ANNUAL REPORT 2022

মিডল্যান্ড ব্যাংক সালাম
ইসলামী ব্যাংকিং



Grow with us

midlandbank ltd
bank for inclusive growth

Letter of Transmittal

April 27, 2023

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

Dear **Sir,**

Annual Report of Midland Bank Limited for the year ended on December 31, 2022

We are pleased to enclose a copy of the Bank's Annual Report 2022, together with the Audited Financial Statements for the year ended December 31, 2022 for your kind information and record.

Thank you.

Sincerely,



Khalid Mohammad Sharif FCS
Company Secretary

Contents

Introduction

04 Midland Bank Profile: Success and Promises
05 Corporate Information
06 Value Creation for Stakeholders during 2022
07 Performance Dashboard
09 Vision & Mission
10 Corporate Values
11 Strategic Goals
12 Customer Charter/Ethical Preferences
13 Milestones
14 MDB Financial Performance and Ratios: 5 Years Overview
16 Sponsors & Shareholders

The Board of Directors & Committees

17 The Board of Directors
30 Committees of the Board of Directors
31 The members of the Shariah Supervisory Council
32 The Profile of Shariah Council Members
33 Management Committees

Reports

40 From the desk of the Chairman
43 Report of the Audit Committee of the Board of Directors
46 Managing Director & CEO's Review
49 Directors' Report
65 Performance Overview by Different Divisions/Departments
83 Chief Financial Officer's Report
85 Report on Economic Impact
87 Corporate Governance
92 Compliance Certificate on Corporate Governance
106 Message from the CRO
110 Disclosures on Risk Based Capital (Basel-III)

Contents

Photo Gallery & Social Resposibility

133 MDB Photo Gallery
151 Sustainability Report
154 Green Banking
156 MDB CSR Activity

Financial Statements

157 Financials Statements 2022 (Auditor's Report to the Shareholders)
158 Statement of Directors on Adequacy of the System of Internal Control
159 Directors Responsibility in relation to Financial Statements
160 Declaration of Managing Director & CEO and Chief Financial Officer to the Board of Directors
161 Independent Auditor's Report
168 Financial Statements
175 Notes to the Financial Statements

MDB Services Network

239 MDB Service Network

Other

246 Report on Utilization of IPO Proceeds
249 10th AGM Notice
250 Proxy Form

Midland Bank Profile: Success and Promises

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

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

MDB is presenting its 2022 financial results as a fast growing fourth generation Bank in Bangladesh with the pride of a solid capital base, quality assets and strong profitability. The year 2022 has seen that deposit accounts increased by 34,916 from 205,036 in 2021 to 239,952 in 2022 and loan accounts increased by 204 from 4,553 in 2021 to 4,757 in 2022. Total Loans and Advances increased by 15.10%, or BDT 6,925.32 million from 45,867.48 million in 2021 to 52,792.81 million in 2022. However, overall loans portfolio remained relatively balanced between Institutional Banking, MSME and Retail Segments. Customer deposits grew by 13.86%, or BDT 7,032.97 million from 50,730.04 million in 2021 to 57,763.01 million in 2022. While growing our deposits book, we have focused on low cost and no cost (CASA) deposits acquisition and eventually by the end of 2022 our CASA ratio stood at 38% in 2022.

Operating profit before provision on loans and tax slightly decreased by 2.81% from BDT 1,570.90 million in 2021 to BDT 1,526.73 million in 2022, after covering net loss of BDT 107.49 million from revaluation/amortization of Treasury Bills/Bonds during the year. But Net profit after tax registered at BDT 561.96 million in 2022 against BDT 514.02 million in 2021, i.e., increased by BDT 47.94 million, or 9.33% over 2021, due to recovery of NPL amount of BDT 37.63 crore by confiscation of the liened collateral shares of LHBL, as such specific provision amounting of BDT 343.50 million was released and ultimately it was added with our net profit during the period.

Return on Equities (ROE) stood at 7.47% in 2022 from 6.85% in 2021, Return on Assets (ROA) stood at 0.75% in 2022 from 0.78% in 2021 and Earnings Per Share (EPS) stood at BDT 0.99 in 2022 against BDT 0.90 in 2021. At the year-end of 2022, shareholders' equity stood at BDT 7,646.53 million against BDT 7,404.26 million in 2021. Bank's Capital to Risk Weighted Asset Ratio (CRAR) stood at 14.83% in 2022 against 15.87% in 2021 which stayed much above the minimum required ceiling of 12.50% as per Basel-III accord. Total deposits customer-base of MDB grew by 29,774 to 187,239 in 2022 from 157,465 accounts in 2021 with considerable growth in the rural customer base. In our strategic action, we are giving priority to developing MSMEs placing special attention to extending finance to manufacturing sector. A total of 517 MSME entrepreneurs were stood BDT 5,687.07 million in 2022 against 617 MSME entrepreneurs and loans amount of BDT 5,272 million in 2021. We are getting growth rates above the market benchmark which give us confidence for the future.

In the year 2020, MDB launched its Islami Banking Window "MDB Saalam" on 23 April 2020 after getting approval from Bangladesh Bank and within the short time break Deposit stood at BDT 2,952.89 million in Dec'22 compared to BDT 2,717.66 million in Dec'21, Investment stood at BDT 2,297.92 million in Dec'22 compared to BDT 2,168.45 million in Dec'21 and aggregated total assets stood at BDT 2,972.78 million in Dec'22 compared to BDT 2,742.55 million in Dec'21. Operating profit of Islami Banking Window of the Bank reported at BDT 24.95 million in Dec'22 compared to BDT 29.12 million in Dec'21.

On the other hand, Off-shore Banking Unit (OBU) after getting approval from Bangladesh Bank launched of its operation on 20 June 2020 and as of 31 December 2022 total loans stood at USD 29.10 million in Dec'22 compared to USD 36.75 million in Dec'21 out of bill purchase and discounting facilities. During the period, OBU borrowed USD 29.25 million in Dec'22 compared to USD 36.30 million in Dec'21 from Midland on-shore (DBU-Treasury) and other Banks' OBU. It is noteworthy to mention that from the very outset of launching, the OBU gathered business momentum and as on 31 December 2022, its operating profit reported to USD 99,243 in Dec'22 compared to USD 350,948 in Dec'21.

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

Corporate Information

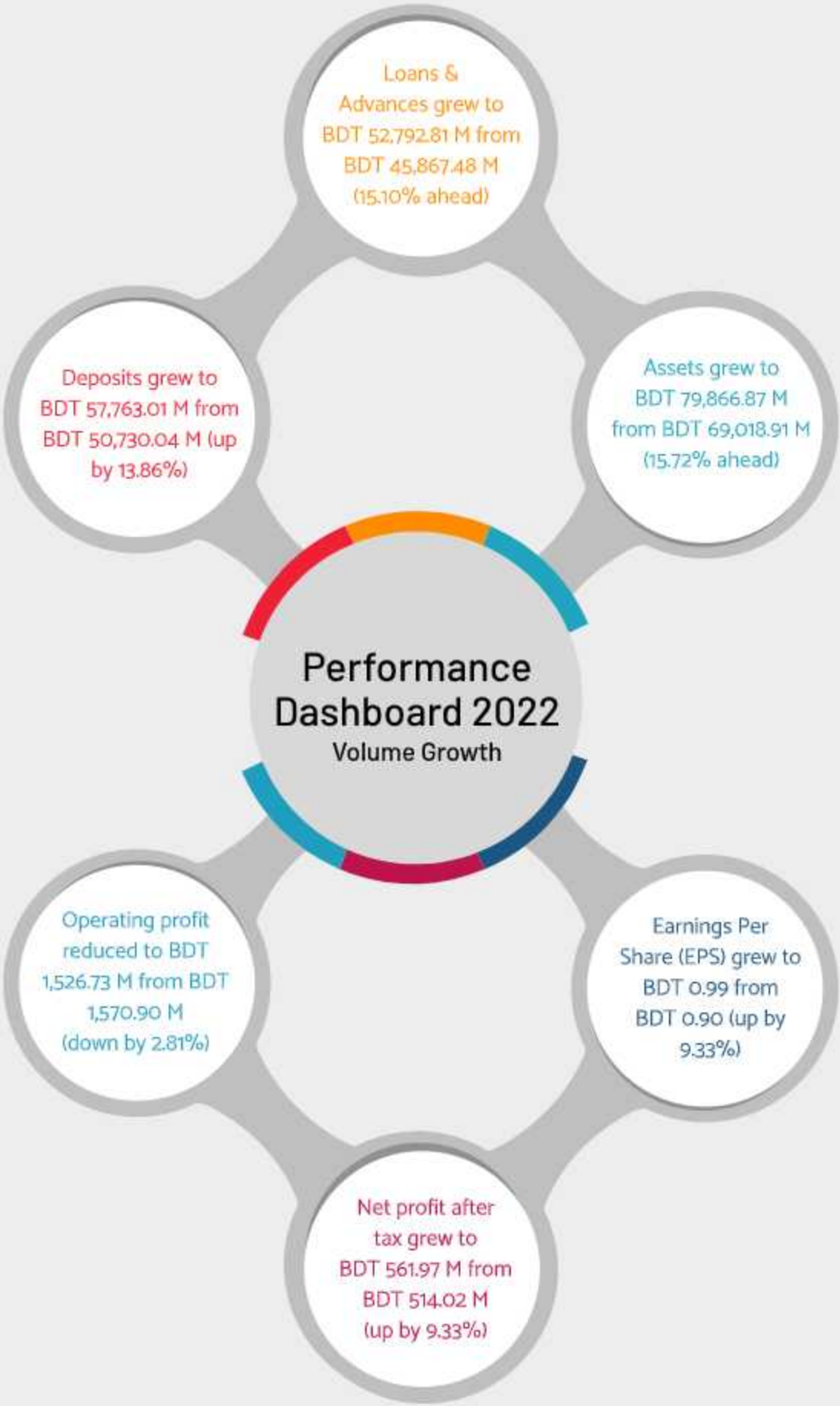
Name of the company: Midland Bank Limited (MDB)	**Authorized capital:** BDT 10,000 million	**Chairman:** Nilufer Zafarullah
Legal form: Public Limited Company	**Paid up capital:** BDT 5,696.70 million	**Vice Chairman:** Md. Shamsuzzaman
Registered office: N.B. Tower (Level 6 to 9), 40/7 North Avenue, Gulshan-2, Dhaka-1212	**Total Capital (Tier-i & ii):** BDT 8,196.00 million	**Managing Director & CEO** Md. Ahsan-uz Zaman
Date of incorporation: March 20, 2013	**Capital to Risk Weighted Asset Ratio (CRAR): 14.83%**	**Deputy Managing Director** Md. Zahid Hossain
Company registration: C-108070/13	**Total Assets:** BDT 79,866.87 million	**Chief Risk Officer (CRO)** Md. Zahid Hossain
Bangladesh Bank permission: BRPD (P-3)745(67)/2013-1665, April 09, 2013	**Statutory reserves** BDT 1,626.33 million	**Chief Financial Officer (CFO)** Md. Zahirul Islam, FCA
Formal inauguration: June 20, 2013	**Earnings per share (EPS)** BDT 0.99	**Company Secretary** Khalid Mohammad Sharif FCS
Institutional banking activities: All types of commercial banking activities (both conventional and islamic), Money market operations, Financial intermediary services and any related financial services.	**Net asset value per share (NAV)** BDT 13.42	**Head of Internal Control & Compliance:** Mohammad Syejuddin Ahmmed
Delivery channels: 37 Branches (18 urban and 19 rural), 16 Sub-branches, 109 Agent Banking Centre, 11 Collection Booths, 58 ATMs, Real-Time Online Banking, Internet Banking, SMS/Alert Banking, Debit/ Credit/ Prepaid Card with global access, Shared network across the country.	**Total Manpower** Employee: 727 (including 239 contractual)	**Statutory Auditors** Hoda Vasi Chowdhury & Co. Chartered Accountants
Contact Centre: 16596 (Short Code), (+88) 09617016596 and (+88) 09611016596	**Website:** www.midlandbankbd.net	**Accounting Year-end** December 31

Credit Rating: Emerging Credit Rating Limited (ECRL)

Long Term	**A+**	Bank's long term rating is "A+" which indicates strong capacity to meet financial commitments/obligations of the Bank. It is judged to be of high quality and are subject to low variability in credit risk.
Short Term	**ST-2**	Bank's short term rating stood at ST-2 (High Grade). It indicates strong capacity for timely repayment of obligations. It is also characterised with commendable position in terms of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.
Outlook Status	**Stable**	Bank's outlook status is "Stable" which underlines that Bank's overall status is stable. The outlook provides information to investors on the potential evolution of a rating, thereby underpins the precision of the rating status.
Valid Till	**June 30, 2023**	

Value creation for stakeholders during 2022

Customers:	2022	2021
Total Deposit accounts	239,952	205,036
Total advances and loans/investment accounts	4,757	4,553
Total Deposits	BDT 57,763.01 M	BDT 50,730.04 M
Interest paid to customers	BDT 3,201.24 M	BDT 2,262.66 M
Loans & advances/investments	BDT 52,792.81 M	BDT 45,867.48 M
Interest/profit received from loans/investments	BDT 3,657.21 M	BDT 3,232.76 M
Investment in government securities	BDT 13,186.01 M	BDT 12,361.07 M
Income from investments	BDT 1,455.08 M	BDT 1,358.11 M
Shareholders:		
Paid up capital	BDT 5,696.70 M	BDT 5,696.70 M
Shareholders' equity	BDT 7,646.54 M	BDT 7,404.26 M
Profit after tax	BDT 561.97 M	BDT 514.02 M
Earnings per share (EPS)	BDT 0.99	BDT 0.90
Dividend payout (Recommended 5% cash dividend for the FY 2022)	5.00% cash	5.00% cash
Employees:		
Total regular headcount	488	486
Total contractual headcount	239	225
Total staff cost	BDT 635.09 M	BDT 533.62 M
Operating profit before provision of loans & Tax	BDT 1,526.73 M	BDT 1,570.90 M
Net profit after tax	BDT 561.97 M	BDT 514.02 M
Talent development training hours	1,000 hrs (approx.)	1,000 hrs (approx.)
Per employee operating profit before tax	3.13 M	3.23 M
Per employee net profit after tax	1.16 M	1.06 M
Government Institutions:		
Tax paid to Government	BDT 1,229.22 M	BDT 916.78 M
VAT & Withholding Tax collected on behalf of Govt.	BDT 625.08 M	BDT 506.84 M
Excise Duty collected on behalf of government	BDT 105.80 M	BDT 93.09 M
Business partners:		
Commission, exchange & fees	BDT 736.39 M	BDT 224.19 M
Payment to service providers	BDT 373.17 M	BDT 367.61 M
No. of correspondent banks (RMA)	101	101
Business partnership signed	177 Deals	93 Deals
Community:		
CSR/Donation	BDT 27.95 M	BDT 5.00 M
Internet customers (midland online)	44,515	42,811
Refinance to SME, Agri, Women and Green Finance	665.02 M	336.48 M
Utility bill collection	9,501.27 M	10,394.92 M
Call received by call centre	113,545	109,664
SMS alert a/c	143,939	126,881
Total Digital a/c	3,742	2,423
Total Digital self e-KYC	6,204	5,896


Loans & Advances grew to BDT 52,792.81 M from BDT 45,867.48 M (15.10% ahead)
Deposits grew to BDT 57,763.01 M from BDT 50,730.04 M (up by 13.86%)
Assets grew to BDT 79,866.87 M from BDT 69,018.91 M (15.72% ahead)
Performance Dashboard 2022
Volume Growth
Operating profit reduced to BDT 1,526.73 M from BDT 1,570.90 M (down by 2.81%)
Earnings Per Share (EPS) grew to BDT 0.99 from BDT 0.90 (up by 9.33%)
Net profit after tax grew to BDT 561.97 M from BDT 514.02 M (up by 9.33%)


Return on Asset (ROA) decreased to 0.75% from 0.78% (down by 0.03%)
Shareholders' Equity grew to BDT 7,646.54 M from BDT 7,404.26 M (up by 3.27%)
Return on Equity (ROE) increased to 7.47% from 6.85% (up by 0.62%)
Performance Dashboard 2022
Volume Growth
Capital to Risk Weighted Assets Ratio (CRAR) decreased to 14.83% from 15.87% (down by 1.04%)
NPL Ratio reduced to 2.78% from 3.17% (down by 0.39%)
Net Assets Value per share grew to BDT 13.42 from 13.00 (up by 3.27%)



Vision & Mission

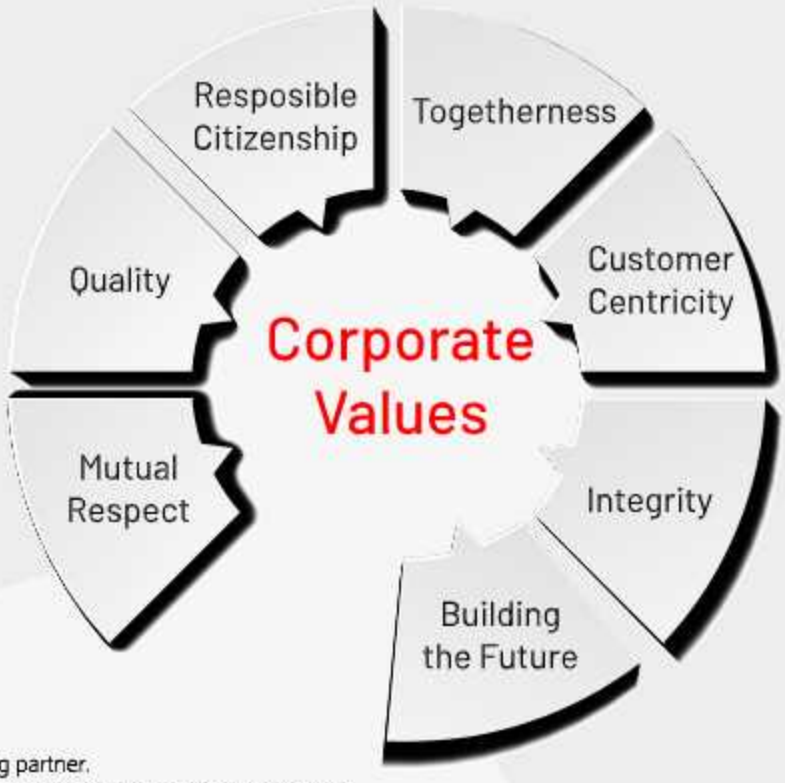
Vision

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

Mission

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

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



Customer Centricity

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

Quality

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

Togetherness

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

Mutual Respect

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

Integrity

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

Responsible Citizenship

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

Building the Future

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



Strategic Goals

Balance Sheet Focus

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

Capital Strength

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

Cost Control

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

Risk Mitigation

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

Innovative Banking

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

Business Diversification

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

A Better Human Force

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

For a Green Living Habitat

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



Customer Charter

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

Ethical Preferences

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

Milestones



20 March 2013
Commencement of Business

20 June 2013
First Branch Operation (Dilkusha Corporate Branch)

11 Sep 2014
midland online (Internet Banking) launched

01 Oct 2015
Completion of Centralized Banking Model (CBM)

23 Jan 2017
First Agent Banking Centre

02 Oct 2017
Became one of the few member banks of NPSB fund transfer project of Bangladesh Bank

07 March 2019
Became PFI for project of Bangladesh Bank funded by IDA, World Bank group

08 April 2019
First Sub-Branch Operation (Madhabdi Sub-Branch)

05 Dec 2019
Obtained Islami Banking Window License from Bangladesh Bank

31 Dec 2019
Crossing of 100,000 Customers

23 March 2020
Obtained Off-shore Banking (OBU) License

30 June 2020
Bank's total capital crossed BDT 8,000 million benchmark

05 July 2021
Launched Automated Challan (A-Challan) service successfully as one of the pioneer banks

20 June 2022
Launched Special Deposit Product 'Double Benefit Plus Scheme'

02 Oct 2022
Launched Retail Sales Department

MDB Financial Performance and Ratios: Five Years Overview

Financial Highlights	in BDT Million					
	2018	2019	2020	2021	2022	% Changes in 2022 Over 2021
Income Statement:						
Interest income	3,760.22	4,276.13	3,160.18	3,232.76	3,657.21	13.13%
Interest expenses	2,547.46	2,983.90	2,748.19	2,262.66	3,201.24	41.48%
Net interest income	1,212.76	1,292.23	411.99	970.11	455.97	-53.00%
Investment income	630.1	649.62	1,565.25	1,358.11	1,455.08	7.14%
Commission, exchange and brokerage	321.1	321.05	276.58	224.19	736.39	228.47%
Other operating income	68.10	65.02	66.31	83.72	98.25	17.35%
Total Operating income	2,232.04	2,327.92	2,320.13	2,636.12	2,745.69	4.16%
Operating expenses	990.5	1,042.36	1,102.30	1,065.22	1,218.96	14.43%
Profit before provision and tax	1,241.51	1,285.57	1,217.83	1,570.90	1,526.73	-2.81%
Provision for loans and off-balance sheet exposure	135.2	197.14	257.86	444.74	438.09	-1.49%
Profit after provision before tax	1,106.29	1,088.43	959.97	1,126.17	1,088.64	-3.33%
Provision for tax	456	491.84	303.61	612.15	526.67	-13.96%
Profit after tax	650.3	596.59	656.36	514.02	561.97	9.33%
Balance Sheet:						
Authorized capital	10,000	10,000	10,000	10,000	10,000	0.00%
Paid-up capital	5,275	5,697	5,697	5,697	5,697	0.00%
Total shareholders' equity	6,487	7,078	7,614	7,404	7,647	3.27%
Deposits	35,592	39,501	45,068	50,730	57,763	13.86%
Loans and advances	31,075	31,750	39,087	45,867	52,793	15.10%
Investments	6,726	12,710	14,633	14,980	16,906	12.86%
Fixed assets	283	259	660	634	575	-9.29%
Earning assets	41,368	47,294	55,919	61,808	70,817	14.58%
Total assets	45,751	52,911	63,146	69,019	79,867	15.72%
Total liabilities	39,254	45,834	55,532	61,615	72,220	17.21%
Total Off-balance sheet exposure	4,884	5,979	9,249	12,300	12,675	3.05%
Foreign Exchange Business:						
Import	7,643	13,497	7,665	11,773	16,616	41.13%
Export	5,749	7,430	7,847	15,322	19,450	26.94%
Inward Remittance (wages & others)	2,155	3,248	3,409	3,835	4,450	16.03%
Capital Measure:						
Risk Weighted Assets (RWA)	35,656	35,572	45,800	51,240	55,257	7.84%
Core Capital (Tier-I)	6,481	7,075	7,313	7,380	7,631	3.40%
Supplementary Capital (Tier-ii)	461	511	675	753	565	(24.91%)
Total Capital held (T-i + T-ii)	6,942	7,587	7,988	8,133	8,196	0.78%
Required Capital (12.50% of RWA, Or 4,000 million which is higher)	4,264	4,446	5,725	6,405	6,907	7.84%
Capital Surplus/(Deficit), (A-B)	2,678	3,140	2,263	1,728	1,289	(25.40%)

MDB Financial Performance and Ratios: Five Years Overview

Financial Highlights	in BDT Million					
	2018	2019	2020	2021	2022	% Changes in 2022 Over 2021
Tier I Capital Ratio	18.05%	19.89%	15.97%	14.40%	13.81%	(0.59%)
Tier II Capital Ratio	1.28%	1.44%	1.47%	1.47%	1.02%	(0.45%)
Capital to Risk Weighted Asset Ratio (CRAR)	19.33%	21.33%	17.44%	15.87%	14.83%	(1.04%)
Credit Quality:						
Non-performing loans (NPLs)	374	570	453	1,455	1,470	1.00%
NPL to total loans and advances (%)	1.20%	1.79%	1.16%	3.17%	2.78%	-0.39%
Provision for unclassified loans	418	457	590	643	452	-29.65%
Provision for classified loans	148	264	784	455	955	109.96%
Provision for Off-Balance Sheet exposure	42	54	85	110	113	2.87%
Provision for other assets and diminution in Investments	17.18	48	72	139	280	101.66%
Share Information:						
No. of Shares outstanding	527.47 M	569.67 M	569.67 M	569.67 M	569.67 M	0.00%
No. of Shareholders	40	40	41	46	46	0.00%
Earnings per share (EPS), (BDT)	1.14	0.98	1.15	0.90	0.99	9.33%
Net Assets Value Per Share (BDT)	12.3	12.42	13.37	13.00	13.42	3.27%
Profitability & Performance Ratio:						
Net Interest Margin (NIM)	4.44%	4.29%	2.41%	4.11%	2.78%	-1.33%
Advance to Deposit Ratio	87.31%	81.64%	82.01%	83.62%	81.71%	-1.91%
Cost to income Ratio	44.38%	44.78%	47.51%	40.41%	44.40%	3.99%
Cost of fund on average deposits	7.38%	7.71%	6.14%	4.17%	5.01%	0.84%
Return on average assets (ROA)	1.42%	1.21%	1.13%	0.78%	0.75%	-0.03%
Return on shareholders' equity (ROE)	10.54%	8.80%	8.96%	6.85%	7.47%	0.62%
Liquidity Ratio:						
Cash Reserve Ratio (CRR)	5.63%	6.67%	4.42%	4.52%	4.82%	0.30%
Statutory Liquidity Ratio (SLR)	20.64%	35.18%	13.04%	31.32%	27.92%	-3.40%
Liquidity Coverage Ratio (LCR)	171.70%	163.59%	147.51%	156.22%	214.04%	57.82%
Net Stable Funding Ratio (NSFR)	115.27%	109.99%	114.81%	101.00%	109.80%	8.80%
Leverage Ratio	13.61%	12.65%	11.17%	9.89%	9.02%	-0.87%
Other information:						
No. of Branches	30	33	34	35	37	5.71%
No. of Sub-Branches		2	7	13	16	23.08%
No. of Collection Booths	4	6	7	10	10	0.00%
No. of ATM	32	38	44	51	51	0.00%
Agent Banking Centre (ABC)	30	46	60	100	100	0.00%
No. of employees including contractual staff of 225 in 2021 and 239 in 2022)	571	632	650	711	727	2.25%
Number RMA	121	121	122	101	101	0.00%
No. of NOSTRO Accounts (Five Major currency)	12	15	15	15	15	0.00%

The Sponsors and Other Shareholders

SL	Name	Designation	Percentage of Shareholding
1	Mr. Kazi Zafarullah	Sponsor Shareholder	0.24%
2	Mrs. Nilufer Zafarullah	Sponsor Shareholder	2.00%
3	Mr. Kazi Omar Zafar	Sponsor Shareholder	2.00%
4	Ms. Anushka Mehreen Zafar	Sponsor Shareholder	2.00%
5	Mr. Kazi Raihan Zafar	Sponsor Shareholder	2.00%
6	Dr. Kazi Shahidullah	Sponsor Shareholder	0.22%
7	Late Kazi Ekramullah (Deceased)	Sponsor Shareholder	0.22%
8	Mrs. Sabiha Mahboob	Sponsor Shareholder	0.22%
9	Ms. Scherezad Joya Monami Latif	Sponsor Shareholder	8.91%
10	Mr. Abdullah Ahmed Yousuf	Sponsor Shareholder	4.90%
11	Mr. Nazib Ahmed	Sponsor Shareholder	0.22%
12	Mrs. Israt Ahmed	Sponsor Shareholder	0.22%
13	Dr. Fahmida Haque	Sponsor Shareholder	0.22%
14	Mr. Niranjan Chandra Saha (Deceased)	Sponsor Shareholder	0.22%
15	Mrs. Salina Maksuda	Sponsor Shareholder	0.22%
16	Mr. Basudev Saha	Sponsor Shareholder	0.22%
17	Reedisha Knitex Ltd. (Rep. by: Mr. Rezaul Karim)	Sponsor Shareholder	4.45%
18	Mondol Fabrics Ltd. (Rep. by: Mr. Abdul Momin Mondol)	Sponsor Shareholder	4.45%
19	Liberty Knitwear Ltd. (Rep. by: Mr. Md. Samsuzzaman)	Sponsor Shareholder	4.68%
20	Hazrat Amanat Shah Spinning Mills Ltd. (Rep. by: Mrs. Lutfa Begum)	Sponsor Shareholder	2.03%
21	Garment Export Village Ltd. (Rep. by: Mrs. Shahida Alam)	Sponsor Shareholder	0.16%
22	Beq Knit Ltd. (Rep. by: Mr. Hafizur Rahman Sharkar)	Sponsor Shareholder	4.23%
23	Mr. Master Abul Kashem	Sponsor Shareholder	4.12%
24	Mr. Mohammed Jamal Ullah	Sponsor Shareholder	3.58%
25	Al-haj Mohammed Issa Badsha	Sponsor Shareholder	0.19%
26	Mr. Ahsan Khan Chowdhury	Sponsor Shareholder	4.45%
27	Mr. Md. Wahid Miah	Sponsor Shareholder	4.45%
28	Popular Pharmaceuticals Ltd. (Rep. by: Dr. Mostafizur Rahman)	Director Shareholder	4.45%
29	Mr. Khandaker Rashed-S-Zaman	Sponsor Shareholder	1.43%
30	Mr. A K M Badiul Alam	Director Shareholder	3.00%
31	Explore Garments Limited (Rep. by: Mr. Kamal Hossain)	Director Shareholder	4.45%
32	Next Collections Limited (Rep. by: Mrs. Shahnaj Parveen)	Director Shareholder	4.45%
33	Mother Steel Limited (Rep. by: Mrs. Nigar Sultana Daizy)	Shareholder	0.33%
34	Azan Limited (Rep. by: Mrs. Salma Issa)	Shareholder	0.33%
35	Ms. Mutaffin Issa	Shareholder	0.19%
36	Ms. Moomtahina Issa	Shareholder	3.75%
37	Mrs. Shahnaz Jamal	Shareholder	0.28%
38	Mr. Walid Mohammed Shamuel	Shareholder	0.32%
39	Mrs. Fariha Nousheen	Shareholder	0.28%
40	Mrs. Rasheda Zaman	Shareholder	0.31%
41	Ms. Khandaker Sabrina Zaman	Shareholder	0.71%
42	Mr. Mohammed Helal Mia	Shareholder	2.42%
43	Dr. A.F.M Ruhal Haque	Shareholder	0.06%
44	Mr. Ziaul Haque	Shareholder	0.11%
45	Dr. Mehjabin Haque	Shareholder	0.06%
46	Mr. Manshood Alam	Shareholder	1.29%
47	General Public and Institution through IPO	Shareholder	10.94%
	Total		**100%**

The Board of Directors & Committees





Mrs. Nilufer Zafarullah
Chairman

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

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

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

Mr. Md. Shamsuzzaman
Vice Chairman



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

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

Mr. Master Abul Kashem
Director



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

Mr. Kazi Omar Zafar
Director



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

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

Mr. Kazi Raihan Zafar
Director



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

Ms. Anushka Mehreen Zafar
Director

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



Mr. Abdullah Ahmed Yousuf
Director

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



Mr. Ahsan Khan Chowdhury
Director



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

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

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

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

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

Mr. Rezaul Karim
Director



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

Mr. A.K.M. Badiul Alam
Director



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

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

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

Mrs. Shahnaj Parveen
Director

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



Mr. Md. Kamal Hossain
Director

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



Mr. Md. Wahid Miah
Director



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

Mr. Abdul Momin Mondol, M.P.
Director



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

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

Mr. Hafizur Rahman Sarker
Director



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

Dr. Mostafizur Rahman
Director



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

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

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

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

Mr. Mahbubul Hady Fazle Rab
Independent Director



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

Mr. Nazimuddin Chowdhury
Independent Director



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

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

Mr. Khandhaker Thanveer Shamsul Islam
Independent Director



Mr. Khandhaker Tanveer Shamsul Islam joined the Board of Directors of Midland Bank Limited as Independent Director with effect from September 27, 2022. He is a seasoned senior international banker, who has more than 35 years' experience. He started his banking career in American Express Bank Ltd. as local Management Trainee in Bangladesh in 1983. He also underwent 12 months' long Global Management Trainee assignment in Bank's head quarter in New York. He acted as Senior Director & Head of Corporate Banking and Acting Country Manager at American Express Bank Ltd. in Bangladesh. Subsequently, he worked at ABN ARMO Bank, UAE and Royal Bank of Scotland, Dubai, UAE (after merger) as Vice President and Head of Automotive & Wholesale Banking and Senior Vice President and Head of Credit Portfolio Management and Country Risk Officer respectively. Finally, he worked as Head of Corporate, Commercial Banking and Financial Restructuring and Recovery at Commercial Bank of Dubai, UAE. Mr. Islam is an MBA with major in Finance from IBA, University of Dhaka.

Mr. Mohammad Asif-uz-Zaman
Independent Director



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

Mr. Md. Ahsan-uz Zaman

Managing Director & CEO



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

Committees of the Board of Directors

The Executive Committee

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

The Audit Committee

Sl.	Name	Designation
1	Mr. Nazim Uddin Chowdhury (Independent Director)	Chairman
2	Mr. Mohammad Asif-uz-Zaman (Independent Director)	Member
3	Ms. Anushka Mehreen Zafar	Member
4	Mr. Md. Kamal Hossain	Member

The Risk Management Committee

Sl.	Name	Designation
1	Mr. Ahsan Khan Chowdhury	Chairman
2	Mr. Md. Shamsuzzaman	Member
3	Dr. Mostafizur Rahman	Member
4	Mr. Hafizur Rahman Sarker	Member
5	Mr. Kazi Raihan Zafar	Member

The members of the Shariah Supervisory Council



Professor Dr. Muhammad Abul Kalam Azad
Chairman



Dr. Muhammad Nazrul Islam Al-maruf
Member



Mr. N K A Mobin FCA, FCS
Member



Mr. Rezaul Karim
Member



Mr. Md. Ahsan-uz Zaman
Member

The Profile of Shariah Supervisory Council Members

Professor Dr. Muhammad Abul Kalam Azad - Chairman

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

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

Dr. Muhammad Nazrul Islam Al-maruf - Member

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

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

Mr. N K A Mobin FCA, FCS - Member

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

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

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

Management Committees

Senior Management Team

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

Investment Committee (IC)

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

Asset Liability Committee (ALCO)

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

Risk Management Committee (RMC)

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

Credit Committee

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

Anti-Money Laundering Compliance Committee (AMLC)

1.	Mr. Md. Zahid Hossain Deputy Managing Director, CRO & CAMLCO	Chairman
2.	Mr. Khondkar Towfique Hossain Head of International Division & NRB & DCAMLCO	Member
3.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member
4.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member
5.	Mr. Ashraful Alam Acting Head of Central Operations & Service Delivery Department	Member
6.	Mr. Fazal Abdullah Head of Anti Money Laundering Division	Member Secretary
7.	Mr. Rafikul Hasan SAVP, Trade & Supply Chain Department	Member
8.	Mr. Md. Zubayed Ur Rahman Head of Human Resources Management Division	Member

Social Media and Administration Review Committee (SMAR)

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

ICT Steering Committee

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

ICT Security Committee

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

Sustainable Finance Committee

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

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

ICT Risk Management Committee

1.	Mr. Md. Zahid Hossain Deputy Managing Director & CRO	Chairman
2.	Mr. Md. Zahirul Islam, FCA Head of Financial Administration Division & CFO	Member
3.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member Secretary
4.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
5.	Mr. Md. Zubayed Ur Rahman Head of Human Resources Management Division	Member
6.	Mr. Md. Asraful Alam Head of Legal Division	Member
7.	Mr. Md. Humayoun Kabir FAVP, Risk Management Division	Member
8.	Mr. Mohammad Farid Uddin AVP, Information Technology Division	Member
9.	Mr. Mohammad Hedayet Hossain FAVP, Information Technology Division	Member

Integrity Building Committee (IBC)

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

Purchase Committee (PC)

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

Branch Expansion and Interior Decoration Committee

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

Innovation Committee

1.	Mr. Md. Zahid Hossain Deputy Managing Director & CRO	Chairman
2.	Mr. Md. Nazmul Huda Sarkar Head of Information Technology Division & CTO	Member
3.	Mr. Md. Rashed Akter Head of Retail Distribution Division	Member Secretary
4.	Mr. Mohammad Syejuddin Ahmmed Head of Internal Control & Compliance Division	Member
5.	Mr. Faisal Ahmed Head of Gulshan Branch	Member

Business Continuity Management Committee (BCMCom)

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



From the Desk of the Chairman

Honorable Shareholders, Colleagues and other Stakeholders,

As-Salamu Alaikum,

It is my great pleasure and honor to present the Annual Report for the year 2022 along with the financial statements for your insightful review. I would convey my gratitude to our new investors through IPO for putting confidence in our stocks in a distressed scenario, specially when negative perceptions raised over the banking sector for the governance issues in some Shariah based banks. Inflationary pressure and liquidity crisis made the post-pandemic capital market most bearish in the recent history. By the grace of almighty Allah Midland Bank managed to mitigate all the challenges strongly driven by our good corporate culture and solid foundation of asset books and liability management. As all of you know that banking business is solely based on trust and confidence, we always remain vigilant to maintain our credit portfolio and liquidity. Midland Bank is your bank of choice and shall remain your preferred and trusted bank in many more years to come.

Consistency in the financial performances are derived from the key strengths of our bank that grew over the period due to hard effort of the management and guidance from the board by meticulously following good governance and compliance culture. As of today the steady growth approach certainly differentiated our bank in the financial sector. Besides adequate provisioning and low NPL ratio will incentivize our shareholders in the long run. Since inception, our Board adopted sustainable growth approach. In the long run that will place our bank in the front-line category.

Global economic growth prospects are confronting several headwinds mainly due to the Russia-Ukraine war, multi-decade record high inflation in many economies, interest rate increases in most regions, and lingering Covid-19 effects in some parts of the world, particularly in China. Normalization of policies by withdrawing Covid-related stimulus and adjusting the central bank's policy parameters towards price stability objective is cooling domestic demand with a dampening impact on economic growth.

Inflation has increased worldwide more persistently than anticipated since 2021. It accelerated in 2022 in advanced economies to its highest level since 1982. For 2022, inflation is projected at 7.20 percent for the advanced economies and 9.90 percent for the emerging and developing economies, 1.50 and 1.20 percentage points higher than the forecasts made in April 2022 respectively.

Due to supply chain disruptions and subsequent commodity price hikes, Bangladesh economy has been adversely affected. The uptrend in global price indices moderated somewhat in December 2022 compared to June 2022. If this continues in the upcoming months, the depreciation pressure on the Bangladeshi Taka will ease up to push down the domestic inflationary pressure. However, the downward trend in global energy prices might remain unresponsive to domestic inflation mainly because of administered energy prices in the country. In this regard, the periodic fuel price adjustment in line with the global price is essential.

Bangladesh economy witnessed impressive growth performances during the previous two consecutive fiscal years, reflected by 6.94 percent and 7.25 percent real GDP growth rates in FY21 and FY22 respectively. Our economy has shown strong resilience against the Covid-19 shocks and rebounded sharply, supported by higher growth in industrial and service sectors resulting from improved Covid-19 situation and robust internal and external demand. The growth rate of the agriculture sector is expected to rebound in FY23, due to favorable weather conditions aided by both the fiscal and monetary authorities' supportive policy measures. Overall, 10.58 percent growth in exports in the first half of FY23 met the strategic target set for the period, and negative import growth of 2.20 percent during July-December 2022 has been the outcome of Bangladesh Bank's recent policy initiatives - such as promoting import-substituting economic activities and dissuading imports of luxury goods, fruits, non-cereal foods, canned and processed foods, etc., on top of depreciation pressures of local currency.

The capital market in the country remained somewhat quiet during H1FY23 despite the favorable policies backed by BSEC and Bangladesh Bank. The current adverse macroeconomic situation in the domestic and global economies partly led to the subdued capital market performance. During H1FY23, the trends for all significant capital indices were downward, albeit there was some variation. The DSE market capitalization reached Tk. 7,60,937 crore at the end of December 2022, compared to Tk. 5,17,781 crore at the end of June 2022.

Addressing the increased demand for foreign exchange, Bangladesh Bank sold around USD 7.6 billion during FY22 and USD 12.9 billion during CY2072. The situation was the opposite in FY21; given the huge foreign exchange inflows, Bangladesh Bank had to buy around USD 8.0 billion from the market to neutralize the then appreciating pressure of the Bangladeshi Taka. Consistent with the market condition, the BDT was allowed to depreciate significantly by more than 20 percent, encouraging exports and inward remittances while discouraging imports. As a result, the magnitude of the current account deficit (CAD), a critical source of exchange rate pressure, could be maintained well below 2.00 percent of GDP. Bangladesh Bank is gradually moving towards a market-based, flexible, and unified exchange rate regime (within a 2.00 percent variation) by the end of this fiscal year. Despite all the negativity, interest of the investors for investing in our stocks raises significantly, that reflects in the market price trends of Midland Bank shares. However, lack of the interest of general individual investors in our IPO lead to the issue to undersubscription. However, eligible investors and to whom we are better known for our governance, compliant credit culture, invested overwhelmingly.

During 2022, the Bank registered operating profit of BDT 1,526.73 million and posted net profit after tax at BDT 561.97 million. The Bank earned distributable profit of BDT 322.36 million, higher from BDT 296.52 million in 2021. Total deposit rose by 13.86% to BDT 57,763.01 million from BDT 50,730.04 million in 2021. Loans and advances increased by 15.10% to BDT 52,792.81 million from 45,867.48 million in 2021. However, amount of fee based income decreased from previous year due to reduced forex transaction due to impact of Covid-19 pandemic and it had earned BDT 736.39 million in 2022 compared to BDT 224.19 million in 2021. Shareholders' equity increased to BDT 7,646.54 million from BDT 7,404.21 million, with a increase of 3.27%. Unlike many of our peer competitors, we were well-capitalized, deposit funded and liquid. MDB's capital management framework was intended to ensure best capital composition in relation to business growth. Bank's Capital to Risk Weighted Assets Ratio (CRAR) stood at 14.83% against minimum requirement of 12.50 percent including 2.50% conservation buffer as per Basel III accord. Return on Assets (ROA) and Return of Equity (ROE) improved from previous year and stood at 0.75% and 7.47%, respectively. In a volatile scenario of Non-Performing Loans (NPLs) in the banking industry of Bangladesh, MDB could able to maintain its Non-Performing Loans (NPLs) in below 3% (2.78%), compared to an industry average of above 10.00% .

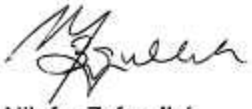
At the end of 2022, our number of branches stood at 37 (thirty-seven) including 18 (eighteen) rural branches, 19 (nineteen) urban branches, 16 (sixteen) sub branches and 109 Agent Banking Centers covering strategically important locations of the country. The Bank ramified its service network by setting 62 (sixty-two) ATM Booths, 11 (ten) Bill Collection Centers and ensure customers access to over 2,500 ATMs through Q-Cash.

The investment portfolio of "MDB Salam" reached at Tk. 2,297.92 million at the end of 2022 as against Tk 2,168.45 million of the last year, an increase of 5.97% compared to last year. Deposit portfolio also grew by 8.66% reaching at Tk. 2,952.89 million at the end of 2022. Our bank is also contributing FCY funding in the market through Offshore Banking Unit (OBU) and gained an amount of Tk.10.25 million as profit for the year 2022 by providing various FCY funding facilities to the institutional customers.

We are in the process of obtaining licenses for fund management under a fully owned subsidiary company of the bank named Midland Bank Asset Management Company Limited. The Board also decided to form an investment company named Midland Bank Investment Limited to cater the future capital market derivatives. Enormous opportunity lying is this sector. We are expecting to start the two subsidiaries by this year, which will contribute to the income growth and diversity in the earnings of the bank.

Our management and board is very cautious in terms and money laundering issues and always took timely measures to take preemptive measures to restrain any such attempts. Continued promotion of the ongoing good governance culture is one of the priorities of your board. We also responded in different noble causes by extending CSR activities and donation program as part of social commitment.

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



Nilufer Zafarullah
Chairman

Report of the Audit Committee of the Board of Directors

Introduction

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

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

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

Formation

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

Organizational Structure of BAC

The 4 (Four) member Board Audit Committee (BAC) of MDB was last reconstituted in the 130th Meeting of the Board of Directors held on 26th October 2022 with the following Board Members:

Sl. No.	Name	Status with the Bank	Status with the Committee	Educational Qualification
1.	Mr. Nazim Uddin Chowdhury	Independent Director	Chairman	MA (University of Ulster, Northern Ireland, UK)
2.	Ms. Anushka Mehren Zafar	Director	Member	B.F.A. (Parsons School of Design, New York, USA)
3.	Mr. Md. Kamal Hossain	Director	Member	MBA (Independent University, Bangladesh)
4.	Mr. Mohammad Asif-uz Zaman	Independent Director	Member	M. Sc. (Dhaka University) Post Graduate Diploma in Accounting (University of Ulster, UK)

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

Participation of non-members:

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

Access to the Committee

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

Roles and Responsibilities of Committee

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

a) Internal Control:

- Evaluate whether management is adhering to the appropriate compliance culture by communicating the importance of internal control and risk management to

ensure that all employees have a clear understanding of their respective roles and responsibilities.

- Review the initiatives taken by the management for developing and maintaining a suitable Management Information System (MIS).
- Consider whether internal control strategies recommended by internal and external auditors have been implemented timely by the management.
- Review the management's corrective measures regarding fraud-forgery reports, deficiency in internal control, or other similar issues detected by internal and external auditors and inspectors of the regulators and inform the Board regularly.

b) Financial Reporting

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

c) Internal Audit

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

d) External Audit

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

e) Compliance with existing laws and regulations

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

f) Miscellaneous

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

Meetings of the BAC

Bangladesh Bank suggested banks to hold at least four meetings in a year. In the year 2022, the BAC of MDB managed to hold 04 (four) meetings and had detailed discussions and review sessions with the Head of Internal Control & Compliance on issues of bank affairs that need improvement. The BAC instructed management to follow those remedial suggestions and monitored them accordingly.

Major areas focused by BAC in 2022 meetings

- Recommendation regarding appointment/ re-appointment of External Auditor(s) of the Bank for the period up to the 10th Annual General Meeting.
- Review and recommend for approval of ICCD activity plan for the year-2022.
- Review and recommend for approval of ICCD activity plan for the year-2023.
- Review and submit a compliance report to the Board of Directors on a quarterly basis on regularization of the omission, fraud and forgeries (if any), and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities.
- Review the performance of ICCD for 2021.
- Review the summary of audit findings by internal auditors and recommend the management for rectification.
- Review the highlight of all Bangladesh Bank Inspection reports and recommend the management for rectification.
- Review all Internal Audit and Inspection reports submitted to the Board Audit Committee.
- Follow up of implementation status of meeting decisions taken by BAC.
- Review of annual financial statements for the year ended 31st December 2021.
- Review of annual integrated health report-2021.
- Review of the Senior Management Team's (SMT) certificate regarding the effectiveness of Internal Control Policy, Practice and Procedure.
- List of approvals taken as Credit Policy Exception

In reviewing the Company's policies and practices with respect to the assessment of the various Internal Audit reports, it is evident that MDB has continued to be efficient in internal control over financial reporting for the year ended December 31, 2022. Since most of the computation is system-based, the possibility of manipulation is almost absent. The Committee has selected International Accounting Standards (IAS), and International Financial Reporting Standards (IFRS) as the accounting standard and accordingly, the financial statement clearly states the compliance with GAAP, SEC, and Bangladesh Bank guidelines.

Priorities for the year ahead

The Committee expects to continue to ensure they reflect the mitigation of evolving risks in 2023 by focusing on the integrity of financial controls, risk governance and controls, cyber security infrastructure, digitalization, automation, customer data security, and a true risk-based audit approach. The Committee expects its internal audit standards to be more effective and efficient for identifying risks in the Bank.

Acknowledgments

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

On behalf of the Board Audit Committee,



Nazim Uddin Chowdhury
Chairman
Audit Committee of the Board of Directors



Managing Director & CEO's Review

Respected Shareholders and endearing Partners,

As-Salamu Alaikum,

Just as we were coming out of the worst of the Covid-19 pandemic, the Russia-Ukraine war that started in February 2022, caused economic imbalance that the country and the world is having have to adjust to, with hardship. In such backdrop, our balance sheet strength, the skill set of our capable staffs, the depth of our products and services that relies on smart usage of technology and the wisdom of our Board of Directors, enabled us to support our customers as they weathered the period taking care of their business and personal needs. As we did so, we managed to grow our business, make the required provisions to mitigate risk, invest in our employees and further improve our technological capability to make it safer and more convenient for our customer to do business with us. Significant progress has been made using technology to achieve digital transformation to conduct payment and banking activites. Lately, private commercial banks have played a leading role in the digital transformation of economic activities in Bangladesh. Even the government owned banks have joined the initiative and made the public and private services much easier to avail by the people of all sphere. The success of Mobile Financial Services (MFS) among the marginal community, that can be seen as a success in the country's financial inclusion, has been driven with the support from the banking sector through inter-availability of money transfer and flexible utilization. Midland Bank Limited (MDB), since its inception, heavily invested in the digital platform with a view to promote its tagline 'bank for inclusive growth' and lead every new digital initiative in the financial sector like NPSB, A-Challan, Bank to MFS transfer and Binimoy –the interoperable money transfer platform. Extending banking services in the unbanked areas is also a key strategy of MDB with a view to including unbanked and marginal communities under financial inclusion.

Economic Environment:

In 2022, Bangladesh's economy portrayed impressive performances by registering 7.25 real GDP growth rate, which shows strong resilience against the Covid-19 shocks. The rebound was mainly supported by higher growth in industrial and service sectors resulting from improved Covid-19 situation and robust

internal and external demand. An export growth of 10.58 percent in the first half of FY23 is expected, while negative import growth of 2.20 percent during the July-December 2022 has been the outcome of Bangladesh Banks's policy initiatives promoting import substituting economic activities and dissuading import of luxury goods and non-essential food items.

Economic recovery from the Covid-19 pandemic continues to face challenges due to the ongoing Russia-Ukraine war as alluded to at the outset of this review. The war has aggravated the supply-side conditions, dropped global growth prospects, and fueled inflation. Considering the global outlook and internal situations, the real GDP growth target has been revised down to 6.5 percent by Bangladesh Bank.

The CPI-based inflation in Bangladesh, which was 7.7 percent in December 2022, went up after the upward adjustment of fuel prices in last August. To combat with the negative impacts of Covid-19 pandemic, the stimulus packages worth of Tk.1,91,919 crore was declared by the Government, which was 5.43 percent of the 2021's National GDP and stimulus packages implemented through Bangladesh Bank worth Tk.1,89,000 crore collectively facilitated faster economic recovery in 2022 by creating higher real GDP growth and strong consumer demand in 2022. However, the increase in credit flow to public and private sectors, the excessive higher import costs due to very high commodity prices and significant depreciation of local currency significantly impacted the liquidity in the financial system. Some Shariah-based Islamic banks have been facing liquidity pressure during the last couple of months. As a result, the bank's total excess reserves and excess liquid assets declined from Tk.26,876 crore and Tk.2,03,435 crore at the end of June 2022 to Tk.6,591 crore and Tk.26,876 crore at the end of November 2022, respectively. The sale of foreign currencies to meet higher import demand than those of export earnings and inward remittances has resulted in a large volume of local currency withdrawal, significantly contributing to the declining trend of cash reserves and liquidity.

Global inflation is set to fall from 8.8 percent in 2022 (annual average) to 6.6 percent in 2023 and 4.3 percent in 2024 – above the pre-pandemic (2017-19) levels of about 3.5 percent. Slowing aggregate demand and weaker than expected inflation in some major advanced economies have prompted investors' anticipation of a further reduction in the pace of future policy rate hikes. However, upside risks to the inflation outlook remain. Given the tension between rising recession risks and monetary policy uncertainty, markets have seen significant volatility. Financial market volatility is expected to remain elevated and could be exacerbated by poor market liquidity.

The escalation of the war in Ukraine remains a major source of vulnerability, particularly for Europe and lower-income countries. A possible increase in food prices from a failed extension of the Black Sea grain initiative would put further pressure on lower-income countries that are experiencing food security and have limited budgetary room to cushion the impact on households and businesses. With elevated food and fuel prices, social unrest may increase.

Banking Environment:

Banking business in Bangladesh is now operating with historically lower spread between the lending and deposit rate. While the highest rate for loans and investments are fixed by the central bank, we are compelled to book deposits at a much higher rate than six percent to manage our liquidity and loan books. As a whole, spread of the private banks in Bangladesh decreased from 3.31% in 2021 to 3.00% in 2022. As the low and no cost fund of MDB increased significantly, our spread shrunk moderately from 3.35% in 2021 to 3.19%. Thus the spread almost reduced half compared to the average spread reduction of the private commercial banks of Bangladesh.

The foreign exchange scarcity among the commercial banks impaired the ability to open import Letter of Credits and subsequent FX payments significantly. However, Midland Bank did better in terms of assisting its customers by extending the foreign currency support and opening Letter of Credits. Few premium customers, who earlier banked with other larger banks are now conducting their banking with MDB, as we are one of the few banks who provided support in the pick crunch period of foreign currency since middle of the year 2022.

Direct impact of Covid-19 pandemic in Bangladesh erased in 2022 after consecutive two years' continuous pressure in the health and economic sector. However, subsequent and indirect absorption of impact in the economy will be long lasting. Now, the government and central bank have to take measures to ease the negative impacts including liquidity and higher inflationary pressure.

Business Strategy:

In 2022, the asset portfolio of the bank grew by 15.72%, as we remained prudent in making credit decisions. As we are very selective in choosing asset customers, our highest effort and focus is continuing to maximize the non-interest and non-funded business.

During 2022, our retail customer relationships increased by 19%, reaching 1,87,647 customer relationships by December 2022. The digital banking customers of our Bank, which increased many fold during the pandemic, is the future base of our retail customers.

In terms of profitability, we did better during the pandemic, registering an operating profit of BDT 1,526.73 million and earning a Net Profit after tax of BDT 561.97 million. MDB Off-shore Banking Unit (OBU) generated a net profit of BDT. 10.25 million in its 3rd year of operation. The Islami Banking window, MDB Saalam also generated gross profit of BDT 24.95 million and I feel grateful for the blessings of Almighty Allah for giving us the opportunity to serve the people through our Shariah banking services. Our wise and prudent Sharia Supervisory Council guides the management

with their wisdom and in-depth knowledge in Sharia law in formulating a range of Deposit and Investment product guidelines.
By the end of 2022, the number of Branches reached 37, amongst which 19 are urban and 18 are rural. Our Sub-branch network reached 16. Agent Banking Centres (ABC) increased to 109 by the end of 2022. We have plan to further expand our service network throughout the country opening of Sub-branches and ABCs in 2023.

Performance:

By the grace of Allah, we managed to close the year 2022 with an operating profit of BDT 1,526.73 million, compared to BDT 1,570.90 million in 2021. However, the net profit after tax stood at BDT 561.97 million, compared to BDT BDT 514.07 million in 2021, i.e. 9.33% positive growth over 2021 indicating the strength in our business franchise. Total assets of the Bank stood at BDT 79,866.87 million up by 15.72% year-on-year. The Bank's loan portfolio and deposits maintained a balanced growth of 15.10% and 13.86% respectively, supported by a customer centric business model. At the close of the year, our loans and advances were BDT 52,792.81 million underpinned by our client acquisition strategy. Our credit lines comprise mostly of corporate portfolio, SME lending and retail loans. Despite the alarming increase of NPL rate across the banking sector, we were able to maintain the NPL ratio at 2.78% compared to 3.17% of the previous year. The Advance to Deposit ratio was maintained at 81.71% at the year-end while CASA contribution to total deposits was 31%, enabling the Bank to gain a competitive margin. Continuous focus on streamlining operations resulted in an improved cost to income ratio of 44.40% consolidating our bottom line. The key financial heath indicators reflect a sound position with Capital to Risk Weighted Assets Ratio (CRAR) of 14.83% at the close of 2022, against regulatory requirement of 12.50 percent including 2.50% capital conservation buffer as per Basel III standard.

In the 10th year of operation, MDB has gained resilience to absorb any sudden shock of deposit outflow by huge improvement in the deposit mix and also withstand NPL shock by keeping provisions at required level. The Management of MDB is conscious of the aftermath of covid-19 pandemic and shall act as per prudent guidance of the Board. At present, 44% of total deposit consists of retail deposits including CASA and aggregate retail, CASA and other small deposits constitute 54.44% of our total deposits base.

Initial Public Offering (IPO):

As all of you are aware, globally the capital market is witnessing sluggish trends. Due to several uncontrollable reasons, which include liquidity issues, withdrawal of foreign portfolio investments in the last couple of years and lack of confidence in the secondary market in general - the capital market scenario in Bangladesh is under stress and witnessing unprecedented recession since last year. Unfortunately, the IPO of Midland Bank Limited commenced in such a situation, where all the above factors were at the peak. While the issue was oversubscribed by the eligible investors against their portion, it was undersubscribed by the general public. As a result, the underwriters had to pick up the remaining portion of the IPO offering of MDB. However, it was quite surprising for all of us that the trade volume and market price of our share was quite impressive since its debut. We believe that this is because of our compliant credit culture, efficient management and the overall corporate governance in place within the organization. Market evaluates every organization discretely in its own way and the investors' interest in investing any shares, which reflects through its share price. The market reaction to our IPO indicates that the investors in Bangladesh still rely on good governance, sustainable growth and future return.

Pleased to Acknowledge:

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

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

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

Sincerely,



Md. Ahsan-uz Zaman
Managing Director and CEO

Directors' Report



Directors' Report

Dear Stakeholders,

The Board of Directors welcome you all in the 10th Annual General Meeting (AGM) of the Bank. It is a privileged pleasure for me to present the annual report along with all relevant financial statements for the year ended on December 31, 2022. In this report, we have endeavored to give the highlights of the global economy along with how we experienced the swings on our domestic economic frontier.

Global Economy

While global economy was recovering strongly from the COVID-19 pandemic, the war in Ukraine posed a setback to the ongoing recovery. A rise in the global commodity prices and sluggish economic activities by war induced supply chain disruption is being observed. International organisations revised their forecasts for economic growth prospects and inflations. As per the United Nations (UN) publication 'World Economic Situation and Prospect 2022', the global economy grew by 5.50% in 2021, the highest growth rate since 1976, after contracting 3.40% in 2020. Global economy is expected to grow by 4.00% in 2022 and 3.50% in 2023. In the World Bank's Global Economic Prospect, January 2022, the global economic growth is projected 4.10% and 3.20% in 2022 and 2023 respectively, while growth was estimated 5.50% in 2021.

