

Annual Report 2023

Even in the
impossible
there is
possibility



Letter of Transmittal

April 30, 2024

All the Shareholders of Midland Bank PLC.

Bangladesh Bank

Bangladesh Securities and Exchange Commission (BSEC)

Registrar of Joint Stock Companies and Firms (RJSC)

Dhaka Stock Exchange PLC. (DSE)

Chittagong Stock Exchange PLC. (CSE)

Dear Sir,

Annual Report of Midland Bank PLC. for the year ended on December 31, 2023.

We are pleased to enclose a copy of the Bank's Annual Report 2023, together with the Audited Financial Statements for the year ended December 31, 2023 for your kind information and record.

Thank you.

Sincerely,



Khalid Mohammad Sharif FCS

Company Secretary

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Midland Bank Profile: Successes and Promises

Midland Bank PLC. (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 steer 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 in innovation and as part of it exploring of new avenues to ramify our financial services across the different demographic and geographical segments.

MDB is presenting its 2023 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 2023 has seen that deposit accounts increased by 51,364 from 239,952 in 2022 to 291,316 in 2023 and loan accounts increased by 644 from 4,757 in 2022 to 5,401 in 2023. Total Loans and Advances increased by 3.92%, or BDT 2,069.85 million from BDT 52,792.81 million in 2022 to BDT 54,862.66 million in 2023. However, overall loans portfolio remained relatively balanced between Institutional Banking, MSME and Retail segments. Customer deposits grew by 4.40%, or BDT 2,539.71 million from 57,763.01 million in 2022 to BDT 60,302.72 million in 2023. While growing our deposits book, we have focused on low cost and no cost (CASA) deposits acquisition and eventually by the end of 2023 our CASA ratio stood at 28%.

Operating profit before provision on loans and tax increased by 14.17% from BDT 1,526.73 million in 2022 to BDT 1,743.00 million in 2023, after covering net loss of BDT 134.38 million from revaluation of Treasury Bills/Bonds during the year. But Net profit after tax registered at BDT 1,133.11 million in 2023 against BDT 561.97 million in 2022, i.e., up by BDT 571.14 million, or 101.63% over 2022, due to deferred tax income, considering provision for classified loans and advances.

Return on Equities (ROE) stood at 13.49% in 2023 from 7.47% in 2022, Return on Assets (ROA) stood at 1.39% in 2023 from 0.75% in 2022 and Earnings Per Share (EPS) stood at BDT 1.77 in 2023 against BDT 0.88 in 2022. At the year-end of 2023, shareholders' equity stood at BDT 9,150.66 million against BDT 7,646.54 million in 2022. Bank's Capital to Risk Weighted Asset Ratio (CRAR) stood at 17.28% in 2023 against 14.83% in 2022 which stayed much above the minimum required ceiling of 12.50% as per Basel-iii accord. Total deposits customer-base of MDB grew by 43,134 to 230,373 in 2023 from 187,239 accounts in 2022 with considerable growth in the rural customer base. In our strategic action, we are giving priority to developing MSMEs placing special attention in extending finance to manufacturing sector. A total of 953 MSME entrepreneurs were stood at BDT 5,684.14 million in 2023 against 517 MSME entrepreneurs and loans amount of BDT 5,687.07 million in 2022. We're getting growth rates above the market benchmark which gives us confidence for the future.

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 3569.73 million in Dec'23 compared to BDT 2,952.89 million in Dec'22, Investment stood at BDT 2,545.68 million in Dec'22 compared to BDT 2,297.92 million in Dec'22 and aggregated total assets stood at BDT 3,593.51 million in Dec'23 compared to BDT 2,972.78 million in Dec'22. Operating profit of Islami Banking Window of the Bank reported at BDT 18.57 million in Dec'23 compared to BDT 24.95 million in Dec'22.

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 2023 total disbursed amount of loans stood at USD 30.79 million in Dec'23 compared to USD 29.10 million in Dec'22 out of bill purchase and discounting facilities. During the period, OBU borrowed USD 19.85 million in Dec'23 compared to USD 6.50 million in Dec'22 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 2023, its operating profit reported to USD 200,465 in Dec'23 compared to USD 99,243 in Dec'22.

Being committed to the clients, community and economy, the Bank is on its 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 successful in realizing its full potential to become the leading client-centric Bank in country.

Corporate Information

Name of the Company: Midland Bank PLC. (MDB)	Authorized Capital: BDT 10,000 million	Chairman: Nilufer Zafarullah
Legal Form: Public Limited Company	Paid up Capital: BDT 6,396.70 million	Vice Chairman: 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 9,178.36 million	Managing Director & CEO Md. Ahsan-uz Zaman
Date of Incorporation: March 20, 2013	Capital to Risk Weighted Asset Ratio (CRAR): 17.28%	Deputy Managing Director Md. Zahid Hossain
Company Registration: C-108070/13	Total Assets: BDT 83,425.87 million	Chief Risk Officer (CRO) Md. Zahid Hossain
Bangladesh Bank Permission: BRPD (P-3)745(67)/2013-1665, April 09, 2013	Statutory Reserves BDT 1881.77 million	Chief Financial Officer (CFO) Md. Zahirul Islam, FCA
Formal Inauguration: June 20, 2013	Earnings Per Share (EPS) BDT 1.77	Company Secretary 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 14.31	Head of Internal Control & Compliance: Mohammad Syejuddin Ahmmed
Delivery Channels: 39 Branches (19 urban and 20 rural), 19 Sub-branches, 131 Agent Banking Centre, 11 Collection Booths, 65 ATMs, Real-Time Online Banking, Internet Banking, SMS/Alert Banking, Debit/ Credit/ Prepaid Card with global access, Shared network across the country.	Total Manpower Employee: 807 (including 292 contractual)	Statutory Auditors Hoda Vasi Chowdhury & Co. Chartered Accountants
Contact Centre: 16596 (Short Code), (+88) 09617016596 and (+88) 09611016596	Website: www.midlandbankbd.net	Accounting Year-end December 31

Credit Rating: Emerging Credit Rating Limited (ECRL)

Long Term	A+	Bank's long term rating is "A+" 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.
Valid till	June 30, 2024	

Value creation for stakeholders during 2023

Customers:	2023	2022
Total Deposit accounts	291316	239,952
Total advances and loans/investment accounts	5397	4,757
Total Deposits	BDT 60,302.72 M	BDT 57,763.01 M
Interest paid to customers	BDT 3,740.46 M	BDT 3,201.24 M
Loans & advances/investments	BDT 54,862.66 M	BDT 52,792.81 M
Interest/profit received from loans/investments	BDT 4,503.46 M	BDT 3,657.21 M
Investment in government securities	BDT 13,889.64 M	BDT 13,186.01 M
Income from investments	BDT 1,612.53 M	BDT 1,455.08 M
Shareholders:		
Paid up Capital	BDT 6,396.70 M	BDT 5,696.70 M
Shareholders' equity	BDT 9,150.66 M	BDT 7,646.54 M
Profit after tax	BDT 1,133.11 M	BDT 561.97 M
Earnings per share (EPS)	BDT 1.77	BDT 0.88
Dividend payout (Recommended 5% cash dividend for the FY 2023)	5.00% cash	5.00% cash
Employees:		
Total regular headcount	515	488
Total contractual headcount	292	239
Total staff cost	BDT 708.32 M	BDT 635.09 M
Operating profit before provision of loans & Tax	BDT 1,743.00 M	BDT 1,526.73 M
Net profit after tax	BDT 1,133.11 M	BDT 561.97 M
Talent development training hours	2,500 hrs (approx.)	1,000 hrs (approx.)
Per employee operating profit before tax	BDT 3.38 M	3.13 M
Per employee net profit after tax	BDT 2.20 M	1.16 M
Government Institutions:		
Tax paid to Government	BDT 1,331.60 M	BDT 1,229.22 M
VAT & Withholding Tax collected on behalf of Govt.	BDT 766.39 M	BDT 625.08 M
Excise Duty collected on behalf of government	BDT 116.10 M	BDT 105.80 M
Business partners:		
Commission, exchange & fees	BDT 684.08 M	BDT 736.39 M
Payment to service providers	BDT 511.43 M	BDT 373.17 M
No. of correspondent banks (RMA)	154	101
Business partnership signed	88 Deals	177 Deals
Community:		
CSR/Donation	BDT 17.88 M	BDT 27.95 M
Internet customers (midland online)	59,534	44,515
Refinance to SME, Agri, Women and Green Finance	472.80 M	665.02 M
Utility bill collection	14,095.23 M	9,501.27 M
Call received by Contract Centre	112,603	113,545
SMS alert A/C	178,988	143,939
Total Digital A/C	5,799	3,742
Total Digital self e-KYC	14,259	6,204

Performance Dashboard 2023

Volume Growth

Deposits grew to
BDT 60,302.72 MN from
BDT 57,763.01 MN (up by 4.40%)

Loans & Advances grew to
BDT 54,862.66 MN from
BDT 52,792.81 MN (3.92 % ahead)

Assets grew to BDT 83,425.87 MN
from BDT 79,866.87 MN
(4.46% ahead)

Operating profit grew to
BDT 1,743.00 MN from BDT 1,526.78 MN
(up by 14.17%)

Net Profit After Tax grew to
BDT 1,133.11 MN from BDT 561.96 MN
(up by 101.63%)

Earnings Per Share (EPS)
grew to BDT 1.77 MN from
BDT 0.88 MN (101.63% ahead)

Performance Dashboard 2023

Volume Growth

Shareholders' Equity grew to BDT 9,150.66 MN from BDT 7,646.53 MN (up by 19.66%)

Return on Asset (ROA) increased to 1.39% from 0.75% (up by 0.64%)

Return on Equity (ROE) increased to 13.49% from 7.47% (up by 6.02%)

Capital to Risk Weighted Assets Ratio (CRAR) increased to 17.28% from 14.83% (up by 2.45%)

Net Assets Value per share grew to BDT 14.31 from BDT 11.95 (up by 19.75%)

NPL Ratio increased to 3.81% from 2.78% (up by 1.03%)

Vision & Mission

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

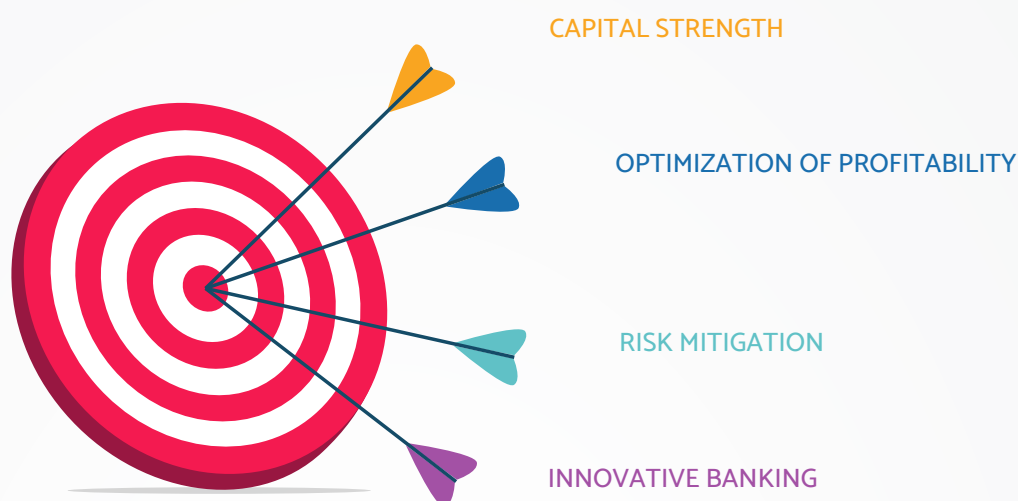
- Integrity and ethics is the hallmark of our banking relationship.
- We prefer truth, justice and fair-play above all means.
- We do business on a win-win proposition.

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.

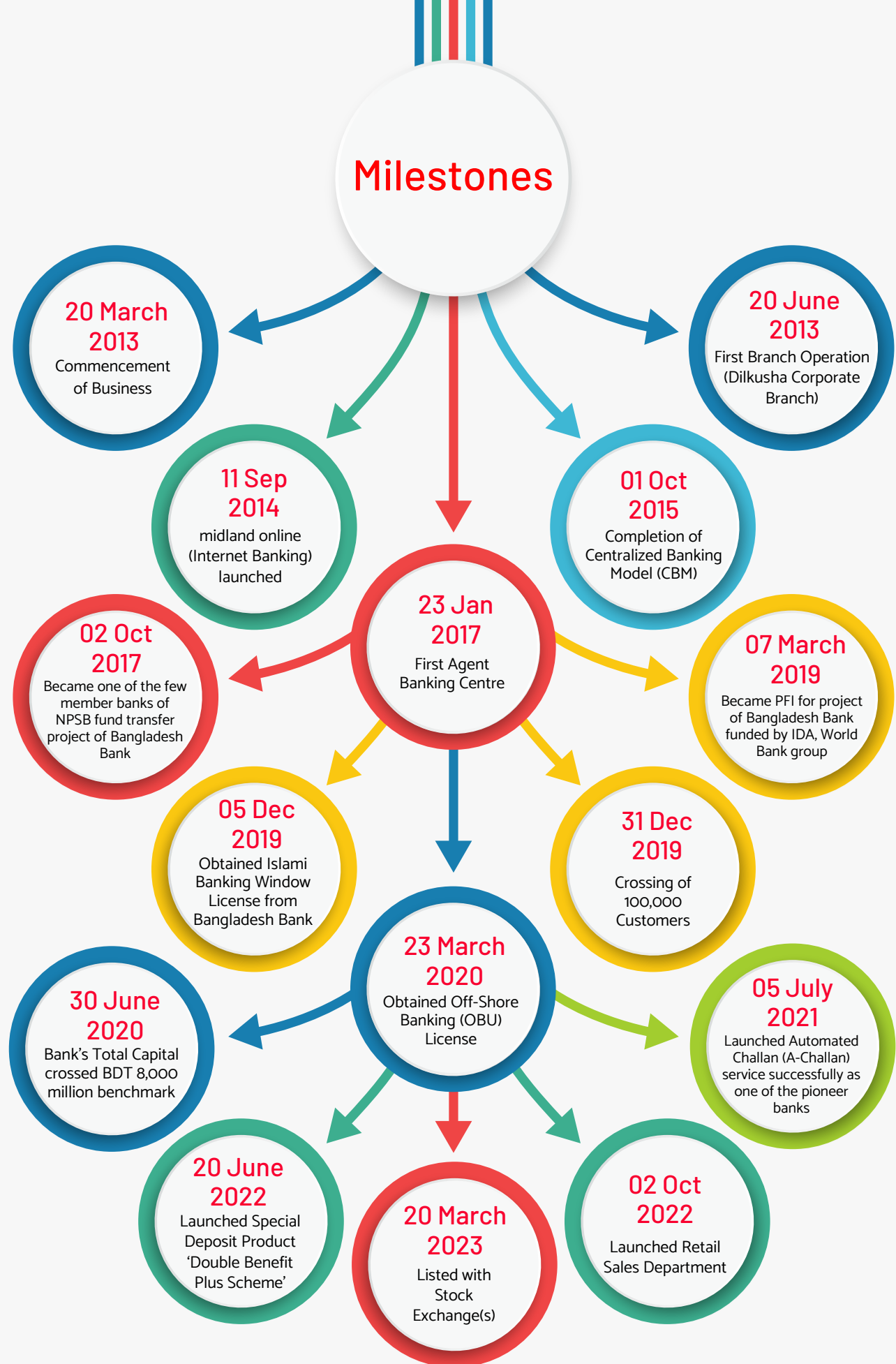


Customer Charter

- 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.



MDB Financial Performance and Ratios: Five Years Overview

Financial Highlights	in BDT Million					
	2019	2020	2021	2022	2023	% Changes in 2023 Over 2022
Income Statement:						
Interest income	4,276.13	3,160.18	3,232.76	3,657.21	4,503	23.14%
Interest expenses	2,983.90	2,748.19	2,262.66	3,201.24	3,740	16.84%
Net interest income	1,292.23	411.99	970.11	455.97	763	67.34%
Investment income	649.62	1,565.25	1,358.11	1,455.08	1,613	10.82%
Commission, exchange and brokerage	321.05	276.58	224.19	736.39	684	-7.10%
Other operating income	65.02	66.31	83.72	98.25	132	34.49%
Total Operating income	2,327.92	2,320.13	2,636.12	2,745.69	3,192	16.25%
Operating expenses	1,042.36	1,102.30	1,065.22	1,218.96	1,449	18.85%
Profit before provision and tax	1,285.57	1,217.83	1,570.90	1,526.73	1,743	14.17%
Provision for loans and off-balance sheet exposure	197.14	257.86	444.74	438.09	466	6.33%
Profit after provision before tax	1,088.43	959.97	1,126.17	1,088.64	1,277	17.32%
Provision for tax	491.84	303.61	612.15	526.67	144	-72.64%
Profit after tax	596.59	656.36	514.02	561.97	1,133	101.63%
Balance Sheet:						
Authorized capital	10,000	10,000	10,000	10,000	10,000	0.00%
Paid-up capital	5,697	5,697	5,697	5,697	6,397	12.29%
Total shareholders' equity	7,078	7,614	7,404	7,647	9,151	19.67%
Deposits	39,501	45,068	50,730	57,763	60,303	4.40%
Loans and advances	31,750	39,087	45,867	52,793	54,863	3.92%
Investments	12,710	14,633	14,980	16,906	17,380	2.81%
Fixed assets	259	660	634	575	611	6.28%
Earning assets	47,294	55,919	61,808	70,817	72,680	2.63%
Total assets	52,911	63,146	69,019	79,867	83,426	4.46%
Total liabilities	45,834	55,532	61,615	72,220	74,275	2.85%
Total Off-balance sheet exposure	5,979	9,249	12,300	12,675	13,957	10.11%
Foreign Exchange Business:						
Import	13,497	7,665	11,773	16,616	20,667	24.39%
Export	7,430	7,847	15,322	19,450	18,679	-3.96%
Inward Remittance (wages & others)	3,248	3,409	3,835	4,450	6,227	39.95%
Capital Measure:						
Risk Weighted Assets (RWA)	35,572	45,800	51,240	55,257	53,123	-3.86%
Core Capital (Tier-I)	7,075	7,313	7,380	7,631	8,579	12.42%
Supplementary Capital (Tier-II)	511	675	753	565	599	6.08%
Total Capital Held (T-I + T-II)	7,587	7,988	8,133	8,196	9,178	11.99%
Required Capital (12.50% of RWA, Or 4,000 million which is higher)	4,446	5,725	6,405	6,907	6,640	-3.86%
Capital Surplus/(Deficit), (A-B)	3,140	2,263	1,728	1,289	2,538	96.90%

MDB Financial Performance and Ratios: Five Years Overview

Financial Highlights	in BDT Million					
	2019	2020	2021	2022	2023	% Changes in 2023 Over 2022
Tier I Capital Ratio	19.89%	15.97%	14.40%	13.81%	16.15%	2.34%
Tier II Capital Ratio	1.44%	1.47%	1.47%	1.02%	1.13%	0.11%
Capital to Risk Weighted Asset Ratio (CRAR)	21.33%	17.44%	15.87%	14.83%	17.28%	2.45%
Credit Quality:						
Non-performing loans (NPLs)	570	453	1,455	1,470	2,092	42.31%
NPL to total loans and advances (%)	1.79%	1.16%	3.17%	2.78%	3.81%	1.03%
Provision for unclassified loans	457	590	643	452	495	9.42%
Provision for classified loans	264	784	455	955	1,449	51.71%
Provision for Off-Balance Sheet exposure	54	85	110	113	105	-7.26%
Provision for other assets and diminution in Investments	48	72	139	280	201	-28.14%
Share Information:						
No. of Shares outstanding	569.67 M	569.67 M	569.67 M	569.67 M	6,396.70 M	12.29%
Earnings per share (EPS), (BDT)	0.98	1.15	0.90	0.88	1.77	101.14%
Net Assets Value Per Share (BDT)	12.42	13.37	13.00	11.95	14.31	17.59%
Profitability & Performance Ratio:						
Net Interest Margin (NIM)	4.29%	2.41%	4.11%	2.78%	3.36%	0.58%
Advance to Deposit Ratio	81.64%	82.01%	83.62%	81.71%	84.51%	2.80%
Cost to income Ratio	44.78%	47.51%	40.41%	44.40%	45.39%	0.99%
Cost of fund on average deposits	7.71%	6.14%	4.17%	5.01%	5.44%	0.43%
Return on average assets (ROA)	1.21%	1.13%	0.78%	0.75%	1.39%	0.64%
Return on shareholders' equity (ROE)	8.80%	8.96%	6.85%	7.47%	13.49%	6.02%
Liquidity Ratio:						
Cash Reserve Ratio (CRR)	6.67%	4.42%	4.52%	4.82%	4.50%	-0.32%
Statutory Liquidity Ratio (SLR)	35.18%	13.04%	31.32%	27.92%	26.80%	-1.12%
Liquidity Coverage Ratio (LCR)	163.59%	147.51%	156.22%	214.04%	223.03%	8.99%
Net Stable Funding Ratio (NSFR)	109.99%	114.81%	101.00%	109.80%	110.15%	0.35%
Leverage Ratio	12.65%	11.17%	9.89%	9.02%	9.76%	0.74%
Other information:						
No. of Branches	33	34	35	37	39	5.41%
No. of Sub-Branches	2	7	13	16	19	18.75%
No. of Collection Booths	6	7	10	10	10	0.00%
No. of ATM	38	44	51	51	65	27.45%
Agent Banking Centre (ABC)	46	60	100	100	131	31.00%
No. of employees including contractual staff of 225 in 2022 and 239 in 2023)	632	650	711	727	807	11.00%
Number RMA	121	122	101	101	154	52.48%
No. of NOSTRO Accounts (Five Major currency)	15	15	15	15	17	13.33%

The Sponsors and Other Shareholders

SL	Name	Designation	Percentage of Shareholding
1	Mr. Kazi Zafarullah	Sponsor Shareholder	0.24%
2	Mrs. Nilufer Zafarullah	Sponsor Shareholder	2.00%
3	Mr. Kazi Omar Zafar	Sponsor Shareholder	2.00%
4	Ms. Anushka Mehreen Zafar	Sponsor Shareholder	2.00%
5	Mr. Kazi Raihan Zafar	Sponsor Shareholder	2.00%
6	Dr. Kazi Shahidullah	Sponsor Shareholder	0.22%
7	Mrs. Sabiha Mahboob	Sponsor Shareholder	0.22%
8	Ms. Scherezad Joya Monami Latif	Sponsor Shareholder	8.68%
9	Mr. Abdullah Ahmed Yousuf	Sponsor Shareholder	4.90%
10	Mr. Nazib Ahmed	Sponsor Shareholder	0.22%
11	Mrs. Israt Ahmed	Sponsor Shareholder	0.22%
12	Dr. Fahmida Haque	Sponsor Shareholder	0.22%
13	Mr. Niranjana Chandra Saha (Deceased)	Sponsor Shareholder	0.22%
14	Mrs. Salina Maksuda	Sponsor Shareholder	0.22%
15	Mr. Basudev Saha	Sponsor Shareholder	0.22%
16	Reedisha Knitex Ltd. (Rep. by: Mr. Rezaul Karim)	Sponsor Shareholder	4.45%
17	Mondol Fabrics Ltd. (Rep. by: Mr. Abdul Momin Mondol)	Sponsor Shareholder	4.45%
18	Liberty Knitwear Ltd. (Rep. by: Mr. Md. Samsuzzaman)	Sponsor Shareholder	4.68%
19	Hazrat Amanat Shah Spinning Mills Ltd. (Rep. by: Mrs. Lutfa Begum)	Sponsor Shareholder	2.03%
20	Garment Export Village Ltd. (Rep. by: Mrs. Shahida Alam)	Sponsor Shareholder	0.16%
21	Beq Knit Ltd. (Rep. by: Mr. Hafizur Rahman Sharkar)	Sponsor Shareholder	4.23%
22	Mr. Master Abul Kashem	Sponsor Shareholder	4.12%
23	Mr. Mohammed Jamal Ullah	Sponsor Shareholder	3.58%
24	Al-haj Mohammed Issa Badsha	Sponsor Shareholder	0.19%
25	Mr. Ahsan Khan Chowdhury	Sponsor Shareholder	4.45%
26	Mr. Md. Wahid Miah	Sponsor Shareholder	4.45%
27	Popular Pharmaceuticals Ltd. (Rep. by: Dr. Mostafizur Rahman)	Director Shareholder	4.45%
28	Mr. Khandaker Rashed-S-Zaman	Sponsor Shareholder	1.43%
29	Mr. A K M Badiul Alam	Director Shareholder	3.00%
30	Explore Garments Limited (Rep. by: Mr. Kamal Hossain)	Director Shareholder	4.45%
31	Next Collections Limited (Rep. by: Mrs. Shahnaj Parveen)	Director Shareholder	4.45%
32	Mother Steel Limited (Rep. by: Mrs. Nigar Sultana Daizy)	Shareholder	0.33%
33	Azan Limited (Rep. by: Mrs. Salma Issa)	Shareholder	0.33%
34	Ms. Mutaffin Issa	Shareholder	0.19%
35	Ms. Moomtahina Issa	Shareholder	3.75%
36	Mrs. Shahnaz Jamal	Shareholder	0.28%
37	Mr. Walid Mohammed Shamuel	Shareholder	0.32%
38	Mrs. Fariha Nousheen	Shareholder	0.28%
39	Mrs. Rasheda Zaman	Shareholder	0.31%
40	Ms. Khandaker Sabrina Zaman	Shareholder	0.71%
41	Mr. Mohammed Helal Mia	Shareholder	2.42%
42	Dr. A.F.M Ruhul Haque	Shareholder	0.06%
43	Mr. Ziaul Haque	Shareholder	0.11%
44	Dr. Mehjabin Haque	Shareholder	0.06%
45	Mr. Manshoo Alam	Shareholder	1.29%
46	Mr. Kazi Shayan Ekramullah	Shareholder	0.22%
47	Mr. Zobair Mahboob Latif	Shareholder	0.22%
48	General Public and Institution through IPO	Shareholder	10.94%
Total			100.00%

The Board of Directors & Committees





Mrs. Nilufer Zafarullah

Chairman

Mrs. Nilufer Zafarullah is the Chairman of Midland Bank PLC. An architect by profession, Mrs. Zafarullah has contributed to education and development sector for over 26 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 Gono 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 Sri Lanka 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 PLC. 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.



Mr. Master Abul Kashem

Director

Mr. Master Abul Kashem is the Founding Director of Midland Bank PLC. He is also a member of the Executive Committee of the Bank. He has over 27 years of experience in the Iron & Steel industry. He was the highest tax payer in Chittagong 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 Chittagong Seniors' Club Limited, a life member of Sitakunda Samity Chittagong 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, Chittagong.



Mr. Kazi Omar Zafar

Director

Mr. Kazi Omar Zafar is a Sponsor Director and a member of the Executive Committee of Midland Bank PLC. 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 21 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 Gono Kallyan Trust.



Mr. Kazi Raihan Zafar

Director

Mr. Kazi Raihan Zafar is a Sponsor Director of Midland Bank PLC. 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 Gono Kallyan Trust.



Mr. Abdullah Ahmed Yousuf

Director

Mr. Abdullah Ahmed Yousuf is one of the sponsor shareholders of Midland Bank. He holds a B.Sc. (Hons) and M.Sc. in Geography from Dhaka University. He is a proponent of higher education and is currently teaching in Auckland, New Zealand. Mr. Ahmed is associated with various CSR initiative. He is a Donor Trustee of Zebunnessa and Kazi Mahabubullah Gono Kallyan Trust.



Mr. Alhaj Mohammad Helal Miah

Director

Mr. Alhaj Mohammad Helal Miah is a member of Board of Director of Midland Bank PLC. He is also a member of the audit committee. Having more than 35 years of experience in the textile industry, he has expanded the business in different sectors. Mr. Helal Miah is currently the Chairman & Managing Director of Standard Co. Ltd., Chairman of Amanat Shah Group Ltd., Hazrat Amanat Shah Securities Ltd., Amanat Shah Weaving Processing Ltd., and Hazrat Amanat Shah Spinning Mills Ltd.

He is also a member of the Governors Board at Southeast University, and a Member of the Bangladesh Red Crescent Society, Diabetic Association of Bangladesh, Narsingdi Club, and Narsingdi Foundation. Additionally, he is the President of Bangladesh Lungi Manufacturers, Traders & Exporters.



Mr. Ahsan Khan Chowdhury

Director

Ahsan Khan Chowdhury is the Founding Director of Midland Bank PLC. 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 95,000 people and another 15,00,000 people subsists of PRAN-RFL Group.

Over the last 26 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, emerging 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. Rezaul Karim

Director

Mr. Rezaul Karim is a member of the Board of Directors of Midland Bank PLC. 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 41 years. He is also the Chairman of the Board of Trustees of Southeast University Trust and Vice President of Bangladesh Textile Mills Association (BTMA). He is engaged in many social and philanthropic activities.



Mr. A.K.M. Badiul Alam

Director

Mr. A.K.M. Badiul Alam is a member of the Board of Directors of Midland Bank PLC. 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 chose “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 as well as in Apparel Manufacture. Under the leadership of Mr. Alam, AMTRANET GROUP has become a one of the prominent RMG Exporters 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.



Mrs. Shahnaj Parveen

Director

Mrs. Shahnaj Parveen is a Member of Board of Directors of Midland Bank PLC. as the Nominee Director of Refat Garments Ltd. She is also a Member of the Risk Management Committee of the Bank.



Mr. Mohammed Jamal Ullah

Director

Mr. Mohammed Jamal Ullah is one of the Sponsor Directors of Midland Bank PLC. His core business interests include 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, Chittagong Diabetic General Hospital, Bhatary Golf & Country Club and Chittagong Boat Club.



Mr. Md. Wahid Miah

Director

Mr. Md. Wahid Miah is a Sponsor Director of Midland Bank PLC. . He is a very successful businessman and has over 31 years of experience in 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 performer in 2010 and won the 2011 'National Export Trophy' for the largest exporter 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. 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 PLC. . He is a well-known personality in the RMG sector in Bangladesh for more than 21 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 concerns, 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 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

Director

Mr. Hafizur Rahman Sarker is a Member of the Board of Directors of Midland Bank PLC. 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 32 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.



Dr. Mostafizur Rahman

Director

Dr. Mostafizur Rahman is a member of the Board of Directors of Midland Bank PLC. He is acknowledged as a role-model for his excellence in providing complete healthcare services in Bangladesh for the last 38 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), ICDDR (Dhaka), and Dhaka Shishu Hospital.



Mr. Mahbubul Hady Fazle Rab

Independent Director

Mr. Mahbubul Hady Fazle Rab joined the Board of Directors of Midland Bank PLC. 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. Nazimuddin Chowdhury

Independent Director

Mr. Nazimuddin Chowdhury joined the Board of Directors of Midland Bank PLC. 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. Khandhaker Thanveer Shamsul Islam

Independent Director

Mr. Khandhaker Tanveer Shamsul Islam joined the Board of Directors of Midland Bank PLC. as Independent Director with effect from September 27, 2022. He is a seasoned senior international banker, who has more than 36 years' experience. He started his banking career in American Express Bank Ltd. as local Management Trainee in Bangladesh in 1983. He also underwent 12 months' long Global Management Trainee assignment in Bank's Head Quarter in New York. In Bangladesh he acted as Senior Director & Head of Corporate Banking and Acting Country Manager at American Express Bank Ltd. in Bangladesh. Subsequently, he worked at ABN ARMO Bank, UAE and Royal Bank of Scotland, Dubai, UAE (after merger) as Vice President and Head of Automotive & Wholesale Banking and Senior Vice President and Head of Credit Portfolio Management and Country Risk Officer respectively. Finally, he worked as Head of Corporate, Commercial Banking and Financial Restructuring and Recovery at Commercial Bank of Dubai, UAE. Mr. Islam is an MBA with major in Finance from IBA, University of Dhaka.



Mr. Mohammad Asif-uz-Zaman

Independent Director

Mr. Mohammad Asif-uz-Zaman joined the Board of Directors of Midland Bank PLC. as Independent Director with effect from November 7, 2022. The Independent Director was a veteran Civil Service Officer with experience in working at the highest level of the Government. He served in different ministries and Government Departments in his career which includes Ministry of Primary and Mass Education, ERD- Ministry of Finance, Roads and Highways Department, Bangladesh Railways, Director General in the Civil Audit Directorate and Deputy Accountant General and Chief Accounts Officer at different ministries. He served in the ERD of Ministry of Finance as Joint Secretary w.e.f. 07.01.2010 and elevated to Additional Secretary on 13.01.2014 and continued his service at ERD. He became Secretary on 30.08.2016 and finally promoted to Senior Secretary on 12.02.2019. Mr. Zaman has completed his B.Sc. (Hons) and M.Sc. from University of Dhaka. However, he subsequently completed Post Graduate Diploma in Accounting from University of Ulster, Northern Ireland, UK and Diploma in Audit Learning, IDI Oslo, Norway. Moreover, he served in the ERD of Ministry of Finance for a significant period (from 07.01.2010 to 30.08.2016) and took part and lead in finalization of numerous international financial deals on behalf of the Government of Bangladesh.



Mr. Md. Ahsan-uz Zaman

Managing Director & CEO

Mr. Md. Ahsan-uz Zaman is the Managing Director & CEO of Midland Bank PLC. (MDB). Prior to joining MDB, Mr. Md. 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. 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. 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.



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. A.K.M. Badiul Alam	Member
6	Mr. Abdul Momin Mondol M.P.	Member
7	Mr. Mahbulul Hady Fazle Rab (Independent Director)	Member

The Audit Committee

Sl.	Name	Designation
1	Mr. Nazim Uddin Chowdhury (Independent Director)	Chairman
2	Mr. Mohammad Asif-uz-Zaman (Independent Director)	Member
3	Mr. Alhaj Mohammad Helal Miah	Member

The Risk Management Committee

Sl.	Name	Designation
1	Mr. Ahsan Khan Chowdhury	Chairman
2	Mr. Md. Shamsuzzaman	Member
3	Dr. Mostafizur Rahman	Member
4	Mr. Hafizur Rahman Sarker	Member
5	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 PLC. 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 PLC. 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 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 Islamic 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: Profiles of Mr. Rezaul Karim and Mr. Md. Ahsan-uz Zaman, the other two members of Shariah Supervisory Council are furnished in the Profile of Directors.

Management Committees

Senior Management Team (SMT)



Mr. Md. Ahsan-uz Zaman
Chairman of the SMT
Managing Director & CEO



Mr. Md. Zahid Hossain
Member of the SMT
Deputy Managing Director & CRO



Mr. Mohd. Javed Tarek Khan
Member of the SMT
Head of Institutional Banking Division



Mr. Md. Zahirul Islam FCA
Member of the SMT
Head of Financial Administration Division & CFO



Mr. Khondkar Towfique Hossain
Member of the SMT
Head of International Division & NRB



Mr. Md. Nazmul Huda Sarkar
Member of the SMT
Head of Information Technology Division & CTO



Mr. Md. Rashed Akter
Member of the SMT
Head of Retail Distribution Division



Mr. Mohammad Syejuddin Ahmmed
Member of the SMT
Head of Internal Control & Compliance Division



Mr. Nazmul Ahsan
Member of the SMT
Head of Treasury & Market Risk (Front)



Mr. Khalid Mohammad Sharif FCS
Member of the SMT
Company Secretary



Mr. Md. Bajlur Rahman Khan
Member of the SMT
Acting Head of Credit Risk Management Division



Mr. Md. Zubayed Ur Rahman
Member Secretary of the SMT
Head of HR Management Division

Asset Liability Committee (ALCO)



Mr. Md. Ahsan-uz Zaman
Chairman of the ALCO
Managing Director & CEO



Mr. Md. Zahid Hossain
Member of the ALCO
Deputy Managing Director & CRO



Mr. Mohd. Javed Tarek Khan
Member of the ALCO
Head of Institutional Banking Division



Mr. Md. Zahirul Islam, FCA
Member of the ALCO
Head of Financial Administration Division & CFO



Mr. Khondkar Towfique Hossain
Member of the ALCO
Head of International Division & NRB



Mr. Md. Rashed Akter
Member of the ALCO
Head of Retail Distribution Division



Mr. Nazmul Ahsan
Member Secretary of the ALCO
Head of Treasury & Market Risk (Front)

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. Md. Bajlur Rahman Acting 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

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. Md. Rashed Akter Head of Retail Distribution Division	Member
7.	Mr. Md. Bajlur Rahman Khan Acting Head of Credit Risk Management Division	Member
8.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
9.	Mr. Nazmul Ahsan Head of Treasury & Market Risk (Front)	Member
10.	Mr. Ashraful Alam Acting Head of Central Operations & Service Delivery Department	Member
12.	Mr. Md. Humayoun Kabir AVP, 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. Md. Rashed Akter Head of Retail Distribution Division	Member
6.	Mr. Nazmul Ahsan Head of Treasury & Market Risk (Front)	Member
7.	Mr. Md. Bajlur Rahman Khan Acting Head of Credit Risk Management Division	Member Secretary

Anti-Money Laundering Compliance Committee (AMLC)

1.	Mr. Md. Zahid Hossain Deputy Managing Director, CRO & CAMLCO	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. Ashraful Alam Acting Head of Central Operations & Service Delivery Department	Member
5.	Mr. Rafikul Hasan SAVP, Trade & Supply Chain Department	Member
6.	Mr. Md. Zubayed Ur Rahman Head of HR Management Division	Member
7.	Mr. Fazal Abdullah Head of Anti Money Laundering Division	Member
8.	Mr. Md. Bajlur Rahman Khan Acting Head of Credit Risk Management Division	Member
9.	Mr. Khondkar Towfique Hossain Head of International Division & NRB & DCAMLCO	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. Ashraful Alam Acting Head of Central Operations & Service Delivery Department	Member
5.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
6.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
7.	Mr. Md. Zubayed Ur Rahman Head of Human Resources Management Division	Member
8.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member Secretary

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. Rashed Akter Head of Retail Distribution Division	Member
4.	Mr. Ashraful Alam Acting Head of Central Operations & Service Delivery Department	Member
5.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
6.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member Secretary

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. Md. Bajlur Rahman Khan Acting Head of Credit Risk Management Division	Member
7.	Mr. A.K.M. Ashiqur Rahman Head of Credit Administration Department	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. Md. Abed-Ur-Rahman Head of Cards	Member
11.	Mr. Nakul Chandra Debnath Head of General Services Division	Member
12.	Mr. Mohammed Rashadul Anwar Head of Public Relations Division	Member
13.	Mr. Md. Zubayed Ur Rahman Head of Human Resources Management Division	Member
14.	Mr. Md. Humayoun Kabir AVP, Risk Management Division	Member
15.	Mr. Jahangir Alam FAVP, SME Banking	Member Secretary

ICT Risk Management Committee

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. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
4.	Mr. Md. Zubayed Ur Rahman Head of Human Resources Management Division	Member
5.	Mr. Md. Humayoun Kabir AVP, Risk Management Division	Member
6.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member Secretary

Integrity Building Committee (IBC)

1.	Mr. Md. Zahid Hossain Deputy Managing Director & CRO	Chairman & Focal Point
2.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
3.	Mr. Md. Bajlur Rahman Khan Acting Head of Credit Risk Management Division	Member
4.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
5.	Mr. Fazal Abdullah Head of Anti Money Laundering Division	Member
6.	Mr. Ashraful Alam Acting Head of Central Operations & Service Delivery Department	Alternate Focal Point
7.	Mr. Md. Zubayed Ur Rahman Head of Human Resources Management Division	Member Secretary

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. Md. Bajlur Rahman Khan Acting Head of Credit Risk Management Division	Member
5.	Mr. Nakul Chandra Debnath Head of General Services Division	Member Secretary

Branch Expansion and Interior Decoration Committee

1.	Mr. Md. Ahsan-uz Zaman Managing Director & CEO	Chairman
2.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
3.	Mr. Mohammed Rashadul Anwar Head of Public Relations Division	Member
4.	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. Mohd. Javed Tarek Khan Head of Institutional Banking Division	Member
3.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member
4.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
5.	Mr. Faisal Ahmed Head of Gulshan Branch	Member
6.	Mr. Mostofa Maynul Hasan Head of Banani Branch	Member
7.	Mr. Md. Ibrahim Khalil Head of Uttara Branch	Member
8.	Mr. Mohammed Asif Raihan Chowdhury Head of Agrabad Branch	Member
9.	Mr. Md. Ahsan Habib Head of Rajshahi Branch	Member
10.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member Secretary



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 2023 for your prudent review. At the outset, I would convey my thanks and gratitude to all our investors and depositors for putting their trust and confidence on us. Our bank has achieved moderate growth in 2023, despite volatility money market and challenging environment for banks in many aspects. Our economy is going through a critical stage, facing a multifaceted economic landscape. Although, our beloved bank achieved resilience against the odds over the years, due to conservative business approach, good governance and meticulous compliance, we are impacted by and large for the sectoral issues like contractionary monetary policy, scarcity of foreign exchange and issues relating to some Shariah based banks in the industry. Public confidence is very high on our bank. While we are offering moderately lower deposit rates according to market average, our deposit portfolio witnessed 7.0%

net growth compared to previous year. I must acknowledge that Midland Bank PLC. 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 past year has been marked by global economic turbulence, characterized by significant shocks and unprecedented uncertainty. The prolonged Russia-Ukraine conflict and lingering effects of the pandemic have moderated global economic growth. Food and energy price shocks have contributed to elevated inflation levels worldwide, compounded by wage-price spirals. According to IMF projections, global growth is expected to bottom out at 2.8% this year before gradually rising to 3.0% in 2024.

As Bangladesh's economy advances into the latter half of Fiscal Year 2024, it is diligently working towards restoring exchange rate stability, managing inflationary pressures, and addressing the persistent challenge of high non-performing loans. Furthermore,

the mounting costs of essential imports and the pressure on the nation's foreign exchange reserves compound the intricacies of domestic economic hurdles. At the global level, geopolitical tensions and trade uncertainties persist, contributing to volatility in commodity markets, which is further fueled by escalating rivalries among key global powers.

We witnessed a slight acceleration of inflationary pressure to 9.41% by the end of December 2023 compared to the previous month, it remained significantly above the desired level. Unfortunately, Bangladesh's economy failed to gain advantage from the recent global commodity price decline due to substantial depreciation of the domestic currency, thus nullifying the potential advantages of lower international prices.

Domestic commodity prices surged compared to the previous fiscal year, initially sparked by COVID-19 supply chain disruptions and the Russia-Ukraine conflict. Despite global price declines in 2022, Bangladesh's significant deficits in the current account and overall balance of payments caused a notable depreciation of the Taka, erasing potential benefits from lower international prices. This currency depreciation led to higher import costs, contributing to inflationary pressures alongside energy price adjustments and market imperfections. While point-to-point inflation decreased to 9.41% in December 2023, average headline inflation rose to 9.48% due to recent months' higher rates. Food inflation outweighed non-food inflation, while core inflation declined to 7.72%. Monetary indicators showed M2 growth below projections, influenced by a decline in net foreign assets (NFA) due to an imbalance in the balance of payments. Reserve Money fell below projected levels due to negative growth in Bangladesh Bank's NFA caused by high USD demand and increased investments in high-return T-bills and T-bonds.

As per the IMF's most recent World Economic Outlook released in October 2023, the global GDP is forecasted to decline, dropping from 3.5 percent in 2022 to 3.0 percent in 2023 and further diminishing to 2.9 percent in 2024. It is anticipated that this trajectory will persist below the historical average of the last two decades. The GDP growth rate of advanced economies is expected to decelerate from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024. Bangladesh's external sector has struggled with significant challenges since late FY22. These challenges have emerged from heightened pressure on the balance of payments (BoP), declining foreign exchange reserves, noticeable currency depreciation, and global monetary tightening. These complexities have been further compounded by elevated global economic uncertainties stemming from ongoing geo-economic tensions and geopolitical conflicts. However, a significant and positive shift was observed in the current account balance (CAB) from July to October 2023. This transformation from a substantial deficit to a surplus was primarily propelled by resilient exports, vigilant control over import prices, currency depreciation, and consistent inflows of remittances. Despite these encouraging advancements, an unprecedented deficit persisted in the financial account, contributing to an overall deficit in the BoP.

The evolution of MFS has expanded its scope beyond basic transactions to encompass a comprehensive range of services, including savings, loans, insurance, and remittances.

This expansion has empowered individuals and small businesses, significantly contributing to poverty reduction and economic empowerment. BB's decision to permit individuals aged 14-18 to open MFS accounts aims to integrate more users into the regulated payment systems. Additionally, the collaboration between MFS providers and the Universal Pension Scheme (UPS), charging a unified service fee of BDT 0.7 for every BDT 100 deposit, showcases BB's commitment to expanding financial access.

Over the past decade, Bangladesh has made remarkable progress in fostering financial inclusion through mobile financial services (MFS), agent, sub-branch, and branchless banking, providing formal financial avenues to the unbanked and micro-entrepreneurs. The interoperability among MFS providers has significantly driven the growth of digital payments, propelling the nation's journey toward greater financial inclusion. In line with the government's 'Smart Bangladesh Vision, Bangladesh Bank has initiated the 'Cashless Bangladesh' program to accomplish seventy-five percent cashless transactions by 2027. Initiatives like Binimoy, QR Code transactions, Digital Bank, and TakaPay have been introduced to integrate the unbanked and marginalized population into the formal banking system.

Bangladesh's capital market regulatory body, the Bangladesh Securities Exchange Commission (BSEC), in collaboration with the Bangladesh Bank (BB) and other relevant government entities, has consistently spearheaded initiatives to foster a robust capital and bond market within the country. We are expecting to commence the operation of Asset Management Company and Investment company through two fully owned subsidiaries in 2024.

In the context of current geo-economic and geopolitical tensions, the global economy is experiencing subdued growth. This slowdown is largely attributed to aggressive monetary policies responding to persistent inflationary pressures. Recent signs of inflation easing suggest that policy interest rates in major economies may have reached their zenith. There is a growing anticipation that the US Federal Reserve, the European Central Bank, and other central banks of major economies may soon consider reversing their rate-hiking trajectories. However, the timing of such shifts remains uncertain. Similarly, Bangladesh's economy is grappling with significant macroeconomic headwinds, including heightened inflation, diminishing foreign exchange reserves, and exchange rate volatility exacerbated by a burgeoning balance of payments deficit. This situation is compounded by ongoing liquidity challenges and persistently high levels of non-performing loans. Conversely, Bangladesh stands out as one of the world's fastest-growing economies.

During 2023, the Bank registered operating profit of BDT 1,743.00 million and posted net profit after tax at BDT 1,133.11 million. The

Bank earned distributable profit of BDT 866.34 million, up from BDT 310.68 million in 2022. Total deposit rose by 4.40. % to BDT 60,302.72 million from BDT 57,763.01 million in 2022. Loans and advances increased by 3.92 % to BDT 54,862.66 million from BDT 52,792.81 million in 2022. However, amount of fee based income decreased from previous year due to reduced forex transaction and it had earned BDT 816.21 million in 2023 compared to BDT 834.64 million in 2022. Shareholders' equity increased to BDT 9,150.66 million from BDT 7,646.54 million, with an increase of 19.66%. 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 17.28% against minimum requirement of 12.50 percent 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 1.39% and 13.49%, 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 3.81%, compared to an industry average of above 10.00%.

At the end of 2023, our number of branches stood at 39 (thirty nine) including 20 (twenty) rural branches, 19 (nineteen) urban branches, 19 (nineteen) sub branches and 131 Agent Banking Centers covering strategically important locations of the country. The Bank ramified its service network by setting 65 (sixty five) 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 2,545.68 million at the end of 2023 as against BDT 2,297.92 million of the last year. An increase of 10.78% compared to last year. Deposit portfolio also grew by 20.89% reaching at Tk. 3,569.73 million at the end of 2023. Our bank is also contributing FCY funding in the

market through Offshore Banking Unit (OBU) and earned an amount of BDT 21.89 million as profit in the year 2023 by providing various FCY funding facilities to the institutional customers.

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

The Bank strongly believes in creating a positive impact on society, through its business coupled with through its corporate social responsibility (CSR) activities. Governance and stability are top priorities for the Board, underpinning the articulated objective of growing within the guardrails of risk and compliance. In this regard, the Board has focused on ensuring competency and independence to contribute objectively and responsibly towards the Bank's progress. We ensured quality discussions, information sharing at the Board level, and transparency in the disclosures of the Bank. With a commitment to the highest levels of corporate governance, the Board continuously endeavours to strengthen various policies and frameworks, and maintain oversight over risk management, audit and compliances through various Committees.

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 the coming days.



Nilufer Zafarullah
Chairman

Report of the Audit Committee of the Board of Directors

Introduction

The Board Audit Committee (BAC) of Midland Bank PLC. 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 PLC. 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 Board Audit Committee (BAC) of MDB was last reconstituted in the 152nd Meeting of the Board of Directors held on 31st March, 2024

with the following 3 (three) 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. Mohammad Asif-uz Zaman	Director	Member	M. Sc. (Dhaka University), Post Graduate Diploma in Accounting (University of Ulster, UK)
3.	Mr. Alhaj Mohammed Helal Miah	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 the Internal Control & Compliance Division and the Head of the Audit And Inspection Department has 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. 02 and 03 dated 1st February 2024 and 14th February 2024 respectively, Corporate Governance Notification No. BSEC/CMRRCD/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 on 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 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 it 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 a need basis.
- Supervise other assignments delegated by the Board and evaluates their performance regularly.

Meetings of the BAC

Bangladesh Bank suggested banks to hold at least four meetings in a year. In the year 2023, the BAC of MDB managed to hold 05 (Five) 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 2023 meetings

- Review the quarterly compliance status of audit reports conducted by internal, external and regulatory bodies.
- Review the Bangladesh Bank report on cash surprise and branch/bank's response in this regard.

- Review the performance of ICCD for 2023.
- Review the summary of audit findings in 2023 by internal auditors and recommend the management for rectification and advice to take appropriate disciplinary measures for the repeated findings of serious nature.
- Review the highlight of all Bangladesh Bank Inspection reports and recommend the management for rectification.
- Review all Internal Audit and Inspection reports submitted to the Board Audit Committee.
- Review quarterly financial statements for the period ended on March 31, 2023, June 30, 2023 and September 30, 2023.
- Review of annual financial statements for the year ended 31st December 2023.
- Review and confirm a) Management's Discussion and Analysis, b) statement of all related party transactions and c) Statement/Report issued by the external auditors on internal control weakness.
- Review of report on Utilization of IPO proceeds for the quarter ended 31st March 2023.
- Review of annual integrated health report-2023.
- Review the status of MDB premises related to fire safety clearance from the competent authorities.

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, 2023. 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 with GAAP, SEC, and Bangladesh Bank guidelines.

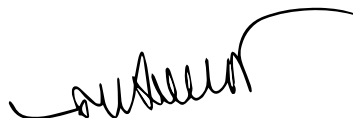
Priorities for the year ahead

The Committee expects to continue to ensure they reflect the mitigation of evolving risks in 2024 by focusing on the integrity of financial controls, risk governance and controls, cyber security infrastructure, digitalization, automation, customer data security, and a 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

Management Discussion and Analysis

Respected Shareholders and endearing Partners,

As-salamu Alaikum.

2023 was a year of that saw our bank achieve significant growth in a challenging environment that gave us the opportunity to manage risk and reward as we maintained our record of providing steady and consistent return for our shareholders while enhancing the value of their investment. We continued to grow our balance sheet, albeit moderately, ensuring high dividend payout ratio. Over the period, we managed our business efficiently taking prudent credit decisions. For the classification cases that emerged, we built adequate provisioning. By the Grace of the Almighty, our achievement has been quite remarkable. It is a privilege and honour for me to be able to present highlights of our bank as per regulatory requirements, as well as our achievements and upcoming initiatives.

Last year, we saw a shift from the "new normal" back to what we used to consider normal. The pandemic is under control now. But the choices made during the pandemic, have led to some lingering problems. This includes higher prices for commodities, which compelled the governments around the world to slow down spending, as well as worries about banks struggling internationally and locally. However, the challenges in the banking sector of

Bangladesh, were mostly related with high loan classification ratio and lack of good governance. You will be pleased to know that our bank is in quite commendable position, maintaining as low as 3.81% classification ratio and high standard of governance culture within the bank.

After the pandemic era and facing the challenges posed by Russia-Ukraine war, Bangladesh economy is undergoing pressure due to gradual decrease in foreign currency reserve. The central bank had to take various policy measures and initiatives to reduce pressure on the forex. As of current date, the forex reserve managed by Bangladesh Bank is still under pressure. In this respect, I would mention that Midland Bank is not under any forex loss threat, which some financial institution may suffer from. Our Off-Shore Banking Unit (OBU) received USD term funding from foreign investment funds, which we invested in US dollar in our OBU make repayments as per terms agreed.

