building the Future

- We believe in real and sustainable development.
- We are going green to protect our planet and our environment.
- We keep building a family with our employees, shareholders, customers and community



Strategic Goals

Balance Sheet Focus

Our top priority is a resilient and fortress like Balance Sheet based on solid provisioning and sustainable profitability.

Capital Strength

We ensure that our Bank is adequately capitalized to weather any financial downturn and look forward to meeting new norms as they phase in.

Cost Control

We emphasize efficient and competitive cost management without compromising our quality and maximize profitability through planned reduction in cost of funds, increased yield on advances and investments besides downsizing the cost of operation through technological leverage.

Risk Mitigation

We manage financial as well as non-financial risks to optimize profitability through effective risk management and internal control system.

Innovative Banking

We inspire innovation in product, process and market as the root for growth as much as technology as the prime agent for change.

Business Diversification

We continue to diversify our portfolio into leading corporate, large businesses, MSMEs, agriculture and retail customers to come together in a more sensible way.

A Better Human Force

We adore our employees and foster their growth as the future force with constant training and development.

For a Green Living Habitat

We are careful about the community and the environment and exert effort to make our homeland a green living habitat for all.



Customer Charter

- We have a commitment to the customers to build long-term beneficial relationship based on mutual respect, pursuit of excellence and integrity.
- We appreciate customers' needs and demands in the right perspective and remain constantly well aware of their needs of services and our ability to deliver.
- We are aware of our contractual commitments and obligations with our customers and meet the terms of agreements with due diligence.
- We pursue good common practices and digital procedures for customers' comfort and put a grievance redress system in place to mitigate their complaints.
- If there is any disagreement, we step forward to seek speedy and equitable solutions framed in the context of long-term and enduring relationship
- We have Product Policy Guidelines (PPG) outlining the guiding principles in respect of various products and services offered by the Bank and the terms and conditions governing the conduct of the accounts.
- We enforce greater transparency in dealing with individual customers and create awareness among customers of their rights.
- We create customer value, loyalty and equity, which add to customer delight over a lifetime of patronage.

Ethical Preferences

- We ensure full compliance with the laws of the land.
- We exercise zero tolerance to misconduct and corruption.
- We speak up when we sense any breach of rules and regulations.
- We stay compliant on Anti Money Laundering and Combating Financing of Terrorism guidelines and other prudential regulations.
- We sustain confidentiality of our customers and fidelity to our principles.
- We do not go beyond the bounds of our banking business.
- We always look forward to sustainable means, free of risks and full of returns.



Milestones

20-Mar-2013	▶ Commencement of Business
20-Jun-2013	▶ First Branch Operation (Dilkusha Branch)
11-Sep-2014	▶ midland online (Internet Banking) launched
01-Oct-2015	▶ Completion of Centralized Banking Model (CBM)
23-Jan-2017	▶ First Agent Banking Centre inaugurated
02-Oct-2017	▶ Become one of the few member banks for trial-run of NPSB fund transfer project of Bangladesh Bank
07-Mar-2019	▶ Became PFI for project of Bangladesh Bank funded by IDA, World Bank group
05-Dec-2019	▶ Obtained Islami Banking Window License from Bangladesh Bank
31-Dec-2019	▶ Crossing of 100,000 Customers
23-Mar-2020	▶ Obtained Off-shore Banking (OBU) License
30-Jun-2020	▶ Bank's total capital crossed BDT 8,000 million benchmark
05-Jul-2021	▶ Launched Automated Challan (A-Challan) service successfully as one of the pioneer banks

MDB Financial Performance and Ratios Five Years Overview

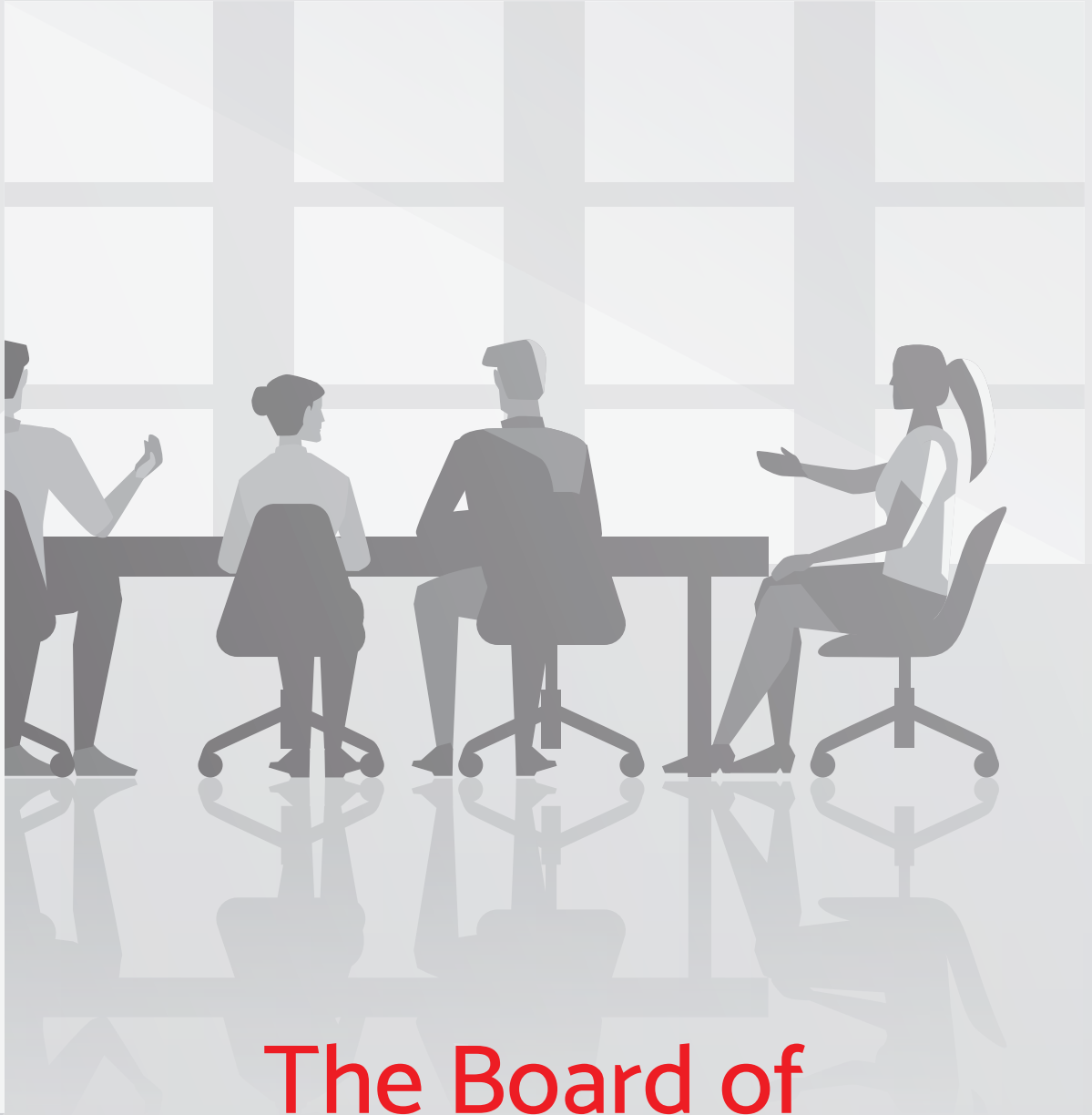
Financial Highlights	in BDT Million					
	2017	2018	2019	2020	2021	% Changes in 2021 Over 2020
Income Statement:						
Interest income	2,816.99	3,760.22	4,259.09	3,160.18	3,232.76	2.30%
Interest expenses	2,042.08	2,547.46	2,983.90	2,748.19	2,262.65	(17.67%)
Net interest income	774.91	1,212.76	1,275.19	411.99	970.10	135.47%
Investment income	963.67	630.10	649.62	1,565.25	1,358.11	(13.23%)
Commission, exchange and brokerage	242.54	321.08	321.05	276.58	224.19	(18.94%)
Other operating income	50.23	68.10	65.02	66.31	83.72	26.26%
Total Operating income	2,031.35	2,232.04	2,310.88	2,320.13	2,636.12	13.62%
Operating expenses	835.57	990.53	1,042.36	1,102.30	1,065.22	(3.36%)
Profit before provision on loans and corporate tax	1,195.78	1,241.51	1,268.52	1,217.83	1,570.90	28.99%
Provision for loans, off-balance sheet exposure and other assets	160.49	135.23	217.18	257.86	444.73	72.47%
Profit after provision before tax	1,035.28	1,106.29	1,051.35	959.97	1,126.17	17.31%
Provision for tax	343.45	446.01	493.94	303.61	612.15	101.63%
Profit after tax	691.83	660.28	557.41	656.36	514.02	(21.69%)
Balance Sheet:						
Authorized capital	10,000	10,000	10,000	10,000	10,000	0.00%
Paid-up capital	4,795	5,275	5,697	5,697	5,697	0.00%
Total shareholders' equity	5,852	6,497	7,038	7,614	7,404	(2.75%)
Deposits	34,240	35,592	39,501	45,068	50,730	12.56%
Loans and advances	27,296	31,075	31,750	39,087	45,867	17.35%
Investments	5,777	6,726	12,710	14,633	14,980	2.37%
Fixed assets	199	283	259	660	634	(3.98%)
Earning assets	37,859	41,368	47,026	55,919	61,808	10.53%
Total assets	41,949	45,751	52,911	63,146	69,019	9.30%
Total liabilities	36,097	39,254	45,873	55,532	61,615	10.95%
Total Off-balance sheet exposure	5,067	4,884	5,979	9,249	12,300	32.98%
Foreign Exchange Business:						
Import	8,367	7,643	13,497	7,665	11,773	53.59%
Export	5,002	5,749	7,430	7,847	15,322	95.26%
Inward Remittance-wages & others	619	2,155	3,248	3,409	3,835	12.50%
Capital Measure:						
Risk Weighted Assets (RWA)	29,213	35,656	35,624	45,800	51,240	11.88%
Core Capital (Tier-I)	5,836	6,491	7,018	7,313	7,380	0.91%
Supplementary Capital (Tier-II)	307	461	509	675	753	11.62%
Total Capital held (T-I + T-II)	6,148	6,952	7,527	7,988	8,133	1.82%
Required Capital (10% of RWA, Or 4,000 million which is higher)	4,000	4,000	4,453	5,725	6,405	11.88%

MDB Financial Performance and Ratios Five Years Overview

Financial Highlights	in BDT Million					% Changes in 2021 Over 2020
	2017	2018	2019	2020	2021	
Capital Surplus/(Deficit), (A-B)	2,148	2,952	3,074	2,263	1,728	(23.64%)
Tier-I Capital Ratio	19.98%	18.21%	19.70%	15.97%	14.40%	(1.57%)
Tier-II Capital Ratio	1.05%	1.29%	1.43%	1.47%	1.47%	(0.00%)
Capital to Risk Weighted Asset Ratio (CRAR)	21.03%	19.50%	21.13%	17.44%	15.87%	(1.57%)
Credit Quality:						
Non-performing loans (NPLs)	458	359	838	453	1,455	221.19%
NPL to total loans and advances	1.68%	1.15%	2.64%	1.16%	3.17%	2.01%
Provision for unclassified loans	256	419	455	750	829	10.53%
Provision for classified loans	185	148	286	195	455	133.33%
Provision for Off-balance sheet exposure	51	42	54	85	110	29.41%
Provision for other assets and diminution in Investments in shares/debentures/ commercial paper	0.13	17.18	48	72	139	93.06%
Share Information:						
No. of Shares outstanding (in Million)	479.52	527.47	569.67	569.67	569.67	0.00%
No. of Shareholders	37	40	40	41	44	7.32%
Earnings per share (EPS) (BDT)	1.31	1.26	0.98	1.15	0.90	(21.74%)
Net Assets Value Per Share (BDT)	11.09	12.32	12.36	13.37	13.00	(2.77%)
Profitability & Performance Ratio:						
Net Interest Margin (NIM)	3.78%	4.44%	4.29%	2.41%	4.11%	1.70%
Advance to Deposit Ratio	79.72%	87.31%	81.64%	82.01%	83.62%	1.61%
Cost to income Ratio	41.13%	44.38%	45.11%	47.51%	40.41%	(7.10%)
Cost of fund on average deposits	6.33%	7.38%	7.71%	6.14%	4.17%	(1.97%)
Return on average assets (ROA)	1.65%	1.51%	1.05%	1.13%	0.78%	(0.35%)
Return on shareholders' equity (ROE)	12.30%	10.75%	8.24%	8.96%	6.85%	(2.11%)
Liquidity Ratio:						
Cash Reserve Ratio (CRR)	7.62%	5.63%	6.67%	4.42%	4.52%	0.10%
Statutory Liquidity Ratio (SLR)	17.48%	20.64%	35.18%	37.04%	31.32%	(5.72%)
Liquidity Coverage Ratio (LCR)	249.28%	171.70%	163.59%	147.51%	156.22%	8.71%
Net Stable Funding Ratio (NSFR)	128.05%	113.18%	109.99%	114.81%	101.00%	(13.81%)
Leverage Ratio	13.02%	13.61%	12.65%	10.85%	9.89%	(0.96%)
Other information:						
No. of Branches	24	30	33	34	35	2.94%
No. of Sub-branches	-	-	2	7	13	85.71%
No. of Collection Booths	4	4	6	7	10	42.86%
No. of ATM	26	32	38	44	51	66.67%
Agent Banking Centres (ABC)	8	30	46	60	100	66.67%
No. of employees including contractual staff of 196 in 2020 and 225 in 2021)	503	571	632	650	711	9.38%
Number RMA	112	121	121	122	101	(17.21%)
No. of NOSTRO Accounts (Five Major currency)	12	12	15	15	15	0.00%

Sponsors & Shareholders

SL	Name	Designation	Percentage of Shareholding
1	Mr. Kazi Zafarullah	Sponsor Shareholder	0.02%
2	Mrs. Nilufer Zafarullah	Sponsor Shareholder	2.25%
3	Mr. Kazi Omar Zafar	Sponsor Shareholder	2.25%
4	Ms. Anushka Mehreen Zafar	Sponsor Shareholder	2.25%
5	Mr. Kazi Raihan Zafar	Sponsor Shareholder	2.25%
6	Dr. Kazi Shahidullah	Sponsor Shareholder	0.25%
7	Mr. Kazi Ekramullah	Sponsor Shareholder	0.25%
8	Mrs. Sabiha Mahboob	Sponsor Shareholder	0.25%
9	Ms. Scherezad Joya Monami Latif	Sponsor Shareholder	10.00%
10	Mr. Abdullah Ahmed Yousuf	Sponsor Shareholder	5.75%
11	Mr. M. Moniruzzaman Khandaker (Deceased) (Share transmitted)	Sponsor Shareholder	-
12	Mr. Nazib Ahmed	Sponsor Shareholder	0.25%
13	Mrs. Israt Ahmed	Sponsor Shareholder	0.25%
14	Dr. Fahmida Haque	Sponsor Shareholder	0.25%
15	Mrs. Ela Haque (Deceased) (Share transmitted)	Sponsor Shareholder	-
16	Mr. Niranjana Chandra Saha (Deceased)	Sponsor Shareholder	0.25%
17	Mrs. Salina Maksuda	Sponsor Shareholder	0.25%
18	Mr. Basudev Saha	Sponsor Shareholder	0.25%
19	Reedisha Knitex Ltd. (Rep. by: Mr. Rezaul Karim)	Sponsor Shareholder	5.00%
20	Mondol Fabrics Ltd. (Rep. by: Mr. Abdul Momin Mondol)	Sponsor Shareholder	5.00%
21	Liberty Knitwear Ltd. (Rep. by: Mr. Md. Samsuzzaman)	Sponsor Shareholder	5.25%
22	That's It Sportswear Ltd. (Rep. by: Mr. Md. Kamal Hossain)	Sponsor Shareholder	5.00%
23	Refat Garments Ltd. (Rep. by: Mrs. Shahnaj Parveen)	Sponsor Shareholder	5.00%
24	Hazrat Amanat Shah Spinning Mills Ltd. (Rep. by: Mrs. Lutfu Begum)	Sponsor Shareholder	2.28%
25	Garment Export Village Ltd. (Rep. by: Mr. A.K.M. Badiul Alam)	Sponsor Shareholder	5.00%
26	Beq Knit Ltd. (Rep. by: Mr. Hafizur Rahman Sarkar)	Sponsor Shareholder	4.75%
27	Badsha Textiles Ltd. (Divested)	Sponsor Shareholder	-
28	Master Abul Kashem	Sponsor Shareholder	4.63%
29	Mr. Mohammed Jamal Ullah	Sponsor Shareholder	4.02%
30	Al-haj Mohammed Issa Badsha	Sponsor Shareholder	0.21%
31	Mr. Ahsan Khan Chowdhury	Sponsor Shareholder	5.00%
32	Mr. Md. Wahid Miah	Sponsor Shareholder	5.00%
33	Mother Steel Limited (Rep. by: Mrs. Nigar Sultana Daizy)	Shareholder	0.37%
34	Azan Limited (Rep. by: Mrs. Salma Issa)	Shareholder	0.37%
35	Ms. Muttaffin Issa	Shareholder	0.21%
36	Ms. Moomtahina Issa	Shareholder	4.21%
37	Mrs. Shahnaz Jamal	Shareholder	0.31%
38	Mr. Walid Mohammed Samuel	Shareholder	0.35%
39	Mrs. Fariha Nousheen	Shareholder	0.31%
40	Popular Pharmaceuticals Ltd. (Rep. by Dr. Mostafizur Rahman)	Shareholder	5.00%
41	Mrs. Rasheda Zaman	Shareholder	0.34%
42	Ms. Khandaker Sabrina Zaman	Shareholder	0.80%
43	Mr. Khandaker Rashed-S-Zaman	Shareholder	1.60%
44	Mr. Mohammed Helal Mia	Shareholder	2.72%
45	Dr. A. F. M Ruhul Haque	Shareholder	0.06%
46	Mr. Ziaul Haque	Shareholder	0.12%
47	Dr. Mehjabin Haque	Shareholder	0.06%
	Total		100%



The Board of Directors & Committees



Mrs. Nilufer Zafarullah
Chairman

Mrs. Nilufer Zafarullah is the Chairman of Midland Bank Ltd. An Architect by professions, Mrs. Zafarullah has contributed to education and development sector for over 25 years. She is renowned for her humanitarian effort. She is a member of the Board of Trustees of Independent University Bangladesh (IUB) and Chittagong Independent University (CIU). She is also a Director of Hong Kong Shanghai Manjala Textiles Ltd. and Donor Trustee of Begum Zebunnesa & Kazi Mahabubullah Jono Kallyan Trust.

As a life member of Zonta International, a worldwide organization for executives in the business profession, Mrs. Nilufer Zafarullah provided her services to improve legal, political, economics, health and professional status of woman at the global and local levels. Her leadership competence was evident when she served Zonta International District 25 comprising of Bangladesh, India, Nepal and Srilanka Area 02 as Director and District 25 as Lt. Governor from 1994-96 and 2006-08 respectively.

She was a Member of the National Parliament in the 9th and 10th Parliament. She also served as the Chairman of the Parliamentary Standing Committee for the Ministry of Foreign Affairs, Government of Bangladesh from 2012-13, in the ninth Parliament.



Mr. Md. Shamsuzzaman
Vice Chairman

Mr. Md. Shamsuzzaman, is the Vice Chairman of Midland Bank Ltd. He is the nominee director from Liberty Knitwear. Mr Shamsuzzaman is a prominent industrialist & holds Directorship in multiple profitable ventures like Liberty Knitwear Ltd., Orient Chem-tex Ltd., Micro Fiber Ltd., Midland Knitwear Ltd., A-One Polar Ltd., Tangon Garments Ltd. and Turbingen Chemicals (BD) Ltd.

In his previous term with MDB, Mr Shamsuzzaman acted as the Chairman of Risk Management Committee as well as Member of the Audit Committee of the Bank. He is a Textile Engineer and active in many community development and social service programs.

Master Abul Kashem is the Founding Director of Midland Bank Ltd. He is also a member of the Executive Committee of the bank. He has over 26 years of experience in the Iron & Steel industry. He was the highest tax payer in Chattogram District for four times - three consecutive years - 2009, 2010 & 2011 and recently for the year of 2016. He is an Ex-member of the Executive Committee of Bangladesh Ship Breakers and Recyclers Association. He is a member of the Chattogram Seniors' Club Limited, a life member of Sitakunda Samity Chattogram and Maa-O-Shishu Hospital and also a member of Sitakunda Community Police Committee, Ex-President of Shitalpur High School and Shitalpur Gouchia Madrasha, Shitakunda, Chattogram.



Mr. Master Abul Kashem
Director



Dr. Kazi Shahidullah is a Sponsor Director and a member of the Audit Committee of Midland Bank Limited. Dr. Shahidullah, currently the Chairman of the University Grants Commission (UGC) of Bangladesh, is a well-known academic and Ex-Professor of History at University of Dhaka. He was previously Vice-Chancellor of National University from 2009 to 2013. Professor Shahidullah holds an M.A. degree from the University of British Columbia and a Ph.D from the University of Western Australia.

He is an active member of the community and a proponent of higher education. Dr Kazi Shahidullah also served as the Chairman of Audit Committee since inception of MDB until 20 December 2018.

Dr. Kazi Shahidullah

Director

Mr. Kazi Omar Zafar is a Sponsor Director and a member of the Executive Committee of Midland Bank Limited. After completing B.F.A. Degree from Clark University in the USA, Mr. Kazi Omar Zafar started his early career as an exhibiting artist in New York. His 20 years business career began with ship management in Greece and in Bangladesh as the Managing Director of Refresh 360 Ltd, that ran as a 3D animation company for few years. During his formative business years he also ran the concern, Reliance Textile Industries, after which he went back to Greece and then shortly returned to Bangladesh as consultant for Chinese firms; whereby he successfully implemented Bangladesh's first large scale Chinese G to G investment in the Fertilizer sector.

Mr. Zafar has ventured into the energy business as CEO, where his family owned company Hongkong Shanghai Manjala Power Limited (HSMPL) has recently signed agreement with GOB to implement offshore LNG Terminal project. Simultaneously, Mr. Zafar is working with various foreign JV partners for the LNG business and for future energy infrastructure business in Bangladesh. Mr. Zafar is an energetic and promising entrepreneur and apart from his numerous business interests in Bangladesh and abroad, Mr. Zafar is also an avid sportsman who constantly participates in Squash tournaments. Mr. Zafar is compassionate about social responsibility and contributes to philanthropic services for the underprivileged women and children. This apart, he has affiliation with a number of social groups. He is a donor trustee of Begum Zebunnessa and Kazi Mahabubullah Jono Kallayan Trust.



Mr. Kazi Omar Zafar

Director



Mr. Kazi Raihan Zafar is a Sponsor Director of Midland Bank Ltd. He completed B.F.A. Degree from Parsons School of Design, New York, USA. Since returning to Bangladesh, Mr. Zafar is engaged in his family owned Textile business i.e. Hong Kong Shanghai Manjala Textiles Limited (HSMTL) as well as Power company i.e. Hongkong Shanghai Manjala Power Limited (HSMPL) as Directors. The power company has agreement with GOB to implement offshore LNG Terminal project. Simultaneously, Mr. Zafar is working with various foreign JV partners for the LNG business and for future energy infrastructure business in Bangladesh. In addition to his relentless thrive for setting up & operating successful ventures, Mr. Zafar is compassionate about social responsibility and contributes to philanthropic services for the underprivileged women and children, has affiliation with a number of social groups and donor trustee of Begum Zebunnessa and Kazi Mahabubullah Jono Kallayan Trust.

Mr. Kazi Raihan Zafar

Director

Ms. Anushka Mehreen Zafar is a Sponsor Director of Midland Bank Ltd. She has an M.A. in Health Communication from Emerson College, Boston, USA. After completing her post-graduation, she returned to Bangladesh and worked in different Non-Government Organization and contributed in the Health sector of the country. Ms. Anushka Mehreen Zafar has considerable social affiliations. With a compassion for the underprivileged, she is involved in various philanthropic work in the community. She is a Donor Trustee of Begum Zebunnessa and Kazi Mahabubullah Jono Kallayan Trust.



Ms. Anushka Mehreen Zafar

Director



Mr. Mohammed Jamal Ullah is one of the Sponsor Directors and member of Risk Management Committee of Midland Bank Limited. His core business interests includes manufacturing and trading of commodities. He earned notable name and fame in the business community for his integrity, devotion and sincerity for a span of 40 years. Mr. Mohammed Jamal Ullah has a deep affinity and attachment with various sociocultural organizations. He is a life member of Chattogram Maa-O-Shishu Hospital, Chattogram Diabetic General Hospital, Bhatiary Golf & Country Club and Chattogram Boat Club.

Mr. Mohammed Jamal Ullah
Director

Mr. Rezaul Karim is a member of the Board of Directors of Midland Bank Limited as the Nominee Director of Reedisha Knitex Limited. He is also the Chairman of the Executive Committee of the Bank. He is a well-known and respected personality in the business community of Bangladesh for more than 40 years. He is also the Chairman of the Board of Trustees of Southeast University Trust. He is engaged in many social and philanthropic activities.



Mr. Rezaul Karim
Director



Mr. Ahsan Khan Chowdhury

Director

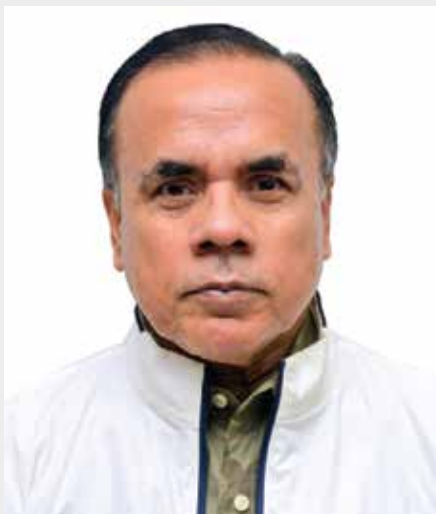
Ahsan Khan Chowdhury is the Founding Director of Midland Bank Ltd. He is also a member of the Executive Committee of the Bank. He is the Chief Executive Officer & Chairman of PRAN-RFL Group, one of the leading business conglomerates in Bangladesh. Mr. Chowdhury initially studied in Dhaka and later, went to USA for higher studies and completed graduation from Wartburg College Iowa in 1992.

Mr. Chowdhury started his business career in the family Real State, Food, Plastic and Light engineering business. He worked in all three fields and was extremely successful in making profitable deals for his company. Under his dynamic leadership, PRAN-RFL Group earned extensive acceptability & recognition in Bangladesh as well as globally in a short span of time. Today, it is the fastest growing corporate in Bangladesh, which contributes significantly to the socio economic development of the country. Currently the group has diversified interest in Agro-processing, Food and Plastic, Light Engineering, Banking etc. The group has its own production facilities in 13 different locations all over Bangladesh. The Group is directly employing over 95000 people and another 15,00,000 people subsists of PRAN-RFL Group.

Over the last 25 years, Mr. Chowdhury's role is instrumental in the success of the Group. By profession he is an entrepreneur, but he is a pioneer on several fronts. He is known as an executive in the fields of sales, marketing and business development. From the start of his career, he had special focus on Sales & Marketing with a strong vision to make his products and services available in every shop even at the remotest parts of the country. He travels all over Bangladesh to build up the strong sales and distribution network. Today the group occupies the largest market share in respective industries of Bangladesh despite tough competition from the multinational companies. Mr. Chowdhury strongly believes that in spite of Bangladesh being the world's most densely populated and poorest country, there is a lot of potential for development if given an opportunity. After winning the hearts of millions in Bangladesh, Mr. Chowdhury focused on export market. Under his Charismatic and effective leadership the group has established overseas offices in Dubai, Oman, India, Africa, Malaysia and Spain. Currently, his group is exporting its products to over 134 countries of the world. In recognition of Mr. Chowdhury's outstanding contribution in exports his company was awarded with Best Exporters Trophy for last 13 consecutive years by the government of Bangladesh. As a stepping stone, his company has successfully installed its production facility in India and Nepal and emerge as the first Bangladeshi Multinational company with production facilities in different parts of the world.

Mr. Chowdhury's father, Late Major General Amjad Khan Chowdhury (Retd.) was a soldier turned into a businessman who started the family business in 1980 with the strong support of his mother, Sabiha Amjad, who continually worked with him to establish the business.

Mr. Chowdhury is an active member of all Trade and Commerce bodies, associations & clubs in Bangladesh. He is involved in many socio-economic activities to serve the community.



Mr. A.K.M. Badiul Alam

Director

Mr. A.K.M. Badiul Alam is a member of the Board of Directors of Midland Bank Limited as the nominee Director of Garments Export Village Limited. He is also member of the Executive Committee of the Board of Directors of the Bank. On completion of post-Graduation with Honors in Management from University of Dhaka, Mr. A.K.M. Badiul Alam chosen "Business" as his profession. In 1984, he established a small textile weaving unit, thereafter, he turned his business line to the trend of national demand of the time. He has a successful story in marketing, networking for exporting RMG's as well as in Apparel Manufacture. Under the leadership of Mr Alam, AMTRANET GROUP has become a one of the prominent RMG Exporter of Bangladesh.

His initiatives have created employment to many unemployed and made unskilled workers to valuable workforce who are now rendering their labor and efforts for development of the national economy. Besides RMG Manufacturing and exporting, Mr. Alam has also undertaken initiatives to establish companies relating to Electricity generation and Oil refinery. He has also involved with the Medical service, Technical education, local and international standard basic educational institutions.

For extra ordinary performance in RMG Export, Mr. Alam has been awarded CIP status by the Ministry of Commerce, Government of Peoples Republic of Bangladesh. Mr. Alam also served as Director of BGMEA in 2019-2021 session.

Mr. Md. Wahid Miah is a Sponsor Director of Midland Bank Limited. He is a very successful businessman and has over 30 years of experience in the Textiles, Garments and Jute industry of the country. Under his dynamic Management Karim Jute Spinners Ltd. was awarded 'Agrani Bank Trophy' for being best export performers in 2010 and won the 2011 'National Export Trophy' for the largest exporters of Jute yarn. Mr. Wahid Miah is a humanitarian who is passionately involved in encouraging social awareness. Mr. Wahid regularly donates to educational institutions and promotes women's education. He is one of the largest donors to Muslim Missions and educational institutions. He is a life member of Faridpur Diabetic Samitee and an Executive Member of Bangladesh Textile Mills Association.



Mr. Md. Wahid Miah

Director



Mr. Md. Kamal Hossain is a Member of Board of Directors of Midland Bank Limited as the Nominee Director of That's It Sportswear Ltd. He is also a Member of Board Audit Committee of the Bank.

Mr. Md. Kamal Hossain
Director

Mrs. Lutfa Begum is a member of Board of Directors of Midland Bank Limited as the Nominee Director of Hazrat Amanat Shah Spinning Mills Ltd. She is also a Member of the Board Audit Committee of the Bank.



Mrs. Lutfa Begum
Director



Mr. Abdul Momin Mondol, M.P.

Director

Mr. Abdul Momin Mondol is a member of the Board of Directors as Nominee Director of Mondol Fabrics Limited. He is also a member of Executive Committee of Midland Bank Limited. He is a well-known personality in the RMG sector in Bangladesh for more than 20 years. He is one of the members of the 12th Bangladesh National Parliament from Bangladesh Awami League from his constituency Sirajganj-5. He was an elected Director of BGMEA during 2011-2012 session.

Presently Mr. Abdul Momin Mondol is the Managing Director of Mondol Group, which is a well reputed and renowned business conglomerate in Bangladesh. Mondol Group is engaged in export business all around the globe for more than 25 years and earned excellence. Mondol Group consists of various sister concern along with a prominent garments accessories manufacturing unit and a member of the Dhaka Stock Exchange namely Mondol Securities Ltd. He has been nominated 4 times as CIP by the Government of the People's Republic of Bangladesh. For his contribution to the export of the country, different entities of Mondol Group consecutively awarded with National Export Trophy and other recognitions by the Government. Mr. Abdul Momin Mondol is known as a philanthropist and prominent personality in his locality and to the entire business community.

Mr. Hafizur Rahman Sarker is a Member of the Board of Directors of Midland Bank Limited. He represents Beq Knit Limited in the Board. Mr. Sarker is a renowned industrialist in Bangladesh who started his career in 1988 having more than 31 years' of experience in the Garments, Textiles and IT sectors. He is also member of various business and social organizations like BGMEA, BTMA, DCC, Gulshan Club, Uttara Club, Kurmitola Golf Club and Savar Golf Club (SGC). He has been contributing to the national economy, job creation and socio-economic development of the country.



Mr. Hafizur Rahman Sarker

Director



Dr. Mostafizur Rahman
Director

Dr. Mostafizur Rahman is a member of the Board of Directors of Midland Bank Ltd. He is acknowledged as a role-model for his excellence in providing complete healthcare services in Bangladesh for the last 37 years. He is the founder of Popular Group that engaged in Diagnostic services, Pharmaceuticals Manufacturing, Hospital Services and Medical Education. Currently, he is the Managing Director of the companies within the Group. In June 1983, Dr Rahman established Popular Diagnostic Center, where technologically advanced and highly sophisticated medical instruments are used and patients are getting accurate medical diagnosis. He established Popular Pharmaceuticals Limited in 2005 which has created new wonder in the country's pharmaceuticals sector by adding innovative technologies in its manufacturing operations within a very short span of time.

In 2009, he established most modern "Popular Specialized Hospital Limited" with a vision of delivering world-class hospital services to the patients. Afterwards in 2010, he opened another chapter in the history of Popular Group by establishing Popular Medical College and Hospital Ltd. to create good physicians for providing updated health services to the people of the country.

His amiable friendly behavior in personal life; his honesty, concentration and persistence in business and above all, his excellent personality attracts all. He is also engaged with different social welfare-oriented works besides giving healthcare services. He is the member of Executive Committee of Bangladesh Private Clinic and Diagnostic Owners' Association and Executive Committee Member of Bangladesh Oushodh Shilpa Shomity, life member of Bangladesh Heart Foundation, Bangladesh Society of Pathologist, Bangladesh Ultra Sonogram Society, Bogra Shomity, Shandhani, Bogra and Lions Club, Lalbagh, Dhaka. He also awarded as Commercially Important Person (CIP) by the Ministry of Industry of the People's Republic of Bangladesh in 2016.

He has engaged himself in different research works apart from rendering health services. He is carrying out research works with John Hopkins University (USA), Nagasaki University (Japan), ICDDRDB (Dhaka), and Dhaka Shishu Hospital.

Mr. Mahbubul Hady Fazle Rab joined the Board of Directors of Midland Bank Limited with effect from 06 December 2018. He is a career Banker having diversified experience in Risk Management, Credit Administration, Risk Assessment and Structuring with multi-country experience. Initially he started his job with American Express Bank, Dhaka in 1991 and later served Standard Chartered Bank and Barclays Bank in Dubai in various responsible positions. Before retirement from his 25 years banking career, he served at Al Hilal Bank, Abu Dhabi, UAE as Senior Vice President- Corporate Credit. At present, he is engaged in consultancy through his own firm i.e. RAB Consulting, FZE, RAK, UAE. Mr. Mahbubul Hady Fazle Rab is an MBA with major in Finance from IBA, University of Dhaka.



Mr. Mahbubul Hady Fazle Rab
Independent Director



Mr. Nazimuddin Chowdhury

Independent Director

Mr. Nazimuddin Chowdhury joined the Board of Directors of Midland Bank Limited with effect from 26 February 2019. He is also a member of the Board Audit Committee. As a veteran Civil Servant, he has experience in working at the highest level of the Government. He served in different ministries in his career which includes Ministry of Agriculture, Defense, Health and Family Welfare, Commerce, Railway, Establishment, ERD, Women and Children Affairs, Home Affairs and Energy and Mineral Resources. Before retirement from the Government Service, he served as the Secretary of Ministry of Energy and Mineral Resources. Mr. Nazimuddin Chowdhury has vast experience in the Director role of different Government and private sector companies which includes Bangladesh Infrastructure Finance Fund Limited (BIFFL) and MJL (BD) Limited. He also served as the Chairman of the Board of Directors of Omera Petroleum Limited.

Mr. Nazimuddin Chowdhury earned his Masters in Arts in History with Honours from University of Dhaka. He has also earned a second Masters degree in Government Financial Management from University of Ulster, Northern Ireland, UK.

Mr. Md. Ahsan-uz Zaman is the Managing Director & CEO of Midland Bank Limited (MDB). Prior to joining MDB, Mr. Ahsan-uz Zaman was working for Mutual Trust Bank (MTB) as Additional Managing Director with responsibility for business catering to companies and individuals, International Trade Services, Information Technology and Alternative Delivery Channels. He initially joined MTB as Deputy Managing Director in July 2009 and was instrumental in developing existing and new client relationships, new business initiatives, assist in recruiting key officers, providing strategic direction and managing risk by chairing various Committees of the Bank. Prior to MTB, Mr. Ahsan-uz Zaman worked for Bank of America in New York, at its Global Wealth and Investment Management Division with responsibility for business across a wide assigned territory. He has diversified banking experience, having worked at home and abroad, serving JP Morgan Chase Bank, Morgan Stanley, BNP Paribas and ANZ Grindlays Bank where he joined as a Management Trainee in Dhaka in 1982. Mr. Ahsan-uz Zaman completed his MBA from the Institute of Business Administration of University of Dhaka and is an accredited mediator. He attended seminars on Risk Management and Capital Markets conducted by BNP Paribas in New York and received credit training conducted by ANZ Grindlays Bank in London, Melbourne and Mumbai including training courses on deposits, operations management, foreign trade, foreign exchange and presentation skills.



Mr. Md. Ahsan-uz Zaman

Managing Director & CEO

Committees of the Board of Directors

The Executive Committee

Sl.	Name	Designation
1	Mr. Rezaul Karim	Chairman
2	Mr. Kazi Omar Zafar	Member
3	Mr. Master Abul Kashem	Member
4	Mr. Ahsan Khan Chowdhury	Member
5	Mr. Mahbubul Hady Fazle Rab (Independent Director)	Member
6	Mr. A.K.M. Badiul Alam	Member
7	Mr. Abdul Momin Mondol M.P.	Member

The Audit Committee

Sl.	Name	Designation
1	Mr. Nazim Uddin Chowdhury (Independent Director)	Chairman
2	Dr. Kazi Shahidullah	Member
3	Ms. Anushka Mehreen Zafar	Member
4	Mrs. Lutfa Begum	Member
5	Mr. Md. Kamal Hossain	Member

The Risk Management Committee

Sl.	Name	Designation
1	Mr. Ahsan Khan Chowdhury	Chairman
2	Mr. Mohammed Jamal Ullah	Member
3	Mr. Hafizur Rahman Sarker	Member
4	Mr. Kazi Raihan Zafar	Member

The members of the Shariah Supervisory Council



Professor Dr. Muhammad Abul Kalam Azad
Chairman



Dr. Muhammad Nazrul Islam Al-maruf
Member



Mr. N K A Mobin FCA, FCS
Member



Mr. Rezaul Karim
Member



Mr. Md. Ahsan-uz Zaman
Member

The Profile of Shariah Supervisory Council Members

Professor Dr. Muhammad Abul Kalam Azad - Chairman

Professor Dr. Muhammad Abul Kalam Azad, an eminent Islamic scholar and educationist of the country, is the Chairman of the Shariah Supervisory Council of Midland Bank Limited. He is also the current Chairman of the Shariah Supervisory Board of Islami Bank Foundation since 2018. During his 25-year education career, he was posted in different Government Colleges including Govt. Kobi Nazrul College and Govt. Jagannath College as BCS (Education) cadre, teaching Islamic Studies. He also served as the Chairman of the Department of Islamic Studies of Jagannath University in 2018-2019 term and is currently a Professor of the Department.

Mr. Abul Kalam Azad has completed his BA (honors) and Masters degree in Dawah and Islamic Studies from Islamic University, Kushtia. He also completed post-graduation securing 1st place with distinction in Arabic under Islamic University of Madinah Munawwarah, Saudi Arabia. He earned his Phd from the University of Dhaka in 2011. He has written many Islamic research papers and translated books into Bangla. He has publication in numerous local and international Islamic journals. He has also contributed to different initiatives of Islamic Foundation as Author of Islamic books and trainer of workshops and as a member of different committees like 'Fatwa Committee' and 'Research Committee' on many occasions.

Dr. Muhammad Nazrul Islam Al-maruf - Member

Dr. Muhammad Nazrul Islam Al-maruf, an eminent Islamic scholar and educationist of the country, is one of the Member of the Shariah Supervisory Council of Midland Bank Limited. Presently he is serving as Principal of Darul Ulum Hossainiah Kamil Madrasa, Mohakhali, Dhaka. After completing his initial education with outstanding result (Board Stand 2nd to 6th place) in all public exams under the Madrasah Education Board, he went to Islamic University of Madinah Munawwarah, Saudi Arabia and earned 1st class in Licentiate (4 years' graduation). After returning home he achieved MA in Islamic Studies from the University of Dhaka (1st Class 3rd place). He also earned his Phd from the University of Dhaka in 2011.

Previously he served as the guest visiting professor of Asian University of Bangladesh and Acting Vice Chancellor America Bangladesh University. He is a member of the examination committee of Bangladesh Madrasah Education Board and Islamic University, Kushtia. He is one of the authors of the Madrasah Education Board text books. His book 'Fatwa and Masail' published by Islami Foundation, Bangladesh is one of the renowned books amongst the Muslims of our country.

Mr. N K A Mobin FCA, FCS - Member

Mr. N K A Mobin FCA, FCS is the Managing Director & CEO of Emerging Credit Rating Ltd. (ECRL), a pioneer Credit Rating company in Bangladesh. Starting his professional career in 1982, he served at KPMG, Dhaka Match Industries Co. Ltd., Karnaphuli Fertilizer Co. Ltd. (KAFCO), Novartis Bangladesh Limited and lastly Grameenphone Ltd. as Finance Director and Company Secretary for more than 26 years before starting his own rating company. Mr. Mobin has vast experience in working with diverse types of Board of Directors as Independent and Government Nominated Director. At present he is serving as Independent Director in the Board of Mobil-Jamuna Lubricants (Bangladesh) Limited from 2019, Shasha Denims Ltd. from 2017 and is a Government Nominated Director in Biman Bangladesh Airlines Limited since 2016. He is the Senior Vice President and Board member of Dhaka Chamber of Commerce & Industry (DCCI) for 2020-22 term.

Mr. N K A Mobin earned his MBA and BBA in Finance from University of Dhaka. He completed three executive MBA programmes in different arenas from Stockholm Business School, Sweden, National University of Singapore and INSEAD (France). He also completed Management course from AOTS/HIDA in Japan. Mr. N K A Mobin is the Fellow member of Institute of Chartered Accountants of Bangladesh (ICAB) and the Institute of Chartered Secretaries of Bangladesh (ICSB).

Note: Profile of Mr. Rezaul Karim and Mr. Md. Ahsan-uz Zaman, the other two members of Shariah Supervisory Council furnished in the Profile of Directors.

Management Committees

Senior Management Team

1.	Mr. Md. Ahsan-uz Zaman Managing Director and CEO	Chairman
2.	Mr. Md. Zahid Hossain Deputy Managing Director & CRO	Member
3.	Mr. Mohd. Javed Tarek Khan Head of Institutional Banking Division	Member
4.	Mr. Md. Zahirul Islam, FCA Head of Financial Administration Division & CFO	Member
5.	Mr. Khondkar Towfique Hossain Head of International Division & NRB	Member
6.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member
7.	Mr. Mostafa Sarwar Head of Credit Risk Management Division	Member
8.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
9.	Mr. Tapash Chakraborty Head of Human Resources Management Division	Member Secretary
10.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
11.	Mr. Nazmul Ahsan Head of Treasury & Market Risk (Front)	Member
12.	Mr. Khalid Mohammad Sharif, FCS Company Secretary	Member

Investment Committee (IC)

1.	Mr. Md. Ahsan-uz Zaman Managing Director and CEO	Chairman
2.	Mr. Md. Zahid Hossain Deputy Managing Director & CRO	Member
3.	Mr. Mohd. Javed Tarek Khan Head of Institutional Banking Division	Member
4.	Mr. Md. Zahirul Islam, FCA Head of Financial Administration Division & CFO	Member
5.	Mr. Khondkar Towfique Hossain Head of International Division & NRB	Member
6.	Mr. Mostafa Sarwar Head of Credit Risk Management Division	Member
7.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
8.	Mr. Nazmul Ahsan Head of Treasury & Market Risk (Front)	Member Secretary

Asset Liability Committee (ALCO)

1.	Mr. Md. Ahsan-uz Zaman Managing Director and CEO	Chairman
2.	Mr. Md. Zahid Hossain Deputy Managing Director & CRO	Member
3.	Mr. Mohd. Javed Tarek Khan Head of Institutional Banking Division	Member
4.	Mr. Md. Zahirul Islam, FCA Head of Financial Administration Division & CFO	Member
5.	Mr. Khondkar Towfique Hossain Head of International Division & NRB	Member
6.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
7.	Mr. Nazmul Ahsan Head of Treasury & Market Risk (Front)	Member Secretary

Risk Management Committee (RMC)

1.	Mr. Md. Zahid Hossain Deputy Managing Director & CRO	Chairman
2.	Mr. Mohd. Javed Tarek Khan Head of Institutional Banking Division	Member
3.	Mr. Md. Zahirul Islam, FCA Head of Financial Administration Division & CFO	Member
4.	Mr. Khondkar Towfique Hossain Head of International Division & NRB	Member
5.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member
6.	Mr. Mostafa Sarwar Head of Credit Risk Management Division	Member
7.	Mr. Nazmul Ahsan Head of Treasury & Market Risk (Front)	Member
8.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
9.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
10.	Mr. Fazal Abdullah Head of Anti Money Laundering Division	Member
11.	Mr. Ashraful Alam Acting Head of Central Operations & Service Delivery Department	Member
12.	Mr. Md. Humayoun Kabir Risk Management Division	Member Secretary

Credit Committee

1.	Mr. Md. Ahsan-uz Zaman Managing Director and CEO	Chairman
2.	Mr. Md. Zahid Hossain Deputy Managing Director & CRO	Member
3.	Mr. Mohd. Javed Tarek Khan Head of Institutional Banking Division	Member
4.	Mr. Khondkar Towfique Hossain Head of International Division & NRB	Member
5.	Mr. Mostafa Sarwar Head of Credit Risk Management Division	Member Secretary
6.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
7.	Mr. Nazmul Ahsan Head of Treasury & Market Risk (Front)	Member

Anti-Money Laundering Compliance Committee (AMLC)

1.	Mr. Md. Zahid Hossain Deputy Managing Director, CRO & CAMLCO	Chairman
2.	Mr. Khondkar Towfique Hossain Head of International Division & NRB & DCAMLCO	Member
3.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member
4.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
5.	Mr. Tapash Chakraborty Head of Human Resources Management Division	Member
6.	Mr. Ashraful Alam Acting Head of Central Operations and Service Delivery	Member
7.	Mr. Fazal Abdullah Acting Head of Anti Money Laundering Division	Member Secretary

Social Media and Administration Review Committee (SMAR)

1.	Mr. Md. Ahsan-uz Zaman Managing Director and CEO	Chairman
2.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member
3.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
4.	Mr. Mohammed Rashadul Anwar Head of Public Relations Division	Member Secretary

ICT Steering Committee

1.	Mr. Md. Zahid Hossain Deputy Managing Director & CRO	Chairman
2.	Mr. Mohd. Javed Tarek Khan Head of Institutional Banking Division	Member
3.	Mr. Md. Zahirul Islam, FCA Head of Financial Administration Division & CFO	Member
4.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member Secretary
5.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
6.	Mr. Tapash Chakraborty Head of Human Resources Management Division	Member
7.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
8.	Mr. Ashraful Alam Acting Head of Central Operations & Service Delivery Department	Member
9.	Mr. Md. Asraful Alam Head of Legal Division	Member

ICT Security Committee

1.	Mr. Md. Zahid Hossain Deputy Managing Director & CRO	Chairman
2.	Mr. Mohd. Javed Tarek Khan Head of Institutional Banking Division	Member
3.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member Secretary
4.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
5.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
6.	Mr. Ashraful Alam Acting Head of Central Operations and Service Delivery	Member
7.	Mr. Md. Farid Uddin IT Security Unit	Member

Sustainable Finance Committee

1.	Mr. Md. Zahid Hossain Deputy Managing Director & CRO	Chairman
2.	Mr. Mohd. Javed Tarek Khan Head of Institutional Banking Division	Member

3.	Mr. Md. Zahirul Islam, FCA Head of Financial Administration Division & CFO	Member
4.	Mr. Khondkar Towfique Hossain Head of International Division & NRB	Member
5.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member
6.	Mr. Mostafa Sarwar Head of Credit Risk Management Division	Member
7.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
8.	Mr. A.K.M. Ashiqur Rahman Head of Credit Administration Division	Member
9.	Mr. Tapash Chakraborty Head of Human Resources Management Division	Member
10.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
11.	Mr. Md. Abed-Ur-Rahman Head of Cards	Member
12.	Mr. Nakul Chandra Debnath Head of General Services Division	Member
13.	Mr. Md. Humayoun Kabir Risk Management Division	Member
14.	Mr. Mohammed Rashadul Anwar Head of Public Relations Division	Member
15.	Mr. Mohammad Abdul Quader Credit Risk Management Division	Member Secretary

ICT Risk Management Committee

1.	Mr. Md. Zahid Hossain Deputy Managing Director & Chief Risk Officer	Chairman
2.	Mr. Tapash Chakraborty Head of Human Resources Management Division	Member
3.	Mr. Md. Zahirul Islam, FCA Head of Financial Administration Division & CFO	Member
4.	Mr. Md. Asrarul Alam Head of Legal Division	Member
5.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member Secretary
6.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
7.	Mr. Md. Humayoun Kabir Risk Management Division	Member
8.	Mr. Md. Farid Uddin IT Security Unit	Member

Integrity Building Committee (IBC)

1.	Mr. Md. Zahid Hossain Deputy Managing Director & Chief Risk Officer	Chairman
2.	Mr. Mostafa Sarwar Head of Credit Risk Management Division	Member
3.	Mr. Tapash Chakraborty Head of Human Resources Management Division	Member Secretary
4.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
5.	Mr. Fazal Abdullah Acting Head of Anti Money Laundering Division	Member
6.	Mr. Ashraful Alam Acting Head of Central Operations and Service Delivery	Member

Purchase Committee (PC)

1.	Mr. Md. Zahid Hossain Deputy Managing Director & CRO	Chairman
2.	Mr. Md. Zahirul Islam, FCA Head of Financial Administration Division & CFO	Member
3.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member
4.	Mr. Mostafa Sarwar Head of Credit Risk Management Division	Member
5.	Mr. Nakul Chandra Debnath Head of General Services Division	Member Secretary

Innovation Committee

1.	Mr. Md. Zahid Hossain Deputy Managing Director & CRO	Chairman
2.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member
3.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member Secretary
4.	Mr. Md. Shaiful Alam Chowdhury Head of Agrabad Branch	Member
5.	Mr. Faisal Ahmed Head of Gulshan Branch	Member
6.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
7.	Mr. Kudrat-E-Khoda Md. Samiul Karim Head of Rajshahi Branch	Member

Branch Expansion and Interior Decoration Committee

1.	Mr. Md. Ahsan-uz Zaman Managing Director and CEO	Chairman
2.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
3.	Mr. Nakul Chandra Debnath Head of General Services Division	Member Secretary
4.	Mr. Mohammed Rashadul Anwar Head of Public Relations Division	Member

Business Continuity Management Committee (BCMCom)

1.	Mr. Md. Ahsan-uz Zaman Managing Director and CEO	Chairman
2.	Mr. Md. Zahid Hossain Deputy Managing Director & CRO	Member
3.	Mr. Md. Zahirul Islam, FCA Head of Financial Administration Division & CFO	Member
4.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member
5.	Mr. Md. Shaiful Alam Chowdhury Head of Agrabad Branch	Member
6.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
7.	Mr. Faisal Ahmed Head of Gulshan Branch	Member
8.	Mr. Tapash Chakraborty Head of Human Resources Management Division	Member
9.	Mr. Nakul Chandra Debnath Head of General Services Division	Member Secretary
10.	Mr. Mostofa Maynul Hasan Head of Narayanganj Branch	Member
11.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
12.	Mr. Ashraful Alam Acting Head of Central Operations and Service Delivery	Member



From the Desk of the Chairman

Honorable Shareholders, Colleagues and other Stakeholders,

As-Salamu Alaikum.

With a great honor and privilege, I would like to present the Annual Report together with the relevant financial statements for the year 2021 for your prudent review. If you analyze the financials and other indicators profoundly, you will find that your investment and engagement with Midland Bank is certainly justified. Our beloved bank is already known for its good governance, meticulous compliance and steady growth in the financial sector. I must acknowledge that Midland Bank is not amongst the best in terms of profitability. However, in terms of governance, compliance, portfolio quality, low NPL ratio and sustainability - it will be placed in the front-line category.

The nation went under lockdown in the second quarter of the last year. Our bank's staffs were heavily infected with the coronavirus. I profoundly acknowledge that the morale of our employees was

quite high during the severe infection period. With the remaining staffs, all of our branches and head office divisions remained operative to serve the customers and general public as a whole. My heartfelt thanks and blessings for the employees for serving the nation in that crucial time. The lethality of the ongoing pandemic largely eased by now. We have also learnt to deal with the covid-19 pandemic and tends to be a regular health hazard.

The global economy further weakened in 2021. Global growth is estimated at 5.9 percent in 2021 and is expected to grow 4.4 percent in 2022. Inflation continued to rise throughout the second half of 2021 around all the economies. Outbreak of new variants of Covid-19 resulted in mobility restrictions, shrinking job opportunity and supply chain disruption that ultimately resulted in higher and more broad-based inflation than anticipated throughout the world. Fossil fuel prices have almost doubled in the past year, driving up the energy costs and causing higher inflation. Rising food prices

have also contributed to higher inflation. Recovery in the economies around the world interrupted due to slower than expected private consumption. However, monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy –operating with more limited space than earlier in the pandemic – will need to prioritize health and social spending while focusing support on the worst affected.

The war in Ukraine will raise the fuel and energy prices to the next highest level. In aggregate, Ukraine and Russia make up about 30 percent of global wheat exports, indicating unprecedented crisis in global food and commodity market in near future. Long lasting conflict will bring multifarious negative impact in every sector all over the world. For the greater interest of humanity, the war should be stopped immediately. Sticking to the basic principle of the foreign policy, Bangladesh government has taken a neutral position without supporting or condemning the conflicting parties but differing to the war at large. The diplomatic stance will place us in a safer position in the economic battle of the superpowers, which will help us to ease the negative impact of the war from Bangladesh.

The Covid-19 pandemic was a staggering blow to Bangladesh's economy, dragging GDP growth in fiscal 2019-20 down to 3.51 percent, its lowest level in three decades. Government imposed successive mobility restrictions impaired manufacturing, exports and imports, and all other sectors and sub-sectors of the economy by and large. However, quick and decisive actions by the authorities, supported by external environment, led to much quicker rebound than Bangladesh's regional peers. Strong consumer demand along with people's strivings for work and earnings also contributed towards early recovery of the economy. GDP growth in Bangladesh is accelerating gradually and stood at 5.47 percent in FY 2020-21. In 2021, import spending was on the rise as remittances decline. As pandemic restrictions eased in July, exports found a new dynamism. In the first 11 months of 2020, export earnings were about \$30 billion. Over the same period in 2021, exports topped \$56 billion. Import spending has also risen in line with export orders.

From March 2020 to June 2021, governments have spent \$16 trillion providing fiscal support amid the pandemic, and global central banks have increased their balance sheets by a combined \$7.5 trillion. Deficits are the highest they have been since World War-II and central banks have provided more liquidity in the past year than in the past 10 years combined. This was absolutely necessary IMF research indicates that if policy makers had not acted, last year's recession, which was the worst peacetime recession since the Great Depression, would have been three times worse.

The inflation in Bangladesh was on the rise since June 2021. A spike

in consumer prices, spurred by rising oil prices, threatens to squeeze a population that has already tightened their belts due to the pandemic. Globally the inflation at its highest level since world war II. The government's decision to raise the price of diesel oil by 23 percent soon spiraled into an extended period of unrest.

The Non-Performing Loans (NPLs) in Bangladesh's banking system swelled to more than BDT 1.00 (one) trillion mark again as of September, 2021 despite receiving state policy support. The volume of NPLs grew by nearly 14 percent or BDT 124.16 billion to BDT 1,011.50 billion as on September 30, 2021 from BDT 887.34 billion as on December 31, 2020, according to the central bank's latest statistics. However, our bank has managed to keep the non-performing loan 3.17% through constant monitoring, rigorous persuasions and at legal actions.

During 2021, the Bank registered operating profit of BDT 1,570.90 million and posted net profit after tax at BDT 514.02 million. The Bank earned distributable profit of BDT 296.52 million, down from BDT 458.25 million in 2020. Total deposit rose by 12.54% to BDT 50,730.04 million from BDT 45,067.57 million in 2020. Loans and advances increased by 17.35% to BDT 45,867.48 million from 39,086.67 million in 2020. However, amount of fee based income decreased from previous year due to reduced forex transaction due to impact of Covid-19 pandemic and it had earned BDT 224.19 million in 2021 compared to BDT 276.58 million in 2020. Shareholders' equity decreased to BDT 7,404.21 million from BDT 7,613.97 million, with a decrease of 2.75%. Unlike many of our peer competitors, we were well-capitalized, deposit funded and liquid. MDB's capital management framework was intended to ensure best capital composition in relation to business growth. Bank's Capital to Risk Weighted Assets Ratio (CRAR) stood at 15.87% against minimum requirement of 12.50% including 2.50% conservation buffer as per Basel-III accord. Return on Assets (ROA) and Return of Equity (ROE) improved from previous year and stood at 0.78% and 6.85%, respectively. In a volatile scenario of Non-Performing Loans (NPLs) in the banking industry of Bangladesh, MDB could able to maintain its Non-Performing Loans (NPLs) in slightly over 3% (3.17%), compared to an industry average of above 10.00%.

At the end of 2021, our number of branches stood at 35 (thirty-five) including 19 (nineteen) rural branches, 16 (sixteen) urban branches, 13 (thirteen) sub branches and 100 Agent Banking Centers covering strategically important locations of the country. The Bank ramified its service network by setting 51 (fifty one) ATM Booths, 10 (ten) Bill Collection Centers and ensure customers access to over 2,500 ATMs through Q-Cash.

The investment portfolio of "MDB Salam" reached at BDT 2,168.45 million at the end of 2021 as against BDT 808.96 million of the last

year. An increase of 168.05% compared to last year. Deposit portfolio also grew by 173.00% reaching at BDT 2,717.66 million at the end of 2021. Our bank is also contributing FCY funding in the market through Offshore Banking Unit (OBU) and gained an amount of BDT 30.11 million as profit for the year 2021 by providing various FCY funding facilities to the institutional customers.

We have already applied for license to conduct Portfolio and Mutual Fund management under a fully owned subsidiary company of the bank named Midland Bank Asset Management Company Limited. The Board also decided to form an investment company to cater the future capital market derivatives. Enormous opportunity lying in this sector.

Midland Bank is amongst one of the four Bank initially connected with online portal of NBR for collection of governmental fees, VAT and taxes through MDB 'A-Challan'. Your bank is certainly amongst the first ranking banks of the country in terms of Digital banking facilities.

Our management and board is very cautious in terms of money laundering issues and always took timely measures to take preemptive measures to restrain any such attempts. Continued promotion of the ongoing good governance culture is one of the

priorities of your board. We also responded in different noble causes by extending CSR activities and donation program as part of social commitment.

After easing out the adverse impact of pandemic, the Board has decided to reinstate measures to go for Initial Public Offering (IPO) to raise 7 (Seven) crore shares @ BDT 10 each under fixed price method, i.e. BDT 70,00,00,000 (Seventy Crore) of which an "Employees Share Purchase Plan (ESPP)" scheme worth of BDT 5,00,00,000 (Five Crore) to reward the valued employees of MDB subject to consent of the Bangladesh Securities and Exchange Commission (BSEC). The bank has obtained necessary approval from Bangladesh Bank for IPO in this regard.

Finally, I would like to express my sincere gratitude to all of our regulators specially Bangladesh Bank for their relentless guidance, support and supervision. May Allah remain with us and shows the path to more success in coming days.



Nilufer Zafarullah
Chairman

Report of the Audit Committee of the Board of Directors

Introduction

The Board Audit Committee (BAC) of Midland Bank Limited is one of the prime sub-committees of the Board of Directors and is a vital point for enabling effective corporate governance and establishing effective oversight on the performance, quality, independence and objectivity of the audit activities. The Audit Committee acts as the core administrator of the Bank for protecting and safeguarding stakeholders' interests. The Audit Committee owns the capstone responsibility of engaging in systematic and continuous reviews, monitoring and evaluating organizational performance against evolving regulatory requirements, evaluating comprehensive policies, processes, and procedures, and ensuring non-negotiable compliance with laws and regulations. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities relating to—

- The integrity of the Bank's financial statements and internal control systems (including the implementation and effectiveness of internal control over financial reporting);
- The performance of the internal audit activities;
- The annual independent audit of the Bank's financial statements, engagement with independent auditors, and evaluation of independent auditors' qualifications, independence and performance;
- The compliance by the Bank concerning legal and regulatory requirements;
- The implementation and effectiveness of the Bank's disclosure controls and procedures;
- The evaluation of enterprise risk issues and
- The fulfillment and discharge of other responsibilities set out herein.

The Audit Committee's role is one of oversight and monitoring, and in carrying out this responsibility, the Committee may rely on the management, the independent auditor and any adviser/s the Committee might engage, provided its reliance is reasonable and dependable.

Formation

The Board Audit Committee (BAC) of Midland Bank Limited was formed by the Board of Directors in its 15th Meeting held on April 26, 2014 in compliance with Bangladesh Bank's BRPD circular No.11, Dated: October 27, 2013 regarding formation and responsibilities of Board of Directors of a Bank Company and in line with Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2006-158/134/Admin/44, Dated: August 07, 2012, and No. SEC/CMRRCD/2006-158/147/Admin/48, Dated: July 21, 2013 on Corporate Governance.

Organizational Structure of BAC

The 5 (Five) member Board Audit Committee (BAC) of MDB was last reconstituted in the 109th Meeting of the Board of Directors held on 28th March 2021 with the following Board Members:

SL No.	Name	Status with the Bank	Status with the Committee	Educational Qualification
1.	Mr. Nazim Uddin Chowdhury	Independent Director	Chairman	MA (University of Ulster, Northern Ireland, UK)
2.	Mr. Dr. Kazi Shahidullah	Director	Member	Ph.D (University of Western Australia)
3.	Ms. Anushka Mehren Zafar	Director	Member	B.F.A. (Parsons School of Design, New York, USA)
4.	Mr. Md. Kamal Hossain	Director	Member	MBA (Independent University, Bangladesh)
5.	Mrs. Lutfa Begum	Director	Member	Secondary School Certificate

The Company Secretary acts as the Secretary of the Audit Committee of the Board.

Participation of non-members:

The Managing Director and CEO, Deputy Managing Director, Chief Financial Officer and Head of ICCD attended some of the meetings on a need basis.

Access to the Committee

On any matter within the Committee's Charter, the Head of Internal Control & Compliance Division and Head of Audit And Inspection Department have direct access to the Audit Committee.

Roles and Responsibilities of Committee

The roles and responsibilities of BAC of MDB have been framed by considering the provisions of BRPD Circular No 11 dated 27 October 2013, Corporate Governance Notification No. BSEC/CMR-RCD/2006-158/207/Admin/80 issued by BSEC on June 03, 2018, and other best practices on corporate governance guidelines and standards. Leading roles and responsibilities of BAC of MDB are highlighted below in a broad scale:

a) Internal Control:

- Evaluate whether management is adhering to the appropriate compliance culture by communicating the importance of internal control and risk management to ensure that all employees have a clear understanding of their respective roles and responsibilities.
- Review the initiatives taken by the management for developing and maintaining a suitable Management Information System (MIS).
- Consider whether internal control strategies recommended by internal and external auditors have been implemented timely by the management.
- Review the management's corrective measures regarding fraud-forgery reports, deficiency in internal control, or other similar issues detected by internal and external auditors and inspectors of the regulators and inform the Board regularly.

b) Financial Reporting

- Oversee the financial reporting process and check whether the Annual Financial Statements reflect the concrete and complete information and determine whether they are consistent with applicable accounting and reporting standards set by respective governing bodies and regulatory authorities.
- Meet with Management and External/Statutory Auditors to review annual financial statements before their finalization.
- Monitor the choice of accounting policies and principles.
- Review along with management, the quarterly, half-yearly, and annual financial statements before submission to the Board for approval.
- Review management's discussion and analysis before disclosing in the annual report.
- Review statement of all related party transactions submitted by the management.

c) Internal Audit

- Monitor/ evaluate whether internal audit functions are conducted independently from the management.
- Review the internal audit activities and organizational structure and ensure that no unjustified restrictions or limitations are made on the internal audit process.
- Review and assess the annual internal audit plan and approve the same.
- Monitor Internal Audit and compliance process to ensure that it is adequately resourced and review the efficiency and effectiveness of internal audit function.
- Review that findings and recommendations made by the Internal Auditors for removing the irregularities, if any, detected are duly acted upon by the management in running the affairs of the Bank.
- Meet the Head of ICC and the head of the internal audit/monitoring as and when necessary without management being present to discuss any issues arising from the internal audits.

d) External Audit

- Evaluate the performance of the external auditors and their audit reports.
- Consider and make recommendations to the Board in relation to the appointment, re-appointment and removal of the Bank's external auditor. The Committee shall oversee the selection process for new auditors and if an auditor resigns, the Committee shall investigate the issues leading to this and decide whether any action is required.
- Oversee the relationship with the external auditors, including:
 - Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed, and time required for effective audit.
 - They were assessing their independence and objectivity annually, taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services.
 - Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Bank (other than in the ordinary course of business).
 - Meet regularly with the external auditor after the audit at the reporting stage.
 - Review the management letters or letter of control weakness issued by statutory auditors and recommendations made by them for removing the irregularities, if any, detected are duly acted upon by the management in running the Bank's affairs.

e) Compliance with existing laws and regulations

Review whether the laws and regulations framed by the regulatory authorities (Central Bank, BSEC, and other bodies) and internal circular/instructions/policy/regulations approved by the Board and Management have been complied with.

f) Miscellaneous

- Submit a compliance report to the Board of Directors every quarter on regularization of the omission, fraud, and forgeries (if any), and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities.
- Submit the evaluation report relating to the Internal and External Auditor of the Bank to the Board on need basis.
- Supervise other assignments delegated by the Board and evaluates its performance regularly.

Meetings of the BAC

Bangladesh Bank suggested banks to hold at least four meetings in a year. In the year 2021, the BAC of MDB managed to hold 04 (four) meetings and had detailed discussions and review sessions with the Head of Internal Control & Compliance on issues of bank

affairs that need improvement. The BAC instructed management to follow those remedial suggestions and monitored them accordingly.

Major areas focused by BAC in 2021 meetings

- Recommendation regarding appointment/re-appointment of External Auditor(s) of the Bank for the period up to 9th Annual General Meeting.
- Review and recommend for approval of ICCD activity plan for the year-2021.
- Review and submit a compliance report to the Board of Directors on quarterly basis on regularization of the omission, fraud and forgeries (if any), and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities.
- Review the performance of ICCD in 2020.
- Review the summary of audit findings by internal auditors and recommend the management for rectification.
- Review the highlight of all Bangladesh Bank Inspection reports and recommend the management for rectification.
- Review the summary of repeated audit findings raised by Bangladesh Bank upto 2020.
- Review all Internal Audit and Inspection reports submitted to the Board Audit Committee.
- Follow up of implementation status of meeting decisions taken by BAC.
- Review of annual financial statements for the year ended 31st December 2020.
- Review of annual integrated health report-2020.
- Review of the Senior Management Team's (SMT) certificate regarding the effectiveness of Internal Control Policy, Practice and Procedure.

In reviewing the Company's policies and practices with respect to the assessment of the various Internal Audit reports, it is evident

that MDB has continued to be efficient in internal control over financial reporting for the year ended December 31, 2021. Since most of the computation is system-based, the possibility of manipulation is almost absent. The Committee has selected International Accounting Standards (IAS), and International Financial Reporting Standards (IFRS) as the accounting standard and accordingly, the financial statement clearly states the compliance of GAAP, SEC, and Bangladesh Bank guidelines.

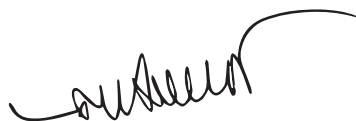
Priorities for the year ahead

The Committee expects to continue to ensure they reflect the mitigation of evolving risks in 2022 by focusing on the integrity of financial controls, risk governance and controls, cyber security infrastructure, digitalization, automation, customer data security, and true risk-based audit approach. The Committee expects its internal audit standards to be more effective and efficient for identifying risks in the Bank.

Acknowledgments

The MDB Board Audit Committee accords its sincere thanks and gratitude to the members of the Board, Management streams and Internal & External Auditors for their continuous support to make Midland Bank a compliant Bank in its journey to banking excellence.

On behalf of the Board Audit Committee,



Nazim Uddin Chowdhury

Chairman

Audit Committee of the Board of Directors



Managing Director & CEO's Review

Respected Shareholders and endearing Partners,

Assalamu Alaikum.

In Bangladesh, the banking business is passing through a transition. While we are encouraging our customers to use digital platforms to avail their services online in real-time, concurrently, Bangladesh Bank is now formulating new guideline of the operations of full-pledged digital banks, widening a new horizon for banking. Now onwards, conventional banks will have to compete in the financial market with the digital banks, mobile financial intermediaries and hybrid banks. Midland Bank has invested in IT infrastructure and developed robust digital platform for its customers since inception. Your bank has adequately taken preparation for the new challenges posed by the inevitable regulatory openings and is ready to embrace the enormous opportunities of banking business.

On the home front, last year, we saw Covid-19 pandemic infection in the second and fourth quarter by delta and omicron variants. Just like 2020, our employees served the customers during the high infection period following bank's stringent Covid-19 health safety measures.

The infection rate among the employees was also quite high throughout the year. Despite the enormous strain on our resources, we managed to operate during the crucial period that proves the operational strength of the bank and high morale value of our employee to serve.

I recognize my fellow colleagues' contribution who served our Bank during the peak of the pandemic. As infection and hospitalisation was spiking, our services were not disrupted for a single day. We feel blessed and most grateful to Almighty Allah and I pray for forgiveness, mercy and relief.

Economic Environment

In 2021, Bangladesh's economy was showing nascent signs of recovery backed by a rebound in exports, strong remittance inflows, and the ongoing vaccination programme, according to a World Bank report published in April 2021. However, due to prolonged Covid-19 containment measures in the form of mobility restrictions and lockdowns, the revival of the economic activities was less than expected. Bangladesh Bank continued its series of

investment and employment enhancing policy measures throughout the year 2021 in line with its ongoing pro-growth, expansionary and accommodative monetary policy stance. A series of investment and employment enhancing policy measures were also undertaken. Bangladesh Bank generously extended its support in implementing Government's stimulus packages, taken for recovery of economic activities disrupted by the covid-19 pandemic that eased the overall money market and helped the private sector to sustain combating the negative impacts of the pandemic.

Bangladesh economy displayed its inherent resiliency reflected through a notable 5.2 percent real GDP growth where all other South-Asian economies experienced economic contractions in FY20. Aided by prudent fiscal and monetary policy measures, the growth momentum for Bangladesh continues, recording an estimated growth of 6.1 percent in FY21, well supported by rebounded exports and import growth amid sustained high growth of inward remittances throughout the year. Looking ahead, the Government has set a target of real GDP growth at 7.2 percent for FY22.

During 2021, sustained activities in the agricultural sector, resumption of industrial production backed by exports and mega construction activities and restoration of service sector activities with increased mobility of the people including a rush in local tourist destinations suggested a recovery in economic activities. Despite these containment measures, the available data suggested that the external demand which is mostly reflected by export proceeds increased by 15.1 percent in year FY21. Domestic demand also increased by 19.7 percent and wage earner's remittance grew by 36.1 percent in FY21.

However, inflation hike in the global and domestic market seems to be a pressing concern. In the last FY, the CPI based average inflation declined to 5.56 percent. But it will surely shoot high as the recent studies indicates that global food inflation index rising towards historical high. Since COVID-19 pandemic began, governments and central banks across the globe responded with huge money injections to fight the pandemic. As per a report of the IMF, Governments' fiscal supports globally stood at \$16 trillion while global central banks had to increase their balance sheets by a combined \$7.5 trillion since March 2020. The IMF report further notes, "Deficits are the highest they have been since World War II and central banks have provided more liquidity in the past year than in the past 10 years combined." All these were necessary and rightly done to tackle the extraordinary challenges stemming from the COVID-19 crisis like no other.