Sluggish growth rates between advanced economies and emerging and developing economies will be divergent. Growth in advanced economies is expected to decline from 5.00% in 2021 to 3.80% in 2022 and 2.30% in 2023. This growth rate will be sufficient to restore output and investment to their pre-pandemic trend in these economies. In emerging and developing economies, however, growth is expected to drop from 6.30% in 2021 to 4.60% in 2022 and 4.40% in 2023. The report stressed that by 2023, all advanced economies will have achieved a full output recovery; yet output in emerging and developing economies will remain 4.00% below its pre-pandemic trend. For many vulnerable economies, the setback is even larger: output of fragile and conflict-affected economies will be 7.50% below its pre-pandemic trend, and output of small island states will be 8.50% below.

In the World Economic Outlook (WEO) April 2022, International Monetary Fund (IMF) projected that the global economy will grow by 3.60% both in 2022 and 2023. The projections for 2022 and 2023 are 0.80% and 0.20% points lower than in the January 2022 WEO update. Global growth is forecasted to decline to about 3.30% over the medium term beyond 2023.

Macroeconomic Situation: Bangladesh Context

Bangladesh economy was growing consistently high over a decade crossing 7.00% milestone in FY 2015-16 and 8.00% milestone in FY 2018-19. However, the COVID-19 pandemic reduced the growth rate to 3.45% in FY 2019-20. The economy grew by 6.94% in FY 2020-21. According to the provisional estimates of BBS, the GDP growth stood at 7.25% in FY 2021-22, 0.05% point higher than the target rate and 0.31% point higher than the previous fiscal year.

According to provisional estimate of BBS, per capita GDP and per capita national income stood respectively at US$ 2,723 and US$ 2,824 in FY 2021-22 compared to US$ 2,462 and US$ 2,591 respectively in FY 2020-21. The consumption increased to 78.44% of GDP in FY 2021- 22 from 74.66% in FY 2020-21. The gross investment stood at 31.68% of GDP in FY 2021-22, where public investment and private investment accounted for 7.62% and 24.06% of GDP, respectively. Medium-term forecasts for GDP growth rates are 7.50% in FY 2022-23, 7.80% in FY 2023-24 and 8.00% in FY 2024-25.

Inflation in FY 2020-21 stood at 5.56%, which is 0.09% point lowers than FY 2019-20. Of which food and non-food inflation accounted for 5.73% and 5.29%, respectively. Like all other countries of the world, an upward trend of price level is being observed in Bangladesh as the economic damages created by COVID-19 pandemic which is triggered by war in Ukraine. The point-to-point inflation in March 2022, stood at 6.22%, compared to the inflation rate 5.47% in March 2021.

The recent trends in weighted average lending and deposit rates show downward movement. The weighted average lending rate decreased to 7.10% at the end of February 2022 from 7.48% of end February 2021. Similarly, the deposit rate continuously decreased to 4.02% in February 2022 from 4.44% in February 2021. The reduction in market-based interest rates has been due to the increase in excess liquidity available to banks and the reduction in interest rates, bank rate and refinancing scheme policies adopted by Bangladesh Bank. [source: mof.portal.gov.bd]

Executive Summary

- Growth of broad money (M2) decelerated while growth of credit to the private sector accelerated in Oct'22 than that of the same month of the preceding year;
- Reserve money growth was lower in Oct'22 than that of Oct'21;
- Weighted average call money rate in the inter-bank money market soared to 5.80% in Nov'22;
- Weighted average interest rate spread of all banks and NBFIs narrowed in Oct'22;
- NBR tax revenue collection augmented notably during July-September of FY23;
- Banking sources have been the main component of Government deficit financing during July-October of FY23;
- Headline inflation rate (point to point) inched down in Nov'22 while 12-month average inflation edged up;
- The average general index of industrial production rose significantly during July-August, 2022;

- The disbursement of agricultural credit increased while that of non-farm rural credit dropped during July-October of FY23;
- Both the disbursement and the recovery of industrial term loans increased during April-June of FY22;
- Merchandise commodity exports climbed up during July-November of FY23;
- Merchandise imports rose during July-October of FY23;
- Fresh opening of import LC fell during July-September of FY23;
- Inflow of remittances increased during July-November of FY23;
- Forex reserves registered at USD 33.79 billion as on Nov'22;
- Receipts of total foreign aid and net foreign aid decreased during July-October of FY23;
- Current account balance and overall balance recorded a higher deficit during July-October of FY23.

Movements of monetary indicators

Broad money (M2) recorded to 8.30% growth (y-o-y) at the end of October 2022 as compared with 10.75% growth at the end of the same month of the previous year because of the negative growth of 13.46% in net foreign assets (NFA) of the banking system. On the other hand, private sector credit growth surged to 13.91% (y-o-y) in October 2022 compared with 9.44% growth at the end of the same month of the preceding year.

Reserve money registered a 4.85% growth (y-o-y) at the end of Oct'22 compared to 10.65% growth at the end of Oct'21; due to a decrease of net foreign asset (NFA) by 13.72% at the end of Oct'22, while it had increased by 11.23% at the end of the same month of the preceding year.

Financial sector prices

The weighted average call money rate in the inter-bank money market soared up to 5.80% in Nov'22 from 4.88% in June'22, indicating waning of excess reserves in the banking system. The spread between the weighted average interest rate on advances and deposits of all banks and NBFIs slightly narrowed to 3.02 percent and 1.59 percent respectively in October 2022 from 3.03 percent and 1.63 percent of September 2022.

Public finance

NBR tax revenue collection during July-September of FY23 increased 15.68% to BDT 671,244.50 million against the collection of BDT 580,235.10 million during the corresponding period of FY22. However, this amount of collection during July-September of FY22 was 18.14% of the target set for FY23 (Budget for FY23). Among the three sources (banking system, non-bank and foreign) of government deficit financing, the largest share was from the banking sources during July-October of FY23. Domestic debt to GDP ratio narrowed to 16.05% in October of FY23 from 17.38% in June of FY22.

Inflation scenario and index of industrial production

The point-to-point headline inflation inched down to 8.85% in Nov'22 from 8.91% in Oct'22 while twelve-month average headline inflation was pulled up to 7.48% in Nov'22 from 7.23% in Oct'22.

External sector performance

Merchandise commodity exports during July-November of FY23 increased 10.89% to USD 21,946.06 million compared to USD 19,790.87 million during July-November of FY22. Custom based imports increased by 6.69% to USD 27,560.00 million during July-October of FY23 against USD 25,831.20 million during July-October of FY22. Fresh opening of import LCs during July-September of FY23 fell by 8.57% to USD 18,580.92 million. Total receipts from overseas workers' remittances 2.14% to USD 8,793.12 million during July-November of FY23 against USD 8,608.87 million during July-November of FY22.

Gross foreign exchange reserves of BB reached USD 33,789.62 million at the end of Nov'22 declining from USD 35,808.73 million at the end of Oct'22. Total foreign aid receipts lowered by 25.02% during July-October of FY23 to USD 1970.61 million compared to the level of July-October of FY22. Net foreign aid also lowered by 31.69% during July-October of FY23 compared to the period under review. Deficit in current account balance widened to USD 4501 million during July-October, FY23 from USD 3834 million during July-October, FY22. In addition, overall balance recorded a deficit of USD 4872 million during July-October, FY23 against deficit of USD 1339 which is USD 3533 million higher than the same period of previous year. [source: BB website]

The impact of monetary tightening and cooling export growth will be a major drag on economic growth in 2023/24. It is forecasted that; real GDP to grow by 5.90% in 2023/24, picking up slightly from an estimated 5.50% in 2022/23. It is also considering that financial assistance from the IMF will help Bangladesh to preserve its macroeconomic stability and bolster its foreign-exchange reserves. It is expected that the sovereign will meet its debt repayments (source: Economist Intelligence Unit).

REVIEW OF BUSINESS

Principal activities of the Bank:

The principal activities of the Bank are to provide wide range of financial products (loans and deposits) and services that includes all kinds of Conventional and Islamic banking services to its customers. It offers commercial banking, consumer banking, trade services, cash management, treasury, cottage micro small and medium enterprises (CMSMEs), retail, debit/credit cards services and clearing services to its customers. These activities are conducted through its Branches, Sub-branches, Agent Banking Centers (ABCs), Collection Booths and Alternative Delivery Channels (ATM booths, Internet Banking, Debit/Credit/Prepaid Cards, etc.) across the country. MDB digital banking service is the Bank's flagship product to provide internet based banking solutions. MDB online banking facilities like-fund transfer to utility

bills payment, buying air tickets, paying bills of mobile phones, credit cards, and insurance premiums and then tracking of accounts and even shopping from over 200 retailers. MDB digital banking service is integrated with bkash, Rocket, Nagad and Upay payment system as well. The Bank also provides Off-shore banking services through its Off-shore Banking Unit (OBU) and Islami banking services through its Islamic Banking Window (MDB Saalam).

Strategic Plan:

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

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

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

Branch Network:

Midland Bank Limited commenced its business on 20 June 2013. The first branch was opened at Dilkusha commercial area in the name and style "Dilkusha Corporate Branch" on the inauguration day of the Bank. At the end of 2022, the number of branches stood at 37 (18 Urban and 19 Rural), 16 Sub-Branches, 58 A I Ms, 109 Agent Banking Centers (ABCs) and 11 Bill Collection Booths covering commercially important locations across the country. The Management foresees to open another 2 Urban Branches, 2 Rural Branches, 6 Sub-Branches, 66 Agent Banking Centers in the coming year 2023.

Islami Banking Window (MDB Saalam)

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

Off-shore Banking Unit (OBU):

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

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

We firmly believe that capital base of the Bank is our ultimate strength. This is the first time ever in Bangladesh, all the 4th Generation Banks commenced their commercial operation with huge initial paid-up capital of BDT 4,000 million. Apart from the

paid-up capital, we were able to enlarge the shareholders' equity of the Bank to BDT 7,646.54 million at the end of 2022 from BDT 7,404.26 million in 2021. The Capital to Risk Weighted Assets of the Bank increased to BDT 55,257.43 million in 2022 from BDT 51,240.21 million in 2021. As a result, Capital to Risk Weighted Assets Ratio (CRAR) reported to 14.83% in 2022, against regulatory requirement of 12.50% under BASEL-III regime including 2.50% capital buffer.

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

Core Capital (Tier- I)

Particulars	In BDT Million		% of Growth in 2022 over 2021
	December 2022	December 2021	
Paid-up Capital	5,696.70	5,696.70	0.00%
Statutory Reserve	1,6 26.33	1,408.60	15.46 %
Retained Earnings	322.36	296.52	8.71 %
Intangible Assets	(14.78)	(22.00)	(32.8 2%)
Sub -Total (A)	**7,630.60**	**7,379.82**	**3.40 %**

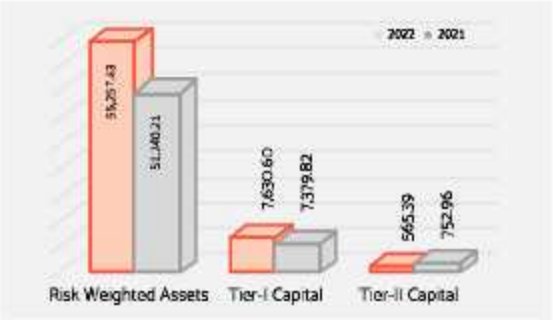


Supplementary Capital (Tier- II)

Particulars	In BDT Million		% of Growth in 2022 over 2021
	December 2022	December 2021	
General Provision	565.39	752.96	(24.91%)
Securities Revaluation Reserve	-	-	-
Sub -Total (B)	**565.39**	**752.96**	**(24.91%)**
Sub -Total (A)	**8,196.00**	**8,132.78**	**0.78%**

Capital to Risk Weighted Assets Ratio (CRAR)

Particulars	In BDT Million		% of Growth in 2022 over 2021
	December 2022	December 2021	
Total Risk Weighted Assets	55,257.43	51,240.21	7.84%
Tier-I (Core) Capital Ratio	13.81%	14.40%	(0.59%)
Tier-II (Supplementary) Capital Ratio	1.02%	1.47 %	(0.45%)
Capital to Risk Weighted Asset Ratio (CRAR) (Minimum Requirement is 12.50%	**14.83%**	**15.87%**	**(1.04%)**



Financial Performance of MDB

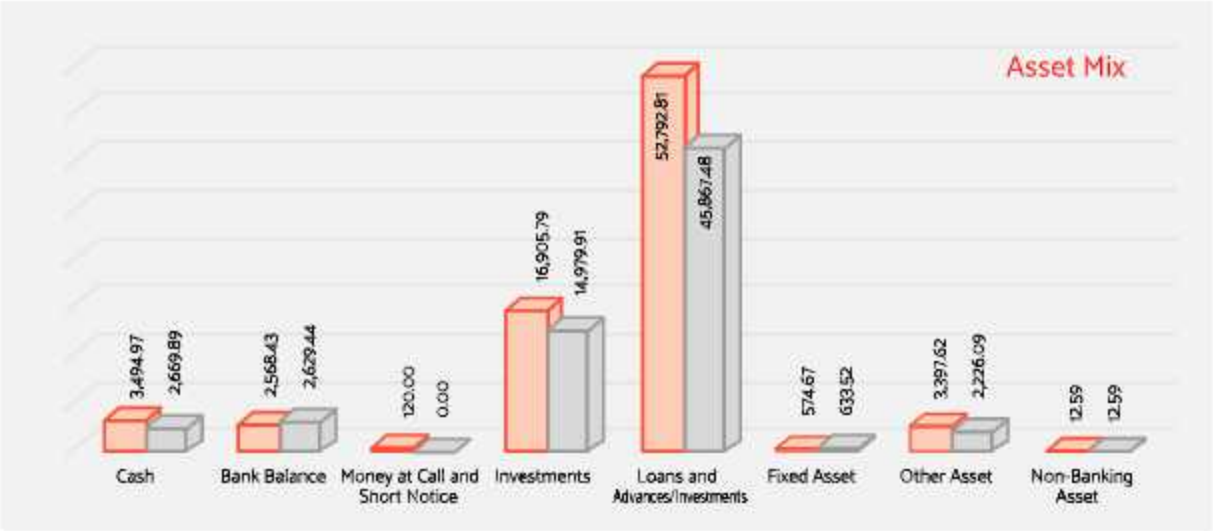
❖ Balance Sheet

Particulars	In BDT Million		% of Growth in 2022 over 2021
	December 2022	December 2021	
Cash and Bank Balances	6,063.39	5,299.33	16.68%
Investments	16,905.79	14,979.91	12.86%
Loans & Advances	52,792.81	45,867.48	15.10%
Fixed Assets	574.67	633.52	-9.29%
Other Assets	3,397.62	2,226.09	52.63%
Non-banking Assets	12.59	12.59	0.00%
Total Assets	**79,866.87**	**69,018.91**	**15.72%**
Borrowings from other Banks, Financial Institutes and Agents	8,243.23	5,949.30	38.56%
Deposits and Other Accounts	57,763.01	50,730.04	13.86%
Other Liabilities	6,214.09	4,935.31	25.91%
Capital/Shareholders' Equity	7,646.54	7,404.26	3.27%
Total Liabilities	**79,866.87**	**69,018.91**	**15.72%**

❖ Assets

Total Assets of the Bank stood at BDT 79,866.8 / million in 2022 compared to BDT 69,018.91 million in 2021, i.e., growth up by 15.72% over 2021. During the year 2022, Loans & Advances growth was 15.10% and Investment in Govt. Treasury bills/bonds and others increased by 12.86% over the previous year 2021. Fixed assets decreased by 9.29% over 2021, due to amortisation of fixed assets and no remarkable assets were procured during the reporting year.

On the other hand, the growth of deposits was at 13.86% and shareholders' equity grew by 3.27% over 2021. The flow in assets was evident in the increase of Loans and Advances, fixed assets and liquid assets as maintained by the Bank. The growth of deposits was used for funding credit growth and holding of securities for CRR and SLR purpose with Bangladesh Bank in accordance with Bangladesh Bank guideline.



- **Cash in hand**

  Cash in hand balance stood at BDT 3,494.97 million in 2022 compared to BDT 2,669.89 million in 2021, i.e., 30.90% growth over 2021.

- **Balance with other Banks, Financial Institutions and its Agents**

  The aggregate position of cash at Banks and NBFIs, including call money was BDT 2,568.43 million in 2022, compared to BDT 2,629.44 million in 2021, i.e., 2.32% behind over 2021, due to encashment of matured placement fund with other Banks and NBFIs for keeping ADR and wholesale borrowing limit in line with regulatory guideline.

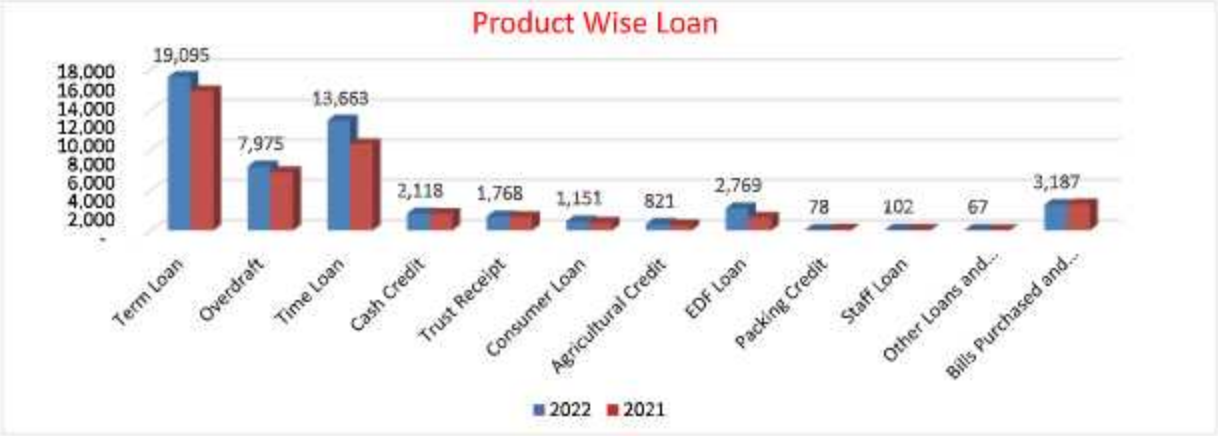
- **Investments**

  During the year ended on December 31, 2022, the investment increased by 12.86% to BDT 16,905.79 million in 2022 from BDT 14,979.91 million in 2021. Bank's investment comprises of government securities of BDT 13,186.01 million and other investments of BDT 3,719.78 million (investment in debenture, corporate bond, etc.). Investment in government securities increased by BDT 824.94 million over 2021, due to fresh investment in Treasury bills/bonds during the year.

- **Loans and Advances**

  Loans and Advances was at BDT 52,792.81 million in 2022 compared to BDT 45,867.48 million in 2021, i.e. representing a growth up by 15.10% year-on-year basis. Yield on loans and advances decreased to 7.47% in 2022 from 7.69% in 2021, due to decrease in the lending rate into single digit, i.e. @ 9% effective from April 2020, as well as increasing NPL during the year. Non-performing Loans (NPLs) increased to BDT 1,469.65 million in 2022 from BDT 1,455.05 million in 2021. NPL ratio decreased to 2.78% in 2022 from 3.17% in 2021.

  Concentration of loans and advances was well diversified details of which are explained in the financial statements (note # 07). Strategic focus on no-compromise with asset quality from the onset of our journey has been pursued in every standard of credit management. Based on contractual maturity terms 52.95% of the current loan portfolio will be matured less than one year, 28.16% will be matured more than one year, but less than 5 years and rest 18.89% will be matured more than 5 years (note # 7.04). Bank's Advance to Deposit Ratio (ADR) at the end of 2022 increased to 81.64% from 83.54% in 2021, marking an efficient mobilization of fund and equity in the most liquid banking industry in Bangladesh during the reporting period.



❖ Fixed Assets and Other Assets

The aggregate amount of written down value of fixed assets of the Bank stood at BDT 574.67 million in 2022, compared to BDT 633.52 million in 2021 (note # 8), demonstrating negative growth of 9.29%, due to amortization of assets, as well as no significant fixed assets procured during the reporting year. On the other hand, other assets comprise of advance income tax, advance office rent, accrued interest on investment, etc., amounted to BDT 3,397.62 million in 2022, compared to BDT 2,226.09 million in 2021 (note # 9B), showing growth of by 52.63% over 2021.

❖ Non-Banking Assets

Non-banking assets are acquired on account of failure of a borrower to repay the loan on time after receiving the decree from the honorable court regarding the right and title of the mortgage property. MDB filed an Artha Rin suit bearing # 539/2017, dated 02.03.2017 against one default customer, A/C: Al-Fahad Air Ticketing and Medical Tourism Limited. The Bank has been awarded the ownership of the mortgage properties according to the verdict of the honorable court in accordance with section 33(5) of "Artha Rin Adalat-2003". The honorable court also orders to charge unapplied interest until 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 and 100% provision has been kept against the said non-banking assets as per guidance of central bank.

❖ Borrowings from other Banks, Financial Institutions and its Agents

The borrowing represented call borrowing, REPO of Treasury Bills and refinances against SME loans from Bangladesh Bank, etc. The borrowings were mainly used for Bank's liquidity, purchasing Treasury Bills/Bonds as a Primary Dealer (PD) Bank, which were devolved on the Bank in excess of CRR & SLR requirements. During the year 2022, Borrowings of the Bank increased by 38.56% to BDT 8,243.23 million in 2022 from BDT 5,949.30 million in 2021 (note # 11).

❖ Deposits

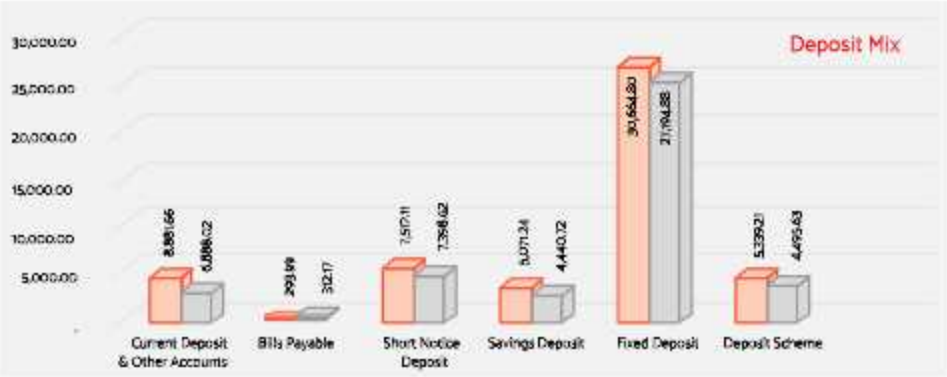
Customer Deposits are core source of funding for commercial banks. To scout the new customers, it was really challenging, being a fourth generation Bank in the industry. However, we were able to manage efficient mobilization of deposit mix. The success was well supported by expansion of Branch Network,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

The Bank successfully enhanced the deposit portfolio to BDT 57,763.01 million in 2022 with a growth of 13.86% compared to BDT 50,730.04 million in 2021 (note # 17). Cost of deposit and cost of fund stood at 5.01% and 6.38% in 2022, respectively as against 4.17% and 5.69% in 2021, respectively. The strong customer-based deposits comprise of individual, corporation, small & medium size enterprises, NBFIs, government entities, NGOs, autonomous bodies and others.

During the financial year 2022, MDB's deposit blend was stable with No-cost and Low- cost Deposits was at 37.67% of total Deposits,

Fixed Deposits to total Deposits was at 53.09% and Scheme Deposits to total Deposits was at 9.24%. A wide range of liability products are now available at MDB to meet variant needs of deposit clients of which are:

Deposit Mix	Outstanding Amount (In BDT Million)		% of Growth in 2022 over 2021	Deposit Mix (%)	
	2022	2021		2022	2021
Current Deposits	8,881.66	6,888.02	28.94%	15.38%	13.58%
Bills Payables	293.99	312.17	-5.82%	0.51%	0.62%
Short Notice Deposits	7,512.11	7,398.62	1.53%	13.01%	14.58%
Saving Deposits	5,071.24	4,440.72	14.20%	8.78%	8.75%
Fixed Deposits	30,664.80	27,194.88	12.76%	53.09%	53.61%
Scheme Deposits	5,339.21	4,495.63	18.76%	9.24%	8.86%
Total Deposits	**57,763.01**	**50,730.04**	**13.86%**	**100.00%**	**100.00%**



❖ Total liabilities other than shareholders' equity

Total liabilities excluding shareholders' equity of the Bank registered growth of 17.21% with a total volume of BDT 72,220.33 million in 2022 against BDT 61,614.65 million in 2021. Core Deposits of the Bank increased by 13.86% to BDT 57,763.01 million in 2022 from BDT 50,730.04 million in 2021.

❖ Equity

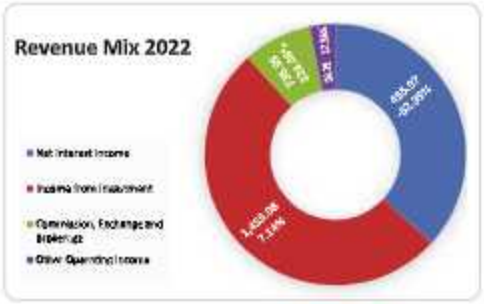
The shareholders' equity stood at BDT 7,646.54 million in 2022 compared to BDT 7,404.26 million in 2021, i.e., up by 3.27% over 2021. Statutory reserve was increased by BDT 217.73 million to BDT 1,626.33 million in 2022 against BDT 1,408.60 million in 2021, i.e., 15.46% up over 2021, while retained earnings increased by BDT 25.82 million to BDT 322.36 million in 2022, as against BDT 296.52 million in 2021, i.e., up by 8.72% over 2021, due to regularization of a large classified loan A/C: Sinha Spinning, which was classified as DF in 2021 by confiscation of its collateral securities of 54 lacs of shares of Lafarge Holcim Bangladesh.

Income Statements

❖ Operating profit and Net profit after tax

The Bank registered operating profit before tax and provision of loans BDT 1,526.73 million in 2022 against BDT 1,570.90 million in 2021, representing 2.81% behind of 2021. On the other hand, net profit after tax increased by 9.33% to BDT 561.97 million in 2022 from BDT 514.02 million in 2021, due to regularized one large loan A/C: Sinha Spinning by confiscation the liened collateral 54 lacs shares of I HBL, which was classified as DF in 2021. As a result, EPS stood at BDT 0.99 in 2022 against BDT 0.90 in 2021 and corresponding ROA during the period grew to 0.75% in 2022 from 0.78% in 2021 and ROE also grew to 7.47% in 2022 from 6.85% in 2021. Besides NAV per share grew to BDT 13.42 in 2022 against 13.00 in 2021. Details of net profit after tax given as under:

Particulars	BDT in Million		% of Growth in
	2022	2021	2022 over 2021
Interest income	3,657.21	3,232.76	13.13%
Interest paid	(3,201.24)	(2,262.66)	41.48%
Net interest income	455.97	970.10	-52.99%
Investment income from Dividend	1,455.08	1,358.11	7.14%
Commission, fees and brokerage, etc.	736.39	224.19	228.46%
Other operating income	98.25	83.72	17.36%
Total operating income	2,745.69	2,636.12	4.16%
Operating expenses	(1,218.96)	(1,065.22)	14.43%
Net operating profit before provision and tax	1,526.73	1,570.90	-2.81%
Provision on Loans and Advances	(438.09)	(444.73)	-1.48%
Net Profit before tax	1,088.64	1,126.17	-3.33%
Provision for corporate tax	(526.67)	(612.15)	-13.96%
Net Profit after tax	561.97	514.02	9.33%
Earnings per share (EPS)	0.99	0.90	10.00%





❖ Net Interest Income

The interest income on loans and advances increased by BDT 424.45 million to BDT 3,657.21 million in 2022 against BDT 3,232.76 million in 2021, i.e., 13.13% growth up over 2021, due to increase loan portfolio by BDT 6,925.32 million during the financial year.

On the other hand, interest paid on deposit & borrowings increased by BDT 938.59 million to BDT 3,201.24 million in 2022 from BDT 2,262.66 million in 2021, i.e., increased by 41.48% over 2021, due to rise in cost of deposit by 0.84 basis point over 2021, as well as our deposit & borrowings increased by BDT 9,326.90 million over 2021. As a result, net interest income decreased by BDT 514.13 million to BDT 455.97 million in 2022 from BDT 970.11 million in 2021, i.e., growth down by 53.00% over 2021.

❖ Operating Expenses

Operating expenses of the Bank increased by BDT 153.74 million to BDT 1,218.96 million in 2022 compared from BDT 1,065.22 million in 2021, i.e., increased by 14.43% over 2021, due to increasing the branch networks and expansion of business activities during the year. By and large, Bank's administrative expenses remained steady during 2022 and other operational cost also kept in control during reporting period. However, a prudent management of expenses and cost-control are our relentless concern and we put in practice of our commitment to fair expenses in all banking operations under a strong accounts and auditing system.

❖ HR Productivity

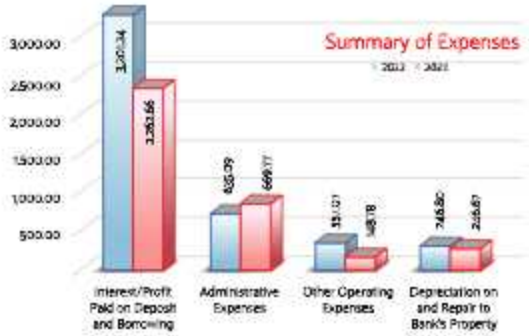
The proficiency of the employees contributed to grow which is evident from the following table:

Particulars	2022	2021	% of Growth in 2022 over 2021
Number of regular employee (excluding contractual employees in 2022 and 2021 were 239 and 225, respectively)	488	486	0.41 %
	In BDT Million		
Operating income per employee	5.63	5.42	3.87 %
Operating expenses per employee	2.50	2.19	13.96 %
Operating profit before provision and tax per employee	3.14	3.23	(2.98 %)
Net profit after tax per employee	1.36	1.06	29.0 0%

❖ General provision against Unclassified Loans (UCL)

General provision against UCLs (Standard & SMA) was BDT 452.40 million in 2022 against BDT 643.11 million in 2021 (note # 13.01).

General provision decreased by 190.71 million over the last same corresponding year, due to release of general provision for regularised of a large loan A/C: Sinha Spinning as DF last year. The Bank also maintained general provision against off-balance sheet exposures of BDT 112.99 million in 2022, compared to BDT 109.85 million in 2021 (note # 13.03) in compliance with regulatory guidelines. General provision is considered as Tier- ii capital of the Bank and acts as safeguard against future default and for supporting business growth by strengthening the capital base of the Bank.



- **Specific provision against Classified Loans (CL)**

  Specific provision is required to keep against classified loans and advances (Sub-standard-SS, Doubtful Debts-DF & Bad Loss-BL) as per Bangladesh Bank guidelines. During the year 2022, Bank's specific provision increased by BDT 499.98 million to BDT 954.67 million in 2022 from BDT 454.69 million in 2021, due to classification of some default loan accounts during the year, so that NPL ratio stood at 2.78% against 3.17% in 2021 (note # 13.01).

- **Provision for investment in Shares/Debentures:**

  General provision against investment in Shares/Debentures/Commercial Papers was BDT 242.94 million in 2022 compared to BDT 133.71 million in 2021. The provision increased by 109.23 million over the last same corresponding period, due to increase in the overdue of treasury investment during the year, as such additional provision has been kept as a matter of regulatory compliance (note # 13.00).

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

  In order to strengthen the financial base and increasing shock absorbing capacity of Banks, BB instructed to keep 1.00% to 2.00% Special General Provision COVID-19 on all unclassified loans including SMA loans. As of December 2022, it was stood at BDT 170.87 million against BDT 186.29 million in 2021.

- **Net profit after tax:**

  As per Income Tax Ordinance 1984 and Finance Act 2022, the Bank has to made adequate provision of current tax and deferred tax. As such, we have made a provision of BDT 526.67 million in 2022 against BDT 612.15 million in 2021 (note # 36.00). After making appropriate provision of tax, net profit after tax stood at BDT 561.97 million in 2022, compared to BDT 514.02 million in 2021, representing 9.33% growth over 2021. The significant growth in net profit after tax during the period is largely due to adjustment of BDT 37.63 crore from recovery.

- **Statutory Reserve:**

  As per section 24 of the Bank Company Act 1991 (Amendment up to 2018), every Bank has to transfer to the statutory reserve a sum equivalent to not less than 20% of its net profit before tax (net profit as disclosed in the Profit and Loss Account prepared under section 38 and before any money is transferred to the Government or any dividend is declared). The Bank has kept adequate statutory reserve as guided by Bank Company Act and the accumulated amount of statutory reserve at the end of 2022 stood at BDT 1,626.33 million, compared to BDT 1,408.60 million in 2021, i.e., increased by BDT 217.73 million, or 15.46% growth over 2021.

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

Particulars	In BDT Million	
	2022	2021
ROE-Return on average equity	7.47%	6.8 5%
ROA-Return on average assets	0. 75%	0.78%
Cost to income ratio	44. 40%	40.41%
Capital to Risk Weighted Assets Ratio (CRAR)	14.83%	15.87%
Advance Deposit Ratio (AD Ratio)	81.71%	83.54%
Non-Performing Loans (NPLs) Ratio	2.78%	3.17%
Earnings per share (EPS) in BDT	0.99	0.90
Net Asset Value per Share (NAV) in BDT	13. 42	13.00

❖ Appropriation of Profit

Profit after tax (PAT) stood at BDT 561.96 million at the end of 2022, compared to BDT 514.02 million in 2021. Profit available for distribution among the shareholders is BDT 322.34 million after a mandatory transfer to statutory reserve of BDT 217.73 million, i.e., 20% on profit before tax, BDT 27.95 million for Corporate Social Responsibility (CSR) and BDT 5.62 million for Startup Fund, i.e., 1% of net profit after tax. The Board of Directors in its 137th meeting held on April 27, 2023 recommended 5.00% cash dividend for the financial year 2022 which will be reviewed and approved by the shareholders in its next 10th Annual General Meeting (AGM).

❖ Summary of appropriation of profit

Particulars	In BDT Million		% of Growth in 2022 over 2021
	2022	2021	
Profit after tax (PAT)	561.97	514.02	9.33%
Retained earnings brought forward from previous year	11.68	17.87	-34.63%
To be appropriated	573.65	531.89	7.85%
Transfer to statutory reserve	-217.73	-225.23	-3.33%
Transfer to CSR	-27.95	-5.00	45 8.91%
Trans fer to Startup Fund	-5.62	-5.14	9.33 %
Distributable profit for the financial year 2021	322.36	296.52	8.71%
Paid up capital (before issue of IPO)	5,696.70	5,696.70	0.00%
Dividend Payout Ratio (before issue of IPO)	5.66%	5.20%	0.46%
Post IPO paid up capital	6,396.70	5,696.70	12.29%
Dividend Payout Ratio (Post issue of IPO)	5.04%	4.64%	0.40%

- We have to pay dividend on the post IPO capital of the bank as per guidance of Bangladesh Securities and Exchange Commission (BSEC). Details as explained in policy note # 2.21 "Event after the reporting period".

Human Resources

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

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

Correspondent Relationship

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

Risk Management

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

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

Maturity Analysis

Assets	Below 1 Year	1-5 Year	Above 5 Year	Total
Interest earning assets	29,565	22,975	17,279	69,819
Non-interest earning assets	4,659	1,806	3,583	10,048
Total assets	**34,225**	**24,781**	**20,862**	**79,867**
Interest bearing liabilities	26,012	35,515	4,479	66,006
Non-interest bearing liabilities	166	2,103	3,945	6,214
Total liabilities	**26,178**	**37,618**	**8,424**	**72,220**
Maturity Gap	**8,047**	**(12,838)**	**12,438**	**7,647**

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

Risks and Concerns

As a fourth generation Bank, Midland Bank has been operating in a challenging environment both internally and externally. Since the failure of one of the fourth generation banks, in failing to pay back depositors money, the growth prospect of all other fourth generation banks have been severely impacted. The asset and liability portfolio size of MDB are the main internal risks. The Board and management are fully aware of the threats and relentlessly working on the growth of the portfolio of the bank in the gradual deteriorating credit culture of Bangladesh. The risk associated with our portfolio size will gradually be eroded over the time as growth of the portfolio of any financial institution is a natural phenomenon. The relevant economic concerns also discussed in the Managing Director and CEO's message and Chairperson's statement.

Green Banking

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

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

Money laundering and Terrorist Financing

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

Corporate Social Responsibility (CSR)

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

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

As per instruction of Bangladesh Bank, MDB formed a dedicated Sustainable Financial Unit, under direct supervision of the Managing Director of the Bank at the Bank's Head Office. As per instruction by the Board of Directors of the Bank, MDB started CSR activities at the time of its inauguration. During the financial year 2022, the Bank spent an amount of BDT 2,78,41,218 for annual CSR activities (details are discussed in CSR report in this annual report).

Corporate Governance

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

Related Party Transaction

The bank previously procured some of the items from related concerns fulfilling the required due-diligence. However, after issuance of the BPRD Circular no. 12 dated 15 June 2022, there is no scope to procure any goods and items from any related party of the bank and we are meticulously complying the circular accordingly. However, work-order allotted prior to issuance of the said circular executed during the financial year 2022 and that have been disclosed in the note# 44 of the notes to the financial statements.

Corporate Sustainability

In order to uphold corporate sustainability, MDB has concentrated in the key areas i.e. nation building, creation of healthy and congenial works place, enhancing the market place, support to the community and fortification of the environment. As a socially conscious and responsible corporate body, MDB is committed to the improvement of the society as a whole. MDB is continuously trying to put its efforts to help the disadvantaged population of the country in the sector of education, health, disaster management, sports, arts and culture, etc. The Bank is contributing a portion of its net profit every year to the CSR Fund. The Bank conducted various CSR activities during the year 2022 (details are discussed in CSR report in this annual report).

Remuneration of Directors and Managing Director

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

Accounting Records

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

Accounting Policy and Implementation of IFRS/IAS

The Board of Directors are responsible for the preparation and fair presentation of Bank's annual financial statements comprising Balance Sheet, Profit & Loss Accounts, Cash Flow Statement, Statement of Change in Equity and a summary of significant accounting policies and other explanatory notes, and the Director's report, in accordance with Bangladesh Bank guidelines, International Financial Reporting Standards (IFRS)/ International Accounting Standards (IAS) and in the manner as required by the Company Act, 1994. The Directors are also responsible for

designing, implementing and maintaining internal control relevant to preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud and error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in this context.

Accounting policies and standards that have been applied in preparation of the financial statements have been descried in a separate report of the Chief Financial Officer (CFO).

Internal Control

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

Standard Reporting

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

Going Concern

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

Internal Control Environment

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

Supplier Payment Policy

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

Shareholders' Value

The Board of Directors is fully committed to enhance the value of its shareholders' investment by earning solid profitability through delivering excellence in services to its valued clients and stakeholders. The Board was able to keep its commitment by settling excellence profitability trends in the year 2022. During the year, earning per share (EPS) stood at BDT 0.99 against BDT 0.90 in 2021, Return on Equity (ROE) at 7.47% in 2022 against 6.85% in 2021, Return on Average Assets (ROA) stood at 0.75% in 2022, against 0.78% in 2021 and Net Assets Value per share (NAV) stood at BDT 13.42 compared to BDT 13.00 in 2021.

Utilization of IPO Proceeds

After completion of the Initial Public Offering (IPO) procedures, Midland Bank received the IPO fund on 23 March 2023 and trading of the MDB shares commenced at DSE and CSE on 27 March 2023. We submitted the IPO Fund Utilization Report, duly audited by M/s. K. M. Hasan & Co., Chartered Accountants (a foreign affiliated firm) to Bangladesh Securities and Exchange Commission (BSEC) by 15 April 2023 as per the condition of the letter of consent of the IPO of MDB. The report on the utilization of IPO fund and auditor's report thereon, which has been duly submitted to the commission, furnished along with the annual report.

Meeting of the Board of Directors

The Board of Directors hold meeting on a regular basis, usually once in a month but emergency meetings are being called when deemed necessary. Management provides information, references and detailed working papers for each of the agenda to all Directors well ahead of the scheduled date for meeting. In each Meeting, the Chairman of the Board of Directors allows sufficient time for the Directors to consider respective agenda item in a prudent way and permits them to freely discuss, inquire, and express independent opinions on the issues of interest so that they can fulfill their duties to the best of their abilities. During the year 2022, a total 14 meetings of the Board of Directors were held.

Appointment of Auditors

Hoda Vasi Chowdhury & Co., Chartered Accountants had conducted the audit of the Bank for the financial year 2022. They have completed 1st term (one year). As such, they are eligible for re-appointment for conducting audit for the FY 2023 as per guidelines set by Bangladesh Bank. The Board of Directors in its 137th meeting held on April 27, 2023 recommended to re-appoint Hoda Vasi Chowdhury & Co., Chartered Accountants as external auditors of the Bank for conducting the audit of the Bank for the financial year 2022. Shareholders of the Bank will approve the appointment of Hoda Vasi Chowdhury & Co., Chartered Accountants in its 10th AGM to conduct the audit of the Bank for the FY2023.

Annual General Meeting (AGM)

The 10th Annual General Meeting (AGM) of the Bank will be held on 14 June 2023. The Directors' Report along with the financial statements of the Bank was approved at the 137th meeting held on April 27, 2023 to be placed before the shareholders of the Bank in the 10th AGM for review and approval.

Outlook of Financial Year 2023

The Management of MDB is conscious of the aftermath of the effect of withdrawal of policy of deferral of further classification if the clients pay 15% of their dues which was ended on December 31, 2022 and single digit interest rate capping effective from 1st April 2020. In this respect, management will operate in a compliant manner as usual taking the prudent guidance of the Honourable Board of Directors to address the situations after December 31, 2022. However, MDB has gained resilience to absorb any sudden shock of deposit outflow by huge improvement in the deposit mix. At present, 37.67% of total deposit consists of individual deposits, retail and small deposits base. Back in 2013, the nine fourth generation Banks initially offered long term loans and advances from short term deposits that they acquired. This approach however caused stress in one new generation Bank that failed to maintain liquidity when irregularities came to surface and eventually had to be reconstituted through government intervention. It is our immense pleasure that MDB has come through the phases by strengthening and diversifying its deposit mix and enhancing corporate governance and maintaining rigorous compliance.

In pursuit of its business growth, the Bank will invariably adhere to good corporate governance practice, appropriate risk management policies, prudent credit policies and practices in order to upkeep sustainable long-term growth and profitability of the Bank for the benefit of all stakeholders. The Bank confidently looks forward to continue sharing its success in delivering greater shareholders' value in coming year 2023.

A Management's Discussion and Analysis duly signed by the Managing Director and CEO presenting detailed analysis of the company's position and operations furnished separately in the Annual Report.

Acknowledgements

I would like to draw conclusion by expressing my debt of gratitude on behalf of my colleagues of the Board to all our stakeholders, patrons, business partners and our most valued clienteles as without their support and patronization as well inspiration it would not have been possible for us to make progress/headway whatever extent we have attained so forth. In the same breath, I would also express my deep sense of appreciation and gratitude to the Government of Bangladesh, Bangladesh Bank, Ministry of Finance, Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chattogram Stock Exchange (CSE), National Board of Revenue (NBR) and other regulatory bodies for their precious guidelines, advice and relentless support. I also appreciate the contributions made by the management team and the rank and file employees of the bank for their dedicated service and handwork, which made it possible for us to churn out the expected financial result in the face of headwinds and challenges. I am also very much thankful to my colleagues on the Board who have proved themselves as very much supportive in giving strategic policy guidance towards taking this institution to the next growth trajectory. I confidently believe that In-Sha-Allah by the grace of the Almighty and by virtue of the dedicated effort of our professional management team will be surely succeed to reach our cherished destination that is to turn Midland Bank into the one of the finest financial institution with resilient financial footing with sound fundamentals.

On behalf of the Board of Directors,



Nilufer Zafarullah
Chairman

Performance Overview by Different Divisions/ Departments

INSTITUTIONAL BANKING DIVISION

Banking industry experienced a challenging year in terms of liquidity, governance, foreign exchange volatility in 2022. Moreover, tensions in global political arena, particularly war & resultant anxiety in Europe, the largest destination of export from Bangladesh, has affected primarily RMG & Textile sector and in-turn overall economic growth of Bangladesh.

Despite the challenges in 2022, Midland Bank Limited was able to steer through the difficulties and secure significant growth while being cautious. Towards growth, Institutional Banking Division (IBD), the major contributor to the Bank's income and portfolio, achieved its objectives through professionalism, dedication, hard work and service orientation.

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

The Asset portfolio of IBD has reached to BDT 4,700.00 Crore with only 2.36% NPL, a ratio which is one of the lowest in the industry. IBD has also achieved milestone in trade volume of USD 360.0 million despite the slowdown in Export-Import. IBD also onboarded prominent corporate entities in all sectors e.g. multinationals, public sector and large local corporates.

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

Regular institutional products

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

Structured finance unit products/services

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

Financial performance

Despite the difficult market condition and myriads of challenges, IBD continued a steady growth. Total IBD loan and advances in 2022 stood at BDT 4,700.45 crore which was 89% of total loan & advances worth BDT 5,279.78 crore of the Bank. IBD deposit balance remained at BDT 1,059.37 crore which is 19% of total deposit of BDT 5,542.95 crore of the Bank.

IBD performance at a glance:

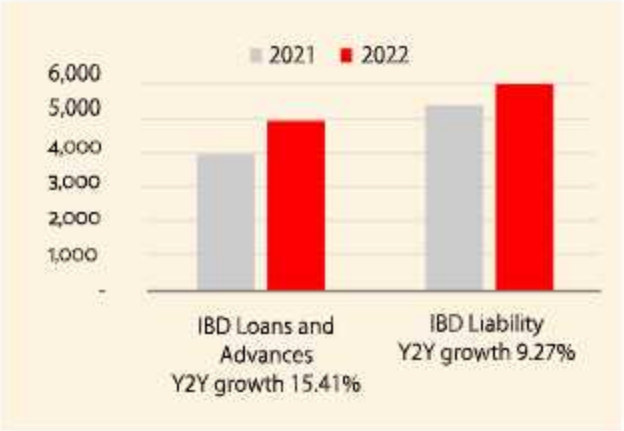


Chart 1: IBD portfolio position in 2022, in comparison with 2021

Major Deals and Achievements

In addition to the above accomplishment in terms of earning and portfolio base, IBD bagged some of the remarkable achievements in 2022 as presented below:

- Midland Bank Limited (MDB) received term loan of USD 15.00 Million from responsAbility Investments AG. A Swiss based impact asset Management Company. This was the first FC denominated borrowing that the bank was able to secure overcoming the country risk & industry concerns that prevailed throughout 2022 and continuing. This by itself exhibits the strength of MDB where overseas lenders has put their confidence on the Bank at the most unfavorable time.

- MDB IDB recovered a significant portion of classified loan last year which directly contributed to banks profitability.

- Midland Bank Limited, being one of the Participating Financial Institution (PFI), disbursed an amount of Tk. 80.00 Crore out of total 340.00 Crore arranged by lead arranger IDLC Finance Limited, under IPFF II Fund of World Bank through Bangladesh Bank to establish, develop, operate, maintain and promote City Economic Zone.

- Participated with a substantial amount in a syndication deal with SCB, IDCOL and Islami Bank for establishment of a Glass Manufacturing Factory with a project cost of Tk.1132.28 crore namely "Akij Glass Industries Limited" of Akij Group.

- Midland Bank Limited have already signed following pre-financing / refinancing scheme with Bangladesh Bank:
  - Green Transformation Fund (GTF)
  - Export Facilitation Pre-Finance Fund (EFPF)
  - Refinancing Scheme for Ship Building Industry

Challenges:

We know that challenges will always be there & we have to open window of opportunity amid difficulties. The macroeconomic environment in 2022 posed some major challenges for banking sector, arising & extending from post-covid impact to major political and economic issues in global arena that left behind systemic ramification on the overall industry. Among the wide range of challenges IBD faced, the following major challenges have called out for strategic action:

- Conflict in global theater that followed the negative impact of Covid-19 has substantially lowered the consumer demand in Europe primarily and also in America. This significantly affected 'Fast Fashion' clothing shipment to the largest export destinations of Bangladesh. This jeopardized the inflow of foreign currency from RMG sector that the country is so heavily reliant on.

- The slowdown in export, and remittance as well, arising from global conflicts, resulted in inevitable deceleration of Import.

- Lower private credit growth was unavoidable due to decelerated export & import.

- The pressure on balance of payment due to slowed down export & remittance in turn have exerted pressure on sovereign credit ratings of Bangladesh & lead to devaluation of BDT against USD.

- Lending rate cap, while required to ensure continued economic activity amid overall downturn, has shrunk the spread, impacting overall profitability of the banking sector.

- Volatility in Bank's liquidity position

- Due to stagflation, recovery of outstanding loans and interest accrued thereon became difficult. This posed a threat in terms of rising loan classification which significantly shrinks bottom line distributable profit.

Outlook and Strategies:

In the year 2022, our major focus revolved around the following strategic moves:

- Build and develop a balanced portfolio both in asset and liability for ensuring sustainable balance sheet growth of the Bank.

- Increased due diligence while onboarding new clients adhering to banks credit policy and compliance.

- Taking exposure across different industries to diversify portfolio and mitigate sector wise risk concentration.

- Ensuring maximum NPL recovery throughout the year to minimize provisioning against loans & suspense of interest income.

- Look for alternative investment opportunities and non-funded income.

- Getting access to soft loan/low cost financing from multilateral and bilateral lending agencies.

- Hedging the risk of importer clients through derivatives amid exchange rate volatility and also to advice for natural hedging by redirecting clients to BDT denominated import financing from preferred & popular USD denominated post-import financing where the clients' revenue inflow is in BDT.

- Strive for continuous innovation in product design

- Develop a robust customer centric IT platform to ensure ease of transaction & also to increase velocity of money circulation in line with guidance & macro-economic objective of controlling authorities.

Concluding remarks:

IBD takes the opportunity to thank all of our clients, stakeholders, shareholders and regulatory bodies for their continuous support and guidance. Constant strive to be the finest in the industry has created a momentum for adopting best banking practices, promoting a sustainable diversified portfolio within the compliant regulatory framework. Last year, in spite of several challenges IBD Team exhibited its core strength by containing the overall bank's NPL within 2.78%. At this point, we also express our gratitude to Bangladesh Bank for coming up with directives to ease out customers' payment obligation thus, helping to avoid classification. In IBD, we always welcome and embrace a culture of being innovative, resilient and customer focused.

Retail Distribution Division

Retail Distribution Division (RDD) has achieved a steady growth throughout the year of 2022. A total of 37 Branches, 16 Sub-Branches, 109 Agent Banking Centres and 11 Collection Booths are upholding the MDB brand and retail banking presence across the country. In 2022, MDB opened two more Urban Branches at Rangpur and Barishal along with 3 Sub-Branches with attached ATM Booths and 17 more Agent Banking Centres to reach out new geographical locations across the country and added value to its local communities.

Banking sector has seen more challenging situations in the year 2022, due to worldwide economic catastrophe. Despite the challenges, MDB has confirmed its commitment to increase the deposit and loan products of the bank through trustworthy customer base, flawless services and commitment. The number of customers has grown by more than 19% in the year 2022.

Management Information System

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

Branch & Individual Scorecard

Branch and Sub-Branch Performances are evaluated through Branch Scorecard on quarterly basis both in urban, rural and Sub-Branch categories. Also, Branch employees' performance are measured through Individual Scorecard.

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

Value Added Services

In MDB, we prioritize customers' needs ahead of all. Every products and services have been designed to serve the purpose of the customers. In 2022, the challenging situation arose for the continuation of pandemic and worldwide economic crisis, where, demand of need based value added services (VAS) was observed, where MDB focused on. Our debit, credit and prepaid card holders are now able to register midland online from anywhere, anytime. A-Challan System was made handy through which customers can pay income tax, e-passport fee, VAT etc easily. Besides, clients can pay different types of government fees using midland online avoiding going to the branches. QR code was introduced through which customers can withdraw cash without card or cheque just scanning the QR code in cash counter. Also, midline online extended its services through 'EkPay' for its customers to pay utility bills of Bakhrabad Gas, Jalalabad Gas, West Povver Zone, KWASA, Land Tax etc. Digital Gifting system (Xtra) got a new dimension in 2022 through which customers of MDB can gift to their near and dear ones very easily.

Product Development

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

Deposit Products

Regular Products	MDB Current Deposit	Specialized Products	MDB College Saver	Digital Products	MDB Digital Family Support Scheme
	MDB Fixed Deposit		MDB School Saver		MDB Digital Fixed Deposit
	MDB FD Plus		MDB e-Saver Account		MDB Digital Monthly Savings Scheme
	MDB FD Plus Corporate		MDB CPP Savings		MDB Digital Savings Account
	MDB Fixed Deposit Corporate		MDB Shikhsha Sanchay Scheme		MDB Digital Double Benefit Plus Scheme
	MDB Interest First	Scheme Products	MDB Super Monthly Savings		
	MDB Super Saver		MDB Family Support Scheme		
	MDB Time Deposit		MDB Double Benefit Plus Scheme		
	MDB Time Deposit -Corporate		MDB Kotipoti		
	Savings Account General		MDB Millionaire Savings Scheme		
	Savings Account Staff		MDB Platinum Savings Scheme		
	Special Notice Deposit		MDB Travelers' Savings Scheme		

Loan Products

Regular Products	Personal Loan (EMI)
	MDB Car Loan (EMI)
	MDB Home Loan (EMI)
	MDB Amar Bari (EMI)
	House Building (Res)
	MDB Secured Loan (EMI)
	MDB Secured Overdraft
	Overdraft-FO

The Future Path of Retail Distribution Division

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

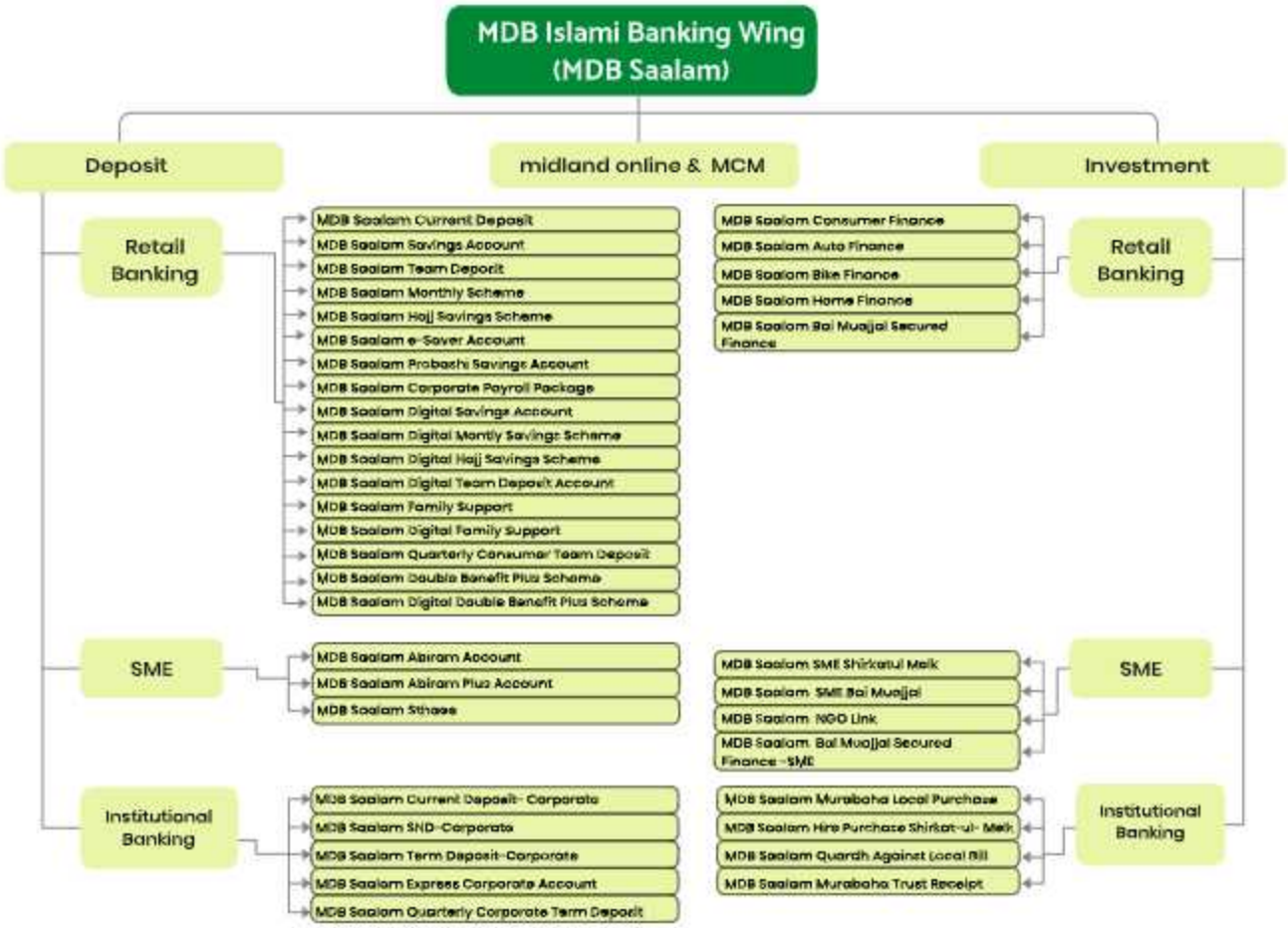
Islami Banking Department (MDB Saalam):

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

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

MDB Saalam having age less than 3 years, has become very popular among customers. On December 31, 2022 MDB Saalam recorded continuous growth in all segments. Total number of accounts under Islami Banking increased to 3876 in year 2022 from 2439 of 2021. On December 31, 2022 deposit portfolio of 'MDB Saalam' stood at BDT 295.29 Crore and investment portfolio at BDT 229.79 crore, while registering operating profit of BDT 2.49 crore.

