

**Independent Auditor's Report
&
Audited Financial Statements
of**

Midland Bank Limited

As at & for the year ended 31 December 2020



★ Since 1953 ★

A. QASEM & CO.

Chartered Accountants

Gulshan Pink City
Suites # 01-03, Level : 7
Plot # 15, Road # 103
Gulshan Avenue
Dhaka - 1212, Bangladesh
Phone : 880-2-8881824-6
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**Independent auditor's report
To the shareholders of Midland Bank Limited
Report on the audit of financial statements**

Opinion

We have audited the financial statements of Midland Bank Limited ("the Bank"), which comprise the balance sheet as at 31 December 2020, and the profit and loss account, cash flow statement, statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the balance sheet of the Bank as at 31 December 2020, and of its profit and loss account, its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as explained in note # 2 and comply with the Companies Act, 1994, the Banking Companies Act, 1991 (as amended up to date), rules and regulations issued by Bangladesh Bank and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's 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 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, 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 IFRS as explained in note # 2, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Banking Companies Act, 1991 (as amended up to date) and the Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 Bank 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 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.

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994, the Banking Companies Act, 1991 (as amended up to date) and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the management's responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank.
- (iii) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (iv) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) the expenditures incurred were for the purpose of the Bank's business for the year;
- (vii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1,000 person hours for the audit of the books and account of the Bank; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

A. Qasem & Co.
Chartered Accountants
Registration No. PF1015


Mohammed Hamidul Islam

Partner
Enrolment No: 912
DVC: 2104040912AS913880

Place of issue: Dhaka
Dated: 28 March 2021

Midland Bank Ltd
Balance Sheet
As on 31 December 2020

	Notes	2020 BDT	2019 BDT
Property and Asset			
Cash	3.00	2,517,389,920	2,481,877,574
In Hand (Including Foreign Currency)		546,005,616	525,345,718
With Bangladesh Bank and its agent Bank (including Foreign Currency)		1,971,384,304	1,956,531,856
Balance with other Banks & Financial Institutions	4.00	2,738,102,616	3,119,092,376
In Bangladesh		2,343,368,499	2,892,241,255
Outside Bangladesh		394,734,117	226,851,121
Money at Call and Short Notice	5.00	295,800,000	499,700,000
Investments	6.00	14,632,998,709	12,709,768,541
Government		13,552,624,869	11,412,579,904
Others		1,080,373,840	1,297,188,637
Loans and Advances/ Investments	7.00	39,086,672,499	31,749,635,389
Loans, Cash Credit, Overdrafts, etc./ Investment		38,040,954,438	31,696,015,706
Bills Purchased and Discounted		1,045,718,061	53,619,683
Fixed Asset including Premises, Furniture & Fixtures	8.00	659,776,340	258,785,282
Other Asset	9.00	3,202,648,893	2,079,714,702
Non-Banking Asset	10.00	12,585,359	12,585,359
Total Property and Asset		63,145,974,335	52,911,159,222
Liabilities and Capital			
Borrowing from other Banks, Financial Institutions & Agents	11.00	6,074,714,536	3,468,730,276
Deposit and Other Accounts	12.00	45,067,571,125	39,500,763,248
Current Deposit & Other Accounts		4,543,232,928	2,784,886,978
Bills Payable		369,020,053	241,381,613
Short Notice Deposit		5,607,092,015	4,769,017,817
Savings Deposit		3,523,299,986	2,659,627,149
Fixed Deposit		26,639,700,736	25,182,444,200
Deposit Scheme		4,385,225,406	3,863,405,491
Other Liabilities	13.00	4,389,717,716	2,903,304,284
Total Liabilities		55,532,003,377	45,872,797,808
Capital/Shareholders' Equity			
Paid up Capital	15.00	5,696,697,530	5,696,697,530
Statutory Reserve	16.00	1,183,368,838	991,374,929
Revaluation Reserve on Investment in Securities	17.00	275,655,418	2,107,910
Retained Earnings	18.00	458,249,173	348,181,046
Total Shareholders' Equity		7,613,970,959	7,038,361,414
Total Liabilities and Shareholders' Equity		63,145,974,335	52,911,159,222



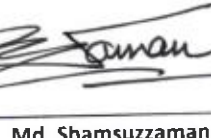
Midland Bank Ltd
Balance Sheet
As on 31 December 2020


	Notes	2020 BDT	2019 BDT
Off-Balance Sheet Items			
Contingent Liabilities	19.00		
Acceptance and endorsements		2,009,386,223	1,428,780,793
Letter of Guarantee		4,052,657,870	2,647,810,389
Irrevocable Letter of Credit		2,427,907,526	1,371,735,186
Bills for Collection		759,488,574	530,485,724
Other Contingent Liabilities		-	-
Other Commitments		9,249,440,193	5,978,812,091
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		9,249,440,193	5,978,812,091

The annexed notes form an integral part of these accounts


Md. Ansan-uz Zaman
Managing Director & CEO

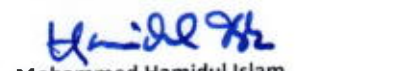

Dr. Mostafizur Rahman
Director


Md. Shamsuzzaman
Vice Chairman


Nilufer Zafarullah
Chairman

Signed as per annexed report on even date

A. Qasem & Co.
Chartered Accountants
Registration No: PF 1015

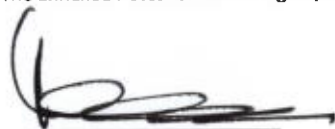

Mohammed Hamidul Islam
Partner
Enrolment No : 912
DVC: 2104040912AS913880

Place of Issue: Dhaka
Dated: 28 March 2021

Midland Bank Ltd
Profit and Loss Account
For the year ended 31 December 2020

Particulars	Notes	2020 BDT	2019 BDT
Interest Income/Profit on Investment	21.00	3,160,178,915	4,259,089,822
Less: Interest/Profit Paid on Deposit and Borrowing, etc.	22.00	2,748,193,544	2,983,899,085
Net Interest Income		411,985,371	1,275,190,737
Income from Investment	23.00	1,565,254,675	649,615,530
Commission, Exchange and Brokerage	24.00	276,581,721	321,054,520
Other Operating Income	25.00	66,310,351	65,020,083
		1,908,146,747	1,035,690,133
Total Operating Income		2,320,132,119	2,310,880,870
Less: Operating Expenditure			
Salary and Allowances	26.00	592,131,514	531,364,377
Rent, Tax, Insurance, Electricity	27.00	75,321,559	219,342,497
Legal Expense	28.00	640,283	1,060,829
Postage, Stamps and Telephone	29.00	17,723,626	13,057,895
Printing, Stationery, Advertisement	30.00	33,745,139	31,672,420
Managing Director's Remuneration	26.01	16,277,525	16,560,000
Directors' Fee	31.00	1,177,600	1,462,800
Audit Fee	32.00	356,500	356,500
Depreciation on and Repair to Bank's Property	33.00	242,506,997	105,956,065
Other Expenditure	34.00	122,420,421	121,523,703
		1,102,301,165	1,042,357,087
Total Operating Expenses		1,102,301,165	1,042,357,087
Profit before provision		1,217,830,953	1,268,523,783
Provision for Loans, Advances & Off Balance Sheet			
General Provision	35.00	135,130,052	36,131,527
Special General Provision -COVID 19		160,085,000	-
Specific Provision		(91,944,812)	138,311,198
Provision for Off Balance Sheet Exposures		30,416,252	12,280,595
Provision for diminution in Investments		23,376,130	28,463,457
Provision against Other Asset		798,788	1,991,685
		257,861,410	217,178,462
Total Provision		257,861,410	217,178,462
Profit Before Tax		959,969,543	1,051,345,321
Less: Provision for Tax	36.00	303,605,656	493,936,818
Current Tax		269,984,643	507,425,213
Deferred Tax		33,621,013	(13,488,395)
		656,363,888	557,408,502
Net Profit After Tax		656,363,888	557,408,502
Retained Surplus Brought Forward	18.01	6,379,194	3,541,608
		662,743,081	560,950,110
Appropriation:			
Transferred to Statutory Reserve	37.00	191,993,909	210,269,064
Transferred to CSR Fund	38.00	12,500,000	2,500,000
		204,493,909	212,769,064
Retained Surplus, Carried Forward		458,249,173	348,181,046
Earnings Per Share	39.00	1.15	0.98

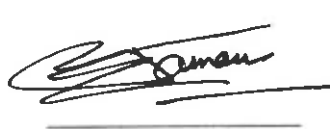
The annexed notes form an integral part of these accounts



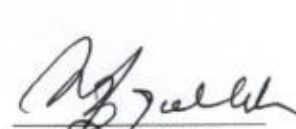
Md. Ahsan-uz Zaman
Managing Director & CEO



Dr. Mostafizur Rahman
Director



Md. Shamsuzzaman
Vice Chairman



Nurul Zafarullah
Chairman

Signed as per annexed report on even date

A. Qasem & Co.
Chartered Accountants
Registration No: PF 1015




Mohammed Hamidul Islam
Partner

Enrolment No : 912
DVC: 2104040912AS913880

Midland Bank Ltd
Cash Flow Statement
For the year ended 31 December 2020

	Notes	2020 BDT	2019 BDT
A) Cash Flow From Operating Activities:			
Interest Received		4,542,872,442	4,829,220,512
Interest Paid on Deposits, Borrowings, etc.		(3,088,496,356)	(2,775,112,447)
Dividend Income		10,531,699	12,903,749
Fees & Commission Income		276,581,721	321,054,520
Recoveries of Loans previously written off		-	-
Cash Paid to Employees as Salaries and Allowances		(608,409,038)	(547,924,377)
Income Tax Paid		(451,093,058)	(448,444,853)
Cash Received From Other Operational Income	40.00	66,010,851	65,020,083
Cash Paid for Other Operational Expenses	41.00	(269,767,741)	(407,605,104)
Cash Flow From Operating Activities Before Changes in Net Current Asset		478,230,519	1,049,112,083
Changes in Net Current Asset :			
Investment in Treasury Bond		(1,447,370,303)	(5,941,486,298)
Loans & Advances		(7,337,037,110)	(674,967,594)
Other Asset		(533,432,696)	(84,670,372)
Non-Banking Assets		-	-
Bank Deposit		1,379,103,060	(1,247,602,532)
Customers' Deposit		4,528,007,629	4,947,407,407
Borrowing from Other Banks, Financial Institutions & Agents		2,605,984,260	1,929,001,137
Other Liabilities		388,241,378	43,943,149
Net Cash Flow From Operating Activities		(416,503,781)	(1,028,375,104)
B) Cash Flow From Investing Activities:			
Investments in Shares & Bonds		216,814,797	(45,744,091)
Proceeds from Sale of Fixed Assets		299,500	903,154
Purchase of Fixed Asset		(67,289,444)	(69,619,263)
Net Cash Flow From Investing Activities		149,824,853	(114,460,200)
C) Cash Flow From Financing Activities:			
Receipts from Issue of Capital		-	-
Dividend Paid		(341,801,852)	-
Net Cash Flow From Financing Activities		(341,801,852)	-
D) Net Increase in Cash and Cash Equivalents		(130,250,260)	(93,723,221)
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		-	-
F) Opening Cash and Cash Equivalents		6,101,045,050	6,194,768,271
Closing Cash and Cash Equivalents (D+E+F)		5,970,794,790	6,101,045,050
The above closing Cash and Cash Equivalents include:			
Cash in Hand		546,005,616	525,345,718
Balance with Bangladesh Bank and its Agent Bank		1,971,384,304	1,956,531,856
Balance with Other Banks & Financial Institutions		2,738,102,616	3,119,092,376
Money at Call and Short Notice		295,800,000	499,700,000
Treasury Bill		418,707,154	-
Prize Bond		795,100	375,100
Net Operating Cash Flow Per Share		0.11	0.04

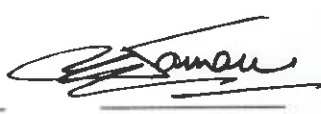
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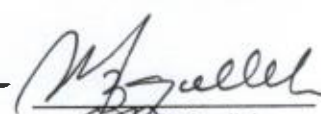
Md. Ahsan-uz Zaman
Managing Director & CEO



Dr. Mostafizur Rahman
Director



Md. Shamsuzzaman
Vice Chairman



Miluter Zafarullah
Chairman

Signed as per annexed report on even date

A. Qasem & Co.
Chartered Accountants
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Mohammed Hamidul Islam
Partner

Enrolment No : 912
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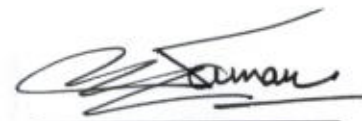
Midland Bank Ltd
Statement of Changes in Equity
For the year ended 31 December 2020

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Surplus on Investments	Retained Earnings	Total
	BDT	BDT	BDT	BDT	BDT
Balance as at 01 January 2020	5,696,697,530	991,374,929	2,107,910	348,181,046	7,038,361,415
Dividend paid	-	-	-	(341,801,852)	(341,801,852)
Revaluation Reserve transferred during the period	-	-	273,547,508	-	273,547,508
Net Profit for the year after tax	-	-	-	656,363,887	656,363,887
Appropriation made during the period	-	191,993,909	-	(191,993,909)	-
Transfer to CSR	-	-	-	(12,500,000)	(12,500,000)
Balance as at 31 December 2020	5,696,697,530	1,183,368,838	275,655,418	458,249,173	7,613,970,959
Balance as at 31 December 2019	5,696,697,530	991,374,929	2,107,910	348,181,046	7,038,361,415

The annexed notes form an integral part of these accounts


Md. Ahsan-uz Zaman
 Managing Director & CEO



Dr. Mostafizur Rahman
 Director


Md. Shamsuzzaman
 Vice Chairman


Nilufer Zafarullah
 Chairman

Signed as per annexed report on even date

A. Qasem & Co.
 Chartered Accountants
 Registration No: PF 1015


Mohammed Hamidul Islam
 Partner
 Enrolment No : 912
 DVC: 2104040912AS913880

Place of Issue: Dhaka
 Dated: 28 March 2021

Midland Bank Ltd
Liquidity Statement
For the year ended 31 December 2020

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
ASSET :						
Cash in hand & Balance with Bangladesh Bank	2,419,609,626	-	-	-	97,780,294	2,517,389,920
Balance with other Banks and Financial Institutions	2,055,000,000	365,500,000	317,602,616	-	-	2,738,102,616
Money at Call & Short notice	295,800,000	-	-	-	-	295,800,000
Investments	160,995,100	998,000,000	45,600,000	8,318,200,000	5,110,203,609	14,632,998,709
Loans and Advances/Investments	10,444,600,000	2,242,500,000	15,186,100,000	11,209,672,499	3,800,000	39,086,672,499
Fixed Asset	-	-	-	144,293,467	515,482,874	659,776,341
Other Asset	-	-	-	1,319,887,880	1,882,761,012	3,202,648,893
Non-Banking Asset	-	-	-	-	12,585,359	12,585,359
Total Asset	15,376,004,726	3,606,000,000	15,549,302,616	20,992,053,846	7,622,613,148	63,145,974,335
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	3,487,700,000	447,300,000	240,200,000	1,899,514,536	-	6,074,714,536
Deposit and Other Account	8,941,300,000	9,898,700,000	13,241,200,000	11,834,871,125	1,151,500,000	45,067,571,125
Provision & Other Liabilities	29,633,271	207,754,323	88,676	1,109,302,544	3,042,938,902	4,389,717,716
Total Liability	12,458,633,271	10,553,754,323	13,481,488,676	14,843,688,205	4,194,438,902	55,532,003,377
Net Liquidity	2,917,371,455	(6,947,754,323)	2,067,813,940	6,148,365,641	3,428,174,246	7,613,970,959

The annexed notes form an integral part of these accounts




Md. Ahsan-uz Zaman
Managing Director & CEO



Dr. Mostafizur Rahman
Director



Md. Shamsuzzaman
Vice Chairman



Nisulfer Zafarullah
Chairman

Signed as per annexed report on even date

Midland Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

Corporate Profile and Significant Accounting Policies

1.00 Midland Bank Limited

1.01 Legal status and nature of the entity

Midland Bank Limited (the "Bank") was incorporated on 20 March 2013 as a Public Limited Company in Bangladesh under Companies Act, 1994 with the registered office at N.B. Tower (Level 6 to 9), 40/7 North Avenue, Gulshan-2, Dhaka-1212. The Company was also issued Certificate of Commencement of Business on the same day. It started commercial banking operation on 20 June 2013 through opening first branch at Dilkusha Commercial Area in the name 'Dilkusha Corporate Branch'. Presently, the number of branches stood at 34 (15 Urban Branches and 19 Rural Branches, 7 Sub Branches, 43 ATMs, 60 Agent Banking Centers (ABCs) and 7 Collection Centres 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), Islamic Windows and Alternative Delivery Channels (ATM booths, Internet Banking) in Bangladesh. 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 100 retailers. MDB digital banking service is integrated with bkash, ROCKET and NAGAD payment system as well. The Bank also provides Off-shore banking services through its Off-shore banking unit (OBU) and Islami banking services through its Islamic banking window (MDB Saalam).