The global food price hike that already reached a new all-time high would be a challenge for the growth target of Bangladesh. The Ukraine war led to a "giant leap" in food prices last month to another record high, as per United Nation reports. Russia and Ukraine combined, accounted for around 30 percent and 20 percent of global wheat and maize exports, respectively. Eventually, inflation in food items will be on the rise in the coming days for sure.

Business Strategy

For the first time since 2018, liquidity is not a big concern for MDB. Anticipating the natural cycle of money market, we did not book any long-term high cost deposits in the preceding years. Our decision of not being aggressive in sourcing deposits proved to be fruitful in the changing liquidity scenario. Last year, we had enough liquidity to cater to our business need and took steps to rationalize the deposit rates downward to limit the unutilized liquidity. However, the deposit portfolio of our bank has further consolidated and reshaped in a positive way in the last year, increasing the low-cost deposit from 23.47% to 24.62% by the end on 2021. As per our steady growth approach, the asset portfolio of the bank grew by 9.30%, as we made credible and prudent credit judgement since beginning. As we are very selective in choosing asset customers, our highest effort and focus is continuing to maximize the non-interest and non-funded business.

During 2021, our retail customer relationships increased by 23%, reaching 1,57,465 by December 2021. The digital banking customers of our Bank, which increased many fold during the pandemic, is the future base of our retail customers.

In terms of profitability, we did better during the pandemic, registering an operating profit of BDT 1,570.90 million and earning a Net Profit after tax of BDT 514.02 million. MDB Off-shore Banking Unit (OBU) generated a profit of BDT 30.11 million in its second year of operation. The Islami Banking window, MDB Saalam also generated profit of BDT 29.12 million and I feel grateful for the blessings of Almighty Allah for giving us the opportunity to serve the people through our Shariah banking services. Our wise and prudent Sharia Supervisory Council guides the management with their wisdom and in-depth knowledge in Sharia law in formulating a range of Deposit and Investment product guidelines.

By the end of 2021, the number of Branches reached 35, amongst which 16 are urban and 19 are rural. Our Sub-branch network reached 13. Agent Banking Centres (ABC) increased to 100 by the end of 2021. We have plan to further expand our service network throughout the country opening of Sub-branches and ABCs in 2022.

The Bank is in the process of raising BDT 700.00 million, through Initial Public Offering (IPO), from the capital market for which Bangladesh Bank approval has already been obtained. While the Bank is strongly capitalised with a capital adequacy rating of 15.87% and currently does not need additional capital to run its present business operation, the capital raising is being done to further strengthen the capital base and to partially fulfill the Bank's licensing condition set by our regulator. Bangladesh Securities Exchange Commission approval is awaited and it is expected the IPO will come to the market in the last quarter of 2022. A unique feature of our IPO will be that BDT 50.00 million will be offered to our staff, to reward them, with a two-year lock-in period, thereby creating history being the first employee owned Bank in the financial sector in Bangladesh.

Performance

By the grace of Allah, we managed to close the year 2021 with an operating profit of BDT 1,570.90 million, compared to BDT 1,217.83 million in 2020 indicating the strength in our business franchise. However, the net profit after tax stood at BDT 514.02 million, due to higher loan provision charges and tax charges due to increase in core banking business, compared to BDT 656.36 million in 2021, i.e. 21.69% negative growth over 2020. Total assets of the Bank stood at BDT 69,018.91 million up by 9.30% year-on-year. The Bank's loan portfolio and deposits maintained a balanced growth of 17.35% and 12.56% respectively, supported by a customer centric business model. At the close of the year, our loans and advances were BDT 45,867.48 million underpinned by our client acquisition strategy. Our credit lines comprise mostly of corporate portfolio, SME lending and retail loans. Despite the alarming increase of NPL rate throughout the banking sector, we were able to maintain the NPL ratio at 3.17% compared to 1.16% of the previous year. The rise in NPL is due to classification of a quasi-cash covered loan, which we hope to fully realize in 2022. The Advance to Deposit ratio was maintained at 83.62% at the year-end while CASA contribution to total deposits was 31%, enabling the Bank to gain a competitive margin. Continuous focus on streamlining operations resulted in an improved cost to income ratio of 40.41% consolidating our bottom line. The key financial health indicators reflect a sound position with Capital to Risk Weighted Assets Ratio (CRAR) of 15.87% at the close of 2021, against regulatory requirement of 12.50 percent including 2.50% capital conservation buffer as per Basel III standard.

In the eighth year of operation, MDB has gained resilience to absorb any sudden shock of deposit outflow by huge improvement in the deposit mix and also withstand NPL shock by keeping provisions at required level. The Management of MDB is conscious of the aftermath of covid-19 pandemic and shall act as per prudent guidance of the Board. At present, 44% of total deposit consists of retail deposits including CASA and aggregate retail, CASA and other small deposits constitute 54.44% of our total deposits base.

Pleased to Acknowledge

I am deeply indebted to our wise Board of Directors for their invaluable guidance and prudent credit decisions who guided us in our journey to achieve success. I also acknowledge that the Board at all times upheld high professionalism and ethical standard in its deliberations. I express my gratitude towards our respected customers for their trust on us to serve them with our products and services through our diversified delivery channels. I also convey my gratitude to our regulatory bodies who guided us and provided us with solutions in our endeavour to do better. I thank our Honourable Chairman for her vision, guidance and support extended to us for which I feel deeply indebted. I thank the Chairman of our Shariah Supervisory Council and all its members for the guidance and directives to make our Islami Banking window, MDB Saalam, Shairah compliant and also for the help extended to launch and offer Shariah banking to our customers. I thank our regulator Bangladesh Bank for their prudent guidance and our external auditor A Qasem & Co., Chartered Accountants for their meticulous audit work.

It is a pride and honour for me to be a part of the MDB family - a team committed to achieving excellence - who are most talented, professional and devoted. I express my gratitude to all employees of the Bank who worked tirelessly for the betterment of the institution and deliver quality service to meet the need of our customers to help them achieve their financial hopes and dreams.

May Almighty Allah grant us wisdom and strength and guide us as we serve our clients and the nation.

Sincerely,



Md. Ahsan-uz Zaman

Managing Director and CEO

Directors' Report



Directors' Report

Dear Stakeholders,

The Board of Directors welcome you all in the 9th Annual General Meeting (AGM) of the Bank. It is a privileged pleasure for me to present the annual report along with all relevant financial statements for the year ended on December 31, 2021. In this report, we have endeavored to give the highlights of the global economy along with how we experienced the swings on our domestic economic frontier.

Global Economic Outlook

Global growth is expected to decelerate from 5.50% in 2021 to 4.10% in 2022 and 3.20% in 2023, reflecting continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks. A number of headwinds weigh on the recovery in emerging market and developing economies (EMDEs) vis-à-vis advanced economies, including lower vaccination rates, tighter fiscal and monetary policies, and more persistent scarring from the pandemic. Consequently, while output and investment in advanced economies are projected to return to pre-pandemic trends next year, they will remain markedly below in EMDEs. The global outlook faces significant downside risks, including further Omicron-driven economic disruptions, additional supply bottlenecks, a de-anchoring of inflation expectations, and financial stress. Given limited policy space in EMDEs to support activity if needed, these downside risks increase the possibility of a hard landing. The ongoing slowdown and multiple downside risks underscore the need for concerted international action and the need to implement a comprehensive set of national policy responses. Global cooperation needs to be strengthened to achieve equitable vaccine distribution, improve debt sustainability, and tackle climate change. EMDE policy makers also face the challenges of inflationary pressures, spillovers from prospective advanced-economy monetary tightening, and constrained fiscal space. Over the longer term, policy makers will need to pursue decisive policy actions that mitigate vulnerabilities to commodity shocks, reduce income and gender inequality, and enhance preparedness for health- and climate-related crises.

Global Economic Prospects: East Asia and the Pacific

Growth in East Asia and Pacific (EAP) rebounded to an estimated 7.10% in 2021, but the speed of recovery differed considerably among countries. In China, GDP expanded by an estimated 8% in 2021, led by manufacturing and exports. This was about 2% higher than the country's trend growth rate, but 0.50% less than projected in June'21 reflecting faster than expected withdrawal of macroeconomic support and regulatory tightening. Growth in the region excluding China also recovered in 2021, but by a modest 2.50%-1.50% slower than projected in June'21 and about half the trend growth rate, reflecting the severe COVID-19 resurgence in mid 2021. A series of significant disruptions caused by the pandemic resulted in weaker-than-expected growth in several large economies in 2021. The damage to activity from the lockdowns and extended border closures was especially evident in

tourism-dependent economies where the projected recovery was insufficient to restore output to its pre-pandemic level in 2019. Activity was also disrupted in some cases by natural disasters, including the effects of severe cyclones (the Philippines, the South Pacific islands). Following fiscal tightening and the imposition of property and financial market curbs in the first half of 2021, fiscal and monetary policies were eased in China in the second half of last year to stabilize activity. In the rest of the region, the recovery has gained momentum on stronger domestic activity, as social distancing measures eased and vaccination rollouts accelerated. Goods export growth softened as global growth and trade peaked amid persistent supply disruptions. Services trade remained subdued, reflecting remaining travel restrictions amid a resurgence of the pandemic. EAP countries, especially the ones reliant on inflows from Australia, New Zealand, and the United States (Fiji, the Solomon Islands, Tonga, the Philippines), have continued to benefit from resilient flow of remittances.

Downside risks to the regional outlook predominate. The share of vaccinated people in many economies in the region is expected to surpass 70% by mid-2022, but the region is vulnerable to renewed outbreaks of COVID-19. Mobility restrictions in the context of pandemic resurgence, incomplete vaccinations, and inadequate testing especially in the face of the highly transmissible Omicron variant, may disrupt the recovery of the tourism and travel industry and weigh on consumer confidence. Financial risks. (Source: World Bank, published on January 2022).

Economy of Bangladesh

The Economy of Bangladesh is characterised as a developing market economy. It is the 42nd largest in the world in nominal terms or at current prices, and 30th largest by purchasing power parity; international dollars at current prices. It is classified among the Next Eleven emerging market middle income economies and a frontier market. In the first quarter of 2019, Bangladesh's was the world's seventh fastest-growing economy with a real GDP or GDP at constant prices annual growth rate of 8.30%. Dhaka and Chittagong are the principal financial centres of the country, being home to the Dhaka Stock Exchange and the Chittagong Stock Exchange. The financial sector of Bangladesh is the third largest in the Indian subcontinent. Bangladesh is one of the fastest growing economies in the world as well as the fastest growing economy in the South Asia.

In the decade following 2004, Bangladesh averaged a GDP growth of 4.50%. This growth had been largely driven by its exports of readymade garments, remittances and the domestic agricultural sector. The country has pursued export oriented, with its key export sectors include textiles, shipbuilding, fish and seafood, jute and leather goods. It has also developed self-sufficient industries in pharmaceuticals, steel and food processing. Bangladesh's telecommunication industry has witnessed rapid growth over the

years, receiving high investment from foreign companies. Bangladesh also has substantial reserves of natural gas and is Asia's seventh largest gas producer. Offshore exploration activities are increasing in its maritime territory in the Bay of Bengal. It also has large deposits of limestone [40]. The government promotes the Digital Bangladesh scheme as part of its efforts to develop the country's growing information technology sector.

Bangladesh is strategically important for the economies of Nepal and Bhutan, as Bangladeshi seaports provide maritime access for these landlocked regions and countries. China also views Bangladesh as a potential gateway for its landlocked southwest, including Tibet, Sichuan and Yunnan.

Bangladesh is a member of the D-8 Organization for Economic Cooperation, the South Asian Association for Regional Cooperation, the International Monetary Fund, the World Bank, the World Trade Organization and the Asian Infrastructure Investment Bank. The economy faces challenges of infrastructure bottlenecks, bureaucratic corruption, and youth unemployment (Source: Wikipedia).

Developments in the Bangladesh Economy

Despite repeated waves of the COVID-19, Bangladesh economy has managed to return to the recovery phase aided by appropriate policies and 28 stimulus packages.

Growth Performance

After recent rebasing from FY06 to FY16, BBS has calculated real GDP growth rate at 6.94% for FY21, which was 3.45% in FY20. Agriculture sector contributed 12.07% to GDP in FY21 and growth of this sector declined from 3.42% in FY20 to 3.17% in FY21. During this period growth of all sub-sectors of agriculture decelerated. Forest and related services growth slowed by the highest extent among all agricultural sub-sectors, to 4.98% in FY21 from 5.34% in FY20.

Industrial sector contributed 36.01% percent to GDP, and grew by 10.29% in FY21, higher than 3.61% in FY20. This growth was mainly supported by growth of manufacturing; mining and quarrying; electricity, gas, steam and air conditioning supply; and water supply, sewerage and waste management. On the other hand, the construction sub-sector recorded a lower growth of 8.08 percent compared to that of the previous year.

Services sector accounted for the largest share of GDP. In FY21, 51.92% of GDP came from this sector, which was 52.54% in FY20. Service sector grew by 5.73% in FY21, much higher than 3.93% growth in FY20. Almost all components of services sector- such as, public administration and defense; wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods; transportation and storage; and accommodation and food service activities experienced higher growth in FY21 than those of the previous year.

Savings and Investment

An expansion of investment in FY21 from the last year, total investment as percentage of GDP decreased to 31.02% in FY21 from 31.31% in FY20. Over the same period, the ratios of public investment to GDP stood at 73.2% registering a 3 basis points increase and private investment to GDP decreased to 23.70% from 24.02%.

Consumer Price Inflation

During the first four months of FY21, twelve-month average CPI inflation experienced an upward trend and reached to 5.77% in October 2020. Afterwards it started to decrease gradually and came down to 5.56% in June 2021, which was lower than 5.65% in June 2020. Although inflation decreased by 0.09%, it exceeded the targeted ceiling of 5.40% in FY21. This lower general CPI inflation was the result of lowering non-food inflation. Food inflation increased while non-food inflation decreased in FY21 compared to the same period of the previous year.

Money and Credit Developments

In FY21, Bangladesh Bank's monetary and financial policies continued to prioritise economic recovery from the COVID-19 pandemic, while ensuring stable production growth and maintaining price stability. During this period, monetary policy aimed at ensuring adequate measures for complementing recovery process of the economy and inflation targets. As a result of policy initiatives taken by the government of Bangladesh and Bangladesh Bank, economy witnessed a strong recovery track during the first three quarters of FY21. However, due to increased rate of Coronavirus infection and associated containment measures, the recovery process became weaker in the last quarter. While the country was dealing with the first wave of the pandemic, Bangladesh Bank reduced repo rate by 50 basis points to 4.75% in July 2020 from 5.25%. Meanwhile, CRR on bi-weekly average and daily basis were kept unchanged at 4.00% and 3.50%, respectively in FY21. Due to BB's expansionary and accommodative monetary policy stance, broad money (M2) growth accelerated in FY21 to 13.61% from 12.66% in FY20 but remained slightly short of the FY21 monetary policy programmed ceiling of 15.00%.

Domestic credit grew by 10.32%, lower than the targeted growth of 17.38% for FY21 and even lower than the actual growth of 13.66% in FY20, mainly caused by the substantial decrease of credit flow to both the public and private sectors from the banking system because of the pandemic situation of COVID-19. Private sector credit grew by 8.37% in FY21, much lower than the targeted growth of 14.80% for FY21 and actual growth of 8.61% in FY20. However, the lower growth in credit to private sector might be attributed from the uncertainties created by COVID-19 along with banks' adherence towards quality credit.

Reserve Money (RM) grew by 22.41%, higher than the programmed growth of 13.50% for FY21, and much higher than the actual growth of 15.67% recorded in FY20. Reserve money growth exceeded the programmed level mainly because of higher growth of net foreign assets (NFA) than targeted growth.

At the end of FY21, the weighted average interest rate on bank advances decreased to 7.33% from 7.95% in FY20. The weighted average interest rate on deposits decreased to 4.13% at the end of FY21 from 5.06% at the end of FY20. According to Export Promotion Bureau (EPB) data, FY21 export earnings increased by 15.10%, while in the preceding year export earnings shrank by 16.90%. Import (f.o.b) increased by 19.7% in FY21 against 8.60% decline in FY20. Import as percentage of GDP stood at 14.60% in FY21, while it was 13.60% in FY20.

Review of Business

Principal activities of the Bank:

The principal activities of the Bank are to provide wide range of financial products (loans and deposits) and services that includes all kinds of Conventional and Islamic banking services to its customers. It offers commercial banking, consumer banking, trade services, cash management, treasury, cottage micro small and medium enterprises (CMSMEs), retail, debit/credit cards services and clearing services to its customers. These activities are conducted through its Branches, Sub- branches, Agent Banking Centers (ABCs), Collection Booths and Alternative Delivery Channels (ATM booths, Internet Banking, Debit/Credit/Prepaid Cards, etc.) across the country. MDB digital banking service is the Bank's flagship product to provide internet based banking solutions. MDB online banking facilities like-fund transfer to utility bills payment, buying air tickets, paying bills of mobile phones, credit cards, and insurance premiums and then tracking of accounts and even shopping from over 200 retailers. MDB digital banking service is integrated with bkash, ROCKET and NAGAD payment system as well. The Bank also provides Off-shore banking services through its Off-shore Banking Unit (OBU) and Islami banking services through its Islamic Banking Window (MDB Saalam).

Strategic Plan

The strategic primacies and actions plan of the Bank are summarized below:

- ❖ Diversify the credit portfolio into Corporate, MSME, Emerging Corporate & Special Program (EC&SP), Retail Business, Agriculture, Trade Financing, Project Financing and organizing Syndication deals.
- ❖ Improve Deposit mix by increasing low cost & no-cost Deposits in total Deposits.
- ❖ Increase the Non-Funded Business and Non-Funded income (Commission, Exchanges & Fee based income).
- ❖ Maintain adequate level of liquidity by minimizing Asset-Liability mismatch.
- ❖ Increase inward remittance through expansion of domestic networks for the beneficiaries through strategic alliances and introducing new products to attract NRB customers.
- ❖ Extend banking services to un-banked and under banked people for inclusive growth.
- ❖ Improve IT infrastructures for developing new IT based products and services.
- ❖ Maintain strong capital base and strengthen Internal Capital Adequacy Assessment Process (ICAAP) by accelerating borrowers' rating and concentrating on lending portfolio having lower capital charge.
- ❖ Improve human resources management system to motivate and retain the workforce and transform into human assets through appropriate and extensive training and learning culture.
- ❖ Strengthen internal control & compliance and monitoring thereon.
- ❖ Introduce in-depth research for developing brand strategy to create an optimum brand value.
- ❖ Control of cost at every level of operations by ensuring budgetary goal.
- ❖ Improve internal governance through strengthening good corporate cultures, motivation, training and supervision as per KPIs in all level of management.
- ❖ Expand CSR related activities and ensure the green banking activities.

The Bank has been working by giving emphasis on the above strategic priorities and lots of developments have also been taken place in this regard.

Branch Network

Midland Bank Limited commenced its business on 20 June 2013. The first branch was opened at Dilkusha commercial area in the name and style "Dilkusha Corporate Branch" on the inauguration day of the Bank. At the end of 2021, the number of branches stood at 35 (16 Urban and 19 Rural), 13 Sub Branches, 51 ATMs, 100 Agent Banking Centers (ABCs) and 7 Bill Collection Booths covering commercially important locations across the country. The Management foresees to open another 2 Urban Branches, 2 Rural Branches, 5 Sub-Branches, and 100 Agent Banking Centers under the Agent banking license in the forthcoming year 2022.

Islami Banking Window (MDB Saalam)

The Bank obtained permission for Islami Banking Windows (IBW) from Bangladesh Bank. Islami banking windows (MDB Saalam) after getting approval from Bangladesh Bank launched on 23 April 2020. The Bank is operating its Islami banking under one window in Gulshan Branch, Dhaka. Through the IBW, the Bank extends all types of Islami shariah compliant finances like lease, hire purchase shirkatul melk (HPSM), bai muazzal, household scheme, etc. and different types of deposits like mudaraba/manarah savings deposits, mudaraba/manarah term deposits, al-wadeeah current deposits, monthly/quarterly profit paying scheme, etc. Separate financial statements of Islami banking window are shown in Annexures G.

Off-shore Banking Unit (OBU)

Off-shore Banking Unit (OBU) after getting approval from Bangladesh Bank launched its operation on 20 June 2020. It is a separate business unit of the Bank, operates its business through a separate counter at Head Office, as governed under the rules and guidelines vide Bangladesh Bank's letter reference no. BRPD (P 3) 744 (101)/2010-4129 dated 10 November 2009 and a Policy for Off-shore banking operation issued by Bangladesh Bank through BRPD circular no. 02 dated 25 February 2019 and BRPD circular letter no. 09 dated 27 May 2019. It gives loans (on and off-balance sheet exposures) and takes deposits in freely convertible foreign currencies to and from person/institution not resident in Bangladesh and Type-A (wholly foreign owned) units in EPZs in Bangladesh. It also gives long term loans to industrial units outside EPZs and Type-B and Type-C industrial units within the EPZs subject to compliance by the industrial units with the guidelines of Bangladesh Investment Development Authority (BIDA) and Bangladesh Bank. Besides, this unit provides bill discounting/financing facilities accepted by Authorised Dealer (AD) in Bangladesh against usance LCs in accordance with Bangladesh Bank (BB) guidelines. Separate financial statements of Off-shore banking unit have been disclosed in Annexures H.

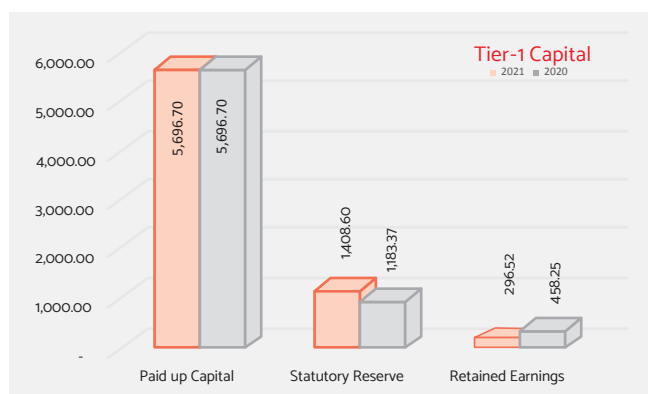
Capital Strength (Capital to Risk Weighted Assets Ratio-CRAR)

We firmly believe that capital base of the Bank is our utmost strength. This is the first time ever in Bangladesh all the 4th Generation Banks commenced its commercial operation with huge initial paid-up capital of BDT 4,000 million. Apart from the paid-up capital, we were able to enlarge the shareholders equity of the Bank to BDT 7,404 million at the end of 2021 from BDT 7,614 million in 2020. The Capital to Risk Weighted Assets of the Bank increased to BDT 51,240 million in 2021 from BDT 45,800 million in 2020. As a result, Capital to Risk Weighted Assets Ratio (CRAR) reported to 15.87% in 2021, against regulatory requirement of 12.50% under Basel-iii regime including 2.50% capital buffer.

The following table represents the Tier-1 capital (core capital) and Tier-2 (supplementary capital) of the Bank as per BASEL-III Capital Accord.

Core Capital (Tier- 1)

Particulars	in BDT Million		% of Growth in 2021 over 2020
	December 2021	December 2020	
Paid-up Capital	5,696.70	5,696.70	0.00%
Statutory Reserve	1,408.60	1,183.36	19.03%
Retained Earnings	296.52	458.25	(35.29%)
Intangible Assets	(22.00)	(25.15)	(12.52%)
Sub-Total (A)	7,379.82	7,313.16	0.91%

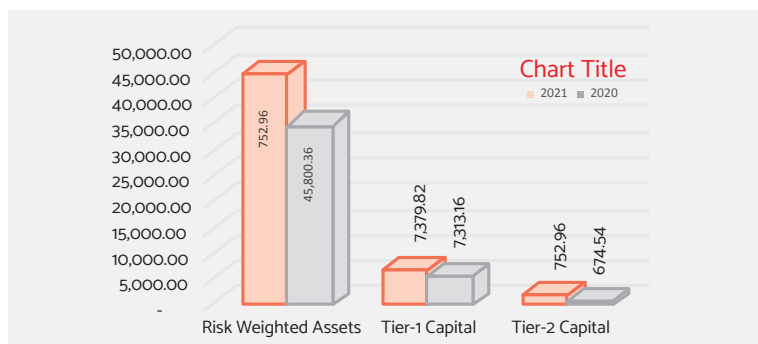


Supplementary Capital (Tier- 2)

Particulars	in BDT Million		% of Growth in 2021 over 2020
	December 2021	December 2020	
General Provision	752.96	674.54	11.62%
Securities Revaluation Reserve	-	-	-
Sub-Total (B)	752.96	674.54	11.62%
Sub-Total (A)	8,132.78	7,987.70	1.82%

Capital to Risk Weighted Assets Ratio (CRAR)

Particulars	in BDT Million		% of Growth in 2021 over 20 20
	December 2021	December 2020	
Total Risk Weighted Assets	51,240	45,800	11.88%
Tier-I (Core) Capital Ratio	14.40%	15.97%	(1.57%)
Tier-II (Supplementary) Capital Ratio	1.47%	1.47%	(0.00%)
Capital to Risk Weighted Asset Ratio (CRAR) (Minimum Requirement is 12.50%)	15.87%	17.44%	(1.57%)



Financial Performance of MDB

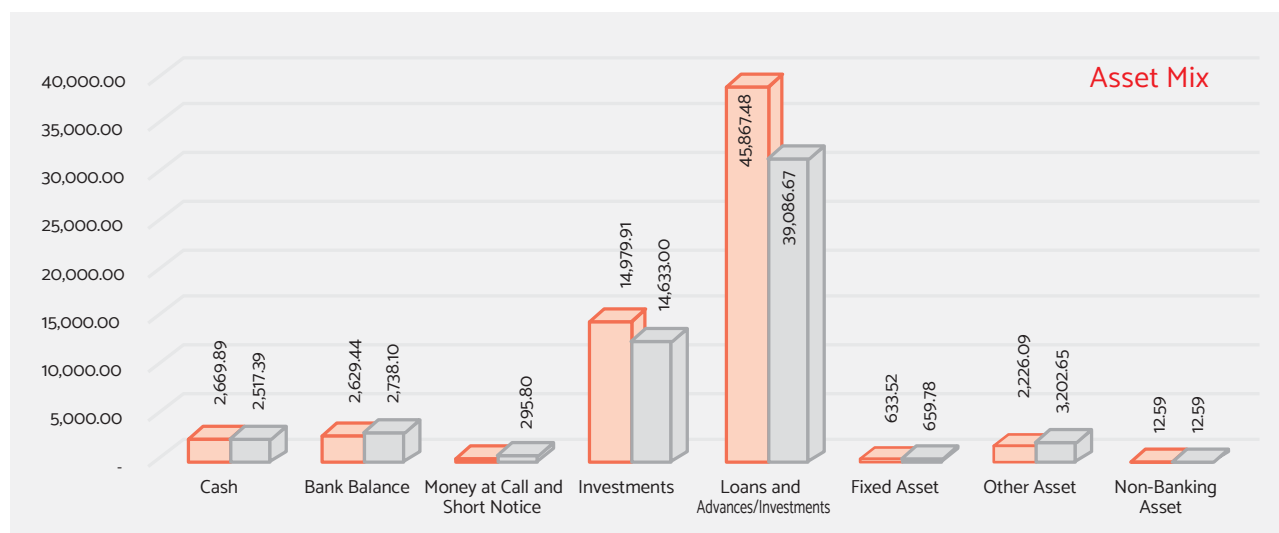
❖ Balance Sheet

Particulars	in BDT Million		% of Growth in 2021 over 20 20
	December 2021	December 2020	
Cash and Bank Balances	5,299.33	5,551.29	(4.54%)
Investments	14,979.91	14,633.00	2.37%
Loans & Advances	45,867.48	39,086.67	17.35%
Fixed Assets	633.52	659.78	(3.98%)
Other Assets	2,226.09	3,202.65	(30.49%)
Non-banking Assets	12.58	12.58	0.00%
Total Assets	69,018.91	63,145.97	9.30%
Borrowings from other Banks, Financial Institutes and Agents	5,949.30	6,074.71	(2.06%)
Deposits and Other Accounts	50,730.04	45,067.57	12.56%
Other Liabilities	4,935.31	4,389.72	12.43%
Capital/Shareholders' Equity	7,404.26	7,613.97	(2.75%)
Total Liabilities	69,018.91	63,145.97	9.30%

❖ Assets

Total Assets of the Bank stood at BDT 69,018.91 million in 2021 compared to BDT 63,145.97 million in 2020, i.e., growth up by 9.30% over 2020. During the year 2021, Loans & Advances growth was 17.35% and Investment in Govt. Treasury bills/bonds and others increased by 2.37% over the previous year 2020. Fixed assets decreased by 3.98% over 2020, due to amortisation of fixed assets and no remarkable assets were procured during the reporting year.

On the other hand, the growth of deposits was at 12.56%, but shareholders' equity declined by 2.75% over 2020, due to increase of corporate tax liability since core business income increased during the year. The flow in assets was evident in the increase of Loans and Advances, fixed assets and liquid assets as maintained by the Bank. The growth of deposits was used for funding credit growth and holding of securities for CRR and SLR purpose with Bangladesh Bank in accordance with Bangladesh Bank guideline.



Cash and Balance with Bangladesh Bank, Financial Institutions and Its Agents:

❖ Cash in hand

Cash in hand balance stood at BDT 2,669.89 million in 2021 compared to BDT 2,517 million in 2020, i.e., 6.06% growth over 2020.

❖ Balance with other Banks, Financial Institutions and Its Agents

The aggregate position of cash at Banks and NBFIs, including call money was BDT 2,629.44 million in 2021, compared to BDT 3,033.90 million in 2020, i.e., 13.33% behind over 2020, due to encashment of matured placement fund with other Banks and NBFIs for keeping ADR and wholesale borrowing limit in line with regulatory guideline.

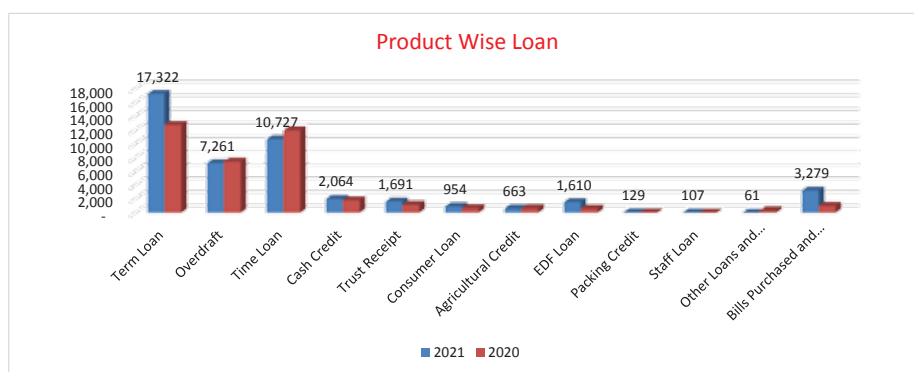
❖ Investments

During the year ended on December 31, 2021, the investment increased by 2.37% to BDT 14,979.91 million in 2021 from BDT 14,633 million in 2020. Bank's investment comprises of government securities of BDT 12,361.07 million and others investment of BDT 2,618.84 million (investment in debenture, corporate bond, etc.). Investment in government securities decreased by BDT 1,191.55 million over 2020, due to encashment of Treasury bills/bonds during the year.

❖ Loans and Advances

Loans and Advances was at BDT 45,867.48 million in 2021 compared to BDT 39,086.67 million in 2020, i.e. representing a growth up by 17.35% year-on-year basis. Yield on loans and advances decreased to 7.69% in 2021 from 9.04% in 2020, due to decrease the lending rate in single digit, i.e. @ 9% effective from April 2020, as well as increasing NPL during the year. Non-performing Loans (NPLs) increased to BDT 1455.00 million in 2021 from BDT 453 million in 2020, i.e., NPLs ratio increased to 3.17% in 2021 from 1.16% in 2020.

Concentration of loans and advances was well diversified details of which are explained in the financial statements (note # 07). Strategic focus on no-compromise with asset quality from the onset of our journey has been pursued in every standard of credit management. Based on contractual maturity terms 63.26% of the current loan portfolio will be matured less than one year, 33.53% will be matured more than one year, but less than 5 years and rest 3.21% will be matured more than 5 years (note # 7.04). Bank's Advance to Deposit Ratio (ADR) at the end of 2021 increased to 83.54% from 82.01% in 2020, marking an efficient mobilization of fund and equity in the most liquid banking industry in Bangladesh during the reporting period.



❖ Fixed Assets and Other Assets

The aggregate amount of written down value of fixed assets of the Bank stood at BDT 633.52 million in 2021, compared to BDT 659.78 million in 2020 (note # 8), demonstrating negative growth of 3.98%, due to amortization of assets, as well as no significant fixed assets procured during the reporting year. On the other hand, other assets comprises of advance income tax, advance office rent, accrued interest on investment, etc., amounted to BDT 2,226.09 million in 2021, compared to BDT 3,202.65 million in 2020 (note # 9B), showing declined of 30.49% over 2020.

❖ Non-Banking Assets

The Bank filed Artha Rin Suit bearing # 539/2017, dated 02.03.2017 against a default customer, A/C: Al-Fahad Air Ticketing & Medical Tourism Limited. The Honorable Court order in favour of MDB on 14 November 2018 for holding title of the collateral land at market Value of BDT 14.54 million against the claim amount of BDT 0.96 million on 31 December 2016. The honorable court also order to charge unapplied interest until full recovery of the loan by selling the mentioned collateral land. Subsequent approval taken from the Board of Directors of MDB in its 80th meeting held on 20 December 2018, management transferred full loan amount of BDT 12.56 million (market value of the property at BDT 14.54 million) including applied and unapplied interest and suit charges of BDT 0.51 million to Non-Banking Assets of the Bank, which will continue to sustain in Bank's Balance Sheet until sale/disposal of the property acquired by the Bank u/s 33(5) of the Arta Rin Adalat Ain 2003 as mortgagee Bank (note # 10). As per Bangladesh Bank Guideline, 100% provision has been maintained against this asset during 2021.

❖ Total liabilities other than shareholders' equity

Total liabilities excluding shareholders' equity of the Bank registered growth of 10.95% with a total volume of BDT 61,614.65 million in 2021 against BDT 55,532 million in 2020. Core Deposits of the Bank increased by 12.56% to BDT 50,730.04 million in 2021 from BDT 45,067.57 million in 2020.

❖ Borrowings from other Banks, Financial Institutions and Its Agents

The borrowing represented call borrowing, REPO of Treasury Bills and refinances against SME loans from Bangladesh Bank, etc. The borrowings were mainly used for Bank's liquidity, purchasing Treasury Bills/Bonds as a Primary Dealer (PD) Bank, which were devolved on the Bank in excess of CRR & SLR requirements. During the year 2021, Borrowings of the Bank decreased by 2.06% to BDT 5,949.30 million in 2021 from BDT 6,074.71 million in 2020 (note # 11).

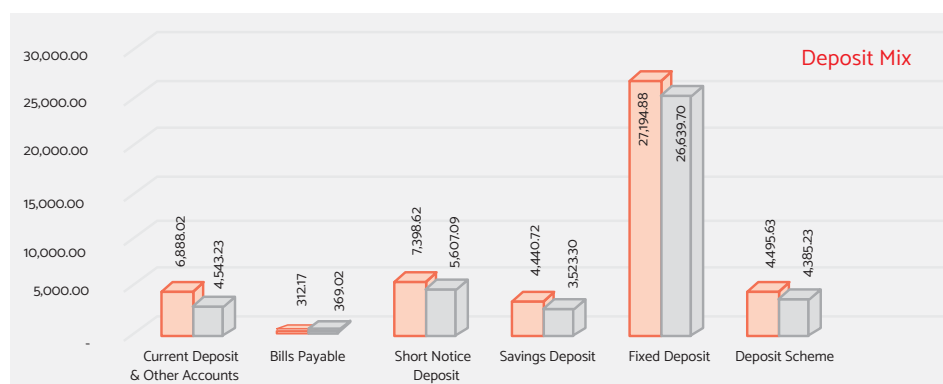
❖ Deposits

Customer Deposits are core source of funding for commercial Banks. To scout the new customers, it was really challenging, being a fourth generation Bank in the industry. However, we were able to manage efficient mobilization of deposit mix. The success was well supported by expansion of Branch Network, ATM Booths, Agent Banking Centers (ABCs), Collection Centers, Central Liabilities Team, Islami Banking Services through all of our Branch Networks and introduction of various rewarding deposit products, competitive interest rates and excellent customer services. Business promotion continued through liability campaign carried out by Retail and Institutional liability team for no-cost and low-cost deposits. The Bank also offered a number of attractive deposit schemes to cater to the needs of small and medium savers for improving not only the quantum of deposits, but also focusing on qualitative changes in future to the deposits structure.

The Bank successfully enhanced the deposit portfolio to BDT 50,730.04 million in 2021 with a growth of 12.56% compared to BDT 45,067.57 million in 2020 (note # 12). Cost of deposit and cost of fund stood at 4.17% and 5.69% in 2021, respectively as against 6.14% and 7.77% in 2020, respectively. The strong customer-based deposits comprises of individual, corporation, small & medium size enterprises, NBFIs, government entities, NGOs, autonomous bodies and others.

During the financial year 2021, MDB's deposit blend was stable with No-cost and Low-cost Deposits was at 37.53% of total Deposits, Fixed Deposits to total Deposits was at 53.61% and Scheme Deposits to total Deposits was at 8.86%. A wide range of liability products are now available at MDB to meet variant needs of deposit clients of which are:

Deposit Mix	Outstanding Amount (in BDT Million)		% of Growth in 2021 over 20 20	Deposit Mix (%)	
	2021	2020		2021	2020
Current Deposits	6,888.02	4,543.23	51.61%	13.58%	10.08%
Bills Payables	312.17	369.02	-15.41%	0.62%	0.82%
Short Notice Deposits	7,398.62	5,607.09	31.95%	14.58%	12.44%
Saving Deposits	4,440.72	3,523.30	26.04%	8.75%	7.82%
Fixed Deposits	27,194.88	26,639.70	2.08%	53.61%	59.11%
Scheme Deposits	4,495.63	4,385.23	2.52%	8.86%	9.73%
Total Deposits	50,730.04	45,067.57	12.56%	100.00%	100.00%



❖ Equity

The shareholders' equity stood at BDT 7,404.26 million in 2021 compared to BDT 7,613.97 million in 2020, i.e., 2.75% behind of 2020. Statutory reserve was up by BDT 225.23 million to BDT 1,408.60 million in 2021 against BDT 1,183.37 million in 2020, i.e., 19.03% up over 2020, while retained earnings decreased by BDT 161.73 million to BDT 296.52 million in 2021, as against BDT 458.25 million in 2020, i.e., 35.29% behind of 2020, due to increase of corporate tax liability since core business income increased during the year, as well as increasing specific provision for classified a large loan customer A/C: Sinha Spinning was classified as DF, but we have more than 100% collateral coverage and we are expecting to fully realised outstanding loan amount by sell out of its collateral securities (54 lacs of shares of Lafarge Holcim Bangladesh).

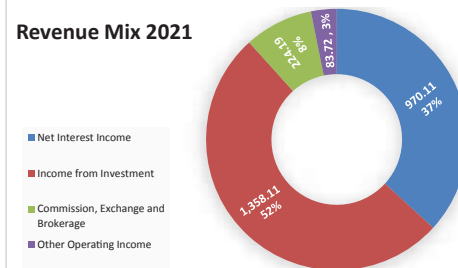
Income Statements

❖ Operating profit and Net profit after tax

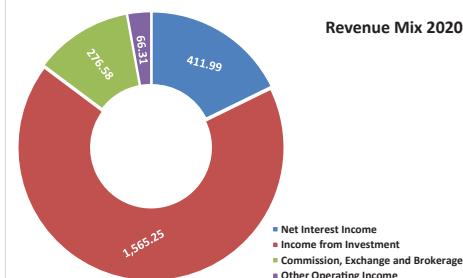
The Bank registered operating profit before tax and provision of loans BDT 1,570.90 million in 2021 against BDT 1,217.83 million in 2020, representing growth up by 28.99% over 2020. On the other hand, net profit after tax decreased by 21.69% to BDT 514.02 million in 2021 from BDT 656.36 million in 2020. due to increase of corporate tax liability since core business income increased during the year, as well as increasing specific provision for classified loans and advances. As a result, EPS stood at BDT 0.90 from BDT 1.15 in 2020 and corresponding ROA during the period declined to 0.78% in 2021 from 1.13% in 2020 and ROE also decreased to 6.81% from 8.96% in 2020. Besides NAV per share stood at BDT 13.00 against 13.37 in 2020. Details of net profit after tax given as under:

Particulars	BDT in Million		% of Growth in 2021 over 2020
	2021	2020	
Interest income	3,232.76	3,160.18	2.30%
Interest paid	(2,262.66)	(2,748.19)	(17.67%)
Net interest income	970.10	411.99	135.47%
Investment income from Dividend	1,358.11	1,565.25	(13.23%)
Commission, fees and brokerage, etc.	224.19	276.58	(18.94%)
Other operating income	83.72	66.31	26.26%
Net operating income	2,636.12	2,320.13	13.62%
Operating expenses	(1,065.22)	(1,102.30)	(3.36%)
Net operating profit before provision and tax	1,570.90	1,217.83	28.99%
Provision on Loans and Advances	(444.74)	(257.86)	72.47%
Net Profit before tax	1,126.17	959.97	17.31%
Provision for corporate tax	(612.15)	(303.61)	101.62%
Net Profit after tax	514.02	656.36	-21.69%
Earnings per share (EPS)	0.90	1.16	(21.69%)

Revenue Mix 2021



Revenue Mix 2020



❖ Net Interest Income

The interest income on loans and advances increased by BDT 72.58 million to BDT 3,232.76 million in 2021 against BDT 3,160.18 million in 2020, i.e., 2.30% growth up over 2020, due to increase of interest spread of 63 basis points over 2020, as well as increasing the Loans portfolios by BDT 6,780.81 million during the financial year.

On the other hand, interest paid on deposit & borrowings decreased by BDT 485.53 million to BDT 2,262.66 million from BDT 2,748.19 million in 2020, i.e., reduced by 17.67% over 2020, due to reduction of cost of deposit by 1.97% over 2020, despite our deposit & borrowings increased by BDT 5,537.06 million over 2020. As a result, net interest income increased by BDT 558.11 million to BDT 970.10 million in 2021 from BDT 411.99 million in 2020, i.e., growth up by 135.47% over 2020.

❖ Operating Expenses

Operating expenses of the Bank decreased by BDT 37.28 million to BDT 1,065.22 million in 2021 compared from BDT 1,102.30 million in 2020, i.e., decreased by 3.36% over 2020, due to strictly control the cost to face the Covid-19 pandemic, since increasing the branch networks and expansion of business activities during the year.

By and large, Bank's administrative expenses remained steady during 2021 and other operational cost also kept in control during reporting period. However, a prudent management of expenses and cost-control are our relentless concern and we put in practice of our commitment to fair expenses in all banking operations under a strong accounts and auditing system.

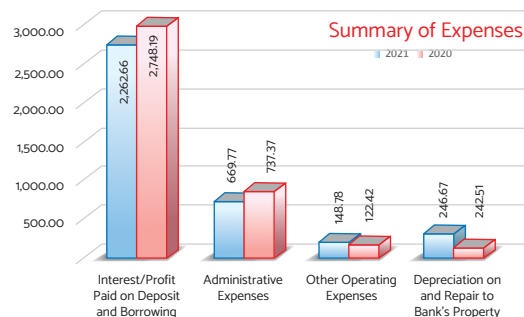
❖ HR Productivity

The proficiency of the employees contributed to grow which is evident from the following table:

Particulars	2021	2020	% of Growth in 2021 over 2020
Number of regular employee (excluding contractual employees in 2021 and 2020 were 225 and 202, respectively)	486	454	7.05%
in BDT Million			
Operating income per employee	5.42	5.11	6.07%
Operating expenses per employee	2.19	2.43	(9.88%)
Operating profit before provision and tax per employee	3.23	2.68	20.52%
Net profit after tax per employee	1.06	1.45	(26.90%)

❖ General provision against Unclassified Loans (UCL)

General provision against UCLs (Standard & SMA) was BDT 643.11 million in 2021 against BDT 589.64 million in 2020 (note # 13.01). General provision increased by 53.47 million over the last same corresponding year, due to increase of loans portfolio to BDT 45,867.48 million in 2021 from BDT 39,086.67 million in 2020, as well as released of general provision for classification of a large loan A/C: Sinha Spinning as DF during the year. The Bank also maintained general provision against off-balance sheet exposures of BDT 109.85 million in 2021, compared to BDT 84.90 million in 2020 (note # 13.03) in compliance with regulatory guidelines. General provision is considered as Tier- ii capital of the Bank and acts as safeguard against future default and for supporting business growth by strengthening the capital base of the Bank.



❖ Specific provision against Classified Loans (CL)

Specific provision is required to keep against classified loans and advances (Sub-standard-SS, Doubtful Debts-DF & Bad Loss-BL) as per Bangladesh Bank guidelines. During the year 2021, Bank's specific provision increased by BDT 260.14 million to BDT 454.69 million compared to BDT 194.56 million in 2020, due to classified some default accounts including a large loan a/c, so that NPL ratio increased to 3.17% in 2021 from 1.16% in 2020 (note # 13.01).

❖ Provision for investment in Shares/Debentures:

General provision against investment in Shares/Debentures was BDT 133.71 million in 2021 compared to BDT 68.11 million in 2020. The provision increased by 65.60 million over the last same corresponding period, due to increases the overdue of treasury investment during the year, as such additional provision has been kept as a matter of regulatory compliance.

❖ Special general provision COVID-19 against Unclassified Loans (UCL)

In order to strengthen the financial base and increasing shock absorbing capacity of Banks, BB instructed to keep 1.00% to 2.00% Special General Provision COVID-19 on all unclassified loans including SMA loans. As of December 2021, it was stood at BDT 186.29 million against BDT 160.09 million in 2020. This provisioning amount has to be kept in a separate head in the Balance Sheet and cannot be transferred to income account until further instruction issue by BB in this regard (note # 13.02).

❖ Net profit after tax:

As per Income Tax Ordinance 1984 and Finance Act 2021, the Bank has to made adequate provision of current tax and deferred tax. As such, we have made a provision of BDT 612.15 million in 2021 against BDT 303.61 million in 2020. After making appropriate provision of tax, net profit after tax stood at BDT 514.02 million in 2021, compared to BDT 656.36 million in 2020, representing 21.69% declined over 2020. The significant growth in net profit after tax during the period is largely due to increase the volume of taxable core business income as well as increasing specific provisioning requirement of BDT 181.19 million for the accounts classified.

❖ Statutory Reserve

As per section 24 of the Bank Company Act 1991 (Amendment up to 2018), every Bank has to transfer to the statutory reserve a sum equivalent to not less than 20% of its net profit (net profit as disclosed in the Profit and Loss Account prepared under section 38 and before any money is transferred to the Government or any dividend is declared). The Bank has kept adequate statutory reserve as guided by Bank Company Act and the accumulated amount of statutory reserve at the end of 2021 stood at BDT 1,408.60 million, compared to BDT 1,183.37 million in 2020, i.e., increased by BDT 225.23 million, or 19.03% growth over 2020.

❖ Key Financial Ratios of the Bank:

Particulars	in BDT Million	
	2021	2020
ROE -Return on average equity	6.85%	8.96%
ROA -Return on average assets	0.78%	1.13%
Cost to income ratio	40.41%	47.51%
Capital to Risk Weighted Assets Ratio (CRAR)	15.87%	17.44%
Advance Deposit Ratio (AD Ratio)	83.62%	82.01%
Non -Perform ing Loans (NPLs) Ratio	3.17%	1.16%
Earnings per share (EPS) in BDT	0.90	1.15
Net Asset Value per Share (NAV) in BDT	13.00	13.37

❖ Appropriation of Profit

Profit after tax (PAT) stood at BDT 514.02 million at the end of 2021, compared to BDT 656.36 million in 2020. Profit available for distribution among the shareholders is BDT 296.12 million after a mandatory transfer to statutory reserve of BDT 225.23 million, i.e., 20% on profit before tax, BDT 5.00 million for Corporate Social Responsibility (CSR) and BDT 5.14 million for Startup Fund, i.e., 1% of net profit after tax. The Board of Directors in its 122nd meeting held on April 24, 2021 recommended 5.00% cash dividend for the financial year 2021 which will be reviewed and approved by the shareholders in its next 9th Annual General Meeting (AGM).

❖ Summary of appropriation of profit

Particulars	in BDT Million		% of Growth in 2021 over 2020
	2021	2020	
Profit after tax (PAT)	514.02	656.36	(21.69%)
Retained earnings brought forward from previous year	17.87	6.38	180.09%
To be appropriated	531.89	662.74	(19.74%)
Transfer to statutory reserve	(225.23)	(191.99)	17.31%
Transfer to CSR	(5.00)	(19.06)	(73.77%)
Transfer to Startup Fund	(5.14)	(6.56)	(21.65%)
Distributable profit for the financial year 2021	296.52	445.13	-33.08%
Paid up capital	5,696.70	5,696.70	0.00%
Dividend Payout Ratio (7.50% cash dividend paid for the FY 2020)	5.20%	7.81%	-2.59%

Human Resources

Human Resources Management Division has an aim to contribute for building strong, dedicated, skilled and professional Human Resources base for the Bank in peoples' development who are involved in the profitability curve and sustainable growth of the Bank. We believe that everyone has a latent talent, and for that we thrive to find out the underlying talent of the employees and help them to utilize their talent properly towards achieving individual development and organizational goals. This Bank established performance driven culture to expedite the utmost effort of its employees.

Our HR mission is to be the employer of choice in the financial sector where the employee will work with pride and pleasure. MDB believes that Human Resource Development is a continuing process and the output of the development helps the organization to meet the objective and vision of the organization. The Bank highly emphasizes on attitude driven talent acquisition process as we do not offer merely a job for the employees but we are highly conscious to offer their career and make them confident for the best fit of the next role. The main motto of Human Resources Management Division is to upward the service excellency curve for the internal and external customers of the Bank. The Management team of the Bank with their talent & skill has now been working for business excellence with new pledge based on professionalism, team work and strong bondage of interpersonal relationship with good governance. The financial sector with increased global, regional and local competition coupled with socio-economic sensitivity has created enormous challenges in organization like private commercial Banks. To cope with new challenges, our strategic approach is to make our people techy to cope with technology based environment. Thus, we thrive for caring our people so that they can grow as future leaders of the Bank. Also we created enabling working environment to attract, develop and retain quality manpower to ensure all the development of the Bank. We appreciate the employees' creativity and innovation for improving the work process of the Bank. Employees will be provided the work life balance, respect and caring attitude within the organization that they are expected to share externally with every customer as a Brand Ambassador of the Bank.

Correspondent Relationship

MDB has established correspondent relationship all over the world with a number of foreign Banks. The Bank continues to follow the needs and business opportunities of its clients. The Bank maintains 12 (Fifteen) Nostro Accounts in four major international currencies and ACU currency and 101 RMA relationships with reputed international Banks in the major financial centers around the globe, for settlement of trade finance and all other customer driven transactions denominated in foreign currency. We are constantly emphasizing the need for increasing correspondent partners and trying to develop business relationship with our correspondent Banks worldwide.

Risk Management

Management of risk is a dynamic process interrelated with the philosophy, culture and functionalities of the Bank. Risk is evidently defined,

mitigated or minimized to shield capital and to maximize value for shareholders. Midland Bank affixed utmost priority to establish, maintain and upgrade risk management infrastructure, systems and procedures. Adequate resources are allocated in this regard to improve skills and expertise of relevant banking professionals to enhance their risk management capacity. The policies and procedures are approved by the Board of Directors and regularly assessed to bring these up to optimum satisfaction level. Recognizing the impacts of internal and potential risk domains, the Bank has laid down different risk management processes consisting of definition, identification, analysis, measurement, acceptance and timely management of risk profile.

It is always better to build a robust risk management culture in the Banks and Financial Institutions as these primarily deal with depositors' money and work as a financial value chain. We, therefore, need highest attention and commitment for the highest authority in this regard. By all means, we should try to avoid surprises in banking transaction through building a strong operational procedure in Banks and Financial Institutions (details are discussed in Risk Management report in this annual report).

Credit, Green Marketing, E-Signatures, Solar Use, Bio-Gas, afforestation.

MDB prepares Green banking & sustainability reports to disclose updates on its quarterly activities and engagements to Sustainable Finance Department of Bangladesh Bank as well as to the Board of Directors. Also, Green Report Card on yearly activities is published in the annual report and posted on the website.

Money laundering and Terrorist Financing

Money Laundering (ML) and Terrorist Financing (TF) are global phenomena, apparent in almost every part of the world. ML and TF are components of terrorist activity which threatens a country's financial sector reputation as well as its national security. Emerging sophisticated techniques of moving illicit money have compelled financial intermediaries including MDB to make compliance programs more rigorous. To stave off the risk of financial crime, MDB focused on training of employees, strengthening its screening system and ensuring that policies and procedures were effective and always up-to-date. MDB is firmly determined not to let money launderers and terrorist or perpetrators use it as their tool to launder money or finance terrorist activity in any possible way.

Maturity Analysis

Assets	Below 1 Year	1-5 Year	Above 5 Year	Total
Interest earning assets	32,796	22,556	5,790	61,142
Non-interest earning assets	4,904	1,311	1,662	7,877
Total assets	37,700	23,867	7,452	69,019
Interest bearing liabilities	35,557	18,417	771	54,744
Non-Interest bearing liabilities	2,091	1,706	3,072	6,869
Total liabilities	37,648	20,122	3,842	61,613
Maturity Gap	51	3,745	3,610	7,406

The liquidity policy of the Bank has always been to carry a positive mismatch in the interest earning assets and interest bearing liabilities in 1 to 30 days category.

Green Banking

Green Banking refers to the efforts of the banking sector to keep the environment green and to minimize greenhouse effects through reducing the use of non-renewable energy & materials (electricity, gas, fuel, paper, stationery etc.), increasing the use of renewable or recyclable energy & materials (solar power, bio-gas, electronic media of communication etc.), reducing the emission of industrial carbon, scrutiny of negative impacts of the corporations on environment and taking necessary mitigating measures there against during financing and also to finance green projects (i.e. ETP, Bio-Gas Plant, Green Factory & Office Building, Solar Power, Hybrid Hoffman Kiln, energy & water efficient projects, water conservation, rain water harvesting etc.). Products included in green banking are Online Banking, Internet Banking, Mobile Banking, ATM, ADC, Green

Corporate Social Responsibility (CSR)

The Bank is very much active to the cause of society in meeting its obligations to the less privileged peoples. MDB was involved in a broad range of direct and indirect Corporate Social Responsibility (CSR) engagements, which included humanitarian relief and disaster response, widening opportunities for disadvantaged population segments, supporting of healthcare and education. During the year, the Midland Bank donated to Father of the Nation Bangabandhu Sheikh Mujibur Rahman Memorial Trust for establishing Bangabandhu Corner, Bangabandhu Chair and for Celebrating of Mujib Barsha. Considering the pandemic situation, the Bank donated to Prime Minister's Relief Fund for sourcing/procurement of Personal Protective Equipment (PPE), Coronavirus Testing Kit and Respiratory equipment supplying for health care purpose. Considering flood, Bank donated to "Prime Minister's Relief Fund" for flood affected people of the country for emergency healthcare. Bank also distribute bicycles among the female school going students in the country and also distribute of Blankets among the

winter affected poor peoples in the rural area of the country. The Bank conducted various CSR activities during the year 2021 (details are discussed in CSR report in this annual report).

Corporate Governance

Corporate governance involves a set of identifiable relationships among the stakeholders of the Bank. MDB strives to practice and follow standard principles in accordance with the rules, regulations and guidelines from regulatory authorities. It is incumbent upon every leader of our Bank to model the right values and to lead by example to ensure the right behavior continues year after year. The Board of Directors remained committed to ensure the highest standards of corporate governance throughout the organization with the objectives of safeguarding the interests of all stakeholders and financial performance of the Bank. They guided the Bank towards the goal set by the stakeholders, ensuring highest standards of integrity, accountability, transparency, ethics and professionalism. With the ultimate objective of taking this financial institution to the next trajectory of inclusive sustainable growth, two supporting committees, i.e. Executive Committee and Audit Committee provided guidance and direction to the Board and Management. Another committee- Risk Management Committee analyzed Bank's core risks. For an effective control system, Internal Control & Compliance Division (ICCD) and Board Audit Committee functioned in sync within the Bank. External Auditors appointed by the shareholders for auditing the financial statements of the Bank and providing their independent opinion whether the financial statements were prepared in accordance with applicable rules and regulations and international accounting standards that reflecting the truth and fairness of the financials of the Bank.

Corporate Sustainability

In order to uphold corporate sustainability, MDB has concentrated in the key areas i.e. nation building, creation of healthy and congenial works place, enhancing the market place, support to the community and fortification of the environment. As a socially conscious and responsible corporate body, MDB is committed to the improvement of the society as a whole. MDB is continuously trying to put its efforts to help the disadvantaged population of the country in the sector of education, health, disaster management, sports, arts and culture, etc. The Bank is contributing a portion of its net profit every year to the CSR Fund. The Bank conducted various CSR activities during the year 2021 (details are discussed in CSR report in this annual report).

Remuneration of Directors and Managing Director

The Bank did not pay any remuneration to its Directors. As per BRPD circular # 9, dated September 19, 1996, the Chairman may be provided car, telephone, office chamber and private secretary. In addition to the above, Directors are entitled to get fees and other benefits for attending in the meeting of the Board, Executive Committee, Risk Management Committee and Audit Committee as per regulatory guidelines are shown in note # 31. The Managing Director & CEO was paid salaries and allowances as per approval of the Board of Directors as well as Bangladesh Bank are shown in note # 26.01.

Accounting Records

The Directors of the Bank are accountable for maintaining adequate accounting records and effective system of risk management as well as preparation of financial statements including relevant schedules as per regulation. The Directors have made an assessment of the Bank's aptitude to continue as a going concern and also have no reason to believe that the business will not be a going concern in the coming year.

Accounting Policy and Implementation of IFRS/IAS

The Board of Directors are responsible for the preparation and fair presentation of Bank's annual financial statements comprising Balance Sheet, Profit & Loss Accounts, Cash Flow Statement, Statement of Change in Equity and a summary of significant accounting policies and other explanatory notes, and the Director's report, in accordance with Bangladesh Bank guidelines, International Financial Reporting Standards (IFRS)/ International Accounting Standards (IAS) and in the manner as required by the Company Act, 1994. The Directors are also responsible for designing, implementing and maintaining internal control relevant to preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud and error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in this context.

Internal Control

The Board of Directors is responsible for approving the overall business strategies and significant policies of the Bank, setting acceptable level for these risks and ensuring that senior management takes necessary steps to identify, measure, monitor and control of these risks. The Board of Directors also approve an effective internal control system that also requires to setting an appropriate control structure, with control activities defined at every business level. These include review by top level management, appropriate activity controls for different departments/divisions, physical control, checking for compliance with exposure limits and follow-up on non-compliance, a system of approvals and authorization, and a system of verification and reconciliation, thereon.

Standard Reporting

The financial statements have been prepared in accordance with Bangladesh Bank guidelines, International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and applicable provisions of Bank Companies Act 1991 (Amendment up to 2018) and Company Act, 1994. Midland Bank Limited endeavors relentlessly to stay compliant in every aspect including corporate and financial reporting as per regulators' requirements. In this respect, the Management accepts the responsibilities for the integrity and objectivity of these financial statements, as well as various estimates and judgments used therein. The estimates and judgments have been made on a prudent and reasonable basis, in order to ensure that the financial

statements reflect the financial operations of the Bank in a true and fair manner.

Going Concern

The conceptual framework of International Accounting Standards (IAS-1) is that financial statements are generally prepared assuming that the entity is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operations. Therefore, it is also assumed that the entity will realize its assets and settle its obligations in the normal course of business. IAS-1 requires Management to make an assessment of an entity's ability to continue as a going concern. If Management has significant concerns about the entity's ability to continue as a going concern, the uncertainties must be disclosed. If Management concludes that the entity is not a going concern, it means that assets will be recognized at amount which is expected to be realized from its sale rather than from its continuing use in the ordinary course of business. Assets are valued for their individual worth rather than their value as a combined unit. Liabilities shall be recognized at amounts that are likely to be settled.

Internal Control Environment

The Board of Directors set the tone for an effective internal control background from end to end regular review of the process identifying, evaluating, and managing the significant operational risks of the Bank. Management is responsible to formulate Standard Operation Procedures (SOP) duly approved by the Board of Directors, are signed off by each Head of Division/Branch to provide assurance that this SOP is communicated, understood and complied with accordingly. Every year top management team conducts a self-assessment of key control that affect the business and develop action plans to make the internal control environment stronger.

Supplier Payment Policy

The Bank has developed and implemented a set of vendor's payment policy in its procurement policy and procedures duly approved by the Board of Directors. Before processing any payment, General Service Division (GSD) and Financial Administration Division (FAD) dedicated team review the bills in compliance with the terms of reference (TOR) of Work Order and necessary VAT, Withholding Tax and other applicable security charges are being deducted from bills and issue Pay Order/Account Transfer in favor of the eligible vendors/beneficiaries. MDB is keen to build strong business relationship with its vendors and service providers. Hence, the Bank does not face any litigation from its any customer or stakeholder since of its inception.

Shareholders' Value

The Board of Directors is fully committed to accretion the high value of its shareholders' investment by earning solid profitability through delivering excellence in services to its valued clients and

stakeholders. The Board was able to keep its commitment by settling excellence profitability trends in the year 2021. During the year, earning per share (EPS) stood at BDT 0.90 against BDT 1.15 in 2020, Return on Equity (ROE) at 6.85% against 8.96% in 2020, Return on Average Assets (ROA) stood at 0.78%, against 1.13% in 2020 and Net Assets Value per share (NAV) stood at BDT 13.00 compared to BDT 13.37 in 2020.

Meeting of the Board of Directors

The Board of Directors hold meeting on a regular basis, usually once in a month but emergency meetings are being called when deemed necessary. Management provides information, references and detailed working papers for each of the agenda to all Directors well ahead of the scheduled date for meeting. Each Meeting, the Chairman of the Board of Directors allows sufficient time for the Directors to consider respective agenda item in a prudent way and permits them to freely discuss, inquire, and express independent opinions on the issues of interest so that they can fulfill their duties to the best of their abilities. During the year 2021, a total 13 meetings of the Board of Directors were held.

Appointment of Auditors

A Qasem & Co., Chartered Accountants had conducted the audit of the Bank for the financial year 2021. They have completed 3rd term (three years). As such, they are not eligible for re-appointment for conducting audit for the FY 2022 as per guidelines set Bangladesh Bank. The Board of Directors in its 122nd meeting held on April 24, 2022 recommended to appoint Hoda Vasi Chowdhury & Co., Chartered Accountants as external auditors of the Bank for conducting the audit of the Bank for the financial year 2022. Shareholders of the Bank may approve the appointment of Hoda Vasi Chowdhury & Co., Chartered Accountants in its 9th AGM to conduct the audit of the Bank for the FY 2022.

Annual General Meeting (AGM)

The schedule of 9th Annual General Meeting (AGM) of the Bank to be decided later. The Directors' Report along with the financial statements of the Bank was approved at the 122nd meeting held on April 24, 2022 to be placed before the shareholders of the Bank in the 9th AGM for review and approval.

Outlook of Financial Year 2022

The Management of MDB is conscious of the aftermath of the effect of withdrawal of policy of deferral of further classification if the clients pay 15% of their dues which was ended on December 31, 2021 and single digit interest rate capping effective from 1st April 2020. In this respect, management will operate in a compliant manner as usual taking the prudent guidance of the Honourable Board of Directors to address the situations after December 31, 2021. However, MDB has gained resilience to absorb any sudden shock of deposit outflow by huge improvement in the deposit mix. At present, 54.44% of total deposit consists of individual deposits, retail and small deposits base. Back in 2013, the nine fourth generation Banks initially offered long term loans and advances from short term deposits that they acquired. This approach however

caused stress in one new generation Bank that failed to maintain liquidity when irregularities came to surface and eventually had to be reconstituted through government intervention. It is our immense pleasure that MDB has come through the phases by strengthening and diversifying its deposit mix and enhancing corporate governance and maintaining rigorous compliance.

In pursuit of its business growth, the Bank will invariably adhere to good corporate governance practice, appropriate risk management policies, prudent credit policies and practices in order to upkeep sustainable long-term growth and profitability of the Bank for the benefit of all stakeholders. The Bank confidently looks forward to continue sharing its success in delivering greater shareholders' value in coming year 2022.

Acknowledgements

I would like to draw conclusion by expressing my debt of gratitude on behalf of my colleagues of the Board to all our stakeholders, patrons, business partners and our most valued clientele as without their support and patronization as well inspiration it would not have been possible for us to make progress/headway whatever extent we have attained so forth. In the same breath, I would also express my deep sense of appreciation and gratitude to the Government of Bangladesh, Bangladesh Bank, Ministry of

Finance, Bangladesh Securities & Exchange Commission (BSEC), National Board of Revenue (NBR) and other regulatory bodies for their precious guidelines, advice and relentless support. I also appreciate the contributions made by the management team and the rank and file employees of the bank for their dedicated service and handwork, which made it possible for us to churn out the expected financial result in the face of headwinds and challenges. I am also very much thankful to my colleagues on the Board who have proved themselves as very much supportive in giving strategic policy guidance towards taking this institution to the next growth trajectory. I confidently believe that Insha-Allah by the grace of the Almighty and by virtue of the dedicated effort of our professional management team we will surely succeed to reach our cherished destination that is to turn Midland Bank into the one of the finest financial institutions with resilient financial footing with sound fundamentals.

On behalf of the Board of Directors



Nilufer Zafarullah
Chairman



কে. এম. হাসান এন্ড কোং
K. M. HASAN & CO.
Chartered Accountants

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**McMillan Woods
International**
Professionalism at the forefront

Report to the Shareholders of Midland Bank Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Midland Bank Limited for the year ended on 31st December 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the bank. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any conditions of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The bank has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except those mentioned in the statement of compliance status;
- The bank has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the bank as required under the Companies Act, 1994, the Securities Laws and other relevant laws;
- The governance of the bank is highly satisfactory.

Place: Dhaka
Dated: 26 April 2022



For K. M. HASAN & CO.
Chartered Accountants

Md. Shahidul Islam FCA
Partner

Performance Overview by Different Divisions/ Departments

Institutional Banking Division

Introduction of mass vaccination during 2021 aiming to eradicate COVID-19 pandemic ushered new hopes in the Banking industry, coupled with expected rise in economic activities that have been fueled by increased private sector investment, higher mobilization of credit, job creation, rises in export, expansion in logistics so on and so forth. However, the restoration of private credit growth seems to take further course to reach to its expected level. The year 2021, continued to bring in several challenges for Banking sector and the economy at large, many of those attributed to post pandemic impact.

That being said, Institutional Banking Division (IBD), one of the major contributors to the Bank's earning and portfolio base, continued its journey of excellence through professionalism, dedication, hard work and service orientation. The division, at all times, put utmost focus on employee satisfaction, good corporate governance and regulatory compliance along with remaining vigilant on numbers to hit the bottom line.

The Asset portfolio of IBD has reached to BDT 4,074.96 Crore with only 2.01% NPL ratio which is one of the lowest in the industry. IBD have also achieved milestone in trade volume of USD 350 million despite the pandemic. Midland Bank IBD have also ensured noteworthy new bookings which includes, multinationals, public sector entities and large local corporates. As a team IBD play a vital role for recovery of economy by disbursing of govt. stimulus package in different corporate entities.

Product basket: IBD's product basket encompasses from conventional loan and deposit products to innovative tailor made financing, fee based services as well as advisory as outlined as under:

Regular institutional products

- Term loan
- Working capital financing
- Trade financing (export/import)
- Islamic financing
- OBU financing
- Letter of credit
- Guarantee
- Bills discounting
- Remittance
- SME loans
- Green financing
- Institutional deposit products

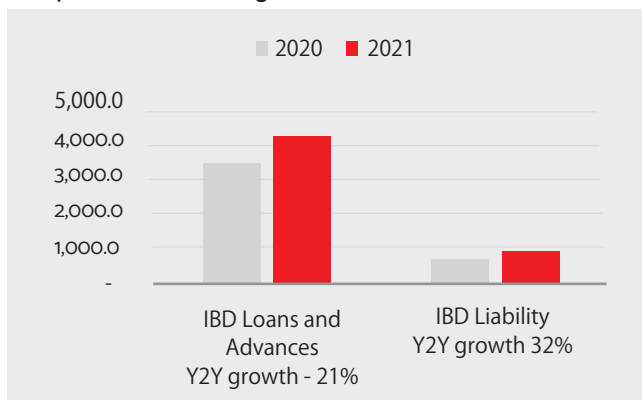
Structured finance unit products/services

- Fund raising for project finance
- Fund raising through alternative financing like- Bonds, preference share, SUKUK
- Agency function
- Advisory function
- Low cost financing /soft loan from BB/DFIs

Financial performance

In spite of unfavorable market condition and myriads of challenges, IBD continued a steady growth. Accordingly, total IBD loan and advances in 2021 stood at BDT 4074.9 crore as opposed to BDT 4,258.8 crore of total loan & advances whereas, IBD deposit balance remains BDT 892.8 crore out of the Bank's total deposit of BDT 5,073.0 crore. As such, in the year 2021, IBD constitutes 95% and 17.6% of the total Bank's loan & advances and deposit (liability) base, respectively.

IBD performance at a glance



IBD portfolio position in 2021, in comparison with 2020

Major Deals and Achievements/Special mentions

In addition to the above accomplishment in terms of earning and portfolio base, IBD bagged some of the remarkable achievements in 2021 as presented below:

- Mandated lead arranger through "Structured Finance Unit" for the country's largest Preference Share deal amounting BDT 310.75 crore issued by Premier Cement Mills Limited. Subscription of Preference Share under the deal is in process.
- Disbursed BDT 98.49 crore syndicated term loan under IPFF II on account of Summit Communications Ltd. and booked deposit balance of BDT 116 crore under the same account with varying maturity.
- Issued the largest LC deal for the Bank amounting USD 7.27 M on account of M/S Shaikh Brothers.
- Signed "Memorandum of Understanding (MoU)" with PPP Authority, Prime Minister's Office that would make the Bank eligible for active participation in the bidding process of Government endorsed PPP Projects. Enlisted as "Participating Financial Institution (PFI)" under BB launched "Green Transformation Fund (GTF)" and "Technology Development/Upgradation Fund (TDF)" through its Structured Finance Unit.

Challenges

Year 2021 posed some major challenges for Banking sector, ranging from those emancipated from pandemic to major economic issues that left behind systemic impact on the overall

industry. Whereas, a few challenges have been associated with particular sectors or customer base only. IBD faced the following major challenges that deserved strategic attention:

- Lower private credit growth due to sub-optimal investment tendency as well as COVID pandemic
- Drop in overall import and export volume as well as remittance inflow associated with sluggish economic activities
- Deterioration of balance of payment that involves several aspects like- hike of commodity and fuel price in international market, surge in logistics cost, lower export due to insufficient orders from overseas and many more, leading to destabilization in currency market, devaluation of BDT against USD for example
- Ever increasing operating expenses together with lending cap imposed by BB resulting in difficulties to maintain sufficient earning spread, impacting profitability
- Volatility in Bank's liquidity position triggered by market force like disbursement of stimulus package early in this year that resulted in excess liquidity and then followed by siphoning of fund by Government for infrastructure project implementation resulted in liquidity crunch later on. This called for prudent fund management and delicate disbursement plan
- Challenge of recovery of outstanding loans and interest accrued thereon, as many business entities are still suffering from the impact of COVID. This has been a threat towards rise in loan classification thereby, higher provision expense impacting the profitability of the Bank
- Fierce post pandemic market competition among the market players

Outlook and area of concentration

In the year 2021, our major focus revolved around the following strategic moves:

- Growth of IBD portfolio, both in asset and liability sides
- Ensuring maximum recovery throughout the year to minimize loan provisioning and NPL
- Look for alternative investment options and fee based income
- Getting access to soft loan/low cost financing window
- Sharp liquidity management on both sides
- Prudent trade-off between USD based investment and earning opportunity thereof, given the ongoing devaluation of BDT against USD and scarcity of USD in the market
- Expanding exposure over versatile industries/sectors
- Enhancing automated customer service riding on robust IT infrastructure

Strategic moves

The year 2020 had been a year of unprecedented struggle for us attributed to the outbreak of COVID-19 pandemic, which was characterized by countrywide shutdown of economic activities, marginal investment propensity as well as uncertainty surrounding life and death. During 2021, our all-out efforts have been to recoup against the pandemic and simultaneously, expand the portfolio base both in asset and liability side to offset the regression of 2020. The foregoing strategy proved to be instrumental to ensure better earnings for the Bank alongside, strengthening the capital base.