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



Retail Sales Department

Retail banking is fully consumer-based business where individual banking needs are being addressed. This can be a complete banking package including deposit, loan, cards & others personalized services. Midland bank always focuses to acquire quality customers, maintaining a good quality retail product to serve various need of the customers. MDB Retail Sales Department has been established on 1st October, 2022 with the following business units.

The key roles of the Department:

- Generating new business
- Achieving Monthly, quarterly & Yearly Business target
- Customer complain management & ensure customer better services
- MIS & Reporting
- People management & market research work with policy Development
- Outpacing the competition

The main goal of MDB Retail Sales Department is to escalate retail business with better customer services.

CMSME FINANCING

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

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

Bangladesh Bank envisaged priority in segments like women entrepreneurship, micro enterprise, cottage industries, under privileged groups, 3rd gender, ethnic groups etc. with refinancing opportunity at lower rate of interest. MDB disbursed loan of Tk. 158.28 crore to the women entrepreneur during the year 2022 which is an outstanding achievement for the Bank.

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

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

AGRICULTURAL CREDIT

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

In view of the imminence importance of agriculture sector, Midland Bank allowed more than 2.5% of its portfolio to crop sector at convenient rate through Non-government organization as per BB set target. Besides, substantial credit facilities have also been allowed to non-crop sectors like pisciculture, livestock etc. MDB also plans to deliver Agri credit facility through their own distribution channel.
For the fiscal Year 2021-2022 (based on July to June), MDB's disbursement target in agri lending was Tk. 75.00 crore. MDB achieved its target for the financial year 2021-2022 by 100.53% & Special Agriculture Credit at 4% concessional Interest Rate by 100.00%.

INTERNATIONAL DIVISION

International Trade is one of the challenging areas of banking operations yielding higher income for a bank. Midland Bank's International Division is enabling and facilitating bank's overall FX Transactions, Foreign Trade (Import and Export), Foreign Currency business, Corporate and individual Remittance services. For these, International Division maintains a very wide-ranging and robust local and

overseas correspondent banking relationships. The bank has 16 NOSTRO accounts in the major international currencies with reputed Banks. International Division strives towards establishing new business streams constantly to facilitate the bank's growing FX and trade businesses.

Foreign Trade Services

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

MDB's import volume was USD15528 million in the year 2022. The banks import business facilitation consists of items like capital machinery, industrial raw materials, consumer goods, etc. On the other hand, MDB's export volume was USD181.77 million in the year 2022. The banks export business facilitation consists of ready-made garments, frozen foods, jute products, still scrap etc.

NRB & Remittance Service

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

Total amount of wage and other remittance receipt through the channels during 2022 stood at USD41.58 million. MDB is deliberately working to reach the remittance concentrated areas of Bangladesh as well as persistently widening its footprints to the global remittance market through relationship-building with different overseas exchange houses/banks.

Offshore Banking

With a view to catering the banking requirements of non-resident customers, Midland Bank has established Offshore Banking Division in 2020. OBU acts as a unique solution for the banks around the globe to carry out international banking business which involves foreign currency denominated assets and liabilities taking the advantages of low or non-existent taxes/levies and higher return on investment. At the end of 2022 MDB OBU has an asset size of USD23.00 million.

TREASURY DIVISION

Market Outlook 2023

Year 2023 was a year of volatility and challenges for Treasury wholesale market because of the ongoing global war induced uncertainty. Money market liquidity experienced compression and instability during the last half of the year. Commercial Banks had to take support from Bangladesh Bank in the form of Repurchase Agreement (Repo) and Assured Liquidity Support (ALS) during the period. In the second half of the year, due to various news on banking sector, economy experience large deposit withdrawal, resulting in tight money market situation. Current account deficit increased further compared to same period of previous year. Yield of government Bill-Bond rate experienced upward movement due to lower liquidity, high demand for funds from the private sector, increased government borrowing and higher rate expectation. USDBDT rate depreciated at a faster pace due to higher import payment and widening of current account deficit.

Midland Bank Treasury

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

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

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

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

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

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

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

Midland Bank Treasury Performance in 2022

Midland Bank treasury deliberately runs trading book with a view to earn profit by investing different asset classes of longer term and funding this trading book by borrowing on shorter term. In 2022, total foreign exchange transaction volume was $100073 million compared to $9461.7 million in 2021, posting a transaction growth of 9.56%. Also, Midland Bank treasury was very active in secondary bond trading. Total secondary bond market transaction turnover by Midland Bank in 2021 was Tk. 41,132 million which was almost 3.61% of entire market.

Treasury Priorities in 2023

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

AGENT BANKING

Midland Bank obtained agent banking license from Bangladesh Bank on July 10, 2016 and started its operation on January 23, 2017 with launching first Agent Centre. Midland Bank Limited closed the year 2022 with 109 (One Hundred and Nine) Agent Banking Centres across the country in different locations. As usual, Midland Bank preferred those areas in establishing new agent banking centres where modern banking facilities are unavailable.

Midland Bank today provides a wide range of banking services through agent banking centres in 29 Districts and 65 Upazilas across the country to ensure the safety of customer deposits and provide modern banking services. Through Midland agent banking centres, we provide services like account opening, fund transfer, deposit and withdrawal, utility bill receipt, foreign remittance disbursement, debit and credit card issuance. Besides this, we are able to transfer money from Midland Bank to Mobile Financial Services (bKash, Rocket, Nagad, Upay) and also able to transfer money from Rocket to Midland Bank Account. Customers can avail Islamic banking services besides conventional banking from any agent banking centre.

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



MDB CARDS

MDB Card Products

MDB VISA Credit Cards

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

MDB VISA Debit Card

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

MDB VISA Prepaid Card

MDB Prepaid Card, denominated either in local currency or in US dollar, available at the counter of all branches of Midland Bank Limited for selling this card to MDB's customer and non MDB's

customer. This is a dual currency card, meaning it is accepted in abroad to make foreign trip hassle-free and convenient. This prepaid card can be used to withdraw cash and make purchase over millions of merchant establishments displaying Visa logo. It gives 24-hour access to cardholder's money. Cardholder can top-up this card through NPSB, BEFTN, Rocket and midland online without visiting a branch.

New Initiatives

e-Alert:

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

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

Instant Prepaid Card top-up through Rocket:

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

New Initiative:

PCIDSS:

Midland Bank, achieved PCIDSS (Payment Card Industry Data Security Standard) compliance certificate for its Card Business. Payment Card Industry Data Security Standard is a set of security standards designed to ensure that all related parties that accept, process, store or transmit Credit Card information maintain a secure environment. Organizations that handle cardholder data are required to comply with the PCIDSS and to undergo regular security assessments to ensure ongoing compliance.

Green PIN:

Digitalized service is the newest addition under the technological advancement of the Bank. launched Green PIN for MDB Visa Card for their customers. Now, customers can set and re-set PIN number of their Debit, Credit and Prepaid Cards themselves through the Bank's website. The Bank offers multiple customized solutions to its valued customers to meet their varied needs. The initiative of Green PIN was introduced to popularize paperless banking that will work in favor of both the employees as well as the customers of the bank. This initiative is being hailed as a great move towards saving paper

Virtual Prepaid Card:

Launched MDB Virtual Visa Prepaid Card for their customers specially designed for the new service.

Now, customers can avail MDB Virtual Visa Prepaid Cards through the Bank's robust internet banking application "midland online". MDB has always been active in implementing technology based solutions. The Bank offers multiple customized solutions to its valued customers to meet their varied needs. This digitized version of MDB Visa Prepaid Card is the newest addition under the technological advancement of the Bank.

Virtual payment cards can revolutionaries that manage and make payments, saving teams around the world hours in admin as well as excessive fees. Generally Virtual cards authorize the card access quickly and without using a physical card. Virtual cards are an excellent reduced-risk option to avoid troublesome occurrences such as card loss, theft, hacking or temporary misplacement.

MFS Integration:

On boarded UPAY MFS leading Mobile Financial Service provider in Bangladesh through midland online

Now Midland Bank customers can get instant fund transfer facility from their MDB account to UPAY through midland online (Mobile App). In future, fund transfer facility from UPAY to MDB Account and remittance transfer service will also be available under this agreement.

Updated Midland online through new API for overseas customer service.

Upcoming Facilities:

Prepaid card issue through midland online through e-KYC:

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

Real-time Credit Card payment update:

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

Loyalty point redemption through Midland online:

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

ATM fund transfer:

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

Agreement Signing with new Payment Scheme:

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

Visa Contactless Payment:

Midland Bank has recently arranged to live the Visa contact less payment method. By enabling the Visa contact less payment technology, we can give cardholder a better customer experience. The test certification file has obtained from Visa and necessary testing in on going. After successful testing we will go for commercially soon.

Information Technology

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

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

On the changed scenario, MDB digitalized banking services for both individual and corporate customers that allow customers to do contactless banking without visiting any branch/sub-branch/agents. Further to that, the bank connected with modern payment systems of country and introduced technology enabled systems, expediting digital experience of our clients, keeping them abreast of changing scenarios. Last year we have connected with new payment systems of Bangladesh Bank, "Binimoy", an interoperable digital transaction platform, using which customers shall do transaction between Banks, MFSs, PSPs, PSOs etc. Moreover, we have tied up with leading mobile wallet service in the country, to transfer/receive money from/to customer's bank account. In addition, we have allowed our customers to manage his/her cards transaction through midland online. The new features added value with our current features getting account statement, maintain inter & intra bank fund transfer, pay utility and credit card bills.

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

Making way for Customer Feedback

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

MDB never sleeps

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

Key Priority in 2022

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

Customer Services And Complaint Management

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

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

HUMAN RESOURCES MANAGEMENT DIVISION

Human Resources are considered to be critical resources to the success of Midland Bank Limited (MDB). The past two years, during the pandemic, our people faced various challenges, in different ways, impacting both our personal and professional lives. Considering the scenario, we are gratified of the way our people has responded to these challenges, and the way they have continued to support our valuable customers. We are continuously striving to focus on our culture, mindset, wellbeing and development for our people. We aim for building competent, skilled and professional human capital base for the Bank. We believe that everyone has a latent talent, and for that we try to find out the underlying talent of our employees and help them to utilize it properly towards achieving individual development goals, as well as the organizational goals. Our vision is to be the employer of choice in the financial industry, where the employees will work with pride and pleasure. Our goal is to assist the Bank in achieving its strategic mission, while ensuring its employees are engaged and motivated to help the organization succeed.

Recruitment & Orientation

MDB recruits, retains and engages the talented resources to succeed, providing an environment that enables them to shape their careers and achievements. HRMD is focused on acquiring people with the expertise and competencies to support the strategy of MDB. At the heart of our recruiting approach, is a focus on strengthening our relationships with local talent pools in the areas within which we are hiring, including reaching out to local communities and upskilling local students. People with diverse perspectives and life experiences make our organization robust, so we are committed to attracting, developing and retaining a workforce that is as diverse and inclusive as possible. The recruitment and selection process comprises sourcing potential candidates and they undergo through recruitment process as per policy of MDB.

Payroll & Reward Management

MDB maintains a steady and competitive payroll and reward management process in entire lifecycle of any employee among the banking industry. MDB provides a competitive package, yearly incentive and annual increment based on performance appraisal to the employees. In addition to these, MDB has other reward activities for the people, such as cash reward on Banking Diploma Completion, Integrity Reward, etc. to motivate the employees. We promote a culture of continuous feedback, encouraging all the people to have regular performance conversations with their supervisors throughout the year. This happens in addition to the annual performance review process that applies to all permanent and contractual employees. This ensures our people are able to keep broadening their skills, emphasizing their personal development and working in a way that reflects our values and mindset.

Talent Development

MDB believes that our Human Resources has the potential to continuously grow. We are devoted to cultivating a culture of lifetime learning and development proposition, which is designed to support the Human Resources at every phase of their career. A wide range of development opportunities are available to help our people build their careers, delivered through on-the-job, classroom based and online training activities. We are also committed to cultivating leadership skills among the people, whether they are in a leadership role or not, through mentoring and coaching methods.

HRM Operations

Human Resources Management policies of MDB are designed to recruit the finest people, provide equal opportunities and create a comprehensive culture, in line with our values and in support of our long-term success. They also reflect relevant employment law according to the guidelines of our Regulators. We expect our people to treat their colleagues with dignity and respect, and handle discrimination with zero tolerance, bullying, sexual harassment or victimization on any grounds. We are committed to pay our people fairly and appropriately relative to the role, skills, experience and performance. Other HR Operational works includes separation of employees, placement, leave management, disciplinary procedures, attendance management, compensation and benefits and so on.

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

CREDIT ADMINISTRATION DIVISION

Credit Administration Division (CAD) is responsible for administering loan documentation, disbursement, settlement, reporting and monitoring health of asset for Corporate, SME and Retail portfolio. CAD plays major role in disbursement and maintenance loan information in CBS.

CAD plays pivotal role in establishing the values of credit discipline within MDB which contributes to meet the requirements of risk possession and accountabilities, also ensures positive approach to the implementation with all stipulated laws and regulations.

CAD was established in 2014 with the accountability of executing all post approval activities of loans and advances sanctioned by CRMD and Branch Manager. Later on CAD had started its centralized operation in March, 2015 with enhanced work periphery both of pre and post approval activities with centralized CAD at Dhaka and regional CAD at Chattogram. CAD has contributed in digitization of loan documentation process, CBS upgradation, digital archival etc.

It is to be noted that Ministry of Land has initiated "Land Mortgage Database Automation" project in 2022 under "E-Mutation" system where CAD represents MDB as project lead, hopefully the project will be implemented by 2023.

The key functions of CAD are as follows:

- **Pre-approval functions:**
  - Valuation coordination and obtain valuation report from enlisted surveyors
  - Obtain Legal opinion for proposed collaterals by enlisted Lawyer
  - Collect CIB report
  - Searching of Property documents through enlisted Lawyer

- **Post-approval functions:**
  - Preparation of Sanction Letter
  - Preparation of facility Documents
  - Execution of security (Mortgage, RJSC Filling, Registration with Authority, Share lien etc)
  - Limit setup, Disbursement, Transaction & Loan maintenance
  - Preparation of LDCL and MIS for deferrals, Insurance, Land Tax, etc.
  - Custodian of loan files and Vault management

- **Loan maintenance:**
  - Charging of interest, penal and various charges
  - Interest suspense treatment
  - Provisioning execution
  - Maintaining loan classification status in Bank's CBS properly.
  - Input of Mortgage Data in "Land Mortgage Database Automation" of Ministry of Land.

- Reporting:
- CL Preparation and Report to BB
- CIB MIS preparation and Report to BB
- Regulatory Reporting
- Maintain covenants MIS & compliance

- Audit & Compliance:
- Coordinate with Audit Team (Regulatory/External/Internal)
- Ensure compliance and alleviate operational lapse

LEGAL DIVISION

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

Key status of 2022:

Legal division has taken appropriate legal steps for quick disposal of cases and suits, which is pending before the Learned Court, the contribution is very significant to achieve the goal of MDB. Total pending suits/cases no.62, suit value Tk.108.30 crore, disposed 20 suits/case in this year and recovered Tk.23.21 crore under suit accounts in this year. At first we shall try to settle any legal dispute through A.D.R. or Arbitration outside of the Court. However, bank has obtained 3(three) ownership/possession certificate under section 33(5) and 33(7) of Artha Rin Adalat Ain-2003. The achievements of all components which is higher than previous year and obtained land mark judgment from Honorable Appellate Division in CPLA No.720/2022 against M/s. Yellow Line and S. Karim Enterprise case for taken positive step(s).

ANTI-MONEY LAUNDERING

Anti-Money Laundering (AML) is a critical component of the financial services industry, and at Midland Bank (MDB) we take our responsibility to prevent money laundering, terrorist financing, and other financial crimes seriously. Both money laundering and terrorist financing can weaken individual financial institution, and they are also a threat to a country's overall financial sector reputation. Combating money laundering and terrorist financing is, therefore, a key element in promoting a strong, sound and stable financial sector. MDB have been ensuring compliance with the existing Laws and Acts of the country and other relevant regulations from its inauguration journey.

Over the past year, MDB has continued to enhance its AML program, including implementing new technologies and procedures to increase the efficiency and effectiveness of our AML efforts. Our AML program is designed to identify, assess, and mitigate money laundering and terrorism financing risks, and to continuously monitor transactions to detect any suspicious activity.

In addition to our ongoing efforts to enhance our AML program, MDB has also invested in training for our employees, ensuring that they understand the importance of AML compliance and are equipped with the knowledge and skills to identify and report suspicious activity.

Throughout the year, MDB has worked closely with regulators and law enforcement agencies to share information and collaborate on AML investigations. We also maintain strong relationships with financial institutions, government agencies, and other organizations to share information and intelligence, as well as to provide mutual assistance in the fight against money laundering and other financial crime.

Highlights 2022

- Under the supervision of the Chief Anti Money Laundering Compliance Officer (CAMLCO) and Central Compliance Committee (CCC), Anti-Money Laundering Division of MDB discharged their responsibilities throughout the year;
- The members of the Central Compliance Committee (CCC) met 04 times during the year and the 08 (Eight) member committee discussed issues related to Anti-Money Laundering & Combating Financing of Terrorism, Trade Based Money Laundering issues and provided guidance to relevant Divisions/Departments;
- Like every year, the Managing Director & CEO issued his statement of commitment regarding strategy, action plan, compliance and consequence of non-compliance issues were also emphasized in the message;
- AMLD conducted inspection on AML & CFT compliance status of 04 (Four) Branches and conducted a 2 hours' session at Branch premises to build up awareness among the employees where the total participants were 43;
- AMLD has extended its initiative to create awareness on AML & CFT among the customers by displaying awareness Banner on conspicuous place of the Branches and distributing awareness leaflets among the Customers;
- AML Division jointly participated with Bangladesh Financial Intelligence Unit (BFIU) to celebrate BFIU's 20 years' journey. We participated by decorating the Dhanmodi area demonstrating colorful Banners with slogans of Anti-Money Laundering;
- AMLD communicated with Branches including all business units to improve their AML & CFT compliance culture, identifying needs and directing Branches as needed and responding to queries of Branches;
- Monitoring of customer transactions of Branches as well as Head Office and Divisions on a regular basis for identifying Suspicious Transaction and Structuring. The complex transaction, transactions with deviation from normal transaction and the transactions that does not have reasonable purpose or the transaction with unusual pattern was emphasized during our monitoring;
- An awareness Program for the Senior Management of the Bank was held on July-2022 to make them aware on Anti-Money Laundering and Combating of Financing of Terrorism;
- A special Training session was arranged for the Authorized Dealers Branch Officials along with the members of the Trade Service Division on October 2022;

Outlook 2023

- AML Division have set goals for the year 2023 and to implement our targets the Division will continue Awareness Buildup programs and we shall continue our communications with Branches to improve their AML & CFT compliance culture, identifying needs and directing Branches as and when needed and responding to queries of Branches.

- Monitoring of Branches shall be robust in 2023 which shall include conducting Special Inspections on Branches as a part of its own monitoring program of Branches' AML & CFT compliance, apart from Independent Testing Procedure conducted by our ICCD.

- AML Division has plan to inspect 10 (Ten) Branches in the year 2023. The Division will conduct Inspections as well as it will continue its awareness programs at the Branch premises.

- AMLD will identify training needs and ensure adequate AML & CFT training sessions to aware all officials of the Bank about their duties & responsibilities for the purpose of mitigating ML & TF risk within the Bank; We have target to train up 200 (Two) Hundred Employees and giving highest priority on Trade Based Money Laundering

- AML Division will take proper measure among the officials of the Bank to conduct Customer Due Diligence (CDD), Enhanced Due Diligence (EDD) and identify Beneficial Ownership of account;

- AML Division has a plan to purchase an Anti-Money Laundering Solution for the Bank which will help us identify the suspicious transaction as well as it will facilitate the Division to increase the volume of monitoring. In addition, the alerts which will be generated from the AML Solution will help the Division to stop the money laundering of the Bank which is the ultimate moto of the Division

- AMLD will take proper measures and working to upgrade the status of Branches to Satisfactory Level which were already rated as Fair by ICCD.

- AMLD submitted numbers of Suspicious Transaction Report (STR) and Suspicious Activity Report (SAR) to BFIU; We have plan to vigorously continue our monitoring procedure to identify more STR and SAR and make the Branch personnel's aware regarding this particular issue

- We are continuously improving our AML/CFT programs and will continue to work closely with relevant authorities and stakeholders to ensure that we remain at the forefront of AMI /CFT compliance. Together, we can work to ensure that our financial system is safe, secure, and free from the threat of Money Laundering.

Internal Control and Compliance

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

The principal objectives of internal control include the following:

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

Formation

In 2022, ICCD in MDB had three-fold of functions consisting of two separate departments viz. a. Audit and Inspection Department, b. Monitoring and Compliance Department. As per Bangladesh Bank's revised guideline on Internal Control & Compliance (BRPD Circular No. 03 dated 08.03.2016 and amendment through BRPD Circular No. 06 dated 04.09.2016), the Head of ICCD of MDB reports his activities and findings to the senior management and Head of Audit and Inspection although being part of ICCD administratively reports directly to the Board Audit Committee and is responsible to the Board Audit Committee. Internal Control & Compliance Functions of above two departments in 2022 are enumerated below:

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

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

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

Activity status of ICCD of MDB in 2022:

- ICCD revised the Risk-Based Audit checklist for Branches, Sub-branches and Head Office Divisions in 2022. The checklists were prepared to align with existing and updated manuals, policies, circulars of Bank, and related Bangladesh Bank and other regulatory bodies' instructions. Based on these checklists, risk-based audits were performed on Branches and Divisions/Departments throughout the year.
- Surprise Visit at 5 (five) Branches and 1 (one) Sub-Branches was conducted in 2022.
- Special audit on 2 newly opened Branches and 6 newly opened Sub-branch during 2022.
- Special inspections on Anti Money Laundering activities of Branches were conducted at 2 (two) Branches and 6 (six) Sub-Branches.
- Special visit to check the maintenance of Departmental Control Function Check l ist (DCFCL) at 3 Branches.
- Review of Quarterly Operations Report (QOR) and Loan Documentation Check List (LDCL).
- According to comply with the provision of Bangladesh Bank's "Guideline on ICT Security for Banks and Non-Bank Financial Institutions, May 2015' ICCD conducted Information System (IS) Audits on all Branches.
- As per the instruction of Bangladesh Bank, ICCD conducted an Audit daily reporting of Foreign Exchange Transactions of 2021 in the Online Foreign Exchange Transaction Monitoring System of Bangladesh Bank.
- After commencing of Agent Banking business, the Bank has opened 109 centers so far. While auditing the Agent Banking division, ICCD also visited 4 Agent Banking centers in 2022.
- As per the instruction of Bangladesh Bank, ICCD prepared a health report of the Bank based on the financial position of 31.12.2021, and the report was approved by the Board of Directors afterward.
- ICCD coordinated Bangladesh Bank's Inspection team/s whenever various units/branches were audited by the regulatory authority and ensured timely submission of the compliance report of BB Inspection in different areas, e.g., comprehensive Inspection at Divisions and Branches, etc.

Significant works in 2022:

Annual Audit and Inspection	34 Branches and 7 7 Sub-branches
Branch AML Audit	34 Branches and 7 Sub-Branches
Branch IS/ICT audit	34 Branches and 7 Sub-Branches
Surprise Visit	5 Branches and 1 Sub-Branches
Special visit to check maintenance of DCFCL	03 Branch
Special inspections on Anti Money Laundering activities of Br anches	5 Branches and 1 Sub-Branches
Head office Annual Audit and Inspection	25 Divisions/ Departments /Units
Special Inspection of new br anches	2 Branches and 6 Sub-Branches
Internal Audit and Inspection report review and compliance monitoring	132 times
Bangladesh Bank and other re gulator's inspection report and compliance	58 times
Compliance of regulatory changes summarized report placement	4 quarters
Regular Review tasks	Review of QOR, LDCL Self-assessment report, various statements like loans and advances, Online GL transacti ons etc.

Bangladesh Bank Inspection Statistics

Bangladesh Bank inspection team conducted a total number of 27 inspections on 11 divisions/departments/units of the head office and 16 branches during the year 2021 which includes 6

Comprehensive Inspections, 10 Stimulas Packages Loan Inspection, 2 surprise cash verification, and 9 Core Risk Inspections.

Plan for 2023:

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

- Perform Audit and Inspection on 36 Branches and 14 Sub-branches.
- Perform Repeat Audit and Inspection on 9 Branches since the Branches were awarded with 'Fair' risk grading.
- Perform AML, ICT/IS Audit on all 36 Branches and 14 Sub-branches, including an extra 10% AML audit per BFIU Circular-19 dated 17.09.2017 & BFIU Circular-26 dated 16.06.2020.
- Perform Audit and Inspection of all 29 head office divisions/departments.
- Perform Audit on 6 Agent Banking Centers as 5% of agent centers as per BFIU Circular-26 dated 16.06.2020.
- Pay Surprise Visit to at least Six Branches/Divisions as the monitoring department instructs the audit and inspection team, as per ICC guidelines, to inspect the specific deviation pointed out by reviewing the Quarterly Operations Report (QOR).
- Perform special Audit on 1 newly opened Branch and 2 newly opened Sub-Branches.
- Monitor and review the QOR, LDCL, and Self-Assessment Report on AML and send the report accordingly.
- Perform monitoring activities.
- Ensure compliance with Bangladesh Bank Inspection Reports, External and Internal Audit and Inspection reports, etc.
- Ensure compliance with Regulatory Changes.
- To automate a significant portion of ICCD activities in view of reducing time and cost as well as establishing stronger, more effective, and more efficient internal control.

Internal Control and Compliance Risk Management

As per the core risk guideline of Bangladesh Bank, ICCD is acknowledged as one of the critical Risk Management organs of the Bank. To mitigate its operational risks and identify various malpractices prevailing in operational activities, the division has formulated a robust and resourceful policy guideline that ensures that the Bank demonstrates compliance and conformity with the Central Bank and other regulatory bodies' relevant regulations. Besides, they ensure that corrective action plans are implemented within the set deadlines, and they also ensure proper corporate discipline and awareness. During the year 2022, ICCD successfully conducted a comprehensive Inspection of all divisions and Branches according to its approved activity plan and submitted findings to the competent authority for discussion, review, suggestion, and proper evaluation. Apart from the continuous auditing, ICCD is also conducting off-site supervision through monitoring day-to-day transactions and reporting any exceptions thereon. Thus the ICCD virtually acts as a whistleblower and plays an active role in taking precautionary measures for risk mitigation and making the institution even more compliant on prudential and regulatory issues.

Risk Management

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

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

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



Risk Management Framework

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

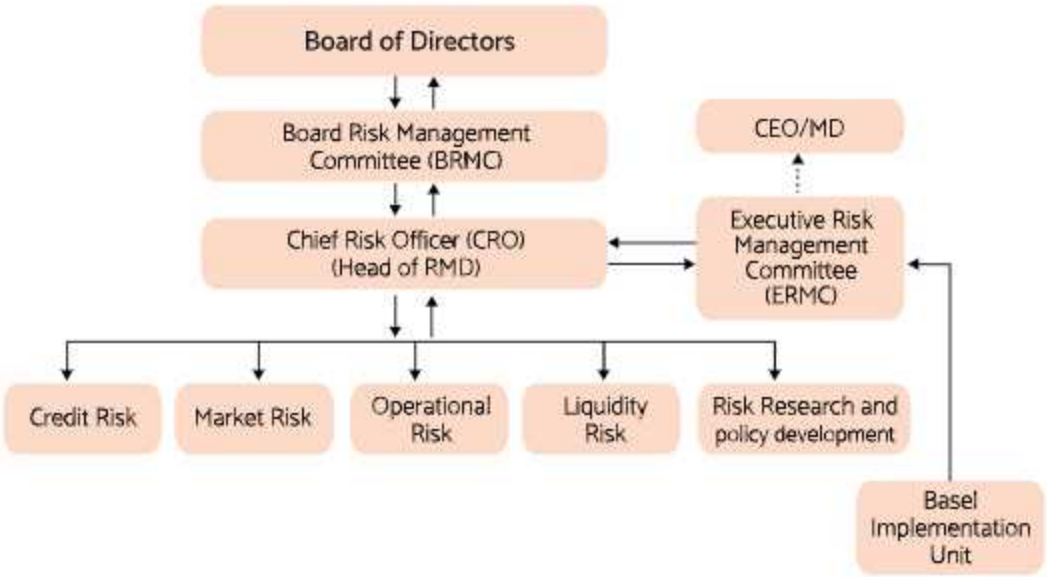
Bank's risk management framework is applied on an enterprise-wide basis and consists of three key elements:

- Risk Governance
- Risk Appetite
- Risk Management Tools

Risk Governance

Risk Management activities which are being reviewed by the Board Risk Management Committee is being communicated in the form of meeting minutes (including observation, decisions and recommendations) to the board of directors. During the year BoD reviewed and approved risk management structure of the Bank which was constituted as per the guidance of Bangladesh Bank.

BoD also approved Risk Management Policy guideline which was formulated in light of the guidance from Bangladesh Bank and MDB's own capacity and risk parameter also being taken into account.



Board Risk Management Committee (BRMC)

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

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

Particulars	During the year 2022 (in Number)
Number of Members of Board RMC	5
Number of Board RMC Meetings	4

Executive Risk Management Committee (ERMC)

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

Particulars	During the year 2022 (in Number)
Number of Member of RMC	13
Number of RMC Meeting	12

Risk Management Division (RMD)

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

Risk Culture

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

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

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

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

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

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

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

Risk Appetite Statement

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

Risk Management Tools

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

Risk Mitigation Methodologies

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

Credit Risk

Credit risk is the risk of financial loss due to a borrower or counterparty failing to meet its obligations in accordance with contractual terms. Effective management of credit risk requires the establishment of an appropriate credit risk culture. The Board of Directors, either directly or through the Risk Committee (the Board), reviews and approves the Bank's credit risk appetite annually and credit policy manual triennially.

Environmental Risk Management

Environmental Risk Management Seeks to offer a structure for addressing the risk to make a certain course of action for enduring sustainable financial and economic growth. Environmentally derived risks for the Bank are inability of the clients to make payments due to unexpected environmental costs, interruption/discontinuation of client business by imposing penalties/closure notice by competent authorities, decrease in the value of security due to environmental impairment during the term of investment etc. Environment risk management procedure includes identify environmentally derived-potential liabilities for Bank in transactions, assess the awareness, commitment and resources of the client to manage the environmental risk creating those potential liabilities, manage and control the Bank's exposure to environmentally derived liabilities. As per instruction of BB, the bank has implemented Environmental and Social Risk Rating (ESRR) and Environmental Due Diligence (EDD) of the eligible customers in the light of ESRM guidelines.

Market Risk

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

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

Interest Rate Risk

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

Interest rate risk in the banking book is the burning issue since bank's earning is exposed to risk. To reduce the risk, the following activities are performed by the bank:

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

Foreign Exchange Risk Management

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

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

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

Asset Liability Risk Management

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

Money Laundering Risk Management

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

Internal Control and Compliance Risk Management

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

Top and Emerging Risks

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

Technology, Information and Cyber Security Risk

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

Operational Risk

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

Residual Risk:

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

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

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

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

Risk Based Capital Management

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

Stress Testing

Stress testing is a risk management technique used to evaluate the potential effects of an institution's financial condition at a specific event and/or movement in a set of financial variables. It is an integral part of the capital adequacy framework. The focus of stress testing relates to exceptional but plausible events. This involves several shocking events. Each shocking event contains Minor, Moderate and Major Level of shocks.

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

Step Forward

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

SPECIAL ASEESTS MANAGEMENT DIVISION

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

The work plan of Special Assets Management Division (SAMD) is prepared based on the discussions that take place in monthly recovery meetings and the action plans that are decided against each and every defaulter customer. Special Assets Management Division work alone, on the accounts assigned to them and also as a team with other Business Units and Legal Division. This strategy has so far brought good recovery result for the Bank. In 2022, total recovered BDT 539.22 million from NPI by Midland Bank Ltd.

Chief Financial Officer's Report



In 2022, under awful challenging environments, MDB has performed well in key areas of its business activities, i, e., compared to last year Loans & Advances growth was 15.10% and Deposit growth was 13.86%, but our operating profit growth slightly decreased by 2.81% over last year of 2021. We have also achieved our annual target of loans and advances @ 93%, deposits @ 89% and operating profit @ 65% as set by the Board of Directors for the FY 2022. As a result, our balanced growth has generated positive returns for the stakeholders. During the year all these hardship of challenges taught us to be resilient, adaptive, innovative and confident in the face of hardship and we are confident to deliver better performance in the coming days.

Stimulating Times, Robust Responses

Midland Bank began the year 2022 with a sense of optimism, inspired by the consistent GDP growth of the country, improvement purchasing power of individuals and huge investment in the infrastructure development in the country, which set forth the template for plans and targets for the year. The outline was, however, completely re-set when COVID-19 spread across the world, capitulating the global economy with drastic impact on the lives and livelihood of peoples and businesses everywhere around the world. The restrictions of movement caused a rapid deceleration of economic activity, policy rates started to fall hitting record lows.

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

Overview

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

As of December 31, 2022, we had BDT 79,867 million of assets, BDT 52,793 million of loans & advances and BDT 57,763 million of deposits. Management's wide initiatives to rein in operating costs resulted in limiting the Cost-to-Income Ratio at 44.40% and spread stood at 2.46%. In addition, with a strong capital position of the Bank, the Capital to Risk-weighted Asset Ratio (CRAR) stood at 14.83% against regulatory requirement of 12.50% including 2.50% capital buffer. Despite the unprecedented headwinds in 2021, Board of Directors recommended 5.00% cash dividend for the FY 2022, thus meeting our shareholders' expectations.

Despite operating in a challenging business environment in 2022, MDB's business and profit performance remained very well, mainly on account of strong asset quality, relaxed provisioning norms and prudent cost management efforts, etc.

Key highlights, 2022

- Interest income increased by BDT 424.45 million from BDT 3,232.76 million in 2021 to BDT 3,657.21 million in 2022, i.e., growth up by 13.13% over 2021. On the other hand, interest paid on deposit & borrowings increased by BDT 938.59 million from BDT 2,262.66 million in 2021 to BDT 3,201.24 million in 2022, i.e., up by 41.48%, due rise in deposit rates in overall market during the year. As a result, net interest income decreased by 53.00%, or BDT 514.13 million from BDT 970.11 million in 2021 to BDT 455.97 million in 2022.
- Operating Income increased by BDT 109.56 million from BDT 2,636.12 million in 2021 to BDT 2,745.69 million in 2022, i.e., growth up by 4.16% over 2021.
- Operating expenses increased by BDT 153.74 million from BDT 1,065.22 million in 2021 to BDT 1,218.96 million in 2022, i.e., increased by 14.43% over 2021, because 02 (two) new branches, 03 new sub-branches, and 9 Agent Banking Centers (ABCs) had come into operation during the period. Operating cost also increased as we had spent of BDT 25.95 million as CSR, during the year
- Core Business profit (excluding capital gain/loss) increased by BDT 6.08%, from BDT 1,486.50 million in 2021 to BDT 1,576.88 million in 2022, as our fee base income increased by

228.47% from BDT 224.19 million in 2021 to BDT 736.39 million in 2022.

- Operating profit before provision on loans and tax slightly decreased by 2.81% from BDT 1,570.90 million in 2021 to BDT 1,526.73 million in 2022, after covering net loss of BDT 50.10 million from revaluation/amortization of Treasury Bills/Bonds during the year.
- Net profit after tax registered at BDT 561.97 million in 2022 against BDT 514.02 million in 2021, i.e., up by BDT 47.94 million, or 9.33% over 2021, due to recovery of NPL amount of BDT 37.63 crore by confiscation of the liened collateral shares of LHBL, as such specific provision amounting of BDT 343.50 million was released and ultimately it was added with our net profit during the period.
- Cost reduction which encompasses deposit cost to all types of OPEX and CAPEX was achieved through our higher brand value and trustworthiness among our depositors and the optimisation of plans implemented in recent years, along with additional savings measures adopted since the start of Covid-19 Pandemic. We remained one of the most efficient banks in the country with a Cost-To-Income Ratio of 44.40% in 2022 and we also able to stable growth of our operating cost at 14.43% over 2021, though 02 (two) new branches, 02 (two) new branches, 03 new sub-branches, and 9 Agent Banking Centers (ABCs) had come into operation during the period. Operating cost also increased as we had spent of BDT 27.95 million as CSR, during the year. Yet, we expect to further improve our operational capacity with efficient cost management.
- Loan -loss provisions were kept as per regulatory guidelines. During the year our loan-loss provision increased, due to increase of our loan book as well as some clients have turned into classified, but we are trying to recover/regularize it by 2023. We have also maintained with extra provision of 1%-2% for covering Covid-19 pandemic situation, which has resulted in higher NPL coverage ratio 139% to strengthen the balance sheet to withstand any unforeseen situation in future.
- Loans and Advances increased by 15.10%, or BDT 6,925 million over 2021. However, overall loans portfolio remained relatively balanced between Institutional Banking (Corporate), MSME and Retail Segments.
- Customer deposits grew by 13.86%, or BDT 7,033 million over 2021. While growing our deposits book, we have focused on low cost and no cost (CASA) deposits acquisition and eventually by the end of 2022 our CASA ratio stood at 38% in 2022.

Capital management strategies

Midland Bank's capital management approach is guided by the key capital management objectives as articulated in its capital management framework. The bank's capital position, capital mix and capital allocation are continuously reviewed, taking into consideration of strategic and organisational requirements, as well as regulatory and business environment in which the bank operates. During the year 2022, considering the substantive adversity unleashed by the coronavirus pandemic, we ensured prudential capital management with a prioritised focus on safety. Our key objectives with regards to our capital management focus include the following:

- Compliance with regulatory capital requirements;
- Alignment of capital levels to the bank's risk appetite and strategic business plans;
- Maintaining an appropriate balance between optimising returns to shareholders and prudent capital management;
- 13.81% of Tier- 1 capital ratio held against minimum regulatory requirement of 8.50%.
- 14.83% of Total capital ratio held against minimum regulatory requirement of 12.50%.

Credit Rating

Emerging Credit Rating Limited (ECRL) was rated the Bank with effective from July 01, 2022 to June 30, 2023 as follows:

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

Outlook for 2022

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

Overall despite persistent uncertainties, in geopolitics, financial regulations and ongoing pandemic situation, Midland Bank has begun 2023 with a comfortable liquidity position and a positive funding outlook for the year.

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

As a measure to support our balance sheet growth, the Bank raised capital of BDT 700 million through IPO, including BDT 50 million from existing employees of the Bank and it's come into trading in both Stock Exchanges from 27 March 2023, in which it will support Tier-1 capital of the Bank under Basel-III accord.

Sincerely,



Md. Zahirul Islam, FCA
Senior Executive Vice President & CFO

Report on Economic Impact

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

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

Maintaining Capital to Risk Weighted Assets Ratio (CRAR)

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

The capital adequacy computation as on December 31, 2022 is given below:

Particulars of Capital Fund	2022	2021	% of growth in 2022 over 2021
Paid up capital	5,696.70	5,696.70	0.00%
Statutory reserve	1,626.33	1,408.60	15.46%
Retained earnings	322.36	296.51	8.71%
Sub-total	**7,645.39**	**7,401.81**	**3.29%**
Deduction from Tier-I (core capital):			
Intangible assets	(14.78)	(21.99)	-32.80%
Total Tier-I (core) capital	**7,630.60**	**7,379.82**	**3.40%**
General provision including off-balance sheet items	565.39	752.96	-24.90%
Revaluation reserve on investment in securities	-	-	-
Total Tier- II (supplementary) capital	**565.39**	**752.96**	**-24.90%**
Total capital (Tier I + II)	**8,196.00**	**8,132.78**	**0.78%**
Total risk weighted assets	**55,257.43**	**51,240.21**	7.84%
Tier-I (core) capital ratio	13.81%	14.40%	-0.59%
Tier-II (supplementary) capital ratio	1.02%	1.47%	-0.45%
Capital to Risk Weighted Asset Ratio-CRAR (Regulatory requirement is 12.50%)	**14.83%**	**15.87%**	**-1.04%**

Statement of value added and it's distribution

Particulars	Value added in 2022	Value added in 2021	% of growth in 2022 over 2021
Income from banking services	5,946.98	4,898.78	21.40%
Less: Cost of services & supplies	(3,574.41)	(2,630.2 6)	35.90%
Value added by banking services	**2,372.57**	**2,268.52**	**4.59%**
Non-banking income	-	-	-
Less: Provision for loans, Off-balance sheet exposure and CSR	(471.71)	(454.88)	3.70%
Total	**1,900.86**	**1,813.6 4**	**4.81%**
Distribution of value addition:			
Payment to employees as salaries & allowances	635.09	533.62	19.02%
Transferred to Statutory Reserve	217.73	225.23	-3.33%
Payment to Government as income tax	544.25	589.26	-7.64%
Sub-Total (A)	**1,397.07**	**1,348.11**	**3.63%**
Expansion and Growth:			
Retained profit	310.66	278.65	11.49%
Depreciation	210.70	163.99	28.48%
Deferred taxation	-17.57	22.89	-176.92%
Sub-Total (B)	**503.79**	**465.53**	**8.22%**
Grand Total (A+B)	**1,900.86**	**1,813.64**	**4.81%**

Economic value added statement

Economic value added is a measurement of a company's financial performance based on the residual wealth calculated by deducting cost of capital from its operating profit. Shareholder/Equity providers are always conscious about their return on capital invested. As a commercial Bank, Midland Bank Limited (MDB) is deeply concerned for delivery the value to all of our Shareholders/Equity providers. During the reporting year 2022, the economic value added of MDB are as under:

Particulars	Value added in 2022	Value added in 2021	% of growth in 2022 over 2021
Shareholders' equity	7,646.54	7,404.26	3.27%
Add: Accumulated provision for Loans & Advances and Off-balance sheet exposure	1,690.93	1,393.94	21.31%
Total shareholders' equity	**9,337.47**	**8,799.20**	**6.22%**
Average shareholders' equity	**9,068.34**	**8,720.68**	**3.99%**
Earnings:			
Profit after tax	561.97	514.02	9.33%
Add: provision for Loans & Advances and Off -balance sheet exposure	438.09	444.74	-1.50%
Less: Loans written off during the year	-	-	0.00%
Earning for the year (A)	**1000.06**	**958.76**	**4.31%**
Average cost of equity (based on weighted average rate of Shanchay Patra issued by Government of Bangladesh)	8.53%	8.53%	-
Cost of average equity (9,068.34*9.53% including 1% risk premium) (B)	**864.21**	**743.87**	**16.18%**
Economic value added (A-B)	**144.55**	**214.89**	**-32.73%**

Corporate Governance

Introduction

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

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

MDB's Governance Standard

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

Gender Balance

MDB Board of Directors has an encouraging gender balance. We have as many as 03 (three) female Directors in the Board representing 15.00% of the total Directors.

Composition of Board of Directors

The Board of Directors comprises of twenty Directors as on 31 December 2022 including the Managing Director as ex-officio member. The Chairman and nineteen other Directors are Non-Executive Directors and only the Managing Director & CEO is an Executive Director. Amongst the Non-Executive Directors there are 4 (four) are Independent Directors in the Board of Directors. As regards aptitude and competence, the shareholder Directors are educated, experienced professionals and add utmost value to the overall management capability. Almost all of them are successful businessmen in their own right holding responsible positions in public life. The Independent Directors appointed by the Board have excellent professional track record in the highest level in their respective fields. Mr. Mahbubul Hady Fazle Rab and Mr. Khandaker Tanveer Shamsul Islam Independent Directors of MDB were career Banker having diversified experiences at home and abroad. The other Independent Directors of MDB, Mr. Nazimuddin Chowdhury and Mr. Md. Asif-uz-zaman were veteran Civil Servants with experience in working at the highest level of the Government as the Secretary and Senior Secretary respectively. The Directors have declared their respective interests and directorships at the time of joining the Board and also their dealings in Bank's securities are on full disclosure on arm's length basis. The Board meets at least once every Month. As per Bank Company Act, 1991 and BRPD Circular Letter No.11, the Board of Directors have delegated powers to the Managing Director for smooth and effective operation of the day-to-day affairs of the Bank. All essential policy making and strategic issues are discussed in the meetings of the Board of Directors and decisions are made on the basis of management opinion and exchange of views.

Independent Directors

The Board of Directors of the Bank consists of 20 members including Managing Director and CEO. There are four Independent Directors in the Board of Directors of MDB appointed by the Board of Directors of the Bank with prior approval from Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank.

Meeting of the Board

The Board of Directors meets on regular basis usually once in a month but emergency meetings are called when deemed necessary. Management provides information, references and

detailed working papers for each agenda to all Directors well ahead of the date scheduled for meeting. Chairman of the Board of Directors allocates sufficient time for the Directors to consider each agenda item in a prudent way and allow them to freely discuss, inquire, and express opinions on the items of interest so that they can fulfill their duties to the best of their abilities. In 2022, total 14 Board Meetings were held.

Responsibilities of Chairman and Chief Executive Officer

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

Benefits provided to the Directors and the Managing Director

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

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

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

Remuneration and Compensation of the Management

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

Appointment of External Auditors and the purview of their activities

As per recommendation of the Board of Directors, the shareholders of the Bank in the 9th AGM held on 18 June 2022 approved the appointment of M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants for the first year as the statutory auditors of the Bank for the financial year 2022. In compliance with the provision 4 of BSEC guidelines, the External Auditor was not engaged with MDB in any of the following services during the year 2022:

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

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

As per recommendation of the Board of Directors, the shareholders of the Bank in the 9th AGM held on 18 June 2022 approved the appointment of M/s. K. M. Hasan & Co., Chartered Accountants as Compliance Auditor of the Bank for the financial year 2022. Moreover, as per requirement of the Corporate Governance Code of BSEC, the Board of Directors also recommended M/s. K. M. Hasan & Co., Chartered Accountants for appointment by the shareholders in the 10th Annual General Meeting of the Bank. As per clause xxvi of the Corporate Governance Code, the Compliance Auditor will provide a report as well as certificate regarding compliance of conditions as required under condition No. 9 and disclosed as per Annexure-B and Annexure-C of the Corporate Governance Code.

Functions of the Board

The Board of Directors has the responsibility to the shareholders for the overall guidance and control of the Bank. Among its key responsibilities, the Board approves all policies and strategies formulated by the Bank Management as well as ratify all decisions/approvals made by the Executive Committee (EC) of the Board. The Board, while discharging its responsibilities, is

committed to high standards of governance designed to protect the interest of shareholders along with all other stakeholders with highest level of integrity, transparency and accountability. The Directors of the Board are confident that they did their best in protecting stakeholders from the impacts of the difficult circumstances confronted during the year, as set out in the Directors' Report. The Board has initiated a fundamental review of risk governance with a view to being better equipped to anticipate financial market and economic discontinuities and trends in the future. This is monitored by a Committee of Directors and supported by independent Risk Management Division (RMD) of the Bank. The Board is committed to implementing the recommendations that arises from the review of the Committees concerned.

Board Committees

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

Executive Committee (EC)

In accordance with Bangladesh Bank instruction, the Board of Directors of Midland Bank Limited has formed Executive Committee with 7 members. The Executive Committee is responsible for the review of the policies and guidelines issued by Bangladesh Bank in terms of credit and other operations of the banking industry. The Committee supervises the degree of execution of the policies and guidelines entrusted with the management. In the normal course of business, the EC of the Board approves the credit proposals in line with approved policy of the Board. Management is advised to exercise due diligence of the credit policy and risk management at the time of assessing credit proposals. The EC in its continuous efforts guides the Management to develop uniform and minimum acceptable credit standards for the Bank. During the year 2022, 14 (fourteen) meetings of Board Executive Committee were held.

Board Audit Committee (BAC)

The Board Audit Committee meets the external auditor and provides them the recommendations on the overall audit plan. They also discuss the auditor's interaction with the Management and the Management's response as well as corrective actions taken. They review the quarterly financials and approve Quarterly, Half Yearly and Annual financial reports of the Bank. The Audit Committee also meets the Head of Internal Control & Compliance as well as Head of Internal Auditor of the Bank to review their charter, scopes of work and the organizational structure. The inspection reports from regulators and Internal Audit are also presented to the Audit Committee for their review and action. The Board Audit Committee of MDB consists of 4 (four) Directors and is constituted with the members not included in the Executive Committee of the Board. Company Secretary is the member secretary to the committee.

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

- integrity of the financial statements and any related formal announcements;
- overseeing the relationship between the Board and its external auditors;
- review of the Bank's internal controls, including financial controls;
- assessment of the effectiveness of the internal audit, compliance and risk management functions;
- review of the internal and external audit plans and subsequent findings;
- selection of accounting policies namely Bangladesh Accounting Standards (BAS) and
- review of the auditors' report;
- obligations under applicable laws and regulations including Securities and Exchange Commission Guidelines; and
- review of the effectiveness of the services provided by the external auditors and other related matters.

MDB Board Audit Committee held 04 (four) meetings in 2022 and had thorough discussions and review session with the CEO, Head of Internal Control & Compliance, External Auditors etc. Highlights of the Audit Committee activity during the year 2022 are appended in the Report of the Audit Committee at page no 43-45.

Risk Management Committee (RMC)

According to Bank Company (Amendment upto 2013) and BRPD Circular No. 11 dated 27 October 2013, the Bank has constituted Risk Management Committee (RMC). RMC has been formed by the Board essentially to play an effective role in reducing ensued and potential risks in the process of implementation of Bank's strategy and work plan as devised by the Board of Directors. The Committee, in addition, ensures efficient execution of related responsibilities of the Board. The RMC has the responsibility of oversight as regards, whether proper risk mitigation processes/methods are being applied and required capital and provisions are maintained by management after it has duly identified and measured credit risk, foreign exchange risk, internal control & compliance risk, money laundering risk, ICT risk, operating risk, interest risk, liquidity risk and other risks. Risk Management Committee of Midland Bank consists of 5 (Five) members chosen from the Board. The Company Secretary of the

Bank acts as the secretary to the Committee. All the committee members have honesty, integrity and ability to invest adequate time in affairs of the Committee. All of the members of RMC have adequate insight about banking business, Bank's operation, various risks along with knowledge about their own duties and responsibilities. Risk Management Committee has the following responsibilities:

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

MDB Risk Management Committee (RMC) held 04 (Four) meetings in 2022 and had thorough discussions and review session with the CEO and CRO on various risk related issues. Highlights of the Risk Management Committee activity during the year 2022 are appended in the report of the Risk Management Committee.

Internal Control & Compliance

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

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

The controls as outlined above are rooted within the operations of the Board and reviewed by Bank's Internal Audit. The review focuses the areas of greater risk as identified by risk analyst. The Directors confirm that the Board, by properly engaging the Committees, has reviewed the effectiveness of internal control for the year ended 31 December 2022. This process ensured an internal control system to the tune of best financial reporting practice throughout the financial year and upto the date of the signing of these financial statements. There was an assessment of the ongoing process for the identification, evaluation and management of individual risks and of the role of the various committees and Bank's risk management actions and the extent to which various significant challenges are understood and addressed.

Management Committees of the Bank

MDB has various management teams which have been established by the Board and have delegated the authority to manage the Bank's day-to-day affairs of business. A model Corporate Governance structure endows the Management with a collective mandate under the leadership of Managing Director & CEO to run day-to-day operation in the best interest of the stakeholders. As required by compliance as well as in pursuance of strategic goal, the Bank has constituted designated committees with specific objectives, apart from various functional departments.

Professional Development

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

Election / Re-election of Directors

As per Article-138 and 139 of the Bank, six Honourable Directors retired in the 9th Annual General Meeting (AGM) of the Bank to be held on 18 June 2022 and they were also reelected in the same AGM as per Articale-140 of the Bank and post-facto approval was obtained from Bangladesh Bank on reappointment of the Directors so retired. In the 10th AGM of the Bank, one third members of the Board of Directors (except Managing Director and Independent Directors) shall retire and election/re-election will take place as per the Companies Act 1994 and relevant provisions of the Articles of Association of the Bank.

Communications with the Shareholders

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

Commitment to other Stakeholders

We always honor the rights and interests of other groups of stakeholders giving a fair delicacy. In addition to our respected shareholders, we have our valued customers, the core of our banking business. There remain our internal customers, our employees, the craftsmen of our everyday success. Others include suppliers, government, regulatory bodies, society, community, media people and any other group having interest in the Bank.

The Community

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

The Government

MDB is always tax compliant as a responsible corporate business community. The Bank makes payment of corporate tax on time and sometimes even before the time it takes effect. The Bank deducts excise duty, withheld tax and VAT on time from employee's salary, as well as customers and vendors, and deposits to Government Treasury on time. During 2022, MDB paid to tax of BDT 1229 million while deposited advance corporate tax of BDT 604 million, withheld tax of BDT 540.80 million, Vat of BDT 84.28 million and Excise duty of BDT of 105.80 million.

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

(BDT in Million)

	2022	2021	2020	2019	2018
Tax paid to Govt.	1,229	917	451	448	289
Withheld \ AT, Tax & Excise Duty	731	600	554	489	451
Total	**1960**	**1517**	**1005**	**937**	**740**

Conflicts of Interest

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

Related Party Transactions

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

KMHCO. SINCE1984
কে. এম. হাসান এন্ড কোং
K. M. HASAN & CO.
Chartered Accountants
Hometown Apartments (8th & 9th Floor)
87, New Eskaton Road, Dhaka -1000
Phone: 58311559, 9351564, 9351457
Fax: 88 -02 -9345792
E-mail: info@kmhasan.com.bd
website: www.kmhasan.com.bd

McMillan Woods International
Professionalism at the forefront

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

We have examined the compliance status to the Corporate Governance Code by Midland Bank Limited for the year ended on 31 December 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except those mentioned in the statement of compliance status;

b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

c) Proper books and records have been kept by the Company as required under the Companies Act, 1994, the Securities Laws and other relevant laws; and

d) The governance of the Company is satisfactory.

For K. M. HASAN & CO.
Chartered Accountants

Md. Amirul Islam FCA, FCS
Senior Partner

Place: Dhaka
Dated: 23 May 2023

Compliance Status on Corporate Governance Guidelines

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

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

(Report under condition no. 9)

(Annexure C)

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

1 (2) (b) (viii)	Who is not independent director in more than 5 (five) listed companies;	✓		
1 (2) (b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1 (2) (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1 (2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1 (2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		No Vacancy occurred
1 (2) (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointm ent for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮নং আইন) (Companies Act, 1994). Explanation : For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.	✓		
1 (3)	Qualification of Independent Director:			
1 (3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate lavs and can make meaningful contribution to the business;	✓		
1 (3) (b) (i)	He or she shall be a Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association : or	✓		Not Applicable
1 (3) (b) (ii)	He or she shall be a Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or Explanation: Top level executive in cludes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.	✓		Amongst the four Independent Directors, Mr. Mahbubul Hady Fazle Rab and Mr. Khandaker Tanveer Shamsul Islam are Corporate Leaders who worked in the equivalent positions as stipulated. Detailed biography and their expertize mentioned in their profile furnished with the annual report.
1 (3) (b) (iii)	He or she shall be a Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	✓		Mr. Nasiruddin Chowdhury and Mr. Mohammad Asaduzzaman are retired Civil Servant; worked as Secretary and Senir Secretary of GoB respectively.Detailed biography and their expertize mentioned in their profile furnished with the annual report.
1 (3) (b) (iv)	He or she shall be a University Teacher who has educational background in Economi cs or Commerce or Business Studies or Law; or			Not Applicable

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

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

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

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

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

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

	the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			
5 (7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			Not Applicable
6	Nomination and Remuneration Committee (NRC).			
6 (1)	Responsibility to the Board of Directors:			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub -committee of the Board;			Not Applicable. As per Bangladesh Bank letter ref: BRPD/(R-1)717/ 2021-5064 dated 16 June 2021, advised the scheduled banks that since formation of NRC is contradictory with the Bank Company Act, 1991; the scheduled Banks have no scope to comply with the provisions relating to NRC of Corporate Governance Code.
6 (1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6 (1) (c)	(c) The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			
6 (2)	Constitution of the NRC:			
6 (2) (a)	The Committee shall comprise of at least three members including an independent director;			
6 (2) (b)	All members of the Committee shall be non-executive directors;			
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board;			
6 (2) (d)	The Board shall have authority to remove and appoint any member of the Committee;			
6 (2) (e)	In case of death, r esignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6 (2) (f)	The Chairperson of the Committee may appoint or co -opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non -voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be re quired or valuable for the Committee;			
6 (2) (g)	The company secretary shall act as the secretary of the Committee;			
6 (2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			
6 (2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			
6 (3)	Chairperson of the NRC:			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			

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

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

Meeting of the Directors of Midland Bank Limited during 2022

Sl.	Directors	Designation	No. of Meeting	No. of Attendance	% of Attendance
1.	Mrs. Nilufer Zafarullah	Chairman	14	14	100%
2.	Md. Shamsuzzaman	Vice Chairman	14	11	79%
3.	Dr. Kazi Shahidullah	Director	11	03	27%
4.	Mr. Master Abul Kashem	Director	14	14	100%
5.	Mr. Kazi Omar Zafar	Director	14	13	93%
6.	Mr. Mohammad Jamal Ullah	Director (Retired in the 9th AGM held on 18.06.2022)	06	04	67%
7.	Mr. Ahsan Khan Chowdhury	Director	14	09	64%
8.	Mr. Md. Wahid Miah	Director	14	04	29%
9.	Mr. Rezaul Karim	Director	14	11	79%
10.	Mr. A.K.M. Badiul Alam	Director	14	12	88%
11.	Mr. Md. Kamal Hossain	Director	11	100	100%
12	Mrs. Shahnaj Parveen	Director (Appointed as director vide BB later BRPD(R-2)651/9(57)DL2022-1105 dated 31.10.2022)	02	01	50%
13.	Mrs. Lutfa Begum	(Resigned from the Board of Directors in its 125th meeting held on 30.06.2022)	07	07	100%
14.	Mr. Hafizur Rahman Sarker	Director	14	09	64%
15.	Mr. Kazi Raihan Zafar	Director	14	09	64%
16.	Ms. Anushka Mehreen Zafar	Director	14	10	71%
17.	Mr. Abdul Momin Mondol	Director	14	09	64%
18.	Dr. Mostafizur Rahman	Director	14	14	100%
19.	Mr. Mahbubul Hady Fazle Rab	Independent Director	14	11	79%
20.	Mr. NazimuddinChowdhury	Independent Director	14	11	79%
21.	Mr. Khandaker Tanveer Shamsul Islam	Independent Director	04	04	100%
22.	Mr. Mohammad Asif Uz-Zaman	Independent Director	02	02	100%

Pattern of Shareholding

The pattern of shareholding of Midland Bank Limited as on 31 December 2022 (Pre-IPO) furnished below:

a) Shareholding by Parent/Subsidiary/Associated Companies and other related parties : Nil

b) Shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their Spouses and Minor Children are as follows :

Status as of 31st December, 2022:

(i) Shares held by Directors and their Spouses

Sl.	Directors	Status	No. of Shares	Name of Spouse	No. of Shares
1	Mrs. Nilufer Zafarullah	Chairman	1,27,93,396	Mr. Kazi Zafarullah	15,20,867
2	Mr. Md. Shamsuzzaman	Vice Chairman Nominee Director of Liberty Knitwear Ltd.	2,99,07,662	Mrs. Ferdous Ara	NIL
3	Mr. Master Abul Kashem	Director	1,27,93,396	Mrs. Nigar Sultana Daizy	NIL
4	Mr. Kazi Omar Zafar	Director	1,27,93,396	Mrs. Anastasia Gkouni Kazi Zafar	NIL
5	Mr. Ahsan Khan Chowdhury	Director	2,84,83,488	Mrs. Seema Chowdhury	NIL
6	Mr. Md. Wahid Miah	Director	2,84,83,488	Mrs. Suborna Mostafa	NIL
7	Mr. Rezaul Karim	Nominee Director of Reedisha Knitex Ltd.	2,84,83,488	Mrs. Shirin Akhter	NIL
8	Mr. A.K.M. Badiul Alam	Director	19,208,277	Mrs. Shahida Alam Nominee of Garment Export Village Ltd.	1,000,000
9	Mr. Md. Kamal Hossain	Nominee Director of Explore Garments Limited	2,84,83,488	Mrs. Ashneel Chowdhury	NIL
10	Mrs. Shahnaj Parveen	Nominee Director of Next Collections Limited	2,84,83,488	Mr. Md. Belal Hossain	NIL
11	Mr. Abdul Momin Mondol M.P.	Nominee Director of Mondol Fabrics Ltd.	2,84,83,488	Mrs. Zannatul Ferdos	NIL
12	Mr. Hafizur Rahman Sarker	Nominee Director of Beq Knit Ltd.	2,70,59,313	Mrs. Luna Sarker	NIL
13	Dr. Mostafizur Rahman	Nominee Director of Popular Pharmaceuticals Ltd.	2,84,83,488	Late Mrs. Tohurun Nessa	NIL
14	Mr. Kazi Raihan Zafar	Director	1,27,93,396	Mrs. Tregubenkova	NIL
15	Ms. Anushka Mehreen Zafar	Director	1,27,93,396	Mr. Daniel Ciganovic	NIL
16	Mr. Mahbubul Hady Fazle Rab	Independent Director	NIL	Mrs. Sabiha Rab	NIL
17	Mr. Nazim Uddin Chowdhury	Independent Director	NIL	Mrs. Amina Khanam	NIL
18	Mr. Khandhaker Tanveer Shamsul Islam	Independent Director	NIL	Mrs. Maliha Islam	NIL
19	Mr. Mohammad Asif-uz-Zaman	Independent Director	NIL	Mrs. Sharmin Rahman	NIL

(ii) Shares held by:

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

c) Shareholding by other Executives and Spouse : Nil

d) Shareholders holding ten percent (10%) or more voting interest in the company: Ms. Scherezad Joya Monami Latif (10%)

Note: The employees of MDB subscribed IPO shares of the Bank that have been alloted after the financial year 2022.

