

ANNUAL REPORT  
**2021**

**BRIDGING HOPE**

# ANNUAL REPORT 2021

Yes, we can! Despite many limitations, Bangladesh is now a fine class of example of overcoming the mammoth crisis of COVID -19 pandemic in a successful way. Hard to believe, but reality!

The COVID-19 pandemic has triggered the largest economic crisis that the world has seen for many decades. Whoever think that countries after countries will undergo lockdown, normal living will become an abnormal phenomenon! It was quite natural prediction that the Bangladesh Economy will be hard hit by the crisis with dramatically falling demand of country's exports along with collapsing in service industry, where remittances were declining too. The crisis threatened to unravel years of progress in economic development. But the nation has turned up to the right track by using the finest tools of the Government and Public cooperation, the world became astonished!

Bangladesh has continued ongoing mega projects of Padma Bridge, MRTs, Expressway Projects, Karnaphuly Tunnel and Ruppur Nuclear Power Plant even during the pandemic, resulting inauguration of the largest project with great hope 'Padma Bridge' shortly, which has brought a new hope for the people of Southern Bangladesh, who are expecting many new ways of employment and income generation, that will contribute to the GDP as well as the economy directly.

The world is now been intimidating of another predicament on the ground of Russia Vs Ukraine war. No doubt that the coming days would be more challenging. But pandemic experience has taught us a lot, made us confident. We, the people of Bangladesh, now have learnt to dream for a brighter economy at our own, as our predecessors dreamt in 1971 for an independent land.

We believe that the crisis chapter is close to over. Modhumoti Bank is coping up and focusing on emerging SMEs and Corporates lead by such entrepreneurs, who have already learnt dreaming. Let's bridge!



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## Letter of **Transmittal**

All Respected Shareholders  
Bangladesh Bank  
Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies & Firms

**Subject: Annual Report for the year ended 31<sup>st</sup> December 2021**

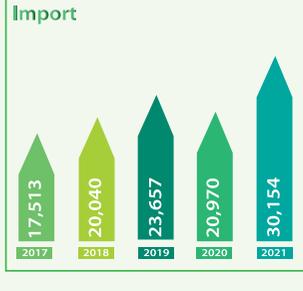
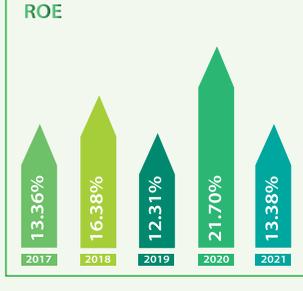
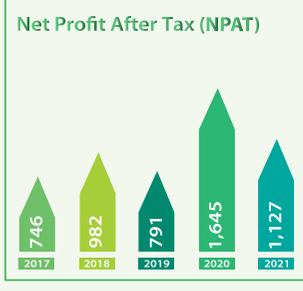
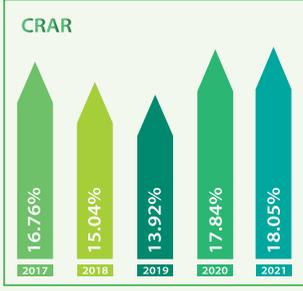
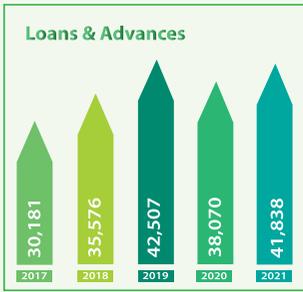
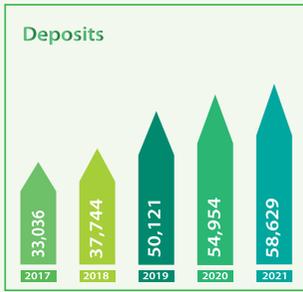
Dear Sir(s),

We are pleased to present Annual Report 2021 together with the audited financial statements including balance sheet as at 31<sup>st</sup> December 2021 and profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year ended 31<sup>st</sup> December 2021 along with notes thereto of Modhumoti Bank Limited for your kind information and record.

Yours truly,

Sd/-  
**Ashutosh Talukder**  
Company Secretary

# Highlights



## Financial position & performance related information for the year 2021

- Deposits increased by 6.69% with a favorable mix
- Loans increased by 9.90% because of adopting go-slow approach in Business level strategy in the year 2021
- Total Assets have a positive growth as increased by 9.11%
- CRAR is stable and positively exceeding the regulatory limit of 12.50%
- Profit before Provision & Tax (PBPT) decreased by 20.74%
- Net Profit after Tax (NPAT) decreased by 31.48%
- EPS decreased due to decrease of NPAT
- ROE decreased due to decrease of Retained Earnings
- Cost to Income Ratio is 37% which is the lowest among the peer Banks
- Import business increased by 44%
- Export business has a positive growth as increased by 51%
- Guarantee business increased by 28%

# Chronicles

Application for Bank License, 29 November 2011  
Obtained Letter of Intent (LOI) from Bangladesh Bank, 17 April 2012  
Certificate of Incorporation, 4 June 2013  
Commencement of Business, 4 June 2013  
Obtained Banking License, 9 June 2013  
Launching Ceremony, 6 July 2013  
Started banking operation, 19 September 2013  
Statutory Meeting of the Shareholders, 6 May 2014  
First Annual General Meeting, 25 November 2014

## Division-wise First Branch Opening

Barishal Division (Charfassion Branch, Bhola), 25 October 2015  
Chattogram Division (Agrabad Branch, Chattogram), 27 November 2014  
Dhaka Division (Motijheel Branch, Dhaka), 19 September 2013  
Khulna Division (Jinnahnagar Branch), 27 March 2014  
Mymensingh Division (Shambhuganj Branch, Mymensingh), 10 October, 2016  
Rajshahi Division (Rajshahi Branch, Rajshahi), 20 October 2015  
Rangpur Division (Pirganj Branch, Rangpur), 11 February 2016  
Sylhet Division (Amberkhana Branch, Sylhet) , 17 November 2013

## Off-shore Banking Operation

Obtained license for Off-shore Banking (OBU), 02 April 2015  
Launched OBU, 23 September 2015

## Agent Banking Operation

Signed agreement with Access to Information (a2i), PMO, 17 June 2015  
Obtained license for Agent Banking, 30 June 2015  
Unveiled logo for Agent Banking operations, 14 September 2015  
First Digital Point (Agent Centre), 04 February 2016

## Business Automation

Bank Ultimus Core Banking Software Roll out, 19 September 2013  
Launched First ATM Booth at Motijheel Branch, 30 June 2014  
Real Time Gross Settlement System (RTGS), 22 October 2015  
Launched 'VISA' Credit Card, 12 January 2016  
Launched 'VISA' Debit Card, 21 March 2017  
Central Trade Processing Unit (For facilitating Non-AD Branches), 11 May 2017  
NID Verification with Election Commission, 19 June 2017  
Launching of 'Go Smart' App for Internet Banking facility, 19 September 2019  
Introduction of Human Resource Information System (HRIS)-Empress, December 2019  
Centralization of Payroll Management, January 2019  
Centralization of Fixed Assets Management, December 2019  
Modhumoti helpline 24/7 (16347)  
Modhumoti Bondhon for Digital Account Opening, June 2021

## Value Added Services

Launched Privilege Banking service for freedom fighters, 13 March 2014  
Launched Priority Banking service at Gulshan Branch, Dhaka, 01 September 2014  
Launched Priority Banking Service at Agrabad Branch, Chattogram, 25 September 2016  
Unveiled Luxurious Lounge at the International Terminal of Shah Amanat International Airport, Chattogram, 28 November 2019

# SUSTAINABLE GROWTH TRAJECTORY

over the years by connecting ideas, innovations and aspirations

<b>99,168</b>	Deposit Accounts
<b>2,803</b>	Loan Accounts
<b>38,732</b>	Agent Banking Accounts
<b>16,146</b>	Debit Cards
<b>1,613</b>	Credit Cards
Total Deposits	Taka <b>37,744</b> million
Total Loans & Advances	Taka <b>35,576</b> million
Agent Banking Transaction Amount	Taka <b>362</b> million
Total Assets	Taka <b>51,693</b> million
<b>35</b>	Branches
<b>32</b>	Own ATMs
<b>281</b>	Agent Points
<b>624</b>	Employees
<b>Credit Rating</b>	Long Term <b>A2</b> Short Term <b>ST-2</b>



<b>165,430</b>	Deposit Accounts
<b>3,162</b>	Loan Accounts
<b>79,913</b>	Agent Banking Accounts
<b>17,502</b>	Debit Cards
<b>1,401</b>	Credit Cards
Total Deposits	Taka <b>50,121</b> million
Total Loans & Advances	Taka <b>42,507</b> million
Agent Banking Transaction Amount	Taka <b>890</b> million
Total Assets	Taka <b>71,127</b> million
<b>41</b>	Branches
<b>42</b>	Own ATMs
<b>366</b>	Agent Centres
<b>680</b>	Employees
<b>Credit Rating</b>	Long Term <b>A2</b> Short Term <b>ST-2</b>

**229,765** Deposit Accounts  
**3,219** Loan Accounts  
**131,592** Agent Banking Accounts  
**15,605** Debit Cards  
**1,659** Credit Cards  
 Total Deposits Taka **54,954** million  
 Total Loans & Advances Taka **38,070** million  
 Agent Banking  
 Transaction Amount Taka **332** million  
 Total Assets Taka **72,915** million  
**44** Branches  
**43** Own ATMs  
**366** Agent Points  
**551** Employees

**Credit Rating** Long Term **A1**  
 Short Term **ST-2**



**297,530** Deposit Accounts  
**3,347** Loan Accounts  
**190,665** Agent Banking  
**33,543** Accounts Debit Cards  
**3,406** Credit Cards  
 Total Deposits Taka **58,629** million  
 Total Loans & Advances Taka **41,838** million  
 Agent Banking  
 Transaction Amount Taka **507** million  
 Total Assets Taka **79,557** million  
**46** Branches  
**45** Own ATMs  
**457** Agent Points  
**613** Employees

**Credit Rating** Long Term **A1**  
 Short Term **ST-2**

# Glimpse of the Eighth Annual General Meeting



# Notice of the **Ninth Annual General Meeting**

Notice is hereby given to all Members of Modhumoti Bank Limited that the Ninth Annual General Meeting of the Members of the Company will be held on Saturday, the 18<sup>th</sup> June 2022 at 12:30 p.m. at Radisson Blu Dhaka Water Garden to transact the following businesses and adopt necessary resolutions:

## **AGENDA**

- a) To receive, consider and adopt the Audited Financial Statements for the year ended on 31<sup>st</sup> December 2021 together with Directors' Report and Auditors' Report thereon.
- b) To declare dividend for the year ended on 31<sup>st</sup> December 2021.
- c) To elect/re-elect Director(s).
- d) To appoint Auditor(s) for the term until conclusion of the next Annual General Meeting and to fix their remuneration.
- e) To transact any other business with the permission of the Chair.

By order of the Board of Directors

June 02, 2022  
Dhaka

Sd/-  
**Ashutosh Talukder**  
Company Secretary

## **Notes:**

- a. The Register of Members and Share Transfer Books of the Company shall remain closed from 02 June 2022 to 18 June 2022 (both days inclusive). The Members whose names appear in the Register of the Company shall attend the AGM and qualify for dividend.
- b. Any Member of the Company entitled to attend and vote at the general meeting may appoint a Proxy to attend and vote on his/her behalf. No person shall be appointed a Proxy who is not a Member of the Company and qualified to vote save that a company being a Member of the Company may appoint as its representative any person whether Member of the Company or not. The Proxy Form duly filled in and signed by the Member and stamped, must be submitted at the Registered Office of the Company at least 48 (forty eight) hours before the meeting.
- c. The Board of Directors has recommended cash dividend @ 15.00%, i.e., at the rate of Tk.1.50 against per share of Tk.10.00 each.
- d. Election of Directors shall be dealt in accordance with the provisions of the Articles of Association of the Company and the relevant rules/circulars of the regulatory authorities.
- e. Appointment of Auditor(s) shall be dealt in accordance with the provisions of the Articles of Association of the Company and the relevant rules/circulars of the regulatory authorities.
- f. A Member may join the Meeting virtually and the participation process will be notified in details to the respective Member's email address and by SMS. Members are requested to notify the change of address, email address or cell number, if any, well in time.

# Our Approach to Integrated Report

Integrated Reporting aims to improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital and to support integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long term. Integrated reporting primarily focus on establishing a correlation between a Bank's business activities and its impact on society in terms of 'value addition'.

We are gradually moving towards presenting our Annual Report in the form of an 'Integrated Report' for our stakeholders. The main objective of our integrated reporting approach is to enable our stakeholders, including investors, to make a more informed assessment of the value of Modhumoti Bank and its prospects as this report is organized around our story of value creation.

Our Integrated Report gives a clear indication of the following aspects:



Modhumoti Bank always follows the principles of good governance, responsible banking and values-based financial intermediation while operating its business model which ultimately help for attaining sustainable growth for all stakeholders. The key aspects of our value creation process which are the different forms of capital that provide the inputs, business domains and the value creating activities that result outputs, outcomes and impacts. It also covers risk and the aspect of conformance. In totality, this report ensures accurate measurement of operational, financial and sustainable performance against our strategy and the matters we consider to be most material to the sustainability of our Bank, in a concise manner that ensures comparability with the industry and beyond.

## Scope and Boundaries of this Report

The report covers the period from January 01, 2021 to December 31, 2021 which encompasses the activities that have been carried out within the geographical boundaries of Bangladesh, as Modhumoti Bank does not have operation or subsidiary in other countries. We have referred to the guidelines of Integrated Report, issued by the Institute of Chartered Accountants of Bangladesh (ICAB) in the form of 'Integrated Reporting Checklist', which is in congruence with the integrated reporting framework prototype issued by the International Integrated Reporting Council (IIRC). We are continuously expanding our sustainable business model to develop a value-based culture that enables us to

## Standards, Relevant Laws & Regulations we follow

- » Integrated Reporting Integrated Reporting Framework of the International Integrated Reporting Council (IIRC).
- » Governance, Risk management and operations
  - Bank Companies Act 1991 (as Amended up to the date)
  - BSEC Ordinance 1969
  - Corporate Governance Code by BSEC in 2018
  - Bangladesh Bank's guideline
- » Financial Reporting
  - International Financial Reporting Standards (IFRS)
  - International Accounting Standards (IAS)
  - Bangladesh Bank Circulars & Guidelines

serve our customers, to make a significant contribution to society, to reward shareholders and to protect the Bank from the reputational damage associated with both systematic & unsystematic risks.

In clarifying the Company's operations and financial performance we have extracted the financial information from the Audited Financial Statements for the calendar year ended 2021 with relevant comparative information. The financial statements consistently comply with the mandated requirements of the laws applicable in Bangladesh. There is no significant change regarding scope, boundary and reporting basis. The data & information presented in this report is on the same basis as the 2020 in terms of measurement methods, explanation of any restatement of information, time frames and entities.

- » Sustainability Reporting
  - GRI Standards
  - United Nations Sustainable Development Goals (SDGs)
- » Additional Reporting
  - International Standards on Auditing (ISAs)
  - The Income Tax Ordinance 1984
  - Relevant rules and regulations of Bangladesh Bank (The Central Bank) VAT Act 2012
  - Other applicable rules regulations of the land

### Guiding Principles of Integrated Report:



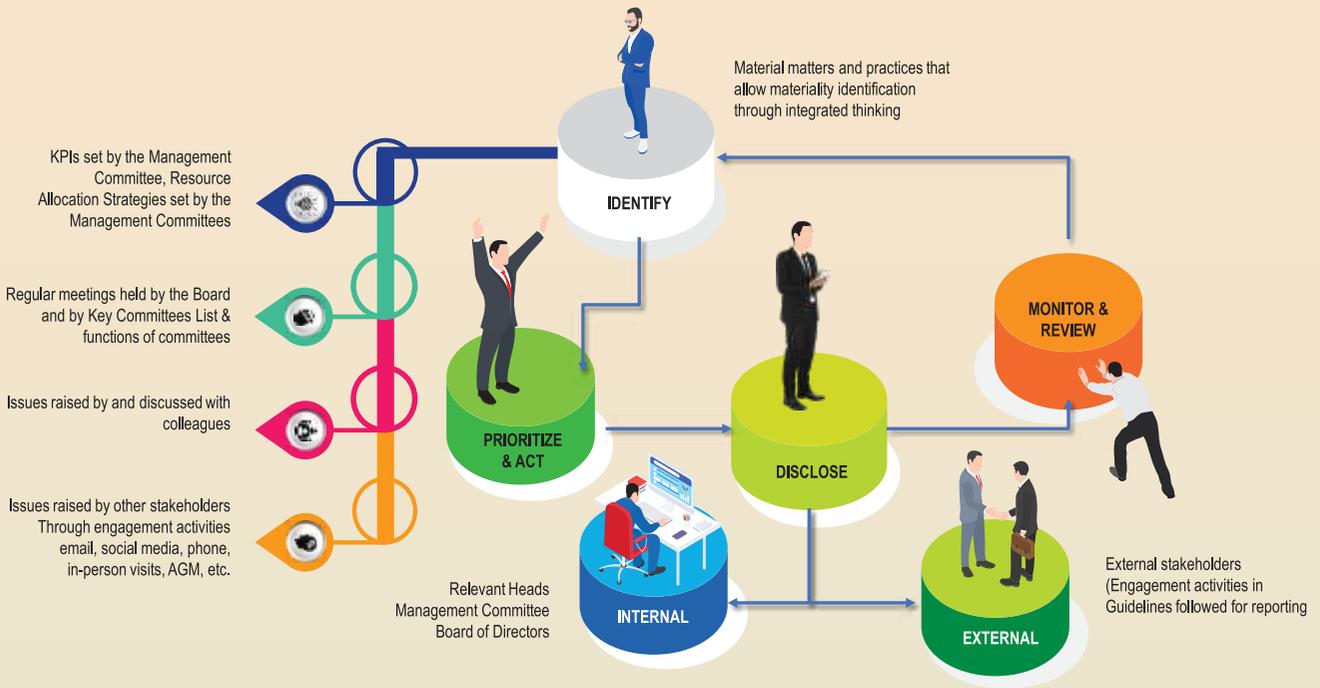
### External Assurance

The Bank has obtained external assurance on the following reports in the reporting period under consideration:

Sl. No.	Description of Report	External Assurance
1	Financial Statements Audit Report	MABS & J Partners, Chartered Accountants, an independent member firm of Nexia International, UK.
2	Provident Fund Financial Audit	MABS & J Partners, Chartered Accountants
3	Gratuity Fund Financial Audit	MABS & J Partners, Chartered Accountants
4	Credit Rating	Credit Rating Agency of Bangladesh Limited (CRAB)

## Materiality Determination

An integrated report always discloses information about matters that substantively affect the organization’s ability to create value over the short, medium and long term. The materiality determination process at Modhumoti Bank begins with Integrated Thinking. We actively consider the relationships between our various operating and functional units and the capitals we use. As such, we are well-equipped to appropriately identify and disclose information on matters that substantively affect our ability to create value over the short, medium and long term, without affecting our competencies.



## Materiality determination for disclosures to various stakeholders



### **Availability of the Annual Report**

The hard copy of the Annual Report is sent to all the shareholders prior to holding the Annual General Meeting, giving due period of notice. Separately, for the benefit of all stakeholders, our report has been made available in the website <http://www.modhumotibankltd.com>.

### **Responsibility and the Integrity of this Integrated Annual Report**

I, as Managing Director & CEO of Modhumoti Bank Limited acknowledge that reasonable care has been taken in preparation and presentation of this Integrated Annual Report to preserve the disclosure contained in the Report presented herewith which comprises the discussion, analysis and disclosures pertaining to stewardship, which should be read in conjunction with the audited financial statements for the year 2021. The role of stewardship brings upon it an obligation to be transparent and accountable, which is thoroughly recognized in this Integrated Annual Report. Furthermore, we agree that this Integrated Annual Report has been prepared in accordance with the Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC) and it addresses the material matter pertaining to the long term sustainability of the Modhumoti Bank and present fairly the integrated performance of the Bank and the impacts thereof.



**Md. Shafiqul Azam**  
Managing Director & CEO

# VISION



**SOLUTION**



**DEVELOPMENT**



**PERFORMANCE**



**INNOVATION**



**LEADING**



Our vision is to lead the new generation of local commercial banks by excelling in customer delivery through insight empowered employees, smart use of technology and a full range of highest quality products and services.

# MISSION



- Fast customer service
- Maintain sustainable growth
- Follow strong business ethics
- Offer quality financial services with latest technology
- Provide smooth return on shareholder's equity
- Attract and retain qualified human resource
- Maintain Corporate Social Responsibility
- Explore un-banked areas

## CORE VALUES

-  **Ethics**
-  **Transparency**
-  **Teamwork**
-  **Innovation**
-  **Responsibility**
-  **Customer Centricity**



## Our Commitment

- Focus on customers' satisfaction
- Committed to deliver best financial services to
  - Retail
  - Small and Medium Enterprises (SMEs)
  - Corporate
  - Government and
  - Individual clients
- Planning strategies to meet the upcoming demands of the market
- Catering high degree of professionalism and use of modern technology
- Creating and maintaining long-term relationship based on mutual trust
- Sharing the values and beliefs of our customers
- Grow as our customers' grow
- Offering competitive pricing with no hidden costs
- Ensuring safety and security of the valuables of our customers put in trust with us.

## Culture

Our Culture is expressed in the phrase 'creating opportunities to rise'. We understand that our ability to succeed ultimately depends on our culture, our strategies at all levels, compliance to stewardship and responsibility. As an important determinant of the culture, we wish to build dynamic and engaged leadership teams who are charged with, living the Bank's values each day and holding themselves accountable and responsible for the business, celebrating success and learning from their mistakes.



## Brand

Our values underpin everything we do: Respect, Integrity, Service, Excellence and Stewardship. We support sustainable and inclusive growth by connecting the ideas, innovations and aspirations of our customers and clients to the capital that can bring them to life.

Continuously improve and promote Products and Services in a manner to create a unique experience that will be inspiring for the customers to remain connected.

## Teamwork

- We remain committed to helping to make our world more sustainable, more inclusive and more connected.
- We work together as a team based on mutual respect and dignity.
- We are passionate about constant improvement and innovation excellence and efficiency.
- We are committed to delivering outstanding performance and superior service.
- We are honest, professional and ethical in all our dealings.
- We continuously build long-term and mutually beneficial partnerships.
- We know that fulfilling our promises will build trust and create mutual respect among our stakeholders.
- We empower colleagues, motivate and engage them to do their best work, develop them and build their career and support their health and well-being.



# Corporate Profile

**46**  
Branches

**488**  
Agent Points

**2.98+ Lac**  
Depositors

**613**  
Employees

**45**  
ATMs

**01**  
OBU



Modhumoti Bank Limited (the 'Bank') is a scheduled commercial bank in Bangladesh promoted by some visionary entrepreneurs having long sound background & adequate skill & capability for leading towards success. The Bank was incorporated in Bangladesh as a public limited company under the Companies Act 1994 and established to run as per provision of the Bank Company Act 1991 to carry out banking business for serving enterprises ranging from micro, small and medium enterprises and industries to large corporate houses keeping the tagline in mind, 'Your Access to Success'.

Modhumoti Bank Limited is the only commercial bank in Bangladesh so far, who has been awarded gold dealer registration by Bangladesh Bank in 2019 and successfully opened the first Gold Letter of Credit (LC) transaction on June, 2021 in the name of a renowned gold dealers. Besides, the Bank has been operating Off-shore Banking Unit (OBU) since 2015 as permitted by Bangladesh Bank. The Bank offers services for all commercial banking needs of the customers, which includes deposit banking, loans and advances, export import financing, inland and international remittance facility etc. It may be mentioned that the Bank has commenced its banking operation on September 19, 2013 focusing to be a responsible bank, which is not limited just to a stable financial institution with quality products, but also becoming an integral part of the community, help others go ahead for positive changes and improve the life of people around by providing stakeholders the highest level of stability, reliability, honesty and quality of services through practicing standard principles in accordance with the guidelines by Bangladesh Bank.

Since inception the Bank has been running its banking operation following the Bank Companies Act 1991 (as amended up to the date), Central Bank's (Bangladesh Bank) Regulations, Bangladesh Securities and Exchange Commission (BSEC) Rules & Regulations and all other laws & rules applicable in Bangladesh. The Bank is being run by a competent 'Management Team' under supervision of a strategic Board of Directors having passion to be a leading bank of the country. The Bank has 46 branches and 1 Off-shore Banking Unit as on 31 December 2021, covering all the administrative divisions of the country. The Bank has already established 457 Agent Centres in UDCs under Agent Banking Operation with a view of financial inclusion.

Modhumoti Bank Limited is working to build a solid base of its asset portfolio which will be reflected in its 'strong balance sheet'. Maintaining capital adequacy, asset quality, strengthening liquidity position and adopting risk mitigation measures against market risk, interest rate & other Pillar -2 risks are the main parts of its business objectives.

The Bank has been continuing its operation since inception with an aim to become a safer, more agile and customer focus organization whilst increasing profitability. We are creating a responsible business model that will always meet customers' needs and a culture where everyone puts customers first. We aim to serve all our customers with the best manner which is truly fair and inclusive, making it easy for them to find, understand and access products that are right for them, whatever their circumstances.

We are working together to help people rise, which will certainly be the key to our long-term success and to fulfilling our aim to attain the position as the best private commercial Bank for all stakeholders.

### Corporate Information

Legal Status	Public Limited Company
Date and Place of Incorporation	June 04, 2013, Dhaka, Bangladesh
Date of Commencement of Business	June 04, 2013
Banking License No. and date of obtaining banking license from Bangladesh Bank	weAviwcwW(wc-3)745(64)/2013-2737 June 09, 2013
Registered Office	Banglar Bani Bhaban, 81 Motijheel C/A, Dhaka-1000
Head office	Khandker Tower (Level 7 & 8) 94 Gulshan Avenue, Dhaka-1212 Email: info@modhumotibankltd.com Phone: 02-5506 8910

Chairman, The Board of Directors	Mr. Humayun Kabir
Chairman, Audit Committee of the Board	Mr. Shaikh Salahuddin, MP
Chairman, Executive Committee of the Board	Barrister Sheikh Fazle Noor Taposh
Chairman, Risk Management Committee of the Board	Mr. Mostafa Kamal
Managing Director & CEO	Mr. Md. Shafiul Azam

BIN	000001507-0202 dated 01.11.2019
VAT Registration	19011088268-Area Code 190101
Tax -Payer Identification Number	718496557566/LTU/Dhaka

Auditors	M/s. MABS & J Partners, Chartered Accountants
Credit Rating Agency	Credit Rating Agency of Bangladesh Limited (CRAB)
Legal Retainer	Barrister Ali Asif Khan, Hossain & Khan Associates
Tax Consultant	M/s. ACNABIN, Chartered Accountants

### Capital Information

Authorized Capital	Taka 20,000.00 million
Paid-up Capital	Taka 5,257.38 million
Face Value of Each Share	Taka 10.00
No. of Outstanding Shares	525.74 million
Shareholding Pattern	Wholly owned by the Sponsors

## Deposit and other liabilities

In million Taka

Particulars	2021	2020
Deposit from Banks	1,480.00	1,120.00
Deposit from Customers	57,149.02	53,833.72
<b>Total</b>	<b>58,629.02</b>	<b>54,953.72</b>

## Capital to risk-weighted assets ratio (CRAR)

Particulars	2021	2020
Tier-I Capital	8,250.24	8,027.09
Tier-II Capital	1,088.84	839.04
Total Capital	9,339.08	8,866.13
Risk weighted assets	51,743.29	49,702.35
CRAR	18.05%	17.84%

## Rating Information

Particulars	2021	2020
Long-Term	A1	A1
Short-Term	ST-2	ST-2

## Human Capital

Gender	2021	Percentage	2020	Percentage
Male	511	83%	456	83%
Female	102	17%	95	17%
<b>Total</b>	<b>613</b>	<b>100%</b>	<b>551</b>	<b>100%</b>

## Accreditation & Membership

- Association of Anti-Money Laundering Compliance Officers of Banks in Bangladesh (AACOBB)
- Association of Bankers Bangladesh (ABB)
- Bangladesh Association of Banks (BAB)
- Bangladesh Foreign Exchange Dealers Association (BAFEDA)
- Bangladesh Financial Intelligence Unit (BFIU)
- Bangladesh Institute of Bank Management (BIBM)
- Bangladesh Money Market Dealers Association (BAMDA)
- Bankers Almanac
- Institute of Bankers Bangladesh (IBB)
- Society for Worldwide Interbank Financial Telecommunication (SWIFT)

# Major Events in 2021



## Branch Opening

Faridganj Branch, Chandpur  
Habiganj Branch, Sylhet

June 07, 2021  
June 22, 2021

## Celebration

8<sup>th</sup> Anniversary of Modhumoti Bank Limited  
46<sup>th</sup> Martyrdom Anniversary and National Mourning Day of the Father of Nation  
Bangabandhu Sheikh Mujibur Rahman and Tree Plantation Program

June 06, 2021  
August 16, 2021

## Significant Meeting

Annual Business Conference-2021  
Eighth Annual General Meeting  
Annual Risk Conference-2021

January 23, 2021  
June 29, 2021  
November 06, 2021

## Significant Agreement

MoU with Shahabuddin Medical College Hospital  
Bangladesh Bank for refinance fund for Technology Development  
of Export Oriented Industries  
MoU with National Housing Authority  
MoUs with Labaid Cancer Hospital and Super Speciality Center  
MoU with iSON Health

March 22, 2021  
April 01, 2021  
June 23, 2021  
October 14, 2021  
October 27, 2021

## Business Partnership

Partnership agreement with Akash DTH  
MoU with Dhanshiri Communication Limited  
MoU with Electro Globe  
MoU with Smart Printing Solutions Limited  
MoU with Neeshorgo Hotel & Resort Ltd.  
MoU with Modhumoty Business Development Limited

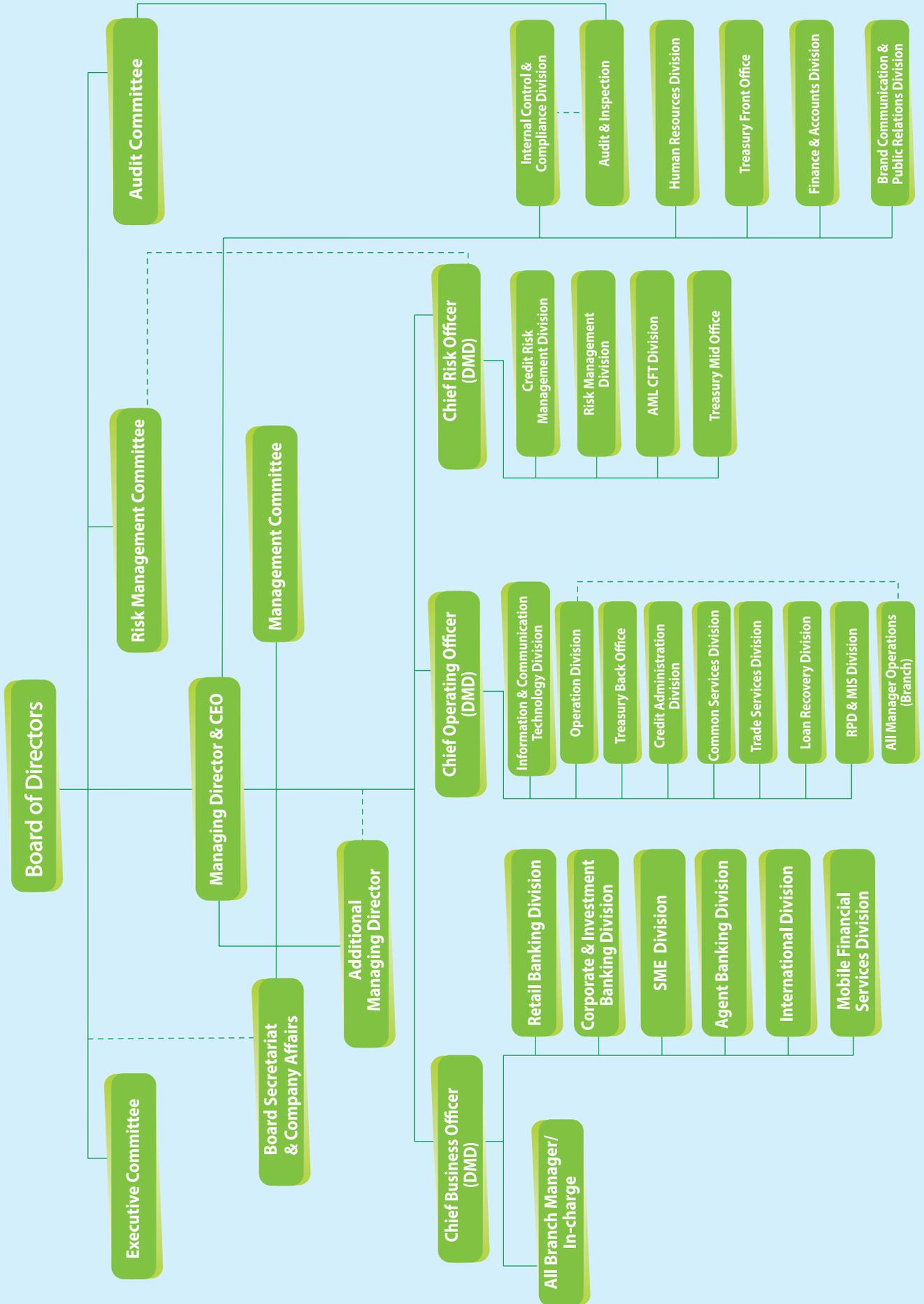
February 02, 2021  
March 22, 2021  
March 23, 2021  
March 28, 2021  
October 06, 2021  
October 31, 2021



Modhumoti Bank Limited has been rated by Credit Rating Agency of Bangladesh (CRAB) based on financials of the Bank for the year ended December 31, 2020. The details of the rating are as under:

Surveillance Rating		Explanation
2019	2020	
Long Term <b>A2</b>	Long Term <b>A1</b>	Modhumoti Bank Limited has been rated in the category of A1 for long term indicating that the corporate entity has strong capacity to meet financial commitment/ obligations.
Short Term <b>ST-2</b>	Short Term <b>ST-2</b>	Modhumoti Bank Limited rated as ST-2, which indicates strong capacity for timely repayment of obligations. The rating as such denotes that the bank is on a very sound and strong footing in terms of its liquidity base, internal fund generation capacity and also having access to alternative sources of arranging funds.
Outlook <b>Stable</b>	Outlook <b>Stable</b>	Stable outlook implies that the bank is on the consistent growth trajectory having prospect of further progression with sustainability.
<b>Date of Rating</b>		<b>June 10, 2021</b>
<b>Validity</b>		<b>Up to June 30, 2022</b>

# Corporate Organogram



# **BOARD OF DIRECTORS & MANAGEMENT PROFILE**



# The Board of Directors in Meetings



## Composition of the **Board of Directors**

Mr. Humayun Kabir	Chairman
Mr. Shaikh Salahuddin, MP	Vice-Chairman
Mr. Sheikh Fazle Noor Taposh	Director
Mr. Mohammad Ismail Hossain Representing Sharmin Apparels Limited	Director
Mr. Nemaï Kumar Saha Representing Sandhani Life Insurance Company Limited	Director
Mr. Salahuddin Alamgir	Director
Mr. Mostafa Kamal Representing Tanveer Oils Limited	Director
Mrs. Tanjima Binthe Mostafa Representing Everest Power Generation Co. Limited	Director
Mr. Humayun Kabir Bablu	Director
Mrs. Shahana Yasmin	Director
Mrs. Sultana Jahan	Director
Mr. A. Mannan Khan Representing Mango Teleservices Limited	Director
Mrs. Ferdousi Islam Representing Azbal International Limited	Director
Mr. Manwar Hossain Representing Anwar Jute Spinning Mills Limited	Director
Mr. Tanveer Ahmed Mostafa Representing Meghna Flour & Dal Mills Limited	Director
Mr. Md. Mahbubur Rahman Representing Mona Financial Consultancy & Securities Limited	Director
Mr. Didarul Alam, MP	Director
Mrs. Syeda Sharmin Hossain Representing Sharmin Fashions Limited	Director
Advocate Yusuf Hussain Humayun	Independent Director
Mr. Shaheduzzaman Choudhury, FCA	Independent Director
Mr. Md. Shafiul Azam	Managing Director & CEO (Ex-officio)

## The **Executive Committee** of the Board of Directors



**Barrister Sheikh Fazle Noor Taposh**  
Chairman



**Mr. Mostafa Kamal**  
Member



**Mr. Salahuddin Alamgir**  
Member



**Mr. Mohammad Ismail Hossain**  
Member



**Mr. Nemai Kumar Saha**  
Member



**Mr. Humayun Kabir Bablu**  
Member



**Mr. Manwar Hossain**  
Member

## The **Audit Committee** of the Board of Directors



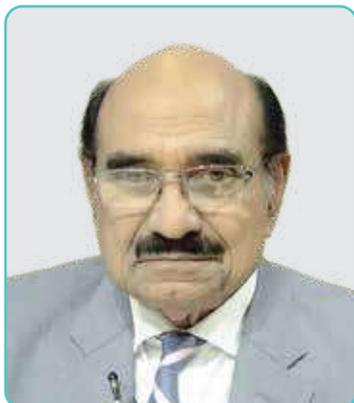
**Mr. Shaikh Salahuddin, MP**  
Chairman



**Mr. A Mannan Khan**  
Member



**Mr. Md. Mahbubur Rahman**  
Member



**Advocate Yusuf Hussain Humayun**  
Member



**Mr. Shaheduzzaman Choudhury, FCA**  
Member

# The Risk Management Committee of the Board of Directors



**Mr. Mostafa Kamal**  
Chairman



**Mrs. Sultana Jahan**  
Member



**Mr. A Mannan Khan**  
Member



**Mr. Didarul Alam, MP**  
Member



**Mrs. Syeda Sharmin Hossain**  
Member

## Profile of the **Board of Directors**



**Humayun Kabir**  
Chairman

Mr. Humayun Kabir, the Chairman of the Board of Directors of Modhumoti Bank Limited, was born in a respectable Muslim family in 1967 in Dhaka. His father Late Al Haj Amanullah Miah was a pioneer industrialist of the country and also had been the Chairman of the Board of Directors of former Al Baraka Bank Limited while Mr. Kabir was a Director.

During his long professional life, Mr. Kabir worked in different organizations in different capacities. To flourish himself in modern Management technique, he also obtained the degree of EMBA in Accounting and Finance. He is a renowned industrialist and is currently the Managing Director of Zest Agro Food Processing Limited and also the Chairman of Dhaka Ice Cream Industries Limited (Polar Ice cream), Managing Director of Northern Hatcheries Limited (Deshi Meat).

Mr. Kabir is the President of Gulshan Youth Club and also a member of Gulshan Club Limited, Kurmitola Golf Club, Dhaka and Club Shaheen. He is also a life member of Gulshan Society. Besides, he involves with different social welfare activities.

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**Shaikh Salahuddin, MP**  
Vice-Chairman

Mr. Shaikh Salahuddin was born in a respectable Muslim family in 1967 in Khulna. He is the Vice-Chairman of the Board of Directors and the Chairman of the Audit Committee of the Board of Directors of the Bank since inception. He is also a Member of Parliament in the Bangladesh National Parliament. Besides, he is the member of Standing Committee of the Parliament on Ministry of Road Transport and Bridge. His father, Late Shaikh Abu Naser was younger brother of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman.

Mr. Salahuddin is a successful businessman having vast experiences in navigation and shipping businesses. He is the proprietor of Fardin Fish, Ajmeer Navigation and Khulna Shipping Lines. He is also a sponsor shareholder of Islami Commercial Insurance Company Limited.

Mr. Salahuddin is associated with many socio-political and trade body activities. He is the former President of Khulna Nou Paribahan Malik Group for long period earlier.

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**Sheikh Fazle Noor Taposh**  
Director

Mr. Sheikh Fazle Noor Taposh, Barrister-at-Law, is the Chairman of Executive Committee of the Board of Directors of the Bank since inception. He is also the Mayor of Dhaka South City Corporation.

He completed his LL.B (Honours) with Upper Second Class from the University of Wolverhampton, U.K. in 1996 and then completed his Bar Final Course under the General Council of the Bar of England and Wales in 1997. He is a member of the Honorable Society of Lincoln's Inn, U.K. He is also a member of the Bangladesh Bar Council and has been practicing in the High Court Division of the Supreme Court of Bangladesh since 2001 and has been enrolled as an Advocate in the Appellate Division of the Supreme Court of Bangladesh in 2010. He was the lead counsel to Prime Minister Sheikh Hasina and had successfully defended her in all her cases. He was also the Counsel in the 'Bangabandhu Sheikh Mujib Murder case' before the High Court Division and the Appellate Division of the Supreme Court of Bangladesh.

He specializes in Constitutional Law (Law of Judicial Review), Commercial Litigation and Arbitration, General Corporate Practice, Banking & Insurance Law, Energy, Power, Mining and Mineral Resources, Telecommunications, Real Estate, Mergers & Acquisitions, Law of Intellectual Property and also Criminal Law. He is a Member of the International Bar Association (IBA) and a Member of the Mining Law Committee & War Crimes Committee of the IBA. He worked as Local Legal Counsel in various projects funded by the World Bank, Department for International Development of UK (DFID), Asian Development Bank (ADB) and Japan Bank of International Co- operation (JBIC). He was one of the eminent Lawyers who were called by the 'Special Committee on Amendment of the Constitution of Bangladesh' for opinion on constitutional reforms and amendment of the Constitution of Bangladesh. He has been designated by Bangladesh as a Panel Member of the International Center for Settlement of Investment Disputes (ICSID) Panels of Conciliators and of Arbitrators. He has been appointed as an Arbitrator to arbitral proceedings in commercial disputes.

He was a member of parliament in the Bangladesh National Parliament for consecutive three times. He was an International Observer in the UK General Election 2010 on behalf of the Commonwealth Parliamentary Association (UK Branch) and the Royal Commonwealth Society, UK. He was also a Member of the Senate of the Dhaka University. He is the Editor of the first Monthly English Law magazine of Bangladesh, named 'Bangladesh Legal Times'.



**Mohammad Ismail Hossain**  
Director

Mr. Mohammad Ismail Hossain, representing Sharmin Apparels Limited, was born in a respectable Muslim family in 1966 at Faridpur. He is a Member of the Executive Committee of the Board of Directors since inception.

Mr. Hossain is the Managing Director of Sharmin Group, one of the largest 100% export oriented garments industry in the country. He is also a Director of Bangladesh Chamber of Industries (BCI), an apex body of the country's trade and business. Earlier he was a Director of FBCCI.

Mr. Hossain is a life member of Gulshan Club limited, Uttara Club Limited, Kurmitola Golf Club Limited, Dhaka Boat Club Limited and India Bangladesh Friendship Club Dhaka Limited. Mr. Hossain is declared as Commercially Important Person (CIP) by the Government of Bangladesh (GOB) for his remarkable contribution in trade. Mr. Hossain is one of the few Bangladeshi entrepreneurs to receive 'Socrates Award' and Manager of the year for his contribution in RMG Sector.



**Nemai Kumar Saha**  
Director

Mr. Nemai Kumar Saha, representing Sandhani Life Insurance Company Limited, was born in a respectable Hindu family in 1965 in Narail. Currently he is serving Sandhani Life Insurance Company Limited as Chief Executive Officer. He obtained Master of Commerce in Accounting from Govt. Jagannath College under Dhaka University.

He is a Member of the Executive Committee of the Board of Directors since inception of the Bank.

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**Salahuddin Alamgir, CIP**  
Director

Mr. Salahuddin Alamgir, CIP was born in a respectable muslim family in Tangail. He is a BMA Graduate and one of the most promising Entrepreneurs and committed Business Personalities. He is the Chairman & CEO of Labib Group which is involved in various Businesses in Bangladesh like Textile, Sweater, Dyeing, Banking, Leasing, Electronics, IT, Packaging, Poultry, Fisheries, Cattle Farm etc. and he has been running all his Business Concerns with good reputation, honest credibility and satisfactory turnover for last 23 years.

And based on his excellent Business Records and significant contribution to the Commerce, Industry & Economy of Bangladesh, Mr. Salahuddin Alamgir has been awarded with different National & International Recognitions. Even being a Credible & Committed Business Professional, Mr. Salahuddin Alamgir is elected, nominated and associated with different Associations & Institutions. Besides his respective Businesses, Mr. Salahuddin Alamgir is involved in various Social Works & Activities also. Currently he is the Vice-President of FBCCI and President of BDYEA.

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**Mostafa Kamal**  
Director

Mr. Mostafa Kamal, representing Tanveer Oils Limited, was born in a respectable Muslim family in 1955 at Chouddagram, Cumilla. He is the Chairman of the Risk Management Committee and also a Member of the Executive Committee of the Board of Directors of the Bank.

Mr. Kamal started career with trading in the year 1976 and became a successful importer within a very short span of time. In 1989 he set up industries and subsequently became a successful and a leading entrepreneur of the country establishing as many as 35 major industries of different categories under flagship of Meghna Group of Industries including heavy industries like cement, chemical, shipbuilding, steel, power generation etc.

Mr. Kamal is entrusted with various positions in business arena. He has engaged himself in numerous social welfare activities to uplift the socio-economic condition of people and uphold the cause of humanity in the society. He also established a number of educational institutions to disseminate education in his locality. He is embellished with numerous awards from home and abroad for his outstanding leadership and positive role in contributing to the country's economic growth and employment generation.

---



**Tanjima Binthe Mostafa**  
Director

Mrs. Tanjima Binthe Mostafa, representing Everest Power Generation Company Limited, is a Director of Meghna Group of Industries (MGI), one of the largest and leading business conglomerates of Bangladesh. She is the daughter of Managing Director of the Group, Mr. Mostafa Kamal, one of country's most prominent industrial entrepreneur and philanthropist.

Mrs. Tanjima obtained her Bachelor's degree from Babson College, Boston in 2009 in Marketing and Economics. After completing her degree she actively joined to the Board of the Directors of Meghna Group in 2009. She is a young, energetic and capable director being engaged in the growth and development of the company. Moreover, she has developed such skill and ability to manage and monitor the day to day business affairs of the group. Her contributions have been instrumental in bringing efficiency as well as running everyday operation of the group smoothly shoulder-to-shoulder with her entrepreneur father.

She was awarded 'Best Younger Entrepreneur' of the Year 2010, an award handed over by Lt. Col. (Retd.) Mohammad Faruk Khan, then Hon'ble Minister, Ministry of Commerce, Government of the People's Republic of Bangladesh, as a part of her recognition in the field of business and industry.

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**Humayun Kabir Bablu**  
Director

Mr. Humayun Kabir (Bablu) is graduated from California State University, Los Angeles, CA, USA in 1996 in Production & Operation Management. He is a Director of Bengal Group of Industries and Managing Director of Bengal Media Corporation Limited (RTV). He is a member of the Executive Committee of the Board of Directors since inception of the Bank.

Mr. Kabir is declared as Commercially Important Person (CIP) by the Government of Bangladesh (GOB) for his remarkable contribution in exports. He is the eldest son of Mr. Morshed Alam, Member of Parliament from Noakhali 2.

Mr. Kabir is associated with different social and trade bodies. He is a member of the Executive Committee of Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA) and Bangladesh Auto Biscuit & Bread Manufacturers Association (BABBMA); member of FBCCI, BGMEA, BKMEA and BASIS. Mr. Kabir is actively involved in a numerous social welfare activities.

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**Shahana Yasmin**  
Director

Mrs. Shahana Yasmin was born in a respectable Muslim family in 1968 in Khulna. Her grandfather Late Professor Sanaullah was principal of Hoogly Mohsin College, West Bengal. Mrs. Yasmin obtained M. Com. in Accounting. She is engaged in business since long. She is proprietress of Farzan Fishing and Haraj Market (2nd floor), Khulna.

Mrs. Yasmin is also associated with many philanthropic activities and travelled many countries. She is a member of the Management Committee of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman Memorial Trust.

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**Sultana Jahan, CIP**  
Director

Mrs. Sultana Jahan, CIP was born in a respectable Muslim Family in Chandpur. She is the Vice-Chairman & Director of Labib Group, which is involved in various Businesses in Bangladesh like Textile, Sweater, Dyeing, Banking, Leasing, Electronics, IT, Packaging, Poultry, Fisheries, Cattle Farm etc. for last 23 years. She is a Member of the Risk Management Committee of the Board of Directors of the Bank.

Beside her businesses activities, Mrs. Sultana Jahan is involved in various social works & activities. She is extending her helping hand to the old aged people as well as other distressed humanities in various forms like scholarship to the students, clothing to the cold affected people, food to the flood affected people, monetary welfare to the underprivileged children/people and various religious & educational institutions.

Mrs. Sultana Jahan is also a Member of Kurmitola Golf Club, Baridhara Society, Gulshan Society and NDC Alumni.

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Mr. A. Mannan Khan, Chairman of Mango Teleservices Limited, was born in 1966 at Singair, Manikganj. He graduated from Tianjin University of China in Computer Engineering and post-graduation in Telecommunication. He is a Member of the Audit Committee of the Board of Directors since inception of the Bank.

After returning from China, he started business as Chairman in Communication Solutions Limited (CSL) and contributed substantially to the nation undertaking many world class office automation solution and innovative projects. Later on, in 2007, he established Mango Teleservices Limited, the first private sector International Internet Gateway (IIG) of the country and connected the country with the rest of the world. He also ventured into the business of voice network and established Platinum Communications Limited as an International Gateway, and Purple Telecom Limited as an Interconnection Exchange.

Recently Mr. Khan has initiated the electrical vehicle manufacturing plant in Bangladesh under the name of Bangladesh Auto Industries Limited, which is first of its kind in the country and also lithium-ion battery manufacturing plant named as Bangladesh Lithium Battery Limited. Mr. Khan is also the Chairman of HKGE Consortium Limited who are implementing 35MW Solar Power Plant in the country.

Mr. Khan is the founder Chairman of Baira College, Singair, Manikganj, which was established in 1994. He is also the Managing Partner and Chairman of the governing body of Playpen which is an English Medium School catering the urban people and offering world-class education up to A level to about 2000 students in Dhaka City. He has attended many workshops/ seminars at home and abroad. In personal life, Mr. A. Mannan Khan is married and the proud father of a son and a daughter.

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**A. Mannan Khan**  
Director



**Ferdousi Islam**  
Director

Mrs. Ferdousi Islam, representing Azbal International Limited, was born in a respectable Muslim family in 1965 in Narsingdi. She obtained M.A. degree from University of Dhaka in 1990. She is the Chairman of Azbal International Limited. She is also the Chairman of China-Bangla Ceramic Industries Limited, United Progressive Dredging Limited, Managing Director of Trustee Securities Limited and Director of Northern General Insurance Company Limited and United Shipping Lines Limited.

Mrs. Islam is also associated with many philanthropic activities and travelled many countries.

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A prominent Executive Committee member of the Board of Directors, Mr. Manwar Hossain has successfully continued to carry on the legacy of the empire built by his father, the iconic business philanthropist, Al-Hajj Anwar Hossain.



**Manwar Hossain**  
Director

Mr. Manwar Hossain started his journey in Anwar Group of Industries after finishing his BBA and MBA from University of Hampshire in 1992; today he guides the conglomerate of 180 years of business legacy as the Chairman of the group. A 30 years veteran in the Banking Industry, Mr. Manwar has also been Director of City General Insurance Company Limited, BD Finance Securities Limited, and BD Finance Capital Holdings Limited; he is also the Chairman of Bangladesh Finance & Investment Company Limited, the former Chairman of Bangladesh Commerce Bank Limited and the Vice Chairman of City Bank Limited.

Besides leading the steel and cement sectors of Bangladesh as the President of Bangladesh Steel Manufacturers Association (BSMA Bangladesh) and Former Senior Vice President of Bangladesh Cement Manufacturers Association (BCMA), Mr. Manwar Hossain additionally has played an imperative role as the Director of Dhaka Chamber of Commerce & Industry (DCCI).

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**Tanveer Ahmed Mostafa**  
Director

Mr. Tanveer Ahmed Mostafa, representing Meghna Flour & Dal Mills Limited, is a director of Meghna Group of Industries (MGI), one of the country's most highly acclaimed business conglomerates.

He completed his High School from the American International School Dhaka in 2010. He later went on to complete his undergraduate from the University of Wales, United Kingdom, in Bachelor of Science (Hons) with a major in Business and Management.

He is a big believer in technological innovation-led development to increase efficiency within the work environment and the fostering of overall organizational growth. He is the leading force behind the implementation of IT-based solutions to modernize the business activities and process efficiency within the company, spearheading the Research, Development and Innovation department of MGI.

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**Md. Mahbubur Rahman**  
Director

Mr. Md. Mahbubur Rahman, representing Mona Financial Consultancy and Securities Limited, is an MBA, major in Finance & ITP. He is a member of Dhaka Tax's Bar Association. He was born in a respectable Muslim family in 1970 at Mandari, Lakshmipur.

He is a Member of the Audit Committee of the Board of Directors of the Bank.

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**Didarul Alam, MP**  
Director

Mr. Didarul Alam, MP is a prominent innovative and successful businessman in the country, born in a glorious and highly respectable Muslim family of North Kattali, Pahertali, Chattogram. He is a member of the Parliament of the country. He is also a member of the Risk Management Committee of the Board of Directors of the Bank.

Mr. Alam holds a Bachelors Degree in Arts. He has started his glorifying business career in the field of ship breaking following long history of family-run business. He has expanded his businesses in many dimensions. He played a vital role in different companies, i.e., Taseen Steels Limited, Silk Line Travels, Kadam Rasul Steel Ship Breaking Limited, A Razzak Dobush & Sons Limited, Amena Fishing Limited, TR Ship Breakers Limited, Golden Bricks Limited, Kumira Ship Breakers Limited, Mostafa Hakim Shipping Lines Limited, Golden Auto Workshop Limited, Golden Oxygen Limited, Taher & Company Limited, Golden Ispat Limited, Alhaj Mostafa Hakim Cement Industries Limited, Alhaj Mostafa Hakim Housing and Real Estate Limited, Didarul Alam & Brothers and S.B. Corporation, DAB Filling Station etc. at different capacities, such as Chairman, Managing Director & Director of the Board. He was also a Sponsor Director of Bangladesh Finance Limited.

Mr. Alam is associated with different social and trade bodies. He played a vital role as a Former Director of Chittagong Chamber of Commerce and Industry (CCCI). He actively associates with several distinguished educational and socio-cultural organizations including Alhaj Mostafa Welfare Foundation. He is a life member of Bhatihary Golf & Country Club and Chattagram Club Limited. Mr. Alam traveled widely across the globe covering most of the countries of Asia, Europe and North America.

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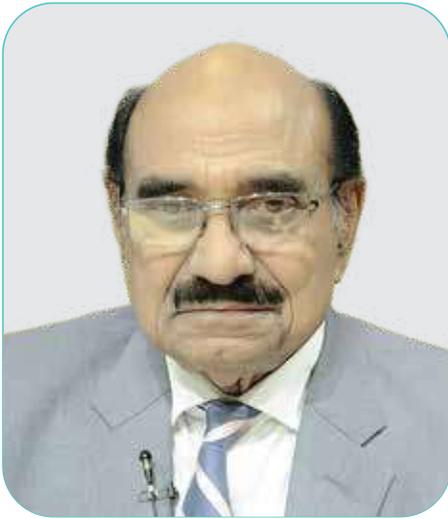


**Syeda Sharmin Hossain**  
Director

Mrs. Syeda Sharmin Hossain, representing Sharmin Fashions Limited, was born in a respectable Muslim family in 1984 at Dhaka. Mrs. Hossain is a Director of Sharmin Group, one of the largest 100% export oriented garments industry in the country.

Mrs. Hossain is permanent member of Gulshan Club Limited and also associated with many philanthropic activities and travelled many countries.

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**Yusuf Hossain Humayun**  
Independent Director

Mr. Yusuf Hussain Humayun, Senior Advocate, Supreme Court of Bangladesh was born in a respectable Muslim family in 1936. His father was a lawyer of Barishal Bar. He was enrolled as an Advocate in 1996. Initially he joined as an Advocate in Barishal Bar and he was the president of the Bar from 1983-1985. In 1992 he came back to Dhaka and became a regular practicing lawyer of Supreme Court. During his long professional life he became President of Bangladesh Supreme Court Bar Association in 2016. He is presently the Vice-Chairman of Bangladesh Bar Council. He has joined the Bank as an Independent Director in 2020 and is also a member of the Audit Committee of the Board.

Mr. Humayun obtained LL.B Degree from University of Dhaka, he obtained Master of Arts in Political Science. He was involved with politics since his student life and while studying in Dhaka University, as Secretary of Students League, D.U. Unit got close to Bangabandhu. Inspired by the spirit of independence, as a young lawyer in 1971, he organized people to participate war of liberation and formed public opinion in different villages of Barishal and worked to spread the spirit of independence among the Bengalis. He was elected as a Member of Parliament from Bhola-2 constituency in 1973 in the seat vacated by Bangabandhu. Presently he is also a member of the Advisory Council of Bangladesh Awami League. He used to write columns in newspapers, especially on contemporary issues.

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**Shaheduzzaman Choudhury, FCA**  
Independent Director

Mr. Choudhury has more than 25 years of experience in financial management and controllership function. He has diverse work experience in different organizations including the development sector, manufacturing and service industry. He joined the Bank as an Independent Director in 2020 and is also a member of the Audit Committee of the Board.

Mr. Choudhury is a Chartered Accountant with post-graduation in Finance and Entrepreneurship. He is experienced in building robust teams, process automation, business process reengineering and setting up ERP; specialized in setting up controls in both financial and operations processes. He worked in multi-cultural environments and led a regional Finance team also, established highly value adding FP&A function. He was involved in several acquisitions and a close out. Also experienced in setting up a new plant from scratch.

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**Md. Shafiu Azam**  
Managing Director & CEO

Mr. Md. Shafiu Azam has been continuing as Managing Director and Chief Executive Officer (CEO) of Modhumoti Bank Limited since 2016. Joined as Additional Managing Director in 2014, Mr. Azam, as a professional is one of the youngest Managing Director in the banking community of Bangladesh. His long and colorful career path was started back in 1991 with AB Bank Limited as Probationary Officer. With the progression of time and experience, Mr. Azam later took new challenge and joined Shahjalal Islami Bank Limited, the then newly formed 3<sup>rd</sup> generation bank in Bangladesh and gradually by dint of his hard work coupled with honesty and sincerity; he became the Deputy Managing Director of the Bank within very short span of time. A highly connected, positive minded, talented, customer centric banker, Mr. Azam possesses more than 31 years banking experience where he discharged responsibilities in different capacities including Head of Corporate at Head office & Branch Manager/ Deputy Manager of major corporate Branches like Motijheel, Dhanmondi, Karwan Bazar, Mohakhali & Gulshan in his previous banks. He has been awarded several times for achieving outstanding performance and measurable contributions.

Academically, he has completed Post Graduation from the University of Dhaka in Marketing.

Mr. Azam is the proud youngest son of his former civil servant father and passed his childhood in various corners of the country, which makes Mr. Azam divergent, visionary and helps in taking prompt decision for mitigating risks related to banking activities.

He has visited many countries of the world for official purpose and enriched his experience by attending various seminars, workshops, trainings, etc. He is also associated with many social activities.

Mr. Azam is a happily married person and proud father of one daughter and a son.

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# The Sponsors



Mr. Humayun Kabir



Mr. Shaikh Salahuddin, MP



Barrister Sheikh Fazle Noor Taposh



Mr. Noor-E-Alam Chowdhury, MP



Sharmin Apparels Limited  
Rep. by Mr. Mohammad Ismail Hossain



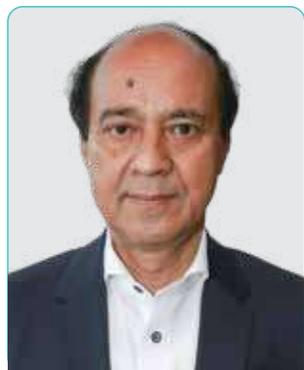
Sandhani Life Insurance Co. Limited  
Rep. by Mr. Nemai Kumar Saha



Mr. Alhaj Anwar Hossain



Mr. Salahuddin Alamgir



Tanveer Oils Limited  
Rep. by Mr. Mostafa Kamal



Anwar Jute Spinning Mills Limited  
Rep. by Mr. Manwar Hossain



Mr. Humayun Kabir Bablu

# The Sponsors



Mrs. Shahana Yasmin



Mrs. Sultana Jahan



P. N. Composite Limited  
Rep. by Mr. Tapan Kumar Saha



Mr. Abdullah Al Islam Jakob, MP



Everest Power Generation Company Limited  
Rep. by Mrs. Tanjima Binthe Mostafa



Mr. Md. Irshad Ali



Mr. Mohd Jashim Uddin



Mr. Faiz Ahmed Khan



Mr. Syed Salman Masud



Crystal Apparels Limited  
Rep. by Mr. Md. Showket Hossain



Mr. Sheikh Fazle Shams



Barrister Rahat Khalil

# The Sponsors



Barrister Imranul Kabir



Barrister Khandaker Reza-E- Raquib



Barrister Mejbahur Rahman



Barrister Khandoker Reza-e- Rabbi



Barrister Mohammad Mehedi  
Hasan Chowdhury



E. B. Solutions Limited  
Rep. by Mr. Rafiur Rahman Khan Yusufzai



Mr. Iqbal Aziz



Mr. Sk. Belal Uddin



Mona Financial consultancy & Securities Limited  
Rep. by Mr. Md. Mahbubur Rahman



Mr. Didarul Alam, MP



Meghna Flour & Dal Mills Limited  
Rep. by Mr. Tanveer Ahmed Mostafa



Mango Teleservices Limited  
Rep. by Mr. A. Mannan Khan

# The Sponsors



Azbal International Limited  
Rep. by Mrs. Ferdousi Islam



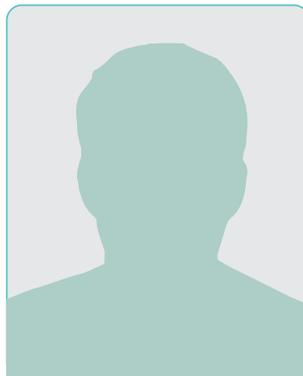
Sharmin Fashions Limited  
Rep. by Mrs. Syeda Sharmin Hossain



Mr. Hasanur Bari



Invicta Limited



Labib Dyeing Mills Limited



Mrs. Nashira Bashar

Include shareholders holding sponsor shares through transfer  
Exclude shareholders transferred entire holding

## The Senior Management & Committees



**Standing  
from left**

Mr. Shahnawaj Chowdhury, DMD & COO

Mr. Md. Shafiqul Azam, Managing Director & CEO

Mr. Arab Fazlur Rahman, DMD & CRO

### The Senior Management Team (SMT)

- Chairman : Mr. Md. Shafiqul Azam, Managing Director & CEO  
Members : Mr. Shahnawaj Chowdhury, Deputy Managing Director & Chief Operating Officer (COO)  
: Mr. Arab Fazlur Rahman, Deputy Managing Director & Chief Risk Officer (CRO)

# The Senior Management & Committees



**Standing  
from left**

Mr. Md. Shafiqur Rahman

Ms. Fahmida Saeed Saki

Mr. Arab Fazlur Rahman

Mr. Md. Mashiur Alam Mollah

Mr. Biswas Arifur Rahman

Mr. Shahnawaj Chowdhury

Mr. Ashutosh Talukder

Mr. Shaikh Mohammed Shoieb

Mr. Arif Hasan Khan

Mr. Md. Shafiul Azam

Mr. Md. Emdad Hossain

## MANCOM

- Chairman : Mr. Md. Shafiul Azam, Managing Director & CEO
- Members :
- : Mr. Shahnawaj Chowdhury, Deputy Managing Director & Chief Operating Officer (COO)
  - : Mr. Arab Fazlur Rahman, Deputy Managing Director & Chief Risk Officer (CRO)
  - : Ms. Fahmida Saeed Saki, EVP & Head of International Division
  - : Mr. Shaikh Mohammed Shoieb, EVP & Head of Trade Services Division
  - : Mr. Md. Shafiqur Rahman, EVP & Head of Human Resources Division, Member Secretary
  - : Mr. Arif Hasan Khan, EVP & Head of Corporate & Investment Banking Division
  - : Mr. Biswas Arifur Rahman, SVP & Head of Treasury
  - : Mr. Md. Emdad Hossain, VP & Head of Internal Control & Compliance Division
  - : Mr. Ashutosh Talukder, FVP & Company Secretary
  - : Mr. Md. Mashiur Alam Mollah, AVP & In-charge of Finance & Accounts Division

# The Senior Management & Committees



**Standing  
from left**

Mr. Md. Shafiqur Rahman

Mr. Arif Hasan Khan

Mr. Shahnawaj Chowdhury

Mr. Shaikh Mohammed Shoieb

Mr. Md. Shafiu Azam

Mr. Md. Mashiur Alam Mollah

Mr. Arab Fazlur Rahman

Mr. Biswas Arifur Rahman

Ms. Fahmida Saeed Saki

## Asset Liability Committee (ALCO)

- Chairman : Mr. Md. Shafiu Azam, Managing Director & CEO
- Members :
- Mr. Shahnawaj Chowdhury, Deputy Managing Director & Chief Operating Officer (COO)
  - Mr. Arab Fazlur Rahman, Deputy Managing Director & Chief Risk Officer (CRO)
  - Ms. Fahmida Saeed Saki, EVP & Head of International Division
  - Mr. Shaikh Mohammed Shoieb, EVP & Head of Trade Services Division
  - Mr. Md. Shafiqur Rahman, EVP & Head of Human Resources Division
  - Mr. Arif Hasan Khan, EVP & Head of Corporate & Investment Banking Division
  - Mr. Biswas Arifur Rahman, SVP & Head of Treasury, Member Secretary
  - Mr. Md. Mashiur Alam Mollah, AVP & In-charge of Finance & Accounts Division

# The Senior Management & Committees



**Sitting in Middle**

Mr. Arab Fazlur Rahman

**Standing  
from left**

Mr. Biswas Arifur Rahman

Mr. Arif Hasan Khan

Mr. Shaikh Mohammed Shoieb

Mr. Mohammad Mahmud Hasan

Mr. R.M. Sariful Islam

## Credit Evaluation Committee (CEC)

- Chairman : Mr. Arab Fazlur Rahman, Deputy Managing Director & Chief Risk Officer (CRO)
- Members :
- : Mr. Shaikh Mohammed Shoieb, EVP & Head of Trade Services Division
  - : Mr. Arif Hasan Khan, EVP & Head of Corporate & Investment Banking Division
  - : Mr. R.M. Sariful Islam, SVP & Head of Credit Risk Management Division, Member Secretary
  - : Mr. Biswas Arifur Rahman, SVP & Head of Treasury
  - : Mr. Mohammad Mahmud Hasan, FVP & Head of Credit Administration Division

## The Executives

### Managing Director & CEO

Mr. Md. Shafiqur Rahman

### Deputy Managing Director

Mr. Shahnawaj Chowdhury

Mr. Arab Fazlur Rahman

### Executive Vice President

Ms. Fahmida Saeed Saki

Mr. Shaikh Mohammed Shoieb

Mr. Md. Shafiqur Rahman

Mr. Arif Hasan Khan

### Senior Vice President

Mr. Mohammad Anas

Mr. R.M. Sariful Islam

Mr. Muhammad Amir Hossain Sarker

Mr. Mohammad Shanoor Siddique

Mr. Mohammad Omar Faruq Khan

Mr. Biswas Arifur Rahman

Mr. Azim Salam Khan

Mr. Abid Hossen

### Vice President

Mr. Shah Md. Humayun Kabir

Mr. Md. Kayum Zaman

Mr. Md. Emdad Hossain

Mr. Md. Kamruzzaman

Mr. Atiqul Islam Akhand

Mr. Mohammad Abu Toyab

Mr. Md. Ahsan Habib

Ms. Asma Ul Husna

Mr. Md. Moniruzzaman

### First Vice President

Mr. Md. Mahboobur Rahman

Mr. Md. Gias Uddin

Mr. Mohammad Faruk Hossain

Mr. Md. Lychur Rahman

Mr. Ashutosh Talukder

Mr. Mohammad Mahmud Hasan

Mr. Kazi Asif Mahubub

Mr. Md. Kawsar Ali Molla

Mr. Mohammad Abul Hasan Kabir

Mr. R.M Shuvo Rahman

Mr. Mohammad Almas Uddin Miah

Mr. Mohammad Shahadath Hossain

Mr. K.M. Murshed Kabir

Mr. S.M. Imran Alam

Mr. Mohammad Najib Ullah

Mr. Muhammad Imran Alam

Mr. Md. Mojammel Hoque

Mr. S.M. Ashikur Rahman

Mr. Md. Nazmus Sakeb

Mr. Md. Rajaul Islam

Mr. Protap Shekhor Mohanto

Mr. Md. Tofazzal Hossain

Mr. Zahid Al Muntasir

Mr. Md. Shahidul Islam

Mr. Tanushyam Sikder

### Assistant Vice President

Mr. Md. Abdus Selim

Mr. Md. Abdullah Al Mamun

Mr. Mohammad Sanowar Hossain

Mr. Md. Asfakur Rahaman

Mr. Md. Mustafizur Rahman

Mr. Dipon Chandra Roy

Mr. Md. Abdur Rahim Khan

Mr. Md. Razib-Al-Hasan Khan

Mr. Mohammed Monirul Haq

Mr. Tapos Kumer Biswas

Mr. Shajedul Hasib Shadhin

Mr. Gazi Zahidul Islam

Mr. Md. Abul Kalam Azad

Mr. Md. Touhidur Rahman

Mr. Kamrul Momin

Mr. Md. Ataul Gani

Mr. Md. Mashiur Alam Mollah

Mr. Md. Ashiqur Rahaman

Mr. Bablu Khan

Mr. Md. Amir Abdullah

Mr. Shahriar Akhlaq

Mr. Shahriar Rajib

Mr. Mohammad Farid Hossain Bhuiyan

Mr. Partha Protim Saha

Mr. Md. Ariful Hasan

# MESSAGES TO THE SHAREHOLDERS





# Chairman's Message

Bismillahir Rahmanir Rahim

Dear Distinguished Shareholders,

Assalamu Alaikum,

It is my honor and privilege to welcome you to the 9<sup>th</sup> Annual General Meeting of Modhumoti Bank Limited and to present before the Annual Report and Audited Financial Statements of the Bank for the year 2021. I extend my thanks and gratitude to all of you for your consistent support and cooperation in last years, especially during the challenging time of COVID-19 pandemic, when the Bank's business has been affected in many aspects alike other sectors.

I am pleased to report that though unprecedented global crisis ruined many lives and businesses and brought immeasurable hardship to all, still we have made some progresses in many areas of our business and achieved our objectives of delivering well to our valued shareholders. Thanks to able leadership of our Board of Directors and its Committees and all the members of the Management Team.

## **Economic view**

In 2021, the economy of Bangladesh started recovering from effect of Covid-19 pandemic as assumed by the experts, as a result of continued support by the Government for recovery, which is still under way in many sectors, for which growth of domestic demand has experienced. It is expected that the economy will able to maintain its macro-economic stability and growth, as

economies of our export destinations have been recovered along with adequate export order in hand.

We should agree that the Bangladesh economy has performed far better than many other similar economies and our private sector exhibited commendable resilience during the pandemic. The Government of Bangladesh has taken various measures to mitigate and manage adverse socio-economic impact of Covid-19 pandemic including providing policy support, for which positive effect has been observed from the second half of 2020. The rollout of vaccination program against COVID-19 throughout the country and reopening of businesses in export destination countries are likely to reinstate business confidence and thereby domestic and external demand. Expansionary monetary policy and fiscal stimulus would also accelerate the recovery pace. But this growth prospect may be clouded by a number of risk factors, such as the duration and severity of the ongoing pandemic, elevated global commodity prices, and unanchored inflation expectations both in the international and domestic front. As robust import growth has been observed comparatively against export growth and as inward remittance has come down, an unfavorable position in the balance of payments may be created, for which exchange rate of BDT against USD may be depreciated, which was almost stable during last couple of years.

A huge uncertainty due to the war between Russia and Ukraine has raised in the global economy at this moment, which has induced unprecedented challenges in many economies including of Bangladesh, as Russia is the third largest oil-producing country in the world. The global economy is suffering due to price hike of petroleum prices for quite some time, also effected Bangladesh being an oil-importing country, resulting pressure in high import payments, for immediate effect of which food prices have increased rapidly in recent time. It is an assumption that if the war continues for a longer period, the impact will intensify and will be spread out. In addition to fuel prices, costs of other imported products have also gone up significantly, which all will push the production costs up, resulting in higher prices for the consumers. Trade between Russia and Bangladesh may be impacted for sanctions against Russia.

## Banking industry

The year 2021 was quite critical for the banking sector of the country, as the year began with good news with an upward trend in expatriate income with a steady forex reserve, along with a healthy distribution of stimulus loans, but when the second wave of Covid-19 hit in March, quickly slowing down private sector credit, resulting accumulation of money in banks as well as fall of deposit rates, for which intervention of Bangladesh Bank was required to keep deposit rates higher than of inflation rate. In the middle of the year, interest rates on deposits fell to 2 to 3%. Recovery in private sector investment has been experienced in 2021. Situation was almost stagnant in 2020. Although there was some stagnation in the first half of the year, imports and exports later continued to increase. In December 2021, the total deposit stood at BDT 14,093,426 million, an increase of 9.21 per cent compared to the previous year. On the other hand, the total advances stood at BDT 12,675,607 million which is a growth of 10.71 per cent over the last year. As a part of Covid-19 recovery plan, the Government has provided several stimulus packages; a total of BDT 250,000 crore has been announced in two phases under 23 packages so far including debt-base incentives.

The year has been ended with increased trend of non-performing loans (NPL), which had been less haunting the past year as a result of policy-support to businesses by Bangladesh Bank. The year 2021 was started with total default loans worth BDT 88,734.06 crore, hiding behind the smokescreen of loan moratoriums. At the end of September, the total debt of the banking sector stood at over BDT 1,245,391 crore, of which BDT 101,150 crore became NPLs, i.e. 8.12% of the total debt, which indicates that defaulted loans have increased by BDT 12,416 crore in the first nine months of this year. The key profitability indicators – Return on Assets (ROA) and Return on Equity (ROE) stood at 0.48 per cent and 7.21 per cent respectively in 2021 as compared to 0.57 per cent and 5.32 per cent respectively as recorded in 2020. The banking industry has maintained a provision of BDT 661.4 billion against required provision of BDT 723.5 billion, marking a shortfall in provision of BDT 62 billion as of September 2021.