IBD could early anticipate that there could be phenomenal challenge surrounding loan recovery as overall business community have been struggling. We therefore, formulated strategy to concentrate on recovery from the very outset with utmost sincerity. Repetitive follow ups and amicable discussions with clients made a significant difference in terms of loan recovery during 2021.

During the ongoing critical time, business entities require tailor made financial products on top of conventional loans products to fit in their versatile business needs. IBD, with a view to offering its customers with value added products and to increase its exposure, offers alternative financing solutions through Structured Finance Unit like- issuance of bond, preference share, low cost syndicated finance etc. We also offer fee based services to facilitate complex transactions with our role as facility agent, security agent and trustee. We intend to provide 3600 financing solution to all of our customers and to serve the purpose, we often collaborate with regulators and funding authorities on behalf of customers as well as provide advisory services on case to case basis.

IBD is in continuous pursuit of alternative low cost funding and has been successful to be enlisted as financial intermediary in number of financing schemes like IPFF II, LTFF, UBSP, FBKEIP, GTF, TDF etc. To get access to foreign funding, an ESRM policy have been developed in line with IFC performance standard which will be incorporated in MDB's credit policy shortly. Due to government imposed cap on lending rate, we diligently negotiated with corporate depositors to bring down the cost of fund without compromising business relationship.

2021 witnessed an ever changing volatile liquidity market characterized by higher liquidity and lower credit growth followed by tight liquidity and higher demand for credit. Sharp liquidity management therefore, remained central for bank's liquidity management, maintenance of AD ratio with keeping an eye so that investment opportunities don't forgo. IBD closely worked with "Treasury and Market Risk" to avoid any otherwise adverse outcome in the bank's liquidity position.

The gradual currency devaluation against USD stays another concern for us. This has severely affected the payment against import and export, bills discounting and OBU financing at large. IBD has adopted prudential move and is doing its best to tradeoff between USD based investment and earning opportunity thereof, given the ongoing devaluation of BDT against USD and scarcity of USD in the market.

Concluding remarks

IBD takes the pride for its sustained portfolio growth trajectory alongside retaining portfolio health and adhering to regulatory compliance albeit potential roadblocks. The team showcased its competency for recovery of loans at the end of 2021 by undertaking severe challenges that helped the Bank register its overall NPL at 2.01%. At this point, we are also thankful to Bangladesh Bank for coming up with applicable directives to ease out customers' payment obligation thus, helping avoid classification for Banks. In IBD, we like to embrace challenges rather than avoid it that we believe, is one of our biggest strengths to remain vibrant, resilient and customer focused.

Retail Distribution Division (RDD) has achieved a steady growth throughout the year of 2021. A total of 35 Branches, 13 Sub Branches, 100 Agent Banking Centre and 10 Collection Booths are upholding the MDB brand and retail banking presence across the country. In 2021, MDB opened one more Urban Branch at Kawran Bazar along with 6 Sub-Branches with attached ATM Booths, 1 Collection Booth at Bheramara and 47 more Agent Banking Centre to reach out new geographical locations across the country and added value to its local communities.

Management Information System

Branch & Individual Scorecard

Performance of both business and service team is assessed through mark based system. The scoring system and marks are updated and redesigned time to time. As Branch office depends on branch employees' performance, so, branch scorecard carries marks for the individual scorecard in the same way.

In MDB, we prioritize customers' needs ahead of all. Every products and services have been designed to serve the purpose of the customers. In 2021, the challenging situation arose for the continuation of pandemic, where, demand of need based value added services (VAS) was observed, where MDB focused on. Our credit and prepaid card holders are now able to register midland online from anywhere, anytime. A Challan System was introduced through which customers can pay income tax, e-passport fee, VAT etc. Besides, clients can pay different types of government fees using midland online avoiding going to the branches. QR code was introduced through which customers can withdraw cash without card or cheque just scanning the QR code in cash counter. During the end of 2021, MDB tied up with SSL Commerz through which customers of MDB can make Merchant payment using Bangla QR. Also, midland online extended its services through 'EkPay' for its customers to pay utility bills of Bakhrrabad Gas, Jalalabad Gas, West Power Zone, WASA, Land Tax etc. Digital Gifting System (Xtra) has been introduced in 2021 by using which customers of MDB can gift to their near and dear ones very easily.

The Banking sector is becoming more strategically focused and technologically advanced to respond to consumer's expectations while trying to defend market share against an increasing array of competitors. The Retail Banking market is growing very rapidly where the opportunities are ever-increasing. The most critical component of Retail Banking is to increase the deposit base keeping the cost at minimum level. Banks are focusing on launching innovative products to meet up the pressure of deposit growth. The best approach for Banks is to flourish technology driven market of deposit and customer base as well as to launch innovative low cost deposit products. Due to rise in pandemic situation in 2021, MDB has introduced paperless accounts along with innovation in digital platform. Current MDB Retail Products are below:

Performance overview by Different Divisions/ Departments

The Future of Retail Distribution Division

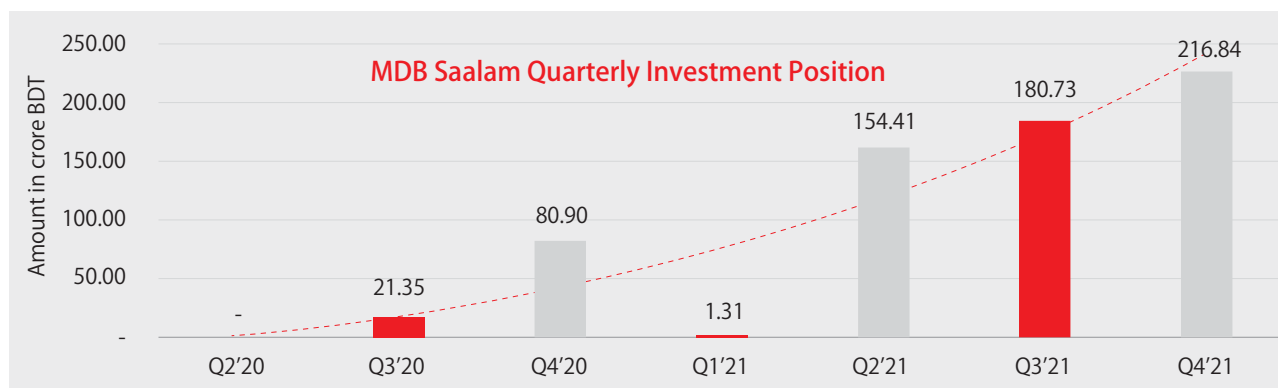
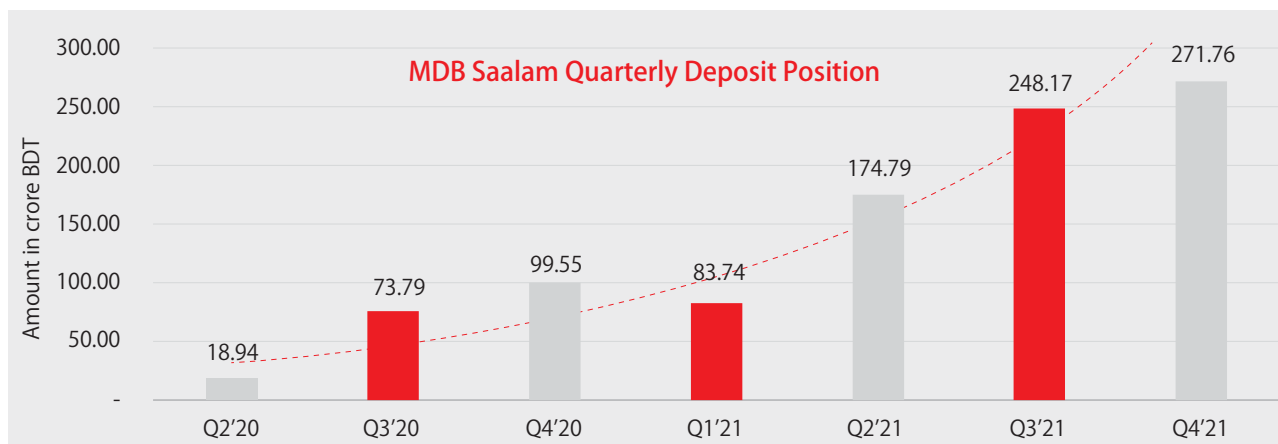
Retail Distribution Division (RDD) will strive to achieve sustainable growth with a vision to become market leader at near future by establishing a compliance and performance based culture, satisfying the client requirement with excellence. RDD plans to expand the Bank's business and service network under the latest technological advancements to serve its customers with satisfaction and simultaneously, provide a secured banking platform that will make Midland Bank Limited as their preferred banking partner.

Islami Banking Department (MDB Saalam)

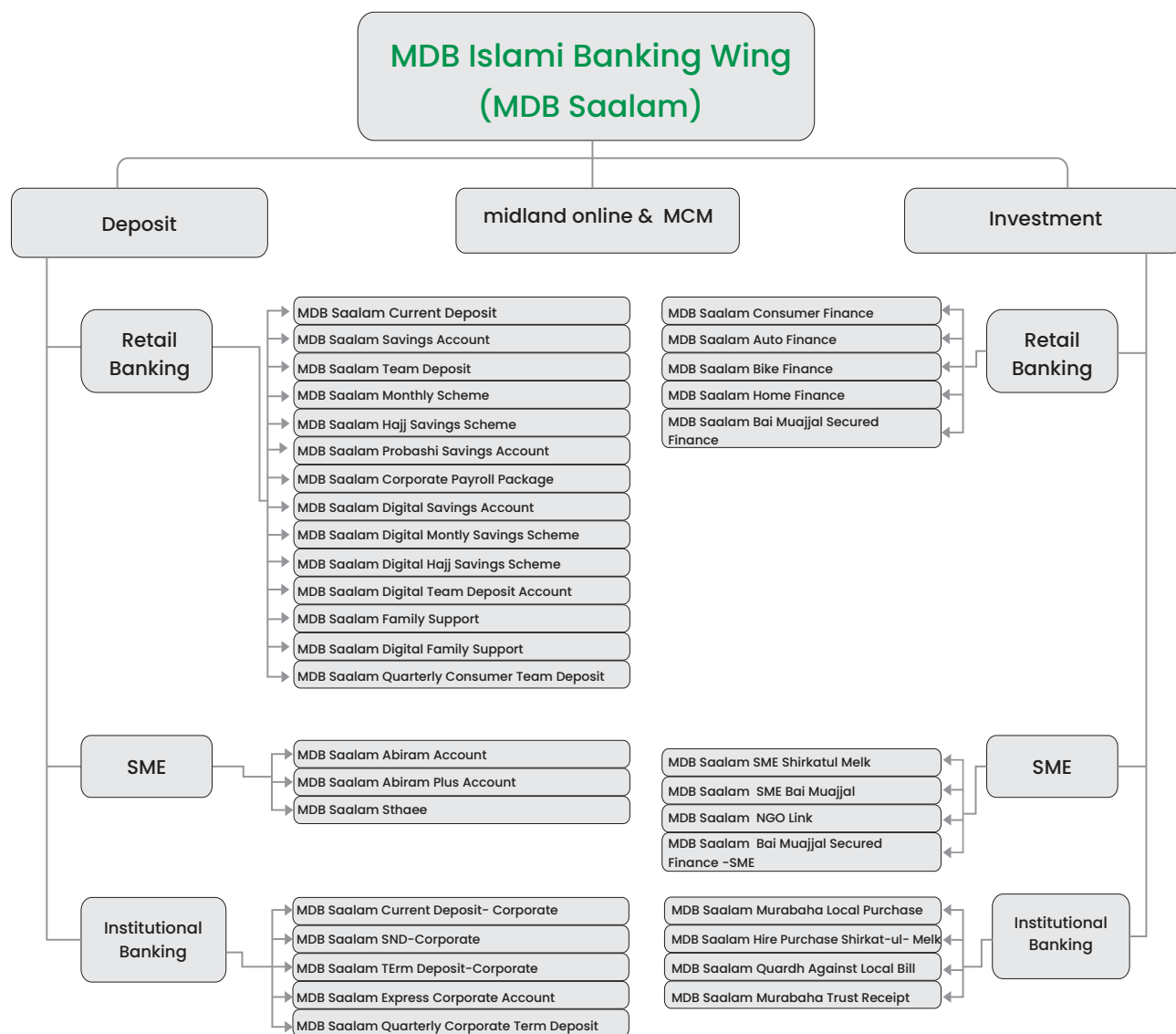
A dedicated Islamic Banking window of the Bank, MDB Saalam, was established with the aim to meet the unique needs of its customers and to help develop the nation's economy. The platform was formally launched by Mrs. Nilufer Zafarullah, Honourable Chairperson of the Bank on 23rd April 2020 via video conference.

At Midland Bank Limited, we realize that many of our customers want products that are Shariah compliant, and by introducing 'MDB Saalam', we are fulfilling our promise of being responsive to our customer needs. Through this new offering, customers can avail all Shariah banking products through its Gulshan Islamic Banking window and avail the service from any of its branches including the Bank's digital channels. Islamic Banking plays an important role in the economy and the Bank introduced Shariah Banking to cater the need of the growing Shariah conscious population of the Country. Keeping the current pandemic situation in mind, from the very beginning we tried to make 'MDB Saalam' technology oriented so that customers can avail Shariah based services by using customized free internet banking facility and mobile applications. Our customers can open Shariah complied Savings Account, Monthly Deposit Scheme, Hajj Deposit Scheme and Term Deposit by using our digital platform at anytime, anywhere.

Being born and raised in pandemic, MDB Saalam yet become very popular among customers. Having age less than 2 years, MDB Saalam recorded continuous growth in all segments. On December 31, 2021 deposit portfolio of 'MDB Saalam' stood at BDT 271.76 Crore and investment portfolio at BDT 216.84 crore, while registering operating profit of BDT 2.70 crore. Total number of accounts under MDB Saalam was around 2500 at the end of 2021.



MDB SAALAM comprises a wide range of deposit and investment products which are designed in such a way that they meet the demand of our customers and also complied with Shariah principles.



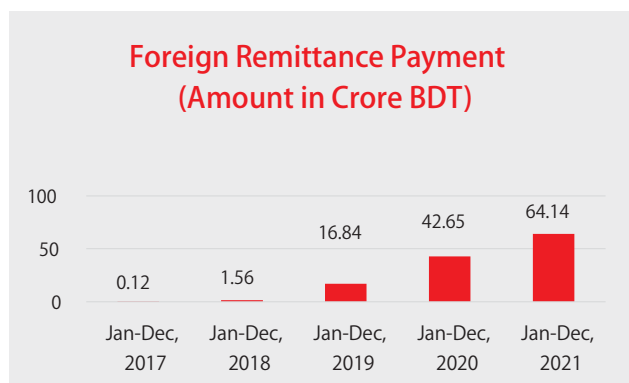
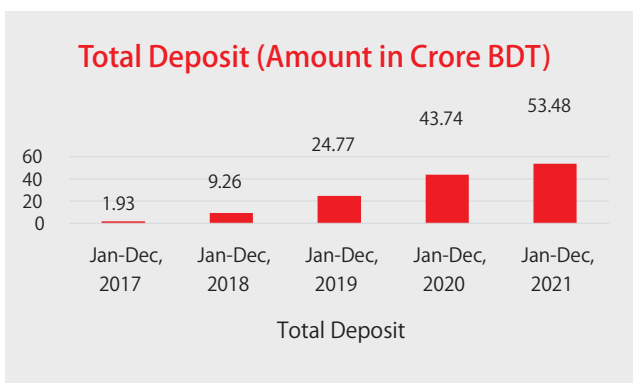
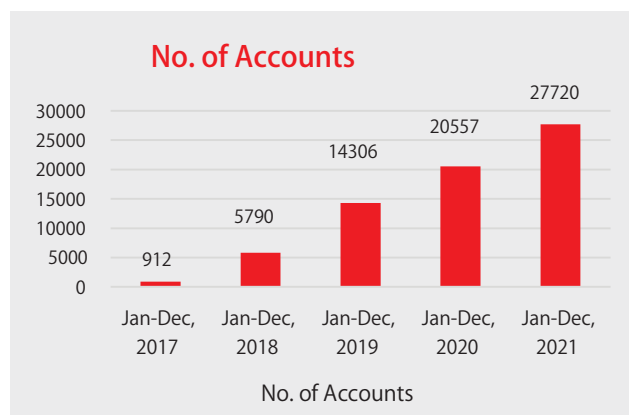
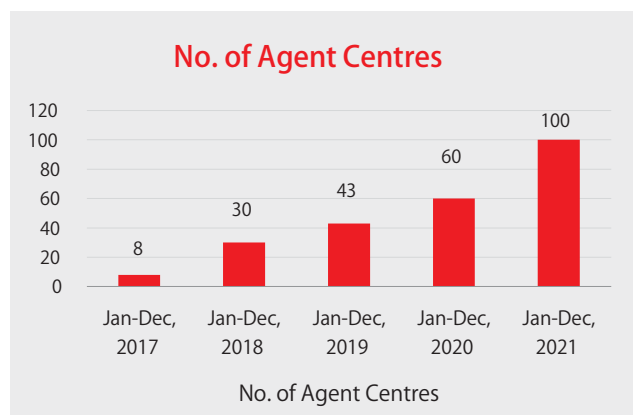
Agent Banking

Midland Bank got Agent Banking license from Bangladesh Bank on July 10, 2016 and started its operation on January 23, 2017 with launching first Agent Centre. Midland Bank Limited started the year 2021 with 60 (Sixty) Agent Banking Centres across the country. By December 2021, 40 (Forty) new Agent Banking Centres had been established in different parts of the country taking the total number of Agent Banking Centres to 100 (One Hundred). As usual, Midland Bank Limited preferred those areas in establishing new Agent Banking Centres where modern banking facilities are unavailable. This approach brought results also. During this COVID-19 situation, when banking industry faced tough challenges, MDB Agent Banking has grown up significantly in different indexes.

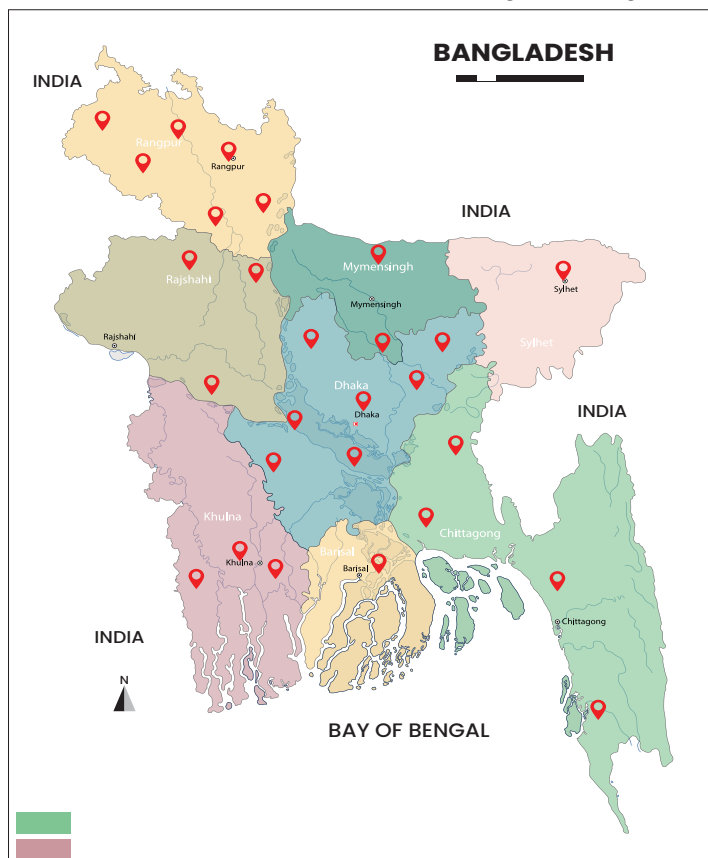
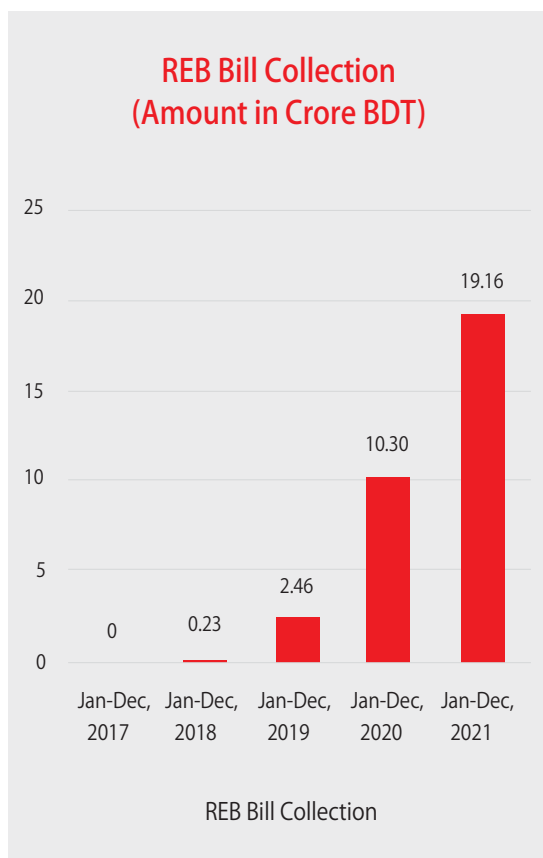
Bangladesh was hit by COVID-19 in March 2020. Due to its impact, a country wide lockdown came into effect and forced all organizations to shut down. To keep up the financial sector, GOB took initiative to keep open bank branches on limited scale. To comply with this initiative, Agent Banking Centres remained operative on limited scale too. When the whole country became standstill due to this impact, Agent Banking Centres were vibrant with their presence even in the remote corner of the country. As a result, indexes like deposit, foreign remittance, REB Bill collection have grown up. Also, ecpay has been introduced in ABCs in 2021. Moreover, sincerity in service delivery during this time also played a vital role in advancing MDB Agent Banking Services.

Moreover, it is mentionable that during this pandemic, MDB Agent Banking Division entered into cumulative profit figure totaling to around BDT 2.25 lac as on December 31, 2021.

Since inception, the growth of MDB Agent Banking is highlighted through below graphs:



Locations of Agent Banking Centres



MDB Card Products

MDB VISA Credit Cards

Our VISA International dual currency Platinum and Gold Cards are accepted globally and locally at all merchant outlets and restaurants showing VISA logo. Moreover, you can enjoy discounts and interest free EMI on repayments at discount partners by showing your MDB Credit Cards. Some of the salient features include, 100% concession on renewal fee for all pre-approved segment/SOD Card, Govt. Officials, Bangladesh Bank, TITAS/WASA/DESA/DESCO/NESCO, all university & College, Doctors, HR/Accounts/IT Personnel, Key Personnel of Corporate Office or equivalent and 75% concession on Bankers and NBFI, complimentary card, 24/7 Contact Centre support, payment facility through NPSB, BEFTN and midland online - a robust internet banking facility to pay your monthly credit card bill amount without visiting a branch.

MDB VISA Debit Card

MDB VISA Debit Card will allow customers anytime, anywhere to access to their savings/ current account at Midland Bank with a single swipe. Over and above, MDB VISA debit Card is giving customers the flexibility of use in Bangladesh only and can be used through POS terminals and ATMs and all transactions will be 100% authorized through online.

MDB VISA Prepaid Card

MDB Prepaid Card, denominated either in local currency or in US dollar, available at the counter of all branches of Midland Bank Limited for selling this card to MDB's customer and non MDB's customer. This is a dual currency card, meaning it is accepted in abroad to make foreign trip hassle-free and convenient. This prepaid card can be used to withdraw cash and make purchase over millions of merchant establishments displaying Visa logo. It gives 24-hour access to cardholder's money. Cardholder can top-up this card through NPSB, BEFTN, Rocket and midland online without visiting a branch.

New Initiatives

Introducing Add Card/Add Account at Midland online for MDB Prepaid and Credit Card customers

Midland Bank has introduced add card/add account process for the customer who has only Prepaid and/or Credit Card as well as having MDB account. Earlier, our customers were able to register in midland online only with account numbers. Now, all of our Prepaid and Credit Cardholders will be able to register in midland online by his/her own.

Introducing available balance through card transaction e-alert

Midland Bank has introduced a transaction alert via email where cardholders get the email of available balance when a transaction made on your MDB VISA card. For keeping the transaction record, e-alert is very important and subsequently it is a security measure to prevent fraudulent activities conducted on MDB Card by unauthorized parties.

Default e-commerce setup

Midland Bank has introduced the default e-commerce set up. Now a cardholder can enjoy the full local e-commerce facility without any interruption. For international transaction cardholder can enjoy his/her full endorsement limit as per Bangladesh Bank guideline.

Reduce fund transfer fees through midland online to make cashless society

Midland Bank has introduced the fund transfer facility from customer's card to midland bank accounts. In this context, Bank has reduced the fund transfer fees to make a cash less society which is a goal of Bangladesh Government as well as the Central Bank.

Instant prepaid card top-up through Rocket

Midland Bank has introduced the instant top-up to Midland Bank Prepaid Card through country's one of the largest MFS "Rocket".

Upcoming Facilities

Midland Bank has taken initiative to issue prepaid card through midland online by which any existing or new customer can initiate a request for prepaid card.

Real-time Credit Card payment update

Midland Bank is now arranging to update the Credit Card payment in real time. In real time payment update cardholder can get the advantage of instant utilization of the payment made by himself.

Loyalty point redemption and Gift Card through midland online

Midland bank is arranging loyalty point redemption programs for MDB Visa Credit Cardholders. When a customer makes any purchase or transaction using the MDB credit card, MDB reward points will be added to customers account and they can easily redeem those rewards points through various merchants by using MDB online platform. The integration process is still ongoing.

ATM fund transfer

Life is hard, but banking doesn't have to be. Midland bank has taken initiatives of fund transfer facility for MDB Cardholders through MDB ATM. Very soon MDB customers will get fund transfer facility (MDB to other banks) through ATM. This service of ATM Fund Transfer shall be available 24x7, 365 days a year. The integration process is still ongoing.

Agreement signing with new payment scheme

Midland bank (MDB) has recently signed a partnership agreement with UnionPay International, the largest card payment scheme provider in the world in terms of number of cards under issuance. Under the agreement, MDB will issue UnionPay debit and credit cards (both contact and contactless) and the project is ongoing.

Visa Contactless Payment

Midland Bank has recently arranged to live the Visa contact less payment method. By enabling the Visa contact less payment technology, we can give cardholder a better customer experience. The test certification file has obtained from Visa and necessary

testing in on going. After successful testing we will go for commercially soon.

CMSME Financing

Cottage, Micro, Small and Medium sized enterprise, apart from agricultural sector one of the biggest employers of Bangladesh economy and its combined contribution to GDP is higher than large enterprise. As such, this segment is considered as the growth engine of the country's economy.

In view of the immense importance and business potential of this sector, MDB bestows top priority to develop SME sector through extending short term financing to wide range of manufacturing and service based enterprise. To support and harness of the best out of this sector, MDB launched ECSP & SME Division on September 2013 to deal with business of this segment. The Division developed/structured a range of loan products to cater requirement of different business sub-segments.

Bangladesh Bank envisaged priority in segments like women entrepreneurship, micro enterprise, cottage industries, under privileged groups, 3rd gender, ethnic groups etc. with refinancing opportunity at lower rate of interest. MDB disbursed loan of Tk. 60.03 crore to the women entrepreneur during the year 2021 which is an outstanding achievement for the Bank.

To facilitate remote level micro/ small entrepreneurs, MDB has signed an agreement with Bangladesh Bank for refinancing under "Second Small & Medium Sized Enterprise Development Project (SMESPD-2)" scheme. Under this refinancing project we will be able to finance the micro/ small scale enterprises outside Dhaka & Chittagong City Corporation area with comparative lower rate. This financing scheme aligns with MDB's strategy to operate in diverse geographical locations as majority of the branches are set in rural areas where Agent Banking Centers have also been established to serve potential clients in the remote areas.

SME Division envisages to enhance its portfolio mainly in the Bangladesh Bank designated priority sectors keeping in mind the geographical and business segment diversification.

Agricultural Credit

Agriculture is the mainstay of the economy of Bangladesh which contributes a major portion of GDP and importance of this sector cannot be ignored. Now various agribusinesses have emerged under different sub-sectors and are contributing even in the sphere of export earnings. Generically agriculture sector comprise of crops, horticulture, livestock and forestry with crop sub-sector being the predominant.

In view of the imminence importance of agriculture sector, Midland Bank allowed more than 2.5% of its portfolio to crop sector at convenient rate through Non-government organization as per BB set target. Besides, substantial credit facilities have also been allowed to non-crop sectors like pisciculture, livestock etc. MDB

also plans to deliver Agri credit facility through their own distribution channel.

For the fiscal Year 2020-2021 (based on July to June), MDB's disbursement target in agri lending was Tk. 62.00 crore. MDB achieved its target for the financial year 2020-2021 by 104.68% & Special Agriculture Credit at 4% concessional Interest Rate by 96.77%.

International Division

International Trade is one of the challenging areas of banking operations yielding higher income for a bank. Midland Bank's International Division is enabling and facilitating bank's overall FX Transactions, Foreign Trade (Import and Export), Foreign Currency business, Corporate and individual Remittance services. For these, International Division maintains a very wide-ranging and robust local and overseas correspondent banking relationships. The bank has 15 NOSTRO accounts in the major international currencies with reputed Banks. International Division strives towards establishing new business streams constantly to facilitate the bank's growing FX and trade businesses.

Foreign Trade Services

MDB is committed to being the partner of choice of international and external customers by providing proactive trade solutions. Variety of services are currently offered to the customers from the division to cater to trade solutions.

MDB's import volume was USD 136.89 million in the year 2021. The banks import business facilitation consists of items like capital machinery, industrial raw materials, consumer goods, etc. On the other hand, MDB's export volume was USD 178.16 million in the year 2021. The banks export business facilitation consists of ready-made garments, frozen foods, jute products, still scrap etc.

NRB & Remittance Service

Over the years, wage earner's remittances has been emerged as the key towards economic growth and poverty reduction in Bangladesh. Midland Bank's NRB Wage Earners and Other Remittance Service has been focused to cater a comprehensive banking solutions to NRB diaspora all over the world and to make the remittance service more accessible to the doorsteps of the beneficiaries living in the remotest parts of the country.

Total amount of wage and other remittance receipt through the channels during 2021 stood at USD 44.59 million. MDB is deliberately working to reach the remittance concentrated areas of Bangladesh as well as persistently widening its footprints to the global remittance market through relationship-building with different overseas exchange houses/banks.

Offshore Banking

With a view to catering the banking requirements of non-resident customers, Midland Bank has established Offshore Banking Division in 2020. OBU acts as a unique solution for the banks around the globe to carry out international banking business which

involves foreign currency denominated assets and liabilities taking the advantages of low or non-existent taxes/levies and higher return on investment. At the end of 2021 MDB OBU has an asset size of USD 36.10 Million.

Treasury Division

Market Performance 2021

Year 2021 was a year of volatility and challenges for Treasury wholesale market because of the ongoing pandemic. Money market liquidity experienced both loosening and compression within a very short span of time. Commercial Banks had to take support from Bangladesh Bank in the form of Repurchase Agreement (Repo) and Assured Liquidity Support (ALS) during the period. However, in the second half of the year Central Bank started to withdraw liquidity from the Banking system by issuing Bangladesh Bank Bill. On top of that, Deposit rate for individual customers are also fixed by regulators. Sudden monetary policy action coupled with unexpected rise in deposit rate forces the Yield of government Bill-Bond shoot upward. USD-BDT market became volatile due to growth in import payment and sluggish growth in remittance. Bangladesh Bank need to intervene in the FX market by selling dollar to make the USD-BDT rate stable.

Midland Bank Treasury

Midland Bank has a committed and well trained treasury team capable of providing all kind of treasury solutions within its capacity. Currently, Midland Bank Treasury Division have five separate desks:

Treasury	Money Market Desk
	Fixed Income and Investment Desk
	Foreign Exchange Desk
	Asset Liability Management Desk
	Equity Investment Desk

Money Market Desk

Midland Bank money market desk is one of the most active and efficient desk in the inter-bank market. Dealers exercise all kinds of money market products available in market, including- Call Money, Term Money, Swap, ALS, Repo and Reverse Repo etc.

Fixed Income & Investment Desk

Midland Bank Fixed Income & Investment Desk is responsible for bank's investment in various Government securities like- Treasury Bills and Bonds, and other financial product available in market like- Commercial paper, Subordinated debt, Preference Share etc. This desk is an active participant in secondary market trading of Government securities. Being a Primary Dealer (PD), this desk also performs all the responsibilities of primary dealer.

Foreign Exchange Desk

Midland Bank Treasury is capable of vanilla and derivatives products in FX market. Midland bank is very active in foreign exchange market, both- in inter-bank and with corporate customers.

Asset Liability Management Desk

Midland Bank has a highly efficient ALM desk capable of providing robust and on-time report as well as market intelligence. This desk provides analysis, instruction and guidance in the area of asset liability management to promote proper balance sheet management as well as financial strength and wellbeing of the bank.

Equity Investment Desk

Midland Bank started taking exposure in Secondary equity market from 2017. The desk, with in-depth market knowledge and long-term investment orientation, was able to generate handsome return from secondary equity market.

Midland Bank Treasury Performance in 2021

Midland Bank treasury deliberately runs trading book with a view to earn profit by investing different asset classes of longer term and funding this trading book by borrowing on shorter term. In 2021, total foreign exchange transaction volume was \$9461.7 million compared to \$8,640.34 million in 2020, posting a transaction growth of 9.50%. Also, Midland Bank treasury was very active in secondary bond trading. Total secondary bond market transaction turnover by Midland Bank in 2021 was Tk. 78,491 million which was almost 4.50% of entire market. Also, Treasury managed to generate handsome income from Secondary Capital market, with realized portfolio gain of 28.7% p.a.

Treasury Priorities in 2022

- Enhancing the capabilities of corporate sales desk to tap foreign exchange business and enhance cross currency selling capabilities.
- Exploring new opportunities and provide tailored solution to customer by offering new derivative products.
- Managing balance sheet with specific focus, considering low interest rate movement and business requirements.
- Automating Treasury activities by introducing Treasury Module in the bank.
- Providing more focus in secondary equity market.

Market Projection for 2022

Market outlook always correlates with money growth, expected inflation, private sector credit growth, benchmark rate and level of government borrowing. Local Currency may depreciate in the end of 2022, followed by resuming of economy, increased volume of trade and tourism, and payments for mega projects. Opening up of economy will result in higher private sector credit growth, however slowdown in broad money growth may possess threat on recovery of the economy in the medium term. In our projection money market rate will be stable, but a lot depends on policy decision and monetary policy operation by Central Bank. Higher private sector credit growth, couple with decent government borrowing from the banking experience may keep the bill-bonds rate the current level, with a broader possibility of upward movement in the long term.

Information Technology

Information Technology in Banks has greatly contributed to improving operational efficiency, transparency, speed and accuracy in banking transactions. The customers are benefited by getting a number of options for doing banking through a different delivery channels at their convenience.

The banking industry is evolving very quickly from the traditional brick and mortar banks to digital banks. As the internet era expanded, the banking channels and models have gone a long way far beyond the human imagination. The Internet has opened the gates towards digital transformation and innovation and completely revolutionized the banking industry by empowering banks to serve their customers in a better way thereby reducing costs and improving banking experience.

Last year was the toughest situation for the banks to provide banking services to the customers attributed to COVID-19 pandemic. Understanding the changed scenario, MDB has already started initiatives for digitalization of its services with a focus to offer simple but secured banking to its customers. At the new normal situation, Midland Bank Limited (MDB) has digitized banking services for both individual and corporate customers that allow customers to do contactless banking without visiting any branch/sub-branch/agents. Now, an individual can open a bank account in MDB, from home, verifying his/her NID and face. Further to that, the bank connected with modern payment systems of country and introduced technology enabled systems, expediting digital experience of our clients, keeping them abreast of changing scenarios. To connect our corporate customers with digital currency, we have introduced new product Midland Cash Management (MCM) using which the customer can manage banking needs from anywhere maintaining proper authorization against a transaction. Moreover, we have tied up with leading mobile wallet service in the country, to transfer/receive money from/to customer's bank account. In addition, we have allowed our customers to manage his/her cards transaction through midland online. The new features added value with our current features getting account statement, maintain inter & intra bank fund transfer, pay utility and credit card bills.

Making way for Customer Feedback

We love to be appraised by our customer so that we can improve and excel. At MDB, we always believe in valuing our customers' opinions and make our customers' believe that their opinions are truly important to us. With that conviction, we have introduced a feedback form at all our Branch counters, where our customers are able to share their feedbacks through this form. The feedback form is also posted in our Bank website, so that Customers can submit their feedbacks from anywhere. There is also email address info.mdb@midlandbankbd.net through which customers can send their comments on our services instantly. All these customer feedbacks enable us to monitor the branch service level centrally and also help us to know the reason of customers' dissatisfaction instantly, if any, upon which we can take necessary initiatives to improve our service further. To assess the prevailing service level with the standard and also to identify the improvement areas, every year the Bank conducts Surprise Visit, Annual Audit and Inspection at Branches.

MDB Never Sleeps

We have established a 24/7 Contact Centre to provide the best customer service and track any complaint or opinion of the customers. We are one call away to solve any queries any time on 16596.

Key Priority in 2022

While ensuring customer service at MDB, we believe, customer delight depends on the efficient delivery of products and services

within expected timelines. Organizations effectiveness, efficiency and productivity depend on how & when we are delivering to our valued customers. With a vision of becoming the fastest bank in terms of delivering service in the financial industry of Bangladesh, MDB will implement its robust customer service standard and customer awareness strategy effectively.

Customer Services and Complaint Management

To exclusively and professionally address customer complaint, MDB developed Customer Services & Complaint Management (CS&CM) Cell which takes a relentless effort in establishing a customer-friendly environment by resolving any complain from the customer through prompt analysis, investigation and initiating remedial measures. Besides various preemptive measures have been initiated e.g. training sessions for the officials of the Bank, Information Technology enabled services facilities, customer awareness program for continuously improving our services and also our customers are gaining more confidence on us, which positioned MDB as a Bank of their first choice. There is also an email address like customer.complain@midlandbankbd.net through which customers can send their complaints on our services instantly. CS&CM functions mainly are such as ethical principles of customer service development, code of conduct formulation, service standard enactment, customer charter development, customer awareness building, root cause analysis of any complaint, reporting to the concerned authority and corrective measures taking against complaints.

We received only handful number of complaints on different category /segments, all of these addressed properly which depicts our satisfactory service quality and level of customer satisfaction.

Human Resources Management Division

With our strong believe that employees are critical to the ongoing success of the Bank, Human Resources Management Division (HRMD) strives to encourage and optimize its employees' performance on a continual basis. We aim for building competent, skilled and professional human capital base for the Bank. We believe that everyone has a latent talent, and for that we try to find out the underlying talent of our employees and help them to utilize it properly towards achieving individual development goals as well as the organizational goals. Our vision is to be the employer of choice in the financial industry, where the employees will work with pride and pleasure. Our goal is to assist the Bank in achieving its strategic mission, while ensuring its employees are engaged and motivated to help the organization succeed. We always support and uphold the Bank's vision by fostering a positive and engaging work environment while identifying and responding to the changing needs of our diverse community. The Bank emphasizes on attitude driven talent acquisition process as we do not offer merely a job for our employees but a career to make them best fit of the next role.

The Management team of the Bank with their talents and skills have now been working for business excellence with new pledge based on professionalism, team work and strong bondage of interpersonal relationship maintaining compliance with good governance. The financial sector with increased global, regional and local competition coupled with socio-economic sensitivity has created enormous challenges for organizations like private

commercial Banks. To cope up with the new challenges, our strategic approach is to make our people tech-savvy, along with promoting a healthy working environment to attract, develop and retain quality manpower, ensuring the Bank reaches its goal.

Midland Bank Limited's Senior Management Committee Team has shown complete adherence to successfully drifting the Bank within the turmoil of coronavirus outbreak at the outset of 2020. Mutual respect, sympathy, and affection have protected us from this catastrophe and uncertainty. We kept in mind that the coronavirus aftermath will be deadlier than that had been experienced during wartime. There is no alternative to cooperation and wholehearted support in this distressing time. We used flexible and transparent HRM practices with the aim of employee performance development aligned with organizational sustainability. We took unprecedented measures to keep our employees safe and ensured that the organization survives. We kept whereabouts of all of our employees' health thus ensuring day-off for the employee those feeling sick, advising them for the virus test if showing symptoms and also ensuring that quarantine has been maintained before joining back to the workplace. Thus keeping up to the promised expectations, as a fourth generation Bank we have maintained profitability and efficiency without reduction of any headcount and remuneration.

Reflect, Reboot, Recommit and Rethink has been our post-pandemic approach in order for the organization and its employees to have a smooth recovery in the way of business & in the way of working. Reflect has pointed out strategies that has worked, that has been learned, and what has been missed during the Covid response. Reboot has assisted in realigning the HR function and people's operation with the most pressing business and human resource priorities. Recommit has focused on the human resource's wellbeing (physical, psychological & financial concerns)-at home and in the workplace. Under the Rethink strategy, we have been working with our business units for identifying the experiences from the Covid responses so that they can be leveraged for accelerating the future of work. Adhering to these actions, the Bank has been able to successfully bridge the crisis response.

We appreciate our employees' creativity and innovation for improving the work process of the Bank. Employees will be provided the work life balance, respect and caring attitude within the organization that they are expected to share externally with every customer as a Brand Ambassador of the Bank.

Credit Administration Division

Credit Administration Division (CAD) is involved in setting and encouraging the values of credit discipline across various transactions and processes of MDB. The values not only addresses the requirements of risk possession and accountabilities but also lead the organization to have an organized approach to the enforcement of credit administration in line with laws and regulations issued by the regulators as well as MDB.

CAD was established in 2014 with the accountability of executing all post approval activities of loans and advances sanctioned through CRMD and branches. The division then transformed its operation in centralized module since March 2015 and expanded the arena of its responsibility in both pre and post sanction activities relating to loans and advances. The pre-sanction

activities include the valuation and vetting of property documents through third party enlisted surveyors and law firms respectively. The post sanction activities include documentations, limit loading, transactions, monitoring, reporting and finally closing of loans accounts for institutional and retail customers. To minimize the credit risk as well as residual risk, CAD has played an important role by means of its consisting units. The key functions of CAD are provided in the following:

- valuation of land through third party enlisted surveyors with presence of CAD's representative
- vetting of property documents through third party enlisted law firms
- collection of CIB Report
- issuance of sanction advices to the clients
- safeguard proper documentation
- preservation of property and security documents
- Limit loading and execution of special transactions
- collection of quarterly visit report related to stock, receivable and payables of various accounts
- monitoring of the loan portfolio
- preparation of quarterly CL report along with provision calculation
- reporting (internal & regulators)
- ensuring compliance of audit observations

Legal Division

Business and Law are very much interconnected as any sort of business enterprise operates within the legal regime of the host country. Accordingly, a financial Institution must abide by all the rules and regulations of the country in terms of business operations and internal governance to be recognized as compliant. Legal Division of Midland Bank is entrusted to ensure the legal compliance of the bank through legal support to all departments and branches and maintaining liaison with external Lawyers and different regulatory authorities such as Bangladesh Bank, Land Record & Survey Department, Tax authority, Ministry of Finance, Judiciary, Anti-Corruption Commission, CID, Police and Central Intelligence Cell etc.

The major responsibilities of MDB's Legal Division are as follows:

- Obtain Legal Opinion through Credit Administration Division from the Retainer /Legal Advisors / Expert Lawyers on various issues, and sending and reply of Legal Notice through MDB's panel lawyers on behalf of bank to the stakeholders as per the requirements of management.
- Taking initiatives and performing all procedures regarding enlistment (i.e. preparing memo, submitting the memo before the Board, preparing offer letter after final approval of the Board in favor of enlisted lawyers) of Panel lawyers and renewal of Retainer for the Bank.
- Vetting of property documents as well as Lease Agreements in connection with the floor spaces purchased /acquired for the Branch Premises.
- Vetting of outsourced Agreement in line with BRPD circular No.02 dated 19/01/2015.
- Drafting of Lease Agreement and vetting of property documents purchased for ATM Booth.
- Maintaining Liaison with Retainer / Panel lawyer for smooth conduction of the suits / cases / writs / appeals / revisions and providing them all kinds of logistic and documentary

support for proper execution of the respective cases.

- Providing up to date report regarding conducting cases as per requirements of internal and external authorities.
- Mitigating the queries of different authorities such as Bangladesh Bank, Tax Authority, Ministry of Finance, Anti-Corruption Commission, Courts, CID, Police, Central Intelligence Cell etc. regarding various suspicious and irregular transactions and activities and investigation of different cases.
- Providing legal supports to different branches and departments of the bank as per requirement and preservation of case / suit related documents.

Anti-money Laundering Division

Anti-Money Laundering & Combating Financing of Terrorism

The Past two years trends of COVID-19 indicates that it is not going to disappear very soon and this unprecedented Health Crisis of Humans have put Banks and Financial Institutions into new challenges for the fight against Money Laundering (ML) and Terrorist Financing (TF). This Health issue significantly affected Economies and Societies around the Globe and in Bangladesh. Laundering illegally earned money through various mechanisms is so essential for the criminals to make money usable and as such Banking Business has been so exposed into this process as these Institutions are often used by them. Therefore, we need to put our best effort to combat the ill effort of the Launderers and Financier of Terrorist Activities. In this context Midland Bank's work on Anti-Money Laundering has been more important than ever.

The Board of Directors of Midland Bank (MDB) views Money Laundering Prevention as an integral part of its Risk Management Strategy and not simply as a standalone requirement that is being imposed by the Regulator. As a responsible Corporate Citizen, MDB Board of Directors treats non-compliance of AML & CFT measures with "Zero Tolerance". MDB has been equipping itself through creating capabilities by deploying robust and extensive AML Programs and Policy Guidelines, imparting comprehensive Training of Human Resources to build Human Capital and gradually moving into embracing world class technology tools to protect the Bank and make the business more sustainable.

MDB strictly deals with its Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) activities and has taken measures to identify and assess related challenges, share good practices and policy responses to new threats and trends arising from the crisis. MDB ensured the continuity of the evaluation process which required flexibility, creativity, and additional efforts on the part of the experts and evaluators.

Due to Covid-19 Anti Money Laundering Division adjusted its work method for smooth continuation of the combat against Money Laundering and Terrorist Financing. AML Division has conducted Training Programs virtually for both the year 2020 and 2021. Again MDB has conducted few Physical Training during the Pandemic.

Highlights 2021

- o The members of the Central Compliance Committee (CCC) met 4 times during the year and the 08 (Eight) member committee discussed issues related to Anti-Money

Laundering & Combating Financing of Terrorism and provided guidance to relevant Divisions/Departments.

- o AML Division and Agent Banking Division participated in a Workshop organized by Bangladesh Financial Intelligence Unit at Cox Bazar District.
- o Like every year, the Managing Director & CEO issued his statement of commitment regarding strategy, action plan, compliance and consequence of non-compliance on January 2022.
- o MDB introduced the partial implementation of the Trade Based Money Laundering Policy Guidelines in accordance with the Guidelines issued by BFIU. We are working for the full implantation of the Guidelines.
- o AMLD conducted inspection on AML & CFT compliance status of Branches and conducted one hour awareness session at Branch premises to build up awareness on AML & CFT issues among the employees of Branches.
- o The newly developed in-house software "MDB Sanction Screening" is fully in use by the Branches and Divisions which is helping us to ensure control facilitate offsite monitoring.
- o Paperless e-KYC has already been implemented for Digital onboarding of our customers.
- o AMLD arranged Training Programs for Divisions of Head Office like as Card Division, Agent Banking Division and Credit Administration Division.
- o Arranged 07 (Seven) Branches and 02 Divisions Tainting programs via Zoom as we are passing through challenging times following the outbreak of Covid-19 pandemic across the country to create awareness on AML & CFT among the officials of Branch.

Outlook 2022

- o Key goals of AMLD for the year 2022 are to strengthen our Compliance Culture in all Units of MDB. Action to prevent and Combat Money Laundering and Terrorist Financing thus responds not only to a moral imperative, but also to an Economic need.
- o AMLD will arrange a day long Training Programs on AML & CFT including Trade Based Money Laundering to aware all officials of the Bank about their duties & responsibilities for the purpose of mitigating ML & TF risk within the Bank.
- o Monitoring of Branches shall be robust in 2022 which shall include conducting Special Inspections on the Branches as a part of its own monitoring program of Branches' AML & CFT compliance, apart from ICCD.
- o AMLD will take proper measures to upgrade the status of Branches to Satisfactory which were already rated as Fair.
- o AML Division will take initiatives among the officials of the Bank to conduct Customer Due Diligence (CDD), Enhanced Due Diligence (EDD) and identify Beneficial Ownership of account.
- o Ensure to communicate with Branches to ensure practical implementation of Bank's ML & TF Risk Management Policy Guidelines approved by the Board of Directors.
- o Update the ML & TF Risk Management Policy Guidelines in line with the compliance BFIU Circulars/Circular Letters, Guidelines & Money Laundering Prevention Rules.
- o Develop Online Questions and Answer Module for Branches to assess their knowledge on ML and TF.
- o Conduct workshop/training on ML & TF Risk Management,

Trade Based Money Laundering (TBML), Account Opening & Operating Procedure for relevant employees including new joiners, existing employees, Agent and Agent Employees and contractual employees.

- o Arrange a BAMLCO conference for all BAMLCO's of the Bank to keep them updated in relating to AML & CFT issues.
- o Take reasonable measures through analyzing Self-Assessment report and Independent Testing Report summary to understand ML & TF risk.
- o Arrange a Training Programs on basic and Advance level of AML and include the new topic of "Environmental Risk and AML".

Internal Control and Compliance

An effective internal control and compliance system have become essential to underpin effective risk management practices and to ensure the smooth performance of the Bank. Internal Control and Compliance Division of any Bank acts as the watchdog of the Bank's established internal controls and compliances. ICCD of MDB is continuously working independently to provide reasonable assurance regarding the achievement of various internal controls' objectives. The core focus of MDB other than the financial goal is to establish a vibrant compliance culture in the Bank, ensuring engagement all officials of corporate hierarchy and ICCD has been entrusted with maximum independence by both Board of Directors and Management to recognize and assess all of the material risks that could adversely affect the achievement of the Bank's goals. ICCD ensures compliance with laws and regulations, policies, and procedures issued by both the bank Board/Management and the regulators.

The principal objectives of internal control include the following:

- **Operations objectives:** Attainment of the Bank's mission and vision.
- **Reporting objectives:** Timely, accurate, and comprehensive reporting – both financial and non-financial and internal and external.
- **Compliance objectives:** Conducting activities and taking specific actions as per applicable laws and regulations.

Formation

In 2021, ICCD in MDB had three fold of functions consisting of two separate departments viz. a. Audit and Inspection Department, b. Monitoring and Compliance Department. As per Bangladesh Bank's revised guideline on Internal Control & Compliance (BRPD Circular No. 03 dated 08.03.2016 and amendment through BRPD Circular No. 06 dated 04.09.2016), the Head of ICCD of MDB reports his activities and findings to the senior management and Head of Audit and Inspection although being part of ICCD administratively reports directly to the Board Audit Committee and is responsible to the Board Audit Committee. Internal Control & Compliance Functions of above two departments in 2021 are enumerated below:

- a. **Audit and Inspection Department:** To reduce the operational risk of the bank, Midland Bank Limited conducts regular Audits/Inspections on the basis of affairs of the bank based on different manuals, instructions, rules and regulations and procedures laid down by the Bank and Bangladesh Bank and other regulatory authorities from time to time. Special Audit is also undertaken whenever special instructions are given by the Board of Directors, Executive

Committee, Audit Committee, Risk Management Committee, Managing Director and Deputy Managing Director of the Bank.

- b. **Monitoring and Compliance Department:** Monitoring Department is responsible to monitor the operational performance of various Branches/Divisions/Departments. The Department collects relevant data and analyzes those to assess the risk of individual units. In case, any major deviation is found they recommend to the Head of Internal Control and Compliance/Head of Audit and Inspection for sending audit & inspection team for thorough review.

The Compliance Department is responsible to ensure that Bank complies with all regulatory requirements while conducting its business. The Department maintains liaison with the regulators at all level and notifies the other Departments regarding regulatory changes. The Department followed up the Branches /Divisions /Departments for implementation /rectification of the findings /irregularities brought out in the Internal Audit Report/s. This Department is also responsible to arrange timely submission of compliance report of Bangladesh Bank Inspection Report.

Activity status of ICCD of MDB in 2021

- ICCD revised the Risk-Based Audit checklist for Branches, Sub-branches and Head Office Divisions in 2021. The checklists were prepared to align with existing and updated manuals, policies, circulars of Bank, and related Bangladesh Bank and other regulatory bodies' instructions. Based on these checklists, a risk-based Audit was performed on Branches and Divisions/Departments throughout the year.
- Surprise Visit at 4 (four) Branches was conducted during 2021.
- Special audit on 1 newly opened Sub-branch during 2021.
- Special inspections on Anti-Money Laundering activities of Branches were conducted at 4 (Four) Branches.
- Special visit to check maintenance of Quarterly Operations Report (QOR) and Departmental Control Function Check List (DCFCL) at 1 Branch.
- Review of QOR, LDCL and reporting on pending status of e-DMS module.
- In accordance to comply with the provision of Bangladesh Bank's "Guideline on ICT Security for Banks and Non-Bank Financial Institutions, May 2015" ICCD conducted Information System (IS) Audits on all Branches.
- As per the instruction of Bangladesh Bank, ICCD conducted an Audit daily reporting of Foreign Exchange Transactions of 2020 in the Online Foreign Exchange Transaction Monitoring System of Bangladesh Bank.
- After commencing of Agent Banking business, the Bank has opened 100 centers so far. While auditing the Agent Banking division, ICCD also visited 6 Agent Banking centers in 2021.
- As per the instruction of Bangladesh Bank, ICCD prepared a health report of the Bank based on the financial position of 31.12.2020, and the report was approved by the Board of Directors afterward.
- ICCD coordinated Bangladesh Bank's inspection team/s whenever various units/branches were audited by the regulatory authority and ensured timely submission of the

compliance report of BB Inspection in different areas, e.g., comprehensive Inspection at Divisions and Branches etc.

Significant works in 2021

Annual Audit and Inspection	34 Branches and 6 Sub-branches
Branch AML Audit	34 Branches
Branch IS/ICT audit	34 Branches and 6 Sub-branches
Surprise Visit	4 Branches
Special visit to check maintenance of QOR DCFL	01 Branch
Special inspections on Anti Money Laundering activities of Branches	4 Branches
Head office Annual Audit and Inspection	25 Divisions/ Departments /Units
Special Inspection of new branches	01 new Sub-branch
Internal Audit and Inspection report review and compliance monitoring	123 times
Bangladesh Bank and other regulator's inspection report and compliance	55 times
Compliance of regulatory changes summarized report placement	4 quarters
Regular Review tasks	Review of QOR, LDCL Self-assessment report, various statements like loans and advances, Online GL transactions etc.

Bangladesh Bank Inspection Statistics

Bangladesh Bank inspection team conducted a total number of 12

inspections on 08 division/department/units of the head office and 04 branches during the year 2021 which includes 3 Comprehensive Inspections, 1 SME Branch Comprehensive Inspections, 1 surprise cash verification, 7 Core Risk Inspections.

Plan for 2022

Like every year, ICCD plans to perform its yearly activity in light of Bangladesh Bank guidelines, circulars issued from time to time, industry best practices etc. Significant activities that ICCD will cover are enumerated below:

- Perform Audit and Inspection on 34 Branches and 6 Sub-branches.
- Perform AML, ICT/IS Audit on all 35 Branches, including an extra 10% AML audit per BIFU Circular – 19 dated 17.09.2017 & BIFU Circular – 26 dated 16.06.2020.
- Perform Audit and Inspection of all 28 head office divisions/departments.
- Perform Audit on 4 Agent Banking Centers as 5% of agent centers as per BIFU Circular – 26 dated 16.06.2020.
- Pay Surprise Visit at least Five Branches/Divisions as the monitoring department instructs the audit and inspection team, as per ICC guideline, to inspect the specific deviation pointed out by reviewing the Quarterly Operations Report (QOR).
- Perform special Audit on 1 newly opened Branch and 6 newly opened Sub-Branches.
- Monitor and review the QOR, LDCL, Self-Assessment Report on AML and send report accordingly.
- Perform monitoring activities.
- Ensure compliance of Bangladesh Bank Inspection Reports, External and Internal Audit and Inspection reports etc.
- Ensure compliance with Regulatory Changes.
- To automate significant portion of ICCD activities in view of reducing time and cost as well as establishing stronger, more effective and more efficient internal control.

Internal Control and Compliance Risk Management

As per the core risk guideline of Bangladesh Bank, ICCD is acknowledged as one of the critical Risk Management organs of the Bank. To mitigate its operational risks and identify various malpractices prevailing in operational activities, the division has formulated a robust and resourceful policy guideline that ensures that the Bank demonstrates compliance and conformity with the Central Bank and other regulatory bodies' relevant regulations.

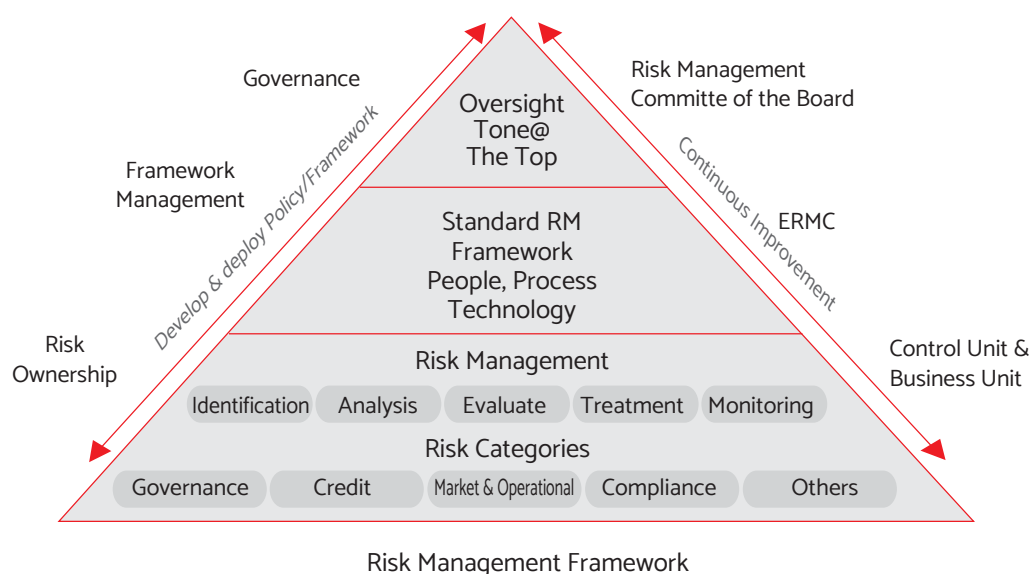
Besides, they ensure that corrective action plans are implemented within the set deadlines, and they also ensure proper corporate discipline and awareness. During the year 2021, ICCD successfully conducted a comprehensive Inspection on all divisions and Branches according to its approved activity plan and submitted findings to the competent authority for discussion, review, suggestion, and proper evaluation. Apart from the continuous auditing, ICCD is also conducting off-site supervision through monitoring day-to-day transactions and reporting any exceptions thereon. Thus the ICCD virtually acts as a whistleblower and plays an active role in taking precautionary measures for risk mitigation and making the institution even more compliant on prudential and regulatory issues.

Risk Management

Risk is the probability that an investment's actual return will be different than expected which includes the possibility of losing partial or full of the original investment. As such Midland Bank Limited (MDB) manages the risk through coordinated steps to keep the loss at a tolerable limit which includes but not limited to control and monitoring only.

The objective of risk management is to identify and analyze risks and manage their consequences. Basel-II/III Accord, the standards of Risk Management as guided by the Bank for International Settlements (BIS) and particularly Basel Committee on Banking Supervision (BCBS), has been applied by bank regulators across the world.

Effective risk management is one of the most crucial success factors for sustenance of a Bank. That is why, we have established a strong, disciplined and inclusive risk management culture where risk management is a responsibility shared by all the employees of the Bank.



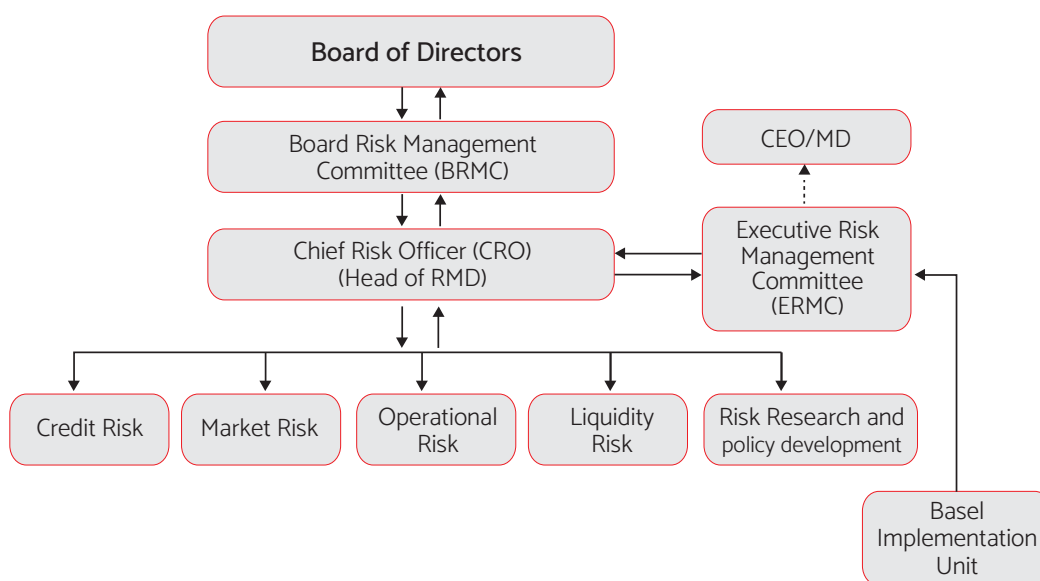
The risk landscape in the current business environment is changing dynamically with the dimensions of Cyber security, Information Security & Business Continuity, Data Privacy and Large Deal Execution figuring prominently in the risk charts of most organizations. To effectively mitigate these risks, we have deployed a risk management framework which helps proactively identify, prioritize and mitigate risks.

Bank's risk management framework is applied on an enterprise-wide basis and consists of three key elements:

- Risk Governance
- Risk Appetite
- Risk Management Tools

Risk Governance

Risk Management activities which are being reviewed by the Board Risk Management Committee is being communicated in the form of meeting minutes (including observation, decisions and recommendations) to the board of directors. During the year BoD reviewed and approved risk management structure of the Bank which was constituted as per the guidance of Bangladesh Bank. BoD also approved Risk Management Policy guideline which was formulated in light of the guidance from Bangladesh Bank and MDB's own capacity and risk parameter also being taken into account.



Board Risk Management Committee (BRMC)

A Board Risk Management Committee has been formed in the Bank to oversee the activities of Management level Risk Management Committees of the Bank as well as to oversee the implementation status of investment (credit) Risk, Foreign Exchange Risk, Interest Rate Risk, Market Risk, Operational Risk, Liquidity Risk, Risk Based Capital Requirement, Provisioning (required and Maintained); etc.

Disclosure of activities of the Board Risk Management Committee (BRMC) is as follows:

Particulars	During the year 2021 (in Number)
Number of Members of Board RMC	5
Number of Board RMC Meetings	4

Executive Risk Management Committee (ERMC)

A strong Risk Management Committee has been formed in the Bank comprising the heads of all the risk taking organs, regular meeting in the committee is being arranged and organized by the Risk Management Division. The committee sits usually once a month or more when necessary. In the meeting of RMC, all the existing/identified and foreseeable/potential risks issues are discussed and recommendations to the concerned risk taking organs is to address, measure and take the required steps to mitigate the risk factors. Disclosure of activities of Risk management Committee (RMC) is as follows:

Particulars	During the year 2021 (in Number)
Number of Member of RMC	13
Number of RMC Meeting	11

Risk Management Division (RMD)

Risk Management Division of the bank is responsible for establishing Bank's risk management framework, and to ensure that the procedures for identification, monitoring, mitigating and managing risks are in place as per risk management guidelines, core Risk Management Guidelines of each area and Basel accord are also being complied effectively. The Bank's risk mitigating technique is not to wait for the risk but to take precautionary measures to mitigate the risk and lessen impact of the risk before incident happens. To supplement the stand of the Bank, RMD is extensively working on robust Risk Management practices and exchange of ideas about Risk Management for creating an acceptable risk management culture within the Bank.

Risk Culture

The Bank's risk governance structure, risk appetite, and risk management tools are influenced by risk culture of the Bank. The risk culture is built upon:

Tone from the top

Clear and consistent communication from leaders on risk behavior expectations and the importance of MDB's values.

Accountability

All MDB employees in every business function are held accountable for risk ownership and their actions in accordance with the Risk Management Policy.

Compensation

Programs are structured to discourage behavior not aligned with the Bank's values or MDB's GAP Policy (Code of Conduct) and ensure that such behaviors will not be rewarded.

Reporting

Reputational and operational risk dashboards and other key metrics are monitored and reported. The Bank also seeks out employee feedback through a variety of surveys.

Training

MDB continually reinforces risk culture by providing effective and informative mandatory and non-mandatory training modules for all employees, as well as presentations and other training media on a variety of risk management topics.

Decision-making on risk issues highly centralized: The membership of senior and executive management committees responsible for the review, approval and monitoring of transactions and the related risk exposures (whether global or local) include business line heads and senior risk officers.

Risk Appetite Statement

MDB's risk appetite statement defines the amount of risk we are willing to assume in pursuit of our strategic and financial objectives. Our guiding principle is to practice sound risk management, supported by strong capital and funding positions, as we pursue our client-focused strategy. In defining our risk appetite, we take into consideration our vision, values, and strategy, along with our risk taking/absorbing capacity (defined by regulatory constraints). Application of the risk appetite statement and monitoring of the key risk appetite measures help to ensure the Bank stay within appropriate risk boundaries.

Risk Management Tools

Effective risk management includes tools that are guided by the Bank's Risk Appetite Framework and integrated with the Bank's strategies and business planning processes

Risk Mitigation Methodologies

Risk types	Governing Documentation	Application to Risk Appetite Limits/ Tolerances
Credit risk	Credit risk policy, Credit risk appetite, Collective allowance policy for performing loans	Exposure to a single customer or group of related parties. Country risk (exposure limits to control transfer/cross-border and sovereign default risks); and Industry concentrations (exposure and risk adjusted concentration limits).
Market risk	Market and structural risk management policy	Various VaR limits, stress test results, equity and debt investment exposures, and Structural interest rate and foreign exchange exposures.
Liquidity and funding risk	Liquidity risk and collateral management policy	Appropriate hold levels of unencumbered high quality liquid assets that can be readily sold or pledged; Limits to control the maximum net cash outflow over specified short-term horizon; and Diversification of funding by source, type of depositor, instrument, term and geographic market.
Operational risk	Operational risk management policy and framework, Internal control policy, Fiduciary risk management policy, New products and services risk management policy, Information technology risk management policy, Outsourcing & other arrangements risk management policy	Systematic identification, measurement, mitigation and monitoring of operational risk, Minimization of residual operational risk; and Expressed quantitatively by an aggregate loss limit.
Reputational risk	Reputational risk policy, Guidelines for business conduct compliance policy	Low tolerance for reputational, legal, or taxation risk arising from business activities, initiatives, products, services, transactions or processes, or from a lack of suitability of products for clients.
Environmental risk	Environmental policy	Ensuring that projects are developed in a socially responsible manner
Strategic risk	Annual strategy report to the Board of Directors	It links the Bank's risk appetite framework with the enterprise strategy, business line strategies and corporate function strategies;

Credit Risk

Credit risk is the risk of financial loss due to a borrower or counterparty failing to meet its obligations in accordance with contractual terms.

Effective management of credit risk requires the establishment of an appropriate credit risk culture. The Board of Directors, either directly or through the Risk Committee (the Board), reviews and approves the Bank's credit risk appetite annually and credit policy manual triennially.

Environmental Risk Management

Environmental Risk Management Seeks to offer a structure for addressing the risk to make a certain course of action for enduring sustainable financial and economic growth. Environmentally derived risks for the Bank are inability of the clients to make payments due to

unexpected environmental costs, interruption/discontinuation of client business by imposing penalties/closure notice by competent authorities, decrease in the value of security due to environmental impairment during the term of investment etc. Environment risk management procedure includes identify environmentally derived-potential liabilities for Bank in transactions, assess the awareness, commitment and resources of the client to manage the environmental risk creating those potential liabilities, manage and control the Bank's exposure to environmentally derived liabilities. As per instruction of BB, the bank has implemented Environmental and Social Risk Rating (ESRR) and Environmental Due Diligence (EDD) of the eligible customers in the light of ESRM guidelines.

Market Risk

Market rate is defined as the possibility of losses in on and off-balance sheet positions arising from movements in market prices. The exposure of the Bank to market risk arises principally from customer-driven transactions. The market risk positions subject to this requirement are:

- The risks pertaining to profit rate related instruments and equities in the trading book;
- Foreign exchange risk and commodities risk throughout the bank (both in the banking and in the trading book).

Interest Rate Risk

Interest Rate Risk is the risk, which affects the Bank's financial condition due to change in the market interest rates. The changes in interest rates may affect both the current earnings as well as the net worth of the Bank (economic value perspective). The risk from earnings perspective measured as impact on the Net Investment Income (NII). Similarly, the risk from economic value perspective can be measured as it has impact on Economic Value Equity (EVE) since the value of the Bank's assets, liabilities and off-balance sheet (OBS) instruments changes because of the changes of present value of future cash flows when interest rates changes. Interest rate risk in the banking book is the burning issue since bank's earning is exposed to risk. To reduce the risk, the following activities are performed by the bank:

- Interest rate is determined considering the expectation of the depositors and market scenario;
- Gap analysis is considered for fixing the interest rate;

Foreign Exchange Risk Management

Foreign Exchange risk is involved in purchase and sale of any national currency against other national currency. The foreign Exchange risk arises due to unexpected movement of market price of the holding of currencies or the price of the assets denominated in foreign currencies.

Treasury Division oversees foreign exchange risk, net open position, dealing room operations and anti-money laundering aspects in foreign exchange transactions; etc.

For effective and efficient management of foreign Exchange Risk, the Bank has a well-developed and well-structured Foreign Exchange Risk Manual and an international standard dealing room manual. Further, in order to mitigate the risk, Bank follows all kinds of guidelines and directives that central Bank advises from time to time. The treasury carries out the activities of foreign exchange as per procedures of dealing room manual. The front

office independently conducts the transactions and the Back office is responsible for verification of the deals as per set guidelines and passing of separate.

Asset Liability Risk Management

Asset Liability Management (ALM) defined as a well-planned, well-organized and systematic process of monitoring and maintaining assets and liabilities of the Bank which focuses on maximization of profit through minimization of various risks vis-à-vis maximum of spread through mitigating liquidity risks, rate of return risk etc. and ultimately leads the Bank to a healthy and stable growth. In the above context, RMC of the Bank reviews and monitors asset-liability risk of the bank regularly and decision taken in the ALCO meeting is also reviewed and discussed. The Bank has a dedicated committee, called the ALCO comprising of the senior management of the Bank headed by the Managing Director & CEO to take important decisions related to the balance sheet, liquidity & profit Rate risks of the Bank. Treasury Division of the Bank looks after the asset-liability management risk.

Money Laundering Risk Management

MDB takes utmost care to recent money laundering and terror financing matter as a crucial part of its risk management activities. Bank has formulated its own guidelines for prevention of money laundering approved by the Board of Directors in line with Bangladesh Bank AML/CFT laws, rules and regulations. Risk Management Committee of the Bank reviews and monitors the AML activities i.e. Suspicious Transaction report, Cash Transaction report, Number of branch inspected, number of workshop held on AML and Number of participants etc.