Message from the CRO



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

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

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

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

Risk Governance

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

Risk governance covers the questions about:

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

Board and Senior Management Oversight:

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

Independent Risk Management Function:

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

Functionally and hierarchically independent from business and other operation functions:

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

Risk Management Process



Risk Appetite Statement

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

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

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

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

Risk Policies and Limits

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

Risk Identification and Measurement

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

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



The decision to track a new risk is based on a risk assessment through our risk identification processes and includes criteria such as materiality, measurability and probability. Furthermore, the decision to hold capital for a new risk is also based on whether the risk is being mitigated, and whether capital is deemed to be a suitable mitigate.
Risk is usually measured in terms of expected loss, unexpected loss, and economic capital.

Expected loss

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

Unexpected Loss and Economic Capital

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

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

Stress Testing

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

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

Risk Treatment/Mitigation

- Balancing the costs and efforts of implementation against the benefits derived, regarding legal, regulatory, and other requirements.
- Put in place adequate risk control mechanisms (limits, policies, and procedures that define responsibilities and authority)
- Monitoring and review are integral parts of risk treatment:

Monitoring and review are integral parts of risk treatment

- Detection of changing risk sources and factors,
- Obtaining further information to improve risk assessment,
- Ensuring that controls are effective and efficient,
- Analyzing and learning lessons from events, trends etc., and
- Identifying emerging risks.

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

Credit Risk

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

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

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

Market Risk

Market risk is the risk of economic financial loss in our trading and non-trading portfolios from adverse changes in underlying market factors, including interest rates, foreign exchange rates, equity market prices, commodity prices, credit spreads, and customer behavior for retail products. Market risk arises in MDB's trading and treasury activities, and encompasses all market related positioning and market making activity.

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

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

Risk Measurement

We use the following measures for market risk:

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

Liquidity Risk

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

MDB possesses a comprehensive liquidity management framework that supports our business strategy, aligns with our risk appetite and limits Established within the liquidity risk management policy, and adheres to regulatory expectations. The liquidity risk management policy requires we maintain sufficient liquid assets and diversified funding sources to consistently fund our balance sheet, commitments and contingent obligations, in order to maintain the strength of our enterprise under both normal and stressed conditions.
Our management strategies, objectives and practices are regularly reviewed to align with changes of liquidity environment, including regulatory, business and/or market developments. Besides, we constantly endeavor to keep the liquidity risk within our institutional appetite/risk perception in a measured way.

Operational Risk

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

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

1. Operational risk is managed through the three lines of defense model. Front line businesses form our first line of defense. Their primary responsibility is the day-to-day management of operational risk inherent in their products and activities.
2. The second line of defense includes Risk Management and other oversight functions, which are responsible for monitoring and providing independent oversight of operational risk matters in their respective risk types and for providing effective challenges to business lines' operational risk assessments and mitigation activities.
3. Internal Audit, our third line of defense, assesses and provides an independent opinion on the design and operating effectiveness of MDB's management of operational risk and the strength of the internal control environment.

Reputation and Legal Risk

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

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

Regulatory Compliance Risk

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

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

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

Environmental Risk

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

Top and Emerging Risks

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

Technology, Information and Cyber Security Risk

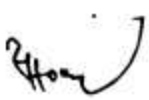
Financial institutions like MDB are evolving their business processes to leverage innovative technologies and the internet to improve client experience and streamline operations. At the same time, cyber threats and the associated financial, reputation and business interruption risks have also increased.

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

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

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

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



Md. Zahid Hossain
Deputy Managing Director & CRO

Market Discipline
Disclosures on Risk Based Capital (Basel-III)

01. Introduction

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

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

02. Disclosure Policy

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

a) Standardized approach for credit risk,

b) Standardized approach for market risk and,

c) Basic Indicator approach for operational risk.

03. Board overview

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

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

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

04. Scope of Application

Qualitative disclosure	a)	The name of the top corporate entity in the group to which this guidelines applies.	**Midland Bank Limited**
	b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	Midland Bank Limited has no subsidiary as of December 31, 2022. **A brief description of the Bank and its subsidiaries are given below:** **Midland Bank Limited (MDB):** Midland Bank Limited ("the Bank") was incorporated on March 20, 2013 as a Public Limited Company in Bangladesh under Companies Act, 1994 with the registered office at N.B. Tower (Level 6 to 9), 40/7 North Avenue, Gulshan 2, and Dhaka-1212. The Company was also issued Certificate of Commencement of Business on the same day. It started commercial banking operation on June 20, 2013 through opening first branch at Dilkusha Commercial Area in the name 'Dilkusha Corporate Branch.' Presently, the number of branches stood at 37 (thirty Seven) including 21 rural branches, 16 Sub branches along with 95 agent banking booth covering commercially important locations of the country The principal activities of the Midland Bank Limited (MDB) are to provide all types of commercial banking services to customers through its branches, Corporate units and SME Center in Bangladesh. The Bank also entitled to provides money market operations, investment in merchant banking activities, financial intermediary services and any related financial services
	c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not Applicable
Quantitative disclosure	d)	The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries.	Not Applicable

05. Capital Structure

Qualitative disclosure	a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET-1, Additional Tier -1 or Tier-2	As per Basel III guidelines, regulatory capital consists of Tier-1 (Common Equity Tier 1 and Additional Tier 1) and Tier 2 capital. Tier 1 Capital is known as going concern capital and Tier 2 Capital also known as gone concern capital. **Common Equity Tier-1 (CET 1) capital** of **MDB** consists of (i) Fully Paid-up Capital, (ii) Statutory Reserve and (iii) Retained Earnings. **Tier-2 Capital** of MDB consists of (i) General Provision against unclassified Loans and Off-balance sheet exposures.

In BDT Million

Quantitative disclosure	b)	**The amount of Tier-1 capital with separate disclosure of:**	**Solo**
		Common Equity Tier-1 (CET-1) Capital:	
		I. Fully Paid up capital	5,696.70
		II. Non repayable share premium account	
		III. Statutory reserve	1,626.33
		IV. General reserve	
		V. Retained earnings	322.36
		VI. Minority interest in subsidiaries	
		VII. Dividend equalization account	
		Total Common Equity Tier-1 (CET-1) Capital	7,645.38
		Additional Tier 1 Capital	0.00
		Total Tier 1 Capital (A)	7,645.38
		Total Tier 2 capital (B)	565.39
	c)	**Regulatory adjustments/Deduction from capital (C)**	14.78
	d)	**Total eligible capital (A+B-C)**	8,196.00

06. Capital Adequacy

Qualitative disclosure	a)	A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.	The Bank has adopted Standardized Approach (SA) for computation of capital charge for credit risk and market risk, and Basic Indicator Approach (BIA) for operational risk. Assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to the Bangladesh Bank The Bank has maintained capital adequacy ratio on the basis of "Solo" is **14.83%** against the minimum regulatory requirement of **12.50% including conservation buffer 2.50%.** Tier-I capital adequacy ratio for "Solo" is **13.81%** as against the minimum regulatory requirement of **8.50% including conservation buffer 2.50%.** MDB has been generating most of its incremental capital from retained profit (stock dividend and statutory reserve transfer etc.). Besides meeting regulatory capital requirement, the Bank maintains adequate capital to absorb material risks foreseen. The surplus capital maintained by MDB will act as buffer to absorb all material risks and to support the future activities. To ensure the adequacy of capital to support the future activities, the bank assesses capital requirements periodically considering future business growth. The Bank's policy is to manage and maintain its capital with the objective of maintaining strong capital ratio and high rating. The Bank maintains capital levels that are sufficient to absorb all material risks. The Bank also ensures that the capital levels comply with regulatory requirements and satisfy the external rating agencies and other stakeholders including depositors. The whole objectives of the capital management process in the Bank are to ensure that the Bank remains adequately capitalized at all times.

In BDT Million

Quantitative disclosure			**Particulars**	**Solo**
		b)	Capital requirement for credit risk	4,548.62
		c)	Capital requirement for market risk	494.86
		d)	Capital requirement for operational risk	482.27
			Minimum capital requirement (10% of RWA or BDT 400 crore, whichever is higher)	5,525.74
			Total regulatory capital	8,195.97
			Total Risk Weighted Assets (RWA)	**55,257.43**
		e)	**Total capital, CET 1 capital, Total Tier 1 capital and Tier 2 capital to risk weighted asset ratio:**	
			· For the consolidated group	
			· For standalone:	
			Total Capital to Risk Weighted Asset Ratio (CRAR)	14.83%
			Common Equity Tier-1 (CET-1) Capital Ratio	13.81%
			Total Tier 1 Capital Ratio	13.81%
			Tier-2 Capital Ratio	1.02%
		f)	Capital Conservation Buffer	4.83%
		g)	Available Capital under Pillar II requirement	1,288.79

07. Credit Risk

Qualitative disclosure	a)	**The general qualitative disclosure requirement with respect to credit risk, including:**	
		i) Definitions of past due and impaired (for accounting purposes);	With a view to strengthening credit discipline and bring classification and provisioning regulation in line with international standard, a phase wise program for classification and provisioning was undertaken by the Bank as per Bangladesh Bank circulars issued from time to time. In this regard, all the loans and advances are grouped into four categories for the purpose of classification, namely (i) Continuous Loan, (ii) Demand Loan, (iii) Fixed Term Loan and (iv) Short-term Agricultural and Micro Credit. They are classified as follow: A Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 03 (three) months or beyond but less than 09 (nine) months, the entire loan will be put into the "Sub-standard (SS)". A Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 09 (nine) months or beyond but less than 12 (twelve) months, the entire loan will be put into the "Doubtful (DF)". A Continuous loan, Demand loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 12 (twelve) months or beyond, the entire loan will be put into the "Bad/Loss (B/L)" Loans have to be treated as defaulted loan as per section 5(GaGa) of the Banking Companies Act, 1991 and to be reported accordingly as per formats given in BRPD Circular No.08 dated August 02, 2015. In this regard, a portion of the "Sub-standard (SS)" loans will be reported as defaulted loan. In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after six months of the expiry date. **Short-term Agricultural and Micro Credit will be considered irregular if it is not repaid within the due date as stipulated in the loans agreement are classified as under:** ➢ **Sub-standard**- if the irregular status continues after a period of 12 (twelve) months, the credits are classified as "Sub-standard". ➢ **Doubtful**- if the irregular status continue after a period of 36 (thirty six) months, the credits are classified as "Doubtful". ➢ **Bad/Loss**- if the irregular status continue after a period of 60 (sixty) months, the credits are classified as "Bad/Loss". A Continuous loan, Demand loan or a Term Loan which remained overdue for a period of 02 (two) months or more, are treated as **"Special Mention Account (SMA)".**

		ii) Description of approaches followed for specific and general allowances and statistical methods.	The Bank is required to maintain the following general and specific provision in respect of classified and unclassified loans and advances on the basis of Bangladesh Bank guidelines issued from time to time :

Particulars	Rate
On unclassified small enterprise financing (SME)	0.25%
On unclassified general loans and advances including housing finance	1%
On interest receivable on loans	1%
On off-balance sheet exposures	1%
On unclassified loans for professionals to set -up business and loans to share business	2%
On unclassified consumer financing other than housing finance, loan for professionals and loans for BCs/MBs/SDs	5%
On unclassified Short Term Agricultural and Micro Credits	2.50%
On Special Mention Account (SMA) except Short Term Agricultural and Micro Credits	0.25% to 5%
Specific provision:	
On substandard loans and advances (SS) other than Short Term Agricultural and Micro Credits	20%
On doubtful loans and advances (DF) other than Short Term Agricultural and Micro Credits	50%
On bad / loss loans and advances (BL)	100%
On substandard loans and advances (SS) other than Short Term Agricultural and Micro Credits	20%
On doubtful loans and advances (DF) other than S hort Term Agricultural and Micro Credits	50%
On doubtful short term Agricultural and Micro Credits	5%

Quantitative disclosure	b)	Total gross credit risk exposures broken down by major types of credit exposure.	Total gross credit risk exposures brok en down by major types of credit exposure of the Bank:

Particulars	In BDT Million
Term Loan	19,094.56
Overdraft	7,975.28
Time l oan	13,662.79
Cash Credit	2,118.00
Loan Against Trust Receipts (LTR)	1,767.90
Consumer Loan	1,150.95
Payment Against Documents (PAD)	-
Agricultural Credit	820.97
EDF Loan	2,768.78
Packing Credit	77.75
Staff Loan	102.06
Other Loans & Advances	67.09
Bill purchased (Payable in Bangladesh)	181.23
Bill purchased (Payable outside Bangladesh)	3,005.44
Total	52,792.81

	c)	Geographical distribution of exposures broken down in significant areas by major types of credit exposure.	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure of the Bank:

Particulars	In BDT Million
Urban:	
Dhaka Zone	44,992.83
Chittagong Zone	6,444.32

			Rajshahi Zone	194.66
			Khulna Zone	64.70
			Mymensingh	-
			Barisal Division	-
			Rangpur Division	2.99
			Syl het Division	16.63
			Sub-Total	51,716.13
			Rural:	
			Dhaka Zone	702.18
			Chittagong Zone	109.84
			Rajshahi Zone	140.70
			Khulna Zone	21.92
			Mymensingh	98.45
			Barisal Division	-
			Rangpur Division	4.09
			Sylhet Division	-
			Sub-Total	1,076.67
			Grand Total (Urban + Rural)	52,792.81
	d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Industry or counterparty type distribution of expos ures, broken down by major types of credit exposure of the Bank:	

Particulars		In BDT Million
A. AGRICULTURE, FISHING, AND FORESTRY		544.33
B. TRADE & COMMERCE		6,645.23
RETAIL TRADING	284.21	
WHOLESALE TRADING	4,956.45	
EXPORT FINANCING	0.00-	
IMPO RT FINANCING	1,042.97	
LEASE FINANCE	-	
OTHERS	361.59	
C. CONSTRUCTION (COMMERCIAL REAL ESTATE, CONSTRUCTION AND LAND DEVELOPMENT LOANS):		3,104.24
RESIDENTIAL REAL ESTATE	181.65	
COMMERCIAL REAL ESTATE	31.40	
INFRASTRUCTURE DEVELOPMENT	71.41	
OTHERS	2,819./9	
D. TRANSPORT		48.97
E. CONSUMER FINANCING		1,816.95
LOANS FOR THE PURCHASE OF FLATS OR OTHER SINGLE -FAMILY DWELLINGS	560.57	
LOANS TOR THE PURCHASE OF MOTORIZED PERSONAL TRANSPORT	95.34	
LOANS FOR THE PURCHASE OF DURABLE CONSUMPTION GOODS	175 .57	
CREDIT CARD LOANS	209.30	
OTHER PERSONAL LOANS	776.18	
F. LOANS TO FINANCIAL INSTITUTIONS		6,134.65
G. INDUSTRY		29,437.49
RMG	3,448.50	
TEXTILE	4,757.05	
FOOD AND ALI IED INDUSTRIFS	2,918.03	
PHARMACEUTICAL INDUSTRIES	792.12	
CHEMICAL, FERTILI ZER, ETC.	1,090.31	
CEMENT AND CERAMIC INDUSTRIES	1,535.41	

			SHIP BUILDING INDUSTRIES	-	
			SHIP BREAKING INDUSTRIES	-	
			POWER AND GAS	1,086.23	
			OTHER MANUFACTURING OR EXTRACTIVE INDUSTRIES	6,315.49	
			SERVICE INDUSTRIES	3,861.61	
			OTHERS	3,632.74	
			Miscellaneous		5,060.94
			Grand total		52,792.81

e)	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Residual contractual maturity break down of the whole portfolios, broken down by major types of credit exposure of the Bank:	
		Particulars	In BDT Million
		Repayable on Demand	1,131.40
		Up to 1 month	6,580.70
		Not more than 3 months	8,657.40
		More than 3 months but less than 1 year	11,583.20
		More than 1 year but less tha n 5 years	14,867.41
		More than 5 years	9,972.70
		Total	52,792.81

f)	By major industry or counterparty type:		
	i) Amount of impaired loans and if available, past due loans, provided separately;	The amount of classified loans and advances of the Bank are given below as per Bangladesh Bank guidelines .	
		Particulars	In BDT Million
		Continuous l oans & Advances	580.36
		Demand Loans & Advances	132.24
		Term Loans & Advances	741.31
		Credit Cards & Others	15.77
		Total	1,469.68
	ii) Specific and gener al provisions; and	Specific and general provisions were made on the amount of classified and unclassified loans and advances, off-balance sheet exposures, interest on receivable, diminution in value of investment and other assets -suspense of the Bank according to the Bangladesh Bank guidelines.	
		Particulars	In BDT Million
		Provision on classified loans and advances	954.73
		Provision on unclassified loans and advances	452.42
		Provision on Off-balance sheet exposures	112.99
		Provision for dim inution in investments	242.94
		Provision against Other Asset	37.36
		Total	1,800.44
	iii) Charges for specific allowances and charge-offs during the period.	During the year the specific and general provisions were made on the amount of classified a nd unclassified loans and advances, off-balance sheet exposure, interest on receivable, diminution in value of investment and other assets (suspense) of the Bank as per Bangladesh Bank guidelines.	
		Particulars	In BDT Million
		Provision on classified loans and advances	500.04

			Provision on unclassified loans and advances	(190.68)
			Provision on Off -balance sheet exposures	3.15
			Provision for diminution in investments	109.23
			Provision against Other Asset	31.87
			Total	453.61

	g)	Gross Non Performing Assets (NPAs).		
		Non Performing Assets (NPAs) to Outstanding loans and advances		
		Movement of Non Performing Assets (NPAs)	Particulars	In BDT Million
			Opening balance	1455.05
			Addition/adjustment during the year	14.64
			Closing balance	1469.69
		Movement of specific provisions for NPAs .	Particulars	In BDT Million
			Opening balance	454.70
			Provisions made / during the period	500.03
			Transferred from unclassified loan & advances	0.00
			Write-off	0.00
			Write-back of excess provisions	0.00
			Closing Balance	954.73

08. Equities: Disclosures for Banking Book Positions

	a)	**The general qualitative disclosure requirement with respect to equity risk, including:**	
		· Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons, and	Investment in equity securities are broadly categorize d into two parts: i) Quoted Securities (Common or Preference Shares & Mutual Fund) that are traded in the secondary market (Trading Book Assets). ii) Unquoted securities are categorized as banking book equity exposures which are further sub-divided into two g roups: unquoted securities which are invested without any expectation that these will be quoted in near future i.e. held for maturity (HFM) , and securities those are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Unquoted securities are valued at cost.
		· Discussion of important policies covering the valuation and accounting of equity holdings in the Banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	The primary aim is to investment in these equity securities for the purpose of capital gain by selling them in future or held for dividend income. Dividends received from these equity securities are accounted for as and when received. Both Quoted and Un-Quoted equity securities are valued at cost and necessary provisions are maintained , if the prices fall below the cost price. As per Bangladesh Bank guidelines, the HFT equity securities are revalued once in each week using marking t o market concept and HTM equity securities are amortized once a year according to Bangladesh Bank Guideline. The HTM equity securities are also revalue d if any, are reclassified to HFT category with the approval of Board of Directors.

In BDT Million

			At cost	At market value
	b)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments, for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	1,525.80	1,349.60
	c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	57.36	
	d)	• Total unrealized gains (losses)	(176.20)	
		• Total latent revaluation gains (losses) of T-bills/bonds	1.16	
		• Any amounts of the above included in Tier-2 capital.	0.00	
	e)	Capital requirements broken down by appropriate equity groupings, consistent with the Bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements (10% on market value) .		
		• Specific Market Risk	134.96	
		• General Market Risk	134.96	

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

Qualitative disclosure	a)	The general qualitative disclosur e requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	Interest rate risk is the risk where changes in market interest rat es might adversely affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). To evaluate the impact of interest rate risk on the net interest margin, Prime Bank monitors the size of the gap between rate sensitive assets and rate sensitive liabilities in terms of the remaining period to re pricing. Re pricing refers to the point in time when adjustments of interest rates on assets and liabilities occur owing to new contracts, renewal of expiring contracts or that a contract specifies a floating rate that adjusts at fixed time intervals. A maturity mismatch approach is used to measure Midland Bank's exposure to interest rate risk. A positive mismatch means that more assets than liabilities are re priced in a given period. With a positive mismatch, a rise in market interest rates will have a positive effect on the bank's earnings. On the other hand, a negative mismatch, where more liab ilities are re-priced than assets in a given period, means a drop in earnings if interest rates had increased. The table presented below showing the Interest Rate Risk Analysis of Midland Bank Limited. The analysis shows that Bank may have a negative earnings impact of Taka 15.75 million in the first quarter which has also negative amounting Tk. 46.33 million in the second quarter. In the third and fourth quarter, the total year-to-date accumulated earnings impact has also been negative Tk. 73.97 and 106.07 million respectively . The rule of thumb suggests that quarterly gaps, causing an earnings impact of 10% of the Bank's average quarterly operating profit for each 1% change in interest rates, should be carefully handled by the Bank's Management. The la st row of the following table reveals that earnings impact on Midland Bank's average quarterly operating profit is significant and should be dealt carefully.

Interest Rate Risk Analysis (for 1% change in the market rate of interest)

Quantitative disclosure	b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).	Particulars	1-90 days	Over 3 months to up to 6 months	Over 6 months to up to 9 months	Over 9 months to up to 1 year
				In BDT Million			
			A. Rate Sensitive Assets	25,679.03	8,356.86	2,290.00	2,292.70
			B. Rate Sensitive Liabilities	32,065.14	11,365.0	2,895.00	2,900.30
			GAP (A-B)	(6,386.11)	(3,008.14)	(605.00)	(607.60)
			Cumulative GAP	(6,386.11)	(9,394.25)	(9,999.25)	(10,606.85)
			Adjusted Interest Rate Changes (IRC)	1%	1%	1%	1%
			Quarterly earnings impact (Cum GAP*IRC)	(15.75)	(46.33)	(73.97)	(106.07)
			Cumulative earnings impact to date	(15.75)	(62.07)	(136.04)	(242.11)
			Earning impact / Average quarterly Operating profit	-1.59%	-6.26%	-13.72%	-24.42%

10. Market Risk

Qualitative disclosure	a)	i) Views of Board of Directors (BOD) ontrading or investment activities.	Market risk is the possibility of losses of assets i n balance sheet and off-balance sheet positions arising out of volatility in market variables i.e. interest rate, exchange rate and price. Allocation of capital is required in respect of the exposure to risks deriving from changes in interest rates and equity prices in the Bank's trading book, in respect of exposure to risks deriving from changes in foreign exchange rates and commodity price in the overall Banking activit ies. The total capital requirement for Bank against its market risk shall be the sum o f capital charges against: I. Interest rate risk II. Fquity position risk III. Foreign exchange (including gold) position risk throughout the Bank's balance sheet and Iv. Commodity risk.
		ii) Methods used to measure Market risk.	Measurement Methodology: As Banks in Bangladesh are now in a stage of developing risk management models, Bangladesh Bank suggested the Banks for using Standardized Approach for credit risk capital requirement for Banking book and Standardized (rule based) Approach for market risk capital charge in their trading book. Maturity Method has been prescribed by Bangladesh Bank in determining capital against market risk. In the maturity method, long or short positions in debt securities and other sources of interest rate exposures, including derivative instruments, are slotted into a maturity ladder comprising 13 time-bands (or 15 time -bands in case of low coupon instruments). Fixed - rate instruments are allocated according to the residual term to maturity and floating-rate instruments according to the residual term to the next repricing date.

			The total capital requi rement in respect of market risk is the sum of capital requirement calculated for each of these market risk sub -categories e.g. : a) Capital Charge for Inte rest Rate Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk . b) Capital Cha rge for Equity Position Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk . c) Capital Charge for Foreign Exchange Risk – Capital Charge for General Market Risk . d) Capital Charge for Commodity Position Risk = Capital charge for general market risk .
		iii) Market Risk Management system.	Treasury Division manages the market risk and A LCO monitors the activities of T reasury Division in managing such risk.
		iv) Policies and processes for mitigating market risk.	To mitigate the several market risk s, the Bank Formed Asset Liability Management Committee (ALCO) who monitors the Treasury Division 's activities to minimize the market risk. ALCO is primarily responsible for establishing the market risk management and asset liability manageme nt of the Bank, procedures thereof, implementing core risk management framework issued by the regulator, best risk management practices followed by globally and ensuring that internal parameters, procedures, practices / polices and risk ma nagement prudential limits are a dhere to. The Treasury Division are taking following measures to minimize the several market risk s: i) Foreign exchange risk management: it is the risk that the Bank may suffer losses as a result of adverse exchange rate movement during a period in which it has an open position in an individual foreign currency. This risk measured and monitored by the Treasury Division. To evaluate the extent of foreign exchange risk, a liquidity Gap report prepare for each currency. ii) Equity Position Risk: Equity r isk is defined as losses due to changes in market price of the equity held. To measure and identify the risk, mark to market valuation to the share investment portfolios are done. Mark to market valuation is done against a predetermined limit. At the time of investment, following factors are taken into consideration: a) Security of investment b) Fundamentals of securities c) Liquidity of securities d) Reliability of securities e) Capital appreciation f) Risk factors and g) Implication of taxes etc.

In BDT Million

Quantitative disclosure	b)	The capital requirements for :	Solo
		• Interest rate risk	142.59
		• Equity position risk	269.92
		• Foreign exchange risk and	82.35
		• Commodity risk	0.00
		Total Capital Requirement	494.86

11. Operational Risk:

Qualitative disclosure		a)	i) Views of BOD on system to reduce Operational Risk	Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputation risk. It is inherent in every business organization and covers a wide spectrum of issues. The Board of Director (BOD) of the Bank and its Management firmly believe that this risk through a control based environment in which processes see documented, authorization as independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the group stays in line which industry best practice and takes account or lessons learned from publicized operational failures within the financial services industry. The BOD has also modified its operational risk management process by issuing a high level standard like SOP, supplemented by more detailed formal guidance. This explains how the Bank manages operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with local regulatory requirements. The Bank maintains and tests contingency facilities to support operations in the event of disasters. Additional reviews and tests are conducted in the event that any branch of the Bank is affected by a business disruption event, to incorporate lessons learned in the operational recovery from those circumstances. Plans have been prepared for the continued operation of the Bank's business, with reduced staffing levels.
			ii) Performance gap of executives staffs.	Human Resources Human Resources Management is one of the key factors of enhancing the Bank's overall performance. The main functions of HR are to find out the latent talent of the employees and utilize them properly towards achieving organizational goal. The Bank has already established a performance driven working culture to expedite the utmost effort of its employees. Our HR mission is to be the employer of choice in the financial sector where the employee will work with pride and pleasure. MDB believes that Human Resource Development is a continual process and the output of the development helps the organization to meet the objective and long term vision of the organization. The Bank recruits people from all sections of the society based on their competencies. We highly emphasize on attitude driven talent acquisition process because we don't offer merely a job for the employees but we are highly conscious to shape their career and make them confident for the best fit of the next role. The main motto of Human Resources Management Division is to hike the service excellency curve for the internal and external customers of the Bank. The Management team of the Bank with their talent & skill has now been working for business excellence of the Bank with new pledge based on professionalism, team work, and strong bondage of interpersonal relationship with good governance. The new economies with increased global, regional and local competition coupled with socio -economic sensitivity have created enormous challenges in organization like private commercial Banks. To cope with new challenges, our strategic approach is to make the techy so that they can cope technology based environment. Thus we thrive for caring our people so that they can positively contribute in the profitability curve of the organization. Workforce Diversity: MDB believes that organization's success and competitiveness depends upon its ability to embrace workforce diversity and realize the benefits. With that believe, MDB tries to handle workforce diversity in an efficient way so that MDB can increase adaptability, broader service range, recognize variety of viewpoints, manage more effective execution. As on 31 December 2022 , workforce diversity is furnished below:

Age Group	Male	Female	Total
Above 50 years	8	0	8
30-50 years	505	53	558
Below 30 years	127	34	161
Total	640	87	727

			iii) Potential external events	Risk factors/Potential external events: It is needless to say that there are certain risk factors which are exte rnal in nature and can affect the business of the Bank. The factors discussed below can significantly affect the business: • General business and political condition MDB's performance greatly depends on the general economic conditions of the country. The e ffect of recession is still unfolding which may result to slow down in business environment. Political stability is must for growth in business activities. • Changes in credit quality of borrowers Risk of deterioration of credit quality of borrowers is inh erent in Banking business. This could result due to global economic crisis and supply side distortion. The changes in the import prices affected the commodity sectors and ship breaking industry. Deterioration in credit quality requires provisioning. • Changes in policies and practices of regulatory bodies to revise practices, pricing and responsibilities of the financial institutions MDB is subject to regulations and compliance of regulation is must. Changes in policies with regard to interest rates, pricin g have significant effect on the performance of the Bank. Bangladesh Bank is expected to continue its persuasion to reduce the spread and charges further which is likely to affect the performance. Changes in provisioning requirement will also affect the pe rformance of the Bank. • Implementation of Basel-III Basel-III is fully effective from 2015 and MDB needs to be complied with respect to credit risk management, its supervision and establishment of effective internal control. The grading of the borrowers and its link with capital requirement may slow down the credit expansion. The establishment of effective control requires more investment in technology and operating expenses are likely to increase. • Changes in market conditions Changes in market conditio ns particularly interest rates on deposits and volatility in Foreign Exchange market is likely to affect the performance of the Bank. Depositors are becoming increasingly price sensitive and any unilateral upward change by a Bank will exert pressure on interest rate structure of the Banking sector. It is feared that wage earners remittances may decline due to fall in job opportunity in International market. Unless offset by export performances, there may be pressure in the Foreign Exchange market. • The risk of litigation In the ordinary course of business, legal actions, claims by and against the Bank may arise. The outcome of such litigation may affect the financial performance of the Bank. • Success of strategies MDB is proceeding with its strategic plan and its successful implementation is very important for its financial performance. Major deviation due to external and internal factors will affect the performance of the Bank.
			iv) Policies and processes for mitigating operational risk.	Midland Bank (MDB) has formed a separate 'Risk Management Division' under Chief Risk Officer to ensure following things: • Designing of organizational structure by clearly defining roles and responsibilities of individuals involved in risk taking as well as managing it; • Formulation of overall risk assessment and management policies, methodologies, guidelines and procedures for risk identification, risk measurement, risk monitoring, defining an acceptable level of risk, mitigation of all the core risks in line with their respective guidelines provided by Bangladesh Bank;

				• Reviewing and updating all risks on systematic basis as necessary at least annually, preferably twice a year, ensuring that adequate controls exist and that the related returns reflect these risks and the capital allocated to support them. The main risk areas will be (i) Balance sheet Risk Management, (ii) Credit Risk, (i ii) Foreign Exchange Risk, (iv) Internal Control and Compliance Risk, (v) Money Laundering Risk and (vi) IT Risk. • The following risk s are also to be reviewed: ❖ Operational Risk ❖ Market Risk ❖ Liquidity Risk ❖ Reputation risk ❖ Insurance Risk ❖ Sustainability Risk • Setting the portfolio objectives and tolerance limits/parameters for each of the risks; • Formulation of strategies and different model s in consistency with risk management policy based on IT Policy and in house IT support which can measure, monitor and maintain acceptable risk levels of the Bank; • Development of information systems/MIS inflow and data management capabilities to support the risk management functions of the Bank. • Ensure compliance with the core risks management guidelines at the department level, and at the desk level; • The unit will work under Bank's organizational structure and suggest to the CEO to take appropriate measure s to overcome any existing and potential financial crisis; • Analysis of self-resilience capability of the Bank; • Initiation to measure different market conditions, vulnerability in investing in different sectors; • The unit will also work for substantiality of capital to absorb the associated risk in banking operation. **Activities undertaken by "Risk Management Division" since inception and recent approaches** • Risk Management Division of MDB is currently arranging monthly / as or when required meeting on various issues to determine strategies in consistency with risk management policy, which can measure, monitor, and maintain acceptable risk level of the Bank. Minutes of each meeting is submitted to Bangladesh Bank on monthly basis; • Besides, Risk Management Report and Comprehensive Risk Management Report (CRMR) have also been prepared on the basis of monthly and semi-annually respectively which addressing different areas of risk and their mitigating tools & techniques guided by the members of Risk Management Division; • In order to perform the risk management function smoothly, RMD had invited all the Operational Divisions vide letter to the Head of respective Divisions to form an internal committee along with defined duties of concerned officials. It is to be noted here that due to continuous and successful persuasion, all the Operational Divisions have formulated and established internal risk management committees. **Stress Testing in MDB:** Risk Management Division (RMD) of MDB has prepared a stress testing model in line with the Bangladesh Bank's guideline which initially focused on "Simple Sensitivity and Scenario Analysis" on the following five risk factors: • Interest rate; • Forced sale value of collateral; • Non-performing loans (NPLs);

				• Share prices; and • Foreign exchan ge rate. The stress testing based on the financial performance of the Bank as on December 31, 2022 has also been completed which shows that the Bank has adequate capital to absorb minor, moderate and major level of shocks. However, in case of combined major shocks, some additional capital shall be required.
			v) Approach for calculating capital charge for operational risk.	The Banks operating in Bangladesh shall compute the capital requirements for operational risk under the Basic Indicator Approach (B IA). Under BIA, the capital charge for operational risk is a fixed percentage, denoted by α (alpha) of average positive annual gross income of the Bank over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average. The capital charge may be expressed as follows: K = [(GI 1 + GI2 + GI3)α]/n Where: K = the capital charge under the Basic Indicator Approach GI = only positive annual gross income over the previous three years (i.e., negative or zero gross income if any shall be excluded) α = 15 percent n = number of the previous three years for which gross income is positive. Gross income: Gross Income (GI) is defined as "Net Interest Income" plus "Net non-Interest Income". It is intended that this measure should: i). be gross of any provisions; ii). be gross of operating expenses, including fees paid to outsourcing service providers; iii). exclude realized profits/losses from the sale of securities held to maturity in the Banking book; iv). exclude extraordinary or irregular items; v). exclude income derived from insurance.

BDT in Million

Quantitative disclosure		Particulars	Solo Basis
	b)	The capital requirement for operational risk	482.27

12. Leverage Ratio

Qualitative disclosure	a)	i) Views of BOD on system to reduce excessive leverage	In order to avoid building-up excessive on-and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ra tio is intended to achieve the following objectives: a) constrain build-up of leverage in the banking sector which can damage the broader financial system and the economy; and b) Reinforce the risk based requirements with an easy to understand and a n on-risk based measure. The Board of Directors of MDB primarily views on the growth of On-balance and Off-balance sheet exposures commensurate with its expected growth so that the excessive leverage is reduced. Within the On-balance components, again, the Board emphasizes on the growth of the prime component i.e. the loans and advances and maintaining good asset quality so as to maximize the revenue as well as the capacity to generate capital internally (in the form of retained earnings) to trade-off the excessive leverage supposed to be caused by asset growth.

			At the outset of asset growth, the Board also views the growth of its sources of fund i.e. deposit growth taking into consideration of projected business growth so that the credit-deposit ratio is maintained at a sustainable basis as well as to reduce the mismatches of asset-liability gap within the tolerable limit to manage the liquidity risk.
		ii) Policies and processes for mitigating market risk.	To mitigate excessive on and off -balance sheet leverage, the Bank formed Basel Unit who monitors the implementing status of Basel-III within the Bank as per the guidelines on risk based capital adequacy issued by Bangladesh Bank.
		iii) Approach for calculating leverage ratio	A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level. The banks will maintain leverage ratio on quarterly basis. The calculation at the end of each calendar quarter will be submitted to BB showing the average of the month end leverage ratios based on the following definition of capital and total exposure. Leverage Ratio = Tier I Capital (after related deductions) / Total Exposure (after related deductions)

BDT in Million

Quantitativ e disclosure	b)		Solo
		• Leverage Ratio	Leverage Ratio (LR) under BASEL III of Midland Bank Limited as of 31 December 2022 was as under:
		• On balance sheet exposure	Total On-balance Sheet exposure for calculating Leverage Ratio under Basel III of Midland Bank Limited as of 31 December 2022 was as under:
		• Off balance sheet exposure	5,653.54
		• Total exposure	Total Exposures for calculating Leverage Ratio under Basel III of Midland Bank Limited as of 31 December 2022 was as under:

Particulars	Ratio	
	BB requirement	MDB's position
Leverage Ratio	≥ 3%	9.02%

Particulars	Amount
Total On Balance Sheet Assets [A]	79,866.87
less: Total Specific Provision [B]	954.73
Total Adjusted On Balance Sheet exposure [A-B]	78,912.13

Particulars	Amount
Total On Balance Sheet Exposures [A]	78,912.13
Total Off -Balance Sheet Exposures [B]	5,653.54
less: Total Deduction/ Regulatory adjustments [C]	14.78
Total Adjusted exposure [A+B-C]	84,550.89

13 Liquidity Risk

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

Qualitative disclosure	a)	i) Views of BOD on system to reduce Liquidity Risk	Liquidity risk arises when the Bank cannot maintain or generate sufficient funds to meet its payment obligations as they fall due or can only do so at a material loss. This can arise when counterparties who provide funding to the Bank withdraw or do not roll over a line of funding or as a result of a general disruption in financial markets which lead to normal liquid assets becoming illiquid. The Board of Directors reviews the liquidity risk of the Bank on quarterly rest while reviewing the Quarterly Financial Statements, Stress Testing Report etc. Besides, the RMC of the Board also reviews the liquidity position while reviewing the risk status report on quarterly basis. Upon reviewing the overall liquidity position along with the outlook of MDB funding need, invest ment opportunity, market/industry trend, the Board takes its strategic decision regarding deposits, funding, investments, loans as well as interest rates polices etc. The Board of MDB always strives to maintain adequate liquidity to meet up Bank's overall funding need for the huge retail depositors, borrowers' requirements as well as maintain regulatory requirements comfortably.
		ii) Methods used to measure liquidity risk.	Measurement Methodology: The maintenance of Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) are considered as the fundamental methods/tools to measure the liquidity position/risk of MDB LCR or Liquidity Coverage Ratio is a new liquidity standard introduced by the Basel Committee. This standard is built on the metho dologies of traditional liquidity coverage ratio used by banks to assess exposure to contingent liquidity events. LCR aims to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for 30 calendar days. LCR goes beyond measuring the need for liquid assets over the next 30 days in a normal environment. It measures the need for liquid assets in a stressed environment, in which deposits and other sources of funds (both unsecured and secured) run off, to various extents, and unused credit facilities are also drawn down in various magnitudes. These runoffs are in addition to contractual outflows. The equation: $LCR = \frac{\text{Stock of high quality liquid assets}}{\text{Total net cash outflows over the next 30 calendar days}} \geq 100\%$ Definitions for the LCR: The calculation of the LCR requires three important quantities to be defined: A. Total value of stock of high quality liquid assets B. Total cash outflows, next 30 days (stressed scenario) C. Total cash inflows, next 30 days (stressed scenario) Net Stable Funding Ratio: NSFR or Net Stable Funding Ratio is another new standard introduced by the Basel Committee. The NSFR aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on-balance and off-balance sheet items. The minimum acceptable value of this ratio is 100 percent, indicating that

			available stable funding (ASF) should be at least equal to required stable funding (RSF). ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived stability. RSF consists of assets and off-balance sheet items, also with percentage weights attached given the degree to which they are illiquid or "long-term" and therefore requires stable funding. The time horizon of the NSFR is one year. Like the LCR, the NSFR calculations assume a stre ssed environment. The equation: $NSFR = \frac{\text{Available amount of stable funding}}{\text{Required amount of stable funding}} \geq 100\%$ The calculation of the NSFR requires two quantities to be defined: A. availab le stable funding (ASF) and B. required stable funding (RSF). **NSFR is met if ASF exceeds RSF, that is if ASF/RSF ≥ 1 or 100%.** In addition to the above, the following measures have been put in place to monitor the liquidity risk management position of the Bank on a continued manner: a) Asset -Liability Maturity Analysis (Liquidity profile); b) Whole sale borrowing capacity; c) Maximum Cumulative Outflow (MCO); Besides the above, the following tools are also used for measuring liquidity risk: a) Stress Testing (Liquidity Stress); b) Net open position limit - to monitor the FX funding liquidity risk;
		iii) Liquidity Risk Management system.	In MDB, at the management level, the liquidity risk is primarily managed by the Treasury Division (Front Office) under oversight of ALCO which is headed by the Managing Director along with other senior management. Treasury Division (Front Office) upon reviewing the overall funding requirements on daily basis sets their strategy to maintain a comfortable/adequate liquidity position taking into consideration of Bank's approved credit deposit ratio, liquid assets to total assets ratio, asset - liability maturity profile, Bank's earning/profitability as well as overall market behavior and sentiment etc. Apart from th e above, Financial Administration Division also monitors & measures the liquidity risk in line with the Basel III liquidity measurement tools, namely, LCR, NSFR, Leverage Ratio. RMD addresses the key issues and strategies to maintain the Basel III liquidity ratios to the respective division (s) on regular interval.
		iv) Policies and processes for mitigating liquidity risk.	To mitigate the several liquidity risks, the Bank formed Asset Liability Management Committee (ALCO) who monitors the Treasury Division's activities to minimize the liquidity risk. ALCO is primarily responsible for establishing the liquidity risk management and asset liability management of the Bank, procedures thereof, implementing core risk management framework issued by the regulator, best risk management practices followed by globally and ensuring that internal parameters, procedures, practices / polices and risk management prudential limits are adhere to. The Treasury Division are taking following measures to minimize the several market risks: A Board approved Liquidity Policy to manage liquidity on a day-to-day basis and a Contingency Funding Plan to deal with crisis situations are in place. Contractual maturity of assets and liabilities, liquidity ratios to include adherence to regulatory requirements and monthly liquidity forecasts are reviewed at ALCO meetings. Furthermore, liquidity stress tests are carried out quarterly to assess the impact of extreme events.

BDT in Million

<table>
<tr><td rowspan="5">Quantitative disclosure</td><td rowspan="5">b)</td><td></td><td>Solo</td></tr>
<tr><td>• Liquidity Coverage Ratio</td><td>The Liquidity Coverage Ratio (LCR) under Liquidity Ratios of Basel III of Midland Bank Limited as of 31 December 20 22 was as under:
<table>
<tr><td rowspan="2">Particulars</td><td colspan="2">Ratio</td></tr>
<tr><td>BB requirement</td><td>MD B's position</td></tr>
<tr><td>Liquidity Coverage Ratio (LCR)</td><td>≥ 100%</td><td>214.04 %</td></tr>
</table></td></tr>
<tr><td>• Net Stable Funding Ratio (NSFR)</td><td>The Net Stable Funding Ratio (NSFR) under Liquidity Ratios of Basel III of Midland Bank Limited as of 31 December 20 22 was as under:
<table>
<tr><td rowspan="2">Particulars</td><td colspan="2">Ratio</td></tr>
<tr><td>BB requirement</td><td>MDB's position</td></tr>
<tr><td>Net Stable Fundin g Ratio (NSFR)</td><td>≥ 100%</td><td>109.80%</td></tr>
</table></td></tr>
<tr><td>• Stock of High quality liquid assets</td><td>As stipulated by BB vide DOS Circular Letter No. 1 dated 1st January 2015, the Stock of High Quality Liquid Assets (SHQLA) of Midland Bank Limited as of 31 December 2022 was as under:</td></tr>
<tr><td>• Total net cash outflows over the next 30 calendar days</td><td>7,321.53</td></tr>
<tr><td>• Available amount of stable funding (ASF)</td><td>58,600.14</td></tr>
<tr><td>• Required amount of stable funding (RSF)</td><td>53,369.49</td></tr>
</table>

14. Remuneration

Qualitative disclosure	a)	a) Information relating to the bodies that oversee remuneration.	i) Name of the bodies that oversee remuneration	At the management level, primarily the Human Resources Division oversees the 'remuneration' in line with its HR management strategy/policy under direct supervision and guidance of Management Committee (MANCOM) of the Bank. The Bank has approved pay scale approved by the Board of Directors. Employee type in MDB is Regular & Contractual.
			ii) Composition of the main body overseeing remuneration	The MANCOM is headed and chaired by the Managing Director & CEO of the Bank along with other members of top executive management (Additional Managing Directors) and the Heads of different functional divisions of Head Office. Head of Human Resources Division acts as the Member Secretary of the MANCOM of MDB. There is a pay scale approved by the competent authority where the salaries and increments are fixed designation wise and the same is followed accordingly.

			iii) Mandate of the main body overseeing remuneration	The mandate of the Management Committee (MANCOM) as the main body for overseeing the Bank's remuneration is to review the position of remuneration and associated matters and recommend to the Board of Directors for approval of its restructuring, rearrangement and modification commensurate with the industry best practices as per requirement.
			iv) External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.	The Bank has no External Consultant permanently regarding 'remuneration' and its process. However, experts' opinion may have been sought in case to case basis regarding income tax matter, lawyers' opinion for settlement of employees' dues in case of death, penalty etc if required, by the management.
			v) A description of the scope of the bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.	The Bank does not differentiate the 'Pay Structure' and 'Employee benefits' by regions. However, variation in remuneration is in practice based on nature of job/business line/activity primarily bifurcated for the employees who are directly recruited by the B ank and the headcounts/employees explored through outsourcing service providers as per rule.
			vi) A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.	We consider the members of the senior management, branch managers and the employees engaged in different functional divisions at Head Office (except the employees involved in internal control, risk management and compliance) as the material risk takers o f MDB.
		b) Information relating to the design and structure of remuneration processes.	i) An overview of the key features and objectives of remuneration policy.	Remuneration and other associated matters are guided by the Bank's Service Rule as well as instruction, guidance from the Board from time to time in line with the industry practice with the objectives of retention/hiring of experienced, talented workforce focusing on sustainable growth of the Bank.
			ii) Whether the remuneration committee reviewed the bank's remuneration policy during the past year, and if so, an overview of any changes that was made.	Human Resources Division under guidance of MANCOM, the Board and senior management reviews the issues of remuneration and its associated matters from time to time.

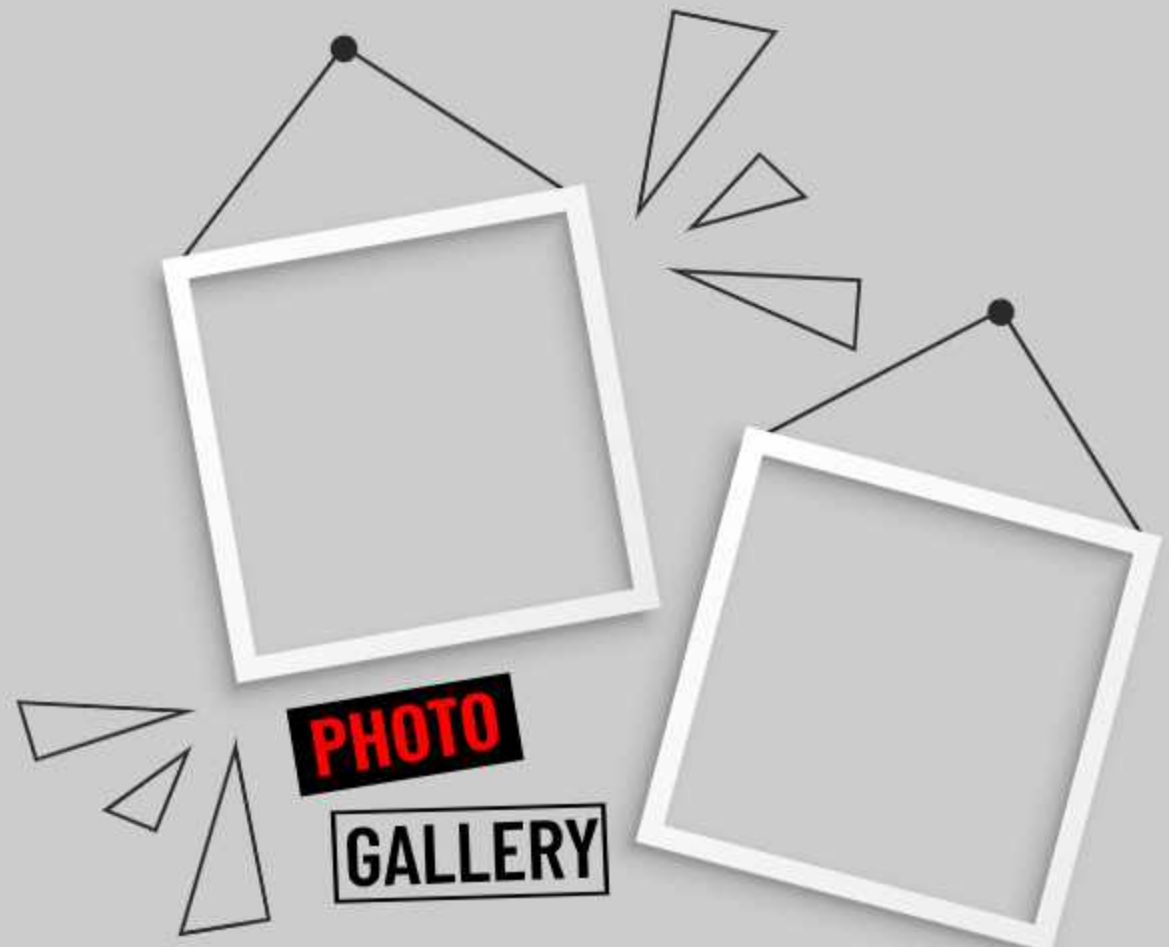
			iii) A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee	The risk and compliance employees are carrying out the activities independently as per specific terms of references, job allocated to them. Regarding remuneration of the risk and compliance employees, Human Resources Division does not make any difference with other mainstream/ regular employees and sets the remuneration as per the prevailing rule of the Bank primarily governed by the employees' service rule of the Bank.
		c) Description of the ways in which current and future risks are taken into account in the remuneration processes.	i) An overview of the key risk s that the bank takes into account when implementing remuneration measures.	The business risk including credit/default risk, compliance & reputational risk are mostly considered when implementing the remuneration measures for each employee/group of employee. Financial and liquidity risk are also considered.
			ii) An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure.	Different set of measures are in practice based on the nature & type of business lines/segments etc. These measures are primarily focused on the business target/goals set for each area of operation, branch vis-à-vis the actual results achieved as of the reporting date. The most vital tools & indicat ors used for measuring the risks are the asset quality (NPL ratio), Net Interest Margin (NIM), provision coverage ratio, credit-deposit ratio, cost-income ratio, growth of net profit, as well the non-financial indicators, namely, the compliance status with the regulatory norms. Instructions has been brought to all concerned of the Bank from time to time.
			iii) A discussion of the ways in which these measures affect remuneration.	While evaluating the performance of each employee annually, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly the result of the performance varies from one to another and thus affect the remuneration as well.
			iv) A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.	No material change has been made during the year 2022 that could the affect the remuneration.

		d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	i) An overview of main performance metrics for bank, top-level business lines and individuals.	The Board sets the Key Performance Indicators (KPIs) while approving the business target/budget for each year for the Bank and business lines/segments. The management sets the appropriate tools, techniques and strategic planning (with due concurrence/approval of the Board) towards achieving those targets. The most common KPIs are the achievement of loan, deposit and profit target with the threshold of NPL ratio, cost -income ratio, cost of fund, yield on loans, provision coverage ratio, capital to risk wei ghted asset ratio (CRAR), ROE, ROA, liquidity position (maintenance of CRR and SLR) etc.
			ii) A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.	The remuneration of each employee is paid based on her/his individual performance evaluated as per set criteria. And, accordingly, the aggregate amount of remuneration of the Bank as a Whole is linked/ impacted to the same extent.
			iii) A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak. This should include the bank's criteria for determining "weak" performance metrics.	The Bank follows remuneration process as per set criteria with no in general adjustment in the event of weak performance metrics/scorecard
		e) Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance.	i) A discussion of the bank's policy on deferral and vesting of variabl e remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.	The Bank pays variable remune ration i.e. Annual Increment based on the yearly performance rating on cash basis with the monthly pay. While the value of longer term variable part of remuneration i.e. the amount of provident fund, gratuity fund are made provision on aggregate/indiv idual employee basis; actual payment is made upon retirement, resignation etc. as the case may be, as per rule.
			ii) A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements.	Not Applicable

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

BDT in Million

Quantitative disclosure	b)		Solo
		Number of meetings held by the main body overseeing remuneration and remuneration paid to its member.	No such meeting as there is no designated remuneration committee. HR Division is assigned to initiate any change proposal on remuneration as per the Human Resource Management Policy of the bank and get necessary approval from BoD.
		Number of employees having received a variable remuneration award.	635
		Number of guaranteed bonuses awarded.	2 festival bonuses
		Total amount of guaranteed bonuses awarded.	39.02
		Number of sign-on awards made.	Nil
		Total amount of sign-on awards made.	Nil
		Number of severance payments made.	Nil
		Total amount of severance payments made.	Nil
		Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil
		Total amount of deferred remuneration paid out.	
		Breakdown of amount of remuneration awards for the financial year to show:	BDT in Million Fixed: 540.69 Variable: 15. 65 Deferred: Nil Non-deferred: Nil Different forms used (cash, shares and share linked instruments, other forms): Cash
		Total amount of outstanding deferred remuneration	Nil
		Total amount of retained remuneration exposed to ex post explicit and/or implicit adjustments.	Nil
		Total amount of reductions during the financial year due to ex post explicit adjustments.	Nil
		Total amount of reductions during the financial year due to ex post implicit adjustments.	Nil


PHOTO
GALLERY



Mrs. Nilufer Zafarullah, Honourable Chairman of the Bank presiding over the 9th Annual General Meeting (AGM) of the Bank held on June 18, 2022.



Mrs. Nilufer Zafarullah, Honourable Chairman along with Mr. Rezaul Karim, Director & Chairman, Executive Committee of the Board of Director, Midland Bank Limited jointly handed over the pay-order to Honourable Prime Minister Sheikh Hasina, M.P. at the Prime Minister's Office on 15th January 2023. As part of its Corporate Social Responsibility (CSR), Midland Bank Limited (MDB) provided financial assistance BDT 1.00 (one) Crore favoring "Home construction fund by private finance" Ashrayan Project-2, Prime Minister's Office Dhaka to provide housing for landless and homeless families of the country.



Mr. Ahsan Khan Chowdhury, Honourable Director & Chairman, Risk Management Committee of Midland Bank Limited handed over the cheque to Prime Ministers' Principal Secretary Dr. Ahmed Kaikaus at the Prime Minister's Office on 27 June 2022. Honourable Prime Minister Sheikh Hasina joined the function through a videoconference from her official residence Ganabhaban. As part of its Corporate Social Responsibility (CSR), Midland Bank Limited (MDB) donated BDT 2.00 Crore to the "Prime Minister's Relief Fund" for flood affected people of the country.