The domestic money market became volatile under import pressure as dollar prices rose sharply.

High remittance inflow, which brought relief at the beginning of the year, started to decrease by the end of June. From July to November, remittances declined continuously, which was \$1.55 billion as remittances through banking channels in November-the lowest in the last 18 months. Total remittance inflow was \$8.40 billion during the period from July to November, i.e. a 20.98% year-on-year drop. The country's foreign exchange was \$45.80 billion at the end of 2021.

## Performance of Modhumoti Bank in 2021

Since inception in 2013, we have been striving for excellence in banking through building our capacity to deliver better customer service and experience. The Bank is pursuing a well-defined growth strategy with the full support of its stakeholders and is delivering consistent results, which may be hampered in last years due to unprecedented pandemic situation.

We should admit and report to our Hon'ble shareholders that the Operating profit of the Bank has decreased to BDT 2,085 million in 2021 from BDT 2,631 million in 2020 registering decrease by 20.74 per cent, following which Net profit after tax decreased to BDT 1,127 million in 2021 from BDT 1,645 million in 2020, decreased by of 31.48 per cent, resulting decrease of EPS to BDT 2.14 in 2021 from BDT 3.13 in 2020. On the other hand, there was deposit growth for 6.69 per cent in 2021 with year-end balance of BDT 58,629.02 million and also increase in loan portfolio by registering growth of 9.90 per cent than of preceding year.

## Corporate Governance

Modhumoti Bank has always focused on applying prominent Management standards to its business, as the Bank follows a sequence of codes and charters which build the ethical foundation of Management practices. The Bank continues to adhere best practices of corporate governance of the industry to protect its stakeholders' interests by following the rules, regulations and guidelines of regulatory authorities.

I am pleased to notify that the Board of Modhumoti Bank is attentive about the compliance issues of the regulators and the Management of the Bank has reached out with their best efforts to secure and confirm the regulatory requirements. The Management of the Bank has adopted and implemented internal control and compliance culture in the organization. Many programs have been implemented to update the human resources of the Bank on the latest laws and practices to establish a sustainable bank and healthy relationships amongst stakeholders in a longer period.

The Bank has given efforts to take care of its employees since inception. The Bank took measures to keep employees safe and ensure their productivity. A new pay scale has been awarded to employees from 2021 despite pandemic challenges. The Bank continues to strive to hire and maintain a talented workforce, and always keep them motivated by offering a comprehensive career to them.

## Note of appreciations

The year 2021 has been marked as the glorious 50 years of independence of Bangladesh, as we have observed the 50 years of our existence as an independent country. On this occasion, we would like to pay our deepest respect to the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman for his unparalleled role in steering Bangladesh to its brightest moment and also to the four national leaders who played a key role in the formation of the Mujibnagar Government that guided the Liberation War in 1971. We also like to pay rich tributes to the great sons of soil, martyrs and freedom fighters, who sacrificed during liberation war and gave us an independent country as gift.

I am immensely indebted to my colleagues for their unrelenting support and prudent counsel. I would like to thank members of the Executive Committee, especially, the Chairman of the Executive Committee Barrister Sheikh Fazle Noor Taposh and also the members Audit Committee and Risk Management Committee for their commendable role in our quest for success. I express deep gratitude to all our customers, well-wishers, shareholders, regulators for their supports and invaluable guidance in our journey.

The Bank's milestones and achievements would not have been possible without the unwavering hard work, rigour and commitment of our splendid employees. I would like to recognize the contribution of the employees led by the Managing Director & CEO. We will strive together for achieving our stated goals and vision. I thank M/s. MABS & J Partners, Chartered Accountants for conducting external audit with professionalism and advising us on various issues.

May Allah help us and shower His unending blessings upon us.

With warm personal regards,



**Humayun Kabir**

Chairman

## Managing Director & CEO's Message

Bismillahir Rahmanir Rahim

Dear Patrons,

Assalamu Alaikum,

The Year 2021 marked as the 8<sup>th</sup> year of our remarkable, memorable journey, during which we have passed through and witnessed many economic volatility that the country never faced before. Despite all these, we have successfully concluded another year with a deeper footage of ours in building better economy for the country. This would not have been possible without your active support. So, at first, I would like to thank each one of you for keeping your valuable confidence on us in building and growing this great institution.

2021 can be termed as the 'Recovering Year' from the devastating pandemic COVID-19. During the pandemic, business environment was severely hampered. It took the lives of lot of people to unprecedented death, stalled normal life alongside stalled the business and halted the normal joy of life! During 2021, economy has started recovering though in slower pace and the recovery is asymmetrical in nature as infrastructure points of demand and supply was not fully ready to cope with the pace of recovery of the economy.

The year 2021 began with the hope of diminishing effect of the COVID-19 Pandemic. Lockdown, shutting of business activities were gradually eroding from the business book and the light of normalcy of life lit up. But shortage of shipping carriers and excessive price hike of the carriers, supply shortage and delay of raw materials, machinery, gradual elimination of lock down from parts of the world, etc. pull behind the pace of recovery. As such, demand after the pandemic faced shortage of supply over the year.

The Bank has established a reputation of resilience. In its journey over last eight years, it has consistently overcome challenges and continued to grow the business. The Bank, being in essential services, continued operating throughout the country. Our colleagues ensured that the customers of the Bank get uninterrupted banking service in times of the pandemic. The bank ensured that their employees get the necessary medical support. The Bank tied up with some renowned medical centers for COVID-19 packages and home care solutions to ensure the employees had the right support at time of emergency.

As I have gladly informed you earlier that, passing through all these, we have successfully ended our 8<sup>th</sup> operational year by strengthening our footage in the growing economy of the country. I would like to take the opportunity to present the financial performance of the Bank for the year ended on December 31, 2021 below along with the glimpse of upcoming activities of the Bank for fifth time in a row. It's obviously an honor and pleasure for me for one more time to present this and I feel thankful for that. Just to reiterate that like before, as well in 2021, we continued emphasizing on maintaining corporate governance culture and also focusing on sustainable operation with special concern in grabbing the recovery activities of the economy after the pandemic observed throughout the world. Just to recap that after commencing banking operation back in September 19, 2013, this time, once again, our Bank dedicatedly value the trust of its patrons shareholders, customers, employees and society in general. Every activity undertaken by the Bank is to serve our clients in a way which is mutually constructive, timely responsive, proactive in nature and towards durability and sustainability to make contribution for the societies and the country as well.

### Some Operating Parameters at the Year ended 2021:

Per Employee Profit	:	Taka 3.40 million
Administrative Cost	:	1.50%
Cost of Deposit	:	4.91%
Cost of Fund	:	6.42%
NPL	:	2.84%



## Some Major Financial Indicators of the Bank as on 31<sup>st</sup> December 2021:

In million Taka

Parameters	2021	2020	Comments on Net Result
Total Deposits	58,629	54,954	Increased by 6.69 %
Total Loans & Advances	41,838	38,070	Increased by 9.90%
Total Assets	79,557	72,915	Increased by 9.11%
Total Shareholder's Equity	8,284	8,560	Decreased by 3.22 %
Paid up Capital	5,257	5,007	Increased by 5.00%
Retained Earnings	825	1,165	Decreased by 29.16 %
Operating Profit	2,085	2,631	Decreased by 20.74 %
Net Profit After Tax	1,127	1,645	Decreased by 31.48 %
Import Business	30,154	20,970	Increased by 43.80%
Export Business	32,641	21,548	Increased by 51.48 %
% of Classified Loans	2.84%	1.22%	Higher than previous year but well below industry standard
Capital to Risk Weighted Asset Ratio	18.05%	17.84%	Higher than regulatory requirement (12.50%)
Dividend	15.00% (15.00% cash)	22.50% (5% stock and 17.50% cash)	

From the above key financial results of the year 2021, Net Interest Income decreased due to capping of rate of interest by Bangladesh Bank and overall decrease in business activities due to ongoing pandemic situation all over the world, resulting decrease in Operating Profit. Also because of increase in provisional requirement against loans, Net Profit after Tax decreased. As a result, Retained Earnings as well as Dividend decreased.

It is to mention here that the above business was achieved through 46 number of Branches (23 nos. of Rural and 23 nos. of Urban Branches) and 457 Agent Points spread all over the country. Our Digital points (Agent Points) covered 24 districts, 66 Upazillas, 440 Unions bagged 190,665 number of customers, of which almost 76% is women account and 100% are rural customers. In 2021, we opened 02 (two) number of new Branches and 91 number of Agent Points throughout the country as part of fulfilling our commitment to support financial inclusion program undertaken by the Government of Bangladesh.

### Overall Outlook in 2021

As we have said earlier that the year under review was a complex year for business customers. Despite challenging extraneous environment, the topline of the vaccine rollout has allowed the re-opening of the economies in the core markets. Customer sentiment has improved, and business activity has been comparatively stronger than previous year. During pandemic, the business activity of the world, as well as our country has been affected to a large extent. Days and Months have been passed, where we need to set strategy to survive, rather than expanding business activities. With the cutback in lockdown, Government declared several Stimulus Packages helped the economy a lot to slowly recover. But certain facts stated above failed to support the growth stride. Moreover, as most of our export business is centered in RMG sector, it yet to get momentum as many parts of Europe and USA (the main exporting destinations) gradually remove lockdown. The Bank continues the supportive measures taken by the Government of Bangladesh to minimize the adverse impact due to the pandemic. The Central Bank has also circulated a number of guidelines favoring the customers towards recuperating the economy of the country. The Bank continued to restructure repayment plans to support customers who faced cash flow constraints. Some loans including large loans need to reschedule due to accidental events backed by COVID-19 attack. The Bank also continued facilitating eligible Micro, Small and Medium Enterprises (SME) to gain access to COVID-19 Loan Scheme to help them overcome the disruptions to the economy despite limited number of branches and resources of the Bank. The Bank has been rewarded by Bangladesh Bank for achieving Stimulus Loan Target of SME and Agri sector.

In terms of main business parameters i.e. Total Deposit and Total Loans & Advances of the Bank as of 31<sup>st</sup> December 2021, there is growth over the performance of previous year. But Operating Profit as well as Net Profit declines cause of several reasons, capping of rate of interest by Bangladesh Bank, halt of repayment by a large number of customers as per the instruction of Central Bank, increase of pay structure of the Bank employees, uncertainty of prevailing pandemic situation and accidental business loss of some large loan portfolio customers of the Bank. In short, the increased business parameters fall short to support increased earnings for the Bank than its previous year. We are hopeful to overcome this situation in the Year 2022.

We do believe that Technology has the potential to sustainably reduce the cost to serve a customer, allowing banks to offer better service and benefits to their customers. A number of Board Meetings, Executive Committee Meeting, Audit Committee Meetings and Board Risk Committee Meeting has been arranged round the year wherein a number of Board Members actively participated through Online Platform complying with the relevant rules and regulations of Bangladesh Bank. We see our Mobile Banking App (Go Smart) as a crucial component in our offering and it will continue to expand various feature, offering new solutions to customers to deliver a hassle-free banking experience from anywhere and anytime. Measures have been taken to enhance Data Security with the passage of increased used of IT in the Bank.

We also see the need to support value chain development, where there are opportunities to finance the different verticals of the supply chain, such as processing, storage and distribute. The low interest loans will surely facilitate the development process. The Bank has also prioritized SME Division, which is an important pillar for the growth of the economy. Measures taken to encourage local manufacturing should stimulate this sector.

We have also strong and experienced risk management team, operational support team, internal control and compliance team who are relentlessly working for providing continuous business operations. We are cognizant of our portfolio quality and have taken steps to improve portfolio performance in regular intervals. The whole banking processes are guided Standard Operating Procedures and Policies related to each activity keeping Corporate Governance culture in the centrum.

### **Bridging Hope:**

Modhumoti Bank has garnered a sizeable portfolio over the years and ensured portfolio quality by lending only to high quality borrowers. In the current environment, the Bank will focus on consolidating and further improving portfolio quality through improved credit selection and strengthening collection process. The Bank is also working on building the teams with right capacity and capabilities, strengthening processes, risk management and technology and benchmarking competitively to price the credit.

### **Our hope for better future will be based on:**

- Securing low cost foreign fund to support rapid industrialization
- Driving for arranging deposit at lower rate, especially to maintain cost of deposit ratio at its lowest possible value
- Recovering the Stimulus Loans given to the customers and getting back the money to the economy for its propelling further
- Introducing some Lifestyle Banking Services e.g., Mobile Top-Up, settling Utility Bills, Insurance Premiums, etc.
- Exerting our effort to keep the NPL Ratio at minimum level, especially after lifting of repayment benefits given by Bangladesh Bank
- Increasing the number of Modhumoti Digital Points from 457 to 700 covering more remote place of the country and bringing more unbanked people to the banking net
- Making our Digital Points as Banking and Life style Hub for the rural people of the country
- Enhanced use of GoSmart Banking Software of Modhumoti Bank Limited
- Emphasizing on Technology driven banking products and services with the security concern at the center
- Continued financing in Infrastructure related projects so as to participate in the on-going development works throughout the country for achieving Millennium Development Goal (MDG)
- Exploring scope of financing in various manufacturing projects in Economic Zones to enhance our footprint in increasing GDP of the country
- Financing in specific high potential sectors, e.g. Pharmaceuticals Sector, API Industries, Leather, Textile and Telecom related projects by offering tailored banking products and services, where requires
- Enhancing our customer base through the bancassurance to be introduced by Bangladesh Bank.

## Acknowledgment

We are fortunate for the trust that you have placed on the Management of the Bank, which is driving the Bank forward on this new course. We have a clear vision for the future with an action plan for FY 2022 and beyond. Our Board of Directors consists of highly reputed professionals who own several large business groups of Bangladesh. We have detailed and rich discussions at the Board on all important matters. I thank every one of them for their thoughtfulness, wisdom, active participation, and guidance at the Board with special thanks to the EC Chairman of the Board of Directors for giving us valuable time alongside discharging his responsibilities as Mayor, Dhaka South City Corporation.

To each one of our employees, thank you for being with us and working so hard and risk their life to serve our customers during the pandemic time. I am extremely grateful and hopeful by their way of delivering duties to the organization. I am proud to lead such a professional team in the banking sector. I express my sincere thanks to our regulators who monitor us closely, guide us and support us from time to time. I thank the media for their contribution for projecting the image of the bank among mass people. I thank our customers, for whom we keep moving to make banking business solutions to keep their trust in our Bank. I thank all of our shareholders for their continued trust and confidence on us. Finally, I also take this opportunity to thank people who engaged in essential services- from our frontline healthcare workers and law enforcement to the farmers, drivers, and many other essential individuals including bankers of the banking community who helped keep our country functioning in the face of an unprecedented moment of disruption in the modern history of the world.

I hope that with the clearly identified objectives and also with the capable human resources we shall be able to move the Bank towards inclusive growth, long-term sustainability and profitability in the coming year 2022!



**Md. Shaful Azam**  
Managing Director & CEO

# CORPORATE GOVERNANCE



## Directors' Report

The Board of Directors of Modhumoti Bank Limited (the Bank') take immense pleasure in presenting the Annual Report and the Audited Financial Statements for the year ended December 31, 2021 together with the Auditors' Report thereon in the occasion of the Ninth Annual General Meeting (AGM) of the Bank.

This Directors' report has been prepared in compliance with the section 184 of the Companies Act 1994 following condition 1(5) of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued by Bangladesh Securities and Exchange Commission (BSEC) titled as 'Corporate Governance Code 2018'. Guidelines of Bangladesh Bank along with the instructions as stated in BRPD Circular No. 11 dated October 27, 2013 and International Financial Reporting Standards (IFRS) have also been considered while preparing this report. The Report also articulates the forward outlook and offers a detailed analysis of the bank's financial performance and competitive context for the year 2021 in compliance with the regulatory framework. The Directors are pleased to explain and disclose some issues, which they consider relevant to ensure transparency and practice of Corporate Governance in the operational activities of the Bank. The Directors believe that the Report will give complete insights of the Bank's performance during the year under review.

### Global economic outlook

In 2021, the world came into the second year of the Covid-19 pandemic crisis, with a mix of promising and troubling economic developments, concerned by many risks and substantial uncertainty. Over the past two years pandemic continued to wreak havoc on lives and livelihood and disrupted the global financial stability and started with new uncertainties as pandemic resurged in some parts of the world with outbreak of the Delta variant which eventually impeded the pace of global economic recovery. However, global economy has gained momentum at a moderate pace, partly attributable to incremental coverage of vaccination and better management of the pandemic. Rising energy prices and supply chain disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. All these have put pressure on quicker revival of economic activities to the full scale. IMF projected global economy to grow 5.9 per cent in 2021 and expects to moderate to 4.4 per cent in 2022.

Geopolitical pressures and social turmoil relating to Russia-Ukraine war is threatening to put in danger energy supply, worldwide trade, and policy cooperation thus resulting in increased food and energy prices. Elevated commodity prices, sweeping financial sanctions and the potential for a ban on energy imports from Russia all these are threatening to stumble the global economy, weakened by the COVID-19 pandemic, still struggling to gain momentum.

### Major Challenges for upcoming days

- Huge inflationary pressure across the world especially in Europe and USA due to supply-demand mismatches. In USA Inflation rate exceeded 7 per cent at January 2022 which is the highest over the last 39 years. Similarly, in UK Inflation rate reached to 5.4 per cent in January 2022 which is the highest over the last 30 years.
- Due to the Russia-Ukraine conflict, there had been severe sanctions put on Russia to create a deep economic recession. But this economic fallout will be felt globally as the sharp price increase of oil and metal will increase the cost of everyday items from food to petrol.
- Unequal access of Covid-19 vaccines is a major obstacle in reviving the global economy. Only slightly more than 7 per cent of people in low-income countries received the vaccines, compared to more than 75 per cent in high-income countries.
- At least for the next two years, employment levels are expected to stay significantly below pre-pandemic levels. Labor force at United States and Europe remains at historically low levels.

### Opportunities for upcoming days

- Commodity prices climbed to a higher rate, with metals, coal, crude oil, and natural gas all seeing significant increases. Crude oil prices increased around 80 per cent on average to \$80 per barrel. Food prices increased by 22 per cent in 2021, reaching their highest level in a decade which indicates business activities are increased significantly.
- The recent inflation rise occurred due to the pandemic and global supply chain disruption. But it is expected to fall to 3.8 per cent in 2022 and will stabilize further based on the forecasts made on the second half of 2021.
- After the shrinkage of 2.7 per cent in 2020, the global investment grew by 7.5 per cent in 2021 which is expected to rise further. However as public investment grows, deficit will rise which is leading governments to phase-out the extraordinary assistance they have been giving throughout the pandemic.
- According to the baseline scenario of World Economic Situation and Prospect of 2022, global trade in goods and services will increase by 5.7 per cent in 2022, following an 11 per cent increase in 2021.

## **Bangladesh Economy**

Bangladesh has an impressive track record of growth and development. It has been among the fastest growing economies in the world over the past decade, supported by a demographic dividend, strong ready-made garment (RMG) exports, remittances, and stable macroeconomic situation. The country made a strong economic recovery from the COVID-19 pandemic by dominating challenges.

One must agree that Bangladesh economy has showed its resilience in 2021. With timely implementation of stimulus packages, continued fiscal and monetary policy supports, hefty remittance inflows, declining COVID-19 infection rate, and increasing coverage of vaccination helped country's economy to walk in the path of recovery from the COVID-19 fallout. As a result, country's economic growth recovered faster attaining 6.94 per cent GDP growth in 2021 from 3.45 per cent in 2020 largely driven by activities in the agriculture and industry sectors. To support investment and employment generating activities in the recovery process, Bangladesh Bank continued its efforts in line with expansionary monetary policy stance for 2022.

Like 2020, agriculture sector remained resilient and showed solid performance in 2021 growing by 3.17 per cent. Industry sector strongly rebounded and grew by 10.29 per cent in 2021 after a slower growth of 3.61 per cent in previous fiscal year. To boost the production and generate employment, government and Bangladesh Bank continued to provide policy support, including sector specific stimulus packages and various refinance schemes, which resulted in higher growth performance. Service sector activities started rebounding in 2021 and continued gaining momentum in 2022.

COVID-19 had pushed down the credit growth in 2021. However, private sector credit started to grow as the external trade started picking up since early 2022. As import of capital machinery increased along with vaccination payment started and international travels resumed, US dollar slightly appreciated against Bangladeshi currency [Taka]. Between June–December of 2021, value of Taka depreciated by 1.16 per cent in terms of US dollar and was quoted at BDT 85.80 at the end of 2021.

Even though the import and export grew substantially, the import growth was higher compared to export earnings which resulted in higher trade deficit of the country. Meanwhile, country's current account deficit deteriorated further in the first half of 2022 due to higher import payment obligations along with lower inflow of remittances. Current account deficit stood at USD 8.18 billion during July–December in 2022 against USD 3.52 billion surplus in July–December in 2021.

## **Economic Growth**

The global economy has come to a standstill due to the COVID-19 pandemic which has also had a huge negative impact on the economy of Bangladesh. According to the final calculations of BBS, the GDP growth in FY 2020 has slowed to 3.51 per cent. According to the provisional estimates of BBS, the GDP growth in FY 21 stood at 5.47 per cent.

## **Per capita GDP and GNI**

According to the provisional estimate, the volume of GDP at current market prices reached to BDT 30,11,065 crore in FY 2021, which was BDT 27,39,332 crore in FY 2020. The per capita GDP stands at US\$ 2,097 in FY 2020-21, up by US\$ 167 from the previous fiscal year, while the per capita national income stood at US\$ 2,227 up by US\$ 203 in the previous fiscal year.

## **Savings and Investment**

During FY21, domestic savings increased to 24.17 per cent of GDP, which was 23.77 per cent in the previous year. Likewise, national savings as per cent of GDP increased to 30.39 per cent in FY21 per cent from 28.67 per cent of the previous fiscal year. The investment has increased to 7.95 per cent in FY21 as compared to 3.98 per cent in the previous fiscal year due to COVID-19 pandemic. However, public investment as a percentage of GDP has slightly accelerated and private investment as a percentage of GDP has slightly decelerated compared to the previous fiscal year. Gross investment stood at 29.92 per cent in FY 21, which was 30.47 per cent of the previous fiscal year. Of this, public investment and private investment accounted for 8.67 per cent and 21.25 per cent of GDP, respectively, which was 8.41 per cent and 22.06 per cent in the previous fiscal year, respectively.

## **Inflation**

Despite the stagnation in the economy due to the coronavirus, inflation in FY2020-21 is slightly higher (5.56 per cent) than the target (5.4 per cent) as a result of uninterrupted food production and supply chains.

## Export

Foreign trade of Bangladesh has started to return to a positive trend after confronting the adverse effect of COVID-19 pandemic. Export earnings stood at US\$ 38,758.31 million in FY 2020-21, which is 15.10 per cent higher than the export earnings in the previous fiscal year. During this period, commodity-wise growth of export earning shows that, export earnings from almost all the products have increased compared to the last fiscal year.

## Import

Country's total import payments (C&F) stood at US\$ 65,594.7 million in FY 2020-21, which was 19.73 per cent higher than the import payments of the preceding fiscal year. Up to February of FY 2020-21, 25.91 per cent of the total imported commodities came from China. India was the second largest source of import, while Japan held the third position.

## Balance of Payments (BoP)

Trade deficit widened at US\$ 22,799 million in FY 21 compared to US\$ 17,858 million in FY 20. Trade deficit rose to 27.67 per cent in FY 21, due to the higher import payment growth than export earnings. During the time, current account balance deficit stood at US\$ 3,808 million on the back of robust remittance inflows compared to a US\$ 4,724 million deficit in the previous year. Before the COVID-19 pandemic, Bangladesh exhibited a steady and higher GDP growth, averaging 7.4 per cent per year during FY 16 to FY 19, and reached a record 8.15 per cent growth rate in FY 19. However, the provisional estimate shows that the GDP growth decelerated significantly in FY 20, down to 5.2 per cent as a result of the outbreak of the pandemic. The GDP growth target for FY 21 was set at 8.2 per cent which was revised at 6.1 per cent in the MTMF due to the prolonged COVID-19 pandemic. GDP growth has been projected to gradually rise to 7.2, 7.6, and 8.0 per cent respectively in FY 22, FY 23 and FY 24.

## Economic opportunities of Bangladesh's Economy are –

- Strengthened competitive business environment;
- The banking system was more liquid, resulting low interest rates;
- Sufficient foreign exchange reserve tends to create opportunity of more investment/ expenditure.

## Major Challenges

Bangladesh economy is now facing following major economic challenges. They are –

- Higher rate of inflation;
- The upward trend of foreign exchange rate and
- High non-performing loans (NPL) in banking industry.

## Banking Industry Outlook

After independence, Bangladesh inherited a fragile banking structure consisting of 2 Bangladeshi banks with 155 branches, 10 Pakistani banks with 920 branches and 3 foreign banks with 14 branches. In such a circumstance, the foundation of the independent banking system of Bangladesh was laid through establishment of Bangladesh Bank as the central bank of the country by the Presidential Order No. 127 of 1972 that took effect from December 16, 1971; following which the country's banking sector started its journey with 6 nationalized entities: Sonali, Agrani, Janata, Rupali, Pubali and Uttara Bank as a consequence of Bank Nationalization Order 1972. Foreign banks, functioning at that time, were also allowed to operate. Thereafter the government set up specialized institutions to ensure adequate credit facilities to the industry and agriculture sector. By this time, the banking industry of the country has been restructured into a setup with 61 scheduled banks, of which 33 Conventional Private Commercial Banks, 10 Islami Shariah based Private Commercial Banks, 6 state-controlled commercial banks, 3 specialized banks, and 9 foreign banks.

The year 2021 witnessed the severity of the pandemic, particularly during the first half of the year. However, like the rest of the world Bangladesh also had to adapt to the 'new normal'. Bangladesh Bank provided various supportive policies such as stimulus packages, reduction of CRR to keep the market liquid as well as supportive policies on restraining classified loans. All of these initiatives made the banking industry vibrant for significant non-funded business, inward remittance, and market liquidity. The CRR levels were maintained at 4 per cent on a bi-weekly average basis with a minimum provision of 3.5 per cent on a daily basis, continuing from the previous year. Bangladesh Bank has continued to maintain an expansionary and accommodative policy for the fiscal 2021-2022 period, with a view to supporting economic recovery process while maintaining appropriate caution for overall price and financial stability. The trade balance on the other hand decreased by about \$5 billion to (\$23.8 billion) in 2021 which was (\$18.6 billion) in 2020, caused primarily by a large rise in import payments.

In December 2021, the total deposit stood at BDT 14,093,426 million, an increase of 9.21 per cent compared to the previous year. On the other hand, the total advances stood at BDT 12,675,607 million which is a growth of 10.71 per cent over the last year, creating a likelihood for asset liability mismatch. Reserve money stood at USD 46,154 million at the end of December 2021 against previous year's value of USD 43,167 million at the end of December 2020. The overnight call money rate stood at an average of 2.69 per cent in December 2021 which was 1.80 per cent in December 2020. Regulatory body has also specified the boundary of AD ratio for banking industry as a pre-step to ensure the sufficient liquidity position of commercial banks. The key profitability indicators – Return on Assets (ROA) and Return on Equity (ROE) stood at 0.48 per cent and 7.21 per cent respectively in 2021 as compared to 0.57 per cent and 5.32 per cent respectively as recorded in 2020. The banking industry has maintained a provision of BDT 661.4 billion against required provision of BDT 723.5 billion, marking a shortfall in provision of BDT 62 billion as of September 2021. At the same period, the average CRAR (Capital to Risk Weighted Asset Ratio) for banking industry was 11.22 per cent, the CRAR for the private commercial banks, state banks and foreign banks was 13.09 per cent, 6.25 per cent and 27.1 per cent, respectively.

## **Capital Market Outlook**

Capital market is considered as the second largest segment of financial system in the country. It plays significant role in the economy by providing funds for the long term investment and development which contributes to economic growth. The market comprised of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE), where DSE is pioneering in the exploration of economic advancement of the country. The instruments in these exchanges are equity securities (shares), debentures and corporate bonds. The market even after nine years of a fragile journey failed to get a strong foothold, as investors were discouraged by one issue after another. Bangladesh Securities and Exchange Commission (BSEC) and the Government of Bangladesh took a number of initiatives to boost up investors' confidence in the capital market. Moreover, the central bank undertook several policy measures under the stimulus package which helped in amplifying liquidity in the market, building investors' confidence and stabilizing the capital market. The government's market supportive measures, including redefining the banks' capital market exposure and amending public issues rules, expecting boost the fund flow.

## **Review on performance of Modhumoti Bank Limited**

### **Background**

Modhumoti Bank Limited is a scheduled commercial bank in the private sector established under the Companies Act 1994 and incorporated in Bangladesh as a public limited company to carry out banking business in Bangladesh following the Bank Companies Act 1991 (as amended up to 2018), Central Bank's (Bangladesh Bank) regulations, Bangladesh Securities and Exchange Commission's (BSEC) regulations & directives and all other laws & rules applicable in Bangladesh. The Bank has commenced its banking operation on September 19, 2013 with Authorized Capital of BDT 20,000.00 million and Paid-up Capital of BDT 4,520.00 million with a vision of being the best private commercial Bank in Bangladesh. The Paid-up Capital of the Bank stood at BDT5,257.38 million on 31 December 2021.

### **Principal activities in brief**

The principal activities of the Bank include conventional banking and related businesses. The Bank is being run by a competent 'Management Team' led by the Managing Director & CEO under the supervision of a strategic Board of Directors, having long and sound background to serve the enterprises ranging from micro, small and medium enterprises and industries to large corporate houses. The banking businesses include deposits taking, cash withdrawal, extending credit to corporate organizations, organizing syndication deals, retail and SME financing, trade financing, project financing, lease and hire purchase financing, credit cards, remittance services etc. The services are provided through both traditional and modern IT based channels. Core competencies may be classified into two segments; namely interest earning activities in the form of providing loans & advances and investment activities. Presently the Bank has 46 branches and 1 Off-shore Banking Unit, which was same as of 31 December 2021 also.

The Bank has developed various customized products for corporate, SMEs, agro-based, green-based enterprises as well as for retail customers for meeting financial needs of all segments to maximize its services net. At present the Bank has real-time online banking network through 46 branches in both urban and rural areas having smart IT-backbone. In addition to traditional delivery points, the Bank has on-site and off-site ATMs of its own along with scope of sharing with other partner banks and consortium throughout the country. As a step to reach unbanked population, the Bank has already expanded its foot-print to union level by establishing Agent Points, which were initially opened at Union Digital Centres (UDCs) under arrangement with a2i of Prime Minister's Office, but private entrepreneurs have already been associated with the network following amendment in Agent Selection and Acquisition Policy of the Bank as approved by the Board of Directors in 2021. Meanwhile the Bank has opened 488 Agent Points, which was 457 till 2021.

## **Vision, Mission, Corporate Philosophy, Strategic Priorities and Corporate Conduct**

Since the task of crafting, implementing and executing business level strategies are the heart and soul of managing a business, Modhumoti Bank Limited has had some game plans which are being used gradually to stake out market position, conduct its operations, attract and please customers, compete successfully and achieve organisational objectives.

The 'Business Model' of the Bank deals with the revenue-cost-profit economies of its strategy, the actual and projected revenue streams generated by the product offerings and competitive approaches, the associated cost structure and profit margins, and the resulting earnings stream and return on investment (ROI). The fundamental issue surrounding a business model is whether adopted strategy by the Bank makes sense from a money-making perspective as well as value creation for the society.

All the strategies, business plans and performance measures are adopted & reviewed from time to time to attain Bank's Vision which is to lead the new generation of local commercial banks by excelling in customer delivery through insightful empowered employees, smart use of technology and offering a full range of highest quality products and services.

Business performance analysis and target-setting are, therefore, important to depict a 'Strategic Vision' for the long-run objective of an organization i.e., 'Wealth maximization'. There is a roadmap of the Bank's future-providing specifics about customer focus & technology, the geographic and product market to be targeted, and the capabilities it plans to develop. How 'Strategic Business Units (SBUs)' or Business segments operated by the Bank are performing is very much essential to assess 'who we are and what we do'. This gives a better strategy to the Bank Management to combat against the key challenges to reach the ultimate goal, i.e., 'where we are going'. Since most businesses ultimately target for profits, it's very important to know how to measure profitability. The key standard measures followed in the Bank are Spread or Gross Profit Margin, NIM or Net Interest Margin, Break-even Point Analysis, Return on Asset (ROA) and Return on Equity (ROE).

### **Preparation of Financial Statements**

The financial statements prepared by the Bank Management present fairly its state of affairs, the result of its operations, cash flows and changes in equity. These statements have been prepared in accordance with the "first Schedule (Section-38) of the Bank Company Act 1991, BRPD circular no. 14 dated 25 June 2003, the rules and regulations issued by Bangladesh Bank from time to time, International Accounting Standards (IAS) & International Financial Reporting Standards (IFRS), the Securities and Exchange Rules 1987 and relevant rules & regulations applicable in Bangladesh. The external auditor, MABS & J Partners, Chartered Accountants were appointed by the shareholders, have certified the fairness of the financial statements for the year ended on 31 December 2021. The financial statements of 2021 have been reviewed by the Audit Committee of the Board of Directors of the Bank and then referred to the Board of Directors for its perusal.

### **Maintaining proper books of accounts**

The Bank maintained proper books of accounts for its financial transactions occurred during the year 2021. The transactions are recorded as per guidelines stipulated by the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable for the Bank. The books of accounts have also been reviewed by the external auditors, MABS & J Partners, Chartered Accountants with an opinion that proper books of accounts as required by the law have been properly maintained.

### **Appropriate Accounting policies**

Appropriate accounting policies have been consistently applied, except for the changes disclosed in the financial statements in preparation of financial statements and that the accounting estimates are based on reasonable and prudent judgment. Bank records financial transactions on accrual basis with required disclosures and also prepared the financial statements accordingly.

The Bank has implemented IFRS 16 during 2019 and assessed whether a contract is a lease, in accordance with the guidance stated in the IFRS 16: Leases, by determining whether the contract gives it the right to use a specified underlying physical asset for a lease term greater than 12 months, unless the underlying asset is of low value. Office premises for which monthly lease rental is the amount not exceeding BDT 25,000, ATM Booths and other installations are considered as low value assets. The Bank didn't adopt any other new policy in preparing financial statements for the year ended on December 31, 2021.

## Follow up of IAS & IFRS in preparation of financial statements

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of financial statements. However, in case requirement for provisioning and circulars issued by Bangladesh Bank differs with those of other regulatory authorities and accounting standards, circulars issued by Bangladesh Bank will prevail. As such the Bank has departed from certain requirements of IFRS in order to comply with the rules and regulations of Bangladesh Bank which are disclosed in notes to the financial statements.

## Going Concern

Going concern is one of the fundamental assumptions in accounting on the basis of which financial statements are prepared. Financial statements are prepared assuming that a business entity will continue to operate in the foreseeable future without the need or intention on the part of management to liquidate the entity or to significantly curtail its operational activities. Therefore, it is assumed that the entity will realize its assets and settle its obligations in the normal course of the business. It is the responsibility of the Management of a bank to determine whether the going concern assumption is appropriate in the preparation of financial statements.

The Management of Modhumoti Bank Limited has calculated all the ratios related to the maintenance of regulatory capital, LCR, NSFR, Leverage ratio, adequacy of bank's liquidity as per structured liquidity profile, regulatory reserves and has performed stress testing to determine bank's shock absorbent capacity in different scenario. All the ratios and results thus calculated reveal that Modhumoti Bank is running well above the level of different parameters set by the respective guideline of Bangladesh Bank.

## Vendor Payment Policy

The Bank follows a set of payment polices and approved delegation of authority matrix for all of its vendors, which are selected following procedures prescribed in the Bank's Procurement Policy, while payment terms & conditions are communicated explicitly during issuance of work order or purchase order. Bills are paid according to the payment terms and withholding taxes are deducted from bills as per tax laws of the country. As of date there is no legal case filed by the Bank or filed against the Bank by any supplier.

## Internal Control System

The issues of an effective internal control system, good governance, transparency of all financial activities and accountability towards its stakeholders and regulators have become momentous to ensure smooth performance of the banking industry. An effective internal control and compliance system has become essential in order to underpin effective risk management practices and to ensure smooth performance of the banking industry, wherein 'Internal Control System' refers to all the policies and procedures (internal controls) adopted by the Board of Directors and Management of a Bank to assist in achieving Bank's objective of ensuring following aspects, as far as practicable,

- the orderly and efficient conduct of its business, including adherence to Bank policies,
- the safeguarding of assets,
- the prevention and detection of fraud and error,
- the accuracy and completeness of the accounting records, and
- the timely preparation of reliable financial information.

As such, Internal control system consists of some interrelated components, like Control (or Operating) environment, Risk assessment, Control objective setting, Event identification, Control activities, Information & communication, Monitoring, and Risk response. The Board of Directors sets the tone for an effective control environment through regular reviews of the processes for identifying, evaluating, and managing significant risks. The Senior Management Team (SMT) monitors the adequacy and effectiveness of Internal Control System based on the bank's established policy and procedure following the Central Bank's guidelines and also review the overall effectiveness of the control system of the bank. Besides, the Audit Committee of the Board reviews the effectiveness of the system of internal controls and management, establish effective audit process and manage various risks. The internal audit function reporting to the Audit Committee operates independently of other aspects of the Bank's management structure. It continuously reviews the Bank's system of internal controls. The internal control system of Modhumoti Bank Limited is sound in design and effective. It is dynamic & a continuing series of activities planned, implemented and monitored by the Board of Directors and Management at all levels within the Bank.

## **Control Environment**

Control activities are the policies and procedures which help ensuring that management directives are carried out and the necessary actions are taken to minimize the risks of failure to meet stated objectives. An effective Control environment is set by top management and cascades across all business functions. Every year the top team conducts a self-assessment of key controls that affect the business and develops action plans to make the internal control environment more robust. Policies and procedures are effectively established within the Bank and are continuously reviewed for compliance, adequacy and improvement of opportunities.

## **Risk Management**

The identification, evaluation and management of risks, together with the way we respond to changes in the external operating environment are keys to sustainable growth and underpin the robustness of our business plans and strategic objectives, protecting our license to operate and our reputation and helping create a long-term source of competitive advantage.

Risk management is embedded in Modhumoti Bank's organizational structure, operations and management systems. Business risks across the Bank are addressed in a structured and systematic way through a predefined risk management structure. This ensures that the Board's assessment of risk is informed by risk factors and mitigating controls originating from and identified by the Bank's assets, functional departments and operations. Moreover, the Bank possesses a detailed risk management system with procedures in place to support risk evaluation.

To streamline the functions of different divisions / departments of the Bank, the Bank has already formed different committees for risk management, which include the Board's Risk Management Committee. The Management has formed many Committees to identify and mitigate risks associated with the business and handle operations smoothly as advised by Bangladesh Bank from time to time. Executive Risk Management Committee, Management SRP Team and Basel Unit (Supervisory Committee) have been formed along with Credit Risk Management Committee and Asset and Liability Committee (ALCO). The Committees regularly review issues related to the markets, credit & liquidity and, accordingly recommend and implement appropriate measures to proactively identify and mitigate risks. The Bank possesses an approved Asset Liability Management (ALM) policy. The Risk Management Division (RMD) independently scrutinizes projects from a risk-weighted perspective and assists relevant Divisions/Departments in setting business development priorities. These are aligned with the Bank's risk appetite while optimizing the risk-return trade-off derived from relevant risk exposures. A well-defined process for credit approval is being followed in the Bank, wherein Credit Evaluation Committee at Head Office also assists the Management in assessing, approving and managing credit risk. The CRM team also clearly defines exceptionally high-risk sectors and prohibits lending to those projects having negative impact in terms of environmental, social or ethical standards.

## **Credit Risk Management**

Credit risk is the risk of losses arising from borrowers' failure to repay the loans or meet contractual obligations. The aim of credit risk management is to maximize a bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable levels. Banks need to manage the credit risk inherent in the entire portfolio as well as the risk in individual borrower transaction. The effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the long-term success of any banking organization. Since exposure to credit risk continues to be the leading source of problems in banks, banks should have a keen awareness of the need to identify, measure, monitor and control credit risk as well as to determine that they hold adequate capital against these risks and they are adequately compensated for risks incurred.

In order to establish a sound credit risk management, adopting a modern rating mechanism is important. Bangladesh Bank has suggested to adopt 'Internal Credit Risk Rating System' comprising with different rating templates for different industries/sectors instead of just one template for all the sectors like previous CRG model. The Internal Credit Risk Rating System describes the creditworthiness of the borrower of a particular sector based on the assessment criteria set for that sector. Since the leverage, liquidity, profitability, as well as other quantitative and qualitative indicators, vary significantly from sector to sector, the ICRRS is developed to calibrate such diversities into the rating system.

The Bank has prepared its own credit risk management policy following Bangladesh Bank regulations and other standards as per international best practice for identifying, measuring, managing and controlling credit risk. A well defined process for credit evaluation and approval is being followed in the Bank by an excellent business and credit risk management team with adequate professional knowledge and experience. Business delegation of authority for approval of credit proposals by the Management, the Executive Committee (EC) of the Board and the Board of Directors are properly defined which is followed for all the cases.

## **ICT Risk Management**

Information and Communication Technology has become the part and parcel in the daily activities of the Banks. Hence, risk management for Information and Communication Technology has become very much important. ICT Division is aimed to provide uninterrupted & efficient operations of all products, services and deliverables – Banks already offered or intends to do in future. In banking institutions, all risks should be recognized, addressed and managed in a prudent manner according to the fundamental characteristics and challenges. ICT risk is the risk associated with the use, ownership, operation, involvement, influence and adoption of ICT within an organization. Risks surrounding Information technology, such as unauthorized access to a system, network failure, software failure, lack of skills, hacking, viruses attack and poor system integration poses threat for the organization. ICT risk of the Bank is addressed by finding out the weakness in a particular operation and initiating appropriate/ suitable strategy within the approved policies and procedures. As an ongoing process, the Bank is constantly assessing risk by analyzing threats and vulnerabilities and taking necessary corrective measures following the standards and industry's best practice.

## **Internal Control and Compliance**

Modhumoti Bank Limited has established an effective System of Internal Control, which is designed to manage all the risks of failure to a reasonable level, achieve aims and objectives/goals of the Bank. This System provides reasonable assurance of effective & efficient operations covering all controls including financial & operational controls, reliability of the financial information, compliance with applicable laws & regulations, adherence to management policies, safeguarding of Bank's Assets, prevention & detection of fraud & errors, and accuracy & completeness of the accounting records related to Bank's position & performance.

The Bank has continuously been taking efforts to establish an effective organizational structure to maintain strong internal control culture by complying with Bangladesh Bank guidelines and implementing the Bank's internal control and compliance policies through the resources of the Internal Control and Compliance Division (ICCD). ICCD has three interrelated wings/units, namely, i) Audit & Inspection Department ii) Monitoring Department and iii) Compliance Department. This Division independently verifies that all the branches & head office division are conducting their business in compliance with all approved risk management and internal control policies. If deviations, lapses & irregularities are found, they are reported to the appropriate authority and regularly followed up for ensuring compliance. ICCD is ensuring compliance regarding submission of all regulatory reports/returns by its own as well as other divisions & branches. The Audit Committee of the Board regularly monitors the adequacy of internal audit functions and their monitoring & compliance related activities so that a compliance culture is established within the Bank.

## **Anti-Money Laundering and combating Terrorism Financing**

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Chief Anti Money Laundering Compliance Officer (CAMLCO) & Deputy CAMLCO at Head Office and BAMLCO at branches, who independently monitor, review & verify the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been established and transaction profile (TP) has been introduced. Training is continuously given to all categories of Officers and Executives for developing awareness and skill for identifying suspicious activities / transactions. Guidelines of Bangladesh Bank and instructions of BFIU are properly followed for implementation in the Bank.

## **Statement of Directors' Responsibility to establish appropriate system of internal control**

The Directors acknowledge their overall responsibility for the Bank's systems of internal control for establishing efficiency, effectiveness, reliability, timeliness, completeness and compliance with the applicable laws and regulations. This process ensures that a system of internal control in accordance with the best financial reporting practice was in place throughout the year and up to the date of the signing of financial statements for the year ended on 31 December 2021. It also involved an assessment of the ongoing process for the identification, evaluation and management of individual risks and of the role of the various committees and the Bank's risk management functions.

## **Statement of Directors on adequacy of the system of internal control**

The Directors has reviewed the effectiveness of the Bank's systems of internal control for the year ended on December 31, 2021. The Board through the Audit Committee has supervised the policies and various parts of businesses to ensure an effective internal control system. The Bank's business strategy, significant policies for internal control system and risk management have been taken properly and internal audit and control has been accomplished as per requirement of the Bank Company Act 1991 (as amended up to the date), Bangladesh Bank guidelines, Corporate Governance Code of Bangladesh Securities and Exchange Commission etc.

## Analysis of business performance and financials

Despite unfavorable economic condition due to Corona virus pandemic, Modhumoti Bank Limited is maintaining its performance consistently. Investments in Govt. Securities and other equities have increased by BDT 4,323 million registering 20.17 per cent growth in 2021, while total balance as on December 31, 2021 was BDT 25,759.45 million. Total assets balance has a growth of 9.11 per cent (BDT 6,642 million) at the end of 2021 compared to last year. The Balance Sheet size has stood at BDT 79,556.96 million at the end of 2021. Loans & Advances has a growth of 19.90 per cent (BDT 3,768 million) in 2021 and total balance has stood at BDT 41,837.96 million at the end of 2021. But, year-on-year comparison reveals that the Shareholders' Equity has a negative growth of 3.22 per cent (BDT 275 million) at the end of year 2021, while the balance was BDT 8,284.27 million as on December 31, 2021.

In the liability side of Balance Sheet as at December 31, 2021, deposit growth for 6.69 per cent has observed in 2021, while the balance has stood at BDT 58,629.02 million at the end of the year, but low cost and no cost deposit has decreased in 2021 which is 29 per cent of total deposit, while it was 36 per cent in 2020. The Bank Management is aware on the issue and improvement of deposit mix has always been given priority, and a good effort will also be taken in this year with expectation of reduction in cost of deposit as well as cost of fund of the Bank.

Analysis of loan portfolio reveals that the Bank has increased its loan portfolio in the year 2021 by registering growth of 9.90 per cent, which was decreased at the end of year 2020 in comparison with 2019.

### a) Product-wise loans & advances

In million Taka

Particulars	2021	2020
Cash credit and overdrafts	16,202.81	16,147.69
Loans (General)	17,976.21	16,287.09
House building loan	1,175.94	823.50
Loan against trust receipt	678.46	1,101.12
Other Loans	3,402.84	2,039.68
Sub-total	39,436.26	36,399.08
Bill purchased & discounted	2,401.70	1,670.69
<b>Total</b>	<b>41,837.96</b>	<b>38,069.77</b>

### b) Category-wise allocation of loans and advances

In million Taka

Particulars	2021	2020
Agriculture, fishing, forestry and dairy firm	90.07	299.99
Industry (Other than working capital)	7,218.82	7,573.20
Working capital financing	9,410.26	8,252.90
Export credit	2,631.45	1,344.88
Import credit	2,278.21	2,484.97
Commercial credit	2,266.03	2,935.20
Constructions	8,186.84	6,555.18
Transport and Communication	613.41	616.87
Consumer Credit	773.94	611.42
Others	8,368.94	7,395.17
<b>Total</b>	<b>41,837.96</b>	<b>38,069.78</b>

### c) Geographical location-wise allocations of loans and advances

In million Taka

Name of Divisions	2021	2020
Dhaka	34,710.68	31,444.48
Chattogram	4,519.41	3,945.68
Rajshahi	524.89	315.8
Sylhet	117.69	114.08
Khulna	1,555.26	1,910.00
Mymensingh	56.28	59.14
Rangpur	327.59	252.56
Barisal	26.15	28.04
<b>Total</b>	<b>41,837.96</b>	<b>38,069.78</b>

It has been experienced globally that businesses are under pressure due to pandemic, subsequent effect of which for banks is naturally increase in NPL. Modhumoti Bank Limited has been able to keep its NPL at 2.84 per cent level at the end of 2021. The Bank has further strengthened its recovery process and is regularly monitoring impaired loans which will be helpful for restraining NPL within a very low level in future.

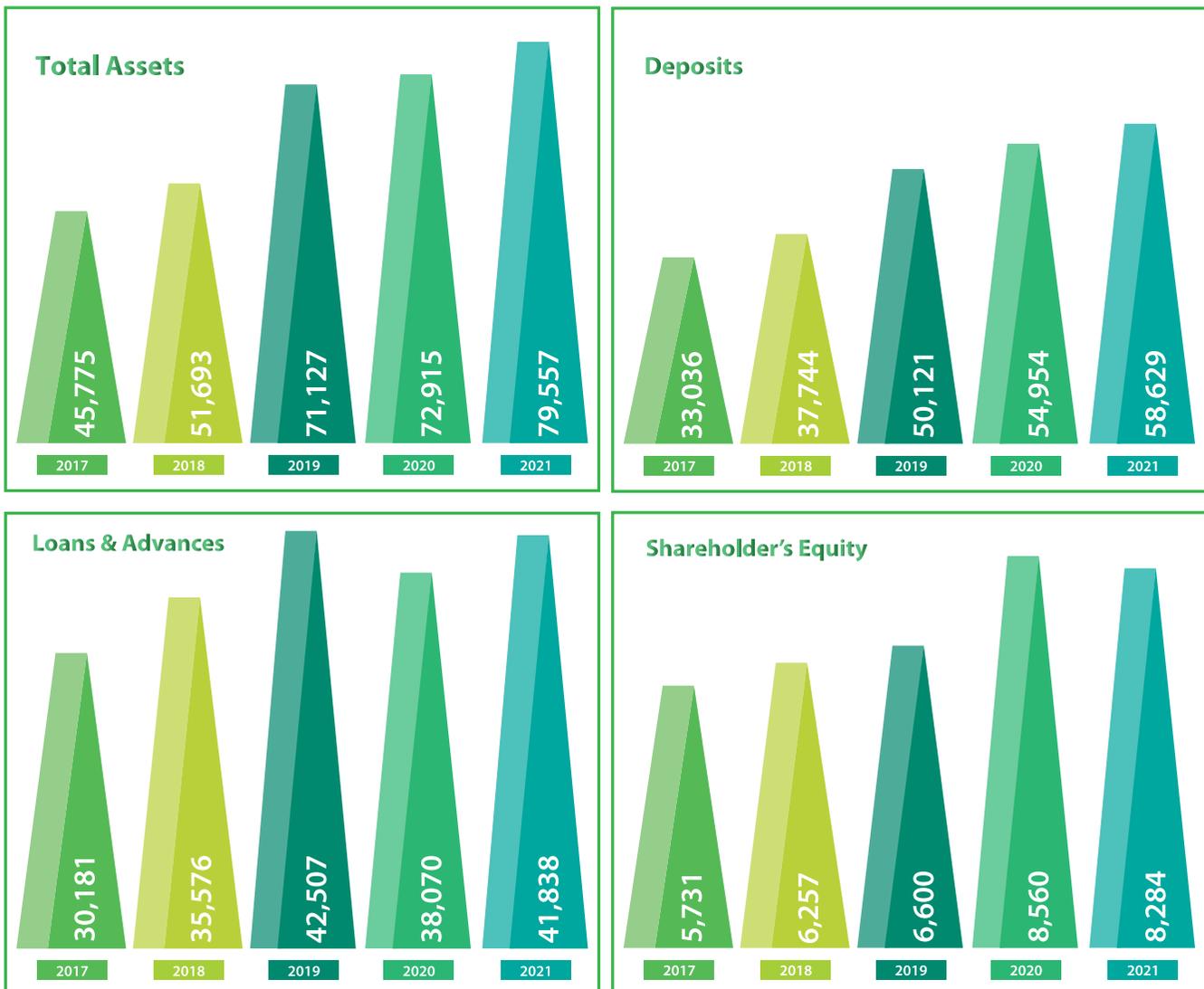
### Analysis of other performances

In million Taka

Particulars	2021	2020	Growth in BDT	Growth in Percentage
Investments	25,759	21,436	4,323	20%
Import Business	30,154	20,969	9,185	44%
Export Business	32,641	21,548	11,093	51%
Bank Guarantee	25,525	19,941	5,584	28%
NRB Remittance	789	737	52	7%

Review of financial position as presented in the following graphs and tables reveals that the Bank has been able to maintain 9.11 per cent growth of its total assets & most of other key performance indicators in spite of various challenges during the year 2021.

In million Taka



## Quarterly & Annual Financial Performance in 2021

In million Taka

Particulars	Q-1	Q-2	Q-3	Q-4	Total
A) Net interest income	215.78	214.04	73.82	160.25	663.89
B) Non-interest income	675.11	766.79	720.56	506.28	2,668.74
C) Operating income	890.89	980.83	794.39	666.53	3,332.63
D) Operating expenses	298.07	311.06	320.28	317.91	1,247.32
<b>E) Operating profit (C-D)</b>	<b>592.82</b>	<b>669.77</b>	<b>474.10</b>	<b>348.62</b>	<b>2,085.31</b>

## Analysis of Income Statement

In million Taka

Particulars	December 2021	December 2020	Growth in BDT	Growth in percent
Interest income	3,482.20	4,884.57	(1,402.37)	(28.71%)
Interest expense	2,818.31	3,552.89	(734.58)	(20.68%)
<b>Net interest income</b>	<b>663.89</b>	<b>1,331.68</b>	<b>(667.79)</b>	<b>(50.15%)</b>
Investment income	1,995.29	1,975.28	20.01	1.01%
Non-interest Income	673.45	509.15	164.30	32.27%
<b>Total operating income (A)</b>	<b>3,332.63</b>	<b>3,816.11</b>	<b>(483.48)</b>	<b>(12.67%)</b>
Total operating expenses (B)	1,247.32	1,185.23	62.09	5.24%
<b>Profit before provision (C=A-B)</b>	<b>2,085.31</b>	<b>2,630.88</b>	<b>(545.57)</b>	<b>(20.74%)</b>
Provision for loans and advances	520.00	214.20	305.80	142.76%
Provision for taxation	438.21	771.78	(333.57)	(43.22%)
<b>Total provision</b>	<b>958.21</b>	<b>985.98</b>	<b>(27.77)</b>	<b>(2.82%)</b>
<b>Net profit after tax</b>	<b>1,127.10</b>	<b>1,644.90</b>	<b>(517.80)</b>	<b>(31.48%)</b>
<b>Earnings per share (EPS)</b>	<b>2.14</b>	<b>3.13</b>	<b>(0.99)</b>	<b>(31.63%)</b>

## Operating Expenses

Operating expenses incurred for BDT 1,247.32 million in 2021 in comparison of BDT 1,185.23 million in 2020. It has increased by an amount of BDT 62.09 crore (5.24%) in 2021. The main reason of increasing operating expense is stationery, printing, advertisement expense (BDT 15.93 million) during the year 2021, which is almost 26% of total increase, since the Bank has opened 02 new branches, introduced new products & business lines, for which some development and branding & marketing initiatives were taken. Salary expense has increased due to revision of pay scale from January 2021 and also for recruitment of experienced bankers for the new branches opened in 2021. Some officials have also been recruited for head office divisions, as the Bank is in growing trend. All other expenses mentioned in the Profit & Loss account includes a portion of total increase which is BDT 113.39 million (18%).

## Vehicle Cost

Total number of vehicles owned by the Bank is 07 (seven). The vehicles are generally used for carrying cash from feeding branch to other branches and for providing transport facilities to the executives and officials for performing official duties. Total expenses incurred for vehicles under Bank's pool was BDT 1.79 million in 2021 as against BDT 1.69 million in 2020.

## Directors' Remuneration

Bank-Directors are not eligible to any remuneration other than that for attending any meeting of the Board and its Committees. The Bank pays BDT 8,000.00 to each Director for attending a meeting in compliance with the BRPD Circular letter no. 11 dated October 04, 2015 of Bangladesh Bank subject to deduction of 10 per cent tax at source. In the year 2021, a total amount of BDT 1.51 million has been paid by the Bank as Directors' fees, while it was BDT 1.44 million in 2020.

## Contribution to the National Exchequer

Modhumoti Bank Limited is one of the significant tax-payers in the country's banking sector and regularly performing its obligations both as a corporate tax-payer as well as a deducting authority as per provision of tax laws applicable in Bangladesh. During the year 2021, the Bank has contributed a total amount of BDT 1,219.17 million to the govt. exchequer, which is presented below:

In million Taka

Particulars	Year	Contribution
Corporate Tax, withholding tax, VAT and Excise duty (Amount in million BDT)	2021	1,219.17
	2020	1,318.65

## Key Performance Feature & Ratio

Particulars	2021	2020
Net Asset Value per share (NAV) [BDT]	15.76	16.28
Earnings per share (BDT)	2.14	3.13
Net Operating Cash Flow Per Share (NOCFPS) [BDT]	3.75	(3.89)
Return on asset (ROA)	1.48%	2.28%
Return on equity (ROE)	13.38%	21.70%
Non- Performing Loan (NPL)	2.84 %	1.22%
Yield on advance	8.57%	10.84%
Cost of deposit	4.91%	5.82%
Cost of administration	1.50%	1.58%
Cost of fund (considering average deposit)	6.42%	7.40%
Spread	2.16%	3.44%
Burden coverage ratio	56.46%	44.68%
Cost to income ratio	37.43%	31.06%

## Appropriation of profit

The profit available for distribution after complying with regulatory requirements is presented in the following table:

In million Taka

Particulars	2021	2020
Net profit after tax (NPAT)	1,127.10	1,644.90
Less: Statutory Reserve & Start-up fund	324.33	483.34
Retained Surplus during the year	802.77	1,161.56
Retained Earnings brought forward from previous year	22.47	3.94
Distributable Profit for the Year 2021	825.24	1,165.50

## Capital Management

The challenges around capital management linked to regulatory metrics have increased following the strengthening of the regulatory capital framework after the global financial crisis. Banks are required to significantly increase the quantity and the quality of their capital. New capital buffers and a leverage based requirement have been introduced to reinforce the robustness of the regulatory capital framework.

As per Basel III guideline, banks are required to maintain 'minimum Total Capital Ratio' of 10 per cent including 'Common Equity Tier-1 Capital Ratio' of 4.50 per cent. Additionally, banks are supposed to maintain 'Capital Conservation Buffer' of 2.50 per cent since January 01, 2020. Modhumoti Bank Limited has been able to maintain CRAR at 18.05 per cent at the end of 2021 due to its strong capital base, resulting maintaining of all Basel ratios consistently as per guidelines, which is an instance of efficient Balance Sheet management by the Bank also.

## Total regulatory capital of the Bank at the end of December 2021 is presented below:

In million Taka

Particulars	2021	2020
Tier-I Capital	8,250	8,027
Tier-II Capital	1,089	839
Total Capital	9,339	8,866
Total RWA	51,743	49,702
CRAR (Percentage)	18.05%	17.84%

For risk management, the Bank is emphasizing on completion of credit rating of all eligible unrated corporate and medium customers by external credit rating agencies and also emphasizing on restructuring of asset portfolio to low risk based assets. Moreover, the Bank is in the process of building up a platform to transfer from the standardized approach of risk measurement to more advanced version of Internal Risk Based Approach in evaluation of risk exposure of the Bank.

### Credit Rating

Bangladesh Bank vide BRPD Circular No.06 dated July 05, 2006 has made it mandatory for the banks to have themselves rated. Accordingly, credit rating of Modhumoti Bank Limited is being done by Credit Rating Agency of Bangladesh Limited (CRAB), one of the oldest rating agencies of the country. Meanwhile, they have completed their working papers based on the audited Financial Statements for the year ended December 31, 2020 and affirmed that the rating of the Bank is 'A1' in the long term category, which will remain valid till 30 June 2022, while surveillance rating based on financials of 2021 is now under process. Last three years rating is summarized as under:

Particulars	Credit Rating		
	Year-2020	Year-2019	Year-2018
Long Term	A <sub>1</sub>	A <sub>2</sub>	A <sub>2</sub>
Short Term	ST-2	ST-2	ST-2
Outlook	Stable	Stable	Stable
Date of Rating	30 June 2021	01 July 2020	30 June 2019
Validity	30 June 2022	30 June 2021	30 June 2020

### Events after the reporting period

The Board of Directors of the Bank has recommended 15% cash dividend for the year ended on December 31, 2021 at their 64th meeting held on May 14, 2022. The dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the Bank. The financial statements for the year ended on December 31, 2021 do not include the effect of dividend, as it has been declared after the reporting period, for which it was not recognized as a liability in the financial statements at the end of reporting period i.e. December 31, 2021.

### Corporate social responsibility

Modhumoti Bank has already promulgated a well-defined policy titled 'Corporate Social Responsibility (CSR) Policy of Modhumoti Bank Limited' with some specific objectives prepared in the light of Bangladesh Bank's guidelines stating the Bank's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical so that stakeholders are not negatively impacted for the activities of the Bank. The stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-government organizations, local communities, environment and society at large. Our approach continues to focus on two key priorities: contributing to sustainable economic growth and being a responsible company.

Our system of corporate governance provides the basis for the responsible management, transparency of processes and compliance to regulatory bodies with a focus on sustainable value creation. Since the inception, the Bank actively participated in many endeavor as part of the CSR activities of the Bank. Sustainable Finance Unit of the Bank looks after the CSR activities of the Bank including reporting in the prescribed format to Bangladesh Bank in timely manner.

## Corporate Governance

Successful value added business is profoundly dependent upon transparency, internal and external confidence and trust. Corporate governance, i.e., an application of set of processes, mechanism, customs, policies, laws to attain certain sets of objectives, corporate mission and vision with regard to protect the interest of stakeholders, contributes to the efficiency of an organization enabling them to compete in a sustained way, maintaining integrity in the organization and also managing risk of the organization. Good governance is manifested through adherence to ethical business norms, a firm commitment to values and compliance with applicable laws and regulations, while enhancing shareholders value.

Since inception in 2013, Modhumoti Bank Limited does focus on ethics, governance and transparency. We are committed to maintain full compliance with the laws, rules and regulations that govern our businesses. The main objective is to develop a strong, sustainable and competitive company in the best interest of its shareholders, employees, business associates and society at large.

### Corporate Governance Framework

The Board of Directors of Modhumoti Bank Limited is aware of separate roles of the Board and Management, as stipulated in Bangladesh Bank's BRPD Circular No.11 dated 27 October 2013. The Board acknowledges the greater responsibility of prioritizing accomplishment of transparency, accountability and professionalism through formulation of appropriate policies and execution thereof by deploying proper resources and engaging prudent Management, while the Management under guidance of Managing Director & CEO is responsible to execute such policies and procedures set by the Board for the greater interest of shareholders and other stakeholders of the Bank.

### The Board and its Committees

The number of directors on the Board is determined by the meeting of shareholders, which shall not be less than 7 or more than 20. The election of Board members follows the resolution of the shareholders' meetings, as set out in the Bank's Articles of Association. Besides, election/ re-election of directors is required to be dealt as prescribed by Bangladesh Bank.

The Board of Directors of Modhumoti Bank Limited plays pivotal role in bank-governance through their far sighted decision and visionary leadership that drive the company to keep sustainable growth. The Board appoints one of its directors as the Chairman and one as the Vice-Chairman. The Chairman presided over the meetings and headed Board's activities. All the assistive committees according to Bangladesh Bank's guidelines have already been formed and are playing pro-active roles in formulation of the Bank's goals, policies and strategic direction.

In 2021, the Board approved and ratified many policies and operating manuals along with required changes/amendment as proposed by the Management from time to time to run the operation more smoothly and also reviewed effectiveness thereof and also approved necessary measures to accomplish the commitment for ensuring corporate governance and professionalism.

In accordance with BRPD Circular No. 11 dated 27 October 2013; the Board has formed the Executive Committee of the Board of Directors consisting of 07 (seven) members under chair of Barrister Sheikh Fazle Noor Taposh. The Board has also formed an Audit Committee consisting of 05 (five) members under chair of Mr. Shaikh Salahuddin, Vice-Chairman of the Board of Directors and a Risk Management Committee consisting of 05 (five) members under chair of Mr. Mostafa Kamal. Activities of the Committees are dealt according to ToR approved by the Board under terms stated in the circulars of Bangladesh Bank. Minutes of the Committee meetings are presented for ratification before the meeting of the Board of Directors. The Company Secretary of the Bank also acts as secretary of these Committees and attends the meetings of the Board of Directors and its Committees. Sometimes other Executives are invited to attend meetings when required, provided that they do not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.

### Meeting of Directors in 2021

On the ground of COVID – 19 outbreaks, Bangladesh Bank has issued BRPD Circular Letter No. 09 dated March 23, 2020; BRPD Circular Letter No. 26 dated May 17, 2020 and BRPD Circular Letter No. 34 dated June 30, 2020 through which a meeting may be conducted by using digital platform, wherein a bank director is allowed to join virtually, following which the Bank has been using Zoom technology since 2020 for facilitating Directors joining at the meeting virtually.

In 2021, 8 (eight) meetings of the Board of Directors were held including a special meeting with Bangladesh Bank. Besides, 8 (eight) meetings of Executive Committee (EC), 4 (four) meetings of Audit Committee (ACB) and also 4 (four) meetings of Risk Management Committee (RMC) were held and attendance of the Directors in these meetings were satisfactory. The status of the attendance is presented below:

**Attendance of Directors in Board Meetings (total 08 meeting) held in 2021 is presented below:**

Sl. No.	Name	Designation	No. of meetings attended
1	Mr. Humayun Kabir	Chairman	08
2	Mr. Shaikh Salahuddin	Vice Chairman	06
3	Mr. Sheikh Fazle Noor Taposh	Director	08
4	Mr. Mohammad Ismail Hossain	Director	08
5	Mr. Nemai Kumar Saha	Director	07
6	Mr. Salahuddin Alamgir	Director	07
7	Mr. Mostafa Kamal	Director	05
8	Mrs. Tanjima Binthe Mostafa	Director	07
9	Mr. Humayun Kabir Bablu	Director	07
10	Mrs. Shahana Yasmin	Director	05
11	Mrs. Sultana Jahan	Director	07
12	Mr. A. Mannan Khan	Director	08
13	Mrs. Ferdousi Islam	Director	05
14	Mr. Manwar Hossain	Director	04
15	Mr. Tanveer Ahmed Mostafa	Director	06
16	Mr. Md. Mahbubur Rahman	Director	07
17	Mr. Didarul Alam	Director	01
18	Mrs. Syeda Sharmin Hossain	Director	07
19	Advocate Yusuf Hussain Humayun	Independent Director	01
20	Mr. Shaheduzzaman Choudhury, FCA	Independent Director	08

**Pattern of Shareholding**

The Authorized Capital of Modhumoti Bank Limited is BDT 20,000.00 (twenty thousand) million divided into 2,000.00 million ordinary shares of BDT 10.00 each. The Paid-up Capital of the Bank was BDT 5,257.38 million divided into 525.738 million ordinary shares as of 31 December 2021. The Bank's shares are yet to be floated through initial public offering (IPO) nor listed with any stock exchange. The Board members collectively represented 72.57 per cent of total outstanding paid-up capital of the Bank at the end of 2021, which was same in 2020. Pattern on shareholding according to structure by Bangladesh Securities and Exchange Commission (BSEC) is reported below:

(A) Share held by Parent/Subsidiary/Associated Companies and other related parties: Nil

(B) (i) Shares held by Directors and their spouses and minor children as at 31 December 2021:

Name	No. of shares	% of total Shares	Nominating Shareholder's (Institution) Name	Remarks
Mr. Humayun Kabir & Spouse	13,957,650	2.655	--	--
Mr. Shaikh Salahuddin & Spouse	44,199,225	8.410	--	Both are Directors
Mr. Sheikh Fazle Noor Taposh & Spouse	46,525,500	8.850	--	--
Mr. Mohammad Ismail Hossain & Spouse	23,262,750	4.425	M/s. Sharmin Apparels Limited	--
Mr. Nemai Kumar Saha & Spouse	34,894,125	6.637	M/s. Sandhani Life Insurance Co. Limited	--

Mr. Salahuddin Alamgir & Spouse	46,525,500	8.850	--	Both are Directors
Mr. Mostafa Kamal & Spouse	23,262,750	4.425	M/s. Tanveer Oils Limited	--
Mrs. Tanjima Binthe Mostafa & Spouse	23,262,750	4.425	M/s. Everest Power Generation Co. Limited	--
Mr. Humayun Kabir Bablu & Spouse	23,262,750	4.425	--	--
Mrs. Shahana Yasmin & Spouse	44,199,225	8.410	--	Both are Directors
Mrs. Sultana Jahan & Spouse	46,525,500	8.850	--	Both are Directors
Mr. A Mannan Khan & Spouse	23,262,750	4.425	M/s. Mango Teleservices Limited	--
Mrs. Ferdousi Islam & Spouse	23,262,750	4.425	M/s. Azbal International Limited	--
Mr. Manwar Hossain & Spouse	11,631,375	2.212	M/s. Anwar Jute Spinning Mills Limited	--
Mr. Tanveer Ahmed Mostafa & Spouse	13,957,650	2.655	M/s. Meghna Flour & Dal Mills Limited	--
Mr. Md. Mahbubur Rahman & Spouse	11,631,375	2.212	M/s. Mona Financial Consultancy & Securities Limited	--
Mr. Didarul Alam & Spouse	9,305,100	1.770	--	--
Mrs. Syeda Sharmin Hossain & Spouse	9,305,100	1.770	M/s. Sharmin Fashions Limited	--
Advocate Yusuf Hussain Humayun	--	--	--	Independent Director
Mr. Shaheduzzaman Choudhury, FCA	--	--	--	Independent Director

(ii) Shares held by Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children: Nil

- (C) Executives ('executive' means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit): Nil
- (D) Shareholders holding ten percent (10%) or more voting interest in the company : Nil

### Auditors' Report

The Board of Directors reviewed the Auditors Report issued by the Bank's external auditor, MABS & J Partners, Chartered Accountants based on the audited financial statements of the Bank for the year ended on December 31, 2021. The auditors didn't raise any material misstatement or significant disagreement during review of the Bank's financial statements. The Board also reviewed auditors' opinion/suggestions made under a separate management letter likely to give strategic directions/ guidelines to the Bank Management for further improvement.

### Retirement and Re-election of Directors

In terms of Section 91(2) of the Companies Act 1994 and according to the Articles of Association of the Bank, one-third Directors shall retire from office at the ensuing Annual General Meeting (AGM) of the Company. According to Articles of Association, a retiring Director is eligible for re election. Further, the election/ re-election of Directors requires to be dealt according to BRPD Circular No. 11 dated 27 October 2013 of Bangladesh Bank following Bank Companies Act 1991 and amended thereof.

In the Eighth AGM held on 29 June 2021, the Board has been constituted with 20 members including 2 (two) Independent Directors, out of which existing 6 (six) Directors shall retire from their Office at the ensuing General Meeting, who have been longest in office since re-elected/elected in the 6<sup>th</sup> Annual General Meeting of the Bank held on 19 September 2019 and expressed their intension to be re-elected. The Board has recommended for their re-election subject to approval of the shareholders in the ensuing AGM.

Considering the relentless commitment and efforts in achieving various business parameters, the growth targets and the actual result earned, Mr. Md. Shafiqul Azam, Managing Director & CEO has been re-appointed by the Board for a 3-years term in 2019. Managing Director's salary and other benefits have been disclosed in the Bank's financial statements for the year ended December 31, 2021 as per Bangladesh Bank guidelines.

### **Appointment of Auditors**

MABS & J Partners, Chartered Accountants, the current Auditor was re-appointed for the third time in the Eighth Annual General Meeting held on June 29, 2021 to act as External Auditor of the Bank for a period till to the date of next AGM. They are not eligible for re-appointment for next terms as per regulation of Bangladesh Bank and the Bangladesh Securities & Exchange Commission (BSEC). According to the Companies Act 1994, the shareholders are empowered to appoint external auditor(s) and fix their remuneration at Annual General Meeting, following which subsequent approval from Bangladesh Bank is to be obtained. The appointed external auditors shall have accreditation with them.

### **Future outlook**

Modhumoti Bank Limited is making progress on embedding sustainability into business despite challenging market conditions due to Covid-19 pandemic. In 2021, the Bank has made good progress on executing our financial & operational strategy and improving returns. As progress gives adequate confidence that by continuing to build our businesses through targeted deployment of financial resources and investments in talent and technology, we have scope to do better in 2022 and near future than of the last year.

We believe that we have earned reputation as one of the top service providers among the fourth generation banks in the industry, which has already been reflected in balance of key financial performance metrics and broader strategic non-financial measures focusing on the impact we have on our customers and clients, colleagues, and the benefit we bring to society via our citizenship activity. These measures are underpinned by how we behave towards all our stakeholders through our conduct and our culture. We remain convinced that if we work hard with dedication, passion and creativeness to seize the opportunities ahead of us, our future will be bright.

At present, the Bank has a strong capital base and already has acquired a quality business portfolio and diversity, which would help to boost revenue earnings. The Bank can accelerate growth and achieve increased returns for the shareholders in the years ahead. We believe we are well placed to respond to the challenges that brings. Our diversified model has proved its value, and we have a clear view of our business priorities going forward. We are determined to shape our own future as one of the best performing commercial bank, and we will seek to leverage our pioneering spirit to serve our customers, clients and the communities in which we live and work to the best of our abilities.

### **Acknowledgement**

We would like to gratitude to the Government of the People's Republic of Bangladesh, Ministry of Finance, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms for their kind cooperation, valuable guidance and advice provided to the Bank from time to time. Prudent guidance and invaluable advice of our regulators especially from Bangladesh Bank has helped us to be governed adhering compliances over the years. We also thank to our external auditor who has given us their continuous guidance on different risk management and control aspects for sustainable business growth.

We remain grateful and also express our thanks and gratitude to our valued shareholders, customers and well-wishers at home and abroad for their continued support and cooperation to put the Bank at a distinctive edge. We believe, to achieve our aim of becoming the best private commercial Bank in Bangladesh, we shall be continuing to provide our customers with brilliant services and a seamless experience across all our channels.

Further, we also acknowledge the efforts of all individuals who made Modhumoti Bank's success possible; they are truly at the heart of the organization, having built it to its current strength and made it a globally recognized brand that it is today. Together, our success has been defined by us touching the lives of millions of people around the country.

Finally, we thank the communities in which Modhumoti Bank serves for embracing our presence and letting us be a part of the journey. It is with the greatest gratitude and appreciation that we close this report, especially remembering the contribution of our front-liners who remained our brave warriors in controlling the pandemic during 2020 as well as in 2021. We salute their spirit, which is truly the spirit of Bangladesh being resilient, courageous and unrelenting in the pursuit of the greater good. As I look to 2022 and beyond, the Bank remains committed to support and deliver for all our stakeholders.