1.03 Off-shore banking

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

1.04 Islamic banking window (MDB Saalam)

The Bank obtained permission for two (2) Islamic banking windows from Bangladesh Bank. Islami banking windows (MDB Saalam) after getting approval from Bangladesh Bank launched on 23 April 2020. Through the Islamic banking windows, 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.



2.00 Basis of preparation of financial statements and Significant accounting policies

2.01 Basis of preparation of financial statements

2.01.01 Basis of Preparation

The separate financial statements of the Bank for the year ended on 31 December 2020 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 2020.

2.01.02 Statement of Compliance

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

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

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

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

This is the first time to set off the Bank's annual financial statements in which IFRS-16 "Leases" has been applied effective from 1 January 2020. The related changes to significant accounting policies and its affect are described in note 3.1.

2.01.03 Difference between IAS/IFRS and Bangladesh Bank regulations

The financial statements of the Bank have been prepared as on 31 December 2020 under the historical cost basis, except for certain investments which are stated at fair/market value, in accordance with the First Schedule (Section 38) of the Bank Company Act 1991 (Amended upto 2018), BRPD Circular # 14, dated 25 June 2003 and DFIM Circular # 11, dated 23 December 2009, other Bangladesh Bank circulars, IAS and IFRS as adopted by ICAB, the Companies Act 1994, and other laws and rules applicable in Bangladesh. In case, any requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory bodies, the provisions and circulars issued by Bangladesh Bank shall prevail. In order to comply with the rules and regulations of Bangladesh Bank, MDB departed from those contradictory requirements of IFRS/IAS, which are disclosed below.

i. Presentation of financial statements

IFRS: As per IAS-1, a complete set of financial statements comprises statement of financial position (balance sheet), statement of profit and loss, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS-1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: The presentation of these financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the First Schedule (section-38) of the Bank Companies Act, 1991 (Amended upto 2018) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classification.

ii. Investment in shares, mutual fund and other securities

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted and unquoted shares are revalued on the basis of year-end market price and Net Assets Value (NAV) of last audited balance sheet, respectively. As per instruction of DOS circular letter no. 3 dated 12 March 2015, investment in mutual fund (close-end) is revalued at lower of cost and higher of market value and 85% of NAV and another DOS circular letter no. 10 dated 28 June 2015, investment in mutual fund (open-end) is revalued at lower of cost and higher of market value and 95% of NAV. As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognised at costs.

iii. Revaluation gain/loss on government securities

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

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

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



iv. Repo and reverse repo transactions

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

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

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

v. Provision on loans and advances/investments

IFRS/IAS: As per IFRS-9 an entity shall recognize an impairment allowance on loans and advance/investments based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances/investments at an amount equal to the lifetime expected credit losses, if the credit risk on these loans and advances/investments has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forwardlooking. 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 and BRPD circular No. 16, 18 November 2014, a general provision at 0.25% to 5% under different categories of unclassified loans/investments (good/standard/SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard, doubtful and bad losses has to be provided at 20%, 50% and 100%, respectively for loans and advances/investments depending on the duration of overdue. Again, as per BRPD circular no. 10, dated 18 September 2007 and BRPD circular no. 14, dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures excluding bills for collection. Such provision policies are not specifically in line with those prescribed by IAS-39.

vi. Recognition of interest in suspense

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

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



vii. Other comprehensive income

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

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

viii. Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS-9. As such, full disclosure and presentation requirements of IFRS-7 and IAS-32 cannot be made in the financial statements.

ix. Financial guarantees

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

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

x. Cash and cash equivalent

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

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

xi. Non-banking assets

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

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

xii. Cash flow statement

IFRS/IAS: As per IAS-7, cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.



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

xiii. Balance with Bangladesh Bank: (Cash reserve ratio-CRR)

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

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

xiv. Presentation of intangible assets

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

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

xv. Off-balance sheet exposer

IFRS/IAS: There is no concept of off-balance sheet items in any IFRS/IAS. Hence, there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no.14, off balance sheet items (e.g. Letter of credit, Letter of guarantee, etc.) must be disclosed separately on the face of the balance sheet and 1% provision has to be maintained on it as guided by the regulator.

xvi. Disclosure of appropriation of profit

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

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

xvii. Loans and advances/investments net of provision

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

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

xviii. Recovery of written off loans and advances/investments

IFRS/IAS: As per IAS 1 an entity shall not offset assets and liabilities, or income and expenses, unless required or permitted by IFRS/IAS. The recovery of written off loans/investments should be charged to the profit and loss account as per IFRS 15.

Bangladesh Bank: As per BRPD circular no.14, recoveries of amount previously written off should be adjusted with specific provision on loans and advances/investments.

xix. Uniform accounting policy

IFRS/IAS: As per Para 19 of IFRS-10, a company shall prepare financial statements using uniform accounting policies for like transactions and other events in similar circumstances.



BSEC: as per guideline of Bangladesh Securities and Exchange Commission (BSEC), Bank has to keep adequate provision on diminution value of investments and certain provision has to be made on impairment of clients' margin loans/investments.

2.01.04 Use of estimates and judgments

In preparation of the financial statements, management required to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed considering business realities on a going concern basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The most significant areas where estimates and judgments have been applied to the following:

- Provision for loan and advances/investments- as explained in note # 2.02.02.(d)
- Employee benefit -as explained in note # 2.04.07
- Income tax - as explained in note # 2.04.05
- Deferred tax assets/liabilities - as explained in note # 2.04.06
- Useful lives of depreciable assets regard to noncurrent assets - as stated in Annexure-C

However, underlying assumptions on estimates are reviewed on a going concern basis and revisions thereon are recognised in the period in which the estimates are revised. It is also required to disclose the contingent assets and liabilities at the date of the financial statements in accordance with the guidelines as prescribed by IAS-37 "Provisions, Contingent Liabilities and Contingent Assets".

Provisions

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognised in the following situations:

- The entity has a present (legal or constructive) obligation as a result of past events;
- Probable out flow of resources to settle the obligation and the obligation can be measured reliably;
- It is more likely than not that outflow of resources will be required to settle the present obligation exists at the end of the reporting period.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events. A contingent liability arises when some, but not all, of the criteria for recognizing a provision are met. IAS-37 applies prudence by deeming a past event to give rise to a present obligation and an entity shall not recognize a contingent liability. However, if it is possible rather than probable that an obligation exists, a contingent liability will exist, not a provision in the financial statements. An entity shall disclose for each class of transaction of contingent liability at the end of the reporting period if the contingent liability is not remote.

Contingent Assets

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are never recognised; rather they are disclosed in the financial statements when they arise.

The most significant areas where estimates and judgments have been applied are to calculate provision for loans, advances and investments as per Bangladesh Bank guideline.



2.01.05 Consistency

In accordance with IFRS framework for the presentation of financial statements together with IAS-1 "Presentation of Financial Statements" and IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors". MDB discloses its information consistently from one period to the next, where selecting and applying a new accounting policies, changes in accounting policies, correction of errors, the amount involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8. However, for changes in the accounting estimates, the related amount is recognized prospectively in the current period and in the next period or periods.

2.01.06 Functional and presentation currency

The financial statements are presented in Bangladeshi Currency (BDT), which is the Bank's both functional and presentation currency. Figures appearing in these financial statements have been rounded off to the nearest BDT.

2.01.07 Date of authorization

The board of directors has authorised this financial statements for public issue on March 28, 2021.

2.01.08 Foreign currency transaction

a) 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.

b) 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.

c) 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.

d) Translation gain and loss

The resulting exchange transaction gains and losses are included in the profit and loss account.



2.01.09 Cash flows Statement

Statement of cash flows have been prepared in accordance with the International Accounting Standard IAS 7 "Statement of Cash Flows" and under the guideline of Bangladesh Bank BRPD Circular No. 14, dated 25 June 2003. The Cash Flow statement shows the structure of and changes in cash and cash equivalents during the year. It cash flows during the period have been classified as operating activities, investing activities and financing activities.

2.01.10 Statement of changes in equity

Statement of changes in equity has been prepared in accordance with IAS 1 "Presentation of financial statements" and following the guidelines of Bangladesh Bank BRPD circular no.14, dated 25 June 2003.

2.01.11 Liquidity statement

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

SL	Particulars	Basis
1	Cash, balance with other banks and financial 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)
8	Other long term liabilities	Maturity term
9	Provisions and other liabilities	Settlement / adjustment schedule basis

2.01.12 Financial statements for off-shore banking unit (OBU)

Foreign currency transactions are converted into equivalent BDT using the prevailing exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into BDT at weighted average rate of inter-bank market as published by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into BDT. Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting/crediting exchange gain or loss account.

2.01.13 Reporting period

These financial statements cover one calendar year from 1 January to 31 December 2020.

2.01.14 Basis of Measurement

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

- Government Treasury bills/bonds designated as 'Held for Trading (HFT)' are present at value using marking to market concept with gain crediting to revaluation reserve;
- Government Treasury bills/bonds designated as 'Held to Maturity (HTM)' are carried at amortised cost;
- Investment in shares of listed companies are prepared at market value with gain credited to revaluation reserve.



2.01.15 Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Bank has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a Bank of similar transactions such as in the Bank's trading activity.

2.01.16 Going concern

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in its operation over the foreseeable future. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. Key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to demonstrate a healthy trend for a couple of years. The Bank has been awarded A2 in long term and ST-2 in short term by Credit Rating Agency of Bangladesh (CRAB). Rating details are shown in note # 3.18. The management does not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.02 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements of the group 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.

Assets and basis of their valuation

2.02.01 Cash and cash equivalents

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

2.02.02 Loans and advances

- a) Loans and advances/investments of conventional banking/islamic banking branches are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not sell in the normal course of business. Loans and advances/investment are stated in the balance sheet on gross basis.
- b) Loans and advances/investments are broadly catagirised under the heads of continuous, demand, term and short term agriculture and micro credit. Continuous and demand loans/investments are accounted undercapitalized 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 #13.4). Interest/profit is not charged on bad and loss loans/investments as per guidelines of Bangladesh Bank. On the basis of recovery, the unapplied interest/profit on such bad & loss loans/investments are being charged to the respective loans/investments account and credited to the income account.



- c) Commission and discounts on bills purchased and discounted are recognized at the time of realization.
- d) At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances/investments to assess whether objective evidence that impairment of a loans/investments or portfolio of loans/investments has arisen supporting a change in the classification of loans and advances/investments, which may result in a change in the provision required in accordance with BRPD circular no.03 dated 21 April 2019, BRPD circular no.1 dated 20 February 2018, BRPD circular no.15 dated 27 September 2017, BRPD circular no.16 dated 18 November 2014, BRPD circular no.05 dated 29 May 2013, BRPD circular no.14 dated 23 September 2012 and BRPD circular no.19 dated 27 December 2012. The guidance in the circular follows a formulaic approach whereby specified rates are applied to the various categories of loans/investments as defined in the circulars. The provisioning rates are as follows:

Types of loans and advances	Provision				
	STD	SMA	SS	DF	BL
Consumer:					
House building and professional	1.00%- 2.00%	1.00% - 2.00%	20%	50%	100%
Other than housing finance & professionals to setup business	2.00%- 5.00%	2.00% - 5.00%	20%	50%	100%
Provision for loan to broker house,	2%	2%	20%	50%	100%
Short-term Agri-credit and micro credit	1%	1%	5%	5%	100%
Small and medium enterprise finance	0%	0%	20%	50%	100%
Others	1%	1%	20%	50%	100%
Special General Provision COVID-19					
On unclassified general loans and	0.01	0.01	N/A	N/A	N/A

- e) BRPD Circular no.14 dated 23 September 2012 as amended by BRPD Circular no.19 dated 27 December 2012 also provides scope for further provisioning based on qualitative judgments. In these circumstances, impairment losses are calculated on individual loans/investments considered individually significant based on which specific provisions are raised. If the specific provisions assessed under the qualitative methodology are higher than the specific provisions assessed under the prescribed approach above, the higher of the two is recognised in liabilities under "Provision for loans and advances/investments" with any movement in the provision charged/released in the profit and loss account. Classified loans/investments are categorized into sub-standard, doubtful and bad/loss based on the criteria stipulated by Bangladesh Bank guideline.
- f) Loans and advances/investments are written off to the extent that- (i) there is no realistic prospect of recovery, and (ii) against which legal cases are filed, where required and classified as Bad/Loss as per as per BRPD circular no.02 dated 13 January 2003, BRPD circular no.13 dated 07 November 2013 and BRPD circular no.01 dated 06 February 2019 of Bangladesh Bank.
- g) These written off loans//investments however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such written off accounts are maintained and followed up. There is no written off loans/investment of MDB as of the reporting date as of 31 December 2020.
- 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 31 December 2020 by issuing BRPD circular no.4, dated 19.03.2020, BRPD circular no.15, dated 15.06.2020 and BRPD circular no.17, dated 28.09.2020.



To strengthen the financial based and shock absorbing capacity of Banks, the Bangladesh Bank issued BRPD circular no.56, dated 10.12.2020 instructing all Banks to keep 1.00% 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. 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. To comply with the circular, MDB has maintained an amount of BDT 160.09 million during the year 2020.

- i) **Amounts receivable on credit cards are included in advances to customers at the amounts expected to be recovered.**

As per Bangladesh Bank circular issued time to time, a general provision at 0.25% to 5% has to maintain under different categories of unclassified loan and advances/investments (Standard/SMA/off-balance sheet exposures, etc.) as stated above. However, such general provision cannot satisfy the conditions imposed by IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and IFRS-9 "Financial Instruments". At the year end on 31 December 2020, the Bank has maintained an amount of BDT 784.20 million and has shown in the face of balance sheet under the head "Other Liabilities" as against BDT 734.20 million of regulatory requirements (note # 7.09).

2.02.03 Investment

All investment securities are initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortized and discounts accredited, using the effective yield method is taken to discount account. Accounting treatment for government treasury securities (HTM/HFT) is made as per regulatory guideline.

Valuation methods of investment used are:

- a) **Held To Maturity (HTM)**

Investments which have 'fixed or determinable payments', and are intended to be 'held to maturity', other than those that meet the definition of 'held at amortized cost-others' are classified as held to maturity. Initially these investments are recorded at cost. Subsequently, at each year end, these investments are measured at amortized cost. Any increase or decrease in the value of such investment is recognized in shareholders' equity and profit and loss account respectively. Investment (HTM) is shown in the financial statements (note # 6).

- 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 (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.

Value of investments has been calculated as follows:

Investment class	Initial	Measurement after	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.
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 31 December 2020.

2.02.04 Property, plant and equipment

As per IAS-16 "Property and Equipment" items of fixed assets excluding land are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land and building are carried at cost. Purchase of software that is integral to the related equipment is capitalised as part of that equipment. Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner. When significant parts of an item of fixed asset have different useful lives, they are accounted for as separate items (major components) of fixed assets. The Bank has no land and building during the reporting period.

The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from disposal with the carrying amount of the item of fixed asset, and is recognised in other income/ expenses in profit and loss.

Subsequent costs

The cost of replacing a component of an item of fixed asset is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced parts is derecognised. The costs of the day to day servicing of fixed assets are recognised in the profit and loss statement as incurred.

Depreciation

Depreciation on fixed assets is recognised in the profit and loss statement on straight line method over its estimated useful lives. In case of acquisition of fixed assets, depreciation is charged from the month of acquisition, whereas depreciation on disposed off fixed assets are charged up to the month prior to the disposal. Asset category wise depreciation rates for the current and comparative periods are as follows:

Category of fixed assets	Method	Rate (%)
Land	N/A	-
Building	N/A	-
Furniture and fixtures	Straight Line	10%
Office equipments	Straight Line	20%
Library books	Straight Line	20%
Vehicles	Straight Line	20%
Intangible assets (Software)	Straight Line	20%
Computer and peripherals	Straight Line	20%
Interior decoration	Straight Line	10%
Category of fixed assets (ATM Assets):		
Furniture and fixtures	Straight Line	10%
Office equipment	Straight Line	20%

2.02.05 Intangible assets

- 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.

2.02.06 Impairment of assets

The carrying amounts of Bank's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. Any impairment loss is recognized in the profit and loss account, if the carrying amount of an asset exceeds its recoverable amount (IAS-36). An amount of BDT 950,848.45 has been impaired and charged to profit and loss account during the financial year 2020 as per para 60 of IAS-36 "Impairment of assets".

2.02.07 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).

2.02.08 Other assets

Other assets include mainly advance office rent, payment of advance income tax for which assessment of tax has not been finalized yet and all other financial assets, fees and other unrealized income receivable advance for operating and capital expenditures and stocks of stationery and stamps, etc.

Provision on other assets

As per BRPD circular no.14 dated 25 June 2001, a provision of 100% on other assets which are outstanding for one year and above. The Bank maintains provisions in line with this circular unless it assesses there is no doubt of recovery on items of other assets in which case no provision is kept (note # 13).