Mr. Abdul Momin Mondol MP and Dr. Mostafizur Rahman, honourable Directors of Midland Bank, presented a token blanket to honourable Prime Minister of Peoples Republic of Bangladesh Sheikh Hasina, MP at a programme held on November 10, 2022 in the Prime Minister's Office. As part of its Corporate Social Responsibility (CSR) Programme, Midland Bank Limited (MDB) donated BDT 15000 pcs of blankets to the "Prime Minister's Relief Fund" for cold stricken poor people of the country.



Directors and top officials of Midland Bank offered prayer on the occasion of 9th anniversary of the Bank at its Head Office, Dhaka. Mr. Kazi Raihan Zafar, Director and Mr. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank were present at the event, along with other high officials of the Bank.



Midland Bank held virtual discussion on the Life & Work of Bangabandhu on the occasion of National Mourning Day.



Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank was present at the Annual Managers' Conference 2023 of Retail Distribution Division.



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



Md. Ahsan-uz Zaman, Managing Director of the Bank formally inaugurated three Sub-Branches of the Bank through digital platform.



Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank presided over the Half Yearly Managers' Conference 2022 of Retail Distribution Division.



Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank presiding over Half yearly Business Strategy Summit 2022 of Institutional Banking Division.



Md. Ahsan-uz Zaman, Managing Director & CEO formally inaugurated two new Deposit Schemes of the Bank on the occasion of its 9th Anniversary 2022.



Md. Ahsan-uz Zaman, Managing Director & CEO formally inaugurated MDB Virtual Visa Pre-Paid Card Service of the Bank.



Md. Ahsan-uz Zaman, Managing Director & CEO formally inaugurated Green Pin Service for MBD Visa Card.



Midland Bank Limited, Achieved PCI DSS (Payment Card Industry Data Standard Security) Compliance Certificate for its Card Business.



Midland Bank Limited achieved ISO Certificate. Md. Ahsan-uz Zaman received the certificate on behalf of the Bank.



Md. Ahsan-uz Zaman cut a cake as Midland Bank introduced Security Operation Center (SOC).



Md. Ahsan-uz Zaman formally inaugurated Barishal Branch of The Bank at Girza Mohollah of Barishal City Corporation.



Md. Ahsan-uz Zaman formally inaugurated Dendabor Sub-Branch of the Bank at Polli Biddut, Savar, Dhaka.



Md. Ahsan-uz Zaman formally inaugurated Rangpur Branch at Dhap Jail Road of Rangpur City Corporation.



Midland Bank awarded Integrity Award among the employees and staff for the Fiscal Year 2021-2022. Md. Ahsan-uz Zaman, MD & CEO of the Bank, distributed the awards and certificates among the awardees as Chief Guest. Md. Zahid Hossain, DMD was also present in the programme.



In presence of Bangladesh Bank Governor Abdur Rauf Talukdar, Deputy Governor Abu Farah Md. Nasser, Executive Director Obaidul Haque, Md. Ahsan-uz Zaman, Managing Director & CEO of Midland Bank and Mr. Zaker Hossain Director of Bangladesh Bank signed the agreement on behalf of their organization to disburse CMSME loans under BB Refinancing Scheme.



In presence of Abdur Rouf Talukder, Governor of Bangladesh Bank, Md. Ahsan-uz Zaman, Managing Director & CEO of Midland Bank, and Md Abul Kalam Azad, Director of Agricultural Credit Department of Bangladesh Bank, signed the agreement on behalf of their respective organizations as a participatory Bank for disbursement of loans under a refinancing scheme worth Tk.5,000 crore for food security of the country.



Midland Bank Limited (MDB) signed "Participation Agreement" with Bangladesh Bank under a refinance scheme namely Green Transformation Fund (GTF) worth BDT 5,000 crore for acceleration of green practices and sustainable growth in export-oriented and manufacturing industries. The Governor of Bangladesh Bank, Mr. Abdur Rouf Talukder and the Managing Director & CEO of Midland Bank Limited, Mr. Md. Ahsan-uz Zaman exchanged the agreement on behalf of their respective organizations.

Midland Bank signed participation agreement with Bangladesh Bank under refinance scheme for ship-building industry. In presence of Mr. A. K. M. Sajedur Rahman Khan, Deputy Governor of BB, Mr. Md. Ahsan-uz Zaman, Managing Director & CFO of Midland Bank Limited and Mr. Md. Nurul Amin, Executive Director of Bangladesh Bank signed the agreement on behalf of their respective organizations.



Midland Bank Limited (MDB) has recently signed a MoU with UPAY, a leading Mobile Financial Service provider in Bangladesh. Md. Ahsan-uz Zaman, MD & CEO of Midland Bank Limited and Mr. Rezaul Hossain, MD & CEO of UPAY signed the MoU on behalf of their respective organizations.



Midland Bank Limited signed an issuing bank agreement with Exim Bank of India under the latter's Trade Assistance Programme in Dhaka. Md. Ahsan-uz Zaman, Managing Director & CEO of Midland Bank and Tarun Sharma, Chief Financial Officer of the Exim Bank of India, signed the agreement on behalf of their respective organizations.





Midland Bank Limited (MDB) signed a MoU with TREDX. The agreement will allow MDB to bid in TREDX platform as a financier, along with other banks and non-banking financial institutions, to facilitate working capital for suppliers of large reputed corporate entities. TREDX platform is meant for online supply chain finance transaction. Md. Ahsan-uz Zaman, Managing Director & CEO of MDB and Dr. Masrur Reaz, Managing Director of ThinkBig Solutions Limited (under brand name TREDX) signed an agreement on behalf of the organizations.



Midland Bank Limited (MDB) signed a MoU with Popular Diagnostic Centre Limited & Popular Medical College Hospital Limited, two famous Diagnostic Centre and Medical College Hospital in Bangladesh. In presence of Dr. Mostafizur Rahman, Managing Director of Popular Diagnostic Centre and Popular Medical College Hospital and Md. Ahsan-uz Zaman, Managing Director & CEO of Midland Bank, Md. Zubayed Ur Rahman, Head of HR of MDB and Mr. Achinto Kumar Nag, Asst. General Manager, HR & Admin. of Popular Diagnostic Centre Limited signed an agreement on behalf of the organizations.



MoU was signed between Midland Bank Limited (MDB) and Omera Renewable Energy Ltd (a concern of East Coast Group) under "Refinance Scheme for Green Products/ Projects/Initiatives" of Bangladesh Bank in the Head Office of the Bank at Gulshan 2, Dhaka on 16.11.2022. In presence of Md. Ahsan-uz Zaman, Managing Director & CEO of Midland Bank, Mohammad Javed Tarek Khan, Head of Institutional Banking Division and Masudur Rahim, Chief Executive Officer of East Coast Group, signed the MoU.

Photo Gallery ▶

Midland Bank Limited (MDB) signed an MoU with Japan Bangladesh Friendship Hospital (JBFH), one of the famous Join venture Specialized Hospital in Bangladesh. Md. Rashed Akter, Head of Retail Distribution of MDB and Sarder A. Razzak, Director (Finance & HRD) of JBFH signed the MoU on behalf of their respective organizations.



Midland Bank Limited (MDB) signed MoU with Puro Foods Ltd., one of the sister concern of the Eon Group of Industries. Md. Rashed Akter, Head of Retail Distributions of MDB and Md. Mizanur Rahman Talukder, Manager, Business Operation of Puro Foods Ltd. signed the Agreement on behalf of their respective organizations.



Midland Bank Limited (MDB) signed an MoU with Yashoda Hospital based in Hyderabad, Telangana, India. Md. Rashed Akter, Head of Retail Distributions of MDB and Keshav Gupta, Chief Executive Officer (CEO) of Yashoda Hospital signed the MoU on behalf of their respective organizations.





Midland Bank Limited (MDB), in collaboration with USHA Foundation, an NGO, disbursed loans directly to the customers of Jamdani Cluster, Narayanganj, under cluster based financing in the CMSME sector. Md. Ahsan-uz Zaman, Managing Director and Chief Executive Officer of Midland Bank Ltd. handed over the cheques to the borrowers as the chief guest on the occasion. Md. Sharafat Ullah Khan, Deputy General Manager, SME and Special Programmes Division, Bangladesh Bank was present on the occasion as a special guest. Among others, Md. Tajul Islam, Executive Director, USHA Foundation, Md. Javed Tareq Khan, Head of Institutional Banking Division, MDB, Md. Ahsan Jamil Hossain, Head of SME Banking Division, MDB were also present on the occasion.



On the occasion of National Mourning Day 2022, Midland Bank Ltd. Doshmile Branch, Dinajpur carried out the Food Distribution programme in their locality. Different food items distributed among the needy people to mark the day. Mr. Md. Ahsanul Alam, Head of Branch, Doshmile was present during the Food Distribution Programme along with other officials of the Branch.



On the occasion of National Mourning Day 2022, tree plantation programme was organized by Midland Bank Ltd. Midland Bank Rajshahi Branch carried out the tree plantation programme with the slogan "Let's plant trees and participate in building Bangabandhu's dream country". Dr. Г. A. M. Anjuman Ara Begum, Chief Health Officer, Rajshahi City Corporation, received and planted number of trees around Rajshahi City Corporation areas.

Photo Gallery ▶



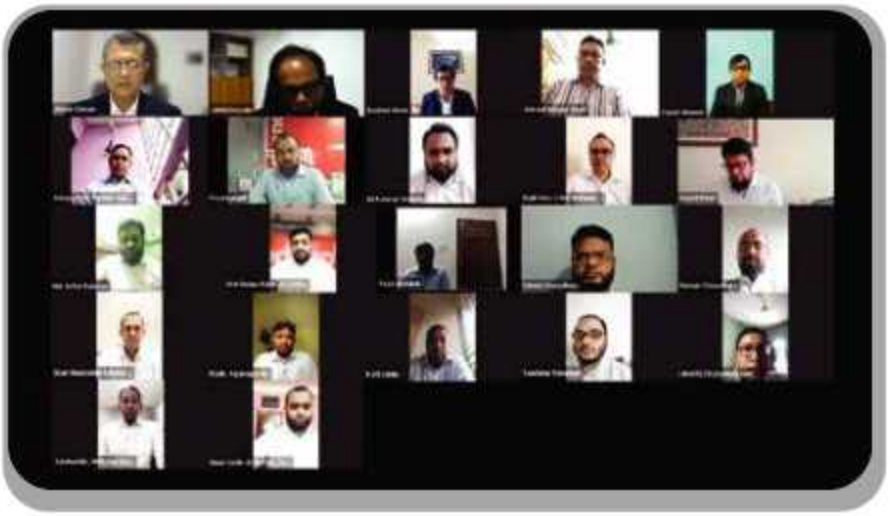
Financial Literacy Day-2023 has been celebrated by Midland Bank Limited. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank, inaugurated the Financial Literacy Day programme at the bank's head office through digital platform.



Midland Bank organized an Awareness Programme titled "Anti-Money Laundering & Combating Financing of Terrorism" for its Senior Management Team members. Md. Ahsan-uz Zaman, Managing Director & CEO of the Bank inaugurated the programme as Chief Guest. Md. Zahid Hossain, Deputy Managing Director & CAMLCO and Khondkar Towfique Hossain, EVP & Deputy CAMLCO were present in the programme. Mr. Syed Kamrul Islam, Additional Director of BFIU, Bangladesh Bank was present in the programme as Resource Person.



Midland Bank organized a training programme titled "Trade Based Money Laundering" for its officials held on the 22nd October, 2022 at the Board Room of Bank's Head Office at Gulshan, Dhaka. Md. Zahid Hossain, Deputy Managing Director & CAMLCO of the Bank inaugurated the programme as Chief Guest and delivered the welcome speech. Khondkar Towfique Hossain, EVP & Deputy CAMLCO was present in the programme as Special Guest. Mr. A.K.M. Rezaul Karim, Additional Director, Bangladesh Financial Intelligence Unit (BFIU), Bangladesh Bank was present in the programme as Resource Person. Officials from Trade & Supply Chain Division, International Division & NRB, Retail Distribution Division, Institutional Banking Division, Credit Risk Management Division and Anti-Money Laundering Division of the Bank participated in the programme.



Retail Distribution Division successfully completed 1st conference with all CSMs and Sub-Branch Managers on Service Excellence and Operational Risk on September 3, 2022. Md. Ahsan-uz Zaman, honourable MD and CEO, Md. Zahid Hossain, DMD, Md. Rashed Akter, HoRDD, Mr. Syejuddin Ahmmed, HoICC, Mr. Fazal Abdullah, HoAMLD, Mr. Ashraful Alam, HoOperations, all Cluster Heads, SBMs, CSMs and RDD-HO team members were present in the conference.



Midland Bank organized an Agent Reunion Ceremony 2023 in a local city hotel, in Khulna on 09th March 2023. Imran Al Habib Xulius, Head of Agent Banking Division of the Bank attended the ceremony as Chief Guest along with Mr. Prosenjit Sen, Acting Head of Khulna Branch.



Midland Bank organized an Agent Reunion Ceremony 2023 in a local city hotel, in Bogura on 03th March 2023. Imran Al Habib Xulius, Head of Agent Banking Division of the Bank attended the ceremony as Chief Guest along with Md. Ahsan Habib, Area Head & Head of Rajshahi Branch and Syed Saqulbuzzaman, Head of Islamic Banking Division.

Photo Gallery ▶

Tripartite agreement was signed amongst Midland Bank Limited (MDB), Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on Sunday, February 19, 2023 at DSE Tower, Nikunja, Dhaka. The agreement was signed for sharing uniform and integrated electronic subscription system for IPO subscription of the public offer portion of Midland Bank Limited. Md. Ahsan-uz Zaman, Managing Director and CEO of Midland Bank Limited, Khairul Bashar Abu Taher Mohammed, Chief Regulatory Officer of DSE and Hasnain Bari DGM of CSE signed the agreement on behalf of their respective organizations.Amongst others, Satilque Ahmed Shah, CFO and Acting MD of DSE, Md. Rabiul Islam, AGM & Head, Listing Affairs Dept. of DSE were present in the programme. From Midland Bank Limited, Khalid Mohammad Sharif FCS, Company Secretary and Didarul Islam, Vice President, Financial Administration Division were present in the signing programme.



IPO shares of Midland Bank Limited (MDB) have been successfully allotted through the Electronic Subscription System (ESS) of Bangladesh. The Allotment Ceremony of IPO Shares was held at the Meeting Room of DSE Tower at Nikunja on Thursday, March 16, 2023. Senior Officials of MDB, DSE, CSE were present at the occasion.



Listing agreement was signed between DSE and MDB. Mr. M. Saifur Rahman Majumder, Managing Director (Acting) of DSE and Mr. Ahsan-uz Zaman, Managing Director of Midland Bank Limited signed the agreement on behalf of the respective organization. Amongst others, the programme was attended by Mr. Khairul Bashar Abu Taher Mohammad, Chief Regulatory Officer and Mr. Md. Rabiul Islam, AGM, Listing Affairs and other high officials of DSE. From Midland Bank, Mr. Md. Zahid Hossain, Deputy Managing Director, Mr. Md. Zahirul Islam FCA, Chief Financial Officer and Mr. Khalid Mohammad Sharif, FCS, Company Secretary of the Bank attended. Mr. Iftekhar Alam, CEO of Langkabangla Investments Ltd, also attended the programme.





The trading of the IPO shares of Midland Bank Limited (MDB) commenced at Dhaka Stock Exchange Limited (DSE) on Monday, March 27, 2023. The top officials of the Dhaka Stock Exchange Limited and Midland Bank Limited participated in "Ring-the-Bell" programme at DSE Tower, Nikunja, Dhaka before starting of the trade of Midland Bank shares at DSE.



Midland Bank Limited attended the "Ring-the-Bell" and Listing agreement signing ceremony at CSE, Dhaka Office located at Nikunja on Monday, March 27, 2023. Mr. Hasnain Bari, DGM and In-charge of Dhaka Office of CSE signed the Listing agreement on behalf of CSE, while Mr. Md. Ahsan-uz Zaman signed on behalf of Midland Bank Limited.



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

Photo Gallery ▶



Under CSR Programme, Midland Bank Limited donate Rev. Abdul Woadud Memorial Hospital, a concern of Christian Service Society (CSS) for arranging Special EYE campaign named "CATARACT OPERATION". Md. Rezaul Huq, Head of Rangpur Branch of the Bank handed over the Cheque to the hospital authority on behalf of the Bank.



Midland Bank distributed blankets throughout its Branches and Sub-Branches among the cold stricken marginal people in the country. As part of this, Khandakar Bazlur Rahman, Head of Aganagar Branch, Dhaka along with Mohammad Quaid-E-Azam, Manager of Sreenagar Sub-Branch of Munshigonj of the Bank distributed blankets among the cold stricken poor people in the Sreenagar Area.

Sustainability Report:

Sustainability

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

MDB's Approach to Sustainability

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

Entrepreneurship

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

Stewardship

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

Inclusion

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

MDB Sustainability Model

Midland Bank Limited (MDB) is committed to integrating environmental, social and governance issues into their day-to-day operations. The banking industry is also becoming more competitive, with many new entrants using innovative and inclusive business models to offer differentiated products and services such as social banking and social finance, which focus in particular on investing based on social responsibility. MDB is moving on with a long term customer relationship with customer led models, products and services.

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

Fairness in Banking

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

Supportive Engagement

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

An Admired Employer

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

Safe Banking Approach

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

Citizenship and Environmental Concern

As a growing organization we have a responsibility to manage our internal and external impacts. A core part of this is the way we govern our environmental, social and ethical risks, not only within our own operations, but also in relation to companies we lend to. In 2023, the bank will strengthen its environmental and social risk management system in line with regulatory guidelines. Mentionable, in the year 2020 MDB partnering with both local and foreign consultants took initiative to develop ESRM Policy and ESRM System of the bank in line with IFC Performance Standard and with the norms of other multilateral/international lenders.

Financial Inclusion

Multitudes of people across the country still remain unbanked or have limited access to banking services. MDB remains committed to agricultural and rural credit (micro finance) as a means of increasing financial inclusion in the country. We intend to support this sector by providing a range of financial services to microfinance institutions (MFIs) as well as through our own branch network. Small and Medium Enterprises plays crucial role in generating jobs and economic growth in Bangladesh. During 2022, a good total of 75 CMSME entrepreneurs were added to SME client base bringing the total to 517 numbers and disbursed a sum of BDT 4,065.70 million which consolidated our SME portfolio with BDT 5,687.10 million outstanding at the year-end. To improve the gender balance in SME finance, we closed the year with BDT 1,582.80 million loan disbursement on account of total 15,184 women entrepreneurs (directly through Bank to 14 number of women entrepreneurs and indirectly through MFIs to 15,170 number of women entrepreneurs). Within the CMSME portfolio an amount of Tk.2.30 million has been disbursed in the year 2022 as Term Loan under pre-finance scheme of Bangladesh Bank. We continued to explore new ways of increasing financial outreach.

Due to countrywide lock down imposed by Government to halt the wide spreading of COVID-19 virus during the year 2020 and 2021, economy of the country was disrupted and business was adversely impacted amid the COVID-19 fallout. In an effort to revitalize the economy, GoB continued the declared financial stimulus packages to the pandemic affected entities. MDB also was quick to respond to the request of its CMSME customers whose business were adversely impacted due to outbreak of COVID-19, by allowing working capital facility under stimulus package. In the year 2022 MDB disbursed total Tk.276.03 million working capital facility to 48 number of CMSME customers under the stimulus package for CMSME sector.

Combating Financial Crime and Money Laundering Risk

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

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

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

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

Promoting Sustainable Finance

Steps are taken to introduce green banking products which can in some way or other contribute to the reduction of carbon emissions. Our green finance priorities include ETP, modernization of brick kiln by advanced technology, Bio-gas Plant, Solar Power System and other renewable energy sectors. In our attempt for green finance in 2022, we have disbursed a sum of BDT 5137 million for financing central ETP of City Economic Zone Ltd. Besides, specific environment and social risk management plan and guidelines are in place with the Bank. Furthermore, in order to promote green financing MDB has also signed agreement with Bangladesh Bank to become eligible PIF under various refinancing scheme like, Green Transformation Fund (GTF), Technology Development Fund (TDF) etc.

We spent an amount of BDT 27.84 million in various CSR activities in Bangladesh in 2022. To keep our commitment afloat for SME business, woman entrepreneur finance, agri farms, we have made necessary restructuring in our operations, launched campaign for SME promotion, participated in SME fairs, added and upgraded delivery channels and built alliance with various banks and micro finance organizations for a nationwide banking outreach. We have designed new products for various segments in the community for wider financial inclusion and took up promotional initiatives in the market. Our costs in sustainability build-up are taking an upturn every year and we are expecting their positive reflection in our present and future well-being. Furthermore, the Bank made considerable investment to strengthen capacity and preparedness

to combat money laundering and terrorist financing in the field of manning & training, software development, building liaison & awareness, etc. to ensure regulatory compliance. Around the year 2022, we actively pursued the expansion of our business with particular focus on greater welfare of the economy.

Contribution to Government Exchequer

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

MDB for Inclusive Growth

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

MDB has decided to increase lending target to small and medium enterprises. The Bank is targeting SME finance to the undeniable but underserved segment of the economy. To this effect, the Bank finance to micro and small enterprises, manufacturing sector and women entrepreneurs is getting momentum. New strategy has been set out to expand cluster base financing program. MDB disbursed BDT 1,582.80 million loans to Women Entrepreneurs in the calendar year 2022. Bangladesh Bank refinance for Small Enterprise and Women Entrepreneurs has enabled the Bank to open up a soft loan window for small sized business and women owned projects. The Bank is committed to the implementation of statutory codes of practice on business lending within agreed time frames.

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

Green Banking: Towards Sustainable Banking

Green Vision

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

Concepts of Green Banking

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

MDB Green Banking Policy:

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

Green Activities of MDB

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

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

Environmental Risk Management

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

In-house green banking development

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

Electricity Consumption

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

Fuel Consumption

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

Paper Consumption

- Where possible using online communication (e-mail, IP message etc.) instead of printed communication, always thinking twice before taking a print, taking print on the both side of paper to save paper consumption, using scrap paper for taking draft print and as note pads.

Water Consumption

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

Others

- Avoiding use of disposable cups/glasses to become more eco-friendly.
- Bank's way forward to a safer, greener & cleaner habitat.

Green Reporting and Disclosure

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

MDB Green Report Card 2022:

[Fig. in BDT Million]

SL	Particulars	Total	
		No. of Projects	Amount
A	Introducing Green Finance		
01	Effluent Treatment Plant (ETP)/Environment Friendly Financing	05	238.61
02	Bio -gas Plant		
03	Solar Panel system/Renewable Energy Plant	01	23.26
04	Hybrid Hoffman Kiln (HHK)	01	390.61
05	Auto Tunnel Kiln		
06	Green Finance at reduced rate of interest		
07	Others (if any) Zig Zig Brick Project	07	61.92
	Total	14	714.40
B	Online Banking		
01	No. of ADCs (own ATM & ADM)	58	
02	Shared ADCs (Approx.)	-	
03	No. of Branches with online coverage	36	
04	No. of total accounts	2,41,305	
05	No. of accounts facilitated with internet banking	46,590	
06	No. of accounts facilitated with Mobile/SMS Banking	1,91,467	
C	Awareness Building		
01	Training Programs on Green Banking (In-house)	-	
02	Participants in the Training	-	
D	Disclosure		
01	Website	Yes	
02	Annual Report	Yes	
03	Preparation of Green Banking & Sustainability Report Others (if any)	Yes	
E	Sector Specific Environment Policy		
01	Formulation of Sector Specific Environment Policy		
	(Under phase)		
	Others (if any)		
F	Green Strategic Planning		
01	Formulation of Green Strategic Planning		
02	Formulation of Bank's Specific Environment Risk		
03	Management Plan & Guideline Others (if any)	Yes	

MDB CSR Activity

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

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

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

The Board of Directors of the Bank approved total amount of Tk. 2,78,41,218.00 for annual CSR activities of Midland Bank Limited for the year 2022. Distribution status of the CSR activities of the Bank as on 31st December 2022 are as furnished below:

Sl. No.	Particulars	Amount	Area of Allocation
01.	Financial Assistance to Shahnewaz Sumon, Joint Director (JD) of Bangladesh Bank for treatment purpose	1,00,000.00	Health Care
02.	Financial Assistance to Rashidul Islam, Security Guard of Bangladesh Bank for treatment purpose	50,000.00	Health Care
02.	Donation to Rev Abdul Woadud Memorial Hospital for Special EYE campaign named "CATARACT OPERATION"	50,000.00	Health Care
03.	Donation of Wheel Chairs to Brave freedom fighter Rashidul Alam Special Child & Autism School' Bheramara, Kustia	50,000.00	Education
04.	Contribution of fund to the Prime Minister's Education Assistance Trust	2,50,000.00	Education
05.	Donation to Prime Ministers' Relief Fund for Flood under the initiative of BAB	2,00,00,000.00	Disaster Management
06.	Donation of 15000 pcs Blankets to Prime Ministers' Relief Fund for Winter affected people under the initiative of BAB	51,76,125.00	Disaster Management
07.	Distribution of 6943 pcs of Blankets throughout MDB Branches	20,89,843.00	Disaster Management
08.	Donation of 250 pcs Blankets to Bangabandhu Foundation, as per instruction given by Bangladesh Bank	75,250.00	Disaster Management
	Total	2,78,41,218.00	

Based on the above CSR activities, ratio wise distributions of the annual CSR fund of the Bank in 2022 are as follows:

Particulars	Allocation for Education	Allocation for Healthcare	Environment and Climate Change mitigatio n & adaptation	Disaster management, Infrastructure Development, Sports & Culture, Income -generating Activities and Other Sector	Remarks
Ratio Fixed by BB CSR Policy	30%	30%	20%	20%	100%
Ratio as per MDB CSR fund distribution	1.08%	0.72%	0.00%	98.20%	100%
Amount of CSR fund distribution	3,00,000	2,00,000	0.00	2,73,41,218	2,78,41,218

Financial Statements



Statement of directors on adequacy of the system of Internal Control

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

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

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

The Board of Directors monitored the adequacy and usefulness of internal control systems through the formation of an audit committee. While preparing the audit committee, all the conditions mentioned in 'sections 15 Kha & 15 Ga of the Bank Company (amended) Act 2013, Bangladesh Bank guidelines and Corporate Governance Guidelines by Bangladesh Securities and Exchange Commission (BSEC) have been appropriately addressed. As per Bangladesh Bank BRPD Circular No.11, dated 27 October 2013, a 4 (four) member Board Audit Committee (BAC) was last reconstituted in the 130th Meeting of the Board of Directors held on 26th October 2022. The committee has reviewed the system of internal control and management of core risks faced by the Bank. They have also reviewed the audit process, the Bank's process for monitoring the compliance with laws and regulations and codes of conduct of business.

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

On behalf of the Board of Directors,



Nilufer Zafarullah
Chairman
Date: 27 April 2023

Directors' Responsibility in relation to Financial Statements

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

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

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

The Board Audit committee comprised of 4 (four) Directors who has required qualifications and experience. The Committee has made an independent assessment of the financial reporting system of the Bank and confirmed that the financial statements for the year ended on 31 December 2022 have been prepared in compliance with relevant accounting principles and regulatory requirements. The Committee also discussed and exchanged views with the representatives of external auditors and reviewed the financial statements and recommended to the Board of Director for consideration and approval of these financial statements for year ended on 31 December 2022.

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

On behalf of the Board of Directors,



Nilufer Zafarullah
Chairman
Date: 27 April 2023

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

Annexure-A

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

Date: 27 April 2023

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

Subject: Declaration on Financial Statements for the year ended on 31 December 2022

Dear Sirs,

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

(1) The Financial Statements of Midland Bank Limited for the year ended on 31 December 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
(3) The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;
(4) To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

In this regard, we also certify that:

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

Sincerely yours,

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

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

Independent Auditor's Report
To the shareholders of Midland Bank Limited

Report on the audit of financial statements

Opinion

We have audited the financial statements of Midland Bank Limited (the "Bank"), which comprise the balance sheet as at 31 December 2022 and profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

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

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances	
The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex. For the individual analysis for large exposure, provision calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates of complex design and implementation. At year end the Bank reported total gross loans and advances of BDT 52,792 million (2021: BDT 45,867 million) and provision for loans and advances of BDT 1,578 million (2021: BDT 1,284 million). In addition, special general provision – COVID 19 has been also maintained as per BRPD circular no. 53 dated 22 December 2022 on the outstanding balance from clients who have taken the deferral facility due to COVID 19. We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias: • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; and • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.	We tested the design and operating effectiveness of key controls focusing on the following: • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Completeness of appropriate documentation before disbursement of loans as well as recording of loan balance; • Alternate procedures applied by management to assess new loan/renewal of existing loans where latest audited financial statements of the borrower is not available; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Loans (CL); Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: • Peviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained Due to long-term impact of COVID 19, flood situation in north-eastern areas of Bangladesh and prolonged conflict/war outside the country, many borrowers were adversely impacted during the year. Accordingly, Bangladesh Bank has given certain flexibility from classification requirement for loans vide issuing various circulars such as BRPD 14 dated 22 June 2022, and BRPD 51 dated 18 December 2022 whereby Banks are allowed to keep a loan/customer as unclassified subject to the payment of certain percent of quarterly instalment due by 31 December 2022. The Bank has calculated required provision as per Bangladesh Bank letter DBI-5(IS)/158/2023-519 dated 17 April 2023 considering total classified loans and advances of Tk 146.97 crore (2.78%).
See note # 7, 13.01 and 13.02 to the financial statements	

Risk	Our response to the risk
Interest income recognition	
Recognition and measurement of interest income involve complex IT environment as well as require critical estimates and judgment. Since interest income from loans and advances is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in recognition of interest income. Moreover, as per Bangladesh Bank BRPD circular no. 53 dated 22 December 2022, considering future risk banks were allowed to recognize outstanding/ arrear interest income on loans where deferral facilities were given upon considering potential risk of future recovery and receiving certain percent of quarterly instalment due by 31 December 2022. Accordingly, this has been considered as key audit matter.	We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of interest on loans and advances. For selected customers and loan files on sample basis we have also performed substantive test of details including recalculation and cut-of testing to check accuracy of interest income. Finally, we also conducted substantive analytical procedures to assess reasonableness of interest recognised during the year with reference to the product wise outstanding loan balances. However, due to the current uncertainty of the overall economic situation, and in particular impacts from major global events such as continuation of COVID 19 related disruptions, Russia-Ukraine conflict, volatility in fuel and commodity price, strengthening of USD, etc., there is inherent risk that the actual recovery of accrued interest income especially from those clients receiving deferral facility could be materially different than the actual situation in future and a portion of interest accrued during the year ended 31 December 2022.
See note # 21 to the financial statements	
Valuation of treasury bill and treasury bond	
The classification and measurement of T-Bill and T-Bond require judgrnent and complex estimates. In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which rnay take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.	We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note # 6 to the financial statements	

Impairment assessment of unquoted investments	
In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.	We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process We tested a sample of investments valuation as at 31 Decernber 2022 and compared our results to the recorded value. Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. As per the business model, management has considered quoted and unquoted shares together as part of its investment portfolio for calculation of required provision.
See note # 6.02 and Annex B to the financial statements	

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

Legal and regulatory matters	
We focused on this area because the Bank operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. The Bank has taken initiative to save cost from the budgeted cost as per BRPD circular 28 and 30 of 2022. Overall, the legal provision represents the the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Bank's financial position. As per para # 21 of Consent Letter issued by Bangladesh Securities and Exchange Commission, (Ref: BSEC/CI/IPO-327/2022/1148, dated 15 January 2023) for issuing of shares through IPO, the Bank shall not declare, approve or distribute any dividend prior to the listing with stock exchange(s). Subsequently, the Bank's shares have been listed with both Dhaka Stock Exchange and Chittagong Stock Exchange on 20 March 2023, and trading has also been started from 28 March 20023. Accordingly, the Bank has to pay dividend to all shareholders including those new shareholders who bought shares through IPO after 31 December 2022 (i.e., dividend will be paid on paid up capital of BDT 640 crore, instead on BDT 570 crore) in compliance with the said regulation. The Board of Directors recommended cash dividend @ 5% for the financial year 2022, in its 137th Board Meeting held on April 20, 2023.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Bank's provisions and contingent liabilities disclosure. We have obtained all the relevant documents and verified as per audit procedure.

Other Matters

The financial statements of the Bank for the year ended 31 December 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 24 April 2022.

Reporting on other information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

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

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
   (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
   (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank (other than matters disclosed in these financial statements);

(iii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;

(iv) the records and statements submitted by the branches have been properly maintained and the financial statements;

(v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(vi) the financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

(vii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;

(viii) the information and explanations required by us have been received and found satisfactory;

(ix) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 2,000 person hours; and

(x) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

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

Place of Issue: Dhaka
Dated: 27 April 2023
DVC: 2304270770AS158826

Midland Bank Limited

Balance Sheet

As at 31 December 2022

Amount in BDT

	Notes	2022	2021
PROPERTY AND ASSET			
Cash	**3.00**	**3,494,965,793**	**2,669,893,246**
In Hand (Including Foreign Currency)		782,034,355	558,386,508
With Bangladesh Bank and its agent Bank (including Foreign Currency)		2,712,931,438	2,111,506,738
Balance with other Banks & Financial Institutions	**4.00**	**2,568,427,930**	**2,629,438,985**
In Bangladesh		2,455,383,089	2,402,636,780
Outside Bangladesh		113,044,841	226,802,205
Money at Call and Short Notice	**5.00**	**120,000,000**	**-**
Investments	**6.00**	**16,905,790,238**	**14,979,906,098**
Government		13,186,012,591	12,361,071,740
Others		3,719,777,647	2,618,834,358
Loans and Advances/ Investments	**7.00**	**52,792,807,266**	**45,867,482,409**
Loans Cash Credit Overdrafts etc./ Investment		49,606,134,790	42,588,953,284
Bills Purchased and Discounted		3,186,672,476	3,278,529,125
Fixed Asset including Premises Furniture & Fixtures	**8.00**	**574,669,903**	**633,516,409**
Other Asset	**9.00**	**3,397,619,330**	**2,226,088,872**
Non-Banking Asset	**10.00**	**12,585,359**	**12,585,359**
Total Property and Asset		**79,866,865,819**	**69,018,911,378**
LIABILITIES AND CAPITAL			
Borrowing from other Banks Financial Institutions & Agents	**11.00**	**8,243,230,054**	**5,949,301,979**
Deposit and Other Accounts	**12.00**	**57,763,010,073**	**50,730,038,926**
Current Deposit & Other Accounts		8,881,655,198	6,888,022,266
Bills Payable		293,988,162	312,166,430
Short Notice Deposit		7,512,112,992	7,398,619,144
Savings Deposit		5,071,243,226	4,440,720,438
Fixed Deposit		30,664,800,460	27,194,882,317
Deposit Scheme		5,339,210,034	4,495,628,331
Other Liabilities	**13.00**	**6,214,086,209**	**4,935,309,399**
Total Liabilities		**72,220,326,336**	**61,614,650,305**
Capital/Shareholders' Equity		**7,646,539,482**	**7,404,261,073**
Paid up Capital	**15.00**	5,696,697,530	5,696,697,530
Statutory Reserve	**16.00**	1,626,329,243	1,408,602,127
Revaluation Reserve on Investment in Securities	**17.00**	1,155,553	2,446,036
Retained Earnings	**18.00**	322,357,156	296,515,380
Total Liabilities and Shareholders' Equity		**79,866,865,819**	**69,018,911,378**
Net Asset Value (NAV) per share		**13.42**	**13.00**

Midland Bank Limited

Balance Sheet

As at 31 December 2022

Amount in BDT

	Notes	2022	2021
Off-Balance Sheet Items			
Contingent Liabilities	**19.00**	**12,674,943,388**	**12,300,022,900**
Acceptance and endorsements		2,372,539,171	2,943,091,045.91
Letter of Guarantee		5,299,179,936	5,131,520,839.72
Irrevocable Letter of Credit		3,627,750,631	2,910,067,482.88
Bills for Collection		1,375,473,650	1,315,343,531
Other Contingent Liabilities		-	-
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities credit lines and other commitments		-	-
Liabilities against forward purchase and sale		-	-
		-	-
Total Off Balance Sheet Items including Contingent Liabilities		**12,674,943,388**	**12,300,022,900**

The annexed notes form an integral part of these accounts

Md. Ahsan-uz Zaman	A. K. M. Badiul Alam	Ahsan Khan Chowdhury	Nilufer Zafarullah
Managing Director & CEO	Director	Director	Chairman

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

Place of Issue: Dhaka
Dated: 27 April 2023
DVC: 2304270770AS158826

Midland Bank Limited

Profit and Loss Account

For the year ended 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
Interest Income/Profit on Investment	21.00	3,657,213,524	3,232,761,875
Less: Interest/Profit Paid on Deposit and Borrowing, etc.	22.00	3,201,241,946	2,262,656,653
Net Interest Income		**455,971,578**	**970,105,222**
Income from Investment	23.00	1,455,080,301	1,358,111,049
Commission, Exchange and Brokerage	24.00	736,385,608	224,185,791
Other Operating Income	25.00	98,250,555	83,721,530
		2,289,716,464	**1,666,018,370**
Total Operating Income		**2,745,688,042**	**2,636,123,592**
Less: Operating Expenditure			
Salary and Allowances	26.00	616,491,994	515,234,057
Rent, Tax, Insurance, Electricity	27.00	92,037,039	79,269,645
Legal Expense	28.00	1,690,799	1,809,189
Postage, Stamps and Telephone	29.00	19,558,274	15,929,096
Printing, Stationery, Advertisement	30.00	39,433,272	35,530,794
Managing Director's Remuneration	26.01	18,600,000	18,385,000
Directors' Fee	31.00	2,877,600	3,152,800
Audit Fee	32.00	460,000	460,000
Depreciation on and Repair to Bank's Property	33.00	246,803,651	246,666,056
Other Expenditure	34.00	181,008,263	148,784,896
Total Operating Expenses		**1,218,960,892**	**1,065,221,533**
Profit before provision		**1,526,727,150**	**1,570,902,059**
Provision for Loans, Advances & Off Balance Sheet			
General Provision	35.00	(190,712,133)	53,465,831
Special General Provision -COVID 19		(15,424,217)	26,205,081
Specific Provision		499,978,973	260,135,504
Provision for Off Balance Sheet Exposures		3,147,903	24,947,278
Provision for Investments		109,228,208	65,606,890
Provision for Non-Banking Asset		-	12,585,359
Provision against Other Asset		31,872,837	1,789,670
Total Provision		**438,091,571**	**444,735,613**
Profit Before Tax		**1,088,635,579**	**1,126,166,446**
Less: Provision for Tax	36.00	**526,666,750**	**612,147,164**
Current Tax		544,233,456	589,260,484
Deferred Tax		(17,566,707)	22,886,680
Net Profit After Tax		**561,968,829**	**514,019,282**
Retained Surplus Brought Forward	18.01	11,680,504	17,869,580
		573,649,333	**531,888,862**

Midland Bank Limited

Profit and Loss Account

For the year ended 31 December 2022

Amount in BDT

	Notes	2022	2021
Appropriation:			
Transferred to Statutory Reserve	**37.00**	217,727,116	225,233,289
Transferred to CSR Fund	**38.00**	27,945,373	5,000,000
Transferred to Start Up Fund		5,619,688	5,140,192
		251,292,177	**235,373,481**
Retained Surplus, Carried Forward		**322,357,156**	**296,515,381**
Earnings Per Share	**40.00**	**0.99**	**0.90**

The annexed notes form an integral part of these accounts

Md. Ahsan-uz Zaman	A. K. M. Badiul Alam	Ahsan Khan Chowdhury	Nilufer Zafarullah
Managing Director & CEO	Director	Director	Chairman

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

Place of Issue: Dhaka
Dated: 27 April 2023
DVC: 2304270770AS158826

Midland Bank Limited

Cash Flow Statement

For the year ended 31 December 2022

Amount in BDT

	Notes	2022	2021
A) Cash Flow From Operating Activities:			
Interest Received		4,745,403,245	4,406,066,085
Interest Paid on Deposits, Borrowings, etc.		(3,013,688,308)	(2,330,762,877)
Dividend Income		93,976,232	30,149,202
Fees & Commission Income		715,871,376	224,185,791
Recoveries of Loans previously written off		-	-
Cash Paid to Employees as Salaries and Allowances		(635,091,994)	(533,619,057)
Income Tax Paid		(595,479,520)	(409,939,021)
Cash Received From Other Operational Income	42.00	98,250,555	83,721,530
Cash Paid for Other Operational Expenses	43.00	(373,167,214)	(367,611,315)
Cash Flow From Operating Activities Before Changes in Net Current Asset		**1,036,074,372**	**1,102,190,340**
Changes in Net Current Asset :			
Investment in Treasury Bond		(825,769,434)	499,274,493
Loans & Advances		(6,925,324,857)	(6,780,809,910)
Other Asset		(303,402,649)	646,905,613
Non-Banking Assets		-	-
Bank Deposit		(2,032,311,845)	2,494,994,889
Customers' Deposit		8,891,320,996	3,293,339,590
Borrowing from Other Banks, Financial Institutions & Agents		2,293,928,075	(125,412,557)
Other Liabilities		267,888,535	303,656,466
		1,366,328,821	**331,948,583**
Net Cash Flow From Operating Activities		**2,402,403,193**	**1,434,138,923**
B) Cash Flow From Investing Activities:			
Investments in Shares & Bonds		(1,100,943,288)	(1,538,460,518)
Proceeds from Sale of Fixed Assets		414,949	2,910,597
Purchase of Fixed Asset		(153,030,817)	(142,366,245)
Net Cash Flow From Investing Activities		**(1,253,559,157)**	**(1,677,916,166)**
C) Cash Flow From Financing Activities:			
Receipts from Issue of Capital		-	-
Dividend Paid		(284,834,877)	(427,252,315)
Net Cash Flow From Financing Activities		**(284,834,877)**	**(427,252,315)**
D) Net Increase in Cash and Cash Equivalents		**864,009,160**	**(671,029,558)**
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		**20,514,233**	**-**
F) Opening Cash and Cash Equivalents		5,299,765,231	5,970,794,790
Closing Cash and Cash Equivalents (D+E+F)		**6,184,288,623**	**5,299,765,231**
The above closing Cash and Cash Equivalents include:			
Cash in Hand		782,034,355	558,386,508
Balance with Bangladesh Bank and its Agent Bank		2,712,931,438	2,111,506,738
Balance with Other Banks & Financial Institutions		2,568,427,930	2,629,438,985
Money at Call and Short Notice		120,000,000	-
Treasury Bill		-	-
Prize Bond		894,900	433,000
		6,184,288,623	**5,299,765,231**
Net Operating Cash Flow Per Share	41.00	**4.22**	**2.52**

The annexed notes form an integral part of these accounts

Md. Ahsan-uz Zaman	A. K. M. Badiul Alam	Ahsan Khan Chowdhury	Nilufer Zafarullah
Managing Director & CEO	Director	Director	Chairman

Place of Issue: Dhaka
Dated: 27 April 2023

Midland Bank Limited

Statement of Changes in Equity

For the year ended 31 December 2022

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Surplus on Investments	Retained Earnings	Total
	BDT	BDT	BDT	BDT	BDT
Balance as at 01 January 2022	**5,696,697,530**	**1,408,602,127**	**2,446,035**	**296,515,381**	**7,404,261,074**
Dividend paid	-	-	-	(284,834,877)	(284,834,877)
Revaluation Reserve transferred during the period	-	-	(1,290,482)	-	(1,290,482)
Net Profit for the year after tax	-	-	-	561,968,829	561,968,829
Appropriation made during the period	-	217,727,116	-	(217,727,116)	-
Transfer to CSR	-	-	-	(27,945,373)	(27,945,373)
Transferred to Start Up Fund				(5,619,688)	(5,619,688)
Balance as at 31 December 2022	**5,696,697,530**	**1,626,329,243**	**1,155,553**	**322,357,157**	**7,646,539,482**
Balance as at 31 December 2021	**5,696,697,530**	**1,408,602,127**	**2,446,035**	**296,515,381**	**7,404,261,074**

The annexed notes form an integral part of these accounts

Md. Ahsan-uz Zaman	A. K. M. Badiul Alam	Ahsan Khan Chowdhury	Nilufer Zafarullah
Managing Director & CEO	Director	Director	Chairman

Place of Issue: Dhaka
Dated: 27 April 2023

Midland Bank Limited

Liquidity Statement

For the year ended 31 December 2022

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
	BDT	BDT	BDT	BDT	BDT	BDT
ASSETS :						
Cash in hand & Balance with Bangladesh Bank	1,460,865,794	-	-	-	2,034,099,999	3,494,965,793
Balance with other Banks and Financial Institutions	2,444,700,000	123,700,000	27,930	-	-	2,568,427,930
Money at Call & Short notice	120,000,000	-	-	-	-	120,000,000
Investments	894,900	1,451,900,000	40,000,000	8,107,100,000	7,305,895,338	16,905,790,238
Loans and Advances/Investments	7,712,100,000	8,657,400,000	11,583,200,000	14,867,407,266	9,972,700,000	52,792,807,266
Fixed Asset	-	-	-	86,022,305	488,647,599	574,669,903
Other Asset	-	-	630,000,000	1,720,000,000	1,047,619,330	3,397,619,330
Non-Banking Asset	-	-	-	-	12,585,359	12,585,359
Total Assets	**11,738,560,694**	**10,233,000,000**	**12,253,227,930**	**24,780,529,570**	**20,861,547,625**	**79,866,865,819**
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	2,031,800,000	368,800,000	940,000,000	1,256,030,054	3,646,600,000	8,243,230,054
Deposit and Other Account	9,671,100,000	90,100,000	12,910,200,000	34,259,310,073	832,300,000	57,763,010,073
Provision & Other Liabilities	100,985,367	65,114,102	-	2,102,878,861	3,945,107,879	6,214,086,206
Total Liabilities	**11,803,885,367**	**524,014,102**	**13,850,200,000**	**37,618,218,988**	**8,424,007,879**	**72,220,326,336**
Net Liquidity	**(65,324,673)**	**9,708,985,898**	**(1,596,972,070)**	**(12,837,689,418)**	**12,437,539,746**	**7,646,539,482**

The annexed notes form an integral part of these accounts

Md. Ahsan-uz Zaman	A. K. M. Badiul Alam	Ahsan Khan Chowdhury	Nilufer Zafarullah
Managing Director & CEO	Director	Director	Chairman

Place of Issue: Dhaka
Dated: 27 April 2023

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 37 (18 Urban Branches and 19 Rural Branches), 16 Sub Branches, 58 ATMs, 109 Agent Banking Centers (ABCs) and 11 Collection Booths covering commercially important locations across the country.

1.02 Principal activities of the Bank

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

1.03 Off-shore banking

Off-shore banking unit (OBU) after getting approval from Bangladesh Bank launched its operation on 20 June 2020. It is a separate business unit of the Bank, operates its business through a separate counter at Head Office, as governed under the rules and guidelines vide Bangladesh Bank's letter reference no. BRPD (P 3) 744 (101)/2010-4129 dated 10 November 2009 and a Policy for Off-shore banking operation issued by Bangladesh Bank through BRPD circular no. 02 dated 25 February 2019 and BRPD circular letter no. 09 dated 27 May 2019. It gives loans (on and off-balance sheet exposures) and takes deposits in freely convertible foreign currencies to and from person/institution not resident in Bangladesh and Type-A (wholly foreign owned) units in EPZs in Bangladesh. It also gives long term loans to industrial units outside EPZs and Type-B and Type-C industrial units within the EPZs subject to compliance by the industrial units with the guidelines of Bangladesh Investment Development Authority (BIDA) and Bangladesh Bank. Besides, this unit provides bill discounting/financing facilities accepted by Authorised Dealer (AD) in Bangladesh against usance LCs in accordance with Bangladesh Bank (BB) guidelines. Separate financial statements of Off-shore banking unit have been disclosed in the annual report 2022.

1.04 Islamic banking window (MDB Saalam)

The Bank obtained permission for Islami banking window from Bangladesh Bank. Islami banking window (MDB Saalam) after getting approval from Bangladesh Bank launched on 23 April 2020. The Bank is operating its Islami banking under one window in Gulshan Branch, Dhaka. Through the Islamic banking window, the Bank extends all types of Islami shariah-compliant finances like lease, hire purchase shirkatul melk (HPSM), bai muazzal, household scheme, etc., and different types of deposits like mudaraba/manarah savings deposits, mudaraba/manarah term deposits, al-wadeeah current deposits, monthly/quarterly profit paying scheme, etc. Separate financial statements of Islamic banking windows have been disclosed in the annual report 2022.

1.05 Agent banking

Midland Bank got agent banking license from Bangladesh Bank on July 10, 2016 and started its agent banking operation from January 23, 2017 with a view to reach unbanked population particularly in the geographically dispersed area and offer banking services to potential customers who are currently out of traditional banking periphery. The Bank provides a wide range of banking services through agent banking centers in 29 Districts and 65 Upazilas/Thana across the country to ensure the safety of customer deposits and provide modern banking services. Through Midland agent banking center, we

are providing services like account opening, fund transfer, deposit and withdrawal, loan disbursement and realization of loan installments, utility bill collection, foreign remittance disbursement, debit and credit card issuance, etc. Besides this, we are able to transfer money from Midland Bank to Mobile Financial Services, i.e., bKash, Rocket, Nagad, Upay and also able to transfer money from bKash and Rocket to Midland Bank's Accounts. Customers can avail both Islamic banking services and Conventional banking services from any agent banking center.

2.00 Basis of preparation of financial statements and significant accounting policies

2.1.1 Basis of preparation of financial statements

The separate financial statements of the Bank for the year ended on 31 December 2022 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 2022.

2.1.2 Statement of Compliance

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

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

In addition to foregoing directives and standards, the operation of Islamic banking windows, are accounted for in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, Bahrain, and BRPD circular no. 15, dated November 09, 2009. The operation of Off-shore banking unit is also accounted for in accordance with Financial Reporting Standards issued by ICAB. A separate balance sheet and profit & loss account are shown in Annexure - G & G-1 and H & H-1, respectively, and the figures appearing in the annexure have been incorporated in the related heads of these financial statements as recommended by the central shariah board of the Bank.

It is notewirthy to mention that IFRS-16 "Leases" had been applied effective from 1 January 2020. The related changes to significant accounting policies and its affect are described in note 2.02.11.

Difference between IAS/IFRS and Bangladesh Bank regulations

The financial statements of the Bank have been prepared as on 31 December 2022 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 Company Act, 1991 (Amended upto 2018) and BRPD circular no. 14

dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present ssets and liabilities under current and non-current classification.

ii. Investment in shares, mutual fund and other securities

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

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

iii. Revaluation gain/loss on government securities

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

As per requirements of IFRS 9, bills can be categorised either as "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Any change in fair value of bills is recognised in profit and loss or other reserve as a part of equity respectively.

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

iv. Repo and reverse repo transactions

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

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

v. Provision on Loans and Advances/Investments

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

Bangladesh Bank: As per BRPD circular No.14, 23 September 2012, BRPD circular No. 19, 27 December 2012, BRPD circular No. 05, 29 May 2013, BRPD circular No. 16,18 November 2014, BRPD circular no (P-1)/661/13/2021-12262, 27 December 2021, BRPD circular 50, 14 December 2021 and BRPD circular 52, 29 December 2021, a general provision at 0.25% to 5% under different categories of unclassified loans/investments (good/standard/SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard, doubtful and bad losses has to be provided at 20%, 50% and 100%, respectively for loans and advances/investments depending on the duration of overdue. Again, as per BRPD circular no. 10, dated 18 September 2007 and BRPD circular no. 14, dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures excluding bills for collection. Such provision policies are not specifically in line with those prescribed by IAS-39.

vi. Recognition of interest in suspense

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

vii. Other comprehensive income

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

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

viii. Financial instruments – presentation and disclosure

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

ix. Financial guarantees

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

Bangladesh Bank: As per BRPD circular no.14, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin. As per BRPD Circular no. 14, Dated 23 September 2012 and Bangladesh Bank guidelines, the bank is required to maintain provision at 1% on such off-balance sheet items, excluding bills for collection.

x. Cash and cash equivalents

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

xi. Non-banking assets

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

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

xii. Cash flow statement

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

Bangladesh Bank: As per BRPD circular no 14, dated 25 June 2003, cash flows statement has been prepared following a mixture of direct and indirect methods.

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

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

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

xiv. Presentation of intangible assets

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

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

xv. Off-balance sheet exposers

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

Bangladesh Bank: As per BRPD circular no.14, dated 25 June 2003, off balance sheet items (e.g. Letter of Credit, Letter of Guarantee, etc.) must be disclosed separately on the face of the balance sheet and 1% provision has to be maintained on it as guided by the regulator.

xvi. Disclosure of appropriation of profit

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

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

xvii. Loans and advances/investments net of provision

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

Bangladesh Bank: As per BRPD 14, dated 25 June 2003, provision on loans and advances/investments are presented separately as liability and cannot be netted off against loans and advances/investments.

xviii. Recovery of written off loans and advances/investments

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

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

xix. Uniform accounting policy

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

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

2.1.3 Basis of Measurement

The financial statements of the Bank has been prepared on historical cost basis except of the following:
i) Government Treasury bills/bonds designated as 'Held for Trading (HFT)' are present at value using marking to market concept with gain crediting to revaluation reserve;
ii) Government Treasury bills/bonds designated as 'Held to Maturity (HTM)' are carried at amortised cost;
iii) Investment in shares of listed companies are prepared at market value .

2.1.4 Going concern

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

2.1.5 Functional and presentation currency

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

2.1.6 Use of estimates and judgments

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

- Provision for loan and advances/investments- as explained in note # 2.2.5.(d)
- Income tax - as explained in note # 2.4.8
- Deferred tax assets/liabilities - as explained in note # 2.4.9
- Employee benefit -as explained in note # 2.5

Useful lives of depreciable assets regard to non-current assets - as stated below:

Asset Category	Depreciation Rate	Useful Life
Computer & Peripherals	20%	5 Year
Furniture & Fixture	10%	10 Year
Office Equipment	20%	5 Year
Motor Vehicles	20%	5 Year
Books	20%	5 Year
Intangible Assets	20%	5 Year

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

Provisions

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

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

Contingent liabilities

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

Contingent Assets

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

2.1.7 Consistency

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

2.1.8 Reporting period

These financial statements cover one calendar year from 01 January 2022 to 31 December 2022.

2.1.9 Dividend

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

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

2.1.10 Date of authorization

The Board of Directors has authorised these financial statements for public issue on 27th April 2023.

2.1.11 Cash flows Statement

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

2.1.12 Statement of changes in equity

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

2.1.13 Liquidity statement

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

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

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

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

2.1.15 Offsetting

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

2.2 Significant accounting policies

"The accounting policies set out below have been applied consistently to all periods presented in these financial statements of the Bank and those of the Bank have been applied consistently except otherwise instructed by Bangladesh Bank as the prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year's presentation (if any).

2.2.1 Accounting policy for IFRS 16: Leases

At the inception of a contract, the bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement or on modification of a contract that contains a lease component, the bank allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the bank by the end of the lease term or the cost of the right-of use asset reflects that the bank will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the bank's incremental borrowing rate. Generally, the bank uses its incremental borrowing rate as the discount rate.

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

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

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the bank is reasonably certain to exercise, lease payments in an optional renewal period if the bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the bank is reasonably certain not to terminate early.

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

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

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

2.2.2 Basis of consolidation

The consolidated financial statements include the financial statements of Midland Bank Limited, Islami Banking Windows (IBW) and Off-shore Banking Unit (OBU) have been prepared as at and for the year ended on 31 December 2022. The consolidated financial statements have been prepared in accordance with IFRS 10 Consolidated Financial Statements.

2.2.3 a) Foreign currencies translation

Foreign currency transactions are converted into equivalent BDT using the prevailing exchange rates on the dates of respective transactions as per IAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into BDT at weighted average rate of inter-bank market as published by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into BDT equivalent.

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account.

b) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in BDT terms at the rates of exchange prevailing on the balance sheet date.

c) Translation gain and loss

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

2.2.4 Cash and cash equivalents

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

2.2.5 Loans and advances

a) Loans and advances/investments of conventional banking/islamic banking branches are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not sell in the normal course of business. Loans and advances/investment are stated in the balance sheet on gross basis.

b) Loans and advances/investments are broadly catagorized under the heads of continuous, demand, term and short term agriculture and micro credit. Continuous and demand loans/investments are accounted under capitalized method, where interest/profit accrues on daily basis and applied to loan account quarterly, except equal monthly installment (EMI) loan/investment of which interest/profit are being charged on due date and interest/profit of staff loan/investment are being charged to staff loan/investment account yearly. Interest/profit on classified loans and advances/investments is kept in suspense account as per guideline of Bangladesh Bank and such interest/profit is not accounted for as income until realized from borrowers (note #13.06). Interest/profit is not charged on bad and loss loans/investments as per guidelines of Bangladesh Bank. On the basis of recovery, the unapplied interest/profit on such bad & loss loans/investments are being charged to the respective loans/investments account and credited to the income account.

c) Commission and discounts on bills purchased and discounted are recognized at the time of realization.

d) At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD circular no. 53 (30 December 2021), BRPD circular no. 52 (29 December 2021), BRPD circular no. 51 (29 December 2021),BRPD Letter # BRPD (CRS-2)/901/(12)/2022-271, Dated 27 January 2021), BRPD circular no. 50 (14 December 2021), BRPD circular no. 45 (04 October 2021), BRPD circular no. 19 (26 August 2021), BRPD circular no. 13 (27 June 2021), BRPD circular no. 05 (24 March 2021), BRPD circular no. 03 (31 January 2021), BRPD circular no. 56 (10 December 2020), BRPD circular no. 52 (20 October 2020), BRPD circular no. 16 (21 July 2020), BRPD circular no. 03 (21 April 2019), BRPD circular no.1 (20 February 2018), BRPD circular no.15 (27 September 2017), BRPD circular no.16 (18 November 2014), BRPD circular no. 05 (29 May 2013), BRPD circular no. 19 (27 December 2012) and BRPD circular no.14 (23 September 2012). The guidance in the circular follows a formulaic approach whereby specified rates are applied to the various categories of loans as defined in the circular. The provisioning rates are as follows:

Types of loans and advances	Provision				
	STD	SMA	SS	DF	BL
Consumer:					
House building and professional	1.00%-2.00%	1.00% - 2.00%	20%	50%	100%
Other than housing finance & professionals to setup business	2.00%-5.00%	2.00% - 5.00%	20%	50%	100%
Provision for loan to broker house, merchant banks, stock dealers, etc.	2%	2%	20%	50%	100%
Short-term Agri-credit and micro credit	1%	1%	5%	5%	100%
Small and medium enterprise finance	0.25%	0.25%	20%	50%	100%
Others	1%	1%	20%	50%	100%
Special General Provision COVID-19					
On unclassified general loans and advances, including SMA of which are enjoying deferring classification irrespective of repayment performance until 31 December 2022)	1%-2%	1%-2%	N/A	N/A	N/A

e) BRPD Circular no.14 dated 23 September 2012 as amended by BRPD Circular no.19 dated 27 December 2012 also provides scope for further provisioning based on qualitative judgments. In these circumstances, impairment losses are calculated on individual loans/investments considered individually significant based on which specific provisions are raised. If the specific provisions assessed under the qualitative methodology are higher than the specific provisions assessed under the prescribed approach above, the higher of the two is recognised in liabilities under "Provision for loans and advances/investments" with any movement in the provision charged/released in the profit and loss account. Classified loans/investments are categorized into sub-standard, doubtful and bad/loss based on the criteria stipulated by Bangladesh Bank guideline.

f) Loans and advances/investments are written off to the extent that- (i) there is no realistic prospect of recovery, and (ii) against which legal cases are filed, where required and classified as Bad/Loss as per as per BRPD circular no.02 dated 13 January 2003, BRPD circular no.13 dated 07 November 2013 and BRPD circular no.01 dated 06 February 2019 of Bangladesh Bank.

g) These written off loans/investments however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such written off accounts are maintained and followed up. There is no written off loans/investment of MDB as of the reporting date as of 31 December 2022.

h) Special general provision COVID-19

Considering the impact of COVID 19 pandemic in the overall economy of Bangladesh, the central bank has given deferral benefits for classification of loans and advances/investments irrespective of their repayment performance until end of December 2020 and December 2021 by issuing BRPD circular no.4, dated 19.03.2020, BRPD circular no.15, dated 15.06.2020, BRPD circular no.17, dated 28.09.2020 and BRPD circular no.19, dated 26.08.2021, BRPD circular no.51, dated 29.12.2021 and BRPD circular no.53, dated 30.12.2021.