On behalf of the Board of Directors,

  
**Humayun Kabir**  
Chairman

## Report on the activities of the Board's Audit Committee

The Audit Committee has become an integral part of good governance in all over the world, whether developed economies or emerging market & developing one. In a bank, the Committee plays a critical role in ensuring that sufficient controls are in place to mitigate any risk arising from day-to-day business operations, while being watchful of any long-term risk formation. The Audit Committee will assist the Board in fulfilling its oversight responsibilities such as an entity's financial reporting, internal control systems, risk management systems and the internal and external audit functions. Thus, the Audit Committee plays a major role in corporate governance regarding the organization's direction, control and accountability.

It is obviously an honor and privilege for the Audit Committee for having opportunity of presenting a summary of its activities to shareholders and other interested parties by means of this report following direction given by Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 titled as Corporate Governance Code 2018.

### Constitution of the Audit Committee

The Board of Directors of Modhumoti Bank Limited formed the Board's Audit Committee in their very first meeting held on August 01, 2013; the Terms of Reference (ToR) of which has been prepared in line with BRPD Circular No. 11 dated 27 October 2013 and other policies and circulars of Bangladesh Bank issued from time to time. The Audit Committee has been reformed from time to time since its first formation and lastly on November 14, 2020 by inclusion of Independent Director Mr. Yusuf Hussain Humayun, Senior Advocate and Mr. Shaheduzzaman Choudhury, FCA. All the members chosen are financially literate having long professional experiences and possess required qualifications in keeping with the spirit & objectives laid down in the regulatory guidelines and none of them belong to the Executive Committee of the Board. In addition, all the members are keen to ensure compliance with the financial, regulatory and corporate laws.

### Current composition of the Audit Committee

Name	Status in the Committee	Status with the Bank
Mr. Shaikh Salahuddin	Chairman	Vice-Chairman
Mr. A Mannan Khan	Member	Director
Mr. Md. Mahbubur Rahman	Member	Director
Mr. Yusuf Hussain Humayun	Member	Independent Director
Mr. Shaheduzzaman Choudhury, FCA	Member	Independent Director

### Scope of work of the Audit Committee

The scope of the Audit Committee of Modhumoti Bank Limited is determined by its Terms of Reference (ToR), which in turn, are shaped mostly by directives from its principal regulators, mainly Bangladesh Bank with a view that the Audit Committee will assist the Board in fulfilling its oversight responsibilities. The Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

Usually, an Audit Committee of a Bank company is authorized to investigate any matter within its terms of reference, access all documents and information of the company, seek information from any one and co-opt any resource it sees fit in order to fulfill its duties including external professional assistance, if required. However, the Committee has no executive function and its primary objective is to review and challenge, rather than assuming responsibility for any matters within its purview.

### Roles and responsibilities of Audit Committee

The roles and responsibilities of Audit Committee have been defined in line with directions stipulated at BRPD Circular No. 11 of 27 October 2013 of Bangladesh Bank and also following provisions mentioned at Corporate Governance Code issued by BSEC, two paramount regulators for a bank-company as well as best practices of corporate governance, some important of which are highlighted below:

## Internal Control

- To evaluate compliance culture by communicating the importance of internal control and the management of risks and ensuring that all employees have clear understanding of their roles and responsibilities;
- To review all initiatives taken by the Management as regards to building a suitable Management Information System (MIS) of the Bank;
- To consider whether internal control strategies have been implemented by the Management;
- To apprise the Board of any fraud, forgery, deficiencies in internal control or other similar issues found by internal and external auditors and inspectors of the regulatory authority and place it before the Board after reviewing whether necessary corrective measure have been taken by the Management.

## Financial Reporting

- To check and review the draft annual financial statements to determine whether the statements are prepared according to existing rules & regulations and reporting standards;
- To review Un-audited financial statements of the Bank on quarterly / half-yearly basis;
- To exchange views with Management and the external auditors to review the financial statements before its finalization.

## Internal Audit

- To monitor whether internal control management is able to conduct its operation independently from the Bank Management;
- To review the activities and the organizational structure of the internal audit and ensure that no untoward restriction or limitation create bottleneck to internal audit activities;
- To examine the skills and effectiveness of internal audit functions;
- To examine whether the findings and recommendations made by the internal auditors are duly considered by the Management or not.

## External Audit

- To review the audit activities of the external auditors and their audit reports;
- To examine whether the findings and recommendations made by the external auditors are duly considered by the Management or not;
- To submit recommendations for appointment of the external auditors to perform audit activities of the Bank.

## Adherence with existing laws, rules and Regulations:

- To review status of compliance on rules and regulations framed by the regulatory authorities (central bank and other bodies) as well as
- To review the formulation, implementation & compliance of internal policies, rules & regulations approved by the Board of the Bank.

## Meetings and key activities in 2021

As per Guidelines on Internal Control and Compliance in Banks by Bangladesh Bank, the Committee were held 04 (Four) meetings in the year 2021. The Committee from time to time invited the Managing Director & CEO, the Head of Internal Control and Compliance Division and other responsible officials entrusted with internal control activities or any other personnel to participate in the meeting as deemed necessary. All the decisions/observations of the Committee are noted in minutes containing various suggestions and recommendations to the Management. Company Secretary of the Board acts as the Secretary of the Committee. The Bank Management has extended necessary cooperation and team members were present accordingly on invitation.

## The Audit Committee held meetings in the following manner:

SI. No.	Meeting	Date of Meeting
1	31 <sup>st</sup> Audit Committee Meeting	06.04.2021
2	32 <sup>nd</sup> Audit Committee Meeting	01.06.2021
3	33 <sup>rd</sup> Audit Committee Meeting	19.09.2021
4	34 <sup>th</sup> Audit Committee Meeting	30.11.2021

### The following matters were transacted in the meetings among others:

- Approved yearly risk based annual audit & inspection plan for 2022;
- Approved Revised ICC Policy of Modhumoti Bank Limited in 2021 following policy-guidelines by Bangladesh Bank;
- Reviewed risk based inspection reports conducted by internal inspectors from time to time and compliance thereof and the Management has been advised for necessary compliance;
- Reviewed annual financial statements of the Bank for the year 31 December 2020 as certified by the External Auditors before submission to the Board for consideration;
- Evaluation/Review/Discussion of policy formulation & implementations:
  - Time Bound Action Plan under Self-Assessment of Anti-Fraud Internal Controls;
  - Reviewed Health Report of the Bank for the year 2020;
  - Position of Non-Performing Loans and Advances
- Evaluation/Review/Discussion of financial related matters, compliances and disclosures:
  - Reviewed the yearly, quarterly and half yearly audited/unaudited financial statements along with Balance Sheet, Profit & Loss Accounts, Cash Flow Statements, Changes in Equity, Liquidity Statements and notes of the Bank and discussed with Management and the external auditors prior to submission to the Board of Directors for their approval.
- Reviewed Management Report on the Bank for the year ended 31 December 2020 submitted by the External Auditors, M/s. MABS & J Partners, Chartered Accountants and its subsequent compliance thereof;
- Reviewed quarterly reports on the nature of discrepancies/lapses in credit documents/ portfolio according to Central Bank guidelines;
- Reviewed Bangladesh Bank's inspection reports and compliance thereof;
- Reviewed half-yearly statement of Self-Assessment of Anti-Fraud Internal Controls under DOS circular letter no.10 dated 09 May 2017 of Bangladesh Bank;

The Committee has also prioritized on many other issues, like maintaining quality of service, non-repetition of lapses etc.

### Recommendation of Financial Statements

The Audit Committee reviewed and examined the Annual Financial Statements for the year 2021 prepared by the Management and audited by the External Auditors, M/s. MABS & J Partners, Chartered Accountants in their 35<sup>st</sup> meeting held on April 27, 2022. They have recommended the financial statements for the year 2021 to the Board for consideration, which have subsequently been approved by the Board of Directors in their 63<sup>rd</sup> Meeting held on April 28, 2022 and presently laid before the shareholders in the Annual General Meeting.

### Acknowledgement

The Audit Committee accords its sincere thanks and gratitude to the Members of the Board, the Bank Management Team, the Bangladesh Bank's Inspection Teams and the Internal & External Auditors for their excellent support extended to the Committee, which facilitated in discharging its roles and responsibilities. Based on its reviews and above mentioned discussions, the Audit Committee is of the view that the internal control and compliance system of the Bank is adequate for purposes of presenting a true and fair view of the activities and financial status of the Bank.

With warm regards,



**Shaikh Salahuddin**  
Chairman

## Brief Report on **Corporate Governance**

Corporate governance is the mechanisms, processes and relations by which the entities are controlled and directed to bring transparency, accountability and professionalism in the management system of a corporate body that enhances the credibility and acceptability of the organization to the shareholders, employees, potential investors, customers, lenders, government and regulators and all other stakeholders. It contributes to development and increased access to capital encourages new investments, boosts economic growth, and provides employment opportunities.

Alike other sectors, effective corporate governance is critical to the proper functioning of the banking sector and the economy as a whole, since banks determine the destination of financial resources, which makes them a powerful engine of economic growth. Banks are also the fulcrum of the payment system and serve as a tool for the execution of domestic monetary policy, for which shortcomings in bank corporate governance can destabilize the financial system and pose systemic risks to the real economy. On the other hand, well governed banks contribute to the maintenance of an efficient and cost-effective supervisory process, as there is less need for supervisory intervention.

### **Corporate Governance Framework in banks**

Corporate governance makes companies more accountable and transparent to investors and gives them the tools to respond to legitimate stakeholder concerns such as sustainable environmental and social development. Good corporate governance is necessary to enable companies operate more efficiently, to improve access to capital, mitigate risk and safeguard stakeholders interest. Corporate governance determines the allocation of authority and responsibilities by which the business and affairs of a bank are carried out by its Board and Senior Management, including how they:

- set the bank's strategy and objectives;
- select and oversee personnel;
- operate the bank's business on a day-to-day basis;
- protect the interests of depositors, meet shareholder obligations, and take into account the interests of other recognized stakeholders;
- align corporate culture, corporate activities and behavior with the expectation that the bank will operate in a safe and sound manner, with integrity and in compliance with applicable laws and regulations; and
- establish control functions.

A bank through its Board and Board's Committees endeavors to strike and deliver the highest governing standard for the benefits of stakeholders. In fact, corporate governance leads to good governance, which is also an integral part of sustainable economic development. The three important constituents of corporate governance in banks of Bangladesh are:

- the Board of Directors;
- the Shareholders;
- the Management

According to Bank-Company Act, 1991, as amended from time to time, the Board comprises with non-executive Directors in Bangladesh, while the most important is Management, since solely responsible for ensuring interest of other stakeholders, such as depositors, creditors, clients, employees, regulators etc. The important role of the shareholders is to hold the Board accountable for the proper governance of a company by enabling the Board to provide them periodically the required information in a transparent manner about the activities and progress of the company. The Management has the responsibility to undertake management of an organization in accordance with the direction provided by regulators as well as the Board, to put adequate control systems in place and to ensure their operation and to provide information to the Board timely and transparently, which enables the Board to monitor accountability of the Management.

Bangladesh Bank has issued following Circulars/Circular Letters wherein separate roles and responsibilities of the Board and Management have been defined along with benefits and appointment procedures have also been stated as guideline, which are to be followed by all banks:

- BRPD Circular No. 11 dated 27 October 2013: Formation & Responsibilities of Board of Directors of a Bank Company;
- BRPD Circular Letter No. 18 dated 27 October 2013: Appointment and Responsibilities of Chief Executive of a Bank-Company;
- BRPD Circular Letter No. 19 dated 27 October 2013: Contractual appointment of Advisor and Consultant in a Bank-Company;
- BRPD Circular Letter No. 20 dated 23 December 2014: Appointment and Responsibilities of Chief Executive of a Bank-Company;
- BRPD Circular Letter No. 11 dated 04 October 2015: Payment of honorium & travelling expenses for attending meeting of the board of directors;

- BRPD Circular No. 14 dated 18 October 2018: Formation and Responsibilities of Board of Directors of a Bank-Company;
- BRPD Circular No. 18 dated 24 December 2018: Removal of disparity in age limit between Chief Executive and other Contractual Officials of a Bank-Company;
- BRPD Circular Letter No. 26 dated 24 December 2018: Appointment and Responsibilities of Chief Executive of a Bank-Company;
- BRPD Circular Letter No. 20 dated 04 April 2021: Formation & Responsibilities of Board of Directors of a Bank Company;
- BRPD Circular Letter No. 27 dated 12 May 2021: Appointment of director, contractual advisor and consultant for Bank-Company;
- BRPD Circular Letter No. 15 dated 11 May 2022: Restrictions for ensuring discipline in bank-company management

In addition to above Circulars, Bangladesh Bank issued the following Circulars/Circular Letters, which have further strengthen corporate governance mechanism in a bank:

- BRPD Circular No. 11 dated 27 September 2018: Not considering any matter/Memo in the Board meeting without prior approval of competent Authority;
- BRPD Circular Letter No. 55 dated 12 November 2020: Prohibiting presence of non-member at bank's Board Meetings.

Besides, Bangladesh Securities and Exchange Commission (BSEC) has introduced Corporate Governance Code in 2018, which is to be followed by listed banks.

### **Corporate Governance Philosophy**

A Bank's corporate governance philosophy encompasses not only regulatory and legal requirements but also various internal rules, policies, procedures and best practices of local and global banks. As a responsible corporate citizen, a Bank should be committed to sound governance practices based on integrity, openness, fairness, professionalism and accountability in building confidence among stakeholders.

The corporate governance philosophy of banks is generally based on the following principles:

- Creating value for all stakeholders without compromising ethical principles;
- Ensuring fairness and equitable treatment of all stakeholders, including employees and shareholders;
- Compliance with all applicable laws, rules and regulations, not only in letter but also in their spirit;
- Ensuring transparency and accountability, and maintaining a high degree of disclosure levels with the motto 'when in doubt, disclose';
- Embracing a trusteeship model in which management is the trustee of the shareholders' wealth and not the owner;
- Establishing a sound system of risk management and internal controls with adequate safeguards and early warning systems.

### **Corporate Governance at Modhumoti Bank Limited**

Modhumoti Bank Limited is registered as a public limited company under Companies Act 1994, licensed by Bangladesh Bank under Bank-Company Act 1991 and amended thereafter and guided mainly by Bangladesh Bank in its corporate governance practices, since the Bank is yet to be listed with any stock exchange.

Modhumoti Bank emphasizes its effective corporate governance principles, transparency in business transactions, statutory and legal compliances, protection of shareholders' interests; commitment to values and ethical conduct of business. Due importance is given to major parameters of corporate governance such as Board system and its independence, function of Board's sub-committees, internal control over financing reporting, transparency, disclosures and compliance etc. All our Banking activities are guided by key principles of good governance.

The Bank's governance framework is premised on competent leadership, effective internal controls, a strong risk culture and ownership and accountability to all our stakeholders, including our customers, shareholders, employees, society and regulators. The Bank has an active Board that plays a key role in setting our governance standards to meet stakeholders' expectations, while our leadership and operating model ensures an appropriate balance of power, accountability and independence in decision making across various functions of the Bank. Further, robust mechanisms have been put into place to ensure that corporate governance principles are embedded deep in our corporate culture.

The Bank has also adopted best practices in terms of disclosure, transparency and business ethics aimed at adding value to stakeholders' expectations and is eager to follow corporate governance practices in all respects of the Corporate Governance (CG) Code and guidelines issued by Bangladesh Bank from time to time. The Bank is committed to continually review its corporate governance policies and guidelines to ensure transparency in its practices and delivery of the highest ethical standards and quality information dissemination to stakeholders on an ongoing basis.

### Code of conduct and ethical guidelines

Every bank should have their own code of conduct and Ethical guidelines. The code of conduct sets the principles for the stakeholders - Members of the Board of Directors and its committees, employees of all levels and categories of banks and Non- Bank Financial Institutions (NBFIs), business partners and service providers and receivers to and from banks and NBFIs to keep uphold and promote the interests of these institutions. The principle objective of this set of code of conduct is to protect the interests of customers, owners and employees, stakeholders of all types of banks and NBFIs as well as the counterparties, in addition to the wider interests of the society as a whole, for which Bangladesh Bank framed a Code of Conduct for Banks and Non-Bank Financial Institutions in 2017 with expectation that this guidelines will be treated as a minimum requirement but not limited to this instruction given. In line of the business of its own, bank and NBFIs can develop it to their end. Modhumoti Bank Limited has already prepared a Draft, which is under process of further analysis and to be submitted before the Board for approval shortly. Basic principles of Code of Conduct and Ethical Guidelines may be stated as follows:

- **Compliance of laws:** All employees are to follow and comply with the laws of the land and internal rules and regulations of the Bank.
- **Integrity of records:** All employees are expected to maintain books and records with integrity and ensure accuracy and timeliness of all transactions. They should shore up the privacy of the customers' affairs. Then as well, employees must not divulge the Bank's plans, methods, and activities, considered by the employer to be proprietary and classified 'confidential'. Moreover, employees are not expected to disclose such information without proper authorization.
- **Misappropriation of assets:** No employee shall convert any funds and properties which are not legitimately theirs to their own use and benefit, nor deliberately assist another person in such exploitation.
- **Conflict of interest:** Employees must not use their position in the Bank for personal emolument or to obtain benefits for themselves or members of their families or friends. Employees should be aware of conflicts of interest and should declare any such conflict.
- **Speculation in stocks:** Employees and their dependents should not speculate/trade in stocks, shares, securities or commodities of any description nor are connected with the formation or management of a joint-stock company.
- **Honesty and integrity:** Employees are expected to act honestly and with integrity at all times. They should act uprightly and equitably when dealing with the public and other employees of the Bank.
- **Acceptance of gift:** Employees are highly discouraged to accept gifts, benefits (cash or kind) or facilities from customers or persons having business interest with the Bank. If an employee has to receive any such thing for the sake of mutually beneficial relationship, he or she must disclose it with his/her line manager.

It is expected that all the employees will be committed to adhere to the Code of Conduct and are expected to demonstrate highest level of ethical standards. They are also expected to undertake at all times to comply with or adhere to all applicable laws and regulations of the country, policies and instructions of the Bank, wherever they operate.

### Corporate social responsibility

Modhumoti Bank has already promulgated a well-defined policy titled 'Corporate Social Responsibility (CSR) Policy of Modhumoti Bank Limited' with some specific objectives prepared in the light of Bangladesh Bank's guidelines stating the Bank's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical so that stakeholders are not negatively impacted for the activities of the Bank. The stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-government organizations, local communities, environment and society at large. Our approach continues to focus on two key priorities: contributing to sustainable economic growth and being a responsible company.

Our system of corporate governance provides the basis for the responsible management, transparency of processes and compliance to regulatory bodies with a focus on sustainable value creation. Since the inception, the Bank actively participated in many endeavor as part of the CSR activities of the Bank. Sustainable Finance Unit of the Bank looks after the CSR activities of the Bank including reporting in the prescribed format to Bangladesh Bank in timely manner.

## Vision, Mission and Values

Vision, Mission and Values statements are crucial to communicating the 'who, what and why' for an organization to corporate management, employees and users of the services. These are developed by leaders with inspiring words to convey the purpose, direction and driving forces of an organization clearly and concisely. Modhumoti Bank, by creating clear, meaningful and reflective statements, powerfully communicate its intentions as well as motivate and inspire the employees to ensure proper understanding about the objectives of the organization following which they be able to make everyday decisions consistently.

### Vision

Our vision is to lead the new generation of local commercial banks by excelling in customer delivery through insight empowered employees, smart use of technology and a full range of highest quality products and services.

### Mission

- Fast customer service
- Maintain sustainable growth
- Follow strong business ethics
- Offer quality financial services with latest technology
- Provide smooth return on shareholder's equity
- Attract and retain qualified human resource
- Maintain Corporate Social Responsibility
- Explore un-banked areas

### Core Values

- Ethics
- Transparency
- Teamwork
- Innovation
- Responsibility
- Customer Centricity

### Our Commitment

- Focus on customers' satisfaction
- Committed to deliver best financial services to
  - » Retail
  - » Small and Medium Enterprises (SMEs)
  - » Corporate
  - » Government and
  - » Individual clients
- Planning strategies to meet the upcoming demands of the market
- Catering high degree of professionalism and use of modern technology
- Creating and maintaining long-term relationship based on mutual trust
- Sharing the values and beliefs of our customers
- Grow as our customers' grow
- Offering competitive pricing with no hidden costs
- Ensuring safety and security of the valuables of our customers put in trust with us.

### The Board of Directors

In BRPD Circular No. 11 dated 27 October 2013, Bangladesh Bank mentioned that the Board of Directors of a bank should be comprised with competent and professionally skilled persons with a view to formulating policy-guidelines and supervising business activities of the bank efficiently as well as ensuring good governance in the bank management. The responsibilities of the board of directors of a bank-company are more important than those of other companies; because in case of a bank-company it is essential to earn and maintain confidence of the depositors as its business is mainly run with the depositors' money.

According to guideline by Bangladesh Bank, the onus of setting strategic aims and goals of the company is on the Board, which is responsible for both designing and implementing governance mechanism including appointment and supervision of respective Board Committees and Top Management, wherein the Managing Director & CEO is also an ex-officio member of the Board. Alike other banks, the Board of Directors of Modhumoti Bank plays pivotal role in bank-governance through their far sighted decision and visionary leadership that drive the company to keep sustainable growth, while the Management under leadership of Managing Director & CEO assumes responsibility for the day-to-day operations.

## Structure of the Board of Directors

Usually structure of directors on the Board is determined by the shareholders of a company in their meeting as set out in the Articles of Association, while the newly amended Section 15 of the Bank-Company Act, 1991 (Amended upto 2018) includes provisions for prior approval of Bangladesh Bank before the appointment of new bank directors, as well as dismissal, termination or removal of any director from the post; director's fit & proper criteria; maximum number of directors; appointment of independent directors; appointment of maximum 4 (four) members from a family as director etc.

In Modhumoti Bank Limited, the number of directors on the Board is determined by the meeting of shareholders, which shall not be less than 7 (seven) or more than 20 (twenty) excluding Managing Director & CEO, as set out in the Bank's Articles of Association. The election of Board members follows the resolution of the shareholders' meeting. Besides, election/ re-election of directors is required to be dealt following Companies Act 1994, Bank-Company Act 1991, as amended from time to time. At every annual general meeting, one-third of the directors shall retire. The retired directors may be re-elected, subject to complying rules/regulations of regulatory bodies in this regard. The Board elects one of its directors as the Chairman and one as the Vice-Chairman. The Chairman presided over the meetings and headed Board's activities.

The Board of Directors of Modhumoti Bank Limited has been re-constituted with 20 (twenty) members in the 8th Annual General Meeting held on 29 June 2021, wherein 2 (two) Independent Directors have been included. All the Directors of Modhumoti Bank Limited including the Chairman and Independent Directors are Non-Executive directors except the Managing Director & CEO. All the assistive committees according to Bangladesh Bank's guidelines have been formed and are playing pro-active roles in formulation of the Bank's goals, policies and strategic direction.

## Key Roles and Responsibilities of the Board of Directors

The Board of Directors performs very important role in the system of the corporate governance. The Board is accountable to the stakeholders and directs and controls the Management.

It stewards the company, sets its strategic aim and financial goals and oversees their implementation, puts adequate internal controls in place and periodically reports the activities and progress of the company in a transparent manner to all the stakeholders, which may be illustrated as follows:

- **Governance:** The Board establishes structures and processes to fulfill board responsibilities that consider the perspectives of investors, regulators and management, among others. The board selects its members and leader(s) via an inclusive and thoughtful process, aligned with company strategy.
- **Strategy:** The Board advises management in the development of strategic priorities and plans that align with the mission of the organization and the best interests of stakeholders, and that have an appropriate short-, mid- and long-range focus. The board also actively monitors management's execution of approved strategic plans as well as the transparency and adequacy of internal and external communication of strategic plans.
- **Performance:** The Board reviews and approves company strategy, annual operating plans and financial plans. It also monitors management execution against established budgets as well as alignment with strategic objectives of the organization.
- **Integrity:** The Board sets the ethical tenor for the company, while management adopts and implements policies and procedures designed to promote both legal compliance and appropriate standards of honesty, integrity and ethics throughout the organization.
- **Talent:** The Board selects, evaluates and compensates the CEO and oversees the talent programs of the company, particularly those related to executive leadership and potential successors to the CEO. The Board communicates executive compensation and succession decisions in a clear manner.
- **Risk governance:** The Board understands and appropriately monitors the company's strategic, operational, financial and compliance risk exposures, and it collaborates with management in setting risk appetite, tolerances and alignment with strategic priorities.

According to Bangladesh Bank's BRPD Circular No. 11 dated 27 October 2013, the Board is responsible to set the vision, mission and policies of a bank and to determine the goals, objectives and strategies to ensure efficient utilization of the Bank's resources. The key roles and responsibilities of the Board of Directors, as envisaged in the Circular include the following:

- Lay down a code of conduct for all Board members and senior management;
- Monitor effectiveness of the Bank's governance practices and review changes from time to time as needed and identify opportunities for further strengthen of corporate governance standards;
- Review and set up annual performance targets of the Bank and also analyze reasons for success or failure of the bank's annual budget achievement from time to time;
- Periodic review of the bank's operational achievements;
- Review of sufficiency and requirement for internal control efforts of the Bank and ensure stronger internal controls;
- Undertake risk management initiatives;
- Accord approval of policies and operational manuals to establish an effective risk management framework in core banking areas and internal control;
- Purchase or acquisition of property for the Bank;
- Appoint Managing Director and CEO and fixation of benefits;
- Provide welfare benefits to employees;
- Review the Bank's human resource (HR) policy;
- Determine the Bank's corporate social responsibility status and taking steps for its improvement

### **Key Role and Responsibilities of the Chairman of the Board**

The Board of Modhumoti Bank Limited is headed by Mr. Humayun Kabir as Chairman, who has been elected from the non-executive Directors of the Bank. In the absence of the Chairman, the Vice-Chairman would preside a particular Board Meeting and in his absence, the remaining members of Board of Directors would elect one of themselves as Chairperson for a specific meeting. The reason of absence of the regular Chairperson is to be recorded in the minutes.

The Role and responsibilities of the Chairman of the Board of Directors of a bank-company is clearly stated in Bangladesh Bank's BRPD Circular No.11 dated 27 October 2013, which the Bank's Chairman also follows:

- Set the Board's Agenda and plan Board Meetings;
- Chair all Board Meetings, directing debate towards consensus;
- Ensure the Board receives appropriate, accurate, timely and clear information;
- Chair the AGM and other Shareholders' Meetings to foster effective dialogue with Shareholders;
- Ensure that the Board sets and monitoring implementation of the Bank's direction and strategy effectively;
- Act as the Bank's lead representative, explaining aims and policies to the Shareholders;
- Ensure no participation in or interference into the administrative or operational and routine affairs of the Bank;
- Provide overall leadership to the Board, setting vision and driving innovation, working closely with the CEO;
- Conduct (if required) on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the Board.

### **Board meetings and attendance**

Meeting of the Board of Directors is held on regular basis following minimum 7 days' Notice to every Director specifying day, date, time and full address of the venue, but emergency meeting may be called as and when required. The Agenda to be transacted at the meeting along with Memorandum [Notes to the Agenda] are to be circulated prior to the meeting. Supplementary items may be taken up for consideration with the permission of the Chair and with the consent of the majority of the Directors present in the meeting following BRPD Circular No. 11 dated 17 September 2018.

Company Secretary of the Bank attends the meetings of the Board of Directors regularly and Head of Finance & Accounts Division/Chief Financial Officer (CFO) also attends the meeting when it is required, provided that the CFO and/or the CS do not attend such part of a meeting of the Board of Directors which involves consideration of an agenda relating to their personal matters.

In the meeting, the Chairman of the Board of Directors allocates sufficient time for the Directors to consider each item of the agenda and allow them to discuss, inquire, and express opinions freely on the items of interest so that they can fulfill their duties to the best of their abilities. Directors who could not attend the meeting(s) were granted leave of absence by the Board.

## Board's Committees and their Responsibilities

Bangladesh Bank's BRPD Circular No.11 dated 27 October 2013 allowed a bank-company to form maximum three committees of the Board. Accordingly, the Board of Modhumoti Bank has formed Executive Committee of the Board of Directors consisting of seven members under the chair of Barrister Sheikh Fazle Noor Taposh. The Board has also formed an Audit Committee under the chair of Mr. Shaikh Salahuddin, MP, Vice-Chairman of the Board consisting of five members and a Risk Management Committee under the chair of Mr. Mostafa Kamal, consisting of five members. Activities of the Committees are dealt according to ToR approved by the Board under terms stated in the circulars of Bangladesh Bank. Minutes of the Committee meetings are presented for ratification before the meeting of the Board of Directors. The Company Secretary of the Bank also acts as secretary of the Committees and attends the meetings. Other Executives were invited to attend meetings as and when required.

## Attendance of Directors in Board & Committee Meetings held in 2021

On the ground of COVID – 19 outbreaks, Bangladesh Bank has issued BRPD Circular Letter No. 09 dated March 23, 2020; BRPD Circular Letter No. 26 dated May 17, 2020 and BRPD Circular Letter No. 34 dated June 30, 2020 through which a meeting may be conducted by using digital platform, wherein a bank – director is allowed to join virtually, following which the Bank has been using Zoom technology since 2020 for facilitating Directors joining at the meeting virtually.

In 2021, 8 (eight) meetings of the Board of Directors were held including a special meeting with Bangladesh Bank. Besides, 8 (eight) meetings of Executive Committee (EC), 4 (four) meetings of Audit Committee (ACB) and also 4 (four) meetings of Risk Management Committee (RMC) were held and attendance of the Directors in these meetings were satisfactory.

The status of attendance at a glance is stated below:

Name	Designation	Attendance in Meetings			
		Board	EC	ACB	RMC
Mr. Humayun Kabir	Chairman	08	--	--	--
Mr. Shaikh Salahuddin	Vice-Chairman	06	--	04	--
Mr. Sheikh Fazle Noor Taposh	Director	08	08	--	--
Mr. Mohammad Ismail Hossain	Director	08	05	--	--
Mr. Nemai Kumar Saha	Director	07	07	--	--
Mr. Salahuddin Alamgir	Director	07	08	--	--
Mr. Mostafa Kamal	Director	05	06	--	04
Mrs. Tanjim a Binthe Mostafa	Director	07	--	--	--
Mr. Humayun Kabir Bablu	Director	07	04	--	--
Mrs. Shahana Yasmin	Director	05	--	--	--
Mrs. Sultana Jahan	Director	07	--	--	03
Mr. A. Mannan Khan	Director	08	--	04	04
Mrs. Ferdousi Islam	Director	05	--	--	--
Mr. Manwar Hossain	Director	04	04	--	--
Mr. Tanveer Ahmed Mostafa	Director	06	--	--	--
Mr. Md. Mahbubur Rahman	Director	07	--	02	--
Mr. Didarul Alam	Director	01	--	--	00
Mrs. Syeda Sharmin Hossain	Director	07	--	--	02
Mr. Yusuf Hussain Humayun	Independent Director	01	--	01	--
Mr. Shaheduzzaman Choudhury, FCA	Independent Director	08	--	02	--

## Compliance with secretarial standards

The Institute of Chartered Secretaries of Bangladesh (ICSB) realizes the need for integration, harmonization and standardization of diverse secretarial practices, following which they have framed and issued Secretarial Standards to streamline and standardize the diverse secretarial standards currently in uprising. In line with objective of formulating Bangladesh Secretarial Standards, Modhumoti Bank Limited has been following Secretarial Standards of Board of Directors (BSS-1), Secretarial Standards on General Meeting (BSS-2), Secretarial Standard on Minutes (BSS-3) and Secretarial Standard on Dividend (BSS-4).

## Independence of Non-Executive Directors

All the Directors of Modhumoti Bank Limited are Non-Executive Directors and they have full freedom to carry out their coveted responsibilities. They attend Board meeting regularly and participate in the deliberation and discussions effectively. They actively involve in the matter of formulation of general strategies of the Bank, but they do not participate in or interfere into the administrative or operational or routine affairs of the Bank.

## Independence of Independent Directors

According to BSEC's Corporate Governance Code, an Independent Director shall not have any material relationship with the company, but any such Independent Director may hold shares to the extent of 1% of the total paid-up capital, while an Independent Director of a bank-company shall not hold any shares of the company following Bank-Company Act, 1991. An Independent Director will not have any significant relationship, whether pecuniary or otherwise, with the bank, its top management and the Board. The Bank complies with the requirement and appoints Independent Directors who does not have any family or other relationship with its Board of Directors and its executive management. Besides, approval for appointment on an Independent Director from Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank is to be obtained.

Independent Directors have full freedom to carry out their coveted responsibilities at Modhumoti Bank Limited. They attend Board meeting regularly and participate in the deliberation and discussions effectively. They actively involve in the matter of formulation of general strategies of the Bank, but they do not participate in or interfere into the administrative or operational or routine affairs of the Bank alike other Non-executive Directors.

## Independence of Chairmen of Board's Committees

Chairmen of the committee(s) of the Board of Directors are enjoying full freedom to carry out their responsibilities.

## The Executive Committee

**Objective:** The Executive Committee has been formed to assist the Board, deliberate urgent and important management issues including sanctioning loans and advances except large loans and such matters for execution of operations of the Bank between intervals of Board meeting. The Committee performs within the delegated power/terms of reference from time to time as set by the Board of Directors in the light of prevailing rules/regulations. None of them are the members of Audit Committee of the Board.



The Executive Committee is seen in a meeting chaired by Barrister Sheikh Fazle Noor Taposh.

**Composition:** In compliance with BRPD Circular No. 11 dated 27 October 2013, the Board of Directors constituted the Executive Committee (EC) of the Board with 7 (seven) members, which was as follow as of 31 December 2021:

Name	Status in the Committee	Status with the Bank	No. of meetings attended
Mr. Sheikh Fazle Noor Taposh	Chairman	Director	08
Mr. Mostafa Kamal	Member	Director	06
Mr. Salahuddin Alamgir	Member	Director	08
Mr. Mohammad Ismail Hossain	Member	Director	05
Mr. Nemai Kumar Saha	Member	Director	07
Mr. Humayun Kabir Bablu	Member	Director	04
Mr. Manwar Hossain	Member	Director	04

**No. of Meetings and Attendance:** A total of 08 (eight) meetings of the Executive Committee have been held during 01 January 2021 to 31 December 2021 and attendance of the Directors in these meetings was satisfactory. Directors who could not attend the meeting(s) were granted leave of absence.

### The Audit Committee

**Objective:** To assist the Board of Directors with regards to auditing of financial reports, internal controls and internal audits, and to select and work in co-ordination with the Bank's external auditors. The Audit Committee assists the Board in fulfilling its oversight responsibilities. The Committee reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct.



The Audit Committee is seen in a meeting chaired by Mr. Shaikh Salahuddin, MP.

**Composition:** In compliance with Section 15Kha(2) of the Bank-Company Act 1991 (amended up to 2018), BRPD Circular No. 11 dated 27 October 2013; the Board of Directors re-constituted the Audit Committee (ACB) from time to time since its first formation and lastly on November 14, 2020, which was as follow as of 31 December 2021:

Name	Status in the Committee	Status with the Bank	No. of meeting attended
Mr. Shaikh Salahuddin	Chairman	Vice-Chairman	04
Mr. A Mannan Khan	Member	Director	04
Mr. Md. Mahbubur Rahman	Member	Director	02
Mr. Yusuf Hussain Humayun	Member	Independent Director	01
Mr. Shaheduzzaman Choudhury, FCA	Member	Independent Director	04

**No. of Meetings and Attendance:** The Audit Committee shall conduct at least four meetings in a year and may call meeting at any time as per requirement. A total of 4 (four) meetings of Audit Committee have been held during 01 January 2021 to 31 December 2021.

## Major agenda covered in 2021

- Reviewed risk based inspection reports conducted by internal, external and Bangladesh Bank inspectors from time to time and compliance thereof;
- Reviewed annual financial statements of the Bank for the year 31 December 2020 as certified by the External Auditors before submission to the Board for consideration;
- Reviewed Management Report on the Bank for the year ended 31 December 2020 submitted by the External Auditors and its subsequent compliance thereof;
- Reviewed Annual Health Report 2020;
- Reviewed quarterly reports on the nature of discrepancies/lapses in credit documents/ portfolio according to Central Bank guidelines;
- Reviewed half-yearly statement of Self-Assessment of Anti-Fraud Internal Controls under DOS circular letter no.10 dated 09 May 2017 of Bangladesh Bank;

**Reporting:** The Audit Committee actively reviews appropriateness of the accounting policies, annual internal audit plan, audit reports, risk management of the Bank and Bank's technological needs. It also oversees the discharge of responsibilities of the external auditors. The Committee reports on its activities to the Board of Directors from time to time by ratifying Minutes to the Board on a regular basis. If any significant deviation(s) was/were come to the notice of the Committee including the following findings, inform the Board of Directors of the Bank immediately upon receiving such findings:

- a. Report on conflicts of interests;
- b. Suspected or presumed fraud or irregularity or material defect in the internal control system;
- c. Suspected infringement of laws, including securities related laws, rules and regulations;
- d. Any other matter, which should be disclosed to the Board of Directors immediately.

The Audit Committee has a duty to report its performance to the Board of Directors and produce and publish its report at the Bank's Annual Report.

## The Risk Management Committee

**Objective:** After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the Risk Management Committee scrutinizes whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified. To play an effective role in mitigating impending risks arising out of business and reviewing strategies and policies for adopting changes by the Board to carry out responsibilities efficiently, the Risk Management Committee shall conduct at least four meetings in a year and may call meeting at any time as per requirement. The Committee may call the CEO, CRO/Head of Risk Management Division or any other Executive to attend the Committee meeting.



The Risk Management Committee is seen in a meeting chaired by Mr. Mostafa Kamal.

**Composition:** In compliance with Section 15Kha(3) of the Bank-Company Act 1991 (amended up to 2018), BRPD Circular No. 11 dated 27 October 2013; the Board of Directors re-constituted the Risk Management Committee (BRMC) from time to time since its first formation and lastly on November 27, 2021, which was as follow as of 31 December 2021:

Name	Status in the Committee	Status with the Bank	No. of meeting attended
Mr. Mostafa Kamal	Chairman	Director	04
Mrs. Sultana Jahan	Member	Director	03
Mr. A. Mannan Khan	Member	Director	04
Mr. Didarul Alam	Member	Director	00
Mrs. Syeda Sharmin Hossain	Member	Director	02

**No. of Meetings and Attendance:** The RMC held 4 (four) meetings during 2021 having detailed discussions and reviewed session with the CEO as well as CRO/Head of RMD regarding their findings, observations and recommendations on many issues of bank affairs that need to be improved.

### Major agenda covered in 2021

- Reviewed monthly Risk Management Reports, half yearly Comprehensive Risk Management Reports (RMR) and advised the Management to take actions for diversifying loan portfolio;
- Reviewed the Capital Adequacy Statement of the Bank from time to time and advised for taking steps to increase the number of credit-rated borrowers as well as credit-rated loan amount for decreasing the credit risk weighted asset and maintaining regulatory limit of Capital to Risk Weighted Asset Ratio (CRAR);
- Reviewed Risk Appetite Statement (RAS), Large Loans and its concentration and Credit Risk Assessment of Top-20 Borrowers and Resolution Report, which enable the Bank to get ready with a roadmap of the risk resolution towards enriching the risk resilience capacity;
- Reviewed the Stress Test Reports of the Bank on quarterly basis and advised the Management to pursue loans with adequate collateral to avoid additional capital deployment and recovery of loans in case of default;
- Reviewed Management Action Triggers (MAT) to warn against breach of limit position, which are one of the important tools for risk management in banks, especially in implementation of Pillar 2 Supervisory Review process as per Basel III;
- Reviewed the Comprehensive Risk Management Rating of the Bank based on December-2020 and June-2021 and advised the Management to take appropriate steps to comply the suggestions of Bangladesh Bank;
- Reviewed Risk Management Policies and Effectiveness of Risk Management Functions;
- Reviewed Green Banking activities and CSR activities of the Bank etc.;

### Annual Appraisal of the Board's Performance

At Modhumoti Bank, the Board sets and approves business target at the beginning of each year and monitors the status of the same periodically to ensure achievement of the target. The Board's performance is mostly dependent on the achievement (under or over) of business target. Besides, the performance reports of supporting committees of the Board are also placed in the Board meeting. Shareholders evaluate performance of the Board at Annual General Meeting (AGM) through evaluation of financial position and performance of the Bank, its adequacy and effectiveness of internal control system and overall governance mechanisms. The shareholders also ask questions and make queries to the Board of Directors during AGM and the Chairman of Board gives a patient hearing and response to their queries.



The Directors/ Shareholders are seen discussing at the Eight Annual General Meeting held in 2021.

## Policy on Induction of Directors

The policy on training of Directors includes providing information on the latest update related to banking business such as relevant laws, policy guideline, circulars, notifications, directives, rules and regulations issued by the regulatory authorities; so that they could effectively discharge their responsibilities as a Director of the Bank. They also may participate in the programs and seminars organized by various professional bodies at home and abroad on business, economic, technical, professional and corporate governance issues.

## Ownership Composition

The Authorized Capital of Modhumoti Bank Limited is Taka 20,000.00 (twenty thousand) million divided into 2000.00 million ordinary shares of BDT10.00 each. The Paid-up Capital of the Bank was Taka 5,257.38 million divided into 525.738 million ordinary shares as of 31 December 2021. The Bank's shares are yet to be floated through initial public offering (IPO) nor listed with any stock exchange. The Board members collectively represented 72.57 per cent of total outstanding paid-up capital of the Bank at the end of 2021, which was same in 2020.

## Directors' Shareholding Status

Shareholding details of the Directors as of 31 December 2021 are stated below:

Sl. No.	Name	Designation	No. of Shares
1	Mr. Humayun Kabir	Chairman	13,957,650
2	Mr. Shaikh Salahuddin	Vice-Chairman	20,936,475
3	Mr. Sheikh Fazle Noor Taposh	Director	46,525,500
4	Sharmin Apparels Limited Represented by Mr. Mohammad Ismail Hossain	Director	23,262,750
5	Sandhani Life Insurance Company Limited Represented by Mr. Nema Kumar Saha	Director	34,894,125
6	Mr. Salahuddin Alamgir	Director	23,262,750
7	Tanveer Oils Limited Represented by Mr. Mostafa Kamal	Director	23,262,750
8	Everest Power Generation Company Limited Represented by Mrs. Tanjima Binthe Mostafa	Director	23,262,750
9	Mr. Humayun Kabir Bablu	Director	23,262,750
10	Mrs. Shahana Yasmin	Director	23,262,750
11	Mrs. Sultana Jahan	Director	23,262,750
12	Mango Teleservices Limited Represented by Mr. A. Mannan Khan	Director	23,262,750
13	Azbal International Limited Represented by Mrs. Ferdousi Islam	Director	23,262,750
14	Anwar Jute Spinning Mills Limited Represented by Mr. Manwar Hossain	Director	11,631,375
15	Meghna Flour & Dal Mills Limited Represented by Mr. Tanveer Ahmed Mostafa	Director	13,957,650
16	Mona Financial Consultancy & Securities Limited Represented by Mr. Md. Mahbubur Rahman	Director	11,631,375
17	Mr. Didarul Alam	Director	9,305,100
18	Sharmin Fashions Limited Represented by Mrs. Syeda Sharmin Hossain	Director	9,305,100
19	Advocate Yusuf Hussain Humayun	Independent Director	-
20	Mr. Shaheduzzaman Choudhury, FCA	Independent Director	-
	<b>Total</b>		<b>381,509,100</b>

## **Key Roles and Responsibilities of Managing Director & CEO**

Managing Director & CEO has been given many responsibilities at the BRPD Circular Letter No. 18 dated 27 October 2013 issued by Bangladesh Bank, core responsibilities of which is stated below:

- In terms of the financial, business and administrative authorities vested upon him by the Board of Directors, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.
- The recruitment, promotion and all other staff issues of the bank except those in the two tiers below him shall rest to the CEO. He shall act in such cases in accordance with the approved service rules on the basis of the human resources policy as approved by the Board of Directors.
- The CEO shall include clearly any violation from Bank-Company Act 1991 and/or other relevant laws and regulations in the 'Memo' presented to the meeting of the Board or any other Committee(s) engaged by them.
- The CEO shall ensure compliance of the Bank-Company Act 1991 and other relevant laws and regulations in discharging routine functions of the bank and shall report to Bangladesh Bank on issues which are in violation of the Bank Company Act 1991.

## **Annual Evaluation of the MD & CEO by the Board**

The Board makes annual evaluation of MD & CEO through various reports like financial position and performance report of the Bank, knowing update of various assignments given by the Board to the CEO and the Management from time to time and doing variance analysis of budget with actual result and steps taken by CEO to achieve the budgeted target. Among the financial parameters; NPL ratio, growth of loan & deposit, cost to income ratio, loans write off and its recovery, capital adequacy ratio, advance deposit ratio etc. The Board reviewed the overall business performance of the Bank from time to time.

Due to Covid-19 pandemic situation in 2020, bank-business has seriously been affected globally, which has been reflected in Bangladesh also and continued even in 2021, as such it was unlikely for Modhumoti Bank Limited or any other bank of the country avoiding such adverse situation. To overcome the situation, Bangladesh Bank has come forward with softer terms, no doubt that the directives of Bangladesh Bank helped the banking sector as a whole in this regard. The Bank has taken steps to improve portfolio performance, especially focus on reducing NPL. The Board emphasized on stringent monitoring of the loan accounts for preventing diversion of fund from business by misusing regulatory relaxation on the ground of Covid-19 situation.

## **Benefits provided to Directors and Managing Director**

Directors are not eligible to any remuneration other than for attending any meeting of the Board and its Committee. The Chairman of the Bank is allowed to receive facilities in line with BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank. Directors are allowed for re-imbursment of their expenses in accordance with provisions stated in BRPD Circular No. 11, dated 27 October 2013 and BRPD Circular Letter No. 11 dated 04 October 2015 issued by Bangladesh Bank.

The Managing Director enjoys salary & allowances and other facilities according to his service contract duly approved by Bangladesh Bank.

## **The Management and its Committees**

The functions of the Board and the Management are clearly defined and sharply bifurcated. It may be mentioned that the Management is an extended wing of the Board executing policies and procedures set by the Board for the greater interest of shareholders and other stakeholders. The risk management and overall support functions of the Bank has been designed and kept fully independent from business to guard against any unforeseen events that undermine the brand value of the Bank.

The Management Team is headed by the Managing Director & CEO Mr. Md. Shafiqul Azam, who has long banking experience. The Management implements and acts within the policies and manuals approved by the Board. A clearly defined organizational structure with definite lines of responsibility and delegation of powers to different echelons of the Management are in place in the Bank. The Management enjoys full freedom in conducting the business of the Bank within the scope of the policy guidelines of the Board and the regulatory bodies. However, the Board and the Management work in unison for the continued well being of the Bank.

To streamline the functions of different divisions / departments of the Bank, the Management has formed many Committees to identify and mitigate risks associated with the business and handle operations smoothly as advised by Bangladesh Bank from time to time. Executive Risk Management Committee, Management SRP Team and Basel Unit (Supervisory Committee) have been formed along with Credit Risk Management Committee and Asset and Liability Committee (ALCO). The Committees regularly review issues related to the markets, credit & liquidity and, accordingly recommend and implement appropriate measures to proactively identify and mitigate risks. A well-defined process for credit approval is being followed in the Bank, wherein Credit Evaluation Committee at Head Office also assists the Management in assessing, approving and managing credit risk.

### **Senior Management Team**

As Bangladesh Bank suggested to set up a strong and effective control framework within the organization, the Board of Directors of Modhumoti Bank Limited has defined/formed a Senior Management Team (SMT) headed by Managing Director & CEO, wherein the Chief Financial Officer (CFO)/ Head of FAD would act as Member Secretary. Any officer that perform a policy making function or is In-charge of a principal business unit/function may be member of SMT except any executive of ICCD. Any unresolved issue between SMT and ICCD to be referred to the Board of Directors through ECB and ACB respectively and may even to Bangladesh Bank, if needed. The Central Bank suggests following functions of Senior Management Team (SMT):

- SMT should monitor the adequacy and effectiveness of Internal Control System based on the bank's established policy and procedure.
- SMT shall review the overall effectiveness of the control system of the bank and provide a certification on a yearly basis to BOD on the effectiveness of internal control policy, practice and procedure.
- Management will enrich audit teams with adequate skilled manpower and proper IT support as per requisition of the ACB for purposeful and effective audit.
- Management will ensure compliance of all laws and regulations that are circulated by various regulatory authorities such as, Bangladesh Bank, Ministry of Finance, Bangladesh Securities and Exchange Commission etc.
- During the audit period, if the present audit team finds any lapse or irregularity which was not detected / identified by the previous auditor, then that will be reported to the Audit Committee.

### **Management Committee (MANCOM)**

MANCOM is lead by Managing Director & CEO as an Ex-officio Chairman, where related topics for ensuring internal control system are usually discussed, which is practiced in the country since long, introduced initially by the Central Bank. The major responsibility of the Committee is to control overall management of the Bank and decide the extent of the Internal Control System, which is appropriate to the Bank.

#### **The roles of the MANCOM are as under:**

- Setting out a strong Internal Control Framework within the Bank by establishing an Internal Control & Compliance Division. In this regard, the role of Managing Director is very important.
- With governance & guidance from the Board of Directors, the MANCOM shall put in place policies and procedures to identify, measure, monitor and control Bank's core risks.
- The MANCOM will, if necessary, put in place an Internal Control Structure of the Bank assigning/segregating clear responsibility & duty, authority, reporting relationship etc.
- The MANCOM will monitor the adequacy and effectiveness of the internal control system based on the bank's established policy & procedure so that the system can meet the statutory requirements, safeguard the Bank's assets and provide adequate Management Information System (MIS) for the proper control of the business.

### **Asset Liability Committee (ALCO)**

Asset Liability Committee is headed by the Managing Director and consists of strategically important Divisional Heads of Head Office, wherein the Head of Treasury acts as the secretary. The meetings of the Asset Liability Committee are usually held in every month, chaired by the Managing Director. The Committee is mainly responsible for managing Balance Sheet gap (minimizing mismatch between Deposits and Loans & Advances), interest rate risk and liquidity risk of the Bank.

#### **The roles of the ALCO are as under:**

- To monitor asset liability management of the bank as per guidelines of Bangladesh Bank.
- To review reports on liability risk, market risk and capital management issues.

- To review monthly Balance Sheet (specific type) in order to understand balance sheet risk.
- To review key management indicators for managing risk and exposures.
- To review loan-deposit ratio in respect of its limit, utilization, trend behavior.
- To review deposit-pricing strategy for the local market.
- To identify balance sheet gaps, interest rate gap/profile etc.
- To review the loan-pricing strategy
- Any other matter that may arise from time to time.

### **Internal Control System**

Internal Control is a process developed by an organization in combination of policies & procedures in order to provide safe & sound operations within the organization which also helps to achieve its goals and objective. In other words, Internal Control is the process, effected by a Bank's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations and internal policies. External events can interfere with achievement of objectives, no matter how good is the system of internal control. Internal control is more than a structure, consists of policies and procedures.

- Policies are Board or Management statements about what should be done, and may even be unwritten and implied by management's actions.
- Procedures are the actions that implement a policy or how it should be done.

International Standards on Auditing (ISA)-400 refer the term 'Internal Control System' as all the policies and procedures adopted by the management of an Entity to assist in achieving management's objective of ensuring, as far as practicable the orderly and efficient conduct of its business, including:

- a) adherence to management policies;
- b) safeguarding of assets;
- c) prevention and detection of fraud and errors;
- d) accuracy and completeness of the accounting records; and
- e) Timely preparation of reliable financial information.

### **The responsibility of implementing internal controls starts with the following ways:**

1. The business lines, which are the 'first lines of defense' against breaches that could cause the bank not to fulfill its objectives not to report properly or not to comply with laws and regulations.
2. Risk management & compliance, which are the 'second lines of defense' against mishaps.
3. Internal audit functions are the final or 'third line of defense'.

To establish an effective internal control system a bank must enforce three important control functions in its activities. These are:

- Risk management
- Compliance
- Internal audit

### **Effective anti-money laundering and anti-terrorism program**

Under precautionary priorities, the Bank is committed to protect itself from money laundering activities in line with global best practices. Besides the compliance of legal obligation, Modhumoti Bank considers prevention of money laundering as one of its core business values. The united force of Board of Directors and the Senior Management enhances our commitment to combat money laundering. Every year memos, circulars and messages are issued from the high-ups of Management recalling the importance of this issue.

For effective anti-money laundering and anti-terrorism program, Modhumoti Bank has formed Central Compliance Committee (Triple C) comprised of CAMLCO, Deputy CAMLCO and Heads of related Departments/ Divisions following Section 1.3 KA of BFIU Circular 19 dated 17 September 2017. The roles of Central Compliance Committee (Triple C) include defining and developing AML /CFT compliance policies, strategies & programs aligned with international and national standards and regulations and evaluate the same from time to time, supervising the effective implementation of AML/CFT annual program of AMLD jointly with CAMLCO, meeting at least quarterly to review policies, assessing overall compliance status of the Bank and issue directives in this regard, submitting half yearly Reports to MD & CEO on progress

of implementation of AML/CFT related measures with recommendations, directing AMLD to issue instructions for adherence by branches and departments relating to policy and procedures on KYC/ CDD/ EDD, Transaction Monitoring/ Screening, etc. and nominating BAMLCOs/DAMLCOs having requisite skill sets, experience and rank. Triple C meetings have been executed quarterly and decisions taken in these meetings have been implemented timely. Specialized trainings have been arranged for BAMLCOs/DAMLCOs for AML/CFT measures.

Modhumoti Bank has also formed Anti-Money Laundering Department in compliance with Section 1.3 KHA of BFIU Circular No. 19 dated 17 September 2017. AMLD has been developing AML System that are required to prevent, detect along with name screening and transaction monitoring for effective implementation of anti-money laundering and antiterrorism strategies including reporting of money laundering activities following regulatory directives.

### **Management Information System (MIS)**

An effective reporting system of information that is relevant to decision making shall be existed in the Bank. Those information shall be reliable, adequate, timely accessible and provided in a consistent format. The reporting system shall include the followings:

- a) All necessary external market information about events & conditions, which are relevant to decision making as well as internal information i.e. financial, operational & compliance data, shall be available in time.
- b) There shall be appropriate committees within the Bank, which will evaluate data received through various information systems. This will ensure supply of correct & accurate information to the management.
- c) Internal information shall cover all significant activities of the bank. These systems including those that hold and use data in electronic form shall be secured, monitored independently and supported by contingency arrangements.
- d) Most importantly the channels of communication shall ensure that all staff fully understand and adhere to policies and procedures effecting their duties and responsibilities and that other relevant information is reaching the appropriate personnel.

### **Appointment of External Auditors and restriction of their service involvement**

The Shareholders of the Bank in its Sixth Annual General Meeting held on 19 September 2019 appointed M/s. MABS & J Partners, Chartered Accountants as external auditor of the Bank for the year 2019, who has been re-appointed for the year 2020 and 2021 later on, but they are not eligible for re-appointment further, for which new appointment of an external auditor is to be considered now. No partner or employees of the external audit firms shall possess any share of the Bank. Following Corporate Governance Guidelines of BSEC, the statutory auditor shall not involve in the following services of the Bank:

- Appraisal or valuation services or fairness opinions;
- Financial information systems design and implementation;
- Book-keeping or other services related to the accounting records or financial statements;
- Broker-dealer services;
- Actuarial services;
- Internal audit services or special audit services;
- Any other service that the Audit Committee determines.
- Audit or certification services on compliance of corporate governance as required by Corporate Governance Code;
- Any other service that creates conflict of interest;
- No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.

### **Role of External Auditors in Evaluating Internal Control System**

- External Auditors by dint of their independence from the management of the bank may provide unbiased recommendations on the strength and weakness of the internal control system of the bank & should incorporate their findings in the management report.
- They may examine the records, transactions of the bank and evaluate its accounting policy, disclosure policy & methods of financial estimation made by the Bank; this will allow the board and the management to have an independent overview on the overall control system of the bank.

### **Related Party Transactions**

The detail information regarding Related Party Transactions as of 31 December 2021 has been presented in the Notes to the Financial Statements under Note # 37.2.

# Declaration by CEO and CFO

April 28, 2022

## The Board of Directors

Modhumoti Bank Limited  
Khandakar Tower (Level 7 & 8)  
94 Gulshan Avenue  
Gulshan-1, Dhaka- 1212.

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

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

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

In this regard, we also certify that: -

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

Sincerely Yours,

Sd/-

**Md. Shafiul Azam**  
Managing Director & CEO

Sd/-

**Md. Mashiur Alam Mollah**  
AVP & In-charge of FAD

# INTEGRATED REPORTING



# Competitive Intensity

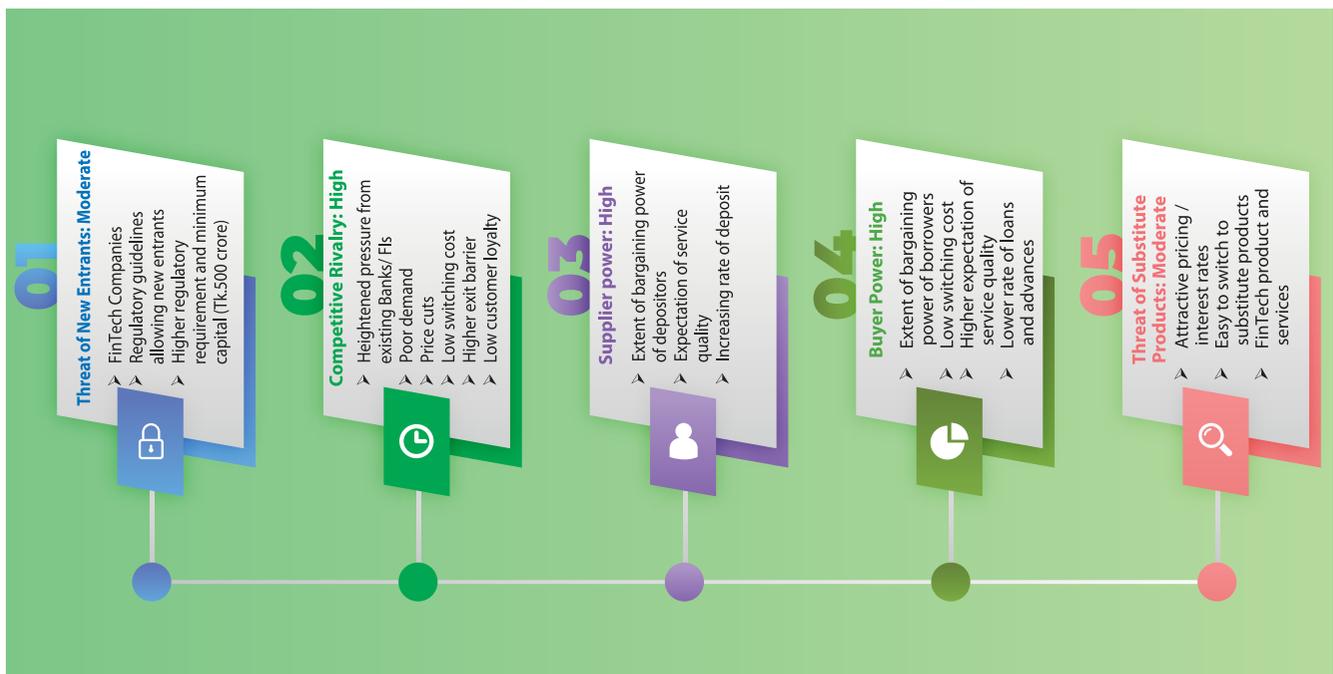
In strategy, competitive intensity is defined as the extent to which companies within a specific industry exert pressure on one another. Some level of competition is healthy because it acts as an impetus for innovation within organizations. Competition, whether in an industry or another setting, drives teams and individuals to give their best. In fact, such rivalry is what keeps a majority of firms on their toes, propelling them to do better than their competitors. In Bangladesh, a country with GDP size of around USD 400.00 billion, the Banking industry is fiercely competitive where there are 61 scheduled Banks, 5 non-scheduled Banks and 34 NBFIs at the end of 2021. Moreover, the banking industry in Bangladesh is continuously exposed to numerous risks, both internally and externally. Banks are operating with high competitive intensity, with a number of players, large and small, jostling for a share of the market. The Banks with poor governance culture and having de-motivated employees to serve customers to the highest extent will surely face difficulties to achieve their objectives both in short and long-term. They will severely be affected due to rising non-performing loans, especially in times of discriminating stress, as seen to be unleashed by the Covid-19 pandemic as well as by regulated pricing of lending products initiated by the Central Bank.

## Our strategic response to competitive intensity

To attain the competitive edge, this is utmost important for the Bank to identify the risk factors and competitive forces that shape the banking industry. As a growing Bank, Modhumoti Bank Limited has comprehensive risk management framework to identify and mitigate concerned risk issues arising from acute competition in the market. This approach not only protect the Bank from adverse circumstances but also helps enhance its operational viability and sustainability.

We pay close attention to the environment in which we operate, scanning the horizon for risks and opportunities, and adapting our strategy accordingly. We also monitor trends in the behavior of our existing and prospective customers so that the Bank can effectively meet their changing needs. We believe that our operational excellence is the most effective competitive advantage, while our size, scale, reach and influence remain as our biggest safeguard against competitive pressures. The Bank is always in the process of investing in its human resources, technology, products and customer services/experiences with a view to build on our competitive strengths.

## Competitive intensity level



## Threat of New Entrants: Moderate

Over the couple of years, a number of new banks have entered the already crowded financial services industry though the regulatory requirement and minimum capital (Tk.500 crore) are high. Meanwhile, few other banks have already started their operations which shows that the threat of new entrants is reasonably moderate. This risk will be intensified, especially on account of the pandemic advancing the scope for FinTech companies. These are normally well-funded entrants and can disrupt the market. Further, it is also possible that existing banks may resort to unsustainable and unsubstantiated practices that can create short-term disruptions.

## **Our response**

Modhumoti Bank, believes customer-first philosophy and, is focused on continuous services excellence through product and services innovation and continuous investment in digitization of services which will help us counter any external market-driven pressures. We also understand that the pandemic has impaired bank balance sheets thus weakening the ability of players to launch any major detrimental moves.

## **Competitive Rivalry: High**

The Banking industry is marked by intense competition among 61 Banks and 34 NBFIs operating in the country. The level of loyalty of customers is low as the switching cost is low due to large number of banks operating in country which engaged in price wars among themselves.

## **Our response**

The pandemic has had a damaging impact on the broader industry and this may enforce consolidation, thus helping Modhumoti Bank, one of the best performing Banks, to responsibly capture a higher share of the market. The Bank has been able to generate the highest operating profit since its inception and providing higher return to its shareholders for the last of couple of years. We provide the most competitive rates on our loan products and the most favorable rates on our deposit products, a wide range of products and services, safe and secure digital banking channels, empathetic, speedy and sensitive customer service and prompt grievance resolution mechanisms.

## **Supplier Power: High**

Depositors are the main supplier of funds for the banking industry, whose bargaining power is strong in Bangladesh. They are always in a position of power as different banks approach them with high interest rates. Moreover, the depositors on the other hand had a tough time as they are receiving return from deposits which is often failing to cover the inflation rate. This prompted depositors to look for other avenues such as National Savings Certificate (NCS), Equity Investments and so on.

## **Our response**

We understand that as a Bank, we need to meet the expectations of the public, especially our depositors who have trust on us to keep their hard-earned money with us. We focus on offering the best interest rates on deposits and this intent is reinforced by our ability to draw low-cost funds from the market through utility collection booths and other avenues of the Bank. We also offer a wide range of fixed deposit (FD) products across varying tenures that meet many financial and socio-economic needs and expectations of our deposit-holders.

## **Buyer Power: High**

The buyer's power has been increasing due to low switching cost for presence of higher number of banks in the industry. Despite being faced with liquidity issues, the large corporates and conglomerates exercise a high buyer power as they are extremely rate sensitive. Price wars among the financiers enable them to exercise such power. As our Bank has requirement to focus on corporate loans more due to its present corporate and business level strategy, the Bank has to confront with intense buyers' power. It is true that a highly competitive environment always gives buyers a greater choice which fosters a healthy competition.

## **Our response**

The main differentiator is the service that we render to our customers. When it is easy to copy a product, it is impossible to replicate service, and this represents one of our major competitive advantage. With a customer-first approach, we have ensured that we offer the lowest loan TAT (turnaround time) to eligible borrowers that greatly facilitate them in meeting any exigent needs. Further, our ability to customize/personalize products to suit the diverse requirements of our customers is a major advantage that helps us for maintaining forge stronger relationships with them.

## **Threat of Substitute Products: Moderate**

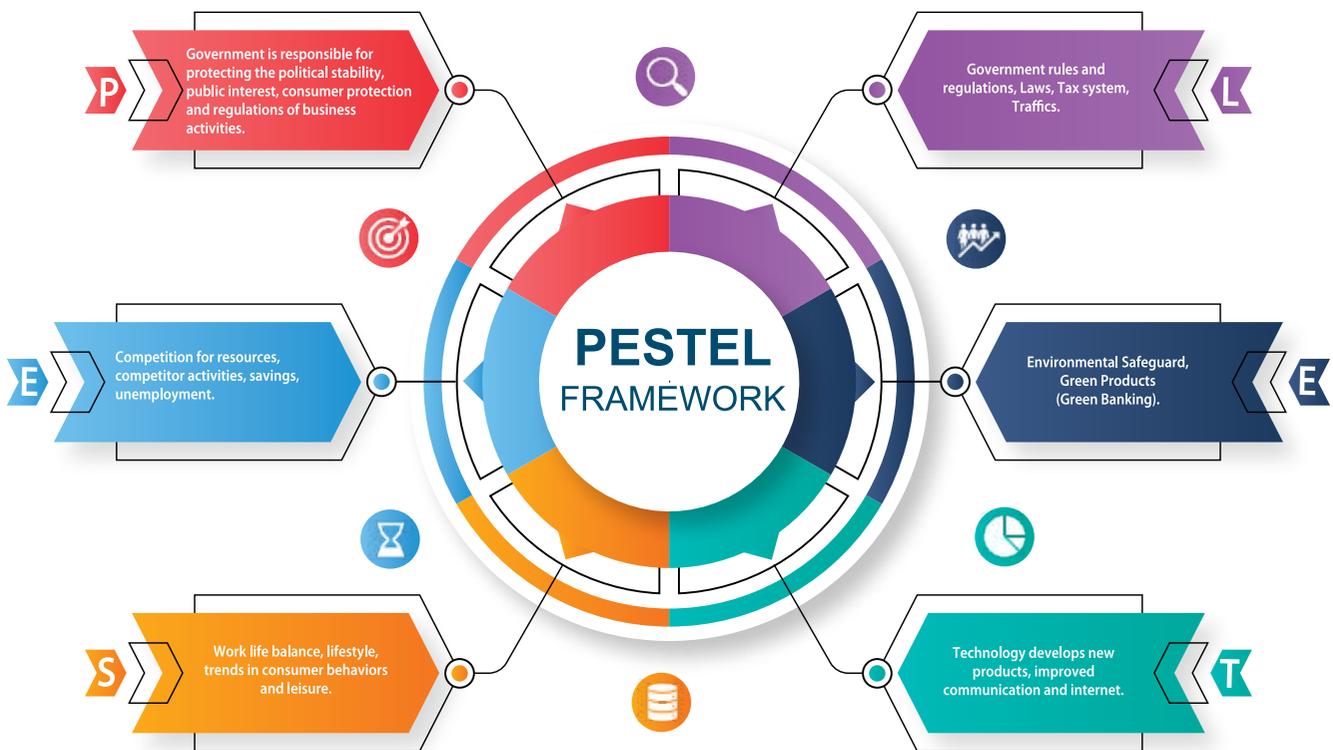
In addition to the threat from the new entrants, MMBL's most significant threats regarding substitution stem not only from local banks but also from the non-banking financial sector. Many of these institutions have already started offering specialized financial services that were previously only provided by the Banks. Additionally, for some segments, there exists a threat from institutions beyond the financial sector; for instance, in case of high ticket white good products, some of the home appliance suppliers offer the products on installment payment basis, removing the need to get a financier's involvement.

## Our response

Competition from substitute products pushes industry participants heighten efforts to convince customers their product & service has attributes that are superior to those of substitute. Modhumoti Bank also follows the same rule to ease the threat of substitute products. The Bank is continuously widening its product and services and introducing state-of-the-art technology and tech-savvy products to remain competitive in the market.

## PESTEL FRAMEWORK

A PESTEL analysis is a strategic framework commonly used to evaluate the business environment in which a firm operates. Traditionally, the framework was referred to as a PEST analysis, which was an acronym for Political, Economic, Social, and Technological; in more recent history, the framework was extended to include Environmental and Legal factors as well. The PESTEL analysis is usually undertaken for understanding the external environment which is affecting banking business operation. Generally, external factors are out of the industry's control and the industry need is to be aware of them for exploit opportunities and to avoid the threats in the environment.



Macroeconomic Factors	Impact on Industry	Our Steps
<b>P-Political Factors</b>		
In political stability ranking, Bangladesh is placed lower compared to other emerging economies. This indicates that although Bangladesh is affected with political instability at some points of time, it is now taking all necessary steps to ensure a sound environment for countrymen, non-resident Bangladeshi people as well as foreign investors. The political stability is comparatively better during the last couple of years which encourage the entrepreneurs to invest more in the country.	In the hope of continuous political stability, it is expected that entrepreneurs will be starting investment again. The demand of loans and advances will increase and pressure will be put on liquidity. Implementation of mega projects will also exert pressure on the liquidity from the public sector.	The Bank Management will continuously assess the political situation and adapts its business strategies accordingly. Management Prioritizes the control of NPL through effective recovery measures. More robust due diligence will be conducted for loan proposals from PEPs (Politically Exposed Person).

Macroeconomic Factors	Impact on Industry	Our Steps
<b>E-Economic Factors</b>		
<p>Bangladesh's GDP was growing over 6% over the last decades which expected to expand by 7.25% in 2022. Inflation rate is forecasted at 6.50% in 2022.</p>	<p>The economy has witnessed a V-shaped trajectory – a solid start in the beginning of the fiscal year (July 2021), followed by a sharp dip because of the pandemic and then progressive recovery. This has been possible due to strong governmental efforts in financial market stability and efficiency.</p>	<p>Resilient and adaptable business model ensures quick and secure opportunity capture. Strong grassroots distribution network for facilitating deposit mobilization.</p>
<b>S-Social Factors</b>		
<p>The lifestyles of the citizens improved a lot as per capital income is now approximately USD 2,824. But still village farmers earn no more than USD 500 in a year which indicates irrational distribution of wealth. Advancement of the information technology also played a crucial role in the lifestyle. As the literacy rate going up, customers are becoming more and more sophisticated.</p>	<p>As income level of the citizens is improving, the use of financial services is increasing day by day. On the other hand, as the unequal distribution of wealth persists, concept for 'inclusive banking' should get the utmost importance. Customers desire a seamless banking has been evidenced by the flourish of Mobile Financial Services.</p>	<p>Modhumoti Bank in its effort to reach the unbanked people of the country through Agent Banking Operations. The Bank is also planning to invest more in technology to improve the customers' experience with the Bank. The Bank is ready to capitalize the technological innovation through introducing more and more customer friendly products. The Bank is committed to invest in CSR and other social initiatives.</p>
<b>T-Technology Factors</b>		
<p>Technological advancements have made customers more sophisticated and altered expectation levels. And technological development is growing fast as government invests at large scale to make IT infrastructure in the country.</p>	<p>Technological advancement has become a decisive factor to gain competitive advantage. Banks need further investment and improve operational efficiency to meet up the demand of customers following the regulatory rules and regulations.</p>	<p>The core banking software, 'BankUltimus', has been updated regularly to ensure smooth day to day operation of the Bank. Moreover, the Bank is committed to ensure updated service through internet banking (Modhumoti Digital Banking), SMS banking, BACH (Automated Clearing House), Electronic Fund Transfer (EFT) etc.</p>
<b>E-Environmental Factors</b>		
<p>There is growing focus on green or, more broadly, sustainable finance, both in financial markets and in the international political arena.</p>	<p>A separate Unit namely Sustainable Finance Unit (SFU) has been created by Bangladesh Bank which is engaging and encouraging all Banks and FIs to step-up their green banking initiatives and standards. Regulatory monitoring has also been increased on green financing. Bangladesh Bank has also introduced Environmental and Social Risk Management Guidelines and Sustainable Finance Policy for all banks.</p>	<p>Modhumoti Bank Limited is committed to sustainable development through the creation of long-term value with respect to the environment, stakeholders and the community. The Bank has also incorporated the 'Sustainable Finance Policy' and 'Environmental &amp; Social Risk Management Policy' as part of environmental due diligence. We are focused on lowering our carbon footprint through optimizing water, energy and paper consumption, while also making concerted efforts to minimize our waste to landfill.</p>

Macroeconomic Factors	Impact on Industry	Our Steps
<b>L-Legal factors</b>		
Banking industry is probably the most regulated industry of the country. The industry is now facing with tighter rules and regulations and application of these are considerably more standardized and stringent than ever before.	The Banking industry is regulated under the Bank Companies Act 1991 as amended up to the date, Bangladesh Bank circulars and guidelines, and the listing regulations and securities laws of the country. A Bank is also required to comply with the Companies Act 1994, Income Tax Ordinance and Rules 1984, Value Added Tax Act and Rules etc.	Since inception, Modhumoti Bank Limited has established a good image among all the stakeholders by complying all the applicable rules and regulations. The Bank is committed to value rules and regulations, and conduct compliant business practices for a sustainable growth in terms of asset and profitability.

## Our continuous improvement framework- SWOT

### Building on our strengths

#### STRENGTHS



# S

- The ownership structure of the Bank.
- Strong base of regulatory capital.
- Lowest cost to income ratio.
- Confining NPL ratio at a very minimum level.
- Persistent focus on financial inclusion.
- Ongoing reputation/brand management.
- Delightful customer experience.
- Deep culture of product/service innovation.
- Uncompromised governance/regulatory alignment.
- Competent and experienced employees.
- Continuous on and off the job training for employees
- Continued investments in digital technologies.
- Nursing a culture embracing changes.