Internal Control and Compliance Risk Management

As per core risk guideline of BB, ICCD is acknowledged as one of the key RM organ of the Bank. To mitigate its operational risks ICCD identify various deviant policies in operational activities. The division has formulated a robust and elaborate policy guideline to be followed which ensures that Bank demonstrates compliance and conformity with relevant regulations of the Central Bank and other regulatory bodies. In addition, they ensure that corrective action plans are implemented within the set dead line as well as ensure proper corporate discipline and awareness. During the year the ICCD successfully conducted comprehensive inspection on some the Divisions of Head office and all Branches as its scheduled and submitting findings thereon to the competent authority for discussion, review, suggestion and proper evaluation. Thus the ICC system of the Bank always plays active role in mitigating operational risk and contributes in the process of being a well compliant Bank in the industry for ensuring stable growth.

Top and Emerging Risks

We monitor and review top and emerging risks that may affect our future results, and take preemptive action to mitigate potential risks if required. We perform in-depth analyses, which include stress testing our exposures related to the risks, and provide updates and related developments to the Board on a regular basis. This section describes the top and emerging risks that we consider with potential negative implications, as well as regulatory and accounting developments that are material for MDB.

Technology, Information and Cyber Security Risk

MDB is a forward looking financial institution and as such evolving

its business processes by leveraging innovative technologies e.g. internet for faster and documented communication between the divisions, departments and branches and also with the clients. This facilitates faster identification of any deviant activities risk and as well as faster delivery of our services. At the same time, this enhances cyber threats and the associated financial, reputation and business interruption risks have also increased. However to mitigate such risk, MDB has adequate professional skilled manpower and also upgrade its technology.

Operational Risk

Operational risk refers the risk of unexpected losses due to physical catastrophe, technical failure and human error in the operation of the Bank, including fraud, failure of management, internal process errors and unforeseeable external events. ICCD of the Bank compliant documented process in place to address and assess all the operational risks.

Residual Risk

The Bank uses different techniques to reduce their credit risk. Improper application of these techniques may rise to additional risks that render the overall risk management less effective. Accordingly, these additional risks are termed as residual risk which arises mainly out of the following situations:

1. Error in documentation
2. Error in valuation of collateral

The following activities are performed by the Bank to minimize the above two issues under residual risk:

- Adequate and valid documentation are being ensured for minimizing capital charge under error in documentation
- Valuations of collaterals are being done properly.

Risk Based Capital Management

Supervisory Review Process (SRP), the second pillar of Basel accord covers a wide range of risks, including core risks as mentioned above, to ensure adequate capital against all risks. In fact minimum capital is maintained against credit risk, market risk, and operational risk under pillar-1 of Basel accord and SRP covers all other risks. In Bank's point of view, risks are endless. So Bangladesh Bank has detected some of the risky areas to measure the risks in a structured way which is known as SRP, which comes under the guideline of pillar-2 of Basel accord.

Stress Testing

Stress testing is a risk management technique used to evaluate the potential effects of an institution's financial condition at a specific event and/or movement in a set of financial variables. It is an

integral part of the capital adequacy framework. The focus of stress testing relates to exceptional but plausible events. This involves several shocking events. Each shocking event contains Minor, Moderate and Major Level of shocks.

The findings of stress testing are being reviewed in the meeting of the Risk Management Committee and the same also being reported to Bangladesh Bank and Board Risk Management Committee of the Bank for their guidance against the particulars risk areas. In view to finding of stress testing, guidance from Bangladesh Bank and Board RMC also being taken into account for assessing potential risks of the bank.

Step Forward

MDB follows a holistic approach when implementing framework of risk management practices. We also use dynamic tools to address different risks and continuously focus on improvements to get the better return. Besides, the Bank's focus will be staying robust at times of challenge and keeping well-informed of fast-paced changes. In addition to that, continuous monitoring and no compromise approach would be the guiding principle for the risk management of the Bank in the upcoming year.

Special Assets Management Division

Midland Bank Limited has its high on the agenda to keep risk assets portfolio of the Bank performing to the maximum extent possible by reining in the growth of non-performing loans. In this direction, the management has created a dedicated division namely Special Assets Management Division (SAMD) with required expertise and manpower support. Consequent upon its application depending on the merits of defaulted borrowers, percentage of non-performing loan became within acceptable range, i.e.: 3.17%. SAMD has fixed following way out measures towards restraining growth of NPLs, thereby keeping the portfolio performing for optimization of profitability:

- Formulation of realistic and effective recovery strategy and its application depending on the merits and magnitude of particular problem of the loan.
- Prioritization to adopt alternate dispute resolution measures concurrently with legal resources to make the loan recovery drive time and cost effective.
- Special care to ensure keeping of adequate loan loss provisioning considering it as a cushion for capital.
- Extract utmost benefits from the cases/suits through recovery of loans vis-à-vis liquidation of collateral security.
- Adhere to the guidelines of regulatory authorities.

Chief Financial Officer's Report

In 2021, under awful challenging environments, MDB has performed well in key areas of its business activities, i.e., compared to last year operating profit growth was 28.99%, Loans growth was 17.35% and Deposit growth was 12.56%. We have also achieved our annual target of Loans @ 99%, Deposits @ 91% and operating profit @ 104.57% as set by the Board of Directors for the FY 2021. As a result, our balanced growth has generated positive returns for the stakeholders. This pandemic taught us to be resilient, adaptive, innovative and confident in the face of hardship and we are confident to deliver better performance in the coming days.

Stimulating Times, Robust Responses

Midland Bank began the year 2021 with a sense of optimism, inspired by the consistent GDP growth of the country, improvement purchasing power of individuals and huge investment in the infrastructure development in the country, which set forth the template for plans and targets for the year. The outline was, however, completely re-set when COVID-19 spread across the world, capitulating the global economy with drastic impact on the lives and livelihood of peoples and businesses everywhere around the world. The restrictions of movement caused a rapid deceleration of economic activity, policy rates started to fall hitting record lows.

In order to continue supporting our customer and stakeholder ecosystem, we ensured that, we were doing so from a position of strength. Accordingly, we strongly managed our liquidity and capital positions to keep funding accessible to our valued customers, while closely monitoring any potential build-up of asset quality slippages that could place pressure on our capital levels. We also ensured compliance with all regulations, thus meeting the authority's mandate of relief/stimulus transference to intended beneficiaries.

This diligence translated into a sound performance during the year with operating profit growth of 28.99% over last year, despite the unprecedented challenges of 2021. It is indeed an evidence of the bank's resilience and determination to perform against all odds.

Overview

MDB is one of the compliant fourth generation banks in Bangladesh. As a longstanding bank of repute with deep bonds of customer and depositor trust, we engage in all types of typical banking activities, operations and services. Our scale, business model and diversification accelerate our objective to be the best digital financial services platform, acting responsibly and earning the lasting loyalty of our stakeholders. We also continued to build trust with our investors/shareholders community by keeping them up-to-date with regards to key material developments, as well as our capital, NPL positions, strong liquidity and efficient cost management, etc.



As of December 31, 2021, we had BDT 69,018.91 million of assets, BDT 45,867.48 million of loans & advances and BDT 50,730.04 million of deposits. Management's wide initiatives to rein in operating costs resulted in limiting the Cost-to-Income Ratio at 40.41% and spread stood at 3.53%. In addition, with a strong capital position of the Bank, the Capital to Risk-weighted Asset Ratio (CRAR) was 15.87% against regulatory requirement of 12.50% including 2.50% capital buffer. Despite the unprecedented headwinds in 2021, we declared 5.00% dividend payout for 2021, thus meeting our shareholders' expectations.

Despite operating in a challenging business environment in 2021, MDB's business and profit performance remained very well, mainly on account of strong asset quality, relaxed provisioning norms and prudent cost management efforts, etc.

Key highlights, 2021

- Interest income increased by BDT 72.58 million from BDT 3,160.18 million in 2020 to BDT 3,232.76 million in 2021, i.e., growth up by 2.30% over 2020. On the other hand, interest paid on deposit & borrowings decreased by BDT 485.54 million from BDT 2,748.20 million in 2020 to BDT 2,262.66 million in 2021, i.e., reduced by 17.67% year on year basis. As a result, net interest income increased by 135.47%, or BDT 55.11 crore from BDT 41.99 million in 2020 to BDT 97.10 crore in 2021.
- Operating Income increased by BDT 315.99 million from BDT 2,320.13 million in 2020 to BDT 2,636.12 million in 2021, i.e., growth up by 13.62% over 2020.
- Operating expenses decreased by BDT 37.08 million from BDT 1,102.30 million in 2020 to BDT 1,065.22 million in 2021, i.e., reduced by 3.36% over 2020, though 1 new branch, 7 new sub-branches and 40 Agent Banking Centres (ABCs) have come into operation during the reporting period and it was possible by pragmatically managing overhead cost.

- Core business performance of the bank significantly contributed to the operating profit of the bank. During the year, our core business income increased by 191.41%, or BDT 976.40 million from BDT 510.10 million in 2020 to BDT 1,486.50 million in 2021.
- Operating profit before provision on loans and tax increased by BDT 353.07 million from BDT 1,217.83 million in 2020 to BDT 1,570.90 million in 2021, after covering net loss of BDT 108.70 million from revaluation/amortisation of Treasury Bills/Bonds, i.e., growth up by 28.99% over 2020.
- Net profit after tax registered at BDT 514.02 million in 2021 against BDT 656.36 million in 2020, i.e., reduced by 21.69% over 2020, due to increase of loans provision amounting of BDT 186.88 million. Tax liability increased by BDT 308.54 crore over last year, since our taxable core business profit increased by 191.41% over 2020. Therefore, additional amounting of BDT 495.42 million has been deducted from the profit of 2021. Thus, net profit during the year reduced compared with previous of 2020.
- Cost reduction which encompasses deposit cost to all types of OPEX and CAPEX was achieved through our higher brand value and trustworthiness among our depositors and the optimisation of plans implemented in recent years, along with additional savings measures adopted since the start of Covid-19 Pandemic. We remained one of the most efficient banks in the country with a Cost-To-Income Ratio of 40.41% in 2021 against 47.51% in 2020 and our operating cost also reduced by 336% over 2020, though 1 new branch, 7 new sub-branches and 40 Agent Banking Centres (ABCs) have come into operation during the reporting year. Yet, we expect to further improve our operational capacity with efficient cost management.
- Lower loan-loss provisions as per regulatory guidelines given strong impetus to net profit growth. But at the ended of the year with extra provision of 1%-2% for Covid-19, which has resulted in higher NPL coverage ratio 75.45% to strengthen the balance sheet to withstand any unforeseen situation in future.
- Loans and advances increased by 17.35%, or BDT 6,781 million over 2020. However, overall loan portfolio remained relatively balanced between Institutional Banking (Corporate), MSME and Retail Segments.
- Customer deposits grew by 12.59%, or BDT 5,672 million over 2020. While growing our deposit book, we have focused on low cost and no cost (CASA) deposits acquisition and eventually by the end of 2021 our CASA ratio improved to 41.5% in 2021 from 36.2% in 2020.

Capital management strategies

Midland Bank's capital management approach is guided by the key capital management objectives as enunciated in its capital management framework. The bank's capital position, capital mix and capital allocation are continuously reviewed, taking into consideration of strategic and organisational requirements as well as regulatory and business environment in which the bank operates. During the year 2021, considering the substantive

adversity unleashed by the coronavirus pandemic, we ensured prudential capital management with a prioritised focus on safety. Our key objectives with regards to our capital management focus include the following:

- Compliance with regulatory capital requirements.
- Alignment of capital levels to the bank's risk appetite and strategic business plans.
- Maintaining an appropriate balance between optimising returns to shareholders and prudent capital management.
- 14.40% of Tier-1 capital ratio held against minimum regulatory requirement of 8.50%.
- 15.87% of Total capital ratio held against minimum regulatory requirement of 12.50%.

Credit Rating

Credit Rating Agency of Bangladesh Limited (CRAB) was rated the Bank with effective from July 01, 2021 to June 30, 2022 as follows:

- Long Term : A1
- Short Term : ST-2
- Outlook Status : Stable

Outlook for 2022

The Bank has already started reaping benefit of its strategy of diversification in its portfolio, products, services, channels, etc. Bank also invested a substantial amount in its digitisation platform, which will add more flare in its scale up game changing strategy. Therefore, revenues from on-balance sheet and off-balance sheet position will become stronger and consistent in the coming days.

Overall despite persistent uncertainties, in geopolitics, financial regulations and development of the pandemic, Midland Bank has begun 2022 with a comfortable liquidity position and a positive funding outlook for the year.

We expect a steady increase in lending in all our segments with high growth in new segments, i.e., small and micro finance, women segment, supply chain, and retail, as well as a good performance in deposits with low cost and no cost mixed. Going forward, we will focus on optimising liquidity to maintain a solid balance sheet structure across our footprint. We are also focusing with new products and solutions to improve in non-funded income windows from trade business to account services to credit/prepaid cards which will be a core strength of the Bank.

As a measure to support our balance sheet growth, the management has decided for raising capital through IPO of BDT 700 million, including BDT 50 million from existing employees of the Bank, subject to the regulatory approval, in which it will support Tier-1 capital of the Bank under Basel-III accord.

Sincerely,



Md. Zahirul Islam, FCA
SEVP & Chief Financial Officer

Report on Economic Impact

Bank's overall mission is to deliver optimum value to its customers, employers, shareholders and the nation as a whole. The business strategy is geared towards achieving these. This section covers the value of the Bank delivers to its shareholders and nation at large.

The Bank's policy is to deliver optimum value in a manner that is consistent with the highest level of fairness and transparency. For the Bank, it has not been a case of building financial value and enhancing the bottom line at any cost, but rather participating in a process of creating value through fair and ethical means. Building sustainable value of all stakeholders is an important corporate goal.

Maintaining Capital to Risk Weighted Assets Ratio (CRAR)

Capital to Risk Weighted Assets Ratio (CRAR) represents the financial strength and stability of a Bank. It limits the extent up to which Banks can expand their business in terms of risk weighted assets. Regulatory capital requirements are, therefore, necessary to prevent Banks from expanding beyond their ability to improve the quality of Bank's assets, to control the ability of the Banks to leverage their growth and to lead to higher earnings on assets, leading to peace of mind of all the stakeholders. Midland Bank keeps a careful check on its Capital to Risk Weighted Assets Ratio.

The capital adequacy computation as on December 31, 2021 is given below:

Particulars of Capital Fund	2021	2020	% of Growth in 2021 over 2020
Paid up capital	5,696.70	5,696.70	0.00%
Statutory reserve	1,408.60	1,183.37	19.03%
Retained earnings	297.87	458.25	(35.00%)
Sub -total	7,401.82	7,338.32	0.86%
Deduction from Tier-I (core capital):			
Intangible assets	(21.99)	(25.15)	(12.56%)
Total Tier - I (core) capital	7,379.82	7,313.17	0.91%
General provision including off-balance sheet items	752.96	674.54	11.63%
Revaluation reserve on investment in securities	-	-	-
Total Tier - II (supplementary) capital	752.96	674.54	11.62%
Total capital (Tier I + II)	8,132.78	7,987.71	1.82%
Total risk weighted assets	51,240.21	45,800.36	11.88%
Tier - I (core) capital ratio	14.40%	15.97%	(1.57%)
Tier -II (supplementary) capital ratio	1.47%	1.47%	0.0%
Capital to Risk Weighted Asset Ratio -CRAR (Regulatory requirement is 12.50%)	15.87%	17.44%	(1.57%)

Statement of value added and its distribution

Particulars	Value added in 2021	Value added in 2020	% of Growth in 2021 over 2020
Income from banking services	4,898.78	5,068.32	-3.35%
Less: Cost of services & supplies	(2,630.26)	(3,017.96)	-12.85%
Value added by banking services	2,268.52	2,050.36	10.64%
Non -banking income	-	-	-

Less: Provision for loans, Off-balance sheet exposure and CSR	(454.88)	(270.36)	68.25%
Total	1,813.64	1,780.00	1.89%
Distribution of value addition:			
Payment to employees as salaries & allowances	533.62	608.41	-12.29%
Payment to equity providers of capital as dividend and reserve	225.23	191.99	17.31%
Payment to Government as income tax	589.26	269.99	118.25%
Sub -Total (A)	1,348.11	1,070.39	25.95%
Expansion and Growth:			
Retained profit	278.65	451.87	-38.33%
Depreciation	163.99	224.12	-26.83%
Deferred taxation	22.89	33.62	-31.92%
Sub -Total (B)	465.53	709.61	-34.40%
Grand Total (A+B)	1,813.64	1,780.00	1.99%

Economic value added statement

Economic value added is a measurement of a company's financial performance based on the residual wealth calculated by deducting cost of capital from its operating profit. Shareholder/Equity providers are always conscious about their return on capital invested. As a commercial Bank, Midland Bank Limited (MDB) is deeply concerned for delivery the value to all of our Shareholders/Equity providers. During the reporting year 2021, the economic value added of MDB are as under:

Particulars	Value added in 2021	Value added in 2020	% of Growth in 2021 over 2020
Shareholders' equity	7,404.26	7,613.97	(2.75%)
Add: Accumulated provision for Loans & Advances and Off -balance sheet exposure	1,393.94	1,029.19	35.44%
Total shareholders' equity	8,798.20	8,643.16	1.79%
Average shareholders' equity	8,720.68	8,238.51	5.85%
Earnings:			
Profit after tax	514.02	656.36	(21.69%)
Add: provision for Loans & Advances and Off -balance sheet exposure	444.74	257.86	72.47%
Less: Loans written off during the year	-	-	
Earning for the year (A)	958.76	914.22	4.87%
Average cost of equity (based on weighted average rate of Shanchay Patra issued by Government of Bangladesh)	8.53%	9.35%	(0.82%)
Cost of average equity (8,720.68 *9.35% including 1% risk premium) (B)	743.87	770.30	(3.43%)
Economic value added (A - B)	214.89	143.92	49.31%

Corporate Governance

Corporate Governance (CG) comprises a set of systems and practices to ensure that the Bank's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholder's aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mind-set of the organization. Midland Bank is always committed to the best corporate governance practices, in the sense of responsible and transparent management and control aimed at sustainable value creation. The guiding principles of our governance practice are basically derived from various regulatory requirements of Bangladesh Bank (Central Bank of Bangladesh) and Bangladesh Securities & Exchange Commission (BSEC). MDB, since the very beginning of its operation, has manifested its commitment to adhering to the principles of sound corporate governance. The Bank is also committed to complying with the Bangladesh Bank Circulars (BRPD Circular NO. 11 dated 27 October 2013) in line with Bank Company Act, 1991 (Amended upto 2013). Besides the regulatory and legal bindings, our best CG choices and practices are inspired by various internal rules, policies, procedures, applications and experience based on preferred governance systems enacted by local and global banking institutions.

Through a good corporate governance structure, MDB seeks to balance the financial success, controls, transparency and accountability. To us, corporate governance means increasing the stakeholders' value by being efficient and professional to the organization, transparent and accountable to the shareholders and responsible to the community and environment. The Board of Directors plays a pivotal role in corporate governance. It is their responsibility to endorse the organization's strategy, devise policy, appoint and supervise senior executives and ensure organizational transparency to its owners and regulatory bodies. MDB's corporate governance structure includes the following constituents:

MDB's Governance Standard

- Compliance of corporate governance guidelines of the regulators.
- Appointment of Directors in the Board meeting and election of Directors through voting by the shareholders in the Annual General Meeting.
- Independent guidelines in respect of composition of Board Committees.
- Review of performance of all Committees by the Board.
- Independent discussion in the meetings of Board Committees.
- Systematic learning and development process for all Directors with respect to best CG practices.
- Acknowledgement of adherence to Bank's guidelines to business conduct by all Directors/Executives/Employees.
- Compliance of Central Bank directives in the process of appointing new Directors.

Gender Balance

MDB Board of Directors has an encouraging gender balance. We have as many as 03 (three) female Directors in the Board representing 15.79% of the total Directors.

Composition of Board of Directors

The Board of Directors comprises of twenty Directors as on 31 December 2021 including the Managing Director as ex-officio member. The Chairman and eighteen other Directors are Non-Executive Directors and only the Managing Director & CEO is an Executive Director. Amongst the Non-Executive Directors there are 2 (two) are Independent Directors in the Board of Directors. As regards aptitude and competence, the shareholder Directors are educated, experienced professionals and add utmost value to the overall management capability. Almost all of them are successful businessmen in their own right holding responsible positions in public life. The Independent Directors appointed by the Board have excellent professional track record in the highest level in their respective fields. Mr. Mahbubul Hady Fazle Rab, Independent Director of MDB was career Banker having diversified experience in Risk Management, Credit Administration, Risk Assessment and Structuring with multi-country experience. The other Independent Director of MDB, Mr. Nazimuddin Chowdhury was a veteran Civil Servant with experience in working at the highest level of the Government as the Secretary of Ministry of Energy and Mineral Resources. The Directors have declared their respective interests and directorships at the time of joining the Board and also their dealings in Bank's securities are on full disclosure and arms length basis. The Board meets at least once every Month. For smooth running of the Bank as well as for effective day-to-day management, they have delegated powers to the Managing Director as per Bank Companies Act 1991 and different circulars/Guidelines of Bangladesh Bank. All essential policy making and strategic issues are discussed in the meetings of the Board of Directors and decisions are made on the basis of management opinion and exchange of views.

Independent Directors

The Board of Directors of the Bank consists of 20 members including Managing Director and CEO. There are two Independent Directors in the Board of Directors of MDB appointed by the Board of Directors of the Bank with prior approval from Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank. For full compliance of the Corporate Governance Code, the Board in its 121st meeting held on 31 March 2022 decided to search and appoint two more Independent Directors in the Board subject to approval of BSEC and Bangladesh Bank.

Meeting of the Board

The Board of Directors meets on regular basis: usually once in a month but emergency meetings are called when deemed necessary. Management provides information, references and detailed working papers for each agenda to all Directors well

ahead of the date scheduled for meeting. Chairman of the Board of Directors allocates sufficient time for the Directors to consider each agenda item in a prudent way and allow them to freely discuss, inquire, and express opinions on the items of interest so that they can fulfill their duties to the best of their abilities. In 2021, total 13 Board Meetings were held.

Responsibilities of Chairman and Chief Executive Officer

Roles of the Chairman of Board of Directors and the Managing Director are clearly spelled out in writing and have been agreed by the Board. The Chairman supervises the operation and effectiveness of the Board of Directors. As the Chief of the Board, he approves the agenda for the Board meetings with the assistance of the Managing Director and the Company Secretary. He further ensures that there is effective communication with stockholders and promotes compliance with the highest standards of corporate governance. On the other hand, the Managing Director is responsible for implementation of agreed strategy and holds delegated authority from the Board for the day-to-day management of Bank business. Being the head of management team, he is accountable to the Board and its Committees to run and manage the Bank in accordance with prescribed policies, principles and strategies adopted by the Board and guidelines from the Central Bank, BSEC and other regulatory bodies. In MDB, the corresponding responsibilities of the Chairman and the Managing Director imply that the management of the Bank handles daily affairs of the Bank as a separate entity from the Board of Directors and both work in the common interests of the Bank and its stakeholders. Difference of opinion is settled in a harmonious way towards achieving more of Bank's goal together.

Benefits provided to the Directors and the Managing Director

As per Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013, Banks in the country can only provide the following facilities to the Directors:

- The Chairman of the Board of Directors may be provided car, telephone, office chamber and private secretary.
- Directors are entitled to fees and other benefits for attending the Board/Executive Committee/Audit Committee/Risk Management Committee meetings (Notes to the Financial Statements, note # 31)
- Managing Director is paid salaries and allowances as per approval of the Board and Bangladesh Bank (Notes to the Financial Statements note # 26.01)

MDB is compliant with the Bangladesh Bank Circulars and Guidelines in respect of the above.

Remuneration and Compensation of the Management

In order to discuss and decide issues related to remuneration and compensation of employees, the Board meets as and when required.

Appointment of External Auditors and the purview of their activities

As per recommendation of the Board of Directors, the shareholders of the Bank in the 8th AGM held on 30 September 2021 approved the appointment of M/s. A. Qasem & Co., Chartered Accountants (affiliated with Ecovis Bangladesh) for the consecutive third year i.e. last year as the statutory auditors of the Bank for the financial year 2021. In compliance with the provision 4 of BSEC guidelines, the External Auditor was not engaged with MDB in any of the following services during the year 2021:

- Appraisal or valuation services or fairness opinions.
- Financial information system design and implementation.
- Bookkeeping or other services related to accounting records or financial statements.
- Broker-Dealer services.
- Actuarial services.
- Internal audit services.
- Any other service that the Audit Committee of the Board determines.

However, M/s. A. Qasem & Co., Statutory Auditors shall provide requisite certification as regards upcoming IPO as per Public Issue Rules, 2015 of BSEC.

Appointment of Compliance Auditor as per Corporate Governance Code of the BSEC

As per recommendation of the Board of Directors, the shareholders of the Bank in the 8th AGM held on 30 September 2021 approved the appointment of M/s. K. M. Hasan & Co., Chartered Accountants as Compliance Auditor of the Bank for the financial year 2021. Moreover, as per requirement of the Corporate Governance Code of BSEC, the Board of Directors also recommended M/s. K. M. Hasan & Co., Chartered Accountants for appointment by the shareholders in the upcoming 9th Annual General Meeting of the Bank. As per clause xxvi of the Corporate Governance Code, the Compliance Auditor will provide a report as well as certificate regarding compliance of conditions as required under condition No. 9 and disclosed as per Annexure-B and Annexure-C of the Corporate Governance Code.

Functions of the Board

The Board of Directors has the responsibility to the shareholders for the overall guidance and control of the Bank. Among its key responsibilities, the Board approves all policies and strategies formulated by the Bank Management as well as ratify all decisions/approvals made by the Executive Committee (EC) of the Board. The Board, while discharging its responsibilities, is committed to high standards of governance designed to protect the interest of shareholders along with all other stakeholders with highest level of integrity, transparency and accountability. The Directors of the Board are confident that they did their best in protecting stakeholders from the impacts of the difficult circumstances confronted during the year, as set out in the Directors' Report. The Board has initiated a fundamental review of risk governance with a view to being better equipped to anticipate

financial market and economic discontinuities and trends in the future. This is monitored by a Committee of Directors and supported by independent Risk Management Division (RMD) of the Bank. The Board is committed to implementing the recommendations that arises from the review of the Committees concerned.

Board Committees

As per rule set by Bangladesh Bank vide BRPD Circular No.11, dated 27 October 2013, a Bank company can form as many as three committees or sub-committees of the Board. Accordingly, MDB has formed three committees of the Board, namely Executive Committee, Audit Committee and Risk Management Committee with an objective to monitor and manage Bank's operations, performance and strategy.

Executive Committee (EC)

In accordance with Bangladesh Bank instruction, the Board of Directors of Midland Bank Limited has formed Executive Committee with 7 members. The Executive Committee is responsible for the review of the policies and guidelines issued by Bangladesh Bank in terms of credit and other operations of the banking industry. The Committee supervises the degree of execution of the policies and guidelines entrusted with the management. In the normal course of business, the EC of the Board approves the credit proposals in line with approved policy of the Board. Management is advised to exercise due diligence of the credit policy and risk management at the time of assessing credit proposals. The EC in its continuous efforts guides the Management to develop uniform and minimum acceptable credit standards for the Bank. During the year 2021, 13 (Thirteen) meetings of Board Executive Committee were held.

Board Audit Committee (BAC)

The Board Audit Committee meets the external auditor and provides them the recommendations on the overall audit plan. They also discuss the auditor's interaction with the Management and the Management's response as well as corrective actions taken. They review the quarterly financials and approve Quarterly, Half Yearly and Annual financial reports of the Bank. The Audit Committee also meets the Head of Internal Control & Compliance as well as Head of Internal Auditor of the Bank to review their charter, scopes of work and the organizational structure. The inspection reports from regulators and internal Audit are also presented to the Audit Committee for their review and action. The Board Audit Committee of MDB consists of 5 Directors and is constituted with the members not included in the Executive Committee of the Board. Company Secretary is the member secretary to the committee.

The Board Audit Committee assists the Board in carrying out its responsibilities relating to:

- integrity of the financial statements and any related formal announcements;
- overseeing the relationship between the Board and its

external auditors;

- review of the Bank's internal controls, including financial controls;
- assessment of the effectiveness of the internal audit, compliance and risk management functions;
- review of the internal and external audit plans and subsequent findings;
- selection of accounting policies namely Bangladesh Accounting Standards (BAS) and

International Accounting Standards (IAS);

- review of the auditors' report;
- obligations under applicable laws and regulations including Securities and Exchange Commission Guidelines; and
- review of the effectiveness of the services provided by the external auditors and other related matters.

MDB Board Audit Committee held 04 (four) meetings in 2020 and had thorough discussions and review session with the CEO, Head of Internal Control & Compliance, External Auditors etc. Highlights of the Audit Committee activity during the year 2021 are appended in the Report of the Audit Committee at page no 42 - 44.

Risk Management Committee (RMC)

According to Bank Company (Amendment upto 2013) and BRPD Circular No. 11 dated 27 October 2013, the Bank has constituted Risk Management Committee (RMC). RMC has been formed by the Board essentially to play an effective role in reducing ensued and potential risks in the process of implementation of Bank's strategy and work plan as devised by the Board of Directors. The Committee, in addition, ensures efficient execution of related responsibilities of the Board. The RMC has the responsibility of oversight as regards, whether proper risk mitigation processes/methods are being applied and required capital and provisions are maintained by management after it has duly identified and measured credit risk, foreign exchange risk, internal control & compliance risk, money laundering risk, ICT risk, operating risk, interest risk, liquidity risk and other risks. Risk Management Committee of Midland Bank consists of 4 (Four) members chosen from the Board. The Company Secretary of the Bank acts as the secretary to the Committee. All the committee members have honesty, integrity and ability to invest adequate time in affairs of the Committee. All of the members of RMC have adequate insight about banking business, Bank's operation, various risks along with knowledge about their own duties and responsibilities. Risk Management Committee has the following responsibilities:

- To design mechanism to determine and control risks
- To prepare organizational structure
- To review and approve risk management policy
- To implement data preservation and reporting system
- To supervise the status of implementation of all risk management principles
- To ensure compliance on directives issued from regulatory bodies from time to time.

MDB Risk Management Committee (RMC) held 04 (Four) meetings in 2021 and had thorough discussions and review session with the CEO and CRO on various risk related issues. Highlights of the Risk Management Committee activity during the year 2021 are appended in the report of the Risk Management Committee.

Internal Control & Compliance

The Directors acknowledge their responsibility for building the systems of internal control and for reviewing their effectiveness at regular interval. Such systems are designed to control, rather than eliminate the risk of failure to achieve business objectives and can provide reasonable, but not absolute, assurance against material misstatement or loss. The losses could stem from the nature of the Bank's business in undertaking a wide range of financial services that inherently entail varying degrees of risk. The Bank has established a comprehensive framework to document and test its internal control structures and procedures conforming to the requirements of regulatory bodies. The Bank's overall control systems include:

- A clearly defined organization structure with defined authority of limits and reporting mechanisms to senior management and to the Board of Directors;
- Establishment of Committees with duties and responsibilities in core policy areas;
- A complete set of policies and procedures related to financial controls, asset and liability management (including major risks in financial managements);
- Code of Conduct setting out the standards of behavior expected of all levels of directors, officers and employees; and
- Regular reporting by business divisions/units that helps assessing the progress against business objectives to be monitored, trends to be evaluated and variances to be acted upon.

The controls as outlined above are rooted within the operations of the Board and reviewed by Bank's Internal Audit. The review focuses the areas of greater risk as identified by risk analyst. The Directors confirm that the Board, by properly engaging the Committees, has reviewed the effectiveness of internal control for the year ended 31 December 2021. This process ensured an internal control system to the tune of best financial reporting practice throughout the financial year and upto the date of the signing of these financial statements. There was an assessment of the ongoing process for the identification, evaluation and management of individual risks and of the role of the various committees and Bank's risk management actions and the extent to which various significant challenges are understood and addressed.

Management Committees of the Bank

MDB has various management teams which have been established by the Board and have delegated the authority to manage the Bank's day-to-day affairs of business. A model Corporate Governance structure endows the Management with a collective mandate under the leadership of Managing Director &

CEO to run day-to-day operation in the best interest of the stakeholders. As required by compliance as well as in pursuance of strategic goal, the Bank has constituted designated committees with specific objectives, apart from various functional departments.

Professional Development

All Directors, after appointment, are provided with a complete set of information in order to familiarize them with the Bank's operations, management and governance structures; these include the functioning of the Board and the role of the key committees. On an ongoing basis, the Directors receive briefings appropriate to the business of the Bank. The Directors have access to the advice and services of the company Secretary, who is responsible for advising the Board on all governance issues along with relevant information to enable them to consider issues for decision. Committees of the Board have similar access and are provided with sufficient resources to carry out their duties.

Election / Re-election of Directors

As per Article-138 and 139 of the Bank, six honourable directors retired in the 8th Annual General Meeting (AGM) of the Bank held on 30 September 2021 and they were also reelected in the same AGM as per Article-140 of the Bank and post-facto approval was obtained from Bangladesh Bank on reappointment of the Directors so retired. In the upcoming 9th AGM of the Bank, one third members of the Board of Directors (except Managing Director and Independent Directors) shall retire and election/re-election will take place as per the Companies Act 1994 and relevant provisions of the Articles of Association of the Bank.

Communications with the Shareholders

MDB makes sincere efforts to disseminate integrated operational and financial output and initiatives to shareholders to enable them to rightly assess future potentials of the Bank. Relations and communication with stockholders are given high priority. The Bank expresses its financial health and achievement through annual report which contains a balanced, clear assessment of its performance and prospects. It also uses its internet website www.midlandbankbd.net to provide investors with the full text of the annual report and with copies of presentation to regulatory bodies, analysts and investors as they are made so that information is available to all relevant targets. The annual report containing audited financial statements for the respective year are also dispatched to the shareholders well ahead of Annual General Meeting (AGM) and audited financial statements for any particular year are published in two leading circulated Bangla and English dailies. The Quarterly and half-yearly unaudited financial statements are also submitted to the regulatory bodies in compliance with regulations. Our policy focuses on constructive use of the AGM and all shareholders are encouraged to participate. Shareholders are open to ask questions at the AGM.

Commitment to other Stakeholders

We always honor the rights and interests of other groups of stakeholders giving a fair delicacy. In addition to our respected

shareholders, we have our valued customers, the core of our banking business. There remain our internal customers, our employees, the craftsmen of our everyday success. Others include suppliers, government, regulatory bodies, society, community, media people and any other group having interest in the Bank.

The Community

In our sustainability planning, we recognize the importance of contributing to the society and the community as ardently as possible. We are conscious that Bank's financed projects pose no adverse impacts on environment. Clients are also made aware of environmental compliance along with other regulatory compliance, such as, credit rating. allocation is made for CSR initiatives every year to optimize values for the community and the habitat.

The Government

MDB is always tax compliant as a responsible corporate business community. The Bank makes payment of corporate tax on time and sometimes even before the time it takes effect. The Bank deducts excise duty, withheld tax and VAT on time from employee's salary, as well as customers and vendors, and deposits to Government Treasury on time. During 2021, MDB paid advance corporate tax of BDT 451 million while deposited withheld tax of BDT 432 million, VAT of BDT 48 million and Excise Duty of BDT 74 million.

Bank's contribution to government exchequer during the last 5 years are given below:

(BDT in Million)

	2021	2020	2019	2018	2017
Advance Corporate Tax	917	451	448	289	326
Withheld VAT, Tax & Excise Duty	600	554	489	451	348
Total	1517	1005	937	740	674

Conflicts of Interest

The Board and the Management effectively refrain from pursuing other interest at the cost of the organization. Given the context, MDB remains watchful about the extent of agency cost and moral hazard both with relation to the Board and the Management along with real or potential conflicts of interest. In this process, connected transactions or related party transactions are brought to focus. Regulations require that Directors should report changes in their holdings of Bank's shares through buy or sell to the Bangladesh Securities and Exchange Commission (BSEC) before one month of such transactions. Besides, the Bank watches over insider trading. To guard against any illegal access to inside information and subsequent undue advantage from price sensitive information in advance, the Bank circulates awareness guidelines on the issue to its staff, executives and the Directors for their knowledge and observance. The BSEC guidelines prohibit the directors, employees, auditors and any people engaged in the auditing activities, beneficiary owners from buying or selling, offering to buy/sell, or motivating others to buy/sell the Bank's shares during the period of two months immediately before the closing date of income year till the date of approval of audited financial statements by the Board. Accordingly, regulatory compliance is made

effective in mitigating the conflicts of interest among the shareholders and other stakeholders of the Bank.

Related Party Transactions

The Bank in its normal course of business, conducted financial transactions with some entities or persons that fall within the purview of 'Related Party' as contained in BAS 24 (Related Party Disclosures) and as defined in Bangladesh Bank BRPD circular 04, dated 23 February 2014 (Notes to the Financial Statement, note # 44).

Compliance Status on Corporate Governance Guidelines

Bangladesh Securities and Exchange Commission (BSEC) has introduced a new checklist for Compliance Status of Corporate Governance Guidelines vide Notification dated 03 June 2018 for the Companies listed with Stock Exchanges. Bank's Status of compliance is appended below-

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No.SEC/CMRRC/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969

(Report under condition no. 9)

(Annexure C)

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	Board of Directors:			
1 (1)	Size of the Board of Directors : The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
1 (2)	Independent Directors:			
1 (2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		MDB has complied relevant provision of the Bank Companies Act 1991 relating to appointment of Independent Directors as per Section 15(9) of the Act. In addition, the Board of MDB in its 121st meeting decided to search and appoint another 2(two) competent individuals as Independent Directors before listing/IPO subject to approval of BSEC, Bangladesh Bank and subsequent approval in the AGM Bank.
1 (2) (b)	Independent Directors means a Director:			
1 (2) (b) (i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the	✓		Does not hold any shares in the Bank (company).
1 (2) (b) (ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or direct or or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1 (2) (b) (iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1 (2) (b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1 (2) (b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1 (2) (b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1 (2) (b) (vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1 (2) (b) (viii)	Who is not independent director in more than 5 (five) listed companies;	✓		

1 (2) (b) (viii)	Who is not independent director in more than 5 (five) listed companies;	✓		
1 (2) (b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1 (2) (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1 (2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1 (2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and			No Vacancy occurred
1 (2) (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the 18th Amendment to the Constitution of Bangladesh, 1994 (1994 Amendment to the Constitution) (Companies Act, 1994). Explanation : For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.	✓		
1 (3)	Qualification of Independent Director:			
1 (3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1 (3) (b) (i)	He or she shall be a Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association ; or	✓		
1 (3) (b) (ii)	He or she shall be a Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or Explanation: Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.	✓		
1 (3) (b) (iii)	He or she shall be a Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	✓		
1 (3) (b) (iv)	He or she shall be a University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			Not Applicable

1 (3) (b) (v)	He or she shall be a Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			Not Applicable
1 (3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1 (3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not Applicable
1 (4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1 (4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		Roles and responsibilities are as per Bangladesh Bank's guidelines and service rules of the Bank.
1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such incident
1 (5)	The Directors' Report to Shareholders shall include the following additional statements or disclosures:			
1 (5) (i)	An industry outlook and possible future developments in the industry;	✓		
1 (5) (ii)	The segment-wise or product-wise performance;	✓		
1 (5) (iii)	Risks and concerns including internal and external risks factors, threat to sustainability and negative impact on environment, if any;	✓		
1 (5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;			Not Applicable
1 (5) (v)	Discussion on continuity of any extra-ordinary activities and their implications (gain or loss);			Not Applicable
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1 (5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any others instruments;			Not Applicable
1 (5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			Not Applicable
1 (5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			Not Applicable
1 (5) (x)	A statement of remuneration paid to the Directors including Independent Directors;	✓		
1 (5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		

1 (5) (xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1 (5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1 (5) (xiv)	A statement that International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1 (5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1 (5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;			Not Applicable
1 (5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;	✓		
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			Not Applicable
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1 (5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			Not Applicable (5% cash dividend declared)
1 (5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			Not Applicable
1 (5) (xxii)	The total number of Board meetings held during the year and attendance by each Director;	✓		
1 (5) (xxiii)	Pattern of shareholding disclosing the aggregate number of shares (along with name wise details where stated below) held by:			
1 (5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties;			Not Applicable
1 (5) (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children;	✓		
1 (5) (xxiii) (c)	Executives (top 5 (five) salaried employees of the company, other than stated in 1 (5) (xxiii)(b); and	✓		
1 (5) (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company;			Not Applicable
1 (5) (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1 (5) (xxiv) (a)	A brief resume of the director;	✓		
1 (5) (xxiv) (b)	Nature of his or her expertise in specific functional areas; and	✓		
1 (5) (xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1 (5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1 (5) (xxv) (a)	Accounting policies and estimation for preparation of financial statements;	✓		
1 (5) (xxv) (b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		No changes occurred during the year

1 (5) (xxv) (c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five year's explaining reasons thereof;	✓		
1 (5) (xxv) (d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1 (5) (xxv) (e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1 (5) (xxv) (f)	Risks and concerns issues related to the financial statements explaining such risks and concerns mitigation plan of the company; and	✓		
1 (5) (xxv) (g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1 (5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure -A; and	✓		
1 (5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure -B and Annexure -C.	✓		
1 (6)	Meetings of the Board of Directors : The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code;	✓		
1 (7)	Code of Conduct for the Chair person, other Board Members and Chief Executive Officer:			
1 (7) (a)	The Board shall lay down a Code of Conduct based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No.6, for the Chairperson of the Board, other Board members and Chief Executive Officer of the Company;			Not Applicable
1 (7) (b)	The Code of Conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior, confidentiality, conflict of interest, compliance with laws, rules and regulations, prohibition of insider trading, relationship with environment, employees, customers and suppliers and independency.			As per Bangladesh Bank letter ref: BRPD/(R-1)717/2021-5064 dated 16 June 2021, advised the scheduled banks that since formation of NRC is contradictory with the Bank Company Act, 1991; the scheduled Banks have no scope to comply with the provisions relating to NRC of Corporate Governance Code.
2	Governance of Board of Directors of Subsidiary Company:			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			Not Applicable
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			Not Applicable
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			Not Applicable
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			Not Applicable
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			

3 (1)	Appointment:			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3 (2)	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3 (3) (a) (i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3 (3) (a) (ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3 (3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee: For ensuring good governance in the company, the Board shall have at least following sub - committees:			
4 (i)	Audit Committee; and	✓		
4 (ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee:			
5 (1)	Responsibility to the Board of Directors:			
5 (1) (a)	The company shall have an Audit Committee as a subcommittee of the Board;	✓		
5 (1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5 (2)	Constitution of the Audit Committee:			

5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5 (2) (c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience; Explanation: The term “financially literate” means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (ten) years of corporate management or professional experiences.	✓		
5 (2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No such incident
5 (2) (e)	The company secretary shall act as the secretary of the Committee;	✓		
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5 (3)	Chairperson of the Audit Committee:			
5 (3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5 (3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such incident
5 (3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		Shall be invited to remain present
5 (4)	Meeting of the Audit Committee:			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two -third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		

5 (5)	Role of Audit Committee (the Audit Committee shall):			
5 (5) (a)	Oversee the financial reporting process;	✓		
5 (5) (b)	Monitor choice of accounting policies and principles;	✓		
5 (5) (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5 (5) (d)	Oversee hiring and performance of external auditors;	✓		
5 (5) (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5 (5) (f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5 (5) (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5 (5) (h)	Review the adequacy of internal audit function;	✓		
5 (5) (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5 (5) (j)	Review statement of all related party transactions submitted by the management;	✓		
5 (5) (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5 (5) (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5 (5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			Not Applicable
5 (6)	Reporting of the Audit Committee:			
5 (6) (a)	Reporting to the Board of Directors -			
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board.	✓		
5 (6) (a) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5 (6) (a) (ii) (a)	Report on conflicts of interests;			Not Applicable
5 (6) (a) (ii) (b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			Not Applicable
5 (6) (a) (ii) (c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			Not Applicable
5 (6) (a) (ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			Not Applicable
5 (6) (b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored,			Not Applicable

	the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			
5 (7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			Not Applicable
6	Nomination and Remuneration Committee (NRC).			
6 (1)	Responsibility to the Board of Directors:			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;			Not Applicable
6 (1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			As per Bangladesh Bank letter ref: BRPD/(R-1) 717/2021-50 64 dated 16 June 2021, advised the scheduled banks that since formation of NRC is contradictory with the Bank Company Act, 1991; the scheduled Banks have no scope to comply with the provisions relating to NRC of Corporate Governance Code.
6 (1) (c)	(c) The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			
6 (2)	Constitution of the NRC:			
6 (2) (a)	The Committee shall comprise of at least three members including an independent director;			
6 (2) (b)	All members of the Committee shall be non-executive directors;			
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board;			
6 (2) (d)	The Board shall have authority to remove and appoint any member of the Committee;			
6 (2) (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6 (2) (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6 (2) (g)	The company secretary shall act as the secretary of the Committee;			
6 (2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			
6 (2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			
6 (3)	Chairperson of the NRC:			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			

6 (3) (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			DO
6 (3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.			
6 (4)	Meeting of the NRC:			
6 (4) (a)	The NRC shall conduct at least one meeting in a financial year;			
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6 (4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6 (4) (d)	(d) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6 (5)	Role of the NRC:			
6 (5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			
6 (5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6 (5) (b) (i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6 (5) (b) (i) (a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6 (5) (b) (i) (b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			
6 (5) (b) (i) (c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6 (5) (b) (ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6 (5) (b) (iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			
6 (5) (b) (iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;			
6 (5) (b) (v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			
6 (5) (b) (vi)	Developing, recommending and reviewing annually the company's human resources and training policies;			
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			

7	External or Statutory Auditors :			
7 (1)	The issuer company shall not engage its external or statutory auditors to per form the following services of the company, namely:			
7 (1) (i)	Appraisal or valuation services or fairness opinions;	✓		
7 (1) (ii)	Financial information systems design and implementation;	✓		
7 (1) (iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7 (1) (iv)	Broker-dealer services;	✓		
7 (1) (v)	Actuarial services;	✓		
7 (1) (vi)	Internal audit services or special audit services;	✓		
7 (1) (vii)	Any service that the Audit Committee determines;	✓		
7 (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7 (1) (ix)	Any other service that creates conflict of interest.	✓		
7 (2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter -in-law shall be considered as family members.	✓		
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company:			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8 (2)	The company shall keep the website functional from the date of listing.			Website is already functional
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).			Not Applicable (will comply upon listing with stock exchange)
9	Reporting and Compliance of Corporate Governance:			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. Explanation: "Chartered Accountant" means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973); "Cost and Management Accountant" means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); "Chartered Secretary" means Chartered Secretary as defined in the চার্টার্ড সেক্রেটারীজ আইন, ২০১০ (২০১০ সনের ২৫নং আইন) (Chartered Secretaries Act, 2010).	✓		
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9 (3)	The directors of the company shall state, in accordance with the Annexure -C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

Sl.	Directors	Designation	No. of Meeting	No. of Attendance	% of Attendance
1.	Mrs. Nilufer Zafarullah	Chairman	13	12	92 %
2.	Md. Shamsuzzaman	Vice Chairman	13	11	85%
3.	Dr. Kazi Shahidullah	Director	13	12	92 %
4.	Mr. Master Abul Kashem	Director	13	13	100 %
5.	Mr. Kazi Omar Zafar	Director	13	13	100 %
6.	Mr. Mohammad Jamal Ullah	Director	13	9	69 %
7.	Mr. Ahsan Khan Chowdhury	Director	13	11	84 %
8.	Mr. Md. Wahid Miah	Director (Elected in the 8 th Annual General Meeting held on 30.09.2021)	2	2	100 %
9.	Mr. Rezaul Karim	Director	13	13	100 %
10.	Mr. A.K.M. Badiul Alam	Director	13	13	100 %
11.	Mr. Md. Kamal Hossain	Director	13	9	69%
12.	Mrs. Shahnaj Parveen	Director (Retired in the 8 th Annual General Meeting held on 30.09.2021)	9	8	89%
13.	Mrs. Lutfa Begum	Director	13	8	62%
14.	Mr. Hafizur Rahman Sarker	Director	13	6	46%
15.	Mr. Kazi Raihan Zafar	Director	13	5	38%
16.	Ms. Anushka Mehreen Zafar	Director	13	11	84 %
17.	Mr. Abdul Momin Mondol M.P.	Director	13	9	69%
19.	Dr. Mostafizur Rahman	Director	13	11	85%
20.	Mr. MahbubulHadyFazleRab	Independent Director	13	12	92%
21.	Mr. NazimuddinChowdhury	Independent Director	13	12	92%

Pattern of Shareholding

Annexure 03

The pattern of shareholding of Midland Bank Limited as on 31 December 2021 as per BSEC's Notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August 2012:

- a) Shareholding by Parent/Subsidiary/Associated Companies and other related parties : Nil
- b) Shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their Spouses and Minor Children are as follows :

Status as of 31st December, 2021:

- (i) Shares held by Directors and their Spouses

Sl.	Directors	Status	No. of Shares	Name of Spouse	No. of Shares
1	Mrs. Nilufer Zafarullah	Chairman	1,27,93,396	Mr. Kazi Zafarullah	96,693
2	Mr. Md. Shamsuzzaman	Vice Chairman Nominee Director of Liberty Knitware Ltd.	2,99,07,662	Mrs. Ferdous Ara	NIL
3	Mr. Master Abul Kashem	Director	2,63,73,600	Mrs. Nigar Sultana Daizy	NIL
4	Dr. Kazi Shahidullah	Director	14,24,174	Mrs. Shabnam Shahidullah	NIL
5	Mr. Kazi Omar Zafar	Director	1,27,93,396	Anastasia Gkouni Kazi Zafar	NIL
6	Mr. Mohammed Jamal Ullah	Director	2,28,99,888	Mrs. Shahnaz Jamal	17,82,000
7	Mr. Ahsan Khan Chowdhury	Director	2,84,83,488	Mrs. Seema Chowdhury	NIL
8	Mr. Md. Wahid Miah	Director	2,84,83,488	Mrs. Suborna Mostafa	NIL
9	Mr. Rezaul Karim	Nominee Director of Reedisha Knitex Ltd.	2,84,83,488	Mrs. Shirin Akhter	NIL
10	Mr. A.K.M. Badiul Alam	Nominee Director of Garment Export Village Ltd.	2,84,83,488	Mrs. Shahida Alam	NIL
11	Mr. Md. Kamal Hossain	Nominee Director of That's It Sportswear Ltd.	2,84,83,488	Mrs. Ashneel Chowdhury	NIL
12	Mrs. Shahnaj Parveen	Nominee Director of Refat Garments Ltd.	2,84,83,488	Mr. Md. Belal Hossain	NIL
13	Mrs. Lutfa Begum	Nominee Director of Hazrat Amanat Shah Spinning Mills Ltd.	1,30,00,000	Mr. Al-haj Mohammed Helal Miah	1,54,83,488
14	Mr. Abdul Momin Mondol M.P.	Nominee Director of Mondol Fabrics Ltd.	2,84,83,488	Mrs. Zannatul Ferdos	NIL
15	Mr. Hafizur Rahman Sarker	Nominee Director of Beq Knit Ltd.	2,70,59,313	Mrs. Luna Sarker	NIL
16	Dr. Mostafizur Rahman	Nominee Director of Popular Pharmaceuticals Ltd.	2,84,83,488	Late Mrs. Tohurun Nessa	
17	Mr. Kazi Raihan Zafar	Director	1,27,93,396	Mrs. Tregubenkova	NIL
18	Ms. Anushka Mehreen Zafar	Director	1,27,93,396	Daniel Ciganovic	NIL
19	Mr. Mahbubul Hady Fazle Rab	Independent Director	NIL	Mrs. Sabiha Rab	NIL
20	Mr. Nazim Uddin Chowdhury	Independent Director	NIL	Mrs. Amina Khanam	NIL

- (i) Shares held by:

Chief Executive Officer : Nil

Company Secretary: Nil

Chief Financial Officer : Nil

Head of Internal Audit : Nil

Spouses of above Executives : Nil

- a) Shareholding by other Executives and Spouse : Nil
- b) Shareholders holding ten percent (10%) or more voting interest in the company : Ms. Scherezad Joya Monami Latif (10%)

Message from the CRO



Banks as financial intermediaries, take multipronged risks but at the same time, risk should be identifiable, measurable, towards taking proactive measures for mitigation.

It is well perceived that any setbacks in the country's business and industrial circle has the direct or indirect bearing on the financial health of the bank. In other words, whatever positive or negative changes occur in the main street, have the corresponding impact on the health of the financial eco system. We at Midland Bank, as a matter of policy, prioritize to ensure maximum extent of compliance with the prudential and regulatory guidelines as prescribed for six identified core risk areas. We firmly believe that the issue of compliance is a critically important factor as compliance itself creates enabling environment for the banks to oversee the operational areas of the bank in the right perspective which eventually prove to be instrumental in addressing the risk issues with professional zeal.

We, in our bank, follow well-articulated process flow chart /Standardized Operational Procedure (SOP) to ensure proper identification and taking of befitting measures for risk mitigation on different frontiers of our operation. We have endeavored hereunder to stipulate some conceptual outlines for having better perception as deemed necessary to establish good risk management practices within the institution.

Risk Governance

It denotes the structure, rules, processes and mechanisms by which decisions about risks are taken and implemented.

Risk governance covers the questions about:

- What risk management responsibilities lie at what levels and the ways the board influences risk-related decisions.
- The role, structure, and staffing of risk management division.

Board and Senior Management Oversight:

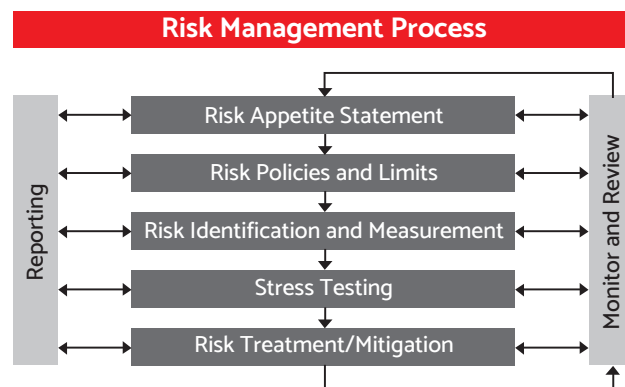
- Board of directors has the ultimate responsibility to give to the guidance management for taking measurable risk within the defined risk appetite.
- Defining of the risk appetite, risk tolerance, and mapping of the risk strategies.
- Duty of senior management to transform the strategies into operational policies, procedures, and processes for ensuring efficacy in risk management practices.

Independent Risk Management Function:

- o The main functions of the risk management inter-alia cover following aspects:
- Formulation of risk policies and process as well as adaptation with the emerging requirements.
- Smooth coordination in/between and among the functional areas.
- Preparing risk reports based on empirical study on different fronts of operations.
- Playing instrumental role for implementation of different policy guidelines to churn out better result in risk management process.

Functionally and hierarchically independent from business and other operation functions.

The Risk Management Division (RMD) closely monitor the existing and emerging risk factors for on time identification, assessment as well as mitigation of the risk on six core risk areas.



Risk Appetite Statement

MDB's risk appetite statement defines the amount of risk we intend to assume in pursuit of our strategic and financial objectives. Our guiding principle is to ensure sound risk management practices, supported by strong capital and funding position, as we pursue our client-focused strategy. In defining our risk appetite, we take into consideration our vision, values, and strategy, along with our risk capacity. Our cardinal objectives to follow good risk management principles are as under:

- o Safeguarding our reputation and brand;
- o Engaging in client-oriented businesses that we understand;
- o Maintaining a balance good between risk and returns;
- o Meeting regulatory expectations and/or identifying and having plans in place to address any issues in a timely manner;

Our MDB risk appetite statement is reviewed annually in alignment with our strategic, financial and capital planning cycle to ensure risk and return trade-off the right perspective. To help ensure MDB stays within its risk appetite, the Board, RMC, and senior management regularly receive and review reporting on our risk profile against the risk appetite limits.

All strategic business decisions, as well as day-to-day business decisions, are governed by our risk appetite framework. Strategic decisions are evaluated through a due diligence process to ensure that the risk exposure is within our risk appetite; these decisions require approval from the Board before implementation. Day-to-day activities and decisions are governed by our framework of risk tolerance limits, policies, standards and procedures that support our risk appetite statement.

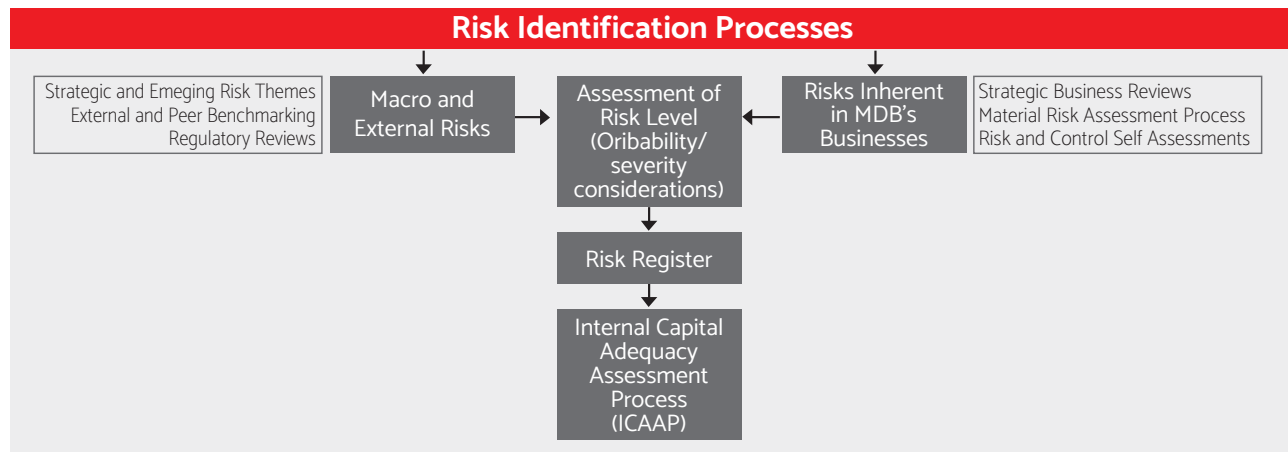
Risk Policies and Limits

Our risk policies and limits framework is intended to ensure that risks are appropriately identified, measured, monitored and controlled in accordance with our risk appetite. For most risks, we have developed an overarching framework document that sets out the key principles for managing the associated risks and our key risk policies and limits. This framework is supported by standards, guidelines, processes, procedures and controls that govern day-to-day activities in our businesses. Oversight is provided by management committees, as well as the Board/Board Committees.

Risk Identification and Measurement

Risk identification and measurement are important elements of our risk management framework. Risk identification is a continuous process, generally achieved through:

- o Regular assessment of risks associated with lending and trading credit exposures;
- o Ongoing monitoring of trading and non-trading portfolios;
- o Assessment of risks in new business activities and processes;
- o Assessment of risks in complex and unusual business transactions; and
- o Regular monitoring of the overall risk profile considering market developments and trends, and external and internal events.



The decision to track a new risk is based on a risk assessment through our risk identification processes and includes criteria such as materiality, measurability and probability. Furthermore, the decision to hold capital for a new risk is also based on whether the risk is being mitigated, and whether capital is deemed to be a suitable mitigate.

Risk is usually measured in terms of expected loss, unexpected loss, and economic capital.

Expected loss

Expected loss represents the loss that is statistically expected to occur in the normal course of business in a given period of time.

Unexpected Loss and Economic Capital

Unexpected loss is the statistical estimate of the amount by which actual losses might exceed expected losses over a specified time horizon, computed at a given confidence level. We use economic capital to estimate the level of capital needed to protect us against unexpected losses. Economic capital allows us to assess performance on a risk-adjusted basis.

We also use techniques such as sensitivity analysis and stress testing to help ensure that the risks remain within our risk appetite and that our capital is adequate to cover those risks. Our stress testing program includes evaluation of the potential effects of various economic and market scenarios on our risk profile, earnings and capital. Refer to the "Capital resources" section for additional details.

Stress Testing

Stress testing supplements our other risk management tools by providing an estimate of tail risk (i.e., low probability, high severity events).

Results of stress testing are interpreted in the context of our risk appetite, including metrics for capital adequacy. Enterprise-wide stress testing, capital planning and Financial planning processes are integrated for a comprehensive information system. As a matter of policy perception, we conduct stress testing on our balance sheet and the results generated in the process are brought to the attention of the senior management for having necessary guidance and initiation of measures for mitigations/remediation.

Risk Treatment/Mitigation

- ➔ Balancing the costs and efforts of implementation against the benefits derived, regarding legal, regulatory, and other requirements.
- ➔ Put in place adequate risk control mechanisms (limits, policies, and procedures that define responsibilities and authority)
- ➔ Monitoring and review are integral parts of risk treatment
 - Detection of changing risk sources and factors,
 - Obtaining further information to improve risk assessment,
 - Ensuring that controls are effective and efficient,
 - Analyzing and learning lessons from events, trends etc., and
 - Identifying emerging risks.

MDB pursues risk mitigation options in order to control its risk profile in the context of risk appetite. MDB's objective is to proactively consider risk mitigation options in order to optimize results.

Credit Risk

Credit risk is the risk of financial loss due to a borrower or counterparty failing to meet its obligations in accordance with contractual terms.

Credit risk arises mainly from our Retail, SME and Institutional Banking and our Capital Markets lending businesses. Other sources of credit risk include our trading activities, including our OTC derivatives, debt securities, and our repo-style transaction activity. In addition to losses on the default of a borrower or counterparty, unrealized gains or losses may occur due to changes in the credit spread of the counterparty, which could impact the carrying or fair value of our assets.

Increased focus has been given in managing Credit Risk Management. Total Credit Administration Process has been centralized which have mitigated various risks arising from human error in branch banking. Similarly, 100% of Branches came under the umbrella of centralized Trade Service process during the year 2015. To reduce the residual risks the security related documents were revalidated by legal firms and also cross examined by the ICCD of MDB in random basis. Corrective measures have been taken as per the audit report issued. Periodical Stock verification and insurance coverage has been made mandatory before renewing any credit proposals. MDB has been encouraging the borrowers to get their company rated by ECAI to come under rating procedure.

Market Risk

Market risk is the risk of economic financial loss in our trading and non-trading portfolios from adverse changes in underlying market factors, including interest rates, foreign exchange rates, equity

market prices, commodity prices, credit spreads, and customer behavior for retail products. Market risk arises in MDB's trading and treasury activities, and encompasses all market related positioning and market making activity.

The trading book consists of positions in financial instruments and commodities held to meet the near-term needs of our clients.

The non-trading book consists of positions in various currencies that are related to asset/liability management (ALM) and investment activities.

Risk Measurement

We use the following measures for market risk:

- VaR enables the meaningful comparison of the risks in different businesses and asset classes.
- Stress testing and scenario analyses provide insight into portfolio behavior under extreme circumstances.
- Liquidity coverage ratio (LCR), net stable funding ratio (NSFR) for liquidity risk.
- Stress testing on regular basis to assess the sensitivity with regard to interest rate risk, FX risk, equity risk and liquidity risk.
- Assessment of additional capital requirement (Pillar-II, Basel-III) against market risk is also conducted on yearly basis.

Liquidity Risk

Liquidity risk stems from non-availability cash or its equivalent to meet the varied financial obligations as they become due. Common sources of liquidity risk inherent in banking services include unanticipated withdrawals of deposits, the inability to replace maturing debt, credit and liquidity commitments, and additional pledging or other collateral requirements.

MDB possesses a comprehensive liquidity management framework that supports our business strategy, aligns with our risk appetite and limits Established within the liquidity risk management policy, and adheres to regulatory expectations. The liquidity risk management policy requires we maintain sufficient liquid assets and diversified funding sources to consistently fund our balance sheet, commitments and contingent obligations, in order to maintain the strength of our enterprise under both normal and stressed conditions.

Our management strategies, objectives and practices are regularly reviewed to align with changes of liquidity environment, including regulatory, business and/or market developments. Besides, we constantly endeavor to keep the liquidity risk within our institutional appetite/risk perception in a measured way.

Operational Risk

Operational risk is the risk of loss resulting from people, inadequate or failed internal processes and systems, or from external events.

As part of the normal course of business, MDB is exposed to operational risks in its business activities and external environment. Our comprehensive Operational Risk Management Framework, supported by policies, tools, systems and governance structure, is used to mitigate operational risks. We continuously monitor our operational risk profile to ensure we are operating within MDB's approved risk appetite.

1. Operational risk is managed through the three lines of

defense model. Front line businesses form our first line of defense. Their primary responsibility is the day-to-day management of operational risk inherent in their products and activities.

2. The second line of defense includes Risk Management and other oversight functions, which are responsible for monitoring and providing independent oversight of operational risk matters in their respective risk types and for providing effective challenges to business lines' operational risk assessments and mitigation activities.
3. Internal Audit, our third line of defense, assesses and provides an independent opinion on the design and operating effectiveness of MDB's management of operational risk and the strength of the internal control environment.

Reputation and Legal Risk

Our reputation and financial soundness are of fundamental importance to us and to our clients, shareholders and employees.

Reputation risk is the risk of negative publicity regarding our business conduct or practices which, whether true or not, could significantly harm our reputation as a leading financial institution, or could materially and adversely affect our business, operations or financial condition.

Regulatory Compliance Risk

Regulatory compliance risk refers to the risk of regulatory sanctions arising from MDB's failure to comply with regulatory requirements that govern its activities.

Our Compliance department is responsible for the development and maintenance of a comprehensive regulatory compliance program, including oversight of the RCM framework. This department is independent of business management and reports regularly to the RMC of the Board.

Primary responsibility for compliance with all applicable regulatory requirements rests with senior management of the business and infrastructure groups, and extends to all employees. The Compliance department's activities support those groups, with particular emphasis on regulatory requirements that govern the relationship between MDB and its clients, that help protect the integrity of the capital markets, or that relate to money laundering and terrorist financing.

Environmental Risk

Environmental risk is the risk of financial loss or damage to reputation associated with environmental issues, whether arising from our credit and investment activities or related to our own operations. Our green banking and environmental policy, commits MDB to responsible conduct in all activities to protect and conserve the environment; safeguard the interests of all stakeholders from unacceptable levels of environmental risk; and support the principles of sustainable development.

Top and Emerging Risks

We monitor and review top and emerging risks that may affect our future results, and take action to mitigate potential risks if required. We perform in-depth analyses, which can include stress testing our

exposures relative to the risks, and provide updates and related developments to the Board on a regular basis. This section describes the top and emerging risks that we consider with potential negative implications, as well as regulatory and accounting developments that are material for MDB.

Technology, Information and Cyber Security Risk

Financial institutions like MDB are evolving their business processes to leverage innovative technologies and the internet to improve client experience and streamline operations. At the same time, cyber threats and the associated financial, reputation and business interruption risks have also increased.

These risks continue to be actively managed by us through strategic risk reviews, enterprise-wide technology and information security programs, with the goal of maintaining overall cyber resilience that prevents, detects and responds to threats such as data breaches, malware, unauthorized access and denial-of-service attacks.

Given the importance of electronic financial systems, including secure online and mobile banking provided by MDB to its clients, MDB continues to develop controls and processes to protect our systems and client information from damage and unauthorized disclosure. MDB monitors the changing environment globally, including cyber threats, evolving regulatory requirements, and mitigation strategies. In addition, we benchmark against best practices and provide regular updates to the Board.

Despite our commitment to information and cyber security, MDB and its related third parties may not be able to fully mitigate all risks associated with the increased complexity and high rate of change in the threat landscape. However, MDB continuously monitors its risk posture for changes and continues to refine security protection approaches to minimize the impact of any incidents that may occur.

Midland Bank from its very inception emphasizes on building of good risk management culture along with the effort to upgrade its standard in phases within the organization in conformity with broader policy guidelines prescribed by Bangladesh Bank in a congruence with institutional policy prescriptions/strategies approved by the Board. We firmly believe that compliance factors bear immense importance towards the safeguarding the interest of the institution as a financial intermediary. We don't want to be risk averse but at the same time our risk taking approach should be based on sound footing where exercising of due diligence with objectivity will get pre-emption over any other subjective considerations. We are relentless in our effort to ensure sustainable growth of our Bank thereby making it one of the most preferred and resilient financial institutions with firm commitment to contribute to the cause of betterment socio-economic condition of the country distinctively.



Md. Zahid Hossain

Deputy Managing Director & CRO

Market Discipline

Disclosures on Risk Based Capital (Basel-III)

01. Introduction

Use of excessive leverage, gradual erosion of level and quality of capital base, insufficient liquidity buffer, pro-cyclicality and excessive interconnectedness among systematically important institutions are identified as reasons of recent bank failures. Bank for International Settlements (BIS) came up, in response, with new set of capital and liquidity standards in the name of Basel-III. Incompliance with the 'Revised Guidelines on Risk Based Capital Adequacy (RBCA)' issued by Bangladesh Bank in December 2014, Banks in Bangladesh have formally entered into Basel-III regime from 1 January 2015. The new capital and liquidity standards have greater business implications for banks.

Midland Bank Limited (MDB) has also adopted Basel-III framework as part of its capital management strategy in line with the revised guideline. These Market discipline disclosures under Basel-III are made following 'Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel-III)' for banks issued by Bangladesh Bank in December 2014. The purpose of Market discipline is to complement the minimum capital requirements and the supervisory review process. Establishing a transparent and disciplined financial market through providing accurate and timely information related to liquidity, solvency, performance and risk profile of a bank is another important objective of this disclosure

02. Disclosure Policy

Bank calculates Risk Weighted Assets (RWA) under the following approaches as per Basel-III guidelines (BRPD circular no. 18, dated December 21, 2014)

- Standardized approach for credit risk,
- Standardized approach for market risk and,
- Basic Indicator approach for operational risk.

03. Board overview

As strategic advisors to management, Board of Directors continued to prudently balance growth opportunities—with risk discipline and shareholder value creation. Board along with the senior management team work together to build momentum for our Bank's transformation by focusing on three integrated bank-wide priorities: client focus, innovation and simplify action.

Board of Directors recognizes the progress made over the past year across these priorities, including building stronger and deeper relationships with clients, as the team strives toward our goal of being #1 in client experience. Progress has also been made on the innovation and simplification front, as we delivered new technologies that improved the banking experience for clients and simplified processes making it easier to do business with us.

At MDB, BoD is committed to delivering sustainable earnings growth to shareholders. They have embarked on initiatives to free up resources that will allow the Bank to reinvest in business to accelerate revenue growth and reduce structural cost base. They will do so with a keen focus on industry-leading fundamentals in capital, expenses and risk management.