Economic Environment:

In 2023, Bangladesh's economy continued its route of growth, notwithstanding with the challenges stemming from both domestic and global factors. The global economic landscape remained uncertain due to various geopolitical tensions and the

lingering effects of the COVID-19 pandemic. Despite these challenges, Bangladesh persevered, supported by prudent fiscal and monetary policies, resilient export performance and remittance inflows.

As per the IMF's most recent World Economic Outlook released in October 2023, the global GDP is forecast to decline, dropping from 3.5 percent in 2022 to 3.0 percent in 2023 and further diminishing to 2.9 percent in 2024. It is anticipated that this trajectory will persist below the historical average of the last two decades. The GDP growth rate of advanced economies is expected to decelerate from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024.

Bangladesh's economy has showcased robust resilience and impressive growth in recent years, achieving a real GDP growth of 6.94 percent in FY21 and 7.10 percent in FY22. This growth trajectory was underpinned by strong internal and external demand, complemented by growth-supportive monetary and fiscal policies. The post-pandemic recovery saw substantial progress, notably in the industrial and service sectors. In contrast, the agriculture sector made significant contributions with increased production, buoyed by favorable weather conditions and successful crop harvests. However, according to provisional estimates by Bangladesh Bureau of Statistics (BBS), the growth momentum slightly tapered off to 6.11 percent in FY23. This was amidst domestic price levels outpacing wage growth and persistent depreciation pressure on the Bangladesh Taka (BDT).

Despite recent moderation in global commodity prices and stabilization in Russia-Ukraine war-related supply chain disruptions, concerns persist regarding price stability. Ongoing monetary tightening in major economies, coupled with global uncertainties and slower growth prospects, pose challenges to the global economic recovery. However, Bangladesh's economy anticipates support from resilient domestic demand, steady growth in Ready-Made Garments (RMG) exports, and consistent inflows of remittances from wage earners, bolstering its growth outlook. Projections suggest that the economy is poised to maintain a robust growth rate of around 6.5 percent in FY24, supported by both domestic and international agencies' forecasts alongside Bangladesh Bank's in-house assessments.

The country's economic resilience was further demonstrated by sustained activities across sectors such as agriculture, industry and services. Despite inflationary pressures, both domestic and external demand showed signs of recovery, reflecting the underlying strength of the economy.

Banking Environment:

In today's world, technology is like the air we breathe—it's everywhere and essential to how we live each day. Commercial banks, realizing just how crucial it is to keep up with the digital wave, are diving headfirst into incorporating these technological marvels. Recognizing the paramount importance of embracing digital advancements, Commercial banks are eagerly integrating these technologies to elevate customer experiences and guarantee satisfaction. The big changes from COVID-19 have made digital banking grow even faster. It's showing how much digital banking can do and how much it can grow in the future. Banking sector experienced remarkable progress in respect of automation in functioning in last several years. As a developing economy Bangladesh has encouraged to develop its banking industry to promote economic growth. Over the last three decades or so, the country has seen spectacular expansion of the banking industry. Bangladesh Bank has been leading the charge by

introducing many automation projects in the banking sector. Last year, we took part in the initiative along with nine other publicly listed commercial banks, to establish a Digital Bank under the name of "Digi10 Bank PLC." However, Bangladesh Bank, while issuing digital banking license guided to conduct digital banking through a 'Digital Banking Window' under existing banking license. We have invested, over the years, in developing IT infrastructure and transformed the bank to act as a digital bank. Insha'Allah, our continuous investment in IT infrastructure and human capital will pay-off in the coming days. The introduction of the Digital Banking Window by Midland Bank PLC. is expected to return several positive outcomes. Firstly, customers will experience enhanced convenience and flexibility in conducting their banking transactions. With this new digital segment, they can perform various banking activities remotely at their convenience, without the need to visit a physical branch. Moreover, the Digital Banking Window is likely to streamline and simplify the banking process for customers. They can easily access their accounts, transfer funds, pay bills, and perform other transactions through user-friendly digital platforms such as mobile apps or 'midland online' our robust internet banking application. This streamlined approach reduces the time and effort required for traditional banking tasks, making the overall experience smoother and more efficient for customers. Additionally, the Digital Banking Window may also lead to improved customer satisfaction. By providing innovative digital solutions that cater to the evolving needs of customers, MDB can enhance its reputation as a customer-centric bank committed to delivering high-quality services. Overall, the introduction of the Digital Banking Window by MDB is expected to result in increased convenience, efficiency, and satisfaction for customers, thereby strengthening the bank's position in the market and fostering long-term customer loyalty.

Business Strategy:

MDB continued to navigate the evolving banking landscape with a strategic focus on digitalization, customer-centricity, and prudent risk management. Our investments in IT infrastructure and digital platforms enabled us to adapt swiftly to the changing market dynamics, positioning us well to capitalize on emerging opportunities.

In terms of liquidity management, MDB maintained a prudent approach, avoiding over-reliance on short-term high-cost deposits. Instead, we focused on consolidating our deposit portfolio, resulting in a favourable deposit mix and improved liquidity position. Our asset portfolio witnessed steady growth, underpinned by selective credit disbursement and a customer-centric business model.

Despite the challenges posed in the economy, MDB achieved commendable financial results in 2023. The deposit portfolio of our bank has further grew by Tk.2,539.71 million, with an increase in the low-cost deposits from 25% to 26% by the end on 2023. As per our steady growth approach, the asset portfolio of the bank grew by 4.46%, 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 2023, our retail customer relationships increased by 6.95%, reaching BDT 22,770.90 million by December 2023. The digital banking customers of our Bank, which increased manyfold 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 1,743.00 million and earning

a Net Profit after tax of BDT 1,133.11 million. MDB Off-shore Banking Unit (OBU) generated a gross profit of BDT 21.89 million. The Islami Banking window, MDB Saalam also generated gross profit of BDT 18.57 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 Shariah law in formulating a range of Deposit and Investment product guidelines.

By the end of 2023, the number of Branches reached 39, amongst which 19 are urban and 20 are rural. Our Sub-branch network reached 19. Agent Banking Centres (ABC) increased to 131 by the end of 2023. Number of customers reached 230,373 at the end of 2023. We have plan to further expand our service network throughout the country by opening of Sub-branches and ABCs in 2024.

Performance:

As a bank our performance has been consistent across business cycles. We have grown our balance sheet and net profit while maintaining our asset quality. I am pleased to state that the bank's performance continued to be robust during FY 2023 with sustained growth across the retail, commercial and rural banking segments.

We managed to close the year 2023 with an operating profit of BDT 1,743.00 million, compared to BDT 1,526.73 million in 2022 indicating the strength in our business franchise. However, the net profit after tax stood at BDT 1,133.11 million, compared to BDT 561.97 million in 2022, i.e. 101.63% positive growth over 2022. Total assets of the Bank stood at BDT 83,425.87 million up by 4.46% year-on-year. The Bank's loan portfolio and deposits maintained a balanced growth of 3.92% and 4.40% respectively, supported by a customer centric business model. At the close of the year, our loans and advances were BDT 54,862.66 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 3.81% compared to 2.78% of the previous year.

The Advance to Deposit ratio was maintained at 84.51% at the year-end, while CASA contribution to total deposit was 28%, enabling the Bank to gain a competitive margin. Continuous focus on streamlining operations resulted in an improved cost to income ratio of 45.39% consolidating our bottom line. The key financial health indicators reflect a sound position with Capital to Risk Weighted Assets Ratio (CRAR) of 17.28% at the close of 2023, against regulatory requirement of 12.50 percent including 2.50% capital conservation buffer as per Basel III standard.

We have realized a quasi-cash collateral through DSE against a classified loan account following rigorous compliance and regulatory procedure, which shows our commitment and dedication to maintain our asset portfolio clean and maintaining the financial health of the bank.

In the eleven years 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. At present, 38.61% of total deposit consists of retail deposits including CASA and aggregate retail, CASA and other small deposits constitute 28% of our total deposit base.

Disclosures Relating to Corporate Governance Code:

The financial statements of the bank have been prepared as per applicable accounting policies and estimation for preparation of financial statements. The External Auditors, Hoda Vasi Chowdhury & Co., appointed by the shareholders, conducted auditing of the financial statements of the bank and provided their independent opinion that the financial statements for the financial year 2023 were prepared in accordance with applicable rules and regulations following the international accounting standards that the same reflected the true and fair view of the financials of the Bank. The financial statements also report any changes in accounting policies and estimation, if any, and clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes. A 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 mentioned in page no. 14 and 15 of the annual report in separate segment. Comparison of such financial performance or results and financial position as well as cash flows with the peer industry scenario also discussed in applicable cases. Brief explanation of the financial and economic scenario of the country and the globe also discussed above. Risks and concerns issues related to the financial statements explaining such risks and concerns mitigation plan of the bank also depicted the CRO statement in separate segment. Future plan, projection or forecast for bank's operation, performance and financial position also explained in detailed in the director's report.

Pleased to Acknowledge:

I thank our internal and external stakeholders for their continued support and faith in our strategy, the chosen areas of distinctiveness and our relentless approach to execution excellence. Looking ahead, MDB remains focused on enhancing operational efficiency, expanding our service network, and driving digital innovation. Our Shariah-compliant banking window, MDB Saalam, continues to gain traction, reflecting the growing demand for Islamic financial products and services. We are grateful for the guidance and support of our Shariah Supervisory Council in ensuring compliance with Shariah principles. I extend my heartfelt gratitude to our esteemed Board of Directors, dedicated employees, valued customers, regulatory authorities, and external partners for their unwavering support and commitment. Together, we have navigated through challenges and achieved significant milestones, reaffirming MDB's position as a leading player in Bangladesh's banking sector.

In conclusion, I express my gratitude to the Almighty for His blessings and guidance throughout our journey. May He grant us wisdom, strength, and perseverance as we continue to serve our clients, stakeholders, and the nation at large.

Sincerely,



Md. Ahsan-uz Zaman

Managing Director & CEO

Directors' Report



Directors' Report

Dear Stakeholders,

The Board of Directors welcome you all in the 11th 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, 2023. In this report, we have endeavored to give highlights of the global economy along with how we experienced the swings on our domestic economic frontier.

Global Economy 2023

The global economy continues to confront the challenges of persistent inflation and subdued growth prospects. GDP growth has been stronger than expected so far in 2023, but is now moderating as the impact of tighter financial conditions, weak trade growth and lower business and consumer confidence is increasingly felt. Financial conditions are restrictive, with forward-looking real interest rates having generally risen further in recent months. Activity has slowed in interest-sensitive sectors, particularly housing markets, and in economies reliant on bank-based finance, especially in Europe. Heightened geopolitical tensions are also again adding to uncertainty about the near-term outlook. Headline inflation has fallen in almost all economies, easing pressures on household incomes, but core inflation remains relatively high.

Global GDP growth is projected to ease to 2.70% in 2024, from 2.90% this year, before edging up to 3.00% in 2025 as real income growth recovers and policy interest rates start to be lowered. A growing divergence across economies is expected to persist in the near term, with growth in the emerging-market economies generally holding up better than in the advanced economies, and growth in Europe being relatively subdued compared to that in North America and the major Asian economies. Annual consumer price inflation in the G20 economies is projected to continue easing gradually as cost pressures moderate, declining to 5.80% and 3.80% in 2024 and 2025 respectively, from 6.20% in 2023. By 2025, inflation is projected to be back on target in most major economies.

Risks to the near-term global outlook remain tilted to the downside. Heightened geopolitical tensions due to the conflict of Israel and Hamas are a key near-term concern, particularly if the conflict were to broaden. This could result in significant disruptions to energy markets and major trade routes, and additional risk repricing in financial markets, that would slow growth and add to inflation. Headwinds from rising trade restrictions, inward-looking policies and the restructuring of global value chains are also contributing to the uncertain outlook for global trade, which is a key concern given the importance of trade for productivity and development. Continuing cost pressures, renewed rises in energy and food prices, or signs of an upward drift in inflation expectations could compel central banks to keep policy rates higher for longer than expected, potentially generating additional stress in financial markets. Conversely, the impact of higher interest rates and tighter

credit standards could prove stronger than anticipated, leading to a more severe slowdown in spending, rising unemployment and higher bankruptcies. Tighter-than-expected global financial conditions would also intensify financial vulnerabilities, including in emerging-market and developing economies, and add to debt-servicing pressures in lower-income countries. On the upside, the global economy and financial markets have so far proved relatively resilient to the tightening of monetary policy, and inflation could return to target without a marked growth slowdown or a sharp rise in unemployment. A continuation of this pattern would imply better-than-expected growth in 2024 while inflation eases. Growth would also be stronger if households were willing to spend excess savings accumulated during the pandemic, but inflation persistence might also be prolonged.

[Source: OECD Economic Outlook, Volume 2023 Issue 2]

Macroeconomic Situation: Bangladesh Context

Bangladesh's post pandemic recovery faces continued headwinds. Real GDP growth slowed to 5.80% in FY23, down from 7.10% in the previous year. The introduction of a multiple exchange rate regime in September 2022 disincentivised foreign exchange inflows, leading to a financial account deficit.

Executive Summary

This paper briefly presents the macroeconomic trends of Bangladesh since the 1970s. The analyses presented in the paper provide first hand information about the potentials as well as the constraints and challenges for the economy. The macroeconomic fundamentals are as follows:

Real Sector

- ❖ The GDP growth rate of Bangladesh started picking up since the 1990s and over the last 5 (five) years has maintained a growth rate of around 6%. It is recognized that the economy has the potential to grow at an even higher growth rate if the growth constraints such as poor governance, rampant corruption, infrastructure bottlenecks, underdeveloped financial markets and failure to attract FDI are removed.
- ❖ Over time, there has been structural transformation in the economy with a shift from predominantly agriculture-led economy towards industry-led economy; the contribution of agricultural sector to GDP was 38% in early 70s but declined to 21% in 2007-08, while the contribution of industrial sector increased from 15% to 30% during the same period of time.
- ❖ Investment remained stagnated until the 1980s but started picking up since early 1990s, mainly attributable to the openness of economy and the introduction of a liberal policy environment; creating increased opportunities for private investment. The investment-to-GDP ratio during 2006-2008 period stood at around 24% of GDP, but it

should in the neighbourhood of 30% in order for the economy to reach two-digit growth trajectory.

- ❖ About 75% of the population lives in rural areas, out of which 44% live below the poverty line. Therefore, investment in agriculture and rural economy needs to be high on the development agenda.
- ❖ The policy biases in the distribution of public resources have created disparity between the eastern and the western regions of the country. Appropriate policy intervention is needed to correct the imbalance.
- ❖ During the last three years, the national savings grew to 28.6% on an average. The mobilisation of domestic resources and the transforming of national savings into investible surplus are critical for the continued growth of the economy.
- ❖ The inflation for the first time touched double-digit in 2007-08 mainly due to supply shocks arising from substantial increases in the international prices of fuel, fertilizer and food items as well as natural calamities caused by cyclone SIDR and floods. However, in the recent months the inflation rate has come down and in December '08 it stood at 6.03% on point to point basis.

Fiscal Sector

- ❖ Over time, the average Revenue-to-GDP ratio improved gradually and increasing to 10.8% during the 2006-2008 period from 7.5% in 1973-1980 period. However, the Revenue-to-GDP ratio of Bangladesh still remains one of the lowest in the world and even lower compared to that of Nepal.
- ❖ There have been structural changes in the revenue structure replacing pre-dominance on customs duties by income taxes and VAT.
- ❖ As a percent of GDP, public expenditures increased from about 10% in 1972-73 to a peak of about 18% in 1999-00. The ratio declined to 13% in 2003-04 and remained under 14% to 2006-07. In 2007-08, it increased to 16%. The expenditure-to-GDP ratio in Bangladesh lags behind compared to other developing countries, as in the case for the revenue-to-GDP ratio.
- ❖ Over the years, expenditure on subsidies and current transfers, pay and allowances, interest payments and goods and services has increased gradually. However, the rate of increase in expenditure on subsidies and current transfers, interest payments and goods and services is much higher than others particularly from 2005-06 onwards.
- ❖ Over the years, the share of subsidy among different sectors/areas have changed significantly, with increased focus in the area of fertilizer.
- ❖ The fiscal deficit has remained within a tolerable limit. In 2007-08, the budget deficit stood at 4.9% of GDP including BPC liabilities and 3.5% of GDP excluding BPC liabilities.
- ❖ The budget allocation for the social safety net

programmes increased from 8.4% to 16.9% of total budget during 2004-05 to 2008-09.

Monetary and Financial Sector

- ❖ Financial deepening measured by the ratio of broad money to GDP increased steadily from 11.5% in 1973-74 to 46% in 2007-08 implying that the economy is being increasingly monetized.
- ❖ Private sector credit as percent of GDP grew to 35% in 2007-08 compared to only about 3% in 1973-74.
- ❖ The share of private sector credit to total domestic credit increased from 24% in 1973-74 to 74% in 2007-08.
- ❖ Time deposit increased from 40% to 76% from 1973-74 to 2007-08.
- ❖ Market Capitalization of all shares and debentures listed in the Dhaka Stock Exchange stood at 14.6% of GDP by June 2008 compared to 8.7% of GDP at June 2007.

Development of Government Bond Market

Government has initiated reforms in the area of Debt Management since 2005. It has enacted the Bangladesh Government Treasury Bonds (BGTB) Rules, 2003 under which treasury bonds are being marketed on a regular basis. Development of a primary market for buying and selling of government bonds of varying maturity (5 years, 10-year, 15-year and 20-year) to raise funds from the domestic market is one of the significant achievements of these reform initiatives.

External Sector

- ❖ Average export growth increased to around 18% in the 2006-2008 period from 7% in 1981-1985 period.
- ❖ In the total export basket, RMG accounts for 76%, Frozen Food 4%, Jute and Jute Goods 3%, Leather and Leather Goods 2% and others 15%.
- ❖ The import items include capital machinery (36%) and major primary goods (17%).
- ❖ Remittances from expatriate Bangladeshi workers stood at US\$ 7.9 billion in 2007-08 reflecting 32.4% increase over the previous year representing about 10% of GDP.
- ❖ FDI as percent of GDP shows a decreasing trend and stood at 7% during 2007-08.
- ❖ Foreign Exchange Reserve stood at US\$ 5.6 billion as on February 3, 2009.

Recent Global Financial Crisis: Bangladesh Context

The global financial crisis triggered by US subprime mortgage debacle in 2007 severely affected the world economy putting it into a recession. The possible areas that could affect the economy of Bangladesh include exports, remittances and foreign investment. The real impact is however, not visible at this stage. The degree of such impact will depend on how deep and prolonged the recession is.

Challenges and Policy Responses

In order to face the identified challenges, the new government

needs to come up with a set of appropriate policy interventions. The challenges identified and the suggested policy responses are categorized in three groups:

1. Immediate challenges and policy responses
2. Short and mid-term challenges and policy responses
3. Long-term challenges and policy responses

Immediate Challenges and Policy Responses

- ❖ Ensure effective market monitoring, removal of market barriers for key essential commodities.
- ❖ Rationalize and prioritize projects and maximize ADP implementation.
- ❖ Operationalise Agricultural Endowment Fund and Climate Change Fund.
- ❖ Increase domestic revenue mobilization through the expansion of tax-net.
- ❖ Expedite recent initiatives for power generation.
- ❖ Boost up energy sector through Public-Private Partnership (PPP).
- ❖ Diversify exports in terms of both regions and items.
- ❖ Ensure smooth supply of fertilizer at a reasonable price.
- ❖ Ensure food security.
- ❖ Expedite implementation of the 100 days Employment Generation Scheme.
- ❖ Ensure early implementation of ongoing reform programs in Public Financial Management, Insurance Sector, Financial sector and other relevant areas.
- ❖ Expand credit support to SME, IT, Agriculture and rural economy.
- ❖ Check any sort of manipulation in the capital markets.
- ❖ Ensure proper utilization of IT Equity Fund.

Short and Medium-term Challenges and Policy Responses

- ❖ Minimise the losses of and subsidies to SOEs.
- ❖ Maintain a tolerable limit of budget deficit.
- ❖ Maintain stability in the financial markets.
- ❖ Ensure proper policy intervention in terms of resource allocation to mitigate regional disparity, especially modernization of Mongla Port to utilize its full potential.
- ❖ Improve quality of education both at secondary and tertiary level.
- ❖ Establish a Skill Development Foundation to provide training to enhance the skill base of the prospective expatriate workers.
- ❖ Strengthen Bangladesh Bureau of Statistics (BBS) to enhance its capacity to provide real sector data.
- ❖ Widen the coverage of Medium Term Budget Framework (MTBF) to all ministries/ divisions

Long-term Challenges and Policy Responses

- ❖ Ensure good governance to accelerate economic growth.
- ❖ Restructure civil service to ensure a well-balanced ratio of officers and staff within the government.

- ❖ Restructure government institutions to support ongoing reform agenda.
- ❖ Establish venture capital through Public-Private Partnership (PPP) to promote IT sector to realize the vision of Digital Bangladesh.
- ❖ Manage the risks of climate change.
- ❖ Expand communication network particularly railways and water ways.
- ❖ Develop comprehensive land use and land management policy including planned township.
- ❖ Explore natural gas and increase its supply.
- ❖ Reduce regional disparity

[Source: Ministry of Finance, Finance Division, <https://mof.portal.gov.bd>, executive summary]

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 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, Nagad and Upay 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 PLC. 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 2023, the number of branches stood at 39 (19 Urban and 20 Rural), 19 Sub Branches, 65 ATMs, 127 Agent Banking Centres (ABCs) and 9 Bill Collection Booths covering commercially important locations across the country. The Management foresees to open another 1 Urban Branch, 1 Rural Branch, 10 Sub-Branches, 50 Agent Banking Centres in the coming year 2024.

Islami Banking Window (MDB Saalam)

The Bank obtained permission for two (2) Islami Banking Windows (IBW) from Bangladesh Bank. Islami banking windows (MDB Saalam) after getting approval from Bangladesh Bank was 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 Islamic 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 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, operating 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 of 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.

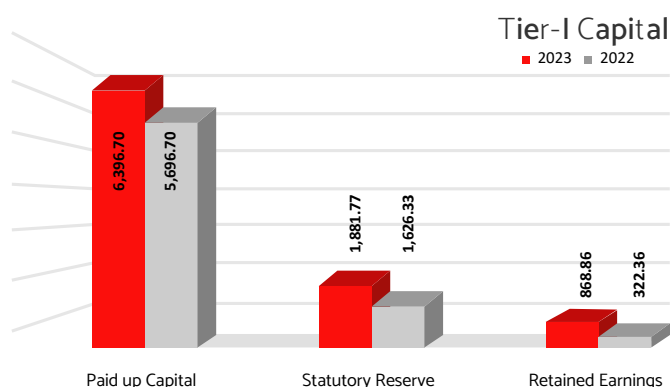
Capital Strength (Capital to Risk Weighted Assets Ratio-CRAR):

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 9,150.66 million at the end of 2023 from BDT 7,646.54 million in 2022. The Capital to Risk Weighted Assets of the Bank reached to BDT 53,122.65 million in 2023 from BDT 55,257.43 million in 2022. As a result, Capital to Risk Weighted Assets Ratio (CRAR) reported to 17.28% in 2023, 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- I)

Particulars	In BDT Million		% of Growth in 2023 over 2022
	December 2023	December 2022	
Paid-up Capital	6,396.70	5,696.70	12.29%
Statutory Reserve	1,881.77	1,626.33	15.71%
Retained Earnings	868.86	322.35	169.54%
Intangible Assets	(52.20)	(14.78)	253.18%
Deferred Tax adjustment	(516.13)	-	100.00%
Sub -Total (A)	8,579.00	7,630.60	12.43%

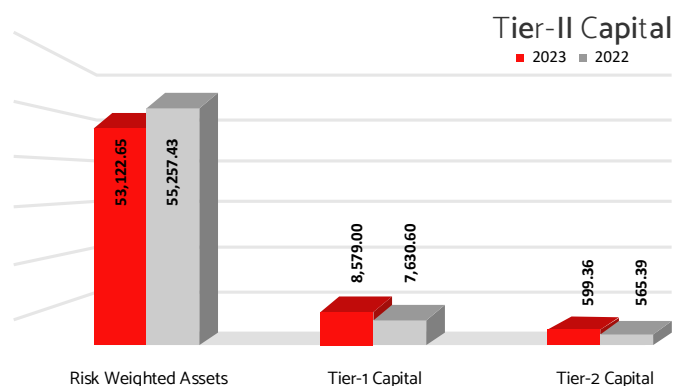


Supplementary Capital (Tier- II)

Particulars	In BDT Million		% of Growth in 2023 over 2022
	December 2023	December 2022	
General Provision	599.36	565.40	6.01%
Securities Revaluation Reserve	-	-	0.00%
Sub -Total (B)	599.36	565.40	6.01%
Total (A+B)	9,178.36	8,196.00	11.99%

Capital to Risk Weighted Assets Ratio (CRAR)

Particulars	In BDT Million		% of Growth in 2023 over 2022
	December 2023	December 2022	
Total Risk Weighted Assets	53,122.65	55,257.43	-3.86%
Tier -I (Core) Capital Ratio	16.15%	13.81%	2.34 %
Tier -II (Supplementary) Capital Ratio	1.13%	1.02%	0.11 %
Capital to Risk Weighted Asset Ratio (CRAR) Minimum Requirement is 12.50%	17.28%	14.83%	2.45 %



FINANCIAL PERFORMANCE OF MDB

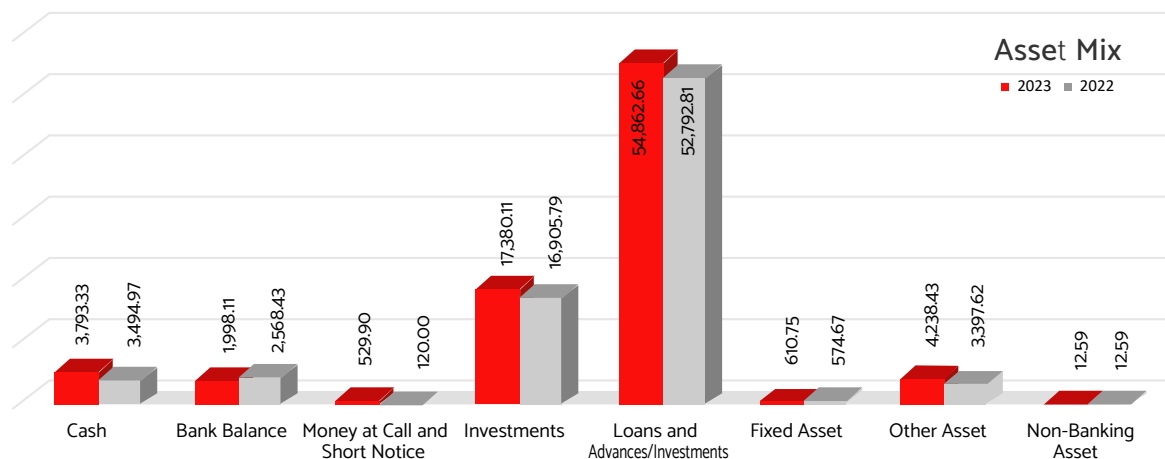
BALANCE SHEET

Particulars	In BDT Million		% of Growth in 2023 over 2022
	December 2023	December 2022	
Cash and Bank Balances	6,321.34	6,183.39	2.23%
Investments	17,380.10	16,905.79	2.81%
Loans & Advances	54,862.66	52,792.81	3.92%
Fixed Assets	610.75	574.67	6.28%
Other Assets	4,238.43	3,397.62	24.75%
Non-banking Assets	12.59	12.59	0.00%
Total Assets	83,425.87	79,866.87	4.46%
Borrowings from other Banks, Financial Institutes and Agents	6,317.17	8,243.23	-23.37%
Deposits and Other Accounts	60,302.72	57,763.01	4.40%
Other Liabilities	7,655.32	6,214.09	23.19%
Capital/Shareholders' Equity	9,150.66	7,646.54	19.67%
Total Liabilities	83,425.87	79,866.87	4.46%

Assets

Total Assets of the Bank stood at BDT 83,425.87 million in 2023 compared to BDT 79,866.87 million in 2022, i.e., growth up by 4.46% over 2022. During the year 2023, Loans & Advances growth was 3.92% and Investment in Govt. Treasury bills/bonds and others increased by 2.81% over the previous year 2022. Fixed assets increased by 6.28% over 2022, due to remarkable amount of fixed assets were procured during the reporting year. The flow in assets was evident in the increase of Loans and Advances, fixed assets and liquid assets as maintained by the Bank.

On the other hand, the growth of deposits was at 4.40% and shareholders' equity grew by 19.67 over 2022. The growth of deposit was used for funding credit growth, as well as holding of securities for CRR and SLR purpose with Bangladesh Bank in accordance with Bangladesh Bank guideline. Shareholders' equity increased remarkable because of BDT 700 million capital was injected through Initial Public Offering (IPO), as well as retained earnings also increased during the year.



❖ Cash in hand

Cash in hand balance stood at BDT 3,793.33 million in 2023 compared to BDT 3,494.97 million in 2022, i.e., 8.54% growth over 2022.

❖ Balance with other Banks, Financial Institutions and its Agents

The aggregate position of cash at Banks and NBFIs, including call money was BDT 1,998.11 million in 2023, compared to BDT 2,568.43 million in 2022, i.e., 22.20% behind from 2022, due to encashment of matured placement fund with other Banks and NBFIs for keeping ADR and wholesale borrowing limit in line with regulatory guideline.

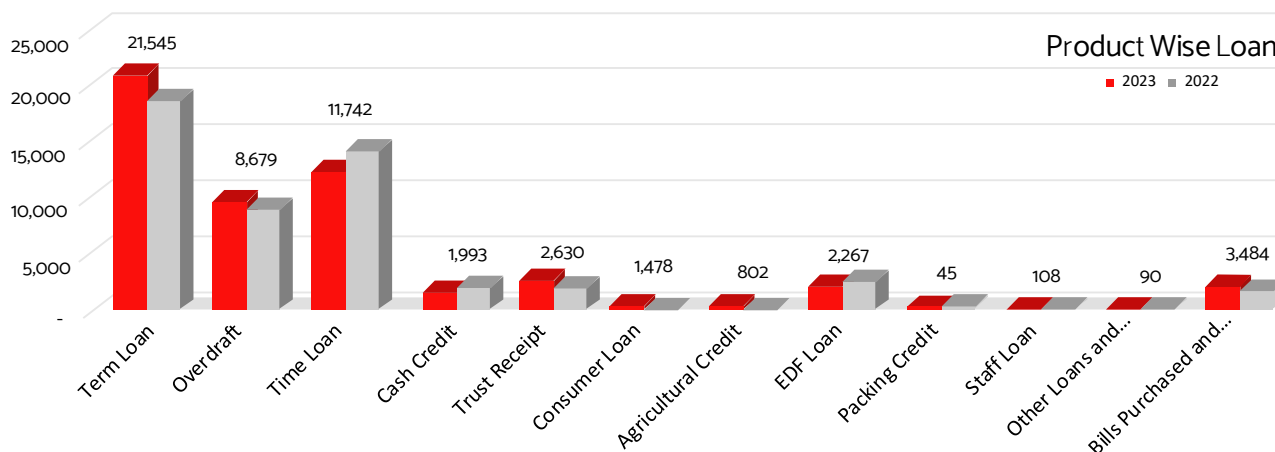
❖ Investments

During the year ended on December 31, 2023, the investment increased by 2.81% to BDT 17,380.10 million in 2023 from BDT 16,905.79 million in 2022. Bank's investment comprises of government securities of BDT 13,889.64 million and others investment of BDT 3,490.46 million (investment in debenture, corporate bond, etc.). Investment in government securities increased by BDT 474.31 million over 2022, due to fresh investment in Treasury bills/bonds during the year.

❖ Loans and Advances

Loans and Advances stood at BDT 54,862.66 million in 2023 compared to BDT 52,792.81 million in 2022, i.e. representing a growth up by 3.92% year-on-year basis. Yield on loans and advances increased to 8.34% in 2023 from 7.47% in 2022, due to rise in lending rate during the year. Non-performing Loans (NPLs) increased to BDT 2,091.60 million in 2023 from BDT 1,469.70 million in 2022, i.e., NPL ratio increased to 3.81% in 2023 from 2.78% in 2022, due to three major Institutional Banking Loans were classified during the year.

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 53.54% of the current loan portfolio will be matured less than one year, 27.24% will be matured more than one year, but less than 5 years and rest 19.22% will be matured more than 5 years (note # 7.04). Bank's Advance to Deposit Ratio (ADR) at the end of 2023 increased to 84.51% from 81.64% in 2022, marking an efficient mobilization of fund and equity in the most liquid banking industry in Bangladesh during the reporting period within the guideline of Bangladesh Bank.



❖ Fixed Assets and Other Assets

The aggregate amount of written down value of fixed assets of the Bank stood at BDT 610.75 million in 2023, compared to BDT 574.67 million in 2022 (note # 8), demonstrating growth of 6.28%, due to procured/amortization of assets during the reporting year. On the other hand, other assets comprise of advance income tax, advance office rent, accrued interest on investment, etc., amounted to BDT 4,238.43 million in 2023, compared to BDT 3,397.62 million in 2022 (note # 9B), showing grew up by 24.75% over 2022.

❖ 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 Artha Rin 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 "Artha Rin Adalat-2003". The honorable court also orders to charge unapplied interest until full 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 Artha Rin Adalat Ain 2003 as mortgagee Bank and 100% provision has been kept against the said non-banking assets as per guidance of Central Bank.

❖ 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 2023, borrowings of the Bank decreased by 23.37% to BDT 6,317.17 million in 2023 from BDT 8,243.23 million in 2022 (note # 11).

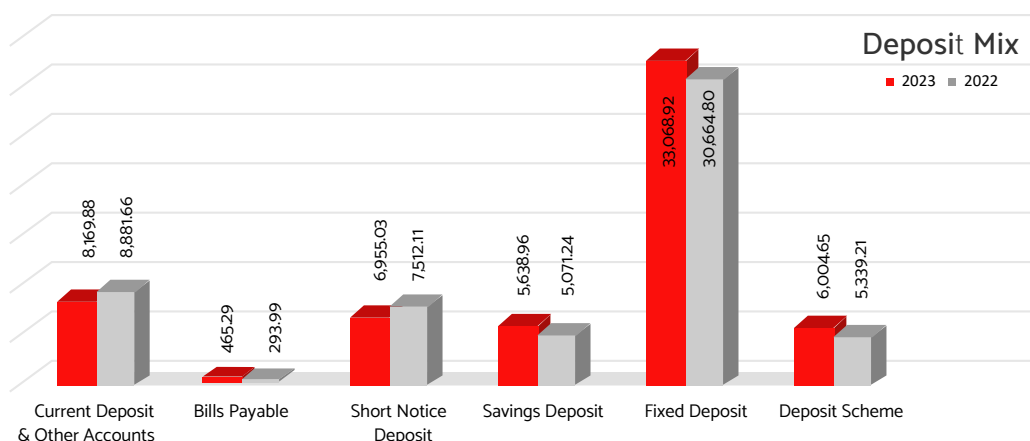
❖ Deposits

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 60,302.72 million in 2023 with a growth of 4.40% compared to BDT 57,763.01 million in 2022 (note # 12). Cost of deposit and cost of fund stood at 5.44% and 6.95% in 2023, respectively as against 5.01% and 6.38% in 2022, respectively. The strong customer-based deposits comprise of individual, corporation, small & medium size enterprises, NBFIs, government entities, NGOs, autonomous bodies and others.

During the financial year 2023, MDB's deposit blend was stable with no-cost and low-cost Deposits, which was at 37.67% of total Deposits, Fixed Deposits to total Deposits was at 53.09% and Scheme Deposits to total Deposits was at 9.24%. 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 2023 over 2022	Deposit Mix (%)	
	2023	2022		2023	2022
Current Deposits	8,169.88	8,811.66	-8.01%	13.55%	15.38%
Bills Payables	465.29	293.99	58.27%	0.77%	0.51%
Short Notice Deposits	6,955.03	7,512.11	-7.42%	11.53%	13.01%
Saving Deposits	5,638.96	5,071.24	11.19%	9.35%	8.78%
Fixed Deposits	33,068.91	30,664.80	7.84%	54.84%	53.09%
Scheme Deposits	6,004.65	5,339.21	12.46%	9.96%	9.24%
Total Deposits	60,302.72	57,763.01	4.40%	100.00%	100.00%



❖ Total liabilities other than shareholders' equity

Total liabilities excluding shareholders' equity of the Bank registered growth of 17.21% with a total volume of BDT 74,275.21 million in 2023 against BDT 72,220.34 million in 2022. Core Deposits of the Bank increased by 4.40% to BDT 60,302.27 million in 2023 from BDT 57,763.01 million in 2022.

❖ Shareholders' Equity

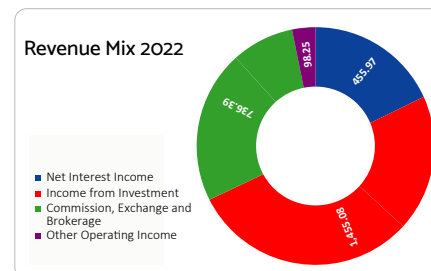
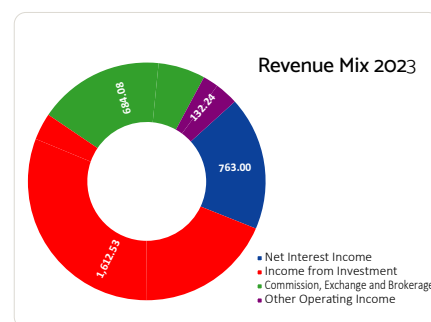
The shareholders' equity stood at BDT 9,150.66 million in 2023 compared to BDT 7,646.53 million in 2022, i.e., up by 19.67% over 2022. Statutory reserve was increased by BDT 15.71% to BDT 1,881.77 million in 2023 against BDT 1,626.33 million in 2022, while retained earnings increased by 169.53% to BDT 868.86 million in 2023, as against BDT 322.35 million in 2022.

Income Statements

❖ Operating profit and Net profit after tax

The Bank reported operating profit before tax and provision of loans BDT 1,743.00 million in 2023 against BDT 1,526.73 million in 2022, representing 14.17% growth over 2022. On the other hand, net profit after tax increase by 101.63% to BDT 1,133.11 million in 2023 from BDT 561.97 million in 2022, due to increasing net interest income by 67.34%, as well as increase of deferred tax income on specific provision against loans and advances during the year. As a result, EPS increased by 101.14% to BDT 1.77 in 2023 against BDT 0.88 in 2022 and corresponding ROA during the period grew to 1.39% in 2023 from 0.75% in 2022 and ROE also grew to 13.49% in 2023 from 7.47% in 2022. Besides NAV per share grew to BDT 14.31 in 2023 against 11.95 in 2022, i.e., grew by 19.75% year on year basis.

Particulars	BDT in Million		% of Growth in 2023 over 2022
	2023	2022	
Interest income	4,503.46	3,657.21	23.14%
Interest paid	(3,740.46)	(3,201.24)	16.84%
Net interest income	763.00	455.97	67.34%
Investment income from Dividend	1,612.53	1,455.08	10.82%
Commission, fees and brokerage, etc.	684.07	736.38	-7.10%
Other operating income	132.14	98.26	34.48%
Total operating income	3,191.74	2,745.69	16.25%
Operating expenses	(1,448.74)	(1,218.96)	18.85%
Net operating profit before provision	1,743.00	1,526.73	14.17%
Provision on Loans and Advances	(465.80)	(438.09)	6.33%
Net Profit before tax	1,277.20	1,088.64	17.32%
Provision for corporate tax	(144.09)	(526.67)	-72.64%
Net Profit after tax	1,133.11	561.97	101.63%
Earnings per share (EPS)	1.77	0.88	101.14%



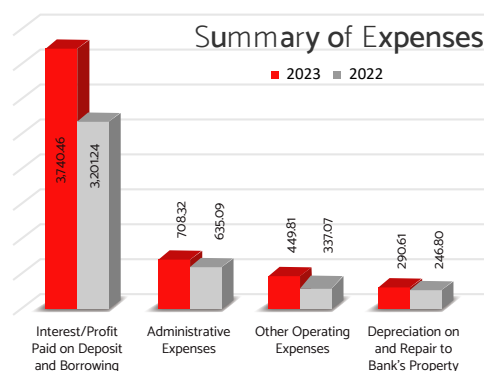
❖ Net Interest Income

The interest income on loans and advances increased by BDT 846.24 million to BDT 4,503.46 million in 2023 against BDT 3,657.21 million in 2022, i.e., 23.14% growth up over 2022, due to increase loan portfolio by BDT 2,069.85 million as well as rise in yield rate by 0.87 basis point over 2022.

On the other hand, interest paid on deposit & borrowings increased by BDT 539.21 million to BDT 3,740.46 million in 2023 from BDT 3,201.24 million in 2022, i.e., up by 16.84% over 2022, due to rise in cost of deposit by 0.43% over 2022, as well as volume of deposit increased by BDT 2,539.71 million over 2022. As a result, net interest income increased by BDT 307.03 million from BDT 455.97 million in 2022 to BDT 763.00 million in 2023, i.e., growth up by 67.34% over 2022.

❖ Operating Expenses

Operating expenses of the Bank increased by BDT 229.78 million to BDT 1,448.74 million in 2023 compared from BDT 1,218.96 million in 2022, i.e., increased by 18.85% over 2022, due to increasing the branch networks and expansion of business activities during the year. By and large, Bank's administrative expenses remained steady during 2023 and other operational cost also were kept in control during reporting period. However, a prudent management of expenses and cost-control are our relentless concern and we commit to the practice of fair expenses in all banking operations under a strong accounts and auditing system.



❖ HR Productivity

The proficiency of the employee's contributed to the growth is evident from the following table:

Particulars	2023	2022	% of Growth in 2023 over 2022
Number of regular employees' contribution (excluding contractual employees in 2023 and 2022 were 292 and 239, respectively)	515	488	5.53 %
In BDT Million			
Operating income per employee	6.20	5.63	10.12 %
Operating expenses per employee	2.81	2.50	12.40 %
Operating profit before provision and tax per employee	3.38	3.12	8.33 %
Net profit after tax per employee	2.20	1.15	91.30 %

❖ General provision against Unclassified Loans (UCL)

General provision against UCLs (Standard & SMA) was BDT 494.57 million in 2023 against BDT 452.40 million in 2022 (note # 13.01). General provision increased by 42.17 million over the last same corresponding year, due to increase of loans by BDT 2,069.85 million over 2022. The Bank also maintained general provision against off-balance sheet exposures of BDT 104.79 million in 2023, compared to BDT 112.99 million in 2022 (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 2023, Bank's specific provision increased by BDT 494.12 million to BDT 1,448.79 million in 2023 from BDT 954.67 million in 2022, due to classification of some default loan accounts during the year, so that NPL ratio stood at 3.81% in 2023 against 2.78% in 2022 (note # 13.01).

❖ Provision for investment in Shares/Debentures:

General provision against investment in Shares/Debentures/Commercial Papers was BDT 161.81 million in 2023 compared to BDT 242.94 million in 2022. The provision decreased by 81.13 million over the last same corresponding period, due to transferred/realised/regularised the overdue of treasury investment during the year, in line regulatory guideline (note # 13.00).

❖ 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 2023, it was stood at BDT 112.32 million against BDT 170.87 million in 2022. 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 2023, the Bank has to make adequate provision of current tax and deferred tax. As such, we have made a provision of BDT 144.09 million in 2023 against BDT 526.67 million in 2022 (note # 36.00). After making appropriate provision of tax, net profit after tax stood at BDT 1,133.31 million in 2023, compared to BDT 561.96 million in 2022, representing 101.63% growth over 2022. The significant growth in net profit after tax during the period is largely due to adjustment of BDT 546.02 million of deferred tax income on specific provision in line with regulatory guideline as well as increased our net interest income by 67.34% over 2022 and ultimately it was added with our net profit during the period.

❖ **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 before tax (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 2023 stood at BDT 1,881.77 million, compared to BDT 1,626.33 million in 2022, i.e., increased by 15.71% over 2022.

❖ **Key Financial Ratios of the Bank:**

Particulars	In BDT Million	
	2023	2022
ROE -Return on average equity	13.49%	7.47%
ROA -Return on average assets	1.39%	0.75%
Cost to income ratio	45.39%	44.40%
Capital to Risk Weighted Assets Ratio (CRAR)	17.28%	14.83%
Advance Deposit Ratio (AD Ratio)	84.51%	81.71%
Non -Performing Loans (NPLs) Ratio	3.81%	2.78%
Earnings per share (EPS) in BDT	1.77	0.88
Net Asset Value per Share (NAV) in BDT	14.31	11.95

❖ **Appropriation of Profit**

Profit after tax (PAT) stood at BDT 1,133.11 million at the end of 2023, compared to BDT 561.96 million in 2022. Profit available for distribution among the shareholders is BDT 325.57 million after a mandatory transfer to statutory reserve of BDT 255.44 million, i.e., 20% on profit before tax, BDT 11.33 million for Startup Fund, i.e., 1% of net profit after tax and adjustment of deferred tax BDT 543.30 million. The Board of Directors in its 153rd meeting held on April 28, 2024 recommended 5.00% cash dividend for the financial year 2023 which will be reviewed and approved by the shareholders in its next 11th Annual General Meeting (AGM).

❖ **Summary of appropriation of profit**

Particulars	In BDT Million	
	2023	2022
Profit after tax (PAT)	1,133.11	561.96
Retained earnings brought forward from previous year	2.52	11.68
To be appropriated	1,135.63	573.64
Transfer to statutory reserve	-255.44	-217.73
Transfer to CSR	-	-27.95
Transfer to Startup Fund	-11.33	-5.62
Retained Surplus	868.86	322.34
Adjustment of deferred tax	543.30	-
Net Distributable Profit	325.56	322.34
Paid-up Capital	6,396.70	6,396.70
Dividend payout Ratio	5.09%	5.04%

- ❖ We may pay dividend after adjustment of deferred tax income on provision for classified loans & advances as per BRPD circular 11 dated 12 December 2011.
- ❖ CSR expenses for the year 2023 reported in other expenses note # 34.

Human Resources

Human Resources Management Division aims to build strong, dedicated, skilled and professional human capital base for the Bank, hence contributing to 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 employees and help them to utilize their talent properly towards achieving individual development and organizational goals. This Bank has 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 employees will work with pride and pleasure. MDB believes that Human Resource Development is a continuous 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 in offering a better career and make them confident and best fit of the next role. The main motto of Human Resources Management Division is to enhance 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 organizations 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 to care for our people, so that they can grow as future leaders of the Bank. Also we fostered a work environment to attract, develop and retain quality manpower to ensure 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 17 (Seventeen) 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).

Maturity Analysis

Assets	Below 1 Year	1-5 Year	Above 5 Year	Total
Interest earning assets	32,869	21,098	18,805	72,773
Non-interest earning assets	3,985	3,004	3,664	10,653
Total assets	36,855	24,102	22,469	83,426
Interest bearing liabilities	46,795	15,966	3,859	66,620
Non-Interest bearing liabilities	321	2,169	5,166	7,655
Total liabilities	47,116	18,135	9,024	74,275
Maturity Gap	(10,261)	5,967	13,445	9,151

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.

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.

Corporate Social Responsibility (CSR)

Initiated by Bangladesh Bank (BB) in 2008, the Corporate Social Responsibility (CSR) mainstreaming campaign in Bangladesh's financial sector has entrusted all Banks and Financial Institutions into a broad range of direct and indirect CSR engagements including humanitarian relief and disaster response, widening of advancement opportunities for disadvantaged population segments with support in areas of healthcare, education and training, 'greening' initiatives to prevent environmental degradation, and so forth.

With a view to the above, a CSR Policy of Midland Bank PLC. was earlier approved by the Board of Directors of the Bank in February 2015. The Sustainable Finance Department of Bangladesh Bank in January 2023 introduced a new Policy Guidelines on CSR for the Bank. Also, Policy on CSR needs to be reviewed/updated considering recent financial developments and changes in the global economy to generalize, emphasize and organize CSR activities for the environmental, social, equitable and sustainable development of the country.

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. During the financial year 2023, the Bank spent an amount of BDT 2,78,41,218 for annual CSR activities (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 provides guidance and direction to the Board and Management. Another committee- Risk Management Committee analyzes Bank's core risks. For an effective control system, Internal Control & Compliance Division (ICCD) and Board Audit Committee functions 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 reflects 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 workplace, enhancing the marketplace, support to the community and fortification of the environment. As a socially conscious and responsible corporate body, MDB is committed to 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 2023 (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 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 PLC. 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 Operating 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 maximize 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 2023. During the year, earning per share (EPS) stood at BDT 1.77 against BDT 0.88 in 2022, Return on Equity (ROE) at 13.49% in 2023 against 7.47% in 2022, Return on Average Assets (ROA) stood at 1.39% in 2023, against 0.75% in 2022 and Net Assets Value per share (NAV) stood at BDT 14.31 compared to BDT 11.95 in 2022.

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 2023, a total 14 meetings of the Board of Directors were held.

Appointment of Auditors

Hoda Vasi Chowdhury & Co., Chartered Accountants had conducted the audit of the Bank for the financial year 2023. They have completed 2nd term (2nd year). As per Bangladesh Bank's guideline regarding list of Audit Firms (Chartered Accountants)

eligible for auditing banks and financial companies (updated as on 05.02.2024), maximum number of statutory audit in banks and finance companies in a financial year is 06 (six) and Hoda Vasi Chowdhury & Co., Chartered Accountants express their unwillingness to conduct audit for the FY 2024. Appointment of new auditor for the FY 2024 is under process.

Annual General Meeting (AGM)

The schedule of 11th 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 153rd meeting held on April 28, 2024 to be placed before the shareholders of the Bank in the 11th AGM for review and approval.

Outlook of Financial Year 2023

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, 2023 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, 2023. However, MDB has gained resilience to absorb any sudden shock of deposit outflow by huge improvement in the deposit mix. At present, 38.61% 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 2023.

Related Party Transaction

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 operating 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 disclosure, Bangladesh Bank & BSEC guidelines. The Bank in its ordinary course of business undertook financial transactions with some entities or persons that fall within the definition of 'Related Party' as

contained in IAS 24 (Related Party Disclosures) and relevant provisions of Bank Company Act 1991 and Bangladesh Bank BRPD Circular No. 12 dated 15 June 2022. Details of the related party transactions have been disclosed in Annexure - D, Annexure - E and note no. 44 of the FS 2023.

Maintaining Proper Books of Account

The company has attentively maintained proper books and records in accordance with the stipulations outlined in the Companies Act of 1994, the Securities Laws of Bangladesh, and other relevant laws.

Key Operating and Financial Data

On pages 14 and 15, there is a comprehensive overview summarizing key operating and financial data spanning the last 05 (five) years. This short but detailed presentation gives a good look at how the company has been doing. It helps shareholders make smart decisions and plan for the future because it gives them important information about the company's direction.

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 clients, 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), Dhaka Stock Exchange (DSE), Chattogram Stock Exchange (CSE), 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 hardwork, 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 In-Sha-Allah by the grace of the Almighty and by virtue of the dedicated effort of our professional management team will be successful in reaching our cherished destination that is to turn Midland Bank into the one of the finest financial institution with resilient financial footing and sound fundamentals.

On behalf of the Board of Directors,



Nilufer Zafarullah
Chairman

Performance Overview by Different Divisions/Departments

INSTITUTIONAL BANKING DIVISION

Banking industry experienced a challenging year in terms of liquidity, governance, foreign exchange volatility in 2023. Moreover, tensions on global political arena, particularly war & resultant anxiety in Europe, the largest destination of export from Bangladesh, has affected primarily RMG & Textile sector and in-turn overall economic growth of Bangladesh. Off late the war in Middle East has also further burdened the struggle in terms of increase freight & longer marine transit.

Despite the challenges in 2023, Midland Bank PLC. was able to steer through the difficulties and secure significant growth while being cautious. Towards growth, Institutional Banking Division (IBD), the major contributor to the Bank's income and portfolio, achieved its growth through professionalism, dedication, hard work and service orientation.

A positive impression in the market and continuous creativity has enabled to deliver financing solutions for corporate clients to their satisfaction.

The Asset portfolio of IBD has reached to BDT 4,837 Crore with only 3.53% NPL, a ratio which despite the increase from last year, is one of the lowest in the industry. Despite the slowdown, IBD has also achieved milestone in trade volume of USD 414.30 million in Export-Import, of which USD 226.4 million was from Export & Inward Remittance. Due to the significant export inflow, relative to IBD's funded portfolio, IBD could cater to not only the import requirement of existing clientele, but also onboarded prominent corporate entities e.g. multinationals, and large local corporates by providing for their import requirement amid present difficulties of accommodating the opening of import LCs across the banking sector. Import LC issued during 2023 was USD 187.9 million in total.

Product basket: IBD's product basket ranges from conventional loan & deposit products often tailored to corporates' financing requirements, advanced & innovative products as FX derivatives, project financing as well as facilitating services outlined below:

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 & Advisory function
- Low cost financing /soft loan from BB/DFIs

Financial performance

Despite the difficult market condition and myriads of challenges, IBD continued portfolio growth. Total IBD loan and advances in 2023 stood at BDT 4,837 crore which was 88% of total loan & advances worth BDT 5,486 crore of the Bank. IBD deposit balance remained at BDT 1,165 crore which is 19% of total deposit of BDT 6,030 crore of the Bank.