### Overcoming our weakness

#### WEAKNESSES



# W

- Concentration risk due to large exposure in Corporate loans is being addressed by increasing MSME & Retail portfolio.
- Diversify our geographic and sector wise concentration risks.
- Continuous improvement of business model.
- Engage in continual liaison with our regulators.
- Anticipate changes in regulatory landscape and prepare well for their implementation.
- Increasing the base deposit of the bank

### Capitalizing on our opportunities

#### OPPORTUNITIES



# O

- Demand for financial services would increase due to the consistent growth of GDP.
- Enhance customer engagement for securing our position as a banking partner of choice.
- Support governmental objectives in both large infra financing and in green/ sustainable finance.
- Develop customer-facing deposit/ investment and lending/financing products that meet the needs of the market.
- FinTech opportunities can be grabbed through subsidiary enterprises of the Bank.

### Responding to our Threats

#### THREATS

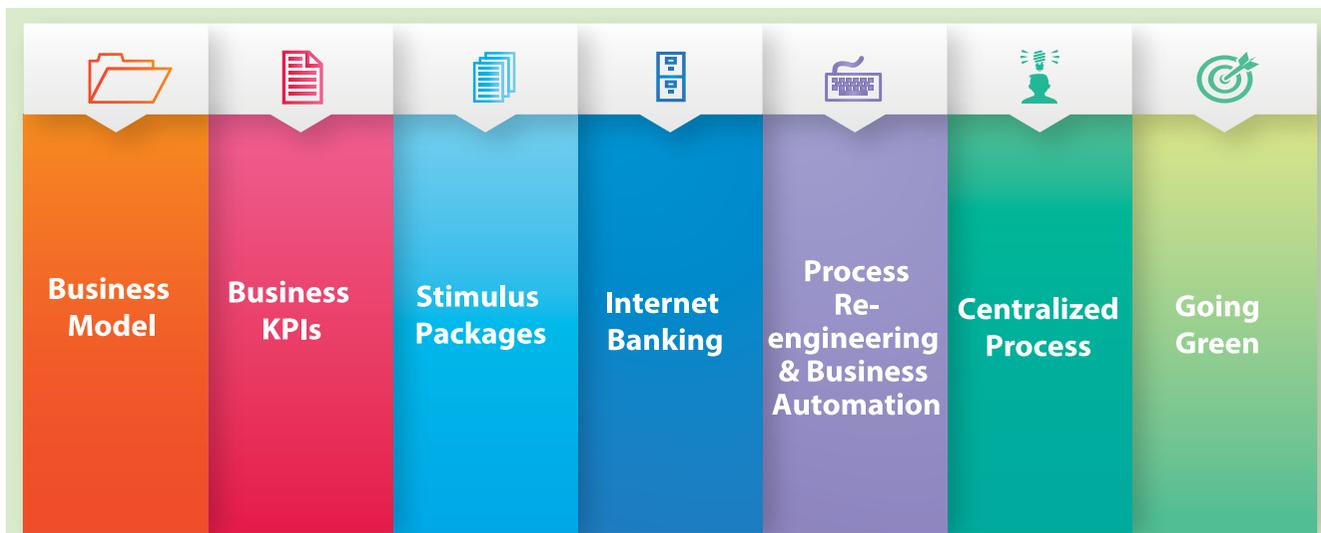


# T

- The Banking sector is at risk for cyber security attacks. Hence, MMBL is strengthening its IT infrastructure.
- Intense competition due to the number of new entrants in the market. The bank is investing for best output from the employees and on the state of the art technologies
- Focused efforts in improving customer service, through reducing loan TAT for eligible borrowers.
- Reinforce our risk control triggers to mitigate risks faster and better.
- Regulatory threats are minimized by the Bank through timely communication and action.

## Strategic Priorities

2021 has been a year of volatility, shutting down of lock drawn and recovery of economic activities. To meet the challenges of the current changes micro and macroeconomic environment, we have a set of strategic priorities in line with the Bank's Vision and Mission. The Management of the Bank will run on managing priorities by balancing among growth mix, profitability, risk and return. However, our special attention will be as follows:



 **Business Model:** The Bank is adopting and implementing strategies to build a strong, diversified and sustainable business model that can deliver consistent returns to all stakeholders in away society expects. The desire is that the Asset Quality to be the best in industry with Non-Performing Loans (NPL) at reasonable level. We want a high degree of credit quality with risk adjusted rate of return. Collection from loan customers will be given priority during the year 2022 and a strong monitoring system for overdue loans will be in place for strengthening performance of collection units both at the branch and head office level.

 **Business KPIs:** The Bank will continue its focus to reduce cost of fund by reducing cost of deposits which is the main challenge for new Banks. Improvement of deposit mix by increasing share of Low Cost No Cost deposit in total deposit mix will give result for reducing deposit cost as well as to maintain adequate level of liquidity. The Bank will also continue its focus to improve cost to income ratio further. Growth of business in terms of deposit, advance, import and export is always prime objective. Considering single digit rate of interest for funded loan, Bank will look for enhancing income from non-funded business opportunities.

 **Stimulus Packages:** It is of utmost importance that performing customers continue to get the benefit of Stimulus Packages declared by Bangladesh Bank and to monitor the repayment of loan against stimulus timely from the customers to get the benefit given by Bangladesh Bank.

 **Internet Banking:** Since the beginning of the COVID-19 pandemic, digital adoption and usage has accelerated unexpectedly, providing both challenges and opportunities for financial services leaders. Bank has already adopted digital payment and fund transfer through GO SMART and is continuously improving its features.

 **Process Re-engineering & Business Automation:** Ensure an IT environment that supports the delivery of accessible, secure, integrated, and reliable and client centered programs and services to all stakeholders. Considering changing demands & information security of customer Data, the Bank has already started to take various initiatives for business automation and implementing IT as well as information security including our ability to deal with cyber-threats which will be completed to the fullest extent in next few years.

 **Centralization:** To gain more efficiency, the Bank will continue to centralize some areas of operation. Payroll management, fixed assets management has already been centralized. There are some other areas like loan documentation, government savings certificate etc. to be managed centrally and centralization of them is expected to be complete.

 **Going Green:** Modhumoti Bank always like to embed green banking in its business model with an aim of achieving long term strategic objective to be a green, triple bottom line Bank where every business & operational decision will be taken considering both financial and environmental impacts. The Bank's green banking initiatives includes online & paperless banking, email communication, reduction of green house gas emission, mapping bank's carbon foot print, efficient energy use, financing environment friendly projects etc.

# Capital

## Financial Capital

Financial capital of Modhumoti Bank includes shareholders' equity, deposits & borrowings and reinvested capital. It is a critical input in executing our business activities and in other word, the core element in enabling the balance of interests of both deposit customers and borrowers. Also, returns generated by our business enhance our financial capital, which in turn is used to repay our investors in the form of interest and dividend payments. The remaining return is retained to run business operations and achieve growth through enhancing other capitals.



In million Taka



### Challenges:

- Providing satisfactory return to shareholders
- Maintaining sustainable growth and financial stability

### Initiatives:

- Effective and responsible investment of shareholder's fund
- Re-pricing the loans to reduce the cost of fund

### Outlook:

- Focused on to provide loans in a selective way for keeping the existing classified loans in a tolerable state.
- Emphasized on to optimize worthy collaterals and diversifying the business portfolio to ensure minimal risk with the maximum gain in return.

### Key Highlights in 2021:

Investment:  
Taka 25,759 million  
Growth 20.17%

Capital:  
Taka 9,339 million  
Growth 5.33%

Shareholders' Equity:  
Taka 8,284 million  
Growth -3.22%

CRAR: 18.05%  
Growth 1.18%

## Human Capital

As a fourth-generation private commercial bank, Modhumoti Bank Limited believes that its human resources represent its biggest asset and will be the strongest competitive advantage in future to grow fast. Human capital consists of 613 colleagues of the Bank. Our human capital creates value through their passion, dedication and commitment in reaching the objective of the organization.



### Challenges:

- Getting right people in the right place
- Retaining experienced and skilled employees
- Developing human resources by giving them adequate training
- Maintaining productivity and efficiency

### Initiatives:

- The Bank always tries to retain and motivate the talents by choosing the right talent for the position while providing them with competitive remuneration and rewarding bonuses and incentives.
- Acquires fresh, talented and right employee in the right place.
- Provides long term training and development opportunities.
- Ensures safe, healthy and equitable environment for all employee.
- Rewards performance based bonus and incentives

### Outlook:

- The Bank ensures proper diversity of staff with respect to gender, religion and ethnicity and respects their values equally.
- Established a real-life SMART KPI to evaluate the contribution of all individuals in a transparent manner
- Focus on developing a skilled and efficient human resource through need based training programs
- Create pool of talent and skillful managers by arranging development programs

### Key Highlights in 2021:

Since Inception, total investment in developing human capital through Training: Taka 17.35 million

Total benefits provided to employees in 2021: Taka 715.79 million

Year-on-year growth: 18.83%

No. of Employees engaged in 2021: 613

Year-on-year growth: 11.25%

## Manufactured Capital

Manufactured capital refers to the resources, media and channels used in providing financial services to the customers and reporting to regulatory bodies and other users. Modhumoti Bank's manufacturing capital includes all infrastructure created and utilized within our integrated business model. These include our regional footprint of banking operations, business processes and technologies etc. for providing effective, efficient and innovative services to our customers.



### Challenges:

- Increasing infrastructure facility to support growth.
- Careful management of operation to address and protect the customer needs.

### Initiatives:

- Stay updated to adapt to changes and overcome the challenges
- Involvement in strategic planning
- Spreading the geographical boundaries through opening more channels

### Outlook:

- Build necessary infrastructure and provide essential establishment to operate the Banking operations smoothly.
- Introduced mobile app based service for the marginalized and geographically dispersed people of our country

### Key Highlights in 2021:

**46  
Branches**

**457  
Agent Points**

**45  
ATMs**

**More than 1,800  
Shared ATM**

**12  
Collection Booths**



The Bank signed NDA and SLA with Backdoor Private Ltd. for providing 24/7 security monitoring.

# Intellectual Capital

Modhumoti Bank Limited developed quite a number of intellectual capitals throughout this eight years journey which consists of knowledge-based assets such as licenses, software, copyrights, policies, procedures and protocols. Our intellectual capital creates value by gaining competitive advantages in the market and in the process to catalyze the growth of our organization.

## Challenges:

- Pace of technological changes.
- All kinds of IT and information risk identification and management.
- Ensure quality investment in IT infrastructure.

## Initiatives:

- Initiatives are taken so that customers get the most comfortable financial services in the quickest manner.
- Uses high quality and updated software, anti-virus, increased automation, and provides employee training.
- Involvement in research and development and market analysis.
- Offers unique products and services through innovation.

## Outlook:

- Modhumoti Bank Limited is proactive to identify the best and upgraded intellectual capital and to make it available to customers at the soonest possible way.
- The above mentioned intellectual capital provides superior customer experience and solid brand image in congruence to business goals.
- Implement alternative delivery channels through which customers can enjoy instant access to banks products and services.
- Focus on increasing investment and build up capital through offering quality banking facilities and knowledge-based services to our customer.



**Here is a list of some intellectual capitals of the Bank:**

- Agent Banking License
- Off-shore Banking Unit (OBU) License
- BankUltimus (Core Banking Software)
- Internet Banking Service
- SMS Banking Service
- SWIFT Operation
- BACH (Automated Clearing House)
- Electronic Fund Transfer (EFT)
- National Payment Switch Bangladesh (NPSB)
- Real Time Gross Settlement System (RTGS)



**Bank's initiative for continuous improvement by implementing State of Art Technology, "Bank Ultimus-SPARK"**

## Social and Relationship Capital

Social and Relationship capital in Modhumoti Bank involves the relationships that employees have created and nurtured with our stakeholders like business partners, regulators, customers, voluntary organizations etc. for enabling greater value creation for all. Our active engagement with all these stakeholders creates sustainable value and helps us achieve our objectives in a mutually beneficial way.



In million Taka

### Challenges:

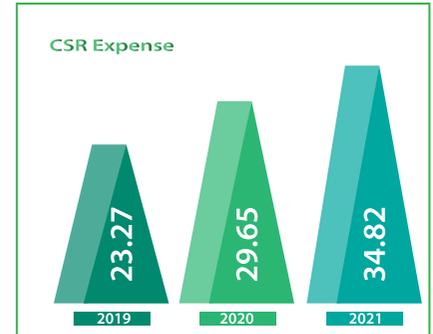
- Unfriendly regulations increasing costs.
- Regular engagement & ethical marketing.
- Empowering shareholders.
- Evolving customer needs.
- Addressing the shareholder's needs.

### Initiatives:

- Our attitude to sustaining and enhancing customer capital involves managing customers' experiences and superseding their expectations with our products and services.
- Focuses on SDG through various CSR activities in different sectors.
- Provides support to unprivileged people through social safety net program.

### Outlook:

- Understanding client needs and aspiration allows us to gear up our supply chain better to finally deliver products that satisfy the customer.
- Focus on the overall betterment of the nation through CSR activities in different sectors like health, education, sports and culture etc.
- To ensure sustainable balanced growth in economic, social and ecological arena through providing donations under CSR program.



### Key Highlights in 2021:

**Spending for CSR in 2021:  
Taka 34.82 million**

**Health:  
Taka 18.10 million**

**Education:  
Taka 2.00 million**

**Others:  
Taka 14.72 million**



Modhumoti Bank Limited donated Tk. 5.00 (Five) Lac to "Shahid Sheikh Abu Naser Dhakil Madrasa, Sonadanga", Tk. 4.00 (Four) Lac to "Jinnah Masjid Complex, Ferrighat", Tk. 3.00 (Three) Lac to "Baitunnur Jama Masjid, Sonadanga", Tk. 3.00 (Three) Lac to "Pithavoge Moddhopara Zame Masjid, Rupsha" and Tk. 5.00 (Five) Lac to "Arjya Dharmasabha Mandir Committee" of Khulna on Monday, 13th September 2021 under CSR Program of the Bank.

## Natural Capital

Natural Capital refers to naturally occurring biological, physical, biophysical, chemical and mineral assets, as well as their interplay through healthy functioning of ecosystems, on which all life depends. The natural resources, we consume to conduct our business and seamlessly deliver our products and services, constitute our natural capital. We screen all our large loans to assess them for environmental and social risks. We are practicing to use renewable energy at our offices and reducing carbon print for ensuring green banking system.



### Challenges:

- Resource optimization to reduce energy wastage
- Maintain green and sustainable environment

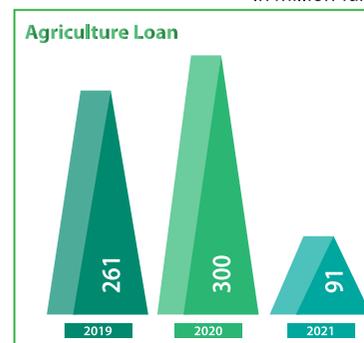
### Initiatives:

- Introduced E-products such as SMS banking, internet banking, e-Commerce and payment solution.
- Actively involved in green financing activities.
- Provided required trainings and seminar on green banking to spread awareness among employees.

### Outlook:

- Build necessary infrastructure and provide essential establishment to operate the Banking operations smoothly.
- Introduced mobile app-based service for the marginalized and geographically dispersed people of our country.

In million Taka



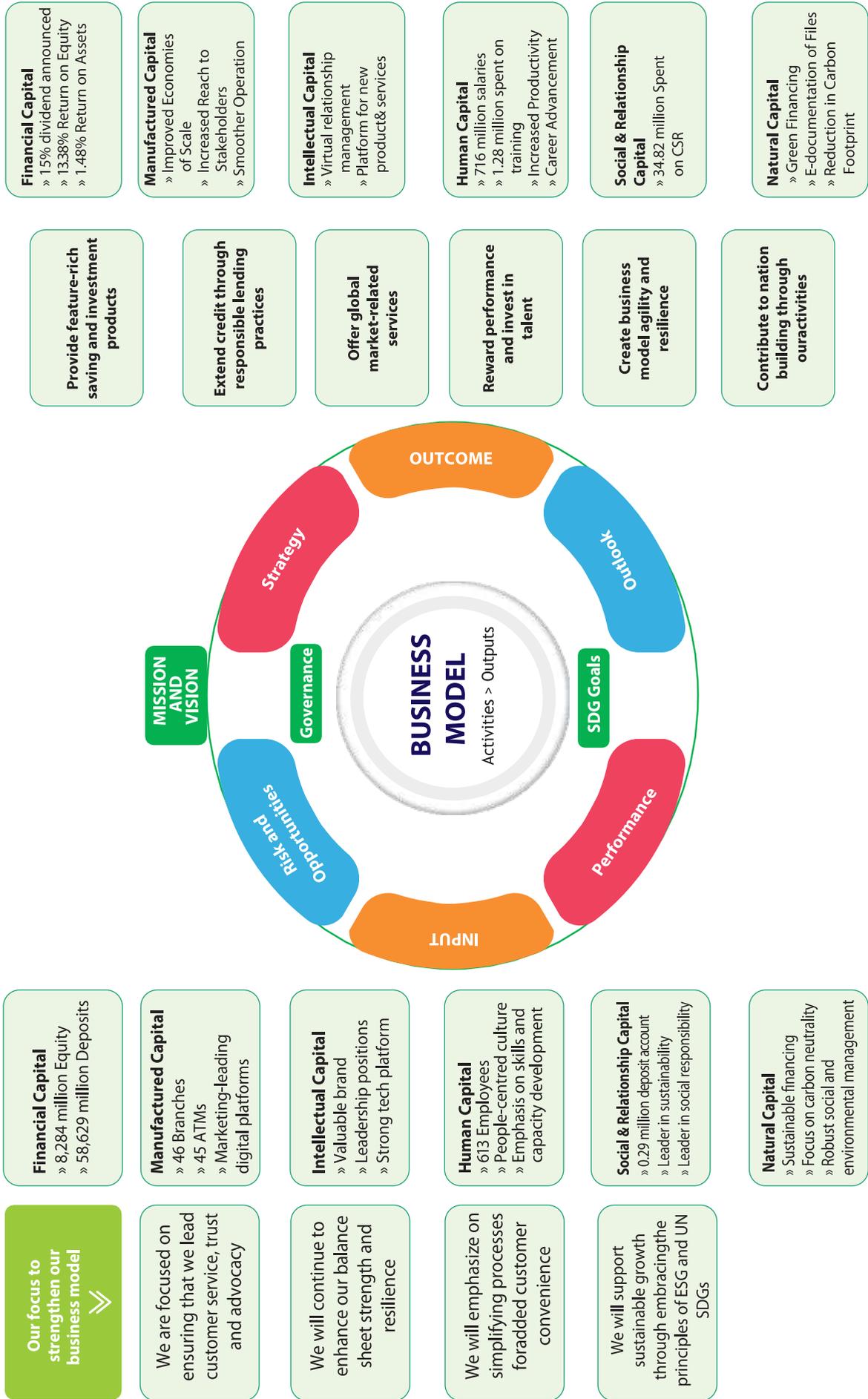
### Key Highlights in 2021:

**Disbursement of  
Agriculture Credit:  
Taka 90.07 million**



The Bank financed in Automatic Rice Mill.

# Value Creation in 2021

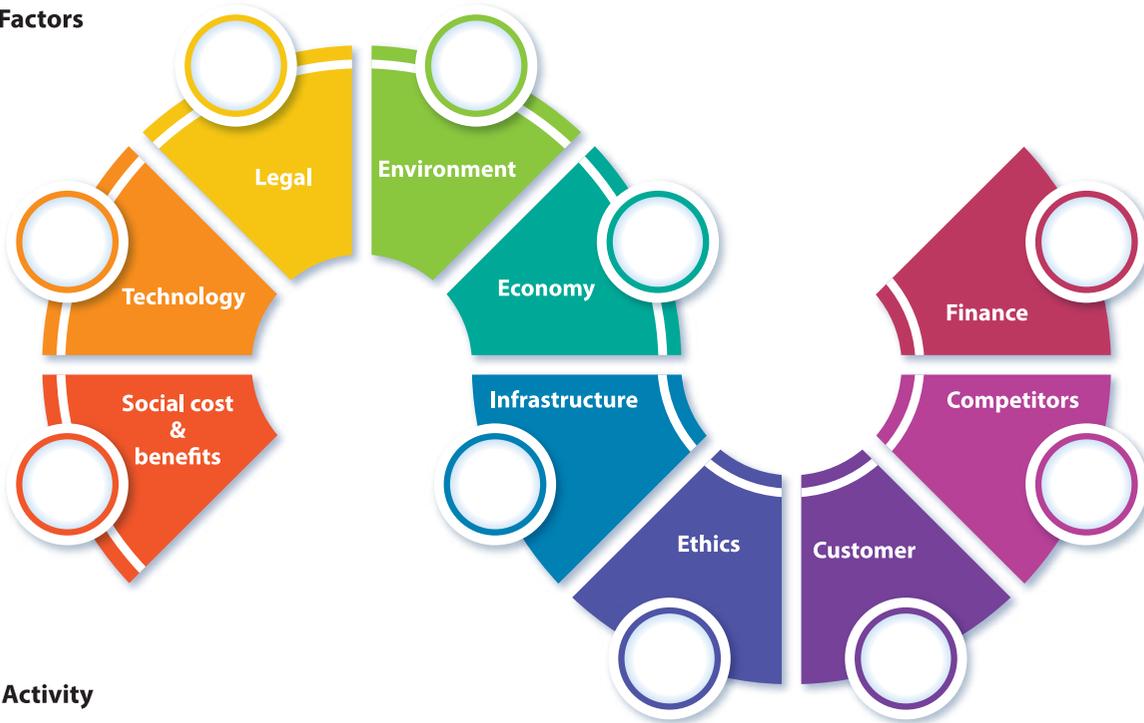


## Our activities & Values

Our business model seeks to create value for stakeholders in a sustainable way. In order to make optimum contribution across the value chain, we are careful to strike a balance between different stakeholder objectives. Our strategy is clear and simple. It defines the businesses that we will do and will not do. We use our resources to build competitive advantages. We have put in place a governance framework to ensure effective execution and risk management.

Throughout the value creation process, our various activities, in turn generate outcomes, which create value for our stakeholders and adds back to our inputs, be it in the form of profits, employee compensation, reduction in carbon footprint, process efficiency or other material outputs. In the process, we ensure our business activities are aligned with our core values and guided by our governance framework, and also that our strategies and risk mitigation efforts are in line and responsive to pressures from the external environment and market forces.

### External Factors



### Business Activity

- Using funds under management collected from depositors and customers and other Banks to facilitate lending to the customers with proper utilization of existing capital by minimizing risk through adopting & implementing risk mitigation measures in place.
- Accelerating investments and build up strong base of capital through operating a sustainable business model which is offering required as well as customized banking facilities to generate benefits for the stakeholders.
- Maintaining adequate liquidity to meet customer commitments and all regulatory limits.
- Encouraging customers & stakeholder to embed to concept of sustainability in their business model to save this planet.

### Values that makes us stronger



## Value Added Statement

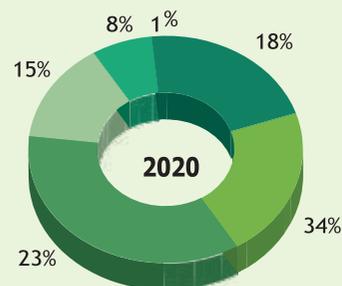
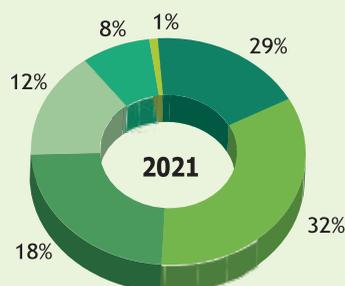
The value added statement for the Bank shows how the value is created and distributed among different stakeholders of the Bank. Value added to the Bank has stood at Taka 2,478.36 million at the end of December 31, 2021 as against Taka 3,286.72 million in 2020.

In million Taka

Particulars	2021 Taka	%	2020 Taka	%
Interest income	3,482.20		4,884.58	
Investment income	1,995.29		1,975.28	
Commission, exchange and brokerage	564.84		413.71	
Other operating income	108.61		95.44	
	<b>6,150.94</b>		<b>7,369.01</b>	
<b>Less: Cost of services &amp; suppliers</b>				
Interest paid on deposits and borrowings etc.	2,818.31		3,552.90	
Rent, taxes, insurance, electricity etc.	83.32		69.41	
Legal expenses	0.50		0.59	
Postage, stamp, telecommunication etc.	35.88		31.64	
Stationery, printing, advertisements etc.	45.59		29.66	
Directors' fees and expense	1.51		1.44	
Repairs to bank's assets	10.48		27.56	
Other expenses	156.99		154.90	
	<b>3,152.57</b>		<b>3,868.10</b>	
	<b>2,998.36</b>		<b>3,500.92</b>	
<b>Value added by banking services</b>				
Non-banking income	-		-	
<b>Less: Provision for loans &amp; advances</b>				
General provision on loans and advances	477.00		214.20	
Provision for Off-Balance Sheet Items	43.00		-	
	<b>520.00</b>		<b>214.20</b>	
	<b>2,478.36</b>		<b>3,286.72</b>	
<b>Total value added</b>				
<b>Distribution of value addition to:</b>				
Employees as salary and allowances	715.79	29%	602.40	18%
Provided as dividend	788.61	32%	1,126.58	34%
Government as income tax	438.21	18%	771.78	23%
<b>Expansion &amp; Growth:</b>				
Statutory Reserve	313.06	12%	483.34	15%
Depreciation	197.26	8%	267.63	8%
Retained Earnings	25.43	1%	34.99	1%
	<b>2,478.36</b>	<b>100%</b>	<b>3,286.72</b>	<b>100%</b>

### Distribution of value addition

- Employees as salary and allowances
- Provided as dividend
- Government as income tax
- Statutory Reserve
- Depreciation
- Retained Earnings



## Economic Value Added Statement

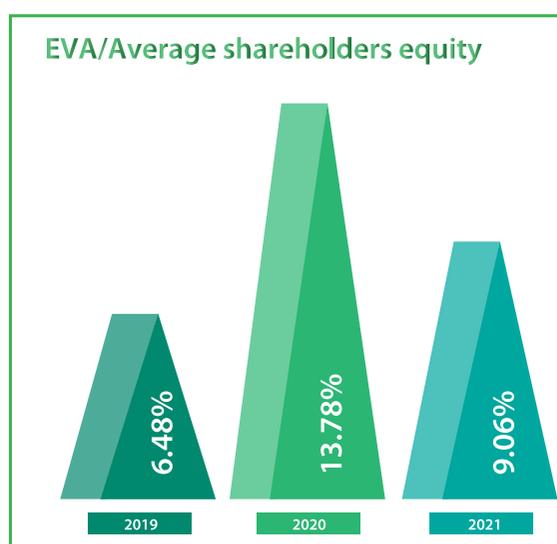
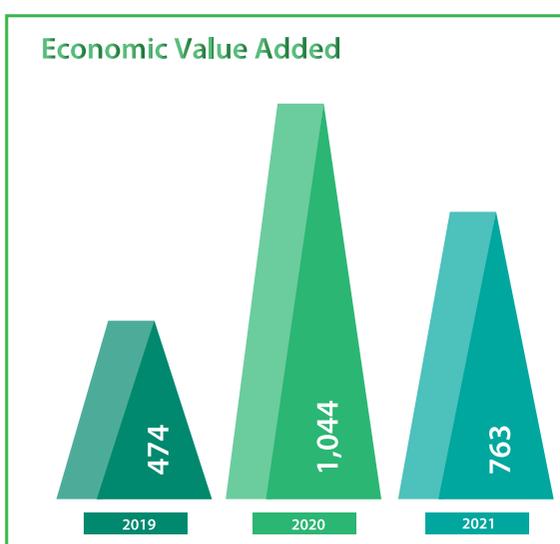
Economic value added (EVA) is the financial performance measure of true economic profit of an organization. It provides measurement of a company's economic success (or failure) over a period of time. Such a metric is useful for investors who wish to determine how well a company has added value for its investors and it can be compared against company's peers for a quick analysis of how well the company is operating in its industry. Economic value added is calculated by taking a company's net profit after tax, adding with it, the amount of provision charged to absorb the probable losses intrinsic in the investments. EVA is calculated as under:

In million Taka

Particulars	2021	2020	2019
Shareholders' equity at year end	8,284.27	8,559.53	6,599.55
Accumulated provision	1,651.34	1,139.74	1,112.34
Average shareholders' equity	8,421.90	7,579.54	7,317.67
Cost of equity (%)	10.50%	10.75%	11.00%

Economic Value Added			
Net profit after (before provision)	1,647.10	1,859.10	1,279.25
Less: Cost of equity	884.30	814.80	804.94
<b>Economic Value Added</b>	<b>762.80</b>	<b>1,044.30</b>	<b>474.31</b>

Key Ratios			
EVA/Operating revenue (%)	22.89%	27.37%	15.27%
EVA/Average shareholders equity (%)	9.06%	13.78%	6.48%
Net profit after tax/Operating revenue (%)	33.82%	43.10%	25.48%



## Making difference in Value Creation

Modhumoti Bank Limited believes that human resources with right attitudes can build up the most valuable assets for a Bank to put the organization on a competitive advantage which becomes impossible for other players in the industry to duplicate. Through its short journey since inception, MMBL has been working persistently with a view to transforming human capital into competitive advantage through exposure to appropriate training courses and development programs, both at home and abroad. It has created a congenial environment, where employees enjoy coming to work.

As a financial institution, we also see technology as a key component of business success. As mentioned previously, we plan to invest heavily in building on our tech infrastructure to transform our businesses while maintaining the quality of our assets and service standards for our stakeholders.

During the short journey, Modhumoti Bank Limited has definitely established its Social and Relationship Capital as one of its core competence. Positive reputation and quality relationship with customers, regulators, investors, suppliers of capital and communities is the foundation of our ability to generate revenue and profits and thus, made us the most reputed fourth generation Bank.

# MANAGEMENT DISCUSSION & ANALYSIS





The Bank inaugurated Habiganj Branch, Sylhet.



The Bank inaugurated Faridganj Branch, Chadpur.

## Management Discussion & Analysis

The Management of the Bank is proudly presenting the business reviews and analysis for the year 2021 which was a challenging year as the entire globe gone through unprecedented pandemic situation due to Covid-19. Under the guidance of the Board of Directors of the Bank, the Management is closely working with the Branch & Head Office officials to achieve both short & long term objectives of the Bank. The Board continues to provide strategic and also operational direction to the Management so that Modhumoti Bank Limited can establish a strong brand image in and outside the country. The Bank already completed eight (8) successful years and is going to complete nine (9) years in the year 2022. Modhumoti Bank Limited is now distinctively known among the customers, regulatory bodies, Government, peer banks and other stakeholders. Due to covid-19 and other regulatory changes, it was a very difficult for the Bank to expand its business volumes; rather the Bank focuses on maintaining existing customer base, increase loans and advances in construction sector, increase online banking services, driving operational excellence and strengthening risk management processes and internal controls. The sustainable profitability of the Bank bears the testimony to the strategic direction of the Board and Management strength in discharging its duties and responsibilities.

At the end of the year 2021, the Bank has had total deposit of Taka 58,629.02 million, total loans & advance of Taka 41,837.96 million and earned total operating profit of Taka 2,085.31 million registering growth of 7 percent, 10 percent and -20 percent respectively in comparison with that of the year 2020. The Bank did not extend its branch network during the year 2021. Keeping the brand line in mind, 'Your Access to Success', the Bank has developed various customized products for corporate, SME's, Agro-based, Green-based enterprises and general customers across the country. The Bank truly believes in partnering with new entrepreneurs in different business segments of various industries having potential growth in manufacturing, service and trade by offering suitable loan products alongside serving the business need of the country. The Bank has also developed a number of retail banking loan products for meeting financial needs of individuals to maximize its service net.

A strong focus on value creation for all of our stakeholders drives our growth and performance, and also our long term sustainability. Financial strength and profitability are prerequisites to fulfil the vested responsibilities and ensuring that the Bank is operating in the right direction. In this regard, it is expected that the Management's Discussion and Analysis of the financial condition and results of the Bank for the year 2021 should be read in conjunction with the Bank's audited financial statements for the year ended December 31, 2021 prepared in accordance with International Financial Reporting Standards (IFRS) and applicable laws of the land.



The Bank has successfully completed the first Gold LC settlement with a renowned gold dealer.



The Bank signed an agreement with Labaid Cancer Hospital & Super Speciality Center.



The Bank signed an agreement with Beximco Communications Limited (Akash DTH).

## Corporate & Investment Banking

The country is now moving with upward trajectory in attaining many of the targets set under the Sustainable Development Goals. As per the final evaluation and recommendation of the United Nations Committee for Development Policy (UNCDP), Bangladesh is scheduled to officially become a developing country in 2026. With these momentum, the country is now working towards graduating from the LDC status to Developing Economy by 2026. In the face of Covid -19 pandemic, Bangladesh economy has demonstrated its economic resilience.

Modhumoti Bank Limited is extending its products and services through 46 branches and 457 agent points. Corporate Banking activities of Modhumoti Bank Limited is led by the Corporate & Investment Banking Division of the Bank. The Division is tasked with originating and managing the relationships with corporate entities comprising of a wide variety of industry segments. The Bank, being the leading fourth generation private commercial bank of Bangladesh, is serving large volume of customers through its Corporate Banking & Investment Division by tailor-made services. The different activities of Corporate Banking are run by experienced personnel in their specified areas.

The Division manages portfolios comprising of General Credit, Project Finance (Non-Recourse, Limited Recourse and Full Recourse), Readymade Garments, Syndication and Structured Finance, Project Finance etc.

- a. **General Credit:** These include traditional banking products like Letter of Credit, Letter of Trust Receipt, Cash Credit (Hypo), Overdraft, Overdraft (Work Order), Short Term Loan etc. to name a few.
- b. **Project Finance:** Project Finance deals with corporate houses to facilitate their project's capital expenditure customized with expected cash flows. The financing is available both in local currency and foreign currency. So far, the division has extended project finance to some notable business houses of the country in following sectors:

- Environment friendly Auto Brick Sector,
- Textile and RMG sector,
- Auto Rice Mill,
- Steel Sector,
- Environment Friendly AAC Brick
- Health Care Sector,
- Infrastructure Sector,
- Power Sector(IPP),
- Captive Power Plant
- Chemical Sector and
- Food Sector, etc.



The Bank financed first autoclaved aerated concrete (AAC) block project in Bangladesh.

It is notable that MMBL has financed first Autoclaved Aerated Concrete block project in Bangladesh. It is an environment friendly and help reduce carbon emission by replacing conventional red bricks.

- c. **Syndications & Structured Finance:** Syndicated Finance is one that is provided by a group of lenders and is structured, arranged, and administered by a Bank as Arranger and Agent Bank. The Syndication Finance Unit of the Bank provides customized financial solutions to the corporate clients as Term Loan and working capital under Syndicated Finance, which creates values and contributes towards the growth of the country's economy. The Bank has Structured Finance team run by experienced human resources. The Bank has participated in a number of syndication deals in power sector both IPP and Captive Power Plant and Steel Sector. The Bank has also invested in Preference Shares of the country's first LNG project.

- d. **Export Finance:** Trade Services Division, CTPU and Export Finance Department of AD Branches of the Bank caters the unique need of the exporters, especially the garments sector, which has positioned the country amongst the top global exporters. Footwear, Furniture and Pharmaceutical companies are also in pipeline, where diversification of export can be made.
- e. **Overdraft (Work Order):** Considering the development in private and public sector, Modhumoti Bank Limited is financing against confirmed Work Orders and against Assignment of Bills. The financing starts with issuing Bid Bond/OD (Pay Order) and subsequently Performance Guarantee, Advance Payment Guarantee are issued along with Overdraft (Work Order) for smooth completion of the job.
- f. **Cash Management:** Cash management is the process that involves collecting and managing cash flows from the operating, investing, and financing activities of a company. MMBL is vibrant in starting new relationship as well as serving existing customers to their satisfaction by its diversified cash management services.

Corporate Portfolio of the Bank was Taka 30,439.30 million out of total portfolio of the Bank Taka 41,840.0 million. Total import business of the Bank was equivalent to Taka 30,150.0 million in 2021 compared to Taka 20,970.0 million in 2020. In 2021, different customers of the Bank exported equivalent to Taka 32,640.0 million through our Bank which was equivalent to Taka 21,550.0 million in 2020. Import business grew by 43 percent whereas Export Business grew by 51 percent.

Modhumoti Bank Limited has been allocated and disbursed Taka 1,720.0 million to 30 different borrowers against Taka 3,000.00 million Stimulus Package under BRPD Circular No: 08, dated: 12 April, 2020 for financing Working Capital Loan to affect large industry and services. MMBL has disbursed its full allocated amount to Covid-19 affected borrowers of the Bank.

### Readymade Garments (RMG)

The RMG sector is multi-billion-dollar manufacturing and export industry in Bangladesh and plays a pivotal role in our economy involving more than 4000 RMG firms. Analyzing the demand and supply of global markets it is apparent that Bangladesh grabs a potential business volume of world apparel market. RMG sector got its strong foothold in the economy during over three (03) decades through struggling with various challenges like Buyers' compliance, Price competitiveness, external and internal environment, country risk etc. Post Covid 19 Pandemic recovery though shows recovery phase, the pace has been delayed due to shortage of shipping carriers and hike in carriers price. Lastly, war between Ukraine and Russia aggravates the progress, though in small extent. Keeping all these macroeconomic situations under consideration, RMG has become a sustainable sector while contributing a major share of our country's GDP. After losing its second position as the second-largest apparel exporter in the global market to Vietnam in 2020, Bangladesh regained it in 2021 with export earnings of \$35.81 billion.

#### Export volume from RMG Sector of the Country is noted below:

In Billion USD

Year (Financial)	Export Volume
2015 -2016	28.09
2016 -2017	28.15
2017 -2018	30.61
2018 -2019	34.13
2020 -2021	35.81

From the very beginning, Modhumoti Bank Ltd. has been playing a potential role by financing in RMG sector even through meeting various challenges and limitations over the years as new a Bank. The efforts got momentum after getting Offshore Banking License in the Year 2014. Day by day, RMG business of the Bank is growing significantly over the years. In the year 2021, three large branches of the Bank achieved significant growth in export business including both Direct and Deem export which are evident from the table below:

#### Total Export & RMG Contribution there against:

In million Taka

Total Export			RMG (Portion of Export)		
Year	Volume	Growth	Year	Volume	Growth
2020	21,548.0	4.28%	2020	16,282.1	13.33%
2021	32,640.7	51.48%	2021	21,054.8	29.31%

During the last couple of years, Coronavirus (Covid-19) outbreak erupted more than 200 countries over the world. It is easily infectious and life-destroying virus and spread out over the world very fast. In continuation of that from middle of March 2020 our country was affected as well as going through lockdown situation including shutdown of all manufacturing units. Meantime Bangladesh was feeling the pinch for raw materials shortage due to coronavirus (covid-19) outbreak in China-the top trade partner of Bangladesh along with other countries. Side by side our main RMG consuming hub i.e. America and European Countries were facing the main disruption while RMG Sales Order, Raw Materials, Production, Shipment, Repatriation of Proceeds; all were in dire state position.

In the year 2021, Bangladesh as well as our Bank have an impressive track record of growth of Export and RMG Business meant it reflects a strong export business recovery from the Covid-19 pandemic.

#### Top 10 (Ten) RMG Client's of MMBL:

Sl. No.	Name of the Exporter
1	A.K.M Knit Wear Ltd.(Al-Muslim Group)
2	Envoy Textile Ltd.
3	Patriot Spinning Mills Ltd.
4	Winter Dress Ltd. Knit Valley Fashion Ltd. A & A Fashion Sweater Ltd.
5	Disney Sweater Ltd.
6	Riviera Composite Industries Ltd. Knit City Ltd.
7	Eurozone Fashion Ltd. Ethical Garments Ltd.
8	Crossline Woven Garments Ltd. Crossline Woven Apparels Ltd. and Clamoon Garments Ltd.
9	Reedisha Textripe Ltd.
10	Logos Apparels Ltd.

#### Total RMG Exposure 2020 and 2021 [based on outstanding]

In million Taka

Type	2020				2021			
	Funded	Non - Funded	Total	No. of RMG Customer	Funded	Non - Funded	Total	No. of RMG Customer
Direct Exporter	1,869.8	3,825.7	5,695.5	27	3,185.9	8,019.5	11,205.4	35
Deemed Exporter	871.7	1,044.4	1,916.1	8	714.9	1,847.4	2,562.3	15
<b>Grand Total</b>	<b>2,741.5</b>	<b>4,870.1</b>	<b>7,611.6</b>	<b>35</b>	<b>3,900.8</b>	<b>9,866.9</b>	<b>13,767.7</b>	<b>50</b>

#### Strategic support of the Government

As a result of the COVID-19 pandemic and consequent order cancellations/deferrals from international buyers, the RMG sector of Bangladesh and its 4.1 million workers were suffering. To overcome the crisis of Covid-19, announced a fiscal stimulus of BDT 5000.00 crore for export-oriented industries, primarily the RMG sector. It was the first stimulus package announced by the government to support approximately a million RMG workers who by then had lost their jobs as a fall-out from order cancellations/deferrals, as well as the workers who were anticipated to be affected because of the unrest amongst the workers demanding the closure of factories amidst fears of contagion and payment of due wages.

#### Supporting Packages for RMG and other Sectors by the Government of Bangladesh

- Tk. 5,000.00 crore fund has been formed at Bangladesh Bank for giving Export Oriented Industry's workers salary without any interest;
- Tk. 5,000.00 crore fund has been declared through Bangladesh Bank for refinancing of Pre-shipment Credit;
- Tk. 30,000.00 crore package has been declared through Bangladesh Bank for working capital financing;
- Tk. 20,000.00 crore package has been declared for SME and CMSME;
- EDF fund raised by \$5.00 billion from \$3.5 billion;
- Time extension for Loan Classification;

- Bank Interest for two months had been blocked;
- Interest Rate of EDF facility fixed by 2% only;
- Usance period for import of industrial raw materials and period of suppliers/buyers credit extended;
- Overdue period of Bill of Entry, EXP and EDF facility had been extended;
- Discount percentage on the ground of repatriation of export proceeds increased by 10% instead of 5%.

Mentionable that meantime MMBL claimed the Loan from Financial Stimulus Fund, Accounts and Budgeting Department, Bangladesh Bank at the request of Export Oriented borrowers (mainly RMG) of the Bank. Subsequently, Bangladesh Bank credited the loan amount to meet up worker's salary of respective RMG borrowers. The detailed of which is outlined below:

SL. No.	Name of the Firms/ Clients
1	Euro Arte Apparels Ltd.
2	Crossline Woven Apparels Ltd.
3	Crossline Woven Garments Limited
4	Clamoon Garments Limited
5	Radiant Sweater Industries Ltd.
6	Sayem Fashions Limited
7	Glamour Apparel (BD) Ltd.
8	Riviera Composite Industries Ltd.
9	Brain Station 23 Ltd.
10	Dibbo Fashions Limited
11	Disney Sweater Limited
12	A.K.M Knitwear Ltd.

## CMSME Banking

The role of Cottage, Micro, Small and Medium Enterprises (CMSMEs) is indispensable for overall economic development of a country particularly for developing countries like Bangladesh. Since this sector is labor intensive with short gestation period, it is capable of increasing national income as well as rapid employment generation; achieving the Sustainable Development Goals (SDG) especially eradication of extreme poverty and hunger, gender equality and women empowerment. CMSME sector has played a vital role in economic development of Bangladesh, narrowing the gap of income inequality and poverty alleviation. The present government has also put much emphasis on the development of CMSME sector considering it as 'the driving force for industrialization'. As a fourth generation Bank, Modhumoti Bank Limited has been strongly focusing on CMSME financing.

Modhumoti Bank has already formulated several products like, MMBL **Agrogoti** (working capital loan), MMBL **Progoti** (capital loan), MMBL **Goti** (Unsecured loan), MMBL **Labonnyo** (women entrepreneurs' loan), MMBL **Moushumi** (Seasonal loan), MMBL **Shongoti** (Factoring) & different customized products are under process of development considering the need of the CMSME customer segment to flourish and expand CMSME Enterprises. MMBL also extends financial support to contractor financing through providing different Guarantees and funded facility against work order. Therefore, Bank's SME exposure is thus well diversified as doing business with different sectors i.e. cottage, handy crafts, power loom, auto parts, garments accessories, rice mills, light engineering, commodity financing, textile mill, permitted brick field, scrap iron, poultry farming, fish processing/dry fish, animal feed, agro-based and agro-processing industry, furniture, leather goods sector, jute goods and, computer software and ICT goods, green financing-renewable energy etc.

Moreover, Bank also participated several Refinance scheme funded by Bangladesh Bank, IDA and ADB has been facilitated for the development of CMSME portfolio. Besides, to ensure institutional financial facilities under easy conditions Modhumoti Bank has taken diverse steps; like opening of 'Dedicated Desk' for CMSME and 'CMSME Service Centre' in the banks and special facilities for the women entrepreneurs

Though the country faced 2nd wave of the COVID -19 pandemic in first half of the year 2021, the Bank achieved significant growth in CMSME portfolio of the Bank. Total CMSME outstanding at the end of the financial year 2021 was Tk.1,037.52 crore which is 26.24% of total loan portfolio of the Bank against Bangladesh Bank requirement of 22%. We have assigned special officers at all the respective branches for CMSME and Women entrepreneurs for customized services and guidelines to grasp the niche market.

## Sector-wise CMSME position at the end of 2021

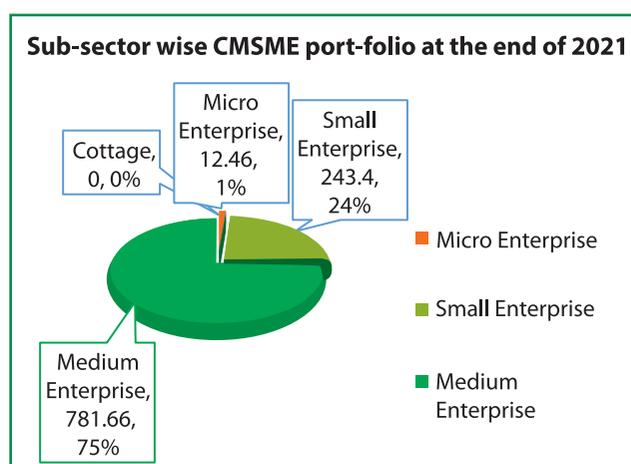
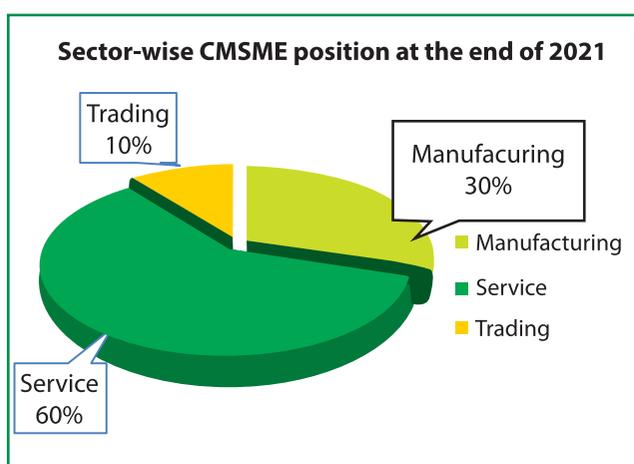
Capacity Building Activities with a view to increasing the focus on the CMSME business, MMBL has put utmost effort for the development of this sector by participating in various , workshops, forums and fairs to build awareness among the customers as well as for capacity building of the CMSME officials through continuous in and out house training. MMBL also put emphasis on Women Entrepreneur financing through various capacity building initiatives. In line with the trend of contemporary business and regulatory requirement, all the branches of the Bank are now focusing on CMSME. Therefore, all Branches have separate target for selling SME products in order to strengthen the base of the Bank.

### Last 05 Years CMSME Growth Trend:

Figure in Tk. Crore

Year	CMSME outstanding	Total Loans & Advances	% CMSME of Total loan Portfolio
2016	468.31	1,713.86	27.32%
2017	875.38	3,018.13	29.00%
2018	783.10	3,557.56	22.01%
2019	714.40	4,250.73	17.96%
2020	877.32	3,643.12	24.08%
<b>2021</b>	<b>1037.52</b>	<b>3,954.65*</b>	<b>26.24%</b>

\*Excluding OBU loans and advances.



### CMSME Stimulus Loan Disbursement and Recognition:

CMSMEs were the hardest hit when the coronavirus pandemic struck the country in March 2020 and 2021. Government declared financial stimulus package for CMSME through Bangladesh Bank which aimed at mitigating the impact of the coronavirus pandemic. Subsequently, Bangladesh Bank vide their circular no SMESPD no 01 dated 13.04.2020 announced Tk 20,000 crore stimulus package to be disbursed through Scheduled commercial Bank and Financial Institution. MMBL entered into agreement with Bangladesh bank and was allocated Tk 60 crore fund allocation for this purpose. MMBL with limited manpower and logistics support at that time, was fully achieved the target within time frame. Bangladesh Bank recognized the initiative and awarded with a appreciation letter. It should be noted that only 12 banks were able to achieve the target and MMBL was the only Bank among all 4th generation bank.

### CMSME Disbursement Status:

Year	Fund Allocation by Bangladesh Bank	Total Disbursement by MMBL	No of Customer received stimulus fund	Sector wise Disbursement %		
				Manufacturing	Service	Trading
2020-21	60.00	60.62	112	5.92 (9.77%)	46.40 (76.54%)	8.30 (13.69%)

### Regulatory Requirement of the optimum point:

As per SMESPD Master Circular No: 02 dated: 05.09.2019, Banks are obligated to disburse CMSMEs loan at least 25% of its loans portfolio outstanding within 2025 with 1% increase in each year. Bank will plan for increasing CMSMEs loan from existing 26.24% to 30% within 2024 which is well above the target assigned by Bangladesh Bank.

### Refinance agreement signed by MMBL with Bangladesh Bank (BB):

Types of Refinance Scheme	Date of Agreement Signed	Total Fund	Sources of the Fund	Remarks
Small & Medium Sized Enterprise Development Project -2 (SMEDP -2)	November, 2017	USD 200.00 million	Asian Development Bank (ADB)	√ Maximum Tk. 1.00 crore for Cottage, Micro & Small √ Maximum Tk. 3.00 crore for Medium Enterprise
Renewable Energy & Environment Friendly Financeable Sector	20 August, 2013	Tk. 200 crore	Bangladesh Bank (BB)	To support Solar Energy, Bio-Gas Plant, ETP, Energy efficient Kiln, Vermicomposting, Hydropower, Pet Bottle Recycling Plant, Solar Battery Recycling Plant, LED Bulb Manufacturing Plant, Setting up Hybrid Hoffman Kiln/Tunnel Kiln/equivalent technology in Brick manufacturing Industry.
Brick Kiln Efficiency Improvement Project	21 May, 2014	USD 30.00 million	Asian Development Bank (ADB)	√ Upgrading FCK facilities to improved Zigzag Kiln facilities √ Construction of new VSBK, HHK, or tunnel Kiln facilities
Small Enterprise Sector (SEF)	22 July, 2014	USD 10.00 million	International Development Association	To support the development of Small Enterprise Sector.
Setting up Agro based Product Processing Industries in Rural Areas	22 July, 2014	-	Bangladesh Bank (BB)	100% refinance facilities
New Entrepreneurs in Cottage, Micro & Small Enterprise Sector (New Entrepreneur Fund -NEF)	10 August, 2014	-	Bangladesh Bank (BB)	√ Maximum BDT 10.00 Lac loans without collateral √ Maximum BDT 25.00 Lac with collateral
Urban Building Safety Project (UBSP) RMG	13 February, 2017	4240 million Japanese yen	JICA	For strengthening factories of RMG sector & Private commercial building in Dhaka, Narayangonj, Gazipur & Chittagong District.
Small & Medium Sized Enterprise Development Project -2 (SMEDP-2)	November, 2017	USD 200.00 million	Asian Development Bank (ADB)	√ Maximum Tk.1.00 crore for Cottage, Micro & Small √ Maximum Tk. 3.00 crore for Medium Enterprise
SMEDP-2	06 February, 2018	USD 200 million	ADB	To Small & Medium Sized Enterprise Development
Refinance Scheme for providing working capital loan/investment facility to support COVID -19 affected CMSME's	02 June, 2020	TK 10,000 Crore	Bangladesh Bank (BB)	To support COVID -19 affected CMSME's

### NPL position of CMSME loan as on 31.12.2021

Row Labels	Sum of OS (Figure in Tk. Crore)	% NPL against CMSME loan
BL	28.37	2.73%
DF	5.40	0.52%
SS	9.33	0.90%
<b>Grand Total</b>	<b>43.10</b>	<b>4.15%</b>

## Strategic Business Plan for CMSME Banking Division for the year 2022:

- CMSME ( Cottage, Micro, Small & Medium Enterprise) exposure in the Bank to be increased from existing 26.24% to 28%;
- Micro / cottage and SE portfolio has stood at 25% of total CMSME portfolio at the end of 2021 and will gradually reach 50% as per Bangladesh Bank Guideline;
- Exposure in manufacturing sector has already reached to 30% from 27% which needs to be increased further to reach at 40% level by 2024 as per Bangladesh Bank Guideline;
- Focus needs to be given on CMSE ( Cottage, Micro & Small Enterprise) customers in Manufacturing Sectors;
- The Bank will book some funded & non-funded business through Contractor financing such as BG, EM, SOD (WO/SO) etc. and this business will be added to the Bank's portfolio by the newly launched branches in rural area;
- Developed a training calendar for in-house and out-house training and product based workshop for the relationship officers working in CMSME portfolio in order to be equipped with updated policy and strategies of the Bank;
- Branch-wise target allocation and from time to time follow up & monitoring;
- Proper staffing in both the Branch & Head Office level;
- Restructuring of CMSME Division as per Bangladesh Bank Guidelines and circulars from time to time;
- Establishment of separate wing of CRM (CMSME segment) in the CRM Division which will be manned with CMSME experienced officials;
- Arrangement of alternative loan disbursement through linkage financing like more than 400 Agent Banking Outlets where branch network is outreach;
- Establishing women entrepreneur dedicated desk.

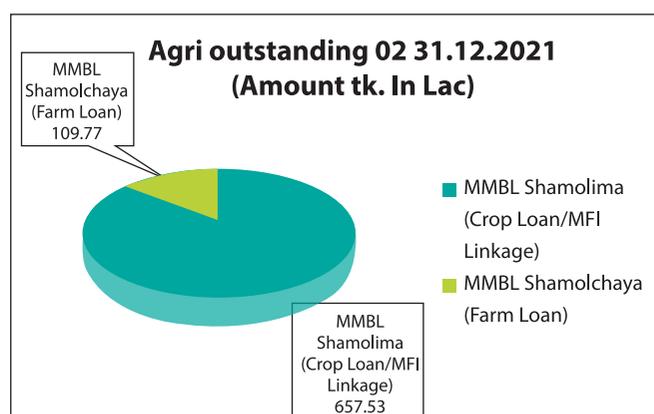
## Agricultural Loan

Agricultural sector is one of the driving force of Bangladesh economy contributing 12.92% of GDP almost 40.60 % of total labor force are directly engaged in this sector. For most, agriculture is a means of food security, but it is a livelihood for a vast population in Bangladesh and a means of reducing poverty and fostering sustainable economic development. It is a sector that is strategically favorable to Bangladesh given its location as the largest delta in Asia, and most populated delta in the world.

Modhumoti Bank Limited has already formulated different tailor made products to extend financial support to direct agricultural sector namely Modhumoti Shamolima, Modhumoti Shamolchhaya and Modhumoti Shamolmaya. Total Agricultural Portfolio stood at **Taka 767.30 lac as on 31.12.2021**.

Name of the Product	Loan Size	Purpose
Modhumoti Shamolima (Crop Loan)	Up to Taka 3.00 lac or as determined by Bangladesh Bank updated guidelines	√ To help farmers, share cropper and landless farmers to bear the cost of tilling of land, fertilizers, pesticides, irrigation, seed etc. for producing different crops and vegetables.
Modhumoti Shamolchhaya (Farm Loan)	Up to Taka 100.00 lac	√ Any justifiable capital expenses and/or working capital √ Project finance
Modhumoti Shamolmaya (any Agri -Purpose Loan)	Up to Taka 100.00 lac	√ Any justifiable capital expenses and /or working capital √ Project Finance

Product Name	Outstanding Amount (Lac) on 31.12.2021
MMBL Shamolima (Crop Loan/MFI Linkage)	657.53
MMBL Shamolchhaya (Farm Loan)	109.77
<b>Total</b>	<b>767.30</b>



## Agriculture Stimulus Package for Covid-19 Pandemic:

Modhumoti Bank entered into agreement with Bangladesh to participate in disbursing loan in its Agricultural customers under Bangladesh Bank 5000 crore refinancing Scheme for Covid-19 affected customers in agricultural sector on 03.05.2020. Bangladesh Bank allocated Tk.2.50 crore for Modhumoti Bank under this package to be disbursed within 30.06.2021. Total Allocated amount has been disbursed within the time frame. MMBL also awarded appreciation letter from Bangladesh Bank in recognition of the initiative.

## Status of Agricultural loan Disbursement under refinancing scheme due to COVID 19 Pandemic:

Figure in Tk. Crore

Year	Fund Allocation by Bangladesh Bank	Total Disbursement by MMBL	No of Customer received stimulus fund	Sector wise Disbursement %		
				Dairy	Fisheries	Poultry
2020-21	2.50	2.51	12	1.10 (43.82%)	1.16 (46.22)	0.25 (9.96%)

## Retail Banking

From the inception of Modhumoti Bank Limited, the competent authority of the Bank are giving emphasis on its retail banking business. Already the bank has developed different types of product and services in both asset and liability category that will surely cater the individual needs for all types of its retail banking customers. And due to pandemic COVID 19, the bank is now thinking differently about its business strategy and as the post-pandemic terrain also provide some opportunities for growth in different sector, MMBL also revamp its business strategies and focusing more on diversifying its retail business portfolio. This strategies also include embracing new technologies and developing and introducing new retail product and services for the bank to fulfill the need of its prospective customers for the betterment of business.

For fulfilling the financial requirement of any credit worthy individual, already Modhumoti Bank Limited introduced "Modhumoti Personal Loan" and also introduced "Modhumoti Dishari" Loan, a unique personal loan facilities for the School teachers of Bangladesh, which is a state of art products of its kind. Already Modhumoti Bank Limited introduced "Modhumoti Vehicle loan" for any worthy individual who is in need of any Vehicle Loan. And for fulfilling the funded and non-funded vehicle loan facilities of the Honorable Member of Parliament, the Bank introduced a specialized vehicle loan facilities titled "Modhumoti Vehicle Loan (Special)". In order to fulfill the housing need facilities of urban and semi-urban customers the bank introduced Modhumoti HBL titled "Modhumoti Thikana" and for suburbs/rural/semi urban customers need for semi-structured housing facilities, MMBL introduced "Modhumoti Ashroy". Meeting of any kind of urgent financial requirement the bank has "SOD against FO" and "SOD FO against CD, SB and SND".

Also for diversifying banks total deposit portfolio and increase the bank's CASAs ratio, in line with regular deposit products, the bank also introduced different types of specialized retail deposit products. Among which Modhumoti Freedom Fighters Saving Account, Modhumoti Borshian Savings Accounts for Senior Citizens of Bangladesh, Modhumoti Labonnyo Savings account for Female Customers, Modhumoti Peshajibi Savings Account for Professionals and Modhumoti Prottasha and Modhumoti Saddho deposit Scheme are very much prominent and unique of its kind.

Despite of the pandemic COVID 19, the Year 2021 was a pretty successful for Banks overall retail banking business in comparison with the year 2020. In the year 2021, the Bank has a total of 33.87 % growth in opening different types of retail banking account, 2.20 % growth in retail deposit, 29.08 % growth in retail loans, 73.32% growth in Collection of Fees and others. Even the bank has also increased its Low Cost High Cost Deposit Ratio to 20:80 which was 17:83 in the year 2020.

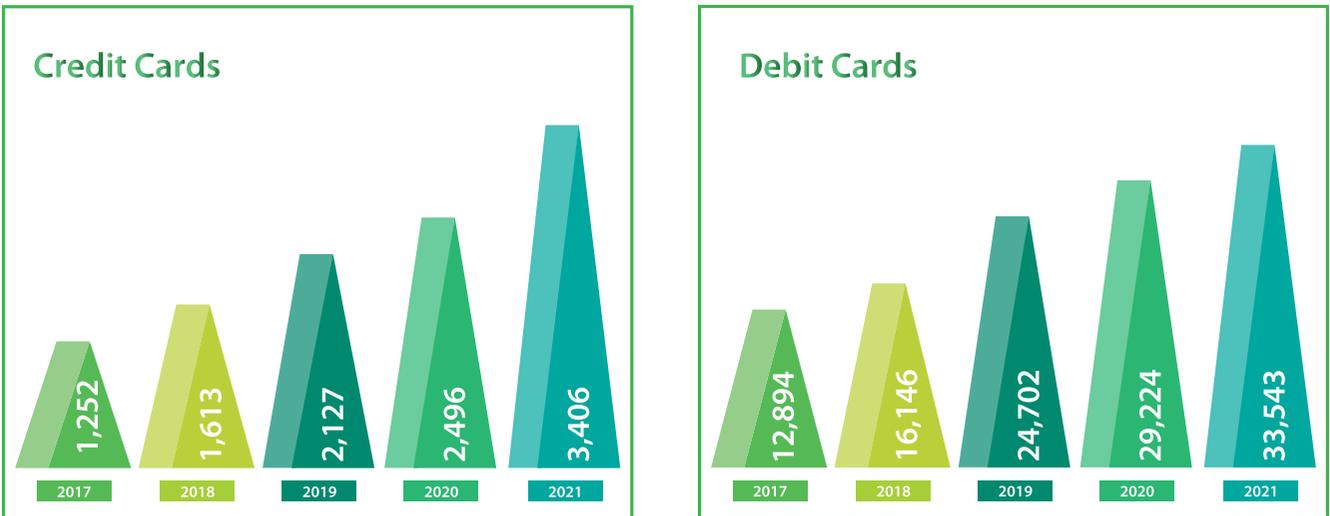


## Cards (Business)

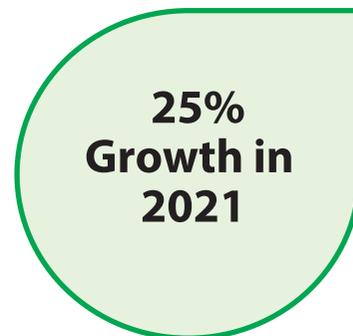
Modhumoti Bank introduced electronic payment services (Cards) besides conventional banking soon after its inception in 2014. To mark difference in the market, Bank designed domestic and multi-currency products of different status proficient to cater maximum sort of services as desired by the customers under the scope. As asset product, the Bank also has been prudently selective to acquire customers and fit to its diversified product segments making Modhumoti Cards as a symbol of convenience, ease and prestige.

In 2021, Bangladesh encountered 2nd wave of Covid 19 with Delta variant and to cope up with the situation Modhumoti cards emphasized on e-commerce transactions, online fund transfer to different payment gateways, online utility bill payments, 24/7 helpline services which received significant response from its clients. The Bank also incorporated Central Bank's initiatives like re-fixing interest rate, flexibility in repayment schedule etc. for customers comfort. Along with various merchants, the Bank also made arrangements with leading Hospitals and Diagnostic Centers across the country to facilitate its cardholders with special discount on various health care services.

The customer base of Credit and Debit Card services of the Bank are noted below:



The Bank achieved growth of 25% in the credit card businesses (outstanding position) in 2021 compared to 2020:



## Banking Operations, Alternative Delivery Channel & Card Operations:

Modhumoti Bank Limited started its commercial banking operations on September 19, 2013 as scheduled Commercial Bank in Bangladesh. The Bank open Branches upon the approval of the Board of Directors and No Objection Certificate (NOC) from Bangladesh Bank. Till date, the Bank has 46 branches across all the administrative Divisions of the Country. Year-wise cumulative number of branches are noted below (the Branch Networks along with contact information can be found in the later section of the Annual Report):

Particular	2013	2014	2015	2016	2017	2018	2019	2020	2021
Branches	2	10	15	23	29	35	41	44	46

## Alternative Delivery Channel & Card Operations

To facilitate customers with the modern banking facilities, Modhumoti Bank Limited has introduced electronic payment services through VISA EVM Debit & Credit Cards, ATMs, Digital Banking (GO SMART), internet banking, Modhumoti Helpline (16347 or +880-9610016347), and Modhumoti Bondhon (E-KYC). The Alternative Delivery Channel & Card Operations of the Bank is entrusted with the operational issues of the noted services across the country and international periphery. The electronic payment system is a modern way of making transactions or paying for goods and services through electronic platform without using cheques and cash which has been grown exponentially over the last decades and especially last couple of years during the Pandemic. The Bank accommodate uninterrupted electronic services to the customers round the clock (24/7) ensuring the utmost security. By now, the Bank has designed different related products having transaction flexibility as desired by the customers at home and abroad along with the latest security measures and is keen to host more product diversification in the future. Year-wise number of cards in circulation (cumulative) is presented below:

### 1. Debit & Credit Cards:

Sln	Particulars	2014	2015	2016	2017	2018	2019	2020	2021
1	DebitCard	1,655	3,285	6,697	12,894	16,146	24,702	29,224	33,543
2	CreditCard	-	-	767	1,252	1,613	2,127	2,496	3,406
<b>Total</b>		<b>1,655</b>	<b>3,285</b>	<b>7,464</b>	<b>14,146</b>	<b>17,759</b>	<b>26,829</b>	<b>31,720</b>	<b>36,949</b>

### 2. Automated Teller Machines (ATMs):

Modhumoti Bank Limited has already become a member of the National Payment Switch Bangladesh (NPSB), VISA, and Q-cash consortium and facilitating its customers to avail of ATM services from NPSB and Q-cash ATMs across the Country. The Bank is also expanding its own ATM network which is presented below:

Particular	2014	2015	2016	2017	2018	2019	2020	2021
Number of own ATMs	06	16	22	29	32	42	43	45

### 3. Modhumoti Digital Banking (GO SMART):

Modhumoti Bank Limited inaugurated internet banking platform titled 'Modhumoti Digital Banking (GO SMART)' on 15th February 2020 for the seamless customer services of the Bank. The application has been developed on Web & Mobile version so that a customer can get the services 24/7 from anywhere around the World. The Bank has incorporated the latest 2FA security-based transaction facilities with updated features that contains more convenience and confidentiality irrespective of customer point of view.



SL.	Particular	2019	2020	2021
1	GO SMART Account User	390	3,370	6,157

### The Bank is now facilitating the below services for the existing & potential customers:

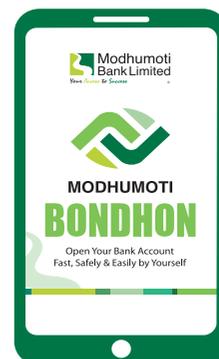
- Self-registration in the Modhumoti Bank GO SMART Digital Banking
- Fund Transfer (Own/across MMBL Bank customer accounts)
- BEFTN, RTGS & NPSB (to other bank accounts)
- Fund Transfer from CASA Account to bKash account
- Utility bill payment (DESCO, DPDC, WASA)
- Mobile Top-up (any mobile operator)
- Account statement information & download
- Credit card bill payment & information
- Instant DPS/FDR account Opening
- Debit/Credit card stop at once
- Branch & ATM locator
- Cheque Book application

#### 4. Modhumoti Helpline (16347):

To facilitate a wide range of customers with a one-stop solution, Modhumoti Bank launched Call Center Service named MMBL Helpline (24/7) on 5th September 2019. Well-trained and skilled resources have been recruited to ensure the best quality services ensuring the regulatory compliance and securities of the Bank. The Helpline Executives follow communication scripts along with generating outbound calls to provide products and services information. They receive inbound calls and handle customers inquiries over the phone and resolve customer complaints on a regular basis with top priority.

#### 5. Bondhon (E-KYC):

Modhumoti Bank Limited launched 'Modhumoti Bondhon' on 8th June 2021 for facilitating the opening of bank account through the digital platform as a part of a continuous journey toward digital financial inclusion and providing customer ease. This value proposition will minimize the total time spent by the customers in the Bank while ensuring their quality digital banking solutions. It also helps customers and employees with an easy and fast account opening facility. As per the guidelines, the customer will be on-boarded through different channels: Mobile App or Web Portal for Self-Registration and Branches and Agent Banking Points through Assisted Model. E-KYC is a combination of paperless customer onboarding, promptly identifying and verifying customer identity, maintaining a KYC profile in a digital form, and determining customer risk grading through digital means. It is a faster process of doing KYC for customers verifying his/her identity document or biometric data.



### International Division

Modhumoti Bank Limited has gained a momentum in foreign exchange business over the past few years. To cater to the growing demand of the customers is the core strategy of International Division (ID) of the Bank through establishing a large and effective worldwide network of correspondences.

The Bank is also constantly tying up with the renowned Exchange Houses of different countries to attract NRB remittances in the country. In this regard, International Division of the Bank plays a pivotal role. The resilience and dedication of MMBL team has been ensuring continued growth of the Bank in line with the rising economy of the country.

ID serves its Foreign Exchange Business and NRB remittances through 46 branches across the country including 06 (Six) dedicated Authorized Dealers (AD) supported by 05 (Five) Branches and 01 (One) Centralized Trade Processing Unit (CTPU), 01 (one) Offshore Banking Unit (OBU) and 457 Digital Points under Agent Banking Umbrella. With the major focus on trade, International Division coordinates LC Advising, LC Confirmation, Discounting/Negotiating and Collection of Export Bills, Re-discounting, Refinancing, Sourcing of FC funds, FC Term Loan, Bank Guarantee, Trade Payment Settlement, Foreign Exchange Services (e.g. commercial remittances, private remittances, travel expenses, payment of fees for tuition, exam, immigration etc.), NRB Remittances and any other banking needs / services.

International Division (Financial Institutions) also looks after the Policy Guidelines and overall operation of Foreign Correspondences, Foreign Exchange, NRB remittances & SWIFT Operations of the Bank. In addition, International Division works for and arranges Vessel Tracking System from IMB to track vessel under Bill of Lading in case of export & import transactions in order to monitor the authenticity of the Bill of lading as well as genuineness of the transactions. The Bank has been accelerating its Foreign Exchange Business each year.

In the Year- 2021, the Bank performs Export business for an amount of USD 387.48 million equivalent to BDT 3,264.07 crore and Import business amounting to USD 353.53 million equivalent to BDT 3015.40 crore which triggers 33.81% growth in Export & 30.29% growth in Import compared to previous year (2020).

#### Nostro Accounts

In order to facilitate the Foreign Exchange Business, International Division of the Bank is constantly expanding its correspondent network worldwide and till date the Bank established and maintaining 19 (Nineteen) Nostro Accounts in the most popular currencies e.g. US Dollar, Pound Sterling, Japanese Yen, Euro, Australian Dollar & ACU Dollar under Asian Clearing Union and 01 (One) Nostro Account for Off-shore Banking Unit (OBU) in US Dollar with a reputed International bank which ensures effective Foreign Currency Management and timely payment and receipt of foreign commitments.

## **Correspondent Banking**

International Division of the Bank always strives to enhance and expand foreign correspondent relationship through Relationship Management Application (RMA) to facilitate global trade business of the bank. As such, MMBL's correspondent network is spreading at important financial centers and business hubs all over the world, and has contributed towards expansion of the Bank's foreign trade business. Currently, the Bank is maintaining RMA with top rated 173 correspondents covering 39 countries. Furthermore, as part of continuous endeavor to expand the correspondent network, International Division has been continuously establishing RMA with banks around the globe as and when required.

International Division of the bank also maintains substantial credit lines with globally recognized multinational banks and financial institutions for adding confirmation of LCs, discounting & re-discounting of import LC/export bills, refinancing and sourcing of FC funds as and when required. We have also been able to enhance a substantial amount of rebate/fee income from our foreign correspondents against our foreign trade businesses.

## **SWIFT Operations**

Modhumoti Bank Limited joined SWIFT ALLIANCE in 2013, which is recognized globally as the most effective network for fastest, reliable and secured financial transactions worldwide. Currently, the Bank uses web based centralized application, SWIFT Alliance Web Platform (AWP) and all AD branches and CTPU have access to a wider range of functionalities with uninterrupted, real time communication. The Bank has served its foreign trade business, Letter of Credit, Bank Guarantee, cross border remittance through its Authorized Dealer (AD) Branches, Central Trade Processing Unit (CTPU), and Offshore Banking Unit (OBU) under its Head Office SWIFT operations of International Division. Currently, the Bank is using SWIFT Alliance Messenger having 33 user bands which permits 15 concurrent user connection at a time of our 5 AD Branches, CTPU, 1 (One) OBU and Head Office SWIFT user under logical terminal (LT) MODHBDDHXXX of the Bank.

SWIFT infrastructure is connecting more than 11,000 banking and securities organizations, market infrastructures and corporate customers in more than 200 countries and territories. Moreover, Modhumoti Bank Limited has implemented SWIFT updated version 7.6 Migration for ensuring uninterrupted & secured SWIFT services. We have been using KYC Registry as developed by SWIFT community to overcome KYC challenges by holding information about institutions. The Registry provides a standardized set of data and supporting documentation relevant to KYC and Customer Due Diligence (CDD) requirements. SWIFT Sanction Screening software (S3) has been installed to reduce risks and comply with various local and international Sanctions.

As a member of the SWIFT ALLIANCE, Modhumoti Bank facilitates cross border trade transactions, inward/outward remittances etc. of the Bank through state of the art secured infrastructure. SWIFT Operation Unit works as an authenticated communication medium of the Bank in International Division, Head Office. All AD branches are connected to Global SWIFT Network via Data center at Head Office. We are also updating security patch in our swift system on quarterly basis. In addition, we are complying Customer Security Programme (CSP) as per instruction of Central Bank and SWIFT Head Quarter. International Division (Financial Institutions) also looks after the Policy Guidelines and overall operation of the SWIFT of the Bank.

SWIFT is a secured platform, but hackers are also technically so smart for which cyber-attacks and threats are now global issue. To secure the SWIFT system from the security threat the SWIFT alliance has adopted different advance technologies like BASIC Tracker, Payment Control Services (PCS), Global Payments Innovation (GPI), etc. Our Bank has adopted BASIC Tracker which has been mandatory since 22 November, 2020.

## **Non-Resident (NRB) Remittance Business**

Foreign remittance is considered as the fresh blood of our economy. It is the second largest sources of foreign exchange for much needed economic development of the country. Foreign remittance is one of the most important economic variables and has become an important aspect for the developing countries like Bangladesh for socio- economic advancement. It has a great impact on the country's overall socio-economic development like poverty alleviation, employment generation, growth of GDP, reducing balance of payment, enriching the foreign currency reserves, reducing the dependency on overseas assistance, adoption of new development plans and its implementation etc. Bangladesh is the 7th largest remittance receiving country of the world.

