

Midland Bank Limited
Financial Statements
for the period ended 31 December 2022

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Auditor's Report to the Shareholders of Midland Bank Limited

Report on the Audit of the 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.	We tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none">Credit appraisal, loan disbursement procedures, monitoring and provisioning process;
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

- 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:

- Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;
- Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;
- Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
- Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained

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

probability of default, ability to repossess collateral and recovery rates.	<p>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.</p> <p>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%).</p>
See note # 7, 13.01 and 13.02 to the financial statements	

Risk	Our response to the risk
Interest income recognition	
<p>Recognition and measurement of interest income involve complex IT environment as well as require critical estimates and judgment. Since interest income from loans and advances is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in recognition of interest income.</p> <p>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.</p> <p>Accordingly, this has been considered as key audit matter.</p>	<p>We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of interest on loans and advances.</p> <p>For selected customers and loan files on sample basis we have also performed substantive test of details including recalculation and cut-of testing to check accuracy of interest income.</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of interest recognised during the year with reference to the product wise outstanding loan balances.</p> <p>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.</p>
See note # 21 to the financial statements	

Valuation of treasury bill and treasury bond	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note # 6 to the financial statements	

Impairment assessment of unquoted investments	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process</p> <p>We tested a sample of investments valuation as at 31 December 2022 and compared our results to the recorded value.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p> <p>As per the business model, management has considered quoted and unquoted shares together as part of its investment portfolio for calculation of required provision.</p>
See note # 6.02 and Annex B to the financial statements	

IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
Legal and regulatory matters	
<p>We focused on this area because the Bank operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p>

<p>The Bank has taken initiative to save cost from the budgeted cost as per BRPD circular 28 and 30 of 2022.</p> <p>Overall, the legal provision represents the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Bank's financial position.</p> <p>Finally, subsequent to the year-end, on 15th January 2023 the bank has received consent from BSEC to issue share through IPO and thereafter got listed with DSE and CSE. As a result the Bank is subjected to compliance with listing rules and other BSEC directives.</p>	<p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p> <p>We have obtained all the relevant documents and verified as per audit procedure.</p> <p>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 2023. 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.</p>
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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.

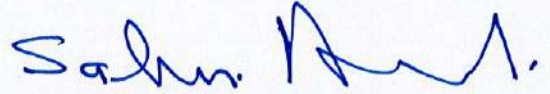
Report on other Legal and Regulatory Requirements

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.

Dhaka, 27 April 2023
DVC No: 2304270770AS158826



Sabbir Ahmed FCA, Partner
ICAB Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants



**Midland Bank Limited
Balance Sheet
As on 31 December 2022**

	Notes	2022 BDT	2021 BDT
<u>PROPERTY AND ASSET</u>			
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
<u>LIABILITIES AND CAPITAL</u>			
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

	Notes	2022 BDT	2021 BDT
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
Managing Director & CEO



A. K. M Badiul Alam
Director

Alban Ly

Ahsan Khan Chowdhury
Director

By Allah

Nilufer Zafarullah
Chairman

See our annexed report of even date

Dhaka, Dated

27 April 2023

DVC No: 2304270770AS158826

Salmi M

Sabbir Ahmed, FCA, Partner

Enrolment no: 770

Hoda Vasi Chowdhury & Co
Chartered Accountants



Midland Bank Limited
Profit and Loss Account
For the year ended 31 December 2022

Particulars	Notes	2022 BDT	2021 BDT
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
		1,218,960,892	1,065,221,533
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			
Current Tax	36.00	526,666,750	612,147,164
Deferred Tax		544,233,456	589,260,484
		(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
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

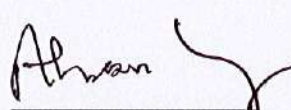
The annexed notes form an integral part of these accounts



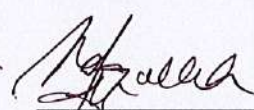
Md. Ahsan-uz Zaman
Managing Director & CEO



A. K. M Badiul Alam
Director

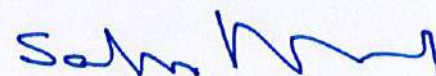


Ahsan Khan Chowdhury
Director



Nilufer Zafarullah
Chairman

See our annexed report of even date



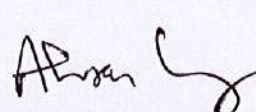

**Midland Bank Limited
Cash Flow Statement
For the year ended 31 December 2022**

	Notes	2022 BDT	2021 BDT
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
Net Cash Flow From Operating Activities		1,366,328,821	331,948,583
B) Cash Flow From Investing Activities:		2,402,403,193	1,434,138,923
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
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
Managing Director & CEO