2.02.09 Receivables

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

2.02.10 Inventories

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

2.02.11 Leases

IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 significantly changes how a lessee accounts for operating leases. Under previous IAS 17, an entity would rent an office building or a branch premises for several years with such a rental agreement being classified as operating lease would have been considered as an off balance sheet item. However, IFRS 16 does not require a lease classification test and hence all leases shall be accounted for as on balance sheet item (except 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 2020.

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 2020, 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 2020**

Particulars	In BDT Million		
	Amount before adoption of IFRS-16	Amount of Adjustment for IFRS-16	Amount after implementation of IFRS-16
Fixed Assets	243	417	660
Other Assets	3,250	(47)	3,203
Other Liabilities	4,011	379	4,390
Statutory Reserve	1,185	(2)	1,183
Retained Earnings	479	(21)	458

e) **Impact on the profit and loss account as on 31 December 2020**

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.	2,732.00	16.00	2,748.00
Rent, tax, insurance, electricity, etc.	224.00	(149.00)	75.00
Depreciation/amortization and repairs of Bank's properties	100.00	142.00	243.00
Provision for tax	292.00	12.00	304.00
Current Tax	274.00	(4.00)	270.00
Provision for tax deferred tax	18.00	15.00	34.00
Provision for statutory reserve	194.00	(2.00)	192.00
Retained Earnings	479.00	(21.00)	458.00
Earnings per share (EPS)	1.19	(0.04)	1.15



2.02.12 Non-banking assets

Non-banking assets are acquired on account of failure of a borrower to repay the loan on time after receiving the decree from the honorable court regarding the right and title of the mortgage property. MDB filed an 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 order to charge unapplied interest until fully recovery of the loan by selling the mentioned collateral land. The value of the collateral land has been determined at BDT 14.54 million on the basis of valuation report on an independent valuer. Subsequent approval taken from the Board of Directors of MDB, the full amount of loan BDT 12.59 million (market value of the property at BDT 14.54 million) transferred to Non-Banking Assets of the Bank, which will continue to sustain in Bank's Balance Sheet until sale/disposal of the said property acquired by the Bank u/s 33(5) of the Arta Rin Adalat Ain 2003 as mortgagee Bank.

2.03 Reconciliation of inter-bank and inter-branch accounts

Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there is no differences which may affect the financial statements significantly. Un-reconciled entries/balances in the case of inter-branch transactions as on the reporting date are not material.

Capital / Shareholder's equity

2.03.01 Share capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

a) Authorised capital

Authorized capital is the maximum amount of share capital that the Bank is authorized by its Memorandum and Article of Association to issue to the shareholders. Authorized capital of the Bank as on 31 December 2020 was at BDT 10,000 million. (Note # 15.1).

b) Paid up capital

Paid-up capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Ordinary shareholders are entitled to receive dividends as declared time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. Paid up capital of the Bank as on 31 December 2020 was at BDT 5,696.70 million remained unchanged as the Bank paid cash dividend for the FY2019 (note # 15.2).

2.03.02 Statutory reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with the provision of section 24 of the Bank Company Act 1991 (Amendment upto 2018) until such reserves along with share premium equal to its paid up capital. Statutory reserve of the Bank as on 31 December 2020 was at BDT 1183.37 million, against BDT 991.37 million on 31 December 2019 (note # 16).



2.03.03 Revaluation reserve

When an asset's carrying amount is increased as a result of revaluation, the increase amount should be credited directly to equity under the head of revaluation surplus / reserve as per IAS 16: "Property, Plant and Equipment". The tax effects on revaluation gain are measured and recognized in the financial statements as per IAS 12: "Income Taxes". During the financial year, the Bank did not revalue of its any fixed asset.

2.03.04 Revaluation reserve for government securities

Revaluation reserve for government securities arises from the revaluation of treasury bills/bonds, Bangladesh Bank bills and treasury bonds (HFT and HTM) in accordance with the DOS circular no.5 dated 26 May 2008 and DOS (SR) 1153/120/2010 dated 8 December 2010.

2.03.05 General reserve

The surplus amount after appropriation of yearly profit, surplus of tax and bonus provision of different years are being kept in general reserved fund. There is no such reserve as on 31 December 2020.

2.03.06 Share premium

Share premium is the capital that the Bank raises upon issuing shares that is in excess of the nominal value of the shares. The share premium may be applied by the Bank in paying up unissued shares to be allotted to members as fully paid bonus shares or writing-off the preliminary expenses of the Bank or the expenses of or the commission paid or discount allowed on, any issue of shares or debentures of the Bank or in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Bank. Share premium is showing in accounts after deduction of income tax on share premium as per finance Act. The Bank yet issue any share to general public.

2.04 Basis for valuation of liabilities and provisions

2.04.01 Deposits and other accounts

Deposits and other accounts include non-interest bearing current deposit payable at call, interest bearing demand and short term deposits, savings deposit, fixed deposit and scheme deposit. These items are brought to financial statements at the gross value of outstanding balance.

2.04.02 Borrowings from other banks, financial institutions and agents

Borrowed funds include call money deposits, borrowings, re-finance borrowings and other term borrowings from banks, financial institutions and agents. These are stated in the balance sheet at amounts payable. Interest paid/payable on these borrowings is charged to the profit & loss account. Disclosures of borrowings are shown in (note # 11, 13 and 22.02).

2.04.03 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxation, interest payable, interest suspense, accrued expenses, lease obligation etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, Income Tax Ordinance, 1984 and internal policy of the Bank.



2.04.04 Provision for liabilities

As per IAS-37 provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a current legal or constructive obligation as a result of past events, and a reliable estimate can be made of the amount of the obligation.

2.04.05 Provision for current tax

Current tax is the amount of income tax payable (recoverable) in respect of the taxable profit (tax loss) for a period. Provision for current income tax has been made as per prescribed rate in the Income Tax Ordinance 1984 and latest Finance Act and related SROs on the accounting profit made by the Bank after considering some of the add-backs to income and disallowances of expenditure as per income tax laws with IAS-12 "Income Taxes". Tax Assets under the head of other assets are recognized for payment of advance income tax, tax deducted at source and tax paid at the time of IT Return for the year (s) for which assessment has not been yet finalized. On the other hand, the tax provision (estimated as per IAS-12, provision of latest Finance Act, related SROs/ Guidelines, etc., issued by National Board of Revenue-NBR) are recognized as tax liability under the head of other liability for the year (s) for which assessment has not been yet finalized.

2.04.06 Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income tax recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets & liabilities are measured using tax rate & tax laws enacted or substantially enacted at the balance sheet date. Tax impact on the account of changes in deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS 12 "Income Taxes".

2.04.07 Benefits to the employees

The retirement benefits accrued for the employees of the Bank as on reporting date have been accounted for in accordance with the provisions of IAS 19, "Employee Benefit". Bases of computing the retirement benefit schemes operated by the Bank are outlined below:

a) Provident fund

Provident Fund (PF) benefits are given to the permanent members of PF of the Bank in accordance with Bank's Service Rules. Accordingly, a Trust Deed and Provident Fund Rules were prepared and obtained approval from the Commissioner of Income Tax as a recognized provident fund within the meaning of section 2(52), read with the provisions of part B of the First Schedule of Income Tax Ordinance 1984. The Fund is operated by a Board of Trustees consisting six members of the Bank (03 members from the Board of Directors and 03 members from management). All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members' individual account on yearly basis as per audited financial statements of the Fund. The Fund has been maintaining in a separate account which is operating by the Trustee and is being audited by Ahmed Mashuque & Co. Chartered Accountants and submitted to the NBR to comply with regulation.



b) Gratuity fund

The Bank operates a Gratuity Fund Scheme on "Continuing Fund Basis", in respect of which provision is made annually which is covering all its eligible employees in accordance with Bank's Service Rules. The Bank prepared the Trust Deed and Gratuity Fund Rules and get approval from the Commissioner of Income Tax as a recognized Gratuity Fund within the meaning of Para 2,3 and 4, read with the provisions of Part C of the First Schedule of Income Tax Ordinance 1984. The Fund is operated by a Board of Trustees consisting six members of the Bank (03 members from the Board of Directors and 03 members from management). Valuation of Gratuity Fund Scheme has been made to assess the adequacy of the liabilities provided for the scheme as per IAS 19 "Employees Benefit". The Fund has been maintaining in a separate account which is operating by the Trustee and is being audited by Ahmed Mashuque & Co. Chartered Accountants and submitted to the NBR to comply with regulation.

c) Employees' Social Security Superannuation Fund (ESSSF)

Midland Bank Employees' Social Security Superannuation Fund is subscribed by monthly contribution of the employees. The Bank also contributes to the fund in accordance with Bank Service Rules. The fund has been established to provide medical support and coverage in the event of accidental death or permanent disabilities of the employees. Retirement benefits are also provided from this fund. The Fund has been maintaining in a separate account which is operating by the Trustee and is being audited by Arun & Co. Chartered Accountants.

d) Performance bonus

The Bank is giving performance/incentive bonus to the employees in every year. This bonus amount is being distributed among the employees based on their performance.

2.04.08 Contingent asset and contingent liability

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

2.04.09 Provision for off-balance sheet exposures

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

- a. Acceptance and Endorsement
- b. Letters of guarantee;
- c. Irrevocable letters of credit;
- d. Foreign exchange contracts

2.04.10 Provision for nostro accounts

As per instruction contained in the circular letter no. FEPD (FEMO) / 01 / 2005-677, dated 13 September 2005, issued by Foreign Exchange Policy Department of Bangladesh Bank, provision is to be maintained on the un-reconciled debit balance of Nostro Accounts more than 3 months as on the reporting date. Since there is no un-reconciled entries which are outstanding more than 3 months, provision has not been made during the reporting year.



2.04.11 Revenue recognition

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

a) **Interest Income**

Interest income on unclassified loan and advances (Standard & SMA) is recognised on an accrual basis. 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.

b) **Profit on Investment (Islamic Banking)**

Mark-up on investment is taken into income account proportionately from profit receivable account. Overdue charge/compensation on classified investments are transferred to profit suspense account instead of income account.

c) **Investment Income**

Income on investments are recognised on accrual basis. Investment income includes discount on treasury bills and Bangladesh Bank bills, interest on treasury bonds and fixed deposit with other Banks. Capital gain on investments in shares are also included in investment income. Capital gain is recognised when it is realised.

d) **Fees and commission income**

The Bank earns commission and fee income from a diverse range of service provided to its customers. Commission and fee income is accounted for as follows:

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

e) **Dividend income**

Dividend income is recognised when the right to receive the income is established. Dividend income is recognized at the time when it is realized. Dividend income on preference shares is recognized on accrual basis. Dividends are presented under investment income.

2.04.12 Interest paid and other expenses

In terms of the provisions of IAS 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

a) **Interest paid on subordinated bond, borrowing and other deposits (Conventional banking)**

In terms of the provisions of IAS-1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

b) **Profit shared on deposits (Islamic banking)**

Profit shared to mudaraba deposits are recognised on accrual basis.

c) **Dividend payments**

Interim dividend is recognized when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders in the Annual General Meeting (AGM). The proposed dividend has not been recognized as a liability in the balance sheet in accordance with the IAS 10 "Events after the Reporting Period".

Dividend payable to the shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the payment is established.

2.04.13 Earnings per share (EPS)

The company calculates earnings per share (EPS) in accordance with IAS 33 "Earnings per Share (EPS)" which has been shown on the face of Profit and Loss Account. The EPS has been calculated by dividing the net profit after tax by the total number of ordinary shares outstanding at the end of the reporting year. Details are shown in note # 39 to the financial statements.

a) **Basic earnings per share**

This represents earnings for the year attributable to ordinary shareholders. Net profit after tax has been considered as fully attributable to the ordinary shareholders. Basic earnings per share is calculated by dividing net profit after tax by the total weighted average number of ordinary shares outstanding at end of the reporting year.

b) **Diluted earnings per share**

No diluted earnings per share are required to be calculated for the period 2019, as there was no element or scope for dilution during the period under review. However, EPS is restated for the comparative years, if it requires as per IAS 33 "Earnings per share (EPS)".

2.04.13 Foreign exchange gain/loss

Exchange income includes all gain and losses from foreign currency day to day transactions, conversions and revaluation of non-monetary items.

2.04.14 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 # 42.



2.05 Event after the reporting period

Where necessary, all the material events after the balance sheet date have been considered and appropriate adjustment/disclosures have been made in the financial statements as per IAS 10 "Event after the reporting period". The only material event after the balance sheet date is: The Board of Directors recommended cash dividend @ 8% for the financial year 2020, in its 109th Board Meeting held on 28 March 2021.

2.06 Credit rating

Credit Rating Agency of Bangladesh Limited (CRAB) has been rated the Bank based on the audited financial statements as of 31 December 2019, un-audited financial statements as of 31 March 2020, and other relevant quantitative as well as qualitative information up to the-date-of rating declaration. They have been rated the Bank as A2 (pronounced as A two) in the long term and ST-2 for the short term and outlook is stable. The date of rating was 30 June 2020 and valid till 30 June 2021.

Year	Long term rating	Short term rating	Outlook
2019 (valid upto 30 June 2021)	"A2"	"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.

2.07 Directors' Responsibility on Financial Statements

The Board of Directors take the responsibility for preparation and presentation of these financial statements.

2.08 Memorandum items

Memorandum items are maintained to have control over all items of importance and for such transactions where the Bank has only a business responsibility and no legal commitment. Bills for collection, savings certificates, wage earners bonds and others fall under the memorandum items. However, Bills for Collection is shown under contingent liabilities under the head of Off-balance Sheet Exposures as per Bangladesh Bank's reporting format.

2.09 Information about business and geographical segments

Segmental information is presented in respect of Midland Bank Limited.

a) Business segments

Business segments report consists of products and services whose risks and returns are different from those of other business segments.

b) Geographical Segments

Geographical segments report consists of products and services within a particular economic environment, where risks and returns are different from those of other economic environments. Inter-segment transactions are generally based on inter-branch fund transfer measures as determined by the management. Income, expenses, assets and liabilities are specifically identified with individual segments.



2.10 Compliance report on International Financial Reporting Standards (IFRSs)

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) vide letter no 1/1/ICAB-2017 dated 14 December 2017. The compliance status of these IFRS is as follows:

Name of the IAS / IFRS	IAS	Status of compliance
Presentation of Financial Statements	IAS-1	Applied with some departure (note 2)
Inventories	IAS-2	Not Applicable
Statement of Cash Flows	IAS-7	Applied with some departure (note 2)
Accounting Policies, Changes in Accounting Estimates and Events after the Reporting Period	IAS-8	Applied
Construction Contracts	IAS-10	Applied
Income Taxes	IAS-11	Not Applicable
Property, Plant and Equipment	IAS-12	Applied
Lease	IAS-16	Applied
Revenue	IAS-17	Applied
Employee Benefits	IAS-18	Applied
Accounting for Government Grants and Disclosure of Govt Assistance	IAS-19	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS-20	Not Applicable
Borrowing Costs	IAS-21	Applied
Related Party Disclosures	IAS-23	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-24	Applied
Separate Financial Statements	IAS-26	Not Applicable
Investments in Associates and Joint Venture	IAS-27	Applied
Financial Reporting for hyperinflationary economics	IAS-28	Not Applicable
Interests in Joint Ventures	IAS-29	Not Applicable
Financial Instruments: Presentation	IAS-31	Not Applicable
Earnings per Share	IAS-32	Applied with some departure (note 2)
Interim Financial Reporting	IAS-33	Applied
Impairment of Assets	IAS-34	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-36	Applied
Intangible Assets	IAS-37	Applied with some departure (note 2)
Financial Reporting: Recognition and measurement	IAS-38	Applied
Investment property	IAS-39	Applied with some departure (note 2)
Agriculture	IAS-40	Not Applicable
International Financial Reporting Standards (IFRS):	IAS-41	Not Applicable
First-time Adoption of Bangladesh Financial Reporting Standards	IFRS 1	N/A
Share-based Payment	IFRS 2	N/A
Business Combinations	IFRS 3	N/A
Insurance Contracts	IFRS 4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS 5	N/A
Exploration for and Evaluation of Mineral Resources	IFRS 6	N/A
Financial Instruments: Disclosures	IFRS 7	Applied with some departure (note 2)
Operating Segments	IFRS 8	Applied with some departure (note 2)
Financial Instruments	IFRS 9	Applied with some departure (note 2)
Consolidated Financial Statements	IFRS 10	N/A
Joint Arrangements	IFRS 11	N/A



Disclosure of Interest in Other Entities	IFRS 12	N/A
Fair Value Measurement	IFRS 13	Applied with some departure (note 2)
Regulatory Deferral Accounts	IFRS 14	N/A
Revenue from contractors with customers	IFRS 15	Applied
Leases	IFRS 16	Applied

Standards issued but not yet effective

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standards and amendments to standards during the year 2017. All previously adopted reporting standards are consistently applied by the Bank as explained in Note # 2.10.