Non-Resident Bangladeshi (NRB) are the representatives of our country by spreading the richness of our cultures across the globe. They are the real ambassadors of goodwill for Bangladesh. Modhumoti Bank Limited provides services to facilitate inward foreign remittance sent by the wage earners working abroad. Modhumoti Bank also has a dedicated NRB (Non Resident Bangladeshi) Division at Head Office to ensure personalized services to the customers at branch Level. It values its customers in providing prompt & efficient services offering best competitive price for their hard-earned Foreign Currencies to facilitate Bangladesh bound remittance globally.

Modhumoti Bank handles both inward & outward Remittance products. The outward Remittance includes FC Cash, FDD, FTT & wire Transfer through SWIFT. The Inward Remittance products are Over the Counter Payment (OTC), Account Credit, FTT, wire Transfer through SWIFT etc. With a view to increasing & facilitating inward NRB remittance businesses, Modhumoti Bank Limited has been continuously communicating with different international reputed Money Transfer Companies in the remittance bound countries over the globe. In line with this process, Modhumoti Bank Limited has business relationship with the globally renowned Exchange Houses.

**Presently Modhumoti Bank is providing the following remittance services like:**

- OTC (Instant cash) payment
- MMBL A/C credit and
- Third Bank's A/C credit more than 11,000 Branches of different bank throughout the country.

Modhumoti Bank Limited has a nationwide network having 46 well-equipped online branches and 457 Digital Points (Agents) under the Agent Banking Umbrella. Inward NRB Foreign Remittances has already been disbursed to the beneficiaries from these Digital Points. Modhumoti Bank Limited put top priority on homebound NRB foreign remittance from Bangladeshi expatriates and has entered into arrangement with a number of exchange houses. Modhumoti Bank has an admirable Remittance Tie-up with a good number of world's renowned Exchange Houses. They are:

Name of Exchange Houses	
01. Trans-Fast Remittance LLC	02. NEC Money Transfer Limited
03. Kuwait Asian Int'l Exchange Co.	04. Western Union Money Transfer
05. Continental Exchange Solutions(Ria)	06. MoneyGram International
07. Xpress Money Services	08. Aftab Currency Exchange
09. Placid N.K. Corporation	10. Instant Cash FZE
11. Prabhu Money Services	12. Merchantrade Sdn, bhd
13. Worldwide West 2 East Services Limited (SHA Global)	

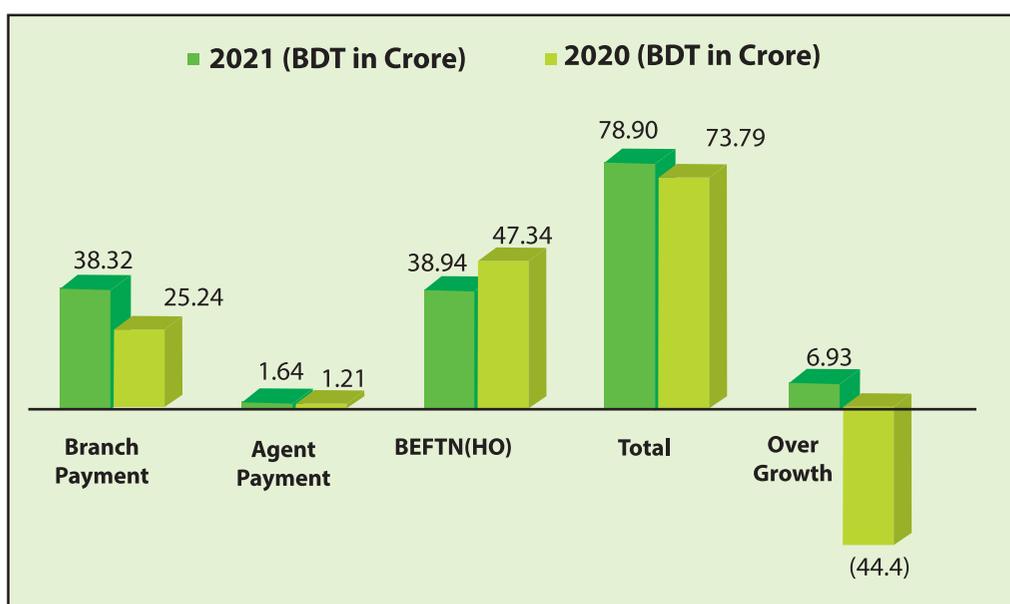
Modhumoti Bank procured total NRB Remittance of BDT 78.90 Crore in 2021 which was BDT 73.79 Crore in 2020 triggering 6.93 % growth compared to 2020 whereas country growth was 1.47%.

NRB remittance business in terms of volume and transactions during the last 03(Three) years are as follows:

Figure in Tk. Crore

Amount	2019	2020	2021
USD	1.51	0.87	0.89
BDT	132.72	73.79	78.90
Number of Transactions	26,147	13,605	12,781

**Comparison of NRB Remittance Payment of Branches, Agents and HO (BEFTN) between 2020 & 2021:**



## Off-Shore Banking Operation

Modhumoti Bank Limited established its Off-shore Banking Unit (OBU) on September 23, 2015 after having permission from Bangladesh Bank dated April 02, 2015 with a view to catering to the banking needs of non-resident customers both in EPZs, PEPZs, Economic Zones (EZs) and Hi-Tech Parks and abroad. Offshore Banking acts as a unique solution for Banks across the globe to carry out international banking business involving foreign currency denominated assets and liabilities taking the advantages of low or non-existent taxes/levies and higher return on investment. Yet, it has become an important strategic business unit due to growing demand of cheaper foreign currency loan, usance payable at sight (UPAS) LC and discounting of export bills of the customers.

### The main objectives of Offshore Banking are to:

- Attract and facilitate potential foreign investors and entrepreneurs in the EPZs, PEPZs, EZs and Hi-Tech Parks;
- Attract investment for non- resident Bangladeshi investors;
- Facilitates cheap foreign currency fund to the customers of Bangladesh etc.

### OBU of the Bank offers following products and services to the valued customers:

- Foreign Currency Deposit Account of Non-residents.
- Export-Import services to A- category industrial units of Export Processing Zones (EPZ) and Economic Zone (EZ).
- Financing Usance Payable at Sight (UPAS) Letter of Credit.
- Purchase/Discount of Export Bills in Foreign Currency.
- Foreign Currency Term Loan to eligible resident industrial units.

Modhumoti Bank Offshore Banking Operations mobilizes deposits, facilitates UPAS L/C, discounting of export bills/import bills, finances the customers in EPZs, PEPZs, EZs; manages fund for OBU and other trade finance services as and when required by the customers under the purview of policy and guidelines of Bangladesh Bank. The OBU of the Bank also supports on-shore customers within the purview set out by the Bangladesh Bank. The overall operation of the Offshore Banking is controlled and supervised by Offshore Banking Operations under International Division supported by 01 (One) Offshore Banking Unit (OBU) now situated at Head Office of the Bank. International Division (Financial Institutions) also looks after the Policy Guidelines and overall operation of the OBU of the Bank.

### Business Position of MMBL OBU in the year 2021:

Particulars	2021
Loans and Advances	USD 24.90 Million equivalent to BDT 213.47 Crore
Import and Export Bills Discounted	USD 34.21 Million equivalent to BDT 294.20 Crore
Business Growth	33.69%
Net Profit	BDT 3.07 Crore



The Bank celebrated the 8<sup>th</sup> Anniversary at the Head Office.

## Trade Services Division

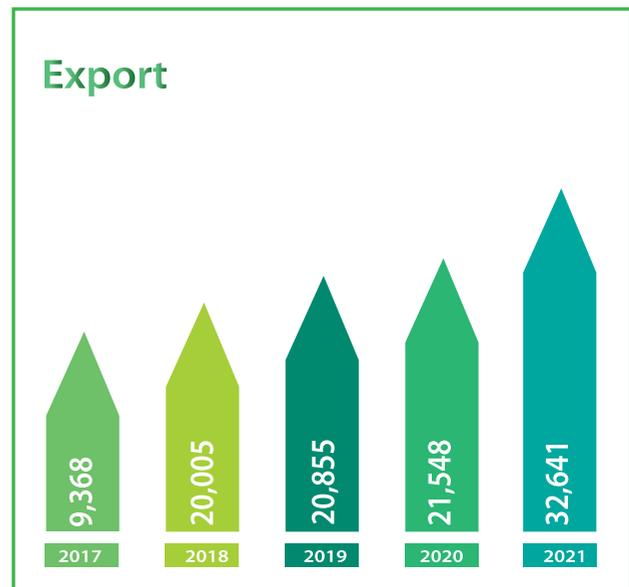
Facilitating International Trade through Import and Export financing is one of the key activities of the Bank. The environment in banking industry has become highly competitive and banks are now exposed to various types of financial and non-financial risks. Risks have become multidimensional especially in Foreign Exchange business. Bangladesh Bank as a central bank issues guidelines on management of various types of risks involved in foreign Exchange dealings.

Modhumoti Bank is always concerned about the fast moving business environment, which is becoming uncertain & risky due to integration of international markets. The Bank is taking all possible steps to properly address the issues, developing tools and techniques for effective management of Trade Service activities.

The Bank has registered firm growth in Foreign Trade business over the years. During the year 2021, one of our core priorities to combine the revenue mix was non-funded business in the trade market. Moreover, the dedicated Trade Development Team was also recognized to provide a greater force to the trade business and to provide instant services to the growing customers' requirement. Trade finance faced elevated demand from the rising domestic economy. Trade Finance offers a wide range of services that can be tailored to meet the different needs of buyers and sellers (Importers and Exporters). Our range of resources and level of expertise in the various trading sectors and documentary credit specialists enables us to offer unrivalled services to all our customers - whether they are manufacturers, traders, suppliers, importers or exporters. The Bank has exhibited quality financing while facilitating total import and export business.

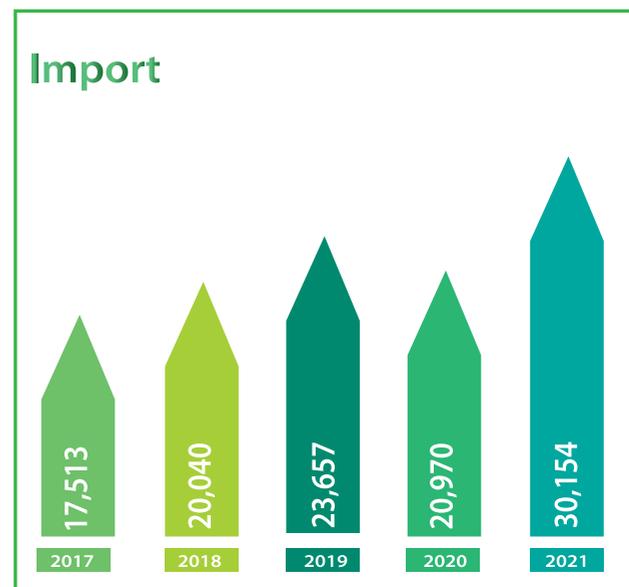
### Export Business

The cumulative achievement of the export stood at BDT 32,641 million for the year ended on December 31, 2021 compared to BDT 21,548 million of the year 2020. Growth rate of export trade was 51%. The focal point of the Bank in export financing was garments industry, the lone driving force of the economy of Bangladesh and the biggest source of foreign exchange and employment provider of the country. Other notable items were Pharmaceuticals, ICT Products, Chemicals Products, Edible Oil, PPP Bags, Sweater, Handicrafts, Vegetables, Food items, etc.



### Import Business

In the year 2021 Import business of the bank stood at BDT 30,154 million compared to BDT 20,970 million in the year 2020 indicating 44% growth. The import business of the Bank comes from opening Letter of Credit in different items including Capital Machineries, Industrial Raw Materials, Raw Cotton, Garments & Accessories, Medicine and Medical Equipment, PVC Resin, Motor Vehicles, Foods Grains and other Consumer Products.



## Central Trade Processing Unit (CTPU)

Central Trade Processing Unit (CTPU) is an innovative milestone in the contemporary banking arena for facilitating Non-AD branches foreign trade operations. The main objective of CTPU is to act as a platform for all Non-AD Branches of the Bank to facilitate their trade related transactions like Imports and Exports. The business volume of all Non-AD Branches has been increasing robustly day by day with active support of CTPU. The unit is operated with a team of dedicated bankers who are well conversant in International Trade and Foreign Exchange Business.

At the close of business on 31 December 2021 Centralized Trade Processing Unit (CTPU) processed the following business:

Particulars	2021	2020	Growth%
Number of Letter of Credit (LC)	328	256	28.13
Import Performance (Figure in Crore)	185.28	102	81.65
Local Export (Figure in Crore)	15.35	4.22	263.74

## Offshore Banking Operations (OBO)

To meet the contemporary banking business demand, Modhumoti Bank Limited started its Offshore Banking Unit (OBU) operation in 2015. Within a very short span of time OBU has become a large offshore banking business with a portfolio of over USD 24.88 million to meet clients' financing requirements in FCY (Foreign Currency) satisfactorily. It provides financing facilities (on and off-balance sheet exposures) as well as takes deposits in freely convertible foreign currencies to and from person/institutions not resident in Bangladesh.

For the year ended 31 December 2021 business position of OBU was as follows:

Business area	2021 USD in Million	2021 BDT in Million	2020 USD in Million	2020 BDT in Million	Growth %
Total Deposits & Borrowings	38.60	3,311.88	17.11	1,453.49	125.60
Total Loans & Advances	38.88	3,335.90	17.57	1,492.57	121.29

Particulars	2021	2020	Growth %
No. of Bill Purchase/Discount	457	361	26.6
No. of Adjustment	428	377	13.53
Discounting Amount (Figure in Crore)	298.76	218.38	36.81

## Remittance Operations

Remittance has been playing a crucial role in the economic development of the country. There are now over 10 million Bangladeshi expatriates working in different countries of the world. Remittance contributes nearly 11% to the gross domestic product (GDP) of Bangladesh. It accounts for over 60% of our foreign exchange reserve. Remittance has transformed rural economy by enhancing the quality of life of the dependents of the remitters. Most remarkable contribution of the NRB's is the investing of their hard earned money for development of our rural economy in the form of SMEs and investment portfolio as a whole. Remittance has kept our economy strong when others are facing crisis.

We have drawing arrangement with major global money transfer companies and reputed exchange houses all over the world, so that NRB can easily send remittance.

Remittances Remittance inflows increased by 6.93 percent at the end of FY21 compared with the growth in FY20. A record inflow of remittances at USD 8.90 million in FY21. The increase in inward remittance is results of the increase in overall economy. Moreover, Government's drive of bringing inward remittances into formal channels by providing 2% cash incentives to the beneficiaries of the inward remittances augments. Remittance inflow increased significantly in FY 2021 from major contributing countries like Saudi Arabia, Kuwait, U.A.E. U.S.A, U.K. and Italy.

## Treasury Management

The pivotal role of a treasury of a Bank is to optimize liquidity as well as the capital base of the Bank. Treasury is also responsible for making sound financial investments with the available fund while reducing financial risks by being responsible for measuring and monitoring all risks associated with the Bank's domestic and Foreign Exchange exposure, local and foreign currency liquidity, asset-liability management and overall management of the Balance Sheet. Again, nowadays, the Banking industry is constantly facing changes in technology, regulations, and compliance, which is ministering Treasury becoming a strategic business partner across all the areas of Banking Business. Modhumoti Bank Treasury is also not an exception.

Treasury of Modhumoti Bank Limited contributed significantly in earning as well as risk management capacity in 2021 which ultimately paved the way for a strong capital base and solid footing for further growth of the Bank. Year 2021 was an exceptional year marked with recovery drive and fight back initiative by both the economic stakeholders and policy makers. Nevertheless, the fresh wave of pandemic hit once again the country like previous year (2020) which ultimately obstructed various economic overhauling measures in private and public sectors. During the period, surplus money supply position influenced the term structure of interest rate. Treasury played an important role by identifying and measuring risks and hedging balance sheet risks using various financial tools for maximizing profit for the Bank and at the same time upholding the solid CAMELS and Core Risk Rating of the Bank.

Treasury management of the Bank primarily focuses on the followings:



**Existing Product Line:** Since the inception of the Bank, almost all the treasury product line is available with us. The products are designed to work with the financial possibilities of the country. Further to this, many more treasury products are still in the process to be introduced in Bangladesh. The existing treasury product lines of the Bank are noted below:

<b>Money Market</b> <ul style="list-style-type: none"> <li>• Call Money</li> <li>• Special Notice Deposit</li> <li>• Term Money</li> <li>• REPO &amp; Reverse REPO</li> <li>• Assured Liquidity Support (ALS)</li> </ul>	<b>Foreign Exchange</b> <ul style="list-style-type: none"> <li>• Spot Sale/ Buy</li> <li>• Forward Sale/ Buy</li> <li>• Foreign Currency placement</li> <li>• SWAP</li> </ul>	<b>Government Securities</b> <ul style="list-style-type: none"> <li>• Primary Auction</li> <li>• Secondary Trading</li> <li>• Forward Contract of Bond</li> <li>• Client Service</li> </ul>	<b>Investment In Capital Market</b> <ul style="list-style-type: none"> <li>• IPO Participation</li> <li>• Buy/Sale</li> <li>• Preference Share</li> </ul>
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**Future Product Line:** In line with current market proposition and its impediments we have less room to explore new future treasury products. However, we still can include the following products in the treasury product lines of the Bank:

- Investment in Islamic Bond
- Cross Boarder FX SWAP
- Forward FX Deal with Clients

Modhumoti Bank Treasury has the following desks through which it offers a complete and well diversified package of Treasury solution to its customers both in the interbank and corporate market:



## Money Market Desk

Over most of the time of 2021, the interbank money market experienced a liquid scenario. The number of days when money market felt a bit stressed was very limited. It happened due to the accommodative monetary policy stance of Bangladesh Bank. Call money rate hovered around 1.00 percent to 5.25 percent throughout the year 2021. The revenue generated by MM Desk of the Bank was Taka 16.01 crore in 2021 which was Taka 40.78 crore in 2020.

## Fixed Income Desk

Fixed Income desk is mainly dedicated for investment in Government Securities (G. Sec) and other investment. The Government Securities portfolio of Modhumoti Bank Ltd. as of 31 December 2021 was Taka 2,553.99 crore. The net revenue generated by Fixed Income Desk in 2021 was Taka 280.86 crore where the capital gain was around Taka 70.29 crore in 2021.

## Foreign Exchange Desk

In FX market, Interbank Foreign Exchange rate was quite volatile and illiquid all through the year 2021. USD appreciated against BDT and stood at 85.85 level as of 31 December 2021 which was 84.95 at the very beginning of 2021. In 2021, FX Desk generated Taka 18.58 crore as Exchange Gain in comparison to Taka 8.26 crore of 2020.

## Capital Market Desk

Capital Market Desk is mainly dedicated for investment in shares both ordinary & preference share. The portfolio of shares was Taka 21.86 crore as December 31, 2021. The Bank derived dividend income amounting Taka 3.95 crore and capital gain was Taka 5.14 crore in 2021.

## Asset Liability Management (ALM) Desk

Asset and Liability Management (ALM) is an essential process for the Bank and when not well managed, it may create a threat to the existence of the Bank itself. Asset Liability Committee (ALCO) is one of the core decision making committees of the Bank which primarily focuses on the management of the asset and liability of the Bank. The Managing Director is the Chairman and Head of Treasury is the member secretary of ALCO. Through ALM, our Bank mainly aims to achieve the following objectives:

- Managing liquidity and interest rate risk;
- Growth in assets & liabilities;
- Stability and consistency in earnings and
- Bank's profitability.

ALM desk, through its own market research and market intelligence presented the market outlook throughout the year, that gave an explicit idea about the market liquidity for availing market opportunities for loans and advances, investments as well as for fund deployment in alternative forms. Throughout the year 2021, the desk helped in pricing the products of both assets and liabilities to gain the competitive advantage from the market movement. It also presented the bank's overall financial position in front of the ALCO members to formulate an effective investment and fund management strategy for the bank.

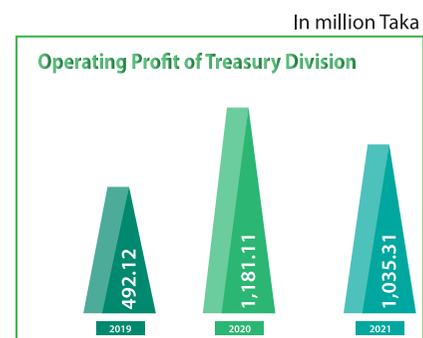
In 2021, Treasury operated within all regulatory limits. There was no single instance where Treasury violated any regulatory limit which reflects Modhumoti Bank Treasury's commitment to operate within the rules and regulations of the Bank as well as other regulatory bodies.

## Treasury Income in 2021

Treasury, as a major contributor to the bank's revenue line, contributed significantly in 2021. Overall, Treasury revenue numbers in 2021 from different revenue heads are presented with a comparison from the year 2019 to 2021.

## Treasury Priorities in 2022:

- Maximizing Treasury Portfolio return through exploring existing & new areas of business;
- Enhanced bonding of Business & ALM;
- Managing FX position with optimal profitability;
- Emphasizing on cross-currency trading desk;
- Increasing corporate client base;



- Retail trading of Government Securities (G-Sec);
- Increasing capital market exposure;
- Special emphasize for building awareness among corporate customers regarding hedging and its benefits;
- Organizing knowledge sharing programs e.g. Trainings, Seminars on Treasury and Market Risk Management.
- Strengthening relationship with all counterparts (both Interbank & Corporate).

## Modhumoti Agent Banking

In recent years, agent banking in Bangladesh has gained incredible impetus to drive financial services and accelerate financial inclusion. Modhumoti Bank, is one of the pioneer banks, started providing Agent Banking service in 2016. The services gained significant progress in terms of number of agents, accounts and deposits. Over 2 lakh unbanked people have already been included in Agent Banking platform. Banking services through this channel started eliminating the challenge for time and distance. It is facilitating full-fledged banking services to doorsteps of customers, and making convenient channeling of remittance, depositing and withdrawal of cash and supporting small loans at an affordable cost. Now people from nook and corner of the country are able to enjoy banking services with ease and comfort. Social safety-net payments have seen significant reach and growth over the years. Apart from Union Digital Center, agent banking through engaging individual entrepreneurs has been a flock to be added with the network which gives another momentum to Modhumoti Agent Banking.

The Pandemic COVID-19 offered both the challenges and opportunity for agent banking industry. The pandemic has disrupted every economic activities of the country and Agent Banking is no exception. Agent outlets was remained open during the lockdown which paved the way for achieving trust of the people. They started visiting agent outlets for daily financial settlements due to challenge of visiting bank branches during lockdown situation in early 2021. By this time Modhumoti Bank has adopted few strategies to increase awareness and capacity of agents to mitigate risks and enhance their coping mechanism such as established online communication tool for business meeting, implemented eKYC for account opening, virtual training & outlet inauguration virtually and so on.

### Year-wise Agent Operations of Modhumoti Bank:

Year	Geographical Coverage				Number of Account
	District	Upazila	Union	Number of Agent	
2016	11	19	70	70	2,320
2017	13	35	200	200	9,968
2018	14	39	281	281	38,738
2019	16	45	366	366	79,960
2020	16	45	366	366	1,31,592
2021	24	66	440	457	190,665

### Products and Services Offered through Modhumoti Digital Banking Points:

MMBL Agent Banking Products	MMBL Agent Banking Services
<ul style="list-style-type: none"> <li>• Current Bank Deposit Account – Agent;</li> <li>• Current Bank Deposit Account – Customer; Patshala</li> <li>• Savings Account-Student;</li> <li>• Savings Bank Deposit Account – Agent;</li> <li>• Savings Bank Deposit Account - Freedom Fighter;</li> <li>• No Frill Savings Account-Farmer;</li> <li>• Safety Net Savings Account;</li> <li>• Short Notice Deposit Account;</li> <li>• Fixed Deposit Account (1/3/6/12 Months)- For All;</li> <li>• Monthly Income Scheme (3/5 Years) ) - For All; Double</li> <li>• Deposit Scheme- For All;</li> <li>• Triple Benefit Scheme- For All;</li> <li>• Monthly Savings Scheme (3/5 Years)- For All; Monthly</li> <li>• Prottasha Deposit Scheme (1/2/3 /4/5 Years) -for All;</li> <li>• Telemedicine and Health Insurance;</li> <li>• Digital Insurance and Insurance Premium Collection.</li> </ul>	<ul style="list-style-type: none"> <li>• Different Types of Account Opening - Current, Savings and Scheme Nature</li> <li>• Cash Deposit - Same/Other Territory</li> <li>• Cash Withdrawal- Same/Other Territory</li> <li>• Fund Transfer between Accounts (within Bank)</li> <li>• EFT &amp; RTGS between any Bank Branches in Bangladesh</li> <li>• Inward Foreign Remittance Payment- Both Agent Points and Branches</li> <li>• Mini Statement</li> <li>• Balance Enquiry</li> <li>• Statement on Date Range</li> <li>• Debit/Credit Card Paper Processing</li> <li>• Small Loan (Agri/SE/Retail) Paper Processing</li> <li>• Collection of Loan Installment</li> <li>• Collection of Clearing Cheques</li> <li>• Cash-out of Social Safety Net Program</li> <li>• Cash-out of different Ministries and others underserved population</li> </ul>

## Upcoming Services of Modhumoti Digital Banking Points:

- Micro-Savings with insurance.
- Other Utility Bill Payment and Govt. Fees Payment.
- Assisted e-Commerce (Online to Offline Services).
- Digital Micro–Insurance and Premium Collection
- More Life Style Services and Business to Business (B2B) payment
- Cluster Based Small Enterprise and Agri-loan Disbursement.

## Agent Banking Achievement in 2021:

- Modhumoti Bank started agent banking journey through engaging entrepreneurs under Union Digital Center. As a part of expanding digital financial inclusion in the year 2021, the bank replicate this model and engage individual entrepreneurs to provide financial service into village level. It in another step towards financial inclusion which will reduce cost of transaction, create a less-cash society by offering banking service at customers' doorsteps.



The Bank inaugurated agent points at Pachchar, Madaripur.

- Since inception, Modhumoti Bank Agent Banking has been trying to extend product and services that satisfy the demand of its target customers. Apart from financial inclusion, the broader objective is to offer lifecycle products to cover most of the segments of rural economy. Following this effort, Modhumoti Bank and PayWell collaborated with a vision to incorporate dynamic payment services through Modhumoti Digital Points. Customers are now able to get Mobile Top-Up (all operators) and BREB (Polli Bidyut) online bill payment from any Modhumoti Digital Points. Air ticketing and Bus Ticketing will be added to this list shortly. Through this collaboration, our agent partners are able to gain customer satisfaction, chance to sell cross product, provide multifold services under one platform and as such can earn additional revenue.
- Modhumoti Bank provides the payments of Government's Social Safety Net at the doorsteps of beneficiaries. In pandemic situation, Modhumoti Bank's Agent Banking Division has been working on digital cash disbursement of Govt. funds to the beneficiaries. The glimpse of the fund disbursements can be seen in the photographs to next page.
- Modhumoti Bank signed agreement with Population Crisis Control and Mass Education Committee (PCC&MEC) to facilitate two projects namely LoGIC (Local Government Initiatives on climate change) & GCA (Global Center for Adaptation) under the partnership with UNDP. Under these projects, around 70,000 Climate Change affected beneficiaries' bank account will be opened for facilitating financial inclusion which will eventually help their capacity development using UNDP Grant.
- We have celebrated for acquiring 150,000+ customers through Modhumoti Agent Banking by staging a ceremony at Bank's Head Office. Our Managing Director & CEO, Mr. Md. Shafiu Azam was present as Chief Guest to grace the occasion. Mr. Kazi Ahsan Khalil, Deputy Managing Director & CBO, Mr. Shahnawaj Chowdhury, Deputy Managing Director & COO, member of Management Committee, Divisional Heads and Agent Banking Officials were also present in the occasion.



Safety net beneficiaries receiving allowance through Modhumoti Agent Points.



The Bank celebrated 1.5 lac agent banking customers acquisition.

- Modhumoti Bank and Guardian Life Insurance Company have signed an agreement on 17th August, 2021 to provide traditional insurance products of MetLife to the underserved and untapped uninsured segment of rural and semi-urban areas under Modhumoti Agent Banking network and the Bank signed agreement with ONE Bank Limited to facilitate certain utility payments and Indian Visa Fees collection utilizing its mobile banking platform.

### Government to Person (G2P) Digital Payment through Modhumoti Agent Banking Points

The Bank is working with different Ministries of the Government of Bangladesh (GoB) for disbursement of Social Safety Net Program Allowances. Social safety-net users mainly resides in the rural areas where no or limited banking facilities are available to receive their allowances. Conventional disbursement procedures yield some challenges like expensive access to bank branches due to distance, unavailability of regular transaction facilities, existence of ghost beneficiaries, misuse of Government fund etc. To eradicate these problems, GoB is using our Agent Banking Channel for distributing social safety-net allowances to the old age, disable, widow, farmer, daily laborer, pregnant women, lactating mother, environmentally vulnerable people, unemployed rural women and hard-core poor of the rural areas and so on. This G2P payment system benefits the GoB, beneficiaries and Modhumoti Bank in the following ways:

Benefit for Government of Bangladesh	Benefit for Safety net Beneficiaries	Benefit for Modhumoti Bank Limited
<ul style="list-style-type: none"> <li>● Disbursement of fund as and when required;</li> <li>● Elimination of misusing public fund;</li> <li>● Identification and eradication of ghost beneficiaries;</li> <li>● Identification of multiple allowance receiving beneficiary;</li> <li>● Collecting and reporting national data regarding social safety-net disbursement;</li> <li>● Effective utilization of government fund to reduce hard-core poverty from the country etc.</li> </ul>	<ul style="list-style-type: none"> <li>● Decrease cash-out hassle from far-reach bank branch;</li> <li>● Regular cash-out facility as and when required;</li> <li>● Decrease cost of cash collection;</li> <li>● Assurance of fund safety;</li> <li>● Emergence of deposit behavior;</li> <li>● Control over own allowance rather than local government representative etc.</li> </ul>	<ul style="list-style-type: none"> <li>● Increase financial inclusion and ensure capacity development of the agents;</li> <li>● Make regular source of no cost deposit;</li> <li>● Create social capital and loyalty for bank;</li> <li>● Achieve government dependency for smoothening disbursement mechanism;</li> <li>● Promoting regular banking products to the beneficiaries;</li> <li>● Creating cross sales opportunities of the beneficiaries' family etc.</li> </ul>

Because of smooth cash-out service and effective disbursement scope, the concerned Ministries are increasing disbursement through our Agent Banking channel which proves the confidence and loyalty of the ultimate beneficiaries and the Government on the Modhumoti Bank Agent Banking. We are sharing the growth of beneficiaries in the table below:

Quarter	No. of Customer	Growth	Male	Percentage	Female	Percentage
Q1-2021	137438	4.44%	37960	27.62%	99478	72.38%
Q2-2021	149333	8.65%	40074	26.84%	109259	73.16%
Q3-2021	159242	6.64%	41602	26.13%	117640	73.87%
Q4-2021	183027	14.94%	42501	23.22%	140526	76.78%



## Scheme Deposits

- Monthly Savings Scheme (MSS)
- Monthly Savings Scheme (MSS) for Freedom Fighters
- Modhumoti প্রত্যশা Deposit Scheme (PDS)
- Modhumoti প্রত্যশা Deposit Scheme (PDS) (For Freedom Fighters)
- Modhumoti সাধ্য Deposit Scheme (Modhumoti SDS)
- Modhumoti সাধ্য Deposit Scheme (Modhumoti SDS) (For Freedom Fighters, Labonnyo & বর্ষীয়ান Account Holder)
- Monthly Income Scheme (MIS) (For 1, 3 & 5 Years)**
- Incredible Benefit Scheme**
- Double Benefit Scheme
- Triple Benefit Scheme

## Service Products

- Priority Banking Services
- Locker Service
- 24 hour ATM acces
- Online Bankings
- MML Helpline (24/7)
- SWIFT
- Modhumoti Gold -Authorized Gold Dealership Service
- Internet Banking -Modhumoti Digital Banking (Go Smart)

## Retail Credit Products

- Modhumoti Personal Loan
- Modhumoti দিশারী (Teacher's Loan)
- Modhumoti Vehicle Loan
- Modhumoti Vehicle Loan (Special) (Parliament Members only)
- Home Loan**
- Modhumoti Thikana
- Modhumoti Ashroy
- Automated Cards**
- Debit/Credit Card with VISA
- ATM Debit Card through 'Q-Cash' & NPSB networks

## Deposit Accounts

- Current Account
- Savings Account
- No Frill Savings Account
- Modhumoti পাঠশালা Savings Account (Savings Account for students aging less than 18 years)
- Modhumoti তারপণ্য Savings Account (For students aging between 18 & 25 years)
- Modhumoti Freedom Fighters Savings Account
- Modhumoti বর্ষীয়ান Savings Account
- Modhumoti পেশাজীবী Savings Account
- Modhumoti Salary Account
- Modhumoti Labonnyo Savings Account
- High Performance Savings Account
- Special Corporate Deposit Account
- Corporate Saver's Savings Account
- Special Notice Deposit

## Fixed Deposit for different terms

- Foreign Currency Account
- NFCD / RFC

## Remittance Service

- Modhumoti Foreign Educare (Student File)
- Modhumoti Probash Cash (প্রবাস ক্যাশ) (NRB remitting arrangements with world famous exchange houses)

## Utility Bill Collection Services

- BRTA Fees
- CPTU (e-Gp)
- DESCO/DPDC /PDB/REB/WZPDCL / NESCO
- Dhaka North/South City Corporation Fees & Taxes
- Jalalabad Gas Co./TITAS Gas / Bakhraabad Gas
- WASA

## Off-Shore Banking Services

## Agent Banking Services



Key features of some unique

## Products & Services

### Retail Deposit Products:

#### 1. Regular Current Account:

A Regular Current Deposit Account is a bank account that allows unlimited transaction with access to wide range of banking services, such as receiving money, paying bills, and setting up direct debits and standing orders to make regular payments.

##### Key Features:

- Non-interest bearing local currency account.
- Unlimited transaction.
- Online Banking.
- Internet Banking (Go Smart).
- Free SMS Transaction Alert Service.

#### 2. Regular Savings Account:

A regular savings bank deposit account is an account for any Bangladeshi national with an age of 18 years or above allowing customers to deposit money, consists of Cheque-book facility, safe deposit locker facility, utility payment service, collect foreign remittance, transfer of fund from one branch to another by demand draft, mail transfer and telegraphic transfer, ATM card etc.

##### Key Features:

- Interest bearing local currency account.
- Online Banking and Debit Card facility.
- Internet banking facility (Go Smart).
- Free SMS Transaction Alert Service.

#### 3. Modhumoti পাঠশালা Account:

Modhumoti পাঠশালা Account is a joint savings account under School Banking for minors students, having all the features of savings account, but will be operated by guardian/parent till the minor become adults.

##### Key Features:

- Interest bearing local currency savings account for the minor students.
- Free Privilege Debit Card
- Free Cheque Book
- Free SMS Transaction Alert Service

#### 4. Modhumoti তারুণ্য Account:

Modhumoti তারুণ্য Savings Account is a specially designed deposit product to attract the youth, especially for college and university students who attain the age of Maturity.

##### Key Features:

- Interest bearing local currency savings account.
- Cheque Book and Debit Card facilities.
- Internet Banking facility (Go Smart).
- Free SMS Transaction Alert Service.

#### 5. Modhumoti Freedom Fighters Savings Account:

It's an Interest bearing saving bank deposit account specially designed for the best son/daughters "the Freedom Fighters" of Bangladesh and it is under bank's Privilege Banking Service since inception of the Bank.

##### Key Features:

- Interest bearing local currency savings bank account.
- Privilege Desk/Counter at each MMBL Branches.
- Attractive Higher Interest Rate.
- Free Cheque Book (First 20 Leaves) and Free Debit Card Facilities.
- Internet banking facility (Go Smart).
- Free SMS Transaction Alert Service.

#### 6. Modhumoti বর্ষীয়ান Savings Account:

Modhumoti বর্ষীয়ান Savings Account is an interest bearing local bank deposit account specially designed with some unique features for the senior citizens of the country who attain the age of 60 and above.

##### Key Features:

- Interest bearing local currency savings bank deposit account.
- Privilege Desk/Counter at each MMBL Branches.
- Attractive Higher Interest Rate.
- Free Cheque Book (First 20 Leaves) and Debit Card Facilities.
- Internet banking facility (Go Smart).
- Free SMS Transaction Alert Service.

#### 7. Modhumoti পেশাজীবী Savings Account:

Modhumoti পেশাজীবী Savings Account is an interest bearing local currency account designed with some unique features for the professionals like Doctor, Engineer, Lawyer, Architect, Pharmacist, Dentist, Dietitian, Consultant, Programmer, Chartered Accountant (CA), Chartered Financial Analyst (CFA), Cost & Management Accountant (CMA), Chartered Secretaries (CS), Academician & University Faculty, Banker, IT Specialist etc.

##### Key Features:

- Interest bearing local currency savings bank deposit account.
- Attractive Interest Rate.
- Free Cheque Book (First 10 Leaves) and Debit Card Facilities.
- Internet banking facility will be available (Go Smart).
- Free SMS Transaction Alert Service.

#### 8. Priority Banking Savings Account:

Modhumoti Priority Banking is an interest bearing local currency account specially designed for banks privilege customers with some unique features along with some exclusive services and special benefits.

##### Key Features:

- Dedicated Relationship Manager.
- Debit Card with Priority features.
- Privilege Desk/Counter at each MMBL Branches.
- Specialized Cheque Book.
- Lower Interest rate for Loan and 50% Charge waiver on Locker Service.

#### 9. Modhumoti Salary Account:

It's an interest bearing local currency account specially designed for employees of different corporate houses under an agreement with his/her employer's business

concern, focusing especially to private sector corporates, presently where the biggest employment are being generated in the country and the number is ever increasing.

**Key Features:**

- a. No account maintenance fee.
- b. Attractive rate of interest on daily balance.
- c. Free Cheque Book (First 10 Leaves) and Debit Card Facilities.
- d. Preferential rate of interest on Personal Loan, Vehicle Loan and Home Loan.
- e. Free SMS alert on transaction service and Internet Banking service (Go-Smart).
- f. Overdraft facility.

**10. Modhumoti লাবণ্য Savings Account:**

Modhumoti লাবণ্য (Labonnyo) savings account is an interest bearing local currency account specially designed for the female customers of the bank.

**Key Features:**

- a. Attractive rate of interest.
- b. Free Cheque Book (First 20 Leaves) and Debit Card Facilities.
- c. Locker Service at lower rate.
- d. Preferential rate of interest on Personal Loan, Vehicle Loan and Home Loan.
- e. Preferential rate of interest on linked deposit scheme.
- f. Free SMS alert on transaction service and Internet Banking service (Go-Smart).

**11. High Performance Savings Account:**

It is an interest bearing local currency account specially designed with some distinctive features to develop corporate relationship with large corporate bodies as well as Government organizations.

**Key Features:**

- a. Attractive Interest Rate for this account.
- b. Free SMS alert on transaction service
- c. Internet Banking facilities.

**12. Special Corporate Deposit Account:**

It is an interest bearing local currency account with some distinctive features specially designed for high net worth juristic customers such as Private and Public Limited Companies/ Specified Associations/ Societies/Trusts/ Limited Liability Partnerships (LLPs)/ Large Local Corporates (LLCs)/ Multinational Companies (MNCs)/ Mid Local Corporates/ NGOs/ Large Proprietorship & Partnership Firms (Except for Foreign Nationals) and Government bodies etc.

**Key Features:**

- a. Attractive rate of interest.
- b. Free SMS alert on transaction service.
- c. Internet banking facilities.

**13. Corporate Savers' Account:**

It is also an interest bearing non-individual local currency account specially designed to fulfil the needs of private and public limited companies/ specified associations/ societies/trusts/ large local corporates

(LLCs)/ multinational companies (MNCs)/ NGOs/ large proprietorship & partnership firms (except for foreign nationals) and Government/ Semi-Government bodies, Autonomous bodies, Life Insurance Companies etc.

**Key Features:**

- a. Attractive rate of interest.
- b. Free SMS alert on transaction service.
- c. Internet banking facilities.

**14. Special Notice Deposit:**

It is an interest bearing local currency account with unlimited withdrawal facilities for its client by giving short notice earlier from the date of transaction usually 7(Seven) to 30 (Thirty) days.

**Key Features:**

- a. Attractive rate of interest.
- b. Free SMS alert on transaction service.
- c. Internet banking facilities.

**15. Modhumoti Foreign Educare**

Modhumoti Foreign Educare is specially designed for students, who wants to go abroad for higher studies. Our Educare banking solutions can help students embark on their aspirations and shall assist them in turning them into reality. This services can help the students starting from opening of accounts and student files, transfer of tuition fees and living expense and finally remit foreign currency from abroad.

**Key Features:**

- a. Easy transfer of Tuition Fees and Living expenses.
- b. Faster processing of Student File.
- c. Flexibility of Foreign Currency endorsement.
- d. One Stop Service at Bank's Student Service Center.
- e. Dedicated service desk in all mmbbl branches.
- f. Attractive exchange rate.

**16. Monthly Savings Scheme:**

The Monthly Saving Scheme (MSS) is an attractive deposit scheme for the individuals who wish to save a fixed sum of money every month with an intention to get a handsome amount on the maturity of the deposit.

**Key Features:**

- a. Flexible tenors.
- b. Attractive rate of interest with flexible monthly instalment size.
- c. Premature encashment facilities.
- d. Overdraft facilities.

**17. Modhumoti প্রত্যশা Deposit Scheme (PDS)**

It is an interest bearing deposit scheme designed for the individual customer to save a certain amount of deposit on monthly basis for the tenor of 1 (one) to 5 (Five) years and withdraw his/her desired amount on maturity.

**Key Features:**

- a. Flexible tenors.
- b. Attractive rate of interest with flexible monthly instalment size.
- c. Premature encashment facilities.
- d. Overdraft facilities.

### 18. Modhumoti সঞ্চয় Deposit Scheme (Modhumoti SDS)

It is an interest bearing deposit scheme designed for the individual customer to save a certain amount of deposit on monthly basis for the tenor of 1 (one) to 10 (Ten) years and withdraw his/her desired amount on maturity.

#### Key Features:

- Flexible tenors.
- Attractive rate of interest with flexible monthly instalment size.
- Premature encashment facilities.
- Overdraft facilities.

### 19. Monthly Income Scheme (MIS)

It's an interest bearing scheme deposit account where customers earn and withdraw the interest on monthly basis against depositing a fixed amount for an agreed period of time usually from 01(one), 03 (Three) and 05 (Five) years. The principal amount will be payable by the bank on maturity of the scheme.

#### Key Features:

- Flexible tenors.
- Attractive rate of interest with flexible principal amount.
- Premature encashment facilities.
- Overdraft facilities.

### 20. Incredible Benefit Scheme: "Double Benefit Scheme" or "Triple Benefit Scheme"

It's an interest bearing scheme deposit account usually opened by the clients with an intention to double or triple their principal amount after a fixed tenor of time.

#### Key Features:

- Flexible Amount tenors.
- Attractive rate of interest.
- Premature encashment facilities.
- Overdraft facilities.

### 21. Fixed Deposit Receipt (1/3/6/12 months):

Fixed deposits Accounts are interest bearing term deposit where customer deposit a fixed amount of money for a specific period of time and in exchange get principal with interest on maturity.

#### Key Features:

- Flexible Amount with tenors.
- Auto renewal facility.
- Attractive rate of interest.
- Premature encashment facilities.
- Overdraft facilities.

#### Retail Loan Products:

##### 1. Modhumoti Personal Loan

Modhumoti Personal Loan is offered to any credit worthy individual of Bangladesh from Tk.0.50 lac to Tk.20.00 lac to meet up any urgent financial requirement of his/her.

#### Key Features:

- Unsecured loan for any legitimate purpose.
- Competitive interest rate.
- Suitable EMI method for repayment within 12-60 months.
- Automatic realization of monthly installment
- Early settlement allowed (Full/partial)

- Loan takeover facility from other Banks
- Top-up facilities after paying 6 EMIs of existing loan on regular basis
- No hidden charges

##### 2. Modhumoti Vehicle Loan

Modhumoti Vehicle Loan is provided to any credit worthy individual as per policy of bank to purchase brand new and or reconditioned motor vehicles for private use only. The Maximum loan limit is Tk.40.00 lac or 50% of the vehicle-price, whichever is lower.

#### Key Features:

- Car financing up to 50% of reconditioned or brand new car price.
- No hidden charges
- Competitive interest rate
- Automatic realization of monthly installment,
- Early Full and partial settlement allowed,
- Spouse is allowed as Joint Applicant,
- Loan amount includes car value, VAT and registration cost but not exceeded 50% of car value.
- Shortest Loan Processing Time.

##### 3. Modhumoti Home Loan: "Modhumoti Thikana" & "Modhumoti Ashroy"

Modhumoti Thikana loan is offered to any credit worthy customers as per policy of the Bank to fulfil the housing needs of clients for residential purpose only in the form of purchase of apartment / house, house construction, extension/renovation of existing houses/apartment including takeover of home loans from Banks/FIs. Minimum loan limit is Tk.5.00 lac and maximum loan limit is Tk.120.00 lac.

Modhumoti Ashroy loan is introduced for financing construction of semi-structured house ranging from Tk.3.00 lac to Tk.20.00 lac, depends on need and re-payment capacity.

#### Key Features:

- Competitive interest rate.
- Grace Period: Maximum 12 months.
- Automatic realization of monthly installment.
- Access to Internet Banking.
- Early Full and partial settlement allowed.
- Various home loan repayment options and ability to set up automatic repayments.
- No hidden charges.

##### 4. Modhumoti Dishari (Teachers Loan)

Modhumoti Dishari is offered to school teachers whose salary is maintained with MMBL for the purpose of meeting up their financial requirement with a range of Tk.0.25 lac to a maximum limit of Tk.3.00 lac.

#### Key Features:

- Competitive Interest Rate.
- Low Processing fee.
- Equal Monthly Instalments (EMIs).
- Early Settlement (Partial) Allowed with Zero Fee.
- Flexible repayment tenure.
- No hidden charges.

## Internal Control & Compliance Division

Internal Control is the process, effected by a Bank's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations and internal policies. Internal control is a dynamic, continuing series of activities planned, implemented and monitored by the Board of Directors and Management at all levels within the Bank.

In order to establish the efficient, effective and compliant internal control system in the Bank, Internal Control & Compliance Division of Modhumoti Bank Limited has 03 (Three) distinctly separate units:

- Audit & Inspection Unit (including IS/IT Audit Unit);
- Compliance Unit; and
- Monitoring Unit.

### Audit & Inspection Unit (A&IU)

An effective internal audit function provides independent assurance to the Board of Directors and senior Management on the quality and effectiveness of the bank's internal control, risk management and governance systems and processes, thereby helping the Board and senior Management to protect the organization and its reputation. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the Bank's operations. It helps the Bank to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

#### Major functions of A&IU are as follows:

- Conducting risk based inspections in different branches and Divisions/Units of Head Office according to the Risk Based Audit Plan of the Bank for each year approved by the Audit Committee of Board (ACB);
- Conducting Information System & Technology (IS/IT) audit as per the Guidelines of Bangladesh Bank;
- Special Audit/Inspection/Investigation (in case of gross employee misconduct or major violation as well as identify deviation in the operational processes from set policies & procedures);
- Spot Inspection/ Validation Audit etc.

### Compliance Unit

Compliance refers to operating the bank in conformance with applicable laws, regulations, policies, standards, guidelines, etc. and responding fully and in a timely manner to observations/findings and orders to take corrective action issued by applicable regulatory authorities or law enforcement bodies.

This unit is entrusted to ensure that the Bank complies with all regulatory requirements while conducting its business. They maintain liaison with the regulators at all levels and notify other Divisions/Units and Branches of the Bank regarding any regulatory changes.

#### Major functions of this department are as follows:

- To ensure timely dissemination of all regulatory updates;
- To maintain strong liaison with the regulatory authorities;
- To maintain all relevant circulars and regulatory guidelines;
- To ensure regulatory requirements are properly incorporated in the operational tasks; and
- To ensure timely reply of Bangladesh Bank external and internal Audit Inspection Reports.

### Monitoring Unit

The Monitoring Unit of the Division monitors effectiveness of the Bank's internal Control System on an ongoing basis through follow-up of compliances and regularization of deficiencies that are identified by Audit & Inspection teams throughout the year.

#### Major functions of this department are as follows:

- Establishing monitoring mechanism/procedures to ensure high risks areas for regularly review;
- Assimilating Risk Matrix to monitor compliance with the AML/KYC issues, Compliance Risk, Operational Risk, Market Risk and Credit Risk;

- Regularizing of deficiencies that are obtained through different reports like QOR, LDCL, DCFCL, Self-Assessment of Anti-Fraud Internal Controls etc.;
- Reviewing operational performances against key control issues of individual offices;
- Evaluating the effectiveness of controls on Risk Appetite through analysis on the Self-Assessment Report, Internal Audit Reports, Compliance Reports and Monitoring Process to satisfy Risk Based Internal Audit function; and
- Recommending to the Head of Internal Control & Compliance to send audit/inspection team in the areas where regular deficiencies are identified.

#### **ICC Performances during 2021 at a glance:**

- Reviewed the 'Revised ICC Policy of Modhumoti Bank Limited' as per the latest policy-guidelines of Bangladesh Bank;
- Overall audit coverage has been enhanced, Risk-based Inspections Conducted 44 Branches along with 44 IS/IT Audits during the year 2021;
- Audit of fourteen (14) Divisions/Units of Head Office, have been conducted including IS/IT Audits;
- A total of 28 Special Inspections/Investigations have been conducted on different issues and 33 agent points/UDC have been Audited;
- Regulatory compliance has been improved, since Compliance Unit has received 35 reports/letters from Bangladesh Bank and management report from external Auditors during the year 2021, against which successfully submitted compliance of all reports/letters within the prescribed deadlines (Bangladesh Bank inspection teams conducted a total number of 12 inspections on 6 Divisions/Units of Head Office and 4 Branches and 02 Special cash inspection during the year 2021 which included Comprehensive Inspection, Inspection on Foreign Exchange Transactions, Foreign Exchange Risk Management, Internal Control & Compliance, Information System Security, Asset Liability Management and Credit Risk Management);
- Continuous monitoring are being conducted in major risk aspects;
- Pursued respective Divisions/Units to update and develop Guidelines/ Manuals/Policies to run the operations smoothly.

#### **Anti-Money Laundering (AML) & Combating Financing of Terrorism (CFT)**

Money Laundering (ML), Terrorist Financing (TF) & Proliferation Financing (PF) are increasing over the decades which get the momentum due to the rapid digital transformation in financial sector for its indigenous nature of business, customer base, products, delivery channel and external linkage/dependency of third parties. Assessing the risk and to expedite the AML Compliance effort and to increase the effectiveness of the activities in line with Global Best Practices, Modhumoti Bank Limited, in consistent with the echoes of the Board of Directors, has emphasized to establish Strong AML Governance in the Bank and has allocated necessary resources to make successful AML & CFT program.

#### **AML Compliance Journey in 2021**

- Launched **eKYC: Modhumoti Bondhon**
- 100% Officials are AML Trained
- Board Awareness Program on AML & CFT
- BAMLCO Conference-2021
- No of CTR - 12,053
- No of STR/SAR - 45

To ensure appropriate governance and implementation of the necessary control framework towards preclusion of ML, TF & PF risk, as guided in the BFIU Master Circular 26 dated 16 June 2020, the Central Compliance Committee (CCC) of the Bank evaluates the activities of AML & CFT Division from time to time and review the AML&CFT compliance policies, strategies and programs aligned with the policies and guidelines of the regulators and international best practices. The Bank has assigned responsibilities of the CAMLCO & Deputy of CAMCLO at Head Office and BAMLCOs at Branches for ensuring the proper implementation of the AML & CFT programs as per directives of Bangladesh Financial Intelligence Unit. Under direction of CCC and Chief Anti Money Laundering Compliance Officer (CAMLCO), AML Division of the Bank implements and monitors different AML & CFT programs across Bank.

## MMBL Policy, Guidelines & Compliance Structure:

### MMBL Policy on Prevention of Money Laundering & Combating Terrorist Financing

- eKYC for customer onboarding, NID verification, KYC/CDD/EDD measures done properly, review account information periodically;
- Prioritise Accounts and kept under monitoring as per Assessed Risk (Low/High);
- Automated Sanction Screening through integrated S3 Software. Appropriate UN, OFAC, UK, EU and Local Sanction list screening systems for onboarding Customers and for Cross-border Transactions (Automated & Manual);
- Transaction Monitoring at onsite basis & through System generated reports. Initiate SAR/STR on CTR, Structuring & Exception report monitoring;
- Screening of adverse media news to detect & report Suspicious Activity/Transactions;
- Ensure proper & adequate formal & informal AML Training for all officials;
- Quality Assurance & Testing for effectiveness of the Program- upon periodical testing, review measures are being taken.

### MMBL Guidelines for Prevention of Trade Based Money Laundering

- Performing EDD for Trade Customers & Assess Risk (Low, Medium or High);
- Preparing Trade Transaction Profile (TTP);
- Preparing Historical Database as per format of BFIU for Price Verification;
- Transaction Monitoring process developed & individual transaction evaluated for TBML Alerts;
- Establishing 3 level evaluation process to detect & initiate STR/SAR;
- Taking Service for Vessel Tracking from International Maritime Bureau (IMB).



The Bank arranged an “Annual Business Conference 2021” with Branch Managers.

## **To mitigate further business & compliance risks, MMBL, AML & CFT Action Plan for 2022**

- To arrange BAMLCO Conference-2022;
- To arrange specific AML Training/Workshop for targeted officials like-GB, Cash, Credit, Foreign Trade, Remittance & Agent Banking Officials and also Agents/their related staffs;
- To prepare/procure Complete AML Module to Automate compliance activities of the Bank;
- To automate the Query Management & record retention process for effective monitoring;
- To strengthen the KYC review & effective monitoring process;
- To review the Prevention of ML & CTF Policy and Prevention of TBML Guidelines in 2022;
- To ensure 70% AML Branch visit in onsite basis and 30% in off-site basis;
- Some other infrastructure level improvement program is in progress to enhance the effectiveness of AML program of the Bank;

Successful implementation of instructions from the regulator, continuation of awareness programs and improvement of regulatory audit rating; while securing the position in the top level Banks of the country in terms of regulatory audit rating will be the top priority for the AML & CFT Division over the coming years.

## **Information & Communication Technology**

The Bank has been able to increase operational efficiency by using information technology to minimize transaction time and operating expenses for collecting, storing, and processing data. With the use of technological advantages, the bank is committed to customer pleasure. The bank's technological growth has greatly improved its customer service as well as the stakeholders' trustworthiness toward the bank. Customers benefit from a variety of banking solutions delivered through various delivery channels based on their preferences. Businesspeople also benefit from speedier realization of receivables from their clients and the ability to make rapid and secure payments to their suppliers. With the use of technology, the bank is always committed to customer pleasure.

### **ICT Infrastructure**

Modhumoti Bank has assessed its current ICT infrastructure and implemented cutting-edge IT security solutions for its Gulshan Data Center. The ICT Security Team was formed to reduce technological and operational risks while also adhering to Bangladesh Bank's newest ICT Security Guideline. We're also building network infrastructure to ensure secure and dependable communication. For secure operations, connectivity to and from bank networks and external networks is carefully arranged. Throughout the year, the HR has hosted several training sessions on ICT security awareness.

### **Core Banking Solution**

Since its foundation, the Bank has always kept up with the newest technology and has implemented various technological advantages that have enriched its ICT infrastructure, reducing the risk of system failure, network failure, user ignorance, virus attack, and hacking, among other things. To serve its customers' routine banking and Foreign Trade transactions, the Bank Implemented the BankUltimus "Spark V3" Core Banking Solution (CBS). CBS has also been updated to the most recent version to improve existing features and functionalities as well as secure online banking transactions.

### **ATM Network**

The Bank has set up 45 of its own ATM booths across the country and issued a large number of debit cards to its customers. However, the Bank has taken significant steps to expand the ATM channel in acceptable sites around the country in order to service potential clients. The bank has also connected its ATM network with the National Payment Switch of Bangladesh (NPSB), a Bangladesh Bank endeavor to unify all commercial banks under one platform for ATM/Debit Card interoperability in both issuing and acquiring.

## **BACH, EFT,RTGS and ACS**

BACH (Bangladesh Automated Clearing House) is dealing with clearing cheques receipt and multifarious payment settlement services for all branches and its reconciliation. The Bank completed BACH-II project as per guideline of Bangladesh Bank.

EFT (Electronic Fund Transfer) is the fastest growing service enables to transfer the funds for clients electronically without payment instrument. However, EFT is a good prospect for Bank facilitating online fund transfer and bulk payments such as dividend warrant, salary payments. The Bank completed preparedness for Multiple EFT implementation project as per guideline of Bangladesh Bank.

Real Time Gross Settlement (RTGS) system is the financial services of commercial banks to ensure smoother and instant inter-bank clearing payments. The Bank is also connected to the BD-RTGS on the same day for its live operation i.e. on 29th October 2015 for instant settlement of high-value, local currency transactions as well as government securities. Automated Challan System (ACS) is implemented at all branches to collect government challan, passport fee and taxes in a fully automated manner.

## **Formation of Computer Incident Response Team (CIRT)**

Modhumoti Bank has already formed 'Computer Incident Response Team (CIRT)' to ensure proactive prevention and protection of Cyber Attack and Vulnerability of Digital Security in ICT infrastructure. The team is regularly conducting vulnerability assessment and penetration testing (VAPT) on CBS, SWIFT, Digital Banking and suggested remedy to prevent online attacks. They are continuously communicating with BB CIRT Team, other CIRT teams of Banks/ Govt./Department/Agencies and law enforcement authority to identify and resolve ICT Security related problems.

## **Modhumoti Digital Point**

The Bangladesh Bank is emphasizing financial inclusion by integrating more and more unbanked people into the country's financial system. Modhumoti Bank, as a new generation bank, was the first to introduce Agent Banking Services



The Bank signed an agreement with Bangladesh Bank for refinance fund for Technology Development/Upgradation of Export Oriented Industries.

('Modhumoti Digital Point') with the goal of assuring greater financial inclusion and expanding service reach to the unbanked people. Modhumoti Digital Point is quickly becoming a popular financial tool for individuals in rural areas, contributing significantly to the development of the rural economy.

### **Electronic Bill Payment System**

Modhumoti Bank has provided solution for collecting several sorts of utility bills, such as BRTA, WASA, DPDC, DESCO, NESCO, and so on. Because the systems are automatically connected to the billing system of the relevant organization, manual entry for consumption unit and bill amount is no longer required. As a result, a user can pay utility bills and fees faster and more accurately.

### **e-GP Procurement System**

By promoting competition and equal opportunity for all eligible suppliers, large and small, the e-Government Procurement system fosters openness and accountability in the public procurement process for improved resource utilization. It also benefits small and medium bidders by increasing purchasing power through demand aggregation. Through our Branches, the Bank has been providing financial services for e-Government Procurement (e-GP). Meanwhile, clients have expressed satisfaction with our bank's e-GP tendering services.

### **e-DOC- Security Document Management Software**

Before a credit proposal is accepted by the Bank's responsible authority, it must go through a lengthy and time-consuming documentation process. This is due to branches' reliance on old systems, the lack of a capacity for remote supervision and verification, and the lack of tools for their management, frequent upgrades, and retrieval for internal use. The majority of the branches are using the program and benefiting from the following features:

- Tagging of security documents as per individual credit proposal;
- Review of documents before disbursement of credit/loan; Prevention of alteration, deletion or manipulation of security documents;
- Storage of all versions of documents captured in different times;
- Retention of electronic version helps in case of physical loss or missing;
- Proactive email/report generation for routine updating of documents;
- Increase of transparency and accountability of user activity;
- Saving administrative hours, paper & printing cost;
- Increase customer service & satisfaction through quick disbursement;

### **Modhumoti Bank Internet Banking (Go Smart)**

Modhumoti Bank Internet Banking (Go Smart) is a cutting-edge Mobile Banking application that allows registered Modhumoti Bank customers to access banking services from their Smart Phone at any time and from any location. Strong security features, such as two-factor authentication utilizing a One-Time Password, are available in this application (OTP). The app is available for both Android and iOS, and can be downloaded from both the Google PlayStore and the AppStore!

### **The following features are available in Modhumoti Bank Mobile application:**

- Fund Transfer (BEFTN & RTGS & NPSB) to any Bank Account
- Mobile Top-up
- Bank Credit Card Bill Payment
- bKash fund transfer
- Utility Bill Payment
- View Account related Information with Balances
- Loan Account Information
- View Transaction History
- Mini Statement
- Detailed Statement
- Beneficiary Management
- Service Request (FDR, Positive Pay, Cheque Book, Pay Order etc.)

## Call Centre

With Modhumoti Bank 24-Hour Call Centre, managing customer's accounts are just a call away. Customers are enjoying the convenience of banking anytime, anywhere simply by pressing a few buttons of their phone.

- Account Detail
- Balance Query
- Debit/Credit Card Activation / Block
- SOC Query
- Credit Cards Bill Payment
- ATM/Branch Information
- Captured ATM cards and Cash Query
- Query for All Products
- Others

## ICT Risk Management

The banking industry's deployment of technology necessitates that ICT-related risks be appropriately identified and managed through a smart ICT risk management plan.

Modhumoti Bank takes significant steps to mitigate identified vulnerabilities and dangers from time to time. To further secure the threat elements, the Bank is gradually implementing various ICT-related security solutions. The Bank regularly assesses risk by analyzing threats and vulnerabilities within its risk management framework and taking appropriate actions to minimize and maintain an acceptable level of risk, as ICT risk management is an ongoing activity.

The Bank took a number of steps to protect its core business operation and other delivery channels from ICT related risk. These are mainly:

- Formation of ICT Risk Management Committee as per Guideline of Bangladesh Bank;
- Reviewing of ICT Risk Management Policy;
- Up-gradation of Core Banking Software (CBS) to mitigate risk;
- Deployment of chip based credit card (Visa and Master);
- Periodic ICT Audit and inspection (internal and external) in different Divisions and Branches;

## Future Plan:

Modhumoti Bank Limited considers information and communication technology (ICT) to be a strategic asset and a major enabler. It is profoundly ingrained in the way the Bank does business. The Bank is committed to strengthening the ICT sector in order to meet the demands of contemporary customers. The ICT priority of the Bank is followings:

- Establish enterprise architecture roadmaps to aid in the planning of information technology solutions for the Bank.
- Improve the Bank's overall efficiency in carrying out its activities by optimizing its business procedures.
- Implement IT Governance and Service Management processes to guarantee that the ICT department provides services that are effective, efficient, and in line with industry best practices.
- Establishment and maintenance of network and infrastructure security solutions.
- Acquire, build, enhance and integrate Information Technology based solutions.
- Enhance and maintenance of network and infrastructure security solutions.
- Implementation of disaster recovery and business continuity plans for hardware, networks, and infrastructure.
- Preparation and Gap analysis to achieve Industry Standard Certifications
- Achievement of Industry Standard Certification like: ISO 27001
- Preparation and Gap analysis to achieve PCI DSS Certification

## Human Resources

With every passing year Modhumoti Bank Limited is growing not only as a reliable name in the Banking industry but also as an employer of choice. Modhumoti Bank Limited acknowledges the efforts of its employees and believes in optimizing their career by providing competitive benefits and excellent working environment. Ever since its inception the Bank has focused on recruiting the right person for the right job maintaining a good mix of fresh and experienced employees. Once the right resources are hired, retaining them and providing them with quality training and development program in order to optimize their skill set is a major assignment of HRD. The Human Resources Division of the Bank has 4 departments namely:

- Talent Acquisition and MIS
- HR Services & Employee Relations
- Organization development and Communication
- Learning & Development

The segregation of specialized departments has enabled HRD to better understand the organization and employee needs which helps in solving employee related issues in more effective and efficient manner. Besides this there are plenty other tools that are being used with regular updates to develop our employees up to their potentials.

## MMBL Culture

Modhumoti Bank Limited provides excellent working environment and nurtures a culture which enables the employees to grow their skills and abilities to their full potential. As Culture is one of the key drivers of employee and other stake holder behaviors in banking industry, MMBL opts to maintain a healthy one. An Organization's culture is shaped by its employees and the policies for them. Here in MMBL, we consider our employees as our prime resource and we also have the best policies to keep them engaged and motivated. We ensure that our employees have a good work life balance by means of timely office hours and yearly leaves. The Bank also arranges for various employee engagement events such as Annual Picnics, Futsal, Badminton tournament, Cricket matches, Cultural programs, Cake Festival (Pitha Utshab), Health awareness campaigns and plenty others. Altogether MMBL not only have employee friendly policies but also ensures that the employees are always engaged and motivated in terms of both monetary and non-monetary benefits and facilities.

## Human Capital Status

As an employer of choice, Modhumoti Bank continues to hire and maintain a talented workforce. Recently the Board has approved the Corporate Organogram that has specified the Manpower requirements of the Bank till 2024 along with specific Job Description and Job Specification. Modhumoti Bank Limited is one of the very few Banks having implemented such Organogram. Considering the Organogram, the Bank is recruiting in various levels. Last year MMBL recruited many fresh and experienced employees like every year. Besides, being an equal opportunity employer, we have always promoted women empowerment and give equal opportunity to everyone regardless of their gender. The male-female ratio for the year 2021 was 80 percent male to 20 percent female. A comparative position of last three years' employee number is as follows:

Particulars	2021	2020	2019
Regular Employee	613	551	528
Casual Employee	152	149	152
<b>Total</b>	<b>765</b>	<b>700</b>	<b>680</b>

In Modhumoti Bank, we hire the best suitable employees for the Bank who have the functional knowledge as well as the ability to adjust with our organizational culture. We believe in developing the potentials of our employees in order to let them grow to their fullest. We attract fresh talents through advertisements, Job fares, sponsorship and internship. We have successfully established an image of employer of choice through positive branding.

Not only the fresh talents are attracted for getting employment opportunities in the Bank but also experienced employees are eager to join our winning team. We have a good mix of fresh and experienced employees.

In 2021, MMBL recruited a total number of 91 employees out of which 48 were fresh officers, 38 were experienced Officers and the rest 5 were Executives. Recruitment history of last three years is stated below:

Particulars	2021		2020		2019	
	Executives	Officers	Executives	Officers	Executives	Officers
Experienced	5	38	1	32	8	43
Fresh	0	48	0	102	0	52
<b>Total</b>	<b>91</b>		<b>45</b>		<b>103</b>	

### Learning & Development

The Management of the Bank has always been concerned about the skills development of its employees and therefore has put emphasize on the learning and development ever since the inception of the Bank. During the timeline of COVID outbreak the Bank continued its training programs virtually through online classes, Online quizzes, recorded classes and other distance medium. The summary of previous 3 years training are as follows:

Year	Internal Training	External Training	Total
2021	51	18	69
2020	11	15	26
2019	23	31	54

MMBL believes in creating internal leadership pipeline and thus succession planning is done accordingly. In order to promote the employees to the next level role HRD ensures that they have proper skills through multiple trainings. Based on the needs identified through Training Need Assessment, a Training Calendar is prepared in the beginning of every year. The Training Calendar includes prospective trainings along with a tentative timeline and budget. HRD aims to achieve the calendar as close as possible by organizing the scheduled trainings and workshops on time. This process enables our organization to identify and address the training needs of the employees of the Bank on a timely manner.

### Management Trainee Development Program

Apart from the above training and workshops, in the year 2021 HRD launched a development program for the Management Trainees of the Bank. The Management Trainee Development Program of the Bank has been named "Aspire" and it is designed with various on the job and off the job trainings. The objective of the development program is to provide the Management Trainees with accelerated and rigorous training so that they can sync into their desk roles efficiently upon confirmation.

### Coping with Covid-19

Amidst COVID outbreak since 2020, the health and safety of the employees of the Bank were given utmost importance at Modhumoti Bank. Moreover, MMBL is continuing to take the stances of prioritizing employee's well-being. Accordingly, the employees are being asked to provide customer service by maintaining proper safety in workplace.

The Human Resources Division has played major role during the COVID pandemic. Appropriate segregation of the Manpower for roster duty, keeping track of Covid patients, Covid tests, medical arrangements and reporting to Bangladesh Bank and other Government bodies were some of the major Covid related tasks during the timeline. HRD handled and still handling all these tasks very professionally.

The Bank has also signed corporate agreements with different health service providers such as – Popular Diagnostic Centre Ltd & Ibn Sina Trust and plenty others, where the employees and sub-staffs of the Bank are enjoying privileged and discounted services. Moreover, the Bank has plans to initiate health insurance coverage for the employees to protect them from any unwanted health related liabilities while they are in service.

### Mental Health and Employee Morale

Out of many disastrous effects, one of the major impact of Covid-19 outbreak was the Mental Health issues of the employees due to the restrictions imposed by the pandemic. Modhumoti Bank Limited like other Banks has been maintaining high security concerns to fight the pandemic and to do that several restrictions have been imposed from time to time which have caused distress and mental disturbance among the employees. Now that the complete workforce is back to the working premises, HRD has taken the issue of the employee's mental health seriously. In this regard various workshops and seminars are being conducted. We hope all our employees stay both mentally and physically healthy and may recover the post Covid trauma (if any). In addition, the Bank provides a friendly working environment which is occupied by friendly employees who promote a homely yet professional culture in the bank to maintain a work-life balance. Employees can avail leave from their reserved leaves if required. We also provide the mandatory/ block leave to the employees which helps them to get refresh and get back to work with a better mindset.

## Dealing with Changed Employee Notion

In the past two years we have seen many changes in the nature of work place and the norms practiced within. For instance, work from home and rostering duty had been a common practice during the timeline of 2020 and 2021. This global practice in order to restrict the spread of Covid-19 had enabled employees to work from distance which somehow imposed limitation in employee productivity and delivery. Now as restrictions are being lifted around the world with decreasing cases of Covid-19, a new problem is being faced by the business houses. More and more employees have been accustomed to a tendency of avoidance of work or deferring it. Lack of delivery according to their ability or potential and reduced appetite for growth are causing loss of business as well as wastage of resources.

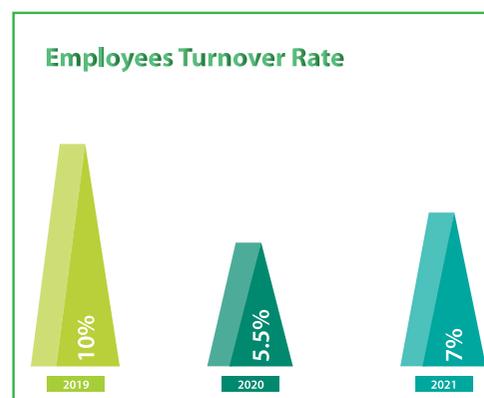
In MMBL we have proactively addressed these problems and have kept our employees motivated and engaged during the timeframe. Job assignments, virtual meetings and follow ups, trainings, workshops, seminars, quizzes, Videos, Rostering and many other tools have been used to keep the employees productive and resourceful. Even now when there are fewer Covid-19 cases and restrictions are being lifted, HRD of MMBL is still focusing to keep their employees productive and resourceful to the optimum level.

## Modhumoti Bank Limited Integrity Awards Policy

As per Bangladesh Bank guideline, the Board of Directors of the Bank has recently approved **Modhumoti Bank Limited Integrity Awards Policy**. The objective of the policy, is to identify and award the best Integrity practitioner of the Bank. Through this policy the practice of high morale and integrity will be established in the Bank. Moreover, it will also help to identify the employees with lower integrity practice, who may then be motivated, directed and trained to demonstrate better integrity practices.

## Retaining Human Capital

Like previous years, Modhumoti Bank Limited has played good role in keeping the turnover ratio as low as possible. In order to retain the workforce, the Bank has paid highest attention towards the benefits and facilities of its employees. Excellent work environment and modern and professional corporate culture has enabled us to keep the turnover trend somewhat similar. Our Employees' length of service is one of the key indicators that they work for the organization with loyalty and willingness to work together to make the bank reach its long term strategic goals. However, it is not possible to retain all but we try to ensure that we do not incur any regrettable loss. The attrition rate in 2021 was 7% percent compared to 5.5% percent of 2020. The turnover ratios of the past three years are given:



The Bank arranged an orientation program for Management Trainee 7<sup>th</sup> Batch.

## Report of Financial Performance

After a sustained stagnant situation followed by the pandemic's devastating effects in almost all the industries, the world economy bounced back into a V-shape recovery from the 2nd half of the year 2021. The situation is nothing different in Bangladesh as the GDP growth rate encountered an all-time low of 3.51% in the year 2020 and emblem to 5.47% in 2021 and it is expected to rise to pre-pandemic level of more than 6.6% in the coming year. Major challenges remain ensuring improved customer satisfaction with limited resources, quick adoption of technological innovations for changing demand of customers, maintaining required profitability in highly competitive environment etc.

In the year 2021, Modhumoti Bank gradually unbundled its cautious approach embraced earlier due to the Covid-19 pandemic and regained momentum towards growth. The Bank has been continuing its operation since inception with an aim to become a safer, more agile and customer focus organization whilst increasing profitability. We are creating a responsible business model through a bundle of excellent products & services that will always meet customers' needs and a culture where everyone puts customers first for creating difference in lives, the Bangladesh economy and the World at large. We work together to help people rise, developing a strong value-based culture that enables us to serve our customers, to make a significant contribution to society, to reward shareholders and to protect ourselves from the reputational damage associated with both systematic & unsystematic risks. These will certainly be the key to our long-term success and to fulfilling our aim to attain the position as the best private commercial Bank for all the stakeholders.

Year-on-year comparison of Financial Statements reveals that in 2021, deposit of the Bank has increased by 6.69% with a favorable deposit mix wherein no cost and low cost deposit was 29%. The Bank adopted a go-slow approach in business level strategy for which loans & advances has increased; rather it had a positive growth of 9.90%. However, total assets size of the Bank has a positive growth which is 9.11%. Profit before Provision & Tax (PBPT) has decreased by 20.74% and Net Profit after Tax has decreased by 31.48%. Total regulatory capital (Taka 9,339 million) of the Bank has increased by 5.33% due to increase in paid-up capital and provision for general loans. Capital to Risk Weighted Assets Ratio (CRAR) has increased to 18.05% at the end of December 2021. Return on Equity (ROE) has decreased is 13.38% at the end of December 2021 compared to 21.70% in 2020. The Board of Directors of the Bank recommended 15% Cash Dividend for the year ended December 31, 2021 at the board meeting held on May 14, 2022 which is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the Bank.