A. K. M Badiul Alam
Director


Ahsan Khan Chowdhury
Director


Mufar Zafarullah
Chairman

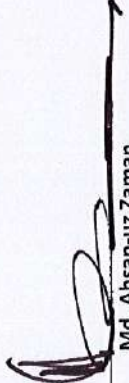
See our annexed report of even date

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
Managing Director & CEO


A. K. M Badiul Alam
Director


Ahsan Khan Chowdhury
Director


Nilufer Zafarullah
Chairman


Dhaka, Dated
27 April 2023

Signed as per annexed report on even date


Midland Bank Limited
Liquidity Statement
For the year ended 31 December 2022


Particulars	Less than 1 month BDT	1 to 3 months BDT	3 to 12 months BDT	1 to 5 years BDT	Above 5 years BDT	Total 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	6,214,086,209
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
Managing Director & CEO


A. K. M Badiul Alam
Director


Ahsan Khan Chowdhury
Director


Nilufer Zafarullah
Chairman

Signed as per annexed report on even date

Midland Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2022

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 noteworthy to mention that IFRS-16 "Leases" had been applied effective from 1 January 2020. The related changes to significant accounting policies and its affect are described in note 2.02.11.

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 assets and liabilities under current and non-current classification.

ii. Investment in shares, mutual fund and other securities

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

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

iii. Revaluation gain/loss on government securities

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

As per requirements of IFRS 9, bills can be categorised either as "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Any change in fair value of bills is recognised in profit and loss or other reserve as a part of equity respectively.

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

iv. Repo and reverse repo transactions

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

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

v. Provision on Loans and Advances/Investments

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

Bangladesh Bank: As per BRPD circular No.14, 23 September 2012, BRPD circular No. 19, 27 December 2012, BRPD circular No. 05, 29 May 2013, BRPD circular No. 16, 18 November 2014, BRPD circular no (P-1)/661/13/2021-12262, 27 December 2021, BRPD circular 50, 14 December 2021 and BRPD circular 52, 29 December 2021, a general provision at 0.25% to 5% under different categories of unclassified loans/investments (good/standard/SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard, doubtful and bad losses has to be provided at 20%, 50% and 100%, respectively for loans and advances/investments depending on the duration of overdue. Again, as per BRPD circular no. 10, dated 18 September 2007 and BRPD circular no. 14, dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures excluding bills for collection. Such provision policies are not specifically in line with those prescribed by IAS-39.

vi. Recognition of interest in suspense

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

vii. Other comprehensive income

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

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

viii. Financial instruments – presentation and disclosure

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

ix. Financial guarantees

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

Bangladesh Bank: As per BRPD circular no.14, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin. As per BRPD Circular no. 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 bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- ▣ fixed payments, including in-substance fixed payments
- ▣ variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- ▣ amounts expected to be payable under a residual value guarantee; and
- ▣ the exercise price under a purchase option that the bank is reasonably certain to exercise, lease payments in an optional renewal period if the bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the bank is reasonably certain not to terminate early.

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

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

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

2.2.2 Basis of consolidation

The consolidated financial statements include the financial statements of Midland Bank 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 categorized under the heads of continuous, demand, term and short term agriculture and micro credit. Continuous and demand loans/investments are accounted under capitalized method, where interest/profit accrues on daily basis and applied to loan account quarterly, except equal monthly installment (EMI) loan/investment of which interest/profit are being charged on due date and interest/profit of staff loan/investment are being charged to staff loan/investment account yearly. Interest/profit on classified loans and advances/investments is kept in suspense account as per guideline of Bangladesh Bank and such interest/profit is not accounted for as income until realized from borrowers (note #13.06). Interest/profit is not charged on bad and loss loans/investments as per guidelines of Bangladesh Bank. On the basis of recovery, the unapplied interest/profit on such bad & loss loans/investments are being charged to the respective loans/investments account and credited to the income account.

- c) Commission and discounts on bills purchased and discounted are recognized at the time of realization.

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

- 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.
- e) 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.
- f) 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.
- g)

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.

- h) To strengthen the financial based and shock absorbing capacity of Banks, the Bangladesh Bank issued BRPD circular # 56, dated 10.12.2020 and BRPD circular # 52, dated 29.12.2021 instructing all Banks to keep 1.00%, 1.50% and 2.00% special general provision on unclassified general loans and advances/investments, including SMA of which are enjoying deferring classification benefits irrespective of their repayment performance until 31 December 2020 and 2021. This provision has to keep under the head of "Special General Provision COVID-19" and it cannot be released or accounted into income until further instruction issue by Bangladesh Bank. However, if any Loans/Investments fully adjusted by recovering cash, in that case, such provision of interest/profit will be transferred to income a/c (BRPD circular no.50, dated 14.12.2020, BRPD Letter no.56/20 and BRPD circular no.53, dated 30.12.2021.). To comply with the circular, MDB has maintained an amount of BDT 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 10,25,575 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 finalized yet and all other financial assets, fees and other unrealized income receivable advance for operating and capital expenditures and stocks of stationery and stamps, etc.

Provision on other assets

As per BRPD circular no.14 dated 25 June 2001, a provision of 100% on other assets which are outstanding for one year and above. The Bank maintains provisions in line with this circular unless it assesses there is no doubt of recovery on items of other assets in which case no provision is kept (**note # 13.00**).