The Bank has consistently applied the accounting policies as set out in note. 3 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2020 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

In December 2017, ICAB has decided to adopt IFRS replacing IFRS effective for annual periods beginning on or after 1 January 2018. However, since currently issued IFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on financial statements.

A number of standards and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted. However, the Bank has not early applied the following new standard in preparing these financial statements.

IFRS 17 - Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

2.11 Materiality and aggregation

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature also have been presented separately unless they are immaterial in accordance with IAS-1 "Presentation of Financial Statements".

2.12 General

a) Comparative information

Comparative information in respect of the previous year has been presented from the financial statements audited by current year auditors for the period ended on December 31, 2020. 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 109th Board meeting held on 28 March 2021.



Midland Bank Ltd
Notes to the Financial Statements
For the year ended 31 December 2020

	2020 BDT	2019 BDT
3.00 Cash		
In Hand (Including foreign currency) (note 3.01)	546,005,616	525,345,718
Balance with Bangladesh Bank and its Agent Bank (note 3.02)	1,971,384,304	1,956,531,856
	<u>2,517,389,920</u>	<u>2,481,877,574</u>
3.01 In Hand (Including foreign currency)		
Local Currency	532,186,293	513,135,153
Foreign Currency	13,819,323	12,210,565
	<u>546,005,616</u>	<u>525,345,718</u>
3.02 Balance with Bangladesh Bank and its Agent Bank		
With Bangladesh Bank	1,868,456,722	1,930,049,732
Local Currency	97,780,294	24,763,556
Foreign Currency	5,147,288	1,718,568
With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	<u>1,971,384,304</u>	<u>1,956,531,856</u>

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 dated December 10, 2013 & June 23, 2014 respectively of Monetary Policy Department (MPD) of Bangladesh Bank.

The Cash Reserve Requirement on the Bank's Time and Demand Liabilities at the rate of 4% has been calculated and maintained with the Bangladesh Bank in Current Account and 13% Statutory Liquidity Ratio for conventional banking, 5.50% for Islami Banking Wing, excluding CRR, on the same liabilities has also been maintained in the form of Treasury Bills, Bonds, Foreign Currency with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the Statutory requirement.

As per Bangladesh Bank MPD Circular No. 03, dated 09 April 2020, Bank has to maintain CRR @ 4% on fortnightly cumulative average basis and minimum CRR @3.5% on daily basis.

Conventional Banking:

a) Cash Reserve Requirement (CRR)

Required Reserve	1,535,397,614	1,874,376,234
Maintained Reserve	1,697,715,608	1,922,639,166
Surplus/(Deficit)	<u>162,317,994</u>	<u>48,262,932</u>

b) Statutory Liquidity Ratio (SLR)

Required Reserve	4,990,042,250	4,430,343,830
Maintained Reserve	14,219,423,914	11,987,894,664
Surplus/(Deficit)	<u>9,229,381,664</u>	<u>7,557,550,834</u>

Total Required Reserve	6,525,439,864	6,304,720,064
Actual Reserve held	15,917,139,522	13,910,533,830
Surplus/(Deficit)	9,391,699,658	7,605,813,766

c) Components of Statutory Liquidity Ratio (SLR)

Cash in Hand	544,548,780	525,345,718
Balance with Bangladesh Bank	13,132,270	1,706,110
Balance with Sonali Bank	162,317,994	48,262,932
Excess Reserve of CRR	13,499,424,870	11,412,579,904
Government Securities	<u>14,219,423,914</u>	<u>11,987,894,664</u>

Islami Banking Wing

a) Cash Reserve Requirement (CRR)

Required Reserve	26,273,589	-
Maintained Reserve	194,547,228	-
Surplus/(Deficit)	<u>168,273,639</u>	<u>-</u>

b) Statutory Liquidity Ratio (SLR)

Required Reserve	36,126,190	-
Maintained Reserve	222,930,470	-
Surplus/(Deficit)	<u>186,804,280</u>	<u>-</u>



	2020 BDT	2019 BDT
c) Components of Statutory Liquidity Ratio (SLR)		
Cash in Hand	1,456,840	-
Balance with Bangladesh Bank	-	-
Balance with Sonali Bank	-	-
Excess Reserve of CRR	168,273,639	-
Government Securities	40,000,000	-
Other Eligible Securities	13,200,000	-
	<u>222,930,479</u>	<u>-</u>
4.00 Balance with other Banks and Financial Institutions		
In Bangladesh	2,343,368,499	2,892,241,255
Outside Bangladesh	394,734,117	226,851,121
	<u>2,738,102,616</u>	<u>3,119,092,376</u>
4.01 In Bangladesh		
Current Account		
Standard Bank Ltd.	BDT 11,755	12,675
Sonali Bank Ltd.	BDT 36,522,523	13,608,740
Janata Bank Ltd.	BDT 4,603,250	6,306,975
Agrani Bank Ltd.	BDT 15,550,014	5,960,174
Rupali Bank Ltd.	BDT 9,603,408	981,383
Trust Bank Ltd.	BDT 2,025,643	4,915,038
The Premier Bank Ltd.	BDT 4,266,020	3,298,690
	<u>72,582,613</u>	<u>35,083,674</u>
Special Notice Deposit		
Mercantile Bank Ltd.	BDT 64,065,909	18,156,183
Prime Bank Ltd.	BDT 624,181	616,380
AB Bank Ltd.	BDT 110,000,000	-
Eastern Bank Ltd.	BDT 3,095,797	3,085,018
	<u>177,785,886</u>	<u>21,857,581</u>
Fixed Deposits Receipt (FDR)		
FAS Finance & Investment Ltd.	BDT 175,000,000	175,000,000
First Finance Ltd.	BDT 134,000,000	135,000,000
National Bank of Pakistan	BDT 300,000,000	550,000,000
Modhumoti Bank Ltd.	BDT -	380,000,000
AB Bank Limited	BDT -	300,000,000
Community Bank Ltd	BDT 200,000,000	-
Premier Leasing & Finance Ltd.	BDT 271,000,000	271,000,000
Phoenix Finance & Investments Ltd.	BDT 175,000,000	177,300,000
Bangladesh Finance & Investment Company Ltd.	BDT 115,000,000	120,000,000
International Leasing & Financial Services Ltd.	BDT 331,500,000	331,500,000
Fareast Finance & Investment Limited	BDT 290,000,000	290,000,000
Prime Finance & Investment Ltd.	BDT 6,000,000	6,500,000
CVC Finance Ltd	BDT 95,500,000	99,000,000
Sub total	<u>2,093,000,000</u>	<u>2,835,300,000</u>
	<u>2,343,368,499</u>	<u>2,892,241,255</u>
4.02 Outside Bangladesh (NOSTRO Accounts)		
In current account		
AB Bank, Mumbai Branch	US\$ 6,375,055	39,546,046
United Bank of India	US\$ 42,424,800	28,721,835
Axix Bank Limited	US\$ 32,835,918	6,679,580
National Bank of Pakistan, Tokyo Japan	JPY 40,763	73,781
Mashreq Bank Psc, NY	US\$ 309,716,355	69,193,299
Mashreq Bank Psc, United Kingdom	GBP -	-
Mashreq Bank Psc, United Kingdom	EURO -	-
Kookmin Bank, South Korea	GBP 307,228	81,041
Habib American Bank, NY	US\$ 32,394,237	11,512,576
NIB Bank, Pakistan	US\$ 1,993,064	2,452,591
Aktif Yatirim Bank	US\$ 3,085,681	-
Aktif Yatirim Bank	EURO 1,084,942	41,279,555
Aktif Yatirim Bank	GBP 334,112	2,419,160
Banca UBAE Italy	EURO 6,929,356	14,475,762
Banca UBAE Italy	GBP 654,071	5,520,900
Kookmin Bank, South Korea	US\$ (43,441,466)	4,894,994
	<u>394,734,117</u>	<u>226,851,121</u>

Details of NOSTRO accounts are shown in Annexure-A



	2020 BDT	2019 BDT
4.03 Maturity grouping of Balance with other Banks and Financial Institutions		
On Demand	2,055,000,000	2,305,092,376
Less than three months	365,500,000	814,000,000
More than three months but less than one year	317,602,616	-
	2,738,102,616	3,119,092,376
5.00 Money at Call and Short Notice:		
	295,800,000	499,700,000
	295,800,000	499,700,000
6.00 Investments		
Government(note 6.01)	13,552,624,869	11,412,579,904
Others(note 6.02)	1,080,373,840	1,297,188,637
	14,632,998,709	12,709,768,541
i) Investment Classified as per Bangladesh Bank Circular		
Held to Maturity (HTM)	4,494,348,371	5,287,682,852
Held for Trading (HFT)	9,044,281,398	6,124,521,952
Reverse Repo	-	-
Prize Bond	795,100	375,100
Government Securites Encumbered	-	-
Government Securites -SUKUK Bond	13,200,000	-
Other Investments	1,080,373,840	1,297,188,637
	14,632,998,709	12,709,768,541
ii) Investment Classified as per Nature		
6.01 Government Securites		
Treasury Bills (at present value)		
Un-encumbered		
28 days	-	-
91 days	-	-
182 days	-	2,673,706,640
364 days	418,707,154	2,296,907,229
5 Years	-	-
Sub-total	418,707,154	4,970,613,869
Encumbered		
91 days	-	-
182 days	-	-
364 days	-	-
Sub-total	-	-
Total Treasury Bill	418,707,154	4,970,613,869
Treasury Bonds		
Un-encumbered		
3 Months [Bangladesh Government Islamic Investment Bond (BGIB)]	40,000,000	-
2 Years	2,606,394,406	288,848,052
5 Years	1,852,982,089	511,181,000
10 Years	2,730,433,197	3,753,757,735
15 Years	3,369,485,363	1,010,349,936
20 Years	2,533,827,559	877,454,212
Sub-total	13,133,122,615	6,441,590,935
Encumbered		
2 Years	-	-
5 Years	-	-
10 Years	-	-
15 Years	-	-
20 Years	-	-
Sub-total	-	-
Total Treasury Bond	13,133,122,615	6,441,590,935
Reverse Repo	-	-
Prize Bonds (at face value)	795,100	375,100
Sub Total	13,552,624,869	11,412,579,904
6.02 Other Investments		
Shares in quoted companies	225,160,053	218,375,458
Details shown in Annex B		
Shares in unquoted companies (at face value) :		
Regent Energy & Power Ltd.(Preference Share)	44,613,787	46,046,512
Union Capital Ltd. (Preference Share)	8,000,000	10,000,000
Envoy Textiles Ltd. (Preference Share)	200,000,000	-
Confidence Power Bogra Ltd. (Preference Share)	50,000,000	-
	302,613,787	56,046,512



	2020 BDT	2019 BDT
Bond, Debenture & Commercial Papers:		
AB Bank Subordinated Bond	40,000,000	80,000,000
Trust Bank Subordinated Bond	50,000,000	100,000,000
UCB Subordinated Bond	80,000,000	120,000,000
SIBL Subordinated Bond	120,000,000	160,000,000
Standard Bank Subordinated Bond	160,000,000	200,000,000
Commercial Paper-Hashem Foods Ltd	102,600,000	106,100,000
Commercial Paper-Zaber & Zubair Fabrics Ltd	-	66,666,667
Commercial Paper-Advanced Chemical Industries Ltd.	-	190,000,000
	552,600,000	1,022,766,667
Sub Total	1,080,373,840	1,297,188,637
Total	14,632,998,709	12,709,768,541

6.03 Assets pledged as security for liabilities as at December 31, 2020 is BDT 4,510,500,507.60 of Treasury Bill and Bond against Re-Purchase Agreement. Details are as under:

(a) i. Disclosure regarding outstanding Repo as at 31 December 2020

Counter Party Name	Agreement Date	Reversal Date	Amount
1 Agrani Bank Limited	27-Dec-2020	3-Jan-2021	599,536,580.00
2 Agrani Bank Limited	28-Dec-2020	4-Jan-2021	820,463,256.50
3 Agrani Bank Limited	29-Dec-2020	5-Jan-2021	1,303,024,846.10
4 Agrani Bank Limited	30-Dec-2020	3-Jan-2021	645,186,625.00
5 Agrani Bank Limited	30-Dec-2020	6-Jan-2021	1,142,289,200.00
Total			4,510,500,508

ii. There is no outstanding Reverse Repo as at 31 December 2020 with the Bank.

(b) Disclosure regarding overall transaction of Repo for the year 2020

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	233,831,135	9,668,780,637	2,018,421,961
ii) with Other Banks & Financial Institutions	189,886,000	5,418,562,175	1,853,265,732
Securities purchased under reverse Repo:			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	52,295,295	61,714,883	3,197,442

6.04 Maturity grouping of Investment as follows:

On Demand	160,200,000	375,100
Up to one month	795,100	-
Less than three months	998,000,000	862,500,000
More than three months but less than one year	45,600,000	5,151,300,000
More than one year but less than five years	8,318,200,000	2,678,800,000
More than five years	5,110,203,609	4,016,793,441
	14,632,998,709	12,709,768,541

7.00 Loans and Advances / Investments

Loans, Cash Credits, Overdrafts, etc. (note-7.01.01)	38,040,954,438	31,696,015,706
Bills Purchased and Discounted (note-7.01.02)	1,045,718,061	53,619,683
Total Loans and Advances	39,086,672,499	31,749,635,389

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

In Bangladesh:		
Term Loan	12,814,086,696	12,302,996,132
Overdraft	7,502,050,111	7,568,121,754
Time Loan	12,018,659,376	6,614,457,994
Cash Credit	1,878,398,914	1,678,157,279
Trust Receipt	1,206,467,431	1,229,535,415
Consumer Loan	733,544,516	721,092,051
Payment Against Documents(PAD)	3,729	29,388
Agricultural Credit	697,069,715	820,213,140
EDF Loan	640,014,283	460,594,282
Packing Credit	121,122,929	75,333,391
Staff Loan	94,156,242	120,001,860
Other Loans and Advances	335,380,496	105,483,019
	38,040,954,438	31,696,015,706
Outside Bangladesh		
	38,040,954,438	31,696,015,706



	2020 BDT	2019 BDT
7.02 Bill Purchased and Discounted		
Payable in Bangladesh	60,827,574	53,619,683
Payable outside Bangladesh	984,890,486	-
	<u>1,045,718,061</u>	<u>53,619,683</u>
7.03 Net Loans & Advances /Investments		
Gross Loans & Advances/ Investments (note- 7)	39,086,672,499	31,749,635,389
Less:		
Classified Loans & Advances/ Investments (note-7.07)	452,789,098	838,348,197
Interest/ Profit Suspense (Note- 12.04)	416,575,455	111,749,816
Provision for Loans & Advances/ Investments-General Provision (Note -12.01)	589,643,344	454,513,292
Net Loans & Advances /Investments	<u>37,627,664,602</u>	<u>30,345,024,084</u>
7.04 Maturity grouping of Loans and Advances /Investments		
On Demand	4,575,100,000	1,853,300,000
Up to one month	5,869,500,000	4,993,400,000
Not more than three months	2,242,500,000	4,352,400,000
More than three months but less than one year	15,186,100,000	11,973,400,000
More than one year but less than five years	11,209,672,499	8,323,735,389
More than five years	3,800,000	253,400,000
	<u>39,086,672,499</u>	<u>31,749,635,389</u>
7.05 Maturity grouping of Bills Purchased and Discounted		
Within one month	239,200,000	38,300,000
More than one but not more than three months	3,900,000	10,800,000
More than three months but less than six months	802,618,061	4,519,683
More than six months	-	-
	<u>1,045,718,061</u>	<u>53,619,683</u>
7.06 Concentration of Loans and Advances/ Investments:		
a) Loans and Advances/Investments to Institutions in which the Directors of the Bank have interest	110,304,370	102,740,564
b) Advances to Managing Director & other Senior Executives	94,156,242	120,001,860
c) Advances to Industries		
Agriculture	673,909,358	797,390,509
RMG	1,584,086,659	1,002,465,789
Textile	2,136,294,461	2,730,768,200
Ship Building	-	-
Ship Breaking	643,968,524	633,316,425
Other Manufacturing industry	11,106,060,328	7,052,662,481
SME loans	5,924,317,807	5,327,009,197
Construction	1,481,757,859	648,889,092
Power, Gas	1,223,037,469	605,249,517
Transport, Storage and Communication	345,086,224	382,388,666
Trade Service	7,372,547,631	5,418,944,397
Commercial real estate financing	254,032,378	221,502,806
Residential real estate financing	292,225,210	341,897,967
Consumer credit	251,953,763	1,025,955,025
Capital Market	869,403,552	705,223,995
NBFIs	2,823,354,047	3,191,187,950
Others	1,900,176,616	1,442,040,951
	<u>38,882,211,887</u>	<u>31,526,892,965</u>
	<u>39,086,672,499</u>	<u>31,749,635,389</u>



	2020 BDT	2019 BDT
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 798.77 crore as at December 31, 2020 (BDT 752.73 crore in 2019).		
Number of Clients	24	23
Outstanding Advances (BDT)	18,642,609,899	14,489,050,654

Client wise details are given below:

Sl	Name of the clients	Status	Outstanding (BDT)		Total 2020 (BDT)	Total 2019 (BDT)
			Funded	Non - Funded		
1	Adex Group	UC	598,426,261	182,440,862	780,867,123	652,037,227
2	Nitol-Niloy Group	UC	567,738,815	-	567,738,815	670,992,477
3	Zon Ron Group	UC	562,845,569	93,310,987	656,156,556	948,009,160
4	Rangs Group	UC	328,493,333	369,966,898	698,460,231	645,219,469
5	Abul Khair Group	UC	702,607,051	7,043,826	709,650,877	14,749,980
6	GPH Group	UC	1,023,031,741	62,505,740	1,085,537,481	821,520,079
7	Pride Group	UC	-	-	-	873,531,757
8	Energypac Group	UC	825,701,235	1,537,244,000	2,362,945,235	2,300,513,190
9	Alliance Group	UC	955,832,808	106,404,922	1,062,237,730	911,268,036
10	Anwar Group	UC	704,863,466	44,726,175	749,589,641	723,968,827
11	BD Group	UC	949,422,375	5,967,700	955,390,075	942,414,005
12	Confidence Group	UC	392,643,448	381,305,913	773,949,361	668,549,324
13	ACI Group	UC	372,394,685	117,812,931	490,207,617	807,491,841
14	Baizid Group	UC	-	-	-	646,125,352
15	MSA Group	UC	726,027,903	32,326,735	758,354,637	656,286,859
16	EXPO Group	UC	262,950,738	1,320,012,904	1,582,963,642	672,703,695
17	Saiham Group	UC	202,441,376	107,087,012	309,528,388	234,394,900
18	Spectra Engineers Ltd.	UC	374,194,329	41,436,000	415,630,329	293,784,388
19	Standard Asiatic Oil Company Ltd.	UC	5,132,718	-	5,132,718	8,886,754
20	Sajeeb Group	UC	-	-	-	374,644,720
21	Premier Group	UC	803,562,461	-	803,562,461	621,958,614
22	NDE Group	UC	547,179,703	521,374,006	1,068,553,709	-
23	City Group	UC	797,611,250	1,569,876	799,181,126	-
24	Meghna Group	UC	951,009,379	13,619,247	964,628,626	-
25	Fair Group	UC	410,683,789	71,358,000	482,041,789	-
26	NPoly group	UC	290,656,271	8,797,422	299,453,693	-
27	Florance Group	UC	184,297,026.64	76,551,011.63	260,848,038	-
Total			13,539,747,731	5,102,862,168	18,642,609,899	14,489,050,654

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

38,493,413,664	29,839,072,610
140,469,737	1,072,214,582
38,633,883,401	30,911,287,192
83,395,881	384,901,975
19,682,248	2,006,753
349,710,969	451,439,469
452,789,098	838,348,197
39,086,672,499	31,749,635,389

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%	538,591,491	588,591,491
Special Mention Account (SMA)	0.25%,1%, 2% & 5%	1,051,853	1,051,853
Sub total		539,643,344	589,643,344
Classified:			
Substandard	5% & 20%	2,354,149	2,354,149
Doubtful	5% & 50%	1,823,137	1,823,137
Bad loan	100%	190,380,285	190,380,285
Sub total		194,557,571	194,557,571
Total		734,200,915	784,200,915
Excess/(short) Provision as at December 31, 2020			50,000,000

7.10 Details of Required Provision for Off Balance Sheet Items

Required Provision for Off- Balance Sheet Exposures

Total Provision maintained

Excess/(Short) Provision

84,899,516	54,483,264
84,899,516	54,483,264
-	-



	2020 BDT	2019 BDT
7.11 Suit filed by the Bank		
No of Suits file		
Artha Rin Adalat	12	12
N. I Act	54	35
Suit Amount		
Artha Rin Adalat	598,917,807	598,917,807
N. I Act	612,383,424	609,497,903
7.12 Geographical location wise loans and advances/investments		
Inside Bangladesh		
Urban		
Dhaka Division	31,792,747,397	25,663,560,229
Chittagong Division	6,138,745,529	4,984,741,396
Khulna Division	38,625,646	31,245,903
Rajshahi Division	130,410,338	122,805,206
Mymensingh	-	-
Barisal Division	-	-
Sylhet Division	10,484,069	12,756,537
	38,111,012,979	30,815,109,271
Rural		
Dhaka Division	655,680,442	749,876,091
Chittagong Division	102,486,902	93,529,659
Khulna Division	10,849,334	4,630,151
Rajshahi Division	94,006,018	86,490,217
Mymensingh	103,492,645	-
Rangpur	9,144,178	-
	975,659,519	934,526,118
Outside Bangladesh	39,086,672,499	31,749,635,389
7.13 Particulars of loans and advances/investments		
(i) Loans & Advances considered good in respect of which the bank is fully secured	17,126,515,133	15,439,487,884
(ii) Loans & Advances considered good against which the bank holds no security other than the debtors' personal guarantee	21,960,157,367	16,310,147,505
(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	39,086,672,499	31,749,635,389
(v) Loans & Advances due by directors or officers of the bank or any of them either separately or jointly with any other persons	204,460,612	222,742,424
(vi) Loans & Advances due from companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in case of private companies as members	-	-
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any	-	-
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	-	-
(ix) Due from other banking companies	-	-
(x) Amount of classified loans on which interest has not been charged:		
a. i) (Decrease)/Increase in provision,	(91,944,812)	138,311,198
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'	190,380,285	252,053,755
c. Interest creditable to the interest suspense A/c;	416,575,455	111,749,816
(xi) Cumulative amount of loans written-off	-	-
(xii) Amount of loans written-off during the year	-	-
(xiii) The amount of written off loan for which law suit has been filed	-	-



	2020 BDT	2019 BDT
8.00 Fixed Asset Including Premises, Furniture & Fixture		
Property, Plant & equipment		
Computer and Peripherals	208,829,532	192,566,199
Furniture & Fixture	175,833,821	164,675,662
Office Equipment	166,020,099	145,309,323
Motor Vehicles	29,900,856	29,900,856
Books	20,260	20,260
Intangible Assets	57,403,019	43,059,390
Right of Use Assets	559,039,258	-
Land, Building & Construction	-	-
Total Cost	1,197,046,846	575,531,690
Less: Accumulated Depreciation	537,270,505	316,746,408
Book value at the end of the year	659,776,340	258,785,282
Details are shown in Annex-C		
9.00 Other Asset		
Classification of Other Asset		
A) Income generating Other Asset	-	-
B) Non-Income generating Other Asset :		
Advance Rent (note-9.01)	-	71,462,416
Interest Accrued on Investment but not collected & other income receivable	408,549,732	243,706,164
Dividend Receivable	10,938,850	3,752,968
Advance Income Tax (note-9.02)	1,933,065,435	1,481,972,377
Suspense Account (note-9.03)	42,745,384	46,516,143
Advance Subscription	645,622	597,370
Prepaid Insurance	2,657,140	2,588,822
Stationery, Stamps, Printing materials in stock etc.	5,913,955	5,120,100
Sundry Assets (note-9.04)	768,271,641	169,937,673
Stamp in Hand	469,193	663,588
Branch Adjustment (note-9.05)	0	-
Deferred Tax Assets (note-9.06)	5,909,223	39,530,236
Exchange House	23,482,719	13,685,378
Clearing House and BFTN Adjustment	-	181,466
	3,202,648,893	2,079,714,702
Total Other Asset	3,202,648,893	2,079,714,702
9.01 Advance Rent adjusted due to IFRS 16.		
9.02 Advance Income Tax		
Opening Balance	1,481,972,377	1,033,527,524
Less: Adjustment made during the year	-	-
Add: Payment during the year	451,093,058	448,444,853
Closing Balance	1,933,065,435	1,481,972,377
9.03 Suspense account represents advance paid for encashment of PSP,BSP & WEDB, advances for opening of new branches, procurement of equipments, etc, awaiting for adjustment.		
9.04 Sundry Assets		
Security Deposit	17,862,178	364,678
Receivable from Bangladesh Bank- Time Loan-WC under stimulus packag	16,192,498	-
Receivable from Brokerage House	22,423,637	3,445,654
Sundry Debtors	701,226,218	159,735,387
MFS Settlement Account	5,953,746	1,500,000
OBU Adjustment Account	1,438	-
Prepaid Interest	2,407,491	2,428,827
Prepaid Furniture Allowance	2,204,435	2,463,127
	768,271,641	169,937,673
9.05 Branch Adjustment (net)		
	No. of Entries Outstanding as on	
Entries	31-12-2020	
Debit entries	-	-
Credit entries	-	-
	-	-
9.06 Deferred tax asset/ (Liability)		
Opening Balance	39,530,236	26,041,841
Add: Deferred tax Income	(33,621,013)	13,488,395
Less: Deferred tax Expenses	-	-
Closing Balance	5,909,223	39,530,236



	2020 BDT	2019 BDT
9.06.01 Computation of deferred tax		
Accounting written down value- Fixed Assets	243,195,874	258,766,266
Less: Tax base written down value- Fixed Assets	287,058,681	303,194,889
Taxable temporary difference	(43,862,808)	(44,428,623)
Right of Use of Assets	416,580,467	-
Lease Obligation	378,544,988	-
Taxable temporary difference	(38,035,479)	-
Book value - Gratuity provision	108,020,300	64,020,300
Less: Tax base - Gratuity provision	11,348,955	3,034,960
Deductable temporary difference	96,671,345	60,985,340
Net deductible temporary difference	14,773,058	105,413,963
Effective tax rate	40.00%	37.50%
Deferred Tax Assets	5,909,223	39,530,236
Deferred Tax (Expenses)/Income	5,909,223	39,530,236
Closing Deferred Tax Assets	39,530,236	26,041,841
Opening Deferred Tax Assets/(Liability)	(33,621,013)	13,488,395
Deferred Tax (Expenses)/Income	(33,621,013)	13,488,395
9.07 Classification of Other Asset		
Unclassified	3,198,946,438	2,076,811,035
Substandard	-	-
Doubtful	3,702,455	2,903,667
Bad/Loss	-	-
	3,202,648,893	2,079,714,702
10.00 Non-Banking Assets		
Land at cost (market value of the land at BDT 14.54 million)	12,585,359	12,585,359
	12,585,359	12,585,359
The Bank filed on Artha Rin suit bearing # 539/2017, dated 02.03.2017 against one default customer, A/C : Al-Fahad Air Ticketing & Medical Tourism Limited. The Bank has been awarded the ownership of the mortgage properties according to the verdict of the honorable court in accordance with section 33(5) of "Artharin Adalat 2003". Subsequent approval taken from the Board of Directors of the Bank, the full amount of loan of BDT 12.59 million (market value of the property at BDT 14.54 million) transferred to Non-Banking Assets of the Bank, which will continue to sustain in Bank's Balance Sheet until sale / disposal of the said property acquired by the Bank u/s 33(5) of the Artha Rin Adalat Ain 2003 as mortgagee Bank.		
11.00 Borrowing From Other Banks, Financial Institutions & Agents		
In Bangladesh	6,074,714,536	3,468,730,276
Outside Bangladesh	-	-
	6,074,714,536	3,468,730,276
11.01 In Bangladesh:		
Borrowing from Bank/Other Institutions:	3,419,585,678	2,919,421,990
Sonali Bank Ltd.	300,000,000	700,000,000
Janata Bank Ltd.	300,000,000	-
Agrani Bank Ltd.	800,000,000	-
Rupali Bank Ltd.	106,000,000	-
Commercial Bank of Ceylon	63,982,153	117,177,940
Meghna Bank Ltd.	-	380,000,000
AB Bank Ltd.	-	290,000,000
Bank Asia Ltd.	-	600,000,000
United Commercial Bank Ltd.	508,802,400	161,108,800
BASIC Bank Ltd.	-	300,000,000
Southeast Bank Ltd.	21,200,325	271,135,250
Uttara Bank Ltd.	1,169,600,800	100,000,000
NRB Bank Ltd.	150,000,000	-
Repo of Treasury Bill/Bond		
Bangladesh Bank (LS)	-	-
Refinance from Bangladesh Bank	1,138,735,507	162,458,308
Investment Promotion and Financing Facility (IPFF)	917,457,000	-
Borrowing From Bangladesh Bank (EDF)	598,936,352	386,849,978
	2,655,128,859	549,308,286
Total	5,157,257,536	3,468,730,276
11.02 Security against Borrowing From Other Banks, Financial Institutions and Agents		
Secured	6,074,714,536	3,468,730,276
Unsecured	-	-
	6,074,714,536	3,468,730,276



	2020 BDT	2019 BDT
11.03 Maturity Grouping of Borrowing From other Banks, Financial Institutions & Agents		
On Demand	1,648,400,000	2,015,000,000
Up to one month	1,839,300,000	900,200,000
Not more than three months	447,300,000	50,000,000
More than three months but less than one year	240,200,000	325,400,000
More than one year but less than five years	1,899,514,536	178,130,276
More than five years	-	-
	6,074,714,536	3,468,730,276
12.00 Deposit and Other Accounts		
From Banks	4,750,600,273	3,371,497,213
From Customers (note 11.02)	40,316,970,852	36,129,266,035
	45,067,571,125	39,500,763,248
12.01 Customer Deposit and Other Accounts:		
Current Deposit & Other Accounts :		
Current Deposit	3,041,811,601	1,596,560,934
Foreign Currency Deposit	772,616,457	568,841,058
Sundry Deposit	728,804,870	619,484,987
	4,543,232,928	2,784,886,978
Bills Payable :		
Payment Order Issued	369,020,054	241,381,613
	369,020,054	241,381,613
Short Notice Deposit	5,607,092,015	4,769,017,817
Savings Deposit	3,523,299,986	2,659,627,149
Fixed Deposit	26,639,700,736	25,182,444,200
Deposit Schemes:		
MDB Super Monthly Savings	1,868,468,083	1,445,810,724
MDB Double Benefit	963,621,106	1,175,105,437
MDB Family Support	1,201,949,108	1,019,739,276
MDB Corporate Support	40,012,907	41,028,606
MDB Shiksha Sanchay Scheme	8,647,792	4,236,330
MDB Millionaire Savings Scheme	130,995,301	80,381,547
MDB Kotipoti	116,238,050	60,354,184
MDB Platinum Savings Scheme	43,753,842	22,311,398
MDB Traveller's Savings Scheme	8,671,370	14,437,989
MDB Saalam Monthly Scheme	2,758,102	-
MDB Saalam Hajj Savings Scheme	48,069	-
Saalam Digital Monthly Savings Scheme	51,313	-
Saalam Digital Hajj Savings Scheme	10,365	-
	4,385,225,406	3,863,405,491
Total	45,067,571,125	39,500,763,248
12.02 Maturity grouping of Deposit and Other Accounts:		
On Demand	509,900,000	2,415,900,000
Repayable within one month	8,431,400,000	2,993,700,000
More than one month but within three months	9,898,700,000	10,652,400,000
More than three months but within one year	13,241,200,000	7,492,000,000
More than one year but within five years	11,834,871,125	14,935,963,248
More than five year but within ten years	1,151,500,000	1,010,800,000
	45,067,571,125	39,500,763,248
12.02.01 Maturity grouping of Deposit from bank:		
On Demand	-	-
Repayable within one month	-	-
More than one month but within three months	4,750,600,273	3,371,497,213
More than three months but within one year	-	-
More than one year but within five years	-	-
More than five year but within ten years	-	-
	4,750,600,273	3,371,497,213
12.02.02 Maturity grouping of Deposit from customers:		
On Demand	509,900,000	2,415,900,000
Repayable within one month	8,431,400,000	2,993,700,000
More than one month but within three months	5,148,099,727	7,280,902,787
More than three months but within one year	13,241,200,000	7,492,000,000
More than one year but within five years	11,834,871,125	14,935,963,248
More than five year but within ten years	1,151,500,000	1,010,800,000
	40,316,970,852	36,129,266,035