04. Scope of Application

Qualitative disclosure	a)	The name of the top corporate entity in the group to which this guidelines applies.	Midland Bank Limited
	b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	<p>Midland Bank Limited has no subsidiary as of December 31, 2021.</p> <p>A brief description of the Bank and its subsidiaries are given below:</p> <p><u>Midland Bank Limited (MDB):</u></p> <p>Midland Bank Limited ("the Bank") was incorporated on March 20, 2013 as a Public Limited Company in Bangladesh under Companies Act, 1994 with the registered office at N.B. Tower (Level 6 to 9), 40/7 North Avenue, Gulshan 2, and Dhaka-1212. The Company was also issued Certificate of Commencement of Business on the same day. It started commercial banking operation on June 20, 2013 through opening first branch at Dilkusha Commercial Area in the name 'Dilkusha Branch.' Presently, the number of branches stood at 35 (thirty five) including 19 rural branches along with 100 agent banking booth covering commercially important locations of the country.</p>

	c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not Applicable
Quantitative disclosure	d)	The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries.	Not Applicable

05. Capital Structure

Qualitative disclosure	a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET-1, Additional Tier -I or Tier -II.	<p>As per Basel III guidelines, regulatory capital consists of Tier-I (Common Equity Tier-I and Additional Tier-I) and Tier-II capital. Tier-I Capital is known as going concern capital and Tier-I Capital also known as gone concern capital.</p> <p>Common Equity Tier-I (CET 1) capital of MDB consists of (i) Fully Paid-up Capital, (ii) Statutory Reserve and (iii) Retained Earnings.</p> <p>Tier-II Capital of MDB consists of (i) General Provision against unclassified Loans and Off-balance sheet exposures.</p>
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in BDT Million

Quantitative disclosure	b)	The amount of Tier-I capital with separate disclosure of:	Solo
		Common Equity Tier-I (CET-1) Capital:	
		I. Fully Paid up capital	5,696.70
		II. Non repayable share premium account	
		III. Statutory reserve	1,408.60
		IV. General reserve	
		V. Retained earnings	296.52
		VI. Minority interest in subsidiaries	
		VII. Dividend equalization account	
		Total Common Equity Tier-I (CET-1) Capital	7,401.82
		Additional Tier-I Capital	0.00
		Total Tier-I Capital (A)	7,401.82
		Total Tier-II capital (B)	752.96
	c)	Regulatory adjustments/Deduction from capital (C)	21.99
	d)	Total eligible capital (A+B-C)	8,132.79

06. Capital Adequacy

Qualitative disclosure	a)	<p>A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.</p> <p>The Bank has adopted Standardized Approach (SA) for computation of capital charge for credit risk and market risk, and Basic Indicator Approach (BIA) for operational risk. Assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to the Bangladesh Bank.</p> <p>The Bank has maintained capital adequacy ratio on the basis of "Solo" is 15.87% against the minimum regulatory requirement of 12.50% including conservation buffer 2.50%. Tier-I capital adequacy ratio for "Solo" is 14.40% as against the minimum regulatory requirement of 8.50% including conservation buffer 2.50%. MDB has been generating most of its incremental capital from retained profit (stock dividend and statutory reserve transfer etc.). Besides meeting regulatory capital requirement, the Bank maintains adequate capital to absorb material risks foreseen. The surplus capital maintained by MDB will act as buffer to absorb all material risks and to support the future activities. To ensure the adequacy of capital to support the future activities, the bank assesses capital requirements periodically considering future business growth. The Bank's policy is to manage and maintain its capital with the objective of maintaining strong capital ratio and high rating. The Bank maintains capital levels that are sufficient to absorb all material risks. The Bank also ensures that the capital levels comply with regulatory requirements and satisfy the external rating agencies and other stakeholders including depositors. The whole objectives of the capital management process in the Bank are to ensure that the Bank remains adequately capitalized at all times.</p>
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Quantitative disclosure		Particulars	Solo
	b)	Capital requirement for credit risk	4,418.93
	c)	Capital requirement for market risk	282.40
	d)	Capital requirement for operational risk	422.69
		Minimum capital requirement (10% of RWA or BDT 400 crore, whichever is higher)	5,124.02
		Total regulatory capital	8,132.78
		Total Risk Weighted Assets (RWA)	51,240.21
	e)	Total capital, CET 1 capital, Total Tier-I capital and Tier-I capital to risk weighted asset ratio:	
		• For the consolidated group	
		• For standalone:	
		Total Capital to Risk Weighted Asset Ratio (CRAR)	15.87%
		Common Equity Tier-I (CET-1) Capital Ratio	14.40%
		Total Tier-I Capital Ratio	14.40%
		Tier-II Capital Ratio	1.47%
	f)	Capital Conservation Buffer (2.50% of RWA)	5.87%
	g)	Available Capital under Pillar-II requirement	3,008.76

07. Credit Risk

Qualitative disclosure	a)	<p>The general qualitative disclosure requirement with respect to credit risk, including:</p> <p>i) Definitions of past due and impaired (for accounting purposes);</p> <p>With a view to strengthening credit discipline and bring classification and provisioning regulation in line with international standard, a phase wise program for classification and provisioning was undertaken by the Bank as per Bangladesh Bank circulars issued from time to time. In this regard, all the loans and advances are grouped into four categories for the purpose of classification, namely (i) Continuous Loan, (ii) Demand Loan, (iii) Fixed Term Loan and (iv) Short-term Agricultural and Micro Credit. They are classified as follow:</p> <p>A Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 03 (three) months or beyond but less than 09 (nine) months, the entire loan will be put into the "Sub-standard (SS)".</p> <p>A Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 09 (nine) months or beyond but less than 12 (twelve) months, the entire loan will be put into the "Doubtful (DF)".</p> <p>A Continuous loan, Demand loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 12 (twelve) months or beyond, the entire loan will be put into the "Bad/Loss (B/L)".</p> <p>Loans have to be treated as defaulted loan as per section 5(GaGa) of the Banking Companies Act, 1991 and to be reported accordingly as per formats given in BRPD Circular No.08 dated August 02, 2015. In this regard, a portion of the "Sub-standard (SS)" loans will be reported as defaulted loan.</p> <p>In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after six months of the expiry date.</p> <p>Short-term Agricultural and Micro Credit will be considered irregular if it is not repaid within the due date as stipulated in the loans agreement are classified as under:</p> <ul style="list-style-type: none"> ➤ Sub-standard- if the irregular status continues after a period of 12 (twelve) months, the credits are classified as "Sub-standard". ➤ Doubtful- if the irregular status continue after a period of 36 (thirty six) months, the credits are classified as "Doubtful". ➤ Bad/Loss- if the irregular status continue after a period of 60 (sixty) months, the credits are classified as "Bad/Loss". <p>A Continuous loan, Demand loan or a Term Loan which remained overdue for a period of 02 (two) months or more, are treated as "Special Mention Account (SMA)".</p>
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		ii) Description of approaches followed for specific and general allowances and statistical methods.	<div>The Bank is required to maintain the following general and specific provision in respect of classified and unclassified loans and advances on the basis of Bangladesh Bank guidelines issued from time to time:</div> <table><tr><th>Particulars</th><th>Rate</th></tr><tr><td>On unclassified small enterprise financing (SME)</td><td>0.25%</td></tr><tr><td>On unclassified general loans and advances including housing finance</td><td>1%</td></tr><tr><td>On interest receivable on loans</td><td>1%</td></tr><tr><td>On off-balance sheet exposures</td><td>1%</td></tr><tr><td>On unclassified loans for professionals to set-up business and loans to share business</td><td>2%</td></tr><tr><td>On unclassified consumer financing other than housing finance, loan for professionals and loans for BGs/MBs/SDs</td><td>5%</td></tr><tr><td>On unclassified Short Term Agricultural and Micro Credits</td><td>2.50%</td></tr><tr><td>On Special Mention Account (SMA) except Short Term Agricultural and Micro Credits</td><td>0.25% to 5%</td></tr><tr><td colspan="2">Specific provision:</td></tr><tr><td>On substandard loans and advances (SS) other than Short Term Agricultural and Micro Credits</td><td>20%</td></tr><tr><td>On doubtful loans and advances (DF) other than Short Term Agricultural and Micro Credits</td><td>50%</td></tr><tr><td>On bad / loss loans and advances (BL)</td><td>100%</td></tr><tr><td>On substandard loans and advances (SS) other than Short Term Agricultural and Micro Credits</td><td>20%</td></tr><tr><td>On doubtful loans and advances (DF) other than Short Term Agricultural and Micro Credits</td><td>50%</td></tr><tr><td>On doubtful short term Agricultural and Micro Credits</td><td>5%</td></tr></table>	Particulars	Rate	On unclassified small enterprise financing (SME)	0.25%	On unclassified general loans and advances including housing finance	1%	On interest receivable on loans	1%	On off-balance sheet exposures	1%	On unclassified loans for professionals to set-up business and loans to share business	2%	On unclassified consumer financing other than housing finance, loan for professionals and loans for BGs/MBs/SDs	5%	On unclassified Short Term Agricultural and Micro Credits	2.50%	On Special Mention Account (SMA) except Short Term Agricultural and Micro Credits	0.25% to 5%	Specific provision:		On substandard loans and advances (SS) other than Short Term Agricultural and Micro Credits	20%	On doubtful loans and advances (DF) other than Short Term Agricultural and Micro Credits	50%	On bad / loss loans and advances (BL)	100%	On substandard loans and advances (SS) other than Short Term Agricultural and Micro Credits	20%	On doubtful loans and advances (DF) other than Short Term Agricultural and Micro Credits	50%	On doubtful short term Agricultural and Micro Credits	5%
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Quantitative disclosure	b)	Total gross credit risk exposures broken down by major types of credit exposure.	<div>Total gross credit risk exposures broken down by major types of credit exposure of the Bank:</div> <table><tr><th>Particulars</th><th>in BDT Million</th></tr><tr><td>Term Loan</td><td>17,321.56</td></tr><tr><td>Overdraft</td><td>7,261.01</td></tr><tr><td>Time Loan</td><td>10,726.73</td></tr><tr><td>Cash Credit</td><td>2,064.39</td></tr><tr><td>Loan Against Trust Receipts (LTR)</td><td>1,690.92</td></tr><tr><td>Consumer Loan</td><td>953.86</td></tr><tr><td>Payment Against Documents (PAD)</td><td>-</td></tr><tr><td>Agricultural Credit</td><td>662.86</td></tr><tr><td>EDF Loan</td><td>1,610.27</td></tr><tr><td>Packing Credit</td><td>129.36</td></tr><tr><td>Staff Loan</td><td>107.44</td></tr><tr><td>Other Loans & Advances</td><td>60.55</td></tr><tr><td>Bill purchased/discounted -Inland</td><td>125.58</td></tr><tr><td>Bill purchased/discounted -Foreign</td><td>3,152.95</td></tr><tr><td>Total</td><td>45,867.48</td></tr></table>	Particulars	in BDT Million	Term Loan	17,321.56	Overdraft	7,261.01	Time Loan	10,726.73	Cash Credit	2,064.39	Loan Against Trust Receipts (LTR)	1,690.92	Consumer Loan	953.86	Payment Against Documents (PAD)	-	Agricultural Credit	662.86	EDF Loan	1,610.27	Packing Credit	129.36	Staff Loan	107.44	Other Loans & Advances	60.55	Bill purchased/discounted -Inland	125.58	Bill purchased/discounted -Foreign	3,152.95	Total	45,867.48
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	c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	<div>Geographical distribution of exposures, broken down in significant areas by major types of credit exposure of the Bank:</div> <table><tr><th>Particulars</th><th>in BDT Million</th></tr><tr><td colspan="2">Urban:</td></tr><tr><td>Dhaka Zone</td><td>39,360.07</td></tr><tr><td>Chittagong Zone</td><td>5,263.82</td></tr><tr><td>Rajshahi Zone</td><td>160.49</td></tr><tr><td>Khulna Zone</td><td>42.39</td></tr><tr><td>Sylhet Zone</td><td>18.10</td></tr><tr><td>Sub-Total</td><td>44,844.87</td></tr><tr><td colspan="2">Rural:</td></tr><tr><td>Dhaka Zone</td><td>653.45</td></tr><tr><td>Chittagong Zone</td><td>120.78</td></tr></table>	Particulars	in BDT Million	Urban:		Dhaka Zone	39,360.07	Chittagong Zone	5,263.82	Rajshahi Zone	160.49	Khulna Zone	42.39	Sylhet Zone	18.10	Sub-Total	44,844.87	Rural:		Dhaka Zone	653.45	Chittagong Zone	120.78										
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			Rajshahi Zone	108.49
			Khulna	24.29
			Sylhet	-
			Rangpur	6.94
			Mymensingh	108.66
			Sub-Total	1022.61
			Grand Total (Urban + Rural)	45,867.48
d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure of the Bank:		
		</		

	e)	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Residual contractual maturity break down of the whole portfolios, broken down by major types of credit exposure of the Bank:	
			Particulars	in BDT Million
			Repayable on Demand	3,017.60
			Up to 1 month	6,580.70
			Not more than 3 months	5,673.80
			More than 3 months but less than 1 year	13,743.90
			More than 1 year but less than 5 years	15,378.38
			More than 5 years	1,473.10
			Total	45,867.48
	f)	By major industry or counterparty type:		
		i) Amount of impaired loans and if available, past due loans, provided separately;	The amount of classified loans and advances of the Bank are given below as per Bangladesh Bank guidelines.	
			Particulars	
			Continuous Loans & Advances	217.37
			Demand Loans & Advances	75.09
			Term Loans & Advances	1,162.59
			Short Term Agro Credit and Micro Credit	0.00
			Total	1,455.05
		ii) Specific and general provisions; and	Specific and general provisions were made on the amount of classified and unclassified loans and advances, off-balance sheet exposures, interest on receivable, diminution in value of investment and other assets-suspense of the Bank according to the Bangladesh Bank guidelines.	
			Particulars	in BDT Million
			Provision on classified loans and advances	454.69
			Provision on unclassified loans and advances	643.11
			Provision on Off-balance sheet exposures	109.85
			Provision for diminution in Investments	133.71
			Provision against Other Asset	5.49
			Total	1,346.85
		iii) Charges for specific allowances and charge-offs during the period.	During the year the specific and general provisions were made on the amount of classified and unclassified loans and advances, off-balance sheet exposure, interest on receivable, diminution in value of investment and other assets (suspense) of the Bank as per Bangladesh Bank guidelines.	
			Particulars	in BDT Million
			Provision on classified loans and advances	260.14
			Provision on unclassified loans and advances	53.47
			Provision on Off-balance sheet exposures	24.95
			Provision for diminution in Investments	65.61
			Provision against Other Asset	1.79
			Total	405.96

	g)	Gross Non Performing Assets (NPAs).		
		Non Performing Assets (NPAs) to Outstanding loans and advances.		
		Movement of Non Performing Assets (NPAs).	Particulars	in BDT Million
			Opening balance	452.79
			Addition/adjustment during the year	1,002.26
			Closing balance	1,455.05
		Movement of specific provisions for NPAs.	Particulars	in BDT Million
			Opening balance	194.56
			Provisions made/ during the period	260.14
			Transferred from unclassified loan & advances	0.00
			Write-off	0.00
			Write-back of excess provisions	0.00
			Closing Balance	454.70

08. Equities: Disclosures for Banking Book Positions

	a)	The general qualitative disclosure requirement with respect to equity risk, including:	
		<ul style="list-style-type: none"> ▪ Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and 	<p>Investment in equity securities are broadly categorized into two parts:</p> <ul style="list-style-type: none"> i) Quoted Securities (Common or Preference Shares & Mutual Fund) that are traded in the secondary market (Trading Book Assets). ii) Unquoted securities are categorized as banking book equity exposures which are further sub-divided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future i.e. held for maturity (HFM), and securities those are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Unquoted securities are valued at cost.
		<ul style="list-style-type: none"> ▪ Discussion of important policies covering the valuation and accounting of equity holdings in the Banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices. 	<p>The primary aim is to investment in these equity securities for the purpose of capital gain by selling them in future or held for dividend income. Dividends received from these equity securities are accounted for as and when received. Both Quoted and Un-Quoted equity securities are valued at cost and necessary provisions are maintained, if the prices fall below the cost price.</p> <p>As per Bangladesh Bank guidelines, the HFT equity securities are revalued once in each week using marking to market concept and HTM equity securities are amortized once a year according to Bangladesh Bank Guideline.</p> <p>The HTM equity securities are also revalued if any, are reclassified to HFT category with the approval of Board of Directors.</p>

in BDT Million

			At cost	At market value
	b)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	360.91	364.64
	c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	193.06	
	d)	• Total unrealized gains (losses)	3.73	
		• Total latent revaluation gains (losses) of T-bills/bonds	2.45	
		• Any amounts of the above included in Tier-2 capital.	0.00	
	e)	Capital requirements broken down by appropriate equity groupings, consistent with the Bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements (10% on market value).		
		• Specific Market Risk	36.46	
		• General Market Risk	36.46	

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

Qualitative disclosure	a)	<p>The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.</p> <p>Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). To evaluate the impact of interest rate risk on the net interest margin, Prime Bank monitors the size of the gap between rate sensitive assets and rate sensitive liabilities in terms of the remaining period to re pricing. Re pricing refers to the point in time when adjustments of interest rates on assets and liabilities occur owing to new contracts, renewal of expiring contracts or that a contract specifies a floating rate that adjusts at fixed time intervals.</p> <p>A maturity mismatch approach is used to measure Midland Bank's exposure to interest rate risk. A positive mismatch means that more assets than liabilities are re priced in a given period. With a positive mismatch, a rise in market interest rates will have a positive effect on the bank's earnings. On the other hand, a negative mismatch, where more liabilities are re-priced than assets in a given period, means a drop in earnings if interest rates had increased.</p> <p>The table presented below showing the Interest Rate Risk Analysis of Midland Bank Limited. The analysis shows that Bank may have a negative earnings impact of BDT 37.93 million in the first quarter which has also negative amounting BDT 73.51 million in the second quarter. In the third and fourth quarter, the total year-to-date accumulated earnings impact has also been negative BDT 102.39 and 127.77 million respectively</p> <p>The rule of thumb suggests that quarterly gaps, causing an earnings impact of 10% of the Bank's average quarterly operating profit for each 1% change in interest rates, should be carefully handled by the Bank's Management. The last row of the following table reveals that earnings impact on Midland Bank's average quarterly operating profit is significant and should be dealt carefully.</p>
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Interest Rate Risk Analysis (for 1% change in the market rate of interest)

Quantitative disclosure	b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).	Particulars	1-90 days	Over 3 months to upto 6 months	Over 6 months to upto 9 months	Over 9 months to upto 1 year
				in BDT Million			
			A. Rate Sensitive Assets	17,390.30	9,876.60	3,757.00	3,757.00
			B. Rate Sensitive Liabilities	32,773.70	9,398.50	2,692.95	2,692.95
			GAP (A-B)	(15,383.40)	478.10	1,064.05	1,064.05
			Cumulative GAP	(15,383.40)	(14,905.30)	(13,841.25)	(12,777.20)
			Adjusted Interest Rate Changes (IRC)	1%	1%	1%	1%
			Quarterly earnings impact (Cum. GAP*IRC)	(37.93)	(73.51)	(102.39)	(127.77)
			Cumulative earnings impact to date	(37.93)	(111.44)	(213.82)	(341.60)
			Earning impact / Average quarterly Operating profit	-3.48%	-10.23%	-19.63%	-31.36%

10. Market Risk

Qualitative disclosure	a)	i) Views of Board of Directors (BOD) on trading or investment activities.	Market risk is the possibility of losses of assets in balance sheet and off-balance sheet positions arising out of volatility in market variables i.e., interest rate, exchange rate and price. Allocation of capital is required in respect of the exposure to risks deriving from changes in interest rates and equity prices in the Bank's trading book, in respect of exposure to risks deriving from changes in foreign exchange rates and commodity price in the overall Banking activities. The total capital requirement for Bank against its market risk shall be the sum of capital charges against: i. Interest rate risk ii. Equity position risk iii. Foreign exchange (including gold) position risk throughout the Bank's balance sheet and iv. Commodity risk.
		ii) Methods used to measure Market risk.	<p>Measurement Methodology:</p> <p>As Banks in Bangladesh are now in a stage of developing risk management models, Bangladesh Bank suggested the Banks for using Standardized Approach for credit risk capital requirement for Banking book and Standardized (rule based) Approach for market risk capital charge in their trading book.</p> <p>Maturity Method has been prescribed by Bangladesh Bank in determining capital against market risk. In the maturity method, long or short positions in debt securities and other sources of interest rate exposures, including derivative instruments, are slotted into a maturity ladder comprising 13 time-bands (or 15 time-bands in case of low coupon instruments). Fixed-rate instruments are allocated according to the residual term to maturity and floating-rate instruments according to the residual term to the next repricing date.</p> <p>In Standardized (rule based) Approach the capital requirement for various market risks (interest rate risk, price, and foreign exchange risk) are determined separately.</p> <p>The total capital requirement in respect of market risk is the sum of capital requirement calculated for each of these market risk sub-categories. e.g.:</p> <ul style="list-style-type: none"> a) Capital Charge for Interest Rate Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk. b) Capital Charge for Equity Position Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk.

		<p>c) Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk.</p> <p>d) Capital Charge for Commodity Position Risk = Capital charge for general market risk.</p>
	iii) Market Risk Management system.	Treasury Division manages the market risk and ALCO monitors the activities of Treasury Division in managing such risk.
	iv) Policies and processes for mitigating market risk.	<p>To mitigate the several market risks, the Bank formed Asset Liability Management Committee (ALCO) who monitors the Treasury Division's activities to minimize the market risk. ALCO is primarily responsible for establishing the market risk management and asset liability management of the Bank, procedures thereof, implementing core risk management framework issued by the regulator, best risk management practices followed by globally and ensuring that internal parameters, procedures, practices / policies and risk management prudential limits are adhere to.</p> <p>The Treasury Division are taking following measures to minimize the several market risks:</p> <p>i) Foreign exchange risk management: it is the risk that the Bank may suffer losses as a result of adverse exchange rate movement during a period in which it has an open position in an individual foreign currency. This risk measured and monitored by the Treasury Division. To evaluate the extent of foreign exchange risk, a liquidity Gap report prepare for each currency.</p> <p>ii) Equity Position Risk: Equity risk is defined as losses due to changes in market price of the equity held. To measure and identify the risk, mark to market valuation to the share investment portfolios are done. Mark to market valuation is done against a predetermined limit. At the time of investment, following factors are taken into consideration:</p> <ul style="list-style-type: none"> a) Security of Investment b) Fundamentals of securities c) Liquidity of securities d) Reliability of securities e) Capital appreciation f) Risk factors and g) Implication of taxes etc.

			in BDT Million
Quantitative disclosure	b)	The capital requirements for:	Solo
		• Interest rate risk	113.30
		• Equity position risk	72.92
		• Foreign exchange risk and	96.17
		• Commodity risk	0.00
		Total Capital Requirement	282.40

11. Operational Risk

Qualitative disclosure	a)	i) Views of BOD on system to reduce Operational Risk	<p>Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputation risk. It is inherent in every business organization and covers a wide spectrum of issues. The Board of Director (BOD) of the Bank and its Management firmly believe that this risk through a control based environment in which processes see documented, authorization as independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the group stays in line which industry best practice and takes account or lessons learned from publicized operational failures within the financial services industry.</p> <p>The BOD has also modified its operational risk management process by issuing a high level standard like SOP, supplemented by more detailed formal guidance. This explains how the Bank manages operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with local regulatory requirements.</p> <p>The Bank maintains and tests contingency facilities to support operations in the event of disasters. Additional reviews and tests are conducted in the event that any branch of the Bank is affected by a business disruption event, to incorporate lessons learned in the operational recovery from those circumstances. Plans have been prepared for the continued operation of the Bank's business, with reduced staffing levels.</p>																		
		ii) Performance gap of executives and staffs.	<p>Human Resources</p> <p>Human Resources Management is one of the key factors of enhancing the Bank's overall performance. The main functions of HR are to find out the latent talent of the employees and utilize them properly towards achieving organizational goal. The Bank has already established a performance driven working culture to expedite the utmost effort of its employees.</p> <p>Our HR mission is to be the employer of choice in the financial sector where the employee will work with pride and pleasure. MDB believes that Human Resource Development is a continual process and the output of the development helps the organization to meet the objective and long term vision of the organization. The Bank recruits people from all sections of the society based on their competencies. We highly emphasize on attitude driven talent acquisition process because we don't offer merely a job for the employees but we are highly conscious to shape their career and make them confident for the best fit of the next role. The main motto of Human Resources Management Division is to hike the service excellency curve for the internal and external customers of the Bank. The Management team of the Bank with their talent & skill has now been working for business excellence of the Bank with new pledge based on professionalism, team work, and strong bondage of interpersonal relationship with good governance. The new economies with increased global, regional and local competition coupled with socio-economic sensitivity have created enormous challenges in organization like private commercial Banks. To cope with new challenges, our strategic approach is to make the techy so that they can cope technology based environment. Thus we thrive for caring our people so that they can positively contribute in the profitability curve of the organization.</p> <p>Workforce Diversity:</p> <p>MDB believes that organization's success and competitiveness depends upon its ability to embrace workforce diversity and realize the benefits. With that believe, MDB tries to handle workforce diversity in an efficient way so that MDB can increase adaptability, broader service range, recognize variety of viewpoints, manage more effective execution. As on 31 December 2021, workforce diversity is furnished below:</p> <table border="1"> <thead> <tr> <th>Age Group</th><th>Male</th><th>Female</th><th>Total</th></tr> </thead> <tbody> <tr> <td>Above 50 years</td><td>9</td><td>0</td><td>9</td></tr> <tr> <td>30-50 years</td><td>498</td><td>57</td><td>555</td></tr> <tr> <td>Below 30 years</td><td>125</td><td>22</td><td>147</td></tr> <tr> <td>Total</td><td>632</td><td>79</td><td>711</td></tr> </tbody> </table>	Age Group	Male	Female	Total	Above 50 years	9	0	9	30-50 years	498	57	555	Below 30 years	125	22	147	Total	632
Age Group	Male	Female	Total																		
Above 50 years	9	0	9																		
30-50 years	498	57	555																		
Below 30 years	125	22	147																		
Total	632	79	711																		

	<p>iii) Potential external events</p>	<p>Risk factors/Potential external events:</p> <p>It is needless to say that there are certain risk factors which are external in nature and can affect the business of the Bank. The factors discussed below can significantly affect the business:</p> <ul style="list-style-type: none"> • General business and political condition MDB's performance greatly depends on the general economic conditions of the country. The effect of recession is still unfolding which may result to slow down in business environment. Political stability is must for growth in business activities. • Changes in credit quality of borrowers Risk of deterioration of credit quality of borrowers is inherent in Banking business. This could result due to global economic crisis and supply side distortion. The changes in the import prices affected the commodity sectors and ship breaking industry. Deterioration in credit quality requires provisioning. • Changes in policies and practices of regulatory bodies to revise practices, pricing and responsibilities of the financial institutions MDB is subject to regulations and compliance of regulation is must. Changes in policies with regard to interest rates, pricing have significant effect on the performance of the Bank. Bangladesh Bank is expected to continue its persuasion to reduce the spread and charges further which is likely to affect the performance. Changes in provisioning requirement will also affect the performance of the Bank. • Implementation of Basel-III Basel-III is fully effective from 2015 and MDB needs to be complied with respect to credit risk management, its supervision and establishment of effective internal control. The grading of the borrowers and its link with capital requirement may slow down the credit expansion. The establishment of effective control requires more investment in technology and operating expenses are likely to increase. • Changes in market conditions Changes in market conditions particularly interest rates on deposits and volatility in Foreign Exchange market is likely to affect the performance of the Bank. Depositors are becoming increasingly price sensitive and any unilateral upward change by a Bank will exert pressure on interest rate structure of the Banking sector. It is feared that wage earners remittances may decline due to fall in job opportunity in international market. Unless offset by export performances, there may be pressure in the Foreign Exchange market. • The risk of litigation In the ordinary course of business, legal actions, claims by and against the Bank may arise. The outcome of such litigation may affect the financial performance of the Bank. • Success of strategies MDB is proceeding with its strategic plan and its successful implementation is very important for its financial performance. Major deviation due to external and internal factors will affect the performance of the Bank.
	<p>iv) Policies and processes for mitigating operational risk.</p>	<p>Midland Bank limited (MDB) has formed a separate 'Risk Management Division' under Chief Risk Officer to ensure following things:</p> <ul style="list-style-type: none"> • Designing of organizational structure by clearly defining roles and responsibilities of individuals involved in risk taking as well as managing it; • Formulation of overall risk assessment and management policies, methodologies, guidelines and procedures for risk identification, risk measurement, risk monitoring, defining an acceptable level of risk, mitigation of all the core risks in line with their respective guidelines provided by Bangladesh Bank; • Reviewing and updating all risks on systematic basis as necessary at least annually, preferably twice a year, ensuring that adequate controls exist and that the related returns reflect these risks and the capital allocated to support them. The main risk areas will be (i) Balance sheet Risk Management, (ii) Credit Risk, (iii) Foreign Exchange Risk, (iv) Internal Control and Compliance Risk, (v) Money Laundering Risk and (vi) IT Risk.

			<ul style="list-style-type: none"> The following risks are also to be reviewed: <ul style="list-style-type: none"> ❖ Operational Risk ❖ Market Risk ❖ Liquidity Risk ❖ Reputation risk ❖ Insurance Risk ❖ Sustainability Risk Setting the portfolio objectives and tolerance limits/parameters for each of the risks; Formulation of strategies and different models in consistency with risk management policy based on IT Policy and in house IT support which can measure, monitor and maintain acceptable risk levels of the Bank; Development of information systems/MIS inflow and data management capabilities to support the risk management functions of the Bank. Ensure compliance with the core risks management guidelines at the department level, and at the desk level; The unit will work under Bank's organizational structure and suggest to the CEO to take appropriate measures to overcome any existing and potential financial crisis; Analysis of self-resilience capability of the Bank; Initiation to measure different market conditions, vulnerability in investing in different sectors; The unit will also work for substantiality of capital to absorb the associated risk in banking operation. <p>Activities undertaken by "Risk Management Division" since inception and recent approaches</p> <ul style="list-style-type: none"> Risk Management Division of MDB is currently arranging monthly/ as or when required meeting on various issues to determine strategies in consistency with risk management policy, which can measure, monitor, and maintain acceptable risk level of the Bank. Minutes of each meeting is submitted to Bangladesh Bank on monthly basis; Besides, Risk Management Report and Comprehensive Risk Management Report (CRMR) have also been prepared on the basis of monthly and semi-annually respectively which addressing different areas of risk and their mitigating tools & techniques guided by the members of Risk Management Division; In order to perform the risk management function smoothly, RMD had invited all the Operational Divisions vide letter to the Head of respective Divisions to form an internal committee along with defined duties of concerned officials. It is to be noted here that due to continuous and successful persuasion, all the Operational Divisions have formulated and established internal risk management committees. <p>Stress Testing in MDB:</p> <p>Risk Management Division (RMD) of MDB has prepared a stress testing model in line with the Bangladesh Bank's guideline which initially focused on "Simple Sensitivity and Scenario Analysis" on the following five risk factors:</p> <ul style="list-style-type: none"> Interest rate; Share prices; and Forced sale value of collateral; Foreign exchange rate. Non-performing loans (NPLs); <p>The stress testing based on the financial performance of the Bank as on December 31, 2021 has also been completed which shows that the Bank has adequate capital to absorb minor, moderate and major level of shocks. However, in case of combined major shocks, some additional capital shall be required.</p>
		v) Approach for calculating capital charge for operational risk.	<p>The Banks operating in Bangladesh shall compute the capital requirements for operational risk under the Basic Indicator Approach (BIA). Under BIA, the capital charge for operational risk is a fixed percentage, denoted by α (alpha) of average positive annual gross income of the Bank over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average. The capital charge may be expressed as follows:</p> $K = [(GI_1 + GI_2 + GI_3) \alpha] / n$ <p>Where-</p> <p>K = the capital charge under the Basic Indicator Approach</p> <p>GI = only positive annual gross income over the previous three years (i.e., negative or zero gross income if any shall be excluded)</p> <p>α = 15 percent</p> <p>n = number of the previous three years for which gross income is positive.</p> <p>Gross income: Gross Income (GI) is defined as "Net Interest Income" plus "Net non-Interest Income". It is intended that this measure should:</p> <ol style="list-style-type: none"> be gross of any provisions; be gross of operating expenses, including fees paid to outsourcing service providers; exclude realized profits/losses from the sale of securities held to maturity in the Banking book; exclude extraordinary or irregular items; exclude income derived from insurance.

Quantitative disclosure	Particulars	Solo Basis
b)	The capital requirement for operational risk	422.69

12. Leverage Ratio

	a)	i) Views of BOD on system to reduce excessive leverage	<p>In order to avoid building-up excessive on- and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives:</p> <p>a) constrain build-up of leverage in the banking sector which can damage the broader financial system and the economy; and</p> <p>b) Reinforce the risk based requirements with an easy to understand and a non-risk based measure.</p> <p>The Board of Directors of MDB primarily views on the growth of On-balance and Off-balance sheet exposures commensurate with its expected growth so that the excessive leverage is reduced. Within the On-balance components, again, the Board emphasizes on the growth of the prime component i.e. the loans and advances and maintaining good asset quality so as to maximize the revenue as well as the capacity to generate capital internally (in the form of retained earnings) to trade-off the excessive leverage supposed to be caused by asset growth.</p> <p>At the outset of asset growth, the Board also views the growth of its sources of fund i.e. deposit growth taking into consideration of projected business growth so that the credit-deposit ratio is maintained at a sustainable basis as well as to reduce the mismatches of asset-liability gap within the tolerable limit to manage the liquidity risk.</p>
		ii) Policies and processes for mitigating market risk.	To mitigate excessive on and off-balance sheet leverage, the Bank formed Basel Unit who monitors the implementing status of Basel-III within the Bank as per the guidelines on risk based capital adequacy issued by Bangladesh Bank.
		iii) Approach for calculating leverage ratio	<p>A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level.</p> <p>The banks will maintain leverage ratio on quarterly basis. The calculation at the end of each calendar quarter will be submitted to BB showing the average of the month end leverage ratios based on the following definition of capital and total exposure.</p> $\text{Leverage Ratio} = \frac{\text{Tier-I Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$

Quantitative disclosure	b)		Solo	
			Particulars	Ratio
		• Leverage Ratio	Leverage Ratio (LR) under Basel-III of Midland Bank Limited as of 31 December 2021 was as under:	
			Particulars	Ratio
				BB requirement
				MDB's position
			Leverage Ratio	≥3%
				9.89%
		• On balance sheet exposure	Total On-balance Sheet exposure for calculating Leverage Ratio under Basel-III of Midland Bank Limited as of 31 December 2021 was as under:	
			Particulars	Amount
			Total On Balance Sheet Assets [A]	69,018.91
			less: Total Specific Provision [B]	454.69
			Total Adjusted On Balance Sheet exposure [A-B]	68,564.22
		• Off balance sheet exposure		
		• Total exposure	Total Exposures for calculating Leverage Ratio under Basel-III of Midland Bank Limited as of 31 December 2021 was as under:	
			Particulars	Amount
			Total On Balance Sheet Exposures [A]	68,564.22
			Total Off-Balance Sheet Exposures [B]	6,094.85
			less: Total Deduction/ Regulatory adjustments [C]	21.99
			Total Adjusted exposure [A+B-C]	74,637.08

13. Liquidity Risk

In line with the provisions of liquidity risk management under Basel-III, Bangladesh Bank on the basis of the relevant guideline of Bank for International Settlements (BIS) has identified the (i) Liquidity Coverage Ratio (LCR); (ii) Net Stable Funding Ratio (NSFR); and (iii) Leverage under the purview of 'Liquidity' ratio vide BRPD Circular No. 18 dated 21 December 2014 and DOS Circular No. 1 dated 1 January 2015.

Qualitative disclosure	a)	i) Views of BOD on system to reduce Liquidity Risk	<p>Liquidity risk arises when the Bank cannot maintain or generate sufficient funds to meet its payment obligations as they fall due or can only do so at a material loss. This can arise when counterparties who provide funding to the Bank withdraw or do not roll over a line of funding or as a result of a general disruption in financial markets which lead to normal liquid assets becoming illiquid.</p> <p>The Board of Directors reviews the liquidity risk of the Bank on quarterly rest while reviewing the Quarterly Financial Statements, Stress Testing Report etc. Besides, the RMC of the Board also reviews the liquidity position while reviewing the risk status report on quarterly basis.</p> <p>Upon reviewing the overall liquidity position along with the outlook of MDB funding need, investment opportunity, market/industry trend, the Board takes its strategic decision regarding deposits, funding, investments, loans as well as interest rates policies etc.</p> <p>The Board of MDB always strives to maintain adequate liquidity to meet up Bank's overall funding need for the huge retail depositors, borrowers' requirements as well as maintain regulatory requirements comfortably.</p>
		ii) Methods used to measure Liquidity risk.	<p>Measurement Methodology:</p> <p>The maintenance of Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) are considered as the fundamental methods/tools to measure the liquidity position/risk of MDB LCR or Liquidity Coverage Ratio is a new liquidity standard introduced by the Basel Committee.</p> <p>This standard is built on the methodologies of traditional liquidity coverage ratio used by banks to assess exposure to contingent liquidity events. LCR aims to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for 30 calendar days. LCR goes beyond measuring the need for liquid assets over the next 30 days in a normal environment. It measures the need for liquid assets in a stressed environment, in which deposits and other sources of funds (both unsecured and secured) run off, to various extents, and unused credit facilities are also drawn down in various magnitudes. These runoffs are in addition to contractual outflows.</p> <p>The equation:</p> $LCR = \frac{\text{Stock of high quality liquid assets}}{\text{Total net cash outflows over the next 30 calendar days}} \geq 100\%$ <p>Definitions for the LCR:</p> <p>The calculation of the LCR requires three important quantities to be defined:</p> <ul style="list-style-type: none"> A. Total value of stock of high quality liquid assets B. Total cash outflows, next 30 days (stressed scenario) C. Total cash inflows, next 30 days (stressed scenario) <p>Net Stable Funding Ratio:</p> <p>NSFR or Net Stable Funding Ratio is another new standard introduced by the Basel Committee.</p> <p>The NSFR aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on-balance and off-balance sheet items. The minimum acceptable value of this ratio is 100 percent, indicating that available stable funding (ASF) should be at least equal to required stable funding (RSF). ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived stability. RSF consists of assets and off-balance sheet items, also with percentage weights attached given the degree to which they are illiquid or "long-term" and therefore requires stable funding. The time horizon of the NSFR is one year. Like the LCR, the NSFR calculations assume a stressed environment.</p>

Qualitative disclosure			.
	ii) Methods used to measure Liquidity risk.	<p>The equation:</p> $\text{NSFR} = \frac{\text{Available amount of stable funding}}{\text{Required amount of stable funding}} \geq 100\%$ <p>The calculation of the NSFR requires two quantities to be defined: A. available stable funding (ASF) and B. required stable funding (RSF).</p> <p>NSFR is met if ASF exceeds RSF, that is if ASF/RSF ≥ 1 or 100%.</p> <p>In addition to the above, the following measures have been put in place to monitor the liquidity risk management position of the Bank on a continued manner:</p> <ul style="list-style-type: none"> a) Asset-Liability Maturity Analysis (Liquidity profile); b) Whole sale borrowing capacity; c) Maximum Cumulative Outflow (MCO); <p>Besides the above, the following tools are also used for measuring liquidity risk:</p> <ul style="list-style-type: none"> a) Stress Testing (Liquidity Stress); b) Net open position limit - to monitor the FX funding liquidity risk; 	
	iii) Liquidity Risk Management system.	<p>In MDB, at the management level, the liquidity risk is primarily managed by the Treasury Division (Front Office) under oversight of ALCO which is headed by the Managing Director along with other senior management. Treasury Division (Front Office) upon reviewing the overall funding requirements on daily basis sets their strategy to maintain a comfortable/adequate liquidity position taking into consideration of Bank's approved credit deposit ratio, liquid assets to total assets ratio, asset-liability maturity profile, Bank's earning/profitability as well as overall market behavior and sentiment etc.</p> <p>Apart from the above, Financial Administration Division also monitors & measures the liquidity risk in line with the Basel III liquidity measurement tools, namely, LCR, NSFR, Leverage Ratio. RMD addresses the key issues and strategies to maintain the Basel III liquidity ratios to the respective division (s) on regular interval.</p>	
	iv) Policies and processes for mitigating liquidity risk.	<p>To mitigate the several liquidity risks, the Bank formed Asset Liability Management Committee (ALCO) who monitors the Treasury Division's activities to minimize the liquidity risk. ALCO is primarily responsible for establishing the liquidity risk management and asset liability management of the Bank, procedures thereof, implementing core risk management framework issued by the regulator, best risk management practices followed by globally and ensuring that internal parameters, procedures, practices / polices and risk management prudential limits are adhere to.</p> <p>The Treasury Division are taking following measures to minimize the several market risks:</p> <p>A Board approved Liquidity Policy to manage liquidity on a day-to-day basis and a Contingency Funding Plan to deal with crisis situations are in place. Contractual maturity of assets and liabilities, liquidity ratios to include adherence to regulatory requirements and monthly liquidity forecasts are reviewed at ALCO meetings. Furthermore, liquidity stress tests are carried out quarterly to assess the impact of extreme events.</p>	

Quantitative disclosure	b)		Solo		
		• Liquidity Coverage Ratio	The Liquidity Coverage Ratio (LCR) under Liquidity Ratios of Basel-III of Midland Bank Limited as of 31 December 2021 was as under:		
			Particulars	Ratio	
				BB requirement	MDB's position
		Liquidity Coverage Ratio (LCR)	≥100%	156.22%	
		• Net Stable Funding Ratio (NSFR)	The Net Stable Funding Ratio (NSFR) under Liquidity Ratios of Basel-III of Midland Bank Limited as of 31 December 2021 was as under:		
			Particulars	Ratio	
				BB requirement	MDB's position
			Net Stable Funding Ratio (NSFR)	≥100%	101.00%
		• Stock of High quality liquid assets	As stipulated by BB vide DOS Circular Letter No. 1 dated 1 st January 2015, the Stock of High Quality Liquid Assets (SHQLA) of Midland Bank Limited as of 31 December 2021 was as under:		
• Total net cash outflows over the next 30 calendar days	974.13				
• Available amount of stable funding (ASF)	4,988.46				
• Required amount of stable funding (RSF)	4,922.51				

14. Remuneration

Qualitative disclosure	a)	a) Information relating to the bodies that oversee remuneration.	i) Name of the bodies that oversee remuneration	At the management level, primarily the Human Resources Division oversees the 'remuneration' in line with its HR management strategy/policy under direct supervision and guidance of Senior Management Team (SMT) of the Bank. The Bank has approved pay scale approved by the Board of Directors. Employee type in MDB is Regular & Contractual.
			ii) Composition of the main body overseeing remuneration	The SMT is headed and chaired by the Managing Director & CEO of the Bank along with other members of top executive management (Additional Managing Directors) and the Heads of different functional divisions of Head Office. Head of Human Resources Division acts as the Member Secretary of the SMT of MDB. There is a pay scale approved by the competent authority where the salaries and increments are fixed designation wise and the same is followed accordingly.
			iii) Mandate of the main body overseeing remuneration	The mandate of the Senior Management Team (SMT) as the main body for overseeing the Bank's remuneration is to review the position of remuneration and associated matters and recommend to the Board of Directors for approval of its restructuring, rearrangement and modification commensurate with the industry best practices as per requirement.

Qualitative disclosure			iv) External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.	The Bank has no External Consultant permanently regarding 'remuneration' and its process. However, experts' opinion may have been sought in case to case basis regarding income tax matter, lawyers' opinion for settlement of employees' dues in case of death, penalty etc. if required, by the management.
			v) A description of the scope of the bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.	The Bank does not differentiate the 'Pay Structure' and 'Employee benefits' by regions. However, variation in remuneration is in practice based on nature of Job/business line/activity primarily bifurcated for the employees who are directly recruited by the Bank and the headcounts/employees explored through outsourcing service providers as per rule.
			vi) A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.	We consider the members of the senior management, branch managers and the employees engaged in different functional divisions at Head Office (except the employees involved in internal control, risk management and compliance) as the material risk takers of MDB
	b) Information relating to the design and structure of remuneration processes.		i) An overview of the key features and objectives of remuneration policy.	Remuneration and other associated matters are guided by the Bank's Service Rule as well as instruction, guidance from the Board from time to time in line with the industry practice with the objectives of retention/hiring of experienced, talented workforce focusing on sustainable growth of the Bank.
			ii) Whether the remuneration committee reviewed the bank's remuneration policy during the past year, and if so, an overview of any changes that was made.	Human Resources Division under guidance of SMT, the Board and senior management reviews the issues of remuneration and its associated matters from time to time.
			iii) A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee	The risk and compliance employees are carrying out the activities independently as per specific terms of references, job allocated to them. Regarding remuneration of the risk and compliance employees, Human Resources Division does not make any difference with other mainstream/ regular employees and sets the remuneration as per the prevailing rule of the Bank primarily governed by the employees' service rule of the Bank.
	c) Description of the ways in which current and future risks are taken into account in the remuneration processes.		i) An overview of the key risks that the bank takes into account when implementing remuneration measures.	The business risk including credit/default risk, compliance & reputational risk are mostly considered when implementing the remuneration measures for each employee/group of employee. Financial and liquidity risk are also considered.
			ii) An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure.	Different set of measures are in practice based on the nature & type of business lines/segments etc. These measures are primarily focused on the business target/goals set for each area of operation, branch vis-à-vis the actual results achieved as of the reporting date. The most vital tools & indicators used for measuring the risks are the asset quality (NPL ratio), Net Interest Margin (NIM), provision coverage ratio, credit-deposit ratio, cost-income ratio, growth of net profit, as well the non-financial

Qualitative disclosure			indicators, namely, the compliance status with the regulatory norms, instructions has been brought to all concerned of the Bank from time to time.
		iii) A discussion of the ways in which these measures affect remuneration.	While evaluating the performance of each employee annually, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly the result of the performance varies from one to another and thus affect the remuneration as well.
		iv) A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.	No material change has been made during the year 2021 that could affect the remuneration.
	d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	i) An overview of main performance metrics for bank, top-level business lines and individuals.	The Board sets the Key Performance Indicators (KPIs) while approving the business target/budget for each year for the Bank and business lines/segments. The management sets the appropriate tools, techniques and strategic planning (with due concurrence/approval of the Board) towards achieving those targets. The most common KPIs are the achievement of loan, deposit and profit target with the threshold of NPL ratio, cost-income ratio, cost of fund, yield on loans, provision coverage ratio, capital to risk weighted asset ratio (CRAR), ROE, ROA, liquidity position (maintenance of CRR and SLR) etc.
		ii) A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.	The remuneration of each employee is paid based on her/his individual performance evaluated as per set criteria. And, accordingly, the aggregate amount of remuneration of the Bank as a whole is linked/ impacted to the same extent.
		iii) A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak. This should include the bank's criteria for determining "weak" performance metrics.	The Bank follows remuneration process as per set criteria with no in general adjustment in the event of weak performance metrics/scorecard
	e) Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance.	i) A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.	The Bank pays variable remuneration i.e. Annual Increment based on the yearly performance rating on cash basis with the monthly pay. While the value of longer term variable part of remuneration i.e. the amount of provident fund, gratuity fund are made provision on aggregate/individual employee basis; actual payment is made upon retirement, resignation etc. as the case may be, as per rule.
		ii) A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements.	Not Applicable

	f)	Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.	i) An overview of the forms of variable remuneration offered (i.e. Cash, shares and share-linked instruments and other forms. A description of the elements corresponding to other forms of variable remuneration (if any) should be provided.	The Bank pays variable remuneration on cash basis (i.e. Direct credit to the employee Bank account and/or Payment Order/Cheque), as the case may be, as per rule/practice.
			ii) A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.	The following variable remuneration has been offered by MDB to its employees: Annual Increment and Incentive Bonus Bank provides annual increments and incentive bonus based on performance to the employees with the view of medium to long term strategy and adherence to Midland Bank values.

BDT in Million

Qualitative disclosure	b)		Solo
		Number of meetings held by the main body overseeing remuneration and remuneration paid to its member.	No such meeting as there is no designated remuneration committee. HR Division is assigned to initiate any change proposal on remuneration as per the Human Resource Management Policy of the bank and get necessary approval from BoD.
		Number of employees having received a variable remuneration award.	486
		Number of guaranteed bonuses awarded.	2 festival bonuses
		Total amount of guaranteed bonuses awarded.	34.95
		Number of sign-on awards made.	Nil
		Total amount of sign-on awards made.	Nil
		Number of severance payments made.	Nil
		Total amount of severance payments made.	Nil
		Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil
		Total amount of deferred remuneration paid out.	

		Breakdown of amount of remuneration awards for the financial year to show:		BDT in Million
			Fixed	512.93
			Variable	19.69
			Deferred	Nil
			Non-deferred	Nil
			Different forms used (cash, shares and share linked instruments, other forms).	Cash
		Total amount of outstanding deferred remuneration	Nil	
		Total amount of retained remuneration exposed to ex post explicit and/or implicit adjustments.	Nil	
		Total amount of reductions during the financial year due to ex post explicit adjustments.	Nil	
		Total amount of reductions during the financial year due to ex post implicit adjustments	Nil	

Photo Gallery





Mrs. Nilufer Zafarullah, Honourable Chairman of the Bank presiding over the 8th Annual General Meeting (AGM) of the Bank through digital platform held on September 30, 2021.



Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank along with other Senior Officials attended the tree plantation programme of MDB on the occasion of National Mourning Day.



Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank presiding over the Annual Manager's Conference 2022 of Retail Distribution through digital platform.



Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank presiding over Annual Business Strategy Summit 2022 of Institutional Banking through digital platform.



Mr. Md. Ahsan-uz Zaman, Managing Director of the Bank formally inaugurates six Branch, Sub-Branches of the Bank through digital platform.



Mr. Khondkar Morshed Millat, General Manager of Sustainable Finance Dept. of Bangladesh Bank and Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of MDB, signed the MoU on behalf of their respective organizations for participation agreements for Green Transformation Fund (GTF) and Technology Development/Upgradation Fund (TDF)



Mr. Ahmed Kamal Khan Chowdhury, Group Advisor of SSLCOMMERZ and Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of Midland Bank Limited were jointly cut a cake on the occasion of launching Bangla QR Payment service in the 'midland online' MDB's mobile app with the partnership of the largest payment service aggregator SSLCOMMERZ.



Mr. Syed Ashiqur Rahman, General Manager, bproperty, and Mr. Md. Ridwanul Hoque, Ex-Head of Retail Distribution Division, Midland Bank, signed the agreement on behalf of their respective organizations where Midland Bank will provide quick and effective home loan solutions to the clients of bproperty.



Mr. Md. Ridwanul Hoque, EVP & Ex-Head of Retail Distribution of Midland Bank Limited and Mr. Jewel Khan, Additional Managing Director of BCL Group of Company and Momo Inn Hotel & Resort signed the MoU on behalf of their respective organizations. MDB Visa cardholders will enjoy a number of privileges and special rates including 50% yearlong discount on all room categories from Momo Inn Hotel & Resort and 10% discount on their Helicopter Service,



In the presence of Mr. Ahmed Jamal, Honourable Deputy Governor of Bangladesh Bank, Mr. Forkan Hossain, General Manager, Bangladesh Bank and Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of Midland Bank Limited signed an agreement to collect Treasury Challan through Automated Challan System (ACS).



Midland Bank Limited (MDB) has signed Memorandum of Understanding (MoU) with PPP Authority, Prime Minister's Office. In the signing ceremony, Dr. Ahmad Kaikaus, Principal Secretary to the Honorable Prime Minister graced the occasion as chief guest. Mr. Md. Zahid Hossain, the Managing Director (CC) has signed the agreement on behalf of Midland Bank with the counterpart of the PPP Authority, Ms. Sultana Afroz, CEO & Secretary.



Midland Bank distributed foods among the Covid 19 affected marginal people of all over the country as Special CSR Activity (1% of net Profit) throughout its 41 Branches and Sub-Branches. Mr. Md. Ahsan Habib, Head of Bogura branch of the Bank distributed the foods among the people around his locality along with local elites.



Midland Bank distributed blankets throughout its Branches and Sub-Branches among the cold stricken marginal people in the country. Mr. Kazi Mokarram Hossain, Head of Foyla bazar Branch, Bagerhat, Khulna of the Bank distributed the blankets among the students of Focus Autism School located at Rampal, Bagerhat along with local other officials.



Midland Bank distributes bicycles among under privileged school going female students, under "SHAPNO JATRA", a special CSR programme of the Bank throughout its branches.



Midland Bank Limited donate BN Ashar Alo School, Khulna Under CSR programme of the Bank. The school is offering education and services to children with autism, cerebral palsy, ADHD and down syndrome. Mr. Md. Rezaul Huq, Head of Khulna Branch of the Bank handed over the Cheque to Mr. Faisal M Mahamud Commander, SPSCBN, SSO to COMKHUL, Khulna Naval Area, Khulna & Director of "Ashar Alo School"



Midland Bank distributed First Aid Boxes among the Covid 19 affected marginal people of all over the country throughout its 41 Branches and Sub-Branches under CSR programme of the Bank. Mr. Md. Monir Hossain, Head of MDB Madhobdi Sub Branch distributed First Aid Boxes among the people in his locality along with local elites.



Midland Bank distributed First Aid Boxes among the Covid 19 affected marginal people of all over the country throughout its 41 Branches and Sub-Branches under CSR programme of the Bank. Mr. Ahbab Ahmed Jaigirder, Head of MDB Slyhet Branch distributed First Aid Boxes among the people in his locality along with other officials.



Midland Bank Limited donated KDA College, Khulna under CSR programme of the Bank for improving the education facility of the institution. Mr. Md. Rezaul Huq, Head of Khulna Branch of the Bank handed over the Cheque to Principal of the College.



Shareholders, Directors and top officials of Midland Bank offered prayer on the occasion of 8th anniversary at its Head Office, Dhaka. Sponsor Shareholder Mr. Kazi Zafarullah, Directors Dr. Kazi Shahidullah and Mr. Ahsan Khan Chowdhury joined the event virtually. Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank also present the event, along with Mr. Md. Zahid Hossain, Deputy Managing Director and other high officials of the Bank.



Midland Bank organized a virtual discussion session on the life and work of Father of the Nation Bangabandhu Sheikh Mujibur Rahman following marking National Mourning Day 2021. The members of the Board of Directors along with the members of the Bank's Shariah Supervisory Council participated in the discussion session and discussed the great life of Bangabandhu and focused on the leadership lessons from his life that can be implemented in relation to finance, banking and related economic activities. Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank also present the event, along with Mr. Md. Zahid Hossain, Deputy Managing Director and other high officials of the Bank.

Sustainability Report

Sustainability

MDB's sustainability dream reflects the essence of its ambition 'here for a long term bond & benefit' and takes into account the legitimate interest of its stakeholders – not only for today's world, but for future generations too. With more responsibility for the stakeholders, society and the future, a financial institution can be rooted deep into the ground of people's trust, which is key to making the journey of a going concern safe and sound. Sustainability is becoming an integral part of corporate philosophy, contributing to the long-term performance of a Bank and its return to consistent profitability. This new vision is steering the Bank towards its goal with a direction of growth that meets expectations of shareholders, customers, employees, investors, international partners, regulators, business partners, above all the community we operate in. Our stakeholder engagement approach allows us to understand the issues that matter most to those who have an interest in our business.

MDB's Approach to Sustainability

Being a responsible partner of the society and economy MDB thrives to contribute towards attaining sustainable development goals (SDGs) e.g. end poverty and hunger, ensure access to safe water, affordable/reliable energy for all, promote sustainable and inclusive economic and industrial growth, recycling program, Bangladesh Delta Plan 2100, Intended Nationally Determined Contributions (INDCs) to reduce Green House Gas (GHG) emission & strengthening climate resilience, etc. Midland Bank firmly believes in good corporate citizenship and helping clients and other key stakeholders to achieve sustainable growth. Three key elements mold the central theme of sustainability:

Entrepreneurship

A sustainable business model is based on the pursuit of a socially responsible and environment friendly market opportunities and supporting clients in becoming more sustainable themselves.

Stewardship

Taking responsibility for clients, suppliers, employees and reducing the environmental impact.

Inclusion

Responsible banking includes people by addressing social, environmental and financial conditions bonding with the immediate community that includes our clients, employees and place where we operate.

MDB Sustainability Model

Midland Bank Limited (MDB) is committed to integrating environmental, social and governance issues into their day-to-day operations. The banking industry is also becoming more competitive, with many new entrants using innovative and inclusive business models to offer differentiated products and services such

as social banking and social finance, which focus in particular on investing based on social responsibility. MDB is moving on with a long term customer relationship with customer led models, products and services.

The bank is emerging with a new set of banking capabilities, including better insights into customer behaviors and needs, and new approaches to reach and engage them. The bank is more transparent and risk-aware, tries to improve its trust and relationships with clients, stakeholders, governments and regulators, which in turn will make the bank capable to respond more efficiently to future regulatory requirements, improve the bank's ability to manage risks and avoid costs and penalties of non-compliance. MDB prioritizes on educating customers about services and products in a more transparent way. We are inclined to responsible financing considering social and environmental impacts that cause from bank's financing and operational activities. We are incorporating our growing understanding of sustainability into risk management and portfolio assessment. The bank is moving with robust IT system to enable our growth and operational excellence. The bank is adopting green banking practices towards reducing the carbon footprint. Developing the human resources of the bank is very significant with a view to creating sound, efficient and responsive financial institution, where the management has focus and priority.

Fairness in Banking

MDB is bent on providing simple, accessible and innovative solutions to our customers in response to their requirements. Banking is central to the daily lives of almost everyone, and it's important that we understand their needs. Bank has taken various initiatives to proactively identify people who may get into financial difficulty so we can work with customers to improve their situation. We have reviewed our rates structure (Institution Banking, SME and Retail) as we aim to place customers at the heart of our business decision.

Supportive Engagement

Our Bank's health is directly influenced by the health and success of the business it supports. We provide advice and guidance to businesses through our Branch Managers and online communication. We know it is a difficult time for some of our partners and that's why we created specialist team under 'Mentorship Programme' to provide that support.

An Admired Employer

Being good employer is fundamental to our success as a business. MDB employees are a diverse and talented group which we support and encourage through internal networks and training. We highly value our employees and seek to support them through this process with a range of tools and services to help them find other roles, either inside or outside the Bank.

Safe Banking Approach

Managing safety and security of our employees and customers is one of our fundamental responsibilities. We have adopted continued vigilance to keep up with challenging and changeable environment and constantly review and innovate the way we face new challenges.

Citizenship and Environmental Concern

As a growing organization we have a responsibility to manage our internal and external impacts. A core part of this is the way we govern our environmental, social and ethical risks, not only within our own operations, but also in relation to companies we lend to. In 2022, the bank will strengthen its environmental and social risk management system in line with regulatory guidelines. In this regard, in the year 2020 MDB partnering with both local and foreign consultants took initiative to develop ESRM Policy and ESRM System of the bank in line with IFC Performance Standard and with the norms of other multilateral/international lenders and also arranged in-house training to its staffs for capacity building during the year 2021.

Financial Inclusion

Multitudes of people across the country still remain unbanked or have limited access to banking services. MDB remains committed to agricultural and rural credit (micro finance) as a means of increasing financial inclusion in the country. We intend to support this sector by providing a range of financial services to microfinance institutions (MFIs) as well as through our own branch network. Small and Medium Enterprises plays crucial role in generating jobs and economic growth in Bangladesh. During 2021, a good total of 63 CMSME entrepreneurs were added to SME client base bringing the total to 617 numbers and disbursed a sum of BDT 3,120.80 million which consolidated our SME portfolio with BDT 5,272.20 million outstanding at the year-end. To improve the gender balance in SME finance, we closed the year with BDT 1,572.60 million loan disbursement on account of total 6,926 women entrepreneurs (directly through Bank to 18 number of women entrepreneurs and indirectly through MFIs to 6,908 number of women entrepreneurs). We continued to explore new ways of increasing financial outreach.

Like the year 2020, 2021 had also been a year of economic disruption due to countrywide lock down imposed by Government to halt the wide spreading of COVID-19 virus and business was adversely impacted amid the COVID-19 fallout. In an effort to revitalize the economy, GoB continued the declared financial stimulus packages to the pandemic affected entities. MDB also was quick to respond to the request of its CMSME customers whose business were adversely impacted due to outbreak of COVID-19, by allowing working capital facility under stimulus package. In the year 2021 MDB disbursed total BDT 284.75 million working capital facility to 59 number of CMSME customers under the stimulus package for CMSME sector.

Combating Financial Crime and Money Laundering Risk

To stave off the risk of financial crime within our business, we focus in training our employees, strengthening our screening system and ensuring that our policies and procedures are effective and up to date. We devote our efforts to minimize the damaging effects of financial crimes. The following are key areas; we concentrate to tackle financial crime:

- Adherence to all applicable laws, regulations and sanctions,
- Initiatives to prevent Money Laundering and Terrorism Financing,
- Strengthening system for prevention of fraud.

Employee awareness about fraud trends and combating technique is the key to successful financial crime prevention. We have prioritized fraud prevention in coming years; hence planned to launch comprehensive fraud prevention strategy and training for our employees.

Suspicious Transaction Reporting (STR) and KYC procedure are tools; Bank is presently executing to prevent financial crimes and money laundering. Our core fraud combating units are security, compliance and internal audit, IT security, human resource, and risk management unit. These units are working together to strengthen fraud prevention management system in the bank.

Promoting Sustainable Finance

Steps are taken to introduce green banking products which can in some way or other contribute to the reduction of carbon emissions. Our green finance priorities include ETP, modernization of brick kiln by advanced technology, Bio-gas Plant, Solar Power System and other renewable energy sectors. In our attempt for green finance in 2021, we have disbursed a sum of BDT 11.17 million to a jute bag manufacturing concern, BDT 37.00 million to a number of 05 Zig Zag eco-friendly Brick Kilns and BDT 20.00 million for financing ETP in a pharmaceutical industry. Besides, specific environment and social risk management plan and guidelines are in place with the Bank. Furthermore, in order to promote green financing MDB has also signed agreement with Bangladesh Bank to become eligible PIF under various refinancing scheme like, Green Transformation Fund (GTF), Technology Development Fund (TDF) etc.

We spent an amount of BDT 10.65 million in various CSR activities in Bangladesh in 2021. To keep our commitment afloat for SME business, woman entrepreneur finance, agri farms, we have made necessary restructuring in our operations, launched campaign for SME promotion, participated in SME fairs, added and upgraded delivery channels and built alliance with various banks and micro finance organizations for a nationwide banking outreach. We have designed new products for various segments in the community for wider financial inclusion and took up promotional initiatives in the market. Our costs in sustainability build-up are taking an upturn every year and we are expecting their positive reflection in our present and future well-being. Furthermore, the Bank made considerable investment to strengthen capacity and preparedness

to combat money laundering and terrorist financing in the field of manning & training, software development, building liaison & awareness, etc. to ensure regulatory compliance. Around the year 2021, we actively pursued the expansion of our business with particular focus on greater welfare of the economy.

Contribution to Government Exchequer

MDB contribution to government exchequer is adding incentive to government effort to mobilize revenues. The strength of our socio economic development generates mainly from government revenues. Revenues are widely spent to comfort the lives of common people, carry out development plans, subsidize real economies to spur growth and provide salary and benefits to millions of government employees and their families. As per tax law, the Bank deducts at source income tax, VAT and excise duty from various payments and services for ultimate credit to government exchequer.

MDB for Inclusive Growth

In line with Bangladesh Bank guidelines and recommendation, the banks have committed to the introduction of a number of market place initiatives to stimulate growth in the economy. MDB has committed to these initiatives already launched or planned.

MDB has decided to increase lending target to small and medium enterprises. The Bank is targeting SME finance to the undeniable

but underserved segment of the economy. To this effect, the Bank finance to micro and small enterprises, manufacturing sector and women entrepreneurs is getting momentum. New strategy has been set out to expand cluster base financing program. MDB disbursed BDT 1,572.60 million loans to Women Entrepreneurs in the calendar year 2021. Bangladesh Bank refinance for Small Enterprise and Women Entrepreneurs has enabled the Bank to open up a soft loan window for small sized business and women owned projects. The Bank is committed to the implementation of statutory codes of practice on business lending within agreed timeframes.

The Bank has taken up paperless banking initiatives through using modern computer software, effective email service for official correspondence. We have already been using robust banking software and email connectivity for intra bank official correspondence and with the other organizations on similar platform. MDB also has taken the policy to use energy savings light and rational use of air conditioner in its all offices for reducing electricity consumption. The bank has also policy support to install solar panel in its rural branches as their source of power. Policy also exists to take coverage of Green Travel Insurance for the carbon emission to be caused by the banking activities of MDB.

Green Banking: Towards Sustainable Banking

Green Vision

Even though banking operations directly do not contribute to the cause of pollution of environment but it has got the huge opportunity to contribute, to promote and activate the green concept i.e. making the environment greener in its own way. Bank takes counter party risks in extending the finances to different trading and industrial concerns as they finance so banks virtually as lender take their stake in businesses of the borrowers. It is conceivable that bank as financial intermediaries have the capacity and ability to impress upon the owners of the business to adopt green practice in their operation to avoid the situation wherein their financed projects create cause of concern for environmental pollution or contamination. A green Bank takes into consideration all sorts of social and environmental factors to merge into a long run sustainable financial gain shared by all of the earth inhabitants. Green Banking initiatives have been undertaken by global communities to reduce environmental degradation, lessening carbon emission and reduce utilization of non-renewable resources for the protection of future generations from its impact. Green finance as a branch of green banking makes significant contribution towards transition to resource efficient and low carbon regime i.e. green industry and green economy in general. Investment in greener and sustainable projects offer continuing multiple economic, social and environmental benefits.

Concepts of Green Banking

Green Banking refers to the efforts of the banking sector to keep the environment green and to minimize greenhouse effects through reducing the use of non-renewable energy & materials (electricity, gas, fuel, paper, stationery etc.), increasing the use of renewable or recyclable energy & materials (solar power, bio-gas, electronic media of communication etc.), reducing the emission of industrial carbon, scrutiny of negative impacts of the corporations on environment and taking necessary mitigating measures there against during financing and also to finance green projects (i.e. ETP, Bio-Gas Plant, Green Factory & Office Building, Solar Power, Hybrid Hoffman Kiln, energy & water efficient projects, water conservation, rain water harvesting etc.). Products included in green banking are Online Banking, Internet Banking, Mobile Banking, ATM, ADC, Green Credit, Green Marketing, E-Signatures, Solar Use, Bio-Gas, Afforestation etc.

MDB Green Banking Policy

As part of fulfillment of its obligation to the society Midland Bank Ltd in its incipient period had taken measures to formulate policy guidelines for green banking in accordance with the instruction and relevant guidance given by Bangladesh Bank. Since, we are well aware of our responsibilities towards the society to encourage adaption of green banking practices across the broad segments of the clientele. In our appraisal process of any project finance as part of due diligence, we intend to ensure that red category

manufacturing concern become greener one by its operation, by adopting appropriate technology and factoring them into the estimated project cost of the promoters.

Green Activities of MDB

Midland Bank Limited (MDB) is much more aware to implement and promote green banking initiatives in line with Bangladesh Bank's policy guidelines. Bank's Board of Directors and Management have committed every support, resources and required strategies to the growth of green business and practices. Towards the goal, the Bank has taken a number of initiatives to enrich the green banking practices, which are as follows:

- Formulated Green Banking Policy approved by the Board of the Bank.
- Introduced Green Banking Unit.
- Allocated annual budget for green banking.
- Incorporated environmental risk in CRM.
- Introduced online or paper less banking that eliminate paper waste, saving gas, carbon emission, reducing printing cost and postage expenses.
- Signed agreement with BB for re-finance in projects.
- Developed green financing product encouraging finance to eco-friendly and energy efficient projects.
- Introduced e-recruitment system.
- Facilitated employee training and customers awareness.
- Discharged CSR activities.
- Disclosure of green banking report.

Environmental Risk Management

MDB conducts Environmental & Social Risk Rating (ESRR) for the projects as well as the credit facilities (both new and existing). ESRM policy as per BB guidelines is implemented.

In-house green banking development

In view of Green Banking Policy, the Bank has taken measures or started building awareness to promote Green Banking within the bank. Details as follows:

Electricity Consumption

- Ensuring economic use of electricity by using energy saving lights in bank premises, shutting down the computer properly and switching off the computer monitor before leaving office every day, ensuring that light, fans, air conditioners have been switched off before leaving office every day and using energy efficient electronic equipment.

Fuel Consumption

- Ensuring economic use of fuel by buying energy efficient vehicles to reduce gas and petroleum consumption.

Paper Consumption

- Where possible using online communication (e-mail, IP message etc.) instead of printed communication, always thinking twice before taking a print, taking print on the both

side of paper to save paper consumption, using scrap paper for taking draft print and as note pads.

- Bank's way forward to a safer, greener & cleaner habitat.

Water Consumption

- Ensuring economic use of water in all other cases and not misusing drinking water.

Others

- Avoiding use of disposable cups/glasses to become more eco-friendly.

Green Reporting and Disclosure

MDB prepares Green Banking & Sustainability Reports to disclose updates on its quarterly activities and engagements to Sustainable Finance Department of Bangladesh Bank as well as to the Board of Directors. Also, Green Report Card on yearly activities is published in the annual report and posted on the website.

MDB Gree

[Fig. in BDT Million]

SL	Particulars	Total	
		No. of Projects	Amount
A	Introducing Green Finance		
O1	Effluent Treatment Plant (ETP)/Environment Friendly Financing	4	161.18
O2	Bio-gas Plant		
O3	Solar Panel system/Renewable Energy Plant	1	22.12
O4	Hybrid Hoffman Kiln (HHK)	1	369.41
O5	Auto Tunnel Kiln		
O6	Green Finance at reduced rate of interest		
O7	Others (if any) Zig Zag Brick Project	8	73.72
	Total	14	626.43
B	Online Banking		
O1	No. of ADCs (own ATM & ADM)	51	
O2	Shared ADCs (Approx.)	-	
O3	No. of Branches with online coverage	35	
O4	No. of total accounts	2,06,613	
O5	No. of accounts facilitated with internet banking	37,541	
O6	No. of accounts facilitated with Mobile/SMS Banking	19,436	
C	Awareness Building		
O1	Training Programs on Green Banking (In-house)	-	
O2	Participants in the Training	-	
D	Disclosure		
O1	Website	Yes	
O2	Annual Report	Yes	
O3	Preparation of Green Banking & Sustainability Report Others (if any)	Yes	
E	Sector Specific Environment Policy		
O1	Formulation of Sector Specific Environment Policy		
	(Under phase)		
	Others (if any)		
F	Green Strategic Planning		
O1	Formulation of Green Strategic Planning		
O2	Formulation of Bank's Specific Environment Risk		
O3	Management Plan & Guideline Others (if any)	Yes	

MDB CSR Activity

Initiated by Bangladesh Bank in 2008, the Corporate Social Responsibility (CSR) mainstreaming campaign in our financial sector, has enthused local banks and financial institutions, into a broad range of direct and indirect social responsibility engagements, including humanitarian relief and disaster response, to widen opportunities for disadvantaged population segments, with support in the areas of Healthcare, Education and Training.

With a view to the above and as per instruction of Bangladesh Bank, MDB formed a dedicated Sustainable Financial Unit, under direct supervision of the Managing Director of the Bank at the Bank's Head Office. As per instruction by the Board of Directors of the Bank, MDB started CSR activities at the time of its inauguration.

The Board of Directors of the Bank approved total amount of BDT 50,00,000.00 for Annual CSR Activities of Midland Bank Limited for the year 2021.

Considering on going pandemic, Bangladesh Bank instructed the Banks for spending 60% of the total CSR budget in the Healthcare purpose and rest amount to be distributed for Education and Other purpose. As such, total distribution status of the CSR activities of the Bank as on 31st December 2021 are as furnished below:

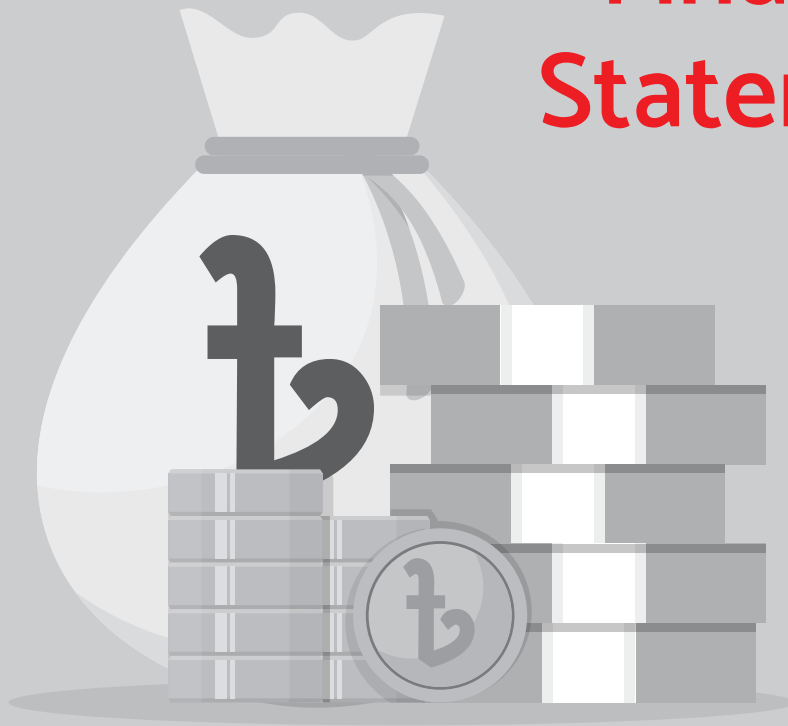
Sl. No.	Particulars	Amount	Area of Allocation
01.	Financial assistance to build "Bangabandhu Mural" in Khulna	1,00,000.00	Others
02.	Sponsorship/ad in monthly Braille newspaper - "DristiBejoe" published by Bangladesh Disabled Development Trust in March 2021 issue	59,500.00	Education
03.	Sponsorship for "Ashar Alo" a School administered by the Bangladesh NAVY for the child of special needs	50,000.00	Education
04.	Financial assistance to KDA College, Khulna for purchasing Computers	1,00,000.00	Education
05.	Distribution of Duranto Bicycles among the female school going students through MDB Branches	2,00,000.00	Education
06.	Allocation of fund for health care and health safety purpose through MDB Branches	30,00,000.00	Health Care
07.	Distribution of blankets among the winter affected poor people through MDB Branches	14,90,500.00	Digester Management
Total		50,00,000.00	

Based on the above CSR activities, ratio wise distributions of the annual CSR fund in 2021 are as follows:

	Allocation for Education	Allocation for Healthcare	Allocation for others	Remarks
Ratio of CSR Allocation	8.19%	60%	31.81%	100%
Amount of CSR Allocation	4,09,500.00	30,00,000.00	15,90,500.00	50,00,000.00

Beside above, as per instruction given by BRPD of Bangladesh Bank, Midland Banks also introduced a special CSR fund by allocating 1% from its net profit of the year 2020, specially for Covid-19 purpose, which was equivalent to BDT 65,63,639.00. Considering the minimum requirements of food and health safety items of a family for the period of one month, the Bank distributed Rice, Dal, Flour, Oil, Sugar, Salt, Soap, and Face Mask packed by MDB branded bag. 3274 families covered by utilizing the fund through managing above food and health safety items. The Bank distributed the items through MDB branches in June 2021.