IBD performance at a glance:

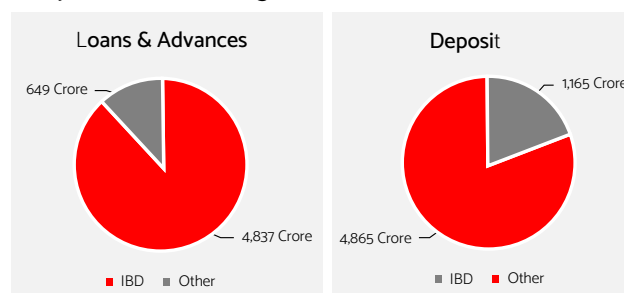


Chart 1: IBD portfolio position in comparison with Bank's total portfolio in 2023

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 2023 as presented below:

- Midland Bank PLC. have already signed following pre-financing / refinancing scheme with Bangladesh Bank:
- Green Transformation Fund (GTF)
- Export Facilitation Pre-Finance Fund (EFPF)
- Refinancing Scheme for Ship Building Industry
- Bangladesh Bank Long-Term Financing Facility (BB-LTFF)

And under the above schemes have financed different projects bi-laterally as well as lead arranger & participating bank.

- MDB as mandated lead arranger is financing Summit Communications Ltd for BDT 200 crore under GTF for the clients NTTN capacity expansion.
- For another project, again as mandated lead arranger MDB is financing Healthcare Pharmaceuticals Limited for BDT 200 crore for capacity expansion.
- MDB has financed renewable energy project, specifically rooftop solar power system for different industrial units under 'Environment Friendly Products/Projects/ initiatives', as part of the bank's commitment to patronize sustainable & green energy solutions.

Challenges:

We know that challenges will always be there & we have to open window of opportunity amid difficulties. The macroeconomic environment in 2023 posed some major challenges for banking sector, arising & extending from post-covid impact to major political and economic issues in global arena that left behind systemic ramification on the overall industry. Among the wide range of challenges IBD faced, the following major challenges have called out for strategic action:

- Conflict in global theater that followed the negative impact of Covid-19 has substantially lowered the consumer demand in Europe primarily and also in America. This significantly affected 'Fast Fashion' clothing shipment to the largest export destinations of Bangladesh. This jeopardized the inflow of foreign currency from RMG sector that the country is so heavily reliant on.
- The slowdown in export, and remittance as well, arising from global conflicts, resulted in inevitable deceleration of Import.
- Lower private credit growth was unavoidable due to decelerated export & import.
- The pressure on balance of payment due to slowed down export & remittance in turn have exerted pressure on sovereign credit ratings of Bangladesh & lead to devaluation of BDT against USD.
- Lending rate cap based on SMART rate, while required to ensure continued economic activity amid overall downturn, has shrunk the spread, impacting overall profitability of the banking sector.
- Volatility in Bank's liquidity position
- Due to stagflation, recovery of outstanding loans and interest accrued thereon became difficult. This posed a threat in terms of rising loan classification which significantly shrinks bottom line distributable profit.

Outlook and Strategies:

In the year 2023, our major focus revolved around the following strategic moves:

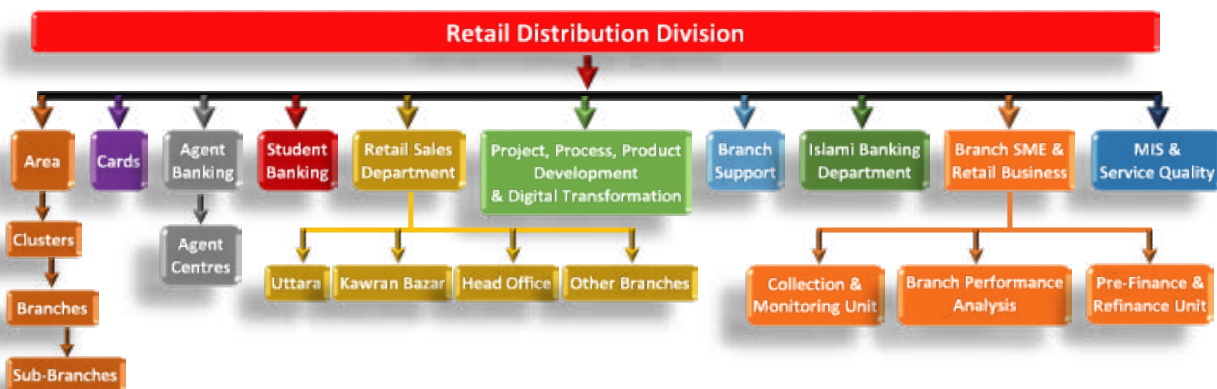
- Build and develop a balanced portfolio both in asset and liability for ensuring sustainable balance sheet growth of the Bank
- Increased due diligence while onboarding new clients adhering to banks credit policy and compliance.
- Taking exposure across different industries to diversify portfolio and mitigate sector wise risk concentration.
- Ensuring maximum NPL recovery throughout the year to minimize provisioning against loans & suspense of interest income.
- Look for alternative investment opportunities and non-funded income.
- Getting access to soft loan/low cost financing from multilateral and bilateral lending agencies.
- Hedging the risk of importer clients through derivatives amid exchange rate volatility and also to advice for natural hedging by redirecting clients to BDT denominated import financing from preferred & popular USD denominated financing where the clients' revenue inflow is in BDT.
- Strive for continuous innovation in product design
- Develop a robust customer centric IT platform to ensure ease of transaction & also to increase velocity of money circulation in line with guidance & macro-economic objective of controlling authorities.

Concluding remarks:

IBD takes the opportunity to thank all of our clients, stakeholders, shareholders and regulatory bodies for their continuous support and guidance. Constant strive to be the finest in the industry has created a momentum for adopting best banking practices, promoting a sustainable diversified portfolio within the compliant regulatory framework. In IBD, we always welcome and embrace a culture of being innovative, resilient and customer focused.

RETAIL DISTRIBUTION DIVISION

Retail Distribution Division (RDD) has achieved a steady growth throughout the year of 2023. A total of 39 Branches, 19 Sub Branches, 127 Agent Banking Centre and 11 Collection Booths are upholding the MDB brand and retail banking presence across the country. In 2023, MDB opened two more Rural Branches at Chandraganj and Bokhter Munshi Bazar along with 3 Sub-Branches with attached ATM Booths and 18 more Agent Banking to reach out new geographical locations across the country and add value to its local communities.



Banking sector has seen more challenging situations in the year 2023 due to worldwide economic catastrophe. Despite the challenges, MDB has confirmed its commitment to increase the deposit and loan products of the bank through trustworthy customer base, flawless services and commitment. The number of customers has grown by more than 22.89% in the year 2023.

Retail Distribution Division Deposit, Loan & Customer Portfolio

in BDT Crore

Deposit	Y 2018	Y 2019	Y 2020	Y 2021	Y 2022	Y 2023	Growth in 2023
Retail Branches	2,458.69	2,882.65	3,182.36	3,118.60	3,539.57	3,937.69	398.11
Retail Sales Dept.					1.64	31.73	30.10
Islami banking Wing***	-	-	54.55	106.38	195.10	225.98	30.88
Agent Banking	9.24	24.77	43.74	53.48	57.27	80.43	23.16
Card Division			4.25	8.76	9.92	12.16	2.24
Collection A/C				103.77	88.46	113.15	24.69
RDD Total Deposit	2,467.93	2,907.42	3,284.90	3,390.99	3,891.96	4,401.15	509.18

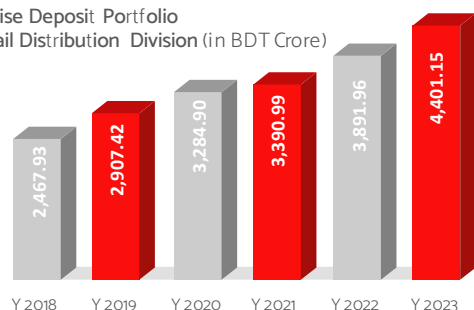
in BDT Crore

Loan	Y 2018	Y 2019	Y 2020	Y 2021	Y 2022	Y 2023	Growth in 2023
Retail Loan	107.19	114.94	112.61	135.40	159.70	175.46	15.76
Branch SME Loan	214.98	216.71	208.63	214.60	233.44	241.74	8.30
Intt Receivable (RDD)	0.25		0.21	0.25	0.36	0.57	0.21
Total RDD Loan	322.42	331.64	321.45	350.26	393.50	417.77	24.27

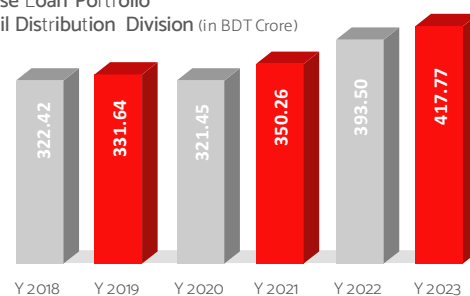
Customer	67,455	100,006	127,978	157,465	187,239	230,093	42,854
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Customer growth is remarkable in last two years. Also, MDB crossed BDT 500 Cr. deposit in last two years consecutively.

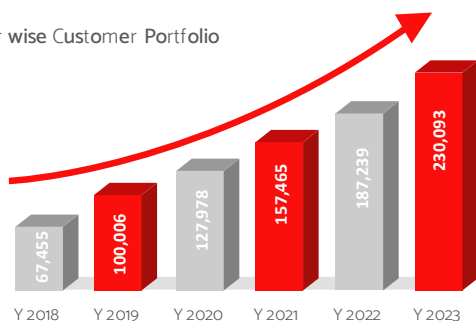
Year wise Deposit Portfolio
of Retail Distribution Division (in BDT Crore)



Year wise Loan Portfolio
of Retail Distribution Division (in BDT Crore)



Year wise Customer Portfolio



Management Information System

Data regarding Deposit, Loan, Account, Customer, Branch, Sub-Branch, Divisions are accumulated regularly in Daily MIS Dashboard. MIS of other products like midland online, e-mail availability, new or attrition of fund, school banking, NPL are amassed as on regular basis.

Branch & Individual Scorecard

Branch and Sub-Branch Performances are evaluated through Branch Scorecard on quarterly basis both in urban and rural categories. Also, Branch employees' performance are measured through 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 score depends on branch employees' performance, so, branch scorecard carries marks for the individual scorecard in the same way.

Value Added Services

In MDB, we prioritize customers' needs ahead of all. Every products and services have been designed to serve the purpose of the customers. In 2023, the challenging situation arose for the worldwide economic crisis, 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. In 2023, MDB also introduced Digital Loan through which customers can apply for loan without going to the branch.

Product Development

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.

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 as their preferred banking partner.

Current MDB Retail Products are below:

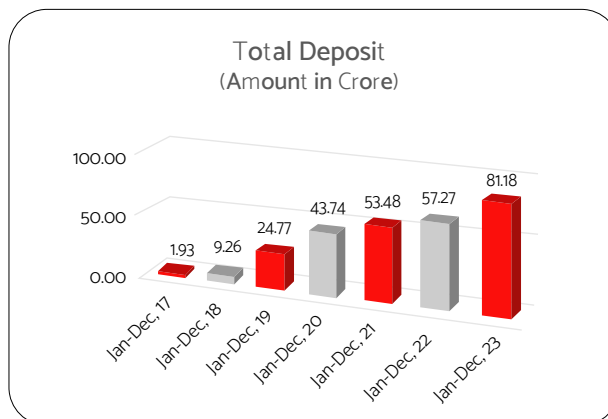
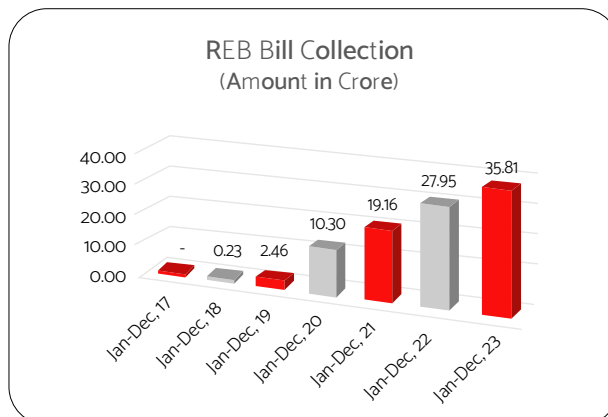
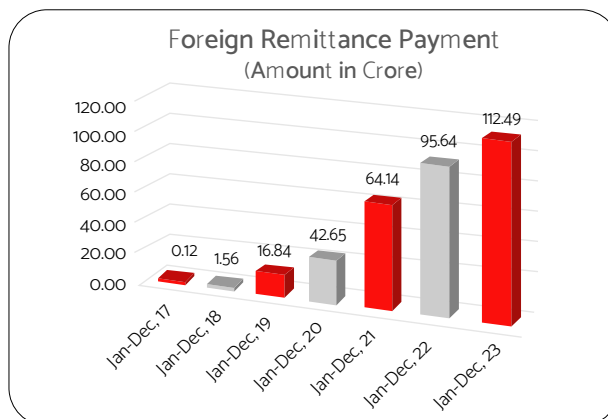
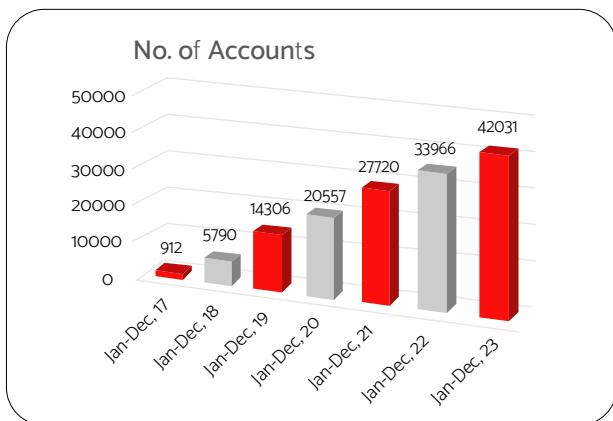
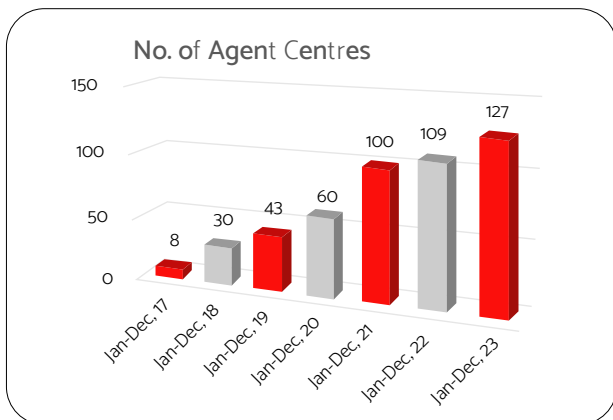
Deposit Products				Loan Products	
Regular Products	MDB Current Deposit	Specialized Products	MDB College Saver	Regular Products	Personal Loan (EMI)
	MDB Fixed Deposit		MDB School Saver		MDB Car Loan (EMI)
	MDB FD Plus		MDB e-Saver Account		MDB Home Loan (EMI)
	MDB FD Plus Corporate		MDB CPP Savings		MDB Amar Bari (EMI)
	MDB Fixed Deposit Corporate		MDBShiksha Sanchay Scheme		House Building (Res)
	MDB Interest First	Scheme Products	MDB Super Monthly Savings		MDB Secured Loan (EMI)
	MDB Super Saver		MDB Family Support Scheme		MDB Secured Overdraft
	MDB Time Deposit		MDB Double Benefit Plus Scheme		Overdraft-FO
	MDB Time Deposit -Corporate		MDB Kotipoti		
	Savings Account General		MDB Millionaire Savings Scheme		
Digital Products	Savings Account Staff		MDB Platinum Savings Scheme	Digital Products	MDB Digital Family Support Scheme
	Special Notice Deposit		MDB Travelers' Savings Scheme		MDB Digital Fixed Deposit
					MDB Digital Monthly Savings Scheme
					MDB Digital Savings Account
					MDB Digital Double Benefit Plus Scheme

AGENT BANKING

Midland Bank obtained agent banking license from Bangladesh Bank on July 10, 2016 and started its operation on January 23, 2017 with launching its first Agent Centre. Midland Bank PLC. started the year 2023 with 109 (One Hundred Nine) agent banking centers across the country. By December 2023, 18 (Eighteen) new agent banking centers had been established in different parts of the country taking the total number of agent banking centers to 127 (One Hundred Twenty-Seven). As usual, Midland Bank PLC. preferred those areas in establishing new agent banking centers where modern banking facilities are unavailable.

Today, the Bank provides a wide range of financial services through agent banking centers in 29 Districts and 67 Upazilas across the country to ensure the safety of customer deposits and provide modern banking services. Through Midland Bank agent banking centers, we are providing 24/7 banking transactions, with account open, cash deposit and withdrawal, loan disbursement, loan EMI collection, Credit & Prepaid card bill payment, utility bill service, foreign remittance disbursement, debit and credit card service. Besides this, we are able to transfer money from Midland Bank to Mobile Financial Services (bKash, Rocket, Nagad, Upay) and also able to transfer money from bKash and Rocket to Midland Bank Account. Customers can avail Islamic banking services besides conventional banking from any agent banking center.

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



MDB CARDS

Tap into Convenience: Midland Bank Introduces Contactless Cards Across Credit, Prepaid, and Debit Cards

Midland Bank is excited to announce the rollout of contactless cards across its entire range, including credit, prepaid, and debit cards. With this innovative upgradation, customers can now enjoy the added convenience and speed of contactless payments for all their transactions.

Whether it's grabbing a quick coffee, paying for groceries, or dining out with friends, Midland Bank's contactless cards make transactions faster and more convenient than ever before. Simply tap your card on the reader, and you're good to go – no need to enter a PIN or swipe your card.

This initiative reflects Midland Bank's commitment to embracing cutting-edge technology to enhance customer experiences. With contactless cards, customers can enjoy greater flexibility, security, and ease of use in their everyday transactions, making payments simpler and more seamless than ever before.

MDB VISA Credit Card:

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/card against SOD, 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 100% concession facilities on Bankers and NBFIs, 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 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 PLC for selling this card to MDB's customer and non MDB's customer. This is a dual currency card, meaning it is accepted 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.

VRM Software:

The implementation of Visa Risk Management (VRM) Software by Midland Bank represents a proactive approach to safeguarding transactions and protecting against potential fraud risks. With VRM in place, the bank can effectively monitor and analyze transaction data in real-time, enabling swift detection and response to suspicious activities. This advanced software enhances security measures, ensuring a secure and seamless payment experience for customers while upholding the integrity of the banking system. Midland Bank's adoption of VRM underscores its commitment to leveraging cutting-edge technology to mitigate risks and maintain trust in the digital payment ecosystem.

Bangla QR:

Midland Bank's adoption of Bangla QR technology marks a pivotal step towards digitizing payments and fostering financial inclusion across Bangladesh. By promoting cashless transactions through app-based Bangla QR, the bank empowers customers with convenient and secure payment options. Offering a 10% instant cashback further incentivizes adoption, driving widespread acceptance of digital payments and accelerating the nation's journey towards a cashless society. This initiative exemplifies Midland Bank's commitment to leveraging innovative solutions to propel economic growth and create a more connected, technologically advanced Bangladesh.

e-Alert:

Midland Bank has introduced a transaction alert via email where cardholders get the email of available balance when a transaction is 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 set up in Midland Bank. 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.

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".

Virtual Card

Midland Bank is offering virtual Prepaid Card through app. Through this facility customers can create a virtual card upon his main card and provide the newly created card number to any other like his friend or relative to do transaction for a particular period of time and allocate an amount from his main card's balance.

midland online Upgrade: View Transaction Summaries, Credit Card Statements Instantly.

Midland Bank has introduced a significant enhancement to its midland online platform, enabling users to access transaction summaries and credit card statements with unprecedented ease. Previously, such information was not readily available, but with this update, customers can conveniently view detailed transaction summaries and statements directly through the online portal. This empowers users with greater visibility and control over their finances, allowing them to track their spending, monitor account activity, and manage their credit card usage more effectively. Midland Bank's commitment to enhancing digital banking experiences underscores its dedication to meeting customer needs and delivering innovative solutions that prioritize convenience and accessibility.

Debit Card Block/Unblock through midland online:

The bank's ongoing efforts to enable debit card block/unblock functionality through the midland online app demonstrate a commitment to enhancing customer control and security.

Seamless Banking at Your Fingertips: Request Your Debit Card Hassle-Free Through midland online! With the latest upgrade to midland online, customers can now effortlessly place requests for their debit cards directly through the platform. Say goodbye to lengthy processes and paperwork—simply log in to midland online, submit your request, and get ready to enjoy convenient banking at its finest

New Initiatives:**Friction-Free Banking:**

Midland Bank Converts Prepaid Card USD Balances to BDT, Streamlining Transactions Midland Bank's recent conversion of Prepaid card USD balances to BDT currency marks a significant step towards simplifying transactions. With both BDT and USD transactions now occurring in a single currency, customers enjoy a seamless banking experience without the hassle of managing multiple currencies.

Enhanced Security:

Midland Bank Achieves VISA 3DS 2.2.0 Version Certification Midland Bank proudly announces its certification with VISA 3DS 2.2.0 Version, ensuring enhanced security measures for online transactions. This certification underscores the bank's commitment to providing customers with a safe and secure payment environment.

Streamlined Processes:

Midland Bank Automates Card Information Upload in Corporate Portal Say goodbye to manual uploads! Midland Bank introduces an API-driven solution for automatically uploading Debit, Credit, and Prepaid Cards information into the corporate portal. This automation streamlines processes, saving time and improving efficiency for corporate clients.

Efficiency Boost:

Midland Bank Implements SMS Tagging Automation in CMS Midland Bank revolutionizes customer service with the automation of SMS tagging in the Card Management System (CMS). By eliminating manual processes, Midland Bank reduces turnaround time (TAT) and ensures prompt and accurate tagging of customer SMS preferences.

Upcoming Facilities:**POS Acquiring**

Midland Bank's foray into the POS business marks a strategic expansion into the realm of electronic payments. With its established reputation for reliability and customer service, Midland aims to offer seamless transaction experiences for merchants and consumers alike. Leveraging cutting-edge technology, the bank plans to provide secure, efficient, and convenient POS solutions tailored to meet the evolving needs of modern commerce. This move underscores Midland's commitment to staying at the forefront of financial innovation and driving economic growth through enhanced payment infrastructure.

CRM Deployment:

The deployment of CRM machines by Midland Bank signifies a

proactive approach to enhancing customer relationships and streamlining operations. By leveraging CRM technology, the bank aims to better understand customer needs, personalize interactions, and improve service delivery. This strategic initiative underscores Midland's commitment to harnessing data-driven insights to drive business growth and foster long-term customer loyalty. With CRM deployment, Midland Bank positions itself to adapt swiftly to market dynamics while providing tailored solutions that resonate with its diverse customer base.

Signature Card:

Midland Bank's upcoming launch of the Signature Card signifies a new milestone in their product offerings, promising customers exclusive benefits and privileges.

ATM Reconciliation software:

Additionally, the planned acquisition of ATM reconciliation software underscores Midland's focus on operational efficiency and accuracy in managing cash transactions.

Complain Management Software:

Furthermore, the investment in Complaint Management Software reflects the bank's dedication to promptly addressing customer feedback and improving service quality across divisions and branches. These initiatives collectively reinforce Midland Bank's commitment to innovation and customer-centricity in the ever-evolving banking landscape.

Real time card payment through Banch

Midland Bank's implementation of real-time card payments through the branch channel marks a significant enhancement in customer convenience and transaction efficiency. Previously, the delay in payment processing posed challenges for customers in accessing their limits promptly. However, with this new release, customers can now enjoy the flexibility of utilizing their limits instantly following payments made through branch transactions. This upgradation not only streamlines the payment process but also empowers customers with immediate access to their available funds, facilitating smoother and more seamless banking experiences. Midland Bank's commitment to leveraging technology to improve service delivery underscores its dedication to meeting the evolving needs of its clientele.

ATM low balance notification

Midland Bank is gearing up to introduce ATM low balance notifications through SMS, a proactive measure to prevent ATMs from running out of cash. With this feature, the bank's software will monitor ATM balances in real-time, triggering notifications when balances fall below a certain threshold. Additionally, the software will display these notifications on the screens of ATMs with low balances, alerting customers and ensuring they are informed before initiating transactions. This upcoming enhancement exemplifies Midland Bank's commitment to leveraging technology for improved ATM management and enhanced customer experience.

Real time Credit Card USD Payment:

Midland Bank is set to introduce real-time USD payments for credit cards, offering customers the advantage of instant transactions. With this new feature, customers can enjoy the convenience of immediate USD payments, eliminating delays and enhancing their banking experience. By streamlining the payment process, Midland Bank aims to provide greater flexibility and efficiency to its credit card users, ensuring timely and seamless transactions in USD. This

real-time capability reflects the bank's commitment to meeting customer needs and delivering innovative solutions in the dynamic financial landscape.

Single monitoring window

Midland Bank is on the verge of establishing a single monitoring window that consolidates all transactional activities, including those for the contact center and other users. This unified platform will streamline operations by providing a centralized view of transactions, eliminating the need to navigate through multiple software systems. By condensing various functionalities into one intuitive interface, the bank aims to enhance operational efficiency and facilitate smoother workflows. This initiative underscores Midland Bank's commitment to harnessing technology to simplify processes and deliver a seamless banking experience for both customers and internal stakeholders.

ISLAMI BANKING DEPARTMENT (MDB SAALAM)

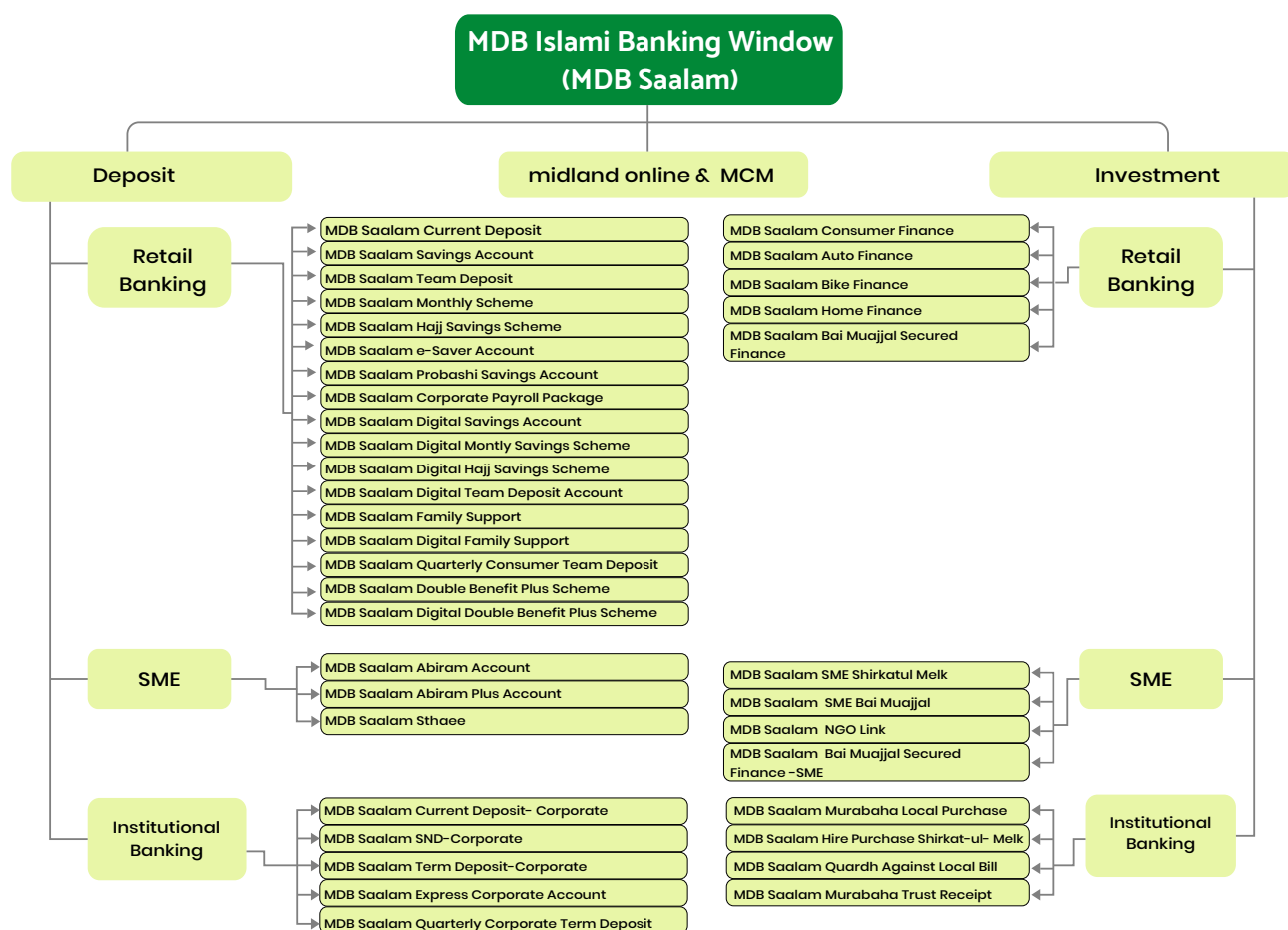
A dedicated Islamic Banking window of the Bank, MDB Saalam, was established with the aim to meet the unique needs of its customers and to help develop the nation's economy. The platform was formally launched by Mrs. Nilufer Zafarullah, Honourable Chairperson of the Bank on 23rd April, 2020 via video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

At Midland Bank PLC, 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 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 economic challenges in mind, from the very beginning we tried to make 'MDB Saalam' a technology oriented service 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, Double Benefit Plus Scheme and Term Deposit by using our digital platform at anytime, anywhere.

MDB Saalam has become very popular among customers. On December 31, 2023 MDB Saalam recorded continuous growth in all segments. Total number of accounts under Islami Banking increased to 5615 in the year 2023 from 3876 of 2022. On December 31, 2023 deposit portfolio of 'MDB Saalam' stood at BDT 356.80 crore and investment portfolio at BDT 254.43 crore, while registering operating profit of BDT 1.15 crore.

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.



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 enterprises. 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. 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. 91.47 crore to the women entrepreneur during the year 2023 which is an outstanding achievement for the Bank.

To facilitate CMSME entrepreneurs in a broader way, MDB has signed several agreements with Bangladesh Bank for refinancing under Women Entrepreneurs / New Entrepreneurs / Agro-based Industry / Green Finance and Start-up Financing. We also signed Pre-Finance Scheme of Bangladesh Bank to facilitate CMSME entrepreneurs. Besides, we signed agreement with Bangladesh Bank on "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 comprises 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 2022-2023 (based on July to June), MDB's disbursement target in agri lending was Tk. 84.00 crore. MDB achieved its target for the financial year 2022-2023 by 100.47% & Special Agriculture Credit at 4% concessional Interest Rate by 97.62%.

INTERNATIONAL DIVISION

In 2023, the correspondent banking business environment experienced both challenge and opportunities. After the pandemic led to a surge in demand from correspondent banks to facilitate trade business. But the impact of Russia-Ukraine war and later on the price hike of essentials commodities and supply chain disruption led to a global downturn, with persistent uptrend inflationary pressure hurting most of the countries. For this availing trade finance facilities became costly and difficult.

With this backdrop MDB International Division were able to support the MDB Trade and Supply Chain Department. MDB ID adhered to the Risk Based Approach for correspondent banking and completed the due diligence on all correspondent. The total number of Relationship Management Application (RMAs) currently maintained is 154, of which 101 are with foreign banks and 53 are with local banks. Cross border payments are routed through 17 NOSTRO Accounts with different foreign banks denominated in different foreign currencies.

Foreign Trade Services

MDB placed significant importance on maintaining and growing of its trade business throughout 2023. Management, business teams, and trade operation teams all worked together to ensure the sustainability and growth of the trade business.

MDB's import volume was USD187.88 million in the year 2023. The Bank's import business facilitation consists of items like capital machinery, industrial raw materials, consumer goods, etc. On the other hand, MDB's export volume was USD169.81 million in the year 2023. The Bank's export business facilitation consists of ready-made garments, frozen foods, jute products, steel scrap etc.

Despite the challenges posted by the Russia-Ukraine war in February 2022 and resulting global supply chain disruption, price hike, depleting forex reserve, and stringent policies, MDB's trade business was 6% positive compared to year 2022.

NRB & Remittance Service

Over the years, wage earner's remittances has emerged as the key towards economic growth and poverty reduction in Bangladesh. Midland Bank's NRB Wage Earners Service is 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 remittance receipt during 2023 stood at USD19.21 million. MDB NRB division is committed to embracing technology and being customer centric. This division is expanding its services to include all types of inbound and outbound remittances, in addition to its primary focus on wage-earner remittances. To this end, MDB is working tirelessly to improve services, catering to the needs of both senders and beneficiaries alike.

Off-shore Banking Unit

Off-shore banking business is primarily based on borrowing, making effective Liquidity Management and Asset Liability Management is crucial for success in OBU business. The primary source of borrowing are domestic banking and international markets. Locally, the Banks Domestic Business Unit (DBU) and other domestic bank's OBU are the main sources. Internationally, Foreign Financial Institute and Development Finance Institute are active source of borrowing. At the end of 2023 MDB OBU has an asset size of USD 30.99 Million. MDB OBU maintained an overall fund utilization matrix at a 99% level throughout 2023.

TREASURY DIVISION

Market Outlook 2024

Year 2023 was a year of volatility and challenges for Treasury wholesale market because of inflationary pressure and banking sector liquidity crunch. Money market liquidity experienced compression and instability during the last half of the year. Commercial Banks had to take support from Bangladesh Bank in the form of Repurchase Agreement (Repo) and Assured Liquidity Support (ALS) during the period. In the second half of the year, due to various news on banking sector, economy experience large deposit withdrawal, resulting in tight money market situation. Current account deficit turned into surplus in the second half of the year because of reduced import resulting from rapid currency devaluation. Yield of government Bill-Bond rate experienced upward movement due to lower liquidity, high demand for funds from the private sector, increased government borrowing and higher rate expectation. USD/BDT rate depreciated at a faster pace due to higher import payment and widening of current and capital account deficit.

Treasury forecasts wholesale market liquidity to remain stressed in midst of contractionary monetary policy and increasing government borrowing from the banking sector. Uncertainty remains regarding the direction FX reserves, however current account surplus and stabilizing currency exchange rates provide positive indication towards improvement in overall balance of payment and FX reserve. Treasury Yield curve is expected to exhibit an upward shift in line with central bank's indicative hawkish approach to tame inflation.

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 consists of five separate desks:



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 2024

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 2023, in midst of FX market volatility Midland bank attained total foreign exchange transaction volume was \$9,305 million. Also, Midland Bank treasury was very active in secondary bond trading. Midland Bank attained 7th position in terms of total trade volume in secondary bond market in 2022-23 which was Tk. 48,951 million representing 4.49% of the entire market.

Treasury Priorities in 2023

- 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 upward interest rate movement and business requirements.
- Automating Treasury activities by introducing Treasury Module in the bank.
- Providing more focus in secondary Fixed income and Equity market.

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 cost and improving banking experience.

On the changed scenario, MDB digitalized banking services for both individual and corporate customers that allow customers to do contactless banking without visiting any branch/sub-branch/agents. Further to that, the bank connected with modern payment systems of the country and introduced technology enabled systems, expediting digital experience of our clients, keeping them abreast of changing scenarios. Last year, we have introduced Digital Loan to customers through our midland online. As a result, our customer shall fulfill their urgent needs from home. Besides, to promote cashless transactions in the vision of "Smart Bangladesh", we have offered merchant payment through Bangla QR to make the payment easy, hassle-free and cashless.

At past, we have connected with new payments systems of Bangladesh Bank, “Binimoy”, an interoperable digital transaction platform, using which customers small do transaction between Banks, MISs, PSPs, PSOs etc. 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 card 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.

Besides, to meet our ICT Policies and procedures with international standard last year, we have achieved ISO 27001:2013. Moreover, bank has achieved PCI-DSS certification to manage card related process and system as per international standard. Furthermore, we have meet compliance of Swift CSP audit in past year. We believe, the above achievements should be impactful on customer’s confidence on Midland Bank, as we are continuously receiving from them.

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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 2024

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

The Human Resources Management Division (HRMD) plays a crucial role responsible for managing the people who work in Midland Bank Limited (MDB). The main objective of HRMD is to ensure effective utilization of human capital in alignment with MDB’s goals and objectives. The division is involved in a wide range of functions which includes the following:

1. Recruitment & Selection
2. Talent Development
3. Performance Management
4. Payroll & Reward Management
5. HRM Operations

In a nutshell, HRMD plays a vital role in the strategic management of MDB’s human capital. They are responsible for attracting, developing, and retaining talented individuals, as well as creating a positive work environment that supports productivity and organizational success.

Recruitment & Orientation

Recruitment and orientation plays an essential function within MDB. The recruitment process involves attracting and selecting qualified candidates to fill open positions within the organization. Employee onboarding refers to the process of integrating and orienting new employees into an organization and its culture. The key aspects of recruitment process of MDB are as follows:

1. **Job Analysis:** The HRMD identifies the specific requirements and responsibilities of the vacant position. This includes determining the necessary skills, qualifications, and experience needed for the role.
2. **Resume Sourcing:** The HRMD sources resumes from various channels, such as online job portals, internal employee references and job fairs to attract potential candidates.
3. **Screening and Shortlisting:** HRMD reviews the resumes and applications received to identify candidates who meet the job requirements. We conduct preliminary assessments to further narrow down the pool of applicants. For fresh graduates, written exams are conducted before preliminary or final interview in order to evaluate the quality of the candidates.
4. **Interviews and Selection:** The HRMD schedules interviews with shortlisted candidates to assess their qualifications, skills, and suitability for the position. We also conduct multiple rounds of interviews, including preliminary and panel interviews, to select the most qualified candidate.

The key aspects of orientation process of MDB are as follows:

1. **Pre-Boarding:** Before a new employee joins the organization, HRMD starts the onboarding process by providing them with important documents, such as employee information booklet, pre-employment medical check-up forwarding and check list for joining the Bank. This helps the employee feel prepared and welcomed from the start.
2. **Orientation:** On the first day of joining, employees are provided with job rotation and posting letter. The posting letter mentions the employee's place of posting and the job rotation is a program that certain employees undergo for a specific period.

Talent Development

Talent development are crucial component for the employees of MDB as they help individuals to enhance their capabilities and acquire new skills that are necessary for their growth and development. Effective training and skill development programs are well-structured and tailored to the specific needs of individuals and the Bank. The programs are designed to align with MDB's strategic objectives and goals, as well as the individual's developmental goals and career aspirations.

1. **On-The-Job Training:** This type of training involves facilitating learning through hands-on experience, observation, and coaching.
2. **Classroom Training:** This includes formal classroom/virtual training sessions and workshops.
3. **Mentoring and Coaching:** Mentors and coaches offer guidance, support, and feedback to individuals seeking to enhance their skills and knowledge.

By providing effective training and skill development programs, employees can acquire the necessary skills and knowledge to perform their job functions at a high level, contribute to MDB's success, and pursue their career goals.

Performance Management

Performance management is a systematic process that involves setting expectations, monitoring and assessing performance, providing feedback, and facilitating overall improvement. It aims to align individual and team goals with organizational objectives and ensure that employees are performing at their best. Regular monitoring and evaluation of performance occur, using both qualitative and quantitative measures to assess progress and achievement. Formal assessments or appraisals are conducted

periodically to review performance against established goals and provide a comprehensive evaluation.

Performance management promotes transparency, accountability, and a focus on continuous improvement. It helps employees understand the expectations placed upon them, receive regular feedback, and work towards their development goals. By fostering a culture of performance excellence, organizations can drive individual and team performance, achieve strategic objectives, and create a positive work environment. We promote a culture of continuous feedback, encouraging all the people to have regular performance conversations with their supervisors throughout the year. This happens in addition to the annual performance review process that applies to all permanent and contractual employees.

Payroll & Reward Management

Payroll and reward management refers to the processes and practices involved in administering employee compensation, benefits, and rewards within MDB. It encompasses various activities, including calculating and disbursing salaries, managing employee benefits, and implementing reward programs to recognize and motivate employees. The key components of payroll and reward management of MDB are as follows:

1. **Payroll Administration:** This involves accurately calculating and processing employees' salaries, bonuses, arrears and deductions.
2. **Benefits Administration:** This entails managing employee benefits programs, such as health benefits, retirement plans and other employee perks.
3. **Compensation Management:** This involves determining and structuring employee compensation packages, including base salaries, incentives and performance-based rewards. It may include conducting market surveys and analysis to ensure competitive compensation practices.
4. **Reward and Recognition Programs:** This refers to establishing and managing programs to recognize and reward employee performance, achievements, and contributions.

Effective payroll and reward management helps organizations attract and retain top talent, motivate employees, and ensure fair and competitive compensation. It also plays a crucial role in maintaining employee satisfaction and engagement, ultimately contributing to organizational success. MDB maintains a steady and competitive payroll and reward management process in entire lifecycle of any employee among the pan industry. At MDB, we provide a competitive package, yearly incentive and increment based on performance appraisal. In addition to these, MDB has other reward activities for the employees, such as Banking Diploma Completion, Integrity and Best Performance Award.

HRM Operations

HRM Operations refer to the day-to-day activities involved in managing employees within MDB. These activities have a significant impact on employee satisfaction, motivation, and engagement, which ultimately affect organizational performance. Some of the common HRM operations include:

1. **Employee relations:** This includes handling employee grievances, complaints, and conflicts, as well as fostering a positive work environment and employment relations.
2. **Legal compliance:** HRM operations must comply with laws and regulations related to employment, including labor laws, anti-discrimination laws, and health and safety regulations.
3. **HRIS:** This includes managing employee information, maintaining databases, and ensuring the security and confidentiality of employee data.

Effective HRM operations help organizations attract, retain, and develop top talent, create a positive work environment, and align employees with the organization's goals and objectives. It also helps ensure legal compliance, maintain employee satisfaction and engagement, and ultimately contribute to organizational success. The Bank's Service Rules & Regulation is designed to recruit the finest people, provide equal opportunities and create a comprehensive culture, in line with our values and in support of our long-term success. They also reflect relevant employment law according to the guidelines of our Central Bank and Government. We expect our people to treat their colleagues with dignity and respect, and handle discrimination with zero tolerance, bullying, harassment or victimization on any grounds. Other HRM Operational works includes separation of employees, transfer, leave management, attendance management, contract renewal of contractual employees, issue various letters to employees and so on.

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

The Credit Administration Division (CAD) was established in 2014 with aim to establishing the values of credit discipline within MDB which contributes to meet the requirements of risk possession and accountabilities, and also ensures positive approach to the implementation of all stipulated laws and regulations as imposed by Bangladesh Bank and MDB. The division operates in a centralized module with two offices in Dhaka and Chattogram.

CAD plays a pivotal role in efficient management of loan-related functions across the various portfolios of the MDB, such as Corporate, SME, and Retail. CAD is responsible for managing loan documentation, loan related security implementation, limit activation, disbursement, settlement and liability calculation of entire loan and advance portfolio. Besides, CAD generate and maintain various MIS & Report in order to submit to regulator and MDB management which helps in decision making as well as strategy formulation.

CAD significantly contributed to the digitization of loan documentation processes, CBS (Core Banking System) upgrades, and digital archival. Additionally, CAD is actively involved in the "Land Mortgage Database Automation" project initiated by the Ministry of Land in 2022 under the "E-Mutation" system. The project aims to automate land mortgage data and is continuing the task by inputting data when mortgage to be executed and deleting mortgage data from system as redemption to be executed.

The key functions of CAD:

- **Pre-approval functions:**
 - Coordinating valuation and obtaining valuation reports from enlisted surveyors.
 - Obtaining legal opinions for proposed collaterals from enlisted lawyers.
 - Collecting Credit Information Bureau (CIB) reports.
 - Searching property documents through enlisted lawyers.
 - Performing and cross-checking of third party legal opinion and third party valuation, and also coordinate with concerned parties for resolution.
- **Post-approval functions:**
 - Preparing sanction letters.
 - Preparing facility documents.

- Executing security (Mortgage, RJSC filing, registration with authorities, share lien, etc).
- Setting up limits, execute disbursements, transactions, and maintaining loan information.
- Preparing Loan Documentation Checklist and MIS for deferrals, insurance, land tax, etc.
- Custodian of loan files and vault management.
- **Loan maintenance:**
 - Checking of appropriate charging of interest, penal fees, and various charges.
 - Managing interest suspense.
 - Executing provisions.
 - Maintaining loan classification status in the bank's CBS.
 - Input mortgage data into the "Land Mortgage Database Automation" of the Ministry of Land.
- **Reporting:**
 - Preparing Credit Limit (CL) reports and submitting them to the Bangladesh Bank.
 - Creating and submitting CIB MIS reports to the Bangladesh Bank.
 - Regulatory reporting.
 - Maintaining covenants MIS and ensuring compliance.
- **Audit & Compliance:**
 - Coordinating with audit teams (Regulatory, External & Internal).
 - Ensuring compliance and addressing operational lapses.

LEGAL DIVISION

Business and Law are very much interconnected with each other as all business enterprises of a country operate within country's legal regime. Similarly, all financial Institutions have to 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 PLC. is entrusted to ensure the legal compliance of the bank through legal support to all Departments/Divisions and Branches and maintaining liaison with external Lawyers and different regulatory authorities, such as; Bangladesh Bank, Land Record & Survey Department, Ministry of Finance, Judiciary, Anti-Corruption Commission, CID, Police, Central Intelligence Cell etc.

Key status of 2023:

Legal Division of Midland Bank PLC. has been taking appropriate legal steps for quick disposal of cases and suits, which have remained pending before the Learned Court over the years. Under current scenario where default loan situation of the country is deteriorating day by day and majority of the customers are willfully defaulting their loan repayment, Legal Division has a very significant role to play to meaningfully contribute to the profitability of the Bank. Like other years, in 2023 also, there have been quite a significant development in legal area of Midland Bank PLC. Total pending suits/cases. no.82, suit value BDT.141.52 crore, disposed 35 suits/case and recovered BDT 4.42 crore under suit accounts in this year. In addition to that, Bank has obtained 03 (three) ownership/possession certificates under section 33(5) and 33(7) of Artha Rin Adalat Ain-2003.

ANTI-MONEY LAUNDERING

Money laundering is the process by which large amount of illegally obtained money (from drug trafficking, terrorist activity or other serious crimes) is given the appearance of having originated from the legitimate source. But in simple terms it is the conversion of black money into white money. This takes one back to cleaning the

huge piles of cash. If done successfully, it allows the criminals to maintain control over their proceeds and ultimately to provide a legitimate cover for their source of income. Money laundering plays a fundamental role in facilitating the ambitions of the drug trafficker, the terrorist, the organized criminal, the insider dealer, the tax evader as well as the many others who need to avoid the kind of attention from the authorities that sudden wealth brings from illegal activities.

Terrorist Financing and Money Laundering share similarities in the methods used to collect, store and distribute funds, however, in addition to the proceeds of illegal activity, legitimate funds, charities and self-financing may also be used to finance terrorism. The countering of both terrorism and the Financing of Terrorism is a key priority in ensuring a Bank's safety.

In an environment where financial crime has become part of our daily lives, and the increasing use of tech platforms for all forms of financial transactions has given rise to a significant increase in the range of methods by which fraud is perpetrated, Anti-Money Laundering Division of Midland Bank is more than ever focused on ensuring that our Bank is well equipped with the tools, knowledge and processes that will enable our Bank to be compliant, be alive to the emerging risks of Money Laundering, and uphold the highest professional standards in their work across all areas of regulated activity. AML Division is committed to extend all type of its cooperation to the Law and Enforcement Agencies through the frame work and guidance of Bangladesh Financial Intelligence Unit (BFIU). Our engagement against the fight of Money Laundering and Terrorist Financing or any other Financial Crime shall continue with the effort of each and every Employee and Senior Management of the Bank.

Highlights 2023

- a) Central Compliance Committee (CCC) under the supervision of CAMLCO and Deputy Managing Director have met four times with the Divisional Heads of Human Resources Division, Operations Division, Retail Distribution Division, Credit Risk Management Division, International Division to address current and all issues of AML during the year 2023.
- b) We have our own Compliance Programs, Policies and Procedures and we are working closely with BFIU and have been following their instructions meticulously. We have issued Circulars and instructions to our Branches to comply the instructions of BFIU.
- c) AML Division have conducted Independent Testing Procedure on Three Branches and Online Transaction Monitoring of all Branches is our day to day frame work of AML.
- d) To identify, assess and mitigating ML & TF risk that Banks may encounter during the business, to address those we have our own mechanism to assess and consider the risk of customer, products, delivery channels and geographical locations.
- e) Suspicious Transaction Reporting was done analyzing all the Transaction in addition, following through the adverse media reports.
- f) AML Division has purchased an AML Solution which will help the identification of unusual transaction and will move monitoring process faster identifying any Suspicious Transaction.

Outlook 2024

- a) Midland Bank (MDB) is committed to mitigate Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) and devoted to comply with the Local Laws and Regulations. As its prolongation in the year 2024 MDB will update its AML & CFT Policy Guidelines keeping the

elementary theme of Money Laundering in consistency with BFIU Circular-26 dated 16-06-2020, Guidelines Notes on Politically Exposed Persons, Influential Persons, Beneficial Owner, Suspicious Transaction Reporting, Countering Terrorist Financing & Proliferation Financing and to facilitate implementation of Money Laundering Prevention Act-2012 and Anti-Terrorism Act-2009.

- b) Continuous communication with Branches to improve their AML & CFT compliance culture, identifying needs and directing Branches as and when needed and responding to queries of Branches. Making Branches aware of remaining watchful for Freeze Orders and Court Orders.
- c) Branches will be made aware of new terms such as Digital Currency, Shell Companies, Offshore Accounts, Trade Based Money Laundering and Credit Backed Money Laundering etc., and how bank will address the challenge and risk of those areas to mitigate the risk of Money Laundering and Terrorist Financing
- d) AML Division has already procured an AML Solution for the Bank. This solution after implementation with our Core Banking System in this year, will help strengthen our Transaction Monitoring and identify any Suspicious Transaction with the minimum effort of the Branch.
- e) In our Central Compliance Committee Meetings AML Division will continue to address AML Policy related matters and current AML issues highlighting the importance of those and consequences failing to Report and address those.
- f) Branches will be trained both Online and Offline addressing and giving importance on Transaction Monitoring, Suspicious Transaction Reporting, Trade Based Money Laundering and Credit Backed Money Laundering.
- g) Monitoring of Electronic Know Your Customer will be one of top priorities to address in the year 2024, as there are underlying risk of Money Laundering and Terrorist Financing and related criminal activities.
- h) AML Division will do the Due Diligence before establishing any Correspondent Banking Relationship and co-ordinate with our International Division.
- i) Agent Banking Division and Card Division's clients Monitoring will be robust for the year 2024. In our AML Policy we have focused on the Agent Banking Arena and shall address the issues given the weightage.

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. The 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 the engagement of all officials of the 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 2023, 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 2023 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 an audit & inspection team for a 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 levels and notifies the other Departments regarding regulatory changes. The Department followed up with 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 the timely submission of the compliance reports of the Bangladesh Bank Inspection Report.

Activity status of ICCD of MDB in 2023:

- ICCD revised the Risk-Based Audit checklist for Branches, Sub-branches and Head Office Divisions in 2023. 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 5 (five) Branches and 1 (one) Sub-Branches was conducted in 2023.
- Special audit on 1 newly opened Branch and 3 newly opened Sub-Branch during 2023.
- Special inspections on Anti Money Laundering activities of Branches were conducted at 14 (Fourteen) Branches and 1 (One) Sub-Branch.
- Special visit to check the maintenance of Departmental Control Function Check List (DCFCL) and Quarterly Operations Report (QOR) at 1 Branch.
- Review of Quarterly Operations Report (QOR) and Loan Documentation Check List (LDCL).
- According 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 2022 in the Online Foreign Exchange Transaction Monitoring System of Bangladesh Bank.
- After commencing of Agent Banking business, the Bank has opened 127 centers so far. While auditing the Agent Banking division, ICCD also visited 6 Agent Banking centers in 2023.
- As per the instruction of Bangladesh Bank, ICCD prepared a health report of the Bank based on the financial position of 31.12.2022, 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 2023:

Annual Audit and Inspection	36 Branches and 14 Sub-branches
Branch AML Audit	36 Branches and 14 Sub-Branches
Branch IS/ICT audit	36 Branches and 14 Sub-Branches
Surprise Visit	5 Branches and 1 Sub-Branch
Special visit to check maintenance of DCFCL	1 Branch
Special inspections on Anti Money Laundering activities of Branches	14 Branches and 1 Sub-Branch
Head office Annual Audit and Inspection	26 nos. of audit and inspections in 29 Divisions/Departments/Units
Special Inspection of new branches	1 Branch and 3 Sub-Branches
Internal Audit and Inspection report review and compliance monitoring	160 times
Bangladesh Bank and other regulator's inspection report and compliance	69 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

We have received Bangladesh Bank inspection report total number of 16 , including 05 divisions/departments/units of the head office and 11 branches during the year 2023 which includes 09 Comprehensive Inspections, 02 Special Inspections, 04 surprise cash verifications, and 01 Core Risk Inspections.