	2020 BDT	2019 BDT
12.03 Demand & Time Deposit		
a) Demand Deposit	5,229,349,980	3,265,635,035
Current Deposit	3,041,811,601	1,596,560,934
Savings Deposit (9%)	317,096,999	239,366,443
Foreign Currency Deposit (non interest bearing)	772,616,457	568,841,058
Sundry Deposit	728,804,870	619,484,987
Bills Payable	369,020,054	241,381,613
b) Time Deposits	39,838,221,145	36,235,128,213
Saving Deposit (91%)	3,206,202,987	2,420,260,706
Fixed Deposit	26,639,700,736	25,182,444,200
Short Notice Deposit	5,607,092,015	4,769,017,817
Deposit Under Scheme	4,385,225,406	3,863,405,491
Total Demand & Time Deposits	45,067,571,125	39,500,763,248
12.04 Sectorwise Deposit		
Government	1,009,511,904	2,084,777,672
Deposit Money Banks	4,750,600,273	3,371,497,213
Other Public	3,596,675,847	4,424,888,215
Foreign Currency	772,616,457	20,125,715
Private	34,938,166,644	29,599,474,433
	45,067,571,125	39,500,763,248
13.00 Other Liabilities		
Provision for Loans and Advances (Note 13.01)	784,200,915	741,015,675
Special General Provision -COVID 19	160,085,000	-
Provision for Off Balance Sheet Items (Note 13.02)	84,899,516	54,483,264
Provision for Good Borrower	1,616,000	1,000,000
Provision for Other Assets	3,702,455	2,903,667
Provision for Income Tax (Note 13.03)	2,170,136,015	1,900,151,372
Interest Payable on Borrowing	29,633,271	5,614,156
Audit fee Payable	357,500	356,500
Bonus Payable	-	-
Accrued Expenses	207,396,823	32,391,928
Corporate Social Responsibility (CSR) Payable	88,676	4,659,979
Deferred Tax Liability	-	-
Lease Liability (note-13.04)	378,544,988	-
Provision for Gratuity	40,000,000	-
Interest Suspense (Note 13.05)	416,575,455	111,749,816
Provision for Share & Debenture	68,106,898	44,730,768
Other Liabilities	44,374,203	4,247,157
	4,389,717,716	2,903,304,284
13.01 Provision for Loans and Advances		
For Unclassified		
Opening Balance	454,513,292	418,381,765
Add: Provision made during the year	135,130,052	36,131,527
Less: Provision transferred to Classified Loans and Advances	-	-
Closing Balance	589,643,344	454,513,292
For Classified		
Opening Balance	286,502,383	148,191,185
Add: Provision made during the year	(91,944,812)	138,311,198
Less: Adjustment during the year	-	-
Less: Loan written off during the year	-	-
Closing Balance	194,557,571	286,502,383
	784,200,915	741,015,675
13.02 Provision for Off Balance Sheet Items		
Opening Balance	54,483,264	42,202,669
Add: Provision made during the year	30,416,252	12,280,595
Less: Provision transferred to Loans and Advances	-	-
Closing Balance	84,899,516	54,483,264
13.03 Provision for Income Tax*		
Opening Balance	1,900,151,372	1,392,726,160
Less: Adjustment made during the year	269,984,643	507,425,213
Add: Provision made during the year	2,170,136,015	1,900,151,372
*Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being .		
13.04 Lease liability created due to IFRS 16.		
13.05 Interest Suspense Account		
Opening Balance	111,749,816	31,626,194
Add: Addition during the year	397,068,195	124,908,546
Less: Written off during the year	-	-
Less: Recovery during the year	92,242,555	(44,784,924)
Closing Balance	416,575,455	111,749,816



	2020 BDT	2019 BDT
14.00 Shareholders' Equity		
Paid up Capital (note 15.02)	5,696,697,530	5,696,697,530
Statutory Reserve (note 16.00)	1,183,368,838	991,374,929
Revaluation Reserve on Investment in Securities (note 17.00)	275,655,418	2,107,910
Retained Earnings (note 18.00)	458,249,173	348,181,046
	7,613,970,958	7,038,361,414
15.00 Capital		
15.01 Authorized Capital:		
1,000,000,000 ordinary shares of Tk. 10 each	10,000,000,000	10,000,000,000
15.02 Issued, subscribed and Paid-up Capital:		
569,669,753 Ordinary shares of Taka 10 each issued for cash.	5,696,697,530	5,696,697,530
	5,696,697,530	5,696,697,530

15.03 The break up of Issued, Subscribed and Paid-up Capital is as follows:

	No. of shares	Value of shares BDT	December 31, 2020 % of holding
Sponsors	569,669,753	5,696,697,530	100.00%
Financial Institutions	-	-	0.00%
General	-	-	0.00%
	569,669,753	5,696,697,530	100%

15.04 Capital Adequacy Ratio

In terms of section 13 (2) of the Bank Company Act 1991 and Bangladesh Bank BRPD circular no. 35 dated December 29, 2010, required capital of the Bank at the close of business on December 31, 2019 was 12.50% of Risk Weighted Assets of BDT 45,800,359,122, i.e. BDT 5,725,044,890 or BDT 4,000,000,000, whichever is higher as against available core capital of BDT 7,313,161,224 and supplementary capital of BDT 674,542,860 making a total capital of BDT 7,987,704,084 thereby showing a surplus capital of BDT 2,262,659,194. Details are given below:

	2020 BDT	2019 BDT
Total risk weighted assets	45,800,359,122	35,624,176,506
Required Capital : 12.50% of total risk weighted asset or BDT 400 cr, whichever is higher	5,725,044,890	4,453,022,063
Actual capital maintained		
Core Capital (Tier-I) :		
Paid up Capital	5,696,697,530	5,696,697,530
Statutory Reserve	1,183,368,838	991,374,929
Retained Earnings	458,249,173	348,181,046
	7,338,315,541	7,036,253,505
Deduction from Tier - I (Core Capital)		
Intangible Assets	25,154,316.34	17,994,983
	7,313,161,224	7,018,258,522
Supplementary Capital (Tier-II) :		
General Provision including Off Balance Sheet items	674,542,860	508,996,556
Revaluation Reserve on Investment in Securities	-	-
	674,542,860	508,996,556
Total Capital (Tier-I+Tier-II)	7,987,704,084	7,527,255,078
Surplus	2,262,659,194	3,074,233,015
Capital to Risk Weighted Asset Ratio (CRAR)	17.44%	21.13%

15.04.01 Capital Requirement	Required	2020 Held	2019 Held
Particulars			
Tier-I	8.50%	15.97%	19.70%
Tier-II	4.00%	1.47%	1.43%
Total	12.50%	17.44%	21.13%

16.00 Statutory Reserve

Opening Balance	991,374,929	781,105,865
Add: Transferred during the year (20% of pre-tax profit)	191,993,909	210,269,064
Closing Balance	1,183,368,838	991,374,929

17.00 Revaluation Reserve on Investment in Securities

Opening Balance	2,107,910	5,297,777
Add: Addition during the year	765,010,048	62,294,208
Less: Adjustment of Revaluation Reserve	491,462,540	(65,484,075)
Closing Balance	275,655,418	2,107,910



	2020 BDT	2019 BDT
18.00 Retained Earnings		
Opening Balance	348,181,046	425,519,138
Add: Profit made during the year	656,363,888	557,408,502
Less: Transferred to Statutory Reserve	(191,993,909)	(210,269,064)
Less: Transferred to CSR	(12,500,000)	(2,500,000)
Less: Dividend paid	(341,801,852)	(421,977,530)
Closing Balance	458,249,173	348,181,046
18.01 Retained Surplus Brought Forward		
Opening Balance	348,181,046	425,519,138
Less: Dividend paid	(341,801,852)	(421,977,530)
	6,379,194	3,541,608
19.00 Contingent Liabilities		
19.01 Acceptance and endorsements		
Foreign	72,003,159	83,526,651
Local	1,920,769,907	1,337,880,341
EPZ	16,613,157	7,373,801
	2,009,386,223	1,428,780,793
19.02 Letter of Guarantee		
Foreign	30,280,734	98,249,790
Local	4,022,377,136	2,549,560,598
	4,052,657,870	2,647,810,389
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	-	-
	4,052,657,870	2,647,810,389
19.03 Irrevocable Letter of Credit		
Letter of Credit (Sight)	62,676,204	9,367,207
Letter of Credit (Back to Back/Deferred)	1,386,978,983	761,229,439
Letter of Credit (Cash & Others)	978,252,339	601,138,540
	2,427,907,526	1,371,735,186
19.04 Bills for Collection		
Foreign Bill Collection	281,917,433	360,056,588
Local/Inland Bill Collection	477,571,141	170,429,136
	759,488,574	530,485,724
	9,249,440,193	5,978,812,091
20.00 Income Statement		
Income:		
Interest, Discount and Similar Income	4,707,716,010	4,897,372,246
Dividend income	17,717,581	11,333,106
Fee, Commission and Brokerage	63,523,314	51,862,946
Gain less losses arising from dealing securities	-	-
Gain less losses arising from investment securities	213,058,407	269,191,574
Gain less losses arising from dealing in Foreign Currencies	-	-
Income from non Banking Asset	66,310,351	65,020,083
Other Operating Income	-	-
Profit less losses on Interest Rate Changes	5,068,325,663	5,294,779,955
Expenses		
Interest, Fee and Commission	2,748,193,544	2,983,899,085
Losses on Loans and advances	-	-
Administrative expenses	608,409,039	547,924,377
Other operating expenses	269,767,741	406,883,131
Depreciation on Banking Assets	224,124,385	87,549,580
	3,850,494,709	4,026,256,172
Operating profit	1,217,830,953	1,268,523,783
21.00 Interest Income / Profit on Investment		
Loans and Advances (note-21.01)	2,974,392,271	3,823,816,429
Money at Call and Short Notice	17,551,977	4,822,318
Balance with Other Banks and Financial Institutions (note-21.02)	166,757,746	428,062,129
Bangladesh Bank Foreign Currency Clearing Account	1,476,922	2,388,946
	3,160,178,915	4,259,089,822



	2020 BDT	2019 BDT
21.01 Interest on Loans and Advances / Profit on Investment		
Term Loan	1,043,132,453	1,367,703,287
Overdraft	665,176,446	950,907,205
Time Loan	821,818,148	913,784,345
Cash Credit	145,610,726	229,309,619
Trust Receipt	122,811,523	183,665,426
Consumer Loan	73,492,961	87,375,814
Payment Against Documents(PAD)	262,908	486,400
Agricultural Credit	16,690,340	39,228,183
EDF Loan	8,915,406	6,672,148
Packing Credit	8,334,992	5,843,223
Staff Loan	5,562,156	6,358,250
Other Loans and Advances	38,539,217	21,265,960
Bill Purchased and Discounted	24,660,996	12,216,570
	2,975,008,271	3,824,816,429
Less: Expenses for Good Borrower	616,000	1,000,000
	2,974,392,271	3,823,816,429
21.02 Interest on Balance with other Bank and Financial Institution		
Interest on Balance with other Bank in Bangladesh	160,252,344	422,115,177
Interest on Balance held with outside Bangladesh	6,505,402	5,946,952
	166,757,746	428,062,129
22.00 Interest Paid on Deposit & Borrowing, etc.		
Interest/Profit on Deposit and Other Accounts (note-22.01)	2,288,623,023	2,516,968,949
Interest on Borrowing from other Banks and Financial Institutions	443,757,583	466,930,136
Interest Paid for Lease Obligation	15,812,938	
	2,748,193,544	2,983,899,085
22.01 Interest/ Profit on Deposits and Other Accounts		
Current Deposit	97,439,526	206,609,613
Special Notice Deposit	168,263,808	150,504,451
Savings Deposits	83,583,850	92,137,497
Fixed Deposits	1,572,249,482	1,763,856,615
Deposit Scheme	367,086,358	303,860,772
	2,288,623,023	2,516,968,949
22.02 Interest on Borrowing from other Banks and Financial Institutions		
Call Deposits	69,946,150	47,801,299
Local Bank Account	138,311,069	384,692,298
Repurchase agreement (REPO)	196,201,022	19,932,591
Refinance	31,312,603	4,082,010
Foreign Bank Account	-	-
Bangladesh Bank	7,986,740	10,421,938
	443,757,583	466,930,136
23.00 Income From Investments		
Interest on Treasury Bill, Bond, Reverse Repo	839,888,860	498,400,921
Amortisation of Securities	(70,952,077)	(3,295,025)
Interest on Commercial Paper	70,943,288	116,202,749
Gain/(Loss) on Investment in shares of quoted companies	11,063,745	(1,102,890)
Gain on Govt. Security Trading	696,593,279	28,076,668
Dividend on Investment in Shares	17,717,581	11,333,106
	1,565,254,675	649,615,530
23.01 Gain on Govt. Security Trading		
Gain on Govt. Security Trading	926,553,739	131,920,908
Loss on Govt. Security Trading	(229,960,460)	(103,844,240)
	696,593,279	28,076,668
24.00 Commission, Exchange and Brokerage		
Commission (note-24.01)	63,523,314	51,862,946
Exchange(note-24.02)	213,058,407	269,191,574
Brokerage	-	-
	276,581,721	321,054,520
24.01 Commission		
Letter of Guarantee	27,246,517	17,546,149
Letter of Credit	17,952,762	18,049,049
Acceptance of Bills	11,368,667	10,724,167
Export Bills	1,733,640	2,428,859
PO, DD & TT	527,350	619,094
OBC/IBC	338,184	367,672
Underwriting Comm. on Treasury Bill/Bond	3,260,530	1,103,440
POS/Easy Pay Commission	1,095,664	1,024,515
	63,523,314	51,862,946



	2020 BDT	2019 BDT
24.02 Exchange		
Exchange Gain	323,307,080	313,318,194
Less: Exchange Loss	110,248,674	44,126,620
	<u>213,058,407</u>	<u>269,191,574</u>
25.00 Other Operating Income		
Postage Charge Recoveries	-	-
Telephone & Telegram Charge Recoveries	13,273,672	17,028,016
VISA Charge	24,853,113	21,706,858
Service and other Charges	333,502	2,482,226
SWIFT Charge Recoveries	4,440,267	2,281,051
Charges against cards	294,000	267,600
Locker Rent	18,783,467	15,701,216
Miscellaneous Earnings	4,332,330	5,553,117
LC Charges	<u>66,310,351</u>	<u>65,020,083</u>
26.00 Salary & Allowances		
Basic Salary	205,388,338	216,280,651
Allowances	256,415,986	236,129,133
Bonus	74,341,336	60,606,916
Gratuity	44,000,000	-
Provident Fund	11,985,854	18,347,677
	<u>592,131,514</u>	<u>531,364,377</u>
26.01 Managing Director's Remuneration		
Basic	10,200,000	9,600,000
Allowances	3,357,525	3,400,000
Festival Bonus	1,700,000	1,600,000
Incentive Bonus	-	1,000,000
Provident Fund	1,020,000	960,000
	<u>16,277,525</u>	<u>16,560,000</u>
27.00 Rent, Tax, Insurance, Electricity, etc.		
Rent	-	145,609,231
Rates & taxes	21,634,718	21,495,669
Insurance	28,042,669	26,114,115
Power, electricity etc	25,644,172	26,123,483
	<u>75,321,559</u>	<u>219,342,497</u>
28.00 Legal Expense		
Legal Expense	640,283	1,060,829
	<u>640,283</u>	<u>1,060,829</u>
29.00 Postage, Stamps & Telephone, etc		
Postage, Stamp & Courier Service	1,727,850	1,547,999
Fax & internet	-	-
On-line and connectivity charges	13,482,717	8,605,989
Telephone	2,513,060	2,903,907
	<u>17,723,626</u>	<u>13,057,895</u>
30.00 Printing, Stationery, Advertisement etc.		
Printing & Stationery	27,484,429	20,875,866
Computer Stationery	3,717,244	5,751,981
Publicity & Advertisement	2,543,467	5,044,572
	<u>33,745,139</u>	<u>31,672,420</u>
31.00 Directors' Fees		
Meeting fee	1,177,600	1,462,800
	<u>1,177,600</u>	<u>1,462,800</u>
Each Director is paid BDT 8,000/- (excluding VAT) per meeting per attendance.		
32.00 Audit Fee		
Audit Fee	356,500	356,500
	<u>356,500</u>	<u>356,500</u>



	2020 BDT	2019 BDT
33.00 Depreciation on & Repairs to Bank's property		
Depreciation :		
a) Tangible Assets	74,481,298	79,185,588
Computer and Peripherals	31,140,309	33,446,282
Furniture & Fixture	17,380,810	17,161,277
Office Equipment	23,837,071	25,216,893
Motor Vehicles	2,122,683	3,359,303
Books	426	1,833
b) Intangible Assets	7,184,296	8,363,992
c) Leased Assets	142,458,791	-
Total Depreciation (a+b)	224,124,385	87,549,580
Repairs on Bank's property	18,382,612	18,406,485
	242,506,997	105,956,065
34.00 Other Expenditure		
Security & Auxiliary Service	54,757,180	57,530,805
Office Cleaning & Maintenance	54,665	144,270
Car Expense	3,086,747	3,887,333
Preliminary Expenditure	-	-
Entertainment	7,625,629	10,367,441
Travelling	1,494,420	2,510,459
Conveyance	13,498,160	3,881,774
Newspaper & Magazines	1,211,880	168,877
Q-Cash, ATM Cards, VISA Cards	11,939,024	10,327,362
Medical Expenses	762,677	941,154
Training Expenses	(102,537)	791,569
Bank Charges	5,686,749	5,188,297
AGM Expenses	-	123,117
Business Development Expense	3,494,371	3,120,653
Subscription & Donation	1,936,205	2,065,788
Miscellaneous Expense	16,975,252	20,474,805
	122,420,421	121,523,703
35.00 Provision Against Loans and Advances		
Provision for Unclassified Loans and Advances	135,130,052	36,131,527
Special General Provision -COVID 19	160,085,000	-
Provision for Classified Loans & Advances	(91,944,812)	138,311,198
Provision for Off Balance Sheet Items	30,416,252	12,280,595
Provision for Other Assets	798,788	1,991,685
Provision for diminution in Investments	23,376,130	28,463,457
Total amount of provision made during the year	257,861,410	217,178,462
36.00 Provision for Tax		
Current tax	269,984,643	507,425,213
Deferred tax* (note 9.05.01)	33,621,013	(13,488,395)
Total	303,605,656	493,936,818
* 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	191,993,909	210,269,064
Add: Adjustment of previous year	-	-
	191,993,909	210,269,064
38.00 Provision for CSR		
Corporate Social Responsibility (CSR) activities	12,500,000	2,500,000
	12,500,000	2,500,000
39.00 Earning Per Share (EPS):*		
Net Profit After Tax	656,363,888	557,408,502
Number of Ordinary Shares outstanding	569,669,753	569,669,753
Earning Per Share (EPS)	1.15	0.98

*Earnings per share has been calculated in accordance with IAS-33: Earnings Per Share (EPS).