To strengthen the financial based and shock absorbing capacity of Banks, the Bangladesh Bank issued BRPD circular # 56, dated 10.12.2020 and BRPD circular # 52, dated 29.12.2021 instructing all Banks to keep 1.00%, 1.50% and 2.00% special general provision on unclassified general loans and advances/investments, including SMA of which are enjoying deferring classification benefits irrespective of their repayment performance until 31 December 2020 and 2021. This provision has to keep under the head of "Special General Provision COVIS-19" and it cannot be released or accounted into income until further instruction issue by Bangladesh Bank. However, if any Loans/Investments fully adjusted by recovering cash, in that case, such provision of interest/profit will be transferred to income a/c (BRPD circular no.50, dated 14.12.2020, BRPD Letter no.56/20 and BRPD circular no.53, dated 30.12.2021.). To comply with the circular, MDB has maintained an amount of BDT 170.87 million as of 31 December 2022 (note # 13.02).

i) Required provision for Loans and Advances/Investments

As per Bangladesh Bank circular issued time to time, a general provision at 0.25% to 5% has to maintain under different categories of unclassified loan and advances/investments (Standard/SMA/off-balance sheet exposures, etc.) as stated

above. However, such general provision cannot satisfy the conditions imposed by IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and IFRS-9 "Financial Instruments". At the year end on 31 December 2022, the Bank has maintained an amount of BDT 1,407.07 million and has shown in the face of balance sheet under the head "Other Liabilities" as against BDT 1,407.07 million of regulatory requirements (note # 7.09).

2.2.6 Staff loan

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

i) House building loan

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

ii) Car loan

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

2.2.7 Investment

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

Valuation methods of investment used are:

a) Held To Maturity (HTM)

Investments which have 'fixed or determinable payments', and are intended to be 'held to maturity', other than those that meet the definition of 'held at amortized cost-others' are classified as held to maturity. Initially these investments are recorded at cost. Subsequently, at each year end, these investments are measured at amortized cost. Any increase or decrease in the value of such investment is recognized in shareholders' equity and profit and loss account respectively. Investment (HTM) is shown in the financial statements (note # 6.00).

b) Held For Trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading, or if designated as such by the management. After initial recognition at cost, investments are revalued at Mark to Market (MTM) on weekly basis and any increase on such valuation is recognized as valuation gain under the shareholders' equity and any loss is recognized in the profit and loss account.

c) REPO and Reverse REPO

"Securities purchased under re-sale agreements are treated as collateralized lending and recorded at the consideration paid and interest accrued thereon. The difference between purchase price and re-sale price is treated as interest received and accrued evenly over the life of REPO agreement.

Since 1 September 2010 transaction of REPO and Reverse REPO are recorded based on DOS circular # 06, dated July 15, 2010 of Bangladesh Bank. Securities under REPO will be excluded from the investment portfolio and hence will not be eligible for SLR purpose. Securities acquired under reverse REPO will be eligible for SLR purpose, initially at its clean price (in case of coupon bearing security) or at market value (in case of non-coupon bearing security).

Value of investments has been calculated as follows:

Items	Applicable accounting value
Government treasury bills-HTM	Amortized value
Government treasury bills-HFT	Market value
Government treasury bonds-HTM	Amortized value
Government treasury bonds-HFT	Market value
Prize Bond	At cost
Debenture	At cost

d) Investment in Listed / Quoted Securities

These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is provided in the financial statements where market price is below the cost price of investment as per Bangladesh Bank guidelines (note # 6.02 & Annexure B).

e) Investment in Unquoted Securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of net assets value (NAV) over cost in the profit and loss account, but no unrealized gain booking in the income account (note # 6.02).

Value of investments has been calculated as follows:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Government treasury securities - Held to Maturity (HTM)	Cost	Amortised cost	Increase in value of such investments is booked to equity, decrease to profit and loss account
Government treasury securities - Held for Trading (HFT)	Cost	Fair value	Loss to Profit and Loss account, gain to Revaluation Reserve through Profit and Loss account.
Debenture/Bond	Face value	Face value	None
Shares (Quoted) *	Cost	Lower of cost or market value (overall portfolio)	Loss (net off gain) to profit and loss account but no unrealised gain booking in profit & loss a/c.
Shares (Unquoted)*	Cost	Lower of cost or Net Asset Value (NAV)	Loss to profit and loss account but no unrealised gain booking.
Prize bond	Cost	Cost	None

* Provision for shares against unrealised loss (gain net off) has been taken into account according to DOS circular no.4, dated 24 November 2011 and for mutual funds (closed-end) as per DOS circular letter no.3, dated 12 March 2015 and for mutual funds (open-end) as per DOS circular letter no.10, dated 28 June 2015 of Bangladesh Bank.

f) Investment in Subsidiary

Investment in subsidiary is accounted for under cost method of accounting in the Bank's financial statements in accordance with IFRS 10 (Consolidated Financial Statements). Accordingly, investments in subsidiaries are stated in the Bank's balance sheet at cost, less impairment loss, if any. MDB has no subsidiary company as of December 31, 2022.

2.2.8 Property, plant and equipment

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

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

i) Subsequent costs

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

ii) Depreciation

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

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

2.2.9 Non- banking assets

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

2.2.10 Intangible assets

a) An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably (IAS 38).

b) Software represents the value of computer application software licensed for use of the Bank, other than software applied to the operation software system of computers. Intangible assets are carried at its cost, less accumulated amortization/depreciation and any impairment losses. Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditures that are incurred in customizing the software for its intended use.

c) Expenditure incurred on software is capitalized only when it enhances and extends the economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the original cost of software.

d) Software is amortized using the straight line method over the estimated useful life of 5 (five) years commencing from the date of the application software is available for use over the best estimate of its useful economic life.

2.2.11 Impairment of assets

The carrying amounts of Bank's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. Any impairment loss is recognized in the profit and loss account, if the carrying amount of an asset exceeds its recoverable amount (IAS-36). An amount of BDT 1,025,575 has been impaired and charged to profit and loss account during the financial year 2022 as per para 60 of IAS-36 "Impairment of assets".

2.2.12 Investment properties

a) Investment property is held to earn rentals or for capital appreciation or both and the future economic benefits that is associated with the investment property, but not sale in the ordinary course of business.

b) Investment property is accounted for under cost model in the financial statements. Accordingly, after recognition as an asset, the property is carried at its cost, less accumulated depreciation and impairment loss.

c) Depreciation is provided on a reducing basis over the estimated life of the class of asset from the date of purchase up to the date of disposal (IAS 16).

2.2.13 Other assets

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

Provision on other assets

As per BRPD circular no.14 dated 25 June 2001, a provision of 100% on other assets which are outstanding for one year and above. The Bank maintains provisions in line with this circular unless it assesses there is no doubt of recovery on items of other assets in which case no provision is kept (note # 13.00).

2.2.14 Receivables

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

2.2.15 Inventories

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

2.2.16 Leases

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

Under IFRS 16, an entity shall be recognizing a right-of-use (ROU) asset (i.e. the right to use the office building, branches, service center, call center, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'.

While implementing IFRS 16, the Bank observed that IFRS 16 is expected to have impact on various regulatory capital and liquidity ratios as well as other statutory requirements issued by various regulators. In addition, there are no direction from National Board of Revenue (NBR) regarding treatment of lease rent, depreciation on ROU assets and interest on lease liability for income tax purposes and applicability of VAT on such items. Finally, paragraph 5 of IFRS 16 provide the recognition exemptions to short-term leases and leases for which the underlying asset is of low value. Although, paragraphs B3 to B8 of the Application Guidance (Appendix B) of IFRS 16 provide some qualitative guidance on low value asset, but these guidance is focused towards moveable asset and immovable asset like rental of premises (i.e. real estate) is not covered on those guidance, nor any benchmark on quantification guidance on low value items have been agreed locally in Bangladesh.

Nevertheless, as first step the Bank has defined 'low value asset' which are to be excluded from IFRS 16 requirement and considered lease of 'ATM Booths and other Installations' as low value asset. Thereafter, the Bank has reviewed lease arrangements for 'office premises' for consideration under IFRS 16.

As per the preliminary assessment of leases for 'office premises', the Bank has concluded that the potential impact of these lease items in the Balance Sheet and Profit and Loss Account of the Bank is not considered to be material. Therefore, considering the above implementation issues the Bank has not taken IFRS 16 adjustments on the basis of overall materiality as specified in the materiality guidance in the 'Conceptual Framework for Financial Reporting' and in 'International Accounting Standard 1 Presentation of Financial Statements'. However, the Bank would continue to liaison with regulators and related stakeholders as well as observe the market practice for uniformity and comparability, and take necessary action in line with any guideline and market practice.
Leases are classified as finance leases whenever the 'terms of the lease' transfer substantially all the risks and rewards of ownership to the lessee as per IAS-17 "Leases". All other leases are classified as operating leases as per IAS 17 "Leases".

a) Bank as Lessor

Amount due from lessees under the finance leases are recorded as receivables at the amount of the Bank's net investment in the leases. Finance lease income is allocated to accounting periods as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

b) Bank as Lessee

Assets held under finance leases are recognised as assets of the Bank at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payment. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. The Bank has no finance lease or operating lease during the reporting period 2022.

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 2022, 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 2022

In BDT Million

Particulars	Amount before adoption of IFRS-16	Amount of Adjustment for IFRS-16	Amount after implementation of IFRS-16
Fixed Assets	172	402	575
Other Assets	3,478	(80)	3,398
Other Liabilities	5,752	359	6,111

e) Impact on the profit and loss account as on 31 December 2022

In BDT Million

Particulars	Amount before adoption of IFRS-16	Amount of Adjustment for IFRS-16	Amount after implementation of IFRS-16
Interest/Profit paid on Deposit and Borrowing, etc.	3,186	15	3,201
Rent, tax, insurance, electricity, etc.	242	(150)	92
Depreciation/amortization and repairs of Bank's properties	112	135	211

2.2.17 Reconciliation of inter-bank and inter-branch accounts

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

2.3 Capital/Shareholder's equity

2.3.1 Share capital

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

a) Authorised capital

Authorized capital is the maximum amount of share capital that the Bank is authorized by its Memorandum and Article of Association to issue to the shareholders. Authorized capital of the Bank as on 31 December 2022 was at BDT 10,000 million (Note # 15.01).

b) Paid up capital

Paid-up capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Ordinary shareholders are entitled to receive dividends as declared time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. Paid up capital of the Bank as on 31 December 2022 was at BDT 5,696.70 million remained unchanged as the Bank paid cash dividend for the FY 2021 (note # 15.02).

2.3.2 Statutory reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with the provision of section 24 of the Bank Company Act 1991 (Amendment upto 2018) until such reserve along with share premium equal to its paid up capital. Statutory reserve of the Bank as on 31 December 2022 was at BDT 1,626.33 million, against BDT 1,408.60 million on 31 December 2021 (note # 16.00).

2.3.3 Revaluation reserve

When an asset's carrying amount is increased as a result of revaluation, the increase amount should be credited directly to equity under the head of revaluation surplus / reserve as per IAS 16: "Property, Plant and Equipment". The tax effects on revaluation gain are measured and recognized in the financial statements as per IAS 12: "Income Taxes". During the financial year 2022, the Bank did not revalue of its any fixed asset.

2.3.4 Revaluation reserve for government securities

Revaluation reserve for government securities arises from the revaluation of treasury bills/bonds, Bangladesh Bank bills and treasury bonds (HFT and HTM) in accordance with the DOS circular no. 5 dated 26 May 2008 and DOS (SR) 1153/120/2010 dated 8 December 2010 (note # 17.00).

2.3.5 General reserve

The surplus amount after appropriation of yearly profit, surplus of tax and bonus provision of different years are being kept in general reserved fund. There is no such reserve as on 31 December 2022.

2.3.6 Share premium

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

2.3.7 Capital management

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

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

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

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

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

2.4 Liabilities and basis of their valuation

2.4.1 Borrowings from other banks, financial institutions and agents

Borrowed funds include call money deposits, borrowings, re-finance borrowings and other term borrowings from banks, financial institutions and agents. Interest paid/payable on these borrowings is charged to the profit & loss account. Disclosures of borrowings are shown in (note # 11.00, 13.00 and 22.02).

2.4.2 Deposits and other accounts

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

2.4.3 Other liabilities

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

2.4.4 Provision for liabilities

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

2.4.5 Provision for Off-balance sheet exposure

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

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

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

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

2.4.7 Provision for rebate to good borrower

Previously commercial banks were required to maintain provision @10.0% of interest charged against loans to good borrowers, identified on the basis of prescribed guidelines stated in BRPD Circular no. 06 (19 March 2015) and BRPD Circular Letter no 03 (16 February 2016) for onward rebate to the recognized good borrowers. However, Bangladesh Bank during 2020 issued another circular (BRPD Circular No. 14 dated 18 June 2020), wherein it is mentioned that from 2020 banks need not to provide any rebate to good borrowers. Hence, during 2022, no further good borrowers' provision was accounted for in the financials.

2.4.8 Provision for current tax

Current tax is the amount of income tax payable (recoverable) in respect of the taxable profit (tax loss) for a period. Provision for current income tax has been made as per prescribed rate in the Income Tax Ordinance 1984 and latest Finance Act and related SROs on the accounting profit made by the Bank after considering some of the add-backs to income and disallowances of expenditure as per income tax laws with IAS-12 "Income Taxes". Tax Assets under the head of Other Assets are recognized for payment of advance income tax, tax deducted at source and tax paid at the time of IT Return for the year (s) for which assessment has not been yet finalized. On the other hand, the tax provision (estimated as per IAS-12, provision of latest Finance Act, related SROs/ Guidelines, etc., issued by National Board of Revenue-NBR) are recognized as tax liability under the head of other liability for the year (s) for which assessment has not been yet finalized. During the year an amount of current tax stood at BDT 544.23 million in 2022, against BDT 589.26 million in 2021 (note # 13.04).

2.4.9 Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income tax recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets & liabilities are measured using tax rate & tax laws enacted or substantially enacted at the balance sheet date. Tax impact on the account of changes in deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS 12 "Income Taxes". During the year, an amount of deferred tax income stood at BDT 17.57 million against deferred tax expenses BDT 22.89 million in 2021 (note # 9.06).

2.4.10 Contingent asset and contingent liability

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events and on the other hand a contingent liability is a possible obligation that arises from past events and whose existence will also be confirmed only the occurrence or non-occurrence of one or more uncertain future events. Contingent asset and liability are not recognized rather disclosed in the financial statements as per IAS 37.

2.5 Benefits to the employees

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

2.5.1 Provident fund

Provident Fund (PF) benefits are given to the permanent members of PF of the Bank in accordance with Bank's Service Rules. Accordingly, a Trust Deed and Provident Fund Rules were prepared and obtained approval from the Commissioner of Income Tax as a recognized provident fund within the meaning of section 2(52), read with the provisions of part B of the First Schedule of Income Tax Ordinance 1984. The Fund is operated by a Board of Trustees consisting six members of the Bank (03 members from the Board of Directors and 03 members from Management). All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount

the employees' contribution. Interest earned from the investments is credited to the members' individual account on yearly basis as per audited financial statements of the Fund. The Fund has been maintaining in a separate account which is operating by the Trustee and is being audited by Arun & Co. Chartered Accountants and submit to the NBR to comply with regulation.

2.5.2 Gratuity fund

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

2.5.3 Employees' Social Security Superannuation Fund (ESSSF)

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

2.5.4 Performance bonus

The Bank is giving performance/incentive bonus to the employees in every year. This bonus is not mandatory, but is being paid based on the performance of the bank in respective year. This bonus amount is being distributed among the employees based on their performance after approval of audited financials of the Bank.

2.5.5 Worker's Profit Participation Fund

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

2.6 Revenue recognition

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

2.6.1 Interest Income

Interest income on unclassified loan and advances (Standard & SMA) is recognised on an accrual basis and charged to respective loan account on quarterly. Interest income on classified loan and advances (SS & DF only) is credited to interest suspense account with actual receipt of interest therefrom credited to income as and when received as per instruction contained in BRPD circular no.14 dated 23 September 2012, BRPD circular no.19 dated 27 December 2012 and BRPD circular no.16, dated 18 November 2014. If the Loans and advances classified as Bad/Loss (BL) interest ceases to apply and recorded in a memorandum a/c. When any Bad loan turns into unclassified a/c, then unapplied interest charged to respective loan a/c and credited to profit & loss a/c in compliance with regulatory guideline.

2.6.2 Profit on investment (Islamic Banking Window)

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

2.6.3 Investment Income

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

2.6.4 Fees and commission income

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

i) Income earned on the execution of a significant act is recognised as revenue when the act is completed.

ii) Income earned from services provided is recognised as revenue when the services are provided.

iii) Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

iv) Commission and discount on bills purchased and discounted are recognized at the time of realization.

2.6.5 Dividend income

Dividend income is recognised when the right to receive the income is established. Dividend income is recognized at the time when it is realized. Dividend income on preference shares is recognized on accrual basis. Dividend incomes are presented under investment income (note # 23.00).

2.7 Interest paid and other expenses

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

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

Interest paid and other expenses are recognised on accrual basis

2.7.2 Profit shared on deposits (Islamic banking)

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

2.7.3 Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the IAS 1 "Presentation of Financial Statements".

2.7.4 Dividend payments

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

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

2.7.5 Foreign exchange gain/loss

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

2.8 Earnings per share (EPS)

The company calculates earnings per share (EPS) in accordance with IAS 33 "Earnings per Share (EPS)" which has been shown on the face of Profit and Loss Account. The EPS has been calculated by dividing the net profit after tax by the total number of ordinary shares outstanding at the end of the reporting year. Details are shown in note # 40.00 to the financial statements.

2.8.1 Basic earnings per share

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

2.8.2 Weighted average number of ordinary shares

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year. The basis of computation of number of shares is in line with the provisions of IAS 33 "Earnings per share". The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings.

2.8.3 Diluted earnings per share

No diluted earnings per share are required to be calculated for the period 2021, as there was no element or scope for dilution during the period under review. However, EPS is restated for the comparative years, if it requires as per IAS 33 "Earnings per share (EPS)".

2.9 Related party transactions

Parties are considered to be related, if one party has the ability directly or indirectly to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related, if they are subject to common control or common significant influence. Related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged as per IAS 24 "Related Party Disclosures", Bangladesh Bank and Bangladesh Securities & Exchange Commission (BSEC) guidelines. Details of Related party transactions have been disclosed in (note # 44.00).

2.10 Credit rating

Credit Rating: Emerging Credit Rating Limited (ECRL) has been rated the Bank based on the audited financial statements as of December 31, 2021 and other relevant quantitative as well as qualitative information up to the-date-of rating declaration. They have been rated the Bank as A+ in the long term and ST-2 for the short term and outlook is stable. The effective date of rating is till June 30, 2023.

Year	Long term rating	Short term rating	Outlook
2021 (valid upto 30 June 2023)	A+	ST 2	Stable

The rating reflects the strengths of the Bank which is backed by a strong team of management, growth in the non-interest income, deposits and investments, adequate capital coverage with high Tier 1 capital, improved asset quality and well controlled of liquidity position.

2.11 Directors' Responsibility on Financial Statements

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

2.12 Memorandum items

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

2.13 Information about business and geographical segments

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.

2.14 Risk management

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

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

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

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

Operating Environment : The Bank's operating environment during the year ended 2022 were impacted by a number of major global events such as continuation of COVID 19 related disruptions, start of Russia-Ukraine conflict, increase in fuel and commodity price, strengthening of USD, etc.. Most of these events also had significant impact in the local economic environment affecting the Bank's operation. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various directives to manage impacts from these events which the Bank has followed. Management on regular basis review and monitor the global and country specific macro-economic situation and factor these issues into the decision making process. However, the long-term effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from the actual results.

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

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

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

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

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

Name of the IAS / IFRS	IAS	Status of compliance
Presentation of Financial Statements	IAS-1	Applied with some departure (note 2)
Inventories	IAS-2	Not Applicable
Statement of Cash Flows	IAS-7	Applied with some departure (note 2)
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events after the Reporting Period	IAS-10	Applied
Construction Contracts	IAS-11	Not Applicable
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Lease	IAS-17	Applied
Revenue	IAS-18	Applied
Employee Benefits	IAS-19	Not Applicable
Accounting for Government Grants and Disclosure of Govt Assistance	IAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Costs	IAS-23	Applied
Related Party Disclosures	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not Applicable
Separate Financial Statements	IAS-27	Applied
Investments in Associates and Joint Venture	IAS-28	Not Applicable
Financial Reporting for hyperinflationary economics	IAS-29	Not Applicable
Interests in Joint Ventures	IAS-31	Not Applicable
Financial Instruments: Presentation	IAS-32	Applied with some departure (note 2)
Earnings per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Impairment of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied with some departure (note 2)
Intangible Assets	IAS-38	Applied
Financial Reporting: Recognition and measurement	IAS-39	Applied with some departure (note 2)
Investment property	IAS-40	Not Applicable
Agriculture	IAS-41	Not Applicable
Name of the IAS / IFRS	**IAS**	**Status of compliance**
International Financial Reporting Standards (IFRS):		
First-time Adoption of Bangladesh Financial Reporting Standards	IFRS 1	N/A
Share-based Payment	IFRS 2	N/A
Business Combinations	IFRS 3	N/A
Insurance Contracts	IFRS 4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS 5	N/A
Exploration for and Evaluation of Mineral Resources	IFRS 6	N/A
Financial Instruments: Disclosures	IFRS 7	Applied with some departure (note 2)
Operating Segments	IFRS 8	Applied with some departure (note 2)
Financial Instruments	IFRS 9	Applied with some departure (note 2)
Consolidated Financial Statements	IFRS 10	N/A
Joint Arrangements	IFRS 11	N/A
Disclosure of Interest in Other Entities	IFRS 12	N/A
Fair Value Measurement	IFRS 13	Applied with some departure (note 2)
Regulatory Deferral Accounts	IFRS 14	N/A
Revenue from contractors with customers	IFRS 15	Applied
Leases	IFRS 16	Applied

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

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

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

2.17 Standards issued but not yet effective

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

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

IFRS 17 - Insurance Contracts

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

2.18 Materiality and aggregation

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

2.19 Accounting for changes in policy, accounting estimates and errors

IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors, states that the effect of a change in accounting policy and correction of errors, if material, is to be applied retrospectively, and change in an accounting estimate is to be applied prospectively. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change. The bank followed the same accordingly and the Bank did not change the accounting policies and accounting estimates during the year 2022.

2.20 Related party disclosures

"A party is related to the company if:

(i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;

(ii) the party is an associate;

(iii) the party is a joint venture;

(iv) the party is a member of the key management personnel of the Company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

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

2.21 Event after the reporting period

As per IAS -10 "Events after Reporting Period" are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

As per para # 21 of Consent Letter issued by Bangladesh Securities and Exchange Commission, (Ref: BSEC/CI/IPO-327/2022/1148, dated 15 January 2023) for issuing of shares through IPO, the Bank shall not declare, approve or distribute any dividend prior to the listing with stock exchange(s). Subsequently, the Bank's shares have been listed with both Dhaka Stock Exchange and Chittagong Stock Exchange on 20 March 2023, and trading has also been started from 28 March 20023. Accordingly, the Bank has to pay dividend to all shareholders including those new shareholders who bought shares through IPO after 31 December 2022 (i.e., dividend will be paid on paid up capital of BDT 640 crore, instead on BDT 570 crore) in compliance with the said regulation.

The only material event after the balance sheet date is: The Board of Directors recommended cash dividend @ 5% for the financial year 2022, in its 137th Board Meeting held on April 27, 2023.

Diluted earnings per share

The Bank got permission from Bangladesh Securities and Exchange Commission, (Ref: BSEC/CI/IPO-327/2022/1148, dated 15 January 2023) for issuing 70 million ordinary shares through IPO @ BDT 10.00, including 5 million shares of employees of Midland Bank Limited under Employees Share Purchase Plan (ESPP). These shares were subscribed from February 16-23, 2023 and it was credited to Capital accordingly. Although, these 70 million shares were credited to the Bank's capital after the balance sheet date but to comply with BSEC instruction these shares shall be considered for dividend to be distributed for the year ended 31 December 2022 and accordingly due to consideration of potential dilution effect, the Bank's Earnings Per Share (EPS) will be diluted to BDT 0.88, against basic EPS of BDT 0.99 as at December 31, 2022.

2.22 General

a) Comparative information

Comparative information in respect of the previous year has been presented from the financial statements audited by current year auditors for the period ended on December 31, 2022. 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 137th Board meeting held on April 27, 2023.

Amount in BDT

	2022	2021
3.00 Cash		
In Hand (Including foreign currency) (note 3.01)	782,034,355	558,386,508
Balance with Bangladesh Bank and its Agent Bank (note 3.02)	2,712,931,438	2,111,506,738
	3,494,965,793	**2,669,893,246**
3.01 In Hand (Including foreign currency)		
Local Currency	774,162,858	547,609,723
Foreign Currency	7,871,497	10,776,785
	782,034,355	**558,386,508**
3.02 Balance with Bangladesh Bank and its Agent Bank		
With Bangladesh Bank		
Local Currency	2,626,182,417	2,010,612,544
Foreign Currency	86,478,611	100,620,325
With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	270,409	273,870
	2,712,931,438	**2,111,506,738**

3.03 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 25 & 33 of The Bank Companies Act, 1991 and Circular No.# 01 , 02 & 01 dated December 10, 2013 , June 23, 2014 & April 03,2018 respectively of Monetary Policy Department (MPD) of Bangladesh Bank.

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

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

Conventional Banking:

a) Cash Reserve Requirement (CRR)		
Required Reserve	1,853,269,469	1,651,523,716
Maintained Reserve	2,233,891,643	1,867,157,913
Surplus/(Deficit)	**380,622,174**	**215,634,197**
b) Statutory Liquidity Ratio (SLR)		
Required Reserve	6,122,295,610	5,372,299,440
Maintained Reserve	13,147,263,204	12,941,656,597
Surplus/(Deficit)	**7,024,967,594**	**7,569,357,157**
Total Required Reserve	**7,975,565,079**	**7,023,823,156**
Actual Reserve held	**15,381,154,847**	**14,808,814,510**
Surplus/(Deficit)	**7,405,589,768**	**7,784,991,354**
c) Components of Statutory Liquidity Ratio (SLR)		
Cash in Hand	776,827,280	552,258,100
Balance with Bangladesh Bank	-	-
Balance with Sonali Bank	10,405,860	9,342,580
Excess Reserve of CRR	380,622,174	215,634,197
Government Securities	11,979,407,890	12,164,421,720
	13,147,263,204	**12,941,656,597**

Notes to the Financial Statements

For the year ended 31 December 2022

Amount in BDT

Islami Banking Wing		2022	2021
a) Cash Reserve Requirement (CRR)			
Required Reserve		93,648,026	70,050,867
Maintained Reserve		383,223,060	136,388,437
Surplus/(Deficit)		**289,575,034**	**66,337,570**
b) Statutory Liquidity Ratio (SLR)			
Required Reserve		128,766,040	96,319,940
Maintained Reserve		491,432,114	269,115,980
Surplus/(Deficit)		**362,666,074**	**172,796,040**
c) Components of Statutory Liquidity Ratio (SLR)			
Cash in Hand		5,207,080	6,128,410
Balance with Bangladesh Bank		-	-
Balance with Sonali Bank		-	-
Excess Reserve of CRR		289,575,034	66,337,570
Government Securities		-	-
Other Eligible Securities		196,650,000	196,650,000
		491,432,114	**269,115,980**
4.00 Balance with other Banks and Financial Institutions			
In Bangladesh		2,455,383,089	2,402,636,780
Outside Bangladesh		113,044,841	226,802,205
		2,568,427,930	**2,629,438,985**
4.01 In Bangladesh	**Transaction Currency**		
Current Account			
Standard Bank Ltd.	BDT	9,915	10,835
Sonali Bank Ltd.	BDT	29,996,278	18,822,555
Janata Bank Ltd.	BDT	2,082,889	930,900
Agrani Bank Ltd.	BDT	22,479,128	11,094,500
Rupali Bank Ltd.	BDT	12,954,742	1,623,918
Trust Bank Ltd.	BDT	2,186,841	3,374,539
Dutch Bangla Bank Ltd	BDT	1,637,148	16,266,378
The Premier Bank Ltd.	BDT	1,992,251	6,192,349
		73,339,192	**58,315,974**
Special Notice Deposit			
Mercantile Bank Ltd.	BDT	20,979,811	19,994,697
Prime Bank Ltd.	BDT	640,711	639,313
AB Bank Ltd.	BDT	3,406,935	42,898,205
Eastern Bank Ltd.	BDT	16,380	3,106,240
		25,043,897	**66,638,455**
Fixed Deposits Receipt (FDR)			
FAS Finance & Investment Ltd.	BDT	175,000,000	175,000,000
First Finance Ltd.	BDT	137,700,000	133,000,000
IDLC Finance Limited	BDT	340,000,000	-
Bangladesh Finance Ltd.	BDT	83,000,000	89,000,000
Janata Bank Ltd.	BDT	-	200,000,000
Agrani Bank Limited	BDT	-	100,000,000
Bank Al-Falah Ltd.	BDT	200,000,000	-
Trust Bank Ltd.	BDT	-	127,207,350
Premier Leasing & Finance Ltd.	BDT	544,300,000	565,475,000
Phoenix Finance & Investments Ltd.	BDT	170,500,000	171,500,000
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	4,000,000	5,000,000
CVC Finance Ltd	BDT	86,500,000	90,000,000
Sub total		**2,357,000,000**	**2,277,682,350**
		2,455,383,089	**2,402,636,779**

Amount in BDT

		Transaction Currency	2022	2021
4.02	**Outside Bangladesh (NOSTRO Accounts) in current account**			
	AB Bank, Mumbai Branch	US$	3,042,662	230,580
	United Bank of India	US$	40,010,921	34,054,760
	Axix Bank Limited	US$	5,502,098	75,155,593
	National Bank of Pakistan, Tokyo Japan	JPY	1,756,013	29,246
	Mashreq Bank Psc, NY	US$	3,173,859	90,804,027
	Mashreq Bank Psc, NY OBU	US$	29,578,176	5,673,280
	Kookmin Bank, South Korea	GBP	1,303,665	641,466
	Habib American Bank, NY	US$	14,998,190	11,357,869
	NIB Bank, Pakistan	US$	468,739	32,861
	Aktif Yatirim Bank	US$	232,530	84,084
	Aktif Yatirim Bank	EURO	6,783,038	759,320
	Aktif Yatirim Bank	GBP	5,879,737	93,551
	Banca UBAE Italy	EURO	270,875	7,869,438
	Banca UBAE Italy	GBP	480,855	92,828
	Kookmin Bank, South Korea	US$	63,482	423,302
			113,044,841	**226,802,205**

Details of NOSTRO accounts are shown in Annexure-A

4.03	**Maturity grouping of Balance with other Banks and Financial Institutions**		
	On Demand	2,444,700,000	1,625,900,000
	Less than three months	123,700,000	353,000,000
	More than three months but less than one year	27,930	650,538,985
		2,568,427,930	**2,629,438,985**
5.00	**Money at Call and Short Notice:**		
		120,000,000	-
		120,000,000	**-**
6.00	**Investments**		
	Government(note 6.01)	13,186,017,591	12,361,071,740
	Others(note 6.02)	3,719,772,647	2,618,834,358
		16,905,790,238	**14,979,906,098**
	i) Investment Classified as per Bangladesh Bank Circular		
	Held to Maturity (HTM)	11,786,914,740	8,481,225,177
	Held for Trading (HFT)	562,178,252	3,553,343,563
	Reverse Repo	-	-
	Prize Bond	894,900	433,000
	Government Securites Encumbered	1,009,954,699	-
	Government Securites -SUKUK Bond	326,047,070,000	326,047,070,000
	Other Investments	3,719,772,647	2,618,834,358
		16,905,790,238	**14,979,906,098**
	ii) Investment Classified as per Nature		
6.01	**Government Securities**		
	Treasury Bills (at present value)		
	Un-encumbered		
	28 days	-	-
	91 days	-	-
	182 days	-	-
	364 days	-	-
	5 Years	-	-
	Sub-total	**-**	**-**

Amount in BDT

		2022	2021
	Encumbered		
	91 days	-	-
	182 days	-	-
	364 days	-	-
	Sub-total	-	-
	Total Treasury Bill	-	-
	Treasury Bonds		
	Un-encumbered		
	2 Years	-	20,225,460
	5 Years	1,157,419,479	557,608,860
	5 Years (Bangladesh Government Investment Sukuk)	326,070,000	326,070,000
	10 Years	5,371,181,005	4,462,711,996
	15 Years	3,607,594,613	4,417,794,724
	20 Years	1,712,897,946	2,576,227,700
	Sub-total	**12,175,162,992**	**12,360,638,740**
	Encumbered		
	2 Years	-	-
	5 Years	-	-
	10 Years	151,545,215	-
	15 Years	-	-
	20 Years	858,409,484	-
	Sub-total	**1,009,954,699**	-
	Total Treasury Bond	**13,185,117,691**	**12,360,638,740**
	Reverse Repo	-	-
	Prize Bonds (at face value)	**894,900**	**433,000**
	Sub Total	**13,186,012,591**	**12,361,071,740**
6.02	**Other Investments**		
	Shares in quoted companies(Regular portfolio)	748,637,373	360,061,759
	Shares in quoted companies(Special portfolio)	703,286,485	667,726,367
	Details shown in Annex B		
	Shares in unquoted companies (at face value) :		
	Regent Energy & Power Ltd.(Preference Share)	44,613,788	44,613,788
	Union Capital Ltd. (Preference Share)	1,500,000	4,000,000
	Envoy Textiles Ltd. (Preference Share)	120,000,000	160,000,000
	Confidence Power Bogra Ltd. (Preference Share)	37,500,000	50,000,000
	Premier Cement Mills Limited (PCML) (Preference Share)	500,000,000	-
	Fair Electronics Ltd (FEL) (Preference Share)	300,000,000	-
	CWT Sadharan Bima Growth Fund (Open End Mutual Fund)	5,000,000	5,000,000
	Ekush First Unit Fund (Open End Mutual Fund)	27,832,445	27,832,445
	VIPB Accelerated Income Unit Fund (Open End Mutual Fund)	27,500,000	27,500,000
	VIPB NLI 1st Unit Fund (Open End Mutual Fund)	11,812,606	-
	UCB AML First Mutual Fund (Open End Mutual Fund)	-	20,000,000
	Ekush Growth Fund (Open End Mutual Fund)	20,000,000	-
	EDGE High Quality Income Fund (Open End Mutual Fund)	20,000,000	-
	UCB Taqwa Growth Fund (Open End Mutual Fund)	20,000,000	-
		1,135,758,839	**338,946,233**
	Bond, Debenture & Commercial Papers:		
	UCB- Subordinated Bond	-	40,000,000
	SIBL- Subordinated Bond	40,000,000	80,000,000
	Standard Bank -Subordinated Bond	80,000,000	120,000,000
	Hashem Foods Ltd-Commercial Paper	102,100,000	102,100,000
	North-West Power Generation Company Ltd-Non-Convertible Coupon Bond	350,000,000	350,000,000
	Trust Bank - Perpetual Bond	60,000,000	60,000,000
	Jamuna Bank - Perpetual Bond	250,000,000	250,000,000
	NCC Bank - Perpetual Bond	250,000,000	250,000,000
		1,132,100,000	**1,252,100,000**
	Sub Total	**3,719,777,647**	**2,618,834,359**
	Total	**16,905,790,238**	**14,979,906,098**

Amount in BDT

	2022	2021

6.03 Assets pledged as security for liabilities as at December 31, 2022 is BDT- 6,198,840,444.79 of Treasury Bill and Bond against Re-Purchase Agreement. Details are as under:

(a) i. Disclosure regarding outstanding Repo as at 31 December 2022

	Counter Party Name	Agreement Date	Reversal Date	Amount
1	Bank Al-Falah Limited	26-Dec-2022	2-Jan-2023	100,373,276
2	Bangladesh Bank	26-Dec-2022	2-Jan-2023	700,418,187
3	Bank Al-Falah Limited	27-Dec-2022	3-Jan-2023	95,329,091
4	Bangladesh Bank	27-Dec-2022	3-Jan-2023	394,924,240
5	Commercial Bank of Ceylon Limited	27-Dec-2022	3-Jan-2023	520,741,853
6	IDLC Finance Limited	27-Dec-2022	3-Jan-2023	497,327,797
7	Bank Al-Falah Limited	28-Dec-2022	4-Jan-2023	150,225,695
8	Bangladesh Bank	28-Dec-2022	4-Jan-2023	798,070,651
9	Dhaka Bank Limited	28-Dec-2022	1-Jan-2023	548,849,287
10	Modhumoti Bank Limited	29-Dec-2022	1-Jan-2023	149,383,612
11	Dhaka Bank Limited	29-Dec-2022	1-Jan-2023	299,128,636
12	Bank Al-Falah Limited	29-Dec-2022	5-Jan-2023	98,654,075
13	Commercial Bank of Ceylon Limited	29-Dec-2022	5-Jan-2023	1,105,414,045
14	Bangladesh Bank (Liquidity Support for Capital Market Investment Under Special Fund)	26-Dec-2022	26-Mar-2023	740,000,000
	Total			**6,198,840,445**

II. There is no outstanding Reverse Repo as at 31 December 2022 with the Bank.

(b) Disclosure regarding overall transaction of Repo for the year 2022

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	25,456,961	5,759,161,870	1,635,735,10 /
ii) with Other Banks & Financial Institutions	469,470,877	9,247,062,321	3,714,616,638
Securities purchased under reverse Repo:			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	97,024,360	20,585,814	3,836,709

6.04	**Maturity grouping of Investment as follows:**		
	On Demand	294,000	151,700,000
	Up to one month	600,900	433,000
	Less than three months	1,451,900,000	-
	More than three months but less than one year	40,000,000	3,332,800,000
	More than one year but less than five years	8,107,100,000	7,178,100,000
	More than five years	7,305,895,338	4,316,873,098
		16,905,790,238	14,979,906,098
7.00	**Loans and Advances / Investments**		
	Loans, Cash Credits, Overdrafts, etc. (note-7.01)	49,606,134,790	42,588,953,284
	Bills Purchased and Discounted (note-7.02)	3,186,672,476	3,278,529,125
	Total Loans and Advances	**52,792,807,266**	45,867,482,409
7.01	**Loans, Cash Credits, Overdrafts, etc. / Investments**		
	In Bangladesh:		
	Term Loan	19,094,556,570	17,371,560,820
	Overdraft	7,975,277,348	7,261,014,218
	Time Loan	13,662,789,912	10,726,731,387
	Cash Credit	2,118,004,627	2,064,389,960
	Trust Receipt	1,767,903,934	1,690,920,964
	Consumer Loan	1,150,951,600	953,860,168
	Agricultural Credit	820,972,923	662,856,308
	EDF Loan	2,768,779,712	1,610,269,716
	Packing Credit	77,746,336	129,361,656
	Staff Loan	102,063,477	107,437,401
	Other Loans and Advances	61,088,400	60,550,686
		49,606,134,790	42,588,953,284
	Outside Bangladesh	-	-
		49,606,134,790	42,588,953,284

Notes to the Financial Statements

For the year ended 31 December 2022

Amount in BDT

		2022	2021
7.02	**Bill Purchased and Discounted**		
	Payable in Bangladesh	181,234,545	125,579,769
	Payable outside Bangladesh	3,005,437,931	3,152,949,356
		3,186,672,476	**3,278,529,125**
7.03	**Net Loans & Advances /Investments**		
	Gross Loans & Advances/ Investments (note- 7)	**52,792,807,266**	**45,867,482,409**
	Less:		
	Classified Loans & Advances/ Investments (note-7.08)	1,469,651,458	1,455,053,905
	Interest/ Profit Suspense (Note- 13.06)	868,462,210	658,322,977
	Provision for Loans & Advances/ Investments-General Provision (Note -13.01)	452,397,042	643,109,175
	Net Loans & Advances /Investments	**50,002,296,556**	**43,110,996,352**
7.04	**Maturity grouping of Loans and Advances /Investments**		
	On Demand	1,131,400,000	3,017,600,000
	Up to one month	6,580,700,000	6,580,700,000
	Not more than three months	8,657,400,000	5,673,800,000
	More than three months but less than one year	11,583,200,000	13,743,900,000
	More than one year but less than five years	14,867,407,266	15,378,382,409
	More than five years	9,972,700,000	1,473,100,000
		52,792,807,266	**45,867,482,409**
7.05	**Maturity grouping of Bills Purchased and Discounted**		
	Within one month	11,700,000	53,300,000
	More than one but not more than three months	9,900,000	51,700,000
	More than three months but less than six months	3,158,472,476	3,173,529,125
	More than six months	6,600,000	-
		3,186,672,476	**3,278,529,125**
7.06	**Concentration of Loans and Advances/ Investments:**		
	a) Loans and Advances/Investments to Institutions in which the Directors of the Bank have interest	3,758,928	98,403,288
	b) Advances to Managing Director & other Senior Executives	102,063,477	107,437,401
	c) Advances to Industries		
	Agriculture	544,327,713	639,895,579
	RMG	3,448,501,562	2,244,984,575
	Textile	4,757,050,100	3,989,517,870
	Ship Building	-	37,815,286
	Ship Breaking	-	624,777,793
	Other Manufacturing industry	16,623,731,594	12,916,189,429
	SME loans	3,671,028,040	1,677,075,066
	Construction	4,723,543,263	4,278,415,007
	Power, Gas	1,086,231,423	784,618,440
	Transport, Storage and Communication	1,366,213,722	103,782,528
	Trade Service	5,599,771,524	7,388,304,182
	Commercial real estate financing	313,99,705	285,146,651
	Residential real estate financing	74,006,391	511,718,653
	Consumer credit	2,026,685,959	1,227,488,246
	Capital Market	622,626,079	789,081,519
	NBFIs	2,974,575,698	2,722,274,810
	Others	5,137,292,087	5,440,501,086
		52,686,984,861	45,661,641,720
		52,792,807,266	**45,867,482,409**

Amount in 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 8196.0 crore as at December 31, 2022 (BDT 813.28 crore in 2021)

	2022	2021
Number of Clients	34	24
Outstanding Advances (BDT)	27,659,316,002	22,922,288,800

Client wise details are given below:

Sl	Name of the clients	Status	Outstanding (BDT)		Total 2022 (BDT)	Total 2021 (BDT)
			Funded	Non - Funded		
1	Adex Group	UC	590,812,404	92,295,440	683,107,844	827,420,730
2	Nitol-Niloy Group	UC	454,095,881	25,815,000	479,910,881	806,377,400
3	Zon Ron Group	UC	739,386,835	248,375,445	987,762,279	989,363,584
4	Rangs Group	UC	322,621,192	531,323,327	853,944,518	719,488,577
5	Abul Khair Group	UC	-	28,541,322	28,541,322	234,467,780
6	GPH Group	UC	1,372,788,862	392,596,015	1,765,384,877	1,753,619,506
7	Summit Group	UC	1,028,648,043	-	1,028,648,043	1,006,722,733
8	Energypac Group	UC	733,201,343	1,626,416,977	2,359,618,320	2,364,961,188
9	Alliance Group	UC	692,886,510	61,668,761	754,555,271	1,049,275,947
10	Anwar Group	UC	-	-	-	-
11	BD Group	UC	918,424,488	5,967,700	924,392,188	1,024,760,993
12	Confidence Group	UC	703,840,198	635,116,749	1,338,956,947	1,408,006,828
13	ACI Group	UC	762,970,083	197,776,823	960,746,905	1,021,370,599
14	Unimed Group	UC	464,510,718	160,826,454	625,337,172	583,096,026
15	MSA Group	UC	1,087,068,276	132,201,507	1,219,269,784	1,117,303,165
16	EXPO Group	UC	98,141,902	796,664,236	894,806,138	1,402,472,796
17	Saiham Group	UC	1,031,694,389	471,622,592	1,503,316,980	1,194,134,228
18	Spectra Engineers Ltd.	UC	198,344,876	356,346,759	554,691,635	226,351,939
19	Akij Group	UC	-	-	-	-
20	Max Group	UC	532,927,838	42,067,346	574,995,184	-
21	Mir Group	UC	524,131,735	40,766,000	564,897,735	-
22	S.B Group	UC	565,187,598	330,735,423	895,923,021	-
23	Salma Group	UC	-	-	-	-
24	Seacom Group	UC	306,958,777	-	306,958,777	-
25	T. K. Group	UC	359,072,129	-	359,072,129	-
26	Youth Group	UC	-	700,000,000	700,000,000	-
27	Bangladesh-India Friendship Power Company (Pvt) Ltd.	UC	-	-	-	-
28	Modern Syntex Limited	UC	166,095,148	-	166,095,148	-
29	Premier Group	UC	-	-	-	476,133,907
30	NDE Group	UC	717,171,071	486,201,683	1,203,372,754	1,234,356,664
31	City Group	UC	2,805,555,922	9,732,203	2,815,288,125	1,111,813,593
32	Meghna Group	UC	1,008,193,681	877,383,575	1,885,577,256	1,048,503,549
33	Fair Group	UC	524,560,668	519,600,077	576,536,675	503,889,968
34	NPoly group	UC	327,329,812	151,393,024	478,722,836	458,397,102
35	Florance Group	UC	153,479,010	15,466,249	168,885,259	-
	Total		**19,190,039,387**	**8,469,276,615**	**27,659,316,002**	**22,922,288,800**

7.08 Classification of Loans and Advances/Investments:

Unclassified (UC):		
Standard	50,357,413,459	43,587,009,789
Special Mention Account (SMA)	965,742,348	825,418,715
Sub total	**51,323,155,808**	**44,412,428,504**
Classified:		
Substandard	80,002,366	313,753,790
Doubtful	34,244,808	588,083,684
Bad & Loss	1,355,404,284	553,216,430
Sub total	**1,469,651,458**	**1,455,053,905**
Total	**52,792,807,266**	**45,867,482,409**

Amount in BDT

	2022	2021

7.09 Details of Required Provision for Loans and Advances/Investments

Particulars	Provision Rate	Provision	
		Required	Maintained
Unclassifed (UC):			
Standard	0.25%,1%, 2% & 5%	443,688,986	443,688,986
Special Mention Account (SMA)	0.25%,1%, 2% & 5%	8,708,056	8,708,056
Sub total		**452,397,042**	**452,397,042**
Classifled:			
Substandard	5% & 20%	94,360,274	94,360,274
Doubtful	5% & 50%	12,399,771	12,399,771
Bad loan	100%	847,912,003	847,912,003
Sub total		**954,672,048**	**954,672,048**
Total		**1,407,069,090**	**1,407,069,090**
Excess/(short) Provision as at December 31, 2021			-

7.10 Details of Required Provision for Off Balance Sheet Items

Required Provision for Off- Balance Sheet Exposures	112,994,697	109,846,794
Total Provision maintained	112,994,697	109,846,794
Excess/(Short) Provision	-	-

7.11 Suit filed by the Bank

No of Suits file		
Artha Rin Adalat	33	11
N.I Act	29	38
Suit Amount		
Artha Rin Adalat	957,114,245	617,743,507
N.I Act	125,965,674	272,646,535

7.12 Geographical location wise loans and advances/Investments

Inside Bangladesh		
Urban		
Dhaka Division	44,992,833,260	39,360,069,691
Chittagong Division	6,444,323,754	5,263,818,839
Khulna Division	64,695,974	42,385,721
Rajshahi Division	194,657,962	160,492,431
Mymensingh	-	-
Barisal Division	-	-
Rangpur Division	2,992,155	
Sylhet Division	16,631,185	18,102,991
	51,716,134,291	44,844,869,674
Rural		
Dhaka Division	702,180,530	653,449,322
Chittagong Division	109,839,670	120,782,821
Khulna Division	21,915,554	24,287,754
Rajshahi Division	140,202,133	108,494,662
Mymensingh Division	98,445,158	108,661,187
Rangpur Division	4,089,930	6,936,988
Barisal Division		-
Sylhet Division		-
	1,076,672,975	1,022,612,735
Outside Bangladesh	-	-
	52,792,807,266	45,867,482,408

Amount in BDT

		2022	2021
7.13	**Particulars of loans and advances/Investments**		
(i)	Loans & Advances considered good in respect of which the bank is fully secured	23,120,372,656	18,774,700,000
(ii)	Loans & Advances considered good against which the bank holds no security other than the debtors' personal guarantee	29,672,434,610	27,092,782,409
(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	-	-
		52,792,807,266	**45,867,482,409**
(v)	Loans & Advances due by directors or officers of the bank or any of them either separately or jointly with any other persons	105,822,405	205,840,689
(vi)	Loans & Advances due from companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in case of private companies, as members	-	-
(vii)	Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other persons	-	-
(viii)	Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	-	-
(ix)	Due from other banking companies	-	-
(x)	Amount of classified loans on which interest has not been charged:		
	a. i) (Decrease)/Increase in provision,	499,978,973	260,135,504
	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'	847,912,003	246,204,855
	c. Interest creditable to the interest suspense A/c;	868,462,210	658,322,977
(xi)	Cumulative amount of loans written-off	-	-
(xii)	Amount of loans written-off during the year	-	-
(xiii)	The amount of written off loan for which law suit has been filed	-	-

7.14 Audited Financial Statements are mandatory documents for any company applying for new loan facility from bank. The bank reviews the Audited Financial Statements while assessing any new credit / Loan facilities to any new customers. In compliance with BRPD Circular Letter No. 04, dated January 04, 2021, the bank obtained audited financial statements while approving any new loan facility and wherever required under Financial Reporting Act'2015. Audited Financial Statements are preserved in the loan files by the bank and during each review latest audited financials are also obtained. However, in some special circumstances where latest Audited Financial Statements is not available and where there is valid reason for delay in submission of latest audited financial, the bank uses interim Management Accounts for conducting the Internal Credit Risk Rating (ICRR) for the purpose of renewal of any loan facilities as per guidelines of ICRR of Bangladesh Bank. However, from September' 2021 the Bank is verifying the Financial Statements using the Document Verification System (DVS) as per BRPD Circular Letter 35 dated July 06, 2021 and FRC Letter No. 178/FRC/APR/2021/27(28) dated December 08, 2021.

8.00 Fixed Asset including Premises, Furniture & Fixture

Property, Plant & equipment		
Computer and Peripherals	231,166,776	218,799,264
Furniture & Fixture	189,421,047	178,677,759
Office Equipment	181,706,177	175,553,464
Motor Vehicles	26,094,193	26,094,193
Books	20,260	20,260
Intangible Assets	64,713,819	62,813,819
Right of Use Assets	768,320,720	656,791,727
Land, Building & Construction	-	-
Total Cost	**1,467,442,993**	**1,318,750,486**
Less: Accumulated Depreciation	892,773,090	685,234,077
Book value at the end of the year	**574,669,903**	**633,516,409**
Details are shown in Annex-C		

Amount in BDT

		2022	2021
9.00	**Other Asset**		
	Classification of Other Asset		
	A) Income generating Other Asset	-	-
	B) Non-Income generating Other Asset :		
	Advance Rent (note-9.01)	-	-
	Interest Accrued on Investment but not collected & other Income receivable	813,843,873	556,977,297
	Dividend Receivable	33,216,747	17,168,921
	Advance Income Tax (note-9.02)	2,050,142,134	1,454,662,614
	Suspense Account (note-9.03)	101,666,468	51,117,293
	Advance Subscription	1,137,353	929,419
	Prepaid Insurance	3,251,809	3,017,529
	Stationery, Stamps, Printing materials in stock etc.	2,953,360	5,577,515
	Sundry Assets (note-9.04)	385,492,688	130,686,898
	Stamp in Hand	1,129,686	801,356
	Branch Adjustment (note-9.05)	-	-
	Deferred Tax Assets (note-9.06)	589,250	-
	Exchange House	3,445,479	5,150,031
	Clearing House and BFTN Adjustment	150,538	-
		3,397,619,330	**2,226,088,872**
	Total Other Asset (A+B)	**3,397,619,330**	**2,226,088,872**

9.01 Advance Rent adjusted due to IFRS 16.

9.02 Advance Income Tax

Opening Balance	1,454,662,614	1,933,065,435
Less: Adjustment made during the year		- 888,341,842
Add: Payment during the year	595,479,520	409,939,021
Closing Balance	**2,050,142,134**	**1,454,662,614**

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	364,678	1,048,608
Receivable from Bangladesh Bank- Time Loan-WC under stimulus package	67,915,580	85,672,282
Receivable from Brokerage House	285,988,315	29,709,593
Sundry Debtors	13,846,185	1805,105
MFS Settlement Account	8,433,264	6,697,758
Prepaid Interest	4,913,826	2,596,937
Prepaid Furniture Allowance	4,030,841	3,156,615
	385,492,688	**130,686,898**

9.05 Branch Adjustment (net)

Entries	No. of Entries Outstanding as on 31-12-2022	BDT	BDT
Debit entries	-	-	-
Credit entries	-	-	-
	-	-	-

Amount in BDT

		2022	2021
9.06	**Deferred tax asset/ (Liability)**		
	Opening Balance	(16,977,457)	5,909,223
	Add: Deferred tax Income	-	-
	Less: Deferred tax Expenses	(17,566,707)	22,886,680
	Closing Balance Deferred Tax asset/ (liability)	**589,250**	**(16,977,457)**
9.06.01	**Computation of deferred tax**		
	Accounting written down value- Fixed Assets	172,210,145	207,782,299
	Less: Tax base written down value- Fixed Assets	233,253,240	311,384,501
	Taxable temporary difference	**(61,043,095)**	**(103,602,202)**
	Right of Use of Assets	402,459,758	425,734,110
	Lease Obligation	359,214,988	394,940,121
	Taxable temporary difference	**(43,244,770)**	**(30,793,989)**
	Book value - Gratuity provision	129,520,300	108,070,300
	Less: Tax base - Gratuity provision	23,661,103	16,067,751
	Deductible temporary difference	**105,859,197**	**91,952,549**
	Net deductable temporary difference	**1,571,333**	**(42,443,642)**
	Effective tax rate	37.50%	40.00%
	Deferred Tax Assets/(Liability)	**589,250**	**(16,977,457)**
	Deferred Tax (Expenses)/Income		
	Closing Deferred Tax Assets	589,250	**(16,977,457)**
	Opening Deferred Tax Assets/(Liability)	(16,977,457)	**5,909,223**
	Deferred Tax (Expenses)/Income	**17,566,707**	**(22,886,680)**
9.07	**Classification of Other Asset**		
	Unclassified	3,360,754,368	2,222,386,417
	Substandard	-	-
	Doubtful	-	3,702,455
	Bad/Loss	37,364,962	-
		3,397,619,330	**2,226,088,872**
10.00	**Non-Banking Assets**		
	Land at cost (market value of the land at BDT 14.54 million)	12,585,359	12,585,359
		12,585,359	**12,585,359**

The Bank filed on Artha Rin suit bearing # 539/2017, dated 02.03.2017 against one default customer, A/C : Al-Fahad Air Ticketing & Medical Tourism Limited. The Bank has been awarded the ownership of the mortgage properties according to the verdict of the honorable court in accordance with section 33(5) of "Artharin Adalat 2003". Subsequent approval taken from the Board of Directors of the Bank, the full amount of loan of BDT 12.59 million (market value of the property at BDT 14.54 million) transferred to Non-Banking Assets of the Bank, which will continue to sustain in Bank's Balance Sheet until sale / disposal of the said property acquired by the Bank u/s 33(5) of the Artha Rin Adalat Ain 2003 as mortgagee Bank. As per Bangladesh Bank Guideline, 100% provision has been maintained against this asset during the year.