Plan for 2024:

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 39 Branches and 19 Sub-branches.
- Perform AML, ICT/IS Audit on all 39 Branches and 19 Sub-branches, including an extra 10% AML audit per BIFU Circular – 19 dated 17.09.2017 & BIFU Circular – 26 dated 16.06.2020.
- Perform 29 nos. of audit and inspections in all head office divisions/departments.
- Perform Audit on 7 Agent Banking Centers as 5% of agent centers as per BIFU Circular – 26 dated 16.06.2020.
- Pay Surprise Visit to at least Six Branches/Divisions as the monitoring department instructs the audit and inspection team, as per ICC guidelines, to inspect the specific deviation pointed out by reviewing the Quarterly Operations Report (QOR).
- Perform special Audit on newly opened Branch Sub-Branche after formal opening.
- Monitor and review the QOR, LDCL, and Self-Assessment Report on AML and send the report accordingly.
- Perform monitoring activities.
- Ensure compliance with Bangladesh Bank Inspection Reports, External and Internal Audit and Inspection reports, etc.
- Ensure compliance with Regulatory Changes.
- To automate a 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

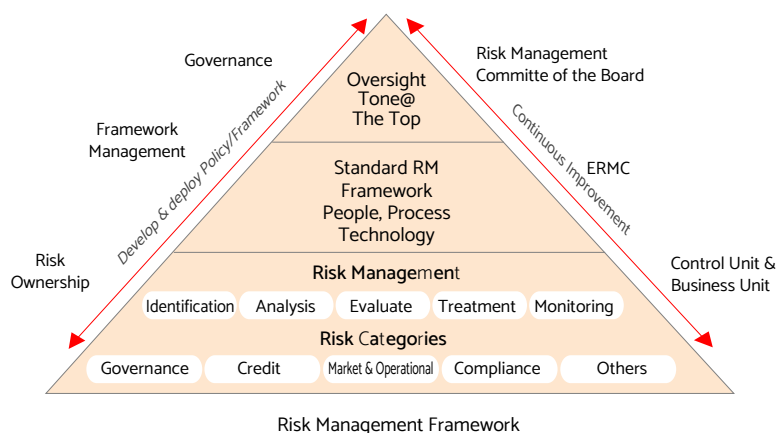
As per the core risk guideline of Bangladesh Bank, ICCD is acknowledged as one of the critical Risk Management organs of the Bank. To mitigate its operational risks and identify various malpractices prevailing in operational activities, the division has formulated a robust and resourceful policy guideline 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 2023, ICCD successfully conducted a comprehensive Inspection of 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.

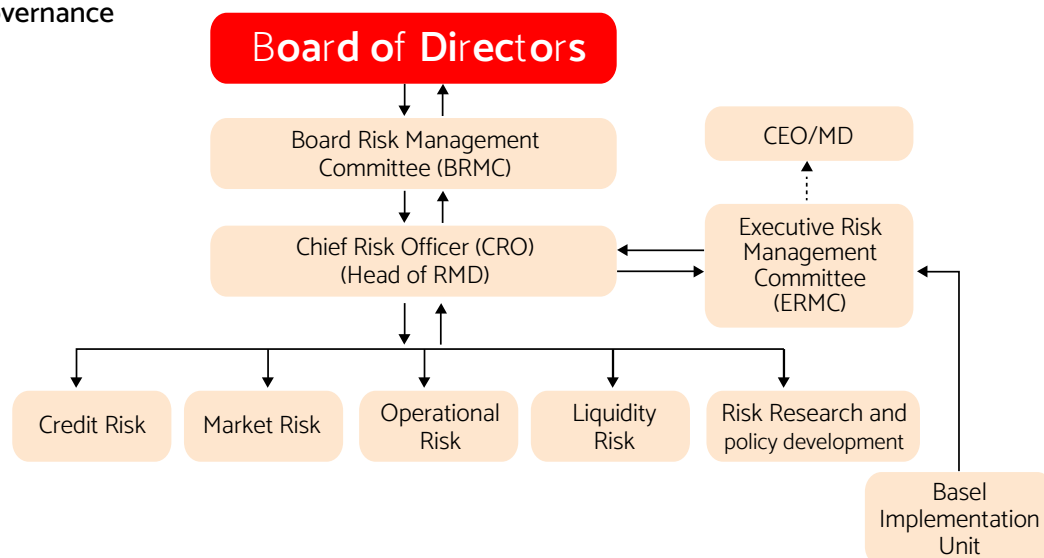
Effective risk management is one of the most crucial success factors for sustenance of a Bank. That is why, we have established a strong, disciplined and inclusive risk management culture where risk management is a responsibility shared by all the employees of the Bank.



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 2023 (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 2023 (in Number)
Number of Member of RMC	13
Number of RMC Meeting	12

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 foreign currency against 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 deadline 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 play an 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, to 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 ASEESTS MANAGEMENT DIVISION

Midland Bank Limited has its top priority on the agenda of keeping its risk assets' portfolio under regular recovery so that it can maximize its profitability to the most possible extent. In this direction, the Management of the Bank has created a dedicated division namely; Special Assets Management Division (SAMD) with required expertise and manpower support. Special Assets Management Division (SAMD) of Midland Bank operates hand to hand with different Business Units and Legal Division for expediting the recovery through direct persuasion with defaulter customers and also through taking legal initiatives with the support of Legal Division. Proper follow up and monitoring, along with frequent customer visits are the keys to success of Special Assets Management Division.

The work plan of Special Assets Management Division (SAMD) is prepared based on the discussions that take place in monthly recovery meetings and the action plans that are decided against each and every defaulter customer. Special Assets Management Division work alone, on the accounts assigned to them and also as a team with other Business Units and Legal Division. This strategy has so far brought good recovery result for the Bank. In 2023, BDT 172.40 Million was recovered from Bank's NPL.

Chief Financial Officer's Report



In 2023, under unpleasant challenging environments, MDB has performed well in key areas of its business activities, i.e., compared to last year Loans & Advances growth was 3.92%, Deposit growth was 4.40% and our operating profit growth increased by 14.17% over last year of 2022. We have also achieved our annual target of Loans @ 83%, Deposits @ 82% and operating profit @ 60.39% as set by the Board of Directors for the FY 2023. As a result, our balanced growth has generated positive returns for the stakeholders. During the year all these hardship of challenges 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 2023 with a sense of optimism, improved 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.

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, 2023, we had BDT 83,425.87 million of assets, BDT 54,862.66 million of loans & advances and BDT 60,302.72 million of deposits. Management's wide initiatives to rein in operating costs resulted in limiting the Cost-to-Income Ratio at 45.39% and spread stood at 2.90%. In addition, with a strong capital position of the Bank, the Capital to Risk-weighted Asset Ratio (CRAR) stood at 17.28% against regulatory requirement of 12.50% including 2.50% capital buffer. Despite the unprecedented headwinds in 2023, Board of Directors recommended 5.00% cash dividend for the FY 2023, thus meeting our shareholders' expectations.

Despite operating in a challenging business environment in 2023, 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 in 2023

- Interest income increased by BDT 846.24 million from BDT 3,657.21 million in 2022 to BDT 4,503.46 million in 2023, i.e., growth up by 23.14% over 2022. On the other hand, interest paid on deposit & borrowings increased by BDT 539.22 million from BDT 3,201.24 million in 2022 to BDT 3,740.46 million in 2023, i.e., up by 16.84%, due to rise in deposit rates in overall market during the year. As a result, net interest income increased by 67.34%, or BDT 307.03 million from BDT 455.97 million in 2022 to BDT 763.00 million in 2023.
- Operating Income increased by BDT 446.05 million from BDT 2,745.69 million in 2022 to BDT 3,191.74 million in 2023, i.e., growth up by 16.25% over 2022.
- Operating expenses increased by BDT 229.78 million from BDT 1,218.96 million in 2022 to BDT 1,448.74 million in 2023, i.e., increased by 18.85% over 2022, because 02 (two) new branches, 03 new sub-branches, and 18 Agent Banking Centers (ABCs) had come into operation during the period. Operating cost also increased as we had spent of BDT 17.88 million as CSR, during the year.
- Core Business profit (excluding capital gain/loss) increased by BDT 9.05%, from BDT 1,476.60 million in 2022 to BDT 1,610.30 million in 2023, due to our net interest income increased by 67.34% during the financial year.

- Operating profit before provision on loans and corporate tax increased by 14.17% from BDT 1,526.73 million in 2022 to BDT 1,743.00 million in 2023, after covering net loss of BDT 132.70 million from revaluation/amortization of Treasury Bills/Bonds during the year.
- Net profit after tax registered at BDT 1,133.11 million in 2023 against BDT 561.97 million in 2022, i.e., up by BDT 571.14 million, or 101.63% over 2022, due to our net interest income increased by 67.34% over the last financial year 2022.
- 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. We remained one of the most efficient banks in the country with a Cost-to-Income Ratio of 45.39% in 2023 and we also able to stable growth of our operating cost at 18.85% over 2022, though 02 (two) new branches, 03 new sub-branches, and 18 Agent Banking Centers (ABCs) had come into operation during the period. Operating cost also increased as we had spent of BDT 17.88 million as CSR, during the year. Yet, we expect to further improve our operational capacity with efficient cost management.
- Loan -loss provisions were kept as per regulatory guidelines. During the year our loan-loss provision increased, due to increase of our loan book as well as some clients have turned into classified, but we are trying to recover/regularize it. We have also maintained with extra provision of 1%-2% for covering Covid-19 pandemic situation, which has resulted in higher NPL coverage ratio 142% to strengthen the balance sheet to withstand any unforeseen situation in future.
- Loans and Advances increased by 3.92%, or BDT 2,069.85 million to BDT 54,862.66 million in 2023 from BDT 52,792.81 million in 2022. However, overall loans portfolio remained relatively balanced between Institutional Banking (Corporate), MSME and Retail Segments.
- Customer deposits grew by 4.40%, or BDT 2,539.71 million to BDT 60,302.72 million in 2023 from BDT 57,763.01 million in 2022. While growing our deposits book, we have focused on low cost and no cost (CASA) deposits acquisition and eventually by the end of 2023 our CASA ratio stood at 28% against 30% in 2022.

Capital Management Strategies

Midland Bank's capital management approach is guided by the key capital management objectives as articulated 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 2023, 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.
- 16.15% of Tier- 1 capital ratio held against minimum regulatory requirement of 8.50%.
- 17.28% of Total capital ratio held against minimum regulatory requirement of 12.50%.

Credit Rating

Emerging Credit Rating Limited (ECRL) was rated the Bank with effective from July 01, 2023 to June 30, 2024 as follows:

- Long Term : A+
- Short Term : ST-2
- Outlook Status : Stable

Outlook for 2024

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 digitilisation 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 ongoing dry liquidity situation, Midland Bank has begun 2024 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, start-up business, 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 in compliance with regulatory guideline. 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.

Sincerely,



Md. Zahirul Islam, FCA

Senior Executive Vice President & CFO

Report on Economic Impact

Midland 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 that the Bank delivers to its shareholders and nation at large.

Midland 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, 2023 is given below:

Particulars of Capital Fund	2023	2022	% of growth in 2023 over 2022
Paid up capital	6,396.70	5,696.70	12.29%
Statutory reserve	1,881.77	1,626.33	15.71%
Retained earnings	868.86	322.36	169.53%
Sub-total	9,147.33	7,645.39	19.65%
Deduction from Tier - I (core capital):			
Intangible assets and Deferred Tax adjustment	(568.33)	(14.78)	3745.36%
Total Tier - I (core) capital	8,579.00	7,630.61	12.43%
General provision including off-balance sheet items	599.36	565.39	6.01%
Revaluation reserve on investment in securities	-	-	-
Total Tier - II (supplementary) capital	599.36	565.39	6.01%
Total capital (Tier I + II)	9,178.36	8,196.00	11.99%
Total risk weighted assets	53,122.65	55,257.43	-3.86%
Tier-I (core) capital ratio	16.15%	13.81%	2.34%
Tier-II (supplementary) capital ratio	1.13%	1.02%	0.11%
Capital to Risk Weighted Asset Ratio - CRAR (Regulatory requirement is 12.50%)	17.28%	14.83%	2.45%

Statement of value added and its distribution

Particulars	Value added in 2023	Value added in 2022	% of growth in 2023 over 2022
Income from banking services	6,932.20	5,946.93	16.57%
Less: Cost of services & supplies	(4,251.88)	(3,574.41)	18.95%
Value added by banking services	2,680.32	2,372.52	12.97%
Non -banking income	-	-	0.00%
Less: Provision for loans, Off -balance sheet exposure and CSR	(477.13)	(471.66)	1.16%
Total	2,203.19	1,900.86	15.90%
Distribution of value addition:			
Payment to employees as salaries & allowances	708.32	635.09	11.53%
Transferred to Statutory Reserve	255.44	217.73	17.32%
Payment to Government as income tax	690.12	544.23	26.81%
Sub -Total (A)	1,653.88	1,397.05	18.38%
Expansion and Growth:			
Retained profit	866.34	310.68	178.86%
Depreciation	228.99	210.70	8.68%
Deferred taxation	(546.02)	(17.57)	3008.27%
Sub -Total (B)	549.31	503.81	9.03%
Grand Total (A+B)	2,203.19	1,900.86	15.90%

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 2023, the economic value added of MDB are as under:

Particulars	Value added in 2023	Value added in 2022	% of growth in 2023 over 2022
Shareholders' equity	9,150.66	7,646.54	19.67%
Add: Accumulated provision for Loans & Advances and Off - balance sheet exposure	2,160.47	1,690.93	27.77%
Total shareholders' equity	11,311.13	9,337.47	47.44%
Average shareholders' equity	10,324.30	9,068.34	13.85%
Earnings:			
Profit after tax	1,133.11	561.97	101.63%
Add: provision for Loans & Advances and Off - balance sheet exposure	465.80	438.09	6.32%
Less: Loans written off during the year	-	-	-
Earning for the year (A)	1,598.91	1,000.06	107.96%
Average cost of equity (based on weighted average rate of Shanchay Patra issued by Government of Bangladesh)	8.53%	8.53%	0.00%
Cost of average equity (10,324.30 * 9.35% plus 1% risk premium) (B)	983.91	864.21	13.85%
Economic value added (A - B)	615.00	135.85	352.72%

Corporate Governance

Introduction

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. 02 dated 11 February 2024 and BRPD Circular NO. 03 dated 14 February 2024) in line with Bank Company Act, 1991 (Amended upto 2023). 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, subject to approval of Bangladesh Bank.
- 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

The MDB Board of Directors proudly boasts an admirable gender balance, exemplified by the presence of two esteemed female Directors. Their inclusion represents a significant milestone, constituting 10.00% of the total Directors. This commitment to diversity underscores our dedication to fostering an inclusive and equitable corporate environment.

Composition of Board of Directors

The Board of Directors comprises of 20 (Twenty) Directors as on 31 December 2023 including the Managing Director as ex-officio member. The Chairman and 19 (Nineteen) other Directors are Non-Executive Directors and only the Managing Director & CEO is an Executive Director. Notably, among the Non-Executive Directors, four are distinguished Independent Directors. In terms of aptitude and competence, shareholder Directors bring a wealth of education and experience to the table, enhancing the overall management capability. Many among them are accomplished businessmen, holding pivotal positions in public life. Almost all of them are successful businessmen in their own right holding responsible positions in public life. The Board meets at least once every Month. As per Bank Company Act, 1991 and BRPD Circular Letter No.02, dated 11 February 2024, the Board of Directors have delegated powers to the Managing Director for smooth and effective operation of the day-to-day affairs of the Bank. Strategic issues and policy-making are thoroughly discussed during Board meetings, with decisions informed by management insights and exchange of viewpoints. This collaborative approach ensures effective governance and fosters the growth and stability of the institution.

Independent Directors

The Board of Directors of the Bank consists of 20 (Twenty) members including Managing Director and CEO. There are four (04) 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.

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 and Mr. Khandaker Tanveer Shamsul Islam Independent Directors of MDB having diversified banking experiences at home and abroad. The other Independent Directors of MDB, Mr. Nazimuddin Chowdhury and Mr. Md. Asif-uz-zaman were veteran Civil Servants with experience of working at the highest level of the Government as the Secretary and Senior Secretary respectively. 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.

Meeting of the Board

The Board of Directors meet 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 2023, total 16 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 Letter No.02, dated 11 February 2024, 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)
- Independent Directors are paid a monthly remuneration of TK.50,000 as per BRPD circular dated 14th February 2024, effect from 14th 2024.

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 reviews and approve benefits 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 10th AGM held on 14 June 2023 approved the appointment of M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants for the first year as the statutory auditors of the Bank for the financial year 2023. 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 2023:

- 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.

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 10th AGM held on 14 June 2023 approved the appointment of M/s. K. M. Hasan & Co., Chartered Accountants as Compliance Auditor of the Bank for the financial year 2023. Moreover, as per requirement of the Corporate Governance Code of BSEC, the Board of Directors also recommended M/s. Islam Jahid & Co., Chartered Accountants for appointment by the shareholders in the 11th 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 implement the recommendations that arises from the review of the Committees concerned.

Board Committees

As per rule set by Bangladesh Bank vide BRPD Circular Letter No.02, dated 11 February 2024, 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 PLC. has formed Executive Committee with 7 (Seven) 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 2023, 14 (fourteen) 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 4 (four) 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.

- review along with the management, the quarterly and half yearly financial statements before submission to board approval.
- review the adequacy of internal audit function.
- review the management discussion and analysis before disclosing in the annual report.
- review statement of all related party transactions submitted by the management.
- review management letters or letter of internal control weakness issued by statutory auditors.
- 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.
- oversee the proceeds raised through Initial Public Offering (IPO) or repeat public offer (RPO) or right share offer have been utilized as per the purposes stated in the relevant offer document or prospectus approved by the commission.

MDB Board Audit Committee held 05 (five) meetings in 2023 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 2018 are appended in the Report of the Audit Committee at page no 44 - 46.

Risk Management Committee (RMC)

According to Bank Company (Amendment upto 2023) and BRPD Circular Letter No.02, dated 11 February 2024, 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 5 (Five) 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 2023 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 2023 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 2023. 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, 05 (Five) Honorable Directors retired in the 10th Annual General Meeting (AGM) of the Bank to be held on 14 June 2023 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 11th 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 2023, MDB paid advance corporate tax of BDT 1,332 million while deposited withheld tax of BDT 704 million, VAT of BDT 62 million and Excise Duty of BDT 116 million.

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

(BDT in Million)

Particular	2023	2022	2021	2020	2019
Advance Corporate Tax	1,332	1,229	917	451	448
Withheld VAT, Tax & Excise Duty	882	731	600	554	489
Total	2214	1960	1517	1005	937

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).



কে. এম. হাসান এন্ড কোং
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Report to the Shareholders of Midland Bank PLC. on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Midland Bank PLC. for the year ended on 31 December 2023. 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 and its subsequent amendment.

Such compliance with the Corporate Governance Code is the responsibility of the Company. 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 the 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 Company 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 Company 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 Company as required under the Companies Act, 1994, the Securities Laws and other relevant laws; and
- The governance of the Company is satisfactory.

Place: Dhaka
Dated: 30 April 2024



For K. M. HASAN & CO.
Chartered Accountants

Md. Amirul Islam FCA, FCS
Senior Partner

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/CMRRCD/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 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s)	✓		
1 (2) (b)	Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" 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 company;	✓		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 reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution; 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): “Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;”	✓		
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 কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮নং আইন) (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 registered business association; or			Not Applicable
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.	✓		Amongst the four Independent Directors, Mr. Mahbubul Hady Fazle Rab and Mr. Khandaker Tanveer Shamsul Islam are Corporate Leaders who worked in the equivalent positions as stipulated. Detailed biography and their expertise mentioned in their profile furnished with the annual report.
1 (3) (b) (iii)	He or she shall be a Former or existing 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;	✓		Mr. Nazimuddin Chowdhury and Mr. Mohammad Asif-uz-zaman are veteran Civil Servant, worked as Secretary and Senior Secretary of GoB respectively. Detailed biography and their expertise mentioned in their profile furnished with the annual report.
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 defined as per Bangladesh Bank's guidelines and AOA 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 event occurred
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;	✓		Refer to directors' Report
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;	✓		Refer to directors' Report
1 (5) (xxv) (d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		Refer to directors' Report
1 (5) (xxv) (e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		Refer to directors' Report
1 (5) (xxv) (f)	Risks and concerns issues related to the financial statements explaining such risks and concerns mitigation plan of the company; and	✓		Refer to directors' Report
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;	✓		Refer to directors' Report
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;	✓		
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 (5) (xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	✓		
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: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	✓		
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).			No such event occurred
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.			As per Bangladesh Bank's guideline
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 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No such event occurred
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 event occurred
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.	✓		The Chairperson of the Audit Committee was present in the 10 th AGM
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. (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.)
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;			
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)	At least 02 (two) 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).	✓		
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.	✓		

Meeting of the Directors of Midland Bank PLC.

Sl.	Directors	Designation	No. of Meeting	No. of Attendance	% of Attendance
1.	Mrs. Nilufer Zafarullah	Chairman	16	15	93.75 %
2.	Md. Shamsuzzaman	Vice Chairman	16	08	50.00%
3.	Mr. Master Abul Kashem	Director	16	16	100.00 %
4.	Mr. Kazi Omar Zafar	Director	16	11	68.75 %
5.	Mr. Ahsan Khan Chowdhury	Director	16	08	50.00%
6.	Mr. Md. Wahid Miah	Director	16	08	50.00%
7.	Mr. Rezaul Karim	Director	16	12	75.00 %
8.	Mr. A.K.M. Badiul Alam	Director	16	13	81.25 %
9.	Mr. Md. Kamal Hossain	Director	16	14	87.50 %
10.	Mrs. Shahnaj Parveen	Director	16	15	93.75 %
11.	Mr. Hafizur Rahman Sarker	Director	16	06	37.50 %
12.	Mr. Kazi Raihan Zafar	Director	16	12	75.00 %
13.	Ms. Anushka Mehreen Zafar	(Resigned from the Board of Directors in its 145th meeting held on 27.09.2023)	13	11	84.62 %
14.	Mr. Abdul Momin Mondol	Director	16	04	25.00%
15.	Dr. Mostafizur Rahman	Director	16	13	81.25 %
16.	Mr. Abdullah Ahmed Yousuf	Director (Appointed as director vide BB later BRPD(R-21651/9(57)DL/2022-11692 dated 20.11.2022)	12	08	66.67%
17.	Mr. Mahbubul Hady Fazle Rab	Independent Director	16	07	43.75%
18.	Mr. Nazimuddin Chowdhury	Independent Director	16	15	93.75 %
19.	Mr. Khandaker Tanveer Shamsul Islam	Independent Director	16	12	75.00 %
20.	Mr. Mohammad Asif Uz-Zaman	Independent Director	16	13	81.25 %

The position of shareholders as on December 31, 2023 was as follows:

Particulars	Number of Investors	Number of Shares	% of Share Holdings
Sponsors and Directors	32	502,970,438	78.63%
Financial Institution	245	33,387,076	5.22%
General Public	5,400	103,312,239	16.15%
Total	5,677	639,669,753	100.00%

The classification of shareholders by shareholding as on December 31, 2023 was as follows:

Particulars	Number of Investors	Number of Shares	% of Share Holdings
1 to 500	1,269	251,701	0.04%
501 to 5000	3,437	5,071,450	0.79%
5001 to 10000	310	2,474,047	0.39%
10001 to 20000	226	3,525,147	0.55%
20001 to 30000	89	2,268,770	0.35%
30001 to 40000	49	1,756,023	0.27%
40001 to 50000	54	2,622,271	0.41%
50001 to 100000	92	7,031,264	1.10%
100001 to 1000000	106	32,827,385	5.13%
Above 1000000	45	581,841,695	90.96%
Total	5,677	639,669,753	100.00%

Pattern of Shareholding

The pattern of shareholding of Midland Bank PLC. as on 31 December 2023 furnished below:

- Shareholding by Parent/Subsidiary/Associated Companies and other related parties: **Nil**
- 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, 2023:

- 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	15,20,867
2	Mr. Md. Shamsuzzaman	Vice Chairman Nominee Director of Liberty Knitwear 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	Mr. Kazi Omar Zafar	Director	1,27,93,396	Mrs. Anastasia Gkouni Kazi Zafar	NIL
5	Mr. Ahsan Khan Chowdhury	Director	2,84,83,488	Mrs. Seema Chowdhury	NIL
6	Mr. Md. Wahid Miah	Director	2,84,83,488	Mrs. Suborna Mostafa	NIL
7	Mr. Rezaul Karim	Nominee Director of Reedisha Knitex Ltd.	2,84,83,488	Mrs. Shirin Akhter	NIL
8	Mr. A.K.M. Badiul Alam	Director	19,208,277	Mrs. Shahida Alam Nominee of Garment Export Village Ltd.	1,000,000
9	Mr. Md. Kamal Hossain	Nominee Director of Explore Garments Limited	2,84,83,488	Mrs. Ashneel Chowdhury	NIL
10	Mrs. Shahnaj Parveen	Nominee Director of Next Collections Limited	2,84,83,488	Mr. Md. Belal Hossain	NIL
11	Mr. Abdul Momin Mondol M.P.	Nominee Director of Mondol Fabrics Ltd.	2,84,83,488	Mrs. Zannatul Ferdos	NIL
12	Mr. Hafizur Rahman Sarker	Nominee Director of Beq Knit Ltd.	2,70,59,313	Mrs. Luna Sarker	NIL
13	Dr. Mostafizur Rahman	Nominee Director of Popular Pharmaceuticals Ltd.	2,84,83,488	Late Mrs. Tohurun Nessa	NIL
14	Mr. Kazi Raihan Zafar	Director	1,27,93,396	Mrs. Tregubenkova	NIL
15	Mr. Abdullah Ahmed Yousuf	Director	3,13,31,837	Ms. Sabiha Mahboob	14,24,174
16	Mr. Mahbubul Hady Fazle Rab	Independent Director	NIL	Mrs. Sabiha Rab	NIL
17	Mr. Nazim Uddin Chowdhury	Independent Director	NIL	Mrs. Amina Khanam	NIL
18	Mr. Khandhaker Tanveer Shamsul Islam	Independent Director	NIL	Mrs. Maliha Islam	NIL
19	Mr. Mohammad Asif -uz -Zaman	Independent Director	NIL	Mrs. Sharmin Rahman	NIL

- Shares held by:

Chief Executive Officer : Nil
 Company Secretary : Nil
 Chief Financial Officer : Nil
 Head of Internal Audit : Nil
 Spouses of above Executives : Nil

- Shareholding by other Executives and Spouse : **Nil**
- Shareholders holding ten percent (10%) or more voting interest in the company: **Nil**

Message from the CRO



2023 presented challenges across the globe, with sustained high inflation levels from 2022, putting continuous pressure on the central bank to dampen rising prices through increases of interest rates. The global economy has been adversely affected by the Russian-Ukraine war, causing a major supply chain disruption in business and economic activities. Banking sector is not an isolated landscape and got affected, both locally and globally. High energy prices, rising interest rates, continuous inflation, disruption in food production, etc. are some common features that impacted economies all over the risk management of the banking sector.

Banking sector of Bangladesh has been trying to address new risk aspects along with conventional ones in line with existing as well as new regulatory guidelines. In this backdrop, it can be mentioned that Midland Bank PLC., accommodated these challenges relatively successfully in 2023 and achieved enviable success by adopting dynamic strategy.

Since the beginning of my journey as the Chief Risk Officer (CRO), I have been driven with a focus on risk-calibrated profitable growth. The bank prudently manages different risks by maintaining a strong risk management culture. This was enabled by introduction of the centralized Credit Administration Department (CAD) which reduced the risk of documentation errors, standardized the process and thus reducing the associated risks.

Midland Bank's reputation and the achievement of its corporate goals depend upon the ability to identify, assess and manage risks in all respects. Midland Bank's risk management strategy is thus fundamentally anchored on maintaining adequate capital, liquidity and operational control at all times in order to safeguard the interest of depositors, borrowers, shareholders and other stakeholders. Indeed, the Bank's risk management practice is integrated with its long term viability and sustainability.

We, in our bank, follow well-articulated process flow chart/ Standard Operational Procedure (SOP) to ensure proper identification and undertake 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

Midland Bank possesses a strong risk governance framework steered by the Board of Directors. In 2023, BRMC closely supervised the Bank's risk management activities and ensured rapid response to emerging risk issues. To ensure comprehensive risk assessment, BRMC reviews the progress in management of NPL, portfolio concentration, recovery through legal settlement, capital, liquidity, sustainable finance, etc.

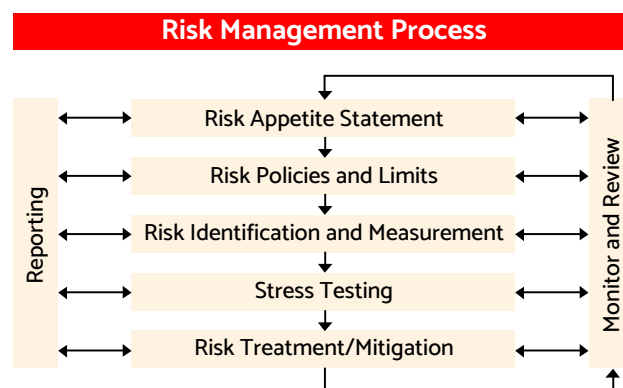
At management level, the Executive Risk Management Committee (ERMC) hosts the converging platform for enterprise-wide risk functions and guides and monitors risk management activities at a granular level and with higher frequency. The Risk Management team, under the Risk Management Division, diligently supports the risk governance and management platforms through collaboration with all stakeholders in implementing the risk agendas. Internal Control and Compliance (ICC) is an essential partner in our risk infrastructure. The ICC team actively monitors compliance across key risk areas, such as credit, asset-liability, foreign exchange, money laundering, IT and environment & social risks.

We rigorously monitored our actual risk exposures against set appetite. We are constantly reviewing and updating our risk policies and frameworks to address new developments in the risk environment. We set our policies with more strict risk criteria than suggested by regulatory guidelines to ensure stringent regulatory compliance.

In 2023, we developed the Bank's Recovery Plan through a risk-based assessment of the organization's ability to recover from a stressed situation. The objective was to ensure the Bank's viability even in severe stress events, without any supervisory or government support. It includes methodology of identifying risks and action plans to bring back the Bank's financial and operational strength amid risk events.

Functionally and hierarchically independent from business and other operation functions.

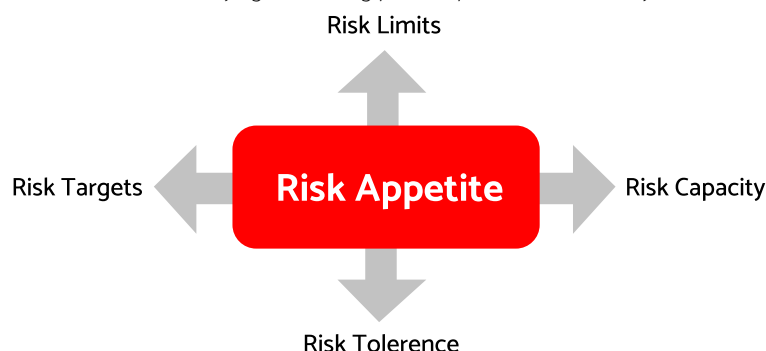
The Risk Management Division (RMD) closely monitor the existing and emerging risk factors for on time identification, assessment as well as mitigation of the risk on six core risk areas.



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 between risk and returns;
- o Meeting regulatory expectations and/or identifying and having plans in place to address any issues in a timely manner;



MDB's risk appetite statement is reviewed annually in alignment with our strategic, financial and capital planning cycle to ensure risk and return trade-off in the right perspective. To help 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.

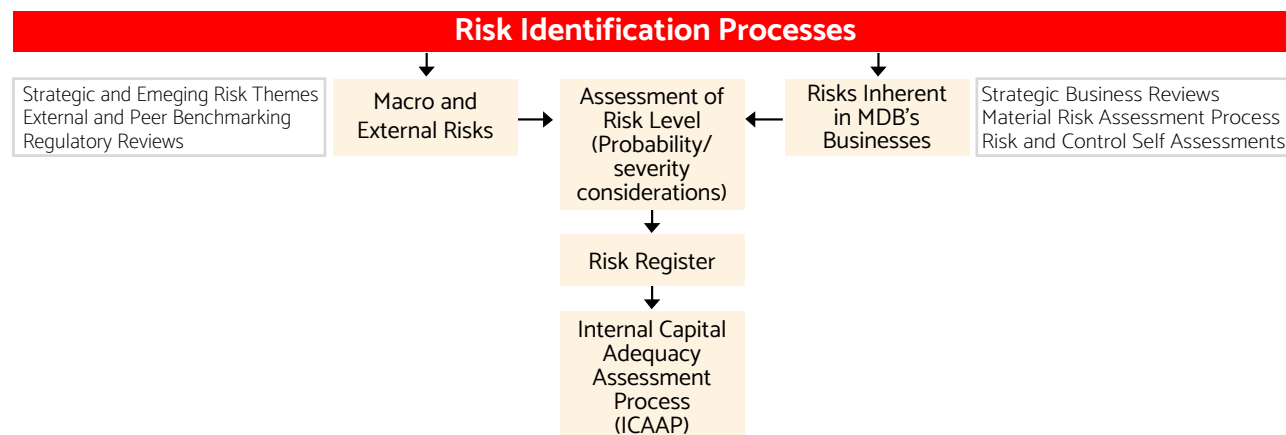
Risk Policies and Limits

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 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.

Risk Management Approach of the Bank

The Bank has to identify and manage risks holistically as well as strengthening the Bank's capabilities to understand, articulate and control the nature and level of the risks the Bank management takes while serving its clients.

In order to mitigate the risks more smoothly, the Bank will consider whether any of the other existing or emerging risks should be treated as material risks over time. The table provides an overview of the Bank's core risks and risk management process.

Type of core risk	Mitigating process
Credit Risk	The Bank has a robust credit risk policy framework embedded with prudent credit risk management guidelines to minimize credit defaulters and manages its credit exposures by diversifying products, geographical area, client segments and industry sectors.
Asset and Liability Risk	The Asset Liability Committee (ALCO) of the Bank has analyzed the market liquidity and loans & advances. ALCO also reviews and offers deposit interest rate with attractive deposit products of Bank in line with industry and holds an adequate buffer of High Quality Liquidity Asset (HQLA) to survive extreme but plausible liquidity stress scenarios for at least 30 days without recourse to extraordinary central bank support.
Foreign Exchange Risk	The Bank maintains its foreign exchange holdings as per the need faced by the clients and manages Foreign Exchange Risk within the approved Risk Appetite. The Bank is also conscious of managing FX positions so that any FX losses don't cause material damage to its regular FX operation.
Internal Control and Compliance Risk	The Bank has effective guidelines to maintain strong internal control systems through which regular and special inspections are conducted by the team of audit division and reports accordingly to the Senior Management of the Bank.
Money Laundering Risk	The Bank has formulated "Guidelines on Prevention of Money Laundering and Terrorist Financing" and applies, measures and monitors risk-based Customer Due Diligence (CDD), business relationship and transaction pursuant to national regulations and international standards.
ICT Risk	The Bank continuously enriches its technology risk management capabilities by adopting a strong "Information & Communication Technology (ICT) Security policy" and reviews its system fluctuations and penetration testing. A dedicated IT audit team carries out its functions to ensure findings which are addressed to a higher authority.

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.

Capital Resilience

Midland Bank understands the critical role that capital plays as a shock absorption cushion for rainy days and in supporting growth and we will continue to build capital strength through profit retention, stock dividend and additional provisioning. We rigorously conduct stress tests on our capital resilience under different scenarios, including severe economic downturns. The Bank has consistently maintained Basel requirement for capital adequacy, with CRAR growing to 17.28% in 2023 (solo-basis) against the regulatory requirement of 12.5%.

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.

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 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 Senior Management.

Since there has been a significant upscaling of the technological infrastructure of MDB, cyber security threat has been a key consideration in the Enterprise Risk Management Framework of the Bank. The Bank operates a comprehensive information system security and cyber protection program to protect the information and information systems that support its operations and assets. The IT Division provide a custody to sensitive information and control mechanisms of the Bank including:

- Policies, standards and controls that meet or exceed requirements established by BB ICT Security Guideline, BB Cloud Guideline, ISO 27001 Standard, PCI-DSS, and SWIFT Security.
- 24/7/365 cyber defense operations, Security Operation Center (SOC), incident response and technologies.
- Robust and comprehensive vulnerability assessment & penetration testing activities.
- Information Security awareness and privacy training.

Risk Roadmap

The ongoing economic challenges are expected to continue in 2024. Conscious growth with strong vigilance on clients and proactive assessment of our risk environment will continue to be our core attitude. We aim to further enhance our responsiveness to shifts in the market through re-adjusting our underwriting considerations and balancing our exposures. We will continue our emphasis on risk-weighted efficient exposures to facilitate capital optimization.

Midland Bank from its very inception emphasizes on building of good risk management culture along with the effort to up gradation of 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 PLC. (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):

- a) Standardized approach for credit risk,
- b) Standardized approach for market risk and,
- c) 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, Board of Directors are 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 PLC.
	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, 2023.</p> <p>A brief description of the Bank and its subsidiaries are given below:</p> <p><u>Midland Bank PLC. (MDB):</u></p> <p>Midland Bank PLC. ("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 Corporate Branch.' Presently, the number of branches stood at 39 (thirty nine) including 20 rural branches, 19 Sub branches along with 127 agent banking booth covering commercially important locations of the country</p> <p>The principal activities of the Midland Bank PLC. (MDB) are to provide all types of commercial banking services to customers through its branches, Corporate units and SME Center in Bangladesh. The Bank also entitled to provides money market operations, investment in merchant banking activities, financial intermediary services and any related financial services</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 -1 or Tier-2	<p>As per Basel III guidelines, regulatory capital consists of Tier-1 (Common Equity Tier 1 and Additional Tier 1) and Tier 2 capital. Tier 1 Capital is known as going concern capital and Tier 2 Capital also known as gone concern capital.</p> <p>Common Equity Tier-1 (CET 1) capital of MDB consists of (i) Fully Paid-up Capital, (ii) Statutory Reserve and (iii) Retained Earnings.</p> <p>Tier-2 Capital of MDB consists of (i) General Provision against unclassified Loans and Off-balance sheet exposures.</p>
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Quantitative disclosure	b)	The amount of Tier-1 capital with separate disclosure of:	Solo
		Common Equity Tier-1 (CET-1) Capital:	
		I. Fully Paid up capital	6,396.70
		II. Non repayable share premium account	
		III. Statutory reserve	1,881.77
		IV. General reserve	
		V. Retained earnings	868.86
		VI. Minority interest in subsidiaries	
		VII. Dividend equalization account	
		Total Common Equity Tier-1 (CET-1) Capital	9,147.32
		Additional Tier 1 Capital	0.00
		Total Tier 1 Capital (A)	9,147.32
		Total Tier 2 capital (B)	599.36
	c)	Regulatory adjustments/Deduction from capital (C)	568.33
	d)	Total eligible capital (A+B-C)	9,178.36

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 17.28% against the minimum regulatory requirement of 12.50% including conservation buffer 2.50%. Tier-I capital adequacy ratio for "Solo" is 16.15% 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	4,381.89
	c)	Capital requirement for market risk	371.52
	d)	Capital requirement for operational risk	558.85
		Minimum capital requirement (10% of RWA or BDT 500 crore, whichever is higher)	5,312.27
		Total regulatory capital	9,178.36
		Total Risk Weighted Assets (RWA)	53,122.65
	e)	Total capital, CET 1 capital, Total Tier 1 capital and Tier 2 capital to risk weighted asset ratio:	
		• For the consolidated group	
		• For standalone:	
		Total Capital to Risk Weighted Asset Ratio (CRAR)	17.28%
		Common Equity Tier-1 (CET-1) Capital Ratio	16.15%
		Total Tier 1 Capital Ratio	16.15%
		Tier-2 Capital Ratio	1.13%
	f)	Capital Conservation Buffer	7.28%
	g)	Available Capital under Pillar II requirement	3,866.09

07. Credit Risk

Qualitative disclosure	a)	The general qualitative disclosure requirement with respect to credit risk, including:	
		i) Definitions of past due and impaired (for accounting purposes);	<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>

		<div>ii) Description of approaches followed for specific and general allowances and statistical methods.</div>	<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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	<div>c)</div>	<div>Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.</div>	<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>Urban:</td><td></td></tr><tr><td>Dhaka Zone</td><td>46,475.52</td></tr><tr><td>Chittagong Zone</td><td>6,828.79</td></tr></table>	Particulars	In BDT Million	Urban:		Dhaka Zone	46,475.52	Chittagong Zone	6,828.79																								
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			Rajshahi Zone	222.47
			Khulna Zone	78.93
			Mymensingh	-
			Barisal Division	2.63
			Rangpur Division	33.60
			Sylhet Division	16.25
			Sub-Total	53,658.19
			Rural:	
			Dhaka Zone	815.46
			Chittagong Zone	116.99
			Rajshahi Zone	132.03
			Khulna Zone	19.42
			Mymensingh	109.78
			Barisal Division	-
			Rangpur Division	10.79
			Sylhet Division	-
			Sub-Total	1,204.47
			Grand Total (Urban + Rural)	54,862.66
	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:	
			Particulars	In BDT Million
			A. AGRICULTURE, FISHING, AND FORESTRY	782.47
			B. TRADE & COMMERCE	7,935.47
			RETAIL TRADING	380.41
			WHOLESALE TRADING	4,292.48
			EXPORT FINANCING	-
			IMPORT FINANCING	1,083.19
			LEASE FINANCE	-
			OTHERS	2,179.19
			C. CONSTRUCTION (COMMERCIAL REAL ESTATE, CONSTRUCTION AND LAND DEVELOPMENT LOANS):	2,677.83
			RESIDENTIAL REAL ESTATE	312.24
			COMMERCIAL REAL ESTATE	23.41
			INFRASTRUCTURE DEVELOPMENT	76.95
			OTHERS	2,265.23
			D. TRANSPORT	-
			E. CONSUMER FINANCING	1,964.47
			LOANS FOR THE PURCHASE OF FLATS OR OTHER SINGLE-FAMILY DWELLINGS	543.14
			LOANS FOR THE PURCHASE OF MOTORIZED PERSONAL TRANSPORT	105.86
			LOANS FOR THE PURCHASE OF DURABLE CONSUMPTION GOODS	319.96
			CREDIT CARD LOANS	234.13
			OTHER PERSONAL LOANS	761.38
			F. LOANS TO FINANCIAL INSTITUTIONS	5,523.65
			G. INDUSTRY	30,677.17
			RMG	3,923.75
			TEXTILE	4,607.57
			FOOD AND ALLIED INDUSTRIES	2,358.90
			PHARMACEUTICAL INDUSTRIES	1,129.66
			CHEMICAL, FERTILIZER, ETC.	1,113.44
			CEMENT AND CERAMIC INDUSTRIES	829.28

			SHIP BUILDING INDUSTRIES	-	
			SHIP BREAKING INDUSTRIES	-	
			POWER AND GAS	1,195.28	
			OTHER MANUFACTURING OR EXTRACTIVE INDUSTRIES	8,319.02	
			SERVICE INDUSTRIES	4,489.39	
			OTHERS	2,710.89	
			Miscellaneous		5,301.60
			Grand total		54,862.66
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	4,759.25		
		Up to 1 month	2,741.85		
		Not more than 3 months	5,813.10		
		More than 3 months but less than 1 year	16,058.80		
		More than 1 year but less than 5 years	14,945.19		
		More than 5 years	10,544.47		
		Total	54,862.66		
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	In BDT Million		
		Continuous Loans & Advances	569.43		
		Demand Loans & Advances	286.49		
		Term Loans & Advances	1,216.17		
		Credit Cards & Others	19.47		
		Total	2,091.56		
	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	1,448.79		
		Provision on unclassified loans and advances	494.57		
		Provision on Off-balance sheet exposures	104.79		
		Provision for diminution in Investments	161.81		
		Provision against Other Asset	39.62		
		Total	2,249.58		
	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	465.69		

		Provision on unclassified loans and advances	42.17
		Provision on Off -balance sheet exposures	(8.20)
		Provision for diminution in Investments	20.97
		Provision against Other Asset	3.71
		Total	524.34

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	1,469.69
		Addition/adjustment during the year	621.87
		Closing balance	2,091.56
	Movement of specific provisions for NPAs .	Particulars	In BDT Million
		Opening balance	954.67
		Provisions made / during the period	465.69
		Transferred from unclassified loan & advances	102.10
		Write-off	(73.68)
		Write-back of excess provisions	0.00
		Closing Balance	1,448.79

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.	1,599.90	1,409.60
c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	1.65	
d)	• Total unrealized gains (losses)	(190.30)	
	• Total latent revaluation gains (losses) of T-bills/bonds	(134.38)	
	• 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	140.96	
	• General Market Risk	140.96	

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 PLC.. The analysis shows that Bank may have a negative earnings impact of Taka 2.03 million in the first quarter which has also negative amounting Tk. 15.85 million in the second quarter. In the third and fourth quarter, the total year-to-date accumulated earnings impact has also been negative Tk. 29.06 and 46.42 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 up to 6 months	Over 6 months to up to 9 months	Over 9 months to up to 1 year
				In BDT Million			
			A. Rate Sensitive Assets	28,034.43	11,200.03	2,797.80	2,797.80
			B. Rate Sensitive Liabilities	28,857.40	13,592.0	3,511.35	3,511.35
			GAP (A-B)	(822.97)	(2,391.97)	(713.55)	(713.55)
			Cumulative GAP	(822.97)	(3,214.94)	(3,928.49)	(4,642.04)
			Adjusted Interest Rate Changes (IRC)	1%	1%	1%	1%
			Quarterly earnings impact (Cum. GAP*IRC)	(2.03)	(15.85)	(29.06)	(46.42)
			Cumulative earnings impact to date	(2.03)	(17.88)	(46.94)	(93.36)
			Earning impact / Average quarterly Operating profit	-0.12%	-1.03%	-2.69%	-5.36%

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: <ul style="list-style-type: none"> 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.	Measurement Methodology: 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. 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>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. c) Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk. d) Capital Charge for Commodity Position Risk = Capital charge for general market risk.
		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 / polices and risk management prudential limits are a dhere to.</p> <p>The Treasury Division are taking following measures to minimize the several market risk s:</p> <ul style="list-style-type: none"> 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. 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: <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	6.50
		• Equity position risk	281.92
		• Foreign exchange risk and	83.10
		• Commodity risk	0.00
		Total Capital Requirement	371.52

11. Operational Risk:

Qualitative disclosure		a)	<p>i) Views of BOD on system to reduce Operational Risk</p> <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 are 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 with industry best practice and takes account of 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>																				
			<p>ii) Performance gap of executives staffs.</p> <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 2023, workforce diversity is furnished below:</p> <table><tr><th>Age Group</th><th>Male</th><th>Female</th><th>Total</th></tr><tr><td>Above 50 years</td><td>9</td><td>0</td><td>9</td></tr><tr><td>30-50 years</td><td>548</td><td>58</td><td>606</td></tr><tr><td>Below 30 years</td><td>148</td><td>44</td><td>192</td></tr><tr><td>Total</td><td>705</td><td>102</td><td>807</td></tr></table>	Age Group	Male	Female	Total	Above 50 years	9	0	9	30-50 years	548	58	606	Below 30 years	148	44	192	Total	705	102	807
Age Group	Male	Female	Total																				
Above 50 years	9	0	9																				
30-50 years	548	58	606																				
Below 30 years	148	44	192																				
Total	705	102	807																				

		<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 PLC. (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;

			<ul style="list-style-type: none"> 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, (i ii) Foreign Exchange Risk, (iv) Internal Control and Compliance Risk, (v) Money Laundering Risk and (vi) IT Risk. The following risk s 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 model s 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 measure s 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 (CRM) 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; Forced sale value of collateral; Non-performing loans (NPLs);
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			<ul style="list-style-type: none"> Share prices; and Foreign exchange rate. <p>The stress testing based on the financial performance of the Bank as on December 31, 2023 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.

BDT in Million

Quantitative disclosure	Particulars	Solo Basis
b)	The capital requirement for operational risk	558.85

12. Leverage Ratio

Qualitative disclosure	<p>a) i) Views of BOD on system to reduce excessive leverage</p>	<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> <ol style="list-style-type: none"> constrain build-up of leverage in the banking sector which can damage the broader financial system and the economy; and Reinforce the risk based requirements with an easy to understand and a non-risk based measure. <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>
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			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.
		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> $\text{Leverage Ratio} = \frac{\text{Tier I Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$

BDT in Million

Quantitative disclosure	b)		Solo			
		• Leverage Ratio	Leverage Ratio (LR) under BASEL III of Midland Bank PLC. as of 31 December 2023 was as under:			
			Particulars		Ratio	
					BB requirement	MDB's position
			Leverage Ratio		≥ 3%	9.76%
		• On balance sheet exposure	Total On-balance Sheet exposure for calculating Leverage Ratio under Basel III of Midland Bank PLC. as of 31 December 2023 was as under:			
		Particulars		Amount		
		Total On Balance Sheet Assets [A]		83,425.87		
		less: Total Specific Provision [B]		1,448.79		
		Total Adjusted On Balance Sheet exposure [A -B]		81,977.08		
	• Off balance sheet exposure	6,454.66				
	• Total exposure	Total Exposures for calculating Leverage Ratio under Basel III of Midland Bank PLC. as of 31 December 2023 was as under:				
		Particulars		Amount		
		Total On Balance Sheet Exposures [A]		81,977.08		
		Total Off -Balance Sheet Exposures [B]		6,454.66		
		less: Total Deduction/ Regulatory adjustments [C]		568.33		
		Total Adjusted exposure [A+B -C]		87,863.42		

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	<p>a) i) Views of BOD on system to reduce Liquidity Risk</p> <p>ii) Methods used to measure Liquidity risk.</p>	<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> <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</p> <p>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> <p>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> <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</p>
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		<p>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> <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 $\text{ASF}/\text{RSF} \geq 1$ 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 / 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>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 PLC. as of 31 December 2023 was as under:		
			Particulars	Ratio	
				BB requirement	MD B's position
		Liquidity Coverage Ratio (LCR)	≥ 100%	223.03%	
		• Net Stable Funding Ratio (NSFR)	The Net Stable Funding Ratio (NSFR) under Liquidity Ratios of Basel III of Midland Bank PLC. as of 31 December 2023 was as under:		
			Particulars	Ratio	
BB requirement	MDB's position				
Net Stable Funding Ratio (NSFR)	≥ 100%	110.15 %			
• 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 PLC. as of 31 December 2023 was as under:				
• Total net cash outflows over the next 30 calendar days	7,385.40				
• Available amount of stable funding (ASF)	63,079.72				
• Required amount of stable funding (RSF)	57,267.01				

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 Management Committee (MANCOM) 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 MANCOM 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 MANCOM 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 Management Committee (MANCOM) 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.
			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 MANCOM, the Board and senior management reviews the issues of remuneration and its associated matters from time to time.

			<p>iii) A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee</p>	<p>The risk and compliance employees are carrying out the activities independently as per specific terms of references, job allocated to them.</p> <p>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.</p>
		<p>c) Description of the ways in which current and future risks are taken into account in the remuneration processes.</p>	<p>i) An overview of the key risk s that the bank takes into account when implementing remuneration measures.</p>	<p>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.</p>
			<p>ii) An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure.</p>	<p>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 indicators, namely, the compliance status with the regulatory norms, instructions has been brought to all concerned of the Bank from time to time.</p>
			<p>iii) A discussion of the ways in which these measures affect remuneration.</p>	<p>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.</p>
			<p>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.</p>	<p>No material change has been made during the year 2023 that could the affect the remuneration.</p>

		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.	<p>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.</p> <p>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.</p>	<p>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.</p> <p>The following variable remuneration has been offered by MDB to its employees:</p> <p>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.</p>
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BDT in Million

Quantitative disclosure	b)		BDT in Million	
			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.	645	
		Number of guaranteed bonuses awarded.	2 festival bonuses	
		Total amount of guaranteed bonuses awarded.	42.60	
		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	708.32
			Variable	26.10
			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		





Mrs. Nilufer Zafarullah, Honourable Chairman of the Bank presiding over the 10th Annual General Meeting (AGM) of the Bank held on digital platform.



Mrs. Nilufer Zafarullah, Honourable Chairman of the Bank presiding over the 1st Extraordinary General Meeting (EGM) of the Bank held on digital platform.