40.00 Received from Other Operational Income

Postage Charge Recoveries
Telephone & Telegram Charge Recoveries
VISA Charge
Service and other Charges
SWIFT Charge Recoveries
Charges against cards
Locker Rent
Miscellaneous Earnings
LC Charges

2020 BDT	2019 BDT
-	-
-	-
13,273,672	17,028,016
24,853,113	21,706,858
333,502	2,482,226
4,440,267	2,281,051
294,000	267,600
18,783,467	15,701,216
4,332,330	5,553,117
66,310,351	65,020,083

41.00 Payment for Other Operational Expenses

Rent, Tax, Insurance, Electricity
Legal Expense
Postage, Stamps, Telegram & Telephone
Audit fee
Printing, Stationery, Advertisement
Directors' Fee
Repair & Maintenance
Other Expenditure

75,321,559	219,342,497
640,283	1,060,829
17,723,626	13,057,895
356,500	356,500
33,745,139	31,672,420
1,177,600	1,462,800
18,382,612	18,406,485
122,420,421	122,245,676
269,767,741	407,605,104

42.00 Related Party transaction Disclosures of the Bank

i) Name of the Directors together with a list of entities in which they have interest	Annexure- D
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ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2020:

Name of the party	Relationship	Nature of transaction	Amount
			Nil

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

Nil

iv) Related Party Transaction:

Name	Relationship	Nature of Transaction	Limit	Amount Outstanding Loan
Kazi Shayan Ekramullah	Family member of Sponsor	Credit Card	500,000	2,991
A.K.M Badiul Alam	Director	Credit Card	500,000	79,072
Md. Wahid Miah	Sponsor Shareholder	Credit Card	500,000	113,133
Anushka Mehreen Zafar	Director	Credit Card	500,000	196,071
Kazi Omar Zafar	Director	Credit Card	500,000	445,619
Zobaida Mahaboob Latif	Family member of Sponsor	Credit Card	500,000	204
Ahsan Khan Chowdhury	Director	Credit Card	500,000	80,495
Mohammed Jamal Ullah	Director	Credit Card	500,000	340
Abdul Mojib Mondol	Director	Credit Card	500,000	210
Md Rezaul Karim	Director	Credit Card	500,000	179
Md. Kamal Hossain	Director	Credit Card	500,000	230
Kazi Raihan Zafar	Director	Credit Card	500,000	295,909
Tazkia Labeeba Karim	Family member of Director	Credit Card	500,000	108,407
Sub-Total				1,322,860

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 Transaction	Limit	Outstanding Loan Amount
CVC Finance Ltd.	Mrs. Lutfa Begum, Director	Term Loan	150,000,000	96,092,282
Zenith Islami Life Insurance Ltd.	Md Rezaul Karim, Director	Continuous Loan	27,000,000	12,889,228
Sub-Total				108,981,510
Total				110,304,370



	2020 BDT	2019 BDT
vii) Business other than banking business with any related concern of the Directors as per section 18(2) of the Bank Company Act 1991:		

Lease agreement made with the Director

Name	Nature of Transaction	Name of Party	Amount
Mrs. Nilufer Zafarullah, Director	Office Rent	Hong Kong Shanghi Tower	27,945,036
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
Mr. Ahsan Khan Chowdhury, Director	Chair & Meeting Table	Rangpur Metal Industries Ltd	342,692
	Chairs & Cabinet	Rangpur Metal Industries Ltd	18,793
	Drinkit RO Water Purifier	RFL Electronics Ltd.	116,025
	Machine		
	Duranta Angelina Ladies Bicycle	Rangpur Metal Industries Ltd	347,523
	Air Cooler Machine	RFL Electronics Ltd.	2,773,510
	NVR based CCTV system	RFL Electronics Ltd.	1,338,630
	Design Face Shield	Banga Building Materials Ltd.	6,000
	Face Mask (Fabrics)	Winner Fashions	400,900
	Shoe Box	RFL Plastics Ltd.	10,000

viii) Investment in securities of Directors and their related concern

Nil

43.00

Number of employees and support staffs

Employee

Regular employee

Contractual employee

Support staff

Security

Messenger and cleaning staff

2020

2019

454

436

196

196

650

632

315

304

140

135

455

439

1105

1071

44.00

Others

44.01

The expenses, irrespective of capital or revenue nature, accrued or due but not paid have been provided for in the books of the Bank.

44.02

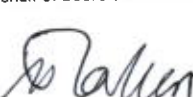
Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current year.

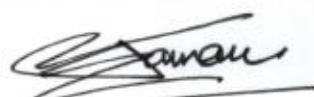
44.03

These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

for and on behalf of Board of Directors of Midland Bank Limited


Md. Ahsan-uz Zaman
Managing Director & CEO


Dr. Mostafizur Rahman
Director


Md. Shamsuzzaman
Vice Chairman


Nilufer Zafarullah
Chairman



Annexure- A

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 2020

SL	Name of the Bank	Account Type	Currency	2020			2019		
				Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	BDT
1	AB Bank, Mumbai Branch	CD	US\$	75,177	84.80	6,375,055	465,796	84.90	39,546,046
2	United Bank of India	CD	US\$	500,290	84.80	42,424,800	338,302	84.90	28,721,835
3	Axix Bank Limited	CD	US\$	387,214	84.80	32,835,918	78,676	84.90	6,679,580
4	National Bank of Pakistan, Tokyo Japan	CD	JPY	49,778	0.82	40,763	95,078	0.78	73,781
5	Mashreq Bank Psc, NY	CD	US\$	3,652,298	84.80	309,716,355	814,998	84.90	69,193,299
6	Mashreq Bank Psc, United Kingdom	CD	GBP	-	114.48	-	-	-	-
7	Mashreq Bank Psc, United Kingdom	CD	EURO	-	103.86	-	-	-	-
8	Kookmin Bank, South Korea	CD	GBP	2,684	114.48	307,228	730	111.02	81,041
9	Habib American Bank, NY	CD	US\$	382,006	84.80	32,394,237	135,602	84.90	11,512,576
10	NIB Bank, Pakistan	CD	US\$	23,503	84.80	1,993,064	28,888	84.90	2,452,591
11	Aktif Yatirim Bank	CD	US\$	36,388	84.80	3,085,681	-	84.90	-
12	Aktif Yatirim Bank	CD	EURO	10,447	103.86	1,084,942	435,090	94.88	41,279,555
13	Aktif Yatirim Bank	CD	GBP	2,919	114.48	334,112	21,791	111.02	2,419,160
14	Banca UBAE Italy	CD	EURO	66,721	103.86	6,929,356	152,576	94.88	14,475,762
15	Banca UBAE Italy	CD	GBP	5,713	114.48	654,071	49,731	111.02	5,520,900
16	Kookmin Bank, South Korea	CD	US\$	(512,279)	84.80	(43,441,466)	57,656	84.90	4,894,994
						394,734,117			226,851,121



Annexure- B

Midland Bank Limited
Investment in Quoted Share of the Bank
As at 31 December 2020

SL	Name of the Company	Face Value Per Share	No. of Shares	Cost Holding	Average Cost	Quoted rate per Share as on 31 December 2020	Total Market Value of Share as at 31 December 2020
Quoted:							
1	ACI	10	11,743	3,106,702	264.56	246.00	2,888,778
2	BATBC	10	31,624	35,505,777	1,122.75	1,180.80	37,341,619
3	BEACONPHAR	10	107,000	8,251,606	77.12	78.40	8,388,800
4	BBSCABLES	10	66,000	5,531,902	83.82	54.80	3,616,800
5	BRACBANK	10	786,575	36,406,625	46.29	44.30	34,845,273
6	BSCCL	10	156,400	21,641,345	138.37	166.10	25,978,040
7	BXPHERMA	10	42,270	4,487,877	106.17	190.50	8,052,435
8	BEXIMCO	10	80,000	2,024,764	25.31	57.00	4,560,000
9	CONFIDCEM	10	87,218	11,491,104	131.75	121.30	10,579,543
10	CRYSTALINS	10	10,879	108,790	10.00	39.40	428,633
11	ESQUIRENIT	10	15,000	415,500	27.70	26.30	394,500
12	GHAIL	10	389,800	7,592,188	19.48	16.70	6,509,660
13	GP	10	95,597	38,048,882	398.01	347.10	33,181,719
14	IDLC	10	70,000	4,241,637	60.59	63.40	4,438,000
15	KPCL	10	185,000	10,405,030	56.24	45.30	8,380,500
16	NAHEEACP	10	16,750	951,067	56.78	47.10	788,925
17	NPOLYMAR	10	10,500	870,408	82.90	71.50	750,750
18	OLYMPIC	10	20,000	4,153,481	207.67	191.10	3,822,000
19	ORIONINFU	10	20,000	1,634,869	81.74	75.70	1,514,000
20	ROBI	10	271,254	2,712,540	10.00	29.80	8,083,369
21	SINGERBD	10	18,000	3,179,167	176.62	175.60	3,160,800
22	SUMITPOWER	10	180,000	6,921,386	38.45	38.90	7,002,000
23	SQURPHARMA	10	72,379	15,477,404	213.84	219.50	15,887,191
Total				225,160,053			230,593,334

Cost of the Securities	225,160,053
Market Value of the Securities	230,593,334
Diminution Value in Investment	-



Midland Bank Limited
Fixed Asset Schedule
As at 31 December 2020

Asset Category	Cost				Depreciation					Written down value as at 31.12.2020
	Balance as at 01.01.2020	Addition during the year	Adjustment/ Disposal	Balance as at 31.12.2020	Rate	Balance as at 01.01.2020	Charged for the year	Adjustment / Disposal	Balance as at 31.12.2020	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	BDT
Own Assets										
Computer & Peripherals	192,566,199	16,263,333	208,000	208,829,532	20%	104,862,968	31,140,309	196,176	135,807,101	73,022,431
Furniture & Fixture	164,675,662	15,971,706	4,813,546	175,833,821	10%	62,809,717	17,380,810	3,259,113	76,931,414	98,902,407
Office Equipment	145,309,323	20,710,776	145,000	166,020,099	20%	101,580,340	23,837,071	144,999	125,272,411	40,747,688
Motor Vehicles	29,900,856	-	-	29,900,856	20%	22,409,927	2,122,683	-	24,532,609	5,368,247
Books	20,260	-	-	20,260	20%	19,049	426	-	19,475	785
Intangible Assets	43,059,390	14,343,629	-	57,403,019	20%	25,064,407	7,184,296	-	32,248,703	25,154,316
Sub-Total	575,531,690	67,289,444	5,166,546	638,007,588		316,746,408	81,665,594	3,600,288	394,811,714	243,195,874
Leased Assets										
Right of Use Assets	-	559,039,258	-	559,039,258		-	142,458,791	-	142,458,791	416,580,467
Sub-Total	-	559,039,258	-	559,039,258		-	142,458,791	-	142,458,791	416,580,467
Grand Total	575,531,690	626,328,702	5,166,546	1,197,046,846		316,746,408	224,124,385	3,600,288	537,270,505	659,776,340
Total 2019	518,169,143	69,619,263	12,256,716	575,531,690		235,402,621	87,549,580	6,205,793	316,746,408	258,785,282



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

Sl.	Name of the Directors of the Bank	Status with MDB	Entities where they have Interest	Designation
1	Mrs. Nilufer Zafarullah	Chairman	Hong Kong Shanghai Manjala Textiles Ltd.	Director
2	Md. Samsuzzaman	Vice Chairman	1. Micro Fibre Limited 2. Orient Chem-Tex Limited 3. Liberty Knitwear Limited 4. Midland Knitwear Limited 5. Fortune Chemical (BD) limited 6. A-one Polar Limited 7. Tubingen Chemicals (BD) Limited 8. Sungarh Tex Limited 9. Micro Trims Limited 10. Micro Logistics Limited 11. Shahzi Bazar Power Co. Ltd. 12. Petromax Refinery 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. Sponsor Director
3	Master Abul Kashem	Director	1. Master Steel & Oxygen Limited 2. Mother Steel Limited 3. MAK Corporation 4. Master Steel Re-Rolling Mills 5. AIBL Capital Market Services Ltd.	1. Chairman 2. Managing Director 3. Managing Partner 4. Proprietor 5. Shareholder
4	Dr. Kazi Shahidullah	Director	Hong Kong Shanghai Manjala Textiles Ltd.	Director
5	Mr. Kazi Omar Zafar	Director	1. Kalypso Ltd. 2. Hong Kong Shanghai Manjala Power Ltd. 3. Hong Kong Shanghai Manjala Textiles Ltd.	1. Chairman 2. Managing Director 3. Director
6	Mr. Mohammed Jamal Ullah	Director	1. Silver Dal Mills Ltd. 2. Ishrf Oil Mills Ltd. 3. Shezad Food Products Limited 4. Bismillah Store 5. Asia Insurance Limited	1. Managing Director 2. Managing Director 3. Managing Director 4. Proprietor 5. Director
7	Mr. Ahsan Khan Chowdhury	Director	1. Advance Personal Care Limited 2. Agricultural Marketing Company Limited 3. Banga Agro Processing Limited 4. Banga Bakers Limited 5. Banga Millers Limited 6. Chorka Textile Limited 7. Habiganj Agro Limited 8. Habiganj Textile Limited 9. Mymensingh Agro Limited 10. Natore Agro Limited 11. Natore Dairy Limited 12. PRAN Agro Limited 13. PRAN Agro Business Limited 14. PRAN Beverage Limited 15. PRAN Dairy Limited 16. PRAN Exports Limited 17. PRAN Foods Limited 18. Packmat Industries Limited 19. Sylvan Agriculture Limited 20. Sun Basic Chemicals Limited 21. Sylvan Technologies Limited 22. Sylvan Poultry Limited 23. Rangpur Foundry Limited 24. Gonga Foundry Limited 25. Get Well Limited 26. AKC (Pvt.) Limited 27. Allplast Bangladesh Limited 28. Banga Building Materials Limited 29. Banga Plastic International Limited 30. Multi-Line Industries Limited 31. RFL Electronics Limited 32. Rangpur Metal Industries Limited 33. RFL Plastics Limited 34. Durable Plastics Limited 35. Property Development Limited	1. Director 2. Chairman 3. Director 4. Director 5. Director 6. Director 7. Director 8. Chairman 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. Managing Director 27. Director 28. Director 29. Director 30. Director 31. Director 32. Director 33. Director 34. Director 35. Director



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

Sl.	Name of the Directors of the Bank	Status with MDB	Entities where they have interest	Designation
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 Textipe Ltd. 7. Reedisha Spinning Ltd. 8. P.A Knit Composite Ltd. 9. Reedisha Printing and Packaging Ltd. 10. Reedisha Blended Yarn Ltd. 11. Reedisha Food & Beverage Ltd. 12. Reedisha Trading & Distribution Co.	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 11. Managing Director 12. Proprietor
9	Mr. A.K.M. Badiul Alam	Director	1. Garments Export Village Ltd. 2. Power Vantage Wear Ltd. 3. Amtranet Ltd. 4. Bravo Apparel Manufacturer Ltd. 5. Shahjibazar Power Co. Ltd. 6. Eden Multicare Hospital Ltd. 7. Petromax Refinery Ltd. 8. Zenith Islami Life Insurance Limited	1. Chairman 2. Chairman 3. Chairman 4. Director 5. Director 6. Director 7. Director 8. Director
10	Mr. Md. Kamal Hossain	Director	1. That's It Sportswear Ltd 2. Ha-Meem Travel Limited 3. Explore Lingerie Limited 4. Fauji Chatkal Limited 5. M H Sports Wear Limited 6. M H Design Limited	1. Executive Director 2. Shareholder 3. Shareholder 4. Shareholder 5. Shareholder 6. Shareholder
11	Mrs. Shahnaj Parveen	Director	1. Refat Garments Ltd. 2. Bango Engineering Co. Ltd. 3. Next Collection Ltd. 4. Next Garments Ltd.	1. Executive Director 2. Executive Director 3. Shareholder 4. Shareholder
12	Mrs. Lutfa Begum	Director	1. Hazrat Amanat Shah Spinning Mills Ltd. 2. Amanat Shah Weaving Processing Ltd. 3. Hazrat Amanat Shah Securities Ltd. 4. Amanat Shah Fabrics Ltd. 5. M/s Goldenaze Enterprise	1. Director 2. Director 3. Director 4. Director 5. Proprietor
13	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 Ltd. 7. Lusaka Fashions Limited 8. HBH International Nursing Institute 9. Tista Dredgers & Constructions Ltd. 10. Padma Bank Limited 11. Meghna Bank Limited	1. Managing Director 2. Managing Director 3. Managing Director 4. Managing Director 5. Managing Director 6. Nominated Director 7. Nominated Director 8. Trustee 9. Executive Director 10. Sponsor Shareholder 11. Sponsor Shareholder
14	Mr. Kazi Raihan Zafar	Director	Hong Kong Shanghai Manjala Textiles Ltd.	Director
15	Ms. Anushka Mehreen Zafar	Director	Hong Kong Shanghai Manjala Textiles Ltd.	Director
16	Mr. Mahbubul Hady Fazle Rab	Independent Director	RAB Consulting FZE, RAK, UAE	Proprietor
17	Mr. Nazim Uddin Chowdhury	Independent Director	-	-