2.2.14 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

Particulars	In BDT Million		
	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

Particulars	In BDT Million		
	Amount before adoption of IFRS-16	Amount of Adjustment for IFRS-16	Amount after implementation of IFRS-16
Interest/Profit paid on Deposit and Borrowing, etc.	3,186	15	3,201
Rent, tax, insurance, electricity, etc.	242	(150)	92
Depreciation/amortization and repairs of Bank's properties	76	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 of the employees' contribution. Interest earned from the investments is credited to the members' individual account on yearly basis as per audited financial statements of the Fund. The Fund has been maintaining in a separate account which is operating by the Trustee and is being audited by Arun & Co. Chartered Accountants and submit to the NBR to comply with regulation.

2.5.2 Gratuity fund

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

2.5.3 Employees' Social Security Superannuation Fund (ESSSF)

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

2.5.4 Performance bonus

The Bank is giving performance/incentive bonus to the employees in every year. This bonus is not mandatory, but is being paying based on the performance of the bank in respective year. This bonus amount is being distributed among the employees based on their performance after approval of audited financials of the Bank.

2.5.5 Worker's Profit Participation Fund

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

2.6 Revenue recognition

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

2.6.1 Interest Income

Interest income on unclassified loan and advances (Standard & SMA) is recognised on an accrual basis and charged to respective loan account on quarterly. Interest income on classified loan and advances (SS & DF only) is credited to interest suspense account with actual receipt of interest therefrom credited to income as and when received as per instruction contained in BRPD circular no.14 dated 23 September 2012, BRPD circular no.19 dated 27 December 2012 and BRPD circular no.16, dated 18 November 2014. If the Loans and advances classified as Bad/Loss (BL) interest ceases to apply and recorded in a memorandum a/c. When any Bad loan turns into unclassified a/c, then unapplied interest charged to respective loan a/c and credited to profit & loss a/c in compliance with regulatory guideline.

2.6.2 Profit on investment (Islamic Banking Window)

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

2.6.3 Investment Income

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

2.6.4 Fees and commission income

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

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

2.6.5 Dividend income

Dividend income is recognised when the right to receive the income is established. Dividend income is recognized at the time when it is realized. Dividend income on preference shares is recognized on accrual basis. Dividend incomes are presented under investment income (note # 23.00).

2.7 Interest paid and other expenses

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

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

Interest paid and other expenses are recognised on accrual basis

2.7.2 Profit shared on deposits (Islamic banking)

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

2.7.3 Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the IAS 1 "Presentation of Financial Statements".

2.7.4 Dividend payments

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

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

2.7.5 Foreign exchange gain/loss

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

2.8 Earnings per share (EPS)

The company calculates earnings per share (EPS) in accordance with IAS 33 "Earnings per Share (EPS)" which has been shown on the face of Profit and Loss Account. The EPS has been calculated by dividing the net profit after tax by the total number of ordinary shares outstanding at the end of the reporting year. Details are shown in note # 40.00 to the financial statements.

2.8.1 Basic earnings per share

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

2.8.2 Weighted average number of ordinary shares

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year. The basis of computation of number of shares is in line with the provisions of IAS 33 "Earnings per share". The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings.

2.8.3 Diluted earnings per share

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 management oversight.

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

Operating Environment : The Bank's operating environment during the year ended 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 and E.

2.21 Event after the reporting period

As per IAS -10 "Events after Reporting Period" are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

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 2023. 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.

Midland Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2022

	2022 BDT	2021 BDT
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

Islami Banking Wing

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

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		2022 BDT	2021 BDT
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	640,771	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	132,200,000	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
4.02 Outside Bangladesh (NOSTRO Accounts)	Transaction Currency		
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	6,283,038	259,320
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)		13,186,012,591	12,361,071,740
Others(note 6.02)		3,719,777,647	2,618,834,358
		16,905,790,238	14,979,906,098

i) Investment Classified as per Bangladesh Bank Circular

Held to Maturity (HTM)
Held for Trading (HFT)
Reverse Repo
Prize Bond
Government Securities Encumbered
Government Securities -SUKUK Bond
Other Investments

2022 BDT	2021 BDT
11,286,914,740	8,481,225,177
562,178,252	3,553,343,563
-	-
894,900	433,000
1,009,954,699	-
326,070,000	326,070,000
3,719,777,647	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

-	-
-	-
-	-
-	-
-	-
-	-

Encumbered

91 days

182 days

364 days

Sub-total

Total Treasury Bill

-	-
-	-
-	-
-	-
-	-

Treasury Bonds

Un-encumbered

2 Years

5 Years

5 Years (Bangladesh Government Investment Sukuk)

10 Years

15 Years

20 Years

Sub-total

Encumbered

2 Years

5 Years

10 Years

15 Years

20 Years

Sub-total

Total Treasury Bond

-	20,225,460
1,157,419,429	557,608,860
326,070,000	326,070,000
5,371,181,005	4,462,711,996
3,607,594,613	4,417,794,724
1,712,897,946	2,576,227,700
12,175,162,992	12,360,638,740

-	-
-	-
151,545,215	-
-	-
858,409,484	-
1,009,954,699	-
13,185,117,691	12,360,638,740