Financial Statements



Statement of Directors on Adequacy of the System of Internal Control

Internal Control is the process designed and enhanced by a company's Board of Directors, management and other personnel to provide reasonable assurance regarding the achievement of organizational objectives in terms of the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws, regulations and internal policies. It plays a crucial role in protecting the organization's resources, preventing and detecting frauds, forgeries, and bringing operational efficiency.

The Board of Directors of MDB has defined roles as stipulated in the 'Bank Company (amended) Act 2013'. Therefore, the Directors have worked for maintaining good corporate governance and persistently discharged their responsibilities. The Directors have also established extensive business strategies, adopted significant policies for internal control and risk management and implemented risk based internal audits as per 'sections 15 Kha & 15 Ga of the Bank Company (amended) Act 2013' for ensuring that the Bank is suitably and efficiently managed and controlled.

As Midland Bank Limited runs on Centralized Banking Model, the Bank has produced timely and effective policies, circulars and manuals in such a way that the adequate control in all its operational and business functions are established and risk tolerance level can be maintained at an accepted level. The policies and manuals are all approved by the Board after being reviewed in lien with relevant practice and regulatory requirements of various segments of businesses and operations. The Directors have also checked and reviewed the control procedures for ensuring the upkeep of the Bank's assets, the prevention and detection of fraud and error, the adequacy and completeness of accounting records, timely preparation of financial statements and the efficient management of risks.

The Board of Directors monitored the adequacy and usefulness of internal control systems through formation of audit committee. While preparing the audit committee, all the conditions mentioned in "sections 15 Kha & 15 Ga of the Bank Company (amended) Act 2013, Bangladesh Bank guidelines and Corporate Governance Guidelines by Bangladesh Securities and Exchange Commission (BSEC) have been appropriately addressed. As per Bangladesh Bank BRPD Circular No.11, dated 27 October 2013, a 5 (Five) member Board Audit Committee (BAC) was last reconstituted in the 109th Meeting of the Board of Directors held on 28.03.2021. The committee has reviewed the system of internal control and management of core risks faced by the Bank. They have also reviewed the audit process, the Bank's process for monitoring the compliance with laws and regulations and codes of conduct of business.

The audit committee has reviewed the arrangements made by management for adding the control features to the existing Management Information System (MIS). The committee has also reviewed the corrective actions taken by management relating to fraud-forgery and deficiencies in internal control revealed in previous years. The committee has placed all the compliance reports before the Board of Directors and regulators in time and has performed all other oversight functions relating to internal control systems of the Bank.

On behalf of the Board of Directors



Nilufer Zafarullah

Chairman

Date: 24 April 2022

Directors' Responsibility in Relation to Financial Statements

The Board of Directors has developed the internal financial control system and also continuously monitoring its effectiveness. The Directors are assured that relevant accounting records have been maintained and reasonable steps as far as practicable have been taken to ensure the accuracy and reliability of accounting records for preparation of financial statements. These provide reasonable assurance for protection of Bank's assets, maintenance of proper accounting records and reliability of financial information.

The Directors are satisfied that the Bank has the resources to continue in business for the foreseeable future and therefore, these financial statements have been prepared on a going concern basis.

The Board has reviewed the external auditors' report and considered that, these financial statements for the year 2021 have been prepared using appropriate accounting policies, consistently applied, and supported by reasonable and prudent judgment and estimates and in compliance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), Bank Company Act 2013 (amended upto 2018), as per guidelines of the Bangladesh Bank, Company Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations issued by the regulatory bodies time to time. Any change to accounting policies and reasons for such change is disclosed in the "Notes to the Financial Statements" of this annual report.

The Board Audit committee comprised of 5 (Five) Directors who has required qualifications and experience. The Committee has made an independent assessment of the financial reporting system of the Bank and confirmed that the financial statements for the year ended on 31 December 2021 have been prepared in compliance with relevant accounting principles and regulatory requirements. The Committee also discussed and exchanged views with the representatives of external auditors and reviewed the financial statements and recommended to the Board of Director for consideration and approval of these financial statements for year ended on 31 December 2021.

The Directors are in agreement with the assessment of the audit committee on the reliability of financial reporting system of the Bank and confirm that these financial statements have been prepared for internal and external use are in accordance with relevant accounting principles and regulatory requirements.

On behalf of the Board of Directors



Nilufer Zafarullah

Chairman

Date: 24 April 2022

Declaration of Managing Director & CEO and Chief Financial Officer to the Board of Directors

Annexure-A

[As per condition No. 1(5)(xxvi) of the Corporate Governance Code]

Date: 24 April 2022

The Board of Directors

Midland Bank Limited
N.B. Tower
40/7 North Avenue
Gulshan-2, Dhaka-1212

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

Dear Sirs,

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

- (1) The Financial Statements of Midland Bank Limited for the year ended on 31 December 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31 December 2021 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Md. Zahirul Islam, FCA
Chief Financial Officer (CFO)



Md. Ahsan-uz Zaman
Chief Executive Officer (CEO)

Independent Auditor's Report

To the shareholders of Midland Bank Limited
Report on the audit of financial statements

Opinion

We have audited the financial statements of Midland Bank Limited ("the Bank"), which comprise the balance sheet as at 31 December 2021, and the profit and loss account, cash flow statement, statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the balance sheet of the Bank as at 31 December 2021, and of its profit and loss account, its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as explained in note # 2 and comply with the Companies Act, 1994, the Bank Company Act, 1991 (as amended up to date), rules and regulations issued by Bangladesh Bank and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and the requirements of 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 information

Management is responsible for the other information. The other information comprises all the information other than the 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 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.

Responsibilities of management and those charged with governance for the financial statements and internal controls

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRS as explained in note # 2, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (as amended up to date) 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 financial statements, management is responsible for assessing 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 Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 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 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

Report on other legal and regulatory requirements

In accordance with the Company Act, 1994, the Bank Company Act, 1991 (as amended up to date), 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 informing the above opinion on the financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the management's responsibility for the financial statements and internal control:
 - (a) internal audit, internal control, and risk management arrangements of the Bank 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.
- (iii) In our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;

- (iv) The records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (v) The balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) The expenditures incurred were for the purpose of the Bank's business for the period ended;
- (vii) The 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;
- (viii) Adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) The information and explanations required by us have been received and found satisfactory;
- (x) We have reviewed over 80% of the risk-weighted assets of the Bank and spent over 2,000 person-hours for the audit of the books and accounts of the Bank; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the period.

A.Qasem & Co.
Chartered Accountants
RJSC Registration No: 2-PC7202



Gorachad Kundu, FCA
Partner

Enrolment No: 1468
DVC: 2204251468AS671049

Place of issue: Dhaka
Dated: 24 April 2022

Midland Bank Limited

Balance Sheet

As on 31 December 2021

	Notes	2021 BDT	2020 BDT
Property and Asset			
Cash	3.00	2,669,893,246	2,517,389,920
In Hand (Including Foreign Currency)		558,386,508	546,005,616
With Bangladesh Bank and its agent Bank (including Foreign Currency)		2,111,506,738	1,971,384,304
Balance with other Banks & Financial Institutions	4.00	2,629,438,985	2,738,102,616
In Bangladesh		2,402,636,780	2,343,368,499
Outside Bangladesh		226,802,205	394,734,117
Money at Call and Short Notice	5.00	-	295,800,000
Investments	6.00	14,979,906,098	14,632,998,709
Government		12,361,071,740	13,552,624,869
Others		2,618,834,358	1,080,373,840
Loans and Advances/ Investments	7.00	45,867,482,409	39,086,672,499
Loans Cash Credit Overdrafts etc./ Investment		42,588,953,284	38,040,954,438
Bills Purchased and Discounted		3,278,529,125	1,045,718,061
Fixed Asset including Premises Furniture & Fixtures	8.00	633,516,409	659,776,340
Other Asset	9.00	2,226,088,872	3,202,648,893
Non-Banking Asset	10.00	12,585,359	12,585,359
Total Property and Asset		69,018,911,378	63,145,974,335
Liabilities and Capital			
Borrowing from other Banks Financial Institutions & Agents	11.00	5,949,301,979	6,074,714,536
Deposit and Other Accounts	12.00	50,730,038,926	45,067,571,125
Current Deposit & Other Accounts		6,888,022,266	4,543,232,928
Bills Payable		312,166,430	369,020,053
Short Notice Deposit		7,398,619,144	5,607,092,015
Savings Deposit		4,440,720,438	3,523,299,986
Fixed Deposit		27,194,882,317	26,639,700,736
Deposit Scheme		4,495,628,331	4,385,225,406
Other Liabilities	13.00	4,935,309,399	4,389,717,716
Total Liabilities		61,614,650,304	55,532,003,377
Capital/Shareholders' Equity		7,404,261,074	7,613,970,959
Paid up Capital	15.00	5,696,697,530	5,696,697,530
Statutory Reserve	16.00	1,408,602,127	1,183,368,838
Revaluation Reserve on Investment in Securities	17.00	2,446,036	275,655,418
Retained Earnings	18.00	296,515,381	458,249,173
Total Shareholders' Equity		69,018,911,378	63,145,974,335
Total Liabilities and Shareholders' Equity		69,018,911,378	63,145,974,335

Midland Bank Limited

Balance Sheet

As on 31 December 2021

	Notes	2021 BDT	2020 BDT
Off-Balance Sheet Items			
Contingent Liabilities	19.00	12,300,022,900	9,249,440,193
Acceptance and endorsements		2,943,091,046	2,009,386,223
Letter of Guarantee		5,131,520,840	4,052,657,870
Irrevocable Letter of Credit		2,910,067,483	2,427,907,526
Bills for Collection		1,315,343,531	759,488,574
Other Contingent Liabilities		-	-
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities credit lines and other commitments		-	-
Liabilities against forward purchase and sale		-	-
		-	-
Total Off Balance Sheet Items including Contingent Liabilities		12,300,022,900	9,249,440,193

The annexed notes form an integral part of these accounts



Md. Ahsan-uz Zaman
Managing Director & CEO



Rezaul Karim
Director



Md. Shamsuzzaman
Vice Chairman



Nilufer Zafarullah
Chairman

A. Qasem & Co.
Chartered Accountants
RJSC Registration No: 2-PC 7202



Gorachad Kundu, FCA
Partner

Enrolment No : 1468
DVC: 2204251468AS671049

Place of Issue: Dhaka
Dated: 24 April 2022

Midland Bank Limited

Profit and Loss Account

For the year ended 31 December 2021

Particulars	Notes	2021 BDT	2020 BDT
Interest Income/Profit on Investment	21.00	3,232,761,875	3,160,178,915
Less: Interest/Profit Paid on Deposit and Borrowing, etc.	22.00	2,262,656,653	2,748,193,544
Net Interest Income		970,105,222	411,985,371
Income from Investment	23.00	1,358,111,049	1,565,254,675
Commission, Exchange and Brokerage	24.00	224,185,791	276,581,721
Other Operating Income	25.00	83,721,530	66,310,351
		1,666,018,370	1,908,146,747
Total Operating Income		2,636,123,592	2,320,132,119
Less: Operating Expenditure			
Salary and Allowances	26.00	515,234,057	592,131,514
Rent, Tax, Insurance, Electricity	27.00	79,269,645	75,321,559
Legal Expense	28.00	1,809,189	640,283
Postage, Stamps and Telephone	29.00	15,929,096	17,723,626
Printing, Stationery, Advertisement	30.00	35,530,794	33,745,139
Managing Director's Remuneration	26.01	18,385,000	16,277,525
Directors' Fee	31.00	3,152,800	1,177,600
Audit Fee	32.00	460,000	356,500
Depreciation on and Repair to Bank's Property	33.00	246,666,055	242,506,997
Other Expenditure	34.00	148,784,896	122,420,421
		1,065,221,532	1,102,301,165
Total Operating Expenses		1,065,221,532	1,102,301,165
Profit before provision		1,570,902,060	1,217,830,953
Provision for Loans, Advances & Off Balance Sheet			
General Provision	35.00	53,465,831	135,130,052
Special General Provision -COVID 19		26,205,081	160,085,000
Specific Provision		260,135,504	(91,944,812)
Provision for Off Balance Sheet Exposures		24,947,278	30,416,252
Provision for Investments		65,606,890	23,376,130
Provision for Non-Banking Asset		12,585,359	-
Provision against Other Asset		1,789,670	798,788
		444,735,613	257,861,410
Total Provision		444,735,613	257,861,410
Profit Before Tax		1,126,166,447	959,969,543
Less: Provision for Tax	36.00	612,147,164	303,605,656
Current Tax		589,260,484	269,984,643
Deferred Tax		22,886,680	33,621,013
		514,019,283	656,363,888
Net Profit After Tax		514,019,283	656,363,888
Retained Surplus Brought Forward	18.01	17,869,580	6,379,194
		531,888,863	662,743,081

Midland Bank Limited

Profit and Loss Account

For the year ended 31 December 2021

Appropriation:

Transferred to Statutory Reserve
Transferred to CSR Fund
Transferred to Start Up Fund

Retained Surplus, Carried Forward

Earnings Per Share

Notes	2021 BDT	2020 BDT
37.00	225,233,289	191,993,909
38.00	5,000,000	12,500,000
	5,140,192	-
	235,373,481	204,493,909
	296,515,381	458,249,173
40.00	0.90	1.15

The annexed notes form an integral part of these accounts



Md. Ahsan-uz Zaman
Managing Director & CEO



Rezaul Karim
Director



Md. Shamsuzzaman
Vice Chairman



Nilufer Zafarullah
Chairman

A. Qasem & Co.
Chartered Accountants
RJSC Registration No: 2-PC 7202



Gorachad Kundu, FCA
Partner
Enrolment No : 1468
DVC: 2204251468AS671049

Place of Issue: Dhaka
Dated: 24 April 2022

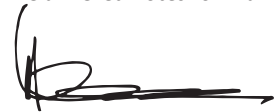
Midland Bank Limited

Cash Flow Statement

For the year ended 31 December 2021

	Notes	2021 BDT	2020 BDT
A) Cash Flow From Operating Activities:			
Interest Received		4,406,066,085	4,542,872,442
Interest Paid on Deposits, Borrowings, etc.		(2,330,762,877)	(3,088,496,356)
Dividend Income		30,149,202	10,531,699
Fees & Commission Income		224,185,791	276,581,721
Recoveries of Loans previously written off		-	-
Cash Paid to Employees as Salaries and Allowances		(533,619,057)	(608,409,038)
Income Tax Paid		(409,939,021)	(451,093,058)
Cash Received From Other Operational Income	42.00	83,721,530	66,010,851
Cash Paid for Other Operational Expenses	43.00	(367,611,315)	(269,767,741)
Cash Flow From Operating Activities Before Changes in Net Current Asset		1,102,190,340	478,230,519
Changes in Net Current Asset :			
Investment in Treasury Bond		499,274,493	(1,447,370,303)
Loans & Advances		(6,780,809,910)	(7,337,037,110)
Other Asset		646,905,613	(533,432,696)
Non-Banking Assets		-	-
Bank Deposit		2,494,994,889	1,379,103,060
Customers' Deposit		3,293,339,590	4,528,007,629
Borrowing from Other Banks, Financial Institutions & Agents		(125,412,557)	2,605,984,260
Other Liabilities		303,656,466	388,241,378
Net Cash Flow From Operating Activities		331,948,583	(416,503,781)
B) Cash Flow From Investing Activities:			
Investments in Shares & Bonds		(1,538,460,518)	216,814,797
Proceeds from Sale of Fixed Assets		2,910,597	299,500
Purchase of Fixed Asset		(142,366,245)	(67,289,444)
Net Cash Flow From Investing Activities		(1,677,916,166)	149,824,853
C) Cash Flow From Financing Activities:			
Receipts from Issue of Capital		-	-
Dividend Paid		(427,252,315)	(341,801,852)
Net Cash Flow From Financing Activities		(427,252,315)	(341,801,852)
D) Net Increase in Cash and Cash Equivalents		(671,029,558)	(130,250,260)
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		-	-
F) Opening Cash and Cash Equivalents		5,970,794,790	6,101,045,050
Closing Cash and Cash Equivalents (D+E+F)		5,299,765,231	5,970,794,790
The above closing Cash and Cash Equivalents include:			
Cash in Hand		558,386,508	546,005,616
Balance with Bangladesh Bank and its Agent Bank		2,111,506,738	1,971,384,304
Balance with Other Banks & Financial Institutions		2,629,438,985	2,738,102,616
Money at Call and Short Notice		-	295,800,000
Treasury Bill		-	418,707,154
Prize Bond		433,000	795,100
Net Operating Cash Flow Per Share	41.00	2.52	0.11

The annexed notes form an integral part of these accounts



Md. Ahsan-uz Zaman
Managing Director & CEO



Rezaul Karim
Director

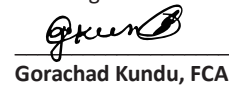


Md. Shamsuzzaman
Vice Chairman



Nilufer Zafarullah
Chairman

A. Qasem & Co.
Chartered Accountants
RJSC Registration No: 2-PC 7202



Gorachad Kundu, FCA
Partner
Enrolment No : 1468
DVC:2204251468AS671049

Place of Issue: Dhaka
Dated: 24 April 2022

Midland Bank Limited

Statement of Changes in Equity

For the year ended 31 December 2021

Particulars	Paid-up Capital		Statutory Reserve		Revaluation Surplus on Investments		Retained Earnings		Total	
	BDT		BDT		BDT		BDT		BDT	
Balance as at 01 January 2021	5,696,697,530		1,183,368,838		275,655,418		458,249,173		7,613,970,959	
Transfer to CSR for FY 2020	-		-		-		(6,563,639)		(6,563,639)	
Transferred to Start Up Fund for FY 2020	-		-		-		(6,563,639)		(6,563,639)	
Adjusted Balance	5,696,697,530		1,183,368,838		275,655,418		445,121,895		7,600,843,681	
Dividend paid	-		-		-		(427,252,315)		(427,252,315)	
Revaluation Reserve transferred during the period	-		-		(273,209,383)		-		(273,209,383)	
Net Profit for the year after tax	-		-		-		514,019,283		514,019,283	
Appropriation made during the period	-		225,233,289		-		(225,233,289)		-	
Transfer to CSR	-		-		-		(5,000,000)		(5,000,000)	
Transferred to Start Up Fund for FY 2021	-		-		-		(5,140,192)		(5,140,192)	
Balance as at 31 December 2021	5,696,697,530		1,408,602,127		2,446,035		296,515,382		7,404,261,074	
Balance as at 31 December 2020	5,696,697,530		1,183,368,838		275,655,418		458,249,173		7,613,970,959	

The annexed notes form an integral part of these accounts


Md. Ahsan-uz Zaman
 Managing Director & CEO


Rezaul Karim
 Director


Md. Shamsuzzaman
 Vice Chairman


Nilufer Zafarullah
 Chairman

A. Qasem & Co.
 Chartered Accountants
 RJSC Registration No: 2-PC 7202



Gorachad Kundu, FCA
 Partner
 Enrolment No : 1468
 DVC: 2204251468AS671049

Place of Issue: Dhaka
 Dated: 24 April 2022

Midland Bank Limited

Liquidity Statement

For the year ended 31 December 2021

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
	BDT	BDT	BDT	BDT	BDT	BDT
ASSETS :						
Cash in hand & Balance with Bangladesh Bank	2,569,272,922	-	-	-	100,620,325	2,669,893,246
Balance with other Banks and Financial Institutions	1,625,900,000	353,000,000	650,538,985	-	-	2,629,438,985
Money at Call & Short notice	-	-	-	-	-	-
Investments	152,133,000	-	3,332,800,000	7,178,100,000	4,316,873,098	14,979,906,098
Loans and Advances/Investments	9,598,300,000	5,673,800,000	13,743,900,000	15,378,382,409	1,473,100,000	45,867,482,409
Fixed Asset	-	-	-	115,882,175	517,634,234	633,516,409
Other Asset	-	-	-	1,194,688,872	1,031,400,000	2,226,088,872
Non-Banking Asset	-	-	-	-	12,585,359	12,585,359
Total Assets	13,945,605,922	6,026,800,000	17,727,238,985	23,867,053,456	7,452,213,015	69,018,911,378
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	1,577,600,000	604,400,000	848,200,000	2,919,101,979	-	5,949,301,979
Deposit and Other Account	7,374,400,000	12,645,400,000	14,442,000,000	15,497,738,926	770,500,000	50,730,038,926
Provision & Other Liabilities	87,393,725	68,885,859	187,352	1,722,255,620	3,056,586,842	4,935,309,399
Total Liabilities	9,039,393,725	13,318,685,859	15,290,387,352	20,139,096,525	3,827,086,842	61,614,650,304
Net Liquidity	4,906,212,197	(7,291,885,859)	2,436,851,633	3,727,956,930	3,625,126,173	7,404,261,074

The annexed notes form an integral part of these accounts



Md. Ahsan-uz Zaman
Managing Director & CEO



Rezaul Karim
Director



Md. Shamsuzzaman
Vice Chairman



Nilufer Zafarullah
Chairman

Place of Issue: Dhaka
Dated: 24 April 2022

Midland Bank Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2021

Corporate Profile and Significant Accounting Policies

1.00 Midland Bank Limited

1.01 Legal status and nature of the entity

Midland Bank Limited (the "Bank") was incorporated on 20 March 2013 as a Public Limited Company in Bangladesh under Companies Act, 1994 with the registered office at N.B. Tower (Level 6 to 9), 40/7 North Avenue, Gulshan-2, Dhaka-1212. The Company was also issued Certificate of Commencement of Business on the same day. It started commercial banking operation on 20 June 2013 through opening first branch at Dilkusha Commercial Area in the name 'Dilkusha Branch. Presently, the number of branches stood at 35 (16 Urban Branches and 19 Rural Branches), 13 Sub Branches, 51 ATMs, 100 Agent Banking Centres (ABCs) and 10 Collection Booths covering commercially important locations across the country

1.02 Principal activities of the Bank

The principal activities of the Bank are to provide wide range of financial products (loans and deposits) and services that includes all kinds of Conventional and Islamic banking services to its customers. It offers commercial banking, consumer banking, trade services, cash management, treasury, cottage micro small and medium enterprises (CMSMEs), retail, debit/credit cards services and clearing services to its customers. These activities are conducted through its Branches, Sub-branches, Agent Banking Centres (ABCs), Collection Booths and Alternative Delivery Channels (ATM booths, Internet Banking, Debit/Credit/Prepaid Cards, etc.) across the country. MDB digital banking service is the Bank's flagship product to provide internet based banking solutions. MDB online banking facilities like-fund transfer to utility bills payment, buying air tickets, paying bills of mobile phones, credit cards, and insurance premiums and then tracking of accounts and even shopping from over 200 retailers. MDB digital banking service is integrated with bKash, ROCKET and NAGAD payment system as well. The Bank also provides Off-shore banking services through its Off-shore Banking Unit (OBU) and Islami banking services through its Islamic Banking Window (MDB Saalam).

1.03 Off-shore banking

Off-shore banking unit (OBU) after getting approval from Bangladesh Bank launched its operation on 20 June 2020. It is a separate business unit of the Bank, operates its business through a separate counter at Head Office, as governed under the rules and guidelines vide Bangladesh Bank's letter reference no. BRPD (P 3) 744 (101)/2010-4129 dated 10 November 2009 and a Policy for Off-shore banking operation issued by Bangladesh Bank through BRPD circular no. 02 dated 25 February 2019 and BRPD circular letter no. 09 dated 27 May 2019. It gives loans (on and off-balance sheet exposures) and takes deposits in freely convertible foreign currencies to and from person/institution not resident in Bangladesh and Type-A (wholly foreign owned) units in EPZs in Bangladesh. It also gives long term loans to industrial units outside EPZs and Type-B and Type-C industrial units within the EPZs subject to compliance by the industrial units with the guidelines of Bangladesh Investment Development Authority (BIDA) and Bangladesh Bank. Besides, this unit provides bill discounting/financing facilities accepted by Authorised Dealer (AD) in Bangladesh against usance LCs in accordance with Bangladesh Bank (BB) guidelines. Separate financial statements of Off-shore banking unit have been disclosed in the annual report 2021.

1.04 Islamic banking window (MDB Saalam)

The Bank obtained permission for Islami banking window from Bangladesh Bank. Islami banking window (MDB Saalam) after getting approval from Bangladesh Bank launched on 23 April 2020. The Bank is operating its Islami banking under one window in Gulshan Branch, Dhaka. Through the Islamic banking window, the Bank extends all types of Islami shariah-compliant finances like lease, hire purchase shirkatul melk (HPSM), bai muazzal, household scheme, etc., and different types of deposits like mudaraba/manarah savings deposits, mudaraba/manarah term deposits, al-wadeeah current deposits, monthly/quarterly profit paying scheme, etc. Separate financial statements of Islamic banking windows have been disclosed in the annual report 2021.

2.00 Basis of preparation of financial statements and Significant accounting policies

2.01 Basis of preparation of financial statements

2.01.01 Basis of Preparation

The separate financial statements of the Bank for the year ended on 31 December 2021 comprise those of domestic banking unit (both conventional and Islamic banking) and Off-shore banking unit (OBU). There were no significant changes in the nature of principal business activities of the Bank and Off-shore banking unit (OBU) during the financial year 2021.

2.01.02 Statement of Compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the Act, the Financial Reporting Council (FRC) was formed and it is yet to issue any financial reporting standards for public interest entities like Banks, NBIFs, Insurance, etc. According to the Bank Company Act 1991 as amended time to time required the Banks to prepare their financial statements under such financial reporting standards. Since the FRC yet to issue any financial reporting standards as per the provisions of the FRA, hence the International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by ICAB, "First Schedule (Section 38) of the Bank Company Act 1991 (Amended upto 2018), BRPD circular no. 14 dated 25 June 2003 and DFIM Circular no. 11, dated December 23, 2009, etc., other regulatory guideline. The Bank complied with the requirements of the following rules and regulation:

The Bank Companies Act, 1991 (Amended upto 2018), The Companies Act 1994, Rules, regulations and circulars issued by the Bangladesh Bank from time to time. The Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Commission Act 1993, Bangladesh Securities and Exchange Commission Rules 2020, Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015, Income Tax Ordinance and Rules 1984, Value Added Tax Act 1991, Value Added Tax and Supplementary Duty Act, 2012 and Financial Reporting Act 2015.

In addition to foregoing directives and standards, the operation of Islamic banking windows, are accounted for in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, Bahrain, and BRPD circular no. 15, dated November 09, 2009. The operation of Off-shore banking unit are also accounted for in accordance with Financial Reporting Standards issued by ICAB. A separate balance sheet, profit & loss account and a statement of profit are shown in Annexure - G & H, respectively, and the figures appearing in the annexure have been incorporated in the related heads of these financial statements as recommended by the central shariah board for Islamic Banks in Bangladesh.

This is the 2nd time to set off the Bank's annual financial statements in which IFRS-16 "Leases" has been applied effective from 1 January 2020. The related changes to significant accounting policies and its affect are described in note 2.02.11.

2.01.03 Difference between IAS/IFRS and Bangladesh Bank regulations

The financial statements of the Bank have been prepared as on 31 December 2021 under the historical cost basis, except for certain investments which are stated at fair/market value, in accordance with the First Schedule (Section 38) of the Bank Company Act 1991 (Amended upto 2018), BRPD Circular # 14, dated 25 June 2003 and DFIM Circular # 11, dated 23 December 2009, other Bangladesh Bank circulars, IAS and IFRS as adopted by ICAB, the Companies Act 1994, and other laws and rules applicable in Bangladesh. In case, any requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory bodies, the provisions and circulars issued by Bangladesh Bank shall prevail. In order to comply with the rules and regulations of Bangladesh Bank, MDB departed from those contradictory requirements of IFRS/IAS, which are disclosed below.

i. Presentation of financial statements

IFRS: As per IAS-1, a complete set of financial statements comprises statement of financial position (balance sheet), statement of profit and loss, statement of changes in equity, statement of cash flows, notes comprising a summary of

significant accounting policies and other explanatory information and comparative information. IAS-1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: The presentation of these 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 Companies Act, 1991 (Amended upto 2018) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classification.

ii. Investment in shares, mutual fund and other 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 and 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 and unquoted shares are revalued on the basis of year-end market price and Net Assets Value (NAV) of last audited balance sheet, respectively. As per instruction of DOS circular letter no. 3 dated 12 March 2015, investment in mutual fund (close-end) is revalued at lower of cost and higher of market value and 85% of NAV and another DOS circular letter no. 10 dated 28 June 2015, investment in mutual fund (open-end) is revalued at lower of cost and higher of market value and 95% of NAV. As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognised at costs.

iii. Revaluation gain/loss on government securities

IFRS: Government securities refer primarily various debt instruments which include both bonds and bills. As per requirements of IFRS-9 Financial Instruments, bonds can be categorised as "Amortised Cost (AC)" or "Fair Value through profit and loss account (FVTPL)" or "Fair Value through other comprehensive income (FVOCI)". Bonds designated as amortised cost are measured at amortised cost method and interest income is recognised through profit and loss account. Any changes in fair value of bonds designated as FVTPL is recognised in profit and loss account. Any changes in fair value of bonds designated as FVOCI is recognised in other reserve as a part of equity.

As per requirement of IFRS-9 where securities will fall under the category of fair value through profit and loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

Bangladesh Bank: Held for Trading (HFT) securities are revalued on the basis of mark to market on weekly basis and any gains on revaluation of securities which have not matured at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount are recognized in the profit and loss account. HTM securities which have not matured at the balance sheet date are amortized at the year end and any losses are recognized through profit and loss account and gains on amortization are recognized in other reserve as part of equity.

iv. Repo and reverse repo transactions

IFRS: As per IFRS-9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per Department of off-site supervision (DOS) circular letter no. 06 dated 15 July 2010 and subsequent clarification in DOS circular no. 02 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction and the financial asset is derecognised in the seller's book and recognised in the buyer's book.

However, as per Debt Management Division (DMD) circular letter no. 7 dated 29 July 2012, non-primary dealer Banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such Banks may enter collateralized repo arrangements with Bangladesh Bank. Here the selling Bank accounts for the arrangement as a loan, thereby continuing to recognize it as asset.

v. Provision on loans and advances/investments

IFRS/IAS: As per IFRS-9 an entity shall recognize an impairment allowance on loans and advance/investments based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances/investments at an amount equal to the lifetime expected credit losses, if the credit risk on these loans and advances/investments 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/investments 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/investments that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular No.14, 23 September 2012, BRPD circular No. 19, 27 December 2012, BRPD circular No. 05, 29 May 2013, BRPD circular No. 16, 18 November 2014, BRPD circular no (P-1)/661/13/2021-12262, 27 December 2021, BRPD circular 50, 14 December 2021 and BRPD circular 52, 29 December 2021, a general provision at 0.25% to 5% under different categories of unclassified loans/investments (good/standard/SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard, doubtful and bad losses has to be provided at 20%, 50% and 100%, respectively for loans and advances/investments 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 all off-balance sheet exposures excluding bills for collection. Such provision policies are not specifically in line with those prescribed by IAS-39.

vi. Recognition of interest in suspense

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

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

vii. Other comprehensive income

IFRS/IAS: 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: The templates of financial statements issued by Bangladesh Bank do not include the other comprehensive income, nor are the elements of other comprehensive income allowed to be included in a single other comprehensive income (OCI) statement. As such, the Bank does not prepare other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

viii. Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently

from those prescribed in IFRS-9. As such, full disclosure and presentation requirements of IFRS-7 and IAS-32 cannot be made in the financial statements.

ix. Financial guarantees

IFRS/IAS: As per IFRS-9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs 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 recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD circular no.14, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin. 1% provision is maintained on such off-balance sheet items, excluding bills for collection as per guidelines of Bangladesh Bank.

x. Cash and cash equivalents

IFRS/IAS: 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 on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call on short notice presented on the face of the balance sheet, and treasury bills/bonds and prize bonds are shown as investments.

xi. Non-banking assets

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

Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking assets.

xii. Cash flow statement

IFRS/IAS: As per IAS-7, 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 most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no.14, cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.

xiii. Balance with Bangladesh Bank: (Cash Reserve Ratio-CRR)

IFRS/IAS: 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.

xiv. Presentation of intangible assets

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

Bangladesh Bank: There is no regulation/guideline for identify, recognize and disclosure of intangible assets in the BRPD circular no.14.

xv. Off-balance sheet exposer

IFRS/IAS: There is no concept of off-balance sheet items in any IFRS/IAS. 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, off balance sheet items (e.g. Letter of credit, Letter of guarantee, etc.) must be disclosed separately on the face of the balance sheet and 1% provision has to be maintained on it as guided by the regulator.

xvi. Disclosure of appropriation of profit

IFRS/IAS: There is no requirement to show appropriation of profit on the face of income statement.

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

xvii. Loans and advances/investments net of provision

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

Bangladesh Bank: As per BRPD 14, provision on loans and advances/investments are presented separately as liability and cannot be netted off against loans and advances/investments.

xviii. Recovery of written off loans and advances/investments

IFRS/IAS: As per IAS 1 an entity shall not offset assets and liabilities, or income and expenses, unless required or permitted by IFRS/IAS. The recovery of written off loans/investments should be charged to the profit and loss account as per IFRS 15.

Bangladesh Bank: As per BRPD circular no.14, recoveries of amount previously written off should be adjusted with specific provision on loans and advances/investments.

xix. Uniform accounting policy

IFRS/IAS: As per Para 19 of IFRS-10, a company shall prepare financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

BSEC: As per guideline of Bangladesh Securities and Exchange Commission (BSEC), Bank has to keep adequate provision on diminution value of investments and certain provision has to be made on impairment of clients' margin loans/investments

2.01.04 Use of estimates and judgments

In preparation of the financial statements, management required to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed considering business realities on a going concern basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The most significant areas where estimates and judgments have been applied to the following:

- Provision for loan and advances/investments- as explained in note # 2.02.02.(d)
- Income tax - as explained in note # 2.04.05
- Deferred tax assets/liabilities - as explained in note # 2.04.06
- Employee benefit -as explained in note # 2.04.07
- Useful lives of depreciable assets regard to non-current assets - as stated below:

Asset Category	Depreciation Rate	Useful Life
Computer & Peripherals	20%	5 Year
Furniture & Fixture	10%	10 Year
Office Equipment	20%	5 Year
Motor Vehicles	20%	5 Year
Books	20%	5 Year
Intangible Assets	20%	5 Year

However, underlying assumptions on estimates are reviewed on a going concern basis and revisions thereon are recognised in the period in which the estimates are revised. It is also required to disclose the contingent assets and liabilities at the date of the financial statements in accordance with the guidelines as prescribed by IAS-37 “Provisions, Contingent Liabilities and Contingent Assets”.

Provisions

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognised in the following situations:

- The entity has a present (legal or constructive) obligation as a result of past events;
- Probable out flow of resources to settle the obligation and the obligation can be measured reliably;
- It is more likely than not that outflow of resources will be required to settle the present obligation exists at the end of the reporting period.

Contingent liabilities

A contingent liability is a possible obligation 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. A contingent liability arises when some, but not all, of the criteria for recognizing a provision are met. IAS-37 applies prudence by deeming a past event to give rise to a present obligation and an entity shall not recognize a contingent liability. However, if it is possible rather than probable that an obligation exists, a contingent liability will exist, not a provision in the financial statements. An entity shall disclose for each class of transaction of contingent liability at the end of the reporting period if the contingent liability is not remote.

Contingent Assets

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 not wholly within the control of the entity. Contingent assets are never recognised; rather they are disclosed in the financial statements when they arise

The most significant areas where estimates and judgments have been applied are to calculate provision for loans, advances and investments as per Bangladesh Bank guideline.

2.01.05 Consistency

In accordance with IFRS framework for the presentation of financial statements together with IAS-1 “Presentation of Financial Statements” and IAS-8 “Accounting Policies, Changes in Accounting Estimates and Errors”. MDB 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, the amount involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8. However, for changes in the accounting estimates, the related amount is recognized prospectively in the current period and in the next period or periods.

2.01.06 Functional and presentation currency

These financial statements are presented in Bangladesh Currency (BDT), which is the Bank’s both functional and presentation currency. Figures appear in these financial statements have been rounded off to the nearest BDT.

2.01.07 Date of authorization

The board of directors has authorised this financial statements for public issue on April 24, 2022

2.01.08 Foreign currency transaction

a) Foreign currencies translation

Foreign currency transactions are converted into equivalent BDT using the prevailing exchange rates on the dates of respective transactions as per IAS 21 “The Effects of Changes in Foreign Exchange Rates”. Foreign currency balances held in US Dollar are converted into BDT at weighted average rate of inter-bank market as published by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into BDT equivalent.

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account.

b) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in BDT terms at the rates of exchange prevailing on the balance sheet date.

c) Translation gain and loss

The resulting exchange transaction gains and losses are included in the profit and loss account.

2.01.09 Cash flows Statement

Statement of cash flows have been prepared in accordance with the International Accounting Standard IAS 7 "Statement of Cash Flows" and under the guideline of Bangladesh Bank BRPD Circular No. 14, dated 25 June 2003. The Cash Flow statement shows the structure of and changes in cash and cash equivalents during the year. It cash flows during the period have been classified as operating activities, investing activities and financing activities.

2.01.10 Statement of changes in equity

Statement of changes in equity has been prepared in accordance with IAS 1 "Presentation of financial statements" and following the guidelines of Bangladesh Bank BRPD circular no.14, dated 25 June 2003.

2.01.11 Liquidity statement

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

SL	Particulars	Basis
1	Cash, balance with other banks and financial	Stated maturity / observed behavioral trend.
2	Investments	Residual maturity term.
3	Loan and advance / investment	Repayment / maturity schedule and behavioral
4	Fixed assets	Useful life
5	Other assets	Realisation / amortisation basis
6	Borrowing from other banks and financial	Maturity / repayment term
7	Deposits and other accounts	Maturity/behavioral trend (non-maturity)
8	Other long term liabilities	Maturity term
9	Provisions and other liabilities	Settlement / adjustment schedule basis

2.01.12 Financial statements for off-shore banking unit (OBU)

Foreign currency transactions are converted into equivalent BDT using the prevailing exchange rates on the dates of respective transactions as per IAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into BDT at weighted average rate of inter-bank market as published by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into BDT. Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting/crediting exchange gain or loss account.

2.01.13 Reporting period

These financial statements cover one calendar year from 1 January 2021 to 31 December 2021.

2.01.14 Basis of Measurement

The financial statements of the Bank has been prepared on historical cost basis except of the following:

- Government Treasury bills/bonds designated as 'Held for Trading (HFT)' are present at value using marking to market concept with gain crediting to revaluation reserve;
- Government Treasury bills/bonds designated as 'Held to Maturity (HTM)' are carried at amortised cost;
- Investment in shares of listed companies are prepared at market value .

2.01.15 Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Bank has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a Bank of similar transactions such as in the Bank's trading activity.

2.01.16 Going concern

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in its operation over the foreseeable future. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. Key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to demonstrate a healthy trend for a couple of years. The Bank has been awarded A1 in long term, ST-2 in short term and Stable in Outlook Status by Credit Rating Agency of Bangladesh (CRAB). Rating details are shown in (note # 2.06). The management does not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.02 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements of the Bank and those of the Bank have been applied consistently except otherwise instructed by Bangladesh Bank as the prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year's presentation (if any).

Assets and basis of their valuation

2.02.01 Cash and cash equivalents

Cash and cash equivalents include notes and coins in 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.

2.02.02 Loans and advances

- a) Loans and advances/investments of conventional banking/islamic banking branches are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not sell in the normal course of business. Loans and advances/investment are stated in the balance sheet on gross basis.
- b) Loans and advances/investments are broadly categorized under the heads of continuous, demand, term and short term agriculture and micro credit. Continuous and demand loans/investments are accounted under capitalized method, where interest/profit accrues on daily basis and applied to loan account quarterly, except equal monthly installment (EMI) loan/investment of which interest/profit are being charged on due date and interest/profit of staff loan/investment are being charged to staff loan/investment account yearly. Interest/profit on classified loans and advances/investments is kept in suspense account as per guideline of Bangladesh Bank and such interest/profit is not accounted for as income until realized from borrowers (**note #13.06**). Interest/profit is not charged on bad and loss loans/investments as per guidelines of Bangladesh Bank. On the basis of recovery, the unapplied interest/profit on such bad & loss loans/investments are being charged to the respective loans/investments account and credited to the income account.
- c) Commission and discounts on bills purchased and discounted are recognized at the time of realization.
- d) At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances/investments to assess whether objective evidence that impairment of a loans/investments or portfolio of loans/investments has arisen supporting a change in the classification of loans and advances/investments, which may result in a change in the provision required in accordance with BRPD circular no.03 dated 21 April 2019, BRPD circular no.1 dated 20 February 2018, BRPD circular no.15 dated 27 September 2017, BRPD circular no.16 dated 18 November 2014, BRPD circular no.05 dated 29 May 2013, BRPD circular no.14 dated 23 September 2012 and BRPD circular no.19 dated 27 December 2012. The guidance in the circular follows a formulaic approach whereby specified rates are applied to the various categories of loans/investments as defined in the circulars. The provisioning rates are as follows:

Types of loans and advances	Provision				
	STD	SMA	SS	DF	BL
Consumer:					
House building and professional	1.00% - 2.00%	1.00% - 2.00%	20%	50%	100%
Other than housing finance & professionals to setup business	2.00% - 5.00%	2.00% - 5.00%	20%	50%	100%
Provision for loan to broker house,	2%	2%	20%	50%	100%
Short-term Agri-credit and micro credit	1%	1%	5%	5%	100%
Small and medium enterprise finance	0.25%	0.25%	20%	50%	100%
Others	1%	1%	20%	50%	100%
Special General Provision COVID-19					
On unclassified general loans and	1%-2%	1%-2%	N/A	N/A	N/A

- e) BRPD Circular no.14 dated 23 September 2012 as amended by BRPD Circular no.19 dated 27 December 2012 also provides scope for further provisioning based on qualitative judgments. In these circumstances, impairment losses are calculated on individual loans/investments considered individually significant based on which specific provisions are raised. If the specific provisions assessed under the qualitative methodology are higher than the specific provisions assessed under the prescribed approach above, the higher of the two is recognised in liabilities under "Provision for loans and advances/investments" with any movement in the provision charged/released in the profit and loss account. Classified loans/investments are categorized into sub-standard, doubtful and bad/loss based on the criteria stipulated by Bangladesh Bank guideline

- f) Loans and advances/investments are written off to the extent that- (i) there is no realistic prospect of recovery, and (ii) against which legal cases are filed, where required and classified as Bad/Loss as per as per BRPD circular no.02 dated 13 January 2003, BRPD circular no.13 dated 07 November 2013 and BRPD circular no.01 dated 06 February 2019 of Bangladesh Bank.

- g) These written off loans/investments however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such written off accounts are maintained and followed up. There is no written off loans/investment of MDB as of the reporting date as of 31 December 2021.

h) Special general provision COVID-19

Considering the impact of COVID 19 pandemic in the overall economy of Bangladesh, the central bank has given deferral benefits for classification of loans and advances/investments irrespective of their repayment performance until end of December 2020 and December 2021 by issuing BRPD circular no.4, dated 19.03.2020, BRPD circular no.15, dated 15.06.2020, BRPD circular no.17, dated 28.09.2020 and BRPD circular no.19, dated 26.08.2021, BRPD circular no.51, dated 29.12.2021 and BRPD circular no.53, dated 30.12.2021.

To strengthen the financial based and shock absorbing capacity of Banks, the Bangladesh Bank issued BRPD circular # 56, dated 10.12.2020 and BRPD circular # 52, dated 29.12.2021 instructing all Banks to keep 1.00%, 1.50% and 2.00% special general provision on unclassified general loans and advances/investments, including SMA of which are enjoying deferring classification benefits irrespective of their repayment performance until 31 December 2020 and 2021. This provision has to keep under the head of "Special General Provision COVID-19" and it cannot be released or accounted into income until further instruction issue by Bangladesh Bank. However, if any Loans/Investments fully adjusted by recovering cash, in that case, such provision of interest/profit will be transferred to income a/c (BRPD circular no.50, dated 14.12.2020, BRPD Letter no.56/20 and BRPD circular no.53, dated 30.12.2021). To comply with the circular, MDB has maintained an amount of BDT 186.19 million as of 31 December 2021 (**note # 13.02**).

- i) **Amounts receivable on credit cards are included in advances to customers at the amounts expected to be recovered.**

As per Bangladesh Bank circular issued time to time, a general provision at 0.25% to 5% has to maintain under different categories of unclassified loan and advances/investments (Standard/SMA/off-balance sheet exposures,

etc.) as stated above. However, such general provision cannot satisfy the conditions imposed by IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and IFRS-9 “Financial Instruments”. At the year end on 31 December 2021, the Bank has maintained an amount of BDT 1,097.80 million and has shown in the face of balance sheet under the head “Other Liabilities” as against BDT 1,097.80 million of regulatory requirements (**note # 7.09**).

2.02.03 Investment

All investment securities are initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortized and discounts accredited, using the effective yield method is taken to discount account. Accounting treatment for government treasury securities (HTM/HFT) is made as per regulatory guideline.

Valuation methods of investment used are:

a) Held To Maturity (HTM)

Investments which have ‘fixed or determinable payments’, and are intended to be ‘held to maturity’, other than those that meet the definition of ‘held at amortized cost-others’ are classified as held to maturity. Initially these investments are recorded at cost. Subsequently, at each year end, these investments are measured at amortized cost. Any increase or decrease in the value of such investment is recognized in shareholders’ equity and profit and loss account respectively. Investment (HTM) is shown in the financial statements (**note # 6.00**).

b) Held For Trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading, or if designated as such by the management. After initial recognition at cost, investments are revalued at Mark to Market (MTM) on weekly basis and any increase on such valuation is recognized as valuation gain under the shareholders’ equity and any loss is recognized in the profit and loss account.

c) REPO and Reverse REPO

Securities purchased under re-sale agreements are treated as collateralized lending and recorded at the consideration paid and interest accrued thereon. The difference between purchase price and re-sale price is treated as interest received and accrued evenly over the life of REPO agreement.

Since 1 September 2010 transaction of REPO and Reverse REPO are recorded based on DOS circular # 06, dated July 15, 2010 of Bangladesh Bank. Securities under REPO will be excluded from the investment portfolio and hence will not be eligible for SLR purpose. Securities acquired under reverse REPO will be eligible for SLR purpose, initially at its clean price (in case of coupon bearing security) or at market value (in case of non-coupon bearing security).

Value of investments has been calculated as follows:

Items	Applicable accounting value
Government treasury bills-HTM	Amortized value
Government treasury bills-HFT	Market value
Government treasury bonds-HTM	Amortized value
Government treasury bonds-HFT	Market value
Prize Bond	At cost
Debenture	At cost

d) Investment in Listed / Quoted Securities

These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is provided in the financial statements where market price is below the cost price of investment as per Bangladesh Bank guidelines (**note # 6.02 & Annexure B**).

e) Investment in Unquoted Securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of net assets value (NAV) over cost in the profit and loss account, but no unrealized gain booking in the income account (**note # 6.02**).

Value of investments has been calculated as follows:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Government treasury securities - Held to Maturity (HTM)	Cost	Amortised cost	Increase in value of such investments is booked to equity, decrease to profit and loss account.
Government treasury securities - Held for Trading (HFT)	Cost	Fair value	Loss to Profit and Loss account, gain to Revaluation Reserve through Profit and Loss account.
Debenture/Bond	Face	Face value	None
Shares (Quoted) *	Cost	Lower of cost or market value (overall portfolio)	Loss (net off gain) to profit and loss account but no unrealised gain booking in profit & loss a/c.
Shares (Unquoted)*	Cost	Lower of cost or Net Asset Value (NAV)	Loss to profit and loss account but no unrealised gain booking.
Prize bond	Cost	Cost	None

* Provision for shares against unrealised loss (gain net off) has been taken into account according to DOS circular no.4, dated 24 November 2011 and for mutual funds (closed-end) as per DOS circular letter no.3, dated 12 March 2015 and for mutual funds (open-end) as per DOS circular letter no.10, dated 28 June 2015 of Bangladesh Bank.

f) Investment in Subsidiary

Investment in subsidiary is accounted for under cost method of accounting in the Bank's financial statements in accordance with IFRS 10 (Consolidated Financial Statements). Accordingly, investments in subsidiaries are stated in the Bank's balance sheet at cost, less impairment loss, if any. MDB has no subsidiary company as of December 31, 2021.

2.02.04 Property, plant and equipment

As per IAS-16 "Property and Equipment" items of fixed assets excluding land are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land and building are carried at cost. Purchase of software that is integral to the related equipment is capitalised as part of that equipment. Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner. When significant parts of an item of fixed asset have different useful lives, they are accounted for as separate items (major components) of fixed assets. The Bank has no land and building during the reporting period.

The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from disposal with the carrying amount of the item of fixed asset, and is recognised in other income/ expenses in profit and loss account.

Subsequent costs

The cost of replacing a component of an item of fixed asset is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced parts is derecognised. The costs of the day to day servicing of fixed assets are recognised in the profit and loss statement as incurred

Depreciation

Depreciation on fixed assets is recognised in the profit and loss statement on straight line method over its estimated useful lives. In case of acquisition of fixed assets, depreciation is charged from the month of acquisition, whereas depreciation on disposed off fixed assets are charged up to the month prior to the disposal. Asset category wise depreciation rates for the current and comparative periods are as follows:

Category of fixed assets	Method	Rate (%)
Land	N/A	-
Building	N/A	-
Furniture and fixtures	Straight Line	10%
Office equipments	Straight Line	20%
Library books	Straight Line	20%
Vehicles	Straight Line	20%
Intangible assets (Software)	Straight Line	20%
Computer and peripherals	Straight Line	20%
Interior decoration	Straight Line	10%
Category of fixed assets (ATM Assets):		
Furniture and fixtures	Straight Line	10%
Office equipment	Straight Line	20%

2.02.05 Intangible assets

- An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably (IAS 38).
- Software represents the value of computer application software licensed for use of the Bank, other than software applied to the operation software system of computers. Intangible assets are carried at its cost, less accumulated amortization/depreciation and any impairment losses. Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditures that are incurred in customizing the software for its intended use.
- Expenditure incurred on software is capitalized only when it enhances and extends the economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the original cost of software.
- Software is amortized using the straight line method over the estimated useful life of 5 (five) years commencing from the date of the application software is available for use over the best estimate of its useful economic life.

2.02.06 Impairment of assets

The carrying amounts of Bank's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. Any impairment loss is recognized in the profit and loss account, if the carrying amount of an asset exceeds its recoverable amount (IAS-36). An amount of BDT 5,154,228 has been impaired and charged to profit and loss account during the financial year 2021 as per para 60 of IAS-36 "Impairment of assets".

2.02.07 Investment properties

- Investment property is held to earn rentals or for capital appreciation or both and the future economic benefits that is associated with the investment property, but not sale in the ordinary course of business.
- Investment property is accounted for under cost model in the financial statements. Accordingly, after recognition as an asset, the property is carried at its cost, less accumulated depreciation and impairment loss
- Depreciation is provided on a reducing basis over the estimated life of the class of asset from the date of purchase up to the date of disposal (IAS 16).

2.02.08 Other assets

Other assets include mainly advance office rent, payment of advance income tax for which assessment of tax has not been finalized yet and all other financial assets, fees and other unrealized income receivable advance for operating and capital expenditures and stocks of stationery and stamps, etc.

Provision on other assets

As per BRPD circular no.14 dated 25 June 2001, a provision of 100% on other assets which are outstanding for one year and above. The Bank maintains provisions in line with this circular unless it assesses there is no doubt of recovery on items of other assets in which case no provision is kept (**note # 13.00**).

2.02.09 Receivables

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

2.02.10 Inventories

Inventories measured at the lower of cost and net realizable value as per IAS 2 “Inventories”.

2.02.11 Leases

IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 significantly changes how a lessee accounts for operating leases. Under previous IAS 17, an entity would rent an office building or a branch premises for several years with such a rental agreement being classified as operating lease would have been considered as an off balance sheet item. However, IFRS 16 does not require a lease classification test and hence all leases shall be accounted for as on balance sheet item (except for some limited exception i.e. short-term lease, leases for low value items).

Under IFRS 16, an entity shall be recognizing a right-of-use (ROU) asset (i.e. the right to use the office building, branches, service center, call center, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'.

While implementing IFRS 16, the Bank observed that IFRS 16 is expected to have impact on various regulatory capital and liquidity ratios as well as other statutory requirements issued by various regulators. In addition, there are no direction from National Board of Revenue (NBR) regarding treatment of lease rent, depreciation on ROU assets and interest on lease liability for income tax purposes and applicability of VAT on such items. Finally, paragraph 5 of IFRS 16 provide the recognition exemptions to short-term leases and leases for which the underlying asset is of low value. Although, paragraphs B3 to B8 of the Application Guidance (Appendix B) of IFRS 16 provide some qualitative guidance on low value asset, but these guidance is focused towards moveable asset and immovable asset like rental of premises (i.e. real estate) is not covered on those guidance, nor any benchmark on quantification guidance on low value items have been agreed locally in Bangladesh.

Nevertheless, as first step the Bank has defined 'low value asset' which are to be excluded from IFRS 16 requirement and considered lease of 'ATM Booths and other installations' as low value asset. Thereafter, the Bank has reviewed lease arrangements for 'office premises' for consideration under IFRS 16.

As per the preliminary assessment of leases for 'office premises', the Bank has concluded that the potential impact of these lease items in the Balance Sheet and Profit and Loss Account of the Bank is not considered to be material. Therefore, considering the above implementation issues the Bank has not taken IFRS 16 adjustments on the basis of overall materiality as specified in the materiality guidance in the 'Conceptual Framework for Financial Reporting' and in 'International Accounting Standard 1 Presentation of Financial Statements'. However, the Bank would continue to liaison with regulators and related stakeholders as well as observe the market practice for uniformity and comparability, and take necessary action in line with any guideline and market practice.

Leases are classified as finance leases whenever the 'terms of the lease' transfer substantially all the risks and rewards of ownership to the lessee as per IAS-17 “Leases”. All other leases are classified as operating leases as per IAS 17 “Leases”.

a) Bank as Lessor

Amount due from lessees under the finance leases are recorded as receivables at the amount of the Bank's net investment in the leases. Finance lease income is allocated to accounting periods as to reflect a constant periodic rate

of return on the Bank's net investment outstanding in respect of the leases.

b) Bank as Lessee

Assets held under finance leases are recognised as assets of the Bank at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payment. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. The Bank has no finance lease or operating lease during the reporting period 2021.

c) Impact of adopting IFRS-16

The following summarises the impact of adopting IFRS-16 on the Bank's balance sheet and profit & loss account for the period then ended on 31 December 2021, for each of the line items affected. Impact for implementation of IFRS-16 is deputed below. Amount without adoption of IFRS 16 + Adjustment for IFRS 16= Amount after implementation of IFRS-16

d) Impact on the balance sheet as on 31 December 2021

in BDT Million

Particulars	Amount before adoption of IFRS-16	Amount of Adjustment for IFRS-16	Amount after implementation of IFRS-16
Fixed Assets	207	426	633
Other Assets	2,294	(68)	2,226
Other Liabilities	4,538	395	4,933

e) Impact on the profit and loss account as on 31 December 2021

in BDT Million

Particulars	Amount before adoption of IFRS-16	Amount of Adjustment for IFRS-16	Amount after implementation of IFRS-16
Interest/Profit paid on Deposit and Borrowing, etc.	2,247	15	2,262
Rent, tax, insurance, electricity, etc.	228	(149)	79
Depreciation/amortization and repairs of Bank's properties	158	88	246

2.02.12 Non-banking assets

Non-banking assets are acquired on account of failure of a borrower to repay the loan on time after receiving the decree from the honorable court regarding the right and title of the mortgage property. MDB filed an ArthaRin suit bearing # 539/2017, dated 02.03.2017 against one default customer, A/C: Al-Fahad Air Ticketing and Medical Tourism Limited. The Bank has been awarded the ownership of the mortgage properties according to the verdict of the honorable court in accordance with section 33(5) of "ArthaRin Adalat-2003". The honorable court also order to charge unapplied interest until fully recovery of the loan by selling the mentioned collateral land. The value of the collateral land has been determined at BDT 14.54 million on the basis of valuation report on an independent valuer. Subsequent approval taken from the Board of Directors of MDB, the full amount of loan BDT 12.59 million (market value of the property at BDT 14.54 million) transferred to Non-Banking Assets of the Bank, which will continue to sustain in Bank's Balance Sheet until sale/disposal of the said property acquired by the Bank u/s 33(5) of the Arta RinAdalat Ain 2003 as mortgagee Bank and 100% provision is kept against the said non-banking assets.

2.03 Reconciliation of inter-bank and inter-branch accounts

Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there is no differences which may affect the financial statements significantly. Un-reconciled entries/balances in the case of inter-branch transactions as on the reporting date are not material.

Capital / Shareholder's equity

2.03.01 Share capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

a) Authorised capital

Authorized capital is the maximum amount of share capital that the Bank is authorized by its Memorandum and Article of Association to issue to the shareholders. Authorized capital of the Bank as on 31 December 2021 was at BDT 10,000 million (**Note # 15.01**).

b) Paid up capital

Paid-up capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Ordinary shareholders are entitled to receive dividends as declared time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. Paid up capital of the Bank as on 31 December 2021 was at BDT 5,696.70 million remained unchanged as the Bank paid cash dividend for the FY 2020 (**Note # 15.02**).

2.03.02 Statutory reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with the provision of section 24 of the Bank Company Act 1991 (Amendment upto 2018) until such reserve along with share premium equal to its paid up capital. Statutory reserve of the Bank as on 31 December 2021 was at BDT 1,408.60 million, against BDT 1,183.37 million on 31 December 2020 (**Note # 16.00**).

2.03.03 Revaluation reserve

When an asset's carrying amount is increased as a result of revaluation, the increase amount should be credited directly to equity under the head of revaluation surplus / reserve as per IAS 16: "Property, Plant and Equipment". The tax effects on revaluation gain are measured and recognized in the financial statements as per IAS 12: "Income Taxes". During the financial year 2021, the Bank did not revalue of its any fixed asset.

2.03.04 Revaluation reserve for government securities

Revaluation reserve for government securities arises from the revaluation of treasury bills/bonds, Bangladesh Bank bills and treasury bonds (HFT and HTM) in accordance with the DOS circular no. 5 dated 26 May 2008 and DOS (SR) 1153/120/2010 dated 8 December 2010 (**Note # 17.00**).

2.03.05 General reserve

The surplus amount after appropriation of yearly profit, surplus of tax and bonus provision of different years are being kept in general reserved fund. There is no such reserve as on 31 December 2021.

2.03.06 Share premium

Share premium is the capital that the Bank raises upon issuing shares that is in excess of the nominal value of the shares. The share premium may be applied by the Bank in paying up unissued shares to be allotted to members as fully paid bonus shares or writing-off the preliminary expenses of the Bank or the expenses of or the commission paid or discount allowed on, any issue of shares or debentures of the Bank or in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Bank. Share premium is showing in accounts after deduction of income tax on share premium as per finance Act. The Bank yet issue any share to general public.

2.04 Basis for valuation of liabilities and provisions

2.04.01 Deposits and other accounts

Deposits and other accounts include non-interest bearing current deposit payable at call, interest bearing demand and short term deposits, savings deposit, fixed deposit and scheme deposit. These items are brought to financial statements at the gross value of outstanding balance.

2.04.02 Borrowings from other banks, financial institutions and agents

Borrowed funds include call money deposits, borrowings, re-finance borrowings and other term borrowings from banks, financial institutions and agents. Interest paid/payable on these borrowings is charged to the profit & loss account. Disclosures of borrowings are shown in (note # 11.00, 13.00 and 22.02).

2.04.03 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxation, interest payable, interest suspense, accrued expenses, lease obligation, etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, Income Tax Ordinance, 1984 and internal policy of the Bank.

2.04.04 Provision for liabilities

As per IAS-37 Provisions, Contingent Liabilities and Contingent Assets are recognised when it is probable that an outflow of economic benefits will be required to settle a current legal or constructive obligation as a result of past events, and a reliable estimate can be made of the amount of the obligation.

2.04.05 Provision for current tax

Current tax is the amount of income tax payable (recoverable) in respect of the taxable profit (tax loss) for a period. Provision for current income tax has been made as per prescribed rate in the Income Tax Ordinance 1984 and latest Finance Act and related SROs on the accounting profit made by the Bank after considering some of the add-backs to income and disallowances of expenditure as per income tax laws with IAS-12 "Income Taxes". Tax Assets under the head of Other Assets are recognized for payment of advance income tax, tax deducted at source and tax paid at the time of IT Return for the year (s) for which assessment has not been yet finalized. On the other hand, the tax provision (estimated as per IAS-12, provision of latest Finance Act, related SROs/ Guidelines, etc., issued by National Board of Revenue-NBR) are recognized as tax liability under the head of other liability for the year (s) for which assessment has not been yet finalized. During the year an amount of current tax stood at BDT 589.26 million against BDT 269.98 million in 2020 (note # 13.04).

2.04.06 Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income tax recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets & liabilities are measured using tax rate & tax laws enacted or substantially enacted at the balance sheet date. Tax impact on the account of changes in deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS 12 "Income Taxes". During the year, an amount of deferred tax expenses stood at BDT 22.89 million against BDT 33.62 million in 2020 (note # 9.06).

2.04.07 Benefits to the employees

The retirement benefits accrued for the employees of the Bank as on reporting date have been accounted for in accordance with the provisions of IAS 19, "Employee Benefit". Bases of computing the retirement benefit schemes operated by the Bank are outlined below:

a) Provident fund

Provident Fund (PF) benefits are given to the permanent members of PF of the Bank in accordance with Bank's Service Rules. Accordingly, a Trust Deed and Provident Fund Rules were prepared and obtained approval from the Commissioner of Income Tax 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 Fund is operated by a Board of Trustees consisting six members of the Bank (03 members from the Board of Directors and 03 members from Management). 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' individual account on yearly basis as per audited financial statements of the Fund. The Fund has been maintaining in a separate account which is operating by the Trustee and is being audited by Ahmed Mashuque & Co. Chartered Accountants and submitted to the NBR to comply with regulation.

b) Gratuity fund

The Bank operates a Gratuity Fund Scheme on "Continuing Fund Basis", in respect of which provision is made

annually which is covering all its eligible employees in accordance with Bank's Service Rules. The Bank prepared the Trust Deed and Gratuity Fund Rules and get approval from the Commissioner of Income Tax as a recognized Gratuity Fund within the meaning of Para 2, 3 and 4, read with the provisions of Part C of the First Schedule of Income Tax Ordinance 1984. The Fund is operated by a Board of Trustees consisting six members of the Bank (03 members from the Board of Directors and 03 members from management). Valuation of Gratuity Fund Scheme has been made to assess the adequacy of the liabilities provided for the scheme as per IAS 19 "Employees Benefit". The Fund has been maintaining in a separate account which is operating by the Trustee and is being audited by Ahmed Mashuque & Co. Chartered Accountants and submitted to the NBR to comply with regulation.

c) Employees' Social Security Superannuation Fund (ESSSF)

Midland Bank Employees' Social Security Superannuation Fund is subscribed by monthly contribution of the employees. The Bank also contributes to the fund in accordance with Bank Service Rules. The fund has been established to provide medical support and coverage in the event of accidental death or permanent disabilities of the employees. Retirement benefits are also provided from this fund. The Fund has been maintaining in a separate account which is operating by the Trustee and is being audited by Arun & Co. Chartered Accountants.

d) Performance bonus

The Bank is giving performance/incentive bonus to the employees in every year. This bonus is not mandatory, but is being paying based on the performance of the bank in respective year. This bonus amount is being distributed among the employees based on their performance after approval of audited financial statements of the Bank.

e) Worker's Profit Participation Fund

Worker's Profit Participation Fund Consistent with the industry practice and in accordance with the Banking Companies Act, 1991, no provision has been made to WPPF

2.04.08 Contingent asset and 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 the occurrence or non-occurrence of one or more uncertain future events. Contingent asset and liability are not recognized rather disclosed in the financial statements as per IAS 37.

2.04.09 Provision for off-balance sheet exposures

As per BRPD circular no.14 dated 23 September 2012, the Bank has recognised 1% general provision on the following off-balance sheet exposures as defined in BRPD circular no.10 dated 24 November 2002 considering the exemption as provided through BRPD circular no.01 dated 03 January 2018, BRPD circular no. 7 dated 21 June 2018, BRPD circular no.13 dated 18 October 2018, BRPD circular no.02 dated 25 February 2019, BRPD circular no.09 dated 27 May 2019 and BRPD circular letter no. BPRD (P-1)/661/13/2019-354 dated 13 January 2020. Total provision stood as of 2021 at BDT 109.85 million against BDT 84.90 million in 2020 (**note # 13.03**).

- a. Acceptance and Endorsement
- b. Letters of guarantee;
- c. Irrevocable letters of credit;
- d. Foreign exchange contracts

2.04.10 Provision for Nostro accounts

As per instruction contained in the circular letter no. FEPR (FEMO) / 01 / 2005-677, dated 13 September 2005, issued by Foreign Exchange Policy Department of Bangladesh Bank, provision is to be maintained on the un-reconciled debit balance of Nostro Accounts more than 3 months as on the reporting date. Since there is no un-reconciled entries which are outstanding more than 3 months, therefore, no provision has been made during the reporting year.

2.04.11 Revenue recognition

In terms of provisions of IFRS 15 "Revenue from Contracts with Customers", the revenues during the year are recognized as following:

a) Interest Income

Interest income on unclassified loan and advances (Standard & SMA) is recognised on an accrual basis and charged to respective loan account on quarterly. Interest income on classified loan and advances (SS & DF only) is credited to interest suspense account with actual receipt of interest therefrom 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 and BRPD circular no.16, dated 18 November 2014. If the Loans and advances classified as Bad/Loss (BL) interest ceases to apply and recorded in a memorandum a/c. When any Bad loan turns into unclassified a/c, then unapplied interest charged to respective loan a/c and credited to profit & loss a/c in compliance with regulatory guideline.

b) Profit on investment (Islamic Banking)

Mark-up on investment is taken into income account proportionately from profit receivable account. Overdue charge/compensation on classified investments are transferred to profit suspense account instead of income account.

c) Investment Income

Income on investments are recognised on accrual basis. Investment income includes discount on treasury bills and Bangladesh Bank bills, interest on treasury bonds and fixed deposit with other Banks. Capital gain on investments in shares are also included in investment income. Capital gain is recognised when it is realised.

d) Fees and commission income

The Bank earns commission and fee income from a diverse range of service provided to its customers. Commission and fee income is accounted for as follows:

- Income earned on the execution of a significant act is recognised as revenue when the act is completed.
- Income earned from services provided is recognised as revenue when the services are provided.
- Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.
- Commission and discount on bills purchased and discounted are recognized at the time of realization.

e) Dividend income

Dividend income is recognised when the right to receive the income is established. Dividend income is recognized at the time when it is realized. Dividend income on preference shares is recognized on accrual basis. Dividend incomes are presented under investment income (**note # 23.00**).

2.04.12 Interest paid and other expenses

In terms of the provisions of IAS 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

a) Interest paid on subordinated bond, borrowing and other deposits (Conventional banking)

Interest paid and other expenses are recognised on accrual basis

b) Profit shared on deposits (Islamic banking)

Profit paid to mudaraba deposits is recognised on accrual basis according to Income Sharing Ratio (ISR).

c) Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the IAS 1 "Presentation of Financial Statements".

d) Dividend payments

Interim dividend is recognized when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders in the Annual General Meeting (AGM). The proposed dividend has not been recognized as a liability in the balance sheet in accordance with the IAS 10 "Events after the Reporting Period".

Dividend payable to the shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the payment is established.

2.04.13 Earnings per share (EPS)

The company calculates earnings per share (EPS) in accordance with IAS 33 “Earnings per Share (EPS)” which has been shown on the face of Profit and Loss Account. The EPS has been calculated by dividing the net profit after tax by the total number of ordinary shares outstanding at the end of the reporting year. Details are shown in note # 40.00 to the financial statements.

a) Basic earnings per share

This represents earnings for the year attributable to ordinary shareholders. Net profit after tax has been considered as fully attributable to the ordinary shareholders. Basic earnings per share is calculated by dividing net profit after tax by the total weighted average number of ordinary shares outstanding at end of the reporting year.

b) Weighted average number of ordinary shares

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year. The basis of computation of number of shares is in line with the provisions of IAS 33 “Earnings per share”. The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings.

c) Diluted earnings per share

No diluted earnings per share are required to be calculated for the period 2021, as there was no element or scope for dilution during the period under review. However, EPS is restated for the comparative years, if it requires as per IAS 33 “Earnings per share (EPS)”.

2.04.14 Foreign exchange gain/loss

Exchange income includes all gain and losses from foreign currency day to day transactions, conversions and revaluation of non-monetary items.

2.04.15 Related party transactions

Parties are considered to be related, if one party has the ability directly or indirectly to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related, if they are subject to common control or common significant influence. Related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged as per IAS 24 “Related Party Disclosures”, Bangladesh Bank and Bangladesh Securities & Exchange Commission (BSEC) guidelines. Details of Related party transactions have been disclosed in **(note # 44.00)**.

2.05 Event after the reporting period

As per IAS -10 “Events after Reporting Period” are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

The only material event after the balance sheet date is: The Board of Directors recommended cash dividend @5% for the financial year 2021, in its 122nd Board Meeting held on April 24, 2022.

2.06 Credit rating

Credit Rating Agency of Bangladesh Limited (CRAB) has been rated the Bank based on the audited financial statements as of December 31, 2020, un-audited financial statements as of March 31, 2021 and other relevant quantitative as well as qualitative information up to the-date-of rating declaration. They have been rated the Bank as A1 in the long term and ST-2 for the short term and outlook is stable. The date of rating was June 17, 2021 and valid till June 30, 2022.

Year	Long term rating	Short term rating	Outlook
2020 (valid upto 30 June 2022)	"A1"	"ST 2"	Stable

The rating reflects the strengths of the Bank which is backed by a strong team of management, growth in the non-interest income, deposits and investments, adequate capital coverage with high Tier-I capital, improved asset quality and well controlled of liquidity position.

2.07 Directors' Responsibility on Financial Statements

The Board of Directors take the responsibility for preparation and presentation of these financial statements.

2.08 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, savings certificates, wage earners bonds and others fall under the memorandum items. However, Bills for Collection is shown under contingent liabilities under the head of Off-balance Sheet Exposures as per Bangladesh Bank's reporting format.

2.09 Information about business and geographical segments

Segmental information is presented in respect of Midland Bank Limited.

a) Business segments

Business segments report consists of products and services whose risks and returns are different from those of other business segments.

b) Geographical Segments

Geographical segments report consists of products and services within a particular economic environment, where risks and returns are different from those of other economic environments. Inter-segment transactions are generally based on inter-branch fund transfer measures as determined by the management. Income, expenses, assets and liabilities are specifically identified with individual segments.