Mr. Rezaul Karim and Mr. Ahsan Khan Chowdhury, honourable Directors of Midland Bank, presented a token blanket to honourable Prime Minister of People's Republic of Bangladesh Sheikh Hasina, MP at a programme held in the Prime Minister's Office. As part of its Corporate Social Responsibility (CSR) Programme, Midland Bank PLC. (MDB) donated BDT 15000 pcs of blankets to the "Prime Minister's Relief Fund" for cold stricken poor people of the country.



Midland Bank celebrated 10th anniversary of the Bank. Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank were present at the event, along with Mr. Md. Zahid Hossain, Deputy Managing Director and other officials of the Bank.



Midland Bank held virtual discussion on the Life & Work of Bangabandhu on the occasion of National Mourning Day. A doa session conducted by Prof. Dr. Moulana Abul Kalam Azad-Chairman, Chairman, Shariah Supervisory Council of the Bank.



Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank was present at the Annual Business Conference 2024 of Retail Distribution Division.



Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank presiding over Annual Business Strategy Summit 2024 of Institutional Banking Division.



Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank formally inaugurated two new rural branches and two new sub-branches of the Bank through digital platform.



Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank formally inaugurated Uttara Shahjalal Avenue Sub-Branch through digital platform.



Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank presiding over Half-yearly Business Strategy Summit 2023 of Institutional Banking Division



Midland Bank achieved Excellence in Prepaid Cards (Associate Member) in the category of “VISA EXCELLENCE AWARD”. Mr. Md. Zahid Hossain, Deputy Managing Director received the award from the ex-honourable Planning Minister M A Mannan, MP



Midland Bank awarded Integrity Award among the employees and Staff for the Fiscal Year 2022-2023. Mr. Md. Ahsan-uz Zaman, MD & CEO of the Bank, distributed the awards and certificates among the awardees as Chief Guest.



In presence of Nurun Nahar, Honourable Deputy Governor of Bangladesh Bank, Liza Fahmida, Director, Financial Sector Support and Strategic Planning Department (FSSSPD), Bangladesh Bank and Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of Midland Bank PLC. signed the agreement on behalf of the respective organizations for availing refinance facility in US Dollars



Midland Bank PLC. signed a MoU with NEC Money Transfer Limited, a UK based Global Money Transfer Company This arrangement will enable Midland Bank to disburse hard earned remittances of NRBs living in different parts of the world from its Branches and Agent Banking Centers sourced through NEC Money. Mr. Md. Ahsan-uz-Zaman, Managing Director & CEO of Midland Bank and Mr. Farazy Ikram, Chairman & CEO of NEC Money Transfer Limited signed the agreement on behalf of their respective organizations.



Midland Bank PLC. collaborated with Placid NK Corporation, a Global Money Transfer Company to establish remittance drawing arrangement. Mr. Md. Ahsan-uz-Zaman, Managing Director & CEO of Midland Bank and Mr. Mohammed Rashid, Director, Placid NK Corporation signed the agreement on behalf of their respective organizations.



Midland Bank PLC. signed a Loan Agreement with startup business entity Agromukam BD Limited for extending Tk. 1.00 Crore MDB Startup Loan facility to support new technology driven business ideas. Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of MDB and Mr. Touhidul Alam Zenith, Chairman of Agromukam BD signed the agreement on behalf of their respective organizations



Midland Bank PLC. signed MoU regarding 'Midland Corporate Payroll Package (MDB CPP) and Midland Cash Management (MCM)' agreement to facilitate the Employee Payroll Accounts and Cash Management System of Southeast University (SEU). Prof. Dr. AFM Mafizul Islam, Vice Chancellor of Southeast University and Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of Midland Bank signed the MDB CPP and MCM agreements on behalf of their respective organizations.



MoU was signed between Midland Bank and Zoomlion Heavy Industry Bangladesh Company Limited for availing online Cash Management solution of MDB "Midland Cash Management (MCM)" application for conducting their daily business banking and cash management activities, nationwide. In presence of Mr. Md. Ahsan-uz Zaman, MD & CEO of the Bank, Mr. Mohd. Javed Tarek Khan, Head of Institutional Banking Division of Midland Bank and Mr. Simon Zheng, Country Head, Zoomlion Heavy Industry Bangladesh Co. Ltd. signed the MoU on behalf of their respective organizations.



MoU was signed between Midland Bank and K-ONE Limited for availing online Cash Management solution of MDB “Midland Cash Management (MCM)” application for conducting their daily business banking and cash management activities, nationwide. In presence of Mr. Md. Ahsan-uz Zaman, MD & CEO of the Bank, Mr. Mohd. Javed Tarek Khan, Head of Institutional Banking Division of Midland Bank and Mr. Gee Shing Chi Roger, Director, K-ONE Limited signed the MoU on behalf of their respective organizations



MoU was signed between Midland Bank and BIPO Service (Bangladesh) Limited for availing online Cash Management solution of MDB “Midland Cash Management (MCM)” application for conducting their daily business banking and cash management activities, nationwide. Mr. Mohd. Javed Tarek Khan, Head of Institutional Banking Division of Midland Bank and Mr. Md. Saddam Hossain, Country Head of BIPO Service (Bangladesh) Limited signed the MoU on behalf of their respective organizations.



MoU was signed between Midland Bank and Quantanite Bangladesh Limited for availing online Cash Management solution of MDB “Midland Cash Management (MCM)” application for conducting their daily business banking and cash management activities, nationwide. Mr. Mohd. Javed Tarek Khan, Head of Institutional Banking Division of Midland Bank and Mr. Ahnaf Chowdhury, Chairman, Quantanite Bangladesh Limited signed the MoU on behalf of their respective organizations.



MoU was signed between Midland Bank and Voltech Bangladesh Private Limited for availing online Cash Management solution of MDB “Midland Cash Management (MCM)” application for conducting their daily business banking and cash management activities, nationwide. Mr. Mohd. Javed Tarek Khan, Head of Institutional Banking Division of Midland Bank and Mr. C. Natarajan, Senior Vice President, International Operation of Voltech Bangladesh Private Limited signed the MoU on behalf of their respective organizations.



Midland Bank PLC. signed an MoU with Air Astra Airways, the premium brand private airline in the country to facilitate all MDB Cardholders to enjoy 10% discount with EMI facility upto 6 months at 0% interest, while purchasing tickets from Air Astra Airways for domestic destinations. Mr. Md. Rashed Akter, Head of Retail Distribution of MDB and Mr. Mohammad Mozammel Haque Bhuiya, Head of Marketing & Sales of Air Astra Airways signed the MoU on behalf of their respective organizations.



Midland Bank PLC. signed an MoU with Ascott The Residence Dhaka, a renowned deluxe boutique hotel located at Baridhara Diplomatic Zone to facilitate all cardholders of the Bank to enjoy number of privileges and special rates including 50% yearlong discount on all room categories and up to 15% discount on food including special discount facilities for their other services. Mr. Md. Rashed Akter, Head of Retail Distribution of MDB and Mr. Nayeem Uddin Ahmed, Corporate Relationship Manager of Ascott The Residence Dhaka signed the MoU on behalf of their respective organizations.



Midland Bank PLC. signed an MoU with AMZ Hospital Limited, one of the famous specialized Hospital in Bangladesh, located at North Badda, Dhaka to facilitate all MDB Card Holders (Debit, Credit and Prepaid) and employees of Midland Bank and their dependents to enjoy up to 30% discount on diagnostic services and 15% discount on radiology & imaging services. Mr. Md. Rashed Akter, Head of Retail Distribution Division of MDB and Colonel Md. Arshaduzzaman Khan, PBGM (Retd), Advisor of AMZ Hospital signed the MoU on behalf of their respective organizations.



Midland Bank PLC. signed an MoU with Dream Square Resort, one of the most luxurious resorts in Bangladesh to facilitate all MDB Cardholders to receive up to 35% discount on published room rates and banquet halls, 10% discount on food, 20% discount on movie theater tickets and 20% discount on lawn tennis and table tennis. Mr. Md. Rashed Akter, Head of Retail Distribution Division of MDB and Mr. Md. Rafiqul Islam, Asst. Director of Sales & Marketing of Dream Square Resort signed the MoU on behalf of their respective organizations.



MoU was signed between Midland Bank and G. R. Metal, a renowned exporter of non-ferrous items for availing online Cash Management solution of MDB “Midland Cash Management (MCM)” application for conducting their daily business banking and cash management activities, nationwide. Mr. Mohammed Abu Hena, Head of Unit-1, Institutional Banking Division, Chattogram of Midland Bank and Jewel Ahmed, Proprietor of G. R. Metal signed the MoU on behalf of their respective organizations.



MoU was signed between Midland Bank and Rasel & Jewel Corporation, a renowned exporter of non-ferrous items for availing online Cash Management solution of MDB “Midland Cash Management (MCM)” application for conducting their daily business banking and cash management activities, nationwide. Mr. Mohammed Abu Hena, Head of Unit-1, Institutional Banking Division, Chattogram of Midland Bank and Mr. Golam Rasul, Proprietor of Rasel & Jewel Corporation signed the MoU on behalf of their respective organizations.



Financial Literacy Day-2024 has been celebrated by Midland Bank PLC. Mr. Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank, inaugurated the Financial Literacy Day programme at the bank's head office through digital platform.



Midland Bank PLC. under intermediary agreement with Society for Family Happiness and Prosperity (FHP), an NGO, disbursed loans directly to the farmers at 4% interest rate under Bangladesh Bank Refinancing Scheme in the Agricultural sector to ensure food safety initiative of the Country. Mr. Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of Midland Bank handed over the cheques to the farmers.



Mr. Mohammad Saleh Ahmed joined Midland Bank Asset Management Company Limited (MDB AMC), the newly formed Subsidiary Company of Midland Bank as its Chief Executive Officer (CEO). Mr. Md. Ahsan-uz Zaman, MD & CEO of Midland Bank welcome Mr. Saleh Ahmed and presented a flower bouquet along with the members of Midland Bank Investment Committee.



Midland Bank Celebrated International Women's Day. Mr. Md. Ahsan-uz Zaman, Honourable MD & CEO along with the Senior Management Team participated in the programme. Female employees of the Head Office and Gulshan Branch of the Bank joined the event.



Midland Bank organized a day long fair at the Ahsanullah University of Science and Technology Campus to share the various aspects of the newly introduced SME loan product named “MDB Start-up”. Mr. Md. Ahsan-uz Zaman, MD & CEO along with Mr. Ahsan Jamil Hossain, Head of SME Banking Division of Midland Bank was present at the inaugural



Midland Bank organized a day long fair at the South East University Campus to share the various aspects of the CMSME financing facility for the start-up business. Mr. Md. Zahid Hossain along with Mr. Mohd. Javed Tarek Khan, Head of Institutional Banking Division and Ahsan Jamil Hossain, Head of SME Banking Division of Midland Bank were present at the inaugural session of the fair.



MDB SME Banking Division along with MDB Retail Sales Department conducted a day-long fair at the Independent University Campus to explain the CMSME Financing Facility for Start-Up Businesses and how the Bank can assist with start-up business ventures among university students and faculty members while simultaneously promoting a variety of MDB products and services.



MDB Retail Sales Department conducted 3 days long Financial Literacy Program and Sales Campaign, at Bangladesh University of Business and Technology (BUBT) campus. Through this campaign, MDB raise awareness of banking products and services among university students and faculty members, while simultaneously promoting a variety of MDB products and services. Mr. Md. Rashed Akter, Head of Retail Distribution Division along with Mr. Md. Ashrafur Islam, Head of Retail Sales Department of Midland Bank was present at the inaugural session of the programme.



Midland Bank organized fire drill programme at its Head Office (Annex), Zahed Plaza, 30 Gulshan Avenue, Gulshan-02, Dhaka.



As part of its Corporate Social Responsibility (CSR), Midland Bank PLC. (MDB) donated BDT 2.00 lac as financial assistance to Rangpur City Corporation for health care purpose. Mr. Md. Rezaul Haque, Head of Rangpur Branch of Midland Bank handed over the cheque to the honourable Mayor of Rangpur City Corporation Mr. Md. Mostafizur Rahman (Mostofa) on behalf of the Bank.



As part of its Corporate Social Responsibility (CSR), Midland Bank donated BDT 250 lac as financial assistance to Prime Minister's Education Assistance Trust with a view to developing quality human resources for building up an advanced & prosperous Bangladesh. Mr. Md. Rashadul Anwar, Head of Public Relations Division along with Mr. Abdullah Al Mamun, Head of Dilkusha Corporate Branch of Midland Bank handed over the cheque to Mrs. Smrity Karmaker, Managing Director (Additional Secretary), Prime Minister's Education Assistance Trust on behalf of the Bank.



On the occasion of National Mourning Day 2023, Midland Bank Foyla Bazar Branch, Bagerhat carried out the Food Distribution programme in their locality. Different food items distributed among the needy people to mark the day. Mr. S.M Ashraful Alam, Officer In-charge, Rampal Thana, Mr. Munshi Borhan Uddin, UP Chairman, 2 No. Ujolkur Union Parishod and Mr. Amitav Kumar Raha, Acting Head of Foyla Bazar Branch were present during the Food Distribution Programme along with other officials of the Branch



On the occasion of National Mourning Day 2023, tree plantation programme was organized by Midland Bank PLC. Midland Bank Rajshahi Branch carried out the tree plantation programme with the slogan “Let’s plant trees and participate in building Bangabandhu’s dream country”. Dr. A. B. M. Sharif Uddin, Chief Executive Officer, Rajshahi City Corporation received and planted number of trees around Rajshahi City Corporation areas, where Deputy Director Mr. A. K. M. Jakirul Islam of Bangladesh Rural Development Board (BRDB), Rajshahi also received and planted number of trees in the different location in the city, to observe the National Mourning Day 2023. Mr. Md. Ahsan Habib, Area Head and Head of Rajshahi Branch was present during the tree plantation programme.



As part of its Corporate Social Responsibility (CSR) Midland Bank distributed blankets throughout its Branches and Sub-Branches among the cold stricken marginal people in the country. As part of this, Mr. Syed Mohammed Omar, Head of Chowdhuryhat Branch, Chattogram distributed blankets among the cold stricken poor people in the area.



As part of its Corporate Social Responsibility (CSR) Midland Bank distributed bicycles among School going meritorious and financially challenged female students of different High School of Dinajpur, under “SHAPNO JATRA”, a special programme. The Bank distributed bicycles amongst female students, who have to walk miles from their home to reach their educational institution. Honourable Mayor of Rajshahi City Corporation Mr. Md. Ahsanul Alam, Head of Doshmile Branch of the Bank distributed bicycles among the students.



On the occasion of 10th Anniversary of the Midland Bank launched MDB Digital Loan and MDB Contactless Card. Mr. Md. Ahsan-uz Zaman, Managing Director & CEO along with Mr. Md. Zahid Hossain, Deputy Managing Director, Mr. Md. Rashed Akter, Head of Retail Distribution Division and Mr. Md. Abed-ur-Rahman, Head of Cards of the Bank jointly hold the placard of the new product and new service.



On the occasion of 10th Anniversary of Midland Bank, Blood Donation Programme organized at the Head office of the Bank through Quantum Foundation



On the occasion of 10th Anniversary of Midland Bank, food distribution programme was arranged through its Branches among the needy at orphanages across the country

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 PLC (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 2024, the bank will strengthen its environmental and social risk management system in line with regulatory guidelines. Mentionable, 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.

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 2023, a good total of 92 CMSME entrepreneurs were added to SME client base bringing the total to 518 numbers and disbursed a sum of BDT 3,517.80 million which consolidated our SME portfolio with BDT 5,819.30 million outstanding at the year-end. To improve the gender balance in SME finance, we closed the year with BDT 914.70 million loan disbursement on account of total 10,061 women entrepreneurs (directly through Bank to 35 number of women entrepreneurs and indirectly through MFIs to 10,026 number of women entrepreneurs). Within the CMSME portfolio an amount of BDT 52.40 million has been disbursed in the year 2023 as Term Loan under pre-finance scheme of Bangladesh Bank. We continued to explore new ways of increasing financial outreach.

Due to countrywide lock down imposed by Government to halt the wide spreading of COVID-19 virus during the year 2020 and 2021, economy of the country was disrupted 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 2023, MDB disbursed total BDT 1,407.16 million working capital facility to 16 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 2023, we have disbursed a sum of BDT 134.94 million for financing on Net Metering Rooftop Solar System of Omera Renewable Energy Limited. 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 18.24 million in various CSR activities in Bangladesh in 2023. 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

2023, 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 914.70 million loans to Women Entrepreneurs in the calendar year 2023. 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 time frames.

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 PLC. 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 PLC. (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.

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

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 Green Report Card 2023:

[Fig. in BDT Million]

SL	Particulars	Total	
		No. of Projects	Amount
A	Introducing Green Finance		
01	Effluent Treatment Plant (ETP)/Environment Friendly Financing	05	233.54
02	Bio-gas Plant		
03	Solar Panel system/Renewable Energy Plant	02	153.48
04	Hybrid Hoffman Kiln (HHK)	01	406.23
05	Auto Tunnel Kiln		
06	Green Finance at reduced rate of interest		
07	Others (if any) Zig Zig Brick Project	04	16.03
	Total	12	809.28
B	Online Banking		
01	No. of ADCs (own ATM & ADM)	63	
02	Shared ADCs (Approx.)	-	
03	No. of Branches with online coverage	39	
04	No. of total accounts	275,743	
05	No. of accounts facilitated with internet banking	36,421	
06	No. of accounts facilitated with Mobile/SMS Banking	50,301	
C	Awareness Building		
01	Training Programs on Green Banking (In-house)	-	
02	Participants in the Training	-	
D	Disclosure		
01	Website	Yes	
02	Annual Report	Yes	
03	Preparation of Green Banking & Sustainability Report Others (if any)	Yes	
E	Sector Specific Environment Policy		
01	Formulation of Sector Specific Environment Policy		
	(Under phase)		
	Others (if any)		
F	Green Strategic Planning		
01	Formulation of Green Strategic Planning		
02	Formulation of Bank's Specific Environment Risk		
03	Management Plan & Guideline Others (if any)	Yes	

MDB CSR Activity

Initiated by Bangladesh Bank (BB) in 2008, the Corporate Social Responsibility (CSR) mainstreaming campaign in Bangladesh's financial sector has entrusted all Banks and Financial Institutions into a broad range of direct and indirect CSR engagements including humanitarian relief and disaster response, widening of advancement opportunities for disadvantaged population segments with support in areas of healthcare, education and training, 'greening' initiatives to prevent environmental degradation, and so forth.

With a view to the above, a CSR Policy of Midland Bank PLC. was earlier approved by the Board of Directors of the Bank in February 2015. The Sustainable Finance Department of Bangladesh Bank in January 2022 introduced a new Policy Guidelines on CSR for the Bank. Also, Policy on CSR needs to be reviewed / updated considering recent financial developments and changes in the global economy to generalize, emphasize and organize CSR activities for the environmental, social, equitable and sustainable development of the country.

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 given 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 Tk. 1,82,47,084.00 for annual CSR activities of Midland Bank PLC. for the year 2023. Distribution status of the CSR activities of the Bank as on 31st December 2023 are as furnished below:

Sl. No.	Particulars	Amount	Area of Allocation
01.	Financial Assistance to the Prime Minister's Education Assistance Trust under BB instruction	2,50,000.00	Education
02.	Financial Assistance to Mrs. Rani Begum (Marium) for treatment purpose	1,00,000.00	Health Care
03.	Financial Assistance to Rangpur City Corporation for supporting the public health activities in the city	2,00,000.00	Health Care
04.	Financial Assistance to Tahmidur Rahman Mahi for treatment purpose	2,00,000.00	Health Care
05.	Donation of Bicycles among the female students	3,00,000.00	Education
06.	Promotional expenses related to Bangla QR service to promote cashless society	5,00,000.00	Others
07.	Donation of Blankets to the marginal people in the country through MDB branches	21,49,834.00	Others
08.	Donation favoring "home construction fund by private finance" Ashrayan Project-2, PMO Dhaka under BAB initiative	1,00,00,000.00	Others
09.	Donation of Blankets to PMRF under BAB initiative	45,47,250.00	Others
Total		1,82,47,084.00	

Based on the above CSR activities, ratio wise distributions of the annual CSR fund of the Bank in 2023 are as follows:

Particulars	Allocation for Education	Allocation for Healthcare	Environment and Climate Change mitigation & adaptation	Disaster management, Infrastructure Development, Sports & Culture, Income-generating Activities and Other Sector	Remarks
Ratio Fixed by BB CSR Policy	30%	30%	20%	20%	100%
Ratio as per MDB CSR fund distribution	3.01%	2.74%	0%	94.25	100%
Amount of CSR fund distribution	5,50,000	5,00,000	0.00	1,71,97,084	1,82,47,084

Financial Literacy

Financial literacy is the education and understanding of how money is made, spent, and saved, as well as the skills and ability to use financial resources to make decisions. These decisions include how to generate, invest, spend, and save money. Financial literacy is essential in order to promote financial inclusion, especially in the context of the advancement of Digital Financial Services (DFS).

Midland Bank Celebrated Financial Literacy Day

Financial Literacy Day 2023 has been celebrated by Midland Bank PLC. Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank, inaugurated the Financial Literacy Day programme at the bank's head office on Monday, March 6, 2023.

In the discussion meeting organized on this occasion, various issues including increasing social awareness, protecting customer deposits, providing loans and settling customer complaints, were discussed with the aim of sending expatriate income through legal channels.

Mohd. Javed Tarek Khan, Head of Institutional Banking and Member of the Financial Literacy Wing; Md. Rashed Akter, Head of Retail Distribution & Head of the Financial Literacy Wing; and Imran Al Habib, Head of Agent Banking and Member Secretary of the Financial Literacy Wing of Midland Bank were also present in the programme along with other officials.

Also, as part of the celebration of Financial Literacy Day 2023, various branches, Sub-branches and Agent Banking Centres organized discussion meetings at schools, colleges, madrasas, universities and marginal communities regarding financial awareness and bringing foreign remittances through the banking channel.

Financial Literacy Sessions

Different programs were conducted by different division, branches, sub branches and agent banking centers across the country-2023.



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.

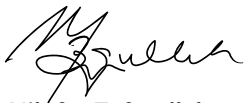
The Board of Directors of MDB has defined roles as stipulated in the 'Bank Company (amended) Act 2013'. Therefore, the Directors have worked for maintaining good corporate governance and persistently discharged their responsibilities. The Directors have also established extensive business strategies, 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 PLC. runs on Centralized Banking Model, the Bank has produced timely and effective policies, circulars and manuals in such a way that adequate control in all its operational and business functions are established and risk tolerance levels can be maintained at an acceptable 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, the 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 the formation of an 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 3 (Three) member Board Audit Committee (BAC) was last reconstituted in the 152th Meeting of the Board of Directors held on 25th February 2024. 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 the internal control systems of the Bank.

On behalf of the Board of Directors,



Nilufer Zafarullah

Chairman

Date: 28 April 2024

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 2023 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 3 (three) 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 2023 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 2023.

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: 28 April 2024

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: 25 April 2024

The Board of Directors

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

Subject: Declaration on Financial Statements for the year ended on 31 December 2023.

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 PLC. for the year ended on 31 December 2023 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 2023 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 PLC.

Report on the audit of financial statements

Opinion

We have audited the financial statements of Midland Bank PLC. (the "Bank"), which comprise the balance sheet as at 31 December 2023 and profit and loss account, statement of changes in equity and cash flow statement 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 financial position as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans and advances	
<p>The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provision calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates of complex design and implementation.</p> <p>At year end the Bank reported total gross loans and advances of BDT 54,863 million (2022: BDT 52,793 million) and provision for loans and advances of BDT 2,056 million (2022: BDT 1,578 million).</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; and • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Completeness of appropriate documentation before disbursement of loans as well as recording of loan balance; • Alternate procedures applied by management to assess new loan/renewal of existing loans where latest audited financial statements of the borrower is not available; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained <p>The Bank has calculated required provision as per Bangladesh Bank letter DBI-5(IS)/158/2024-504 dated 03 April 2024 considering total classified loans and advances of Tk 209.16 crore (3.81%).</p>
See note # 7, 13.01 and 13.02 to the financial statements	

Risk	Our response to the risk
Interest income recognition	
<p>Recognition and measurement of interest income involve complex IT environment as well as require critical estimates and judgment. Since interest income from loans and advances is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in recognition of interest income.</p> <p>Accordingly, this has been considered as key audit matter.</p>	<p>We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of interest on loans and advances.</p> <p>For selected customers and loan files on sample basis we have also performed substantive test of details including recalculation and cut -of testing to check accuracy of interest income.</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of interest recognised during the year with reference to the product wise outstanding loan balances.</p>
See note # 21 to the financial statements	
Valuation of treasury bill and treasury bond	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p> <p>HTM securities which have not matured as at the balance sheet date are amortised at the year end and changes in amortisation are recognised in other reserves as a part of equity. However, new circular has been issued DOS circular letter no. 27 dated 04 December 2023, where amortization on HTM securities can be taken into profit and loss account before maturity.</p> <p>Similarly, impairment assessment of financial instruments measured at amortised cost also required mainly unobservable market data and assumptions.</p> <p>Accordingly, this is considered as a key audit matter.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>Furthermore, we have checked Bank's treatment of new circular related to MTM of the HTM as per DOS Circular Letter No. 27 dated 4 December 2023.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note # 6 to the financial statements	

Impairment assessment of unquoted investments	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process</p> <p>We tested a sample of investments valuation as at 31 December 2023 and compared our results to the recorded value.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p> <p>As per the business model, management has considered quoted and unquoted shares together as part of its investment portfolio for calculation of required provision.</p>
See note # 6.02 and Annex B to the financial statements	

IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

Legal and regulatory matters	
<p>We focused on this area because the Bank operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>The Bank has taken initiative to save cost from the budgeted cost as per BRPD circular 28 and 30 of 2022.</p> <p>Overall, the legal provision represents the the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Bank's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p> <p>We have obtained all the relevant documents and verified as per audit procedure.</p> <p>Deferred tax asset is significantly higher than prior year due to consideration of BDT 1,449 million of specific provision for loans and advances in tax calculation from this year.</p>

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our 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.

If, based on the work we have performed, on the other information that we obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 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 and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 judgement 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank's audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements 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 (other than matters disclosed in these financial statements);
- (iii) in our opinion, proper books of account 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 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 financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (vii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (viii) the information and explanations required by us have been received and found satisfactory;
- (ix) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 2,000 person hours; and
- (x) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.



Sabbir Ahmed, FCA
Enrolment no: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 28 April 2024
DVC: 2404280770AS831983

Midland Bank PLC.

Balance Sheet

As at 31 December 2023

	Notes	2023	2022
		BDT	BDT
<u>PROPERTY AND ASSET</u>			
Cash	3.00	3,793,328,925	3,494,965,793
In Hand (Including Foreign Currency)		891,750,221	782,034,355
With Bangladesh Bank and its agent Bank (including Foreign Currency)		2,901,578,704	2,712,931,438
Balance with other Banks & Financial Institutions	4.00	1,998,110,179	2,568,427,930
In Bangladesh		1,986,136,023	2,455,383,089
Outside Bangladesh		11,974,157	113,044,841
Money at Call and Short Notice	5.00	529,900,000	120,000,000
Investments	6.00	17,380,106,715	16,905,790,238
Government		13,889,641,408	13,186,012,591
Others		3,490,465,307	3,719,777,647
Loans and Advances/ Investments	7.00	54,862,657,994	52,792,807,266
Loans Cash Credit Overdrafts etc./ Investment		51,379,100,087	49,606,134,790
Bills Purchased and Discounted		3,483,557,906	3,186,672,476
Fixed Asset including Premises Furniture & Fixtures	8.00	610,749,511	574,669,903
Other Asset	9.00	4,238,430,461	3,397,619,330
Non-Banking Asset	10.00	12,585,359	12,585,359
Total Property and Asset		83,425,869,144	79,866,865,819
<u>LIABILITIES AND CAPITAL</u>			
Borrowing from other Banks Financial Institutions & Agents	11.00	6,317,165,470	8,243,230,054
Deposit and Other Accounts	12.00	60,302,724,245	57,763,010,073
Current Deposit & Other Accounts		8,169,877,872	8,881,655,198
Bills Payable		465,290,468	293,988,162
Short Notice Deposit		6,955,027,629	7,512,112,992
Savings Deposit		5,638,958,266	5,071,243,226
Fixed Deposit		33,068,915,121	30,664,800,460
Deposit Scheme		6,004,654,888	5,339,210,034
Other Liabilities	13.00	7,655,316,913	6,214,086,209
Total Liabilities		74,275,206,628	72,220,326,337
Capital/Shareholders' Equity		9,150,662,516	7,646,539,482
Paid up Capital	15.00	6,396,697,530	5,696,697,530
Statutory Reserve	16.00	1,881,769,558	1,626,329,243
Revaluation Reserve on Investment in Securities	17.00	3,337,887	1,155,553
Retained Earnings	18.00	868,857,541	322,357,156
Total Liabilities and Shareholders' Equity		83,425,869,144	79,866,865,819
Net Asset Value (NAV) per share		14.31	11.95

Midland Bank PLC.

Balance Sheet

As at 31 December 2023

	Notes	2023	2022
		BDT	BDT
Off-Balance Sheet Items			
Contingent Liabilities	19.00	13,956,919,981	12,674,943,388
Acceptance and endorsements		2,730,710,963	2,372,539,171
Letter of Guarantee		5,920,478,530	5,299,179,936
Irrevocable Letter of Credit		3,910,719,905	3,627,750,631
Bills for Collection		1,395,010,583	1,375,473,650
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		13,956,919,981	12,674,943,388

The annexed notes form an integral part of these accounts



Md. Ahsan-uz Zaman
Managing Director & CEO



Rezaul Karim
Director



Nazimuddin Chowdhury
Director



Nilufer Zafarullah
Chairman

Signed as per annexed report on even date

Place of Issue: Dhaka
Dated: 28 April 2024
DVC: 2404280770AS831983



Sabbir Ahmed FCA
Enrolment No.: 770
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Profit and Loss Account

For the year ended 31 December 2023

Particulars	Notes	2023	2022
		BDT	BDT
Interest Income/Profit on Investment	21.00	4,503,457,426	3,657,213,524
Less: Interest/Profit Paid on Deposit and Borrowing, etc.	22.00	3,740,456,753	3,201,241,946
Net Interest Income		763,000,674	455,971,578
Income from Investment	23.00	1,612,525,212	1,455,080,301
Commission, Exchange and Brokerage	24.00	684,076,384	736,385,608
Other Operating Income	25.00	132,141,671	98,250,555
		2,428,743,266	2,289,716,464
Total Operating Income		3,191,743,940	2,745,688,042
Less: Operating Expenditure			
Salary and Allowances	26.00	689,099,442	616,491,994
Rent, Tax, Insurance, Electricity	27.00	106,191,329	92,037,039
Legal Expense	28.00	2,330,726	1,690,799
Postage, Stamps and Telephone	29.00	22,434,428	19,558,274
Printing, Stationery, Advertisement	30.00	52,902,540	39,433,272
Managing Director's Remuneration	26.01	19,218,548	18,600,000
Directors' Fee	31.00	3,036,000	2,877,600
Audit Fee	32.00	460,000	460,000
Depreciation on and Repair to Bank's Property	33.00	290,611,869	246,803,651
Other Expenditure	34.00	262,454,792	181,008,263
Total Operating Expenses		1,448,739,675	1,218,960,892
Profit before provision		1,743,004,265	1,526,727,150
Provision for Loans, Advances & Off Balance Sheet			
General Provision	35.00	42,169,773	(190,712,133)
Special General Provision -COVID 19		(58,541,581)	(15,424,217)
Specific Provision		465,692,649	499,978,973
Provision for Off Balance Sheet Exposures		(8,201,414)	3,147,903
Provision for Investments & Placement		20,970,939	109,228,208
Provision for Non-Banking Asset		-	-
Provision against Other Asset		3,712,324	31,872,837
Total Provision		465,802,690	438,091,571
Profit Before Tax		1,277,201,575	1,088,635,579
Less: Provision for Tax	36.00	144,094,932	526,666,750
Current Tax		690,119,544	544,233,456
Deferred Tax		(546,024,612)	(17,566,707)
Net Profit After Tax		1,133,106,643	561,968,829
Retained Surplus Brought Forward	18.01	2,522,279	11,680,504
		1,135,628,922	573,649,333

Profit and Loss Account

For the year ended 31 December 2023

Particulars	Notes	2023	2022
Appropriation:		BDT	BDT
Transferred to Statutory Reserve	37.00	255,440,315	217,727,116
Transferred to CSR Fund	38.00	-	27,945,373
Transferred to Start Up Fund		11,331,066	5,619,688
		266,771,381	251,292,177
Retained Surplus, Carried Forward		868,857,541	322,357,156
Earnings Per Share	40.00	1.77	0.88

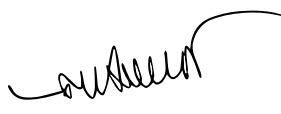
The annexed notes form an integral part of these accounts



Md. Ahsan-uz Zaman
Managing Director & CEO



Rezaul Karim
Director



Nazimuddin Chowdhury
Director



Nilufer Zafarullah
Chairman

Signed as per annexed report on even date

Place of Issue: Dhaka
Dated: 28 April 2024
DVC: 2404280770AS831983



Sabbir Ahmed FCA
Enrolment No.: 770
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Cash Flow Statement

For the year ended 31 December 2023

Particulars	Notes	2023	2022
		BDT	BDT
A) Cash Flow From Operating Activities:			
Interest Received		6,036,815,276	4,745,403,245
Interest Paid on Deposits, Borrowings, etc.		(3,505,383,708)	(3,013,688,308)
Dividend Income		89,384,604	93,976,232
Fees & Commission Income		678,460,905	715,871,376
Recoveries of Loans previously written off		-	-
Cash Paid to Employees as Salaries and Allowances		(708,317,991)	(635,091,994)
Income Tax Paid		(565,209,672)	(595,479,520)
Cash Received From Other Operational Income	42.00	132,141,671	98,250,555
Cash Paid for Other Operational Expenses	43.00	(511,428,176)	(373,167,214)
Cash Flow From Operating Activities Before Changes in Net Current Asset		1,646,462,910	1,036,074,372
Changes in Net Current Asset :			
Investment in Treasury Bond		(137,934,124)	(825,769,434)
Loans & Advances		(2,145,746,795)	(6,925,324,857)
Other Asset		260,205,910	(303,402,649)
Non-Banking Assets		-	-
Bank Deposit		(2,622,668,529)	(2,032,311,845)
Customers' Deposit		5,019,046,587	8,891,320,996
Borrowing from Other Banks, Financial Institutions & Agents		(1,926,064,584)	2,293,928,075
Other Liabilities		258,406,734	267,888,535
		(1,294,754,802)	1,366,328,821
Net Cash Flow From Operating Activities		351,708,108	2,402,403,193
B) Cash Flow From Investing Activities:			
Investments in Shares & Bonds		229,312,340	(1,100,943,288)
Proceeds from Sale of Fixed Assets		-	414,949
Purchase of Fixed Asset		(265,343,311)	(153,030,817)
Net Cash Flow From Investing Activities		(36,030,971)	(1,253,559,157)
C) Cash Flow From Financing Activities:			
Receipts from Issue of Capital		700,000,000	-
Dividend Paid		(319,834,877)	(284,834,877)
Net Cash Flow From Financing Activities		380,165,124	(284,834,877)
D) Net Increase in Cash and Cash Equivalents		695,842,261	864,009,160
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		5,615,479	20,514,233
F) Opening Cash and Cash Equivalents		6,184,288,623	5,299,765,231
Closing Cash and Cash Equivalents (D+E+F)		6,885,746,363	6,184,288,623
The above closing Cash and Cash Equivalents include:			
Cash in Hand		891,750,221	782,034,355
Balance with Bangladesh Bank and its Agent Bank		2,901,578,704	2,712,931,438
Balance with Other Banks & Financial Institutions		1,998,110,179	2,568,427,930
Money at Call and Short Notice		529,900,000	120,000,000
Treasury Bill		563,725,058	-
Prize Bond		682,200	894,900
		6,885,746,363	6,184,288,623
Net Operating Cash Flow Per Share	41.00	0.55	4.22

The annexed notes form an integral part of these accounts



Md. Ahsan-uz Zaman
Managing Director & CEO



Rezaul Karim
Director



Nazimuddin Chowdhury
Director



Nilufer Zafarullah
Chairman


Place of Issue: Dhaka

Dated: 28 April 2024

Midland Bank PLC.
Statement of Changes in Equity
For the year ended 31 December 2023


Particulars	Paid-up Capital		Statutory Reserve		Revaluation Surplus on Investments		Retained Earnings		Total	
	BDT		BDT		BDT		BDT		BDT	
Balance as at 01 January 2023	5,696,697,530		1,626,329,243		1,155,553		322,357,157		7,646,539,482	
Receipts from Issue of Capital	700,000,000		-		-		-		700,000,000	
Dividend paid	-		-		-		(319,834,877)		(319,834,877)	
Revaluation Reserve transferred during the period	-		-		2,182,334		-		2,182,334	
Net Profit for the year after tax	-		-		-		1,133,106,643		1,133,106,643	
Appropriation made during the period	-		255,440,315		-		(255,440,315)		-	
Transferred to Start Up Fund	-		-		-		(11,331,066)		(11,331,066)	
Balance as at 31 December 2023	6,396,697,530		1,881,769,558		3,337,887		868,857,542		9,150,662,516	
Balance as at 31 December 2022	5,696,697,530		1,626,329,243		1,155,553		322,357,157		7,646,539,482	

The annexed notes form an integral part of these accounts


Md. Ahsan-uz Zaman
Managing Director & CEO


Rezaul Karim
Director


Nazimuddin Chowdhury
Director


Nilufer Zafarullah
Chairman


Signed as per annexed report on even date

Place of Issue: Dhaka
Dated: 28 April 2024

Midland Bank PLC.
Liquidity Statement
For the year ended 31 December 2023

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	1529,668,331	-	-	-	2263,660,594	3,793,328,925
Balance with other Banks and Financial Institutions	1446,900,000	247,600,000	303,610,179	-	-	1,998,110,179
Money at Call & Short notice	529,900,000	-	-	-	-	529,900,000
Investments	2,562,000	601,900,000	2,362,100,000	6,152,580,000	8,260,964,715	17,380,106,715
Loans and Advances/Investments	7,501,100,000	5,813,100,000	16,058,800,000	14,945,185,257	10,544,472,737	54,862,657,994
Fixed Asset	-	-	-	184,062,112	426,687,399	610,749,511
Other Asset	-	57,000,000	400,600,000	2820,000,000	960,830,461	4238,430,461
Non-Banking Asset	-	-	-	-	12,585,359	12,585,359
Total Assets	11,010,130,331	6,719,600,000	19,125,110,179	24,101,827,369	22,469,201,265	83,425,869,144
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	677,600,000	145,000,000	1292,000,000	1,013,865,470	3,188,700,000	6,317,165,470
Deposit and Other Account	15,716,200,000	13,876,500,000	15,088,100,000	14,951,928,764	669,995,481	60,302,724,245
Provision & Other Liabilities	192,722,298	128,064,727	-	216,895,249	516,570,640	765,316,913
Total Liabilities	16,586,522,298	14,149,564,727	16,380,100,000	18,134,753,483	9,024,266,121	74,275,206,628
Net Liquidity	(5,576,391,967)	(7,429,964,727)	2,745,010,179	5,967,073,886	13,444,935,144	9,150,662,516

The annexed notes form an integral part of these accounts


Md. Ahsan-uz Zaman
Managing Director & CEO


Rezaul Karim
Director


Nazimuddin Chowdhury
Director


Nilufer Zafarullah
Chairman

Signed as per annexed report on even date

Place of Issue: Dhaka
Dated: 28 April 2024

Notes to the Financial Statements

As at and for the year ended 31 December 2023

Corporate Profile and Significant Accounting Policies

1.00 Midland Bank PLC.

1.01 Legal status and nature of the entity

Midland Bank PLC. (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 Corporate Branch. Presently, the number of branches stood at 39 (19 Urban Branches and 20 Rural Branches), 19 Sub Branches, 65 ATMs, 127 Agent Banking Centers (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 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, Nagad and Upay 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 2023.

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 2023.

1.05 Agent banking

Midland Bank got agent banking license from Bangladesh Bank on July 10, 2016 and started its agent banking operation from January 23, 2017 with a view to reach unbanked population particularly in the geographically dispersed area and offer banking services to potential customers who are currently out of traditional banking periphery. The Bank provides a wide range of banking services through agent banking centers in 29 Districts and 65 Upazilas/Thana across the country to ensure the safety of customer deposits and provide modern banking services. Through Midland agent banking center, we are providing services like account opening, fund transfer, deposit and withdrawal, loan disbursement and realization of loan installments, utility bill collection, foreign remittance disbursement, debit and credit card issuance, etc. Besides this, we are

able to transfer money from Midland Bank to Mobile Financial Services, i.e., bKash, Rocket, Nagad, Upay and also able to transfer money from bKash and Rocket to Midland Bank's Accounts. Customers can avail both Islamic banking services and Conventional banking services from any agent banking center.

2.00 Basis of preparation of financial statements and significant accounting policies

2.1.1 Basis of preparation of financial statements

The separate financial statements of the Bank for the year ended on 31 December 2023 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 2023.

2.1.2 Statement of Compliance

The Financial Reporting Act 2015 (The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks with effect from 2nd November 2020.

Accordingly, the financial statements of the Bank are prepared in accordance with IFRSs (including IASs) and the requirements of the Bank Company Act, 1991 (amendment up to 2018), the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, The Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Commission Act 1993, Bangladesh Securities and Exchange Commission (Public Issues) Rules 2020, Income Tax Ordinance and Rules 1984, The Value Added Tax and Supplementary Duty Act 2012, The Value Added Tax and Supplementary Duty Rules 2016, Financial Reporting Act, 2015, Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE) and Central Depository Bangladesh Ltd. (CDBL) rules and regulations. In case any requirement of the Bank Company Act, 1991 (amendment up to 2023), provisions, circulars and guidelines issued by Bangladesh Bank differ with those of IFRSs (including IASs), the requirements of the Bank Company Act, 1991 (amendment up to 2023), provisions, circulars and guideline issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS:

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 is also accounted for in accordance with Financial Reporting Standards issued by ICAB. A separate balance sheet and profit & loss account are shown in Annexure - G & G-1 and H & H-1, 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 of the Bank.

It is noteworthy to mention that IFRS-16 "Leases" had been applied effective from 1 January 2020. The related changes to significant accounting policies and its affect are described in note 2.02.1.

Difference between IAS/IFRS and Bangladesh Bank regulations

The financial statements of the Bank have been prepared as on 31 December 2023 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 2023), 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 Company 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 requirements of IFRS 9, bills can be categorised either as "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Any change in fair value of bills is recognised in profit and loss or other reserve as a part of equity respectively.

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.

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

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 Comprehensive Income (SCI) statement.

Bangladesh Bank: The templates of financial statements issued by Bangladesh Bank do not include the Other Comprehensive Income (OCI), nor are the elements of other comprehensive income allowed to be included in a Single Comprehensive Income (SCI) 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. As per BRPD Circular no. 06, Dated 25 April 2023 and Bangladesh Bank guidelines, the bank is required to maintain provision at 0% to 1% on such off-balance sheet items, excluding bills for collection.

x. Cash and cash equivalents

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

xi. Non-banking assets

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

Bangladesh Bank: Non-banking assets were acquired by the entity due to failure of borrowers to repay the loan in time taken against mortgaged property. The Bank was awarded absolute ownership one (1) mortgaged properties (land) through the verdict of honorable court. The value of the properties has been recognised in the financial statements as non-earning assets on the basis of third party valuation report. As per BRPD circular no. 22, dated 20 September 2021 and BRPD circular no. 14, dated 25 June 2003, there is a separate balance sheet item named non-banking assets existed in the standard format

xii. Cash flow statement

IFRS/IAS: Cash flow statement can be prepared either direct method or indirect method as per IAS 7. 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, dated 25 June 2003, cash flows statement has been prepared following a mixture of direct and indirect methods.

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

IFRS/IAS: CRR maintained 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 including CRR 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: As per BRPD circular no. 22, dated 20 September 2021 and BRPD circular no. 14, dated 25 June 2003, there is a separate balance sheet item named non-banking assets existed in the standard format.

xv. Off-balance sheet expositors

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, dated 25 June 2003, 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, dated 25 June 2003, an appropriation of profit should be disclosed in the face of 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, dated 25 June 2003, provision on loans and advances/investments are presented separately as liability and cannot be netted off against loans and advances/investments.

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, dated 25 June 2003, 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.

2.1.3 Basis of Measurement

The financial statements of the Bank has been prepared on historical cost basis except of the following:

i) 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;

ii) Government Treasury bills/bonds designated as 'Held to Maturity (HTM)' are carried at amortised cost;

iii) Investment in shares of listed companies are prepared at market value .

2.1.4 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 A+ in long term, ST-2 in short term and Stable in Outlook Status by Emerging Credit Rating Limited (ECRL). 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.

2.1.5 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.

2.1.6 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 # 2.2.5.(d)
- Income tax - as explained in note # 2.4.8
- Deferred tax assets/liabilities - as explained in note # 2.4.9
- Employee benefit -as explained in note # 2.5

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.

2.1.7 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.

2.1.8 Reporting period

These financial statements cover one calendar year from 01 January 2023 to 31 December 2023.

2.1.9 Dividend

Dividend on ordinary shares is recognised as a liability and deducted from retained earnings when they are approved by shareholders at the Annual General Meeting (AGM) of the Bank.

Dividend on ordinary shares for the year that is recommended by the Directors after the balance sheet date for approval of shareholders at the Annual General Meeting are disclosed in note # 2.21 to the financial statements.

2.1.10 Date of authorization

The Board of Directors has authorised these financial statements for public issue on 28th April 2024.

2.1.11 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.

2.1.12 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.

2.1.13 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 institutions money at call and short notice, etc.	Stated maturity/Observed behavioral trend.
2	Investments	Residual maturity term.
3	Loan and advance / investment	Repayment/Maturity schedule and behavioral trend (non-maturity products)
4	Fixed assets	Useful life
5	Other assets	Realisation/Amortisation basis
6	Borrowing from other banks and financial institutions	Maturity/Repayment term
7	Deposits and other accounts	Maturity/behavioral trend (non-maturity products)
8	Other long term liabilities	Maturity term
9	Provisions and other liabilities	Settlement/adjustment schedule basis

2.1.14 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.

2.1.15 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.

2.2 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).

2.2.1 Accounting policy for IFRS 16: Leases

At the inception of a contract, the bank assesses whether a contract is, or contains, a lease. 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. At the commencement or on modification of a contract that contains a lease component, the bank allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the bank by the end of the lease term or the cost of the right-of-use asset reflects that the bank will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the bank's incremental borrowing rate. Generally, the bank uses its incremental borrowing rate as the discount rate.

The Bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

fixed payments, including in-substance fixed payments

variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

amounts expected to be payable under a residual value guarantee; and

the exercise price under a purchase option that the bank is reasonably certain to exercise, lease payments in an optional renewal period if the bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the bank changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The bank has elected not to recognise right-of-use assets and lease liabilities for leases of short-term.

2.2.2 Basis of consolidation

The consolidated financial statements include the financial statements of Midland Bank PLC. Islami Banking Windows (IBW) and Off-shore Banking Unit (OBU) have been prepared as at and for the year ended on 31 December 2023. The consolidated financial statements have been prepared in accordance with IFRS 10 Consolidated Financial Statements.

2.2.3 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.

2.2.4 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.

2.2.5 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 to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD circular no. 53 (30 December 2021), BRPD circular no. 52 (29 December 2021), BRPD circular no. 51 (29 December 2021), BRPD Letter # BRPD (CRS-2)/901/(2)/2022-271, Dated 27 January 2021, BRPD circular no. 50 (14 December 2021), BRPD circular no. 45 (04 October 2021), BRPD circular no. 19 (26 August 2021), BRPD circular no. 13 (27 June 2021), BRPD circular no. 05 (24 March 2021), BRPD circular no. 03 (31 January 2021), BRPD circular no. 56 (10 December 2020), BRPD circular no. 52 (20 October 2020), BRPD circular no. 16 (21 July 2020), BRPD circular no. 03 (21 April 2019), BRPD circular no.1 (20 February 2018), BRPD circular no.15 (27 September 2017), circular

no.16 (18 November 2014), BRPD circular no. 05 (29 May 2013), BRPD circular no. 19 (27 December 2012) and BRPD circular no.14 (23 September 2012). The guidance in the circular follows a formulaic approach whereby specified rates are applied to the various categories of loans as defined in the circular. 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, merchant banks, stock dealers, etc.	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 advances, including SMA of which are enjoying deferring classification irrespective of repayment performance until 31 December 2023)	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. In 2023, BDT 75.90 million was written off.

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 COVIS-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 112.32 million as of 31 December 2023 (note # 13.02).

i) Required provision for Loans and Advances/Investments

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 2023, the Bank has maintained an amount of BDT 1,943.36 million and has shown in the face of balance sheet under the head "Other Liabilities" as against BDT 1,858.36 million of regulatory requirements (note # 7.09).

2.2.6 Staff loan

House building and car loan are provided to the permanent staff at a subsidised rate. Criteria and detail of type wise staff loan are given below:

i) House building loan

A permanent staff completing 5 years of service can avail house building loan subject to getting approval from Managing Director & CEO and recommended by the concerned divisional head.

ii) Car loan

All permanent staff from AVP can avail car loan subject to getting approval from Managing Director & CEO and recommended by the concerned divisional head.

2.2.7 Investment

All investments (other than government treasury securities) are initially recognised at cost including acquisition charges associated with the investment. Premiums are amortised and discount accreted using the effective or historical yield method. Accounting treatment of government treasury bills and bonds (categorised as HFT and HTM) are made in accordance with Bangladesh Bank DOS Circular letter no. 05, dated 26 May 2008 and subsequent clarifications DOS Circular letter no. 05 dated 28 January 2009.

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 value	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, 2023.

2.2.8

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.

i) 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.

ii) 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%

2.2.9 **Non- banking assets**

Non-banking assets were acquired by the entity due to failure of borrowers to repay the loan in time taken against mortgaged property. The Bank was awarded absolute ownership on few mortgaged properties (mostly land) through the verdict of honourable court under the Artharin Adalat Act 2003. The value of the properties has been recognised in the financial statements as non-earning assets on the basis of third party valuation report and presented in the financial statements of the bank as per BRPD Circular # 22, dated 20 September 2021. Details are shown in note # 10.

2.2.10 **Intangible assets**

a) 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).

b) 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.

c) 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.

d) 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.

2.2.11 **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 11,289 has been impaired and charged to profit and loss account during the financial year 2023 as per para 60 of IAS-36 “Impairment of assets”.

2.2.12 Investment properties

a) 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.

b) 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.

c) 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).

2.2.13 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.04 dated 12 April 2022, 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 # 13.04).

2.2.14 Receivables

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

2.2.15 Inventories

Inventories measured at the lower of cost and net realizable value as per IAS 2 “Inventories”.

2.2.16 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 2023.

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 2023, 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 2023

Particulars	In BDT Million		
	Amount before adoption of IFRS-16	Amount of Adjustment for IFRS-16	Amount after implementation of IFRS-16
Fixed Assets	301	310	611
Other Assets	4,320	(82)	4,238
Other Liabilities	7,313	265	7,578

e) Impact on the profit and loss account as on 31 December 2023

Particulars	In BDT Million		
	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.	3,725	16	3,741
Rent, tax, insurance, electricity, etc.	279	(173)	106
Depreciation/amortization and repairs of Bank’s	134	157	291

2.2.17 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.

2.3 Capital/Shareholder’s equity

2.3.1 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 an

Article of Association to issue to the shareholders. Authorized capital of the Bank as on 31 December 2023 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 increased by BDT 700 million to BDT 6,396.70 million as on 31 December 2023 from BDT 5,696.70 million as on 31 December 2022, as the bank injected BDT 700 million through IPO for the FY 2023 (note # 15.02).

2.3.2 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 2023) until such reserve along with share premium equal to its paid up capital. Statutory reserve of the Bank as on 31 December 2023 was at BDT 1,881.76 million, against BDT 1,626.33 million on 31 December 2022 (note # 16.00).

2.3.3 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 2023, the Bank did not revalue of its any fixed asset.

2.3.4 Revaluation reserve on investment in 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).

2.3.5 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 2023.

2.3.6 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. During the year 2023, the Bank issued 70 million of ordinary shares at the face value of BDT 10 each to general public through IPO in compliance with regulation.

2.3.7 Capital management

The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve the following objectives:

i) To comply with the capital requirements set by the regulators;

ii) To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

iii) To maintain a strong capital base to support the development of its business.

Capital is managed in accordance with the Board approved Capital Management Planning. Senior management develops the capital strategy and oversee the capital management planning of the Bank. The Bank's finance, treasury and risk management divisions are key participators in implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measures and internal matrix.