Reverse Repo

Prize Bonds (at face value)

Sub Total

894,900	433,000
13,186,012,591	12,361,071,740

6.02 Other Investments

Shares in quoted companies(Regular portfolio)

Shares in quoted companies(Special portfolio)

Details shown in Annex B

Shares in unquoted companies (at face value) :

Regent Energy & Power Ltd.(Preference Share)

Union Capital Ltd. (Preference Share)

Envoy Textiles Ltd. (Preference Share)

Confidence Power Bogra Ltd. (Preference Share)

Premier Cement Mills Limited (PCML) (Preference Share)

Fair Electronics Ltd (FEL) (Preference Share)

CWT Sadharan Bima Growth Fund (Open End Mutual Fund)

Ekush First Unit Fund (Open End Mutual Fund)

VIPB Accelerated Income Unit Fund (Open End Mutual Fund)

VIPB NLI 1st Unit Fund (Open End Mutual Fund)

UCB AML First Mutual Fund (Open End Mutual Fund)

Ekush Growth Fund (Open End Mutual Fund)

EDGE High Quality Income Fund (Open End Mutual Fund)

UCB Taqwa Growth Fund (Open End Mutual Fund)

748,632,323	360,061,759
703,286,485	667,726,367

44,613,788	44,613,788
1,500,000	4,000,000
120,000,000	160,000,000
37,500,000	50,000,000
500,000,000	-
300,000,000	-
5,000,000	5,000,000
27,832,445	27,832,445
27,500,000	27,500,000
11,812,606	-
-	20,000,000
20,000,000	-
20,000,000	-
20,000,000	-
1,135,758,839	338,946,233

Bond, Debenture & Commercial Papers:

UCB- Subordinated Bond

SIBL- Subordinated Bond

Standard Bank -Subordinated Bond

Hashem Foods Ltd-Commercial Paper

North-West Power Generation Company Ltd-Non-Convertible Coupon Bond

Trust Bank - Perpetual Bond

-	40,000,000
40,000,000	80,000,000
80,000,000	120,000,000
102,100,000	102,100,000
350,000,000	350,000,000
60,000,000	60,000,000

Jamuna Bank - Perpetual Bond
NCC Bank - Perpetual Bond

Sub Total
Total

2022 BDT	2021 BDT
250,000,000	250,000,000
250,000,000	250,000,000
1,132,100,000	1,252,100,000
3,719,777,647	2,618,834,359
16,905,790,238	14,979,906,098

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	27-Dec-2022	3-Jan-2023	520,741,853
6	IDLIC 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	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	257,456,961	5,759,161,870	1,635,735,107
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	207,585,814	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)
Bills Purchased and Discounted (note-7.02)
Total Loans and Advances

49,606,134,790	42,588,953,284
3,186,672,476	3,278,529,125
52,792,807,266	45,867,482,409

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

In Bangladesh:

Term Loan	19,094,556,520	17,321,560,820
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	67,088,400	60,550,686
	49,606,134,790	42,588,953,284

Outside Bangladesh

-	-
49,606,134,790	42,588,953,284

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	2022 BDT	2021 BDT
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	3,989,512,870
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	4,278,475,007
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	31,399,705	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
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 819.60 crore as at December 31, 2022 (BDT 813.28 crore in 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	1,177,303,165
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

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					2022 BDT	2021 BDT
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	51,976,007	576,536,675	503,889,968
34	NPoly group	UC	327,329,812	151,393,024	478,722,836	758,397,102
35	Florance Group	UC	153,419,010	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

Special Mention Account (SMA)

Sub total

Classified:

Substandard

Doubtful

Bad & Loss

Sub total

Total

50,357,413,459	43,587,009,789
965,742,348	825,418,715
51,323,155,808	44,412,428,504
80,002,366	313,753,790
34,244,808	588,083,684
1,355,404,284	553,216,430
1,469,651,458	1,455,053,905
52,792,807,266	45,867,482,409

7.09 Details of Required Provision for Loans and Advances/Investments

Particulars	Provision Rate	Provision	
		Required	Maintained
Unclassified (UC):			
Standard	0.25%, 1%, 2% & 5%	443,688,986	443,688,986.06
Special Mention Account (SMA)	0.25%, 1%, 2% & 5%	8,708,056	8,708,056
Sub total		452,397,042	452,397,042
Classified:			
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

Total Provision maintained

Excess/(Short) Provision

112,994,697	109,846,794
112,994,697	109,846,794
-	-

7.11 Suit filed by the Bank

No of Suits file

Artha Rin Adalat

N. I Act

Suit Amount

Artha Rin Adalat

N. I Act

33	11
29	38
957,114,245	617,743,507
125,965,674	272,646,535

7.12 Geographical location wise loans and advances/investments

Inside Bangladesh

Urban

Dhaka Division

Chittagong Division

Khulna Division

Rajshahi Division

Mymensingh

Barisal Division

Rangpur Division

Sylhet Division

Rural

Dhaka Division

44,992,833,260	39,360,069,691
6,444,323,754	5,263,818,839
64,695,974	42,385,721
194,657,962	160,492,431
-	-
-	-
2,992,155	-
16,631,185	18,102,991
51,716,134,291	44,844,869,674
702,180,530	653,449,322