11.00	**Borrowing From Other Banks, Financial Institutions & Agents**		-
	In Bangladesh	8,243,230,054	5,949,301,979
	Outside Bangladesh	-	
		8,243,230,054	**5,949,301,979**

Notes to the Financial Statements

For the year ended 31 December 2022

Amount in BDT

		2022	2021
11.01	**In Bangladesh:**		
	Borrowing from Bank/Other Institutions:	**1,530,000,000**	**1,971,975,000**
	Sonali Bank Ltd.	200,000,000	-
	NCC Bank Ltd.	-	29,340,000
	IFIC Bank Ltd.	-	500,000,000
	Mutual Trust Bank Ltd.	-	200,000,000
	Bank Asia Ltd.	-	200,000,000
	Trust Bank Ltd.	-	128,475,000
	Bank Al Falah	490,000,000	85,800,000
	BASIC Bank Ltd.	-	200,000,000
	Southeast Bank Ltd.	-	360,360,000
	Meghna Bank Ltd.	200,000,000	-
	Citizens Bank Plc	40,000,000	-
	Eastern Bank Ltd.	200,000,000	-
	Uttara Bank Ltd.	250,000,000	-
	Dhaka Bank Ltd.	150,000,000	-
	Repo of Treasury Bill/Bond		
	Bangladesh Bank (LS)	740,000,000	-
	Refinance from Bangladesh Bank	1,064,040,110	624,999,329
	Investment Promotion and Financing Facility (IPFF)	2,702,357,000	1,902,357,000
	Borrowing From Bangladesh Bank (EDF)	2,206,832,945	1,449,970,650
		5,973,230,054	**3,977,326,979**
	Total	**8,243,230,054**	**5,949,301,979**
11.02	**Security against Borrowing From Other Banks, Financial Institutions and Agents**		
	Secured	-	-
	Unsecured	8,243,230,054	5,949,301,979
		8,243,230,054	**5,949,301,979**
11.03	**Maturity Grouping of Borrowing From other Banks, Financial Institutions & Agents**		
	On Demand	1,565,900,000	1,225,000,000
	Up to one month	465,900,000	352,600,000
	Not more than three months	368,800,000	604,400,000
	More than three months but less than one year	940,000,000	848,200,000
	More than one year but less than five years	1,256,030,054	2,919,101,979
	More than five years	-	-
		4,596,630,054	**5,949,301,979**
12.00	**Deposit and Other Accounts**		
	From Banks	5,213,783,317	7,245,595,162
	From Customers	52,549,726,756	43,484,443,764
		57,763,010,073	**50,730,038,926**
12.01	**Customer Deposit and Other Accounts:**		
	Current Deposit & Other Accounts :		
	Current Deposit	3,767,421,973	2,717,850,129
	Foreign Currency Deposit	3,578,789,473	3,332,707,723
	Sundry Deposit	1,535,443,752	837,469,914
		8,881,655,198	**6,888,022,266**
	Bills Payable :		
	Payment Order Issued	293,988,162	312,166,430
	Short Notice Deposit	**7,512,112,992**	**7,398,619,144**
	Savings Deposit	**5,071,243,226**	**4,440,720,438**
	Fixed Deposit	**30,664,800,460**	**27,194,882,317**

Notes to the Financial Statements

For the year ended 31 December 2022

		Amount in BDT	
		2022	2021
	Deposit Schemes:		
	MDB Super Monthly Savings	2,627,147,878	2,294,985,259
	MDB Double Benefit	556,439,001	549,509,824
	MDB Family Support	1,527,182,324	1,148,985,356
	MDB Corporate Support	65,248,653	65,061,557
	MDB Shikhsha Sanchay Scheme	18,030,577	14,568,199
	MDB Millionaire Savings Scheme	215,098,791	168,571,951
	MDB Kotipoti	193,436,723	164,341,377
	MDB Platinum Savings Scheme	89,906,963	67,143,308
	MDB Traveler's Savings Scheme	8,216,509	5,317,585
	MDB Saalam Monthly Scheme	28,497,935	13,434,008
	MDB Saalam Hajj Savings Scheme	2,360,146	1,130,093
	Saalam Digital Monthly Savings Scheme	6,169,863	2,109,097
	Saalam Digital Hajj Savings Scheme	1,474,672	470,716
		5,339,210,034	**4,495,628,331**
	Total	**57,763,010,073**	**50,730,038,926**
12.02	**Maturity grouping of Deposit and Other Accounts:**		
	On Demand	859,000,000	461,300,000
	Repayable within one month	8,812,100,000	6,913,100,000
	More than one month but within three months	90,100,000	12,645,400,000
	More than three months but within one year	12,910,200,000	14,442,000,000
	More than one year but within five years	34,259,310,073	15,497,738,926
	More than five year but within ten years	832,300,000	770,500,000
		57,763,010,073	**50,730,038,926**
12.02.01	**Maturity grouping of Deposit from bank:**		
	On Demand	-	-
	Repayable within one month	**5,213,283,317**	-
	More than one month but within three months	-	7,245,595,162
	More than three months but within one year	-	-
	More than one year but within five years	-	-
	More than five year but within ten years	-	-
		5,213,283,317	**7,245,595,162**
12.02.02	**Maturity grouping of Deposit from customers:**		
	On Demand	859,000,000	461,300,000
	Repayable within one month	3,598,816,683	6,913,100,000
	More than one month but within three months	90,100,000	5,399,804,838
	More than three months but within one year	12,910,200,000	14,442,000,000
	More than one year but within five years	34,259,310,073	15,497,738,926
	More than five year but within ten years	832,300,000	770,500,000
		52,549,726,756	**43,484,443,764**
12.03	**Demand & Time Deposit**		
	a) Demand Deposit	**9,632,055,250**	**7,599,853,535**
	Current Deposit	3,767,421,973	2,717,850,129
	Savings Deposit (9%)	456,411,890	399,664,839
	Foreign Currency Deposit (non interest bearing)	3,578,789,473	3,332,707,723
	Sundry Deposit	1,535,443,752	837,469,914
	Bills Payable	293,988,162	312,166,430
	b) Time Deposits	**48,130,954,822**	**43,130,185,391**
	Saving Deposit (91%)	4,614,831,336	4,041,055,598
	Fixed Deposit	30,664,800,460	27,194,882,317
	Short Notice Deposit	7,512,112,992	7,398,619,144
	Deposit Under Scheme	5,339,210,034	4,495,628,331
	Total Demand & Time Deposits	**57,763,010,073**	**50,730,038,926**

Notes to the Financial Statements

For the year ended 31 December 2022

Amount in BDT

	2022	2021
12.04 Sectorwise Deposit		
Government	1,331,812,744	696,380,593
Deposit Money Banks	5,213,283,317	7,245,595,162
Other Public	2,995,184,525	2,848,585,781
Foreign Currency	5,928,274,760	3,332,702,223
Private	42,294,454,726	36,606,775,167
	57,763,010,073	**50,730,038,926**
13.00 Other Liabilities		
Provision for Loans and Advances (Note 13.01)	1,407,069,090	1,097,802,250
Special General Provision -COVID 19 (Note 13.02)	170,865,864	186,290,081
Provision for Outstanding debit entries in NOSTRO Account	-	-
Provision for Off Balance Sheet Items (Note 13.03)	112,994,697	109,846,794
Provision for Good Borrower	-	1,616,000
Provision for Other Assets	37,364,962	5,492,125
Provision for Income Tax (Note 13.04)	2,387,679,130	1,843,445,673
Interest Payable on Borrowing	100,985,367	87,393,725
Audit fee Payable	345,250	460,000
Accrued Expenses	64,768,852	68,425,859
Unearned Income (for investment & placement)	402,922,298	275,174,109
Corporate Social Responsibility (CSR) Payable	-	187,352
Startup Fund	17,323,519	11,703,831
Deferred Tax Liability	-	16,977,457
Lease Liability (note-13.05)	359,214,988	394,940,121
Interest Suspense (Note 13.06)	868,462,210	658,322,977
Provision for Share, Commercial Paper & Bond	242,941,996	133,713,788
Provision for Non-Banking Asset	12,585,359	12,585,359
Other Liabilities	28,562,627	30,931,897
	6,214,086,209	**4,935,309,399**
13.01 Provision for Loans and Advances		
For Unclassified		
Opening Balance	643,109,175	589,643,344
Add: Provision made during the year	(190,712,133)	53,465,831
Less: Provision transferred to Classified Loans and Advances	-	-
Closing Balance	**452,397,042**	**643,109,175**
For Classified		
Opening Balance	454,693,075	194,557,571
Add: Provision made during the year	499,978,973	260,135,504
Less: Adjustment during the year	-	-
Less: Loan written off during the year	-	-
Closing Balance	**954,672,048**	**454,693,075**
	1,407,069,090	**1,097,802,250**
13.02 Special General Provision -COVID 19		
A. Opening Balance	**186,290,081**	160,085,000
B. Add: Provision made during the year	26,365,864	77,859,888
C. Less: Provision release due to recovery	41,790,081	51,654,807
D. Net Provision Charged in Profit & Loss Account [B-C]	**(15,424,217)**	**26,205,081**
E. Closing Balance [A+D]	**170,865,864**	**186,290,081**
13.03 Provision for Off Balance Sheet Items		
Opening Balance	109,846,794	84,899,516
Add: Provision made during the year	3,147,903	24,947,278
Less: Provision transferred to Loans and Advances	-	-
Closing Balance	**112,994,697**	**109,846,794**

Amount in BDT

		2022	2021
13.04	**Provision for Income Tax***		
	Opening Balance	1,843,445,673	2,170,136,015
	Less: Adjustment made with advance tax during the year	-	888,341,842
	Less: Adjustment of surplus provision	-	27,608,984
	Add: Provision made during the year	544,233,456	589,260,484
		2,387,679,130	**1,843,445,673**
	*Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being.		
13.05	**Lease liability created due to IFRS 16.**		
13.06	**Interest Suspense Account**		
	Opening Balance	658,322,977	416,575,455
	Add: Addition during the year	740,957,406	449,841,980
	Less: Written off during the year	-	-
	Less: Recovery during the year	530,818,174	208,094,458
	Closing Balance	**868,462,210**	**658,322,977**
14.00	**Shareholders' Equity**		
	Paid up Capital (note 15.02)	5,696,697,530	5,696,697,530
	Statutory Reserve (note 16.00)	1,626,326,243	1,408,602,127
	Revaluation Reserve on Investment in Securities (note 17.00)	1,155,553	2,446,036
	Retained Earnings (note 18.00)	322,357,156	296,515,380
		7,646,539,482	**7,404,261,073**
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:

	December 31, 2022		
	No. of shares	**Value of shares BDT**	**% of holding**
Sponsors/Directors	511,245,649	5,112,456,490	89.74%
Institutions	4,219,776	42,197,760	0.74%
Individuals	54,204,328	542,043,280	9.52%
	569,669,753	**5,696,697,530**	**100%**

15.04 Capital Adequacy Ratio

In terms of section 13 (2) of the Bank Company Act 1991 and Bangladesh Bank BRPD circular no. 35 dated December 29, 2010, required capital of the Bank at the close of business on December 31, 2022 was 12.50% of Risk-Weighted Assets of BDT 55,257,430,572 i.e. BDT 6,907,178,821 or BDT 4,000,000,000, whichever is higher as against available core capital of BDT 7,630,604,375 and supplementary capital of BDT 565,391,739 making a total capital of BDT 8,195,996,114 thereby showing a surplus capital of BDT 1,288,817,293. Details are given below:

Total risk weighted assets	55,257,430,572	51,240,205,942
Required Capital : 12.50% of total risk weighted asset or BDT 400 cr, whichever is higher	6,907,178,821	6,405,025,743
Actual capital maintained		
Core Capital (Tier-I) :		
Paid up Capital	5,696,697,530	5,696,697,530
Statutory Reserve	1,626,326,243	1,408,602,127
Retained Earnings	322,357,156	296,515,380
	7,645,383,929	**7,401,815,038**

Notes to the Financial Statements

For the year ended 31 December 2022

Amount in BDT

		2022	2021
	Deduction from Tier - I (Core Capital)		
	Intangible Assets	**14,779,554**	**21,993,018**
		7,630,604,375	**7,379,822,020**
	Supplementary Capital (Tier-II) :		
	General Provision including Off Balance Sheet items	565,391,739	752,955,970
	Revaluation Reserve on Investment in Securities	-	-
		565,391,739	**752,955,970**
	Total Capital (Tier-I+Tier-II)	**8,195,996,114**	**8,132,777,990**
	Surplus	**1,288,817,293**	**1,727,752,247**
	Capital to Risk Weighted Asset Ratio (CRAR)	**14.83%**	**15.87%**

15.04.01

Capital Requirement	Required	**2022**	**2021**
Particulars		**Held**	**Held**
Tier-I	8.50%	13.81%	14.40%
Tier-II	4.00%	1.02%	1.47%
Total	**12.50%**	**14.83%**	**15.87%**

16.00	**Statutory Reserve**		
	Opening Balance	1,408,602,127	1,183,368,838
	Add: Transferred during the year (20% of pre-tax profit)	217,727,116	225,233,289
	Closing Balance	**1,626,329,243**	**1,408,602,127**
17.00	**Revaluation Reserve on Investment in Securities**		
	Opening Balance	2,446,036	275,655,418
	Add: Addition during the year	381,713,247	493,520,061
	Less: Adjustment of Revaluation Reserve	(383,003,729)	(766,729,444)
	Closing Balance	**1,155,553**	**2,446,036**
18.00	**Retained Earnings**		
	Opening Balance	296,515,380	458,249,173
	Add: Profit made during the year	561,968,829	514,019,282
	Less: Transferred to Statutory Reserve	(217,727,116)	(225,233,289)
	Less: Transferred to CSR	(27,945,373)	(11,563,639)
	Less: Transferred to Start Up Fund	(5,619,688)	(11,703,831)
	Less: Dividen paid	(784,834,877)	(427,252,315)
	Closing Balance	**322,357,156**	**296,515,380**
18.01	**Retained Surplus Brought Forwarded**		
	Opening Balance	296,515,380	458,249,173
	Transferred to CSR Fund (FY 2020)	-	(6,563,639)
	Transferred to Start Up Fund (FY 2020)	-	(6,563,639)
	Less: Dividend paid	(284,834,877)	(427,252,315)
		11,680,504	**17,869,580**
19.00	**Contingent Liabilities**		
19.01	Acceptance and endorsements		101,085,290
	Foreign	24,215,927	2,821,370,131
	Local	2,333,508,585	20,635,625
	EPZ	14,814,659	**2,943,091,046**
		2,372,539,171	**2,43,091,046**
19.02	**Letter of Guarantee**		
	Foreign	6,700,650	35,405,501
	Local	5,292,479,286	5,096,115,339
		5,299,179,936	**5,131,520,840**

Notes to the Financial Statements

For the year ended 31 December 2022

Amount in BDT

		2022	2021
19.02.01	**Letter of Guarantee**		
	Money for which the bank is contingently liable in respect of guarantees given favoring :	-	-
	Directors	-	-
	Government	-	-
	Bank and other Financial Institutions	-	-
	Others	5,299,179,936	5,131,520,840
		5,299,179,936	**5,131,520,840**
19.03	**Irrevocable Letter of Credit**		
	Letter of Credit (Sight)	186,180,459	243,864,154
	Letter of Credit (Back to Back/Deferred)	827,373,172	1,262,678,730
	Letter of Credit (Cash & Others)	2,614,247,050	1,403,524,599
		3,627,750,631	**2,910,067,483**
19.04	**Bills for Collection**		
	Foreign Bill Collection	302,888,189	442,008,320
	Local/Inland Bill Collection	1,072,585,462	873,335,211
		1,375,473,650	**1,315,343,531**
20.00	**Income Statement**	**12,674,943,388**	**12,300,022,900**
	Income:		
	Interest, Discount and Similar Income	5,002,269,771	4,554,493,650
	Dividend income	110,024,054	36,379,273
	Fee, Commission and Brokerage	100,007,306	98,590,240
	Gain less losses arising from dealing securities	-	-
	Gain less losses arising from investment securities	-	-
	Gain less losses arising from dealing in Foreign Currencies	636,378,302	125,595,551
	Income from non Banking Asset	-	-
	Other Operating Income	98,250,555	83,721,530
	Profit less losses on Interest Rate Changes	-	-
		5,946,929,988	**4,898,780,244**
	Expenses		
	Interest, Fee and Commission	3,201,241,946	2,262,656,653
	Losses on Loans and advances	-	-
	Administrative expenses	635,091,994	533,619,057
	Other operating expenses	373,167,214	367,611,315
	Depreciation on Banking Assets	210,701,684	163,991,161
		4,420,202,837	**3,327,878,186**
	Operating profit	**1,526,727,150**	**1,570,902,059**
21.00	**Interest Income / Profit on Investment**		
	Loans and Advances (note-21.01)	3,571,940,430	3,137,045,832
	Money at Call and Short Notice	5,076,775	16,135,659
	Balance with Other Banks and Financial Institutions (note-21.02)	79,506,671	79,353,043
	Bangladesh Bank Foreign Currency Clearing Account	689,648	227,340
		3,657,213,524	**3,232,761,875**
21.01	**Interest on Loans and Advances / Profit on Investment**		
	Term Loan	1,263,885,949	1,058,472,906
	Overdraft	627,280,470	620,324,801
	Time Loan	1,039,945,570	958,867,227
	Cash Credit	180,720,804	153,186,801
	Trust Receipt	137,559,836	117,379,470
	Consumer Loan	82,641,466	67,531,436
	Payment Against Documents(PAD)	2,393,558	113,111
	Agricultural Credit	2,004,953	6,617,373
	EDF Loan	24,795,622	9,401,612
	Packing Credit	7,862,465	9,045,393
	Staff Loan	4,873,690	4,600,532
	Other Loans and Advances	14,779,582	23,376,809
	Bill Purchased and Discounted	183,696,465	108,128,361
		3,571,940,430	3,137,045,832
	Less: Expenses for Good Borrower	-	-
		3,571,940,430	**3,137,045,832**

Notes to the Financial Statements

For the year ended 31 December 2022

Amount in BDT

		2022	2021
21.02	**Interest on Balance with other Bank and Financial Institution**		
	Interest on Balance with other Bank in Bangladesh	79,506,671	79,353,043
	Interest on Balance held with outside Bangladesh	-	-
		79,506,671	**79,353,043**
22.00	**Interest Paid on Deposit & Borrowing, etc.**		
	Interest/Profit on Deposit and Other Accounts (note-22.01)	2,351,933,707	1,934,719,249
	Interest on Borrowing from other Banks and Financial Institutions (note-22.02)	834,209,745	311,955,378
	Interest Paid for Lease Obligation	15,098,994	15,982,025
		3,201,241,946	**2,262,656,653**
22.01	**Interest/ Profit on Deposits and Other Accounts**		
	Current Deposit	250,087,743	158,735,640
	Special Notice Deposit	248,914,514	230,828,524
	Savings Deposits	108,221,726	96,568,429
	Fixed Deposits	1,388,577,171	1,117,771,302
	Deposit Scheme	356,132,053	330,815,354
		2,351,933,207	**1,934,719,249**
22.02	**Interest on Borrowing from other Banks and Financial Institutions**		
	Call Deposits	104,231,662	30,920,747
	Local Bank Account	335,056,348	68,163,404
	Repurchase agreement (REPO)	254,269,251	94,456,217
	Refinance	124,864,905	118,390,519
	Foreign Bank Account	-	-
	Bangladesh Bank	15,787,579	24,491
		834,209,745	**311,955,378**
23.00	**Income From Investments**		
	Interest on Treasury Bill, Bond, Reverse Repo	1,556,192,878	1,271,363,083
	Amortisation of Securities	(205,214,607)	(77,602,663)
	Interest on Commercial Paper/Bond	44,209,766	43,578,685
	Gain/(Loss) on Investment in shares of quoted companies	57,361,786	193,062,162
	Gain on Govt. Security Trading	(107,493,076)	(108,669,491)
	Dividend on Investment in Shares	110,024,054	36,379,273
		1,455,080,301	**1,358,111,049**
23.01	**Gain on Govt. Security Trading**		
	Gain on Govt. Security Trading	2,580,753,123	1,315,254,941
	Loss on Govt. Security Trading	(2,688,246,198)	(1,423,924,432)
		(107,493,076)	**(108,669,491)**
24.00	**Commission, Exchange and Brokerage**		
	Commission (note-24.01)	100,007,306	98,590,240
	Exchange(note-24.02)	636,378,302	125,595,551
	Brokerage	-	-
		736,385,608	**224,185,791**
24.01	**Commission**		
	Letter of Guarantee	37,300,240	36,034,700
	Letter of Credit	31,601,278	25,228,429
	Acceptance of Bills	15,858,081	21,366,445
	Export Bills	7,415,632	3,106,954
	PO, DD & TT	738,567	688,538
	OBC/IBC	97,235	246,167
	Underwriting Comm. on Treasury Bill/Bond	2,777,665	9,362,195
	POS/Easy Pay Commission	4,218,608	2,556,811
		100,007,306	**98,590,240**

Notes to the Financial Statements

For the year ended 31 December 2022

Amount in BDT

		2022	2021
24.02	**Exchange**		
	Exchange Gain	2,821,268,512	175,629,405
	Less: Exchange Loss	2,184,890,209	50,033,854
		636,378,302	**125,595,551**
25.00	**Other Operating Income**		
	VISA Charge	31,311,070	16,484,945
	Service and other Charges	30,556,363	32,272,686
	SWIFT Charge Recoveries	438,997	1,375,951
	Charges against cards	5,376,754	5,352,896
	Locker Rent	449,000	378,500
	Miscellaneous Earnings	23,349,395	21,075,038
	LC Charges	6,768,976	6,831,512
		98,250,555	**83,721,530**
26.00	**Salary & Allowances**		
	Basic Salary	228,004,529	208,816,645
	Allowances	298,139,551	254,735,164
	Bonus	51,817,639	33,103,437
	Gratuity	21,500,000	-
	Provident Fund	17,030,275	18,578,811
		616,491,994	**515,234,057**
26.01	**Managing Director's Remuneration**		
	Basic	11,150,000	11,100,000
	Allowances	3,400,000	3,325,000
	Festival Bonus	1,850,000	1,850,000
	Incentive Bonus	1,000,000	1,000,000
	Providend Fund	1,200,000	1,110,000
		18,600,000	**18,385,000**
27.00	**Rent, Tax, Insurance, Electricity, etc.**		
	Rent	-	-
	Rates & taxes	28,900,402	218,711,710
	Insurance	32,191,303	30,905,780
	Power, electricity etc	30,945,334	26,492,156
		92,037,039	**79,269,645**
28.00	**Legal Expense**		
	Legal Expense	1,690,799	1,809,189
		1,690,799	**1,809,189**
29.00	**Postage, Stamps & Telephone, etc**		
	Postage,Stamp & Courier Service	1,889,282	1,709,602
	Fax & Internet	990.00	-
	On-line and connectivity charges	14,983,916	12,191,179
	Telephone	2,684,086	2,528,315
		19,558,274	**15,929,096**
30.00	**Printing, Stationery, Advertisement etc.**		
	Printing & Stationery	28,360,884	21,077,196
	Computer Stationery	8,186,196	5,983,326
	Publicity & Advertisement	2,886,192	8,470,272
		39,433,272	**35,530,794**
31.00	**Directors' Fees**		
	Meeting fee	2,877,600	3,152,800
		2,877,600	**3,152,800**

The Board of Directors is entitled to BDT 8,000/-(excluding VAT) as Board Meeting fee for attending each Board Meeting as per BRPD Circular Letter # 11 dated October 04, 2015.

32.00	**Audit Fee**		
	Audit Fee	460,000	460,000
		460,000	**460,000**

Notes to the Financial Statements

For the year ended 31 December 2022

Amount in BDT

		2022	2021
33.00	**Depreciation on & Repairs to Bank's property**		
	Depreciation :		
	a) Tangible Assets	**66,784,875**	**66,820,237**
	Computer and Peripherals	28,904,628	29,577,066
	Furniture & Fixture	18,941,452	18,088,551
	Office Equipment	16,933,709	16,846,561
	Motor Vehicles	2,005,586	2,313,058
	Books	-	-
	b) Intangible Assets	9,113,464	8,572,098
	c) Leased Assets	134,803,345	88,598,826
	Total Depreciation (a+b)	**210,701,684**	**163,991,161**
	Repairs on Bank's property	36,101,968	82,674,894
		246,803,651	**246,666,055**
34.00	**Other Expenditure**		
	Security & Auxiliary Service	62,794,542	53,445,661
	Office Cleaning & Maintenance	57,679	47,808
	Car Expense	5,087,633	4,150,792
	Preliminary Expenditure	-	-
	Entertainment	15,378,200	10,765,899
	Travelling	1,974,819	1,500,027
	Conveyance	5,018,652	3,903,861
	Newspaper & Magazines	1,536,476	1,089,845
	Q-Cash, ATM Cards, VISA Cards	37,758,662	23,966,669
	Medical Expenses	324,770	1,149,847
	Training Expenses	149,260	1,906,072
	Bank Charges	7,964,923	6,697,776
	AGM Expenses	-	-
	Corporate Social Responsibility (CSR) activities		
	IPO Issue Expenses	5,072,765	1,852,778
	Business Development Expense	3,776,921	3,386,396
	Subscription & Donation	1,548,409	1,606,444
	Miscellaneous Expense	32,564,553	33,315,022
		181,008,263	**148,784,896**
35.00	**Provision Against Loans and Advances**		
	Provision for Unclassified Loans and Advances	(190,712,133)	53,465,831
	Special General Provision -COVID 19	(15,424,717)	26,205,081
	Provision for Classified Loans & Advances	499,978,973	260,135,504
	Provision for Off Balance Sheet Items	3,147,903	24,947,778
	Provision for diminution in Investments	109,228,208	65,606,890
	Provision for Non-Banking Asset	-	12,585,359
	Provision for Other Assets	31,872,837	1,789,670
	Total amount of provision made during the year	**438,091,571**	**444,735,613**
36.00	**Provision for Tax**		
	Current tax	544,233,456	589,260,484
	Deferred tax* (note 9.06)	(17,566,707)	22,886,680
	Total	**526,666,750**	**612,147,164**
	• 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	217,727,116	225,233,289
	Add: Adjustment of previous year	-	-
		217,727,116	**225,233,289**

Notes to the Financial Statements

For the year ended 31 December 2022

Amount in BDT

	2022	2021
38.00 Provision for CSR		
Corporate Social Responsibility (CSR) activities	27,945,373	5,000,000
	27,945,373	**5,000,000**
39.00 Net Asset Value Per Share (NAV)		
Net Asset Value	7,646,539,482	7,404,261,073
Number of ordinary shares outstanding	**569,669,753**	**569,669,753**
Net Asset Value Per Share (NAV)	**13.42**	**13.00**
40.00 Earning Per Share (EPS):*		
Net Profit After Tax	561,968,829	514,019,787
Number of Ordinary Shares outstanding	**569,669,753**	**569,669,753**
Earning Per Share (EPS)	**0.99**	**0.90**
41.00 Net Operating Cash Flow Per Share		
Net Operating Cash Flow	2,402,403,193	1,434,138,923
Number of ordinary shares outstanding	**569,669,753**	**569,669,753**
Net Operating Cash Flow Per Share	**4.22**	**2.52**
42.00 Received from Other Operational Income		
VISA Charge	31,311,070	16,484,945
Service and other Charges	30,556,363	32,222,687
SWIFT Charge Recoveries	438,997	1,375,951
Charges against cards	5,376,754	5,352,896
Locker Rent	449,000	378,500
Miscellaneous Earnings	23,349,395	21,075,038
LC Charges	6,768,976	6,532,012
	98,250,555	**83,422,030**
43.00 Payment for Other Operational Expenses		
Rent, Tax, Insurance, Electricity	92,037,039	79,269,645
Legal Expense	1,690,799	1,809,189
Postage, Stamps, Telegram & Telephone	19,558,274	15,929,096
Audit fee	460,000	460,000
Printing, Stationery, Advertisement	39,433,272	35,530,794
Directors' Fee	2,877,600	3,152,800
Repair & Maintenance	36,101,968	82,674,894
Other Expenditure	181,008,763	148,784,896
	373,167,214	**367,611,315**

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

44.00 Related Party transaction Disclosures of the Bank

i)	Name of the Directors together with a list of entities in wich they have interest	Annexure- D

ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2022:

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

Amount in BDT

	2022	2021

iv) **Related Party Transaction:**

Name	Relationship	Nature of Transaction	Limit	Amount Outstanding Loan
Kazi Shayan Ekramullah	Family member of Sponsor Shareholder	Credit Card	500,000	87,958
A.K.M Badiul Alam	Director	Credit Card	500,000	94,563
Md. Wahid Miah	Director	Credit Card	500,000	442,737
Md Jahangir Miah	Family member of Director	Credit Card	500,000	16,754
Nilufer Zafarullah	Chairman	Credit Card	500,000	68,393
Anushka Mehreen Zafar	Director	Credit Card	500,000	223,795
Kazi Omar Zafar	Director	Credit Card	500,000	365,213
Zobaida Mahaboob Latif	Family member of Sponsor Shareholder	Credit Card	500,000	23,588
Ahsan Khan Chowdhury	Director	Credit Card	500,000	14,247
Mohammed Jamal Ullah	Director	Credit Card	500,000	117,603
Susmita Sompa	Family member of Director	Credit Card	500,000	640,828
Sabiha Mahboob	Sponsor Shareholder	Credit Card	500,000	482,608
Kazi Raihan Zafar	Director	Credit Card	500,000	412,540
Kazi Zafar Ullah	Sponsor Shareholder	Credit Card	500,000	150
Tazkia Labeeba Karim	Family member of Director	Credit Card	500,000	166,435
Md Wazed Jamil	Family member of Director	Credit Card	500,000	606,515
Sub-Total				**3,758,928**

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
Credit Card				**3,758,928**

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

Lease agreement made with the Director

Name	Nature of Transaction	Name of Party	Amount
Mrs. Nilufer Zafarullah, Director	Office Rent	Hong Kong Shanghi Tower	27,945,041
Mrs. Lutfa Begum,Director	Office Rent	Helal Tower	1,498,128
Mrs. Lutfa Begum,Director	ATM Booth Rent	Hazrat Amanat Shah Spinning Mills Ltd.	Free of Cost
Mr. A. K.M Badiul Alam, Director	ATM Booth Rent	KASBA Tower	Free of Cost
Mr. A. K.M Badiul Alam, Director	ATM Booth Rent	MAA Tower	Free of Cost
Mr. Rezaul Karim, Director	Collection Booth	Southeast University	Free of Cost

Goods procured from the concern related with the Director

Name	Procurement Type	Company Name	Amount
Mr. Ahsan Khan Chowdhury, Director	Bicycle, Furniture	Rangpur Metal Industries Ltd	1,143,460
	Air Cooler Machine, Refrigerator , CCTV System, Water Filter, Microwave Oven	RFL Electronics Ltd.	2,063,635

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

Notes to the Financial Statements

For the year ended 31 December 2022

Amount in BDT

	2022	2021
45.00 Number of employees and support staffs		
Employee		
Regular employee	488	486
Contractual employee	239	225
	727	**711**
Support staff		
Security	311	311
Messenger and cleaning staff	155	155
	466	**466**
	1193	**1177**

46.00 Others

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

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

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

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

Md. Ahsan-uz Zaman	A. K. M. Badiul Alam	Ahsan Khan Chowdhury	Nilufer Zafarullah
Managing Director & CEO	Director	Director	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 at 31 December 2022

SL	Name of the Bank	Account Type	Currency	2022			2021		
				Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	BDT
1	AB Bank, Mumbai Branch	CD	US$	29,456.70	103.29	3,042,662	2,687.41	85.80	230,580
2	Punjab National Bank	CD	US$	38,354.78	103.29	40,010,971	396,908.62	85.80	34,054,760
3	Axix Bank Limited	CD	US$	53,267.06	103.29	5,502,098	875,939.31	85.80	75,155,593
4	National Bank of Pakistan, Tokyo Japan	CD	JPY	2,286,178.00	0.77	1,756,013	39,178.00	0.75	29,246
5	Mashreq Bank Psc, NY	CD	US$	30,726.85	103.29	3,173,859	1,058,321.99	85.80	90,804,027
6	Mashreq Bank Psc, NY OBU	CD	US$	286,353.01	103.29	29,578,176	66,122.15	85.80	5,673,280
7	Kookmin Bank, South Korea	CD	GBP	10,506.18	124.09	1,303,665	5,543.74	115.71	641,466
8	Habib American Bank, NY	CD	US$	145,200.87	103.29	14,998,190	132,376.09	85.80	11,357,869
9	NIB Bank, Pakistan	CD	US$	4,538	103.29	468,739	383	85.80	32,861
10	Aktif Yatirim Bank	CD	US$	2,251	103.29	232,530	980	85.80	84,084
11	Aktif Yatirim Bank	CD	EURO	57,341	109.57	6,283,038	2,663	97.37	259,320
12	Aktif Yatirim Bank	CD	GBP	47,385	124.09	5,879,737	809	115.71	93,551
13	Banca UBAE Italy	CD	EURO	2,472	109.57	270,875	80,823	97.37	7,869,438
14	Banca UBAE Italy	CD	GBP	3,875	124.09	480,855	802	115.71	92,828
15	Kookmin Bank, South Korea	CD	US$	615	103.29	63,482	4,934	85.80	423,302
						113,044,841			**226,802,205**

Annexure-B (Regular)

Investment in Quoted Share of the Bank

As at December 31, 2022

SL	Name of the Company	Face Value Per Share	No. of Shares	Cost Holding (Without Commission)	Average Cost (Without Commission)	Cost Holding (With Commission)	Quoted rate per Share as on December 31, 2022	Total Market Value of Share as at December 31, 2022
Quoted:								
1	AAMRATECH	10	812490	41,515,238	51.10	41,618,538	40.00	32,499,600
2	BATBC	10	65000	36,996,559	569.18	37,088,400	518.70	33,715,500
3	BBSCABLES	10	46690	3,699,705	79.24	3,712,653	49.90	2,329,831
4	BRACBANK	10	1602412	75,430,988	47.07	75,604,374	38.50	61,692,862
5	BSCCL	10	372615	73,045,603	196.04	73,211,405	218.90	81,565,424
6	CONFIDCEM	10	92872	13,210,367	142.24	13,240,090	89.00	8,265,608
7	DOREENPWR	10	1915200	128,691,614	67.19	128,994,260	61.00	116,827,200
8	EBL	10	90000	2,912,418	32.36	2,919,699	31.80	2,862,000
9	GP	10	96197	38,291,840	398.06	38,390,586	286.60	27,570,060
10	GPHISPAT	10	1165738	58,452,349	50.14	58,598,393	44.80	52,225,062
11	IBNSINA	10	4000	1,166,800	291.70	1,169,717	286.60	1,146,400
12	IFADAUTOS	10	247770	13,594,182	54.87	13,624,769	44.10	10,926,657
13	ICICL	10	8797	87,970	10.00	87,970	28.10	247,196
14	LHBL	10	1450000	111,683,855	77.02	111,948,407	64.80	93,960,000
15	MARICO	10	4137	9,456,646	2285.87	9,479,079	2421.50	10,017,746
16	POWERGRID	10	1109000	75,877,202	68.42	76,052,457	52.40	58,111,600
17	RENATA	10	5403	6,029,573	1115.97	6,044,647	1217.90	6,580,314
18	SQURPHARMA	10	252000	57,627,686	228.68	57,767,205	209.80	52,869,600
19	UNIONINS	10	29	290	10.00	290	37.30	1,082
20	UPGDCL	10	3400	861,438	253.36	863,592	233.70	794,580
Total				**748,632,323**		**750,416,529**		**654,208,321**

Cost Holding of Quoted Share (Without Commission)	748,632,323
Market Value of Quoted Share	654,208,321
Diminution Value in Investment	94,424,003

Investment in Open End Mutual Fund of the Bank

As at December 31, 2022

SL	Name of Mutual Fund	Face Value	No. of units	Cost Holding (Without Commission)	Average Cost (Without Commission)	Cost Holding (With Commission)	NAV as on December 31, 2022	Total Market Value as at December 31, 2022
1	Ekush Growth Fund	10	2,000,000	20,000,000	10.00	20,000,000	10.02	20,040,000
2	EDGE High Quality Income Fund	10	2,000,000	20,000,000	10.00	20,000,000	10.56	21,120,000
3	UCB Taqwa Growth Fund	10	2,000,000	20,000,000	10.00	20,000,000	10.19	20,380,000
Total				**60,000,000**		**60,000,000**		**61,540,000**

Annexure-B (Special Fund)

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

As at December 31, 2022

SL	Name of the Company	Face Value Per Share	No. of Shares	Cost Holding (Without Commission)	Average Cost (Without Commission)	Cost Holding (With Commission)	Quoted rate per Share as on December 31, 2022	Total Market Value of Share as at December 31, 2022
1	BERGERPBL	10	9,140	16,121,875	1763.88	16,158,149	1722.60	15,744,564
2	BRACBANK	10	3,335,601	14,7,04,333	44.28	14,7,951,658	38.50	128,420,639
3	BSCCL	10	599,240	130,645,123	218.02	130,930,984	218.90	131,173,636
4	BXPHARMA	10	456,000	89,697,146	196.70	89,876,541	146.20	66,667,200
5	GP	10	113,579	37,38,7,033	329.17	37,500,924	286.60	32,551,741
6	IFADAUTOS	10	277,200	17,586,574	63.44	17,676,143	44.10	12,224,520
7	ITC	10	1,485,000	64,548,032	43.47	64,696,614	33.70	50,044,500
8	LHBL	10	89,000	6,815,010	76.57	6,830,344	64.80	5,767,200
9	MARICO	10	18,941	42,569,168	2247.46	42,665,267	2421.50	45,866,632
10	SPCL	10	156,000	14,739,026	94.48	14,768,504	65.50	10,218,000
11	POWERGRID	10	200,000	14,329,871	71.65	14,362,113	52.40	10,480,000
12	SINGERBD	10	79,224	13,424,667	169.45	13,460,173	151.90	12,034,126
13	SQURPHARMA	10	507,393	107,718,626	214.41	107,989,709	209.80	105,402,051
Total				**703,286,485**		**704,816,623**		**626,593,808**

Cost Holding of Quoted Share under special fund (Without Commission)	703,286,485
Market Value of Quoted Share under special fund	626,593,808
Diminution Value in Investment in Quoted Share under special fund	76,692,676

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

As at December 31, 2022

SL	Name of Mutual Fund	Face Value	No. of units	Cost Holding (Without Commission)	Average Cost (Without Commission)	Cost Holding (With Commission)	NAV as on December 31, 2022	Total Market Value as at December 31, 2022
1	CMT Sadharan Bima Growth Fund	10	399,047	5,000,000	12.5300	5,000,000	12.94	5,163,603
2	Ekush First Unit Fund	10	2,153,348	2,7,832,445	12.9252	2,7,832,445	12.19	26,249,312
3	VIPB NLI 1st Unit Fund	10	1,301,985	11,812,606	9.0728	11,835,044	9.37	12,199,599
4	VIPB Accelerated Income Unit Fund	10	2,2,15,224	2,7,500,000	12.0867	2,7,500,000	11.38	25,892,049
Total				**72,145,051**		**72,167,488**		**69,504,564**

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

Midland Bank Limited

Annexure-C

Fixed Asset Schedule

As at 31 December 2022

Asset Category	Cost				Rate	Depreciation				Written down value as at 31.12.2022
	Balance as at 01.01.2022	Addition during the year	Adjustment/ Disposal	Balance as at 31.12.2022		Balance as at 01.01.2022	Charged for the year	Adjustment / Disposal	Balance as at 31.12.2022	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	BDT
Own Assets										
Computer & Peripherals	218,799,264	12,367,512		231,166,776	20%	165,213,398	28,904,628		194,118,026	37,048,750
Furniture & Fixture	178,677,759	14,404,799	3,661,510	189,421,047	10%	86,777,635	18,941,452	2,485,880	103,233,206	86,187,841
Office Equipment	175,553,464	12,829,513	676,800	187,706,177	20%	141,366,144	16,933,209	676,791	157,622,562	30,083,615
Motor Vehicles	26,094,193	-		26,094,193	20%	19,979,007	2,005,586		21,984,593	4,109,600
Books	20,760	-	-	20,260	20%	19,475	-	-	19,475	785
Intangible Assets	62,813,819	1,900,000	-	64,713,819	20%	40,870,801	9,113,464	-	49,934,265	14,779,554
Sub-Total	**661,958,759**	**41,501,824**	**4,338,310**	**699,122,273**		**454,176,460**	**75,898,338**	**3,162,671**	**526,912,127**	**172,210,145**
Leased Assets										
Right of Use Assets	656,791,727	111,528,993		768,320,720		231,057,617	134,803,345	-	365,860,962	402,459,758
Sub-Total	**656,791,727**	**111,528,993**	**-**	**768,320,720**		**231,057,617**	**134,803,345**	**-**	**365,860,962**	**402,459,758**
Grand Total	**1,318,750,486**	**153,030,817**	**4,338,310**	**1,467,442,993**		**685,234,077**	**210,701,684**	**3,162,671**	**892,773,090**	**574,669,903**
As at 2021	**1,197,046,846**	**143,290,377**	**21,586,737**	**1,318,750,486**		**537,270,505**	**163,991,161**	**16,027,589**	**685,234,077**	**633,516,409**

Midland Bank Limited

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

Sl.	Name of the Directors	Status with MDB	Entities where they have interest	Designation
1	Mrs. Nilufer Zafarullah	Chairman	Hong Kong Shanghai Manjala Textiles Ltd.	Director
2	Md. Shamsuzzaman	Vice Chairman	1. Micro Fibre Limited 2. Orient Chem-Tex Limited 3. Liberty Knitwear Limited 4. Midland Knitwear Limited 5. A-One Polar Limited 6. Tubingen Chemicals (BD) Limited 7. Sungarh Tex Limited 8. Micro Trims Limited 9. Micro Logistics Limited 10. Shahzi Bazar Power Co. Ltd. 11. Petromax Refinery Ltd. 12. Harmony Chem Limited 13. Harmony Colour Limited	1. Managing Director 2. Managing Director 3. Managing Director 4. Managing Director 5. Managing Director 6. Managing Director 7. Managing Director 8. Managing Director 9. Managing Director 10. Managing Director 11. Sponsor Director 12. Managing Director 13. Managing Director
3	Master Abul Kashem		1. Mother Steel & Oxygen Limited 2. Sea Force Alliance Ltd. 3. Mother Steel Limited 4. MAK Corporation 5. Master Steel Re-Rolling Mills 6. AIBL Capital Market Services Ltd. 7. 3rd Subordinated Bond of EBL	1. Chairman 2. Chairman 3. Managing Director 4. Managing Partner 5. Proprietor 6. Shareholder 7. Investor
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. Ahsan Khan Chowdhury	Director	1. Agricultural Marketing Company Limited 2. Rangpur Foundry Limited 3. Advance Personal Care Limited 4. Kaliganj Agro Processing Limited 5. Banga Bakers Limited 6. Banga Millers Limited 7. Chorka Textile Limited 8. Habiganj Agro Limited 9. Mymensingh Agro Limited 10. PRAN Agro Limited 11. PRAN Beverage Limited 12. PRAN Dairy Limited 13. PRAN Exports Limited 14. PRAN Foods Limited 15. Packmat Industries Limited 16. Sylvan Agriculture Limited 17. Sylvan Technologies Limited 18. Sylvan Poultry Limited 19. Gonga Foundry Limited 20. Get Well Limited 21. Allplast Bangladesh Limited 22. Banga Building Materials Limited 23. RFL Electronics Limited 24. Rangpur Metal Industries Limited 25. RFL Plastics Limited	1. Chairman 2. Chairman 3. Director 4. Director 5. Director 6. Director 7. Director 8. Director 9. Director 10. Director 11. Director 12. Director 13. Director 14. Director 15. Director 16. Director 17. Director 18. Director 19. Director 20. Director 21. Director 22. Director 23. Director 24. Director 25. Director

Midland Bank Limited

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

Sl.	Name of the Directors	Status with MDB	Entities where they have interest	Designation
			26. Durable Plastics Limited	26. Director
			27. Property Development Limited	27. Director
			28. Career Builders Limited	28. Director
			29. AKC (Pvt.) Limited	29. Chairman
7	Mr. Md. Wahid Miah	Director	1. Al-Haj Karim Textiles Ltd.	1. Managing Director
			2. Karim Tex Limited	2. Managing Director
			3. Abdul Karim Ltd.	3. Managing Director
			4. Jobaida Karim Jute Mills Limited	4. Managing Director
			5. Wahid Construction Ltd	5. Managing Director
			6. Karim Shipping Lines Limited	6. Managing Director
			7. Karim Asphalt & Ready Mix Ltd.	7. Managing Director
			8. Karim Dregers Limited	8. Managing Director
			9. Hypoid Composite Knit Ltd.	9. Director
			10. Karim Jute Spinners Ltd.	10. Director
			11. Karim Logistics Limited	11. Proprietor
			12. M/s Md. Wahid Miah	12. Proprietor
			13. Karim Trading	13. Proprietor
			14. Jobaida Filling Station	14. Proprietor
			15. J.K Filling Station	15. Proprietor
			16. Karim Filling Statio	16. Proprietor
8	Mr. Rezaul Karim	Director	1. Bangla Tel Ltd.	1. Chairman
			2. Jibondhara Solutions Ltd.	2. Chairman
			3. BD Link Communications Ltd.	3. Chairman
			4. Kohinoor Chemical Co. (BD) Ltd.	4. Managing Director
			5. Reedisha Knitex Ltd.	5. Managing Director
			6. Reedisha Textipe Ltd.	6. Managing Director
			7. Reedisha Spinning Ltd.	7. Managing Director
			8. P.A Knit Composite Ltd.	8. Managing Director
			9. Reedisha Printing and Packaging Ltd.	9. Managing Director
			10. Reedisha Blended Yarn Ltd.	10. Managing Director
			11. Reedisha Trading and Distribution Co.	11. Proprietor
9	Mr. A.K.M. Badiul Alam	Director	1. Garments Export Village Ltd.	1. Chairman
			2. Amranet Ltd.	2. Chairman
			3. Bravo Apparel Manufacturer Ltd.	3. Director
			4. Shahjibazar Power Co. Ltd.	4. Director
			5. Eden Multicare Hospital Ltd.	5. Director
			6. Petromax Refinery Ltd.	6. Director
10	Mr. Md. Kamal Hossain	Director	1. Explore Lingerie Limited	1. Managing Director
			2. Shahzaib Washing & Dying Ltd.	2. Managing Director
			3. Ha-Meem Travel Limited	3. Shareholder
			4. Fauji Chatkal Limited	4. Shareholder
			5. M H Sports Wear Limited	5. Shareholder
			6. M H Design Limited	6. Shareholder
11	Mrs. Shahnaj Parveen	Director	1. Bango Engineering Co. Ltd.	1. Executive Director
			2. Next Collection Ltd.	2. Shareholder
			3. Next Garments Ltd.	3. Shareholder
12	Mr. Hafizur Rahman Sarker	Director	1. Legato Service Ltd.	1. Managing Director
			2. Beq Knit Ltd.	2. Managing Director
			3. Beq Sweaters Ltd.	3. Managing Director
			4. Beq Fabrics (Pvt.) Ltd.	4. Managing Director
			5. C.K Sweaters Ltd.	5. Managing Director
			6. Tammam Design Limited	6. Managing Director
			7. Lusaka Fashions Limited	7. Managing Director
			8. Tista Dredgers & Constructions Ltd	8. Managing Director
			9. Hafizur Rahman Sarker	9. Proprietor

Midland Bank Limited

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

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

Annexure-E

Midland Bank Limited

Name of the Directors and their shareholding as at December 31, 2022

Sl.	Name	Status with MDB	No. of shareholding	Percentage
1	Mrs. Nilufer Zafarullah	Chairman	1,27,93,396	2.25%
2	Liberty Knitwear Ltd. Nominee Director of Md. Shamsuzzaman	Vice Chairman	2,99,07,662	5.25
3	Mr. Kazi Omar Zafar	Director	1,27,93,396	2.25%
4	Mr. Kazi Raihan Zafar	Director	1,27,93,396	2.25%
5	Ms. Anushka Mehreen Zafar	Director	1,27,93,396	2.25%
6	Mr. Master Abul Kashem	Director	2,63,73,600	4.63%
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	Mr. A.K.M. Badiul Alam	Director	19,208,277	3.00%
10	Mr. Rezaul Karim Nominee Director of Reedisha Knitex Ltd.	Director	2,84,83,488	5.00%
11	Mr. Md. Kamal Hossain Nominee Director of Explore Garments Limited	Director	2,84,83,488	5.00%
12	Mrs. Shahnaj Begum Nominee Director of Next Collections Limited	Director	2,84,83,488	5.00%
13	Mr. Md. Hafizur Rahman Sarker Nominee Director of Beq Knit Ltd.	Director	27,059,313	4.75%
14	Mr. Abdul Momin Mondol Nominee Director of Mondol Fabrics Ltd.	Director	2,84,83,488	5.00%
15	Dr. Mostafizur Rahman Nominee Director of Popular Pharmaceuticals Ltd.	Director	2,84,83,488	5.00%
16	Mr. Mahbubul Hady Fazle Rab	Independent Director	-	-
17	Mr. Nazim Uddin Chowdhury	Independent Director	-	-
18	Mr. Khandhaker Tanveer Shamsul Islam	Independent Director	-	-
19	Mr. Mohammad Asif-uz-Zaman	Independent Director	-	-
20	Mr. Md. Ahsan-uz Zaman	Managing Director & CEO	-	-

Midland Bank Limited

Financial Highlights

For the year ended 31 December 2022

SL No.	Items	2022	2021
1	Paid up Capital	5,696,697,530	5,696,697,530
2	Total Capital	8,195,996,114	8,132,777,990
3	Surplus in Capital Fund	1,288,817,293	1,727,752,247
4	Total Asset	79,866,865,819	69,018,911,378
5	Total Deposit	57,763,010,073	50,730,038,926
6	Total Loans and Advances	52,792,807,266	45,867,482,409
7	Total Contingent Liabilities	12,674,943,388	12,300,022,900
8	Lending-Deposit Ratio	81.71%	83.62%
9	Classified Loans as % of Total Loans and Advances	2.78%	3.17%
10	Profit After Provision and Tax	561,968,829	514,019,282
11	Total Classified loans and advances	1,469,651,458	1,455,053,905
12	Total Provision Maintained against Classified Loans	954,672,048	454,693,075
13	Surplus/(deficit) in Provision against Classified Loans	-	-
14	Cost of Fund	6.38%	5.69%
15	Earning Asset	70,816,914,494	61,807,556,740.23
16	Non-Interest Earning Asset	9,049,951,325	7,211,354,637
17	Return on Investments (ROI)	7.47%	6.85%
18	Return on Asset (ROA)	0.75%	0.78%
19	Income from Investment	1,455,080,301	1,358,111,049
20	Earnings per Share (BDT)	0.99	0.90
21	Net Income per Share (BDT)	0.99	0.90
22	Price-Earning Ratio (Times)	N/A	N/A

Midland Bank Limited

Balance Sheet of Islami Banking Wing

As at 31 December 2022

Amount in BDT

	Notes	2022	2021
Property and Asset			
Cash	1.00	**388,397,473**	**142,516,843**
In Hand (Including Foreign Currency)		5,207,078	6,128,406
With Bangladesh Bank and its agent Bank (including Foreign Currency)		383,190,395	136,388,437
Balance with other Banks & Financial Institutions	2.00	**3,406,935**	**42,898,206**
In Bangladesh		3,406,935	42,898,206
Outside Bangladesh		-	-
Money at Call and Short Notice		-	-
Investments in Shares & Securities	3.00	**216,650,000**	**196,650,000**
Government		196,650,000	196,650,000
Others		20,000,000	-
Investments	4.00	**2,297,918,314**	**2,168,445,091**
General Investment		2,297,918,314	2,168,445,091
Bills Purchased and Discounted		-	-
Fixed Asset including Premises, Furniture & Fixtures		**307,648**	**348,541**
Other Asset	5.00	**66,095,661**	**191,690,763**
Non-Banking Asset		-	-
Total Property and Asset		**2,972,776,030**	**2,742,549,443**
Liabilities and Capital			
Borrowing from other Banks, Financial Institutions & Agents		-	-
Deposit and Other Accounts	6.00	**2,952,893,520**	**2,717,656,076**
Current Deposit & Other Accounts		44,993,075	11,131,323
Bills Payable		-	-
Short Notice Deposit		327,561,504	640,836,506
Savings Deposit		182,618,441	170,005,595
Fixed Deposit		2,358,835,634	1,878,538,738
Deposit Scheme		38,884,867	17,143,914
Other Liabilities	7.00	**19,882,511**	**24,893,368**
Total Liabilities		**2,972,776,030**	**2,742,549,443**
Capital/Shareholders' Equity			
Paid up Capital		-	-
Statutory Reserve		-	-
Revaluation Reserve on Investment in Securities		-	-
Retained Earnings		-	-
Total Shareholders' Equity		-	-
Total Liabilities and Shareholders' Equity		**2,972,776,030**	**2,742,549,443**
		-	-
Off-Balance Sheet Items			
Contingent Liabilities	8.00		
Acceptance and endorsements		-	-
Letter of Guarantee		502,700,000	857,000,000
Irrevocable Letter of Credit		-	-
Bills for Collection		-	-
Other Contingent Liabilities		-	-
Total Off Balance Sheet Items including Contingent Liabilities		**502,700,000**	**857,000,000**

Midland Bank Limited

Profit and Loss Account of Islami Banking Wing

For the year ended 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
Profit on Investment	9.00	191,687,149	97,583,719
Less: Profit Paid on Deposit and Borrowing, etc.	10.00	176,043,141	71,523,018
Net Investment Income		**15,644,008**	**26,060,701**
Income from Investment	11.00	9,155,737	1,165,716
Commission, Exchange and Brokerage	12.00	2,011,264	3,428,175
Other Operating Income		433,680	163,630
		11,600,682	**4,757,521**
Total Operating Income		**27,244,690**	**30,818,223**
Less: Operating Expenditure			
Salary and Allowances	13.00	1,904,419	1,299,988
Rent, Tax, Insurance, Electricity		47,962	3,627
Legal Expense		-	-
Postage, Stamps and Telephone		10,350	8,074
Printing, Stationery, Advertisement	14.00	87,840	160,279
Managing Director's Remuneration		-	-
Directors' Fee		44,000	92,000
Audit Fee		-	-
Depreciation on and Repair to Bank's Property		71,393	36,959
Other Expenditure		131,188	96,880
Total Operating Expenses		**2,292,151**	**1,697,806**
Profit Before Provision & Tax		**24,952,539**	**29,120,417**

Midland Bank Limited

Notes to the Financial Statements of Islami Banking Wing

For the year ended 31 December 2022

Amount in BDT

		2022	2021
1.00	**Cash**		
	In Hand (Including foreign currency) (note 3.01)	5,707,078	6,128,406
	Balance with Bangladesh Bank and its Agent Bank (note 3.02)	383,190,395	136,388,437
		388,397,473	**142,516,843**
1.01	**In Hand (Including foreign currency)**		
	Local Currency	5,207,078	6,128,406
	Foreign Currency	-	-
		5,207,078	**6,128,406**
1.02	**Balance with Bangladesh Bank and its Agent Bank**		
	With Bangladesh Bank		
	Local Currency	383,190,395	136,388,437
	Foreign Currency	-	-
	With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	-	-
		383,190,395	**136,388,437**
2.00	**Balance with other Banks and Financial Institutions**		
	In Bangladesh	3,406,935	42,898,206
	Outside Bangladesh	-	-
		3,406,935	**42,898,206**
3.00	**Investments in Shares & Securities**		
	Government (note 3.01)	216,650,000	196,650,000
	Others	-	-
		216,650,000	**196,650,000**
3.01	**Investment Classified as per Bangladesh Bank Circular**		
	Held to Maturity (HTM)		
	Held for Trading (HFT)	-	-
	Reverse Repo	-	-
	Prize Bond	-	-
	Government Securites Encumbered	-	-
	Government Securites -SUKUK Bond	196,650,000	196,650,000
	Other Investments	20,000,000	-
		216,650,000	**196,650,000**
4.00	**Investments**		
	Bai-Murabaha	883,450,122	671,692,248
	Bai-Muajjal	19,319,212	10,341,899
	Hire Purchase Shirkatul Melk	1,392,845,980	1,480,848,444
	Qardh Against Local Bill	2,303,000	5,562,500
	Bills Purchased and Discounted	-	-
		2,297,918,314	**2,168,445,091**

Midland Bank Limited

Notes to the Financial Statements of Islami Banking Wing

For the year ended 31 December 2022

Amount in BDT

		2022	2021
5.00	**Other Asset**		
	Classification of Other Asset		
	Profit receivable on Investment	11,260,824	5,102
	Advance Tax	717,820	394,084
	Inter Bank General Account Balance (note 7.01)	54,117,016	191,261,577
	Profit receivable on Deposit with Other Bank	-	30,000
	Total Other Asset	**66,095,661**	**191,690,763**
6.00	**Deposit and Other Accounts**		
	From Banks	33,059,280	600,191,250
	From Customers (note 6.01)	2,919,834,240	2,117,464,826
		2,952,893,520	**2,717,656,076**
6.01	**Customer Deposit and Other Accounts:**		
	Current Deposit & Other Accounts :		
	Current Deposit	25,447,348	7,207,567
	Sundry Deposit	19,545,727	3,923,756
		44,993,075	**11,131,323**
	Bills Payable	-	-
	Short Notice Deposit	327,561,504	640,836,506
	Savings Deposit	182,618,441	170,005,595
	Fixed Deposit	2,358,835,634	1,878,538,738
	Deposit Schemes:		
	MDB Saalam Monthly Scheme	28,497,935	13,434,008
	MDB Saalam Hajj Savings Scheme	2,360,146	1,130,093
	MDB Digital Monthly Savings Scheme	6,169,863	2,109,097
	MDB Digital Hajj Savings Scheme	1,474,672	470,716
	MDB Double Benefit Plus Scheme	382,251	
		38,884,867	**17,143,914**
	Total	**2,952,893,520**	**2,717,656,076**
7.00	**Other Liabilities**		
	Unearned Income	19,882,511	24,893,368
	Inter Bank General Account Balance (note 7.01)	-	-
		19,882,511	**24,893,368**
7.01	**Inter Bank General Account Balance (net)**		
	Credit entries	625,699,362	376,365,829
	Debit entries	679,816,378	567,627,405
		(54,117,016)	**(191,261,577)**
8.00	**Contingent Liabilities**		
	Acceptance and endorsements	-	-
	Letter of Guarantee	502,700,000	857,000,000
	Irrevocable Letter of Credit	-	-
	Bills for Collection	-	-
	Other Contingent Liabilities	-	-
		502,700,000	**857,000,000**