2.4 Liabilities and basis of their valuation

2.4.1 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).

2.4.2 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.

2.4.3 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.

2.4.4 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.

2.4.5 Provision for Off-balance sheet exposure

As per BRPD circular no.14 (23 September 2012) the Bank has recognised 1% General Provision on the following off balance sheet exposures as defined in BRPD circular no.10 (24 November 2002) considering the exemption as provided through BRPD circular no.01 (03 January 2018), BRPD circular no.7 (21 June 2018), BRPD circular no.13 (18 October 2018), BRPD circular no.02 (25 February 2019), BRPD circular no.09 (27 May 2019) and BRPD circular letter no. BPRD(P-1)/661/13/2019-354 (13 January 2020).

- i) Acceptance and endorsements;
- ii) Letters of guarantee;
- iii) Irrevocable letters of credit; and
- iv) Foreign exchange contracts

2.4.6 Provisions on balances with other banks and financial institutions (Nostro accounts)

Provision for unsettled transactions on nostro accounts is made as per Foreign Exchange Policy Department (FEPD) circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005 of Foreign Exchange Policy Department (FEPD) of Bangladesh Bank and reviewed semi-annually by our management along with duly certified by the external auditor. On the reporting date, the Bank has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

2.4.7 Provision for rebate to good borrower

Previously commercial banks were required to maintain provision @10.0% of interest charged against loans to good borrowers, identified on the basis of prescribed guidelines stated in BRPD Circular no. 06 (19 March 2015) and BRPD Circular Letter no 03 (16 February 2016) for onward rebate to the recognized good borrowers. However, Bangladesh Bank during 2020 issued another circular (BRPD Circular No. 14 dated 18 June 2020), wherein it is mentioned that from 2020 banks need not to provide any rebate to good borrowers. Hence, no further good borrowers' provision was accounted for in the financials.

2.4.8 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 690.11 million in 2023, against BDT 544.23 million in 2022 (note # 13.05).

- 2.4.9 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” and in line with BRPD circular no.11 dated December 12, 2011. During the year, an amount of deferred tax income stood at BDT 546.02 million against BDT 17.57 million in 2022 (note # 9.06).
- 2.4.10 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.
- 2.5 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:
- 2.5.1 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 Arun & Co. Chartered Accountants and submit to the NBR to comply with regulation.
- 2.5.2 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 Arun & Co. Chartered Accountants and submit to the NBR to comply with regulation.
- 2.5.3 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.
- 2.5.4 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 financials of the Bank.

2.5.5 Worker's Profit Participation Fund

Provision of Workers' Profit Participation Fund and Welfare Fund mentioned in Bangladesh Labour (Amendments) Act, 2013 contradicts Bank Company Act, 1991 through which Bank Companies are regulated. Section-11 of Bank Company Act, 1991 restricts to employ anyone who receives remuneration or part of remuneration as share of profit of the company and remuneration includes salary and other benefit. As per legal expert's opinion, wherein it is opined that Worker's Profit Participation and Welfare Fund shall not be applicable for Bank Companies, as there is no non-obstante clause. Unless Government of Peoples Republic of Bangladesh amends section 11 of Bank Company Act or frames rules, giving overriding effect to Bank Company Act, 1991, section 232 of Bangladesh Labour (Amendments) Act, 2013 will not be applicable for banks. Moreover, in the Bank, performance bonus provision is there, which is distributed among the employees on the basis of individual employee's yearly performance with a view to recognize welfare of the employees and reward their participation and contribution to the company.

2.6 Revenue recognition

In terms of provisions of IFRS 15 "Revenue from Contracts with Customers", the revenues during the year are recognized as following:

2.6.1 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.

2.6.2 Profit on investment (Islamic Banking Window)

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.

2.6.3 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.

2.6.4 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:

- i) Income earned on the execution of a significant act is recognised as revenue when the act is completed.
- ii) Income earned from services provided is recognised as revenue when the services are provided
- iii) Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.
- iv) Commission and discount on bills purchased and discounted are recognized at the time of realization.

2.6.5 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).

2.7 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.

2.7.1 Interest paid on borrowing and other deposits (Conventional banking)

Interest paid and other expenses are recognised on accrual basis

2.7.2 Profit shared on deposits (Islamic banking)

Profit paid to mudaraba deposits is recognised on accrual basis according to Income Sharing Ratio (ISR).

2.7.3 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".

2.7.4 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.

2.7.5 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.

2.8 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.

2.8.1 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.

2.8.2 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.

2.8.3 Diluted earnings per share

During the year 2023, the bank issued 70 million ordinary shares @ BDT 10 each (at par), therefore, number of ordinary shares increased by 70 million to 639,669,753 Ordinary shares from 569,669,753 Ordinary shares in 2022. No diluted earnings per share are required to be calculated for the period 2023, 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)".

2.9 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).

2.10 Credit rating

Credit Rating: Emerging Credit Rating Limited (ECRL) has been rated the Bank based on the audited financial statements as of December 31, 2022 and other relevant quantitative as well as qualitative information up to the-date-of rating declaration. They have been rated the Bank as A+ in the long term and ST-2 for the short term and outlook is stable. The effective date of rating is till June 30, 2024.

Year	Long term rating	Short term rating	Outlook
2022 (valid upto 30 June 2024)	A+	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 1 capital, improved asset quality and well controlled of liquidity position.

2.11 Directors' Responsibility on Financial Statements

The Board of Directors take the responsibility for preparation and presentation of these financial statements. Details of Directors' report are given in annual report.

2.12 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.

2.13 Information about business and geographical segments

a) Business segments

Business segments report consists of products and services whose risk 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.

2.14 Risk management

Interest Rate Risk: Interest rate risk may arise either from trading portfolio or from non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills and bonds of different maturities as far as Interest rate risk is concern. Interest rate risk arises from mismatches between the future yield of an asset and their funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis and the Bank's Markets Treasury team actively manages the Balance Sheet gap to reduce the risk.

Equity Risk: Equity risk arises from movement in market value of equities held. The risks are monitored by Bank's Treasury and FIs Division under a well designed policy framework.

Operational Risk: Operational risk is the risk of direct or indirect loss resulting a wide variety of causes associated with the Bank's processes, people, technology or infrastructure, or from external factors. Operational risk is inherent in the Bank's activities and as with other risk types is managed through an overall framework with checks and balances that include implementation of three line of defence, recognised ownership of the risk by the businesses and independent risk management oversight.

The operational risk policy codifies the core governing principles for operational risk management and provides a framework for operational risk. In accordance with the policy, each business area is responsible to identify its key operational risks as well as the controls established to mitigate those risks and to ensure compliance with laws, regulations, regulatory administrative actions and the Bank's policies. The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the reputation of the Bank's reputation with overall cost effectiveness and innovation. In all cases, the Bank's policy requires compliance with all applicable legal and regulatory requirements.

Operating Environment: The Bank's operating environment during the year ended 2023 were impacted by a number of major global events such as continuation of COVID 19 related disruptions, start of Russia-Ukraine conflict, increase in fuel and commodity price, strengthening of USD, etc.. Most of these events also had significant impact in the local economic environment affecting the Bank's operation. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various directives to manage impacts from these events which the Bank has followed. Management on regular basis review and monitor the global and country specific macro-economic situation and factor these issues into the decision making process. However, the long-term effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from the actual results.

2.15 Creation of 'own Stat-up Fund' by Scheduled Banks through transferring 1% of the annual net profit

Pursuant to the SMESPD Circular no 4 dated 29 March 2021, Section 'Kha', all scheduled banks in Bangladesh are instructed to create own 'start-up fund' for disbursement of loan/Investment (for Islamic banks) to 'start-up entrepreneurs'. As per the subsequent amendment through SMESPD Circular no 5 dated 26 April 2021, for five years from 2020 banks shall maintain start-up fund to disburse in favour of 'Start-up entrepreneurs' through mandatory transfer of 1% net profit as per the audited financial statements. A new account heading named 'start-up fund' shall be created and disclosed in balance sheet under 'other liabilities'.

No further instruction has been issued in relation to the accounting of transactions (i.e. disbursement from the start-up fund and redemption of other liability). Until further instruction is received about the accounting of start-up fund, the Bank has assigned the required amount (1% of net profit) for the use as 'start-up fund' and subsequent disbursement to start-up entrepreneurs. This amount has been considered as appropriation through transfer from profit and loss account and disclosed under other liability.

2.16 Compliance report of International Accounting Standards/ International Financial Reporting Standards (IFRSs)

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks with effect from 2 November 2020. Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Banking Companies Act, 1991 (amendment up to 2018), the rules and regulations issued by Bangladesh Bank, the Companies Act, 1994. In case any requirement of the Banking Companies Act, 1991 (amendment up to 2018), and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Banking Companies Act, 1991 (amendment up to 2018), and provisions and circulars issued by Bangladesh Bank shall prevail.

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 and Errors	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

Name of the IAS / IFRS	IFRS	Status of compliance
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

In order to comply with certain specific rules and regulations of Bangladesh Bank which are different to IAS/IFRS, some of the requirements specified in these IAS/IFRSs are not applied. Refer to note-2.1 for such recognition and measurement differences that are most relevant and material to the Bank and the Group.

The Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself.

The objective of IAS 34 is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period and hence it is not applicable for annual financial statements. However, the Bank being a listed entity in Dhaka and Chittagong Stock Exchanges regularly publishes Interim Financial Report complying with IAS 34.

2.17

Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Bank has not early adopted the new or amended standards in preparing these financial statements.

Effective date	New standards or amendments
January 01, 2021	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Interest Rate Benchmark Reform-2)
January 01, 2021	i) Amendments to IAS 37 (Onerous Contracts-Cost of Fulfilling a Contract) ii) Amendments to IAS 16 (Property, Plant and Equipment: Proceeds before Intended Use) iii) Amendments to IFRS 1, IFRS 9, illustrative examples accompanying IFRS 16 and IAS 41 (Annual improvements to IFRS Standards 2018-2020) iv) Amendments to IFRS 3 (Reference to Conceptual Framework)
January 01, 2021	i) Amendments to IAS 1 (Classification of Liabilities as Current or Non Current) ii) IFRS 17 "Insurance Contracts" iii) Amendments to IAS 8 (Definition of Accounting Estimate) iv) Amendments to IAS 1 and IFRS Practice Statement 2 (Disclosure of Accounting Policies)
January 01, 2022	i) IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts. ii) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2). iii) Definition of Accounting Estimates (Amendments to IAS 8). iv) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) v) Lease liability in a Sale and Leaseback (Amendments to IFRS 16). vi) Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
Effective date deferred indefinitely/available for optional adoption	Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint venture

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.

2.18 **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".

2.19 **Accounting for changes in policy, accounting estimates and errors**

IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors, states that the effect of a change in accounting policy and correction of errors, if material, is to be applied retrospectively, and change in an accounting estimate is to be applied prospectively. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change. The bank followed the same accordingly and the Bank did not change the accounting policies and accounting estimates during the year 2023.

2.20 **Related party disclosures**

A party is related to the company if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

Details of the related party disclosures presented in note no. 44 and Annexure- D and E.

2.21 **Event after the reporting period**

As per IAS -10 "Events after Reporting Period" are those events, favorable and unfavorable, 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 2023, in its 153rd Board Meeting held on April 28, 2024.

Diluted earnings per share

In the financial year 2023, MDB issued 70 million ordinary shares through the IPO to its ordinary shareholders, therefore, the EPS of 2022 was diluted/restated accordingly in the financial year 2023.

2.22 **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, 2023. 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 153rd Board meeting held on April 28, 2024.

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	Notes	2023	2022
		BDT	BDT
3.00 Cash			
In Hand (Including foreign currency) (note 3.01)		891,750,221	782,034,355
Balance with Bangladesh Bank and its Agent Bank (note 3.02)		2,901,578,704	2,712,931,438
		3,793,328,925	3,494,965,793
3.01 In Hand (Including foreign currency)			
Local Currency		888,016,034	774,162,858
Foreign Currency		3,734,187	7,871,497
		891,750,221	782,034,355
3.02 Balance with Bangladesh Bank and its Agent Bank			
With Bangladesh Bank			
Local Currency		2,585,269,408	2,626,182,417
Foreign Currency		316,039,206	86,478,611
With Sonali Bank (as agent of Bangladesh Bank-Local Currency)		270,091	270,409
		2,901,578,704	2,712,931,438

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	2,012,566,885	1,853,269,469
Maintained Reserve	2,265,573,752	2,233,891,643
Surplus/(Deficit)	253,006,867	380,622,174

b) Statutory Liquidity Ratio (SLR)

Required Reserve	6,612,668,450	6,122,295,610
Maintained Reserve	13,632,390,477	13,147,263,204
Surplus/(Deficit)	7,019,722,027	7,024,967,594

Total Required Reserve**8,625,235,335****7,975,565,079****Actual Reserve held****15,897,964,229****15,381,154,847****Surplus/(Deficit)****7,272,728,894****7,405,589,768****c) Components of Statutory Liquidity Ratio (SLR)**

Cash in Hand	890,140,400	776,827,280
Balance with Bangladesh Bank	-	-
Balance with Sonali Bank	7,286,580	10,405,860
Excess Reserve of CRR	253,006,867	380,622,174
Government Securities	12,481,956,630	11,979,407,890
	13,632,390,477	13,147,263,204

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	Notes	2023	2022
		BDT	BDT
Islami Banking Wing			
a) Cash Reserve Requirement (CRR)			
Required Reserve		133,359,250	93,648,026
Maintained Reserve		319,951,976	383,223,060
Surplus/(Deficit)		186,592,726	289,575,034
b) Statutory Liquidity Ratio (SLR)			
Required Reserve		183,368,970	128,766,040
Maintained Reserve		384,852,546	491,432,114
Surplus/(Deficit)		201,483,576	362,666,074
c) Components of Statutory Liquidity Ratio (SLR)			
Cash in Hand		1,609,820	5,207,080
Balance with Bangladesh Bank		-	-
Balance with Sonali Bank		-	-
Excess Reserve of CRR		186,592,726	289,575,034
Government Securities		-	-
Other Eligible Securities		196,650,000	196,650,000
		384,852,546	491,432,114
4.00 Balance with other Banks and Financial Institutions			
In Bangladesh		1,986,136,023	2,455,383,089
Outside Bangladesh		11,974,157	113,044,841
		1,998,110,179	2,568,427,930
4.01 In Bangladesh	Transaction Currency		
Current Account			
Standard Bank Ltd.	BDT	8,995	9,915
Sonali Bank Ltd.	BDT	21,243,916	29,996,278
Janata Bank Ltd.	BDT	367,694	2,082,889
Agrani Bank Ltd.	BDT	28,718,766	22,479,128
Rupali Bank Ltd.	BDT	7,918,571	12,954,742
Trust Bank Ltd.	BDT	6,826,332	2,186,841
Dutch Bangla Bank Ltd.	BDT	221,890	1,637,148
The Premier Bank Ltd.	BDT	3,060,192	1,992,251
		68,366,355	73,339,192
Special Notice Deposit			
Mercantile Bank Ltd.	BDT	5,686,575	20,979,811
Prime Bank Ltd.	BDT	641,524	640,771
AB Bank Ltd.	BDT	239,369	3,406,935
Eastern Bank Ltd.	BDT	2,198	16,380
		6,569,667	25,043,897
Fixed Deposits Receipt (FDR)			
FAS Finance & Investment Ltd.	BDT	175,000,000	175,000,000
First Finance Ltd.	BDT	131,000,000	132,200,000
IDLC Finance Limited	BDT	-	340,000,000
Bangladesh Finance Ltd.	BDT	80,100,000	83,000,000
South Bangla Agriculture & Commerce Bank Ltd.	BDT	100,000,000	-
Bank Al-Falah Ltd.	BDT	-	200,000,000
Premier Leasing & Finance Ltd.	BDT	544,300,000	544,300,000
Phoenix Finance & Investments Ltd.	BDT	170,500,000	170,500,000
International Leasing & Financial Services Ltd.	BDT	331,500,000	331,500,000
Fareast Finance & Investment Limited	BDT	288,500,000	290,000,000
Prime Finance & Investment Ltd.	BDT	3,800,000	4,000,000
CVC Finance Ltd	BDT	86,500,000	86,500,000
Sub total		1,911,200,000	2,357,000,000
		1,986,136,023	2,455,383,089

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	Notes	2023	2022
		BDT	BDT
4.02 Outside Bangladesh (NOSTRO Accounts)	Transaction Currency		
in current account			
AB Bank, Mumbai Branch	US\$	69,951,868	3,042,662
United Bank of India	US\$	14,058,461	40,010,921
Axis Bank Limited	US\$	16,851,729	5,502,098
National Bank of Pakistan, Tokyo Japan	JPY	1,773,160	1,756,013
Mashreq Bank Psc, NY	US\$	(133,130,971)	3,173,859
Mashreq Bank Psc, NY OBU	US\$	21,067,802	29,578,176
Kookmin Bank, South Korea	GBP	13,410,405	1,303,665
Habib American Bank, NY	US\$	(2,020,966)	14,998,190
NIB Bank, Pakistan	US\$	1,731,142	468,739
Aktif Yatirim Bank	US\$	8,934	232,530
Aktif Yatirim Bank	EURO	3,487,464	6,283,038
Aktif Yatirim Bank	GBP	321,549	5,879,737
Banca UBAE Italy	EURO	1,829,628	270,875
Banca UBAE Italy	GBP	-	480,855
Kookmin Bank, South Korea	US\$	2,499,186	63,482
Sonali Bank	US\$	2,863	-
Sonali Bank	EURO	131,904	-
		11,974,157	113,044,841
Details of NOSTRO accounts are shown in Annexure-A			
4.03 Maturity grouping of Balance with other Banks and Financial Institutions			
On Demand		1,446,900,000	2,444,700,000
Less than three months		247,600,000	123,700,000
More than three months but less than one year		303,610,179	27,930
		1,998,110,179	2,568,427,930
5.00 Money at Call and Short Notice:			
		529,900,000	120,000,000
		529,900,000	120,000,000
6.00 Investments			
Government(note 6.01)		13,889,641,408	13,186,012,591
Others(note 6.02)		3,490,465,307	3,719,777,647
		17,380,106,715	16,905,790,238
i) Investment Classified as per Bangladesh Bank Circular			
Held to Maturity (HTM)		11,801,619,088	11,286,914,741
Held for Trading (HFT)		679,655,337	562,178,252
Reverse Repo		-	-
Prize Bond		682,200	894,900
Government Securites Encumbered		1,211,034,783	1,009,954,699
Government Securites -SUKUK Bond		196,650,000	326,070,000
Other Investments		3,490,465,307	3,719,777,647
		17,380,106,715	16,905,790,238
ii) Investment Classified as per Nature			
6.01 Government Securities			
Treasury Bills (at present value)			
Un-encumbered			
28 days		-	-
91 days		390,550,152	-
182 days		-	-
364 days		173,174,906	-
5 Years		-	-
Sub-total		563,725,058	-

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	Notes	2023	2022
		BDT	BDT
Encumbered			
91 days		-	-
182 days		-	-
364 days		-	-
Sub-total		-	-
Total Treasury Bill		563,725,058	-
Treasury Bonds			
Un-encumbered			
2 Years		981,541	-
5 Years		135,711,005	1,157,419,429
5 Years (Bangladesh Government Investment Sukuk)		196,650,000	326,070,000
10 Years		6,423,681,869	5,371,181,005
15 Years		3,732,279,312	3,607,594,613
20 Years		1,624,895,639	1,712,897,946
Sub-total		12,114,199,367	12,175,162,992
Encumbered			
2 Years		-	-
5 Years		-	-
10 Years		-	151,545,215
15 Years		252,137,975	-
20 Years		958,896,808	858,409,484
Sub-total		1,211,034,783	1,009,954,699
Total Treasury Bond		13,325,234,150	13,185,117,691
Reverse Repo		-	-
Prize Bonds (at face value)		682,200	894,900
Sub Total		13,889,641,408	13,186,012,591
6.02 Other Investments			
Shares in quoted companies(Regular portfolio)		814,313,250	748,632,323
Shares in quoted companies(Special portfolio)		720,771,285	703,286,485
Details shown in Annex B			
Shares in unquoted companies (at face value) :			
Regent Energy & Power Ltd.(Preference Share)		44,613,788	44,613,788
Union Capital Ltd. (Preference Share)		1,300,000	1,500,000
Envoy Textiles Ltd. (Preference Share)		80,000,000	120,000,000
Confidence Power Bogra Ltd. (Preference Share)		25,000,000	37,500,000
Premier Cement Mills Limited (PCML) (Preference Share)		437,500,000	500,000,000
Fair Electronics Ltd (FEL) (Preference Share)		240,000,000	300,000,000
CWT Sadharan Bima Growth Fund (Open End Mutual Fund)		-	5,000,000
Ekush First Unit Fund (Open End Mutual Fund)		23,088,898	27,832,445
VIPB Accelerated Income Unit Fund (Open End Mutual Fund)		27,500,000	27,500,000
VIPB NLI 1st Unit Fund (Open End Mutual Fund)		11,812,606	11,812,606
UCB AML First Mutual Fund (Open End Mutual Fund)		-	-
Ekush Growth Fund (Open End Mutual Fund)		20,000,000	20,000,000
EDGE High Quality Income Fund (Open End Mutual Fund)		20,000,000	20,000,000
UCB Taqwa Growth Fund (Open End Mutual Fund)		20,000,000	20,000,000
UCB Income Plus Fund (Open End Mutual Fund)		50,000,000	-
Ekush Stable Return Fund (Open End Mutual Fund)		4,565,480	-
Bond, Debenture & Commercial Papers:		1,005,380,772	1,135,758,839
UCB- Subordinated Bond		-	-
SIBL- Subordinated Bond		-	40,000,000
Standard Bank -Subordinated Bond		40,000,000	80,000,000
Hashem Foods Ltd-Commercial Paper		-	102,100,000
North-West Power Generation Company Ltd-Non-Convertible Coupon Bond		350,000,000	350,000,000
Trust Bank - Perpetual Bond		60,000,000	60,000,000
Jamuna Bank - Perpetual Bond		250,000,000	250,000,000
NCC Bank - Perpetual Bond		250,000,000	250,000,000
Sub Total		950,000,000	1,132,100,000
Total		3,490,465,307	3,719,777,647
		17,380,106,715	16,905,790,238

Notes to the Financial Statements

For the year ended 31 December 2023

2023	2022
BDT	BDT

- 6.03 Assets pledged as security for liabilities as at December 31, 2023 is BDT- 6,101,816,670.13 of Treasury Bill and Bond against Re-Purchase Agreement. Details are as under:

(a) i. Disclosure regarding outstanding Repo as at 31 December 2023

	Counter Party Name	Agreement Date	Reversal Date	Amount
1	Bangladesh Bank	24-Dec-2023	1-Jan-2024	1,447,793,865
2	Bangladesh Bank	26-Dec-2023	2-Jan-2024	1,521,394,300
3	Bangladesh Bank	27-Dec-2023	3-Jan-2024	1,368,105,385
4	Bangladesh Bank	28-Dec-2023	4-Jan-2024	1,004,523,120
5	Bangladesh Bank (Liquidity Support for capital market investment under special fund)	24-Dec-2023	24-Mar-2024	760,000,000
Total				6,101,816,670

ii. There is no outstanding Reverse Repo as at 31 December 2023 with the Bank.

(b) Disclosure regarding overall transaction of Repo for the year 2023

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	2,096,554,858	6,589,022,454	4,099,791,596
ii) with Other Banks & Financial Institutions	109,388,687	5,365,705,128	1,533,437,019
Securities purchased under reverse Repo:			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	52,438,250	192,424,521	11,794,625

6.04 Maturity grouping of Investment as follows:

On Demand	682,200	294,000
Up to one month	1,879,800	600,900
Less than three months	601,900,000	1,451,900,000
More than three months but less than one year	2,362,100,000	40,000,000
More than one year but less than five years	6,152,580,000	8,107,100,000
More than five years	8,260,964,715	7,305,895,338
	17,380,106,715	16,905,790,238

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

51,379,100,087	49,606,134,790
3,483,557,906	3,186,672,476
54,862,657,994	52,792,807,266

7.01 Loans, Cash Credits, Overdrafts, etc. / Investments

In Bangladesh:

Term Loan	21,544,987,931	19,094,556,520
Overdraft	8,678,632,084	7,975,277,348
Time Loan	11,742,359,775	13,662,789,912
Cash Credit	1,992,948,926	2,118,004,627
Trust Receipt	2,630,150,569	1,767,903,934
Consumer Loan	1,478,098,901	1,150,951,600
Payment Against Documents(PAD)	45,948	-
Agricultural Credit	802,471,774	820,972,923
Bridge Finance	-	-
EDF Loan	2,266,631,602	2,768,779,712
Lease Finance	-	-
Loan General	-	-
Loan Against Capital Market	-	-
Packing Credit	44,984,683	77,746,336
Staff Loan	107,946,144	102,063,477
Other Loans and Advances	89,841,751	67,088,400
	51,379,100,087	49,606,134,790

Outside Bangladesh

-	-
51,379,100,087	49,606,134,790

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	2023	2022
	BDT	BDT
7.02 Bill Purchased and Discounted		
Payable in Bangladesh	96,325,084	181,234,545
Payable outside Bangladesh	3,387,232,822	3,005,437,931
	3,483,557,906	3,186,672,476
7.03 Net Loans & Advances /Investments		
Gross Loans & Advances/ Investments (note- 7)	54,862,657,994	52,792,807,266
Less:		
Classified Loans & Advances/ Investments (note-7.08)	2,091,566,508	1,469,651,458
Interest/ Profit Suspense (Note- 13.06)	1,076,755,986	868,462,210
Provision for Loans & Advances/ Investments-General Provision (Note -13.01)	494,566,815	452,397,042
Net Loans & Advances /Investments	51,199,768,685	50,002,296,556
7.04 Maturity grouping of Loans and Advances /Investments		
On Demand	4,759,254,000	1,131,400,000
Up to one month	2,741,846,000	6,580,700,000
Not more than three months	5,813,100,000	8,657,400,000
More than three months but less than one year	16,058,800,000	11,583,200,000
More than one year but less than five years	14,945,185,257	14,867,407,266
More than five years	10,544,472,737	9,972,700,000
	54,862,657,994	52,792,807,266
7.05 Maturity grouping of Bills Purchased and Discounted		
Within one month	16,800,000	11,700,000
More than one but not more than three months	7,400,000	9,900,000
More than three months but less than six months	3,459,357,906	3,158,472,476
More than six months	-	6,600,000
	3,483,557,906	3,186,672,476
7.06 Concentration of Loans and Advances/ Investments:		
a) Loans and Advances/Investments to Institutions in which the Directors of the Bank have interest	2,333,811	3,758,928
b) Advances to Managing Director & other Senior Executives	107,946,144	102,063,477
c) Advances to Industries		
Agriculture	782,469,194	544,327,713
RMG	3,303,858,514	3,448,501,562
Textile	4,586,874,837	4,757,050,100
Ship Building	-	-
Ship Breaking	-	-
Other Manufacturing industry	16,602,651,755	16,623,731,594
SME loans	3,715,094,699	3,671,028,040
Construction	3,917,126,488	4,723,543,263
Power, Gas	1,195,278,034	1,086,231,423
Transport, Storage and Communication	1,447,008,382	1,366,213,722
Trade Service	6,743,833,241	5,599,771,524
Commercial real estate financing	24,330,045	31,399,705
Residential real estate financing	148,934,726	74,006,391
Consumer credit	2,071,749,457	2,026,685,959
Capital Market	528,933,090	622,626,079
NBFIs	2,490,918,044	2,974,575,698
Others	7,193,317,531	5,137,292,087
	54,752,378,038	52,686,984,861
	54,862,657,994	52,792,807,266

Notes to the Financial Statements

For the year ended 31 December 2023

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 917.84 crore as at December 31, 2023 (BDT 819.60 crore in 2022).

Number of Clients

Outstanding Advances (BDT)

2023	2022
BDT	BDT
32	34
27,005,766,166	27,659,316,002

Client wise details are given below:

Sl	Name of the clients	Status	Outstanding (BDT)		Total 2023 (BDT)	Total 2022 (BDT)
			Funded	Non - Funded		
1	Adex Group	UC	489,772,530	57,047,676	546,820,206	683,107,844
2	Nitol-Niloy Group	UC	268,039,143	25,815,000	293,854,143	479,910,881
3	Zon Ron Group	UC	838,577,828	109,749,630	948,327,457	987,762,279
4	Rangs Group	UC	428,375,637	521,088,846	949,464,482	853,944,518
5	Abul Khair Group	UC	972,930,235	2,943,526	975,873,761	28,541,322
6	GPH Group	UC	736,395,794	166,002,398	902,398,192	1,765,384,877
7	Summit Group	UC	1,180,721,054	-	1,180,721,054	1,028,648,043
8	Energypac Group	UC	723,152,175	104,327,209	827,479,384	2,359,618,320
9	Alliance Group	UC	731,195,785	-	731,195,785	754,555,271
10	BD Group	UC	933,845,610	5,967,700	939,813,310	924,392,188
11	Confidence Group	UC	912,589,233	749,668,114	1,662,257,347	1,338,956,947
12	ACI Group	UC	684,666,376	268,629,399	953,295,776	960,746,905
13	Unimed Group	UC	748,100,383	25,039,067	773,139,450	625,337,172
14	MSA Group	UC	778,760,780	268,668,817	1,047,429,597	1,219,269,784
15	EXPO Group	UC	353,169,712	1,050,746,566	1,403,916,277	894,806,138
16	Saiham Group	UC	759,603,324	382,851,799	1,142,455,122	1,503,316,980
17	Spectra Engineers Ltd.	UC	313,127,708	647,330,243	960,457,951	554,691,635
18	Akij Group	UC	-	-	-	-
19	Max Group	UC	581,060,662	35,117,345	616,178,007	574,995,184
20	Mir Group	UC	-	-	-	564,897,735
21	S.B Group	UC	-	-	-	895,923,021
22	Salma Group	UC	40,619,432	-	40,619,432	-
23	Seacom Group	UC	706,554,075	-	706,554,075	306,958,777
24	T. K. Group	UC	482,317,070	49,264,252	531,581,322	359,072,129
25	Youth Group	UC	-	731,491,267	731,491,267	700,000,000
26	Bangladesh-India Friendship Power	UC	-	-	-	-
27	Modern Syntex Limited	UC	-	-	-	166,095,148
28	NDE Group	UC	-	-	-	1,203,372,754
29	City Group	UC	2,036,736,346	9,959,808	2,046,696,154	2,815,288,125
30	Meghna Group	UC	898,477,284	208,619,590	1,107,096,874	1,885,577,256
31	Fair Group	UC	525,216,259	84,846,512	610,062,771	576,536,675
32	NPoly group	UC	-	-	-	478,722,836
33	Florance Group	UC	-	-	-	168,885,259
34	Advanced Chemical Industries Limited	UC	1,032,778,667	-	1,032,778,667	-
35	EPV	UC	277,285,685	1,383,425,412	1,660,711,097	-
36	Healthcare	UC	82,017,889	589,677,245	671,695,134	-
37	Rak Group	UC	402,520,016	217,287,698	619,807,714	-
38	Renaissance Group	UC	377,594,359	14,000,000	391,594,359	-
Total			19,296,201,047	7,709,565,118	27,005,766,166	27,659,316,002

7.08 Classification of Loans and Advances/Investments:

Unclassified (UC):

Standard

Special Mention Account (SMA)

Sub total

Classified:

Substandard

Doubtful

Bad & Loss

Sub total

Total

51,880,200,931	50,357,413,459
890,890,555	965,742,348
52,771,091,486	51,323,155,808
200,451,979	80,002,366
70,288,388	34,244,808
1,820,826,141	1,355,404,284
2,091,566,508	1,469,651,458
54,862,657,994	52,792,807,266

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	2023	2022
	BDT	BDT

7.09 Details of Required Provision for Loans and Advances/Investments

Particulars	Provision Rate	Provision	
		Required	Maintained
Unclassified (UC):			
Standard	0.25%, 1%, 2% & 5%	401,738,705	486,738,705
Special Mention Account (SMA)	0.25%, 1%, 2% & 5%	7,828,110	7,828,110
Sub total		409,566,815	494,566,815
Classified:			
Substandard	5% & 20%	207,469,397	207,469,397
Doubtful	5% & 50%	308,093,758	308,093,758
Bad loan	100%	933,225,033	933,225,033
Sub total		1,448,788,189	1,448,788,189
Total		1,858,355,004	1,943,355,004
Excess/(short) Provision as at December 31, 2023			85,000,000

7.10 Details of Required Provision for Off Balance Sheet Items

Required Provision for Off- Balance Sheet Exposures
Total Provision maintained
Excess/(Short) Provision

104,793,283	112,994,697
104,793,283	112,994,697
-	-

7.11 Suit filed by the Bank

No of Suits file

Artha Rin Adalat
N. I Act

49	33
33	29

Suit Amount

Artha Rin Adalat
N. I Act

1,282,113,454	957,114,245
133,141,047	125,965,674

7.12 Geographical location wise loans and advances/Investments

Inside Bangladesh

Urban

Dhaka Division
Chittagong Division
Khulna Division
Rajshahi Division
Mymensingh
Barisal Division
Rangpur Division
Sylhet Division

46,475,521,800	44,992,833,260
6,828,786,197	6,444,323,754
78,927,033	64,695,974
222,471,695	194,657,962
-	-
2,631,668	-
33,604,978	2,992,155
16,247,617	16,631,185
53,658,190,990	51,716,134,291

Rural

Dhaka Division
Chittagong Division
Khulna Division
Rajshahi Division
Mymensingh Division
Rangpur Division
Barisal Division
Sylhet Division

815,457,882	702,180,530
116,992,501	109,839,670
19,416,620	21,915,554
132,031,527	140,202,133
109,776,958	98,445,158
10,791,517	4,089,930
-	-
-	-
1,204,467,004	1,076,672,975

Outside Bangladesh

-	-
54,862,657,994	52,792,807,266

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	2023	2022
	BDT	BDT
7.13 Particulars of loans and advances/Investments		
(i) Loans & Advances considered good in respect of which the bank is fully secured	23,066,597,594	23,120,372,656
(ii) Loans & Advances considered good against which the bank holds no security other than the debtors' personal guarantee	31,796,060,400	29,672,434,610
(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	-	-
	54,862,657,994	52,792,807,266
(v) Loans & Advances due by directors or officers of the bank or any of them either separately or jointly with any other persons	110,279,956	105,822,405
(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	-	-
(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	-	-
(ix) Due from other banking companies	-	-
(x) Amount of classified loans on which interest has not been charged:		
a. i) (Decrease)/Increase in provision,	465,692,649	499,978,973
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'	933,225,033	847,912,003
c. Interest creditable to the interest suspense A/c;	1,076,755,986	868,462,210
(xi) Cumulative amount of loans written-off	75,896,067	-
(xii) Amount of loans written-off during the year	75,896,067	-
(xiii) The amount of written off loan for which law suit has been filed	75,896,067	-

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

295,849,031	231,166,776
239,670,360	189,421,047
212,721,271	187,706,177
31,125,193	26,094,193
20,260	20,260
108,900,598	64,713,819
833,365,395	768,320,720
-	-
1,721,652,109	1,467,442,993
1,110,902,598	892,773,089
610,749,511	574,669,903

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars		2023	2022
		BDT	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		791,570,009	813,843,823
Dividend Receivable		45,273,314	33,216,742
Preliminary Expenditure		-	-
Advance Income Tax (note-9.02)		2,615,351,806	2,050,142,134
Suspense Account (note-9.03)		53,168,334	101,666,468
Advance Subscription		490,384	1,137,353
Advance to Subsidiary Company		6,735,276	-
Prepaid Insurance		2,737,989	3,251,809
Stationery, Stamps, Printing materials in stock etc.		11,232,433	2,953,360
Sundry Assets (note-9.04)		165,815,032	385,492,688
Stamp in Hand		1,399,106	1,729,686
Branch Adjustment (note-9.05)		(0)	-
Deferred Tax Assets (note-9.06)		546,613,862	589,250
Exchange House		286,814	3,445,479
Clearing House and BFTN Adjustment		(2,243,897)	150,538
		4,238,430,461	3,397,619,330
Total Other Asset (A+B)		4,238,430,461	3,397,619,330
9.01 Advance Rent adjusted due to IFRS 16.			
9.02 Advance Income Tax			
Opening Balance		2,050,142,134	1,454,662,614
Less: Adjustment made during the year		-	-
Add: Payment during the year		565,209,672	595,479,520
Closing Balance		2,615,351,806	2,050,142,134
9.03 Suspense account represents advance paid for encashment of PSP,BSP & WEDB, advances for opening of new branches, procurement of equipments, etc,			
9.04 Sundry Assets			
Security Deposit		1,044,678	364,678
Stock of Assets		-	-
Receivable from Bangladesh Bank- Time Loan-WC under stimulus packag		13,086,345	67,915,580
Receivable from Brokerage House		115,271,918	285,988,315
Sundry Debtors		4,440,149	13,846,185
MFS Settlement Account		22,825,839	8,433,264
OBV Adjustment Account		-	-
Prepaid Interest		4,984,022	4,913,824
Prepaid Furniture Allowance		4,162,082	4,030,841
		165,815,032	385,492,688
9.05 Branch Adjustment (net)			
Entries	No. of Entries Outstanding	BDT	BDT
Debit entries	-	-	-
Credit entries	-	-	-
	-	-	-

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	2023	2022
	BDT	BDT
9.06 Deferred tax asset/ (Liability)		
Opening Balance	589,250	(16,977,457)
Deferred tax Expenses/ (Income)	(546,024,612)	(17,566,707)
Closing Balance Deferred Tax asset/ (liability)	546,613,862	589,250
9.06.01 Computation of deferred tax		
Specific Provision for Loans & Advances	1,448,788,189	-
Accounting written down value- Fixed Assets	300,590,227	172,210,145
Less: Tax base written down value- Fixed Assets	352,928,575	233,253,240
Taxable temporary difference	(52,338,348)	(61,043,095)
Right of Use of Assets	310,159,284	402,459,758
Lease Obligation	265,236,388	359,214,988
Taxable temporary difference	(44,922,896)	(43,244,770)
Book value - Gratuity provision	148,320,300	129,520,300
Less: Tax base - Gratuity provision	42,210,280	23,661,103
Deductable temporary difference	106,110,020	105,859,197
Net deductible temporary difference	1,457,636,964	1,571,332
Effective tax rate	37.50%	37.50%
Deferred Tax Assets/(Liability)	546,613,861	589,250
Deferred Tax (Expenses)/Income		
Closing Deferred Tax Assets	546,613,861	589,250
Opening Deferred Tax Assets/(Liability)	589,250	(16,977,457)
Deferred Tax (Expenses)/Income	546,024,612	17,566,707
9.07 Classification of Other Asset		
Unclassified	4,201,814,545	3,360,254,368
Substandard	-	-
Doubtful	-	-
Bad/Loss	36,615,916	37,364,962
	4,238,430,461	3,397,619,330
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 2023 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	6,317,165,470	8,243,230,054
Outside Bangladesh	-	-
	6,317,165,470	8,243,230,054

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	2023	2022
	BDT	BDT
11.01 In Bangladesh:		
Borrowing from Bank/Other Institutions:	550,000,000	1,530,000,000
Sonali Bank PLC.	-	200,000,000
BANK ALFALAH BANGLADESH	450,000,000	-
UTTARA BANK PLC.	100,000,000	-
Bank Al Falah	-	490,000,000
Meghna Bank PLC.	-	200,000,000
Citizens Bank PLC.	-	40,000,000
Eastern Bank PLC.	-	200,000,000
Uttara Bank PLC.	-	250,000,000
Dhaka Bank PLC.	-	150,000,000
Repo of Treasury Bill/Bond		
Bangladesh Bank (LS)	760,000,000	740,000,000
Refinance from Bangladesh Bank	454,365,809	1,064,040,110
Investment Promotion and Financing Facility (IPFF)	3,175,898,318	2,702,357,000
Borrowing From Bangladesh Bank (EDF)	1,376,901,343	2,206,832,945
	5,007,165,470	5,973,230,054
Total	6,317,165,470	8,243,230,054
11.02 Security against Borrowing From Other Banks, Financial Institutions and Agents		
Secured	-	-
Unsecured	6,317,165,470	8,243,230,054
	6,317,165,470	8,243,230,054
11.03 Maturity Grouping of Borrowing From other Banks, Financial Institutions & Agents		
On Demand	555,600,000	1,565,900,000
Up to one month	122,000,000	465,900,000
Not more than three months	145,000,000	368,800,000
More than three months but less than one year	1,292,000,000	940,000,000
More than one year but less than five years	1,013,865,470	1,256,030,054
More than five years	3,188,700,000	3,646,600,000
	6,317,165,470	8,243,230,054
12.00 Deposit and Other Accounts		
From Banks	2,590,614,788	5,213,283,317
From Customers	57,712,109,457	52,549,726,756
	60,302,724,245	57,763,010,073
12.01 Customer Deposit and Other Accounts:		
Current Deposit & Other Accounts :		
Current Deposit	3,051,608,329	3,767,421,973
Foreign Currency Deposit	2,842,509,416	3,578,789,473
Sundry Deposit	2,275,760,127	1,535,443,752
	8,169,877,872	8,881,655,198
Bills Payable :		
Payment Order Issued	465,290,468	293,988,162
Pay Slip Issued	-	-
Demand Draft Payable	-	-
	465,290,468	293,988,162
Short Notice Deposit	6,955,027,629	7,512,112,992
Savings Deposit	5,638,958,266	5,071,243,226
Fixed Deposit	33,068,915,121	30,664,800,460

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	2023	2022
	BDT	BDT
Deposit Schemes:		
MDB Super Monthly Savings	2,913,460,576	2,627,147,878
MDB Double Benefit	603,500,100	556,439,001
MDB Family Support	1,649,640,870	1,527,182,324
MDB Corporate Support	165,327,685	65,248,653
MDB Shiksha Sanchay Scheme	21,760,737	18,030,577
MDB Special Rural Savings	-	-
Midland-Nirbhorotha	-	-
MDB Millionaire Savings Scheme	263,764,563	215,098,791
MDB Kotipoti	193,162,220	193,436,722
MDB Platinum Savings Scheme	117,716,079	89,906,963
MDB Traveller's Savings Scheme	15,473,507	8,216,509
MDB Saalam Monthly Scheme	43,362,652	28,497,935
MDB Saalam Hajj Savings Scheme	2,214,501	2,360,146
Saalam Digital Monthly Savings Scheme	13,813,219	6,169,863
Saalam Digital Hajj Savings Scheme	1,458,179	1,474,672
	6,004,654,888	5,339,210,034
Total	60,302,724,245	57,763,010,073
12.02 Maturity grouping of Deposit and Other Accounts:		
On Demand	972,380,706	859,000,000
Repayable within one month	14,743,819,294	8,812,100,000
More than one month but within three months	13,876,500,000	90,100,000
More than three months but within one year	15,088,100,000	12,910,200,000
More than one year but within five years	14,951,928,764	34,259,310,073
More than five year but within ten years	669,995,481	832,300,000
	60,302,724,245	57,763,010,073
12.03 Demand & Time Deposit		
a) Demand Deposit	9,142,674,584	9,632,055,250
Current Deposit	3,051,608,329	3,767,421,973
Savings Deposit (9%)	507,506,244	456,411,890
Foreign Currency Deposit (non interest bearing)	2,842,509,416	3,578,789,473
Sundry Deposit	2,275,760,127	1,535,443,752
Bills Payable	465,290,468	293,988,162
b) Time Deposits	51,160,049,661	48,130,954,822
Saving Deposit (91%)	5,131,452,022	4,614,831,336
Fixed Deposit	33,068,915,121	30,664,800,460
Short Notice Deposit	6,955,027,629	7,512,112,992
Deposit Under Scheme	6,004,654,888	5,339,210,034
Total Demand & Time Deposits	60,302,724,245	57,763,010,073

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	2023	2022
	BDT	BDT
12.04 Sectorwise Deposit		
Government	1,783,568,698	1,331,812,744
Deposit Money Banks	2,590,614,788	5,213,283,317
Other Public	4,079,761,667	2,995,184,525
Foreign Currency	4,009,901,859	5,928,274,760
Private	47,838,877,233	42,294,454,727
	60,302,724,245	57,763,010,073
13.00 Other Liabilities		
Provision for Loans and Advances (Note 13.01)	1,943,355,004	1,407,069,090
Special General Provision -COVID 19 (Note 13.02)	112,324,283	170,865,864
Provision for Outstanding debit entries in NOSTRO Account	-	-
Provision for Off Balance Sheet Items (Note 13.03)	104,793,283	112,994,697
Provision for Good Borrower	-	-
Provision for Other Assets (Note 13.04)	39,623,679	37,364,962
Provision for Income Tax (Note 13.05)	3,077,798,674	2,387,679,130
Interest Payable on Borrowing	192,722,298	100,985,367
Audit fee Payable	345,000	345,250
Bonus Payable	-	-
Accrued Expenses	127,719,727	64,768,852
Unearned Income (for investment & placement)	465,663,470	402,922,298
Corporate Social Responsibility (CSR) Payable	-	-
Startup Fund	28,654,585	17,323,519
Deferred Tax Liability	-	-
Lease Liability (note-13.06)	265,236,388	359,214,988
Provision for Gratuity	-	-
Interest Suspense (Note 13.07)	1,076,755,986	868,462,210
Provision for Share, Commercial Paper & Bond (Note 13.08)	161,812,935	242,941,996
Provision for Non-Banking Asset	12,585,359	12,585,359
Other Liabilities	45,926,242	28,562,627
	7,655,316,913	6,214,086,209
13.01 Provision for Loans and Advances For Unclassified		
Opening Balance	452,397,042	643,109,175
Add: Provision made during the year	42,169,773	(190,712,133)
Closing Balance	494,566,815	452,397,042
For Classified		
Opening Balance	954,672,048	454,693,075
Add: Provision made during the year	465,692,649	499,978,973
Add: Provision transfer from Provision for Share, Commercial Paper & Bond	102,100,000	-
Less: Loan written off during the year	73,676,508	-
Closing Balance	1,448,788,189	954,672,048
	1,943,355,004	1,407,069,090
13.02 Special General Provision -COVID 19		
A. Opening Balance	170,865,864	186,290,081
B. Add: Provision made during the year	-	26,365,864
C. Less: Provision release due to recovery	58,541,581	41,790,081
D. Net Provision Charged in Profit & Loss Account [B-C]	(58,541,581)	(15,424,217)
E. Closing Balance [A+D]	112,324,283	170,865,864
13.03 Provision for Off Balance Sheet Items		
Opening Balance	112,994,697	109,846,794
Add: Provision made during the year	(8,201,414)	3,147,903
Less: Provision transferred to Loans and Advances	-	-
Closing Balance	104,793,283	112,994,697

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	2023	2022	
	BDT	BDT	
13.04 Provision for other Assets			
Opening Balance	37,364,962	5,492,125	
Add: Provision made during the year	3,712,324	31,872,837	
Less: written off during the year	1,453,607	-	
Closing Balance	39,623,679	37,364,962	
13.05 Provision for Income Tax*			
Opening Balance	2,387,679,130	1,843,445,673	
Less: Adjustment made with advance tax during the year	-	-	
Less: Adjustment of surplus provision	-	-	
Add: Provision made during the year	690,119,544	544,233,456	
	3,077,798,674	2,387,679,130	
*Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being .			
13.06 Lease liability created due to IFRS 16.			
13.07 Interest Suspense Account			
Opening Balance	868,462,210	658,322,977	
Add: Addition during the year	629,584,773	740,957,406	
Less: Written off during the year	2,219,559	-	
Less: Recovery during the year	419,071,438	530,818,174	
Closing Balance	1,076,755,986	868,462,210	
13.08 Provision for Share, Commercial Paper & Bond			
Opening Balance	242,941,996	133,713,788	
Add: Provision made during the year	20,970,939	109,228,208	
Less: Provision transferred to Loans and Advances	102,100,000	-	
Closing Balance	161,812,935	242,941,996	
14.00 Shareholders' Equity			
Paid up Capital (note 15.02)	6,396,697,530	5,696,697,530	
Statutory Reserve (note 16.00)	1,881,769,558	1,626,329,243	
Revaluation Reserve on Investment in Securities (note 17.00)	3,337,887	1,155,553	
Retained Earnings (note 18.00)	868,857,541	322,357,156	
	9,150,662,516	7,646,539,482	
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:			
639,669,753 Ordinary shares of Taka 10 each issued for cash.	6,396,697,530	5,696,697,530	
	6,396,697,530	5,696,697,530	
15.03 The break up of Issued, Subscribed and Paid-up Capital is as follows:		December 31, 2023	
	No. of shares	Value of shares BDT	% of holding
Sponsors/Directors	502,970,438	5,029,704,380	78.63%
Institutions	33,387,076	333,870,760	5.22%
Individuals	103,312,239	1,033,122,390	16.15%
	639,669,753	6,396,697,530	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, 2023 was 12.50% of Risk-Weighted Assets of BDT 53,122,650,192 i.e. BDT 6,640,331,274 or BDT 4,000,000,000, whichever is higher as against available core capital of BDT 8,578,996,329 and supplementary capital of BDT 599,360,098 making a total capital of BDT 9,178,356,427 thereby showing a surplus capital of BDT 2,538,025,153. Details are given below:			
Total risk weighted assets	53,122,650,192	55,257,430,572	
Required Capital : 12.50% of total risk weighted asset or BDT 400 cr, whichever is higher	6,640,331,274	6,907,178,821	
Actual capital maintained			
Core Capital (Tier-I) :			
Paid up Capital	6,396,697,530	5,696,697,530	
Statutory Reserve	1,881,769,558	1,626,329,243	
Retained Earnings	868,857,541	322,357,156	
	9,147,324,629	7,645,383,929	

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars			2023	2022
			BDT	BDT
Deduction from Tier - I (Core Capital)				
Intangible Assets			52,197,508	14,779,554
Deferred Tax adjustment			516,130,792	-
			8,578,996,329	7,630,604,375
Supplementary Capital (Tier-II) :				
General Provision including Off Balance Sheet items			599,360,098	565,391,739
Revaluation Reserve on Investment in Securities			-	-
			599,360,098	565,391,739
Total Capital (Tier-I+Tier-II)			9,178,356,427	8,195,996,114
Surplus			2,538,025,153	1,288,817,293
Capital to Risk Weighted Asset Ratio (CRAR)			17.28%	14.83%
15.04.01	Capital Requirement		2023	2022
	Particulars	Required	Held	Held
	Tier-I	8.50%	16.15%	13.81%
	Tier-II	4.00%	1.13%	1.02%
	Total	12.50%	17.28%	14.83%
16.00 Statutory Reserve				
Opening Balance			1,626,329,243	1,408,602,127
Add: Transferred during the year (20% of pre-tax profit)			255,440,315	217,727,116
Closing Balance			1,881,769,558	1,626,329,243
17.00 Revaluation Reserve on Investment in Securities				
Opening Balance			1,155,553	2,446,036
Add: Addition during the year			40,269,913	381,713,247
Less: Adjustment of Revaluation Reserve			(38,087,579)	(383,003,729)
Closing Balance			3,337,887	1,155,553
18.00 Retained Earnings				
Opening Balance			322,357,156	296,515,380
Add: Profit made during the year			1,133,106,643	561,968,829
Less: Transferred to Statutory Reserve			(255,440,315)	(217,727,116)
Less: Transferred to CSR			-	(27,945,373)
Less: Transferred to Start Up Fund			(11,331,066)	(5,619,688)
Less: Dividend paid			(319,834,877)	(284,834,877)
Closing Balance			868,857,541	322,357,156
18.01 Retained Surplus Brought Forward				
Opening Balance			322,357,156	296,515,380
Less: Dividend paid			(319,834,877)	(284,834,877)
			2,522,279	11,680,504
19.00 Contingent Liabilities				
19.01 Acceptance and endorsements				
Foreign			136,768,809	24,215,927
Local			2,576,637,135	2,333,508,585
EPZ			17,305,019	14,814,659
			2,730,710,963	2,372,539,171
19.02 Letter of Guarantee				
Foreign			228,773,831	6,700,650
Local			5,691,704,699	5,292,479,286
			5,920,478,530	5,299,179,936