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

Outside Bangladesh

2022 BDT	2021 BDT
109,839,670	120,782,821
21,915,554	24,287,754
140,202,133	108,494,662
98,445,158	108,661,187
4,089,930	6,936,988
-	-
<u>1,076,672,975</u>	<u>1,022,612,735</u>
-	-
<u>52,792,807,266</u>	<u>45,867,482,408</u>

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	-	-
		<u>52,792,807,266</u>	<u>45,867,482,409</u>
(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

Furniture & Fixture

Office Equipment

Motor Vehicles

Books

Intangible Assets

Right of Use Assets

Land, Building & Construction

Total Cost

Less: Accumulated Depreciation

Book value at the end of the year

Details are shown in Annex-C

231,166,776	218,799,264
189,421,047	178,677,759
187,705,177	175,553,464
26,094,193	26,094,193
20,260	20,260
64,713,819	62,813,819
768,320,720	656,791,727
-	-
<u>1,467,442,993</u>	<u>1,318,750,486</u>
892,773,090	685,234,077
<u>574,669,903</u>	<u>633,516,409</u>

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
Dividend Receivable
Advance Income Tax (note-9.02)
Suspense Account (note-9.03)
Advance Subscription
Prepaid Insurance
Stationery, Stamps, Printing materials in stock etc.
Sundry Assets (note-9.04)
Stamp in Hand
Branch Adjustment (note-9.05)
Deferred Tax Assets (note-9.06)
Exchange House
Clearing House and BFTN Adjustment

2022 BDT	2021 BDT
813,843,823	556,977,297
33,216,742	17,168,921
2,050,142,134	1,454,662,614
101,666,468	51,117,293
1,137,353	929,419
3,251,809	3,017,529
2,953,360	5,577,515
385,492,688	130,686,898
1,729,686	801,356
0	-
589,250	-
3,445,479	5,150,031
150,538	-
3,397,619,330	2,226,088,872
3,397,619,330	2,226,088,872

Total Other Asset (A+B)

9.01 Advance Rent adjusted due to IFRS 16.

9.02 Advance Income Tax

Opening Balance
Less: Adjustment made during the year
Add: Payment during the year
Closing Balance

1,454,662,614	1,933,065,435
-	888,341,842
595,479,520	409,939,021
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
Receivable from Bangladesh Bank- Time Loan-WC under stimulus packag
Receivable from Brokerage House
Sundry Debtors
MFS Settlement Account
Prepaid Interest
Prepaid Furniture Allowance

364,678	1,048,608
67,915,580	85,672,282
285,988,315	29,709,593
13,846,185	1,805,105
8,433,264	6,697,758
4,913,826	2,596,937
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	-	-	-
	-	-	-

9.06 Deferred tax asset/ (Liability)

Opening Balance
Add: Deferred tax Income
Less: Deferred tax Expenses
Closing Balance Deferred Tax asset/ (liability)

(16,977,457)	5,909,223
-	-
(17,566,707)	22,886,680
589,250	(16,977,457)

9.06.01 Computation of deferred tax

Accounting written down value- Fixed Assets
Less: Tax base written down value- Fixed Assets
Taxable temporary difference
Right of Use of Assets
Lease Obligation
Taxable temporary difference
Book value - Gratuity provision
Less: Tax base - Gratuity provision
Deductable temporary difference
Net deductible temporary difference
Effective tax rate
Deferred Tax Assets/(Liability)

172,210,145	207,782,299
233,253,240	311,384,501
(61,043,095)	(103,602,202)
402,459,758	425,734,110
359,214,988	394,940,121
(43,244,770)	(30,793,989)
129,520,300	108,020,300
23,661,103	16,067,751
105,859,197	91,952,549
1,571,333	(42,443,642)
37.50%	40.00%
589,250	(16,977,457)

Deferred Tax (Expenses)/Income

Closing Deferred Tax Assets
Opening Deferred Tax Assets/(Liability)
Deferred Tax (Expenses)/Income

589,250	(16,977,457)
(16,977,457)	5,909,223
17,566,707	(22,886,680)

9.07 Classification of Other Asset

Unclassified
Substandard
Doubtful
Bad/Loss

3,360,254,368	2,222,386,417
-	-
-	3,702,455
37,364,962	-
3,397,619,330	2,226,088,872

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10.00 Non-Banking Assets

Land at cost (market value of the land at BDT 14.54 million)

2022 BDT	2021 BDT
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
Outside Bangladesh

8,243,230,054	5,949,301,979
-	-
8,243,230,054	5,949,301,979

11.01 In Bangladesh:

Borrowing from Bank/Other Institutions:

Sonali Bank Ltd.
NCC Bank Ltd.
IFIC Bank Ltd.
Mutual Trust Bank Ltd.
Bank Asia Ltd.
Trust Bank Ltd.
Bank Al Falah
BASIC Bank Ltd.
Southeast Bank Ltd.
Meghna Bank Ltd.
Citizens Bank Plc
Eastern Bank Ltd.
Uttara Bank Ltd.
Dhaka Bank Ltd.