Notes to the Financial Statements of Islami Banking Wing

For the year ended 31 December 2022

Amount in BDT

		2022	2021
8.01	**Letter of Guarantee**		
	Foreign	-	-
	Local	502,700,000	857,000,000
		502,700,000	**857,000,000**
9.00	**Profit on Investment**		
	General Investment (note 9.01)	190,446,450	95,237,769
	Balance with Other Banks and Financial Institutions	1,240,699	2,345,951
		191,687,149	**97,583,719**
9.01	**Profit on Investment**		
	Income on Saalam Murabaha	69,548,497	28,614,172
	Income on Saalam Hire Purchase Shirkat-Ul-Melk	117,074,190	64,796,328
	Income on Saalam Consumer Finance	599,545	355,301
	Income on Saalam Home Finance	2,587,169	969,248
	Income on Saalam Bai Muajjal	637,049	502,719
		190,446,450	**95,237,769**
10.00	**Profit paid on Deposits and Other Accounts**		
	Current Deposit	25,743	17,162
	Special Notice Deposit	52,347,747	16,983,052
	Savings Deposits	4,056,140	1,776,377
	Fixed Deposits	118,274,951	52,143,793
	Deposit Scheme	1,338,560	602,634
		176,043,141	**71,523,018**
11.00	**Income From Investments**		
	Profit on Investment in T.Bond, SUKUK Bond	9,155,737	1,165,716
		9,155,737	**1,165,716**
12.00	**Commission, Exchange and Brokerage**		
	Commission	2,011,000	3,428,100
	Exchange	264	75
	Brokerage	-	-
		2,011,264	**3,428,175**
13.00	**Salary & Allowances**		
	Basic Salary	837,169	542,213
	Allowances	922,081	622,221
	Bonus	145,169	135,553
		1,904,419	**1,299,988**
14.00	**Printing, Stationery, Advertisement etc.**		
	Printing & Stationery	87,840	160,279
	Computer Stationery	-	-
	Publicity & Advertisement	-	-
		-	-
		87,840	**160,279**

Midland Bank Limited

Balance Sheet of Off-Shore Banking Unit

As at 31 December 2022

	Notes	2022		2021	
Property and Asset		USD	BDT	USD	BDT
Cash		-	-	-	-
In Hand (Including Foreign Currency)		-	-	-	-
With Bangladesh Bank and its agent Bank (including Foreign Currency)		-	-	-	-
Balance with other Banks & Financial Institutions	1.00	**286,968**	**29,641,657**	**71,056**	**6,096,582**
In Bangladesh		-	-	-	-
Outside Bangladesh		286,968	29,641,657	71,056	6,096,582
Money at Call and Short Notice		-	-	-	-
Investments		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
Loans and Advances	2.00	**29,096,325**	**3,005,437,931**	**36,746,096**	**3,152,815,027**
Loans, Cash Credit, Overdrafts, etc.		-	-	-	-
Bills Purchased and Discounted		29,096,325	3,005,437,931	36,746,096	3,152,815,027
Fixed Asset including Premises, Furniture & Fixtures		-	-	-	-
Other Asset		-	-	-	-
Non-Banking Asset		-	-	-	-
Total Property and Asset		**29,383,292**	**3,035,079,588**	**36,817,152**	**3,158,911,610**
Liabilities and Capital					
Borrowing from other Banks, Financial Institutions & Agents	3.00	**6,500,000**	**671,402,550**	**36,300,000**	**3,114,540,000**
Deposit and Other Accounts		**22,746,181**	**2,349,514,466**	**171**	**14,713**
Other Liabilities	4.00	**137,111**	**14,162,573**	**516,980**	**44,356,897**
Total Liabilities		**29,383,292**	**3,035,079,588**	**36,817,152**	**3,158,911,610**
Capital/Shareholders' Equity					
Paid up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Revaluation Reserve on Investment in Securities		-	-	-	-
Retained Earnings		-	-	-	-
Total Shareholders' Equity		-	-	-	-
Total Liabilities and Shareholders' Equity		**29,383,292**	**3,035,079,588**	**36,817,152**	**3,158,911,610**
Off-Balance Sheet Items					
Contingent Liabilities					
Acceptance and endorsements		-	-	-	-
Letter of Guarantee					
Irrevocable Letter of Credit		-	-	-	-
Bills for Collection		-	-	-	-
Other Contingent Liabilities		-	-	-	-
Other Commitments		-	-	-	-
Total Off Balance Sheet items including Contingent Liabilities		-	-	-	-

Midland Bank Limited

Profit and Loss Account of Off-Shore Banking Unit

For the year ended 31 December 2022

Particulars	Notes	2022		2021	
		USD	BDT	USD	BDT
Interest Income	5.00	1,302,055	134,492,788	991,747	85,091,874
Less: Interest Paid on Deposit and Borrowing, etc.	6.00	1,238,313	127,908,699	657,937	56,451,023
Net Interest Income		**63,742**	**6,584,088**	**333,809**	**28,640,851**
Income from Investment		-	-	-	-
Commission, Exchange and Brokerage		-	-	-	-
Other Operating Income		35,501	3,666,984	17,184	1,474,364
		35,501	**3,666,984**	17,184	**1,474,364**
Total Operating Income		**99,243**	**10,251,072**	**350,993**	**30,115,215**
Less: Operating Expenditure					
Salary and Allowances		-	-	-	-
Rent, Tax, Insurance, Electricity		-	-	-	-
Other Expenditure		-	-	45	3,861
Total Operating Expenses		**-**	**-**	**45**	**3,861**
Profit Before Provision & Tax		**99,243**	**10,251,072**	**350,948**	**30,111,354**

Midland Bank Limited

Notes to the Financial Statements of Off-Shore Banking Unit

For the year ended 31 December 2022

	2022		2021	
	USD	BDT	USD	BDT
1.00 Balance with other Banks and Financial Institutions				
In Bangladesh	-	-	-	-
Outside Bangladesh	286,968	29,641,657	71,056	6,096,582
	286,968	**29,641,657**	**71,056**	**6,096,582**
2.00 Loans & Advances				
Deemed Export Bill Discounting	6,956,335	718,538,640	6,231,936	534,700,114
Import Bill Discounting	22,139,989	2,286,899,291	30,514,160	2,618,114,913
	29,096,325	**3,005,437,931**	**36,746,096**	**3,152,815,027**
3.00 Borrowing from other Banks, Financial Institutions & Agents				
In Bangladesh	6,500,000	671,402,550	36,300,000	3,114,540,000
Outside Bangladesh	-	-	-	-
	6,500,000	**671,402,550**	**36,300,000**	**3,114,540,000**
Deposit and Other Accounts				
Fixed Deposit	22,745,899	2,349,485,288	-	-
Sundry Deposit	282	29,178	1,425	122,276
	22,746,181	2,349,514,466	1,425	122,276
4.00 Other Liabilities				
Interest Payable	37,868	3,911,500	166,032	14,245,543
Profit Payable	99,243	10,251,072	350,948	30,111,354
	137,111	**14,162,573**	**516,980**	**44,356,897**
5.00 Interest Income				
Loans and Advances	1,302,055	134,492,788	983,650	84,397,151
Balance with Other Banks and Financial Institutions	-	-	8,097	694,723
	1,302,055	**134,492,788**	**991,747**	**85,091,874**
6.00 Interest Paid on Deposit and Borrowing, etc.				
Interest Paid on Deposit from Foreign Bank	612,538	63,270,734	-	-
Interest Paid on Borrowing from Local Bank	625,775	64,637,966	657,937	56,451,023
	1,238,313	**127,908,699**	**657,937**	**56,451,023**

MDB Service Network (Branch)

Sl.	Branch Name	Address	Branch Manager
1	Dilkusha Corporate Branch	Chini Shilpa Bhaban (1st floor), 3, Dilkusha C/A, Dhaka 1000 Email: hob.dilkusha@midlandbankbd.net PABX: 09666 -410901	Mr. Abdullah Al Mamun, SAVP Phone: +8801985700090, 01711359239 Email: abdullah.mamun@midlandbankbd.net PBX: 09666 -410901 Ext.901 -090
2	Banani Branch	Hong Kong Shanghai Tower (Ground & 1st floor), Plot 106, Road 11, Block C, Banani, Dhaka 1213 Email: hob.banani@midlandbankbd.net PABX: +(88) 096 66 410 902 / +(88) 096 11 410 902	Mr. Mostofa Maynul Hasan, SAVP Phone: +8801985700057, 01914064738 Email: mostofa.maynul@midlandbankbd.net PBX: 09666 -410902 Ext.902 -057
3	Agrabad Branch	As-Salam Tower (1st floor), 57, Agrabad C/A, Chattogram Email: hob.agrabad@midlandbankbd.net PABX: +(88) 096 66 410 903 / +(88) 096 11 410 903	Mr. Mohammed Asif Raihan Chowdhury, SAVP Phone: 01985700531, 01716338123 Email: asif.raihan@midlandbankbd.net PBX: 09666 -410903 Ext.903 -531 Direct No: 09666 -410127
4	Mirzapur Bazar Branch	Mannan Plaza (1st floor), Mirzapur Bazar, Bhawal, Mirzapur Sadar, Gazipur Email: hob.mirzapur@midlandbankbd.net PABX: +(88) 096 66 410 904 / +(88) 096 11 410 904	Mr. Ahbab Ahmed Jaigirder, SAVP Phone: 01985700647, 01717130877 Email: ahbab.jaigirder@midlandbankbd.net PBX: 09666 -410904 Ext.904 -647
5	Panchar Branch	Dia-Moni Plaza (1st floor), Panchar, Shibchar, Madaripur Email: hob.panchar@midlandbankbd.net PABX: +(88) 096 66 410 905 / +(88) 096 11 410 905	Mr. Abul Kalam, FAVP Phone: 01985700764, 01716479404 Email: abul.kalam@midlandbankbd.net PBX: 09666 -410905 Ext.905 -764
6	Uttara Branch	ABC Heritage (Ground floor), Plot 2 & 4, Jashim Uddin Avenue, Sector 3, Uttara, Dhaka 1230 Email: hob.uttara@midlandbankbd.net PABX: +(88) 096 66 410 906 / +(88) 096 11 410 906	Mr. Md. Ibrahim Khalil, SAVP Phone: +8801985700045, 01711106643 Email: ibrahim.khalil@midlandbankbd.net PBX: 09666-410906 Ext.906-045
7	Aganagar Branch	Maksuda Garden City (2nd floor), Aganagar, South Keranigonj, Dhaka Email: hob.aganagar@midlandbankbd.net PABX: +(88) 096 66 410 907 / +(88) 096 11 410 907	Mr. Khandakar Bazlur Rahman, AVP Phone: +8801985700101, 01712145524 Email: bazlur.rahman@midlandbankbd.net PBX: 09666 -410907 Ext.907 -101
8	Dhanmondi Branch	Green Rowshanara Tower (2nd Floor), House# 755(Old), 55(New),Satmasjid Road, Dhanmondi, Dhaka 1205 Email: hob.dhanmondi@midlandbankbd.net PABX: +(88) 096 66 410 908 / +(88) 096 11 410 908	Mr. Md. Maksudur Rahman, SAVP Phone: 01714113333, Email: maksudur.rahman@midlandbankbd.net PBX: 09666 -410908 Ext.1385
9	Hemayetpur Branch	Ayesha Tower (1st Floor), 522 Singair Road, Hemayetpur, Savar, Dhaka Email: hob.hemayetpur@midlandbankbd.net PABX: +(88) 096 66 410 909 / +(88) 096 11 410 909	Mr. Abu Sayed Mohammad Zakaria Khan, FAVP Phone: 01985700687, 01715281296 Email: zakaria.khan@midlandbankbd.net PBX: 096 66-410909 Ext.909-687
10	Zirabo Branch	Razzak Commercial Complex, Zirabo, Ashulia, Savar, Dhaka Email: hob.zirabo@midlandbankbd.net PABX: +(88) 096 66 410 910 / +(88) 096 11 410 910	Mr. Mohammad Tariqul Hasan, AVP Phone: 01975997799, Email: tariqul.hasan@midlandbankbd.net PBX: 09666-410906 Ext.1185
11	Gulshan Branch	NB Tower, Level 5, 40/7 North Avenue, Gulshan 2, Dhaka 1212 , Email: hob.gulshan@midlandbankbd.net PABX: +(88) 096 66 410 911 / +(88) 096 11 410 911	Mr. Faisal Ahmed, VP Phone: 01985700356, 01714359203 Email: faisal.ahmed@midlandbankbd.net PBX: 09666 -410999 Ext.911-356
12	Panchrukhi Branch	Shopon Tower, Panchrukhi Bazar, Araihajar, Narayanganj Email: hob.panchrukhi@midlandbankbd.net PABX: +(88) 096 66 410 912 / +(88) 096 11 410 912	Mr. Md. Abdul Barik, FAVP Phone: 01985700236, 01712724567 Email: abdul.barik@midlandbankbd.net PBX: 09666 -410914 Ext.912 -236
13	Kamarpara Branch	Ramjan Tower, Natun Bazar Mor, Kamarpara, Turag, Dhaka Email: hob.kamarpara@midlandbankbd.net PABX: +(88) 096 66 410 913 / +(88) 096 11 410 913	Mr. Shafiqul Islam Faquir Pintu, JAVP Phone: 01819261261, Email: shafiqul.pintu@midlandbankbd.net PBX: 09666 -410904 Ext.1072

MDB Service Network (Branch)

Sl.	Branch Name	Address	Branch Manager
14	Narsingdi Branch	Helal Tower, First & second floor, 211 Shahid Shorwadi Park Road, Narshingdi Email: hob.narsingdi@midlandbankbd.net PABX: +(88) 096 66 410 914 / +(88) 096 11 410 914	Mr. Mahamudul Hasan, FAVP Phone: 01985700974,01717910524 Email: mahamudul.h@midlandbankbd.net PBX: 09666 -410914 Ext.914 -974
15	Narayanganj Branch	55/A, Ground Floor, Tanbazar, Narayanganj Email: hob.narayanganj@midlandbankbd.net PABX: +(88) 096 66 410 915 / +(88) 096 11 410 915	Mr. A M Sadeeque Hassan, FAVP Phone: 01985700261, 01819185656 Email: sadeeque.hassan@midlandbankbd.net PBX: 09666 -410915 Ext.915-261
16	Valuka Branch	Jamirdia, Masterbari, Valuka , Mymensingh Email: hob.valuka@midlandbankbd.net PABX: +(88) 096 66 410 916 / +(88) 096 11 410 916	Mr. Mohammad Faruq Ur Rahman, FAVP Phone: 01985700307, 01715186240 Email: faruq.rahman@midlandbankbd.net PBX: 09666 -410916 Ext.916 -307
17	CDA Avenue Branch	EVE's Centre (1st floor) A 1/47 P, East Nasirabad, Panchlaish, Chattogram Email: hob.cda@midlandbankbd.net PABX: +(88) 096 66 410 917 / +(88) 096 11 410 917	Mr. Abu Md. Towsif Reza, AVP Phone: 01958700535, 01819350065 Email: towsif.reza@midlandbankbd.net PBX: 09666 -410917 Ext.917-535
18	Mokamtola Branch	Majeda Plaza (1st floor), Talukdar Market, Mokamtola, Shibganj, Bogura Email: hob.mokamtola@midlandbankbd.net PABX: +(88) 096 66 410 918 / +(88) 096 11 410 918	Mr. Md. Syfur Rahman, JAVP Phone: 01985700254, 01920854982 Email: syfur.rahman@midlandbankbd.net PBX: 09666 -410918 Ext.918 -254
19	Chowdhuryhat Branch	Abdul Rashid Market (1st & 2nd floor) Chowdhuryhat , Hathajari, Chattogram Email: hob.chowdhuryhat@midlandbankbd.net PABX: +(88) 096 66 410 919 / +(88) 096 11 410 919	Mr. Syed Mohammed Omar, SAVP Phone: 01985700355, 01819 863857 Email: syedmohammed.omar@midlandbankbd.net PBX: 09666 -410919 Ext.919 -355
20	Bogura Branch	Amicus Plaza, 1st floor, Shahid Abdul Jabbar Sarak, Joleshwari Tola, Bogura Email: hob.bogra@midlandbankbd.net PABX: +88) 096 66 410 920/ +(88) 096 11 410 920	Mr. Md. Mejbahur Rahman, FAVP Phone: 01718881471, Email: mejbahur.rahman@midlandbankbd.net PBX: 09666 -410920 Ext.1085
21	Dalal Bazar Branch	Montaz patwary Mansion (1st floor), Lakshmipur Sadar, Lakshmipur Email: hob.dalalbazar@midlandbankbd.net PABX: +(88) 096 66 410 921 / +(88) 096 11 410 921	Mr. Asaduzzaman Khan, FAVP Phone: 01985700461,01708737900 Email: asaduzzaman.khan@midlandbankbd.net PBX: 09666 -410921 Ext.921 -461
22	Sylhet Branch	M.S Tower (1st Floor), Mirboxtola, Chowhatta, Sylhet Mail: hob.sylhet@midlandbankbd.net PABX: +(88) 096 66 410 922 / +(88) 096 11 410 922	Mr. Shah Md. Ali Kawsar Sourov, AVP Phone: 01985700620, 01819591999 Email: kawsar.sourov@midlandbankbd.net PBX: 09666 -410922 Ext.922 -620
23	Khulna Branch	Tayamun Centre (1st Floor), 181/1 Jessore Road, Khulna Mail: hob.khulna@midlandbankbd.net PABX: +(88) 096 66 410 923 / +(88) 096 11 410 923	Mr. Prosenjit Sen, JAVP Phone: 01985700633, 01723443636 Email: prosenjit.sen@midlandbankbd.net PBX: 09666 -410923 Ext.923 -633
24	Sompara Bazar Branch	Islam Plaza (1st & 2nd Floor), School Road, Sompara Bazar, Chatkhil, Noakhali Mail: hob.sompara@midlandbankbd.net PABX: +(88) 096 66 410 924 / +(88) 096 11 410 924	Mr. Md. Arifur Rahman, JAVP Phone: 01985700796, 01921456661 Email: md.arifurrahman@midlandbankbd.net PBX: 09666 -410924 Ext.924 -796
25	Paragram Branch	West Paragram Bazar, Nawabganj, Dhaka (Right side of Singair Road) Mail: hob.paragram@midlandbankbd.net PABX: +(88) 096 66 410 925 / +(88) 096 11 410 925	Mr. S M Syed -Al -Islam, FAVP Phone: 01985700290, 01818502352 Email: syed.islam@midlandbankbd.net PBX: 09666 -410925 Ext.925 -290
26	Mirpur Branch	Hyperion Rose, Holding No -61/1 -2, Block -B, Road No -4, Ward No -2, Section -12, Pallabi, Dhaka Mail: hob.mirpur@midlandbankbd.net PABX: +(88) 096 66 410 926 / +(88) 096 11 410 926	Mr. A.H.M. Gazzali, AVP Phone: 01985700483, 01711058469 Email: ahm.gazzali@ midlandbankbd.net PBX: 09666 -410926 Ext.926 -483

MDB Service Network (Branch)

Sl.	Branch Name	Address	Branch Manager
27	Foyla Bazar Branch	98/1 Haji Market, Bara Nawabpur, Faylabazar, Ujalkur, Rampal, Bagerhat Mail: hob.foylabazar@midlandbankbd.net PABX: +(88) 096 66 410 927 / +(88) 096 11 410 927	Mr. Amitav Kumar Raha, EO Phone: 01985700747, 01711938431 Email: amitav.raha@midlandbankbd.net PBX: 09666 -410927 Ext.927-747
28	Maligram Branch	Vashra, Maligram, Deora, Bhanga, Faridpur Mail: hob.maligram@midlandbankbd.net PABX: +(88) 096 66 410 928 / +(88) 096 11 410 928	Mr. Md. Asif Iqbal, JAVP Phone: 01985700305, 01868618989 Email: asif.iqbal@midlandbankbd.net PBX: 09666 -410928 Ext.928-305
29	Rajshahi Branch	Rahamania Tower, Holding-57,58 & 60, Ganok Para, Station Road, Ward-12, P.S.-Boalia, Dist - Rajshahi Mail: hob.rajshahi@midlandbankbd.net PABX: +(88) 096 66 410 929 / +(88) 096 11 410 929	Mr. Md. Ahsan Habib, AVP Phone: 01985700302, 01711107239 Email: ahsan.habib@midlandbankbd.net PBX: 09617 -410929 Ext.929 -302
30	Islampur Branch	Emon Tower, Holding - 61, Islampur Road, Ward-36, P.S.-Kotowali, Dist - Dhaka Mail: hob.islampur@midlandbankbd.net PABX: +(88) 096 66 410 930 / +(88) 096 11 410 930	Mr. Ha-Mim Muhammad Molla, SAVP Phone: 01985700527, 01712611775 Email: muhammad.molla@midlandbankbd.net PBX: 09666 -410914 Ext.930-527
31	Shashongacha Branch	Meem Tower, Shashongacha, Adarsha Sadar, Cumilla, Mail: hob.shashongacha@midlandbankbd.net, PABX: +(88) 096 66 410 931 / +(88) 096 11 410 931	Mr. Md. Tahidul Amin Mojumder, AVP Phone: 01985700697, 01828058652 Email: tahidul.amin@midlandbankbd.net PBX: 09666 -410931 Ext.931 -697
32	Bheramara Branch	Godown Moor, Bheramara Highway, Kushtia, Mail: hob.bheramara@midlandbankbd.net PABX : +(88) 096 66 410 932 / +(88) 096 11 410 932	Mr. Kazi Mokarram Hossain, JAVP Phone: 01985700893, 01711380388 Email: mokarram.hossain@midlandbankbd.net PBX: 09666 -410932 Ext.932 - 893
33	Doshmile Branch	Hossain Monzil, East Sadipur, Doshmile, Dinajpur Mail: hob.doshmile@midlandbankbd.net PABX: +(88) 096 66 410 933 / +(88) 096 11 410 933	Mr. Md. Ahsanul Alam, JAVP Phone: 01712068328, Email: ahsanul.alam@midlandbankbd.net PBX: 09666 -410933 Ext.1063
34	Fatullah Branch	Islam Super Market, Fatullah Bazar, Narayanganj Mail: hob.fatullah@midlandbankbd.net PABX: +(88) 096 66 410 934 / +(88) 096 11 410 934	Mr. Md. Azimul Islam, EO-Cash Phone: +8801985700155, +8801924842414 Email: azimul.islam@midlandbankbd.net PBX: 09666 -410934 Ext.934 -155
35	Kawran Bazar Branch	Jahangir Tower, 10, Kazi Nazrul Islam Avenue, Ward No -26 Tejgaon, Dhaka Mail: hob.kawran@midlandbankbd.net PABX: +(88) 096 66 410 935 / +(88) 096 11 410 935	Mr. Md. Abdullah, FAVP Phone: 01985700541, 01956685532 Email: md.abdullah@midlandbankbd.net PBX: 09666 -410935 Ext.935 -541
36	Barishal Branch	A.K. School Building (1st Floor), Holding # 388, K.B. Hemayet Uddin Road, Girza Moholla, Barishal Mail: hob.barishal@midlandbankbd.net PABX: +(88) 096 66 410 937/ +(88) 096 66 410 937	Mr. Md. Mizanur Rahman, JAVP Phone: 01985700660, 01711123750 Email: mm.rahman@midlandbankbd.net PBX: 09666 -410937 Ext.937 -660
37	Rangpur Branch	Sunshine Tower, Holding -3434, Ward -16, P.S.: Kotoali Dist.: Rangpur Mail: hob.rangpur@midlandbankbd.net PABX: +(88) 096 66 410 936/ +(88) 096 66 410 936	Mr. Md. Rezaul Huq, AVP Phone: 01711428099, Email: rezaul.huq@midlandbankbd.net PBX: 09666-410936 Ext.936 -269
38	Bokhter Munshi Bazar Branch	Soudagar Market, Holding No. 227, Ward No. 06 Mongolkandi, Sonagazi, Feni Mail: hob.bokhter@midlandbankbd.net PABX No: +(88) 096 66 410 938/ +(88) 096 66 410 938	Mr. Ariful Islam, FAVP Phone: 01985700818, 01819557640 Email: a.islam@midlandbankbd.net PBX: 09666-410938 Ext.938-818
39	Chandraganj Branch	Emirates Tower, Afjal Road, Chandraganj, Lakshmipur Sadar, Lakshmipur Mail: hob.chandraganj@midlandbankbd.net PABX: +(88) 096 66 410 939/ +(88) 096 66 410 939	Mr. Kazi Shajaman, EO Phone: 01722169198, Email: kazi.shajaman@midlandbankbd.net PBX: 09666 -410939 Ext.1187

MDB Service Network (Sub-Branches)

Sl.	Sub-Branch Name	Address	Manager, Sub-Branch
1	Madhabdi Sub-Branch	Madhabdi Pourashava office Bhaban Madhabdi, Narsingdi Mail: madhabdi.sub@midlandbankbd.net PABX: +(88) 096 66 410 914 / +(88) 096 11 410 914	Mr. Partho Biswas, EO Phone: 01719410037, Email: partho.biswas@midlandbankbd.net PBX: 09666 -410914 Ext.1186
2	Lakshmipur Sub-Branch	R. S. Tower (1st floor), Hospital Road, Sador Lakshmipur Mail: lakshmipur.sub@midlandbankbd.net PABX: +(88) 096 66 410 921 / +(88) 096 11 410 921	Mr. G. M. Bakibillah, EO Phone: 01985700979,01724896617 Email: m.bakibillah@midlandbankbd.net PBX: 09666 -410921 Ext.921 -979
3	Rupnagar Sub-Branch	House #56, Road#19, Rupnagar R/A Rupnagar Mirpur Dhaka Mail: rupnagar.sub@midlandbankbd.net PABX: +(88) 096 66 410 926 / +(88) 096 11 410 926	Mr. Md. Nazir-Uz-Zaman, EO Phone: 01958700267,01987111666 Email: mdnaziruz.zaman@midlandbankbd.net PBX: 09617 -410926 Ext.926 -267
4	Motijheel Sub-Branch	Showantex Tower (ground floor), House no. 9/1, Motijheel C/A, Dhaka Mail: motijheel.sub@midlandbankbd.net PABX: +(88) 096 66 410 901 / +(88) 096 11 410 901	Mr. Md. Azmal Hossain, JAVP Phone: 01985700532,01712334120 Email: azmal.hossain@midlandbankbd.net PBX: 09666 -410901 Ext.901 -532
5	Shahjadpur Sub-Branch	CCMPSL Tower, Holding No. 412, Ward No. 06, Shahjadpur, Shirajgonj Mail: shahjadpur.sub@midlandbankbd.net PABX: +(88) 096 66 410 920 / +(88) 096 11 410 920	Mr. Md. Moklasur Rahman, EO Phone: 01711117500, Email: moklasur.rahman@midlandbankbd.net PBX: 09617 -410920 Ext.1200
6	Chatkhil Sub-Branch	Aziz Super Market, Holding No-629, C&B Road, Ward No-3, Chatkhil, Noakhali Mail: chatkhil.sub@midlandbankbd.net PABX: +(88) 096 66 410 924 / +(88) 096 11 410 924	Mr. Md. Shofiqul Islam, EO Phone: 01923288297,01610-173536 Email: mdshofiqul.islam@midlandbankbd.net PBX: 09666 -410924 Ext.1067
7	Rajshahi Sub-Branch	Nagar Bhaban, Holding No-142, Greater Road, Ward No-13, Rajshahi City Corporation, P.S-Boalia Dist.-Rajshahi Mail: rajshahi.sub@midlandbankbd.net PABX: +(88) 096 66 410 929 / +(88) 096 11 410 929	Mrs. Ulfat Ara Laboni, JAVP Phone: 01985700841, 01744837211 Email: ulfat.laboni@midlandbankbd.net PBX: 09666 -410929 Ext.929-841
8	Jubilee Road Sub-Branch	B&B Tower, 129 Jubilee Road, Enayet Bazar, Chattogram. Mail: jubilee.sub@midlandbankbd.net PABX: +(88) 096 66 410 903 / +(88) 096 11 410 903	Mr. Md. Sajjad Chowdhury, FAVP Phone: 01985700358,01676020909 Email: sajjad.chowdhury@midlandbankbd.net PBX: 09666 -410903 Ext.903 -358
9	MIEZ Sub-Branch	Meghna Industrial Economic Zone, Tipordi, Daag No-RS-31, Mouza-Choto Shilmondi, Union-Mograpara, P.S: Sonargaon, Dist: Narayanganj Mail: miez.sub@midlandbankbd.net PABX: +(88) 096 66 410 901 / +(88) 096 11 410 901	Mr. Sukumar Biswas, EO Phone: 01985700313,01725060030 Email: sukumar.biswas@midlandbankbd.net PBX: 09666 -410930 Ext.901-313
10	Mymensingh Sub-Branch	Hira Square, Holding-20, Jadhav Lahiri Lane, Mymensingh Mail: mymensingh.sub@midlandbankbd.net PABX: +(88) 096 66 410 916 / +(88) 096 11 410 916	Mr. Sonjoy Kumar Paul, JAVP Phone: 01985700306,01911580780 Email: sonjoy.kumar@midlandbankbd.net PBX: 09666 -410916 Ext.916-306
11	Noapara Sub-Branch	Sharif Market, Holding No: 648, Jashore, Khulna Mohasharak, Ward No: 06, Pourashava: Noapara Ps-Abhaynagar, Jashore Mail: noapara.sub@midlandbankbd.net, PABX: 09666-410923	Mr. Md. Kutub Uddin, EO Phone: 01985700533,01911290864 Email: kutub.uddin@midlandbankbd.net PBX: 09666 -410923 Ext.923-533
12	Sreenagar Sub-Branch	Sreenagar Plaza, Kancha Bazar Road, Sreenagar Bazar, Sreenagar, Munshiganj Mail: sreenagar.sub@midlandbankbd.net PABX: 09666-410926	Mr. Mohammad Quaid-E-Azam, JAVP Phone: +8801985700143,+8801716539413 Email: quaide.azam@midlandbankbd.net PBX: 09666 -410926 Ext.907-143

MDB Service Network (Sub-Branches)

Sl.	Sub-Branch Name	Address	Manager, Sub-Branch
13	Shibgonj Sub-Branch	Holding Number: 683, 1st Floor, Tamabil Road, Shibgonj, Sylhet Mail: shibgonj.sub@midlandbankbd.net PABX: +(88) 096 66 410 922 / +(88) 096 11 410 922	Mr. Shah Muniruddin Ahmed, JAVP Phone: 01712757005, Email: shah.muniruddin@midlandbankbd.net PBX: 09617-410922 Ext.1169
14	Noser Market Sub-Branch	Shajib Shabbir Villa, Gazipur City Corporation, Konabari(Metro), Gazipur Mail: nosermarket.sub@midlandbankbd.net PBX: 09666 -410904	Mr. Md. Asaduzzaman Sikder, JAVP Phone: +8801985700132, 01726723810 Email: asaduzzaman.sikder@midlandbankbd.net PBX: 09666 -410904 Ext.904 -132
15	Nurjahan Road Sub-Branch	House: 1/9, Road: Noorjahan Road, Block: D PS: Mohammadpur, PO: Mohammadpur-1207, Dhaka Mail: nurjahanroad.sub@midlandbankbd.net PABX: 09666-410908	Mr. Mahfuzur Rahman, FAVP Phone: 01985700843, 01713571370 Email: mahfuz.rahman@midlandbankbd.net PBX: 09666 -410908 Ext.908 -843
16	Dendabor Sub-Branch	Ekota Bhaban (1st floor), Dendabor (Palli Biddut Bus Stand), Ashulia, Savar, Dhaka. Mail: dendabor.sub@midlandbankbd.net PABX: +(88) 096 66 410 910 / +(88) 096 11 410 910	Mr. Muhammad Mamun Chowdhury, JAVP Phone: 01985700230, 01722596653 Email: mamun.chowdhury@midlandbankbd.net PA BX: 09666-410910 Ext.910 -230
17	Uttara Shahjalal Avenue Sub-Branch	Holding No-02, Road No-13/C, Sector-6, Shahjalal Avenue, Ward -01, Dhaka North City Corporation, Uttara-West, Dhaka Mail: uttarashahjalal.sub@midlandbankbd.net PABX: +(88) 096 66 410 906 / +(88) 096 11 410 906	Mohammad Nuruzzaman, FAVP Phone: 01985700544, 01716182750 Email: mohammadnuruzzaman@midlandbankbd.net PBX: 09666 -410906 Ext.906 -544

MDB Service Network (Collection Booths)

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

Agent Banking Centres

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

Agent Banking Centres

Sl.	Name of Agent
56	Ababil Telecom, Puranakoil Bazar, Puranakoil, Sadar, Joypurhat
57	Mehedi Traders, Pakerhat, Khanshama, Dinajpur
58	Ha-mim Enterprise, Monjhar Bazar, Khetlal, Joypurhat
59	Maf Electric, Thanar More, Anwara, Chattogram
60	Sadekul Agro Farm, Koroitola Bazar, Sreepur, Gazipur
61	A.K. Traders, Dharampur Bazar, Bheramara, Kushtia
62	Provati Seba Sales Enterprise, Gosaibari Bazar, Gosaibari, Dhunat, Bogura
63	Biswas Electronics, Maniknagar Bazar, Jamirta, Singair, Manikganj
64	Firoja Gift Corner, Bhabaniganj Bazar, Lakshmipur Sadar, Lakshmipur
65	M/s Kaium Electric, Sonarpara Bazar, Kichok-5810, Shibganj, Bogura
66	M/s. Khan Enterprise, Batar More (Milon Plaza), Naogaon-6500, Naogaon Pourashava, Naogaon Sadar, Naogaon
67	M/s Amin Brothers, Katakhali Bazar, Town Nowapara-9370, Piljong Union Parishad, Fokirhat, Bagerhat
68	M/s Labib Electronics, Boiragy Bazar, K H Madrasha-7931, Paikpara Union Parishad, Rajoir, Madaripur
69	Green Seo Tools, 1 no. Rail Gate Bazar, Modonhat-4330, Fatepur Union Parishad, Hathazari, Chattogram
70	M/s S B Tiles, Nazrul Avenue, Kandirpar, Sadar, Cumilla
71	Fiha Trading Corporation, Jurain Bazar Road, Jurain Rail Gate, Jurain, Dhaka-1204
72	Edgex Limited, House-02, Road-07, Dhanmondi, Dhaka-1205
73	M/s Tanjim Traders, Dohargaon, Baliyapara-1460, Rupganj, Narayanganj
74	Z Mawa Travels International, Saidpur Plaza, Saidpur, Nilphamari
75	M/s Rasel Bricks, Dhamti Bazar, Debidwar, Cumilla
76	Sadiq Sell Center, Koya Bazar, Jalma Union Parishad, Koya Bazar, Batiaghata, Khulna
77	SK Computer Graphics And Training Center, South Dattapara Bazar, Lakshmipur Sadar, Lakshmipur
78	Fatema Mobile Servicing Center, Madaripool Bazar, Moddho Madrasha, Ward No-4, Samitirhat, Hathazari, Chattogram
79	M/s Sumon Enterprise, Shimul Bazar, Tarail-7830, Bhanga, Faridpur
80	Online Bangla Shop, Chawkbazar, Chawkbazar-4000, Chawkbazar, Chattogram
81	M/s Shahida Traders, Rohobol Bazar, 9 No Dewli Union Parishad, Rohobol-5810, Shibganj, Bogura
82	Brothers Enterprise, Nur Tower, Hashem Bazar, Aturar Depo, Panchalish, Chattogram
83	M/s Roy Traders, Jot Bazar, Nurullabad Union Parishad, Manda, Naogaon
84	Nadira IT Center, Bhendabari Bazar, Bhendabari-5470, Pirganj, Rangpur
85	Munni Enterprise, 887 Hossain Vhabon, Shah Amanat Connecting Road, Ward No:14, Bahaddarhat, Chandgaon, Chattogram
86	SK Traders, Baishteki, Mirpur-13, Kafrul, Dhaka
87	Adil And Nishat Computer's and Telecom Center, Gangnagar Bazar, 9 No. Dewli Union Parishad, Shibganj, Bogura
88	M/s Rijvi And Roktim Traders, Jamurhat Bazar, 6 No Buriganj Union Parishad, Buriganj-5810, Shibganj, Bogura
89	Jui Enterprise, Bolidara Bazar, 8 No Nanduar Union Parishad, Bolidara-5120, Ranisankail, Thakurgaon
90	Mizan Brothers, Polerhat Bazar, 8 No. Khanpur Union Parishad, Khanpur, Bagerhat Sadar, Bagerhat
91	Care And Cure Engineering Consultancy Firm, Sharakghat Bazar, Piruj Ali Union Parishad, Gazipur Sadar, Gazipur
92	M/s Maymuna Traders, Atmul Bazar, Atmul Union Parishad, Shibganj, Bogura
93	BBR Enterprise, Kalir Bazar, Fulchhari, Gaibandha
94	Jamuna Traders, Taltola Bazar, Chalkhil, Noakhali
95	Mohona Shopping Zone, Daridaha Bazar, Shibganj, Bogura
96	GM Agro Farm, Rajal Bazar, 11 No Rajal Union Parishad, Valuka, Mymensingh
97	M/s Noha Enterprise, Bhawanigonj Bazar, Bagmara, Rajshahi
98	M/s Abdul Motalib Traders, Burburia Bazar, Burburia-3420, Bancharampur, Brahmanbaria
99	M/s Anup Traders, Dholarhat Bazar, Ruhia, Thakurgaon Sadar, Thakurgaon
100	Rajiv Enterprise, Boikali Bazar, Junction Road, Khalishpur, Khulna
101	Sarker Enterprise, Poddarganj Bazar, Saheber Abad, Dacope, Khulna
102	Action For Human Development Organization (AHDO), Jhaudia Bazar, Kushtia Sadar, Kushtia
103	Action For Human Development Organization (AHDO), Mothurapur, Daulatpur, Kushtia
104	Action For Human Development Organization (AHDO), Kuchiamora Bazar, Bheramara, Kushtia
105	Action For Human Development Organization (AHDO), Sona Potti, Bheramara, Kushtia
106	M/s Amar Desh Traders, Ratankandi Bazar, Shahjadpur-6770, Shahjadpur, Sirajganj
107	Juma Enterprise, Paikgacha Bazar, Paikgacha, Khulna
108	U.S.Telecom, Rupsha Bazar, Rahimnagar-1260, Rupsha, Khulna
109	M/s Sotota Traders, Mahasthan Bazar, Mahasthan, Shibganj, Bogura

ATM

Sl.	ATM Name	Location	Site	Tagged Branch
1	Aganagar	Maksuda Garden City (Ground Floor), Aganagar, South Keranigonj, Dhaka	Onsite	Aganagar Branch
2	Agrabad	As- Salam Tower, 57, Agrabad Commercial Area (1st Floor), Chittagong	Onsite	Agrabad Branch
3	Amanat Shah - Narsingdi	Amanat Shah Spinning Mills, Vatara, Panchdona, Narsingdi	Offsite	Narsingdi Branch
4	Amtranet - Savar	Amtranet Limited , KASBA TOWER, Rajashan Industrial Area, Savar	Offsite	Hemayetpur Branch
5	Amtranet - Savar 2	Amtranet Limited , KASBA TOWER, Rajashan Industrial Area, Savar	Offsite	Hemayetpur Branch
6	Amtranet - Tongi	Amtranet Group, Maa Tower (Ground Floor), KBM Road, Tongi I/A , Gazipur	Offsite	Uttara Branch
7	Amtranet - Tongi 2	Amtranet Group, Maa Tower (Ground Floor), KBM Road, Tongi I/A , Gazipur	Offsite	Uttara Branch
8	Banani	Hong Kong Shanghai Tower, Plot #106, Road#11, Block#C, Banani, Dhaka	Onsite	Banani Branch
9	Barishal Branch	A.K. School Building (1st Floor), Holding # 388, K.B. Hemayet Uddin Road, Girza Mohalla, Barishal	Onsite	Barishal Branch
10	Bheramara	Godown Moor, Bheramara Highway, Kushtia	Onsite	Bheramara Branch
11	Bogura	Amicus Plaza, 1st floor, Shahid Abdul Jabbar Sarak, Joleshwari Tola, Bogura	Onsite	Bogura Branch
12	Bokhter Munshi Feni Branch	Holding # 227, Ward # 06 Union: 3no Mongolkandi, Post # Bokhter Munshi Bazar, Thana # Sonagazi, District # Feni	Onsite	Bokhter Munshi Bazar Branch
13	CDA Avenue	EVEs Centre (Ground Floor) , A 1/47 P, East Nasirabad, Panchlaish, Chittagong	Onsite	CDA Avenue Branch
14	Chandraganj Branch	Emirates Tower, Deopara, Hajal Road, Ward # 5, Union 10 no Chandraganj, Thana # Chandraganj, District # Lakshmipur	Onsite	Chandraganj Branch
15	Chatkhil Sub-Branch	Aziz Super Market, Holding No-629, C&B Road, Ward No-3, Chatkhil, Noakhali	Onsite	Chatkhil Sub-Branch
16	Chowdhuryhat	Abdul Rashid Market (Ground Floor), Chowdhury Hat , Hat Hajari, Chittagong	Onsite	Chowdhuryhat Branch
17	Dalal Bazar	Mumtaz patwary Mansion (Ground floor) , Lakshmipur Sadar, Lakshmipur	Onsite	Dalal Bazar Branch
18	Dendabor Sub-Branch	Ekota Bhaban (1st floor), Dendabor (Palli Biddut Bus Stand), Ashulia, Savar, Dhaka	Onsite	Dendabor Sub-Branch
19	Dhanmondi	Green Rowshanara Tower, House# 756(Old), 55(New),Satmasjid Road, Dhanmondi, Dhaka 1205	Onsite	Dhanmondi Branch
20	Dilkusha	Chini Shilpa Bhaban, 3, Dilkusha C/A, Dhaka-1000	Onsite	Dilkusha Corporate Branch
21	Doshmile	Hossain Monzil, East Sadipur, Doshmile, Dinajpur	Onsite	Doshmile Branch
22	Fatullah Branch	Fatullah Bazar, Ward: 04, Union: Fatullah, Thana: Narayanganj, Dist: Narayanganj	Onsite	Fatullah Branch
23	Foyla Bazar	98/1 Haji Market, Bara Nawabpur, Faylabazar, Ujalkur, Rampal, Bagerhat	Onsite	Foyla Bazar Branch
24	Gulshan	NB Tower, Level-5, 40/7 North Avenue, Gulshan-2, Dhaka-1212	Onsite	Gulshan Branch
25	Hemayetpur	Ayesha Tower (1st Floor), 522 Singair Road, Hemayetpur, Savar, Dhaka	Onsite	Hemayetpur Branch
26	Islampur	Emon Tower, Holding-61, Islampur Road, Ward-36, P.S.-Kotowali, Dist- Dhaka	Onsite	Islampur Branch
27	Jubilee Road Sub-Branch	B&B Tower, 129 Jubilee Road, Enayet Bazar, Chottagram	Onsite	Jubilee Road Sub-Branch
28	Kamarpara	Jomjom Tower, Kamarpara School Road, Dhaka	Onsite	Kamarpara Branch
29	Kawran Bazar Branch	Jahangir Tower, 10, Kazi Nazrul Islam Avenue, Ward No-26, Tejgaon, Dhaka	Onsite	Kawran Bazar Branch
30	Khulna	Tayamun Centre (Ground Floor), 181/1 Jessore Road, Khulna	Onsite	Khulna Branch
31	Lakshmipur Sub-Branch	R.S. Tower, Hospital Road, Lakshmipur Sadar, Lakshmipur	Onsite	Mirpur Branch
32	Madhabdi Sub-Branch	Madhabdi Pourashava Office Bhaban, Madhabdi, Narsingdi	Onsite	Narsingdi Branch
33	Maligram	Vashra, Maligram, Deora, Bhanga, Faridpur	Onsite	Maligram Branch
34	MIEZ Sub-Branch	Meghna Industrial Economic Zone, Tupodi, Daag No- 15, Ward-Chou, Sitakundu, Union- Meghapara, PS-Sonargaon, Dist-Narayanganj	Onsite	Dilkusha Corporate Branch
35	Mirpur	Hyperion Rose, Holding No-61/1-2, Block-B, Road No-4, Ward No-2,Section-12, Pallabi, Dhaka	Onsite	Mirpur Branch
36	Mirzapur Bazar	Mannan Plaza, Mirzapur Bazar, Bhatkal, Mirzapur Sadar, Gazipur	Onsite	Mirzapur Bazar Branch
37	Mokamtola	Majeda Plaza (Ground Floor), Talukdar Market, Mokamtola, Shibganj, Bogra	Onsite	Mokamtola Branch
38	Motijheel Sub-Branch	Swantex Bhaban, 9/1, Motijheel C/A, Dhaka	Onsite	Dilkusha Corporate Branch
39	Mymensingh Sub-Branch	Hira Square, Holding-20, Jadhav Lahiri Lane, Mymensingh	Onsite	Mymensingh Sub-Branch
40	Narayanganj	55/A, Ground Floor, Tanbazar, Narayanganj	Onsite	Narayanganj Branch
41	Narshingdi	Helal Tower, First & second floor, 211 Shahid Shonwadi Park Road, Narshingdi	Onsite	Narsingdi Branch
42	Noapara Sub-Branch	Sharif Market, Holding No-648, Jashore-Khulna Moheshwari, Ward No-06,Pourashava Noapara, Ps- Kotwali, Jashore	Onsite	Noapara Sub-Branch
43	Noser Market Sub-Branch	Shajib Shabbir Villa,Gazipur City Corporation,Konabari(Metro),Gazipur	Onsite	Mirzapur Bazar Branch
44	Nurjahan Road Sub-Branch	House: 19 Road: Noorjahan Road, Block: D, Police Station: Mohammadpur, Post office: Mohammadpur-1207, Dhaka	Onsite	Dhanmondi Branch
45	Panchar	Dia-Moni Plaza (1st Floor), Panchar, Shibchar, Madaripur	Onsite	Panchar Branch
46	Panchrukhi	Panchrukhi Bazar, Araihajar, Narayanganj	Onsite	Panchrukhi Branch
47	Paragram	West Paragram Bazar, Nawabganj, Dhaka (Right side of Singair Road)	Onsite	Paragram Branch
48	Rajshahi	Rahamania Tower, Holding-57,58 & 60, Ganok Para Station Road, Ward-12, P.S.-Boalia, Dist- Rajshahi	Onsite	Rajshahi Branch
49	Rajshahi City Corporation Sub-Branch	Nagar Bhaban, Holding No-142, Greater Road, Ward No-13, Rajshahi City Corporation, P.S-Boalia, Dist.-Rajshahi	Onsite	Rajshahi City Corporation Sub-Branch
50	Rangpur Branch GRG	Sunshine Tower, Holding # 3434, Road # 01, Dhap Jail Road, Rangpur	Onsite	Rangpur Branch
51	Rupnagar Sub-Branch	House # 56, Road # 19, 1st Floor, Rupnagar, Mirpur, Dhaka	Onsite	Mirpur Branch
52	Shahjadpur Sub Branch	Sahajadpur CCMPSL Bhaban, Sahajadpur, Sirajgonj	Onsite	Bogura Branch
53	Shashongacha	Meem Tower, Shashongacha, Adarsha Sadar, Cumilla	Onsite	Shashongacha Branch
54	Shibgonj Sub-Branch	Holding Number: 683, 1st Floor, Tamabil Road, Shibgonj, Sylhet	Onsite	Shibgonj Sub-Branch
55	Sompara Bazar	Hai Mansion (1st Floor), Holding No. 365, Kochua Bomoli Road, Sahapur, Chatkhil, Noakhali	Onsite	Sompara Bazar Branch
56	Sreenagar Sub-Branch	Sreenagar Plaza, Kancha Bazar Road, Sreenagar Bazar, Sreenagar, Munshiganj	Onsite	Sreenagar Sub-Branch
57	Sylhet	M.S. Tower (Ground floor), Mirboxtola, Chowhatta, Sylhet	Onsite	Sylhet Branch
58	Uttara	ABC Heritage (Ground Floor), Plot 2 & 4, Sector 3, Jashimuddin Avenue, Uttara Model Town, Dhaka	Onsite	Uttara Branch
59	Uttara Shahjalal Avenue Sub Branch	House: 02, Road:13/C, Sector: 06, Shahjalal Avenue, Uttara, Dhaka.	Onsite	Uttara Shahjalal Avenue Sub Branch
60	Valuka	Jamirdia, Masterbari, Valuka, Mymensingh	Onsite	Valuka Branch
61	Valuka Branch GRG	Esite Garments (BD) Ltd. 125, Jamirdia (Square Master Bari, Ideal More), Hobirbari, Valuka, Mymensingh	Offsite	Valuka EsliteGMS GRG
62	Zirabo	Razzak Commercial Complex, Zirabo, Ashulia, Savar, Dhaka	Onsite	Zirabo Branch

কে. এম. হাসান এন্ড কোং
K. M. HASAN & CO.
Chartered Accountants
Hometown Apartments (8th & 9th Floor)
87, New Eskaton Road, Dhaka - 1000
Phone: 58311559, 9351564, 9351457
Fax: 88 -02 -9345792
E-mail: info@kmhasan.com.bd
website: www.kmhasan.com.bd

McMillan Woods International
Professionalism at the forefront

CERTIFICATE ON
STATUS REPORT ON UTILIZATION OF PROCEEDS FROM PUBLIC OFFERING OF MIDLAND BANK LIMITED
For the quarter ended 31 March 2023

We have examined the accompanying Status Report on utilization of proceeds from public offering of Midland Bank Limited ("the Bank") for the quarter ended on 31 March 2023 with necessary documents/papers/vouchers produced to us during the course of our audit.

Responsibilities of the management and those charged with governance
Those charged with governance and management of the Bank are responsible for utilizing the proceeds from IPO in accordance with the terms and conditions of prospectus and preparation of Status Report on Utilization of proceeds from Public Offering in accordance with the conditions laid down in clauses 2, 3, 5, 6, 7 and 8 of Part-C of the consent letter BSEC/CI/IPO-327/2022/1148 dated 15 January 2023.

Responsibilities of auditors
Our responsibility is to examine all the relevant documents in connection with the utilization of proceeds from IPO with reference to the Terms of Reference formulated by BSEC and certify whether the proceeds have been utilized and the Status Report have been prepared in accordance with the conditions of prospectus and clauses 3 and 4 of Part-C of the consent letter BSEC/CI/IPO-327/2022/1148 dated 15 January 2023.

Report of the auditors
Based on our audit of the accompanying Status of Utilization of IPO proceeds and with reference to all related documents of Midland Bank Limited as of March 31, 2023, we certify as follows:

1. The IPO proceeds that have been utilized for the purposes/heads specified in the prospectus and in line with the conditions of the Commission's consent letter as under:

    a. No amount has been utilized by the Bank up to 31 March 2023 for the purpose of Investment in Government Securities (Bill/Bond) as specified in the prospectus.

    b. No amount has been utilized by the Bank up to 31 March 2023 for the purpose of Investment in the Secondary Market (Listed A Category Shares) as specified in the prospectus.

    c. The Bank has utilized Taka 32,385,679 which was 83.26% of the budgeted amount up to 31 March 2023 for the purpose of IPO Expenses as specified in the prospectus.

2. The utilization is accurate and for the purpose of the Bank as mentioned/specified in the prospectus as on 31 March 2023, so far it appears to us.

For K. M. HASAN & CO.

K. M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

Md. Amirul Islam FCA
Senior Partner

Place: Dhaka
Dated: 13 April 2023

Midland Bank Limited

Report on Utilization of Initial Public Offering (IPO) Proceeds

For the quarter ended 31 March 2023

Amount (BDT) of Capital Raised Through IPO : Tk. 700,000,000
Date of Closure of Subscription : 23 February 2023
Proceeds Receiving Date : 23 March 2023
Last Date of Full Utilization of Fund as per Prospectus : Within 06 Months from receiving of IPO fund

Sl. No.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Amount as per prospectus (BDT)	Status of Utilization					Remarks
				This quarter	Total amount utilized (BDT)	Percentage of utilization (%)	Total un-utilized amount (BDT)	Percentage of un-utilization (%)	
1	Investment in Government Securities (Bill/Bond)	22/09/2023	611,101,545	-	-	0.00%	611,101,545	100.00%	
2	Investment in the Secondary Market (Listed A Category Shares)		50,000,000	-	-	0.00%	50,000,000	100.00%	
3	IPO Expenses		38,898,455	32,385,679	32,385,679	83.26%	6,512,776	16.74%	
Total			**700,000,000**	**32,385,679**	**32,385,679**	**4.63%**	**667,614,321**	**95.37%**	

Note:

a) Actual application was received for an amount of Tk.518,301,500 out of total IPO offering of Tk.700,000,000, which is almost 0.74 times. Remaining shares offered through IPO was subscribed by the Underwriters for an amount of Tk.181,698,500. Thus, the Bank received the total amount of Tk.700,000,000 in the IPO Collection Account on 23/03/2023.

b) IPO Proceeds have been utilized for the purposes/heads as specified in the prospectus and in line with the condition of the commissions consent letter.

This status report of utilization of initial public offering proceeds has been approved by the board of directors in it's meeting held on 13 April 2023 and signed by the authorized signatories.

Md. Zahirul Islam, FCA
Chief Financial Officer

Md. Ahsan-uz Zaman
Managing Director & CEO

Nilufer Zafarullah
Chairman

Subject to our separate report of even date

For K. M. HASAN & CO.

Md. Amirul Islam FCA
Senior Partner

Place: Dhaka
Dated: 13 April 2023

NOTICE OF THE 10TH (TENTH) ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 10th (tenth) Annual General Meeting (AGM) of the Shareholders/Members of Midland Bank Limited will be held on Wednesday, 14 June 2023 at 11:00 AM using Digital Platform pursuant to the BSLC's Order No. SEC/SRMIC/94-231/25 dated 08 July 2020 to transact the following businesses and adopt necessary resolutions:

1. To receive, consider and adopt the Directors' Report and Audited Financial Statements of the Bank for the year ended 31st December, 2022 together with Auditors' Report thereon.
2. To declare dividend for the year ended 31st December, 2022.
3. To retire and elect/re-elect Directors.
4. To approve appointment/reappointment of Independent Directors.
5. To appoint auditor(s) of the Bank for the period until the 11th Annual General Meeting and to fix their remuneration.
6. To appoint Corporate Governance Compliance Auditors for the year 2023 of the Bank and fix their remuneration.
7. To transact any other business with the permission of the Chair.

By order of the Board,



Khalid Mohammad Sharif FCS
Company Secretary

Dated: Dhaka
22 May 2023

Notes:

a) The Board of Directors has recommended cash dividend @5.00% for the year ended 31st December, 2022 which will be placed before the Shareholders in the 10th AGM of the Bank for approval.

b) 23rd May, 2023 was fixed/scheduled as Record Date. The Shareholders, whose names appeared in the Register of Members of the Bank and/or in the Depository on the record date, are eligible for dividend and attending the meeting.

c) A member eligible to attend and vote at the Annual General Meeting (AGM) may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, available in the website (https://www.midlandbankbd.net/annual_report/) duly stamped and signed by the member must be deposited at the Registered Office at least 48 hours before the time for holding the meeting.

d) The Annual Report 2022 of Midland Bank Limited will be sent to the respective Shareholders' email IDs available with CDBL on Record Date and the link of AGM will be available in the web site of the Midland Bank Limited in due course.

e) Depository Participants (DP)/ Stock Brokers are requested to send the list of Margin Account Holders based on Record Date, if any, within 08 June 2023 to the Bank. Otherwise, the dividend will be paid to shareholders' Bank Account as per Record Date.

f) Existing External Auditor M/s. Hoda Vasi Chowdhury & Co. will complete their first tenure in the 10th Annual General Meeting and are eligible for re-appointment as per Bangladesh Bank's Guideline. The Board of Directors decided to place recommendation before the shareholders in 10th AGM for appointment of M/s. Hoda Vasi Chowdhury & Co. Chartered Accountants as External Auditors of the Bank to conduct audit works for the year 2023 (until 11th AGM).

g) As per Corporate Governance Code issued by BSFC dated 3rd June, 2018 the professional who will provide the certificate on compliance of Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting. M/s. K. M. Hasan & Co., Chartered Accountants provided certification which is being placed in the 10th AGM. The Board of Directors decided to place a recommendation before the shareholders in 10th AGM for reappointment of K. M. Hasan & Co., Chartered Accountants for providing certification on compliance of Corporate Governance Code for the year 2023 (for placing in the 11th AGM).

h) **Annual Report 2022 is available in the website of Midland Bank Limited : https://www.midlandbankbd.net/annual_report/**

midlandbank ltd

bank for inclusive growth

Head Office: N.B. Tower (Level 6 to 9), 40/7 North Avenue, Gulshan 2, Dhaka 1212, Bangladesh
Phone: +88 09666 410999 (Ext. 1368), Email: share.mdb@midlandbankbd.net, Web: www.midlandbankbd.net

Proxy Form

I.....of

.....

being a member of "**MIDLAND BANK LIMITED**" do hereby appoint.....

of..... on failing him .....

of .....

as proxy to attend and vote for me on my behalf at the **10th (tenth) Annual General Meeting (AGM)** of the Company **on June 14, 2023, Wednesday at 11.00 a.m.** using digital platform or at any adjournment thereof.

AS WITNESS MY HAND THIS ..... DAY OF 2023

Signature of Proxy : .....

Signature of Shareholder : .....

Affix Revenue Stamp of Tk.100.00

Folio/BO ID : .....

No. of Shares : .....

Notes:

1. Signature must agree with the recorded signature.
2. A Member entitled to attend and vote at the 10th (tenth) AGM may appoint a proxy to attend and vote in his/her behalf. The Proxy Form duly signed and stamped must be deposited at the Head Office of the company at least 48 hours before the time set for the Meeting.
3. A proxy duly registered with the proxy form may attend the AGM in the same manner like the orginal shareholder by log in through the AGM link.

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



Head Office: N.B. Tower (Level: 6 to 9), 40/7 North Avenue, Gulshan 2, Dhaka 1212, Bangladesh
PABX: (+88) 09666 410 999, Fax: (+88) 02 5505 2214, SWIFT: MDBLBDDH
Email: info.mdb@midlandbankbd.net, Web: www.midlandbankbd.net
Contact Centre: 16596, (+88) 096 170 16596, (+88) 096 110 16596