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars		2023	2022
		BDT	BDT
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	5,920,478,530	5,299,179,936	
	5,920,478,530	5,299,179,936	
19.03 Irrevocable Letter of Credit			
Letter of Credit (Sight)	87,866,865	186,180,459	
Letter of Credit (Back to Back/Deferred)	1,454,855,425	827,323,122	
Letter of Credit (Cash & Others)	2,367,997,614	2,614,247,050	
	3,910,719,905	3,627,750,631	
19.04 Bills for Collection			
Foreign Bill Collection	494,862,666	302,888,189	
Local/Inland Bill Collection	900,147,917	1,072,585,461	
	1,395,010,583	1,375,473,650	
	13,956,919,981	12,674,943,388	
20.00 Income Statement			
Income:			
Interest, Discount and Similar Income	6,014,541,463	5,002,269,771	
Dividend income	101,441,175	110,024,054	
Fee, Commission and Brokerage	134,827,519	100,007,306	
Gain less losses arising from dealing securities	-	-	
Gain less losses arising from investment securities	-	-	
Gain less losses arising from dealing in Foreign Currencies	549,248,865	636,378,302	
Income from non Banking Asset	-	-	
Other Operating Income	132,141,671	98,250,555	
Profit less losses on Interest Rate Changes	-	-	
	6,932,200,693	5,946,929,988	
Expenses			
Interest, Fee and Commission	3,740,456,753	3,201,241,945	
Losses on Loans and advances	-	-	
Administrative expenses	708,317,991	635,091,994	
Other operating expenses	511,428,176	373,167,214	
Depreciation on Banking Assets	228,993,508	210,701,684	
	5,189,196,428	4,420,202,837	
Operating profit	1,743,004,265	1,526,727,151	
21.00 Interest Income / Profit on Investment			
Loans and Advances (note-21.01)	4,361,792,672	3,571,940,430	
Money at Call and Short Notice	9,775,989	5,076,775	
Balance with Other Banks and Financial Institutions (note-21.02)	128,481,137	79,506,671	
Bangladesh Bank Foreign Currency Clearing Account	3,407,628	689,648	
	4,503,457,426	3,657,213,524	
21.01 Interest on Loans and Advances / Profit on Investment			
Term Loan	1,478,335,746	1,263,885,949	
Overdraft	735,706,186	627,280,470	
Time Loan	1,184,340,019	1,039,945,570	
Cash Credit	185,915,799	180,720,804	
Trust Receipt	248,768,215	137,559,836	
Consumer Loan	112,220,667	82,641,466	
Payment Against Documents(PAD)	381,040	2,393,558	
Agricultural Credit	3,571,053	2,004,953	
Bridge Finance	-	-	
EDF Loan	72,129,144	24,795,622	
Lease Finance	-	-	
Loan General	-	-	
Loan Against Capital Market	-	-	
Packing Credit	4,587,011	7,862,465	
Staff Loan	5,130,775	4,873,690	
Other Loans and Advances	58,768,645	14,279,582	
Bill Purchased and Discounted	271,938,373	183,696,465	
	4,361,792,672	3,571,940,430	
Less: Expenses for Good Borrower	-	-	
	4,361,792,672	3,571,940,430	

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	2023	2022
	BDT	BDT
21.02 Interest on Balance with other Bank and Financial Institution		
Interest on Balance with other Bank in Bangladesh	128,481,137	79,506,671
Interest on Balance held with outside Bangladesh	-	-
	128,481,137	79,506,671
22.00 Interest Paid on Deposit & Borrowing, etc.		
Interest/Profit on Deposit and Other Accounts (note-22.01)	2,715,973,205	2,351,933,207
Interest on Borrowing from other Banks and Financial Institutions (note-22.02)	1,008,875,269	834,209,744
Interest Paid for Lease Obligation	15,608,279	15,098,994
	3,740,456,753	3,201,241,945
22.01 Interest/ Profit on Deposits and Other Accounts		
Current Deposit	139,805,844	250,087,743
Special Notice Deposit	217,246,133	248,914,514
Savings Deposits	114,034,910	108,221,726
Fixed Deposits	1,804,950,751	1,388,577,171
Deposit Scheme	439,935,567	356,132,053
	2,715,973,205	2,351,933,207
22.02 Interest on Borrowing from other Banks and Financial Institutions		
Call Deposits	149,253,112	104,231,662
Local Bank Account	347,342,067	335,056,348
Repurchase agreement (REPO)	322,397,008	254,269,250
Refinance	151,137,958	124,864,905
Foreign Bank Account	-	-
Bangladesh Bank	38,745,124	15,787,579
	1,008,875,269	834,209,744
23.00 Income From Investments		
Interest on Treasury Bill, Bond, Reverse Repo	1,606,454,900	1,350,978,270
Interest on Commercial Paper/Bond	37,352,685	44,209,766
Gain/(Loss) on Investment in shares of quoted companies	1,653,506	57,361,286
Gain on Govt. Security Trading	(134,377,055)	(107,493,076)
Dividend on Investment in Shares	101,441,175	110,024,054
	1,612,525,212	1,455,080,301
23.01 Gain on Govt. Security Trading		
Gain on Govt. Security Trading	1,896,265,906	2,580,753,123
Loss on Govt. Security Trading	(2,030,642,962)	(2,688,246,198)
	(134,377,055)	(107,493,076)
24.00 Commission, Exchange and Brokerage		
Commission (note-24.01)	134,827,519	100,007,306
Exchange	549,248,865	636,378,302
Brokerage	-	-
	684,076,384	736,385,608
24.01 Commission		
Letter of Guarantee	50,020,514	37,300,240
Letter of Credit	41,839,701	31,601,278
Acceptance of Bills	22,078,817	15,858,081
Export Bills	9,676,862	7,415,632
PO, DD & TT	916,614	738,567
OBC/IBC	62,231	97,235
Underwriting Comm. on Treasury Bill/Bond	6,015,790	2,777,665
POS/Easy Pay Commission	4,216,992	4,218,608
	134,827,519	100,007,306

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	2023	2022
	BDT	BDT
25.00 Other Operating Income		
Postage Charge Recoveries	-	-
Telephone & Telegram Charge Recoveries	-	-
VISA Charge	34,367,787	31,311,071
Service and other Charges	55,917,090	30,556,362
SWIFT Charge Recoveries	(151,837)	438,997
Charges against cards	6,612,670	5,376,754
Locker Rent	495,050	449,000
Miscellaneous Earnings	27,577,812	23,349,395
LC Charges	7,323,099	6,768,976
	132,141,671	98,250,555
26.00 Salary & Allowances		
Basic Salary	253,391,431	228,004,529
Allowances	325,706,706	298,139,551
Bonus	65,907,141	51,817,639
Gratuity	25,600,000	21,500,000
Provident Fund	18,494,165	17,030,275
	689,099,442	616,491,994
26.01 Managing Director's Remuneration		
Basic	12,200,000	11,150,000
Allowances	3,475,000	3,400,000
Festival Bonus	1,850,000	1,850,000
Incentive Bonus	1,000,000	1,000,000
Provident Fund	693,548	1,200,000
	19,218,548	18,600,000
27.00 Rent, Tax, Insurance, Electricity, etc.		
Rent	-	0
Rates & taxes	30,477,419	28,900,403
Insurance	37,293,050	32,191,302
Power, electricity etc	38,420,860	30,945,334
	106,191,329	92,037,039
28.00 Legal Expense		
Legal Expense	2,330,726	1,690,799
	2,330,726	1,690,799
29.00 Postage, Stamps & Telephone, etc		
Postage, Stamp & Courier Service	3,145,328	1,889,282
Fax & internet	-	-
On-line and connectivity charges	16,383,853	14,983,916
Telephone	2,905,247	2,685,076
	22,434,428	19,558,274
30.00 Printing, Stationery, Advertisement etc.		
Printing & Stationery	42,570,183	28,360,884
Computer Stationery	5,926,900	8,186,196
Publicity & Advertisement	4,405,457	2,886,192
	52,902,540	39,433,272
31.00 Directors' Fees		
Meeting fee	3,036,000	2,877,600
	3,036,000	2,877,600
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	460,000
	460,000	460,000

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	2023	2022
	BDT	BDT
33.00 Depreciation on & Repairs to Bank's property		
Depreciation :		
a) Tangible Assets	64,879,534	66,784,875
Computer and Peripherals	22,929,323	28,904,628
Furniture & Fixture	22,433,480	18,941,452
Office Equipment	17,849,167	16,933,209
Motor Vehicles	1,666,779	2,005,585
Books	785	-
b) Intangible Assets	6,768,826	9,113,464
c) Leased Assets	157,345,149	134,803,345
Total Depreciation (a+b)	228,993,508	210,701,684
Repairs on Bank's property	61,618,361	36,101,968
	290,611,869	246,803,651
34.00 Other Expenditure		
Security & Auxiliary Service	82,996,819	62,794,542
Office Cleaning & Maintenance	59,102	57,679
Car Expense	5,393,010	5,087,633
Preliminary Expenditure	-	-
Entertainment	14,190,245	15,378,200
Travelling	2,093,920	1,974,819
Conveyance	5,849,760	5,018,652
Newspaper & Magazines	1,263,810	1,536,476
Q-Cash, ATM Cards, VISA Cards	61,387,856	37,758,662
Medical Expenses	142,452	324,770
Training Expenses	364,252	149,260
Bank Charges	9,013,035	7,964,923
AGM Expenses	257,304	-
Corporate Social Responsibility (CSR) activities	17,879,055	-
IPO Issue Expenses	27,298,936	5,072,765
Business Development Expense	6,727,904	3,776,921
Subscription & Donation	1,915,146	1,548,409
Miscellaneous Expense	25,622,187	32,564,553
	262,454,792	181,008,263
35.00 Provision Against Loans and Advances		
Provision for Unclassified Loans and Advances	42,169,773	(190,712,133)
Special General Provision -COVID 19	(58,541,581)	(15,424,217)
Provision for Classified Loans & Advances	465,692,649	499,978,973
Provision for Off Balance Sheet Items	(8,201,414)	3,147,903
Provision for diminution in Investments	20,970,939	109,228,208
Provision for Non-Banking Asset	-	-
Provision for Other Assets	3,712,324	31,872,837
Total amount of provision made during the year	465,802,690	438,091,571
36.00 Provision for Tax		
Current tax	690,119,544	544,233,456
Deferred tax* (note 9.06)	(546,024,612)	(17,566,707)
Total	144,094,932	526,666,750
* 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	255,440,315	217,727,116
Add: Adjustment of previous year	-	-
	255,440,315	217,727,116

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	2023	2022
	BDT	BDT
38.00 Provision for CSR		
Corporate Social Responsibility (CSR) activities	-	27,945,373
	-	27,945,373
39.00 Net Asset Value Per Share (NAV)		
Net Asset Value	9,150,662,516	7,646,539,482
Number of ordinary shares outstanding	639,669,753	639,669,753
Net Asset Value Per Share (NAV)	14.31	11.95
40.00 Earning Per Share (EPS):*		
Net Profit After Tax	1,133,106,643	561,968,829
Number of Ordinary Shares outstanding	639,669,753	639,669,753
Earning Per Share (EPS)	1.77	0.88
*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	351,708,108	2,402,403,193
Number of ordinary shares outstanding	639,669,753	569,669,753
Net Operating Cash Flow Per Share	0.55	4.22
42.00 Received from Other Operational Income		
VISA Charge	34,367,787	31,311,071
Service and other Charges	55,917,090	30,556,362
SWIFT Charge Recoveries	(151,837)	438,997
Charges against cards	6,612,670	5,376,754
Locker Rent	495,050	449,000
Miscellaneous Earnings	27,577,812	23,349,395
LC Charges	7,323,099	6,768,976
	132,141,671	98,250,555
43.00 Payment for Other Operational Expenses		
Rent, Tax, Insurance, Electricity	106,191,329	92,037,039
Legal Expense	2,330,726	1,690,799
Postage, Stamps, Telegram & Telephone	22,434,428	19,558,274
Audit fee	460,000	460,000
Printing, Stationery, Advertisement	52,902,540	39,433,272
Directors' Fee	3,036,000	2,877,600
Repair & Maintenance	61,618,361	36,101,968
Other Expenditure	262,454,792	181,008,263
	511,428,176	373,167,214

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

ii)

Significant contracts where Bank is a party and wherein Directors have interest during the year 2023:

Name of the party	Relationship	Nature of	Amount
			Nil

iii)

Share issued to Directors and Executives without consideration or exercisable at a discount

Nil

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars	2023	2022
	BDT	BDT

iv) Related Party Transaction:

Name	Relationship	Nature of	Limit	Outstanding Loan Amount
Mr. Kazi Shayan Ekramullah	Director	Credit Card	500,000	14,488
Mr. A.K.M Badiul Alam	Director	Credit Card	500,000	78,128
Mr. Md. Wahid Miah	Director	Credit Card	500,000	318,286
Mr. Md Jahangir Miah	Family member of Director	Credit Card	500,000	371,862
Mr. Kazi Zafar Ullah	Sponsor Shareholder	Credit Card	500,000	150
Mrs. Nilufer Zafarullah	Director	Credit Card	500,000	159,320
Mrs. Anushka Mehreen Zafar	Director	Credit Card	500,000	95,129
Mr. Zobaida Mahaboob Latif	Family member of Director	Credit Card	500,000	3,373
Mr. Mohammed Jamal Ullah	Director	Credit Card	500,000	203,171
Mrs. Susmita Somp	Family member of Director	Credit Card	500,000	410
Mrs.Sabiha Mahboob	Family member of Director	Credit Card	500,000	294,516
Mr. Abdullah Ahmed Yousuf	Sponsor Shareholder	Credit Card	500,000	309,638
Mr. Kazi Raihan Zafar	Director	Credit Card	500,000	406,117
Mr. Manshood Alam	Family member of Director	Credit Card	500,000	29,393
Mr. Md Wazed Jamil	Family member of Director	Credit Card	500,000	49,831
Sub-Total (A)				2,333,811

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.

Loans and advances to concern related to directors:

Name	Relationship	Nature of	Limit	Outstanding Loan Amount
Sub-Total (B)				-
Total (C=A+B)				2,333,811

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	Name of Party	Amount
Mrs. Nilufer Zafarullah, Chairman	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

Goods procured from the concern related with the Director

Name	Procurement Type	Company Name	Amount

viii) Investment in securities of Directors and their related concern Nil

Notes to the Financial Statements

For the year ended 31 December 2023

Particulars		2023	2022
		BDT	BDT
45.00	Number of employees and support staffs		
	Employee		
	Regular employee	515	488
	Contractual employee	292	239
		807	727
	Support staff		
	Security	373	311
	Messenger and cleaning staff	156	155
		529	466
		1336	1193
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		
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 PLC.



Md. Ahsan-uz Zaman
Managing Director & CEO



Rezaul Karim
Director



Nazimuddin Chowdhury
Director



Nilufer Zafarullah
Chairman

Balance with other Banks- Out Side Bangladesh (NOSTRO Account)

Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local currency as on 31 December 2023

SL	Name of the Bank	Account Type	Currency	2023			2022		
				Foreign Currency	Exchange Rate	BDT	Foreign	Exchange Rate	BDT
1	AB Bank, Mumbai Branch	CD	US\$	635,926.07	110.00	69,951,868	29,456.70	103.29	3,042,662
2	Punjab National Bank	CD	US\$	127,804.19	110.00	14,058,461	387,354.78	103.29	40,010,921
3	Axix Bank Limited	CD	US\$	153,197.54	110.00	16,851,729	53,267.06	103.29	5,502,098
4	National Bank of Pakistan, Tokyo Japan	CD	JPY	2,286,178.00	0.78	1,773,160	2,286,178.00	0.77	1,756,073
5	Mashreq Bank Psc, NY	CD	US\$	(1,210,281.55)	110.00	(133,130,971)	30,726.85	103.29	3,173,859
6	Mashreq Bank Psc, NY OBU	CD	US\$	191,525.47	110.00	21,067,802	286,353.01	103.29	29,578,176
7	Kookmin Bank, South Korea	CD	GBP	95,289.02	140.73	13,410,405	10,506.18	124.09	1,303,665
8	Habib American Bank, NY	CD	US\$	(18,372.42)	110.00	(2,020,966)	145,200.87	103.29	14,998,190
9	NIB Bank, Pakistan	CD	US\$	15,737.65	110.00	1,731,142	4,538	103.29	468,739
10	Aktif Yatirim Bank	CD	US\$	81.22	110.00	8,934	2,251	103.29	232,530
11	Aktif Yatirim Bank	CD	EURO	28,554.64	122.13	3,487,464	57,341	109.57	6,283,038
12	Aktif Yatirim Bank	CD	GBP	2,284.80	140.73	321,549	47,385	124.09	5,879,737
13	Banca UBAE Italy	CD	EURO	14,980.62	122.13	1,829,628	2,472	109.57	270,875
14	Banca UBAE Italy	CD	GBP	-	140.73	-	3,875	124.09	480,855
15	Kookmin Bank, South Korea	CD	US\$	22,719.87	110.00	2,499,186	615	103.29	63,482
16	Sonali Bank	CD	US\$	26.03	110.00	2,863			
17	Sonali Bank	CD	EURO	1,080.00	122.13	131,904			
						11,974,157			113,044,841

Investment in Quoted Share of the Bank

As at December 31, 2023

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, 2023	Total Market Value of Share as at December 31, 2023
Quoted:								
1	AAMRATECH	10	867490	43,430,738	50.06	43,538,826	30.50	26,458,445
2	AAMRANET	10	550,000	42,395,677	77.08	42,485,893	51.30	28,215,000
3	ADNTEL	10	25700	3,430,393	133.48	3,439,992	117.10	3,009,470
4	BATBC	10	74600	41,539,139	556.82	41,641,201	518.70	38,695,020
5	BSCABLES	10	46,690	3,699,704	79.24	3,712,653	49.90	2,329,831
6	BRACBANK	10	1,722,612	75,431,758	43.79	75,605,135	35.80	61,669,510
7	BSCCL	10	372,615	73,045,603	196.04	73,211,405	218.90	81,565,424
8	CONFIDCEM	10	92,872	13,210,367	142.24	13,240,090	89.00	8,265,608
9	DOREENPWR	10	1915200	128,691,614	67.19	128,994,260	61.00	116,827,200
10	GP	10	96197	38,291,840	398.06	38,390,586	286.60	27,570,060
11	GPHISPAT	10	1224024	58,452,349	47.75	58,598,393	42.70	52,265,825
12	IFADAUTOS	10	247,770	13,594,182	54.87	13,624,769	44.10	10,926,657
13	INTRACO	10	188225	7,283,342	38.69	7,298,637	40.50	7,623,113
14	LHBL	10	1520000	116,523,483	76.66	116,798,924	69.30	105,336,000
15	MARICO	10	4,500	10,325,638	2294.59	10,350,026	2460.70	11,073,150
16	POWERGRID	10	1109000	75,877,202	68.42	76,052,457	52.40	58,111,600
17	PREMIERCEM	10	60,000	3,963,733	66.06	3,972,056	53.60	3,216,000
18	RENATA	10	5,403	6,029,573	1115.97	6,044,647	1217.90	6,580,314
19	SQURPHARMA	10	255000	58,235,186	228.37	58,376,074	210.30	53,626,500
20	UNIONINS	10	29	290	10.00	290	56.10	1,627
21	UPGDCL	10	3,400	861,438	253.36	863,592	233.70	794,580
Total				814,313,250		816,239,906		704,160,932

Cost Holding of Quoted Share (Without Commission)	814,313,250
Market Value of Quoted Share	704,160,932
Diminution Value in Investment	110,152,317

Investment in Open End Mutual Fund of the Bank

As at December 31, 2023

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, 2023	Total Market Value as at December 31, 2023
1	Ekush Growth Fund	10	2000000	20,000,000	10.00	20,000,000	10.34	20,684,000
2	EDGE High Quality Income Fund	10	2000000	20,000,000	10.00	20,000,000	10.46	20,920,000
3	UCB Taqwa Growth Fund	10	2000000	20,000,000	10.00	20,000,000	10.21	20,420,000
4	UCB Income plus Fund	10	5000000	50,000,000	10.00	50,000,000	10.37	51,826,000
5	Ekush Stable Return Fund	10	429611	4,565,480	10.63	4,565,480	10.68	4,588,245
Total				114,565,480		114,565,480		118,438,245

Investment in Quoted Share of the Bank (Under Special Fund)

As at December 31, 2023

SL	Name of the Company	Face Value per Share	No. of Shares	Cost Holding (Without Commission)	Average Cost (Without Commission)	Cost Holding (Without Commission)	Quoted rate per Share as on December 31, 2023	Total Market Value of Share as at December 31, 2023
1	BERGERPBL	10	9,140	16,121,875	1763.88	16,158,149	1774.00	16,214,360
2	BRACBANK	10	3,585,770	147,704,333	41.19	147,951,690	35.80	128,370,566
3	BSCCL	10	599,240	130,645,123	218.02	130,930,984	218.90	131,173,636
4	BXPHERMA	10	456,000	89,697,146	196.70	89,876,541	146.20	66,667,200
5	GP	10	113,579	37,387,033	329.17	37,500,924	286.60	32,551,741
6	IFADAUTOS	10	277,200	17,586,574	63.44	17,626,143	44.10	12,224,520
7	INTRACO	10	291,000	12,057,800	41.44	12,084,411	40.50	11,785,500
8	ITC	10	1,485,000	64,548,032	43.47	64,696,614	37.00	54,945,000
9	LHBL	10	89,000	6,815,010	76.57	6,830,344	69.30	6,167,700
10	MARICO	10	19,941	44,936,668	2253.48	45,038,095	2460.70	49,068,819
11	SPCL	10	156,000	14,739,026	94.48	14,768,504	65.50	10,218,000
12	POWERGRID	10	200,000	14,329,871	71.65	14,362,113	52.40	10,480,000
13	SINGERBD	10	79,224	13,424,667	169.45	13,460,173	151.90	12,034,126
14	SOURPHARMA	10	517,393	110,778,126	214.11	111,055,612	210.30	108,807,748
	Total			720,771,285		722,340,296		650,708,916

Cost Holding of Quoted Share under special fund (Without Commission)	720,771,285
Market Value of Quoted Share under special fund	650,708,916
Diminution Value in Investment in Quoted Share under special fund	70,062,369

Investment in Open End Mutual Fund of the Bank(Under Special Fund)

As at December 31, 2023

SL	Name of Mutual Fund	Face Value	No. of Units	Cost Holding (Without Commission)	Average Cost (Without Commission)	Cost Holding (Without Commission)	NAV as on December 31, 2023	Total Market Value as at December 31, 2023
1	Ekush First Unit Fund	10	1,786,348	23,088,898	12.9252	23,088,898	12.4380	22,218,596
2	VIPB NLI 1st Unit Fund	10	1,301,985	11,812,606	9.0728	11,835,044	9.5600	12,446,977
3	VIPB Accelerated Income Unit Fund	10	2,275,224	27,500,000	12.0867	27,500,000	11.1100	25,277,739
	Total			62,401,504		62,423,942		59,943,312

As per DOS Circular no 01, date February 10, 2020 provision for Diminution Value of Investment under special fund is exempted up to February 2025.

Midland Bank PLC.
Fixed Asset Schedule
 As at 31 December 2023

Asset Category	Cost			Depreciation				Written down	
	Balance as at 01.01.2023	Addition during the year	Adjustment / Disposal	Balance as at 31.12.2023	Rate	Balance as at 01.01.2023	Charged for the year	Adjustment /Disposal	Balance as at 31.12.2023
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT
Own Assets									
Computer & Peripherals	231,166,776	66,422,011	1,739,756	295,849,031	20%	194,118,026	22,929,323	1,739,688	215,307,661
Furniture & Fixture	189,421,047	53,043,859	2,794,547	239,670,360	10%	103,233,206	22,433,480	2,524,442	123,142,245
Office Equipment	187,706,177	26,664,986	1,649,892	212,721,271	20%	157,622,562	17,849,167	1,649,871	173,821,857
Motor Vehicles	26,094,193	9,981,000	4,950,000	31,125,193	20%	21,984,593	1,666,779	4,949,999	18,701,373
Books	20,260	-	-	20,260	20%	19,475	785	-	20,260
Intangible Assets	64,713,819	44,186,779	-	108,900,598	20%	49,934,265	6,768,826	-	56,703,090
Sub-Total	699,122,273	200,298,636	11,134,195	888,286,714		526,912,127	71,648,359	10,864,000	587,696,487
Leased Assets									
Right of Use Assets	768,320,720	65,044,675	-	833,365,395		365,860,962	157,345,149	-	523,206,111
Sub-Total	768,320,720	65,044,675	-	833,365,395		365,860,962	157,345,149	-	523,206,111
Grand Total	1,467,442,993	265,343,311	11,134,195	1,721,652,109		892,773,090	228,993,508	10,864,000	1,110,902,598
Total 2022	1,318,750,486	153,030,817	4,338,310	1,467,442,993		685,234,077	210,701,684	3,162,671	892,773,090
									574,669,903

Midland Bank PLC.

Name of the 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	Mr. Md. Shamsuzzaman	Vice Chairman	1. Micro Fibre Limited 2. Orient Chem-Tex Limited 3. Liberty Knitwear Limited 4. Midland Knitwear Limited 5. A-One Polar Limited 6. Tubingen Chemicals (BD) Limited 7. Sungarh Tex Limited 8. Micro Trims Limited 9. Micro Logistics Limited 10. Shahzi Bazar Power Co. Ltd. 11. Petromax Refinery Ltd. 12. Harmony Chem Limited 13. Harmony Colour Limited 14. Gulshan Spinning Mills Ltd. 15. Mahmuda Hai Chemi Ltd. 16. MICLO Bangladesh Ltd.	1. Managing Director 2. Managing Director 3. Managing Director 4. Managing Director 5. Managing Director 6. Managing Director 7. Managing Director 8. Managing Director 9. Managing Director 10. Managing Director 11. Sponsor Director 12. Managing Director 13. Managing Director 14. Managing Director 15. Managing Director 16. Managing Director
3	Mr. Master Abul Kashem	Director	1. Mother Steel & Oxygen Limited 2. Sea Force Alliance Ltd. 3. Mother Steel Limited 4. MAK Corporation 5. Master Steel Re -Rolling Mills 6. AIBL Capital Market Services Ltd.	1. Chairman 2. Chairman 3. Managing Director 4. Managing Partner 5. Proprietor 6. Shareholder
5	Mr. Kazi Omar Zafar	Director	1. Kalypso Ltd. 2. Hong Kong Shanghai Manjala Power Ltd. 3. Hong Kong Shang hai Manjala Textiles Ltd.	1. Chairman 2. Managing Director 3. Director
6	Mr. Ahsan Khan Chowdhury	Director	1. Agricultural Marketing Company Limited 2. Rangpur Foundry Limited 3. Advance Personal Care Limited 4. Kaliganj Agro Processing Limited 5. Banga Bakers Limited 6. Banga Milers Limited 7. Chorka Textile Limited 8. Habiganj Agro Limited 9. Mymensingh Agro Limited 10. PRAN Agro Limited 11. PRAN Beverage Limited 12. PRAN Dairy Limited 13. PRAN Exports Limited 14. PRAN Foods Limited 15. Packmat Industries Limited 16. Sylvan Technologies Limited 17. Gonga Foundry Limited 18. Get Well Limited 19. Allplast Bangladesh Limited 20. Banga Building Materials Limited 21. RFL Electronics Limited 22. Rangpur Metal Industries Limited 23. RFL Plastics Limited 24. Durable Plastics Limited 25. Property Development Limited 26. AKC (Pvt.) Limited 27. Durable Petro Chemical Limited	1. Chairman 2. Chairman 3. Director 4. Director 5. Director 6. Director 7. Director 8. Director 9. Director 10. Director 11. Director 12. Director 13. Director 14. Director 15. Director 16. Director 17. Director 18. Director 19. Director 20. Director 21. Director 22. Director 23. Director 24. Director 25. Director 26. Chairman 27. Director

Midland Bank PLC.

Name of the Companies in which the Directors of the Bank have interest

Sl.	Name of the Directors	Status with MDB	Entities where they have interest	Designation
7	Mr. Md. Wahid Miah	Director	1. Al-Haj Karim Textiles Ltd. 2. Karim Tex Limited 3. Abdul Karim Ltd. 4. Jobaida Karim Jute Mills Limited 5. Wahid Construction Ltd 6. Karim Shipping Lines Limited 7. Karim Asphalt & Ready Mix Ltd. 8. Karim Dregers Limited 9. Hypoid Composite Knit Ltd. 10. Karim Jute Spinners Ltd. 11. Karim Logistics Limited 12. M/s Md. Wahid Miah 13. Karim Trading 14. Jobaida Filling Station 15. J.K Filling Station 16. Karim Filling Station	1. Managing Director 2. Managing Director 3. Managing Director 4. Managing Director 5. Managing Director 6. Managing Director 7. Managing Director 8. Managing Director 9. Director 10. Director 11. Proprietor 12. Proprietor 13. Proprietor 14. Proprietor 15. Proprietor 16. Proprietor
8	Mr. Rezaul Karim	Director	1. Bangla Tel Ltd. 2. Jibondhara Solutions Ltd. 3. BD Link Communications Ltd. 4. Kohinoor Chemical Co. (BD) Ltd. 5. Reedisha Knitex Ltd. 6. Reedisha Textile Ltd. 7. Reedisha Spinning Ltd. 8. P.A Knit Composite Ltd. 9. Reedisha Printing and Packaging Ltd. 10. Reedisha Blended Yarn Ltd.	1. Chairman 2. Chairman 3. Chairman 4. Managing Director 5. Managing Director 6. Managing Director 7. Managing Director 8. Managing Director 9. Managing Director 10. Managing Director
09	Mr. A.K.M. Badiul Alam	Director	1. Garments Export Village Ltd. 2. Amranet Ltd. 3. Bravo Apparel Manufacturer Ltd. 4. Shahjibazar Power Co. Ltd. 5. Eden Multicare Hospital Ltd. 6. Petromax Refinery Ltd.	1. Chairman 2. Chairman 3. Director 4. Director 5. Director 6. Director
10	Mr. Md. Kamal Hossain	Director	1. Explore Lingerie Limited 2. Shahzaib Washing & Dying Ltd. 3. Ha-Meem Travel Limited 4. Fauji Chatkal Limited 5. M H Sports Wear Limited 6. M H Design Limited	1. Managing Director 2. Managing Director 3. Shareholder 4. Shareholder 5. Shareholder 6. Shareholder
11	Mrs. Shahnaj Parveen	Director	1. Bango Engineering Co. Ltd. 2. Next Collection Ltd. 3. Next Garments Ltd.	1. Executive Director 2. Shareholder 3. Shareholder
12	Mr. Hafizur Rahman Sarker	Director	1. Legato Service Ltd. 2. Beq Knit Ltd. 3. Beq Sweaters Ltd. 4. Beq Fabrics (Pvt.) Ltd. 5. C.K Sweaters Ltd. 6. Tammam Design Limited 7. Lusaka Fashions Limited 8. Tista Dredgers & Constructions Ltd 9. Hafizur Rahman Sarker	1. Managing Director 2. Managing Director 3. Managing Director 4. Managing Director 5. Managing Director 6. Managing Director 7. Managing Director 8. Managing Director 9. Proprietor

Midland Bank PLC.

Name of the Companies in which the Directors of the Bank have interest

Sl.	Name of the Directors	Status with MDB	Entities where they have interest	Designation
13	Mr. Abdul Momin Mondol, M.P	Director	1. Eco Intimates Ltd. 2. Montex Fabrics Ltd. 3. Mark Sweater Ltd. 4. Montrims Ltd. 5. Mondol Yearn Dyeing Ltd. 6. Mondol Fabrics Ltd. 7. Cotton Field (BD) Ltd. 8. Mondol Securities Ltd. 9. Mondol Knitwears Ltd. 10. Alim Knit (BD) Ltd. 11. Mondol Knit Tex Ltd. 12. Cotton Club (BD) Ltd. 13. Cotton Clout (BD) Ltd. 14. Trims International (BD) Ltd. 15. Appollo Fashions Ltd. 16. Appollo Packaging (BD) Ltd. 17. Appollo Knitwear (BD) Ltd. 18. Mondol & Co. Ltd. 19. Cotton Clothing (BD) Ltd 20. Mondol Intimates Ltd. 21. Mondol Fashions Ltd. 22. Tropical Knittex Ltd. 23. Knitex Dresses Ltd. 24. Mondo I Spinning Mills Ltd. 25. Mondol Knit Composite Ltd. 26. Mondol Auto Bricks Limited 27. Uttara Poultry Complex Ltd. 28. Mbrella Ltd. 29. Panama Agro Complex Ltd. 30. Haji-Abdul Majid Mondol Foundation	1. Chairman 2. Managing Director 3. Managing Director 4. Managing Director 5. Managing Director 6. Managing Director 7. Managing Director 8. Managing Director 9. Managing Director 10. Managing Director 11. Managing Director 12. Managing Director 13. Managing Director 14. Managing Director 15. Managing Director 16. Managing Director 17. Managing Director 18. Managing Director 19. Managing Director 20. Managing Director 21. Managing Director 22. Managing Director 23. Managing Director 24. Managing Director 25. Managing Director 26. Managing Director 27. Managing Director 28. Managing Director 29. Managing Director 30. Executive Director
14	Dr. Mostafizur Rahman	Director	1. Popular Pharmaceuticals Ltd. 2. Popular Diagnostic Center Ltd. 3. Popular Specialized Hospital Ltd. 4. Popular Medical College and Hospital Ltd.	1. Managing Director 2. Managing Director 3. Managing Director 4. Managing Director
15	Mr. Kazi Raihan Zafar	Director	Hong Kong Shanghai Manjala Textiles Ltd.	Director
16	Ms. Anushka Mehreen Zafar	Director	Hong Kong Shanghai Manjala Textiles Ltd.	Director
17	Mr. Mahbubul Hady Fazle Rab	Independent Director	-	-
18	Mr. Nazim Uddin Chowdhury	Independent Director	-	-
19	Mr. Khandhaker Tanveer Shamsul Islam	Independent Director	-	-
20	Mr. Mohammad Asif-uz-Zaman	Independent Director	-	-

Midland Bank PLC.

Name of the Directors and their shareholding as at December 31, 2023

Sl.	Name	Status	No. of Shares	Percentage
1	Mrs. Nilufer Zafarullah	Chairman	1,27,93,396	2.00 %
2	Mr. Md. Shamsuzzaman	Vice Chairman	2,99,07,662	4.68%
3	Mr. Master Abul Kashem	Director	2,63,73,600	4.12%
4	Mr. Kazi Omar Zafar	Director	1,27,93,396	2.00%
5	Mr. Ahsan Khan Chowdhury	Director	2,84,83,488	4.45%
6	Mr. Md. Wahid Miah	Director	2,84,83,488	4.45%
7	Mr. Rezaul Karim	Director	2,84,83,488	4.45%
8	Mr. A.K.M. Badiul Alam	Director	19,208,277	3.00%
9	Mr. Md. Kamal Hossain	Director	2,84,83,488	4.45%
10	Mrs. Shahnaj Parveen	Director	2,84,83,488	4.45%
11	Mr. Abdul Momin Mondol M.P	Director	2,84,83,488	4.45%
12	Mr. Hafizur Rahman Sarker	Director	2,70,59,313	4.23%
13	Dr. Mostafizur Rahman	Director	2,84,83,488	4.45%
14	Mr. Kazi Raihan Zafar	Director	1,27,93,396	2.00 %
15	Mr. Abdullah Ahmed Yousuf	Director	3,13,31,837	4.90%
16	Mr. Mahbubul Hady Fazle Rab	Independent Director	-	-
17	Mr. Nazim Uddin Chowdhury	Independent Director	-	-
18	Mr. Khandhaker Tanveer Shamsul Islam	Independent Director	-	-
19	Mr. Mohammad Asif -uz -Zaman	Independent Director	-	-

Midland Bank PLC.

Financial Highlights

For the year ended 31 December 2023

SLNo.	Items	2023	2022
1	Paid up Capital	6,396,697,530	5,696,697,530
2	Total Capital	9,178,356,427	8,195,996,114
3	Surplus in Capital Fund	2,538,025,153	1,288,817,293
4	Total Asset	83,425,869,144	79,866,865,819
5	Total Deposit	60,302,724,245	57,763,010,073
6	Total Loans and Advances	54,862,657,994	52,792,807,266
7	Total Contingent Liabilities	13,956,919,981	12,674,943,388
8	Lending-Deposit Ratio	84.51%	81.71%
9	Classified Loans as % of Total Loans and Advances	3.81%	2.78%
10	Profit After Provision and Tax	1,133,106,643	561,968,829
11	Total Classified loans and advances	2,091,566,508	1,469,651,458
12	Total Provision Maintained against Classified Loans	1,448,788,189	954,672,048
13	Surplus/(deficit) in Provision against Classified Loans	-	-
14	Cost of Fund	7.83%	6.38%
15	Earning Asset	72,679,819,582	70,816,914,494
16	Non-Interest Earning Asset	10,746,049,562	9,049,951,325
17	Return on Investments (ROI)	13.49%	7.47%
18	Return on Asset (ROA)	1.39%	0.75%
19	Income from Investment	1,612,525,212	1,455,080,301
20	Earnings per Share (BDT)	1.77	0.88
21	Net Income per Share (BDT)	1.77	0.88
22	Price-Earning Ratio (Times)	8.13	N/A

Midland Bank PLC.

Balance Sheet of Islami Banking Wing

As at 31 December 2023

Particulars	Notes	2023	2022
		BDT	BDT
<u>Property and Asset</u>			
Cash	1.00	321,529,134	388,397,473
In Hand (Including Foreign Currency)		1,609,823	5,207,078
With Bangladesh Bank and its agent Bank (including Foreign Currency)		319,919,311	383,190,395
Balance with other Banks & Financial Institutions	2.00	239,369	3,406,935
In Bangladesh		239,369	3,406,935
Outside Bangladesh		-	-
Money at Call and Short Notice		-	-
Investments in Shares & Securities	3.00	620,202,616	216,650,000
Government		620,202,616	216,650,000
Others		-	-
Investments	4.00	2,545,677,840	2,297,918,314
General Investment		2,545,677,840	2,297,918,314
Bills Purchased and Discounted		-	-
Fixed Asset including Premises, Furniture & Fixtures		296,863	307,648
Other Asset	5.00	105,565,701	66,095,661
Non-Banking Asset		-	-
Total Property and Asset		3,593,511,524	2,972,776,030
<u>Liabilities and Capital</u>			
Borrowing from other Banks, Financial Institutions & Agents			
Deposit and Other Accounts	6.00	3,569,728,330	2,952,893,520
Current Deposit & Other Accounts		20,616,610	44,993,075
Bills Payable		1,790,875	-
Short Notice Deposit		298,965,604	327,561,504
Savings Deposit		243,862,543	182,618,441
Fixed Deposit		2,942,944,423	2,358,835,634
Deposit Scheme		61,548,275	38,884,867
Other Liabilities	7.00	23,783,194	19,882,511
Total Liabilities		3,593,511,524	2,972,776,030
Capital/Shareholders' Equity			
Paid up Capital		-	-
Statutory Reserve		-	-
Revaluation Reserve on Investment in Securities		-	-
Retained Earnings		-	-
Total Shareholders' Equity		-	-
Total Liabilities and Shareholders' Equity		3,593,511,524	2,972,776,030
<u>Off-Balance Sheet Items</u>			
Contingent Liabilities	8.00		
Acceptance and endorsements		-	-
Letter of Guarantee		552,500,000	502,700,000
Irrevocable Letter of Credit		-	-
Bills for Collection		-	-
Other Contingent Liabilities		-	-
		552,500,000	502,700,000
Total Off Balance Sheet Items including Contingent Liabilities		552,500,000	502,700,000

Midland Bank PLC.

Profit and Loss Account of Islami Banking Wing

For the year ended 31 December 2023

Particulars	Notes	2023	2022
		BDT	BDT
Particulars			
Profit on Investment	9.00	207,189,622	191,687,149
Less: Profit Paid on Deposit and Borrowing, etc.	10.00	197,223,550	176,043,141
Net Interest Income		9,966,072	15,644,008
Income from Investment	11.00	9,159,973	9,155,737
Commission, Exchange and Brokerage	12.00	2,220,135	2,011,264
Other Operating Income		622,905	433,680
		12,003,013	11,600,682
Total Operating Income		21,969,085	27,244,690
Less: Operating Expenditure			
Salary and Allowances	13.00	2,705,807	1,904,419
Rent, Tax, Insurance, Electricity		38,495	42,962
Legal Expense		-	-
Postage, Stamps and Telephone		16,955	10,350
Printing, Stationery, Advertisement	14.00	143,854	87,840
Managing Director's Remuneration		-	-
Directors' Fee		35,200	44,000
Audit Fee		-	-
Depreciation on and Repair to Bank's Property		111,365	71,393
Other Expenditure		344,545	131,188
Total Operating Expenses		3,396,220	2,292,151
Profit Before Provision & Tax		18,572,866	24,952,539

Midland Bank PLC.

Notes to the Financial Statements of Islami Banking Wing

For the year ended 31 December 2023

Particulars	Notes	2023	2022
		BDT	BDT
1.00 Cash			
In Hand (Including foreign currency) (note 3.01)		1,609,823	5,207,078
Balance with Bangladesh Bank and its Agent Bank (note 3.02)		319,919,311	383,190,395
		321,529,134	388,397,473
1.01 In Hand (Including foreign currency)			
Local Currency		1,609,823	5,207,078
Foreign Currency		-	-
		1,609,823	5,207,078
1.02 Balance with Bangladesh Bank and its Agent Bank			
With Bangladesh Bank			
Local Currency		319,919,311	383,190,395
Foreign Currency		-	-
With Sonali Bank (as agent of Bangladesh Bank-Local Currency)		-	-
		319,919,311	383,190,395
2.00 Balance with other Banks and Financial Institutions			
In Bangladesh		239,369	3,406,935
Outside Bangladesh		-	-
		239,369	3,406,935
3.00 Investments			
Government (note 3.01)		620,202,616	216,650,000
Others		-	-
		620,202,616	216,650,000
3.01 Investment Classified as per Bangladesh Bank Circular			
Held to Maturity (HTM)		-	-
Held for Trading (HFT)		-	-
Reverse Repo		-	-
Prize Bond		-	-
Government Securites Encumbered		-	-
Government Securites -SUKUK Bond		196,650,000	196,650,000
Other Investments		423,552,616	20,000,000
		620,202,616	216,650,000
4.00 Investments			
Bai-Murabaha		787,290,004	883,450,122
Bai-Muajjal		2,330,516	19,319,212
Hire Purchase Shirkatul Melk		1,756,057,319	1,392,845,980
Qardh Against Local Bill		-	2,303,000
Bills Purchased and Discounted		-	-
		2,545,677,840	2,297,918,314

Midland Bank PLC.

Notes to the Financial Statements of Islami Banking Wing

For the year ended 31 December 2023

Particulars	Notes	2023	2022
		BDT	BDT
5.00 Other Asset			
Classification of Other Asset			
Profit receivable on Investment		4,577,869	11,260,824
Advance Tax		4,931,883	717,820
Inter Bank General Account Balance (note 7.01)		96,055,949	54,117,016
Profit receivable on Deposit with Other Bank		-	-
Total Other Asset		105,565,701	66,095,661
6.00 Deposit and Other Accounts			
From Banks		1,647,695	33,059,280
From Customers (note 6.01)		3,566,289,760	2,919,834,240
		3,567,937,455	2,952,893,520
6.01 Customer Deposit and Other Accounts:			
Current Deposit & Other Accounts :			
Current Deposit		14,541,122	25,447,348
Sundry Deposit		6,075,488	19,545,727
		20,616,610	44,993,075
Bills Payable		1,790,875	-
Short Notice Deposit		298,965,604	327,561,504
Savings Deposit		243,862,543	182,618,441
Fixed Deposit		2,942,944,423	2,358,835,634
Deposit Schemes:			
MDB Saalam Monthly Scheme		43,362,652	28,497,935
MDB Saalam Hajj Savings Scheme		2,214,501	2,360,146
MDB Digital Monthly Savings Scheme		13,813,219	6,169,863
MDB Digital Hajj Savings Scheme		1,458,179	1,474,672
MDB Double Benefit Plus Scheme		699,725	382,251
		61,548,275	38,884,867
Total		3,567,937,455	2,952,893,520
7.00 Other Liabilities			
Unearned Income		14,989,583	19,882,511
Compensation		8,793,611	-
Inter Bank General Account Balance (note 7.01)		-	-
		23,783,194	19,882,511
7.01 Inter Bank General Account Balance (net)			
Credit entries		949,704,203	625,699,362
Debit entries		1,045,760,153	679,816,378
		(96,055,949)	(54,117,016)
8.00 Contingent Liabilities			
Acceptance and endorsements		-	-
Letter of Guarantee		552,500,000	502,700,000
Irrevocable Letter of Credit		-	-
Bills for Collection		-	-
Other Contingent Liabilities		-	-
		552,500,000	502,700,000

Midland Bank PLC.

Notes to the Financial Statements of Islami Banking Wing

For the year ended 31 December 2023

Particulars	Notes	2023 BDT	2022 BDT
8.01 Letter of Guarantee			
Foreign		-	-
Local		552,500,000	502,700,000
		552,500,000	502,700,000
9.00 Profit on Investment			
General Investment (note 9.01)		188,218,502	190,446,450
Balance with Other Banks and Financial Institutions		18,971,120	1,240,699
		207,189,622	191,687,149
9.01 Profit on Investment			
Income on Saalam Murabaha Local Purchase		58,383,523	69,548,497
Income on Saalam Hire Purchase Shirkat-ul-Melk		124,705,301	117,074,190
Income on Saalam Consumer Finance		1,369,290	599,545
Income on Saalam Home Finance		3,697,115	2,587,169
Income on Saalam SME Bai Muajjal		63,274	637,049
		188,218,502	190,446,450
10.00 Profit paid on Deposits and Other Accounts			
Current Deposit		32,139	25,743
Special Notice Deposit		7,431,234	52,347,747
Savings Deposits		5,072,181	4,056,140
Fixed Deposits		182,470,412	118,274,951
Deposit Scheme		2,217,584	1,338,560
		197,223,550	176,043,141
11.00 Income From Investments			
Profit on Investment in T.Bond, SUKUK Bond		9,159,973	9,155,737
		9,159,973	9,155,737
12.00 Commission, Exchange and Brokerage			
Commission		2,218,590	2,011,000
Exchange		1,545	264
Brokerage		-	-
		2,220,135	2,011,264
13.00 Salary & Allowances			
Basic Salary		1,035,437	837,169
Allowances		1,396,009	922,081
Bonus		274,361	145,169
		2,705,807	1,904,419
14.00 Printing, Stationery, Advertisement etc.			
Printing & Stationery		127,604	87,840
Computer Stationery		16,250	-
Publicity & Advertisement		-	-
		143,854	87,840

Midland Bank PLC.

Balance Sheet of Off-Shore Banking Unit

As at 31 December 2023

Particulars	Notes	2023		2022	
		USD	BDT	USD	BDT
<u>Property and Asset</u>					
Cash		-	-	-	-
In Hand (Including Foreign Currency)		-	-	-	-
With Bangladesh Bank and its agent Bank (including Foreign		-	-	-	-
Balance with other Banks & Financial Institutions	1.00	191,525	21,067,802	286,968	29,641,657
In Bangladesh		-	-	-	-
Outside Bangladesh		191,525	21,067,802	286,968	29,641,657
Money at Call and Short Notice		-	-	-	-
Investments		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
Loans and Advances	2.00	30,792,536	3,387,178,927	29,096,325	3,005,437,931
Loans, Cash Credit, Overdrafts, etc.		-	-	-	-
Bills Purchased and Discounted		30,792,536	3,387,178,927	29,096,325	3,005,437,931
Fixed Asset including Premises, Furniture & Fixtures		-	-	-	-
Other Asset		3,889	427,778	-	-
Non-Banking Asset		-	-	-	-
Total Property and Asset		30,987,950	3,408,674,507	29,383,292	3,035,079,588
<u>Liabilities and Capital</u>					
Borrowing from other Banks, Financial Institutions & Agents	3.00	19,850,000	2,183,500,000	6,500,000	671,402,550
Deposit and Other Accounts	4.00	10,500,149	1,155,016,443	22,746,181	2,349,514,466
Other Liabilities	5.00	637,801	70,158,064	137,111	14,162,573
Total Liabilities		30,987,950	3,408,674,507	29,383,292	3,035,079,588
Capital/Shareholders' Equity					
Paid up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Revaluation Reserve on Investment in Securities		-	-	-	-
Retained Earnings		-	-	-	-
Total Shareholders' Equity		-	-	-	-
Total Liabilities and Shareholders' Equity		30,987,950	3,408,674,507	29,383,292	3,035,079,588
<u>Off-Balance Sheet Items</u>					
Contingent Liabilities					
Acceptance and endorsements		-	-	-	-
Letter of Guarantee		-	-	-	-
Irrevocable Letter of Credit		-	-	-	-
Bills for Collection		-	-	-	-
Other Contingent Liabilities		-	-	-	-
<u>Other Commitments</u>		-	-	-	-
Total Off Balance Sheet Items including Contingent Liabilities		-	-	-	-

Midland Bank PLC.

Profit and Loss Account of Off-Shore Banking Unit

For the year ended 31 December 2023

Particulars	Notes	2023		2022	
		USD	BDT	USD	BDT
Interest Income	6.00	2,010,998	221,209,828	1,302,055	134,492,788
Less: Interest Paid on Deposit and Borrowing, etc.	7.00	1,816,976	199,867,344	1,238,313	127,908,699
Net Interest Income		194,023	21,342,485	63,742	6,584,088
Income from Investment		-	-	-	-
Commission, Exchange and Brokerage		-	-	-	-
Other Operating Income		6,552	562,164	35,501	3,666,984
		6,552	562,164	35,501	3,666,984
Total Operating Income		200,575	21,904,649	99,243	10,251,072
Less: Operating Expenditure					
Salary and Allowances		-	-	-	-
Rent, Tax, Insurance, Electricity		-	-	-	-
Other Expenditure		110	12,100	-	-
Total Operating Expenses		110	12,100	-	-
Profit Before Provision & Tax		200,465	21,892,549	99,243	10,251,072

Midland Bank PLC.