1,530,000,000	1,971,975,000
200,000,000	-
-	297,340,000
-	500,000,000
-	200,000,000
-	200,000,000
-	128,475,000
490,000,000	85,800,000
-	200,000,000
-	360,360,000
200,000,000	-
40,000,000	-
200,000,000	-
250,000,000	-
150,000,000	-

Repo of Treasury Bill/Bond
Bangladesh Bank (LS)

740,000,000	-
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Refinance from Bangladesh Bank
Investment Promotion and Financing Facility (IPFF)
Borrowing From Bangladesh Bank (EDF)

1,064,040,110	624,999,329
2,702,357,000	1,902,357,000
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
Up to one month
Not more than three months
More than three months but less than one year
More than one year but less than five years
More than five years

1,565,900,000	1,225,000,000
465,900,000	352,600,000
368,800,000	604,400,000
940,000,000	848,200,000
1,256,030,054	2,919,101,979
-	-
4,596,630,054	5,949,301,979

12.00 Deposit and Other Accounts

From Banks
From Customers

5,213,283,317	7,245,595,162
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
Foreign Currency Deposit
Sundry Deposit

3,767,421,973	2,717,850,129
3,578,789,473	3,332,702,223
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

Savings Deposit

Fixed Deposit

7,512,112,992	7,398,619,144
5,071,243,226	4,440,720,438
30,664,800,460	27,194,882,317

	2022 BDT	2021 BDT
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 Shiksha 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 Traveller'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
Total	5,339,210,034	4,495,628,331
	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	3,332,702,223
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
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

Hoda Vasi Chowdhury & Co

	2022 BDT	2021 BDT
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
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)	1,626,329,243	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
Sponsors/Directors	502,970,438	5,029,704,380
Institutions	4,219,776	42,197,760
Individuals	62,479,539	624,795,390
	569,669,753	5,696,697,530
		100%

		2022 BDT	2021 BDT
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		1,626,329,243	1,408,602,127
Retained Earnings		322,357,156	296,515,380
		7,645,383,929	7,401,815,038
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			
Particulars	Required	2022 Held	2021 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: Dividend paid		(284,834,877)	(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			
Foreign		24,215,927	101,085,290
Local		2,333,508,585	2,821,370,131
EPZ		14,814,659	20,635,625
		2,372,539,171	2,943,091,046
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
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		-	-

Hoda Vasi Chowdhury & Co

	2022 BDT	2021 BDT
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)	827,323,122	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
	12,674,943,388	12,300,022,900
20.00 Income Statement		
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	14,279,582	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
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)	2,351,933,207	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

Hoda Vasi Chowdhury & Co

	2022 BDT	2021 BDT
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	57,361,286	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
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	32,222,686
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
Provident Fund	1,200,000	1,110,000
	18,600,000	18,385,000
27.00 Rent, Tax, Insurance, Electricity, etc.		
Rent	-	0
Rates & taxes	28,900,402	21,871,710
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

Hoda Vasi Chowdhury & Co

	2022 BDT	2021 BDT
29.00 Postage, Stamps & Telephone, etc		
Postage, Stamp & Courier Service	1,889,282	1,209,602
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
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	29,572,066
Furniture & Fixture	18,941,452	18,088,551
Office Equipment	16,933,209	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 & Auxilliary 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	(15,424,217)	26,205,081
Provision for Classified Loans & Advances	499,978,973	260,135,504
Provision for Off Balance Sheet Items	3,147,903	24,947,278
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
37.00 Statutory Reserve		

* 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.

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Transferred during the year
Add: Adjustment of previous year

2022 BDT	2021 BDT
217,727,116	225,233,289
-	-
217,727,116	225,233,289

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
Number of ordinary shares outstanding
Net Asset Value Per Share (NAV)

7,646,539,482	7,404,261,073
569,669,753	569,669,753
13.42	13.00

40.00 Earning Per Share (EPS):*

Net Profit After Tax
Number of Ordinary Shares outstanding
Earning Per Share (EPS)

561,968,829	514,019,282
569,669,753	569,669,753
0.99	0.90

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

41.00 Net Operating Cash Flow Per Share

Net Operating Cash Flow
Number of ordinary shares outstanding
Net Operating Cash Flow Per Share

2,402,403,193	1,434,138,923
569,669,753	569,669,753
4.22	2.52

42.00 Received from Other Operational Income

VISA Charge
Service and other Charges
SWIFT Charge Recoveries
Charges against cards
Locker Rent
Miscellaneous Earnings
LC Charges

31,311,070	16,484,945
30,556,363	32,222,687
438,997	1,375,951
5,376,754	5,352,896
449,000	378,500
23,349,395	21,075,038
6,768,976	6,532,012
98,250,555	83,422,030

43.00 Payment for Other Operational Expenses

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

92,037,039	79,269,645
1,690,799	1,809,189
19,558,274	15,929,096
460,000	460,000
39,433,272	35,530,794
2,877,600	3,152,800
36,101,968	82,674,894
181,008,263	148,784,896
373,167,214	367,611,315

44.00 Related Party transaction Disclosures of the Bank

i) Name of the Directors together with a list of entities in which they have interest Annexure- D

ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 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

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	82,958
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

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			2022 BDT	2021 BDT
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. Lutfia Begum, Director	Office Rent	Helal Tower	1,498,128
Mrs. Lutfia 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 ,	RFL Electronics Ltd.	2,063,635
	CCTV System, Water Filter,		
	Microwave Oven		

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

	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.