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

Sl.	Name of the Directors of the Bank	Status with MDB	Entities where they have interest	Designation
18	Mr. Abdul Momin Mondol	Director	1. Montex Fabrics Ltd. 2. Mark Sweter Limited 3. Montrims Ltd. 4. Mondol Yearn Dyeing Ltd. 5. Mondol Fabrics Ltd. 6. Cotton Field (BD) Ltd. 7. Mondol Securities Ltd. 8. Mondol Knitwears Ltd. 9. Mondol Apparels 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. Mondol Spinning Mills Ltd. 25. Mondol Knit Composite Ltd. 26. Mondol Auto Bricks Ltd. 27. Uttara Poultry Complex Ltd. 28. Mbrella Ltd. 29. Panama Agro Complex Ltd. 30. Haji-Abdul Majid Mondol Foundation	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. 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 (CEO)
19	Dr. Mostafizur Rahman	Director	1. Popular Pharmaceuticals Ltd. 2. Popular Diagnostic Centre 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



Midland Bank Limited
Name of the Directors and their shareholding as at 31 December 2020

Sl.	Name	Status with MDB	No. of shareholding	Percentage
1	Mrs. Nilufer Zafarullah	Chairman	56,96,697	1.00%
2	Mr. Md. Shamsuzzaman	Vice Chairman	29,907,662	5.25%
3	Mr. Master Abul Kashem	Director	2,63,73,600	4.63%
4	Dr. Kazi Shahidullah	Director	14,24,174	0.38%
5	Mr. Kazi Omar Zafar	Director	1,13,93,395	2.00%
6	Mr. Mohammed Jamal Ullah	Director	2,28,99,888	4.02%
7	Mr. Ahsan Khan Chowdhury	Director	2,84,83,488	5.00%
8	Mr. Md. Wahid Miah	Director	2,84,83,488	5.00%
9	Reedisha Knitex Ltd.	Director	2,84,83,488	5.00%
	Rep. by. Mr. Rezaul Karim			
10	Garments Export Village Ltd.	Director	2,84,83,488	5.00%
	Rep. by Mr. A.K.M. Badiul Alam			
11	That's It Sportswear Ltd Rep. by Mr. Md. Kamal Hossain	Director	2,84,83,488	5.00%
12	Refat Garments Ltd.	Director	2,84,83,488	5.00%
	Rep. by Mrs. Shahnaj Parveen			
13	Hazrat Amanat Shah Spinning Mills Ltd.	Director	2,84,83,488	5.00%
	Rep. by Mrs. Lutfa Begum			
14	Beq Knit Ltd.	Director	27,059,313	4.75%
	Rep. by Mr. Md. Hafizur Rahman Sarker			
15	Popular Pharmaceuticals Ltd.	Director	2,84,83,488	5.00%
	Rep. by Dr. Mostafizur Rahman			
16	Mr. Kazi Raihan Zafar	Director	1,13,93,395	2.00%
17	Ms. Anushka Mehreen Zafar	Director	1,13,93,395	2.00%
18	Mr. Mahbubul Hady Fazle Rab	Independent Director		
19	Mr. Nazim Uddin Chowdhury	Independent Director		
20	Mr. Md. Ahsan-uz Zaman	Managing Director & CEO		



Midland Bank Ltd
Financial Highlights
For the year ended 31 December 2020

SLNo.	Items	2020	2019
1	Paid up Capital	5,696,697,530	5,696,697,530
2	Total Capital	7,987,704,084	7,527,255,078
3	Surplus in Capital Fund	2,262,659,194	3,074,233,015
4	Total Asset	63,145,974,335	52,911,159,222
5	Total Deposit	45,067,571,125	39,500,763,248
6	Total Loans and Advances	39,086,672,499	31,749,635,389
7	Total Contingent Liabilities	9,249,440,193	5,978,812,091
8	Lending-Deposit Ratio	82.01%	81.64%
9	Classified Loans as % of Total Loans and Advances	1.16%	2.64%
10	Profit After Provision and Tax	656,363,888	557,408,502
11	Total Classified loans and advances	452,789,098	838,348,197
12	Total Provision Maintained against Classified Loans	194,557,571	286,502,383
13	Surplus/(deficit) in Provision against Classified Loans	-	-
14	Cost of Fund	7.77%	9.03%
15	Earning Asset	55,918,635,968	47,025,582,347
16	Non-Interest Earning Asset	7,227,338,367	5,885,576,876
17	Return on Investments (ROI)	8.96%	7.92%
18	Return on Asset (ROA)	1.13%	1.05%
19	Income from Investment	1,565,254,675	649,615,530
20	Earnings per Share (BDT)	1.15	0.98
21	Net Income per Share (BDT)	1.15	0.98
22	Price-Earning Ratio (Times)	N/A	N/A



Midland Bank Ltd
Balance Sheet of Islami Banking Wing
As on 31 December 2020

Annexure - G

	Notes	2020 BDT
<u>Property and Asset</u>		
Cash	1.00	182,804,063
In Hand (Including Foreign Currency)		1,456,835
With Bangladesh Bank and its agent Bank (including Foreign Currency)		181,347,228
Balance with other Banks & Financial Institutions	2.00	110,000,000
In Bangladesh		110,000,000
Outside Bangladesh		-
Money at Call and Short Notice		-
Investments in Shares & Securities	3.00	53,200,000
Government		53,200,000
Others		-
Investments	4.00	808,959,373
General Investment		808,959,373
Bills Purchased and Discounted		-
Fixed Asset Including Premises, Furniture & Fixtures		-
Other Asset	5.00	955,102
Non-Banking Asset		-
Total Property and Asset		<u>1,155,918,538</u>
<u>Liabilities and Capital</u>		
Borrowing from other Banks, Financial Institutions & Agents		
Deposit and Other Accounts	6.00	995,474,647
Current Deposit & Other Accounts		2,887,001
Bills Payable		-
Short Notice Deposit		180,413,251
Savings Deposit		44,701,029
Fixed Deposit		764,605,518
Deposit Scheme		2,867,849
Other Liabilities	7.00	160,443,891
Total Liabilities		1,155,918,538
Capital/Shareholders' Equity		
Paid up Capital		-
Statutory Reserve		-
Revaluation Reserve on Investment in Securities		-
Retained Earnings		-
Total Shareholders' Equity		<u>1,155,918,538</u>
Total Liabilities and Shareholders' Equity		<u>1,155,918,538</u>
<u>Off-Balance Sheet Items</u>		
Contingent Liabilities	8.00	-
Acceptance and endorsements		848,000,000
Letter of Guarantee		-
Irrevocable Letter of Credit		-
Bills for Collection		-
Other Contingent Liabilities		-
Total Off Balance Sheet Items including Contingent Liabilities		<u>848,000,000</u>



Midland Bank Ltd
Profit and Loss Account of Islami Banking Wing
As on 31 December 2020

Particulars

Profit on Investment
Less: Profit Paid on Deposit and Borrowing, etc.
Net Interest Income

Income from Investment
Commission, Exchange and Brokerage
Other Operating Income

Total Operating Income**Less: Operating Expenditure**

Salary and Allowances
Rent, Tax, Insurance, Electricity
Legal Expense
Postage, Stamps and Telephone
Printing, Stationery, Advertisement
Managing Director's Remuneration
Directors' Fee
Audit Fee
Depreciation on and Repair to Bank's Property
Other Expenditure
Total Operating Expenses
Profit Before Provision & Tax

Note	2020
	BDT
9.00	17,388,343
10.00	19,291,777
	(1,903,434)
11.00	5,102
12.00	3,392,000
	54,392
	3,451,495
	1,548,060
13.00	1,080,903
	-
	-
	5,020
14.00	51,903
	-
	73,555
	-
	17,810
	34,416
	1,263,607
	284,453



Midland Bank Ltd
Notes to the Financial Statements of Islami Banking Wing
As on 31 December 2020

1.00 Cash	
In Hand (Including foreign currency) (note 3.01)	1,456,835
Balance with Bangladesh Bank and its Agent Bank (note 3.02)	181,347,228
	<u>182,804,063</u>
1.01 In Hand (Including foreign currency)	
Local Currency	1,456,835
Foreign Currency	-
	<u>1,456,835</u>
1.02 Balance with Bangladesh Bank and its Agent Bank	
With Bangladesh Bank	181,347,228
Local Currency	-
Foreign Currency	-
With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	-
	<u>181,347,228</u>
2.00 Balance with other Banks and Financial Institutions	
In Bangladesh	110,000,000
Outside Bangladesh	-
	<u>110,000,000</u>
3.00 Investments	
Government (note 3.01)	53,200,000
Others	-
	<u>53,200,000</u>
3.01 Investment Classified as per Bangladesh Bank Circular	
Held to Maturity (HTM)	40,000,000
Held for Trading (HFT)	-
Reverse Repo	-
Prize Bond	-
Government Securites Encumbered	-
Government Securites -SUKUK Bond	13,200,000
Other Investments	-
	<u>53,200,000</u>
4.00 Investments	
Bai-Murabaha	797,611,250
Bai-Muajjal	1,022,240
Hirepurchase Shirkatul Melk	10,325,883
Bills Purchased and Discounted	-
	<u>808,959,373</u>



Midland Bank Ltd
Notes to the Financial Statements of Islami Banking Wing
As on 31 December 2020

5.00 Other Asset	
Classification of Other Asset	
Profit receivable on Investment	5,102
Profit receivable on Deposit with Other Bank	950,000
Total Other Asset	955,102
6.00 Deposit and Other Accounts	
From Banks	450,000,000
From Customers (note 6.01)	545,474,647
	995,474,647
6.01 Customer Deposit and Other Accounts:	
Current Deposit & Other Accounts :	
Current Deposit	1,363,891
Sundry Deposit	1,523,109
	2,887,001
Bills Payable	-
Short Notice Deposit	180,413,251
Savings Deposit	44,701,029
Fixed Deposit	764,605,518
Deposit Schemes:	
MDB Saalam Monthly Scheme	2,758,102
MDB Saalam Hajj Savings Scheme	48,069
MDB Digital Monthly Savings Scheme	51,313
MDB Digital Hajj Savings Scheme	10,365
	2,867,849
Total	995,474,647
7.00 Other Liabilities	
Unearned Income	31,289,678
Inter Bank General Account Balance (note 7.01)	129,154,213
	160,443,891
7.01 Inter Bank General Account Balance (net)	
Credit entries	345,502,330
Debit entries	216,348,117
	129,154,213
8.00 Contingent Liabilities	
Acceptance and endorsements	-
Letter of Guarantee	848,000,000
Irrevocable Letter of Credit	-
Bills for Collection	-
Other Contingent Liabilities	-
	848,000,000
8.01 Letter of Guarantee	
Foreign	-
Local	848,000,000
	848,000,000



Midland Bank Ltd
Notes to the Financial Statements of Islami Banking Wing
As on 31 December 2020

9.00 Profit on Investment	
General Investment (note 9.01)	16,438,343
Balance with Other Banks and Financial Institutions	950,000
	<u>17,388,343</u>
9.01 Profit on Investment	
Income on Saalam Murabaha Local Purchase	16,262,202
Income on Saalam Home Finance	159,931
Income on Saalam SME Bai Muajjal	16,210
	<u>16,438,343</u>
10.00 Profit on Deposits and Other Accounts	
Current Deposit	26
Special Notice Deposit	7,394,806
Savings Deposits	449,469
Fixed Deposits	11,383,883
Deposit Scheme	63,593
	<u>19,291,777</u>
11.00 Income From Investments	
Profit on Investment in SUKUK Bond	5,102
	<u>5,102</u>
12.00 Commission, Exchange and Brokerage	
Commission	3,392,000
Exchange	-
Brokerage	-
	<u>3,392,000</u>
13.00 Salary & Allowances	
Basic Salary	451,161
Allowances	501,742
Bonus	128,000
	<u>1,080,903</u>
14.00 Printing, Stationery, Advertisement etc.	
Printing & Stationery	51,903
Computer Stationery	-
Publicity & Advertisement	-
	<u>51,903</u>



Midland Bank Ltd
Balance Sheet of Off-Shore Banking Unit
As on 31 December 2020

Notes	2020	
	USD	BDT
<u>Property and Asset</u>		
Cash	-	-
In Hand (Including Foreign Currency)	-	-
With Bangladesh Bank and its agent Bank (including Foreign Currency)	-	-
Balance with other Banks & Financial Institutions	1.00	(512,279) (43,441,466)
In Bangladesh	-	-
Outside Bangladesh	(512,279)	(43,441,466)
Money at Call and Short Notice	-	-
Investments	-	-
Government	-	-
Others	-	-
Loans and Advances	2.00	11,614,220 984,890,486
Loans, Cash Credit, Overdrafts, etc.	-	-
Bills Purchased and Discounted	11,614,220	984,890,486
Fixed Asset including Premises, Furniture & Fixtures	-	-
Other Asset	-	-
Non-Banking Asset	-	-
Total Property and Asset	11,101,941	941,449,021
<u>Liabilities and Capital</u>		
Borrowing from other Banks, Financial Institutions & Agents	3.00	11,000,000 932,804,400
Deposit and Other Accounts	1,425	120,852
Other Liabilities	4.00	100,516 8,523,769
Total Liabilities	11,101,941	941,449,021
Capital/Shareholders' Equity		
Paid up Capital	-	-
Statutory Reserve	-	-
Revaluation Reserve on Investment in Securities	-	-
Retained Earnings	-	-
Total Shareholders' Equity	-	-
Total Liabilities and Shareholders' Equity	11,101,941	941,449,021
<u>Off-Balance Sheet Items</u>		
<u>Contingent Liabilities</u>		
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 Ltd
Profit and Loss Account of Off-Shore Banking Unit
As on 31 December 2020

Particulars	Notes	2020	
		USD	BDT
Interest Income	5.00	90,103	7,640,789
Less: Interest Paid on Deposit and Borrowing, etc.	6.00	76,769	6,510,021
Net Interest Income		13,334	1,130,768
Income from Investment		-	-
Commission, Exchange and Brokerage		-	-
Other Operating Income		19,243	1,631,838
Total Operating Income		19,243	1,631,838
		32,578	2,762,606
Less: Operating Expenditure			
Salary and Allowances		-	-
Rent, Tax, Insurance, Electricity		-	-
Other Expenditure		130	11,024
Total Operating Expenses		130	11,024
Profit Before Provision & Tax		32,448	2,751,582



Midland Bank Ltd
Notes to the Financial Statements of Off-Shore Banking Unit
As on 31 December 2020

		2020	
		USD	BDT
1.00 Balance with other Banks and Financial Institutions			
In Bangladesh		-	-
Outside Bangladesh		(512,279)	(43,441,466)
		<u>(512,279)</u>	<u>(43,441,466)</u>
2.00 Loans & Advances			
Deemed Export Bill Discounting		714,308	60,573,585
Import Bill Discounting		<u>10,899,912</u>	<u>924,316,902</u>
		<u>11,614,220</u>	<u>984,890,486</u>
3.00 Borrowing from other Banks, Financial Institutions & Agents			
In Bangladesh		11,000,000	932,804,400
Outside Bangladesh		-	-
		<u>11,000,000</u>	<u>932,804,400</u>
4.00 Other Liabilities			
Interest Payable		68,068	5,772,187
Profit Payable		<u>32,448</u>	<u>2,751,582</u>
		<u>100,516</u>	<u>8,523,769</u>
5.00 Interest Income			
Loans and Advances		81,381	6,901,141
Balance with Other Banks and Financial Institutions		<u>8,722</u>	<u>739,648</u>
		<u>90,103</u>	<u>7,640,789</u>
6.00 Interest Paid on Deposit and Borrowing, etc.			
Interest Paid on Borrowing from Foreign Bank		55	4,664
Interest Paid on Borrowing from Local Bank		<u>76,714</u>	<u>6,505,357</u>
		<u>76,769</u>	<u>6,510,021</u>