The financial position and performance of the Bank as at and for the year ended December 31, 2021 as well as performance parameters are presented here in brief:

In million Taka

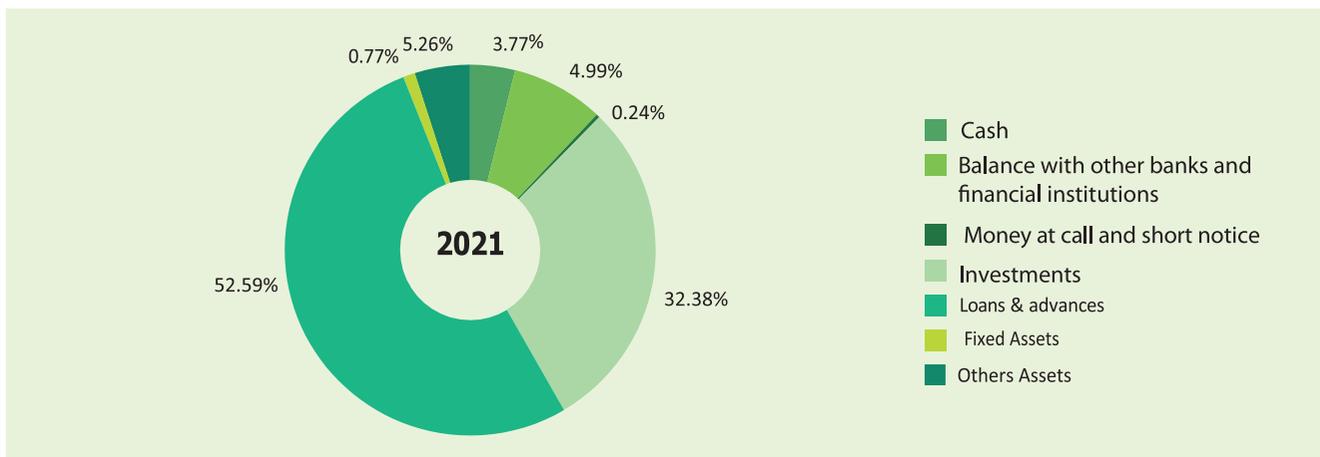
Particulars	Main Operation	OBU	Total
Interest Income	4,606.96	76.81	4,683.76
Less: Interest Expense	2,770.15	48.15	2,818.31
<b>Net Interest Income</b>	<b>1,836.81</b>	<b>28.65</b>	<b>1,865.46</b>
Commission, exchange and brokerage	561.54	3.30	564.84
Capital gain	702.89	-	702.89
Other operating Income	199.44	-	199.44
<b>Operating Income</b>	<b>3,300.68</b>	<b>31.95</b>	<b>3,332.63</b>
Less: Operating Expenses	1,246.08	1.24	1,247.32
<b>Segment-wise Operating profit</b>	<b>2,054.61</b>	<b>30.70</b>	<b>2,085.31</b>
<b>Segment Assets</b>	<b>76,201.45</b>	<b>3,355.51</b>	<b>79,556.96</b>
<b>Segment Liabilities</b>	<b>67,948.09</b>	<b>3,324.60</b>	<b>71,272.69</b>

## Total Assets

Total Assets of MMBL has stood at Taka 79,556.96 million as on 31 December 2021 which was Taka 72,914.67 million in 2020. Year-on-year comparison reveals that Balance Sheet has a growth of 9.11% at the end of 2021 compared to the year 2020. Detail of total assets of MMBL is shown in following table:

In million Taka

Assets	2021	2020	Increase/ (Decrease)	Growth (%)	Mix (%)
Cash	3,003.06	2,841.83	161.23	5.67%	3.77%
Balance with other banks and financial institutions	3,969.59	5,941.80	(1,972.21)	(33.19%)	4.99%
Money at call and short notice	192.40	218.90	(26.50)	(12.11%)	0.24%
Investments	25,759.45	21,436.34	4,323.11	20.17%	32.38%
Loans & advances	41,837.96	38,069.78	3,768.18	9.90%	52.59%
Fixed assets	609.21	766.45	(157.24)	(20.52%)	0.77%
Other assets	4,185.28	3,639.56	545.72	14.99%	5.26%
Non-banking assets	-	-	-	-	-
<b>Total assets</b>	<b>79,556.96</b>	<b>72,914.66</b>	<b>6,642.30</b>	<b>9.11%</b>	<b>100.00%</b>



## Cash and bank balance

Cash and bank balance includes notes and coins in hand, balance with Bangladesh Bank & its agent bank and balance with other banks & financial institutions. In 2021, total Cash and bank balance was Taka 6,972.65 million compared to Taka 8,783.63 million in December 2020. Details are as follows:

In million Taka

Cash and Balance with other banks	2021	2020	Increase/ (Decrease)	Growth (%)
<b>Cash in hand including foreign currencies</b>	<b>3,003.06</b>	<b>2,841.83</b>	<b>161.23</b>	<b>5.67%</b>
In hand (including foreign currencies)	373.97	370.04	3.93	1.06%
Balance with Bangladesh Bank and its agent bank(s)	2,629.08	2,471.79	157.29	6.36%
<b>Balance with other banks and financial institutions</b>	<b>3,969.59</b>	<b>5,941.80</b>	<b>(1,972.21)</b>	<b>(33.19%)</b>
In Bangladesh	3,526.60	5,615.94	(2,089.35)	(37.20%)
Outside Bangladesh	442.99	325.85	117.14	35.95%
<b>Total</b>	<b>6,972.65</b>	<b>8,783.63</b>	<b>(1,810.98)</b>	<b>(20.62%)</b>

## Money at Call and Short Notice

Call lending is a part of the treasury function. Bank's lending under this head was Taka 192.40 million as on December 31, 2021 and it was Taka 218.90 million in the same date of last year. This increase or decrease in call lending depends on many factors such as liquidity of the Bank, surplus fund, demand of call money in the inter-bank market, projected cash outflow of the Bank in the form of payments as well as lending & investments etc.

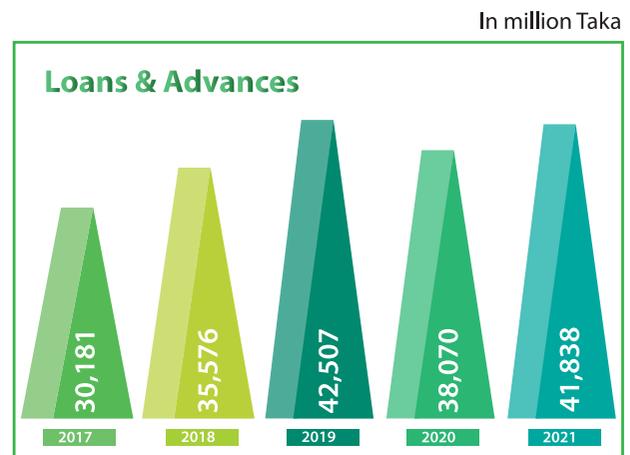
## Investment

Investment in Treasury bill/bond occupies a significant portion of the total investment of the Bank which is Taka 25,759.45 million as on December 31, 2021 and it was Taka 21,436.34 million in 2020. The Bank has increased the investment portfolio during 2021 with the expectation of having a good return. Details are as follows:

In million Taka				
Particulars	2021	2020	Increase/ (Decrease)	Growth (%)
Government Securities:				
Held for trading (HFT)	14,264.48	12,325.69	1,938.79	15.73%
Held to maturity (HTM)	11,275.50	8,600.55	2,674.95	31.10%
Prize Bond	0.81	0.37	0.45	120.41%
Other Investments:				
Share	218.66	509.72	(291.06)	(57.10%)
<b>Total</b>	<b>25,759.45</b>	<b>21,436.33</b>	<b>4,323.12</b>	<b>20.17%</b>

## Loans and advances

MMBL's loans and advances increased by Taka 3,768.18 million during the year 2021 and stood at Taka 41,837.96 million which was Taka 38,069.78 million in 2020 showing a growth of 9.90% over the previous year. Concentration of loans and advances was well managed and details of concentration are given at Notes to the Accounts. The ratio of non-performing loan was 2.84% which is much lower than the industry average. The Bank continued its participation in different credit program for financing in industrial projects, import, export, house building, retail, agriculture etc. Year-wise loan figures are presented here:



## Fixed Assets

Fixed assets include land, building, furniture & fixture, office equipment, vehicles etc. MMBL's fixed assets has decreased by Taka 157.24 million during the year 2021 and stood at Taka 609.21 million which was Taka 766.45 million in 2020. IFRS 16, issued in January 2016 replaces existing guidance related to lease transactions and effective for reporting period beginning on or after 1 January 2019. IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations. The Bank assesses whether a contract is a lease, in accordance with the guidance stated in the IFRS16: Leases, by determining whether the contract gives it the right to use a specified underlying physical asset for a lease term greater than 12 months, unless the underlying asset is of low value. Office premises for which monthly lease rental is the amount not exceeding Taka 25,000, ATM Booths and other installations are considered as low value asset. Accordingly, right-of-use (ROU) Asset (Taka 676.46 million) has been recognized in the Balance Sheet under fixed assets.

## Other Assets

Other assets of the Bank increased by Taka 545.72 million in the year 2021 and stood at Taka 4,185.28 million at the end of 2021. It was Taka 3,639.56 million in 2020. The main components of other assets are advance income tax, advance rent, interest receivable and suspense account etc.

## Borrowings from other Banks, Financial Institutions and Agents

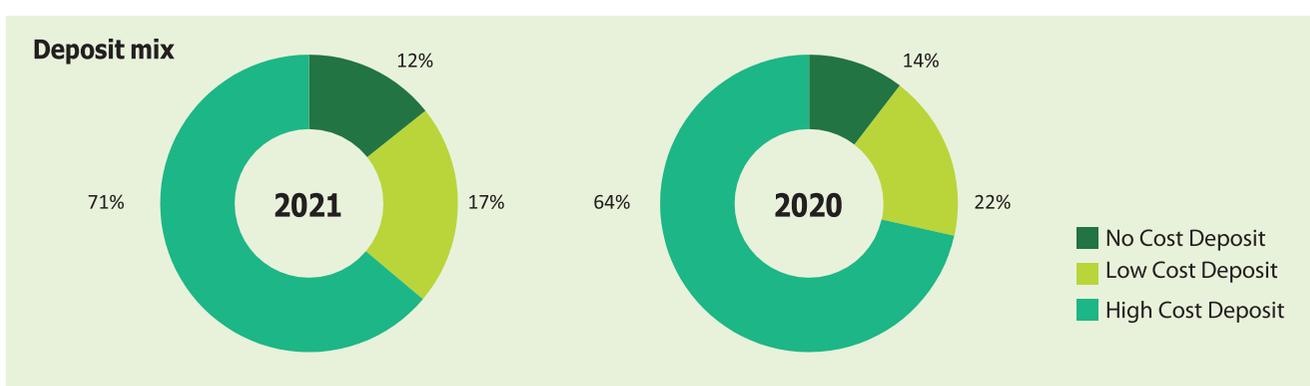
MMBL has borrowed fund from other banks and financial institutions as well as Bangladesh Bank for Refinance against SME loan. MMBL has also borrowed foreign currency for its OBU operation. In 2021, borrowings of the Bank have stood at Taka 6,134.71 million which was Taka 3,697.19 million in 2020.

## Deposits

During the year 2021 total deposits of the Bank increased by Taka 3,675.30 million and stood at Taka 58,629.02 million (it was Taka 54,953.72 million in 2020) to present growth of 6.69%. Following table reveals that no-cost & low-cost deposit has decreased by 14% & high cost deposit has increased by 19% in 2021.

In million Taka

Particulars	2021	2020	Change in	Change in	Mix
	Taka	Taka	Taka	Percentage	2021
<b>No &amp; Low Cost Deposit</b>	<b>17,033.82</b>	<b>19,853.54</b>	<b>(2,819.72)</b>	<b>(14%)</b>	<b>29%</b>
<b>No Cost Deposit</b>	<b>6,975.33</b>	<b>7,853.20</b>	<b>(877.87)</b>	<b>(11%)</b>	<b>12%</b>
Current Deposit	2,312.99	2,767.49	(454.50)	(16%)	4%
Sundry Deposit	4,140.41	4,298.41	(158.01)	(4%)	7%
Bills Payable	521.94	787.30	(265.36)	(34%)	1%
<b>Low Cost Deposit</b>	<b>10,058.49</b>	<b>12,000.34</b>	<b>(1,941.85)</b>	<b>(16%)</b>	<b>17%</b>
Savings Deposit	3,672.12	3,417.44	254.68	7%	6%
SND	6,029.44	8,086.59	(2,057.15)	(25%)	10%
FC Deposit	356.93	496.31	(139.38)	(28%)	1%
<b>High Cost Deposit</b>	<b>41,595.20</b>	<b>35,100.18</b>	<b>6,495.02</b>	<b>19%</b>	<b>71%</b>
Fixed Deposit	31,324.45	25,457.75	5,866.75	23%	53%
Scheme Deposit	10,270.75	9,642.42	628.28	7%	18%
<b>Total Deposit</b>	<b>58,629.02</b>	<b>54,953.72</b>	<b>3,675.31</b>	<b>7%</b>	<b>100%</b>



We plan to serve our customers efficiently, for which managing cost of fund within an expected level is our strategic priority and shall continue maintaining our competitive advantage in cost leadership by achieving an ideal deposit mix through attracting 'low-cost, no-cost' deposits, that will enable lending at a lower interest rate to the businesses, which is very much aligned with the tone of our business model.

### Shareholders' Equity

Total shareholders' equity includes paid up capital, statutory reserve and retained earnings and other reserves. In 2021, total shareholders' equity has stood of Taka 8,284.27 million from Taka 8,559.53 million in 2020. Details are presented as under:

In million Taka

Shareholders' Equity	2021	2020	Increase/ (Decrease)	Growth (%)	Mix %
Paid up capital	5,257.38	5,007.03	250.35	5.00%	63.46%
Statutory reserve	2,167.61	1,854.55	313.06	16.88%	26.17%
Other reserve	34.03	532.45	(498.41)	(93.61%)	0.41%
Retained earnings	825.24	1,165.50	(340.26)	(29.19%)	9.96%
<b>Total Shareholders' Equity</b>	<b>8,284.27</b>	<b>8,559.53</b>	<b>(275.25)</b>	<b>(3.22%)</b>	<b>100%</b>

## Analysis of Operating results of MMBL

In 2021, MMBL made operating income of Taka 3,332.63 million (it was Taka 3,816.12 million in 2020) where as operating expense was Taka 1,247.32 million compared to Taka 1,185.23 million in 2020. Profit before provision and tax was Taka 2,085.31 million compared to Taka 2,630.88 million in 2020. Net profit after tax was Taka 1,127.10 million against Taka 1,644.90 million in 2020. Earnings per Share (EPS) has stood at Taka 2.14 in 2021 which was Taka 3.13 in 2020. Details are as follows:

In million Taka

Particulars	2021	2020	Increase/ (Decrease)	Growth (%)
Interest Income	3,482.20	4,884.58	(1,402.38)	(28.71%)
Interest Expense	2,818.31	3,552.90	(734.59)	(20.68%)
<b>Net Interest Income (NII)</b>	<b>663.89</b>	<b>1,331.68</b>	<b>(667.79)</b>	<b>(50.15%)</b>
Non-Interest Income	2,668.74	2,484.44	184.30	7.42%
<b>Total Operating Income</b>	<b>3,332.63</b>	<b>3,816.12</b>	<b>(483.49)</b>	<b>(12.67%)</b>
Operating Expenses	1,247.32	1,185.23	62.09	5.24%
<b>Profit before Provision &amp; Taxes</b>	<b>2,085.31</b>	<b>2,630.89</b>	<b>(545.58)</b>	<b>(20.74%)</b>
Profit before Taxes (PBT)	1,565.31	2,416.68	(851.37)	(35.23%)
<b>Net Profit after Taxes (NPAT)</b>	<b>1,127.10</b>	<b>1,644.90</b>	<b>(517.80)</b>	<b>(31.48%)</b>

### Interest Income

During the year 2021, interest income has decreased by Taka 1,402.37 million and stood at Taka 3,482.20 million against Taka 4,884.58 million in 2020. The major interest earnings came from follows:

In million Taka

Particulars	2021	2020	Increase/ (Decrease)	Growth (%)
Interest on loans and advances	3,258.48	4,244.68	(986.20)	(23.23%)
Interest on balances with other Banks & FI's	200.85	626.71	(425.86)	(67.95%)
Interest on balance with foreign Bank	22.87	13.18	9.69	73.52%
<b>Total</b>	<b>3,482.20</b>	<b>4,884.57</b>	<b>(1,402.37)</b>	<b>(28.71%)</b>

### Interest Expense

In 2021, MMBL incurred interest expense of Taka 2,818.31 million which was Taka 3,552.90 million in 2020. It reveals a negative growth of 21% during 2021. The Bank was able to maintain a strong liquidity position during the period and simultaneously managed to increase its deposit portfolio. Our average cost of deposits in 2021 has decreased to 4.91% which was 5.82% in 2020. Interest paid on borrowings and others was Taka 177.77 million in 2021 which was Taka 549.52 million in 2020.

### Product wise Interest Expense Analysis

In 2021, interest expenses on deposits has decreased by Taka 386.32 million and stood at Taka 2,617.06 million which was Taka 3,003.38 million in 2020. The following table reveals that total decrease of interest expense of Taka 386.32 million. Details are as follows.

In million Taka

Particulars	2021	2020	Increase/ (Decrease)	Change (%)
Savings Deposits	60.09	102.51	(42.42)	(41.38%)
Short Notice Deposit	117.35	128.93	(11.58)	(8.98%)
Term Deposits	1,430.94	1,836.20	(405.26)	(22.07%)
Scheme Deposits	1008.68	935.74	72.94	7.79%
<b>Total</b>	<b>2,617.06</b>	<b>3,003.38</b>	<b>(386.32)</b>	<b>(12.86%)</b>

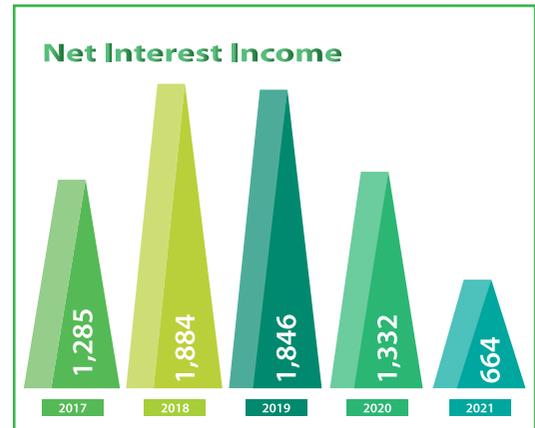
## Net Interest Income

MMBL has earned total Taka 663.89 million as net interest income during the year 2021 which decreased by Taka 667.79 million compared to that of previous year.

### Performance of Treasury Division

Total income of the Treasury Division has decreased by 12% during the year 2021. As a result, operating income has decreased by 12% to make a total amount of Taka 1,035.31 million. The main reason for this decrease in treasury income was that the Bank had a significant amount of Interest income from inter-bank markets to earn interest income. In 2021, total interest income and capital gain earned from govt. securities was Taka 1,292.39 and Taka 1,197.75 million respectively.

In million Taka



Particulars	In million Taka			
	2021 Taka	2020 Taka	Increase/ (Decrease)	Growth (%)
<b>A) Treasury Income:</b>				
Interest income from govt. securities	1,292.39	1,195.75	96.64	8.08%
Interest income from inter-bank markets	239.11	639.9	(400.79)	(62.63%)
Capital gain from government securities	702.89	779.53	(76.64)	(9.83%)
General ledger interest income	145.15	413.41	(268.26)	(64.89%)
Commission, Exchange gain & others	169.87	87.13	82.74	94.96%
<b>Total income (A)</b>	<b>2,549.42</b>	<b>3,115.72</b>	<b>(566.30)</b>	<b>(18.18%)</b>
<b>B) Fund costs:</b>				
Interest paid on borrowings	123.58	450.24	(326.66)	(72.55%)
General ledger interest expense	1,390.53	1,484.37	(93.84)	(6.32%)
Revaluation (loss)/gain from govt. sec.	-	-	-	-
<b>Total fund costs (B)</b>	<b>1,514.11</b>	<b>1,934.61</b>	<b>(420.50)</b>	<b>(21.74%)</b>
<b>C=(A-B) Operating income</b>	<b>1,035.31</b>	<b>1,181.11</b>	<b>(145.80)</b>	<b>(12.34%)</b>

### Income from Investment

MMBL has earned investment income of Taka 1,995.29 million during the year 2021 which was Taka 1,975.28 million in 2020. In investment income, interest income was Taka 1,201.57 million and non-interest income was Taka 793.72 million. Detail is given below:

Investment Income	In million Taka			
	2021	2020	Increase/ (Decrease)	Change (%)
Interest on treasury bills / Reverse repo/bonds	1,201.57	1,160.97	40.60	3.50%
Gain on Govt. security trading	702.89	779.54	(76.65)	(9.83%)
Dividend on shares	39.47	34.27	5.20	15.17%
Gain on sale of shares	51.36	0.5	50.86	10171.25%
Non- Interest Income from Investment	-	-	-	-
<b>Total</b>	<b>1,995.29</b>	<b>1,975.28</b>	<b>20.01</b>	<b>1.01%</b>

### Commission, Exchange and Brokerage

During the year 2021 MMBL earned total Taka 564.84 million as commission, exchange and brokerage which was Taka 413.71 million in 2020. Commission, exchange and brokerage income increased by Taka 151.13 million from previous year.



## Operating Expenses

Total operating expenses during 2021 has increased by Taka 1,247.32 million compared to Taka 1,185.23 million in the last year. It reveals a positive growth of 5.24% which has had a negative impact on the bank's profitability. The main components of the operating expenses are as follows:

In million Taka

Particulars	2021 Taka	2020 Taka	Increase/ (Decrease)	Change (%)
Salaries and allowances	702.83	589.30	113.53	19.26%
Rent, taxes, insurance, electricity, etc. ,	83.32	69.41	13.91	20.04%
Legal expenses	0.50	0.59	(0.10)	(16.10%)
Postage, stamp, telecommunication, etc.	35.88	31.64	4.24	13.39%
Stationery, printing, advertisements, etc.	45.59	29.66	15.93	53.71%
Managing Director's salary and fees	12.96	13.10	(0.14)	(1.04%)
Directors' fees	1.51	1.44	0.07	5.00%
Auditors' fees	0.25	0.25	-	0.00%
Depreciation and repair of Bank's assets	207.74	295.19	(87.45)	(29.62%)
Other expenses	156.74	154.65	2.09	1.35%
<b>Total Operating Expense</b>	<b>1,247.32</b>	<b>1,185.23</b>	<b>62.09</b>	<b>5.24%</b>

## Operating Profit

The total operating profit of the Bank for the year 2021 has stood at Taka 2,085.31 million in comparison with Taka 2,630.88 million in 2020. Operating profit decreased in 2021 mainly due to decrease in net interest income.

## Profit before Tax (PBT)

Profit before tax of the Bank has stood at Taka 1,565.31 million in 2021 compared to Taka 2,416.68 million in 2020. The Bank maintained adequate amount of provision against impaired loans and advances, off-balance sheet items, and others during 2021 which makes the Balance Sheet stronger.

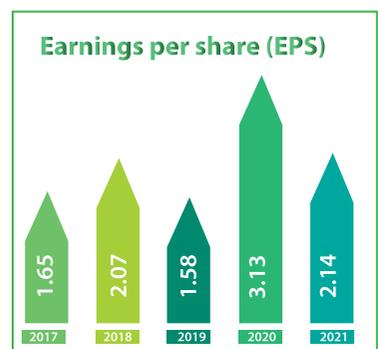
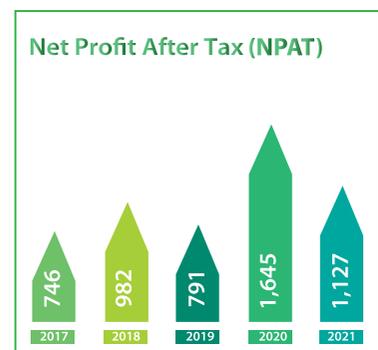
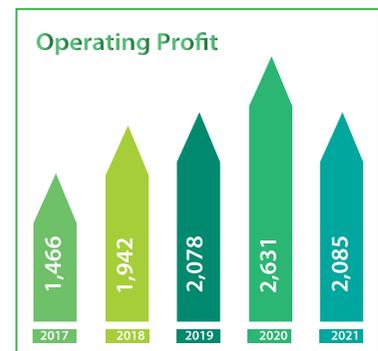
## Net Profit after Tax (NPAT)

During the year 2021, net profit after tax (NPAT) has decreased by Taka 517.80 million and stood at Taka 1,127.10 million. It was Taka 1,644.90 million in 2020.

## Earnings per Share (EPS)

In 2021, MMBL's earnings per share (EPS) Taka 2.14 compared to Taka 3.13 in previous year.

Year	Operating Profit	Net Profit after Tax	EPS
2017	1,465.71	746.22	1.65
2018	1,941.93	981.99	2.07
2019	2,077.60	791.3	1.58
2020	2,630.88	1,644.90	3.13
2021	2,085.31	1,127.10	2.14



Share Information	2021	2020	2019	2018	2017
No. of shares outstanding (In million)	525.74	500.70	474.60	452	452
No. of shareholders	41	41	41	41	41
Earnings per share (Taka)	2.14	3.13	1.58	2.07	1.65
Dividend (percent)	15.00%	22.50%	10%	15%	10%
Net Asset Value (NAV) per share (Taka)	15.76	16.28	13.91	13.18	12.68

Other information	2021	2020	2019	2018	2017
No. of branches	46	44	41	35	29
Number of ATM	45	43	42	32	30
No. of employees	613	551	528	490	422
Profit per employee (In million Taka)	3.40	4.77	3.93	3.96	3.47

We always feel privileged to work in the team of Modhumoti Bank which is continuously making progress under the great leadership of the Bank Management and the Board of Directors. Our future is not entirely within our own hands. The global economic environment and the Bangladesh Economic outlook including Covid-19 pandemic, single digit interest rate and unfavorable corporate tax rates for the Banks not listed with stock exchanges (not publicly traded company), mean it has become more challenging for Modhumoti Bank to achieve growth at the same pace like previous years. Our results presented in the financial analysis part indicate that our corporate level, business level and operational strategies are working. Our strategy is to reduce the cost of fund by managing our deposit mix with a greater percentage of low cost and no cost deposit. Simultaneously, administrative costs will be controlled to generate the lower cost to income ratio. It will ultimately produce a good spread. Alternative investment opportunities are being explored by the Treasury Division for generating investment income. It is important to focus on where we can be strong and effective, but also different. The Board and the Management team recognize that there is still work to do. The underperforming areas have been clearly identified and are receiving the appropriate strategic attention and indeed investment where that makes sense. Although achievement of growth targets and our aspirations stated in this Annual Report may not be guaranteed as there are many macro-economic uncertainties as well as unforeseen risks, The Management team does relentlessly focus on delivering improvements ahead.

## FIVE YEAR'S Financial Summary

In million Taka

<b>Result of Operation</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Interest income	3,482	4,885	5,407	4,386	3,101
Interest expenses	2,818	3,553	3,560	2,502	1,816
<b>Net interest income</b>	<b>664</b>	<b>1,332</b>	<b>1,846</b>	<b>1,884</b>	<b>1,285</b>
Investment income	1,995	1,975	636	374	518
Commission, exchange and brokerage	565	414	533	487	392
Other operating income	109	95	90	62	51
<b>Operating income</b>	<b>3,333</b>	<b>3,816</b>	<b>3,105</b>	<b>2,807</b>	<b>2,246</b>
Operating expenses	1,247	1,185	1,028	865	780
<b>Operating profit</b>	<b>2,085</b>	<b>2,631</b>	<b>2,078</b>	<b>1,942</b>	<b>1,466</b>
Provision for loans and assets	520	214	488	260	176
<b>Net profit before tax</b>	<b>1,565</b>	<b>2,417</b>	<b>1,590</b>	<b>1,682</b>	<b>1,290</b>
Tax including deferred tax	438	772	798	700	544
<b>Net profit after tax</b>	<b>1,127</b>	<b>1,645</b>	<b>791</b>	<b>982</b>	<b>746</b>

<b>Balance Sheet</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Authorized capital	20,000	20,000	20,000	20,000	20,000
Paid-up capital	5,257	5,007	4,746	4,520	4,520
Shareholders' equity	8,284	8,560	6,600	6,257	5,731
Deposits	58,629	54,954	50,121	37,744	33,036
Loans and advances	41,838	38,070	42,507	35,576	30,181
Investments	25,759	21,436	13,163	5,086	4,407
Fixed assets	609	766	892	216	220
Total assets	79,557	72,915	71,127	51,693	45,775
Total liabilities	71,273	64,355	64,527	45,436	40,044

<b>Other Business</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Import	30,154	20,970	23,657	20,040	17,513
Export	32,641	21,548	20,855	20,005	9,368
Remittance	789	738	1,327	438	163
Guarantee Business	25,525	19,941	17,990	11,034	5,316
No. of foreign correspondents	178	162	154	152	151

<b>Liquidity Measures</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Long-term liabilities	31,904	28,093	20,317	14,962	10,677
Current liabilities	39,368	36,262	44,210	30,474	29,367
Earning assets	71,759	65,667	64,131	46,743	41,713
Current assets	34,752	35,713	41,496	28,399	25,764
Credit-deposit ratio	62.92%	62.01%	74.34%	88.59%	90.87%
Current Ratio (percent)	0.88	0.98	0.94	0.93	0.88
CRR Held (percent)	4.14%	4.33%	5.78%	6.06%	5.84%
SLR Held (percent)	46.96%	40.27%	26.83%	15.61%	14.47%

<b>Capital Measures</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total risk weighted asset	51,743	49,702	52,012	45,008	36,546
Tier-1 Capital	8,250	8,027	6,596	6,256	5,726
Tier-2 Capital	1,089	839	642	514	398
Total capital	9,339	8,866	7,238	6,771	6,124
Tier-1 Ratio (percent)	15.94%	16.15%	12.68%	13.90%	15.67%
Tier-2 Ratio (percent)	2.10%	1.69%	1.23%	1.14%	1.09%
Capital to Risk Weighted Asset Ratio (percent)	18.05%	17.84%	13.92%	15.04%	16.76%
Leverage Ratio (percent) under Basel-III	8.74%	9.62%	7.86%	9.87%	10.71%
Liquidity Coverage Ratio (LCR)	249.42%	289.98%	206.77%	162.28%	268.20%
Net Stable Funding Ratio (NSFR)	102.76%	106.20%	115.47%	104.26%	121.39%

<b>Operating Performance Ratio (%)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Gross profit ratio	62.57%	68.94%	66.91%	69.19%	65.26%
Cost-income ratio	37.43%	31.06%	33.09%	30.81%	34.74%
Cost of Deposit	4.91%	5.82%	6.88%	6.68%	5.52%
Cost of Fund	6.42%	7.40%	8.60%	8.42%	7.16%
Yield on average advance	8.57%	10.84%	12.83%	12.48%	10.59%
Spread	2.16%	3.44%	4.23%	4.06%	3.43%
Earning asset to total assets (average)	90.20%	90.06%	90.16%	90.42%	91.13%
Return on average assets (ROA)	1.48%	2.28%	1.29%	2.02%	1.93%
Return on average equity (ROE)	13.38%	21.70%	12.31%	16.38%	13.36%

<b>Asset Quality</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Non-performing loans (NPLs)	1,189.48	463.84	1,073.55	650.66	88.28
NPLs to total loans and advances (percent)	2.84%	1.22%	2.53%	1.83%	0.29%
Provision for unclassified loans and advance	584.93	442.24	391.34	314.24	252.34
Provision for classified loans and advance	562.29	300.70	470.50	154.00	12.10

Horizontal Analysis : **Balance Sheet**

In million Taka

	2021	21 Vs 20	2020	20 Vs 19	2019	19 Vs 18	2018	18 Vs 17	2017	17 Vs 16
<b>PROPERTY AND ASSETS</b>										
<b>Cash</b>										
Cash in hand (including foreign currencies)	373.97	1.06%	370.04	(9.67%)	409.67	18.06%	347.00	18.44%	292.97	77.07%
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2,629.08	6.36%	2,471.79	(14.42%)	2,888.27	24.03%	2,328.70	3.82%	2,242.98	20.33%
	<b>3,003.06</b>	<b>5.67%</b>	<b>2,841.83</b>	<b>(13.83%)</b>	<b>3,297.94</b>	<b>23.26%</b>	<b>2,675.70</b>	<b>5.51%</b>	<b>2,535.95</b>	<b>24.96%</b>
<b>Balance with other banks and financial institutions</b>										
In Bangladesh	3,526.60	(37.20%)	5,615.94	(32.46%)	8,315.57	40.79%	5,906.34	(14.50%)	6,908.39	(15.80%)
Outside Bangladesh	442.99	35.95%	325.85	65.20%	197.24	(4.30%)	206.11	28.13%	160.86	(64.80%)
	<b>3,969.59</b>	<b>(33.19%)</b>	<b>5,941.80</b>	<b>(30.20%)</b>	<b>8,512.81</b>	<b>39.27%</b>	<b>6,112.46</b>	<b>(13.53%)</b>	<b>7,069.25</b>	<b>(18.39%)</b>
<b>Money at call on short notice</b>	<b>192.40</b>	<b>(12.11%)</b>	<b>218.90</b>	<b>41.77%</b>	<b>154.40</b>	<b>(14.51%)</b>	<b>180.60</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>
<b>Investments</b>										
Government	25,540.79	22.05%	20,926.62	65.89%	12,615.03	153.18%	4,982.62	15.68%	4,307.06	9.13%
Others	218.66	(57.10%)	509.72	(6.98%)	547.98	430.64%	103.27	3.14%	100.12	0.12%
	<b>25,759.45</b>	<b>20.17%</b>	<b>21,436.34</b>	<b>62.85%</b>	<b>13,163.01</b>	<b>158.81%</b>	<b>5,085.88</b>	<b>15.40%</b>	<b>4,407.18</b>	<b>8.90%</b>
<b>Loans and advances</b>										
Loans, Cash Credit, Overdrafts etc.	39,436.26	8.34%	36,399.09	(7.30%)	39,266.92	20.11%	32,693.77	17.67%	27,785.06	74.51%
Bills purchased and discounted	2,401.70	43.76%	1,670.69	(48.44%)	3,240.34	12.44%	2,881.88	20.27%	2,396.24	96.86%
	<b>41,837.96</b>	<b>9.90%</b>	<b>38,069.78</b>	<b>(10.44%)</b>	<b>42,507.26</b>	<b>19.48%</b>	<b>35,575.65</b>	<b>17.87%</b>	<b>30,181.30</b>	<b>76.10%</b>
<b>Fixed assets including premises, furniture and fixtures</b>	<b>609.21</b>	<b>(20.52%)</b>	<b>766.45</b>	<b>(14.07%)</b>	<b>891.92</b>	<b>313.34%</b>	<b>215.78</b>	<b>(1.91%)</b>	<b>219.99</b>	<b>1.55%</b>
<b>Other assets</b>	<b>4,185.28</b>	<b>14.99%</b>	<b>3,639.56</b>	<b>40.00%</b>	<b>2,599.60</b>	<b>40.77%</b>	<b>1,846.67</b>	<b>35.68%</b>	<b>1,361.05</b>	<b>310.99%</b>
<b>Non - banking assets</b>	<b>-</b>	<b>-</b>								
<b>Total assets</b>	<b>79,556.96</b>	<b>9.11%</b>	<b>72,914.67</b>	<b>2.51%</b>	<b>71,126.94</b>	<b>37.60%</b>	<b>51,692.74</b>	<b>12.93%</b>	<b>45,774.72</b>	<b>41.17%</b>

Horizontal Analysis : **Balance Sheet**

In million Taka

	2021	21 Vs 20	2020	20 Vs 19	2019	19 Vs 18	2018	18 Vs 17	2017	17 Vs 16
<b>LIABILITIES AND CAPITAL</b>										
<b>Liabilities</b>										
<b>Borrowings from other banks, financial Institutions and its agents</b>	6,134.71	65.93%	3,697.19	(62.47%)	9,851.15	102.55%	4,863.55	(8.69%)	5,326.62	69.92%
<b>Deposits and other accounts</b>										
Current Accounts and other Accounts	6,810.32	(9.94%)	7,562.21	60.67%	4,706.57	(1.69%)	4,787.48	32.24%	3,620.23	27.39%
Bills Payable	521.94	(33.70%)	787.30	(29.03%)	1,109.39	(5.30%)	1,171.49	270.52%	316.17	(25.53%)
Savings Bank Deposits	3,672.12	7.45%	3,417.44	(27.90%)	4,739.99	68.42%	2,814.37	(14.76%)	3,301.56	(24.15%)
Special Notice Deposits (SND)	6,029.44	(25.44%)	8,086.59	117.21%	3,722.88	10.19%	3,378.60	(7.21%)	3,641.32	110.89%
Fixed Deposits	41,595.20	18.50%	35,100.18	(2.07%)	35,842.11	40.05%	25,591.96	15.50%	22,157.15	58.74%
Other Deposits	-	-	-	-	-	-	-	-	-	-
<b>Other Liabilities</b>	58,629.02	6.69%	54,953.72	9.64%	50,120.94	32.79%	37,743.91	14.25%	33,036.44	41.76%
<b>Total Liabilities</b>	6,508.96	14.11%	5,704.23	25.22%	4,555.29	61.06%	2,828.37	68.30%	1,680.55	207.88%
<b>Total Liabilities</b>	71,272.69	10.75%	64,355.14	(0.27%)	64,527.38	42.02%	45,435.83	13.47%	40,043.61	48.40%
<b>Capital/Shareholders' Equity</b>										
Paid up Capital	5,257.38	5.00%	5,007.03	5.50%	4,746.00	5.00%	4,520.00	0.00%	4,520.00	0.00%
Statutory Reserve	2,167.61	16.88%	1,854.55	35.25%	1,371.22	30.18%	1,053.29	46.94%	716.80	56.22%
Revaluation Reserve	33.83	(94%)	532.44	14475%	3.65	964.37%	0.34	(91.31%)	3.95	(47.89%)
Foreign currency translation gain	0.20	100.00%	-	(100.00%)	0.15	40.36%	0.11	(84.68%)	0.69	398.37%
Surplus in Profit and Loss Account/ Retained Earnings	825.24	(29.19%)	1,165.50	143.56%	478.54	(29.95%)	683.17	39.52%	489.67	7.98%
<b>Total Shareholders' Equity</b>	8,284.27	(3.22%)	8,559.53	29.70%	6,599.55	5.48%	6,256.91	9.17%	5,731.11	5.35%
<b>Total Liabilities and Shareholders' Equity</b>	79,556.96	9.11%	72,914.67	2.51%	71,126.94	37.60%	51,692.74	12.93%	45,774.72	41.17%

## Horizontal Analysis: Profit and Loss Account

In million Taka

Particulars	2021	21 Vs 20	2020	20 Vs 19	2019	19 Vs 18	2018	18 Vs 17	2017	17 Vs 16
Interest income	3,482.20	(28.71%)	4,884.58	(9.66%)	5,406.71	23.27%	4,386.05	41.45%	3,100.80	31.10%
Interest paid on deposits and borrowings etc.	2,818.31	(20.68%)	3,552.90	(0.21%)	3,560.47	42.32%	2,501.71	37.75%	1,816.11	14.27%
<b>Net interest income</b>	<b>663.89</b>	<b>(50.15%)</b>	<b>1,331.68</b>	<b>(27.87%)</b>	<b>1,846.25</b>	<b>(2.02%)</b>	<b>1,884.33</b>	<b>46.68%</b>	<b>1,284.69</b>	<b>65.58%</b>
Investment income	1,995.29	1.01%	1,975.28	210.39%	636.38	70.32%	373.63	(27.91%)	518.27	(6.55%)
Commission, exchange and brokerage	564.84	36.53%	413.71	(22.39%)	533.05	9.55%	486.56	24.18%	391.82	143.32%
Other operating income	108.61	13.80%	95.44	6.61%	89.53	43.88%	62.23	21.26%	51.32	33.61%
<b>Total operating income (A)</b>	<b>2,668.74</b>	<b>7.42%</b>	<b>2,484.44</b>	<b>97.34%</b>	<b>1,258.96</b>	<b>36.49%</b>	<b>922.42</b>	<b>(4.06%)</b>	<b>961.42</b>	<b>27.51%</b>
	<b>3,332.63</b>	<b>(12.67%)</b>	<b>3,816.12</b>	<b>22.89%</b>	<b>3,105.21</b>	<b>10.63%</b>	<b>2,806.75</b>	<b>24.96%</b>	<b>2,246.10</b>	<b>46.81%</b>
Salaries and allowances	702.83	19.26%	589.30	9.38%	538.78	20.69%	446.42	13.43%	393.55	28.23%
Rent, taxes, insurance, electricity etc.	83.32	20.04%	69.41	(16.58%)	83.21	(45.52%)	152.73	15.92%	131.76	19.41%
Legal expenses	0.50	(15.38%)	0.59	20.62%	0.49	25.97%	0.39	(28.30%)	0.54	95.25%
Postage, stamp, telecommunication etc.	35.88	13.37%	31.64	16.94%	27.06	6.42%	25.43	(1.29%)	25.76	33.46%
Stationery, printing, advertisements etc.	45.59	53.72%	29.66	(47.94%)	56.97	16.47%	48.91	13.56%	43.07	42.40%
Managing Director's salary and fees	12.96	(1.00%)	13.10	24.13%	10.55	10.85%	9.52	(0.14%)	9.53	22.23%
Directors' fees	1.51	5.00%	1.44	(20.35%)	1.81	23.50%	1.46	(20.09%)	1.83	12.25%
Auditors' fees	0.25	0.00%	0.25	0.00%	0.25	0.00%	0.25	0.00%	0.25	0.00%
Depreciation and repairs to bank's assets	207.74	(29.62%)	295.19	68.37%	175.33	174.55%	63.86	12.65%	56.69	10.45%
Other expenses	156.74	1.35%	154.65	16.12%	133.17	14.95%	115.85	(1.33%)	117.42	2.05%
<b>Total operating expenses (B)</b>	<b>1,247.32</b>	<b>5.24%</b>	<b>1,185.23</b>	<b>15.34%</b>	<b>1,027.61</b>	<b>18.82%</b>	<b>864.82</b>	<b>10.82%</b>	<b>780.40</b>	<b>21.34%</b>
<b>Profit before provision (C=A-B)</b>	<b>2,085.31</b>	<b>(20.74%)</b>	<b>2,630.88</b>	<b>26.63%</b>	<b>2,077.60</b>	<b>6.99%</b>	<b>1,941.93</b>	<b>32.49%</b>	<b>1,465.71</b>	<b>65.31%</b>
Provision for loans and advances										
General provision	136.45	113.87%	63.80	(12.12%)	72.60	20.20%	60.40	(30.04%)	86.34	54.27%
Specific provision	263.70	100.00%	-	(100.00%)	316.50	123.04%	141.90	2313.27%	5.88	-
Provision for Off-shore Banking unit	6.45	100.00%	-	(100.00%)	4.50	200.00%	1.50	(87.70%)	12.20	33.39%
Provision for others	6.50	100.00%	-	(100.00%)	39.15	100.00%	-	-	-	-
Special General provision-COVID-19	63.90	(57.51%)	150.40	100.00%	-	0.00%	-	-	-	-
Provision for off-balance sheet items	43.00	100.00%	-	(100.00%)	52.20	(6.28%)	55.70	(20.43%)	70.00	54.57%
Provision for Incentive of Good Borrowers	-	-	-	100%	3.00	100%	-	-	1.50	-
<b>Total provision (D)</b>	<b>520.00</b>	<b>142.76%</b>	<b>214.20</b>	<b>(56.10%)</b>	<b>487.95</b>	<b>88.03%</b>	<b>259.50</b>	<b>47.51%</b>	<b>175.92</b>	<b>50.85%</b>
<b>Total profit before tax (C-D)</b>	<b>1,565.31</b>	<b>(35.23%)</b>	<b>2,416.68</b>	<b>52.03%</b>	<b>1,589.65</b>	<b>(5.51%)</b>	<b>1,682.43</b>	<b>30.44%</b>	<b>1,289.79</b>	<b>67.50%</b>
Provision for taxation										
Current	441.40	(38.32%)	715.57	(0.10%)	716.30	1.72%	704.17	29.00%	545.87	77.03%
Deferred Tax	(3.19)	(106%)	56.21	(31%)	82.05	(2299%)	(3.73)	68.84%	(2.21)	445.12%
	<b>438.21</b>	<b>(43.22%)</b>	<b>771.78</b>	<b>(3.33%)</b>	<b>798.35</b>	<b>13.98%</b>	<b>700.44</b>	<b>28.84%</b>	<b>543.66</b>	<b>76.55%</b>
<b>Net profit after tax</b>	<b>1,127.10</b>	<b>(31.48%)</b>	<b>1,644.90</b>	<b>107.87%</b>	<b>791.30</b>	<b>(19.42%)</b>	<b>981.99</b>	<b>31.61%</b>	<b>746.13</b>	<b>61.47%</b>

## Vertical Analysis: Balance Sheet

In million Taka

	2021		2020		2019		2018		2017		2016	
		%		%		%		%		%		%
<b>PROPERTY AND ASSETS</b>												
<b>Cash</b>												
Cash in hand (including foreign currencies)	373.97	0.47%	370.04	0.51%	409.67	0.58%	347.00	0.67%	292.97	0.64%	165.46	0.51%
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2,629.08	3.30%	2,471.79	3.39%	2,888.27	4.06%	2,328.70	4.50%	2,242.98	4.90%	1,863.95	5.75%
	<b>3,003.06</b>	<b>3.77%</b>	<b>2,841.83</b>	<b>3.90%</b>	<b>3,297.94</b>	<b>4.64%</b>	<b>2,675.70</b>	<b>5.18%</b>	<b>2,535.95</b>	<b>5.54%</b>	<b>2,029.41</b>	<b>6.26%</b>
<b>Balance with other banks and financial institutions</b>												
In Bangladesh	3,526.60	4.43%	5,615.94	7.70%	8,315.57	11.69%	5,906.34	11.43%	6,908.39	15.09%	8,204.92	25.30%
Outside Bangladesh	442.99	0.56%	325.85	0.45%	197.24	0.28%	206.11	0.40%	160.86	0.35%	456.92	1.41%
	<b>3,969.59</b>	<b>4.99%</b>	<b>5,941.80</b>	<b>8.15%</b>	<b>8,512.81</b>	<b>11.97%</b>	<b>6,112.46</b>	<b>11.82%</b>	<b>7,069.25</b>	<b>15.44%</b>	<b>8,661.84</b>	<b>26.71%</b>
<b>Money at call on short notice</b>	<b>192.40</b>	<b>0.24%</b>	<b>218.90</b>	<b>0.30%</b>	<b>154.40</b>	<b>0.22%</b>	<b>180.60</b>	<b>0.35%</b>	-	-	-	-
<b>Investments</b>												
Government	25,540.79	32.10%	20,926.62	28.70%	12,615.03	17.74%	4,982.62	9.64%	4,307.06	9.41%	3,946.88	12.17%
Others	218.66	0.27%	509.72	0.70%	547.98	0.77%	103.27	0.20%	100.12	0.22%	100.00	0.31%
	<b>25,759.45</b>	<b>32.38%</b>	<b>21,436.34</b>	<b>29.40%</b>	<b>13,163.01</b>	<b>18.51%</b>	<b>5,085.88</b>	<b>9.84%</b>	<b>4,407.18</b>	<b>9.63%</b>	<b>4,046.88</b>	<b>12.48%</b>
<b>Loans and advances</b>												
Loans, Cash Credit, Overdrafts etc.	39,436.26	49.57%	36,399.09	49.92%	39,266.92	55.21%	32,693.77	63.25%	27,785.06	60.70%	15,921.34	49.10%
Bills purchased and discounted	2,401.70	3.02%	1,670.69	2.29%	3,240.34	4.56%	2,881.88	5.58%	2,396.24	5.23%	1,217.26	3.75%
	<b>41,837.96</b>	<b>52.59%</b>	<b>38,069.78</b>	<b>52.21%</b>	<b>42,507.26</b>	<b>59.76%</b>	<b>35,575.65</b>	<b>68.82%</b>	<b>30,181.30</b>	<b>65.93%</b>	<b>17,138.60</b>	<b>52.86%</b>
<b>Fixed assets including premises, furniture and fixtures</b>	<b>609.21</b>	<b>0.77%</b>	<b>766.45</b>	<b>1.05%</b>	<b>891.92</b>	<b>1.25%</b>	<b>215.78</b>	<b>0.42%</b>	<b>219.99</b>	<b>0.48%</b>	<b>216.62</b>	<b>0.67%</b>
<b>Other assets</b>	<b>4,185.28</b>	<b>5.26%</b>	<b>3,639.56</b>	<b>4.99%</b>	<b>2,599.60</b>	<b>3.65%</b>	<b>1,846.67</b>	<b>3.57%</b>	<b>1,361.05</b>	<b>2.97%</b>	<b>331.16</b>	<b>1.02%</b>
<b>Non - banking assets</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>79,556.96</b>	<b>100.00%</b>	<b>72,914.67</b>	<b>100.00%</b>	<b>71,126.94</b>	<b>100.00%</b>	<b>51,692.74</b>	<b>100.00%</b>	<b>45,774.72</b>	<b>100.00%</b>	<b>32,424.51</b>	<b>100.00%</b>

## Vertical Analysis: Balance Sheet

In million Taka

	2021	%	2020	%	2019	%	2018	%	2017	%	2016	%
<b>LIABILITIES AND CAPITAL</b>												
<b>Liabilities</b>												
<b>Borrowings from other banks, financial institutions and its agents</b>	<b>6,134.71</b>	<b>7.71%</b>	<b>3,697.19</b>	<b>5.07%</b>	<b>9,851.15</b>	<b>13.85%</b>	<b>4,863.55</b>	<b>9.41%</b>	<b>5,326.62</b>	<b>11.64%</b>	<b>3,134.86</b>	<b>9.67%</b>
<b>Deposits and other accounts</b>												
Current Accounts and other Accounts	6,810.32	8.56%	7,562.21	10.37%	4,706.57	6.62%	4,787.48	9.26%	3,620.23	7.91%	2,841.76	8.76%
Bills Payable	521.94	0.66%	787.30	1.08%	1,109.39	1.56%	1,171.49	2.27%	316.17	0.69%	424.58	1.31%
Savings Bank Deposits	3,672.12	4.62%	3,417.44	4.69%	4,739.99	6.66%	2,814.37	5.44%	3,301.56	7.21%	4,352.58	13.42%
Special Notice Deposits (SND)	6,029.44	7.58%	8,086.59	11.09%	3,722.88	5.23%	3,378.60	6.54%	3,641.32	7.95%	1,726.61	5.33%
Fixed Deposits	41,595.20	52.28%	35,100.18	48.14%	35,842.11	50.39%	25,591.96	49.51%	22,157.15	48.40%	13,958.20	43.05%
Other Deposits	-	-	-	-	-	-	-	-	-	-	-	-
	<b>58,629.02</b>	<b>73.69%</b>	<b>54,953.72</b>	<b>75.37%</b>	<b>50,120.94</b>	<b>70.47%</b>	<b>37,743.91</b>	<b>73.02%</b>	<b>33,036.44</b>	<b>72.17%</b>	<b>23,303.74</b>	<b>71.87%</b>
<b>Other Liabilities</b>	<b>6,508.96</b>	<b>8.18%</b>	<b>5,704.23</b>	<b>7.82%</b>	<b>4,555.29</b>	<b>6.40%</b>	<b>2,828.37</b>	<b>5.47%</b>	<b>1,680.55</b>	<b>3.67%</b>	<b>545.85</b>	<b>1.68%</b>
<b>Total Liabilities</b>	<b>71,272.69</b>	<b>89.59%</b>	<b>64,355.14</b>	<b>88.26%</b>	<b>64,527.38</b>	<b>90.72%</b>	<b>45,435.83</b>	<b>87.90%</b>	<b>40,043.61</b>	<b>87.48%</b>	<b>26,984.45</b>	<b>83.22%</b>
<b>Capital/Shareholders' Equity</b>												
Paid up Capital	5,257.38	6.61%	5,007.03	6.87%	4,746.00	6.67%	4,520.00	8.74%	4,520.00	9.87%	4,520.00	13.94%
Statutory Reserve	2,167.61	2.72%	1,854.55	2.54%	1,371.22	1.93%	1,053.29	2.04%	716.80	1.57%	458.84	1.42%
Revaluation Reserve	33.83	0.04%	532.44	0.73%	3.65	0.01%	0.34	0.00%	3.95	0.01%	7.58	0.02%
Foreign currency translation gain	0.20	0.00%	-	0.00%	0.15	0.00%	0.11	0.00%	0.69	0.00%	0.14	0.00%
Surplus in Profit and Loss Account/ Retained Earnings	825.24	1.04%	1,165.50	1.60%	478.54	0.67%	683.17	1.32%	489.67	1.07%	453.49	1.40%
<b>Total Shareholders' Equity</b>	<b>8,284.27</b>	<b>10.41%</b>	<b>8,559.53</b>	<b>11.74%</b>	<b>6,599.55</b>	<b>9.28%</b>	<b>6,256.91</b>	<b>12.10%</b>	<b>5,731.11</b>	<b>12.52%</b>	<b>5,440.06</b>	<b>16.78%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>79,556.96</b>	<b>100.00%</b>	<b>72,914.67</b>	<b>100.00%</b>	<b>71,126.94</b>	<b>100.00%</b>	<b>51,692.74</b>	<b>100.00%</b>	<b>45,774.72</b>	<b>100.00%</b>	<b>32,424.51</b>	<b>100.00%</b>

Vertical Analysis: **Profit and Loss Account**

In million Taka

Particulars	2021		2020		2019		2018		2017		%
		%		%		%		%		%	
Interest income	3,482.20	56.61%	4,884.58	66.29%	5,406.71	81.11%	4,386.05	82.62%	3,100.80	76.33%	
Interest paid on deposits and borrowings etc.	2,818.31	45.82%	3,552.90	48.21%	3,560.47	53.41%	2,501.71	47.13%	1,816.11	44.71%	
<b>Net interest income</b>	<b>663.89</b>	<b>10.79%</b>	<b>1,331.68</b>	<b>18.07%</b>	<b>1,846.25</b>	<b>27.70%</b>	<b>1,884.33</b>	<b>35.50%</b>	<b>1,284.69</b>	<b>31.63%</b>	
Investment income	1,995.29	32.44%	1,975.28	26.81%	636.38	9.55%	373.63	7.04%	518.27	12.76%	
Commission, exchange and brokerage	564.84	9.18%	413.71	5.61%	533.05	8.00%	486.56	9.17%	391.82	9.65%	
Other operating income	108.61	1.77%	95.44	1.30%	89.53	1.34%	62.23	1.17%	51.32	1.26%	
<b>Total operating income (A)</b>	<b>2,668.74</b>	<b>43.39%</b>	<b>2,484.44</b>	<b>33.71%</b>	<b>1,258.96</b>	<b>18.89%</b>	<b>922.42</b>	<b>17.38%</b>	<b>961.42</b>	<b>23.67%</b>	
	<b>3,332.63</b>	<b>54.18%</b>	<b>3,816.12</b>	<b>51.79%</b>	<b>3,105.21</b>	<b>46.59%</b>	<b>2,806.75</b>	<b>52.87%</b>	<b>2,246.10</b>	<b>55.29%</b>	
Salaries and allowances	702.83	11.43%	589.30	8.00%	538.78	8.08%	446.42	8.41%	393.55	9.69%	
Rent, taxes, insurance, electricity etc.	83.32	1.13%	69.41	0.94%	83.21	1.25%	152.73	2.88%	131.76	3.24%	
Legal expenses	0.50	0.01%	0.59	0.01%	0.49	0.01%		0.01%	0.54	0.01%	
Postage, stamp, telecommunication etc.	35.88	0.49%	31.64	0.43%	27.06	0.41%	25.43	0.48%	25.76	0.63%	
Stationery, printing, advertisements etc.	45.59	0.62%	29.66	0.40%	56.97	0.85%	48.91	0.92%	43.07	1.06%	
Managing Director's salary and fees	12.96	0.18%	13.10	0.18%	10.55	0.16%	9.52	0.18%	9.53	0.23%	
Directors' fees	1.51	0.02%	1.44	0.02%	1.81	0.03%	1.46	0.03%	1.83	0.05%	
Auditors' fees	0.25	0.00%	0.25	0.00%	0.25	0.00%	0.25	0.00%	0.25	0.01%	
Depreciation and repairs to bank's assets	207.74	2.82%	295.19	4.01%	175.33	2.63%	63.86	1.20%	56.69	1.40%	
Other expenses	156.74	2.13%	154.65	2.10%	133.17	2.00%	115.85	2.18%	117.42	2.89%	
<b>Total operating expenses (B)</b>	<b>1,247.32</b>	<b>18.71%</b>	<b>1,185.23</b>	<b>17.78%</b>	<b>1,027.61</b>	<b>15.42%</b>	<b>864.82</b>	<b>16.29%</b>	<b>780.40</b>	<b>19.21%</b>	
<b>Profit before provision (C=A-B)</b>	<b>2,085.31</b>	<b>35.47%</b>	<b>2,630.88</b>	<b>34.00%</b>	<b>2,077.60</b>	<b>31.17%</b>	<b>1,941.93</b>	<b>36.58%</b>	<b>1,465.71</b>	<b>36.08%</b>	
Provision for loans and advances											
General provision	136.45	1.85%	63.80	0.87%	72.60	1.09%	60.40	1.14%	86.34	2.13%	
Specific provision	263.70	3.96%	-	-	316.50	4.75%	141.90	2.67%	5.88	0.14%	
Provision for Off-shore Banking unit	6.45	0.10%	-	-	4.50	0.07%	1.50	0.03%	12.20	0.30%	
Provision for others	6.50	0.10%	-	-	39.15	0.59%	-	-	-	-	
Special General provision-COVID-19	63.90	0.87%	150.40	2.04%	-	-	-	-	-	-	
Provision for off-balance sheet items	43.00	0.65%	-	-	52.20	0.78%	55.70	1.05%	70.00	1.72%	
Provision for Incentive of Good Borrowers	-	-	-	-	3.00	0.05%	-	-	1.50	0.00	
<b>Total provision (D)</b>	<b>520.00</b>	<b>7.06%</b>	<b>214.20</b>	<b>2.91%</b>	<b>487.95</b>	<b>7.32%</b>	<b>259.50</b>	<b>4.89%</b>	<b>175.92</b>	<b>4.33%</b>	
<b>Total profit before tax (C-D)</b>	<b>1,565.31</b>	<b>28.41%</b>	<b>2,416.68</b>	<b>31.10%</b>	<b>1,589.65</b>	<b>23.85%</b>	<b>1,682.43</b>	<b>31.69%</b>	<b>1,289.79</b>	<b>31.75%</b>	
Provision for taxation											
Current	441.40	5.99%	715.57	9.71%	716.30	10.75%	704.17	13.27%	545.87	13.44%	
Deferred Tax	(3.19)	(0.04%)	56.21	0.76%	82.05	1.23%	(3.73)	(0.07%)	(2.21)	(0.05%)	
	<b>438.21</b>	<b>6.57%</b>	<b>771.78</b>	<b>11.58%</b>	<b>798.35</b>	<b>11.98%</b>	<b>700.44</b>	<b>13.19%</b>	<b>543.66</b>	<b>13.38%</b>	
<b>Net profit after tax</b>	<b>1,127.10</b>	<b>21.84%</b>	<b>1,644.90</b>	<b>19.52%</b>	<b>791.30</b>	<b>11.87%</b>	<b>981.99</b>	<b>18.50%</b>	<b>746.13</b>	<b>18.37%</b>	

# RISK MANAGEMENT & CONTROL ENVIRONMENT



## Risk Management Report

### Introduction

Risk management is the process of identification, analysis and acceptance or mitigation of uncertainty in investment decisions. We aim to limit adverse variations in earnings and capital by managing risk exposures within agreed levels of risk appetite. The bank's risk management system includes policies, procedures, limits, and controls in its foundation. This foundation provides adequate, timely, and continuous identification, assessment, measurement, monitoring, mitigation, and reporting of risks posed by its activities at the business line and institution-wide levels.

Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and ensuring the continued adequacy of all our financial resources. Effective risk management is fundamental to the business activities of the bank. While we remain committed to increasing shareholder value by developing and growing our business within our board-determined risk appetite, we are mindful of achieving this objective in line with the interests of all stakeholders. We pursue to achieve an appropriate balance between risk and reward in our business, and continue to build and enhance the risk management capabilities that assist in delivering our growth plans in a controlled environment.

The risk strategy is determined taking into consideration bank's capital adequacy, expected level of profitability, market reputation, adequacy and experienced personnel, logistic support, macro and micro economic scenario, risk management practices etc. The Board of Directors, Senior Management and other officials of the bank aware of and understand their respective responsibilities within the risk management system.

### Objectives of risk management

The objectives of the risk management in the Bank are enumerated below:

- To identify the material risks;
- To formulate the Risk Appetite of the Bank and ensure that business profile and plans are consistent with the risk appetite of the Bank;
- To optimize risk/return decisions by taking them as closely as possible to the business;
- To ensure that business growth plans are properly supported by effective risk infrastructure;
- To manage risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions;
- To help the senior management to improve the control and co-ordination of risk taking across the business.
- To analyze the self-resilience capacity of the Bank through Stress Testing report;
- To develop the information systems/MIS inflow and data management capabilities to support the risk management functions of the bank.
- To review and update risks on systematic basis as necessary at least annually, preferably twice a year, ensuring that adequate controls exist and that the related returns reflect these risks and the capital allocated to support them.

### Sources of risks

The risks to which a bank is particularly exposed in its operations are: liquidity risk, credit risk, market risks (interest rate risk, foreign exchange risk and risk from change in market price of securities), exposure risks, investment risks, risks relating to the country of origin of the entity to which the bank is exposed, operational risk, legal risk, reputational risk and strategic risk.

### Risk Management Framework of the Bank

The Bank has a robust risk management framework which includes the followings:

- Modhumoti Bank Comprehensive Risk Management Policy;
- Six (6) core risks management policies as per core risk guidelines issued by Bangladesh Bank;
- Environmental & Social Risk Management Policy of the Bank;
- Counterparty limit policy of the Bank;
- Finally Basel III framework including other Basel documents.

The overall risk management frameworks help the Bank to assign accountability and responsibility for the management and control of risk.

## Risk management structure of Modhumoti Bank Limited

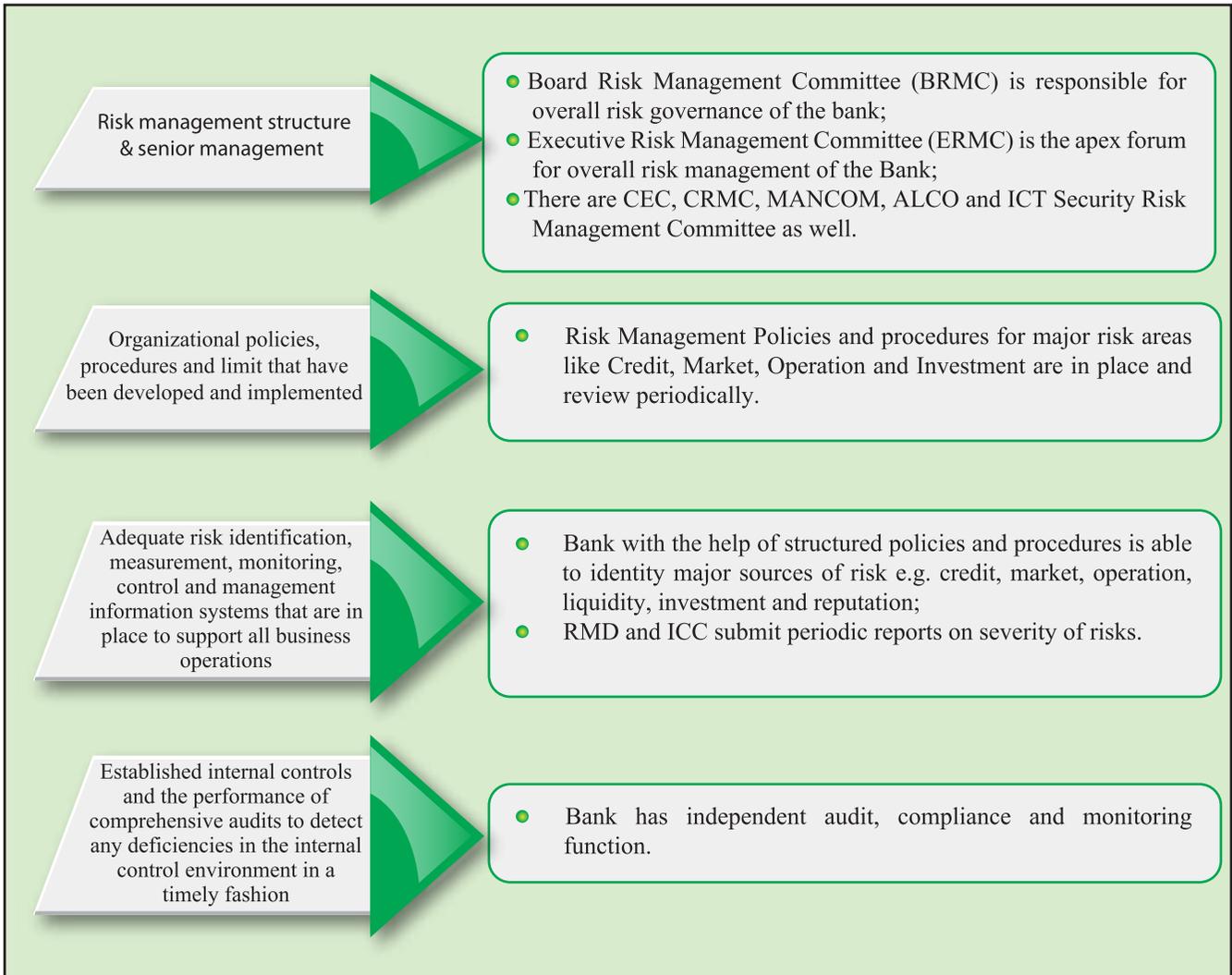
- The Board of Directors (BoD) of the Bank approves overall risk management policies of the Bank in line with the regulatory guidelines. The Board also sets the Risk Appetite of the Bank at the beginning of the year;
- Executive Committee (EC) of the Board is responsible for all sort of credit related decision as empowered by the Board. All decisions taken by EC are ratified by the Board afterward;
- Audit Committee (AC) of the Board reviews the internal audit reports of the bank and operational risk and assesses whether internal control of the Bank is proper or not;
- Board Risk Management Committee (BRMC) oversees the overall risk management of the Bank. The committee also reviews risk management policies & guidelines and supervising the activities of ERMC;
- For managing risk, MMBL established Credit Risk Management Division (CRM), Credit Administration Division (CAD), Loan Recovery Division (LRD), Internal Control and Compliance Division (ICCD) and Risk Management Division (RMD). For managing money laundering risk, Branch Anti Money Laundering Compliance Officer (BAMLCO) for every Branch under Chief Anti Money Laundering Compliance Officer (CAMLCO) has been placed;
- The Bank formed various risk committees at management level, like Credit Risk Management Committee (CRMC), Asset Liability Committee (ALCO), Senior Management Team (SMT), Central Compliance Unit (CCU), Credit Evaluation Committee (CEC) and Executive Risk Management Committee (ERMC) to identify, assess, mitigate and monitor risk throughout the organization;
- Risk Management Division of the Bank is entrusted with collecting and analyzing data/information for identifying risks and making appropriate recommendations for risk mitigation and assisting the senior management to establish right kind of business model best fit for the organization to ensure sustainable growth of the Bank.

### Layer of risk management structures:

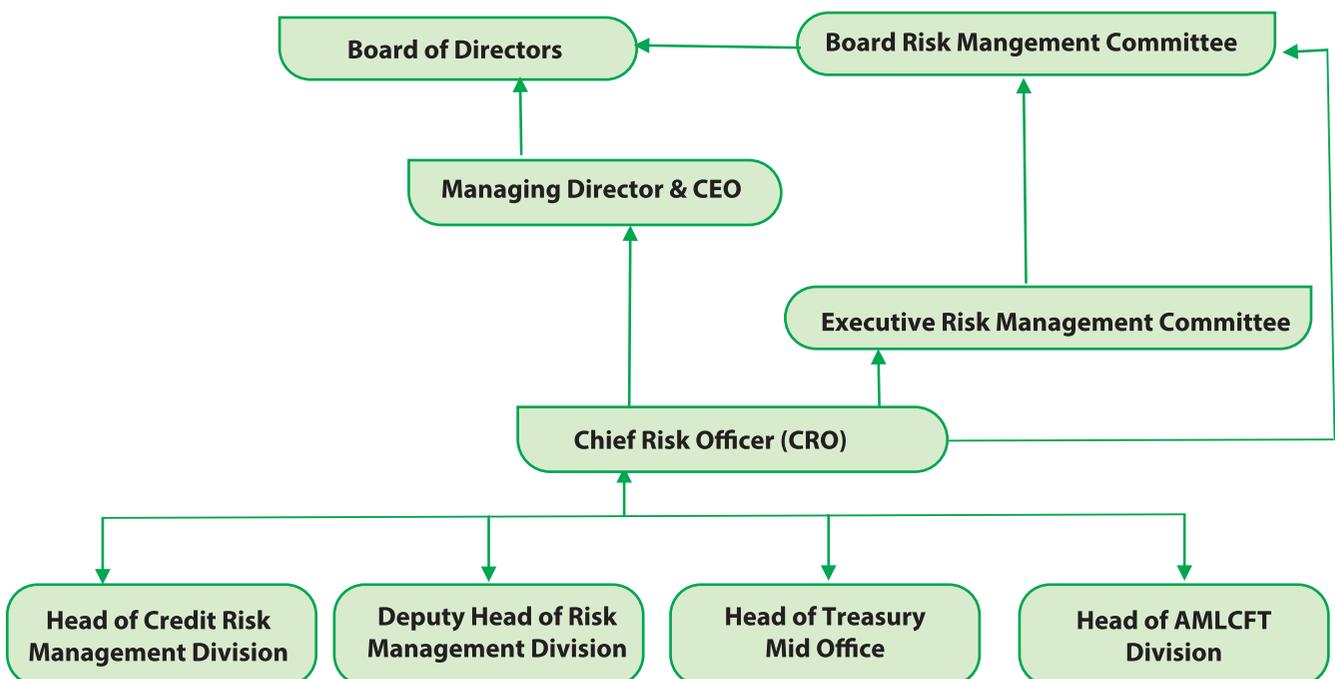
The Bank has three level defense systems for effective risk management across the Bank noted as followings:



## Key elements of Risk Management System



## Governance Structure of Risk Management



## Risk Management Related Committees

Committees	Key Objectives	Represented by
<b>Board Risk Management Committee (BRMC)</b>	To ensure that the Bank wide risks area such as credit, foreign exchange, money laundering, information technology, operation are managed within the risk strategy and appetite established by the Board of Directors.	<p><b>Chaired by Mr. Mostafa Kamal</b>            Ms. Sultana Jahan            Mr. A. Mannan Khan            Mr. Md. Didarul Alam            Ms. Syeda Sharmin Hossain</p> <p>All of them are Board members of Modhumoti Bank Limited</p>
<b>Executive Risk Management Committee (ERMC)</b>	To monitor the activities of risk management division responsible for integrated risk management across the Bank.	<p><b>Chaired by Deputy Managing Director &amp; CRO</b>            Head of Credit Risk Management Division, Treasury Division, International Division, AML Division, Information &amp; Communication Technology Division, Internal Control &amp; Compliance Division, Corporate &amp; Investment Division, Agent Banking Division, Operations Division, Recovery Division, Finance &amp; Accounts Division, Deputy Head of Risk Management Division.</p>
<b>Supervisory Review Process (SRP) Team</b>	To review and assess overall capital adequacy in relation to the Bank's risk Profile and strategy for maintaining Bank's Capital at an adequate level, i.e. enough capital to compensate all the risks in the Bank's business, and to develop and practice better risk management techniques in monitoring and managing risks.	<p><b>Chaired by Managing Director &amp; CEO</b>            Deputy Managing Director &amp; CRO, Head of Credit Risk Management, Head of Treasury Division, CFO/Head of Finance &amp; Accounts Division, Head of Internal Control &amp; Compliance Division, Deputy Head of Risk Management Division.</p>
<b>Sustainable Finance Committee</b>	To provide yearly goals & targets for the Sustainable Finance Unit (SFU) and evaluate the achievement as well as to ensure the co-ordination & co-operation among all the department of Banks/Financial Institutions regarding the activities of Sustainable Finance Unit (SFU)	<p><b>Chaired by Deputy Managing Director &amp; COO</b>            Head of Credit Risk Management Division, Treasury Division, International Division, AML Division, Information &amp; Communication Technology Division, Internal Control &amp; Compliance Division, Corporate &amp; Investment Division, Agent Banking Division, Operations Division, Recovery Division, Finance &amp; Accounts Division, Deputy Head of Risk Management Division. Retail Banking Division, Credit Administration Division, Common Service Division etc.</p>
<b>Asset Liability Committee (ALCO)</b>	To maintain a balance sheet risk between liquidity and profitability of the Bank containing liquidity risk and interest rate risk at desired level.	<p><b>Chaired by Managing Director &amp; CEO</b>            Head of Credit Risk Management Division, Treasury Division, International Division, Information &amp; Communication Technology Division, Corporate &amp; Investment Division, Human Resources Division, Operations Division, SME &amp; Retail Banking Division, Finance &amp; Accounts Division, Deputy Head of Risk Management Division.</p>

Committees	Key Objectives	Represented by
<b>Credit Risk Management Committee</b>	To implement credit risk policy/strategy approved by the Board and making recommendations to the Board for its approval, clear policies and standards for presenting credit proposals, financial covenants etc.	<b>Chaired by Deputy Managing Director &amp; CRO</b>  Head of Credit Risk Management Division, Treasury Division, RMD and Loan Recovery Division.