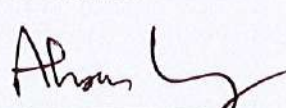
46.02 Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial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


A. K. M Badiul Alam
Director


Ahsan Khan Chowdhury
Director


Nilufer Zafarullah
Chairman

Annexure- A

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

Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local currency as on 31 December 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\$	387,354.78	103.29	40,010,921	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

Midland Bank Limited
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	SOURPHARMA	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

Midland Bank Limited

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	147,704,333	44.28	147,951,658	38.50	128,420,639
3	BSCCL	10	599,240	130,645,123	218.02	130,930,984	218.90	131,173,636
4	BXPBARMA	10	456,000	89,697,146	196.70	89,876,541	146.20	66,667,200
5	GP	10	113,579	37,387,033	329.17	37,500,924	286.60	32,551,741
6	IFADAUTOS	10	277,200	17,586,574	63.44	17,626,143	44.10	12,224,520
7	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	45,865,632
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	502,393	107,718,626	214.41	107,989,209	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	CWT Sadharan Bima Growth Fund	10	399,042	5,000,000	12.5300	5,000,000	12.94	5,163,603
2	Ekush First Unit Fund	10	2,153,348	27,832,445	12.9252	27,832,445	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	2,275,224	27,500,000	12.0867	27,500,000	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
Fixed Asset Schedule
As at 31 December 2022

Asset Category	Cost			Depreciation				Written down	
	Balance as at 01.01.2022	Addition during the year	Adjustment/ Disposal	Balance as at 31.12.2022	Rate	Charged for the year	Adjustment / Disposal	Balance as at 31.12.2022	Written down value as at 31.12.2022
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT
Own Assets									
Computer & Peripherals	218,799,264	12,367,512		231,166,776	20%	28,904,628		194,118,026	37,048,750
Furniture & Fixture	178,677,759	14,404,799	3,661,510	189,421,047	10%	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%	16,933,209	676,791	157,622,562	30,083,615
Motor Vehicles	26,094,193	-		26,094,193	20%	2,005,586		21,984,593	4,109,600
Books	20,260	-	-	20,260	20%		-	19,475	785
Intangible Assets	62,813,819	1,900,000	-	64,713,819	20%	9,113,464	-	49,934,265	14,779,554
Sub-Total	661,958,759	41,501,824	4,338,310	699,122,273		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		134,803,345	-	365,860,962	402,459,758
Sub-Total	656,791,727	111,528,993	-	768,320,720		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		210,701,684	3,162,671	892,773,090	574,669,903
Total 2021	1,197,046,846	143,290,377	21,586,737	1,318,750,486		163,991,161	16,027,589	685,234,077	633,516,409

Midland Bank Limited

Name of the Directors and their interest in different entities as on 31.12.2022

**Hoda Vasi
Chowdhury & Co**

Annexure D

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	<ol style="list-style-type: none"> 1. Micro Fibre Limited 2. Orient Chem-Tex Limited 3. Liberty Knitwear Limited 4. Midland Knitwear Limited 5. A-One Polar Limited 6. Tübingen 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 	<ol style="list-style-type: none"> 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	Director	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 1. Chairman 2. Chairman 3. Managing Director 4. Managing Partner 5. Proprietor 6. Shareholder 7. Investor
5	Mr. Kazi Omar Zafar	Director	<ol style="list-style-type: none"> 1. Kalypso Ltd. 2. Hong Kong Shanghai Manjala Power Ltd. 3. Hong Kong Shanghai Manjala Textiles Ltd. 	<ol style="list-style-type: none"> 1. Chairman 2. Managing Director 3. Director
6	Mr. Ahsan Khan Chowdhury	Director	<ol style="list-style-type: none"> 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. Gongga 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 26. Durable Plastics Limited 27. Property Development Limited 28. Career Builders Limited 29. AKC (Pvt.) Limited 	<ol style="list-style-type: none"> 1. Chairman 2. Chairman 3. Director 4. Director 5. Director 6. Director 7. Director 8. Director 9. Director 10. Director 11. Director 12. Director 13. Director 14. Director 15. Director 16. Director 17. Director 18. Director 19. Director 20. Director 21. Director 22. Director 23. Director 24. Director 25. Director 26. Director 27. Director 28. Director 29. Chairman
7	Mr. Md. Wahid Miah	Director	<ol style="list-style-type: none"> 1. Al-Haj Karim Textiles Ltd. 2. Karim Tex Limited 3. Abdul Karim Ltd. 4. Jobaida Karim Jute Mills Limited 5. Wahid Construction Ltd 6. Karim Shipping Lines Limited 7. Karim Asphalt & Ready Mix Ltd. 8. Karim Dregers Limited 9. Hypoid Composite Knit Ltd. 	<ol style="list-style-type: none"> 1. Managing Director 2. Managing Director 3. Managing Director 4. Managing Director 5. Managing Director 6. Managing Director 7. Managing Director 8. Managing Director 9. Director