Notes to the Financial Statements of Off-Shore Banking Unit

For the year ended 31 December 2023

Particulars	Notes	2023		2022	
		USD	BDT	USD	BDT
1.00 Balance with other Banks and Financial Institutions					
In Bangladesh		-	-	-	-
Outside Bangladesh		191,525	21,067,801.70	286,968	29,641,657
		191,525	21,067,802	286,968	29,641,657
2.00 Loans & Advances					
Export Bill Discounting		8,887,877	977,666,470	6,956,335	718,538,640
Import Bill Discounting		21,904,659	2,409,512,457	22,139,989	2,286,899,291
		30,792,536	3,387,178,927	29,096,325	3,005,437,931
3.00 Borrowing from other Banks, Financial Institutions & Agents					
In Bangladesh		19,850,000	2,183,500,000	6,500,000	671,402,550
Outside Bangladesh		-	-	-	-
		19,850,000	2,183,500,000	6,500,000	671,402,550
4.00 Deposit and Other Accounts					
Fixed Deposit		10,500,000	1,155,000,000	22,745,899	2,349,485,288
Sundry Deposit		149	16,442.80	282	29,178
		10,500,149	1,155,016,443	22,746,181	2,349,514,466
5.00 Other Liabilities					
Interest Payable		437,336	48,106,956	37,868	3,911,500
Profit Payable		200,465	22,051,108	99,243	10,251,072
		637,801	70,158,064	137,111	14,162,573
6.00 Interest Income					
Loans and Advances		2,006,554	220,720,940	1,302,055	134,492,788
Balance with Other Banks and Financial Institutions		4,444	488,888	-	-
		2,010,998	221,209,828	1,302,055	134,492,788
7.00 Interest Paid on Deposit and Borrowing, etc.					
Interest Paid on Deposit & Borrowing from Foreign Bank		1,086,469	119,511,545	612,538	63,270,734
Interest Paid on Deposit & Borrowing from Local Bank		730,507	80,355,799	625,775	64,637,966
		1,816,976	199,867,344	1,238,313	127,908,699

MDB Service Network (Branch)

Sl.	Branch Name	Address	Branch Manager
1	Dilkusha Corporate Branch	Chini Shilpa Bhaban (2nd 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 & 1st floor), Plot 106, Road 11, Block C, Banani, Dhaka 1213 Email: hob.banani@midlandbankbd.net PABX: +(88) 096 66 410 902 / +(88) 096 11 410 902	Mr. Mostofa Maynul Hasan, SAVP Phone: +8801985700057, 01914064738 Email: mostofa.maynul@midlandbankbd.net PBX: 09666-410902 Ext.902-057
3	Agrabad Branch	As-Salam Tower (1st floor), 57, Agrabad C/A, Chattogram Email: hob.agrabad@midlandbankbd.net PABX: +(88) 096 66 410 903 / +(88) 096 11 410 903	Mr. Mohammed Asif Raihan Chowdhury, SAVP Phone: 01985700531, 01716338123 Email: asif.raihan@midlandbankbd.net PBX: 09666-410903 Ext.903-531 Direct No: 09666-410127
4	Mirzapur Bazar Branch	Mannan Plaza (1st floor), Mirzapur Bazar, Bhawal, Mirzapur Sadar, Gazipur Email: hob.mirzapur@midlandbankbd.net PABX: +(88) 096 66 410 904 / +(88) 096 11 410 904	Mr. Ahbab Ahmed Jaigirder, SAVP Phone: 01985700647, 01717130877 Email: ahabab.jaigirder@midlandbankbd.net PBX: 09666-410904 Ext.904-647
5	Panchar Branch	Dia-Moni Plaza (1st floor), Panchar, Shibchar, Madaripur Email: hob.panchar@midlandbankbd.net PABX: +(88) 096 66 410 905 / +(88) 096 11 410 905	Mr. Al Mamun, JAVP Phone: 01911112490, 01743320273 Email: a.mamun@midlandbankbd.net PBX: 09666-410905 Ext.905-1449
6	Uttara Branch	ABC Heritage (Ground floor), Plot 2 & 4, Jashim Uddin Avenue, Sector 3, Uttara, Dhaka 1230 Email: hob.uttara@midlandbankbd.net PABX: +(88) 096 66 410 906 / +(88) 096 11 410 906	Mr. Md. Ibrahim Khalil, SAVP Phone: +8801985700045, 01711106643 Email: ibrahim.khalil@midlandbankbd.net PBX: 09666-410906 Ext.906-045
7	Aganagar Branch	Maksuda Garden City (2nd floor), Aganagar, South Keranigonj, Dhaka Email: hob.aganagar@midlandbankbd.net PABX: +(88) 096 66 410 907 / +(88) 096 11 410 907	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: +(88) 096 66 410 908 / +(88) 096 11 410 908	Mr. Md. Hasanuzzaman, SAVP Phone: 01712635557 Email: hasanuz.zaman@midlandbankbd.net PBX: 09666-410908 Ext.1486
9	Hemayetpur Branch	Ayesha Tower (1st Floor), 522 Singair Road, Hemayetpur Savar, Dhaka Email: hob.hemayetpur@midlandbankbd.net PABX: +(88) 096 66 410 909 / +(88) 096 11 410 909	Mr. Abu Sayed Mohammad Zakaria Khan, FAVP Phone: 01985700687, 01715281296 Email: zakaria.khan@midlandbankbd.net PBX: 096 66-410909 Ext.909-687
10	Zirabo Branch	Razzak Commercial Complex, Zirabo, Ashulia, Savar, Dhaka Email: hob.zirabo@midlandbankbd.net PABX: +(88) 096 66 410 910 / +(88) 096 11 410 910	Mr. Mohammad Tariqul Hasan, AVP Phone: 01975997799 Email: tariqul.hasan@midlandbankbd.net PBX: 09666-410906 Ext.1185
11	Gulshan Branch	NB Tower, Level 5, 40/7 North Avenue, Gulshan 2, Dhaka 1212, Email: hob.gulshan@midlandbankbd.net PABX: +(88) 096 66 410 911 / +(88) 096 11 410 911	Mr. Faisal Ahmed, VP Phone: 01985700356, 01714359203 Email: faisal.ahmed@midlandbankbd.net PBX: 09666-410999 Ext.911-356
12	Panchrukhi Branch	Shopon Tower, Panchrukhi Bazar, Araihaajar, Narayanganj Email: hob.panchrukhi@midlandbankbd.net PABX: +(88) 096 66 410 912 / +(88) 096 11 410 912	Mr. Md. Abdul Barik, FAVP Phone: 01985700236, 01712724567 Email: abdul.barik@midlandbankbd.net PBX: 09666-410914 Ext.912-236
13	Kamarpara Branch	Ramjan Tower, Natun Bazar Mor, Kamarpara, Turag, Dhaka Email: hob.kamarpara@midlandbankbd.net PABX: +(88) 096 66 410 913 / +(88) 096 11 410 913	Mr. Shafiqul Islam Faquir Pintu, FAVP Phone: 01819261261 Email: shafiqul.pintu@midlandbankbd.net PBX: 09666-410904 Ext.1072

MDB Service Network (Branch)

Sl.	Branch Name	Address	Branch Manager
14	Narsingdi Branch	Helal Tower, First & second floor 211, Shahid Shorwadi Park Road, Narshingdi Email: hob.narsingdi@midlandbankbd.net PABX: +(88) 096 66 410 914 / +(88) 096 11 410 914	Mr. Mahamudul Hasan, AVP Phone: 01985700974, 01717910524 Email: mahamudul.h@midlandbankbd.net PBX: 09666 -410914 Ext.914 -974
15	Narayanganj Branch	55/A, Ground Floor, Tanbazar, Narayanganj Email: hob.narayanganj@midlandbankbd.net PABX: +(88) 096 66 410 915 / +(88) 096 11 410 915	Mr. Md. Lokman Hossain, AVP Phone: 01922438062, 01534314722 Email: lokman.hossain@midlandbankbd.net PBX: 09666-410915 Ext.915-1499
16	Valuka Branch	Jamirdia, Masterbari, Valuka, Mymensingh Email: hob.valuka@midlandbankbd.net PABX: +(88) 096 66 410 916 / +(88) 096 11 410 916	Mr. Mohammad Faruq Ur Rahman, FAVP Phone: 01985700307, 01715186240 Email: faruq.rahman@midlandbankbd.net PBX: 09666 -410916 Ext.916-307
17	CDA Avenue Branch	EVE's Centre (1st floor) A 1/47 P, East Nasirabad, Panchlaish, Chattogram Email: hob.cda@midlandbankbd.net PABX: +(88) 096 66 410 917 / +(88) 096 11 410 917	Mr. Abu Md. Towsif Reza, AVP Phone: 01958700535, 01819350065 Email: towsif.reza@midlandbankbd.net PBX: 09666 -410917 Ext.917-535
18	Mokamtola Branch	Majeda Plaza (1st floor), Talukdar Market, Mokamtola Shibganj, Bogura Email: hob.mokamtola@midlandbankbd.net PABX: +(88) 096 66 410 918 / +(88) 096 11 410 918	Mr. Md. Syfur Rahman, FAVP Phone: 01985700254, 01920854982 Email: syfur.rahman@midlandbankbd.net PBX: 09666-410918 Ext.918-254
19	Chowdhuryhat Branch	Abdul Rashid Market (1st & 2nd floor) Chowdhuryhat Hathajari, Chattogram Email: hob.chowdhuryhat@midlandbankbd.net PABX: +(88) 096 66 410 919 / +(88) 096 11 410 919	Mr. Syed Mohammed Omar, SAVP Phone: 01985700355, 01819 863857 Email: syedmohammed.omar@midlandbankbd.net PBX: 09666 -410919 Ext.919-355
20	Bogura Branch	Amicus Plaza, 1st floor, Shahid Abdul Jabbar Sarak Joleshwari Tola, Bogura Email: hob.bogra@midlandbankbd.net PABX: +(88) 096 66 410 920/ +(88) 096 11 410 920	Mr. Md. Mejbahur Rahman, FAVP Phone: 01718881471 Email: mejbahur.rahman@midlandbankbd.net PBX: 09666 -410920 Ext.1085
21	Dalal Bazar Branch	Montaz patwary Mansion (1st floor) Lakshmipur Sadar, Lakshmipur Email: hob.dalalbazar@midlandbankbd.net PABX: +(88) 096 66 410 921 / +(88) 096 11 410 921	Mr. Asaduzzaman Khan, AVP Phone: 01985700461, 01708737900 Email: asaduzzaman.khan@midlandbankbd.net PBX: 09666-410921 Ext.921-461
22	Sylhet Branch	M.S Tower (1st Floor), Mirboxtola, Chowhatta, Sylhet Mail: hob.sylhet@midlandbankbd.net PABX: +(88) 096 66 410 922 / +(88) 096 11 410 922	Mr. Shah Md. Ali Kawsar Sourov, AVP Phone: 01985700620, 01819591999 Email: kawsar.sourov@midlandbankbd.net PBX: 09666 -410922 Ext.922 -620
23	Khulna Branch	Tayamun Centre (1st Floor), 181/1 Jessore Road, Khulna Mail: hob.khulna@midlandbankbd.net PABX: +(88) 096 66 410 923 / +(88) 096 11 410 923	Mr. Prosenjit Sen, FAVP Phone: 01985700633, 01723443636 Email: prosenjit.sen@midlandbankbd.net PBX: 09666 -410923 Ext.923 -633
24	Sompara Bazar Branch	Hai Mansion (1st Floor), Holding No.-365, Sahapara, Kochua Bottoli Road, Chatkhil, Noakhali Mail: hob.sompara@midlandbankbd.net PABX: +(88) 096 66 410 924 / +(88) 096 11 410 924	Mr. Md. Arifur Rahman, JAVP Phone: 01985700796, 01921456661 Email: md.arifurrahman@midlandbankbd.net PBX: 09666 -410924 Ext.924 -796
25	Paragram Branch	West Paragram Bazar, Nawabganj Dhaka (Right side of Singair Road) Mail: hob.paragram@midlandbankbd.net PABX: +(88) 096 66 410 925 / +(88) 096 11 410 925	Mr. S M Syed-Al-Islam, FAVP Phone: 01985700290, 01818502352 Email: syed.islam@midlandbankbd.net PBX: 09666-410925 Ext.925-290
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: +(88) 096 66 410 926 / +(88) 096 11 410 926	Mr. A.H.M. Gazzali, AVP Phone: 01985700483, 01711058469 Email: ahm.gazzali@midlandbankbd.net PBX: 09666 -410926 Ext.926 -483

MDB Service Network (Branch)

Sl.	Branch Name	Address	Branch Manager
27	Foyla Bazar Branch	98/1 Haji Market, Bara Nawabpur, Faylabazar, Ujalkur, Rampal, Bagerhat Mail: hob.foylabazar@midlandbankbd.net PABX: +(88) 096 66 410 927 / +(88) 096 11 410 927	Mr. Amitav Kumar Raha, EO Phone: 01985700747, 01711938431 Email: amitav.raha@midlandbankbd.net PBX: 09666 -410927 Ext.927-747
28	Maligram Branch	Vashra, Maligram, Deora, Bhanga, Faridpur Mail: hob.maligram@midlandbankbd.net PABX: +(88) 096 66 410 928 / +(88) 096 11 410 928	Mr. Md. Asif Iqbal, JAVP Phone: 01985700305, 01868618989 Email: asif.iqbal@midlandbankbd.net PBX: 09666 -410928 Ext.928-305
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: +(88) 096 66 410 929 / +(88) 096 11 410 929	Mr. Md. Ahsan Habib, AVP Phone: 01985700302, 01711107239 Email: ahsan.habib@midlandbankbd.net PBX: 09617 -410929 Ext.929 -302
30	Islampur Branch	Emon Tower, Holding - 61, Islampur Road, Ward-36, P.S.-Kotowali, Dist -Dhaka Mail: hob.islampur@midlandbankbd.net PABX: +(88) 096 66 410 930 / +(88) 096 11 410 930	Mr. Ha-Mim Muhammad Molla, SAVP Phone: 01985700527, 01712611775 Email: muhammad.molla@midlandbankbd.net PBX: 09666 -410914 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. Md. Tahidul Amin Mojumder, AVP Phone: 01985700697, 01828058652 Email: tahidul.amin@midlandbankbd.net PBX: 09666 -410931 Ext.931 -697
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. Kazi Mokarram Hossain, JAVP Phone: 01985700893, 01711380388 Email: mokarram.hossain@midlandbankbd.net PBX: 09666 -410932 Ext.932-893
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: +(88) 096 66 410 934 / +(88) 096 11 410 934	Mr. Md. Azimul Islam, SEO-Cash Phone: +8801985700155, +8801924842414 Email: azimul.islam@midlandbankbd.net PBX: 09666 -410934 Ext.934-155
35	Kawran Bazar Branch	Jahangir Tower, 10, Kazi Nazrul Islam Avenue, Ward No -26 Tejgaon, Dhaka Mail: hob.kawran@midlandbankbd.net PABX: +(88) 096 66 410 935 / +(88) 096 11 410 935	Mr. Md. Abdullah, FAVP Phone: 01985700541, 01956685532 Email: md.abdullah@midlandbankbd.net PBX: 09666 -410935 Ext.935-541
36	Rangpur Branch	Sunshine Tower, Holding -3434, Ward -16, P.S.: Kotoali Dist.: Rangpur Mail: hob.rangpur@midlandbankbd.net PABX: +(88) 096 66 410 936/ +(88) 096 66 410 936	Mr. Md. Rezaul Huq, AVP Phone: 01711428099 Email: rezaul.huq@midlandbankbd.net PBX: 09666-410936 Ext.936-269
37	Barishal Branch	A.K. School Building (1st Floor), Holding # 388 K.B. Hemayet Uddin Road, Girza Moholla, Barishal Mail: hob.barishal@midlandbankbd.net PABX: +(88) 096 66 410 937/ +(88) 096 66 410 937	Mr. Md. Mizanur Rahman, JAVP Phone: 01985700660, 01711123750 Email: mm.rahman@midlandbankbd.net PBX: 09666 -410937 Ext.937-660
38	Bokhter Munshi Bazar Branch	Soudagar Market, Holding No. 227, Ward No. 06 Mongolkandi, Sonagazi, Feni Mail: hob.bokhter@midlandbankbd.net PABX No: +(88) 096 66 410 938/ +(88) 096 66 410 938	Mr. Md. Jahangir Alam, JAVP Phone: 01739498449, 01819463830 Email: m.jahangir@midlandbankbd.net PBX: 09666-410938 Ext.938-1555
39	Chandraganj Branch	Emirates Tower, Afjal Road, Chandraganj, Lakshmipur Sadar Lakshmipur Mail: hob.chandraganj@midlandbankbd.net PABX: +(88) 096 66 410 939/ +(88) 096 66 410 939	Mr. Mohammad Mohshin Khan, JAVP Phone: 01715174817, 01815174817 Email: mohshin.khan@midlandbankbd.net PBX: 09666-410939 Ext.1497

MDB Service Network (Sub-Branches)

Sl.	Sub-Branch Name	Address	Manager, Sub-Branch
1	Madhabdi Sub-Branch	Madhabdi Pourashava office Bhaban Madhabdi, Narsingdi Mail: madhabdi.sub@midlandbankbd.net PABX: +(88) 096 66 410 914 / +(88) 096 11 410 914	Mr. Monir Hossain, JAVP 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 Mail: lakshmipur.sub@midlandbankbd.net PABX: +(88) 096 66 410 921 / +(88) 096 11 410 921	Mr. A.K.M. Mushfiqur Rahman Patwary, Officer Phone: 01719331290, 01712148477 Email: mushfiqur.patwary@midlandbankbd.net PBX: 09666-410921 Ext. 1464
3	Rupnagar Sub-Branch	House #56, Road#19, Rupnagar R/A Rupnagar Mirpur, Dhaka Mail: rupnagar.sub@midlandbankbd.net PABX: +(88) 096 66 410 926 / +(88) 096 11 410 926	Mr. Md. Shofiqul Islam, EO Phone: 01923288297, 01610-173536 Email: mdshofiqul.islam@midlandbankbd.net PBX: 09666-410926 Ext. 1067
4	Motijheel Sub-Branch	Showantex Tower (ground floor), House no. 9/l, Motijheel C/A, Dhaka Mail: motijheel.sub@midlandbankbd.net PABX: +(88) 096 66 410 901 / +(88) 096 11 410 901	Mr. Md. Azmal Hossain, FAVP Phone: 01985700532, 01712334120 Email: azmal.hossain@midlandbankbd.net PBX: 09666-410901 Ext.901-532
5	Shahjadpur Sub-Branch	CCMPSL Tower, Holding No. 412, Ward No. 06, Shahjadpur, Sirajganj Mail: 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 Mail: chatkhil.sub@midlandbankbd.net PABX: +(88) 096 66 410 924 / +(88) 096 11 410 924	Mr. G. M. Bakibillah, EO Phone: 01985700979, 01724896617 Email: m.bakibillah@midlandbankbd.net PBX: 09666-410924 Ext. 924-979
7	Rajshahi City Corporation Sub-Branch	Nagar Bhaban, Holding No -142, Greater Road, Ward No-13, Rajshahi City Corporation, P.S -Boalia Dist.-Rajshahi Mail: rajshahi.sub@midlandbankbd.net PABX: +(88) 096 66 410 929 / +(88) 096 11 410 929	Mrs. Moriam Parvin, EO Phone: 01985700151, 01721590025 Email: moriam.parvin@midlandbankbd.net PBX: 09666-410929 Ext.929-151
8	Jubilee Road Sub-Branch	B&B Tower, 129 Jubilee Road, Enayet Bazar, Chattogram. Mail: jubilee.sub@midlandbankbd.net PABX: +(88) 096 66 410 903 / +(88) 096 11 410 903	Mr. Md. Sajjad Chowdhury, FAVP Phone: 01985700358, 01676020909 Email: sajjad.chowdhury@midlandbankbd.net PBX: 09666 -410903 Ext.903 -358
9	MIEZ Sub-Branch	Meghna Industrial Economic Zone, Tipordi, Daag No- RS-31, Mouza -Choto Shilmondi, Union -Mograpara P.S: Sonargaon, Dist: Narayanganj Mail: miez.sub@midlandbankbd.net PABX: +(88) 096 66 410 901 / +(88) 096 11 410 901	Mr. Sukumar Biswas, EO Phone: 01985700313, 01725060030 Email: sukumar.biswas@midlandbankbd.net PBX: 09666 -410930 Ext.901-313
10	Mymensingh Sub-Branch	Hira Square, Holding -20, Jadhav Lahiri Lane Mymensingh Mail: 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 Mail: noapara.sub@midlandbankbd.net, PABX: 09666-410923	Mr. Shirdharta Ghose, JAVP Phone: 01985700533, 01911290864 Email: shirdharta.ghose@midlandbankbd.net PBX: 09666-410923 Ext.923-642
12	Sreenagar Sub-Branch	Sreenagar Plaza, Kancha Bazar Road, Sreenagar Bazar Sreenagar, Munshiganj Mail: sreenagar.sub@midlandbankbd.net PABX: 09666-410926	Mr. Mohammad Quaid-E-Azam, JAVP Phone: +8801985700143, +8801716539413 Email: quaide.azam@midlandbankbd.net PBX: 09666 -410926 Ext.907-143

MDB Service Network (Sub-Branches)

Sl.	Sub-Branch Name	Address	Manager, Sub-Branch
13	Shibgonj Sub-Branch	Holding Number: 683, 1st Floor, Tamabil Road Shibgonj, Sylhet Mail: shibgonj.sub@midlandbankbd.net PABX: +(88) 096 66 410 922 / +(88) 096 11 410 922	Mr. Muhammad Aminur Rashid, AO Phone: 01719428388 Email: aminur.rashid@midlandbankbd.net PBX: 09666-410922 Ext.1194
14	Noser Market Sub-Branch	Shajib Shabbir Villa, Gazipur City Corporation Konabari(Metro), Gazipur Mail: nosermarket.sub@midlandbankbd.net PBX: 09666 -410904	Mr. Md. Norozzaman, JAVP Phone: 01985700276, 01915826583 Email: noroz.zaman@midlandbankbd.net PBX: 09666-410904 Ext.904-276
15	Nurjahan Road Sub-Branch	House: 1/9, Road: NoorJahan Road, Block: D PS: Mohammadpur, PO: Mohammadpur-1207, Dhaka Mail: nurjahanroad.sub@midlandbankbd.net PABX: 09666-410908	Mr. Mahfuzur Rahman, FAVP Phone: 01985700843, 01713571370 Email: mahfuz.rahman@midlandbankbd.net PBX: 09666 -410908 Ext.908-843
16	Dendabor Sub-Branch	Ekota Bhaban (1st floor), Dendabor (Palli Biddut Bus Stand), Ashulia, Savar, Dhaka. Mail: dendabor.sub@midlandbankbd.net PABX: +(88) 096 66 410 910 / +(88) 096 11 410 910	Mr. Muhammad Mamun Chowdhury, FAVP Phone: 01985700230, 01722596653 Email: mamun.chowdhury@midlandbankbd.net PABX: 09666-410910 Ext.910-230
17	Uttara Shahjalal Avenue Sub-Branch	Holding No-02, Road No-13/C, Sector-6, Shahjalal Avenue, Ward -01. Dhaka North City Corporation Uttara-West, Dhaka Mail: uttarashahjalal.sub@midlandbankbd.net PABX: +(88) 096 66 410 906 / +(88) 096 11 410 906	Mr. Mohammad Nuruzzaman, FAVP Phone: 01985700544, 01716182750 Email: mohammad.nuruzzaman@midlandbankbd.net PBX: 09666 -410906 Ext.906-544
18	Bogura Pourashava Sub-Branch	Poura Bhaban, Bogura Pourashava, Bogura Mail: bogurapourashava.sub@midlandbankbd.net PABX No :+(88) 096 66 410 920/ +(88) 096 11 410 920	Mr. Md. Hazrat Belal, JAVP Phone: 01985700816, 01790884630 Email: hazrat.belal@midlandbankbd.net PBX: 09617-410920 Ext.920-816
19	Madani Avenue Sub-Branch	Sajid Plaza, Holding No - 46 Madani Avenue Ward No - 40, Dhaka North City Corporation Police Station - Vatar, District - Dhaka Mail: madani.sub@midlandbankbd.net PABX No : +(88) 096 66 410 911 / +(88) 096 11 410 911	Mr. Mizbaul Islam Khan, JAVP Phone: 01911041818 Email: mizbaul.islam@midlandbankbd.net PBX: 09666-410911 Ext.1508

MDB Service Network (Collection Booths)

Sl.	Name of Collection Booth	Address	Assigned Officer
1	Southeast University Fess Collection Booth -1	House # 251/A & 252, Tejgaon I/A, Dhaka.	Mr. Mostofa Maynul Hasan, SAVP , Phone: +8801985700057,01914064738 Email: mostofa.maynul@midlandbankbd.net , PBX: 09666 -410902 Ext.902- 057
2	Narshingdi Bill Collection Booth	Narshingdi Pourashava Bhaban, Narshingdi	Mr. Mahamudul Hasan, AVP, Phone: 01985700974,01717910524 Email: mahamudul.h@midlandbankbd.net , PBX: 09666 -410914 Ext.914 -974
3	Mokamtola REB Collection Booth	Mokamtola Polli Bidyut Zonal office, Mokamtola	Mr. Md. Syfur Rahman, FAVP, Phone: 01985700254, 01920854982 Email: syfur.rahman@midlandbankbd.net , PBX: 09666 -410918 Ext.918-254
4	REB Collection Booth, Bogura	REB Head Office, Bogura	Mr. Md. Mejbahur Rahman, FAVP, Phone: 01718881471 Email: mejbahur.rahman@midlandbankbd.net, PBX: 09666 -410920 Ext.1085
5	Bagerhat REB Collection Booth	Bagerhat Polli Bidyut Zonal office, Bagerhat.	Mr. Amitav Kumar Raha, EO, Phone: 01985700747, 01711938431 Email: amitav.raha@midlandbankbd.net , PBX: 09666-410927 Ext.927-747
6	Bheramara REB Collection Booth	Bheramara Polli Bidyut Zonal office, Bheramara, Kushtia.	Mr. Kazi Mokarram Hossain, JAVP, Phone: 01985700893, 01711380388 Email: mokarram.hossain@midlandbankbd.net , PBX: 09666-410932 Ext.932-893
7	Daulatpur REB Collection Booth	Daulatpur Polli Bidyut Zonal office, Kushtia	Mr. Kazi Mokarram Hossain, JAVP, Phone: 01985700893, 01711380388 Email: mokarram.hossain@midlandbankbd.net , PBX: 09666-410932 Ext.932-893
8	Birgonj REB Collection Booth	Birgonj Polli Bidyut Zonal office, Dinajpur	Mr. Md. Ahsanul Alam, JAVP, Phone: 01712068328 Email: ahsanul.alam@midlandbankbd.net, PBX: 09666 -410933 Ext.1063
9	Bheramara Pourashava Collection Booth	Pourashava Bhaban Bheramara	Mr. Kazi Mokarram Hossain, JAVP, Phone: 01985700893, 01711380388 Email: mokarram.hossain@midlandbankbd.net, PBX: 09666 -410932 Ext.932-893

Agent Banking Centres

Sl.	Name of Agent
1	United Social Human Advancement (USHA) Foundation, Dighi Borabo, Jatramura, Rupganj, Narayanganj
2	Mehjabin Traders, Palora Bazar, Betila, Manikganj Sadar, Manikganj
3	Mehjabin Traders, Lemubari Notunhat, Balirtek Road, Manikganj Sadar, Manikganj
4	Society For Family Happiness And Prosperity (Fhp), Darikandi, Bajitpur, Kishoreganj
5	M/S. Robin Traders, Mostail Bazar, Bohail, Shahjahanpur, Bogura
6	M/S. Mozaddediya Enterprise, Moshipur, Shahjadpur, Sirajganj
7	M/S. Prapti Dairy Farm, Dhunot Officer Para, Dhunat, Bogura
8	Coast Foundation, Torabganj Bazar, Torabganj, Kamalnagar, Lakshmipur
9	Deshbondhu Solar and Electronics, Guzia Bazar Shibganj, Bogura
10	Deshbondhu Solar and Electronics, Amtoli Bazar, Guzia, Shibganj, Bogura
11	Village Association for Social Development (VASD), Dholla Bazar, Dholla, Singair, Manikganj
12	Sarker Apparels Food & Trading Limited, Kadamtala, Basabo, Sabujbag, Dhaka-1214
13	Moti Medical Store, Jumarbari Bazar, Saghata, Gaibandha
14	Master & Sons, Oddirgola Bazar, Shabgram, Bogura Sadar, bogura
15	Forid Traders, Sonahata Bazar, Dhunat, Bogura
16	K. H. Enterprise, Narayanpur Bazar, Belabo, Narsingdi
17	K. H. Enterprise, Board School Bazar, Sollahbad-1630, Belabo, Narsingdi
18	Raju Poultry Firm, Shingher Char, Natun Bazar, Rupsha, Khulna
19	Raju Poultry Firm, Rahimnagar, Rupsha, Khulna
20	Raju Poultry Firm, Lobonchara Nodir Teer, Shipyard, Lobonchara, Khulna
21	BASTOB-Initiative for Peoples Self-Development, Malumghat Bazar, Dulhazara, Chakaria, Cox's Bazar
22	Janani Traders, Fatepur Bazar, Chandahar, Singair, Manikganj
23	Wali Enterprise, Shibchar Bazar, Shibchar, Madaripur
24	Ma Enterprise, Chanderchar Bazar, Umedpur, Shibchar, Madaripur
25	Z.R. Corporation, 1 No Kalma Bazar, Savar, Dhaka
26	Shiza Enterprize, Hossen Market, Dattapara, Tongi, Gazipur
27	Tonoya Traders, Kundugram, Adomdighi, Bogura
28	Gazi Agro Farm, Kashore Bazar, Habirbari, Valuka, Mymensingh
29	Maysha Enterprise, Dhakkin Khanpur, Khanpur, Bagerhat Sadar, bagerhat
30	M/S Munni Enterprise, Shahorail Bazar, Shahorail, Singair, Manikganj
31	Mahi Enterprise, Baliyahati Bazar, Baliyahati, Bhanga, Faridpur
32	Durjoy Medical Store, Kagail Bazar, Kagail, Gabtoli, Bogura
33	R N Enterprise, Atapara Bazar, Sonarai, Gabtoli, Bogura
34	M/S Bornomala, Mohimaganj Bazar, Mohimaganj, Gobindaganj, Gaibandha
35	Mandol Hardware, Jhaturdia Bazar, Nagarkanda, Faridpur
36	M/S Shikder Fisheries, Churkhai Bazar, Churkhai, Kotwali, Mymensingh
37	M/S Shikder Fisheries, Shomvuganj Bazar, Mymensingh Sadar, Mymensingh
38	Roni Enterprise, Paril Bazar, Paril Nowadha, Singair, Manikganj
39	Roni Enterprise, Kaliakoir Bazar, Singair, Manikganj
40	Population Crisis Control & Mass Education Committee, H# 180, R# 12, Sonadanga, Khulna
41	Population Crisis Control & Mass Education Committee, Koyra, Khulna-9290
42	Population Crisis Control & Mass Education Committee, Dakop, Khulna-9272
43	Population Crisis Control & Mass Education Committee, Paikgacha Bazar, Paikgacha, Khulna-9280
44	Population Crisis Control & Mass Education Committee, Ashashuni, Ashashuni, Satkhira-9460, Satkhira
45	Population Crisis Control & Mass Education Committee, Shyamnagar, Satkhira-9450, Satkhira
46	Zahanara Agro International, Altafnagar Bazar, Altafnagar, Dupchachia, Bogura
47	Zahanara Agro International, Khanpukur Bazar, Khanpukur, Rani Nagar, Naogaon
48	Zahanara Agro International, Nowduli Bazar, Palsha, Muniari Union Parishad, Atrai, Naogaon
49	Pramanik Traders, Rameshwarpur Bazar, Gabtoli, Bogura
50	Protik Electronics, Tuitai Bazar, Tashulla Banglabazar, Nawabganj, Dhaka
51	Protik Electronics, Horishkul Bazar, Jantrail, Nawabganj, Dhaka
52	Protik Electronics, Tashulla Banglabazar, Tashulla Banglabazar-1322, Nayansree Union Parishad, Nawabganj, Dhaka
53	Shahin Enterprise, Salna Bazar, Gazipur Sadar, Gazipur
54	SM Link, Shiruail Bazar, Hat Shiruail, Shibchar, Madaripur
55	Ababil Telecom, Puranakoil Bazar, Puranakoil, Sadar, Joypurhat
56	Mehedi Traders, Pakerhat, Khanshama, Dinajpur
57	Ha-mim Enterprise, Monjhar Bazar, Khetlal, Joypurhat
58	Maf Electric, Thanar More, Anwara, Chattogram
59	Provati Seba Sales Enterprise, Gosaibari Bazar, Gosaibari, Dhunat, Bogura
60	Firoja Gift Corner, Bhabaniganj Bazar, Lakshmipur Sadar, Lakshmipur
61	M/S Kaium Electric, Sonarpara Bazar, Kichok-5810, Shibganj, Bogura
62	M/S Amin Brothers, Katakhal Bazar, Town Nowapara-9370, Piljong Union Parishad, Fokirhat, Bagerhat

Agent Banking Centres

Sl.	Name of Agent
63	M/S Labib Electronics, Boiragy Bazar, K H Madrasa-7931, Paikpara Union Parishad, Rajoir, Madaripur
64	Green Seo Tools, 1no. Rail Gate Bazar, Modonhat-4330, Fatepur Union Parishad, Hathazari, Chattogram
65	M/S S B Tiles, Nazrul Avenue, Kandirpar, Sadar, Cumilla
66	Fiha Trading Corporation, Jurain Bazar Road, Jurain Rail Gate, Jurain, Dhaka-1204
67	Edgex Limited, House-02, Road-07, Dhanmondi, Dhaka-1205
68	M/S Tanjim Traders, Dohargaon, Baliyapara-1460, Rupganj, Narayanganj
69	M/S Rasel Bricks, Dhamti Bazar, Debidwar, Cumilla
70	Sadiq Sell Center, Koya Bazar, Jalma Union Parishad, Koya Bazar, Batiaghata, Khulna
71	Sk Computer Graphics And Training Center, South Dattapara Bazar, Lakshmipur Sadar, Lakshmipur
72	Fatema Mobile Servicing Center, Madaripool Bazar, Moddho Madrasa, Ward No-4, Samitirhat, Hathazari, Chattogram
73	M/S Sumon Enterprise, Shimul Bazar, Tarail-7830, Bhanga, Faridpur
74	Online Bangla Shop, Chawkbazar, Chawkbazar-4000, Chawkbazar, Chattogram
75	M/S Shahida Traders, Rohobol Bazar, 9 No Dewli Union Parishad, Rohobol-5810, Shibganj, Bogura
76	Brothers Enterprise, Nur Tower, Hashem Bazar, Aturar Depo, Panchalish, Chattogram
77	M/S Roy Traders, Jot Bazar, Nurullabad Union Parishad, Manda, Naogaon
78	Nadira IT Center, Bhendabari Bazar, Bhendabari-5470, Pirganj, Rangpur
79	Sk Traders, Baishteki, Mirpur-13, Kafrul, Dhaka
80	Adil And Nishat Computer's And Telecom Center, Gangnagar Bazar, 9 No. Dewli Union Parishad, Shibganj, Bogura
81	M/S Rijvi And Roktim Traders, Jamurhat Bazar, 6 No Buriganj Union Parishad, Buriganj-5810, Shibganj, Bogura
82	Jui Enterprise, Bolidara Bazar, 8 No Nanduar Union Parishad, Bolidara-5120, Ranisankail, thakurgaon
83	Mizan Brothers, Polerhat Bazar, 8 No. Khanpur Union Parishad, Khanpur, Bagerhat Sadar, Bagerhat
84	Care And Cure Engineering Consultancy Firm, Sharakghat Bazar, Piruj Ali Union Parishad, Gazipur Sadar, Gazipur
85	M/S Maymuna Traders, Atmul Bazar, Atmul Union Parishad, Shibganj, Bogura
86	Bbr Enterprise, Kalir Bazar, Fulchhari, Gaibandha
87	Jamuna Traders, Taltola Bazar, Chatkhil, Noakhali
88	Mohona Shopping Zone, Daridaha Bazar, Shibganj, Bogura
89	Gm Agro Farm, Rajai Bazar, 11 No Rajai Union Parishad, Valuka, Mymensingh
90	M/S Noha Enterprise, Bhawanigonj Bazar, Bagmara, Rajshahi
91	M/S Abdul Motalib Traders, Burburia Bazar, Burburia-3420, Bancharampur, Brahmanbaria
92	M/S Anup Traders, Dholarhat Bazar, Ruhia, Thakurgaon Sadar, Thakurgaon
93	Rajiv Enterprise, Boikali Bazar, Junction Road, Khalishpur, Khulna
94	Sarker Enterprise, Poddarganj Bazar, Saheber Abad, Dacope, Khulna
95	Action For Human Development Organization (AHDO), Jhaudia Bazar, Kushtia Sadar, Kushtia
96	Action For Human Development Organization (AHDO), Mothurapur, Daulatpur, Kushtia
97	Action For Human Development Organization (AHDO), Kuchiamora Bazar, Bheramara, Kushtia
98	Action For Human Development Organization (AHDO), Sona Potti, Bheramara, Kushtia
99	M/S Amar Desh Traders, Ratankandi Bazar, Shahjaddpur-6770, Shahjaddpur, Sirajganj
100	Juma Enterprise, Paikgacha Bazar, Paikgacha, Khulna
101	U.S.Telecom, Rupsha Bazar, Rahimnagar-1260, Rupsha, Khulna
102	M/S Sotota Traders, Mahasthan Bazar, Mahasthan, Shibganj, Bogura
103	M/S Tanni Fashion House, Altafnagar Bazar, Altafnagar, Dupchanchia, Bogura
104	Techosonic It & Technologies, Kalabagan, New Market -1205, Kalabagan, Dhaka
105	A.R Telecom, Khanpukur Bazar, Khanpukur-6590, Raninagar, Naogaon
106	M & M Traders, Deuty Bazar, Deuty-5450, Pirgachha, Rangpur
107	Anas Motors, Saidpur BSCIC Industrial Area, Saidpur-5310, Saidpur, Nilphamari
108	United Social Human Advancement (USHA) Foundation, Kalibari Bazar, Araihaaz, Narayanganj
109	United Social Human Advancement (USHA) Foundation, Alinogor, Bondor, Narayanganj
110	United Social Human Advancement (USHA) Foundation, Norshingapur, Zirabo, Savar, Dhaka
111	United Social Human Advancement (USHA) Foundation, Bhuigor, Fatullah, Narayanganj
112	United Social Human Advancement (USHA) Foundation, Baimail(East), Konabari, Kashem Kotton Mill, Gazipur Sadar, Gazipur
113	United Social Human Advancement (USHA) Foundation, Chinispur, Narshingdi Sadar, Narshingdi
114	United Social Human Advancement (USHA) Foundation, Katatara, Bawbazar, Madhobdi, Narshingdi
115	United Social Human Advancement (USHA) Foundation, Uddobgonj, Sonargaon, Narayanganj
116	Vai Bon Library And B-kash Point, Modhupur Bazar, Shalikhah-5826, Sonatola, Bogura
117	United Social Human Advancement (USHA) Foundation, Mograpara, Sonargaon, Narayanganj
118	United Social Human Advancement (USHA) Foundation, Brahmanpara, Narshingdi Sadar, Narshingdi
119	M/S K. H. Enterprise, Ibrahimpur Bazar, Narayanpur-1360, Belabo, Narshingdi
120	Durjoy Medical Store, Uzgram Bazar, Gabtoli, Bogura
121	Fashol Dotcom Limited, 130 Kabbokash, Unit 3/4, Kawran Bazar, Dhaka-1215
122	Rana Telecom, Kawlibera Bazar, Kawlibera-7830, Bhanga, Faridpur
123	Simul Traders, Noorullah Godown, Tewariganj Road, Bhabaniganj-3702, Lakshmipur Sadar, Lakshmipur
124	Mahisha Telecom, Katakhal Baluahat, Bishubari-5740, Gobindaganj, Gaibandha
125	M/S Nirob Enterprise, Kutubpur Bazar, Jorgacha-5831, Sariakandi, Bogura
126	Alif Telecom, Baluahat Bazar, Baluahat-5826, Sonatola, Bogura
127	Dreamworld Trading, Khalishpur (Polytechnic College More), Khulna Gpo-9000, Khalishpur, Khulna

ATM

Sl.	ATM Name	Location	Site	Tagged Branch
1	Aganagar	Maksuda Garden City (Ground Floor), Aganagar, South Keranigonj, Dhaka	Onsite	Aganagar Branch
2	Agrabad	As- Salam Tower, 57, Agrabad Commercial Area (1st Floor), Chittagong	Onsite	Agrabad Branch
3	Amanat Shah - Narsingdi	Amanat Shah Spinning Mills, Vatar, Panchdona, Narsingdi	Offsite	Narsingdi Branch
4	Amtranet - Savar	Amtranet Limited, KASBA TOWER, Rajashan Industrial Area, Savar	Offsite	Hemayetpur Branch
5	Amtranet - Savar 2	Amtranet Limited, KASBA TOWER, Rajashan Industrial Area, Savar	Offsite	Hemayetpur Branch
6	Amtranet - Tongi	Amtranet Group, Maa Tower (Ground Floor), KBM Road, Tongi I/A, Gazipur	Offsite	Uttara Branch
7	Amtranet - Tongi 2	Amtranet Group, Maa Tower (Ground Floor), KBM Road, Tongi I/A, Gazipur	Offsite	Uttara Branch
8	Banani	Hong Kong Shanghai Tower, Plot #106, Road#11, Block#C, Banani, Dhaka	Onsite	Banani Branch
9	Barishal Branch	A.K. School Building (1st Floor), Holding # 388, K.B. Hemayet Uddin Road, Girza Moholla, Barishal	Onsite	Barishal Branch
10	Bheramara	Godown Moor, Bheramara Highway, Kushtia	Onsite	Bheramara Branch
11	Bogura	Amicus Plaza, 1st floor, Shahid Abdul Jabbar Sarak, Jolshwari Tola, Bogura	Onsite	Bogura Branch
12	Bokhter Munshi Feni Branch	Holding # 227, Ward # 06, Union- 3 no. Mongolkandi, Post # Bokhter Munshi Bazar, Thana # Sonagazi, District # Feni	Onsite	Bokhter Munshi Bazar Branch
13	CDA Avenue	EVEs Centre (Ground Floor), A 1/47 P, East Nasirabad, Panchlaish, Chittagong	Onsite	CDA Avenue Branch
14	Chandraganj Branch	Emirates Tower, Deupara, Aijaz Road, Ward # 5, Union 10 no. Chandraganj, Thana # Chandraganj, District # Lakshmipur	Onsite	Chandraganj Branch
15	Chatkhil Sub-Branch	Aziz Super Market, Holding No-629, C&B Road, Ward No-3, Chatkhil, Noakhali	Onsite	Chatkhil Sub-Branch
16	Chowdhuryhat	Abdul Rashid Market (Ground Floor), Chowdhury Hat, Hat Hajari, Chittagong	Onsite	Chowdhuryhat Branch
17	Dalal Bazar	Montaz patwary Mansion (Ground floor), Lakshmipur Sadar, Lakshmipur	Onsite	Dalal Bazar Branch
18	Dendabor Sub-Branch	Ekota Bhaban (1st floor), Dendabor (Palli Biddut Bus Stand), Ashulia, Savar, Dhaka	Onsite	Dendabor Sub-Branch
19	Dhanmondi	Green Rowshanara Tower, House# 755(Old), 55(New), Satmasjid Road, Dhanmondi, Dhaka 1205	Onsite	Dhanmondi Branch
20	Dilkusha	Chini Shilpa Bhaban, 3, Dilkusha C/A, Dhaka-1000	Onsite	Dilkusha Corporate Branch
21	Doshmile	Hossain Monzil, East Sadipur, Doshmile, Dinajpur	Onsite	Doshmile Branch
22	Fatullah Branch	Fatullah Bazar, Ward: 04, Union: Fatullah, Thana: Narayanganj, Dist: Narayanganj	Onsite	Fatullah Branch
23	Foyla Bazar	98/1 Haji Market, Bara Nawabpur, Faylabazar, Ujalkur, Rampal, Bagerhat	Onsite	Foyla Bazar Branch
24	Gulshan	NB Tower, Level-5, 40/7 North Avenue, Gulshan-2, Dhaka-1212	Onsite	Gulshan Branch
25	Hemayetpur	Ayesha Tower (1st Floor), 522 Singair Road, Hemayetpur, Savar, Dhaka	Onsite	Hemayetpur Branch
26	Islampur	Emon Tower, Holding-61, Islampur Road, Ward-36, P.S.-Kotowali, Dist- Dhaka	Onsite	Islampur Branch
27	Jubilee Road Sub-Branch	B&B Tower, 129 Jubilee Road, Enayet Bazar, Chottagram	Onsite	Jubilee Road Sub-Branch
28	Kamarpara	JomJom Tower, Kamarpara School Road, Dhaka	Onsite	Kamarpara Branch
29	Kawran Bazar Branch	Jahangir Tower, 10, Kazi Nazrul Islam Avenue, Ward No-26, Tejgaon, Dhaka	Onsite	Kawran Bazar Branch
30	Khulna	Tayamun Centre (Ground Floor), 181/1 Jessore Road, Khulna	Onsite	Khulna Branch
31	Lakshmipur Sub-Branch	RS Tower, Hospital Road, Lakshmipur Sadar, Lakshmipur	Onsite	Mirpur Branch
32	Madhabdi Sub-Branch	Madhabdi Pourashava Office Bhaban, Madhabdi, Narsingdi	Onsite	Narsingdi Branch
33	Maligram	Vashra, Maligram, Deora, Bhanga, Faridpur	Onsite	Maligram Branch
34	MIEZ Sub-Branch	Meghna Industrial Economic Zone, Tipora, Daag No- RS-31, Mouza-Choto Shilmondi, Union- Mograpara, P.S- Sonargaon, Dist- Narayanganj	Onsite	Dilkusha Corporate Branch
35	Mirpur	Hyperion Rose, Holding No-61/1-2, Block-B, Road No-4, Ward No-2, Section-12, Pallabi, Dhaka	Onsite	Mirpur Branch
36	Mirzapur Bazar	Mannan Plaza, Mirzapur Bazar, Bhawal, Mirzapur Sadar, Gazipur	Onsite	Mirzapur Bazar Branch
37	Mokamtola	Majeda Plaza (Ground Floor), Talukdar Market, Mokamtola, Shibganj, Bogra	Onsite	Mokamtola Branch
38	Motijheel Sub-Branch	Swantex Bhaban, 9/i, Motijheel C/A, Dhaka	Onsite	Dilkusha Corporate Branch
39	Mymensingh Sub-Branch	Hira Square, Holding-20, Jadhav Lahiri Lane, Mymensingh	Onsite	Mymensingh Sub-Branch
40	Narayanganj	55/A, Ground Floor, Tanbazar, Narayanganj	Onsite	Narayanganj Branch
41	Narshingdi	Helal Tower, First & second floor, 211 Shahid Shorwadi Park Road, Narshingdi	Onsite	Narsingdi Branch
42	Noapara Sub-Branch	Sharif Market, Holding No-648, Jashore-Khulna Mohasharak, Ward No: 06, Pourashava: Noapara, P.S- Abhaynagar, Jashore	Onsite	Noapara Sub-Branch
43	Noser Market Sub-Branch	Shajib Shabbir Villa, Gazipur City Corporation, Konabari (Metro), Gazipur	Onsite	Mirzapur Bazar Branch
44	Nurjahan Road Sub-Branch	House 1/9 Road: Noorjahan Road, Block: D, Police Station: Mohammadpur, Post office: Mohammadpur-1207, Dhaka	Onsite	Dhanmondi Branch
45	Panchar	Dia-Moni Plaza (1st Floor), Panchar, Shibchar, Madaripur	Onsite	Panchar Branch
46	Panchrukhi	Panchrukhi Bazar, Araihaajar, Narayanganj	Onsite	Panchrukhi Branch
47	Paragram	West Paragram Bazar, Nawabganj, Dhaka (Right side of Singair Road)	Onsite	Paragram Branch
48	Rajshahi	Rahamania Tower, Holding-5758 & 60, Ganok Para, Station Road, Ward-12, P.S.-Boalia, Dist- Rajshahi	Onsite	Rajshahi Branch
49	Rajshahi City Corporation Sub-Branch	Nagar Bhaban, Holding No-142, Greater Road, Ward No-13, Rajshahi City Corporation, P.S-Boalia, Dist- Rajshahi	Onsite	Rajshahi City Corporation Sub-Branch
50	Rangpur Branch GRG	Sunshine Tower, Holding # 3434, Road # 01, Dhap Jail Road, Rangpur	Onsite	Rangpur Branch
51	Rupnagar Sub-Branch	House # 56, Road # 19, 1st Floor, Rupnagar, Mirpur, Dhaka	Onsite	Mirpur Branch
52	Shahjadpur Sub Branch	Sahjadpur CCMPSL Bhaban, Sahjadpur, Sirajgonj	Onsite	Bogura Branch
53	Shashongacha	Meem Tower, Shashongacha, Adarsha Sadar, Cumilla	Onsite	Shashongacha Branch
54	Shibgonj Sub-Branch	Holding Number: 683, 1st Floor, Tamabil Road, Shibgonj, Sylhet	Onsite	Shibgonj Sub-Branch
55	Sompara Bazar	Hai Mansion (1st Floor), Holding No. 365, Kochua Bottoli Road, Sahapur, Chatkhil, Noakhali	Onsite	Sompara Bazar Branch
56	Sreenagar Sub-Branch	Sreenagar Plaza, Kancha Bazar Road, Sreenagar Bazar, Sreenagar, Munshiganj	Onsite	Sreenagar Sub-Branch
57	Sylhet	M.S Tower (Ground floor), Mirboxtola, Chowhatta, Sylhet	Onsite	Sylhet Branch
58	Uttara	ABC Heritage (Ground Floor), Plot 2 & 4, Sector 3, Jashimuddin Avenue, Uttara Model Town, Dhaka	Onsite	Uttara Branch
59	Uttara Shahjalal Avenue Sub Branch	House: 02, Road:13/C, Sector: 06, Shahjalal Avenue, Uttara, Dhaka.	Onsite	Uttara Shahjalal Avenue Sub Branch
60	Valuka	Jamirdia, Masterbari, Valuka, Mymensingh	Onsite	Valuka Branch
61	Valuka Branch GRG	EsLite Garments (BD) Ltd. 1125, Jamirdia (Square Master Bari, ideal More), Hobirbari, Valuka, Mymensingh	Offsite	Valuka EsLiteGMS GRG
62	Zirabo	Razzak Commercial Complex, Zirabo, Ashulia, Savar, Dhaka	Onsite	Zirabo Branch
63	Bogura Sub-Branch	Poura Bhaban, Bogura Pourashava, Bogura	Onsite	Bogura Branch
64	Madani Avenue Sub-Branch	Sajid Plaza, Holding No - 46 Madani Avenue, Ward No - 40, Dhaka North City Corporation, Police Station - Vatar, District - Dhaka	Offsite	Gulshan Branch
65	Southeast University NCR Tejgaon Campus	Southeast University NCR Tejgaon Campus	Onsite	Banani Branch

NOTICE OF THE 11TH (ELEVENTH) ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 11th (eleventh) Annual General Meeting (AGM) of the Shareholders/ Members of Midland Bank PLC. will be held on Thursday, 13th June 2024 at 09:30 AM using Hybrid System in combination with Physical Presence of the shareholders at Banquet Hall of Kurmitola Golf Club and Digital Platform to transact the following businesses and adopt necessary resolutions:

1. To receive, consider and adopt the Directors' Report and Audited Financial Statements of the Bank for the year ended 31st December, 2023 together with Auditors' Report thereon.
2. To declare dividend for the year ended 31st December, 2023.
3. To retire and elect/re-elect Directors.
4. To appoint Statutory Auditor(s) of the Company for the period until the 12th Annual General Meeting and to fix their remuneration.
5. To appoint Corporate Governance Compliance Auditor for the year 2024 as per Corporate Governance Code of BSEC and to fix their remuneration.
6. To transact any other business with the permission of the Chair.

By order of the Board,



Khalid Mohammad Sharif FCS
Company Secretary

Dated: Dhaka
21st May 2024

Notes:

- a) The Board of Directors has recommended cash dividend @ 5% for the year ended 31st December, 2023, which will be placed before the Shareholders in the 11th AGM of the Bank for approval.
- b) 20th May, 2024 was fixed/scheduled as Record Date. The Shareholders, whose names appeared in the Register of Members of the Bank and/or in the Depository on the Record Date, are eligible for dividend and attending the meeting.
- c) A member eligible to attend and vote at the Annual General Meeting (AGM) may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, available in the website (https://www.midlandbankbd.net/annual_report/) duly stamped and signed by the member must be deposited at the Registered Office at least 48 hours before the time for holding the meeting.
- d) The Annual Report 2023 of Midland Bank PLC. will be sent to the respective Shareholders' email IDs available with CDBL on Record Date and the link of AGM will be available in the web site of the Midland Bank PLC. in due course.
- e) Depository Participants (DP)/ Stock Brokers are requested to send the list of Margin Account Holders based on Record Date, if any, within 06th June 2024 to the Bank. Otherwise, the dividend will be paid to shareholders' Bank Account as per CDBL Record.
- f) Existing External Auditor M/s. Hoda Vasi Chowdhury & Co., who has conducted the statutory audit works for the financial year 2023 (second tenure), expressed their inability vide letter dated 18th April 2024 to continue for the third consecutive year, as Bangladesh Bank has imposed restriction to conduct statutory audit beyond 6 (six) banks and NBFIs in a financial year. The Board of Directors has decided to place recommendation before the shareholders in 11th AGM for appointment of M/s. Hussain Farhad & Co. Chartered Accountants as External Auditors of the Bank to conduct audit works for the year 2024 (until 12th AGM).
- g) As per Corporate Governance Code issued by BSEC dated 3rd June, 2018 the professional who will provide the certificate on compliance of Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting. M/s. K. M. Hasan & Co., Chartered Accountants provided certification, which is being placed in the 11th AGM. As, M/s. K. M. Hasan & Co., conducted the compliance audit in the preceding of 7 (seven) years (since 2017), the Board has recommended a new compliance auditor for the year 2024. The Board of Directors has decided to place a recommendation before the shareholders in 11th AGM for appointment of M/s. Islam Jahid & Co., Chartered Accountants for providing certification on compliance of Corporate Governance Code for the year 2024 (for placing in the 12th AGM).
- h) **Annual Report 2023 is available in the website of Midland Bank PLC. : https://www.midlandbankbd.net/annual_report/**

QR Code:



To join the 11th AGM



To download
Annual Report
AGM Notice
and Proxy Form



Head Office: N.B. Tower (Level 6 to 9), 40/7 North Avenue, Gulshan 2, Dhaka 1212, Bangladesh
Phone: +88 09666 410999 (Ext. 999-722) Fax: +88 02 8837 735, Email: share.mdb@midlandbankbd.net, Web: www.midlandbankbd.net

Proxy Form

I, _____ of

being a member of "MIDLAND BANK PLC." do hereby appoint _____

of _____ on failing him _____

of _____

as proxy to attend and vote for me on my behalf at the 11th (Eleventh) Annual General Meeting (AGM) of the Company on June 13, 2024, Thursday at 9:30 a.m. using Hybrid System in combination with Physical Presence of the shareholders at Banquet Hall of Kurmitola Golf Club and Digital Platform or at any adjournment thereof.

AS WITNESS MY HAND THIS _____ DAY OF _____ 2024

Signature of Proxy : _____

**Affix Revenue
Stamp of Tk.100.00**

Signature of Shareholder : _____

Folio/BO ID : _____

No. of Shares : _____

Notes:

1. Signature must agree with the recorded signature.
2. A Member entitled to attend and vote at the 11th (eleventh) AGM may appoint a proxy to attend and vote in his/her behalf. The Proxy Form duly signed and stamped must be deposited at the Head Office of the company at least 48 hours before the time set for the Meeting

Shareholders are hereby informed that due to restriction imposed by Bangladesh Securities and Exchange Commission there shall be no arrangement for any sort of **gift/ entertainment** in the Annual General Meeting of the Company.



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