### Board Risk Management Committee (BRMC)

As per BRPD Circular No. 11, dated October 27, 2013, Board Risk Management Committee (BRMC) of the Bank was formed and approved in the 5th Meeting of the Board of Directors held on May 25, 2014 and subsequently the committee had been re-constituted in the 16th meeting of the Board of Directors held on 14.09.2015 and 37<sup>th</sup> meeting held on 5.11.2018 respectively. The Committee supervises various risks arise from credit, foreign exchange, internal control and compliance, money laundering, information technology, operation, interest rate, liquidity etc. Presently five (05) members of the Board of Directors are representing in the Board Risk Management Committee. During the year 2021, four (04) BRMC meetings were held where designated memorandums were placed for perusal, recommendation and approval. The lists of typical memorandums were as followings:

- Key risk issues of the Bank;
- Risk Based Capital Adequacy Statement as per Basel III;
- Review Report on the Risk Management Policies & Effectiveness of Risk Management Functions of the Bank;
- Review of the Risk Appetite Statement of the Bank;
- Review the target of Green Finance and Sustainable Finance of the Bank;
- Green Banking Report of the Bank;
- Fixation of foreign exchange VaR (Forex) limit of the Bank;
- Review of Internal Capital Adequacy Assessment Process;
- Comprehensive Risk Management Rating of the Bank;
- Credit Risk Assessment and Resolution Report of Top 20 Borrowers of the Bank;
- Review of Sustainable Finance Report of the Bank;
- Review of Comprehensive Risk Management Reports;
- Review of the assessment of core risk management policies of the Bank;
- Stress Testing Result of the Bank;
- Management Action Triggers of the Bank and
- CSR activities of the Bank, etc.

BRMC is also empowered to approve the annual budget of Green Finance, CSR, Climate Risk Fund, Green Marketing and other activities relating to Sustainable Finance Unit of the Bank as per SFD Circular No.02, dated December 01, 2016 from Bangladesh Bank.

### Chief Risk Officer (CRO)

Chief Risk Officer (CRO) is responsible for ensuring intense and effective risk management across the Bank. The CRO works to ensure that the bank is compliant with rules, regulations, and reviews factors that could negatively affect the bank's objectives. According to the Basel Committee on Banking Supervision, CRO has been referred as an independent senior executive with distinct responsibility for the risk management function and the institution's comprehensive risk management framework across the entire organization.

In the Corporate Organogram of the Bank, CRO is a functional designation and hold the position of Deputy Managing Director with reporting line to Board Risk Management Committee of the Bank with dotted line reporting to MD & CEO. Currently the Bank has CRO with a designation of Deputy Managing Director having reporting line of Risk Management Division, Credit Risk Management Division, AML & CFT Division and Treasury Mid Office of the Bank.

### Executive Risk Management Committee (ERMC)

The ERMC of the Bank has been formulated comprising of CRO (as the Chairman), Head of ICC, CRM/CAD, Treasury, AML, ICT, ID, Operation, Business, Finance, Recovery and Head of other concerned Division. RMD acts as secretariat of the committee. The ERMC, from time to time, may invite top management (MD & CEO, CBO, CTO, CFO or senior most executives), to attend the meetings so that they are well aware of risk management process.

## Terms of Reference (ToR) of Executive Risk Management Committee (ERMC)

The responsibilities/ Terms of Reference of ERMC will include, but limited to the followings:

- Identifying, measuring and managing bank's existing and potential risks through detailed risk analysis;
- Holding meeting at least once in a month upon the findings of risk reports and taking appropriate decisions to minimize and/or control risks;
- Ensuring incorporation of all the decisions in the meeting minutes with proper dissemination of responsibilities to concerned divisions/departments;
- Minimizing/controlling risks through ensuring proper implementation of the decisions;
- Reviewing risks involved in new products and activities and ensuring that the risks can be measured, monitored, and controlled adequately;
- Submitting proposals, suggestions & summary of ERMC meetings to CEO, BRMC on regular basis;
- Implementing the decisions of BRMC and Board meetings regarding risk issues;
- Assessing requirement of adequate capital in line with the risk exposures and ensuring maintenance of the same through persuading Senior Management and Board;
- Determining risk appetite, limits in line with strategic planning through threadbare discussions among the members;
- Contributing to formulation of risk policies for business units;
- Handling "critical risks" (risks that require follow-up and further reporting);
- Following up reviews and reports from BB and informing BRMC the issues affecting the bank's operation;
- Ensuring arrangement of Annual Risk Conference in the bank.

During the year 2021, twelve (12) meetings of the Executive Risk Management Committee were held under the chairmanship of Chief Risk Officer (CRO) where different risk related issues were elaborately discussed and decision of the meeting disseminated across the Bank for mitigating risk issues. During the year 2021, the management took steps to increase the credit rating of the borrowers as per the recommendation of ERMC, noted as an example. It is notable that ERMC committee arranged meeting in every month in the year of 2021 despite of the Covid-19 and subsequent lockdown situation of the country.

## Risk Management Division

As per guidelines of Bangladesh Bank, the Bank has separate Risk Management Division (RMD) headed by Chief Risk Officer (CRO) for appropriate decisions making by providing analytical data on important risk related issues arises from 6 (six) core risks as per guidelines of Bangladesh Bank and risks defined under Pillar 1 Minimum Capital Requirement and Pillar 2 Supervisory Review Process as per Basel III.

RMD manages and measures risks on the basis of the bank's approved risk parameters independently in line with regulatory requirements. The role of RMD includes, but not limited to, the following:

- Collecting and analyzing data/information for identifying risks and making appropriate recommendations for risk mitigation;
- Designs bank's overall risk management strategy to reduce the risk under tolerable limit;
- Assisting BRMC/ERMC by providing risk issues that are needed to be addressed;
- Informing the Board Risk Management Committee and Executive Risk Management Committee about the appetite for risk across the bank;
- Preparing risk management reports, arranging monthly meeting of ERMC and preparing meeting minutes, disseminating the decisions to the concerned department/divisions, monitoring and follow up of implementation status;
- Establishing risk management policies and procedures;
- Assisting Senior Management in formulating strategic planning considering bank's risk exposures and industry as a whole;
- Supporting the Board, BRMC and ERMC in formulation, review and approval of the enterprise-wide risk governance framework which includes the bank's risk culture, risk appetite, risk limits, and MAT;
- Monitoring on ongoing basis the risk-taking activities and risk exposures in line with the Board approved risk appetite, risk limit and corresponding capital or liquidity needs (i.e. capital planning);
- Taking initiatives for interim review of risk appetites on request of other related departments and informing the Board of Directors and BRMC time to time about the status of risk exposures as compared to appetite.

The Deputy Head of RMD looks after the overall risk management functions of the Bank under the supervision of CRO which comprised of the followings:

1) Manager-Core Risks

- i. Credit Risk
- ii. Market Risk
- iii. Liquidity Risk
- iv. Operational Risk
- v. Risk Research and policy development

2) Manager-Capital Management

- i. Capital Adequacy & Stress Testing
- ii. SRP & Market Discipline

**Treasury Mid-Office Function by RMD**

RMD also performs the duty of Treasury Mid-Office function as per the Treasury Operations Policy of the Bank. In this function, RMD does the followings:

- Preparing and supervising all counterparty limits following CRG Guidelines issued by BB;
- Prepares treasury limits approval, renewal and Excess Over Limits (EOL) reports;
- Reviewing and processing any temporary limit requirements;
- Reviewing and reporting various risk elements like liquidity risk, market risk, interest rate risk, earning risk and counter party risk etc.;
- Monitoring the counterparty treasury limit of the Bank.

**Risk Appetite Framework**

The Bank has a Board approved Risk Appetite Framework which formulated the process of preparing and monitoring Risk Appetite Statement. The risk appetites of the Bank are determined as per annual business and profit target, CRM, ALM and Comprehensive Risk Management Policy of the Bank which are meticulously followed by the Bank.

**Risk Appetite Statement (RAS)**

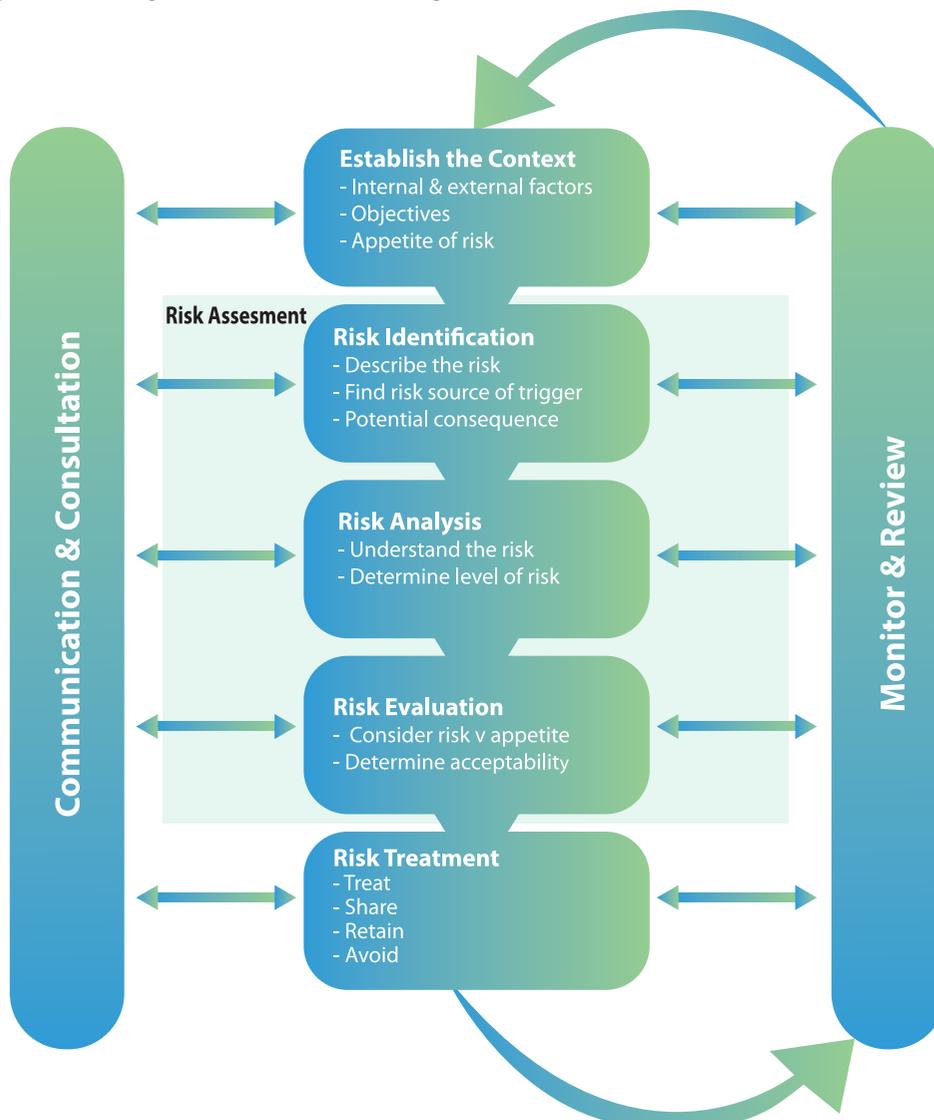
Risk appetite is the level of risk that an organization is prepared to accept in pursuit of its objectives, before action is deemed necessary to reduce the risk. Risk appetite statement is the articulation in written form of the aggregate level and types of risk that a financial institution is willing to accept, or to avoid, in order to achieve its business objectives. It plays an important role in cascading the risk strategy down through the Bank. Modhumoti Bank sets RAS in every year as per the Risk Appetite Framework of the Bank and format provided by Bangladesh Bank.

**Status of risk appetite in 2021**

Sl. No.	Risk Areas	31.12.2021	
		Risk Appetite	Status
1	Overall growth of total loans and advances (funded) (amount in Crore Tk. & %)	4,500 18%	4,183.80 7.78%
2	Overall growth of total loans and advances non-funded (amount in Crore Tk. & %)	3,200 19%	3,382.15 22.21%
3	Top-20 borrower-wise credit concentration (%) (funded)	38%	31.25%
4	Gross NPL to total loans (%)	3.30%	2.84%
5	Recovery against classified loan (%)	18%	16.72%
6	Unsecured exposure to total exposure (funded) (%)	40%	34.64%
7	Off-balance sheet exposure to total assets (%)	50%	42.51%
8	Rescheduled loans to total loans (%)	12%	2.91%
9	Written off loan to total NPLs (%)	1.50%	0.47%
10	Top-10 deposit suppliers to total deposit (%)	28%	23.33%
11	High cost deposit to total deposit (%)	70%	70.95%
12	Loss due to internal and external fraud (Amount in Crore Tk.)	12	9.40
13	Credit rating of bank itself	A <sub>1</sub>	A <sub>1</sub>
14	CRAR	13.50%	18.05%

## Risk Management Process

The Bank has developed a number of risk management policies and guidelines following the risk strategy of the Bank and Bangladesh Bank guidelines. The Risk Management Process followed in MMBL is as under:



### Step 1 Communication and Consult

This is preparatory step that aims to identify the responsible persons involved in risk assessment (including identification, analysis and evaluation) and also the persons engaged in the treatment, monitoring and review of risk.

In this step, management must communicate the roles, responsibilities, accountabilities of the internal stake holders. Formation of policies, review/revision, and dissemination of the policies is also part of this step. Risk owners/originator should be informed of his/her/their role when dealing with the risks. All the stake holders should be communicated after due consultation that everybody should inform and notify RMD as and when they identify something to be noted in the risk register as potential risk to be addressed. This information to RMD officials should preferably be in black and white or even through e-mail. RMD officials will then include the item in the risk register.

### Sept 2 Establishment of the Context

This is another preparatory stage that closes to starting the formal risk management process. Before risk can be clearly understood and dealt with, it is important to understand the context in which it exists.

### Step 3 Risk Identification

The next step is to identify possible risks that may affect, either negatively or positively, the objectives of the business and the activity under analysis. The purpose of this step is to identify what could go wrong (likelihood) and what is the consequence (loss or damage) of it occurring.

#### Step 4 Analysis of the Risks

The risk analysis step assists in determining which risks have a greater consequence or impact than others. Thus analyzing the likelihood and consequences of each identified risk and deciding which risk factors will potentially have the greatest effect and should, therefore, receive priority with regard to how they will be managed. The level of risk is analyzed by combining estimates of likelihood and consequences.

#### Step 5 Evaluation of the Risks

Risk evaluation involves comparing the level of risk found during the analysis process with previously established risk criteria, and deciding whether these risks require treatment. The result of a risk evaluation is a prioritized list of risks that require further action. This step is about deciding whether risks are acceptable or need treatment.

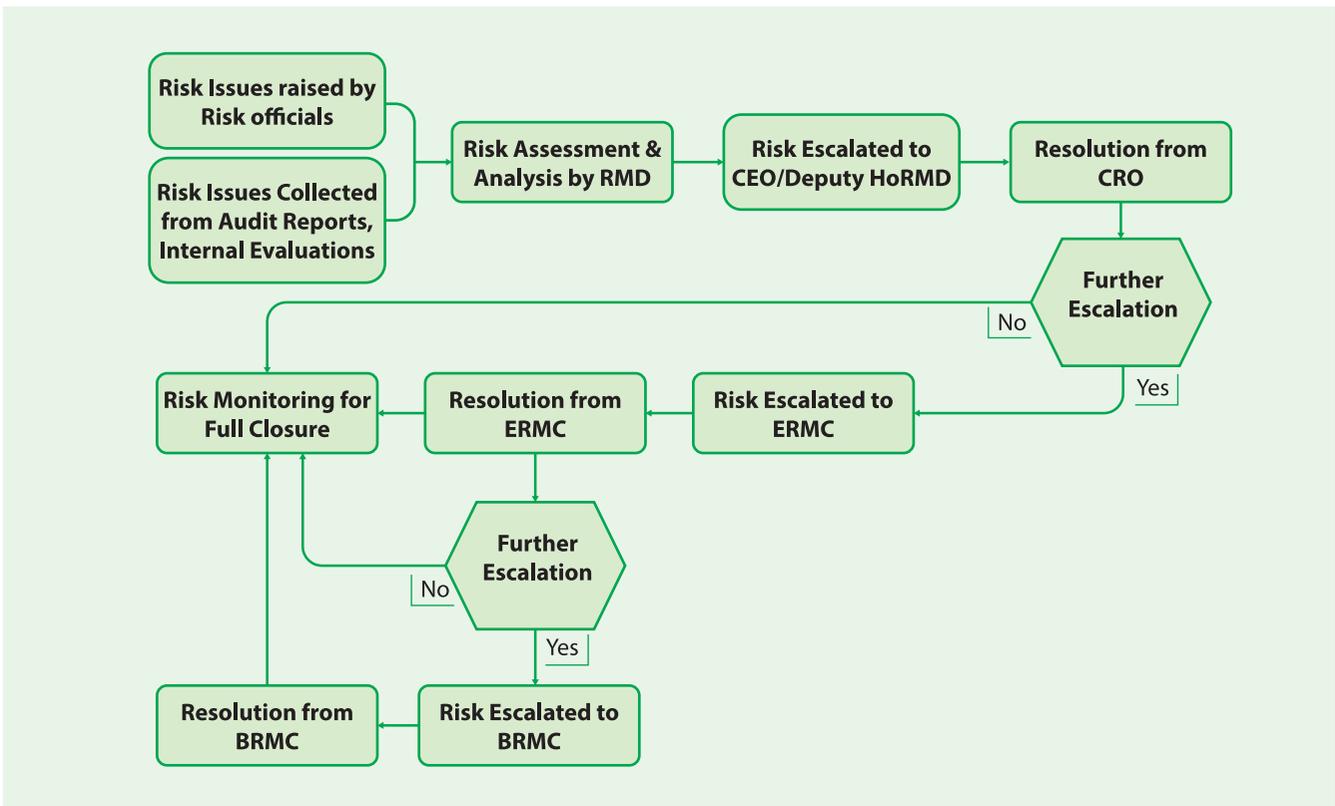
#### Step 6 Treatment of Risks

Risk treatment is about considering options for treating risks, evaluating those options, preparing the risk treatment plans and implementing those plans to achieve the desired outcome. Options for treatment need to be proportionate to the significance of the risk, and the cost of treatment commensurate with the potential benefits of treatment. Risk treatment should also aim to enhance positive outcomes.

#### Step 7 Monitoring and Review of Risks

- Risks are monitored periodically to ensure changing circumstances do not alter the risk priorities. Very few risks will remain static, therefore the risk management process needs to be regularly repeated, so that new risks are captured in the process and effectively managed.
- An effective way to ensure that is to combine risk planning or risk review with annual business planning.
- Risk management has been fully incorporated into the operational and management processes at every level of the Bank and driven from the top down.

#### Risk escalation flowchart of the Bank



## Risk management reporting

Risk Management Division of the Bank is continuously analyzes various risks for management information and reporting to competent authorities (both internal and external) on regular basis. The reporting includes monthly and comprehensive risk management reporting, quarterly capital adequacy statement and stress testing report, quarterly risk management report and Credit Risk Assessment and Resolution Report on Top 20 Borrowers, yearly ICAAP Statement, assessment of core risk guidelines, Risk Appetite Statement of the Bank and Review report of Risk Management Policies and Effectiveness of Risk Management Functions etc.

RMD places memorandums to the Executive Risk Management Committee of the Bank and Board Risk Management Committee on monthly and quarterly basis respectively.

## Compliance status in risk management reporting

The RMD analyses and identifies the risk issues from the information and the activities of the bank on an ongoing basis especially at end month, quarter, semi-annual and annual basis. Accordingly RMD prepares different reporting as followings:

Sl. No.	Name of Report	Frequency	Compliance Status
1	Monthly Risk Management Report	Monthly	Complied
2	Quarterly Risk Management Report	Quarterly	Complied
3	Capital Adequacy Statement	Quarterly	Complied
4	Stress Testing & Gap Analysis	Quarterly	Complied
5	Credit Risk Assessment and Resolution Report of Top 20 Borrowers	Quarterly	Complied
6	Comprehensive Risk Management Report	Half yearly	Complied
7	Internal Capital Adequacy Assessment Process (ICAAP) Statement	Yearly	Complied
8	Risk Appetite Statement	Yearly	Complied
9	Review Report of the Risk Management Policies & Effectiveness of Risk Management Function of the Bank	Yearly	Complied
10	Assessment of Core Risk Guidelines	Yearly	Complied

The Bank met all the regulatory requirements relating to risk management activities of the Bank in 2021.

## Risk resilience capacity of the Bank

The risk resilience capacity of the Bank depends on the favorable position of different performance and risk parameters. Few risk parameters and their status is noted in the following table:

Particulars	31.12.2020	31.12.2021
Credit to Risk Weighted Asset Ratio (CRAR)	17.84%	18.05%
Percentage of Gross Non-performing Loan (NPL) excluding SMA	1.22%	2.84%
Provision maintenance ratio (actual/ required)	100.01%	100.03%
Large loan concentration	54.33%	47.98%
Top borrowers' concentration	31.48%	31.25%
High cost deposit to total deposit (%)	63.87%	70.88%
Operating expenses to operating income (%)	31.06%	37.43%
Return on Assets (ROA)	2.28%	1.48%
Return on Equity( ROE)	21.70%	13.38%
Advance Deposit Ratio (ADR)	62.01%	62.92%
Liquidity Coverage Ratio (LCR)	289.98%	249.42%
Net Stable Funding Ratio (NSFR)	111.18%	102.76%
Statutory Liquidity Requirement (SLR)	40.36%	46.94%
Cash Reserve Ratio( CRR)	4.33%	4.12%
EPS	3.29	2.18
Number of borrowers having creditrating	128	155

## Annual Risk Conference

Modhumoti Bank Limited organized “Annual Risk Conference - 2021” on Saturday, 6<sup>th</sup> November 2021 through virtual platform. Mr. Mohammad Ahmed Ali, Executive Director, Department of Offsite Supervision, Bangladesh Bank inaugurated the program as Chief Guest. Ms. Sultana Jahan and Mr. A. Mannan Khan, Director & Member, Board Risk Management Committee, Modhumoti Bank Limited, Mr. Md. Shafiul Azam, Managing Director & CEO, Modhumoti Bank Limited, Mr. Md. Anwarul Islam, General Manager, Department of Offsite Supervision, Bangladesh Bank and Mr. Shahnawaj Chowdhury, Deputy Managing Director & Chief Operating Officer, Modhumoti Bank Limited were present as Special Guests. Welcome speech was given by Mr. Arif Hasan Khan, EVP & Chief Risk Officer, Modhumoti Bank Limited. Among others, Management Committee Members, Executive Risk Management Committee Members, Divisional Heads of Head Office, Branch Managers and relevant risk officials of the Bank with around 195 participants were present. Mr. Md. Aminur Rahman Chowdhury, DGM and Mr. Tonmoy Saha, Joint Director, Department of Offsite Supervision, Bangladesh Bank along with other High Officials of Modhumoti Bank Limited were the Resource Persons in the daylong conference.



The Bank arranged an “Annual Risk Conference 2021”.

## Capital Management as per Basel Accords

RMD looks after the capital management of the Bank as per Basel accords (Basel II and Basel III). Capital management usually refers to implementing measures aimed at maintaining adequate capital, assessing internal capital adequacy of the bank and calculating its capital adequacy ratio.

The followings indicate the relationship between risk management and capital requirement:

- Capital management helps to ensure that the bank has sufficient capital to cover the risks associated with its activities;
- As part of the internal capital adequacy assessment process (ICAAP), management identifies the risks that the bank is exposed to, and determines the means by which they will be mitigated;
- Capital is used to cover some of these risks, and the remainder of these risks is mitigated by means of collateral or other credit enhancements, contingency planning, additional reserves and valuation allowances, and other mechanisms.

## Implementation of Basel III

To strengthen global capital and liquidity rules with the goal of promoting a more resilient banking sector, the Basel Committee on Banking Supervision (BCBS) issued “Basel III: A global regulatory framework for more resilient banks and banking systems” in December 2010. The objective of the reforms was to improve the banking sector’s ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy.

In Bangladesh, Basel III phase wise implementation started back in 2015 and will fully be implemented from January 01, 2020. Accordingly, the Bank will have to maintain regulatory capital at 12.50% from January 01, 2020. Changes in Basel III & implementation status of Basel III in MMBL are briefly stated as followings:

**Capital:** As per Risk Based Capital Adequacy (RBCA) Guidelines of Bangladesh Bank, every scheduled bank has to maintain Minimum Capital at 10% of Risk Weighted Assets among which need to maintain 4.5% in Minimum Common Equity Tire-1 (CET-1) Capital Ratio. Banks are required to maintain a capital conservation buffer of 2.5%, comprised of Common Equity Tier 1 capital, above the regulatory minimum capital requirement of 10% from January 01, 2020. Banks should not distribute capital (i.e. pay dividends or bonuses in any form) in case capital level falls within this range.

**Liquidity ratios:** The Basel Committee has further strengthened its liquidity framework by developing two minimum standards for funding liquidity. An additional component of the liquidity framework is a set of monitoring metrics to improve cross-border supervisory consistency. These standards have been developed to achieve two separate but complementary objectives. The first objective is to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient high quality liquid resources to survive an acute stress scenario lasting for one month. The Committee developed the Liquidity Coverage Ratio (LCR) to achieve this objective. The second objective is to promote resilience over a longer time horizon by creating additional incentives for a bank to fund its activities with more stable sources of funding on an ongoing structural basis. The Net Stable Funding Ratio (NSFR) has a time horizon of one year and has been developed to provide a sustainable maturity structure of assets and liabilities. MMBL had a very healthy liquidity throughout the year 2021.

**Leverage Ratio and its Impact on business:** In order to avoid building-up excessive on- and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. Moreover introduction of Leverage ratio means Banks will have to have sufficient Tier-1 capital for its business expansion. The Bank had leverage ratio at 8.77% in December 2021 against regulatory requirement of 3%.

**Status of implementation:** It is notable that the Bank has already implemented all the prerequisites of Basel III as per the roadmap of Bangladesh Bank.

### **Supervisory Review Process (SRP) Team**

As per the Revised Process Document for SRP-SREP Dialogue on ICAAP (Implementation of 2<sup>nd</sup> Pillar of Basel III) the Bank has an exclusive body naming SRP Team in the 'Managerial Layer' which are constituted by the concerned head of Divisions of the bank and headed by Managing Director & CEO. The responsibilities of SRP Team are noted below:

- The committee must meet at least bi-monthly to monitor the implementation of Pillar 2 Supervisory Review Process under Basel II & Basel III;
- The team will review and assess overall capital adequacy in relation to the Bank's risk Profile and strategy for maintaining Bank's Capital at an adequate level, i.e. enough capital to compensate all the risks in the Bank's business, and to develop and practice better risk management techniques in monitoring and managing risks;
- The SRP Team of the Bank is responsible to ensure that the Bank has adequate capital to support its risks beyond the minimum regulatory requirements;
- The SRP Team will help the Risk Management Division to prepare Internal Capital Adequacy assessment Process (ICAAP) and submit the same to the Board for onward reporting to Bangladesh Bank;
- The Team will guide the Operational Layer during data collection, process and the preparation of ICAAP;
- The Team will maintain liaison with the Supervisory Review Evaluation Process-SREP Team of Bangladesh Bank;
- The Team will ensure effective dialogue between the Supervisory Review Process Team and the Supervisory Review Evaluation Process Team of Bangladesh Bank.

### **Basel Unit (Supervisory Committee)**

The bank has Board approved Basel Unit (Supervisory Committee) comprising senior management of the Bank with following responsibilities:

- Implementation of the Action Plan of Basel Accords in Bank;
- Communicate issues related to Basel implementation to the Bank Management;
- Attend Quantitative Impact Study (QIS) and accountability for the compliance of Basel Accords;
- Arranging customized training programs according to Training Need Assessment.

## Minimum Capital Requirement as per Pillar 1 of Basel III

In million Taka

Sln.	Capital Adequacy	Solo
<b>A</b>	<b>Regulatory Capital</b>	<b>9,339.08</b>
<b>B</b>	<b>Minimum capital requirement (MCR)</b>	<b>5,174.33</b>
<b>C</b>	<b>Capital surplus (A-B)</b>	<b>4,164.75</b>
<b>D</b>	<b>Capital to Risk Weighted Assets Ratio (CRAR)</b>	<b>18.05%</b>
	Common Equity Tier-1 to RWA ( $\geq 4.50\%$ )	15.94%
	Tier-1 Capital to RWA ( $\geq 6.00\%$ )	15.94%
	Tier-2 Capital to RWA ( $\leq 4.00\%$ or 88.89% of CET1)	2.10%
	<b>Total Capital plus Conservation Buffer (<math>\geq 12.50\%</math>)</b>	<b>18.05%</b>
	<b>Capital Conservation Buffer (2.50%)</b>	<b>8.05%</b>
	<b>Available Capital Under Pillar 2 Requirement</b>	<b>2,871.17</b>

## Internal Capital Adequacy Assessment Process (ICAAP) as per Pillar 2 of Basel III

The Bank has a structured management framework in the Internal Capital Adequacy Assessment Process (ICAAP) for the identification and evaluation of the significance of all risks that the Bank faces, which may have an adverse material impact on its financial position. As per Basel III framework, the Bank faces the following material risks which are taken into consideration in assessing / planning capital:

Risks under Pillar 1 MCR		Risks under Pillar 2 SRP	
1	Credit Risk	1	Residual Risk
2	Market Risk	2	Concentration Risk
3	Operational Risk	3	Liquidity Risk
		4	Reputation Risk
		5	Strategic Risk
		6	Settlement Risk
		7	Evaluation of Core Risk Management
		8	Environmental & Climate Change Risk
		9	Other material risks

The surplus capital maintained by MMBL will act as buffer to absorb all material risks and to support the future activities. To ensure the adequacy of capital to support the future activities, the bank assesses capital requirements periodically considering future business growth. Risk Management Division (RMD) under guidance of the SRP team/ERMC (Executive Risk Management Committee), is taking active measures to identify, quantify, manage and monitor all risks to which the Bank is exposed to.

## Borrowers' credit rating

Borrowers' credit rating plays an important role in improving capital adequacy of the bank through capital relief and also helps the bank to understand the risk associated with the borrowers. In this regard, RMD calculates capital relief on the basis of rated borrowers on quarterly basis. As per guideline on 'Risk Based Capital Adequacy for Banks', calculation of RWA follows Standardized Approach for Credit Risk, Standardized Approach for Market Risk and Basic Indicator Approach for Operational Risk. Under the Standardized Approach of the Risk Based Capital Adequacy framework (Basel III), Risk Weighted Asset (RWA) against credit risk for the corporate and SME borrowers are determined on the basis of credit rating report issued by the External Credit Assessment Institutions (ECAIs).

## Credit Rating Status of Borrowers

As a result of vigorous effort and continuous persuasion, 155 (73.46%) borrowers out of total 211 (Total Taka 36,361.30 million) eligible Corporate & SME borrowers of MMBL were completed. The rating distribution of the 115 Corporate & 40 SME borrowers of the Bank as on 31 December 2021 was as follows:

In million Taka

Bangladesh Bank Rating Grade		Corporate		SME		Total		Percentage of Total	
		No.	Outstanding	No.	Outstanding	No.	Outstanding	No. Rated Borrowers	Outstanding
BB grade	1	22	6,274			22	6,274	14%	22%
BB grade	2	52	13,390	3	456	55	13,846	35%	49%
BB grade	3	41	5,885	36	2,185	77	8,070	50%	29%
BB grade	4	-	-	1	7	1	7	1%	-
BB grade	5	-	-	-	-	-	-	-	-
<b>Total</b>		<b>115</b>	<b>25,549</b>	<b>40</b>	<b>2,648</b>	<b>155</b>	<b>28,197</b>	<b>100%</b>	<b>100%</b>

## Stress Testing

Stress Testing is a risk management technique used to evaluate the potential effects of Bank's financial condition of a specific event and/or movement in a set of financial variables. It is also an integral part of the Capital Adequacy Framework. The traditional focus of stress testing relates to exceptional but plausible events.

Stress testing framework as provided by Bangladesh Bank assesses the impact on Capital to Risk Weighted Asset Ratio (CRAR) due to minor, moderate and major level of shock in terms of credit risk, exchange rate risk, liquidity risk, equity price risk and interest rate risk. Stress testing for credit risk assesses the impact of increase in the level of Non-Performing Loans (NPLs) of the banks.

Modhumoti Bank performs stress testing on quarterly basis within the scope of Bangladesh Bank FSD circular no. 01 dated September 24, 2012. The Capital to Risk Weighted Assets (CRAR) was 18.05% as on 31.12.2021 upon which stress testing was conducted based on different parameters noted above. The position of CRAR after shock is noted below:

Description of different types of shocks	Extent of Shock			CRAR after Shock (%)		
	Minor	Moderate	Major	Minor	Moderate	Major
Performing loans directly downgraded to B/L: Constructions	3%	9%	15%	17.79	17.28	16.76
Performing loans directly downgraded to B/L: SME Loans	3%	9%	15%	17.90	17.59	17.28
Increase in NPLs due to default of top large loan borrowers	Top 3	Top 7	Top 10	16.62	11.93	10.22
Negative shift in NPLs categories	5%	10%	15%	17.94	17.01	16.91
Decrease in the FSV of collateral	10%	20%	40%	18.01	17.97	17.88
Increase in NPLs	3%	9%	15%	16.16	12.22	8.02
Interest Rate	1%	2%	3%	15.20	12.35	9.51
FEX: Currency Depreciation	5%	10%	15%	17.99	17.94	17.89
Equity Shock	10%	20%	40%	18.01	17.98	17.91
<b>Combined Shock</b>				<b>13.08</b>	<b>5.23</b>	<b>-2.13</b>

## Stress situation in Duration Gap Analysis

The objective of the Duration GAP Analysis is to measure the level of the Bank's exposure to interest rate risk in terms of sensitivity of Market Value of its Equity (MVE) to interest rate movements. The duration gap tells how cash flows for assets and liabilities are matched. A positive duration gap is when the duration of assets exceeds the duration of liabilities (which means greater exposure to rising interest rates).

In million Taka			
Sl.No.	Particulars	2021	2020
1	Weighted average duration of assets (DA) in years	3.51	2.84
2	Weighted average duration of liabilities (DL) in years	0.77	0.66
3	Duration gap (DA-DL) in years	2.79	2.26

## Change of market value of equity due to increase in interest rates as of December 31, 2021

In million Taka			
Particulars	1%	2%	3%
Fall in Market Value of Equity	(2,029)	(4,059)	(6,089)

For absorbing different shocks under Stress Testing, the Bank takes following measures on an ongoing basis:

- Exposure on large loan customers are being monitored closely;
- Emphasize on enhancing collateral coverage against large loan exposure;
- Encouraging focus on SME loan lending;
- Regular loans are being monitored closely in order to avoid classification;
- Persuading unrated Corporate and SME borrowers to bring them under the umbrella of ECAI's credit rating.

## Pillar 3 Market Discipline

### **Disclosures on Risk Based Capital (Basel III) for the year ended December 31, 2021**

In an effort to continue to strengthen the risk management frameworks and further enhance long-term stability within banking organizations, the Basel Committee for Banking Supervision (BCBS) introduced a set of regulatory guidelines known as Basel III. Basel III includes three pillars that address:

- Capital adequacy
- Supervisory review
- Market discipline; increased public disclosure requirements

In addition to the three pillars noted above, Basel III introduced leverage ratio, and liquidity standards namely liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) which have greater business implications for banks. Under market discipline, Basel III demands more disclosures than that of the previous.

These disclosures are purported to affirm the information on Minimum Capital Requirement (MCR) under Pillar 1 and Supervisory Review Process (SRP) under Pillar 2 and ensure transparency about the capital adequacy of the Bank, capital adequacy framework, risk assessment and mitigation methodologies, risk exposure in various spectrum so that the stakeholders of the industry can examine the risk related compliance of the Bank.

The Bank made the qualitative and quantitative disclosures in detail below in accordance with Pillar III Market Discipline as per Guidelines on Risk Based Capital Adequacy (RBCA) under Basel-III issued by Bangladesh Bank on December 21, 2014. The purpose of this report is to complement under Pillar 1 Minimum Capital Requirement (MCR) and Pillar 2 Supervisory Review Process (SRP) of Basel III.

The following components have been disclosed hereunder as per the requirement of RBCA guidelines under Basel-III issued by Bangladesh Bank:

- a) Scope of Application
- b) Capital Structure
- c) Capital Adequacy
- d) Investment Risk
- e) Equities: Disclosures for Banking Book Positions
- f) Interest Rate Risk in the Banking Book (IRRBB)
- g) Market Risk
- h) Operational Risk
- i) Leverage Ratio
- j) Liquidity Ratio
- k) Remuneration

These disclosures are intended for more transparent and more disciplined financial market where the participants can assess key information about the Bank's exposure in making economic decisions.

#### **A. SCOPE OF APPLICATION**

##### **Qualitative Disclosure**

###### **a) The name of the top corporate entity to which this framework applies:**

The Risk Based Capital Adequacy Framework applies to Modhumoti Bank Limited (MMBL) on 'solo' basis as there was no subsidiary as on the reporting date (December 31, 2021).

###### **b) Consistency and Validation:**

The quantitative disclosures are made on the basis of audited financial statements of the bank for the year ended December 31, 2021 prepared under the historical cost convention except investments and in accordance with the "First Schedule" (section 38) of the Bank Companies Act 1991, as amended by Bangladesh Bank (the Central Bank of Bangladesh) through BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994 and other applicable laws and regulations. So, information presented in the 'Quantitative Disclosures' section can easily be verified and validated with corresponding information presented in the audited financial statements of the Bank for the year ended December 31, 2021. The report is prepared once a year and available on the website of the Bank ([www.modhumotibankltd.com](http://www.modhumotibankltd.com)).

**c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital to subsidiaries:**

Not applicable for the Bank as there was no subsidiary of the Bank on the reporting date (December 31, 2021). However BRPD Circular No.02, dated, January 16, 2014 and BRPD Circular Letter No.04, dated, May 10, 2016 respectively regarding 'Single Borrower Exposure Limit' are being applied by the Bank in determining maximum amount of finance.

**Quantitative Disclosure**

**d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.**

**Not Applicable.**

**B. CAPITAL STRUCTURE**

**Qualitative Disclosures**

a) The regulatory capital under Basel-III is comprised with i) Tier-1 (Going Concern Capital) and ii) Tier-2 (Gone Concern Capital).

**Tier-1 Capital (Going Concern Capital)** has two components of Tier 1 Capital which are Common Equity Tier 1 Capital and Additional Tier 1 Capital. It consists of highest quality capital items which are stable in nature and allows a bank to absorb losses on an ongoing basis.

**Common Equity Tier 1 Capital** includes paid-up capital, statutory reserve, general reserve and retained earnings etc. and

**Additional Tier 1 Capital** will include perpetual bond or non-cumulative preference shares etc.

**Tier-2 Capital (Gone Concern Capital)** lacks some of the characteristics of the going concern capital but also bears loss absorbing capacity to a certain extent. General provision on unclassified loans and advances, Subordinated debt/instruments issued by the Bank that meet the qualifying criteria for Tier 2 capital, Minority interest i.e. Tier-2 issued by consolidated subsidiaries to third parties.

**Compliance Status of MMBL as per Conditions for Maintaining Regulatory Capital:**

The Bank complied with all the requirement of regulatory capital as stipulated in the revised RBCA Guidelines by Bangladesh Bank as per following details:

Sl. No.	Limits (Minima and Maxima)	Status of Compliance	
		Complied (√)	Non-complied (√)
1	Common Equity Tier 1 of at least 4.5% of the total RWA	√	
2	Tier 1 capital will be at least 6.0% of the total RWA	√	
3	Minimum CRAR of 10% of the total RWA	√	
4	Additional Tier 1 capital can be admitted maximum up to 1.5% of the total RWA or 33.33% of CET1, whichever is higher	√	
5	Tier 2 capital can be admitted maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher	√	
6	Capital conservation buffer at 2.50% of total RWA	√	

**Quantitative Disclosures**

**a) Regulatory capital of the Bank as of December 31, 2021**

**The amount of Regulatory Capital as of 31.12.2021 is noted below:**

Particulars of Regulatory Capital		In million Taka
		<b>Solo</b>
Common Equity Tier-1 (Going Concern Capital)		8,250.24
Regulatory adjustment from Common Equity Tier-1 (Going Concern Capital)		-
<b>Total Common Equity Tier -1 Capital</b>		<b>8,250.24</b>
Additional Tier-1 Capital		-
Tier-2 Capital (Gone Concern Capital)		1,088.84
<b>Total Regulatory Capital</b>		<b>9,339.08</b>

## C. CAPITAL ADEQUACY

### Qualitative Disclosures

#### a) Approach to assess the adequacy of capital:

The bank follows the approaches below for calculating Minimum Capital Requirement (MCR) as per Pillar-I of Basel-III framework as per the guidelines of Bangladesh Bank:

- i) Standardized Approach for assessing and mitigating Credit Risk,
- ii) Standardized Rule Based Approach for quantifying Market Risk and
- iii) Basic Indicator Approach for Operational Risk.

MMBL has a process for assessing its overall capital adequacy in relation to the Bank's risk profile and a strategy for maintaining its capital levels. The process provides an assurance that the Bank has adequate capital to support all risks in its business. The Bank identifies, assesses and manages comprehensively all risks that it is exposed to through sound governance and control practices, robust risk management framework and an elaborate process for capital calculation and planning.

The Bank has a structured management framework in the Internal Capital Adequacy Assessment Process (ICAAP) for the identification and evaluation of the significance of all risks that the Bank faces, which may have an adverse material impact on its financial position. As per Basel III framework, the Bank faces the following material risks which are taken into consideration in assessing / planning capital:

Risks under Pillar 1 MCR		Risks under Pillar 2 SRP	
1	Credit Risk	1	Residual Risk
2	Market Risk	2	Concentration Risk
3	Operational Risk	3	Liquidity Risk
		4	Reputation Risk
		5	Strategic Risk
		6	Settlement Risk
		7	Evaluation of Core Risk Management
		8	Environmental & Climate Change Risk
		9	Other material risks

The surplus capital maintained by MMBL will act as buffer to absorb all material risks and to support the future activities. To ensure the adequacy of capital to support the future activities, the bank assesses capital requirements periodically considering future business growth. Risk Management Division under guidance of the SRP team/ERMC (Executive Risk Management Committee), is taking active measures to identify, quantify, manage and monitor all risks to which the Bank is exposed to.

#### Quantitative Disclosures:

#### Risk Weighted Asset (RWA) & Minimum Capital Requirement (MCR):

In million Taka

Sln.	Particulars	Solo
1.	<b>Risk Weighted Assets:</b>	
	<b>For Credit Risk:</b>	<b>41,594.93</b>
	On-Balance Sheet	31,461.54
	Off-Balance Sheet	10,133.39
	<b>For Market Risk</b>	<b>6,830.46</b>
	<b>For Operational Risk</b>	<b>3,317.90</b>
	<b>Total:</b>	<b>51,743.29</b>
2.	<b>Minimum Capital Requirement (10% of RWA):</b>	
	For Credit Risk	4,159.49
	For Market Risk	683.05
	For Operational Risk	331.79
	<b>Total:</b>	<b>5,174.33</b>
	Minimum capital requirement (MCR) Tk.5,000.00 million or 10% of RWA whichever is higher	<b>5,174.33</b>

**Total Capital, CET-1 Capital, Total Tier-1 Capital, Tier-2 Capital Ratio Available Capital under Pillar 2: Solo**

In million Taka

Sln.	Particulars	Solo
<b>A.</b>	<b>Total Regulatory Capital: (a+b)</b>	<b>9,339.08</b>
	a. Tier-1 (Going Concern Capital)	<b>8,250.24</b>
	i) Common Equity Tier-1 Capital (CET-1)	8,250.24
	ii) Additional Tier-1 Capital (AT-1)	-
	<b>b. Tier-2 (Gone Concern Capital)</b>	<b>1,088.84</b>
<b>B</b>	<b>Minimum capital requirement (MCR- 10% of RWA)</b>	<b>5,174.33</b>
<b>C</b>	<b>MCR including buffer capital (10%+2.50%=12.50%)</b>	<b>6,467.91</b>
<b>D</b>	<b>Capital surplus (A-B)</b>	<b>4,164.75</b>
<b>E</b>	<b>Available Capital Under Pillar 2 Requirement (A-C)</b>	<b>2,871.17</b>
<b>F</b>	<b>Capital to Risk Weighted Assets Ratio (CRAR)</b>	<b>18.05%</b>
	Common Equity Tier-1 to RWA ( $\geq 4.50\%$ )	15.94%
	Tier-1 Capital to RWA ( $\geq 6.00\%$ )	15.94%
	Tier-2 Capital to RWA ( $\leq 4.00\%$ or 88.89% of CET1)	2.10%
	<b>Capital Conservation Buffer (2.50% of RWA)</b>	<b>1,293.58</b>
	<b>Capital Conservation Buffer Maintained (%)</b>	<b>8.05%</b>

**D. CREDIT RISK****Qualitative Disclosures:****a) The general qualitative disclosure requirement with respect to credit risk:****Definition of Credit Risk:**

Credit risk refers to the deterioration in the credit quality of the borrower or the counter-party adversely impacting the financial performance of the Bank. The losses incurred by the Bank in a credit transaction could be due to inability or willful default of the borrower in honoring the financial commitments to the Bank. The Bank is exposed to credit risk through its general lending and money market lending.

**Credit risk management process at MMBL:**

Bank's credit policy has been prepared in line with Bangladesh Bank guidelines illustrating the approval process and delegation of authority which require to be approved by the Board. The approval process segregates relationship management/marketing from the approval authority. The approval authorities are delegated to different levels of management and Board committees. Board of Directors of the bank has the highest level of authority to approve any credit proposal and sub delegate such authority to the management and Executive Committee. The business proposals are initiated from the Branches which have been processed by the Business Development & Marketing Division (BDMD) at Head Office level and finally BDMD under Corporate & Investment Banking Division placed the note to the Credit Risk Management Division (CRMD). Then placed the proposal in the meeting of Credit Evaluation Committee (CEC) of the Bank after performing due diligence issues as per Credit Policy of the Bank and other policies/guidance of Bangladesh Bank. Upon final nod from the CEC, the proposals are placed in the meeting of the EC/Board by CRMD and Managing Director & CEO for final approval. CRM sends sanction letter addressing the Branch and Cc to CAD upon receiving the final approval from the competent authority.

### Credit Administration:

Credit Administration Division (CAD) ensures the documentation and the other regulatory issues before making disbursements so that the Bank can reduce the potential credit risk. Branches send their request to CAD for limit loading after the completion of necessary documentation vide LDCL (Loan documentation check list). Furthermore, the bank constantly monitors clients' repayment behaviors, fulfillment of conditions given before disbursement and compliance of covenants in post disbursement period.

### Credit Monitoring:

The loan portfolio with classification status is reviewed periodically and brought to the notice of senior level management regarding down gradation, overdue, special mention account (SMA), classified and rescheduled portfolio along with early alert list for their information and guidance. The Branches are communicated through letters and circulars for implementation of efficient credit risk management in a proper manner including adherence to the Bank's and Bangladesh Bank's rules and regulations.

### Past Due/Over Due:

A claim that has not been paid as of its due date is termed as past due claim. Payment may be for repayment/renewal/rescheduling or as an installment of a loan. Loans will be treated as past due and or overdue in the following cases:

- Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date.
- Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date.
- In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue from the following day of the expiry date.
- The Short-term Agricultural and Micro-Credit if not repaid within the fixed expiry date for repayment will be considered past due/overdue after six months of the expiry date.

For loan classification and maintenance of specific and general provision, Bank follows relevant circulars and advices of Bangladesh Bank from time to time. Provisions and interest suspense are separately shown under other liabilities as per first schedule of Bank Company Act 1991 (amendment up to 2018), instead of netting off with loans. The summary of some objective criteria for loan classification and provisioning requirement is as below:

### Approaches followed for specific and general allowances:

Particulars	Short Term Agri Credit	Consumer Financing			SMEF	Loans to BHs/MBs/SDs	All other Credit
		Other than HF, LP	HF	LP			
UC	1.0%	5%	1%	2%	0.25%	2%	1%
SMA	1.0%	5%	1%	2%	0.25%	2%	1%
SS	5%	20%	20%	20%	20%	20%	20%
DF	5%	50%	50%	50%	50%	50%	50%
B/L	100%	100%	100%	100%	100%	100%	100%

NB: CF=CONSUMER FINANCING, HF=HOUSING FINANCE, LP=LOANS FOR PROFESSIONALS TO SET UP BUSINESS, UC=UNCLASSIFIED, SMA=SPECIAL MENTION ACCOUNT, SS=SUBSTANDARD, DF=DOUBTFUL, B/L=BAD/LOSS, BHs/ MBs,/SDs= LOANS TO BROKERAGE HOUSES/MERCHANT BANKS/STOCK DEALERS.

### Subjective/Qualitative Judgment for Loan Classification:

Considering the nature and performance of a loan, the bank can also classify a particular loan on the basis of subjective judgment taking into consideration the factors such as uncertainty or doubt of repayment, continuous loss of capital, adverse situation, decrease of value of securities, legal suit etc.

**Condition for Qualitative Judgment:**

Classification	Conditions to be fulfilled	
Special Mention	i)	Assets must be classified no higher than Special Mention if any of the following deficiencies of bank management is present: <ul style="list-style-type: none"> <li>• the loan was not made in compliance with the bank’s internal policies;</li> <li>• failure to maintain adequate and enforceable documentation; and/or</li> <li>• poor control over collateral.</li> </ul>
	ii)	Assets must be classified no higher than Special Mention if any of the following deficiencies of the obligor is present: <ul style="list-style-type: none"> <li>• occasional overdrawn within the past year;</li> <li>• below-average or declining profitability;</li> <li>• barely acceptable liquidity; and</li> <li>• Problems in strategic planning.</li> </ul>
Sub-standard	i)	Assets must be classified no higher than Sub-standard if any of the following deficiencies of the obligor is present: <ul style="list-style-type: none"> <li>• recurrent overdrawn;</li> <li>• low account turnover;</li> <li>• competitive difficulties;</li> <li>• location in a volatile industry with an acute drop in demand;</li> <li>• very low profitability that is also declining;</li> <li>• inadequate liquidity;</li> <li>• cash flow less than repayment of principal and interest;</li> <li>• weak management;</li> <li>• doubts about integrity of management;</li> <li>• conflict in corporate governance;</li> <li>• unjustifiable lack of external audit; and</li> <li>• pending litigation of a significant nature.</li> </ul>
	ii)	Assets must be classified no higher than Sub-standard if the primary sources of repayment are insufficient to service the debt and the bank must look to secondary sources of repayment, including collateral.
	iii)	Assets must be classified no higher than Sub-standard if the banking organization has acquired the asset without the types of adequate documentation of the obligor’s net worth, profitability, liquidity, and cash flow that are required in the banking organization’s lending policy, or there are doubts about the validity of that documentation.
Doubtful	:	Assets must be classified no higher than Doubtful if any of the following deficiencies of the obligor is present: <ul style="list-style-type: none"> <li>• permanent overdrawn;</li> <li>• location in an industry with poor aggregate earnings or loss of markets;</li> <li>• serious competitive problems; failure of key products; operational losses;</li> <li>• illiquidity, including the necessity to sell assets to meet operating expenses;</li> <li>• cash flow less than required interest payments; very poor management;</li> <li>• non-cooperative or hostile management;</li> <li>• serious doubts of the integrity of management;</li> <li>• doubts about true ownership; and</li> <li>• complete absence of faith in financial statements.</li> </ul>

Classification		Conditions to be fulfilled
Bad/Loss	:	<p>Assets must be classified no higher than Bad/Loss if any of the following deficiencies of the obligor is present:</p> <ul style="list-style-type: none"> <li>the obligor seeks new loans to finance operational losses;</li> <li>location in an industry that is disappearing;</li> <li>location in the bottom quartile of its industry in terms of profitability;</li> <li>technological obsolescence and very high losses;</li> <li>asset sales at a loss to meet operational expenses;</li> <li>cash flow less than production costs;</li> <li>no repayment source except liquidation;</li> <li>presence of money laundering, fraud, embezzlement, or other criminal activity; and</li> <li>no further support by owners.</li> </ul>

However, regardless of all rules and regulations the central bank can classify any loan on the basis of their subjective judgment as well as can instruct the bank to make additional provision on non-performing loans.

#### Quantitative Disclosures:

##### b) Total gross credit risk exposures broken down by major types of credit exposure:

In million Taka

Sln.	Major types of loans	2021	2020
1	Cash credit and overdrafts	16,202.81	16,147.69
2	Loans (General)	17,976.21	16,287.09
3	House building loan	1,175.94	823.50
4	Loan against trust receipt	678.46	1,101.12
5	Bills purchased and discounted	2,401.70	3,710.38
6	Other Loans	3,402.84	16,147.69
<b>Total</b>		<b>41,837.96</b>	<b>38,069.78</b>

##### c) Geographical distribution of exposures:

In million Taka

Particulars	Name of Division	2021	2020
Region Based	Dhaka	34,710.68	31,444.48
	Chittagong	4,519.41	3,945.68
	Rajshahi	524.89	315.80
	Sylhet	117.69	114.08
	Khulna	1,555.26	1,910.00
	Mymensingh	56.28	59.14
	Rangpur	327.59	252.56
	Barisal	26.15	28.04
	Total	41,837.96	38,069.78
Country Based	Domestic	41,837.96	38,069.78
	Overseas	-	-

**d) Major industry-wise distribution of exposures:**

Major industry wise credit exposure of the bank as of December 31, 2021 was as below, and the numbers remained within the appetite of the bank as approved by the Board of Directors:

In million Taka

Sln.	Major Industry Types	2021	2020
1	Agriculture, fishing, forestry and dairy firm	90.07	299.99
2	Industry (Other than working capital)	7,218.82	7,573.20
3	Working capital financing	9,410.26	8,252.90
4	Export credit	2,631.45	1,344.88
5	Import credit	2,278.21	2,484.97
6	Commercial credit	2,266.03	2,935.20
7	Constructions	8,186.84	6,555.18
8	Transport and Communication	613.41	616.87
9	Consumer Credit	773.94	611.42
10	Others	8,368.94	7,395.17
<b>Total</b>		<b>41,837.96</b>	<b>38,069.78</b>

**e) Residual contractual maturity breakdown of the whole portfolio:**

In million Taka

Particulars	2021	2020
On demand	4,623.07	2,074.96
Less than three months	9,517.79	5,638.82
More than three months but less than one year	10,866.12	15,066.13
More than one year but less than five years	10,333.02	10,004.32
More than five years	6,497.96	5,285.56
<b>Total</b>	<b>41,837.96</b>	<b>38,069.78</b>

**f) Major industry type amount of impaired loans:**

In million Taka

Particulars	2021	2020
Agriculture	-	-
Industry	424.50	69.57
Constructions	14.70	9.67
Power, Gas, Water & Sanitary Services	281.74	-
Transport, Storage & Communication	-	-
Trade Services	257.90	184.83
Housing Services	4.90	7.72
Banking & Insurance	187.20	187.17
Professional & Misc. services	18.60	4.88
<b>Total</b>	<b>1,189.54</b>	<b>463.84</b>

**g) Gross Non-Performing Assets (NPAs)**

In million Taka

Particulars	2021	2020
Gross Non-Performing Assets (NPAs)	1,189.54	463.84
Non-performing assets to outstanding loans and advances	2.84%	1.22%
<b>Movement of Non-Performing Assets (NPAs):</b>		
Opening balance	463.84	1,073.56
Additions/ (Reductions)	725.64	(609.72)
<b>Closing balance</b>	<b>1,189.54</b>	<b>463.84</b>
<b>Movement of specific provisions for NPAs:</b>		
Opening balance	300.70	470.50
Provision made during the period	263.70	0.00
Write off	(1.90)	0.00
Write back of excess provisions	-	169.80
<b>Closing balance</b>	<b>562.50</b>	<b>300.70</b>

**E. EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS**

**Qualitative Disclosures:**

- a) Banking book positions consist of those assets which are bought for holding until they mature. The bank treats unquoted equities as banking book assets. Unquoted equities are not traded in the bourses or in the secondary market, they are shown in the balance sheet at cost price and no revaluation reserve is created against these equities.

**Quantitative Disclosures:**

- b) **Values of investments as disclosed in the Balance Sheet:**

In million Taka

Particulars	Amount (Solo)	
	Cost Price	Market Price
Unquoted Share	37.50	37.50
Quoted Share	58.93	55.12

**For Banking Book Equity**

In million Taka

Sln.	Particulars	Amount (Solo)
c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period	51.36
d)	Total unrealized gains (losses)	(3.89)
	Total latent revaluation gains (losses)	-
	Any amounts of the above included in Tier 2 capital	-

**e) Capital Requirement**

In million Taka

Particulars	Amount (Solo)
Unquoted Share	4.69
Quoted Share	11.79

**F. INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)**

**Qualitative Disclosures:**

Interest rate risk affects the bank's financial condition due to adverse movements in interest rates of interest sensitive assets and liabilities. Interest Rate Risk is managed through use of Gap analysis of rate sensitive assets and liabilities and monitored through prudential limits and stress testing. The IRRBB is monitored in movements/changes on a monthly basis and the impact on Net Interest Income is assessed. Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition.

Changes in interest rates affect both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). Re-pricing risk is often the most apparent source of interest rate risk for a bank and is often gauged by comparing the volume of a bank's assets that mature or re-price within a given time period with the volume of liabilities that do so. The short-term impact of changes in interest rates is on the bank's Net Interest Income (NII). In a longer term, changes in interest rates impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the bank arising out of all re-pricing mismatches and other interest rate sensitive position. The ALCO formulates the policy and strategy depending on the market conditions to maximize Net Interest Income.

#### Quantitative Disclosures:

##### Gap analysis: Duration Gap

The objective of the Duration GAP Analysis is to measure the level of the Bank's exposure to interest rate risk in terms of sensitivity of Market Value of its Equity (MVE) to interest rate movements. The duration gap tells how cash flows for assets and liabilities are matched. A positive duration gap is when the duration of assets exceeds the duration of liabilities (which means greater exposure to rising interest rates).

In million Taka

Sl.No.	Particulars	2021	2020
1	Weighted average duration of assets (DA) in years	3.51	2.84
2	Weighted average duration of liabilities (DL) in years	0.77	0.66
3	Duration gap (DA-DL) in years	2.79	2.26

##### Change of market value of equity due to increase in interest rates as of December 31, 2021

In million Taka

Particulars	1%	2%	3%
Fall in Market Value of Equity	(2,029)	(4,059)	(6,089)

##### Interest Rate Risk in the Banking Book under Simple Sensitivity Analysis:

The impact of 1% changes in interest rate sensitive assets and liabilities of the Bank as of December 31, 2021 under earnings perspective with Simple Sensitivity Analysis:

In million Taka

Particulars	3 months	6 months	1 year	Above 1 year
Interest sensitive assets	17,761.26	4,351.17	8,702.35	16,833.22
Interest sensitive liabilities	23,488.60	4,941.38	9,882.76	15,593.07
Net gap	(5,727.34)	(590.21)	(1,180.42)	1,240.14
Cumulative gap	(5,727.34)	(6,317.55)	(7,497.97)	(6,257.82)
Interest rate changes	1%	1%	1%	1%
Yearly earnings impact	(57.27)	(5.90)	(11.80)	12.40
Accumulated earnings impact	(57.27)	(63.18)	(74.98)	(62.58)

## G) MARKET RISK

#### Qualitative Disclosures:

##### a) View of the Board of Directors on trading/investment activities:

Market risk arises due to changes in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. The financial instruments that are held with trading intent or to hedge against various risks, are purchased to make profit from spreads between the bids and ask price are subject to market risk. MMBL is exposed to market risk mostly stemming from Government Treasury Bills and Bonds, foreign currency etc.

##### Methods used to measure Market Risk:

There are several methods used to measure market risk and the bank uses those methods which deem fit for a particular scenario. For measuring interest risk from earnings perspective, the bank uses maturity gap analysis, duration gap analysis, sensitivity analysis and mark to market (MTM) method and for measuring foreign exchange risk, the bank uses VaR analysis.

We use standardized (Rule Based) method for Calculating capital charge against market risks for minimum capital requirement of the Bank under Basel-III.

**Market Risk Management System:**

The Bank has its own Market Risk Management System which includes Asset Liability Risk Management (ALM) and Foreign Exchange Risk Management under the core risk management guidelines.

**Asset Liability Management (ALM):** The ALM policy specifically deals with liquidity risk management and interest rate risk management framework.

**Foreign Exchange Risk Management:** Foreign exchange risk arises when the bank is involved in foreign currency transactions. These include foreign currency exchange, placement, investments, loans, borrowings and different contractual agreements. We use different hedging techniques to mitigate foreign exchange risks exposed to the bank.

**Policies and processes for mitigating market risk:**

- Risk Management and reporting is based on parameters such as Maturity Gap Analysis, Duration Gap Analysis, VaR etc, in line with the global best practices.
- Risk Profiles are analyzed and mitigating strategies are suggested by the Asset Liability Committee.
- Foreign Exchange Net Open Position (NOP) limits (Day limit / Overnight limit), deal-wise trigger limits, Stop-loss limit, Profit / Loss in respect of cross currency trading are properly monitored and exception reporting is regularly carried out.
- Holding equities is monitored regularly so that the investment remains within the limit as set by Bangladesh Bank.
- ALCO analyzes market and determines strategies to attain business goals.
- Reconciliation of foreign currency transactions.

**Quantitative Disclosures:**

**b) The capital requirements:**

In million Taka

Particulars	2021	2020
Interest rate risk	602.44	548.59
Equity position risk	11.79	66.00
Foreign exchange risk	68.82	20.98
Total	683.05	635.56

**H. OPERATIONAL RISK**

**Qualitative Disclosures:**

**a) View of the Board of Directors on system to reduce Operational Risk:**

Operational risk is the risk which may arise directly or indirectly due to failure or breakdown of system, people and process. This definition includes legal risk, but excludes strategic and reputation risk. The bank manages this risk through a control based environment in which processes are documented, authorization is independent and transactions are reconciled and monitored.

All functions, whether business, control or logistics functions, must manage the operational risks that arise from their activities. Operational risks are pervasive, as a failure in one area may have a potential impact on several other areas. The Bank has therefore established a cross-functional body to actively manage operational risk as part of its governance structure.

The foundation of the operational risk framework is that all functions have adequately defined their roles and responsibilities. The functions can then collectively ensure that there is adequate segregation of duties, complete coverage of risks and clear accountability. The practice is supported by a periodic process conducted by ICCD, and monitoring external operational risk events, which ensure that the bank stays in line with the international best practices.

## Performance Gap of Executives and Staffs:

MMBL is an equal opportunity employer. It recognizes the importance of having the right people at right positions to achieve organizational goals. Our recruitment and selection is governed by the philosophy of fairness, transparency and diversity.

The bank believes that training and knowledge sharing is the best way to reduce knowledge gap. Therefore, it arranges trainings on a regular basis for its employees to develop their expertise. The bank offers competitive pay package to its employees based on performance and merit. It always tries to develop a culture where all employees can apply his/her talent and knowledge to work for the organization with high ethical standards in order to add more value to the company and for the economy.

### ● Performance Management Program

Modhumoti Bank has a comprehensive performance management program that evaluates employee's yearly performance against business targets at the year-end. This appraisal process also identifies the competency gap and training needs of employees. All employees (except employees under probation or training) of the Bank undergo annual performance appraisal process. The process ensures that clear feedback on improvement points (performance and professional capabilities) is provided to employees by their supervisors to promote employees' long-term career development and improved contribution to organizational performance. All regular employees undergo the annual performance and career development review.

### ● Diversity in Workplace

Modhumoti Bank believes that diverse, heterogeneous teams generate greater creativity, innovation and business development. An inclusive culture maintains and drives workforce diversity by fostering the exchange of ideas and collaboration among individuals and across groups. To speak simply, our constant success depends on maintaining a plurality of perspectives. Employees by age group and gender are noted below:

01.	Gender diversity among members of the Board of Directors	No. of male members -15	
		No. of female members -05	
02.	Gender diversity among permanent employees	i. Entry level	No. of male employees- 181 No. of female employees- 93
		ii. Mid-level	No. of male employees- 322 No. of female employees- 08
		iii. Senior Management	No. of male employees- 08 No. of female employees- 01
03	Gender breakdown by age group for permanent employees	i. < 30 years	No. of male employees- 66 No. of female employees- 24
		ii. 30-50 years	No. of male employees- 429 No. of female employees- 77
		iii. > 50 years	No. of male employees- 16 No. of female employees- 1

## Potential external events

- Russian invasion of Ukraine has already cast a dark shadow on global economy by threatening the global financial system to an unprecedented level.
- Global inflationary pressure will increase further due to big jump in oil and commodity prices as the war has also threatened to disrupt the global supply chain making the world trade costlier.
- Bangladesh is likely to face a series of troubles on both economic and geo-political fronts. Economic shock will be felt immediately whereas geo-political difficulty will be visible in the near future. Being globally exposed mostly through trade, the economic shock will be transmitted at a faster rate.
- Bangladesh's export to Russia and its adjacent countries would hamper and at the same time the import prices of fertilizer's especially urea might increase due to the war.
- The negative impact of the financial sanction on Russia will also disrupt the Rooppur nuclear power plant project, the largest project with Russian credit in Bangladesh. Already the Russian bank, Bank for Development and Foreign Economic Affairs (VEB) to be precise, has asked Bangladesh to hold up transactions for the time being. The bank is facing sanctions regarding the SWIFT's service. Sonali Bank in Bangladesh transacts the funds of this project, worth US\$ 11.38 billion, with the Russian counterpart. At least, two more commercial banks have also received similar messages from two more Russian banks to suspend transactions for the time being due to their being cut off from SWIFT.

- As the Russia-Ukraine war has already shaken the global oil and commodity markets, global inflation is set to increase further. Oil price has crossed \$110 per barrel while commodity prices reached 50 years' high. If the oil price continues to surge, Bangladesh may also increase the prices of fuel oils domestically which will drive up domestic inflation further. The country hiked the prices of fuel oils five months back which pushed the price inflation.
- Again, imports of foods, raw materials and intermediate goods will be costly due to rise of prices in the global market coupled with increase in freight charges and insurance premiums. So, there will be an extra pressure on payments of imports leading to further depreciation of Bangladeshi taka against dollar.
- Import cost would be higher due to global inflation which creates pressure on dollar prices.
- Bank may face issue in managing affordable fund in mid/long run due to vulnerable market condition caused by slow growth, higher inflation.
- The sanctions against Russia will create extra pressure on the Banks of the country regarding due diligence of AMLCFT risk.

### Policies and processes for mitigating operational risk:

The Operational Risk Management Function is responsible for monitoring, coordinating measures, reporting on operational risks and developing the framework models and methodologies as required. The Bank identifies and assesses the operational risk inherent in all its material products, activities, processes and systems. Furthermore the Bank ensures that before new products, activities, processes and systems are introduced or undertaken, the operational risk inherent in them is subject to adequate assessment procedures. The Bank mitigates operational risks by defining, documenting and updating the relevant business processes. Furthermore, the Bank mitigates operational risk by following strict rules for the assignment of duties and responsibilities among and within the functions and a system of internal control and supervision. The main principle for organizing work flows is to segregate the business-generating functions from the recording and monitoring functions. An important factor in operational risk mitigation is also the continuous development and upgrading of strategic information and communication systems.

The Bank has adopted policies which deal with managing different Operational Risks. Bank strongly follows KYC norms for its customer dealings and other banking operations. The Audit & Inspection Unit of Internal Control and Compliance Division of the Bank, the inspection teams of Bangladesh Bank and External Auditors conduct inspection of different branches and divisions at Head Office of the Bank and submit reports presenting the findings of the inspections. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports.

### Approach for calculating capital charge for operational risk:

The bank applies 'Basic Indicator Approach' of Basel II as prescribed by BB in revised RBCA Guidelines. Under this approach, banks have to calculate average annual gross income (GI) of last three years and multiply the result by 15% to determine required capital charge. Gross Income is the sum of 'Net Interest Income' and 'Net non-interest income' of a year or it is 'Total Operating Income' of the bank with some adjustments as followings:

- Be gross of any provision (e.g. for unpaid interest),
- Be gross of operating expenses, including fees paid to outsourcing service providers,
- Exclude realized profits/losses from sale of securities held to maturity in the banking book,
- Exclude extraordinary or irregular items,
- Exclude income derived from insurance and
- Include lost interest i.e. interest suspense on SMA and classified loans.

### Quantitative Disclosures:

#### a) Capital requirement for operational risk

In million Taka

Particulars	Solo	
	2021	2020
The capital requirements for operational risk	331.79	327.22

## Calculation of Capital Charge for Operational Risk: Basic Indicator Approach

In million Taka

Year	Gross Income (GI)	Average GI	15% of Average GI
2021	2,080.44	2,211.94	331.79
2020	2,574.95		
2019	1,980.42		
<b>Total</b>	<b>6,635.81</b>	<b>2,211.94</b>	<b>331.79</b>

### I. LIQUIDITY RATIO

#### Qualitative Disclosures:

#### Views of BOD on system to reduce liquidity Risk:

Liquidity risk is the risk of probability to be unable to meet short term financial demands by the bank. This may occur due to the inability to convert a security or fixed asset to cash without a loss of capital and/or income in the process.

In the recent years, banks are facing a myriad of challenges; most of them triggered by new regulatory requirements. To maintain a profitable business, however, it is not enough for a bank to simply comply with new regulatory requirements: it must also optimize its business model within regulatory constraints. To do so, the bank has already been introduced regulatory ratios (as per Basel III), the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR), top-down from the Board of Directors of the Bank.

In order to reduce the liquidity risk, the Board of Directors of the Bank has formed Asset Liability Committee (ALCO) and All Risk Committee at management level as per guidelines of Bangladesh Bank. ALCO regularly monitors the maintenance of the liquidity position of the Bank. The management decided to concentrate on retail or individual (small) deposits instead of large corporate deposits. The Bank also draws up contingency plans to deal with extraordinary conditions of Liquidity Risk after comprehensive scenario analysis.

#### Methods used to measure Liquidity risk:

#### Liquidity mismatch profile:

The primary tool of monitoring liquidity risk is the maturity mismatch analysis, which presents the profile of future expected cash flows under pre-defined scenarios. The bank conduct liquidity mismatch profiling on an ongoing basis which is ultimately monitored by Treasury, ALCO, Risk Management Division and Executive Risk Management Committee.

#### Stress testing:

The bank undertook stress testing and scenario analysis periodically to determine the stress situations on the liquidity of the Bank and ultimate impact of the liquidity risk on the fund management of the Bank.

#### Liquidity Coverage Ratio (LCR):

LCR aims to ensure the maintenance of an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for 30 calendar days. It measures the need for liquid assets in a stressed environment, in which deposits and other sources of funds (both unsecured and secured) run off, to various extents, and unused credit facilities are also drawn down in various magnitudes.

$$\text{LCR} = \frac{\text{Stock of high quality liquid assets}}{\text{Total net cash outflows over the next 30 days}} \geq 100$$

#### Stock of high quality liquid asset (SHQLA):

The following components are included in the computation of SHQLA -

1. Cash on hand (Lcy + Fcy)
2. Balance with BB (Lcy+ Fcy, excluding lien)
3. Un-encumbered approved securities (excluding lien)

## Net Stable Funding Ratio (NSFR):

The NSFR aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on- and off-balance sheet items. The minimum acceptable value of this ratio is 100 percent, indicating that available stable funding (ASF) should be at least equal to required stable funding (RSF).

$$\text{NSFR} = \frac{\text{Available amount of stable funding (ASF)}}{\text{Required amount of stable funding (RSF)}} \geq 100$$

### Liquidity risk management system:

Liquidity risk management is a key banking function and an integral part of the asset and liability management process. The fundamental role of banks is the maturity transformation of short-term deposits (liabilities) into long-term loans (assets) and this makes banks inherently vulnerable to liquidity risk. The transformation process creates asset and liability maturity mismatches on a bank's balance sheet that must be actively managed with available liquidity. This is the process known as liquidity risk management.

The primary role of liquidity-risk management is to (1) prospectively assess the need for funds to meet obligations and (2) ensure the availability of cash or collateral to fulfill those needs duly by coordinating the various sources of funds available to the institution under normal and stressed conditions.

### Policies and processes for mitigating liquidity risk:

The Bank has Treasury Policy, Contingency Funding Plan and Wholesale Borrowing and Funding Policy to combat liquidity risk of the Bank. The Board and the management implement the following processes in the bank for superior liquidity risk management:

- **Liquidity risk tolerance:** Bank set liquidity risk tolerance (Management Action Trigger) e.g. Maximum Cumulative Outflow (MCO) at 16%, AD Ratio at 80%, LCR at 105%, NSFR at 102% etc.;
- Maintaining adequate levels of liquidity considering the average daily withdrawal by the customers;
- Identification and measurement of contingent liquidity risks arising from unseen scenarios.
- **Contingency funding plan:** Contingency funding plans incorporate events that could rapidly affect the bank's liquidity arising from sudden inability to call back long-term loans and advances, or the loss of a large depositor or counterparties.
- Public disclosure in promoting market discipline under Pillar 3 of Basel III.

### Quantitative Disclosures:

In million Taka

Particulars	2021	2020
Liquidity Coverage Ratio (LCR)	249.42%	289.98%
Net Stable Funding Ratio (NSFR)	103.83%	111.18%
Stock of High quality liquid assets	28,543.85	23,768.45
Total net cash outflows over the next 30 calendar days	11,444.09	7,888.50
Available amount of stable funding	65,962.22	59,851.29
Required amount of stable funding	63,531.47	53,830.51

## J. LEVERAGE RATIO

### Qualitative Disclosures:

#### Views of BOD on system to reduce excessive leverage:

Excessive leverage by banks is widely believed to have contributed to the global financial crisis in 2008. To address this, the international community has proposed the adoption of a non-risk-based capital measure, the leverage ratio, as an additional prudential tool to complement minimum capital adequacy requirements. Accordingly, leverage ratio has been introduced under Basel III. Leverage ratio is the relative amount of Tier 1 capital to total exposure of the Bank (not risk-weighted) which has been set at minimum 3%. Under Basel III, a simple, transparent, non-risk based regulatory leverage ratio has been introduced to achieve the following objectives:

- constrain leverage in the banking sector, thus helping to mitigate the risk of the destabilizing deleveraging processes which can damage the financial system and the economy

- introduce additional safeguards against model risk and measurement error by supplementing the risk-based measure with a simple, transparent, independent measure of risk

The Board Risk Management Committee regularly reviews the leverage ratios and advice the management to strictly monitor the ratio in addition to the Pillar 1 Minimum Capital Requirement.