Midland Bank Limited

**Hoda Vasi
Chowdhury & Co**

Name of the Directors and their interest in different entities as on 31.12.2022

Annexure D

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

Midland Bank Limited

**Hoda Vasi
Chowdhury & Co**

Name of the Directors and their interest in different entities as on 31.12.20222

Annexure D

Sl.	Name of the Directors	Status with MDB	Entities where they have interest	Designation
			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	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		

Midland Bank Limited

Name of the Directors and their shareholding as at December 31, 2022

Annexure E

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**

SLNo.	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 Ltd
Balance Sheet of Islami Banking Wing
As on 31 December 2022**

	Notes	2022 BDT	2021 BDT
<u>Property and Asset</u>			
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
<u>Liabilities and Capital</u>			
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
<u>Off-Balance Sheet Items</u>			
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 Ltd
Profit and Loss Account of Islami Banking Wing
For the year ended 31 December 2022

Particulars	Note	2022	2021
		BDT	BDT
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
Total Operating Income		11,600,682	4,757,521
		27,244,690	30,818,223
Less: Operating Expenditure			
Salary and Allowances	13.00	1,904,419	1,299,988
Rent, Tax, Insurance, Electricity		42,962	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 Ltd
Notes to the Financial Statements of Islami Banking Wing
For the year ended 31 December 2022

	2022	2021
	BDT	BDT
1.00 Cash		
In Hand (Including foreign currency) (note 3.01)	5,207,078	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		
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

5.00 Other Asset

Classification of Other Asset

Profit receivable on Investment
Advance Tax
Inter Bank General Account Balance (note 7.01)
Profit receivable on Deposit with Other Bank

Total Other Asset

2022	2021
BDT	BDT
11,260,824	5,102
717,820	394,084
54,117,016	191,261,577
-	30,000
66,095,661	191,690,763

6.00 Deposit and Other Accounts

From Banks
From Customers (note 6.01)

33,059,280	600,191,250
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
Sundry Deposit

25,447,348	7,207,567
19,545,727	3,923,756
44,993,075	11,131,323

Bills Payable

Short Notice Deposit

Savings Deposit

Fixed Deposit

Deposit Schemes:

MDB Saalam Monthly Scheme
MDB Saalam Hajj Savings Scheme
MDB Digital Monthly Savings Scheme
MDB Digital Hajj Savings Scheme
MDB Double Benefit Plus Scheme

-	-
327,561,504	640,836,506
182,618,441	170,005,595
2,358,835,634	1,878,538,738

28,497,935	13,434,008
2,360,146	1,130,093
6,169,863	2,109,097
1,474,672	470,716
382,251	-
38,884,867	17,143,914

Total

2,952,893,520	2,717,656,076
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7.00 Other Liabilities

Unearned Income
Inter Bank General Account Balance (note 7.01)

19,882,511	24,893,368
-	-
19,882,511	24,893,368

7.01 Inter Bank General Account Balance (net)

Credit entries
Debit entries

625,699,362	376,365,829
679,816,378	567,627,405
(54,117,016)	(191,261,577)

8.00 Contingent Liabilities

Acceptance and endorsements
Letter of Guarantee
Irrevocable Letter of Credit
Bills for Collection
Other Contingent Liabilities

-	-
502,700,000	857,000,000
-	-
-	-
-	-
502,700,000	857,000,000

8.01 Letter of Guarantee

Foreign
Local

-	-
502,700,000	857,000,000
502,700,000	857,000,000

Hoda Vasi Chowdhury & Co

	2022	2021
	BDT	BDT
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-UI-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 Ltd
Balance Sheet of Off-Shore Banking Unit
As on 31 December 2022

		2022		2021	
	Notes	USD	BDT	USD	BDT
Property and Asset					
Cash					
In Hand (Including Foreign Currency)		-	-	-	-
With Bangladesh Bank and its agent Bank (including Foreign Currency)		-	-	-	-
		-	-	-	-
Balance with other Banks & Financial Institutions					
In Bangladesh	1.00	286,968	29,641,657	71,056	6,096,582
Outside Bangladesh		-	-	-	-
		286,968	29,641,657	71,056	6,096,582
Money at Call and Short Notice					
		-	-	-	-
Investments					
Government		-	-	-	-
Others		-	-	-	-
Loans and Advances					
Loans, Cash Credit, Overdrafts, etc.	2.00	29,096,325	3,005,437,931	36,746,096	3,152,815,027
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 Ltd
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
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 Ltd
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