Compliance report of International Accounting Standards/ International Financial Reporting Standards (IFRSs)

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) vide letter no 1/1/ICAB-2017 dated 14 December 2017. The compliance status of these IFRS is as follows:

Name of the IAS / IFRS	IAS	Status of compliance
Presentation of Financial Statements	IAS-1	Applied with some departure (note 2)
Inventories	IAS-2	Not Applicable
Statement of Cash Flows	IAS-7	Applied with some departure (note 2)
Accounting Policies, Changes in Accounting Estimates	IAS-8	Applied
Events after the Reporting Period	IAS-10	Applied
Construction Contracts	IAS-11	Not Applicable
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Lease	IAS-17	Applied
Revenue	IAS-18	Applied
Employee Benefits	IAS-19	Not Applicable
Accounting for Government Grants and Disclosure of Govt 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	Not Applicable
Separate Financial Statements	IAS-27	Applied
Investments in Associates and Joint Venture	IAS-28	Not Applicable
Financial Reporting for hyperinflationary economics	IAS-29	Not Applicable
Interests in Joint Ventures	IAS-31	Not Applicable
Financial Instruments: Presentation	IAS-32	Applied with some departure (note 2)
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 with some departure (note 2)
Intangible Assets	IAS-38	Applied
Financial Reporting: Recognition and measurement	IAS-39	Applied with some departure (note 2)
Investment property	IAS-40	Not Applicable
Agriculture	IAS-41	Not Applicable
International Financial Reporting Standards (IFRS):		
First-time Adoption of Bangladesh Financial Reporting Standards	IFRS 1	N/A
Share-based Payment	IFRS 2	N/A
Business Combinations	IFRS 3	N/A
Insurance Contracts	IFRS 4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS 5	N/A
Exploration for and Evaluation of Mineral Resources	IFRS 6	N/A
Financial Instruments: Disclosures	IFRS 7	Applied with some departure (note 2)
Operating Segments	IFRS 8	Applied with some departure (note 2)
Financial Instruments	IFRS 9	Applied with some departure (note 2)
Consolidated Financial Statements	IFRS 10	N/A
Joint Arrangements	IFRS 11	N/A
Disclosure of Interest in Other Entities	IFRS 12	N/A
Fair Value Measurement	IFRS 13	Applied with some departure (note 2)
Regulatory Deferral Accounts	IFRS 14	N/A
Revenue from contractors with customers	IFRS 15	Applied
Leases	IFRS 16	Applied

Standards issued but not yet effective

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standards and amendments to standards time to time. All previously adopted reporting standards are consistently applied by the Bank as explained in **Note # 2.10**.

The Bank has consistently applied the accounting policies as set out in **note # 2** to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2021 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

In December 2017, ICAB has decided to adopt IFRS replacing IAS effective for annual periods beginning on or after 1 January 2018. However, since currently issued IFRS have been adopted from IAS without any major modification, such changes would not have any material impact on financial statements.

A number of standards and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted. However, the Bank has not early applied the following new standard in preparing these financial statements.

IFRS 17 - Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

2.11 Materiality and aggregation

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature also have been presented separately unless they are immaterial in accordance with IAS-1 "Presentation of Financial Statements".

2.12 General**a) Comparative information**

Comparative information in respect of the previous year has been presented from the financial statements audited by current year auditors for the period ended on December 31, 2021. Figures of previous year have been rearranged whenever necessary to confirm the current year/period presentation.

b) Disclosures of expenditures

Expenses, irrespective of capital or revenue nature, accrued/due, but not paid have been provided for in the books of the Bank.

c) Approval of Financial Statements

These financial statements have been prepared by the management, audited by the external and regulatory auditors and thereafter approved by the board of directors of the Bank in its 122nd Board meeting held on April 24, 2021.

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
3.00 Cash		
In Hand (Including foreign currency) (note 3.01)	558,386,508	546,005,616
Balance with Bangladesh Bank and its Agent Bank (note 3.02)	2,111,506,738	1,971,384,304
	2,669,893,246	2,517,389,920
3.01 In Hand (Including foreign currency)		
Local Currency	547,609,723	532,186,293
Foreign Currency	10,776,785	13,819,323
	558,386,508	546,005,616
3.02 Balance with Bangladesh Bank and its Agent Bank		
With Bangladesh Bank		
Local Currency	2,010,612,544	1,868,456,722
Foreign Currency	100,620,325	97,780,294
With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	273,870	5,147,288
	2,111,506,738	1,971,384,304

3.03 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 25 & 33 of The Bank Companies Act, 1991 and Circular No.# 01 , 02 & 01 dated December 10, 2013 , June 23, 2014 & April 03,2018 respectively of Monetary Policy Department (MPD) of Bangladesh Bank.

The Cash Reserve Requirement on the Bank's Time and Demand Liabilities at the rate of 4% has been calculated and maintained with the Bangladesh Bank in Current Account and 13% Statutory Liquidity Ratio for conventional banking, 5.50% for Islami Banking Wing, excluding CRR, on the same liabilities has also been maintained in the form of Treasury Bills, Bonds, Foreign Currency with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the Statutory requirement.

As per Bangladesh Bank MPD Circular No. 03, dated 09 April 2020, Bank has to maintain CRR @ 4 % on fortnightly cumulative average basis and minimum CRR @3.5% on daily basis.

Conventional Banking:

a) Cash Reserve Requirement (CRR)

Required Reserve	1,651,523,716	1,535,397,614
Maintained Reserve	1,867,157,913	1,697,715,608
Surplus/(Deficit)	215,634,197	162,317,994

b) Statutory Liquidity Ratio (SLR)

Required Reserve	5,372,299,440	4,990,042,250
Maintained Reserve	12,941,656,597	14,219,423,914
Surplus/(Deficit)	7,569,357,157	9,229,381,664

Total Required Reserve	7,023,823,156	6,525,439,864
Actual Reserve held	14,808,814,510	15,917,139,522
Surplus/(Deficit)	7,784,991,354	9,391,699,658

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

c) Components of Statutory Liquidity Ratio (SLR)

	2021 BDT	2020 BDT
Cash in Hand	552,258,100	544,548,780
Balance with Bangladesh Bank	-	-
Balance with Sonali Bank	9,342,580	13,132,270
Excess Reserve of CRR	215,634,197	162,317,994
Government Securities	12,164,421,720	13,499,424,870
	12,941,656,597	14,219,423,914

Islami Banking Wing

a) Cash Reserve Requirement (CRR)

Required Reserve	70,050,867	26,273,589
Maintained Reserve	136,388,437	194,547,228
Surplus/(Deficit)	66,337,570	168,273,639

b) Statutory Liquidity Ratio (SLR)

Required Reserve	96,319,940	36,126,190
Maintained Reserve	269,115,980	222,930,479
Surplus/(Deficit)	172,796,040	186,804,289

c) Components of Statutory Liquidity Ratio (SLR)

Cash in Hand	6,128,410	1,456,840
Balance with Bangladesh Bank	-	-
Balance with Sonali Bank	-	-
Excess Reserve of CRR	66,337,570	168,273,639
Government Securities	-	40,000,000
Other Eligible Securities	196,650,000	13,200,000
	269,115,980	222,930,479

4.00 Balance with other Banks and Financial Institutions

In Bangladesh	2,402,636,780	2,343,368,499
Outside Bangladesh	226,802,205	394,734,117
	2,629,438,985	2,738,102,616

4.01 In Bangladesh

Current Account

Standard Bank Ltd.
Sonali Bank Ltd.
Janata Bank Ltd.
Agrani Bank Ltd.
Rupali Bank Ltd.
Trust Bank Ltd.
Dutch Bangla Bank Ltd
The Premier Bank Ltd.

Transaction Currency

BDT	10,835	11,755
BDT	18,822,555	36,522,523
BDT	930,900	4,603,250
BDT	11,094,500	15,550,014
BDT	1,623,918	9,603,408
BDT	3,374,539	2,025,643
BDT	16,266,378	-
BDT	6,192,349	4,266,020
	58,315,974	72,582,613

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

		2021 BDT	2020 BDT
Special Notice Deposit			
Mercantile Bank Ltd.	BDT	19,994,697	64,065,908
Prime Bank Ltd.	BDT	639,313	624,181
AB Bank Ltd.	BDT	42,898,205	110,000,000
Eastern Bank Ltd.	BDT	3,106,240	3,095,797
		66,638,455	177,785,886
Fixed Deposits Receipt (FDR)			
FAS Finance & Investment Ltd.	BDT	175,000,000	175,000,000
First Finance Ltd.	BDT	133,000,000	134,000,000
National Bank of Pakistan	BDT	-	300,000,000
Bangladesh Finance Ltd.	BDT	89,000,000	-
Janata Bank Ltd.	BDT	200,000,000	-
Agrani Bank Limited	BDT	100,000,000	-
Community Bank Ltd	BDT	-	200,000,000
Trust Bank Ltd.	BDT	127,207,350	-
Premier Leasing & Finance Ltd.	BDT	565,475,000	271,000,000
Phoenix Finance & Investments Ltd.	BDT	171,500,000	175,000,000
Bangladesh Finance & Investment Company Ltd.	BDT	-	115,000,000
International Leasing & Financial Services Ltd.	BDT	331,500,000	331,500,000
Fareast Finance & Investment Limited	BDT	290,000,000	290,000,000
Prime Finance & Investment Ltd.	BDT	5,000,000	6,000,000
CVC Finance Ltd	BDT	90,000,000	95,500,000
Sub total		2,277,682,350	2,093,000,000
		2,402,636,779	2,343,368,499

4.02 Outside Bangladesh (NOSTRO Accounts) in current account

	Transaction Currency		
AB Bank, Mumbai Branch	US\$	230,580	6,375,055
United Bank of India	US\$	34,054,760	42,424,800
Axix Bank Limited	US\$	75,155,593	32,835,918
National Bank of Pakistan, Tokyo Japan	JPY	29,246	40,763
Mashreq Bank Psc, NY	US\$	90,804,027	309,716,355
Mashreq Bank Psc, NY OBU	US\$	5,673,280	-
Kookmin Bank, South Korea	GBP	641,466	307,228
Habib American Bank, NY	US\$	11,357,869	32,394,237
NIB Bank, Pakistan	US\$	32,861	1,993,064
Aktif Yatirim Bank	US\$	84,084	3,085,681
Aktif Yatirim Bank	EURO	259,320	1,084,942
Aktif Yatirim Bank	GBP	93,551	334,112
Banca UBAE Italy	EURO	7,869,438	6,929,356
Banca UBAE Italy	GBP	92,828	654,071
Kookmin Bank, South Korea	US\$	423,302	(43,441,466)
		226,802,205	394,734,117

Details of NOSTRO accounts are shown in Annexure-A

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
4.03 Maturity grouping of Balance with other Banks and Financial Institutions		
On Demand	1,625,900,000	2,055,000,000
Less than three months	353,000,000	365,500,000
More than three months but less than one year	650,538,985	317,602,616
	2,629,438,985	2,738,102,616
5.00 Money at Call and Short Notice:		
	-	295,800,000
	-	295,800,000
6.00 Investments		
Government(note 6.01)	12,361,071,740	13,552,624,869
Others(note 6.02)	2,618,834,358	1,080,373,840
	14,979,906,098	14,632,998,709
i) Investment Classified as per Bangladesh Bank Circular		
Held to Maturity (HTM)	8,481,225,177	4,494,348,371
Held for Trading (HFT)	3,553,343,563	9,044,281,398
Reverse Repo	-	-
Prize Bond	433,000	795,100
Government Securites Encumbered	-	-
Government Securites -SUKUK Bond	326,070,000	13,200,000
Other Investments	2,618,834,358	1,080,373,840
	14,979,906,098	14,632,998,709
ii) Investment Classified as per Nature		
6.01 Government Securities		
Treasury Bills (at present value)		
Un-encumbered		
28 days	-	-
91 days	-	-
182 days	-	-
364 days	-	418,707,154
5 Years	-	-
Sub-total	-	418,707,154
Encumbered		
91 days	-	-
182 days	-	-
364 days	-	-
Sub-total	-	-
Total Treasury Bill	-	418,707,154

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
Treasury Bonds		
Un-encumbered		
3 Months [Bangladesh Government Islamic Investment Bond (BGIIIB)]	20,225,460	40,000,000
2 Years	557,608,860	2,606,394,406
5 Years	326,070,000	1,852,982,089
10 Years	4,462,711,996	2,730,433,197
15 Years	4,417,794,724	3,369,485,363
20 Years	2,576,227,700	2,533,827,559
Sub-total	12,360,638,740	13,133,122,615
Encumbered		
2 Years	-	-
5 Years	-	-
10 Years	-	-
15 Years	-	-
20 Years	-	-
Sub-total	-	-
Total Treasury Bond	12,360,638,740	13,133,122,615
Reverse Repo	-	-
Prize Bonds (at face value)	433,000	795,100
Sub Total	12,361,071,740	13,552,624,869
6.02 Other Investments		
Shares in quoted companies(Regular portfolio)	360,061,759	225,160,053
Shares in quoted companies(Special portfolio)	667,726,367	-
Details shown in Annex B		
Shares in unquoted companies (at face value) :		
Regent Energy & Power Ltd.(Preference Share)	44,613,788	44,613,787
Union Capital Ltd. (Preference Share)	4,000,000	8,000,000
Envoy Textiles Ltd. (Preference Share)	160,000,000	200,000,000
Confidence Power Bogra Ltd. (Preference Share)	50,000,000	50,000,000
CWT Sadharan Bima Growth Fund (Open End Mutual Fund)	5,000,000	-
Ekush First Unit Fund (Open End Mutual Fund)	27,832,445	-
UCB AML First Mutual Fund (Open End Mutual Fund)	20,000,000	-
VIPB Accelerated Income Unit Fund (Open End Mutual Fund)	27,500,000	-
	338,946,233	302,613,787
Bond, Debenture & Commercial Papers:		
AB Bank-Subordinated Bond	-	40,000,000
Trust Bank-Subordinated Bond	-	50,000,000
UCB- Subordinated Bond	40,000,000	80,000,000
SIBL- Subordinated Bond	80,000,000	120,000,000
Standard Bank -Subordinated Bond	120,000,000	160,000,000
Hashem Foods Ltd-Commercial Paper	102,100,000	102,600,000
North-West Power Generation Company Ltd-Non-Convertible Coupon Bond	350,000,000	-
Trust Bank - Perpetual Bond	60,000,000	-
Jamuna Bank - Perpetual Bond	250,000,000	-
NCC Bank - Perpetual Bond	250,000,000	-
	1,252,100,000	552,600,000
Sub Total	2,618,834,359	1,080,373,840
Total	14,979,906,098	14,632,998,709

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

2021
BDT

2020
BDT

6.03 Assets pledged as security for liabilities as at December 31, 2021 is BDT 920,12,38,835 of Treasury Bill and Bond against Re-Purchase Agreement.

Details are as under:

(a) i. Disclosure regarding outstanding Repo as at 31 December 2021

	Counter Party Name	Agreement Date	Reversal Date	Amount
1	Janata Bank Ltd.	26-Dec-2021	2-Jan-2022	1,439,604,558
2	City Bank Ltd.	27-Dec-2021	3-Jan-2022	1,524,942,358
3	Janata Bank Ltd.	28-Dec-2021	4-Jan-2022	1,560,134,861
4	Dhaka Bank Ltd.	28-Dec-2021	4-Jan-2022	1,502,519,244
5	Dhaka Bank Ltd.	29-Dec-2021	5-Jan-2022	1,560,420,375
6	City Bank Ltd.	30-Dec-2021	3-Jan-2022	712,756,546
7	Janata Bank Ltd.	30-Dec-2021	6-Jan-2022	900,860,893
Total				9,201,238,835

ii. There is no outstanding Reverse Repo as at 31 December 2021 with the Bank.

(b) Disclosure regarding overall transaction of Repo for the year 2021

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under Repo:			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	1,382,405,082	10,680,490,099	6,261,126,019
Securities purchased under reverse Repo:			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	313,296,699	573,640,940	5,573,204

6.04 Maturity grouping of Investment as follows:

On Demand
Up to one month
Less than three months
More than three months but less than one year
More than one year but less than five years
More than five years

151,700,000	160,200,000
433,000	795,100
-	998,000,000
3,332,800,000	45,600,000
7,178,100,000	8,318,200,000
4,316,873,098	5,110,203,609
14,979,906,098	14,632,998,709

7.00 Loans and Advances / Investments

Loans, Cash Credits, Overdrafts, etc. (note-7.01)
Bills Purchased and Discounted (note-7.02)
Total Loans and Advances

42,588,953,284	38,040,954,438
3,278,529,125	1,045,718,061
45,867,482,409	39,086,672,499

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
7.01 Loans, Cash Credits, Overdrafts, etc. / Investments		
In Bangladesh:		
Term Loan	17,321,560,820	12,814,086,696
Overdraft	7,261,014,218	7,502,050,111
Time Loan	10,726,731,387	12,018,659,376
Cash Credit	2,064,389,960	1,878,398,914
Trust Receipt	1,690,920,964	1,206,467,431
Consumer Loan	953,860,168	733,544,516
Payment Against Documents(PAD)	-	3,729
Agricultural Credit	662,856,308	697,069,715
EDF Loan	1,610,269,716	640,014,283
Packing Credit	129,361,656	121,122,929
Staff Loan	107,437,401	94,156,242
Other Loans and Advances	60,550,686	335,380,496
	42,588,953,284	38,040,954,438
Outside Bangladesh	-	-
	42,588,953,284	38,040,954,438
7.02 Bill Purchased and Discounted		
Payable in Bangladesh	125,579,769	60,827,574
Payable outside Bangladesh	3,152,949,356	984,890,486
	3,278,529,125	1,045,718,061
7.03 Net Loans & Advances /Investments		
Gross Loans & Advances/ Investments (note- 7)	45,867,482,409	39,086,672,499
Less:		
Classified Loans & Advances/ Investments (note-7.08)	1,455,053,905	452,789,098
Interest/ Profit Suspense (Note- 13.06)	658,322,977	416,575,455
Provision for Loans & Advances/ Investments-General Provision (Note -13.01)	643,109,175	589,643,344
Net Loans & Advances /Investments	43,110,996,351	37,627,664,602
7.04 Maturity grouping of Loans and Advances /Investments		
On Demand	3,017,600,000	4,575,100,000
Up to one month	6,580,700,000	5,869,500,000
Not more than three months	5,673,800,000	2,242,500,000
More than three months but less than one year	13,743,900,000	15,186,100,000
More than one year but less than five years	15,378,382,409	11,209,672,499
More than five years	1,473,100,000	3,800,000
	45,867,482,409	39,086,672,499
7.05 Maturity grouping of Bills Purchased and Discounted		
Within one month	53,300,000	239,200,000
More than one but not more than three months	51,700,000	3,900,000
More than three months but less than six months	3,173,529,125	802,618,061
More than six months	-	-
	3,278,529,125	1,045,718,061

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
7.06 Concentration of Loans and Advances/ Investments:		
a) Loans and Advances/Investments to Institutions in which the Directors of the Bank have interest	98,403,288	110,304,370
b) Advances to Managing Director & other Senior Executives	107,437,401	94,156,242
c) Advances to Industries		
Agriculture	639,895,579	673,909,358
RMG	2,244,984,575	1,584,086,659
Textile	3,989,512,870	2,136,294,461
Ship Building	37,815,286	-
Ship Breaking	624,777,793	643,968,524
Other Manufacturing industry	12,916,189,429	11,106,060,328
SME loans	1,677,075,066	5,924,317,807
Construction	4,278,475,007	1,481,757,859
Power, Gas	784,618,440	1,223,037,469
Transport, Storage and Communication	103,782,528	345,086,224
Trade Service	7,388,304,182	7,372,547,631
Commercial real estate financing	285,146,651	254,032,378
Residential real estate financing	511,718,653	292,225,210
Consumer credit	1,227,488,246	251,953,763
Capital Market	789,081,519	869,403,552
NBFIs	2,722,274,810	2,823,354,047
Others	5,440,501,086	1,900,176,616
	45,661,641,720	38,882,211,887
	45,867,482,409	39,086,672,499

7.07 Details of Large Loan/Investments

Number of borrowers with outstanding amount of loans exceeding 10% of total capital of the Bank and classification status thereof. Total capital of the Bank is BDT 813.27 crore as at December 31, 2021 (BDT 798.77 crore in 2020).

Number of Clients	24	24
Outstanding Advances (BDT)	22,922,288,800	18,642,609,899

Client wise details are given below:

Sl	Name of the clients	Status	Outstanding (BDT)		Total 2021 (BDT)	Total 2020 (BDT)
			Funded	Non - Funded		
1	Adex Group	UC	583,421,712	243,999,018	827,420,730	780,867,123
2	Nitol-Niloy Group	UC	716,055,430	90,321,970	806,377,400	567,738,815
3	Zon Ron Group	UC	705,196,844	284,166,740	989,363,584	656,156,556
4	Rangs Group	UC	388,524,910	330,963,667	719,488,577	698,460,231
5	Abul Khair Group	UC	211,978,664	22,489,116	234,467,780	709,650,877
6	GPH Group	UC	1,207,463,182	546,156,323	1,753,619,506	1,085,537,481
7	Summit Group	UC	1,006,722,733	-	1,006,722,733	-
8	Energypac Group	UC	778,383,507	1,586,577,681	2,364,961,188	2,362,945,235
9	Alliance Group	UC	945,041,396	104,234,551	1,049,275,947	1,062,237,730
10	Anwar Group	UC	-	-	-	749,589,641

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

SI	Name of the clients	Status	Outstanding (BDT)		2021 BDT	2020 BDT
			Funded	Non - Funded	Total 2021 (BDT)	Total 2020 (BDT)
11	BD Group	UC	1,018,793,293	5,967,700	1,024,760,993	955,390,075
12	Confidence Group	UC	381,709,797	1,026,297,031	1,408,006,828	773,949,361
13	ACI Group	UC	769,578,007	251,792,591	1,021,370,599	490,207,617
14	Unimed Group	UC	439,119,419	143,976,607	583,096,026	-
15	MSA Group	UC	688,564,834	488,738,331	1,177,303,165	758,354,637
16	EXPO Group	UC	134,727,999	1,267,744,797	1,402,472,796	1,582,963,642
17	Saiham Group	UC	829,650,860	364,483,367	1,194,134,228	309,528,388
18	Spectra Engineers Ltd.	UC	201,016,339	25,335,600	226,351,939	415,630,329
19	Standard Asiatic Oil Company Ltd.	UC	-	-	-	5,132,718
20	Premier Group	UC	476,133,907	-	476,133,907	803,562,461
21	NDE Group	UC	854,476,952	379,879,712	1,234,356,664	1,068,553,709
22	City Group	UC	1,083,843,795	27,969,798	1,111,813,593	799,181,126
23	Meghna Group	UC	1,016,526,101	31,977,448	1,048,503,549	964,628,626
24	Fair Group	UC	378,306,407	125,583,561	503,889,968	482,041,789
25	NPoly group	UC	269,795,411	488,601,691	758,397,102	299,453,693
26	Florance Group	UC	-	-	-	260,848,038
Total			15,085,031,499	7,837,257,301	22,922,288,800	18,642,609,899

7.08 Classification of Loans and Advances/Investments:

Unclassified (UC):

Standard	43,587,009,789	38,493,413,664
Special Mention Account (SMA)	825,418,715	140,469,737

Sub total **44,412,428,504** **38,633,883,401**

Classified:

Substandard	313,753,790	83,395,881
Doubtful	588,083,684	19,682,248
Bad & Loss	553,216,430	349,710,969

Sub total **1,455,053,905** **452,789,098**

Total **45,867,482,409** **39,086,672,499**

7.09 Details of Required Provision for Loans and Advances/Investments

Particulars	Provision Rate	Provision as of 2021 (BDT)	
		Required	Maintained
Unclassified (UC):			
Standard	0.25%, 1%, 2% & 5%	635,063,283	635,063,283
Special Mention Account (SMA)	0.25%, 1%, 2% & 5%	8,045,892	8,045,892
Sub total		643,109,175	643,109,175
Classified:			
Substandard	5% & 20%	23,023,188	23,023,188
Doubtful	5% & 50%	185,465,032	185,465,032
Bad loan	100%	246,204,855	246,204,855
Sub total		454,693,075	454,693,075
Total		1,097,802,250	1,097,802,250
Excess/(short) Provision as at December 31, 2021		-	

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
7.10 Details of Required Provision for Off Balance Sheet Items		
Required Provision for Off- Balance Sheet Exposures	109,846,794	84,899,516
Total Provision maintained	109,846,794	84,899,516
Excess/(Short) Provision	-	-
7.11 Suit filed by the Bank		
No of Suits file		
Artha Rin Adalat	11	12
N. I Act	38	54
Suit Amount		
Artha Rin Adalat	617,743,507	598,917,807
N. I Act	272,646,535	612,383,424
7.12 Geographical location wise loans and advances/Investments		
Inside Bangladesh		
Urban		
Dhaka Division	39,360,069,691	31,792,747,397
Chittagong Division	5,263,818,839	6,138,745,529
Khulna Division	42,385,721	38,625,646
Rajshahi Division	160,492,431	130,410,338
Mymensingh	-	-
Barisal Division	-	-
Sylhet Division	18,102,991	10,484,069
	44,844,869,674	38,111,012,979
Rural		
Dhaka Division	653,449,322	655,680,442
Chittagong Division	120,782,821	102,486,902
Khulna Division	24,287,754	10,849,334
	108,494,662	94,006,018
Rajshahi Division	108,661,187	103,492,645
Mymensingh	6,936,988	9,144,178
Rangpur	-	-
	-	-
	1,022,612,735	975,659,519
Outside Bangladesh	-	-
	45,867,482,409	39,086,672,499
7.13 Particulars of loans and advances/Investments		
(i) Loans & Advances considered good in respect of which the bank is fully secured	18,774,700,000	17,126,515,133
(ii) Loans & Advances considered good against which the bank holds no security other than the debtors' personal guarantee	27,092,782,409	21,960,157,367
(iii) Loans & Advances considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	-	-
(iv) Loans adversely classified, provision not maintained thereagainst	-	-
	45,867,482,409	39,086,672,499

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
(v) Loans & Advances due by directors or officers of the bank or any of them either separately or jointly with any other persons	205,840,689	204,460,612
(vi) Loans & Advances due from companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in case of private companies, as members	-	-
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other persons	-	-
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	-	-
(ix) Due from other banking companies	-	-
(x) Amount of classified loans on which interest has not been charged:		
a. i) (Decrease)/Increase in provision,	260,135,504	(91,944,812)
ii) amount of loan written off	-	-
iii) amount realised against loan previously written off;	-	-
b. Amount of provision kept against loan classified as 'bad/ loss'	246,204,855	190,380,285
c. Interest creditable to the interest suspense A/c;	658,322,977	416,575,455
(xi) Cumulative amount of loans written-off	-	-
(xii) Amount of loans written-off during the year	-	-
(xiii) The amount of written off loan for which law suit has been filed	-	-

7.14 Audited Financial Statements are mandatory documents for any company applying for new loan facility from bank. The bank reviews the Audited Financial Statements while assessing any new credit / Loan facilities to any new customers. In compliance with BRPD Circular Letter No. 04, dated January 04, 2021, the bank obtained audited financial statements while approving any new loan facility and wherever required under Financial Reporting Act'2015. Audited Financial Statements are preserved in the loan files by the bank and during each review latest audited financials are also obtained. However, in some special circumstances where latest Audited Financial Statements is not available and where there is valid reason for delay in submission of latest audited financial, the bank uses interim Management Accounts for conducting the Internal Credit Risk Rating (ICRR) for the purpose of renewal of any loan facilities as per guidelines of ICRR of Bangladesh Bank. However, from September' 2021 the Bank is verifying the Financial Statements using the Document Verification System (DVS) as per BRPD Circular Letter 35 dated July 06, 2021 and FRC Letter No. 178/FRC/APR/2021/27(28) dated December 08, 2021.

8.00 Fixed Asset including Premises, Furniture & Fixture

Property, Plant & equipment

Computer and Peripherals

Furniture & Fixture

Office Equipment

Motor Vehicles

Books

Intangible Assets

Right of Use Assets

Land, Building & Construction

Total Cost

Less: Accumulated Depreciation

Book value at the end of the year

Details are shown in Annex-C

218,799,264	208,829,532
178,677,759	175,833,821
175,553,464	166,020,099
26,094,193	29,900,856
20,260	20,260
62,813,819	57,403,019
656,791,727	559,039,258
-	-
1,318,750,486	1,197,046,846
685,234,077	537,270,505
633,516,409	659,776,340

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
9.00 Other Asset		
Classification of Other Asset		
A) Income generating Other Asset	-	-
B) Non-Income generating Other Asset :		
Advance Rent (note-9.01)	-	-
Interest Accrued on Investment but not collected & other income receivable	556,977,297	408,549,732
Dividend Receivable	17,168,921	10,938,850
Advance Income Tax (note-9.02)	1,454,662,614	1,933,065,435
Suspense Account (note-9.03)	51,117,293	42,745,384
Advance Subscription	929,419	645,622
Prepaid Insurance	3,017,529	2,657,140
Stationery, Stamps, Printing materials in stock etc.	5,577,515	5,913,955
Sundry Assets (note-9.04)	130,686,898	768,271,641
Stamp in Hand	801,356	469,193
Branch Adjustment (note-9.05)	-	-
Deferred Tax Assets (note-9.06)	-	5,909,223
Exchange House	5,150,031	23,482,719
	2,226,088,872	3,202,648,893
Total Other Asset (A+B)	2,226,088,872	3,202,648,893
9.01 Advance Rent adjusted due to IFRS 16.		
9.02 Advance Income Tax		
Opening Balance	1,933,065,435	1,481,972,377
Less: Adjustment made during the year	888,341,842	-
Add: Payment during the year	409,939,021	451,093,058
Closing Balance	1,454,662,614	1,933,065,435
9.03 Suspense account represents advance paid for encashment of PSP,BSP & WEDB, advances for opening of new branches, procurement of equipments, etc, awaiting for adjustment.		
9.04 Sundry Assets		
Security Deposit	1,048,608	17,862,178
Receivable from Bangladesh Bank- Time Loan-WC under stimulus packag	85,672,282	16,192,498
Receivable from Brokerage House	29,709,593	22,423,637
Sundry Debtors	1,805,105	701,226,218
MFS Settlement Account	6,697,758	5,953,746
OBU Adjustment Account	-	1,438
Prepaid Interest	2,596,937	2,407,491
Prepaid Furniture Allowance	3,156,615	2,204,435
	130,686,898	768,271,641
9.05 Branch Adjustment (net)		
Entries	No. of Entries Outstanding as on 31-12-2021	BDT
Debit entries	-	-
Credit entries	-	-
	-	-

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
9.06 Deferred tax asset/ (Liability)		
Opening Balance	5,909,223	39,530,236
Add: Deferred tax Income	-	-
Less: Deferred tax Expenses	22,886,680	33,621,013
Closing Balance Deferred Tax asset/ (liability)	(16,977,457)	5,909,223
9.06.01 Computation of deferred tax		
Accounting written down value- Fixed Assets	207,782,299	243,195,874
Less: Tax base written down value- Fixed Assets	311,384,501	287,058,681
Taxable temporary difference	(103,602,202)	(43,862,808)
Right of Use of Assets	425,734,110	416,580,467
Lease Obligation	394,940,121	378,544,988
Taxable temporary difference	(30,793,989)	(38,035,479)
Book value - Gratuity provision	108,020,300	108,020,300
Less: Tax base - Gratuity provision	16,067,751	11,348,955
Deductable temporary difference	91,952,549	96,671,345
Net deductible temporary difference	(42,443,641)	14,773,058
Effective tax rate	40.00%	40.00%
Deferred Tax Assets/(Liability)	(16,977,457)	5,909,223
Deferred Tax (Expenses)/Income		
Closing Deferred Tax Assets	(16,977,457)	5,909,223
Opening Deferred Tax Assets/(Liability)	5,909,223	39,530,236
Deferred Tax (Expenses)/Income	(22,886,680)	(33,621,013)
9.07 Classification of Other Asset		
Unclassified	2,222,386,417	3,198,946,438
Substandard	-	-
Doubtful	3,702,455	3,702,455
Bad/Loss	-	-
	2,226,088,872	3,202,648,893
10.00 Non-Banking Assets		
Land at cost (market value of the land at BDT 14.54 million)	12,585,359	12,585,359
	12,585,359	12,585,359

The Bank filed on Artha Rin suit bearing # 539/2017, dated 02.03.2017 against one default customer, A/C : Al-Fahad Air Ticketing & Medical Tourism Limited. The Bank has been awarded the ownership of the mortgage properties according to the verdict of the honorable court in accordance with section 33(5) of "Artharin Adalat 2003". Subsequent approval taken from the Board of Directors of the Bank, the full amount of loan of BDT 12.59 million (market value of the property at BDT 14.54 million) transferred to Non-Banking Assets of the Bank, which will continue to sustain in Bank's Balance Sheet until sale / disposal of the said property acquired by the Bank u/s 33(5) of the Artha Rin Adalat Ain 2003 as mortgagee Bank. As per Bangladesh Bank Guideline, 100% provision has been maintained against this asset during the year.

11.00 Borrowing From Other Banks, Financial Institutions & Agents

In Bangladesh	5,949,301,979	6,074,714,536
Outside Bangladesh	-	-
	5,949,301,979	6,074,714,536

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
11.01 In Bangladesh:		
Borrowing from Bank/Other Institutions:	1,971,975,000	3,419,585,678
Sonali Bank Ltd.	-	300,000,000
Janata Bank Ltd.	-	300,000,000
Agrani Bank Ltd	-	800,000,000
Rupali Bank Ltd.	-	106,000,000
Commercial Bank of Ceylon	-	63,982,153
NCC Bank Ltd.	297,340,000	-
IFIC Bank Ltd.	500,000,000	-
Mutual Trust Bank Ltd.	200,000,000	-
Bank Asia Ltd.	200,000,000	-
United Commercial Bank Ltd.	-	508,802,400
Trust Bank Ltd.	128,475,000	-
Bank Al Falah	85,800,000	-
BASIC Bank Ltd.	200,000,000	-
Southeast Bank Ltd.	360,360,000	21,200,325
Uttara Bank Ltd.	-	1,169,600,800
NRB Bank Ltd.	-	150,000,000
Repo of Treasury Bill/Bond		
Bangladesh Bank (LS)	-	-
Refinance from Bangladesh Bank	624,999,329	1,138,735,507
Investment Promotion and Financing Facility (IPFF)	1,902,357,000	917,457,000
Borrowing From Bangladesh Bank (EDF)	1,449,970,650	598,936,352
	3,977,326,979	2,655,128,859
Total	5,949,301,979	6,074,714,536
11.02 Security against Borrowing From Other Banks, Financial Institutions and Agents		
Secured	-	-
Unsecured	5,949,301,979	6,074,714,536
	5,949,301,979	6,074,714,536
11.03 Maturity Grouping of Borrowing From other Banks, Financial Institutions & Agents		
On Demand	1,225,000,000	1,648,400,000
Up to one month	352,600,000	1,839,300,000
Not more than three months	604,400,000	447,300,000
More than three months but less than one year	848,200,000	240,200,000
More than one year but less than five years	2,919,101,979	1,899,514,536
More than five years	-	-
	5,949,301,979	6,074,714,536
12.00 Deposit and Other Accounts		
From Banks	7,245,595,162	4,750,600,273
From Customers	43,484,443,764	40,316,970,853
	50,730,038,926	45,067,571,125
12.01 Customer Deposit and Other Accounts:		
Current Deposit & Other Accounts :		
Current Deposit	2,717,850,129	3,041,811,601
Foreign Currency Deposit	3,332,702,223	772,616,457
Sundry Deposit	837,469,914	728,804,870
	6,888,022,266	4,543,232,928

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
Bills Payable :		
Payment Order Issued	312,166,430	369,020,053
Short Notice Deposit	7,398,619,144	5,607,092,015
Savings Deposit	4,440,720,438	3,523,299,987
Fixed Deposit	27,194,882,317	26,639,700,736
Deposit Schemes:		
MDB Super Monthly Savings	2,294,985,259	1,868,468,083
MDB Double Benefit	549,509,824	963,621,106
MDB Family Support	1,148,985,356	1,201,949,108
MDB Corporate Support	65,061,557	40,012,907
MDB Shiksha Sanchay Scheme	14,568,199	8,647,792
MDB Millionaire Savings Scheme	168,571,951	130,995,301
MDB Kotipoti	164,341,378	116,238,050
MDB Platinum Savings Scheme	67,143,308	43,753,842
MDB Traveller's Savings Scheme	5,317,585	8,671,370
MDB Saalam Monthly Scheme	13,434,008	2,758,102
MDB Saalam Hajj Savings Scheme	1,130,093	48,069
Saalam Digital Monthly Savings Scheme	2,109,097	51,313
Saalam Digital Hajj Savings Scheme	470,716	10,364
	4,495,628,331	4,385,225,406
Total	50,730,038,926	45,067,571,126
12.02 Maturity grouping of Deposit and Other Accounts:		
On Demand	461,300,000	509,900,000
Repayable within one month	6,913,100,000	8,431,400,000
More than one month but within three months	12,645,400,000	9,898,700,000
More than three months but within one year	14,442,000,000	13,241,200,000
More than one year but within five years	15,497,738,926	11,834,871,125
More than five year but within ten years	770,500,000	1,151,500,000
	50,730,038,926	45,067,571,125
12.02.01 Maturity grouping of Deposit from bank:		
On Demand	-	-
Repayable within one month	-	-
More than one month but within three months	7,245,595,162	4,750,600,273
More than three months but within one year	-	-
More than one year but within five years	-	-
More than five year but within ten years	-	-
	7,245,595,162	4,750,600,273
12.02.02 Maturity grouping of Deposit from customers:		
On Demand	461,300,000	509,900,000
Repayable within one month	6,913,100,000	8,431,400,000
More than one month but within three months	5,399,804,838	5,148,099,727
More than three months but within one year	14,442,000,000	13,241,200,000
More than one year but within five years	15,497,738,926	11,834,871,125
More than five year but within ten years	770,500,000	1,151,500,000
	43,484,443,764	40,316,970,852

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
12.03 Demand & Time Deposit		
a) Demand Deposit	7,599,853,535	5,229,349,980
Current Deposit	2,717,850,129	3,041,811,601
Savings Deposit (9%)	399,664,839	317,096,999
Foreign Currency Deposit (non interest bearing)	3,332,702,223	772,616,457
Sundry Deposit	837,469,914	728,804,870
Bills Payable	312,166,430	369,020,053
b) Time Deposits	43,130,185,391	39,838,221,145
Saving Deposit (91%)	4,041,055,598	3,206,202,988
Fixed Deposit	27,194,882,317	26,639,700,736
Short Notice Deposit	7,398,619,144	5,607,092,015
Deposit Under Scheme	4,495,628,331	4,385,225,406
Total Demand & Time Deposits	50,730,038,926	45,067,571,125
12.04 Sectorwise Deposit		
Government	696,380,593	1,009,511,904
Deposit Money Banks	7,245,595,162	4,750,600,273
Other Public	2,848,585,781	3,596,675,847
Foreign Currency	3,332,702,223	772,616,457
Private	36,606,775,167	34,938,166,644
	50,730,038,926	45,067,571,125
13.00 Other Liabilities		
Provision for Loans and Advances (Note 13.01)	1,097,802,250	784,200,915
Special General Provision -COVID 19 (Note 13.02)	186,290,081	160,085,000
Provision for Outstanding debit entries in NOSTRO Account	-	-
Provision for Off Balance Sheet Items (Note 13.03)	109,846,794	84,899,516
Provision for Good Borrower	1,616,000	1,616,000
Provision for Other Assets	5,492,125	3,702,455
Provision for Income Tax (Note 13.04)	1,843,445,673	2,170,136,015
Interest Payable on Borrowing	87,393,725	29,633,271
Audit fee Payable	460,000	357,500
Accrued Expenses	68,425,859	88,244,684
Unearned Income (for investment & placement)	275,174,109	119,152,139
Corporate Social Responsibility (CSR) Payable	187,352	88,676
Startup Fund	11,703,831	-
Deferred Tax Liability	16,977,457	-
Lease Liability (note-13.05)	394,940,121	378,544,988
Provision for Gratuity	-	40,000,000
Interest Suspense (Note 13.06)	658,322,977	416,575,455
Provision for Share, Commercial Paper & Bond	133,713,788	68,106,898
Provision for Non-Banking Asset	12,585,359	-
Other Liabilities	30,931,897	44,374,203
13.01 Provision for Loans and Advances	4,935,309,399	4,389,717,716
For Unclassified		
Opening Balance	589,643,344	454,513,292
Add: Provision made during the year	53,465,831	135,130,052
Less: Provision transferred to Classified Loans and Advances	-	-
Closing Balance	643,109,175	589,643,344

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
For Classified		
Opening Balance	194,557,571	286,502,383
Add: Provision made during the year	260,135,504	(91,944,812)
Less: Adjustment during the year	-	-
Less: Loan written off during the year	-	-
Closing Balance	454,693,075	194,557,571
	1,097,802,250	784,200,915
13.02 Special General Provision -COVID 19		
A. Opening Balance	160,085,000	-
B. Add: Provision made during the year	77,859,888	160,085,000
C. Less: Provision release due to recovery	51,654,807	-
D. Net Provision Charged in Profit & Loss Account [B-C]	26,205,081	160,085,000
E. Closing Balance [A+D]	186,290,081	160,085,000
13.03 Provision for Off Balance Sheet Items		
Opening Balance	84,899,516	54,483,264
Add: Provision made during the year	24,947,278	30,416,252
Less: Provision transferred to Loans and Advances	-	-
Closing Balance	109,846,794	84,899,516
13.04 Provision for Income Tax*		
Opening Balance	2,170,136,015	1,900,151,372
Less: Adjustment made with advance tax during the year	888,341,842	-
Less: Adjustment of surplus provision	27,608,984	-
Add: Provision made during the year	589,260,484	269,984,643
	1,843,445,673	2,170,136,015
*Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being .		
13.05 Lease liability created due to IFRS 16.		
13.06 Interest Suspense Account		
Opening Balance	416,575,455	111,749,816
Add: Addition during the year	449,841,980	397,068,195
Less: Written off during the year	-	-
Less: Recovery during the year	208,094,458	92,242,555
Closing Balance	658,322,977	416,575,455
14.00 Shareholders' Equity		
Paid up Capital (note 15.02)	5,696,697,530	5,696,697,530
Statutory Reserve (note 16.00)	1,408,602,127	1,183,368,838
Revaluation Reserve on Investment in Securities (note 17.00)	2,446,036	275,655,418
Retained Earnings (note 18.00)	296,515,381	458,249,173
	7,404,261,074	7,613,970,959
15.00 Capital		
15.01 Authorized Capital:		
1,000,000,000 ordinary shares of Tk. 10 each	10,000,000,000	10,000,000,000
15.02 Issued, subscribed and Paid-up Capital:		
569,669,753 Ordinary shares of Taka 10 each issued for cash.	5,696,697,530	5,696,697,530
	5,696,697,530	5,696,697,530

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
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15.03 The break up of Issued, Subscribed and Paid-up Capital is as follows:

	No. of shares	Value of shares BDT	December 31, 2021 % of holding
Sponsors/Directors	511,245,649	5,112,456,490	89.74%
Institutions	4,219,776	42,197,760	0.74%
Individuals	54,204,328	542,043,280	9.52%
	569,669,753	5,696,697,530	100%

15.04 Capital Adequacy Ratio

In terms of section 13 (2) of the Bank Company Act 1991 and Bangladesh Bank BRPD circular no. 35 dated December 29, 2010, required capital of the Bank at the close of business on December 31, 2021 was 12.50% of Risk-Weighted Assets of BDT 51,240,205,942, i.e. BDT 6,405,025,743 or BDT 4,000,000,000, whichever is higher as against available core capital of BDT 7,379,822,021 and supplementary capital of BDT 752,955,969 making a total capital of BDT 8,132,777,990 thereby showing a surplus capital of BDT 1,727,752,247. Details are given below:

	2021 BDT	2020 BDT
Total risk weighted assets	51,240,205,942	45,800,359,122
Required Capital : 12.50% of total risk weighted asset or BDT 400 cr, whichever is higher	6,405,025,743	5,725,044,890
Actual capital maintained		
Core Capital (Tier-I) :		
Paid up Capital	5,696,697,530	5,696,697,530
Statutory Reserve	1,408,602,127	1,183,368,838
Retained Earnings	296,515,381	458,249,173
	7,401,815,038	7,338,315,540
Deduction from Tier - I (Core Capital)		
Intangible Assets	21,993,018	25,154,316
	7,379,822,021	7,313,161,224
Supplementary Capital (Tier-II) :		
General Provision including Off Balance Sheet items	752,955,969	674,542,860
Revaluation Reserve on Investment in Securities	-	-
	752,955,969	674,542,860
Total Capital (Tier-I+Tier-II)	8,132,777,990	7,987,704,084
Surplus	1,727,752,247	2,262,659,194
Capital to Risk Weighted Asset Ratio (CRAR)	15.87%	17.44%

15.04.01	Capital Requirement	Required	2021 Held	2020 Held
	Particulars			
	Tier-I	8.50%	14.40%	15.97%
	Tier-II	4.00%	1.47%	1.47%
	Total	12.50%	15.87%	17.44%

16.00 Statutory Reserve

Opening Balance	1,183,368,838	991,374,929
Add: Transferred during the year (20% of pre-tax profit)	225,233,289	191,993,909
Closing Balance	1,408,602,127	1,183,368,838

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
17.00 Revaluation Reserve on Investment in Securities		
Opening Balance	275,655,418	2,107,910
Add: Addition during the year	493,520,061	765,010,048
Less: Adjustment of Revaluation Reserve	766,729,444	491,462,540
Closing Balance	2,446,036	275,655,418
18.00 Retained Earnings		
Opening Balance	458,249,173	348,181,046
Add: Profit made during the year	514,019,283	656,363,888
Less: Transferred to Statutory Reserve	(225,233,289)	(191,993,909)
Less: Transferred to CSR	(11,563,639)	(12,500,000)
Less: Transferred to Start Up Fund	(11,703,831)	-
Less: Dividen paid	(427,252,315)	(341,801,852)
Closing Balance	296,515,381	458,249,173
18.01 Retained Surplus Brought Forwarded		
Opening Balance	458,249,173	348,181,046
Transferred to CSR Fund (FY 2020)	(6,563,639)	-
Transferred to Start Up Fund (FY 2020)	(6,563,639)	-
Less: Dividend paid	(427,252,315)	(341,801,852)
	17,869,580	6,379,194
19.00 Contingent Liabilities		
19.01 Acceptance and endorsements		
Foreign	101,085,290	72,003,159
Local	2,821,370,131	1,920,769,907
EPZ	20,635,625	16,613,157
	2,943,091,046	2,009,386,223
19.02 Letter of Guarantee		
Foreign	35,405,501	30,280,734
Local	5,096,115,339	4,022,377,136
	5,131,520,840	4,052,657,870
19.02.01 Letter of Guarantee		
Money for which the bank is contingently liable in respect of guarantees given favoring :	-	-
Directors	-	-
Government	-	-
Bank and other Financial Institutions	-	-
Others	5,131,520,840	4,052,657,870
	5,131,520,840	4,052,657,870
19.03 Irrevocable Letter of Credit		
Letter of Credit (Sight)	243,864,154	62,676,204
Letter of Credit (Back to Back/Deferred)	1,262,678,730	1,386,978,983
Letter of Credit (Cash & Others)	1,403,524,599	978,252,339
	2,910,067,483	2,427,907,526
19.04 Bills for Collection		
Foreign Bill Collection	442,008,320	281,917,433
Local/Inland Bill Collection	873,335,211	477,571,141
	1,315,343,531	759,488,574
	12,300,022,900	9,249,440,193

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

20.00 Income Statement

Income:

	2021 BDT	2020 BDT
Interest, Discount and Similar Income	4,554,493,650	4,707,716,010
Dividend income	36,379,273	17,717,581
Fee, Commission and Brokerage	98,590,240	63,523,314
Gain less losses arising from dealing securities	-	-
Gain less losses arising from investment securities	-	-
Gain less losses arising from dealing in Foreign Currencies	125,595,551	213,058,407
Income from non Banking Asset	-	-
Other Operating Income	83,721,530	66,310,351
Profit less losses on Interest Rate Changes	-	-
	4,898,780,245	5,068,325,663

Expenses

Interest, Fee and Commission	2,262,656,653	2,748,193,544
Losses on Loans and advances	-	-
Administrative expenses	533,619,057	608,409,039
Other operating expenses	367,611,315	269,767,741
Depreciation on Banking Assets	163,991,161	224,124,385
	3,327,878,185	3,850,494,709
Operating profit	1,570,902,060	1,217,830,953

21.00 Interest Income / Profit on Investment

Loans and Advances (note-21.01)	3,137,045,832	2,974,392,271
Money at Call and Short Notice	16,135,659	17,551,977
Balance with Other Banks and Financial Institutions (note-21.02)	79,353,043	166,757,746
Bangladesh Bank Foreign Currency Clearing Account	227,340	1,476,922
	3,232,761,875	3,160,178,915

21.01 Interest on Loans and Advances / Profit on Investment

Term Loan	1,058,472,906	1,043,132,453
Overdraft	620,324,801	665,176,446
Time Loan	958,867,227	821,818,148
Cash Credit	153,186,801	145,610,726
Trust Receipt	117,379,470	122,811,523
Consumer Loan	67,531,436	73,492,961
Payment Against Documents(PAD)	113,111	262,908
Agricultural Credit	6,617,373	16,690,340
EDF Loan	9,401,612	8,915,406
Packing Credit	9,045,393	8,334,992
Staff Loan	4,600,532	5,562,156
Other Loans and Advances	23,376,809	38,539,217
Bill Purchased and Discounted	108,128,361	24,660,996
	3,137,045,832	2,975,008,271
Less: Expenses for Good Borrower	-	616,000
	3,137,045,832	2,974,392,271

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
21.02 Interest on Balance with other Bank and Financial Institution		
Interest on Balance with other Bank in Bangladesh	79,353,043	160,252,344
Interest on Balance held with outside Bangladesh	-	6,505,402
	79,353,043	166,757,746
22.00 Interest Paid on Deposit & Borrowing, etc.		
Interest/Profit on Deposit and Other Accounts (note-22.01)	1,934,719,249	2,288,623,023
Interest on Borrowing from other Banks and Financial Institutions (note-22.02)	311,955,378	443,757,583
Interest Paid for Lease Obligation	15,982,025	15,812,938
	2,262,656,653	2,748,193,544
22.01 Interest/ Profit on Deposits and Other Accounts		
Current Deposit	158,735,640	97,439,526
Special Notice Deposit	230,828,524	168,263,808
Savings Deposits	96,568,429	83,583,850
Fixed Deposits	1,117,771,302	1,572,249,482
Deposit Scheme	330,815,354	367,086,358
	1,934,719,249	2,288,623,023
22.02 Interest on Borrowing from other Banks and Financial Institutions		
Call Deposits	30,920,747	69,946,150
Local Bank Account	68,163,404	138,311,069
Repurchase agreement (REPO)	94,456,217	196,201,022
Refinance	118,390,519	31,312,603
Bangladesh Bank	24,491	7,986,740
	311,955,378	443,757,583
23.00 Income From Investments		
Interest on Treasury Bill, Bond, Reverse Repo	1,271,363,083	839,888,860
Amortisation of Securities	(77,602,663)	(70,952,077)
Interest on Commercial Paper/Bond	43,578,685	70,943,288
Gain/(Loss) on Investment in shares of quoted companies	193,062,162	11,063,745
Gain on Govt. Security Trading	(108,669,491)	696,593,279
Dividend on Investment in Shares	36,379,273	17,717,581
	1,358,111,049	1,565,254,675
23.01 Gain on Govt. Security Trading		
Gain on Govt. Security Trading	1,315,254,941	926,553,739
Loss on Govt. Security Trading	(1,423,924,432)	(229,960,460)
	(108,669,491)	696,593,279
24.00 Commission, Exchange and Brokerage		
Commission (note-24.01)	98,590,240	63,523,314
Exchange(note-24.02)	125,595,551	213,058,407
Brokerage	-	-
	224,185,791	276,581,721

Midland Bank Limited

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For the year ended 31 December 2021

	2021 BDT	2020 BDT
24.01 Commission		
Letter of Guarantee	36,034,700	27,246,517
Letter of Credit	25,228,429	17,952,762
Acceptance of Bills	21,366,445	11,368,667
Export Bills	3,106,954	1,733,640
PO, DD & TT	688,538	527,350
OBC/IBC	246,167	338,184
Underwriting Comm. on Treasury Bill/Bond	9,362,195	3,260,530
POS/Easy Pay Commission	2,556,811	1,095,664
	98,590,240	63,523,314
24.02 Exchange		
Exchange Gain	175,629,405	323,307,080
Less: Exchange Loss	50,033,854	110,248,674
	125,595,551	213,058,407
25.00 Other Operating Income		
VISA Charge	16,484,945	13,273,672
Service and other Charges	32,222,687	24,853,113
SWIFT Charge Recoveries	1,375,951	333,502
Charges against cards	5,352,896	4,440,267
Locker Rent	378,500	294,000
Miscellaneous Earnings	21,075,038	18,783,467
LC Charges	6,831,512	4,332,330
	83,721,530	66,310,351
26.00 Salary & Allowances		
Basic Salary	208,816,645	205,388,338
Allowances	254,735,164	256,415,986
Bonus	33,103,437	74,341,336
Gratuity	-	44,000,000
Provident Fund	18,578,811	11,985,854
	515,234,057	592,131,514
26.01 Managing Director's Remuneration		
Basic	11,100,000	10,200,000
Allowances	3,325,000	3,357,525
Festival Bonus	1,850,000	1,700,000
Incentive Bonus	1,000,000	-
Providend Fund	1,110,000	1,020,000
	18,385,000	16,277,525
27.00 Rent, Tax, Insurance, Electricity, etc.		
Rent	-	0
Rates & taxes	21,871,710	21,634,718
Insurance	30,905,780	28,042,669
Power, electricity etc	26,492,156	25,644,172
	79,269,645	75,321,559

Midland Bank Limited

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For the year ended 31 December 2021

	2021 BDT	2020 BDT
28.00 Legal Expense		
Legal Expense	1,809,189	640,283
	1,809,189	640,283
29.00 Postage, Stamps & Telephone, etc		
Postage, Stamp & Courier Service	1,209,602	1,727,850
Fax & internet	-	-
On-line and connectivity charges	12,191,179	13,482,717
Telephone	2,528,315	2,513,060
	15,929,096	17,723,626
30.00 Printing, Stationery, Advertisement etc.		
Printing & Stationery	21,077,196	27,484,429
Computer Stationery	5,983,326	3,717,244
Publicity & Advertisement	8,470,272	2,543,467
	35,530,794	33,745,139
31.00 Directors' Fees		
Meeting fee	3,152,800	1,177,600
	3,152,800	1,177,600
The Board of Directors is entitled to BDT 8,000/-(excluding VAT) as Board Meeting fee for attending each Board Meeting as per BRPD Circular Letter # 11 dated October 04, 2015.		
32.00 Audit Fee		
Audit Fee	460,000	356,500
	460,000	356,500
33.00 Depreciation on & Repairs to Bank's property		
Depreciation :		
a) Tangible Assets	66,820,237	74,481,298
Computer and Peripherals	29,572,066	31,140,309
Furniture & Fixture	18,088,551	17,380,810
Office Equipment	16,846,561	23,837,071
Motor Vehicles	2,313,058	2,122,683
Books	-	426
b) Intangible Assets	8,572,098	7,184,296
c) Leased Assets	88,598,826	142,458,791
Total Depreciation (a+b)	163,991,161	224,124,385
Repairs on Bank's property	82,674,894	18,382,612
	246,666,055	242,506,997

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
34.00 Other Expenditure		
Security & Auxiliary Service	53,445,661	54,757,180
Office Cleaning & Maintenance	47,808	54,665
Car Expense	4,150,792	3,086,747
Entertainment	10,765,899	7,625,629
Travelling	1,500,027	1,494,420
Conveyance	3,903,861	13,498,160
Newspaper & Magazines	1,089,845	1,211,880
Q-Cash, ATM Cards, VISA Cards	23,966,669	11,939,024
Medical Expenses	1,149,847	762,677
Training Expenses	1,906,072	(102,537)
Bank Charges	6,697,776	5,686,749
IPO Issue Expenses	1,852,778	-
Business Development Expense	3,386,396	3,494,371
Subscription & Donation	1,606,444	1,936,205
Miscellaneous Expense	33,315,022	16,975,252
	148,784,896	122,420,421
35.00 Provision Against Loans and Advances		
Provision for Unclassified Loans and Advances	53,465,831	135,130,052
Special General Provision -COVID 19	26,205,081	160,085,000
Provision for Classified Loans & Advances	260,135,504	(91,944,812)
Provision for Off Balance Sheet Items	24,947,278	30,416,252
Provision for diminution in Investments	65,606,890	23,376,130
Provision for Non-Banking Asset	12,585,359	-
Provision for Other Assets	1,789,670	798,788
Total amount of provision made during the year	444,735,613	257,861,410
36.00 Provision for Tax		
Current tax	589,260,484	269,984,643
Deferred tax* (note 9.06)	22,886,680	33,621,013
Total	612,147,164	303,605,656
* Deferred tax has been calculated as per "IAS:12 Income Taxes" and it is the timing differences arising between the carrying value of gratuity liability & fixed assets.		
37.00 Statutory Reserve		
Transferred during the year	225,233,289	191,993,909
Add: Adjustment of previous year	-	-
	225,233,289	191,993,909
38.00 Provision for CSR		
Corporate Social Responsibility (CSR) activities	5,000,000	12,500,000
	5,000,000	12,500,000
39.00 Net Asset Value Per Share (NAV)		
Net Asset Value	7,404,261,074	7,613,970,959
Number of ordinary shares outstanding	569,669,753	569,669,753
Net Asset Value Per Share (NAV)	13.00	13.37

Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 BDT	2020 BDT
40.00 Earning Per Share (EPS):*		
Net Profit After Tax	514,019,283	656,363,888
Number of Ordinary Shares outstanding	569,669,753	569,669,753
Earning Per Share (EPS)	0.90	1.15

*Earnings per share has been calculated in accordance with IAS-33: Earnings Per Share (EPS).

41.00 Net Operating Cash Flow Per Share

Net Operating Cash Flow	1,434,138,923	61,726,738
Number of ordinary shares outstanding	569,669,753	569,669,753
Net Operating Cash Flow Per Share	2.52	0.11

42.00 Received from Other Operational Income

VISA Charge	16,484,945	13,273,672
Service and other Charges	32,222,687	24,853,113
SWIFT Charge Recoveries	1,375,951	333,502
Charges against cards	5,352,896	4,440,267
Locker Rent	378,500	294,000
Miscellaneous Earnings	21,075,038	18,783,467
LC Charges	6,831,513	4,032,830
	83,721,530	66,010,851

43.00 Payment for Other Operational Expenses

Rent, Tax, Insurance, Electricity	79,269,645	75,321,559
Legal Expense	1,809,189	640,283
Postage, Stamps, Telegram & Telephone	15,929,096	17,723,626
Audit fee	460,000	356,500
Printing, Stationery, Advertisement	35,530,794	33,745,139
Directors' Fee	3,152,800	1,177,600
Repair & Maintenance	82,674,894	18,382,612
Other Expenditure	148,784,896	122,420,421
	367,611,315	269,767,741

44.00 Related Party transaction Disclosures of the Bank

i) Name of the Directors together with a list of entities in which they have interest	Annexure- D
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ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2021:

Name of the party	Relationship	Nature of transaction	Amount
			Nil

iii) Share issued to Directors and Executives without consideration or exercisable at a discount	Nil
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Midland Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2021

iv) **Related Party Transaction:**

Name	Relationship	Nature of Transaction	Limit	Amount Outstanding Loan
A.K.M Badiul Alam	Director	Credit Card	500,000	26,764
Md. Wahid Miah	Director	Credit Card	500,000	384,981
Abdul Momin Mondol	Director	Credit Card	500,000	73,405
Mrs.Nilufer Zafarullah	Chairman	Credit Card	500,000	421,242
Anushka Mehreen Zafar	Director	Credit Card	500,000	231,501
Kazi Omar Zafar	Director	Credit Card	500,000	241,991
Ahsan Khan Chowdhury	Director	Credit Card	500,000	50,054
Mohammed Jamal Ullah	Director	Credit Card	500,000	69,132
Sabiha Mahboob	Sponsor Shareholder	Credit Card	500,000	264,029
Abdullah Ahmed Yousuf	Sponsor Shareholder	Credit Card	500,000	179
Kazi Raihan Zafar	Director	Credit Card	500,000	393,359
Tazkia Labeeba Karim	Family member of Director	Credit Card	500,000	184,627
Sub-Total				2,341,266

v) Lending policies to related parties: Lending to related parties is affected as per requirement of section 27(1) of the Bank company Act 1991.

vi) Loans and advances to concern related to directors:

Name	Relationship	Nature of Transaction	Limit	Outstanding Loan Amount
CVC Finance Ltd.	Mrs. Lutfa Begum, Director	Term Loan	150,000,000	96,062,021
Sub-Total				96,062,021
Total				98,403,288

vii) Business other than banking business with any related concern of the Directors as per section 18(2) of the Bank Company Act 1991:
Lease agreement made with the Director

Name	Nature of Transaction	Name of Party	Amount
Mrs. Nilufer Zafarullah, Director	Office Rent	Hong Kong Shanghi Tower	27,945,041
Mrs. Lutfa Begum, Director	Office Rent	Helal Tower	1,498,128
Mrs. Lutfa Begum, Director	ATM Booth Rent	Hazrat Amanat Shah Spinning Mills Ltd.	Free of Cost
Mr. A. K.M Badiul Alam, Director	ATM Booth Rent	KASBA Tower	Free of Cost
Mr. A. K.M Badiul Alam, Director	ATM Booth Rent	MAA Tower	Free of Cost
Mr. Rezaul Karim, Director	Collection Booth	Southeast University	Free of Cost

Midland Bank Limited

Notes to the Financial Statements For the year ended 31 December 2021

			2021 BDT	2020 BDT
Goods procured from the concern related with the Director				
Name	Procurement Type	Company Name	Amount	
Mr. Ahsan Khan Chowdhury, Director	Chair & Meeting Table	Rangpur Metal Industries Ltd	462,330	
	Medicine Box	RFL Plastics Ltd.	462,462	
	Duranta Bicycle	Rangpur Metal Industries Ltd	197,540	
	Air Cooler Machine , CCTV System	RFL Electronics Ltd.	824,728	
	Water Filter	RFL Electronics Ltd.	23,205	
	Advertisement	AKC (PVT) Ltd	1,380,000	
Mr. Rezaul Karim, Director	Insurance	Islami Commercial Insurance Co. Ltd.	45,313	

viii)	Investment in securities of Directors and their related concern	Nil
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45.00 Number of employees and support staffs

Employee

Regular employee

Contractual employee

486	454
225	196
711	650

Support staff

Security

Messenger and cleaning staff

311	315
155	140
466	455
1177	1105

46.00 Others

46.01 The expenses, irrespective of capital or revenue nature, accrued or due but not paid have been provided for in the books of the Bank.

46.02 Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current year.

46.03 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

for and on behalf of Board of Directors of Midland Bank Limited



Md. Ahsan-uz Zaman
Managing Director & CEO



Rezaul Karim
Director



Md. Shamsuzzaman
Vice Chairman



Nilufer Zafarullah
Chairman

Balance with other Banks- Out Side Bangladesh (NOSTRO Account)

Annexure- A

Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local currency as on 31 December 2021

SL	Name of the Bank	Account Type	Currency	2021			2020		
				Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	BDT
1	AB Bank, Mumbai Branch	CD	US\$	2,687.41	85.80	230,580	75,177	84.80	6,375,055
2	United Bank of India	CD	US\$	396,908.62	85.80	34,054,760	500,290	84.80	42,424,800
3	Axix Bank Limited	CD	US\$	875,939.31	85.80	75,155,593	387,214	84.80	32,835,918
4	National Bank of Pakistan, Tokyo Japan	CD	JPY	39,178.00	0.75	29,246	49,778	0.82	40,763
5	Mashreq Bank Psc, NY	CD	US\$	1,058,321.99	85.80	90,804,027	3,652,298	84.80	309,716,355
6	Mashreq Bank Psc, NY OBU	CD	US\$	66,122.15	85.80	5,673,280	-	84.80	-
7	Kookmin Bank, South Korea	CD	GBP	5,543.74	115.71	641,466	2,684	114.48	307,228
8	Habib American Bank, NY	CD	US\$	132,376.09	85.80	11,357,869	382,006	84.80	32,394,237
9	NIB Bank, Pakistan	CD	US\$	383	85.80	32,861	23,503	84.80	1,993,064
10	Aktif Yatirim Bank	CD	US\$	980	85.80	84,084	36,388	84.80	3,085,681
11	Aktif Yatirim Bank	CD	EURO	2,663	97.37	259,320	10,447	103.86	1,084,942
12	Aktif Yatirim Bank	CD	GBP	809	115.71	93,551	2,919	114.48	334,112
13	Banca UBAE Italy	CD	EURO	80,823	97.37	7,869,438	66,721	103.86	6,929,356
14	Banca UBAE Italy	CD	GBP	802	115.71	92,828	5,713	114.48	654,071
15	Kookmin Bank, South Korea	CD	US\$	4,934	85.80	423,302	(512,279)	84.80	(43,441,466)
				226,802,205					

Midland Bank Limited

Cash Flow Statement

As at 31 December 2021

Annexure- B (Regular)

SL	Name of the Company	Face Value Per Share	No. of Shares	Cost Holding	Average Cost	Quoted rate per Share as on December 31, 2021	Total Market Value of Share as at December 31, 2021
Quoted:							
1	BATBC	10	8,000	4,380,472	547.56	635.60	5,084,800
2	BERGERPBL	10	1,500	2,727,930	1818.62	1765.90	2,648,850
3	BBSCABLES	10	44,467	3,699,705	83.20	55.90	2,485,705
4	BRACBANK	10	490,000	24,902,384	50.82	55.30	27,097,000
5	BSCCL	10	495,900	86,172,692	173.77	210.10	104,188,590
6	CONFIDCEM	10	88,450	13,210,367	149.35	121.90	10,782,055
7	EBL	10	90,000	3,276,470	36.41	38.50	3,465,000
8	GP	10	114,197	45,087,667	394.82	349.50	39,911,852
9	GPHISPAT	10	1,942,463	105,513,291	54.32	53.00	102,950,539
10	IFADAUTOS	10	235,972	13,594,182	57.61	47.30	11,161,476
11	MARICO	10	2,000	4,365,393	2182.70	2301.00	4,602,000
12	RENATA	10	5,000	5,962,073	1192.41	1312.00	6,560,000
13	SEBL1STMF	10	70,000	882,097	12.60	13.10	917,000
14	SUMITPOWER	10	20,000	808,000	40.40	38.90	778,000
15	SQURPHARMA	10	196,000	45,479,037	232.04	214.30	42,002,800
Total				360,061,759			364,635,666

Cost of the Securities	360,061,759
Market Value of the Securities	364,635,666
Diminution Value in Investment	—

Midland Bank Limited

Annexure- B (Special Fund)

Investment in Quoted Share & Mutual Fund of the Bank

As at 31 December, 2021

SL	Name of the Company	Face Value Per Share	No. of Shares	Cost Holding (Without Commission)	Average Cost (Without Commission)	Cost Holding (With Commission)	Quoted rate per Share as on December 31, 2021	Total Market Value of Share as at December 31, 2021
1	BERGERPBL	10	6,610	11,741,744	1776.36	11,768,162	1765.90	11,672,599
2	BRACBANK	10	3,082,885	146,680,333	47.58	146,925,366	55.30	170,483,541
3	BSRMLTD	10	1,565	124,626	79.63	124,913	103.30	161,665
4	BXPHERMA	10	456,000	89,697,146	196.70	89,876,541	192.70	87,871,200
5	GP	10	113,579	37,387,033	329.17	37,500,924	349.50	39,695,861
6	GPHISPAT	10	1,923,900	101,847,213	52.94	102,076,368	53.00	101,966,700
7	IBNSINA	10	41,500	10,728,541	258.52	10,752,680	271.30	11,258,950
8	IFADAUTOS	10	264,000	17,586,574	66.62	17,626,143	47.30	12,487,200
9	ITC	10	1,485,000	64,548,032	43.47	64,696,614	33.20	49,302,000
10	LINDEBD	10	14,000	22,855,360	1632.53	22,906,784	1579.80	22,117,200
11	MARICO	10	15,507	34,295,336	2211.60	34,372,821	2301.00	35,681,607
12	NLI1STMF	10	870,893	11,812,606	13.56	11,839,181	13.70	11,931,234
13	RENATA	10	2,494	2,956,301	1185.37	2,802,946	1312.00	3,272,128
14	SINGERBD	10	239,341	40,556,815	169.45	40,664,084	169.90	40,664,036
15	SQURPHARMA	10	355,543	74,908,706	210.69	75,105,451	214.30	76,192,865
Total				667,726,367		669,038,977		674,758,784

Investment in Open End Mutual Fund of the Bank

As at December 31, 2021

SL	Name of Mutual Fund	Face Value	No. of units	Cost Holding (Without Commission)	Average Cost (Without Commission)	Cost Holding (With Commission)	NAV as on December 31, 2021	Total Market Value as at December 31, 2021
1	CWT Sadharan Bima Growth Fund	10	399,042	5,000,000	12.53	5,000,000	14.05	5,606,540
2	Ekush First Unit Fund	10	2,153,348	27,832,445	12.93	27,832,445	14.73	31,718,816
3	UCB AML First Mutual Fund	10	1,978,239	20,000,000	10.11	20,000,000	11.32	22,393,665
4	VIPB Accelerated Income Unit Fund	10	2,275,224	27,500,000	12.09	27,500,000	13.74	31,261,578
Total				80,332,445		80,332,445		90,980,599

Asset Category	Cost			Depreciation				Written down value as at 31.12.2021		
	Balance as at 01.01.2021	Addition during the year	Adjustment/ Disposal	Balance as at 31.12.2021	Rate	Balance as at 01.01.2021	Charged for the year		Adjustment / Disposal	Balance as at 31.12.2021
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	BDT
Own Assets										
Computer & Peripherals	208,829,532	9,969,732	170,210	218,799,264	20%	135,807,101	29,572,066	165,769	165,213,398	53,585,866
Furniture & Fixture	175,833,821	16,639,880	13,795,942	178,677,759	10%	76,931,414	18,088,551	8,242,331	86,777,635	91,900,124
Office Equipment	166,020,099	9,533,365	753,922	175,553,464	20%	125,272,411	16,846,561	752,828	141,366,144	34,187,320
Motor Vehicles	29,900,856	3,060,000	6,866,663	26,094,193	20%	24,532,609	2,313,059	6,866,661	19,979,007	6,115,186
Books	20,260	-	-	20,260	20%	19,475	-	-	19,475	785
Intangible Assets	57,403,019	5,410,800	-	62,813,819	20%	32,248,703	8,572,098	-	40,820,801	21,993,018
Sub- Total	638,007,588	44,613,777	21,586,737	661,958,759		394,811,714	75,392,335	16,027,589	454,176,460	207,782,299
Leased Assets										
Right of Use Assets	559,039,258	97,752,469	-	656,791,727		142,458,791	88,598,826	-	231,057,617	425,734,110
Sub- Total	559,039,258	97,752,469	-	656,791,727		142,458,791	88,598,826	-	231,057,617	425,734,110
Grand Total	1,197,046,846	142,366,245	21,586,737	1,318,750,486		537,270,505	163,991,161	16,027,589	685,234,077	633,516,409
Total 2020	518,169,143	69,619,263	12,256,716	575,531,690		235,402,621	87,549,580	6,205,793	316,746,408	258,785,282

Midland Bank Limited

Annexure - D

Name of Companies in which the Directors of the Bank have interest

Sl.	Name of the Directors	Status with MDB	Entities where they have interest	Designation
1	Mrs. Nilufer Zafarullah	Chairman	Hong Kong Shanghai Manjala Textiles Ltd.	Director
2	Md. Shamsuzzaman	Vice Chairman	1. Micro Fibre Limited	1. Managing Director
			2. Orient Chem-Tex Limited	2. Managing Director
			3. Liberty Knitwear Limited	3. Managing Director
			4. Midland Knitwear Limited	4. Managing Director
			5. Fortune Chemical (BD) Limited	5. Managing Director
			6. A-One Polar Limited	6. Managing Director
			7. Tubingen Chemicals (BD) Limited	7. Managing Director
			8. Sungarh Tex Limited	8. Managing Director
			9. Micro Trims Limited	9. Managing Director
			10. Micro Logistics Limited	10. Managing Director
			11. SRZ Knittex Limited	11. Chairman
			12. Shahzi Bazar Power Co. Ltd.	12. Sponsor Director
			13. Petromax Refinery Ltd.	13. Sponsor Director
3	Master Abul Kashem		1. Mother Steel & Oxygen Limited	1. Chairman
			2. Mother Steel Limited	2. Managing Director
			3. MAK Corporation	3. Managing Partner
			4. Master Steel Re-Rolling Mills	4. Proprietor
4	Dr. Kazi Shahidullah	Director	Hong Kong Shanghai Manjala Textiles Ltd.	Director
5	Mr. Kazi Omar Zafar	Director	1. Kalypto Ltd.	1. Chairman
			2. Hong Kong Shanghai Manjala Power Ltd.	2. Managing Director
			3. Hong Kong Shanghai Manjala Textiles Ltd.	3. Director
6	Mr. Mohammed Jamal Ullah	Director	1. Silver Dal Mills Ltd.	1. Managing Director
			2. Ishfar Oil Mills Ltd.	2. Managing Director
			3. Shezad Food Products Limited	3. Managing Director
			4. Silverbell Properties Limited	4. Managing Director
			5. Bismillah Store	5. Proprietor
			6. M/s. Mohammed Jamal Ullah	6. Proprietor
7	Mr. Ahsan Khan Chowdhury	Director	1. Agricultural Marketing Company Limited	1. Chairman
			2. Rangpur Foundry Limited	2. Chairman
			3. Advance Personal Care Limited	3. Director
			4. Kaliganj Agro Processing Limited	4. Director
			5. Banga Bakers Limited	5. Director
			6. Banga Millers Limited	6. Director
			7. Chorka Textile Limited	7. Director
			8. Habiganj Agro Limited	8. Director
			9. Mymensingh Agro Limited	9. Director
			10. Natore Dairy Limited	10. Director
			11. PRAN Agro Limited	11. Director
			12. PRAN Beverage Limited	12. Director
			13. PRAN Dairy Limited	13. Director
			14. PRAN Exports Limited	14. Director
			15. PRAN Foods Limited	15. Director
			16. Packmat Industries Limited	16. Director
			17. Sylvan Agriculture Limited	17. Director
			18. Sylvan Technologies Limited	18. Director
			19. Sylvan Poultry Limited	19. Director
			20. Gonga Foundry Limited	20. Director
			21. Get Well Limited	21. Director

Midland Bank Limited

Annexure - D

Name of Companies in which the Directors of the Bank have interest

Sl.	Name of the Directors	Status with MDB	Entities where they have interest	Designation
			22. Allplast Bangladesh Limited	22. Director
			23. Banga Building Materials Limited	23. Director
			24. Banga Plastic International Limited	24. Director
			25. Multi-Line Industries Limited	25. Director
			26. RFL Electronics Limited	26. Director
			27. Rangpur Metal Industries Limited	27. Director
			28. RFL Plastics Limited	28. Director
			29. Durable Plastics Limited	29. Director
			30. Property Development Limited	30. Director
			31. Career Builders Limited	31. Director
			32. AKC (Pvt.) Limited	32. Managing Director
8	Mr. Md. Wahid Miah	Director	1. Al-Haj Karim Textiles Ltd.	1. Managing Director
			2. Karim Tex Limited	2. Managing Director
			3. Abdul Karim Ltd.	3. Managing Director
			4. Jobaida Karim Jute Mills Limited	4. Managing Director
			5. Wahid Construction Ltd	5. Managing Director
			6. Karim Shipping Lines Limited	6. Managing Director
			7. Karim Asphalt & Ready Mix Ltd.	7. Managing Director
			8. Hypoid Composite Knit Ltd.	8. Managing Director
			9. Karim Jute Spinners Ltd.	9. Director
			10. M/s Wahid Miah	10. Proprietor
			11. Karim Trading	11. Proprietor
			12. Jobaida Filling Station	12. Proprietor
			13. J.K Filling Station	13. Proprietor
			14. Karim Filling Station	14. Proprietor
			15. Karim Shipping Lines	15. Proprietor
9	Mr. Rezaul Karim	Director	1. Bangla Tel Ltd.	1. Chairman
			2. Jibondhara Solutions Ltd.	2. Chairman
			3. BD Link Communications Ltd.	3. Chairman
			4. Kohinoor Chemical Co. (BD) Ltd.	4. Managing Director
			5. Reedisha Knitex Ltd.	5. Managing Director
			6. Reedisha Textipe Ltd.	6. Managing Director
			7. Reedisha Spinning Ltd.	7. Managing Director
			8. P.A Knit Composite Ltd.	8. Managing Director
			9. Reedisha Printing and Packaging Ltd.	9. Managing Director
			10. Reedisha Blended Yarn Ltd.	10. Managing Director
			11. Islami Commercial Insurance Co. Ltd.	11. Share Holder
10	Mr. A.K.M. Badiul Alam	Director	1. Garments Export Village Ltd.	1. Chairman
			2. Amranet Ltd.	2. Chairman
			3. Bravo Apparel Manufacturer Ltd.	3. Director
			4. Shahjibazar Power Co. Ltd.	4. Director
			5. Eden Multicare Hospital Ltd.	5. Director
			6. Petromax Refinery Ltd.	6. Director
11	Mr. Md. Kamal Hossain	Director	1. That's It Sportswear Ltd	1. Executive Director
			2. Ha-Meem Travel Limited	2. Shareholder
			3. Explore Lingerie Limited	3. Shareholder
			4. Fauji Chatkal Limited	4. Shareholder
			5. M H Sports Wear Limited	5. Shareholder
			6. M H Design Limited	6. Shareholder
			7. MH Jute Mills Limited	7. Shareholder
			8. Modern Cargo Carrier Limited	8. Shareholder

Midland Bank Limited

Annexure - D

Name of Companies in which the Directors of the Bank have interest

Sl.	Name of the Directors	Status with MDB	Entities where they have interest	Designation
12	Mrs. Lutfa Begum	Director	1. Hazrat Amanat Shah Spinning Mills Ltd.	1. Director
			2. Amanat Shah Weaving Processing Ltd.	2. Director
			3. Hazrat Amanat Shah Securities Ltd.	3. Director
			4. Amanat Shah Fabrics Ltd.	4. Director
			5. M/s Goldenaze Enterprise	5. Proprietor
13	Mr. Hafizur Rahman Sarker	Director	1. Legato Service Ltd.	1. Managing Director
			2. Beq Knit Ltd.	2. Managing Director
			3. Beq Sweaters Ltd.	3. Managing Director
			4. Beq Fabrics (Pvt.) Ltd.	4. Managing Director
			5. C.K Sweaters Ltd.	5. Managing Director
			6. Tammam Design Limited	6. Managing Director
			7. Lusaka Fashions Limited	7. Managing Director
			8. Tista Dredgers & Constructions Ltd	8. Managing Director
			9. Hafizur Rahman Sarker	9. Proprietor
14	Mr. Abdul Momin Mondol, M.P.	Director	1. Eco Intimates Ltd.	1. Chairman
			2. Montex Fabrics Ltd.	2. Managing Director
			3. Mark Sweater Ltd.	3. Managing Director
			4. Montrims Ltd.	4. Managing Director
			5. Mondol Yearn Dyeing Ltd.	5. Managing Director
			6. Mondol Fabrics Ltd.	6. Managing Director
			7. Cotton Field (BD) Ltd.	7. Managing Director
			8. Mondol Securities Ltd.	8. Managing Director
			9. Mondol Knitwears Ltd.	9. Managing Director
			10. Mondol Apparels Ltd.	10. Managing Director
			11. Alim Knit (BD) Ltd.	11. Managing Director
			12. Mondol Knit Tex Ltd.	12. Managing Director
			13. Cotton Club (BD) Ltd.	13. Managing Director
			14. Cotton Clout (BD) Ltd.	14. Managing Director
			15. Trims International (BD) Ltd.	15. Managing Director
			16. Appollo Fashions Ltd.	16. Managing Director
			17. Appollo Packaging (BD) Ltd.	17. Managing Director
			18. Appollo Knitwear (BD) Ltd.	18. Managing Director
			19. Mondol & Co. Ltd.	19. Managing Director
			20. Cotton Clothing (BD) Ltd	20. Managing Director
			21. Mondol Intimates Ltd.	21. Managing Director
			22. Mondol Fashions Ltd.	22. Managing Director
			23. Tropical Knittex Ltd.	23. Managing Director
			24. Knitex Dresses Ltd.	24. Managing Director
			25. Mondol Spinning Mills Ltd.	25. Managing Director
			26. Mondol Knit Composite Ltd.	26. Managing Director
			27. Mondol Auto Bricks Limited	27. Managing Director
			28. Uttara Poultry Complex Ltd.	28. Managing Director
			29. Mbrella Ltd.	29. Managing Director
			30. Panama Agro Complex Ltd.	30. Managing Director
			31. Haji-Abdul Majid Mondol Foundation	31. Executive Director
15	Dr. Mostafizur Rahman	Director	1. Popular Pharmaceuticals Ltd.	1. Managing Director
			2. Popular Diagnostic Center Ltd.	2. Managing Director
			3. Popular Specialized Hospital Ltd.	3. Managing Director
			4. Popular Medical College and Hospital Ltd.	4. Managing Director
16	Mr. Kazi Raihan Zafar	Director	Hong Kong Shanghai Manjala Textiles Ltd.	Director
17	Ms. Anushka Mehreen Zafar	Director	Hong Kong Shanghai Manjala Textiles Ltd.	Director
18	Mr. Mahbubul Hady Fazle Rab	Independent Director	RAB Consulting FZE,RAK,UAE	Proprietor
19	Mr. Nazim Uddin Chowdhury	Independent Director	-	-

Midland Bank Limited

Annexure - E

Name of the Directors and their shareholding as at 31 December 2021

Sl.	Name	Status with MDB	No. of shareholding	Percentage
1	Mrs. Nilufer Zafarullah	Chairman	1,27,93,396	2.25%
2	Liberty Knitwear Ltd. Nominee Director of Md. Shamsuzzaman	Vice Chairman	2,99,07,662	5.25
3	Dr. Kazi Shahidullah	Director	14,24,174	0.25%
4	Mr. Kazi Omar Zafar	Director	1,27,93,396	2.25%
5	Mr. Kazi Raihan Zafar	Director	1,27,93,396	2.25%
6	Ms. Anushka Mehreen Zafar	Director	1,27,93,396	2.25%
7	Mr. Master Abul Kashem	Director	2,63,73,600	4.63%
8	Mr. Mohammed Jamal Ullah	Director	2,28,99,888	4.02%
9	Mr. Ahsan Khan Chowdhury	Director	2,84,83,488	5.00%
10	Mr. Md. Wahid Miah	Director	2,84,83,488	5.00%
11	Mr. Rezaul Karim. Nominee Director of Reedisha Knitex Ltd.	Director	2,84,83,488	5.00%
12	Mr. A.K.M. Badiul Alam, Nominee Director of Garment Export Village Ltd.	Director	2,84,83,488	5.00%
13	Mr. Md. Kamal Hossain, Nominee Director of That's It Sportswear Ltd.	Director	2,84,83,488	5.00%
14	Mrs. Lutfa Begum, Nominee Director of Hazrat Amanat Shah Spinning Mills Ltd.	Director	1,30,00,000	2.28%
15	Mr. Md. Hafizur Rahman Sarker, Nominee Director of Beq Knit Ltd.	Director	27,059,313	4.75%
16	Mr. Abdul Momin Mondol, Nominee Director of Mondol Fabrics Ltd.	Director	2,84,83,488	5.00%
17	Dr. Mostafizur Rahman, Nominee Director of Popular Pharmaceuticals Ltd.	Director	2,84,83,488	5.00%
18	Mr. Mahbubul Hady Fazle Rab	Independent Director	-	-
19	Mr. Nazim Uddin Chowdhury	Independent Director	-	-
20	Mr. Md. Ahsan-uz Zaman	Managing Director & CEO	-	-

Midland Bank Limited

Annexure - F

Financial Highlights

For the year ended 31 December 2021

SL	Items	2021	2020
1	Paid up Capital	5,696,697,530	5,696,697,530
2	Total Capital	8,132,777,990	7,987,704,084
3	Surplus in Capital Fund	1,727,752,247	2,262,659,194
4	Total Asset	69,018,911,378	63,145,974,335
5	Total Deposit	50,730,038,926	45,067,571,125
6	Total Loans and Advances	45,867,482,409	39,086,672,499
7	Total Contingent Liabilities	12,300,022,900	9,249,440,193
8	Lending-Deposit Ratio	83.62%	82.01%
9	Classified Loans as % of Total Loans and Advances	3.17%	1.16%
10	Profit After Provision and Tax	514,019,283	656,363,888
11	Total Classified loans and advances	1,455,053,905	452,789,098
12	Total Provision Maintained against Classified Loans	454,693,075	194,557,571
13	Surplus/(deficit) in Provision against Classified Loans	-	-
14	Cost of Fund	5.69%	7.77%
15	Earning Asset	61,807,556,740	55,918,635,968
16	Non-Interest Earning Asset	7,211,354,637	7,227,338,368
17	Return on Investments (ROI)	6.85%	8.96%
18	Return on Asset (ROA)	0.78%	1.13%
19	Income from Investment	1,358,111,049	1,565,254,675
20	Earnings per Share (BDT)	0.90	1.15
21	Net Income per Share (BDT)	0.90	1.15

Midland Bank Limited
Balance Sheet of Islami Banking Wing
As on 31 December 2021

Annexure - G

	Notes	2021 BDT	2020 BDT
Property and Asset			
Cash	1.00	142,516,843	182,804,063
In Hand (Including Foreign Currency)		6,128,406	1,456,835
With Bangladesh Bank and its agent Bank (including Foreign Currency)		136,388,437	181,347,228
Balance with other Banks & Financial Institutions	2.00	42,898,206	110,000,000
In Bangladesh		42,898,206	110,000,000
Outside Bangladesh		-	-
Money at Call and Short Notice		-	-
Investments in Shares & Securities	3.00	196,650,000	53,200,000
Government		196,650,000	53,200,000
Others		-	-
Investments	4.00	2,168,445,091	808,959,373
General Investment		2,168,445,091	808,959,373
Bills Purchased and Discounted		-	-
Fixed Asset including Premises, Furniture & Fixtures		348,541	-
Other Asset	5.00	191,690,763	955,102
Non-Banking Asset		-	-
Total Property and Asset		2,742,549,443	1,155,918,538
Liabilities and Capital			
Borrowing from other Banks, Financial Institutions & Agents		-	-
Deposit and Other Accounts	6.00	2,717,656,076	995,474,647
Current Deposit & Other Accounts		11,131,323	2,887,001
Bills Payable		-	-
Short Notice Deposit		640,836,506	180,413,251
Savings Deposit		170,005,595	44,701,029
Fixed Deposit		1,878,538,738	764,605,518
Deposit Scheme		17,143,914	2,867,849
Other Liabilities	7.00	24,893,368	160,443,891
Total Liabilities		2,742,549,443	1,155,918,538
Capital/Shareholders' Equity			
Paid up Capital		-	-
Statutory Reserve		-	-
Revaluation Reserve on Investment in Securities		-	-
Retained Earnings		-	-
Total Shareholders' Equity		-	-
Total Liabilities and Shareholders' Equity		2,742,549,443	1,155,918,538
Off-Balance Sheet Items		-	-
Contingent Liabilities	8.00		
Acceptance and endorsements		-	-
Letter of Guarantee		857,000,000	848,000,000
Irrevocable Letter of Credit		-	-
Bills for Collection		-	-
Other Contingent Liabilities		-	-
Total Off Balance Sheet Items including Contingent Liabilities		857,000,000	848,000,000

Midland Bank Limited
Profit and Loss Account of Islami Banking Wing
As on 31 December 2021

Annexure - G-1

<u>Particulars</u>	Note	2021 BDT	2020 BDT
Profit on Investment	9.00	97,583,719	17,388,343
Less: Profit Paid on Deposit and Borrowing, etc.	10.00	71,523,018	19,291,777
Net Interest Income		26,060,701	(1,903,434)
Income from Investment	11.00	1,165,716	5,102
Commission, Exchange and Brokerage	12.00	3,428,175	3,392,000
Other Operating Income		163,630	54,392
		4,757,521	3,451,495
Total Operating Income		30,818,223	1,548,060
Less: Operating Expenditure			
Salary and Allowances	13.00	1,299,988	1,080,903
Rent, Tax, Insurance, Electricity		3,627	-
Legal Expense		-	-
Postage, Stamps and Telephone		8,074	5,020
Printing, Stationery, Advertisement	14.00	160,279	51,903
Managing Director's Remuneration		-	-
Directors' Fee		92,000	73,555
Audit Fee		-	-
Depreciation on and Repair to Bank's Property		36,959	17,810
Other Expenditure		96,880	34,416
Total Operating Expenses		1,697,806	1,263,607
Profit Before Provision & Tax		29,120,417	284,453

Midland Bank Limited

Annexure - G-2

Notes to the Financial Statements of Islami Banking Wing

For the year ended 31 December 2021

	2021 BDT	2020 BDT
1.00 Cash		
In Hand (Including foreign currency) (note 3.01)	6,128,406	1,456,835
Balance with Bangladesh Bank and its Agent Bank (note 3.02)	136,388,437	181,347,228
	142,516,843	182,804,063
1.01 In Hand (Including foreign currency)		
Local Currency	6,128,406	1,456,835
Foreign Currency	-	-
	6,128,406	1,456,835
1.02 Balance with Bangladesh Bank and its Agent Bank		
With Bangladesh Bank		
Local Currency	136,388,437	181,347,228
Foreign Currency	-	-
With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	-	-
	136,388,437	181,347,228
2.00 Balance with other Banks and Financial Institutions		
In Bangladesh	42,898,206	110,000,000
Outside Bangladesh	-	-
	42,898,206	110,000,000
3.00 Investments		
Government (note 3.01)	196,650,000	53,200,000
Others	-	-
	196,650,000	53,200,000
3.01 Investment Classified as per Bangladesh Bank Circular		
Held to Maturity (HTM)		40,000,000
Held for Trading (HFT)	-	-
Reverse Repo	-	-
Prize Bond	-	-
Government Securites Encumbered	-	-
Government Securites -SUKUK Bond	196,650,000	13,200,000
Other Investments	-	-
	196,650,000	53,200,000
4.00 Investments		
Bai-Murabaha	671,692,248	797,611,250
Bai-Muajjal	10,341,899	1,022,240
Hire Purchase Shirkatul Melk	1,480,848,444	10,325,883
Qardh Against Local Bill	5,562,500	-
Bills Purchased and Discounted	-	-
	2,168,445,091	808,959,373

Midland Bank Limited

Annexure - G-2

Notes to the Financial Statements of Islami Banking Wing

For the year ended 31 December 2021

5.00 Other Asset

Classification of Other Asset

Profit receivable on Investment
Advance Tax
Inter Bank General Account Balance (note 7.01)
Profit receivable on Deposit with Other Bank

Total Other Asset

2021 BDT	2020 BDT
5,102	5,102
394,084	
191,261,577	
30,000	950,000
191,690,763	955,102

6.00 Deposit and Other Accounts

From Banks
From Customers (note 6.01)

600,191,250	450,000,000
2,117,464,826	545,474,647
2,717,656,076	995,474,647

6.01 Customer Deposit and Other Accounts:

Current Deposit & Other Accounts :

Current Deposit
Sundry Deposit

7,207,567	1,363,891
3,923,756	1,523,109
11,131,323	2,887,001

Bills Payable

Short Notice Deposit

Savings Deposit

Fixed Deposit

Deposit Schemes:

MDB Saalam Monthly Scheme
MDB Saalam Hajj Savings Scheme
MDB Digital Monthly Savings Scheme
MDB Digital Hajj Savings Scheme

-	-
640,836,506	180,413,251
170,005,595	44,701,029
1,878,538,738	764,605,518

13,434,008	2,758,102
1,130,093	48,069
2,109,097	51,313
470,716	10,365
17,143,914	2,867,849

Total

2,717,656,076	995,474,647
----------------------	--------------------

7.00 Other Liabilities

Unearned Income
Inter Bank General Account Balance (note 7.01)

24,893,368	31,289,678
-	129,154,213
24,893,368	160,443,891

7.01 Inter Bank General Account Balance (net)

Credit entries
Debit entries

376,365,829	345,502,330
567,627,405	216,348,117
(191,261,577)	129,154,213

8.00 Contingent Liabilities

Acceptance and endorsements
Letter of Guarantee
Irrevocable Letter of Credit
Bills for Collection
Other Contingent Liabilities

-	-
857,000,000	848,000,000
-	-
-	-
-	-
857,000,000	848,000,000

8.01 Letter of Guarantee

Foreign
Local

-	-
857,000,000	848,000,000
857,000,000	848,000,000

Midland Bank Limited

Annexure - G-2

Notes to the Financial Statements of Islami Banking Wing

For the year ended 31 December 2021

	2021 BDT	2020 BDT
9.00 Profit on Investment		
General Investment (note 9.01)	95,237,769	16,438,343
Balance with Other Banks and Financial Institutions	2,345,951	950,000
	97,583,719	17,388,343
9.01 Profit on Investment		
Income on Saalam Murabaha Local Purchase	28,614,172	16,262,202
Income on Saalam Hire Purchase Shirkat-UI-Melk	64,796,328	-
Income on Saalam Consumer Finance	355,301	
Income on Saalam Home Finance	969,248	159,931
Income on Saalam SME Bai Muajjal	502,719	16,210
	95,237,769	16,438,343
10.00 Profit paid on Deposits and Other Accounts		
Current Deposit	17,162	26
Special Notice Deposit	16,983,052	7,394,806
Savings Deposits	1,776,377	449,469
Fixed Deposits	52,143,793	11,383,883
Deposit Scheme	602,634	63,593
	71,523,018	19,291,777
11.00 Income From Investments		
Profit on Investment in T.Bond, SUKUK Bond	1,165,716	5,102
	1,165,716	5,102
12.00 Commission, Exchange and Brokerage		
Commission	3,428,100	3,392,000
Exchange	75	-
Brokerage	-	-
	3,428,175	3,392,000
13.00 Salary & Allowances		
Basic Salary	542,213	451,161
Allowances	622,221	501,742
Bonus	135,553	128,000
	1,299,988	1,080,903
14.00 Printing, Stationery, Advertisement etc.		
Printing & Stationery	160,279	51,903
Computer Stationery	-	-
Publicity & Advertisement	-	-
	160,279	51,903

Midland Bank Limited

Balance Sheet of Off-Shore Banking Unit

As on 31 December 2021

Annexure - H

	Notes	2021		2020	
		USD	BDT	USD	BDT
Property and Asset					
Cash		-	-	-	-
In Hand (Including Foreign Currency)		-	-	-	-
With Bangladesh Bank and its agent Bank (including Foreign Currency)		-	-	-	-
Balance with other Banks & Financial Institutions	1.00	71,056	6,096,582	(512,279)	(43,441,466)
In Bangladesh		-	-	-	-
Outside Bangladesh		71,056	6,096,582	(512,279)	(43,441,466)
Money at Call and Short Notice		-	-	-	-
Investments		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
Loans and Advances	2.00	36,746,096	3,152,815,027	11,614,220	984,890,486
Loans, Cash Credit, Overdrafts, etc.		-	-	-	-
Bills Purchased and Discounted		36,746,096	3,152,815,027	11,614,220	984,890,486
Fixed Asset including Premises, Furniture & Fixtures		-	-	-	-
Other Asset		-	-	-	-
Non-Banking Asset		-	-	-	-
Total Property and Asset		36,817,152	3,158,911,610	11,101,941	941,449,021
Liabilities and Capital					
Borrowing from other Banks, Financial Institutions & Agents	3.00	36,300,000	3,114,540,000	11,000,000	932,804,400
Deposit and Other Accounts		171	14,713	1,425	120,852
Other Liabilities	4.00	516,980	44,356,897	100,516	8,523,769
Total Liabilities		36,817,152	3,158,911,610	11,101,941	941,449,021
Capital/Shareholders' Equity					
Paid up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Revaluation Reserve on Investment in Securities		-	-	-	-
Retained Earnings		-	-	-	-
Total Shareholders' Equity		-	-	-	-
Total Liabilities and Shareholders' Equity		36,817,152	3,158,911,610	11,101,941	941,449,021
Off-Balance Sheet Items					
Contingent Liabilities					
Acceptance and endorsements		-	-	-	-
Letter of Guarantee		-	-	-	-
Irrevocable Letter of Credit		-	-	-	-
Bills for Collection		-	-	-	-
Other Contingent Liabilities		-	-	-	-
Other Commitments		-	-	-	-
Total Off Balance Sheet Items including Contingent Liabilities		-	-	-	-

Midland Bank Limited

Annexure - H-1

Profit and Loss Account of Off-Shore Banking Unit

For the year ended 31 December 2021

Particulars	Notes	2021		2020	
		USD	BDT	USD	BDT
Interest Income	5.00	991,747	85,091,874	90,103	7,640,789
Less: Interest Paid on Deposit and Borrowing, etc.	6.00	657,937	56,451,023	76,769	6,510,021
Net Interest Income		333,809	28,640,851	13,334	1,130,768
Income from Investment		-	-	-	-
Commission, Exchange and Brokerage		-	-	-	-
Other Operating Income		17,184	1,474,364	19,243	1,631,838
		17,184	1,474,364	19,243	1,631,838
Total Operating Income		350,993	30,115,215	32,578	2,762,606
Less: Operating Expenditure					
Salary and Allowances		-	-	-	-
Rent, Tax, Insurance, Electricity		-	-	-	-
Other Expenditure		45	3,861	130	11,024
Total Operating Expenses		45	3,861	130	11,024
Profit Before Provision & Tax		350,948	30,111,354	32,448	2,751,582

Midland Bank Limited

Annexure - H-2

Notes to the Financial Statements of Off-Shore Banking Unit

For the year ended 31 December 2021

	2021		2020	
	USD	BDT	USD	BDT
1.00 Balance with other Banks and Financial Institutions				
In Bangladesh	-	-	-	-
Outside Bangladesh	71,056	6,096,582	(512,279)	(43,441,466)
	71,056	6,096,582	(512,279)	(43,441,466)
2.00 Loans & Advances				
Deemed Export Bill Discounting	6,231,936	534,700,114	714,308	60,573,585
Import Bill Discounting	30,514,160	2,618,114,913	10,899,912	924,316,902
	36,746,096	3,152,815,027	11,614,220	984,890,486
3.00 Borrowing from other Banks, Financial Institutions & Agents				
In Bangladesh	36,300,000	3,114,540,000	11,000,000	932,804,400
Outside Bangladesh	-	-	-	-
	36,300,000	3,114,540,000	11,000,000	932,804,400
4.00 Other Liabilities				
Interest Payable	166,032	14,245,543	68,068	5,772,187
Profit Payable	350,948	30,111,354	32,448	2,751,582
	516,980	44,356,897	100,516	8,523,769
5.00 Interest Income				
Loans and Advances	983,650	84,397,151	81,381	6,901,141
Balance with Other Banks and Financial Institutions	8,097	694,723	8,722	739,648
	991,747	85,091,874	90,103	7,640,789
6.00 Interest Paid on Deposit and Borrowing, etc.				
Interest Paid on Borrowing from Foreign Bank	-	-	55	4,664
Interest Paid on Borrowing from Local Bank	657,937	56,451,023	76,714	6,505,357
	657,937	56,451,023	76,769	6,510,021

MDB Products and Services

At Midland Bank, we believe products are meant to serve customers' needs in this ever-changing environment in terms of technology and new regulatory laws in place. Keeping in mind of customers' needs and abiding by the law, we always push ourselves ahead by introducing innovative products and services and thus fulfilling our promises of being responsive to our customers' needs. Customers can avail all types of banking services from any of our branches, sub-branches and agent banking centres including the Bank's digital channels across the country. Islamic Banking has also been introduced with the brand "MDB Saalam" to serve the same purpose. Innovation has been emphasized on technology and new products have been developed namely MDB digital account opening service, MDB Cash Management (MCM) etc.

MDB comprises a wide range of deposit and investment products which are designed in such a way that they are in line with compliance, easiness and featured with digitalization. Our customer relationship offers you a banking experience that is simple, convenient, smart and compliant.

Retail Banking Products

MDB Retail banking offers a wide array of products and services, which includes:

- MDB E-saver
- MDB Digital Fixed Deposit Account
- MDB Digital Family Support Scheme
- MDB Interest First
- MDB Super Saver
- MDB Cpp Savings
- MDB Digital Savings Account
- MDB School Saver
- MDB College Saver
- MDB Car Loan
- MDB Salaam Home Finance
- MDB Earnest Financing
- MDB Digital Monthly Savings Scheme
- MDB Kotipoti
- MDB Millionaire Savings Scheme
- MDB Platinum Savings Scheme
- MDB Traveller's Savings
- MDB Secured Loan
- MDB Personal Loan
- MDB Home Loan
- MDB Amar Bari
- MDB Salaam Term Deposit Receipt

Institutional Banking Products

MDB Institutional banking has got 3600 solution to serve corporate and SME customers with full array of products and services:

- Long Term and Short Term Loans
- Demand Loans and Overdrafts
- Trade Services (LC, Guarantees, UPAS)
- Cash Management
- Structured Finance Solutions (IPFF II, LTFF, GTF, TDF, FBKEIP, EDF, UBSP)
- SME Loans
- Project Finance
- Agency Services
- Offshore Banking Services
- Low Cost Refinancing/on-lending Facilitateis

Card Products

To meet the customer demand to go cashless, MDB has full range of products:

- MDB VISA Credit Card (Gold, Platinum)
- MDB VISA Debit Card
- MDB VISA Prepaid Card

MDB Services

MDB Internet Banking

Internet-based banking services, midland online and MDB Apps have added new chapters to digital banking services. If you want, you can also associate yourself with these services and take the facility of instant fund transfer from bank account through BEFTN, NPSB, bKash, Rocket and Nagad. Credit card bills, DESCO, DPDC bill payment, mobile top up, digital fixed deposit account, digital monthly savings scheme account opening, check book requisition, digital gift etc. are also available at your fingertips.

MDB MCM

In a continuation of innovative banking, Midland Bank has launched MDB Cash Management (MCM) for corporate customers. In the process of executing MCM transactions, corporate users can transact individually or in bulk. MDB Cash Management (MCM) is currently at the top of the list of interests and needs of corporate customers for its three-tier approval, easy transaction process and sophisticated digital security.

MDB VAT Online

Midland Bank has come up with the much awaited system of online VAT payment for corporate customers which can now be paid from the office or home under NBR's e-payment system through the e-payment module of the internet based banking service Midland Online VAT Online Project. After each successful transaction made online at Midland, the customer will instantly receive an SMS with a VAT invoice number.

SMS /Alert Banking

Our SMS banking service keeps you abreast of any activity, debit or credit, in your accounts.

Tie up with MFS

Midland Bank has joined with the mobile banking system. Mobile banking service providers like bKash, Rocket, Nagad have confidence in this fast growing fourth generation bank. That's why customers of MDB can transfer money from their bank account to bKash, Rocket and Nagad with internet based banking service midland online and MDB app. Customers can also transfer money directly from the rocket account to their MDB account.

Locker Service

We safeguard your valuables like confidential documents or jewelries or gold ornaments. Our locker service is available in selected branches.

24/7 Contact Centre

We are always there for you, day or night, 24/7. Our Contact Centre specialists are always a call away for your important queries, or when you want to block your account in a situation when you have lost your debit or credit card.

Bills Pay and BRTA Booth

Our competent branch personnel are trained to deal with paying bill of WASA, DESCO, Titas Gas, REB or DPDC for example. We have deployed a collection booth of BRTA fees for customer convenience. Billing services are already in live. Midland Bank is working hand-in-hand with the government's A2i project's digital platform Ekipay to provide citizens with the facility to pay bills or other bills of any service company, from anywhere and anytime.

MDB Student File

MDB Student File Service is a customized banking solution for students which eases education related financial transactions abroad. Through Student File, students can pay for their tuition fees and living expenses overseas.

MDB Card Cheque

Our Card Cheque scheme adds convenience to your needs, where the cheque book comes as free with 1% processing fee, and 45 days' interest free repayment period.

MDB Service Network (Branch)

Sl.	Branch Name	Address	Branch Manager
1	Dilkusha Branch	Chini Shilpa Bhaban (1 st floor) 3, Dilkusha C/A, Dhaka 1000 Email: hob.dilkusha@midlandbankbd.net PABX: 09666-410901	Mr. Abdullah Al Mamun, SAVP Phone: +8801985700090, 01711359239 Email: abdullah.mamun@midlandbankbd.net PBX: 09666-410901 Ext.901-090
2	Banani Branch	Hong Kong Shanghai Tower (Ground & 1 st floor) Plot 106, Road 11, Block C, Banani, Dhaka 1213 Email: hob.principal@midlandbankbd.net PABX: 09666-410902	Mr. Md. Ibrahim Khalil, SAVP Phone: +8801985700045, 01711106643 Email: ibrahim.khalil@midlandbankbd.net PBX: 09666-410999 Ext.902-045
3	Agrabad Branch	As- Salam Tower (1 st floor) 57, Agrabad C/A, Chattogram Email: hob.agrabad@midlandbankbd.net PABX: 09666-410903	Mr. Md. Shaiful Alam Chowdhury, SVP Phone: +8801973423777, +8801713423777 Email: shaiful.alam@midlandbankbd.net PBX: 09666-410903 Ext.903-127
4	Mirzapur Bazar Branch	Mannan Plaza (1 st floor), Mirzapur Bazar, Bhawal, Mirzapur Sadar, Gazipur Email: hob.mirzapur@midlandbankbd.net PABX: 09666-410904	Mr. Shafiqul Islam Faquir Pintu, JAVP Phone: 01819261261 Email: shafiqul.pintu@midlandbankbd.net PBX: 09666-410904 Ext.1072
5	Panchar Branch	Dia-Moni Plaza (1 st floor), Panchar, Shibchar, Madaripur Email: hob.panchar@midlandbankbd.net PABX: 09666-410905	Mr. Abul Kalam, FAVP Phone: 01985700764, 01716479404 Email: abul.kalam@midlandbankbd.net PBX: 09666-410928 Ext.905-764
6	Uttara Branch	ABC Heritage (Ground floor), Plot 2 & 4, Jashim Uddin Avenue, Sector 3, Uttara, Dhaka 1230 Email: hob.uttara@midlandbankbd.net PABX: 09666-410906	Mr. Mohammad Tariqul Hasan, AVP Phone: 01975997799, Email: tariqul.hasan@midlandbankbd.net PBX: 09666-410906 Ext.1185
7	Aganagar Branch	Maksuda Garden City (2 nd floor), Aganagar, South Keranigonj, Dhaka Email: hob.aganagar@midlandbankbd.net PABX: 09666-410907	Mr. Khandakar Bazlur Rahman, AVP Phone: +8801985700101, 01712145524 Email: bazlur.rahman@midlandbankbd.net PBX: 09666-410907 Ext.907-101
8	Dhanmondi Branch	Green Rowshanara Tower (2nd Floor), House # 755 (Old) 55 (New), Satmasjid Road, Dhanmondi, Dhaka 1205 Email: hob.dhanmondi@midlandbankbd.net PABX: 09666-410908	Mr. A.H.M. Gazzali, AVP Phone: 01985700483, 01711058469 Email: ahm.gazzali@midlandbankbd.net PBX: 09666-410908 Ext.908-483
9	Hemayetpur Branch	Ayesha Tower (1st Floor), 522 Singair Road, Hemayetpur, Savar, Dhaka Email: hob.hemayetpur@midlandbankbd.net PABX: 09666-410909	Mr. Asaduzzaman Khan, FAVP Phone: 01985700461, 01708737900 Email: asaduzzaman.khan@midlandbankbd.net PBX: 09666-410909 Ext.909-461
10	Zirabo Branch	Razzak Commercial Complex Zirabo, Ashulia, Savar, Dhaka Email: hob.zirabo@midlandbankbd.net PABX: 09666-410910	Mr. Md. Mahfuz Alam, FAVP Phone: 01730052214, 01718798180 Email: mahfuz.alam@midlandbankbd.net PBX: 09666-410910 Ext.1066
11	Gulshan Branch	NB Tower, Level 5, 40/7 North Avenue, Gulshan 2, Dhaka 1212, Email: hob.gulshan@midlandbankbd.net PABX: 09666-410911	Mr. Faisal Ahmed, VP Phone: 01985700356, 01714359203 Email: faisal.ahmed@midlandbankbd.net PBX: 09666-410999 Ext.911-356
12	Panchrukhi Branch	Panchrukhi Bazar, Araihaajar, Narayanganj Email: hob.panchrukhi@midlandbankbd.net PABX: 09666-410912	Mr. Md. Abdul Barik, FAVP Phone: 01985700236, 01712724567 Email: abdul.barik@midlandbankbd.net PBX: 09666-410914 Ext.912-236

Sl.	Branch Name	Address	Branch Manager
13	Kamarpara Branch	Ramjan Tower, Natun Bazar Mor, Kamarpara, Turga, Dhaka Email: hob.kamarpara@midlandbankbd.net PABX: 09666-410913	Mr. Md. Abdullah, FAVP Phone: 01985700541, 01956685532 Email: md.abdullah@midlandbankbd.net PBX: 09666-410913 Ext.913 -541
14	Narsingdi Branch	Helal Tower, First & second floor, 211 ShahidShorwadi Park Road, Narshingdi Email: hob.narsingdi@midlandbankbd.net PABX: 09666-410914	Mr. Mohammad Faruq Ur Rahman, AVP Phone: 01985700307, 01715186240 Email: faruq.rahman@midlandbankbd.net PBX: 09666-410914 Ext.914 -307
15	Narayanganj Branch	55/A, Ground Floor, Tanbazar, Narayanganj Email: hob.narayanganj@midlandbankbd.net PABX: 09666-410915	Mr. Mostofa Maynul Hasan, SAVP Phone: +8801985700057,01914064738 Email: mostofa.maynul@midlandbankbd.net PBX: 09666-410915 Ext.915-057
16	Valuka Branch	Jamirdia, Masterbari, Valuka , Mymensingh Email: hob.valuka@midlandbankbd.net PABX: 09666-410916	Mr. Abu Sayed Mohammad Zakaria Khan, FAVP Phone: 01985700687,01715281296 Email: zakaria.khan@midlandbankbd.net PBX: 09666-410916 Ext.916 -687
17	CDA Avenue Branch	EVE's Centre (1 st floor) A 1/47 P, East Nasirabad, Panchlaish, Chattogram Email: hob.cda@midlandbankbd.net PABX: 09666-410917	Mr. Syed Mohammed Omar, SAVP Phone: 01985700355, 01819863857 Email: syedmohammed.omar@midlandbankbd.net PBX: 09666-410917 Ext.917 -355
18	Mokamtola Branch	Majeda Plaza (1st floor), Talukdar Market, Mokamtola, Shibganj, Bogura Email: hob.mokamtola@midlandbankbd.net PABX: 09666-410918	Mr.Md. Mejbahur Rahman, FAVP Phone: 01718881471 Email: mejbahur.rahman@midlandbankbd.net PBX: 09666-410918, Ext. 1085
19	Chowdhuryhat Branch	Abdul Rashid Market (1st & 2nd floor) Chowdhuryhat , Hat Hajari, Chattogram Email: hob.chowdhuryhat@midlandbankbd.net PABX: 09666-410919	Mr.Milton Chowdhury, FAVP Phone: 01985700891,01755583984 Email: milton.chowdhury@midlandbankbd.net PBX: 09666-410919 Ext.919 -891
20	Bogura Branch	Amicus Plaza, 1st floor, Shahid Abdul Jabbar Sarak, Joleshwari Tola, Bogura Email: hob.bogra@midlandbankbd.net PABX: 09666-410920	Mr.Md. Ahsan Habib, AVP Phone: 01985700302, 01711107239 Email: ahsan.habib@midlandbankbd.net PBX: 09666-410920 Ext.920 -302
21	Dalal Bazar Branch	Montaz patwary Mansion (1 st floor), Lakshmipur Sadar, Lakshmipur Email: hob.dalalbazar@midlandbankbd.net PABX: 09666-410921	Mr. Md. Mizanur Rahman, JAVP Phone: 01985700660, 01711123750 Email: mm.rahman@midlandbankbd.net PBX: 09666-410921 Ext.921 -660
22	Sylhet Branch	M.S Tower (1st Floor), Mirboxtola, Chowhatta, Sylhet Email: hob.sylhet@midlandbankbd.net PABX: 096 66 410 922	Mr. Ahbab Ahmed Jaigirder, SAVP Phone: 01985700647, 01717130877 Email: ahabab.jaigirder@midlandbankbd.net PBX: 09666-410922 Ext.922 -647
23	Khulna Branch	Tayamun Centre (1st Floor), 181/1 Jashore Road, Khulna Email: hob.khulna@midlandbankbd.net PABX:096 66 410 923	Mr. Md. Rezaul Huq, AVP Phone: 01711428099 Email: rezaul.huq@midlandbankbd.net PBX: 09666-410923 Ext.923 -269
24	Sompara Bazar Branch	Islam Plaza (1st & 2nd Floor), School Road, Sompara Bazar, Chatkhil, Noakhali Email: hob.sompara@midlandbankbd.net PABX:096 66 410 924	Mr. Md. Syful Alam, FAVP Phone: 01985700671,01912225850 Email: syful.alam@midlandbankbd.net PBX: 09666-410924 Ext.924 -671
25	Paragram Branch	West Paragram Bazar, Nawabganj, Dhaka (Right side of Singair Road) Email: hob.paragram@midlandbankbd.net PABX:096 66 410 925	Mr. Md. Tahidul Amin Mojumder, AVP Phone: 01985700697,01828058652 Email: tahidul.amin@midlandbankbd.net PBX: 09666-410925 Ext.925 -697

Sl.	Branch Name	Address	Branch Manager
26	Mirpur Branch	Hyperion Rose, Holding No -61/1-2, Block-B, Road No-4, Ward No-2,Section-12, Pallabi, Dhaka Mail: hob.mirpur@midlandbankbd.net PABX: 096 66 410 926	Mr. Md. Rashid-Un-Nabi, FAVP Phone: 01985700193, 01611183896 Email: rashid.nabi@midlandbankbd.net PBX: 09666-410926 Ext.926-193
27	Foyla Bazar Branch	98/1 Haji Market, Bara Nawabpur, Faylabazar, Ujalkur, Rampal, Bagerhat Mail: hob.foylabazar@midlandbankbd.net PABX: : 096 66 410 927	Mr. Kazi Mokarram Hossain, JAVP Phone: 01985700893,01711380388 Email: mokarram.hossain@midlandbankbd.net PBX: 09666-410927 Ext.927-893
28	Maligram Branch	Vashra, Maligram, Deora, Bhanga, Faridpur Mail: hob.maligram@midlandbankbd.net PABX: : 096 66 410 928	Mr. Md. Asif Iqbal, JAVP Phone: 01985700305,01713481696 Email: asif.iqbal@midlandbankbd.net PBX: 09666-410905 Ext.905-305
29	Rajshahi Branch	Rahamania Tower, Holding -57,58 & 60, Ganok Para, Station Road, Ward -12, P.S.-Boalia, Dist - Rajshahi Mail: hob.rajshahi@midlandbankbd.net PABX: : 096 66 410 929	Mr. Kudrat-E-Khoda Md. Samiul Karim, SAVP Phone: 01711951247, Email: samiul.karim@midlandbankbd.net PBX: 09666-410929 Ext.929-312
30	Islampur Branch	Emon Tower, Holding -61, Islampur Road, Ward -36, P.S.-Kotowali, Dist - Dhaka Mail: hob.islampur@midlandbankbd.net PABX: : 096 66 410 930	Mr. Ha-Mim Muhammad Molla, AVP Phone: 01985700527,01712611775 Email: muhammad.molla@midlandbankbd.net PBX: 09666-410930 Ext.930-527
31	Shashongacha Branch	Meem Tower, Shashongacha, Adarsha Sadar, Cumilla, Mail: hob.shashongacha@midlandbankbd.net , PABX: +(88) 096 66 410 931 / +(88) 096 11 410 931	Mr. Mahamudul Hasan, FAVP Phone: 01985700974,01717910524 Email: mahamudul.h@midlandbankbd.net PBX: 09666-410931 Ext.931-974
32	Bheramara Branch	Godown Moor, Bheramara Highway, Kushtia, Mail: hob.bheramara@midlandbankbd.net PABX: +(88) 096 66 410 932 / +(88) 096 11 410 932	Mr. K.M. Shafiqur Rahman, FAVP Phone: 01985700619,01941222424 Email: shafiqur.rahman@midlandbankbd.net PBX: 09666-410932 Ext.932-619
33	Doshmile Branch	Hossain Monzil, East Sadipur, Doshmile, Dinajpur Mail: hob.doshmile@midlandbankbd.net PABX: +(88) 096 66 410 933 / +(88) 096 11 410 933	Mr. Md. Ahsanul Alam, JAVP Phone: 01712068328 Email: ahsanul.alam@midlandbankbd.net PBX: 09666-410933 Ext.1063
34	Fatullah Branch	Islam Super Market, Fatullah Bazar, Narayanganj Mail: hob.fatullah@midlandbankbd.net PABX No : +(88) 096 66 410 934 / +(88) 096 11 410 934	Mr. S M Syed-AI-Islam, FAVP Phone: 01985700290,01818502352 Email: syed.islam@midlandbankbd.net PBX: 09666-410934 Ext.934-290
35	Kawran Bazar Branch	Jahangir Tower, 10, Kazi Nazrul Islam Avenue, Ward No -26, Tejgaon, Dhaka	Mr. Imran Al Habib Xulius, SAVP Phone: 01985700359,01976688440 Email: imran.habib@midlandbankbd.net PBX: 09666-410907 Ext.935-359

MDB Service Network (Sub-Branches)

Sl.	Sub-Branch Name	Address	Manager, Sub-Branch
1	Madhabdi Sub-Branch	Madhabdi Pourashava office Bhaban, Madhabdi, Narsingdi madhabdi.sub@midlandbankbd.net PABX: +(88) 096 66 410 914 / +(88) 096	Mr. Monir Hossain, PO - Cash Phone: 01985700251,01611099977 Email: monir.hossain@midlandbankbd.net PBX: 09666-410914 Ext.914-251
2	Lakshmipur Sub-Branch	R. S. Tower (1st floor), Hospital Road, Sador , Lakshmipur lakshmipur.sub@midlandbankbd.net PABX: +(88) 096 66 410 921 / +(88) 096 11 410 921	Mr. G. M. Bakibillah, EO Phone: 01985700979,01724896617 Email: m.bakibillah@midlandbankbd.net PBX: 09666-410921 Ext.921-979

MDB Service Network (Sub-Branches)

Sl.	Sub-Branch Name	Address	Manager, Sub-Branch
3	Rupnagar Sub -Branch	House #56, Road#19, Rupnagar R/A Rupnagar, Mirpur Dhaka rupnagar.sub@midlandbankbd.net PABX: +(88) 096 66 410 926 / +(88) 096 11 410 926	Mr. Rahatul Islam, EO Phone: 01985700460,01720562524 Email: rahatul.islam@midlandbankbd.net PBX: 09666-410926 Ext.926-460
4	Motijheel Sub -Branch	Showantex Tower (ground floor), House no. 9/l, Motijheel C/A, Dhaka motijheel.sub@midlandbankbd.net PABX: +(88) 096 66 410 901 / +(88) 096 11 410 901	Mr. A M Sadeeqe Hassan, FAVP Phone: 01985700261,01819185656 Email: sadeeqe.hassan@midlandbankbd.net PBX: 09666-410901 Ext.901-261
5	Shahjadpur Sub -Branch	CCMPSL Tower, Holding No. 412, Ward No. 06, Shahjadpur, Shirajgonj shahjadpur.sub@midlandbankbd.net PABX: +(88) 096 66 410 920 / +(88) 096 11 410 920	Mr. Md. Moklasur Rahman, EO Phone: 01711117500 Email: moklasur.rahman@midlandbankbd.net PBX: 09617-410920 Ext.1200
6	Chatkhil Sub -Branch	Aziz Super Market, Holding No -629, C&B Road, Ward No-3, Chatkhil, Noakhali chatkhil.sub@midlandbankbd.net PABX No: +(88) 096 66 410 924 / +(88) 096 11 410 924	Mr. Md. Shofiqul Islam, EO Phone: 01923288297,01610 -173536 Email: mdshofiqul.islam@midlandbankbd.net PBX: 09666-410924 Ext.1067
7	Rajshahi City Corporation Sub-Branch	Nagar Bhaban, Holding No-142, Greater Road, Ward No-13, Rajshahi City Corporation, P.S-Boalia, Dist.-Rajshahi rajshahi.sub@midlandbankbd.net PABX: +(88) 096 66 410 929 / +(88) 096 11	Mr. Md. Tashiquil Alam, JO Phone: 01716407923,01985700985 Email: tashiquil.alam@midlandbankbd.net PBX: 09666-410929 Ext.929-985
8	Jubilee Road Sub-Branch	B&B Tower, 129 Jubilee Road, Enayet Bazar, Chottagram. jubilee.sub@midlandbankbd.net PABX: +(88) 096 66 410 903 / +(88) 096 11 410 903	Mr. Abu Md. Towsif Reza, FAVP Phone: 01958700535,01819350065 Email: towsif.reza@midlandbankbd.net PBX: 09666-410917 Ext.903-535
9	MIEZ Sub-Branch	Meghna Industrial Economic Zone, Tipordi, Daag No- RS-31, Mouza-Choto Shilmondi, Union- Mograpara, P.S: Sonargaon, Dist: Narayanganj miez.sub@midlandbankbd.net PABX: +(88) 096 66 410 901 / +(88) 096 11 410 901	Mr. Md. Mahadi Hossain Bhuiyan, JAVP Phone: 01740838434,01740838424 Email: mahadi.bhuiyan@midlandbankbd.net PBX: 09666-410901 Ext.1062
10	Mymensingh Sub-Branch	Hira Square, Holding-20, Jadhav Lahiri Lane, Mymensingh mymensingh.sub@midlandbankbd.net PABX: +(88) 096 66 410 916 / +(88) 096 11 410 916	Mr. Sonjoy Kumar Paul, JAVP Phone: 01985700306,01911580780 Email: sonjoy.kumar@midlandbankbd.net PBX: 09666-410916 Ext.916-306
11	Noapara Sub-Branch	Sharif Market,Holding No:648,Jashore-Khulna Mohasharak,Ward No: 06,Pourashava: Noapara,Ps-Abhaynagar,Jashore noapara.sub@midlandbankbd.net	Mr. Md. Kutub Uddin, EO Phone: 01985700533,01911290864 Email: kutub.uddin@midlandbankbd.net PBX: 09666-410923 Ext.923-533
13	Sreenagar Sub-Branch	Sreenagar Plaza, Kancha Bazar Road, Sreenagar Bazar, Sreenagar, Munshiganj sreenagar.sub@midlandbankbd.net	Mr. Mohammad Quaid - E - Azam, JAVP Phone: +8801985700143,+8801716539413 Email: quaide.azam@midlandbankbd.net PBX: 09666-410926 Ext.907-143

MDB Service Network (Collection Booths)

Sl.	Name of Collection Booth	Address	Assigned Officer
1	Southeast University Fees Collection Booth-1	House # 251/A & 252, Tejgaon I/A, Dhaka.	Mr. Md. Ibrahim Khalil, SAVP Phone: +8801985700045, 01711106643 Email: ibrahim.khalil@midlandbankbd.net PBX: 09666-410999 Ext.902-045
2	Narshingdi Bill Collection Booth	Narshingdi Pourashava Bhaban, Narshingdi	Mr. Mohammad Faruq Ur Rahman, AVP Phone: 01985700307, 01715186240 Email: faruq.rahman@midlandbankbd.net PBX: 09666-410914 Ext.914-307 Direct No: 09666-410307
3	Bogura Pourashava Collection Booth	Pourashava Office, Bogura Sadar, Bogura	Mr. Md. Ahsan Habib, AVP Phone: 01985700302, 01711107239 Email: ahsan.habib@midlandbankbd.net PBX: 09666-410920 Ext.920-302
4	Southeast University Fees Collection Booth	Holding # 64, Road # 18, Block # B, Banani, Dhaka.	Mr. Md. Ibrahim Khalil, SAVP Phone: +8801985700045, 01711106643 Email: ibrahim.khalil@midlandbankbd.net PBX: 09666-410999 Ext.902-045
5	Mokamtola REB Collection Booth	Mokamtola Polli Budyut Zonal office, Mokamtola.	Mr. Md. Mejbahur Rahman, FAVP Phone: 01718881471, Email: mejbahur.rahman@midlandbankbd.net PBX: 09666-410918 Ext.1085
6	REB Collection Booth, Bogura	REB Head Office, Bogura	Mr. Md. Ahsan Habib, AVP Phone: 01985700302, 01711107239 Email: ahsan.habib@midlandbankbd.net PBX: 09666-410920 Ext.920-302
7	Bagerhat REB Collection Booth	Bagerhat Polli Budyut Zonal office, Bagerhat.	Mr. Kazi Mokarram Hossain, JAVP Phone: 01985700893, 01711380388 Email: mokarram.hossain@midlandbankbd.net PBX: 09666-410927 Ext.927-893
8	Bheramara REB Collection Booth	Bheramara Polli Budyut Zonal office, Bheramara, Kustia.	Mr. K.M. Shafiqur Rahman, FAVP Phone: 01985700619, 01941222424 Email: shafiqur.rahman@midlandbankbd.net PBX: 09666-410932 Ext.932-619
9	Daulatpur REB Collection Booth	Daulatpur Polli Budyut Zonal office, Kushtia.	Mr. K.M. Shafiqur Rahman, FAVP Phone: 01985700619, 01941222424 Email: shafiqur.rahman@midlandbankbd.net PBX: 09666-410932 Ext.932-619
10	Birgonj REB Collection Booth	Birgonj Polli Budyut Zonal office, Dinajpur.	Mr. Md. Ahsanul Alam, JAVP Phone: 01712068328, Email: ahsanul.alam@midlandbankbd.net PBX: 09666-410933 Ext.1063
11	Bheramara Pourashava Collection Booth	Pourashava Bhaban, Bheramara	Mr. K.M. Shafiqur Rahman, FAVP Phone: 01985700619, 01941222424 Email: shafiqur.rahman@midlandbankbd.net PBX: 09666-410932 Ext.932-619

Agent Banking Centres

Sl.	Name of Agent	Sl.	Name of Agent
1	United Social Human Advancement (Usha) Foundation, Dighi Borabo, Jatramura, Rupganj, Narayanganj	51	Sufia Traders, Buriganj Bazar, Shibganj, Bogura
2	Mehjabin Traders, Palora Bazar, Betila, Manikganj Sadar, Manikganj	52	M/S Fahmida Enterprise, Shabrul Bazar, Shabrul, Shahjahanpur, Bogura
3	Mehjabin Traders, Lemubari Notunhat, Balirtek Road, Manikganj Sadar, Manikganj	53	Protik Electronics, Tital Bazar, Tashulla Banglabazar, Nawabganj, Dhaka
4	Society For Family Happiness And Prosperity (Fhp), Darikandi, Bajitpur, Kishoreganj	54	Protik Electronics, Horishkul Bazar, Jantrail, Nawabganj, Dhaka
5	M/S. Robin Traders, Mostail Bazar, Bohail, Shahjahanpur, Bogura	55	Protik Electronics, Tashulla Banglabazar, Tashulla Banglabazar-1322, Nayansree Union Parishad, Nawabganj, Dhaka
6	M/S. Mozaddediya Enterprise, Moshipur, Shahjapur, Sirajganj	56	Shahin Enterprise, Salna Bazar, Gazipur Sadar, Gazipur
7	M/S. Prapti Dairy Farm, Dhunat Officer Para, Dhunat, Bogura	57	Sm Link, Shiruail Bazar, Hat Shiruail, Shibchar, Madaripur
8	Coast Foundation, Torabganj Bazar, Torabganj, Kamalnagar, Lakshmipur	58	Ababil Telecom, Puranakoil Bazar, Puranakoil, Sadar, Joypurhat
9	Deshbondhu Solar And Electronics, Guzla Bazar, Shibganj, Bogura	59	Mehedi Traders, Pakerhat, Khanshama, Dinajpur
10	Deshbondhu Solar And Electronics, Amtoli Bazar, Guzla, Shibganj, Bogura	60	Ha-Mim Enterprise, Monjhar Bazar, Khetlal, Joypurhat
11	Village Association For Social Development (Vasd), Dholla Bazar, Dholla, Singair, Manikganj	61	Maf Electric, Thanar More, Anwara, Chattogram
12	Sarker Apparels Food & Trading Limited, Kadamtala, Basabo, Sabujbag, Dhaka-1214	62	Sadekul Agro Farm, Koroitola Bazar, Sreepur, Gazipur
13	M/S. Rostom Ali Akand, Jumarbari Bazar, Saghata, Gaibandha	63	A.K. Traders, Dharampur Bazar, Bheramara, Kushtia
14	Master & Sons, Oddirgola Bazar, Shabgram, Bogura Sadar, Bogura	64	Provati Seba Sales Enterprise, Gosaibari Bazar, Gosaibari, Dhunat, Bogura
15	Forid Traders, Sonahata Bazar, Dhunat, Bogura	65	Biswas Electronics, Maniknagar Bazar, Jamirta, Singair, Manikganj
16	K. H. Enterprise, Narayanpur Bazar, Belabo, Narsingdi	66	Firoja Gift Corner, Bhabaniganj Bazar, Lakshmipur Sadar, Lakshmipur
17	K. H. Enterprise, Board School Bazar, Sollahbad-1630, Belabo, Narsingdi	67	M/S Kaium Electric, Sonarpara Bazar, Kichok-5810, Shibganj, Bogura
18	Raju Poultry Firm, Shingher Char, Natun Bazar, Rupsha, Khulna	68	M/S. Khan Enterprise, Batar More (Milon Plaza), Naogaon Pourashava, Naogaon Sadar, Naogaon-6500.
19	Raju Poultry Firm, Rahimnagar, Rupsha, Khulna	69	M/S Amin Brothers, Katakhal Bazar, Town Nowapara-9370, Fokirhat, Bagerhat
20	Raju Poultry Firm, Lobonchara Nodir Teer, Shipyard, Lobonchara, Khulna	70	M/S Labib Electronics, Boiragy Bazar, K H Madrasa-7931, Paikpara Union Parishad, Rajoir, Madaripur
21	Bastob-Initiative For Peoples Self-Development, Malumghat Bazar, Dulhazara, Chakaria, Cox's Bazar	71	Green Seo Tools, 1no. Rail Gate Bazar, Modonhat-4330, Fatepur Union Parishad, Hathazari, Chattogram
22	Janani Traders, Fatepur Bazar, Chandahar, Singair, Manikganj	72	M/S S B Tiles, Nazrul Avenue, Kandarpar, Sadar, Cumilla
23	Wali Enterprise, Shibchar Bazar, Shibchar, Madaripur	73	United Enterprise, Sonatola Bazar, Toker Bazar-3100, Toker Bazar Union Parishad, Jalalabad, Sylhet
24	Ma Enterprise, Chanderchar Bazar, Umedpur, Shibchar, Madaripur	74	Fiha Trading Corporation, Jurain Bazar Road, Jurain Rail Gate, Jurain, Dhaka-1204
25	Z.R. Corporation, 1 No Kalma Bazar, Savar, Dhaka	75	Edgex Limited, House-02, Road-07, Dhanmondi, Dhaka-1205
26	Shiza Enterprize, Hossen Market, Dattapara, Tongi, Gazipur	76	Nova Computer, Birampur Bazar, Birampur Pourashava, Birampur, Dinajpur-5266
27	Tonoya Traders, Kundugram, Adomdighi, Bogura	77	M/S Tanjim Traders, Dohargaon, Baliyapara-1460, Rupganj, Narayanganj
28	Gazi Agro Farm, Kashore Bazar, Habirbari, Valuka, Mymensingh	78	Update Online Service Center & Library, Zinzira, Zinzira Union Parishad, Keraniganj, Dhaka
29	Maysha Enterprise, Dhakkin Khanpur, Khanpur, Bagerhat Sadar, Bagerhat	79	Z Mawa Travels International, Saidpur Plaza, Saidpur, Nilphamari
30	Yes Engineering & Technology, Chandrapara Bazar, Sadarpur, Faridpur	80	M/S Rasel Bricks, Dhanti Bazar, Debidwar, Cumilla
31	M/S Munni Enterprise, Shahorail Bazar, Shahorail, Singair, Manikganj	81	M/S Vai Vai Traders, Pakurtola Bazar, Rohobol-5810, Dewli Union Parishad, Shibganj, Bogura
32	Mahi Enterprise, Baliyahati Bazar, Baliyahati, Bhanga, Faridpur	82	Sadiq Sell Center, Koya Bazar, Jalma Union Parishad, Batiaghata, Khulna
33	Durjoy Medical Store, Kagail Bazar, Kagail, Gabtoli, Bogura	83	Moitree Enterprise, Chouwala, Liakot Mollah Market, Narsingdi Sadar, Narsingdi
34	R N Enterprise, Atapara Bazar, Sonarai, Gabtoli, Bogura	84	Sk Computer Graphics And Training Center, South Dattapara Bazar, Sadar, Lakshmipur
35	M/S Bornomala, Mohimaganj Bazar, Mohimaganj, Gobindaganj, Gaibandha	85	Fatema Mobile Servicing Center, Madaripool Bazar, Moddho Madrasa, Ward No-4, Samitirhat, Hathazari, Chattogram
36	Mandol Hardware, Jhatordia Bazar, Nagarkanda, Faridpur	86	M/S Sumon Enterprise, Shimul Bazar, Tarail-7830, Bhanga, Faridpur
37	M/S Shikder Fisheries, Churkhai Bazar, Churkhai, Kotwali, Mymensingh	87	Online Bangla Shop, Chawkbazar-4000, Chattogram
38	M/S Shikder Fisheries, Shomvuganj Bazar, Mymensingh Sadar, Mymensingh	88	M/S Shahida Traders, Rohobol Bazar, 9 No Dewli Union Parishad, Rohobol-5810, Shibganj, Bogura
39	Roni Enterprise, Paril Bazar, Paril Nowadha, Singair, Manikganj	89	Brothers Enterprise, Nur Tower, Hashem Bazar, Aturar Depo, Panchalish, Chattogram
40	Roni Enterprise, Kaliakoir Bazar, Singair, Manikganj	90	M/S Roy Traders, Jot Bazar, Nurullabad Union Parishad, Manda, Naogaon
41	Population Crisis Control & Mass Education Committee, H# 180, R# 12, Sonadanga, Khulna	91	Nadira It Center, Bhendabari Bazar, Bhendabari-5470, Pirganj, Rangpur
42	Population Crisis Control & Mass Education Committee, Koyra, Koyra, Khulna-9290	92	Munni Enterprise, 887 Hossain Vhabon, Shah Amanat Connecting Road, Ward No:14, Bahaddarhat, Chandgaon, Chattogram
43	Population Crisis Control & Mass Education Committee, Dakop, Dakop, Khulna-9272	93	Khan Enterprise, Katakhal (Mollarhat) Bazar, Mollarhat Union Parishad, Katakhal, Nalchity, Jhalokati
44	Population Crisis Control & Mass Education Committee, Paikgacha Bazar, Paikgacha, Khulna-9280	94	Sk Traders, Baishteki, Mirpur-13, Kafrul, Dhaka
45	Population Crisis Control & Mass Education Committee, Ashashuni, Ashashuni, Satkhira-9460, Satkhira	95	Adil And Nishat Computer's And Telecom Center, Gangnagar Bazar, 9 No. Dewli Union Parishad, Shibganj, Bogura
46	Population Crisis Control & Mass Education Committee, Shyamnagar, Shyamnagar, Satkhira-9450, Satkhira	96	M/S Rijvi And Roktim Traders, Jamurhat Bazar, 6 No Buriganj Union Parishad, Buriganj-5810, Shibganj, Bogura
47	Zahanara Agro International, Altafnagar Bazar, Altafnagar, Dupchachia, Bogura	97	Jui Enterprise, Bolidara Bazar, 8 No Nanduar Union Parishad, Bolidara-5120, Ranisankail, Thakurgaon
48	Zahanara Agro International, Khanpukur Bazar, Khanpukur, Rani Nagar, Naogaon	98	Mizan Brothers, Polerhat Bazar, 8 No. Khanpur Union Parishad, Khanpur, Bagerhat Sadar, Bagerhat
49	Zahanara Agro International, Nowduli Bazar, Palsha, Muniari Union Parishad, Atrai, Naogaon	99	Care And Cure Engineering Consultancy Firm, Sharakghat Bazar, Piruj Ali Union Parishad, Gazipur Sadar, Gazipur
50	Pramanik Traders, Rameshwarpur Bazar, Gabtoli, Bogura	100	M/S Maymuna Traders, Atmul Bazar, Atmul Union Parishad, Shibganj, Bogura

ATM/Fast Track

Sl.	ATM Name	Location	Site	Tagged Branch
1	Agrabad Branch	As- Salam Tower (1st Floor), 57, Agrabad C/A, Chattogram	Onsite ATM	Agrabad Branch
2	CDA Avenue Branch	EVE's Centre (1st floor) A 1/47 P, East Nasirabad, Panchlaish, Chattogram	Onsite ATM	CDA Avenue Branch
3	Chowdhuryha Branch	Abdul Rashid Market (1st & 2nd floor) Chowdhuryhat , Hat Hajari, Chattogram	Onsite ATM	Chowdhuryhat Branch
4	Dalal Bazar Branch	Montaz patwary Mansion (1st floor) , Lakshmipur Sadar, Lakshmipur	Onsite ATM	Dalal Bazar Branch
5	Sompara Bazar Branch	Islam Plaza (1st & 2nd Floor), School Road, Sompara Bazar, Chatkhil, Noakhali	Onsite ATM	Sompara Bazar Branch
6	Aganagar Branch	Maksuda Garden City (2nd Floor), Aganagar, South Keranigonj, Dhaka	Onsite ATM	Aganagar Branch
7	Dhanmondi Branch	Green Rowshanara Tower (2nd Floor), House# 755(Old), 55(New), Satmasjid Road, Dhanmondi, Dhaka 1205	Onsite ATM	Dhanmondi Branch
8	Gulshan Branch	NB Tower, Level-5, 40/7 North Avenue, Gulshan-2, Dhaka-1212	Onsite ATM	Gulshan Branch
9	Hemayetpur Branch	Ayesha Tower (Ground Floor), 522 Singair Road, Hemayetpur, Savar, Dhaka.	Onsite ATM	Hemayetpur Branch
10	Kamarpara Branch	Ramjan Tower, Natun Bazar Mor, Kamarpara, Turga, Dhaka	Onsite ATM	Kamarpara Branch
11	Maligram Branch	Vashra, Maligram, Deora, Bhanga, Faridpur	Onsite ATM	Maligram Branch
12	Mirpur Branch	Hyperion Rose, Holding No-61/1-2, Block-B, Road No-4, Ward No-2,Section-12, Pallabi, Dhaka	Onsite ATM	Mirpur Branch
13	Mirzapur Bazar Branch	Mannan Plaza (1st Floor), Mirzapur Bazar, Bhawal, Mirzapur Sadar, Gazipur	Onsite ATM	Mirzapur Bazar Branch
14	Narayanganj Branch	55/A, Ground Floor, Tanbazar, Narayanganj	Onsite ATM	Narayanganj Branch
15	Narsingdi Branch	Helal Tower, First & second floor, 211 Shahid Shorwadi Park Road, Narsingdi	Onsite ATM	Narsingdi Branch
16	Panchar Branch	Dia-Moni Plaza (1st Floor), Panchar, Shibchar, Madaripur	Onsite ATM	Panchar Branch
17	Panchrukhi Branch	Shopon Tower, Panchrukhi Bazar, Araihaajar, Narayanganj	Onsite ATM	Panchrukhi Branch
18	Paragram Branch	West Paragram Bazar, Nawabganj, Dhaka (Right side of Singair Road)	Onsite ATM	Paragram Branch
19	Banani Branch	Hong Kong Shanghai Tower (Ground & 1st Floor), Plot #106, Road#11, Block#C, Banani, Dhaka-1213	Onsite ATM	Banani Branch
20	Uttara Branch	ABC Heritage (Ground Floor), Plot 2 & 4, Sector 3, Jashimuddin Avenue, Uttara Model Town, Dhaka	Onsite ATM	Uttara Branch
21	Valuka Branch	Jamirdia, Masterbari, Valuka, Mymensingh	Onsite ATM	Valuka Branch
22	Zirabo Branch	Razzak Commercial Complex, Zirabo, Ashulia, Savar, Dhaka	Onsite ATM	Zirabo Branch
23	Foyla Bazar Branch	98/1 Haji Market, Bara Nawabpur, Faylabazar, Ujalkur, Rampal, Bagerhat	Onsite ATM	Foyla Bazar Branch
24	Khulna Branch	Tayamun Centre (1st Floor), 181/1 Jessore Road, Khulna	Onsite ATM	Khulna Branch
25	Bogra Branch	Amicus Plaza, 1st floor, Shahid Abdul Jabbar Sarak, Joleshwaritola, Bogura	Onsite ATM	Bogra Branch
26	Mokamtola Branch	Majeda Plaza (1st floor), Talukdar Market, Mokamtola, Shibganj, Bogura	Onsite ATM	Mokamtola Branch
27	Sylhet Branch	M.S Tower (1st Floor), Mirbextola, Chowhatta, Sylhe	Onsite ATM	Sylhet Branch
28	Amanat Shah	Hazrat Amanat Shah Spining Mills Ltd., Vatar, Panchdona, Narshingdi	Onsite ATM	Narshingdi Branch
29	Amtranet Savar	Amtranet Limited, Kasba Tower, Rajashon Industrial Area, Savar, Dhaka	Onsite ATM	Hemayetpur Branch
30	Amtranet Tongi	Amtranet- Maa Tower, KBM Road, Tonji Industrial Area, Gazipur	Onsite ATM	Uttara Branch
31	Rajshai Branch	Rahamania Tower, Holding-57,58 & 60, Ganok Para, Station Road, Ward-12, P.S.-Boalia, Dist- Rajshahi	Offsite ATM	Rajshahi Branch
32	Islampur Branch	Emon Tower, Holding-61, Islampur Road, Ward-36, P.S.-Kotwali, Dist- Dhaka	Offsite ATM	Islampur Branch
33	Dilkusha Branch	Chini Shilpa Bhaban, 3, Dilkusha C/A, Dhaka-1000	Offsite ATM	Dilkusha Corporate Branch
34	Madhabdi Sub-Branch	Madhabdi Pourashava Office Bhaban, Madhabdi, Narsingdi	Onsite ATM	Narshingdi Branch
35	Shashongacha Branch	Meem Tower, Shashongacha, Adarsha Sadar, Cumilla	Onsite ATM	Shashongacha Branch
36	Bheramara Branch	Godown Moor, Bheramara Highway, Kushtia	Onsite ATM	Bheramara Branch
37	Dosh Mile Branch	Hossain Monzil, East Sadipur, Doshmile, Kaharol, Dinajpur-5200.	Onsite ATM	Dosh Mile Branch
38	Lakshipur Sub-Branch	R. S. Tower (1st floor), Hospital Road, Sador , Lakshmipur	Onsite ATM	Dalal Bazar Branch
39	Fatullah Branch	Islam Super Market, Fatullah Bazar, Narayanganj	Onsite ATM	Fatullah Branch
40	Motijheel Sub-Branch	Showantex Tower (ground floor), House no. 9/I, Motijheel C/A, Dhaka	Onsite ATM	Dilkusha Corporate Branch
41	Rupnagar Sub-Branch	House #56, Road#19, Rupnagar R/A Rupnagar, Mirpur Dhaka	Onsite ATM	Mirpur Branch
42	Shahjadpur Sub-Branch	CCMPSL Tower, Holding No. 412, Ward No. 06, Shahjadpur, Shirajgonj	Onsite ATM	Bogra Branch
43	Chatkhil Sub-Branch	Aziz Super Market, Holding No-629, C&B Road, Ward No-3, Chatkhil, Noakhali	Onsite ATM	Sompara Bazar Branch
44	Rajshahi City Corporation Sub-Branch	Nagar Bhaban, Holding No-142, Greater Road, Ward No-13, Rajshahi City Corporation, P.S-Boalia, Dist.-Rajshahi	Onsite ATM	Rajshahi Branch
45	MIEZ Sub-Branch	Meghna Industrial Economic Zone, Tipordi, Daag No- RS-31, Mouza-Choto Shilmondi, Union- Mograpara, P.S: Sonargaon, Dist: Narayanganj	Onsite ATM	Dilkusha Corporate Branch
46	Shibgonj Sub-Branch	Holding Number: 683, 1st Floor, Tamabil Road, Shibgonj, Sylhet	Onsite ATM	Sylhet Branch
47	Mymensingh Sub-Branch	Hira Square, Holding-20, Jadhav Lahiri Lane, Mymensingh	Onsite ATM	Valuka Branch
48	Kawran Bazar Branch	Jahangir Tower, 10, Kazi Nazrul Islam Avenue, Ward No-26, Tejgaon, Dhaka	Onsite ATM	Kawran Bazar Branch
49	Jubilee Road Sub-Branch	B&B Tower, 129 Jubilee Road, Enayet Bazar, Chottagram.	Onsite ATM	Agrabad Branch
50	Sreenagar Sub-Branch	Sreenagar Plaza, Kancha Bazar Road, Sreenagar Bazar, Sreenagar, Munshiganj	Onsite ATM	Aganagar Branch
51	Noapara Sub-Branch	Sharif Market,Holding No:648,Jashore-Khulna Mohasharak,Ward No: 06,Pourashava: Noapara,Ps- Abhaynagar, Jashore	Onsite ATM	Khulna Branch



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