**Policies and processes for managing excessive on and off- balance sheet leverage:**

The bank reviews its leverage position as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III). In addition, the bank has Risk Appetite as per Credit Risk Management Policy and Risk Appetite Framework of the Bank. The Bank also employ Annual Budget Plan and Capital Growth Plan for managing excessive on and off-balance sheet leverage.

**Approach for calculating exposure:**

The bank calculates the exposure under standardized approach as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III).

**Quantitative Disclosures:**

Particulars	In million Taka	
	2021	2020
Leverage Ratio	8.74%	9.39%
On balance sheet exposure	78,994.45	72,613.97
Off balance sheet exposure	15,381.04	12,886.95
<b>Total exposure</b>	<b>8,250.24</b>	<b>85,500.91</b>

**K. REMUNERATION**

**Qualitative Disclosures:**

**a) Information relating to the bodies that oversee remuneration**

**Name, composition and mandate of the main body overseeing remuneration:**

The Board of Directors of the Bank oversee the remuneration of the employees and members of the Board of the Bank. The bank has no separate committee in the Board to look after the remuneration issues of the Bank. The Board set competitive salary and bonuses for the employees of the Bank. However, the Board allows the remuneration to its members as per the guidance of Bangladesh Bank.

The remuneration strategy is designed to reward competitively the achievement of long-term sustainable performance and attract and motivate the very best people who are committed to maintaining a long-term career with the bank and performing their role in the long-term interests of our shareholders.

To achieve this objective, the bank believes that effective governance of our remuneration practices is a key requirement. Governance of remuneration principles and oversight of its implementation by the Board ensures what we pay our people is aligned to our business strategy and performance is judged not only on what is achieved over the short and long term but also importantly on how it is achieved, as we believe the latter contributes to the long-term sustainability of the business.

**External consultants for remuneration process:**

There is no external consultant in the bank for setting remuneration for its employees of the Bank.

**Scope of the bank’s remuneration policy:**

The Board formulate different policies e.g. HR Policy, Increment Policy, Promotion Policy, Provident Fund Policy and Gratuity Fund Policy which eventually supplement the remuneration of the employees. However, the HR Policy is yet to finalize.

The board periodically reviews the adequacy and effectiveness of the bank’s remuneration policy and ensures that the policy meets the commercial requirement to remain competitive, is affordable, allows flexibility in response to prevailing circumstances and is consistent with effective risk management.

### **Types of employees considered as material risk takers and as senior managers:**

There are 50 employees are considered as material risk takers which include the Managing Director & CEO, Chief Risk Officer, Chief Operating Officer, Chief Business Officer, Head of Treasury, Head of Corporate & Investment Banking Division and 44 branch managers.

Apart from that EVP and above employees can be considered as senior managers who eventually perform management role in achieving the organization's goal. Accordingly, the bank has 5 senior managers working in different areas of the bank.

### **b) Information relating to the design and structure of remuneration processes**

#### **Overview of the key features and objectives of remuneration policy:**

Key features of the remuneration policy and the structure of remuneration process of the Bank are noted below:

<b>Fixed pay</b>	The purpose of the fixed pay is to attract and retain employees by paying market competitive pay for the role, skills and experience required for the business. This includes salary, fixed pay allowance, cash in lieu of pension and other cash allowances in accordance with local market practices. These payments are fixed and do not vary with performance.
<b>Benefits</b>	The bank provides benefits in accordance with the industry practice of the country. This includes but is not limited to the provision of provident fund, gratuity fund, medical allowances, transport loan and house building loan etc.
<b>Annual incentive</b>	The banks provide annual incentive based on the achievement of the business and profit target of the Bank. The bank provide performance based incentive to its employees.  Bonus paid based on the last basic salary of the employee of the Bank. However, bonus for MD & CEO has maximum limit of Tk.10.00 lac pa as per guidelines of Bangladesh Bank.

Only cash, and cash equivalent remuneration shall be permitted – no equity or equity linked payments are permitted in the bank.

#### **Objectives of remuneration policy:**

The main objectives of the remuneration policy are to attract, retain and reward talented staff and management, by offering compensation that is competitive within the industry, motivates management to achieve the bank's business objectives and encourage high level of performance and aligns the interests of management with the interests of shareholders.

#### **Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made:**

The Bank has no remuneration committee comprising the members from the Board. However, the Board of Directors determine the policies relating to the remuneration for the employees and review time to time if necessary. The Board of Directors approved a performance bonus for the eligible employees of the Bank for the year 2021.

#### **Whether risk and compliance employees are remunerated independently of the businesses they oversee:**

The bank has no separate policy for remuneration of the risk and compliance employees of the Bank.

### **c) Description of the ways in which current and future risks are taken into account in the remuneration processes**

#### **Overview of the key risks that the bank takes into account when implementing remuneration measures:**

The bank's policy is to ensure that the level and composition of remuneration is appropriate and fair having regard to competitive forces and the interests of the bank, its shareholder's and that its relationship to performance is clear in present and future environment.

The bank considers the general inflation, pay structure of the banking industry and national pay-scale in determining the salary structure of the employees. If the pay structure cannot be competitive then good employees may leave the organization i.e. employees turnover will increase which may negatively impact the business of the bank.

**Overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure:**

The management proposes competitive remuneration and other non-financial benefits like promotion, training etc. so that employees turnover ratio can be kept under tolerable limit. Sometimes few issues are difficult to measure relating to employees e.g. creativity, helpfulness to customers, commitment risk etc. In such cases, management applies qualitative judgment for determining the remuneration especially annual incentive or bonuses.

**A discussion of the ways in which these measures affect remuneration:**

Qualitative judgment may affect the remuneration as there is no direct way to determine the remuneration.

**A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration:**

No visible changes have been made in respect to the nature and type of the measures used regarding the key risks take into account when implementing remuneration.

**d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration**

**An overview of main performance metrics for bank, top-level business lines and individuals:**

Staff are subject to performance management reviews annually. Remuneration, including bonuses, are in alignment with the outcome of these reviews. The reviews are being done based on annual confidential report (ACR) and annual performance appraisal report (APR) including the business performance of the employees.

**A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance:**

Remuneration is based on bank-wide business performance including achievement of profit target, loans and advances target etc. These have impact on the number and amount of incentive bonuses for the respective year.

Remuneration increases will only take place if the bank's overall performance is positive, and the individual's performance is considered to be exceeding expectations.

**A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak:**

If the performance metrics of the Bank are found weak, then no increases in remuneration may take place despite personal achievements of employees. In such case, the management takes initiative to improve the performance metrics so that individual remuneration of the employees cannot be hampered for prolonged period.

**e) Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance.**

**A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance:**

The bank provides Provident Fund contribution and Gratuity Fund contribution for the employees as deferred payment. The bank does not provide any deferred variable remuneration.

**A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements:**

The bank has no claw back arrangements after providing deferred remuneration (PF, GF etc.). However, in case of special cases, the management may claw back the deferred remuneration vested to the employees.

**f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms**

**An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms):**

The board may declare general annual incentive, if the bank achieves its business target. However, employees who exceeds expected performance can get variable remuneration. All remuneration are paid in cash only.

**A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees, a description the factors that determine the mix and their relative importance:**

The most common forms of variable pay are bonuses and incentives. The contractual employees will not be considered for variable remuneration.

#### Quantitative Disclosures:

##### g) Meetings of main body overseeing remuneration and remuneration paid to its member during 2021

In million Taka

Particulars	Number	Remuneration
Number of meetings held of Board of Directors	8	0.98

##### h) Variable remuneration, bonuses and other payments during 2021

In million Taka

Particulars	Number	Amount
Employees having received a variable remuneration award (Profit Bonuses)	2	28.40
Guaranteed bonuses awarded (Festival Bonuses)	3	43.26
Sign-on awards made	-	-
Severance payments made (PF, GF, Leave Encashment)	PF 28 GF 13	20.05

##### i) Deferred remuneration in 2021

In million Taka

Particulars	Amount
<b>Total amount of outstanding deferred remuneration (PF, GF etc.):</b>	
Cash	331.21
Shares	
Share-linked instruments & others	
<b>Total amount of deferred remuneration paid out in 2021</b>	20.05

##### j) Breakdown of amount of remuneration

In million Taka

Particulars	Amount
<b>Breakdown of amount of remuneration:</b>	
Fixed (Salary & allowances)	631.57
Variable (Incentive Bonuses)	28.40
Deferred (PF, GF)	20.05
Non-deferred	-
<b>Different forms used</b>	
Cash	680.02
Shares	-
Share-linked instruments & others	-

**k) Quantitative information about employee's exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:**

In million Taka

Particulars	Amount
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments	-
Total amount of reduction during 2021 due to ex post explicit adjustments	-
Total amount of reduction during 2021 due to ex post implicit adjustments	-

# SUSTAINABILITY ANALYSIS



## Managing Director & CEO's message on **Sustainability Reporting**

In the early months of the year 2021, the country experienced second wave of Covid-19 which affected the economy greatly. In the later half of the year the economy recovered from setback along with the development of the Covid-19 situation. After almost one and half a year of uncertainty, we see new opportunities for transformation and resilient growth. Most importantly, as both individuals and businesses, we have developed a deeper appreciation for our responsibility as citizens of one planet. We have seen the spirit of cooperation that will keep humanity and the purpose of businesses alive for generations. We manage our business and people with the responsibility of delivering sustainable financial returns. A commitment to principle of good governance and the strategic role of our Board, Senior Leadership and Skilled Workforce collectively contribute to shaping a profitable organization.



Modhumoti Bank Limited (MABL) started its journey in the year 2013 with a view to support sustainable and inclusive growth by connecting the ideas, innovations and aspirations of our Customers and Clients. We are involved in banking with the firm commitment of excellence in customer services and with a mission to be an efficient, market driven, customer focused institution with good corporate governance structure through designing and adopting policies to embed sustainability into our operations, undertaking awareness and capacity building activities, supporting & financing environment friendly business initiatives, and ensuring transparency in financial as well as sustainability reporting. Its vision remained to be the best private commercial bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, profitability along with strong liquidity as well as adopting Sustainability for a Safe Environment. The Bank always ensures sustainability aspects in its all kinds of activities to keep one thing in mind that “we need to treat the earth well as it was not given to us by our parents; it was loaned to us by our children”.

We are committed for continuous improvements of our business and operational policies & procedures so that we can act sustainably in our everyday business. In our view, sustainability presents an opportunity to use our skills, expertise and relationships to make a positive difference to individuals, society and environment. Building trust by being open, approachable, transparent and acting with integrity is vital to achieving this objective.

The Bank has already established an independent ‘Sustainable Finance Unit (SFU)’ which is working on formulation, amendment & up-gradation of policies related to Green Banking, Corporate Social Responsibility, Environmental and Social Risk Management, Green Office Guide, Green Strategic Plan etc. They will also ensure implementation of directives related to sustainable development goals (SDGs) provided by the Bangladesh Government and Bangladesh Bank from time to time.

Sustainability reporting can help organizations to measure, understand and communicate their economic, environmental, social & governance performance, and then set goals, and manage change more effectively. It presents how the activities of a Bank are supporting the achievement of SDGs which embrace a universal approach to the sustainable development agenda. Sustainability reporting related issues are reviewed & executed by the Sustainable Finance Unit in association with ‘Finance & Accounts Division (FAD)’. In this regard, Sustainability Reporting Standards issued by the Global Reporting Initiatives (GRIs) are being followed by the Bank.

Since inception, the Bank has been demonstrating its responsibilities through various CSR programs in the field of education, health, games & sports, disaster management and other areas through its dedicated CSR wing under Sustainable Finance Unit (SFU) in association with other concerned divisions of the Bank. We share one planet that feeds and shelters us; and to save this planet, we do business in an economic, socially and environmentally responsible way.

To conclude, we would like to make the promise to our esteemed stakeholders and the society at large on behalf of Modhumoti Bank family that we are and will certainly be aware of the challenges induced by Covid-19 and ongoing Russia-Ukraine crisis regarding sustainable operations of the Bank.



**Md. Shafiqul Azam**  
Managing Director & CEO

## Message from the Chairman **Sustainable Finance Committee**

Throughout the year 2020 and 2021, the country was going through difficult time due to Covid-19 repercussion across the country. Modhumoti Bank Limited tried its best to protect the Employees and Customers against the externalities of Covid-19. Modhumoti Bank Limited believes sustainability is the core element of competitiveness in the banking business. To ensure the sustainable financing (sustainable finance and green finance), the Bank has taken the endeavor to report the activities relating to sustainable financing, green banking initiatives and corporate social responsibility (CSR) under Sustainability Reporting for our stakeholders.



As per European Union (EU), United Nations Environment Programme (UNEP) and International Finance Corporation (IFC), sustainable finance generally refers to the process of taking due account of Environmental, Social and Governance (ESG) considerations when making investment decisions in the financial sector. More specifically, environmental considerations may refer to climate change mitigation and adaptation, as well as the environment more broadly, such as the preservation of biodiversity, pollution prevention and circular economy.

There is a growing movement, worldwide, to not only be a more responsible corporate citizen, but to trade on that fact and Sustainability Reporting is the prerequisite of this undertaking for diverse organizations in the recent time. Sustainable Business, Corporate Social Responsibility, Environmental and Social Risk Assessments are other terms heard increasingly in business, investment and governance forums today and this belies the growing significance of this activity.

Bangladesh Bank issued Guidelines on Environmental & Social Risk Management (ESRM) in 2017 and also issued Sustainable Finance Policy in 2020 for ensuring the sustainable banking practices to achieve the SDGs target of the country. Modhumoti Bank Limited has already formulated ESRM Policy as per the guidelines of Bangladesh Bank which is duly approved by the Board of Directors of the Bank.

It is our immense pleasure that the Bank believes in ethical banking business which takes into consideration of the environment and society in lending and also creating different deposit products. The Bank has extended loans in environment friendly brick kiln and green feature building and also has provided around 26.24% of its financing in CMSME sectors which creates huge job opportunities for the communities involved. The Bank has already established more than 457 Agent Points across the country from a view point of financial inclusion, an effort to include the unbanked population of the country in the formal banking channel. The Bank has also contributed to a wide range of local initiatives which includes relief and medical support to Covid-19 hit people of the country, donations to fire, flood and cold wave affected people through Bank's own channel and Prime Minister's Relief & Welfare Fund under CSR activities of the Bank.

We hereby presenting our Sustainability Report which will demonstrate the effort of Modhumoti Bank Limited in ensuring the sustainable growth of the Bank complying the Environmental and Social Risk Management Guidelines, Sustainable Finance Policy of Bangladesh Bank and also the SDGs of UNDP. And last but not the least; we will continue to value the demand of the society as a whole including the People, Customers, Shareholders, Communities and all other stakeholders.

A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

**Shahnawaj Chowdhury**  
Deputy Managing Director & COO  
Chairman, Sustainable Finance Committee

## Sustainable Banking

Sustainable banking is a strategy that refers to banking and investment practices that pursue profit, while prioritizing social responsibility and/or environmental sustainability. Sustainability is the process of change, in which the exploitation of resources, the direction of investments, the orientation of technological development and institutional change are all in harmony and enhance both current and future potential. Sustainable development is such development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Moving towards sustainability is also a social challenge that entails international and national laws, urban planning and transport, local and individual lifestyles and ethical consumerism. By integrating social and environmental responsibility into core business processes and stakeholder management, the Bank recognizes its ability to achieve the ultimate goal of creating both social and corporate value.

Modhumoti Bank Limited (MMBL) is growing both in terms of asset and liability, profit and human resources. We are committed to serve all strata of society and through careful customer segmentation that provide financial access and services across the continuum of socio-demographic groups.

The Bank believes that growth should be both inclusive and environmentally sound to reduce poverty and build shared prosperity for our society to continue to meet up the needs of future generations. We are working towards building a solid business model capable of generating stable revenue, delighted customers, disciplined use of capital, rationalization of cost, prudent risk management, and strength of brand to become sustainable banking institute of the country. Being sustainable also means taking responsible decisions in context of ethical, social and environmental issues as well as long sustainable development of the country.

## Stakeholders of sustainable banking

As a commercial bank, Modhumoti Bank has a large number of stakeholders which include, but not limited to employees, suppliers of funds and borrowers, communities, regulators, government institutions, shareholders and the society as a whole. Wider community has the right to know the banking footprint of the Bank and corresponding impact on them. MMBL always prioritize the importance of stakeholders in its existence and operations.



## Organizational Structure for Sustainable Banking & Green Initiatives

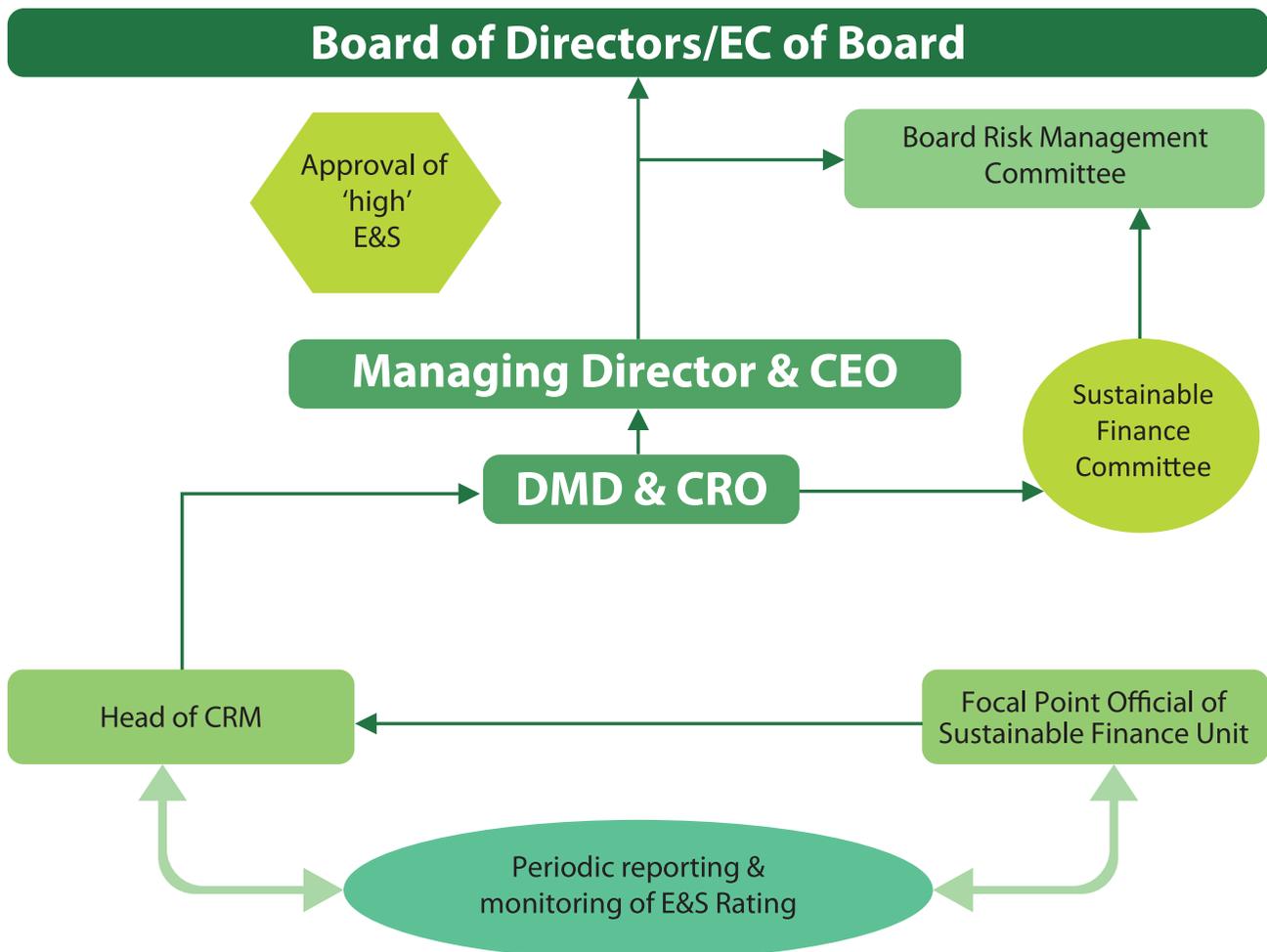
Bangladesh Bank has instructed the banks to form a 'Sustainable Finance Unit' in the Bank through SFD Circular No.02 dated December 01, 2016. As Para 2.1 of the circular, the Green Banking Cell & CSR Desk of the Bank will be dissolved with the newly formed Sustainable Finance Unit. Accordingly, the Bank formed Sustainable Finance Unit duly approved by the Board's Risk Management Committee. The Unit is working to implement the green banking activities and ensuring the corporate social responsibility. As per BB guidance, the Risk Management Committee of Board is entrusted with the following responsibilities regarding Sustainable Banking & Sustainable Finance (Green Banking & CSR) of the Bank:

To perform the activities regarding authorizing, managing & evaluating the functions /activities of Sustainable Finance Unit (SFU) and Sustainable Finance Committee;	To authorize annual budget for Green Finance, CSR, Climate Risk Fund, Green Marketing.	To approve setting up of Sustainable Finance Unit (SFU) and Sustainable Finance Committee.
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Modhumoti Bank has a Sustainable Finance Committee headed by the Deputy Managing Director & COO of the Bank (as senior most DMD of the Bank) and comprises of heads of different Divisions/Units as per the instruction of Bangladesh Bank. This Committee meets as and when required and proposes, coordinates and promotes the Bank's sustainability initiatives. The Sustainable Finance Committee is entrusted with the following responsibilities:

- To perform the activities regarding authorizing, managing & evaluating the functions/activities of Sustainable Finance Unit (SFU);
- To provide yearly goals & targets for the Sustainable Finance Unit (SFU) and evaluate the achievement;
- To ensure the co-ordination & co-operation among all the departments of the Bank regarding the activities of Sustainable Finance Unit (SFU).

### Organizational structure of SFU in Graph



## Sustainable Finance Committee

The Sustainable Finance Committee (SFC) of the Bank formed as per the approval of the Risk Management Committee of the Board in the 10th meeting held on March 27, 2017 in compliance to the SFD Circular No.02 dated December 01, 2016. The incumbent officials of the committee are noted below:

Sl. No.	Incumbent Officials	Position in the Committee
1	Deputy Managing Director	Chairman*
2	Chief Risk Officer	Member
3	Chief Operating Officer	Member
4	Head of SME & Retail Banking	Member
5	Head of ICT Division	Member
6	Head of BDMD (Corporate)	Member
7	Head of International Division	Member
8	Head of Internal Control & Compliance Division	Member
9	Head of Operations Division	Member
10	Head of Credit Administration Division	Member
11	Head of Credit Risk Management Division	Member
12	Head of Establishment & Common Services Division	Member
13	Head of Human Resources Division	Member
14	Head of Finance & Accounts Division	Member
15	Deputy Head of Risk Management Division & Focal Point Official of SFU	Member Secretary
16	Head of Card Division	Member
17	Head of Branding, Communications & Marketing (PRD)	Member

\*Senior DMD of the Bank will hold the position as Chairman

## Regulatory initiatives

Sustainable Finance Department of Bangladesh Bank is engaging and encouraging all Banks and NBFIs to expedite their green banking initiatives and standards. The necessary policy guidelines and strategies for Banks and NBFIs have been disseminated by the central bank which encompasses policy formulation and governance, incorporation of environmental & social risks into credit risk management, in-house environmental management, introduction of green finance, creation of a climate risk fund, capacity building through training and awareness along with periodical regulatory reporting on green banking practices.

Moreover, the Government of Bangladesh has taken initiatives to implement Sustainable Development Goals (SDGs) at national level which was announced by the United Nations to implement at global arena. In line with that, Honorable Prime Minister of Bangladesh has also instructed all to participate in combined manner to accomplish SDGs. In this connection, to bring stability in financial sector, Bangladesh Bank has instructed the Banks & NBFIs (vide SFD Circular No. 02 dated 1st December, 2016) to:

- Establish a Sustainable Finance Unit.
- Establish a Sustainable Finance Committee chaired by senior most Deputy Managing Director.
- Ascertain the Terms of Reference (TOR) set by Bangladesh Bank for Sustainable Finance Unit and Sustainable Finance Committee in the Bank.
- Risk Management Committee (RMC) of the Board of Directors to oversee the formulation of policy, set strategies and programs and monitor the overall activities related to Sustainable Banking and Sustainable Finance (Green Banking & CSR) programs.

Moreover Bangladesh Bank issued Sustainable Finance Policy in 2020 to streamline the practices of Green Finance and Sustainable Finance. Bangladesh Bank also introduced the Green Transformation Fund (GTF) in 2016 and guidance note on GTF in 2020; ESRM Guidelines in 2017; recent guidelines on BB refinance scheme for 68 green products /projects/initiatives belong to 11 green categories in 2020 are some of BB's green initiatives over the time.

## Sustainable Finance Reporting

Bangladesh Bank introduced new reporting format for Sustainable Finance Reporting which includes Green Finance and Sustainable Linked Finance.

### Green Banking

“Green Banking” means operating banking business in such a fashion that proper and adequate attention is allocated in social, ecological and environmental factors of environment by minimizing conservation of nature and natural resources. “Green Banking” is a form of banking taking into account the social and environmental impacts and their main objects are to safe-guard and conserve the environment. As the intermediary of financial sector, banks can ensure that business entities adopt environment-friendly practices. The main objective is to reduce carbon footprint from banking operations as well as from financed projects.

#### Green Activities:

- Activities or functions regarding development of own rules & regulations, rectification, updating and implementing in the Bank including green banking, CSR, ESRM, Green Office Guide, Green Strategic Planning and Gender Parity;
- Financing to projects that are environmental friendly;
- Checking necessary environmental due diligence factors before lending;
- Making efficient and effective use of our resources and channel our financing in an environment friendly manner;
- Introducing new technology in our banking operations that would not only benefit our customers but also increase the productivity of our employees;
- Reducing carbon footprint in our branches and corporate Offices;
- Creating awareness amongst the stakeholders about environmental and social responsibility enabling them to adopt environment friendly business practices;
- Effectively and efficiently managing the activities of both Green Banking and CSR;
- Improving our reporting capacity as per regulatory norms & in line with international standards;
- Strengthening our monitoring capabilities on our sustainable activities;
- Developing own Strategic Paper, rectification, updating and implementation including Carbon Footprint Measurement, establish & manage the Climate Risk Fund, Green Marketing;
- Ensuring all the activities regarding Sustainable Development Goals (SDG) announced by United Nations (UN) as instructed by Bangladesh Bank;
- Ensuring having training of the official/staff of the Bank upon environment friendly banking, CSR, sustainable banking and Sustainable finance.

Modhumoti Bank Limited started Green Banking activities through establishment of a separate Green Banking Unit in 2014, formulated Green Banking Policy, Green Office Guide and other activities in the light of circulars and guidelines from Bangladesh Bank, with the slogan of ‘Go Green.’

By this time the Bank has adopted Phase I (develop green banking policies and show general commitment on environment) and Phase II (develop sector specific environmental policies, set green targets to be achieved through strategic planning, setting up green branches, improved in-house environment management, environmental risk management plan and guidelines, disclosure and reporting of green banking activities). The Bank has established Sustainable Finance Unit in 2017 dissolving the Green Banking Cell and CSR Desk of the Bank as per the SFD Circular No.02 dated December 01, 2016.

### Sustainable Finance

Sustainability means the quality of not being harmful to the environment or depleting natural resources, and thereby supporting long-term ecological, social balance and governance (ESG).

Sustainable finance generally refers to the process of taking due account of environmental, social and governance (ESG) considerations when making investment decisions in the financial sector. More specifically, environmental considerations may refer to climate change mitigation and adaptation, as well as the environment more broadly, such as the preservation of biodiversity, pollution prevention and circular economy.

As per BB Guidelines and instruction the Bank is supposed to disburse 15% of its loan portfolio in the sustainable finance including green finance of the Bank.

## Green banking & sustainable finance performance highlights in 2021

Performance criteria	Achievement of the Bank	MABL Standing
Gender diversity among permanent employees	Among total 613 permanent employees, there were 102 female i.e. the Bank had 16.64% female employees as of December 31, 2021.	The Bank has no gender prejudice and treats all the employees and customers fairly and equally.
Training	One training on green banking was conducted during the year 2021 and 116 employees of the Bank attended the training.	The Bank believes in training and development for all the employees for sustainable banking and state of the art servicing.
Green finance	The bank had green finance of Tk.1,058.45 million in 2021.	The Bank is committed to increase the portfolio over the years.
Sustainable finance	The bank had sustainable finance of Tk.1,251.61 million in 2021.	The Bank is committed to increase the portfolio over the years.
Climate Risk Fund	The Bank had no funding for climate risk fund during the year 2021.	The Bank will increase the exposure in climate risk fund.
Online Banking	All branches (46) of the Bank operate through online coverage.	The Bank believes in hassle-free banking for the customers for the ultimate success.
SMS Banking	The Bank facilitate SMS alert services to 100 per cent of total deposits accounts.	The Bank is on the way to introduce full-fledged SMS Banking soon.
Internet Banking	Total user of internet banking was 1006 during the year 2021.	The Bank has target to increase the usage of internet banking significantly in the coming years.
Smartphone app based Banking	The Bank started smartphone app based services 'Modhumoti Bank Digital Banking-GoSmart' during the year 2021 which was inaugurated on September 19, 2019. Total user of Smartphoneapp based Banking was 3,917 during the year 2021.	The Bank believes that the major portion of the customers are highly tech-savvy which can be used for increase the off-the premises banking services.
ATM Booth	The Bank has total 45 booths across the country and have access to all the ATM booths through NPSB services of Bangladesh Bank.	The customers can withdraw required cash amount 24/7 using ATM/Debit and Credit card.

## Other Green Banking Initiatives of MMBL

Topic (Automated Banking)	Year 2021		
	Rural	Urban	Total
Number of ATMs	26	19	45
Number of Branches with Online Banking	23	23	46
Number of Internet Banking Users	66	940	1006
Total Number of Accounts	159,556	137,954	297,510
Number of Branches Powered by Solar Energy	3	0	3
Number of Agent Outlets	451	6	457

### Commitment to Sustainable Development

The United Nations General Assembly formally adopted the 2030 Agenda for Sustainable Development on 25 September 2015, along with a set of 17 Sustainable Development Goals and 169 associated targets. Building upon the success of the Millennium Development Goals, this new development agenda is the international community's primary guide for sustainable development in the years to come. Like never before, the sustainability aspects of development are considered of primary concern at local, national, regional and international levels.

Modhumoti Bank is in a process of managing relationships with stakeholders in the context of the world's foremost sustainability challenges and committed towards these goals and is helping to achieve them through its business activities and its community investment program.

### Social Development

Inclusive Social Development encompasses a wide range of issues, including but not limited to: poverty eradication, the reduction of inequalities, employment generation, the promotion of cooperatives, family, the role of civil society, older persons and ageing, youth, disability, and indigenous peoples.

In this aspect, Modhumoti Bank Limited has taken a number of initiatives including opening of Tk.10 account for the marginal farmers, employment of 765 employees including 152 support staffs, CSR expenditure for the society, opened 457 Agent Banking Points (as on 31.12.2021) for bringing unbanked population in the formal banking channel.

### Environmental & Social Risk Management

The ESRM Policy of the Bank has been outlined as per the Guidelines on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions in Bangladesh issued by Bangladesh Bank through SFD Circular No.2, dated February 08, 2017. The policy has duly been approved by the Board of Directors of the Bank.

The Policy has been introduced to analyse relevant Environment & Social (E&S) risks and incorporate appropriate risk mitigation measures in overall credit management to be able for expanding the credit portfolio rather than avoid investing in high E&S risks.

The ESRM Policy of the Bank has been incorporated in the Bank in order to

- incorporate environmental risk in overall credit management;
- fortify the risk management process and structure of the Bank;
- integrate ESRM considerations into the Bank's credit and investment decision-making processes;
- fully implement and comply with regulatory and national requirements for E&S risk management of the country;
- promote greater transparency and accountability on E&S issues internally and externally through disclosure and reporting.

## Online & SMS Banking

The customers can transact online through all the branches of the Bank i.e. 100% online banking network. The internet banking of the Bank is also getting momentum. Presently 100 per cent of the total accounts are facilitated with SMS Banking. In addition, the Bank has already been connected to the National Payment Switch of Bangladesh (NPSB) which enables the Bank widely through almost all the ATM Booths of the country.

## Corporate Social Responsibility

In the context of Banking, Corporate Social Responsibility is the commitment of the Bank to the stakeholders in conducting business in an economically, socially and environmentally sustainable manner that is transparent and ethical so that stakeholders are not negatively impacted for the activities of the Bank. The stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-government organizations, local communities, environment and society at large.

On the other hand, Corporate Social Responsibility (CSR) refers to self-regulatory mechanism whereby a bank ensures its active compliance with the spirit of the law, ethical standards and national or international norms. Bangladesh Bank CSR Guideline is the guiding principle in designing our CSR roadmap. MMBL prioritizes on long-term programs rather than the short-term ones that have sustainable and lasting impact on the people and society of the country.

Our system of corporate governance provides the basis for the responsible management, transparency of processes and compliance to regulatory bodies with a focus on sustainable value creation. Since inception, the Bank actively participated in many endeavor as part of the CSR activities of the Bank. Sustainable Finance Unit of the Bank presently looks after the CSR activities of the Bank including reporting on CSR activities in the prescribed format to Bangladesh Bank in timely manner.

In this respect, the Bank has a well-defined policy titled 'Corporate Social Responsibility (CSR) Policy of Modhumoti Bank Limited' with the following objectives:

- The policy will act as the guiding principles for implementing CSR initiatives of the Bank;
- The philosophy and spirit of corporate social responsibility is to get embedded in the core values of the Bank;
- The Policy will help to create awareness of the responsibility of the Bank regarding CSR activities among the stakeholders;
- The adoption of CSR activities and performance (in CSR) of the bank are being treated as an additional indicator for Management's efficiency which reflects in CAMELS rating;
- Actively participated in achieving the Sustainable Development Goals (SDGs) by the Government of the country by 2030;
- Observing environment related laws and regulations and working for healthy development of the society;
- Maintaining high compliance standard in regard to all relevant laws and regulations of all regulatory bodies;
- Supporting art, education, sports, culture, healthcare etc;
- Enhancing shareholder value by optimizing financial performance at a competitive cost.

## CSR allocation as per regulatory instruction

The Bank has following indicative areas for CSR initiatives as recommended by Bangladesh Bank vide SFD Circular Letter No. 03 dated June 16, 2020:

CSR Initiatives	Indicative CSR Allocation
Education	30%
Preventive and curative healthcare	60%
Other areas	10%

Apart from the above, the Bank will have the CSR initiatives/activities as follows:

- Strengthening financial inclusion including subsidized lending as per BB circulars;
- Establishing Scholarship Program for poor and meritorious students or other CSR initiatives to participate directly in the community development program of the country;
- Other areas as per the decision of the Board of Directors of the Bank and Bangladesh Bank from time to time.

However, the indicative allocation of CSR expenditure has since been changed by Bangladesh Bank as per SFD Circular No.01, January 9, 2022 as followings:

Sln.	CSR Sectors	Percentage
1	Education	30%
2	Health	30%
3	Environment and Climate Change Mitigation & Adaptation	20%
4	Other Sectors (if any):	20%
		100%

### Expenditure as Corporate Social Responsibility (CSR) in 2021

The Bank contributed a total sum of Tk.24.65 million for the purpose of General CSR and Tk.10.15 million for the purpose of Special CSR in the 2021 in a number of local initiatives. The detail of the contribution is appended below:

#### General CSR Expenditure in 2021

Sl.No.	Particulars	Area of Expenditure	Amount in Million Tk.
1	Motaleb Hosen Junior High School, Faridpur	Education	2.00
2	Dhaka South City Corporation	Sports development of the country	10.00
3	The poor and underprivileged people of Bagerhat-2	Disaster Management	0.36
4	Bankers Club Rajshahi	Cultural Welfare	0.30
5	Elias Ahmed Chowdhury College Jame Mosjid	Education	1.00
6	Morshed Alam Foundation	Education	1.00
7	Bangladesh Disabled Development Trust-BDDT	Health	0.05
8	Prime Minister's Relief and Welfare Fund	Disaster Management	10.00
<b>Total</b>			<b>24.71</b>

#### Special CSR Expenditure in 2021

The Bank is committed to spend 10% of the after tax profit in the following year as per the condition of license (para 13) issued by Bangladesh Bank vide Ref:BRPD(P-3)/745(64)2013-2706, dated June 09, 2013.

In addition to the above, as per BRPD Circular No. 09, dated April 26, 2021, the Bank is committed to special CSR for an amount of 1% of after tax profit of the Bank for the year ended as of December 31, 2020 which is equivalent to Tk.16.40 million. The additional allocated budget of Tk.16.40 million was supposed to be spent by January 31, 2022. The Bank spent Tk.10.15 million by the prescribed time.

Sl.No.	Particulars	Area of Expenditure	Amount in Million Tk.
1	Dhaka South City Corporation (DSCC) for providing food support to unprivileged people at 75 wards for Covid-19 pandemic.	Livelihood expenses	7.45
2	Burnt to ashes from fire Md. Anwar Hossain house	Capacity building of emergency rescue services	0.20
3	Md. Tahmid Islam Rafed" against donation to late Rasedul Islam, Officer (Cash), MMBL	Livelihood expenses	0.50
4	Donated 83 fisherman families due to fire incident of Pirgonj	Livelihood expenses	2.00
<b>Total</b>			<b>10.15</b>

### Contribution to sports development

Modhumoti Bank Limited contributes to the sports development of the country which started from very beginning of the Bank (since 2014). The Bank donated Tk.1 Crore (Taka One Crore Only) for arranging "Dhaka South City Corporation Inter Ward Sports Tournament 2021" on the occasion of the Birth Centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman, organized by Standing Committee on Sports and Culture, Dhaka South City Corporation under Bank's CSR program. The two month long tournament held among the football and cricket teams of 75 Wards of Dhaka South City Corporation.



In presence of Barrister Sheikh Fazle Noor Taposh, Honorable Mayor, Dhaka South City Corporation, Mr. Md. Shaful Azam, Managing Director & CEO of Modhumoti Bank Limited handed over a cheque Tk.1.00 crore to Dhaka South City Corporation.

### Disaster Management and our commitment

The Bank always stands by the people in need and reaching out to them in crisis. We believe that as a Bank it has greater responsibility for the society we belong and we have always come forward with as much financial help as possible. Our society is our first preference, be it distributing blankets to cold-hit people of the country, reaching out relief to flood-affected people, or responding to any national emergency. In 2021, the Bank has contributed Tk.20.35 million for cold wave and Covid-19 affected people of the country.



Modhumoti Bank Limited donated 15,000 Pcs of blanket to the Honorable Prime Minister's Relief Fund for onward distribution to the destitute and cold affected people of the country. Mr. Humayun Kabir, Chairman of the Board of Directors of Modhumoti Bank Limited handed over the sample blankets to PM's Principal Secretary Dr. Ahmad Kaikaus at the Prime Minister's Office. Honorable Prime Minister Sheikh Hasina attended the program virtually.



Modhumoti Bank Limited distributed food items to unprivileged 15,000 families in 75 Wards (200 families of each Ward) under Dhaka South City Corporation.



*Modhumoti Bank Limited donated Tk. 20.00 (Twenty) Lac for the rehabilitation of 83 families affected by fire in Karimpur (Majhipara), Ramnathpur, Pirgonj Upazila of Rangpur District under Bank's CSR program.*

### **Community Investment**

Modhumoti Bank also contributes to economic and social development through initiatives and programs that support the community. We believe that the most rewarding investment is investing for the society. We are driven by our purpose to sustain and ensure growth by making profit for the stakeholders. We believe in creating long-lasting value for our clientele, shareholders, and employees and above all for the community we operate in. As a responsible corporate, we ensure our CSR activities are anchored on the principle of 'Building Social Capital'. We recognize that we have some definite responsibilities to our customers, employees, government, environment, and to the communities at large. Modhumoti Bank Limited Donated Tk. 20.00 Lac to One Madrasa, Three Masjid's and One Mandir in Khulna under CSR Program.

### **Support for Educational Institutions**

Education is the backbone of a nation. To create good citizens for the nation, we supported educational institutions in improving their educational environment. In 2021, the Bank donated TK.4.30 million for the development of different educational institutions of the country.

### **Preventive and Curative Healthcare**

Health is one of the prime parameters to indicate the development of a nation. The need for healthcare is increasing everyday due to rapid growth of population. MMBL has identified health care as a priority sector and helped the people to prevent the diseases in this sector. In 2021, MMBL has spent Taka 20.05 million in the Preventive and Curative Healthcare sector.

### **Contribution to National Exchequer**

Being a responsible and tax abiding corporate citizen, the Bank regularly pays corporate tax on time, sometime even before it falls due as required and asked by the tax authority. We also deposit excise duty, withheld tax and VAT to govt. exchequer on time by deducting from employees' salary as well as payments to customers and vendors according to rules. Contribution of the Bank to the national exchequer in 2021 is noted below:

In million Taka

Sln.	Particulars	Amount
1	Excise duty	80.95
2	Withheld tax	543.88
3	VAT	104.40
4	Corporate income tax	489.94
<b>Total</b>		<b>1,219.17</b>

### Environmental aspect

The Bank believes that every small 'GREEN' step taken today would go a long way in building a greener future. As an environment responsive bank we initiated Go Green campaign in our Bank. After reducing the use of electricity and paper at the office, Modhumoti Bank is now gearing up for carbon trading to show its commitment to environment-friendly funding. Some of our branches and ATMs of the bank are now run partially on solar power. The Bank also ensures that customers having production facilities susceptible to damage environment has due environmental clearance certificate from the concerned ministry while granting or renewing credit facilities.

### Empowering women

Empowering women to participate fully in economic life across all sectors is essential to build stronger economies, achieve internationally agreed goals for development and sustainability, and improve the quality of life for women, men, families and communities. The Bank has special products for women entrepreneurs at special discounted loan pricing to provide growth support. Women clients can avail Modhumoti Labonnyo Loan up to Tk.0.08 million without any collateral security but up-to Tk.5.00 million with collateral under SME Loans. It is to be noted that the outstanding loan for women entrepreneur was Tk.254.10 million as of December 31, 2021.

### Community Services

To serve the community as part of our responsibility, the Bank introduced Agent Banking services in 2016 and there are 457 agent points across the country till December 2021 and 190,713 deposit accounts maintained in the agent points of the Bank. The agent points are located in the Union Digital Center which facilitate less privileged population segments and underserved economic sectors of the country. The Bank facilitates the freedom fighters and women with higher interest rate for deposits and lower interest rate for loans & advances. The Bank is also serving the underprivileged people, especially who get allowances under Social Safety Net of the Government, through disbursement of Govt. allowances through accounts maintained with agent points of the Bank. The Bank also sponsors different sports and individual adventure for enriching the image of the country.

# Signing Audited Financial Statements



**Humayun Kabir**  
Chairman



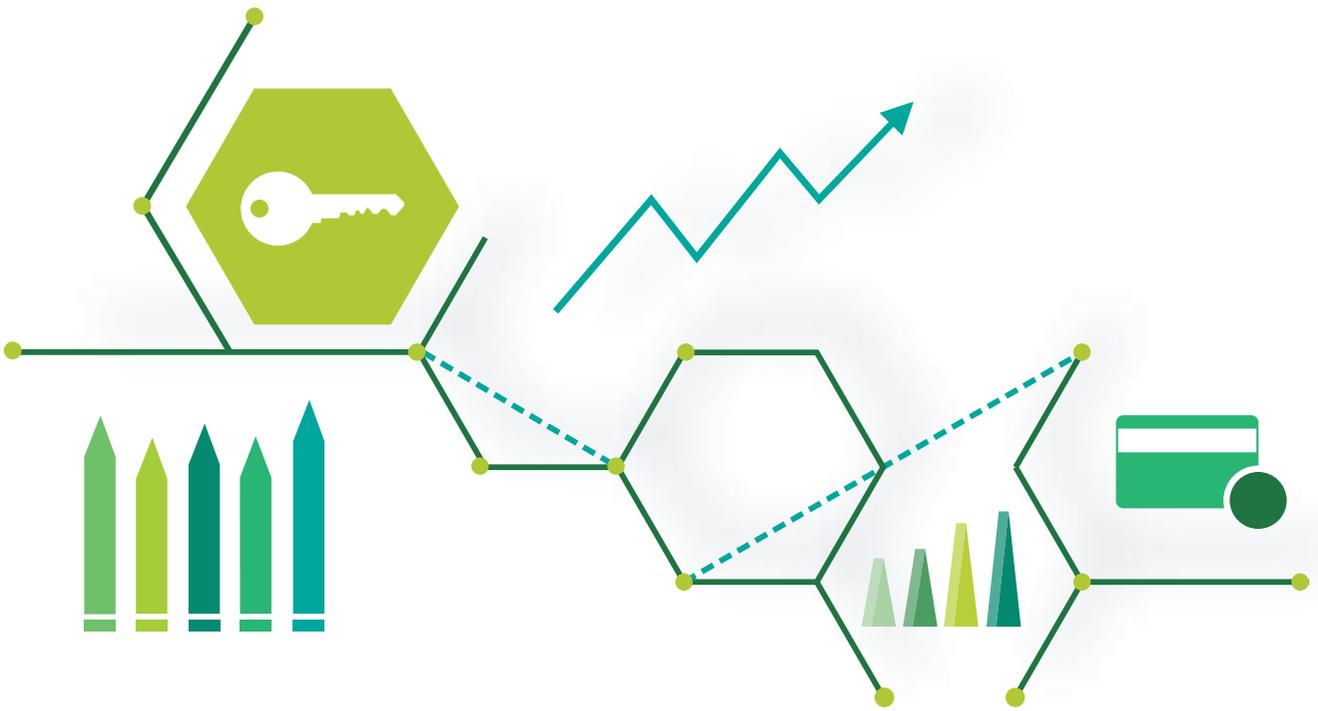
**Shaikh Salahuddin, MP**  
Vice Chairman



**Barrister Sheikh Fazle Noor Taposh**  
Director



**Md. Shaful Azam**  
Managing Director & CEO



# FINANCIAL STATEMENTS



# Independent Auditor's Report

To the shareholders of  
Modhumoti Bank Limited

## Report on the audit of financial statements

### Opinion

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

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

### Basis for opinion

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

### Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements do 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 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 IFRS as explained in note# 2, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (as amended up to date) and the Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management function of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Bank or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 Bank Company Act, 1991 (as amended up to date) and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the management's responsibility for the financial statements and internal control;
  - a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;

- b) nothing has come to our attention regarding material instances of forgery or Irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities.
- (iii) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;
  - (iv) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
  - (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
  - (vi) the expenditures incurred were for the purpose of the Bank's business for the year;
  - (vii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
  - (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
  - (ix) the information and explanations required by us have been received and found satisfactory;
  - (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1278 person hours for the audit of the books and account of the Bank; and
  - (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Place: Dhaka, Bangladesh  
Dated: 28 April 2022

Signed for & on behalf of  
**MABS & J Partners**  
Chartered Accountants



**Nasir U Ahmed**  
FCA, FCS, CGMA (AICPA), ACMA (UK), FCA (England & Wales)  
Deputy Managing Partner  
ICAB Enrollment No: 535  
DVC No. 2204280535AS764977

## Balance Sheet

As at 31 December 2021

Particulars	Notes	Amount in BDT	
		2021	2020
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	4		
Cash in hand (including foreign currencies)		373,973,484	370,040,030
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		2,629,084,496	2,471,791,022
		<b>3,003,057,981</b>	<b>2,841,831,052</b>
<b>Balance with other banks and financial institutions</b>	5		
In Bangladesh		3,526,596,326	5,615,943,247
Outside Bangladesh		442,993,162	325,851,961
		<b>3,969,589,487</b>	<b>5,941,795,209</b>
<b>Money at call on short notice</b>	6	<b>192,400,000</b>	<b>218,900,000</b>
<b>Investments</b>	7		
Government		25,540,793,238	20,926,622,231
Others		218,659,060	509,720,682
		<b>25,759,452,298</b>	<b>21,436,342,912</b>
<b>Loans and advances</b>	8		
Loans, Cash Credit, Overdrafts etc.		39,436,257,826	36,399,089,518
Bills purchased and discounted		2,401,704,450	1,670,692,422
		<b>41,837,962,276</b>	<b>38,069,781,940</b>
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>609,209,275</b>	<b>766,453,903</b>
<b>Other assets</b>	10	<b>4,185,283,694</b>	<b>3,639,562,579</b>
<b>Non - banking assets</b>		-	-
<b>Total assets</b>		<b>79,556,955,011</b>	<b>72,914,667,594</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and its agents</b>	11	<b>6,134,705,304</b>	<b>3,697,190,713</b>
<b>Deposits and other accounts</b>	12		
Current Accounts and other Accounts		6,810,324,286	7,562,214,653
Bills Payable		521,940,507	787,297,820
Savings Bank Deposits		3,672,116,739	3,417,438,678
Special Notice Deposits (SND)		6,029,443,042	8,086,589,849
Fixed Deposits		41,595,197,073	35,100,176,468
Other Deposits		-	-
		<b>58,629,021,648</b>	<b>54,953,717,469</b>
<b>Other Liabilities</b>	13	<b>6,508,962,506</b>	<b>5,704,230,581</b>
<b>Total Liabilities</b>		<b>71,272,689,458</b>	<b>64,355,138,763</b>
<b>Capital/Shareholders' Equity</b>			
Paid up Capital	14.2	5,257,381,450	5,007,030,000
Statutory Reserve	15	2,167,614,506	1,854,552,297
Revaluation Reserve	16	33,825,345	532,442,230
Foreign currency translation gain	16 (a)	201,721	-
Surplus in Profit and Loss Account/ Retained Earnings	17	825,242,531	1,165,504,304
<b>Total Shareholders' Equity</b>		<b>8,284,265,553</b>	<b>8,559,528,831</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>79,556,955,011</b>	<b>72,914,667,594</b>

## Balance Sheet

As at 31 December 2021

Particulars	Notes	Amount in BDT	
		2021	2020
<b>Off-Balance Sheet Items</b>			
<b>Contingent liabilities</b>	18		
Acceptances and Endorsements		5,556,720,807	3,749,296,832
Letters of Guarantees		13,867,844,931	14,685,605,611
Irrevocable Letter of Credits		10,109,120,972	6,870,454,423
Bills for Collection		3,619,108,201	1,618,476,047
Other Contingent Liabilities		668,657,520	-
<b>Total Contingent Liabilities</b>		<b>33,821,452,431</b>	<b>26,923,832,912</b>
<b>Other Commitments</b>			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total other commitments</b>		-	-
<b>Total Off-Balance Sheet Items including Contingent Liabilities</b>		<b>33,821,452,431</b>	<b>26,923,832,912</b>

*These Financial Statements should be read in conjunction with the annexed notes 1 to 37*



**Chairman**



**Vice Chairman**



**Director**



**Managing Director & CEO**

*See annexed Auditors' Report to the Shareholders of date*

**Dhaka, 28 April, 2022**

Signed for & on behalf of  
**MABS & J Partners**  
Chartered Accountants



**Nasir U Ahmed**  
FCA, FCS, CGMA (AICPA), ACMA (UK), FCA (England & Wales)  
Deputy Managing Partner  
ICAB Enrollment No. 535  
DVC No. 2204280535AS764977

## Profit and Loss Account

For the year ended 31 December 2021

Particulars	Notes	Amount in BDT	
		2021	2020
Interest income	20	3,482,197,367	4,884,576,617
Interest paid on deposits and borrowings etc.	21	2,818,305,893	3,552,896,994
<b>Net interest income</b>		<b>663,891,474</b>	<b>1,331,679,622</b>
Investment income	22	1,995,286,444	1,975,278,964
Commission, exchange and brokerage	23	564,839,917	413,711,904
Other operating income	24	108,612,356	95,444,979
		<b>2,668,738,717</b>	<b>2,484,435,847</b>
<b>Total operating income (A)</b>		<b>3,332,630,191</b>	<b>3,816,115,469</b>
Salaries and allowances	25	702,827,011	589,304,442
Rent, taxes, insurance, electricity etc.	26	83,321,925	69,413,869
Legal expenses		495,000	585,000
Postage, stamp, telecommunication etc.	27	35,876,249	31,644,521
Stationery, printing, advertisements etc.	28	45,591,575	29,659,338
Managing Director's salary and fees	29	12,963,837	13,095,316
Directors' fees	30	1,512,000	1,440,000
Auditors' fees		250,000	250,000
Depreciation and repairs to bank's assets	31	207,744,584	295,193,795
Other expenses	32	156,736,965	154,646,182
		<b>1,247,319,146</b>	<b>1,185,232,463</b>
<b>Total operating expenses (B)</b>		<b>1,247,319,146</b>	<b>1,185,232,463</b>
<b>Profit before provision (C=A-B)</b>		<b>2,085,311,045</b>	<b>2,630,883,006</b>
Provision for loans and advances	13.1		
General provision		136,450,000	63,800,000
Specific provision		263,700,000	-
Provision for Off-shore Banking unit		6,450,000	-
Provision for others	13.1 (b)	6,500,000	-
Special General provision-COVID-19	13.1 (c)	63,900,000	150,400,000
Provision for off-balance sheet items	13.2	43,000,000	-
		<b>520,000,000</b>	<b>214,200,000</b>
<b>Total provision (D)</b>		<b>520,000,000</b>	<b>214,200,000</b>
<b>Total profit before tax (C-D)</b>		<b>1,565,311,045</b>	<b>2,416,683,006</b>
Provision for taxation	33		
Current Tax		441,396,238	715,565,343
Deferred Tax		(3,187,388)	56,213,989
		<b>438,208,850</b>	<b>771,779,332</b>
<b>Net profit after tax</b>		<b>1,127,102,195</b>	<b>1,644,903,674</b>
Retained Earnings brought forward from previous years		22,473,567	3,937,232
		<b>1,149,575,762</b>	<b>1,648,840,906</b>
<b>Appropriations</b>			
Statutory Reserve	15	313,062,209	483,336,602
Start-Up Fund		11,271,022	-
Other Reserve		-	-
		<b>324,333,231</b>	<b>483,336,602</b>
<b>Retained Surplus</b>	17	<b>825,242,531</b>	<b>1,165,504,304</b>
<b>Earnings Per Share (EPS)</b>	36	<b>2.14</b>	<b>3.13</b>

*These Financial Statements should be read in conjunction with the annexed notes 1 to 37*



Chairman



Vice Chairman



Director



Managing Director & CEO

*See annexed Auditors' Report to the Shareholders of date*

Dhaka, 28 April, 2022

Signed for & on behalf of  
**MABS & J Partners**  
Chartered Accountants



**Nasir U Ahmed**

FCA, FCS, CGMA (AICPA), ACMA (UK), FCA (England & Wales)  
Deputy Managing Partner  
ICAB Enrollment No. 535  
DVC No. 2204280535AS764977

# Cash Flow Statement

For the year ended 31 December 2021

Particulars	Notes	Amount in BDT	
		2021	2020
<b>A. Cash Flow from Operating Activities</b>			
Interest receipts in cash		5,351,520,134	6,734,956,889
Interest payments		(2,817,314,101)	(3,842,516,918)
Dividend receipts		39,469,279	34,265,911
Fees and commission receipts in cash		564,839,917	413,711,904
Recoveries on Loans previously written-off		-	-
Cash payments to employees		(685,790,848)	(572,399,758)
Cash payments to suppliers		(45,904,498)	(29,102,421)
Income taxes paid		(628,991,060)	(804,668,090)
Receipts from other operating activities	34	159,968,618	95,959,857
Payments for other operating activities	35	(309,240,419)	(381,379,383)
<b>Operating profit before changes in operating assets and liabilities (i)</b>		<b>1,628,557,022</b>	<b>1,648,827,992</b>
<b>Increase / (decrease) in operating assets and liabilities</b>			
Purchase of trading securities (Treasury bond/bill)		(1,938,783,265)	(7,100,127,047)
Loans and advances to customers		(3,768,180,336)	4,437,475,806
Other Assets		88,018,824	(90,447,822)
Deposits from other banks/ Borrowings		2,797,514,592	(5,233,960,690)
Deposits from customers		3,579,669,700	4,553,039,328
Other liabilities account of customers		(265,357,313)	(322,095,259)
Other Liabilities		(147,609,585)	63,510,317
<b>Cash received from operating assets and liabilities (ii)</b>		<b>345,272,615</b>	<b>(3,692,605,366)</b>
<b>Net cash from operating activities (A=i+ii)</b>		<b>1,973,829,637</b>	<b>(2,043,777,374)</b>
<b>B. Cash flow from investing activities</b>			
Proceeds from sale of securities		-	-
Payment for purchase of securities (Treasury bond/bill/shares)		(2,882,501,906)	(644,687,582)
Purchase of property, plant & equipment		(73,401,888)	(194,490,582)
Proceeds from Sale of property, plant & equipment		21,161,251	52,319,892
<b>Net cash from investing activities (B)</b>		<b>(2,934,742,543)</b>	<b>(786,858,272)</b>
<b>C. Cash flows from financing activities</b>			
Receipts from issue of ordinary shares		-	-
Proceeds from Lease Liability		122,354,713	241,513,304
Payment of Lease Liability (principal reduction)		(98,973,175)	(131,504,804)
Interest Expense on lease liabilities paid in cash		(23,477,795)	(28,551,336)
Dividends paid		(876,230,250)	(213,570,000)
<b>Net cash from financing activities (C)</b>		<b>(876,326,507)</b>	<b>(132,112,836)</b>
<b>D. Net increase / decrease in cash &amp; cash equivalent (A+B+C)</b>		<b>(1,837,239,413)</b>	<b>(2,962,748,482)</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>		<b>201,721</b>	<b>(148,369)</b>
<b>F. Cash and cash equivalents at beginning period</b>		<b>9,002,900,660</b>	<b>11,965,797,511</b>
<b>G. Cash and cash equivalents at end of period (D+E)</b>		<b>7,165,862,968</b>	<b>9,002,900,660</b>
<b>Cash and cash equivalents at end of the year represents</b>			
Cash in hand (including foreign currencies)		373,973,484	370,040,030
Balance with Bangladesh Bank & its agent bank (including foreign currencies)		2,629,084,496	2,471,791,022
Balance with other banks and financial institutions		3,969,589,487	5,941,795,209
Money at call and on short notice		192,400,000	218,900,000
Prize bond (note: 7.1)		815,500	374,400
		<b>7,165,862,968</b>	<b>9,002,900,660</b>

*These Financial Statements should be read in conjunction with the annexed notes 1 to 37*



Chairman



Vice Chairman



Director



Managing Director & CEO

## Statement of Changes in Equity

For the year ended 31 December 2021

Particulars	Paid up capital	Statutory Reserve	Revaluation Reserve	Foreign currency translation gain	Surplus in Profit and Loss Account/ Retained Earnings	In million Taka
						Total
Balance as at 01 January 2021	5,007,030,000	1,854,552,297	532,442,230	-	1,165,504,304	8,559,528,831
Statutory Reserve	-	313,062,209	-	-	(313,062,209)	-
Suplus/deficit on account of revaluation of investment	-	-	(498,616,885)	-	-	(498,616,885)
Issue of ordinary share	-	-	-	-	-	-
Cash dividend	-	-	-	-	(876,230,250)	(876,230,250)
Dividend (Bonus Share)	250,351,450	-	-	-	(250,351,450)	-
Transfer to Start-Up Fund	-	-	-	-	(27,720,059)	(27,720,059)
Foreign currency translation gain	-	-	-	201,721	-	201,721
Net profit for the year	-	-	-	-	1,127,102,195	1,127,102,195
<b>Balance as at 31 December 2021</b>	<b>5,257,381,450</b>	<b>2,167,614,506</b>	<b>33,825,345</b>	<b>201,721</b>	<b>825,242,531</b>	<b>8,284,265,553</b>
<b>Balance as at 31 December 2020</b>	<b>5,007,030,000</b>	<b>1,854,552,297</b>	<b>532,442,230</b>	<b>-</b>	<b>1,165,504,304</b>	<b>8,559,528,831</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 37



Chairman



Vice Chairman



Director



Managing Director & CEO

## Liquidity Statement

(Assets and Liabilities Maturity Analysis)

As at 31 December 2021

In million Taka

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
<b>Assets:</b>						
Cash in hand	1,065,953,981	-	-	-	1,937,104,000	3,003,057,981
Balance with other banks and financial institutions	731,724,829	3,007,864,658	230,000,000	-	-	3,969,589,487
Money at call and on short notice	192,400,000	-	-	-	-	192,400,000
Investments	815,500	-	294,392,936	2,726,099,823	22,738,144,039	25,759,452,298
Loans and advances	4,623,066,803	9,517,790,772	10,866,119,183	10,333,020,976	6,497,964,541	41,837,962,276
Fixed assets incl. premises, furniture and fixtures	-	-	36,588,544	490,809,758	81,810,973	609,209,275
Other assets	184,647,709	546,932,281	3,453,703,704	-	-	4,185,283,694
Non banking assets	-	-	-	-	-	-
<b>Total assets (A)</b>	<b>6,798,608,822</b>	<b>13,072,587,711</b>	<b>14,880,804,367</b>	<b>13,549,930,557</b>	<b>31,255,023,553</b>	<b>79,556,955,011</b>
<b>Liabilities:</b>						
Borrowings from Bangladesh bank, other banks, financial institutions and its agents	2,960,484,600	1,964,820,000	84,900,000	1,124,500,704	-	6,134,705,304
Deposits	3,584,708,117	12,016,819,112	18,756,486,714	12,267,101,853	12,003,905,852	58,629,021,648
Provision and other liabilities	-	-	-	65,089,625	6,443,872,881	6,508,962,506
<b>Total liabilities (B)</b>	<b>6,545,192,717</b>	<b>13,981,639,112</b>	<b>18,841,386,714</b>	<b>13,456,692,182</b>	<b>18,447,778,733</b>	<b>71,272,689,458</b>
<b>Net liquidity gap (A - B)</b>	<b>253,416,105</b>	<b>(909,051,401)</b>	<b>(3,960,582,346)</b>	<b>93,238,375</b>	<b>12,807,244,820</b>	<b>8,284,265,553</b>

# Notes to the Financial Statements

As at and for the year ended 31 December 2021

## 1. Reporting entity

### 1.1 Legal status and nature of the Bank

Modhumoti Bank Limited (the "Bank") is a scheduled commercial bank in the private sector established under the Bank Companies Act 1991 and incorporated in Bangladesh as a public limited company to carry out banking business in Bangladesh. The registered office of the Bank is located at Banglar Bani Bhaban, 81, Motijheel C/A, Dhaka-1000. The Bank has been running its banking operation following the Bank Companies Act 1991 (as amended up to the date), Central Bank's (Bangladesh Bank) regulation, Bangladesh Securities and Exchange Commission (BSEC) Rules & Regulations and all other laws & rules applicable in Bangladesh. The financial statements of the Bank as at and for the year ended December 31, 2021 provide financial information that is useful to existing and potential investors, borrowers, depositors, customers, creditors, regulators and other stakeholders to make their decision on banking & financial transactions, non-financial as well as compliance related issues.

### 1.2 Principal activities of the Bank

The Bank has 46 branches and 1 Off-shore Banking Unit as on 31 December 2021. The Bank offers services for all commercial banking needs of the customers, which includes deposit banking, loans and advances, export import financing, inland and international remittance facility, etc. The Bank is being run by a competent 'Management Team', under supervision of a strategic Board of Directors, having long sound background to serve the enterprises ranging from micro, small and medium enterprises and industries to large corporate houses keeping the tagline in mind, "Your Access to Success".

### 1.3 Off-shore Banking Unit (OBU)

The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD (P-3)744(124)/2015-2447, dated April 02, 2015. The Off-shore Banking Unit commenced its commercial operation on September 23, 2015. The Bank established its Offshore Banking Unit (OBU) with a view of catering the banking requirement of non-resident customers to increase foreign trade business at Export Processing Zones (EPZs). Over the years, OBU has become an important strategic business unit due to growing demand of cheaper foreign currency loan and Usance Payable at Sight (UPAS) Letter of Credit from the clients. The principal activities of the Unit are to provide all kinds of commercial banking services to its customers in foreign currencies approved by the Bangladesh Bank. Presently, the Bank has one Off-shore Banking Unit in operation in Bangladesh. The Unit is governed under the rules and guidelines of Bangladesh Bank.

## 2. Basis of preparation of Financial Statements

### 2.1 Statement of compliance

The financial statements of the Bank have been made for the year ended 31 December 2021 and are prepared under the historical cost basis, except for certain investments which are stated at fair/market value in accordance with the First Schedule (Sec-38) of the Bank Companies Act 1991 (as amended up to the date), BRPD Circular # 14 dated June 25, 2003 and DFIM Circular # 11, dated December 23, 2009, other Bangladesh Bank Circulars, International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS"), the Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges' listing regulations and other laws & rules applicable in Bangladesh. In cases where the requirements of Bangladesh Bank differ with those of IAS/IFRS, the requirements of Bangladesh Bank have been applied.

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, there is a Financial Reporting Council (FRC) to adopt & issue financial reporting standards for public interest entities such as Banks. The Bank Companies Act 1991 has been amended to require Banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Securities and Exchange Rules 1987. In case, any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IAS/IFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail.

### **2.1.2 Use of estimates and judgments**

In preparation of the financial statements management is required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a going concern basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

### **2.1.3 Foreign currency transaction**

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 determined 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 equivalent BDT.

Assets and liabilities & income and expenses of Off-shore Banking Units have been converted into BDT currency @ US\$1 = Taka 85.80 (closing rate as at 31st December 2021) & Taka 85.24 (average rate at year-end).

#### **Commitments**

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at rates mentioned in contracts. 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.

#### **Translation gains and losses**

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

### **2.1.4 Statement of cash flows**

Statement of cash flows have been prepared in accordance with the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

### **2.1.5 Liquidity statement**

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

- i) Balance with other Banks and financial institutions, money at call and short notice, etc. are on the basis of their maturity term;
- ii) Investments are on the basis of their respective maturity;
- iii) Loans and advances / investments are on the basis of their repayment schedule;
- iv) Fixed assets are on the basis of their useful lives;
- v) Other assets are on the basis of their realization / amortization;
- vi) Borrowing from other Banks, financial institutions and agents, etc. are as per their maturity / repayment terms;
- vii) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors;
- viii) Provisions and other liabilities are on the basis of their payment / adjustments schedule.

### **2.1.6 Reporting period**

These financial statements cover one calendar year from 1st January to 31st December 2021.

### **2.1.7 Offsetting**

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

## 2.2 Assets and basis of their valuation

### 2.2.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on 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.

### 2.2.2 Loans, advances and lease / investments

a) Loans and advances are stated in the balance sheet on gross basis.

b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest on classified loans and advances is kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realised from borrowers. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

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

d) Provision for loans and advances is made on the basis of year-end review by the management following instructions contained in Bangladesh Bank BCD Circular no. 34, dated November 16, 1989, BCD Circular no. 20, dated December 27, 1994, BCD Circular no. 12, dated September 4, 1995, BRPD Circular no. 16, dated December 6, 1998, BRPD Circular no. 9, dated May 14, 2001, BRPD Circular no.02, February 2005, BRPD Circular no. 09, August 2005, BRPD Circular no. 17, dated December 06, 2005, BRPD circular no.32, dated October 27, 2010, BRPD Circular no.14, dated September 23, 2012, BRPD Circular no19, dated December 27, 2012, BRPD Circular no 05, dated May 29, 2013, BRPD Circular no 16, dated November 18, 2014, BRPD Circular no12, dated August 20,2017, BRPD Circular no 15, dated September 27, 2017, BRPD Circular No. 07, dated June 21, 2018, BRPD Circular No. 13 dated October 18, 2018, BRPD Circular No. 52 dated October 20, 2020, BRPD Circular No. 16 dated July 21, 2020, BRPD Circular No. 56 dated December 10, 2020, BRPD Circular No. 3 dated January 31, 2021, BRPD Circular No. 5 dated March 24, 2021, BRPD Circular No. 19 dated August 26, 2021, BRPD Circular No. 50 dated December 14, 2021 and BRPD Circular No. 53 dated December 30, 2021. The rates of provision for loans and advances are given below:

Particulars	Rate
General provision on unclassified general loans and advances / investments	1%
General provision on unclassified small enterprise financing	0.25%
General provision on interest receivable on loans / investments	1%
General provision on unclassified loans / investments for housing finance, loans for professionals to set-up business and loans to share business	1%-2%
General provision on unclassified consumer financing other than housing finance, loan for professionals and loans for BGs/MBs/SDs	2%
General provision on Special Mention Account (SMA) except Short Term Agriculture Loans	0.25% - 5%
Specific provision on substandard loans and advances / investments	20%
Specific provision on doubtful loans and advances / investments	50%
Specific provision on bad / loss loans and advances / investments	100%

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 pending for more than five years as per guidelines of Bangladesh Bank. These write-off however will not undermine / affect the claim amount against the borrower. During the year no loan account has been written off from the loan book of the Bank.

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

g) General Provision has been calculated against all unclassified Credit Card loans under Consumer Financing as per Bangladesh Bank guideline (ref: BRPD Circular No. 12 dated August 20, 2017).

h) Provision for Short-term Agricultural and Micro-Credits: BRPD Circular No- 15 dated 27 September, 2017.

### 2.2.3 Investments

All investment securities are initially recognised at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortized and discounts accredited, using the effective yield method to discount income. The valuation method of investments used are:

#### 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.

#### 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, investments are measured at

fair value and any change in the fair value is recognised in the statement of income for the period in which it arises. These investments are subsequently revalued at current market value on weekly basis as per Bangladesh Bank Guideline. Revaluation gain has been shown in revaluation reserve account & revaluation loss has been shown in Profit & Loss account.

**Value of investments has been enumerated 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

#### 2.2.4 Property, plant and equipment

Property, plant & equipments are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured.

a) All fixed assets are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

b) The Bank recognises, in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged off as revenue expenditure in the period in which it is incurred.

c) Depreciation is charged for the year at the following rates on straight line depreciation method on all fixed assets is followed and no depreciation is charged on land:

Category of fixed assets	Rate of depreciation
Land	Nil
Buildings	2.50%
Furniture and fixtures	10%
Office equipments	20%
Library books	30%
Electrical equipments	20%
Computer equipments	20%
Motor Vehicles	20%

d) For additions during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.

e) On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sale proceeds.

f) Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset have been capitalized as part of the cost of the asset as per IAS-23.

g) Leasehold properties are recorded at present value of minimum lease payments or fair market value, whichever is lower as per the provisions of IAS-17. The carrying value of leasehold properties is amortized over the remaining lease term or useful life of leasehold property, whichever is lower.

#### 2.2.5 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.

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 and any impairment losses.

Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure 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 10 (ten) years commencing from the date of the application. Software is available for use over the best estimate of its useful economic life.

#### **2.2.6 Impairment of Assets:**

The policy for all assets or cash-generating units for the purpose of assessing such assets for impairment is as follows:

The Bank assesses at the end of each reporting period or more frequently if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the bank makes an estimate of the asset's recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered as impaired and is written down to its recoverable amount by debiting to profit & loss account.

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired.

#### **2.2.7 Other assets**

Other assets include all balance sheet accounts not covered specifically in other areas of the supervisory activity and such accounts may be quite insignificant in the overall financial condition of the Bank.

#### **2.2.8 Securities purchased under re-sale agreement**

Securities purchased under re-sale agreements are treated as collateralized lending and recorded at the consideration paid and interest accrued thereon. The amount lent is shown as an asset either as loans and advances to customers or loans to other banks.

The difference between purchase price and re-sale price is treated as interest received and accrued evenly over the life of Repo agreement.

#### **2.2.9 Receivables**

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

#### **2.2.10 Inventories**

Inventories are measured at the lower of cost and net realizable value.

#### **2.2.11 Leases**

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 the transactions under operating leases.

##### **Recognition & Measurement of Leases as a Lessee (detail accounting policy in Note 9)**

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 on the ROU Assets and the Interest Expense on the lease liability is recognized in the Profit or Loss account over the lease term replacing the previous treatment as per IAS 17 i.e. charging 'lease rent expenses' under Operating Lease.

Accordingly, the Bank assesses whether a contract is a lease, in accordance with the guidance stated in the IFRS 16: Leases, by determining whether the contract gives it the right to use a specified underlying physical asset for a lease term greater than 12 months, unless the underlying asset is of low value. Office premises for which monthly lease rental is the amount not exceeding Taka 25,000 , ATM Booths and other installations are considered as low value asset.

#### **2.2.12 Non-banking assets:**

Non-banking assets are acquired on account of the failure of a borrower to repay the loan on time after receiving the decree from the Court regarding the right and title of the mortgage property. The Banks are awarded ownership of the mortgage properties according to the verdict of the Honorable Court in accordance with the

section 33 (7) of "Artharin Adalat-2003". The value of Non-Banking Assets are determined and reported in the financial statements on the basis of valuation report of an Independent valuer. The Modhumoti Bank Limited is yet to acquire any non-banking asset till to the date of December 31, 2021.

### **2.2.13 Reconciliation of inter-bank and inter-branch account**

Accounts with regard to inter-bank are reconciled regularly and there are no material 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 basis for valuation of liabilities and provisions**

### **2.3.1 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. These are stated in the balance sheet at amounts payable. Interest paid / payable on these borrowings is charged to the profit & loss account.

Disclosures of borrowings against Repo are shown in notes - 7.

### **2.3.2 Deposits and other accounts**

Deposits by customers and banks are recognised when the Bank enters into contractual provisions of the arrangements with the counterparties, which is generally on trade date, and initially measured at the consideration received.

### **2.3.3 Other liabilities**

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxation, interest payable, interest suspense, accrued expenses, obligation under finance lease etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, the Income Tax Ordinance 1984 and internal policy of the Bank. Details are shown in Notes 13.

### **2.3.4 Provision for liabilities**

A provision is recognised in the balance sheet when the Bank has legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Provision for loans and advances have been accounted for in the financial statements following the Bangladesh Bank circulars & guidelines.

### **2.3.5 Provision for Off-balance sheet exposures**

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. As per BRPD Circular # 14, dated September 23, 2012, banks are advised to maintain provision @1% against off-balance sheet exposures. The instructions mentioned in the BRPD Circular # 07, dated June 21, 2018 and BRPD Circular # 13, dated October 18, 2018 have also been followed for calculating provision against off-balance sheet exposures.

### **2.3.6 Provision for nostro accounts**

As per instructions contained in the circular letter no. FEPD (FEMO) / 01 / 2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, provision is to be maintained for the un-reconciled debit balance of nostro account more than 3 months as on the reporting date of these financials. Since there is no unreconciled entries which are outstanding more than 3 months, no provision is required to be maintained.

### **2.3.7 Provision for rebate to good borrowers**

As per BRPD Circular No. 06 (dated 19 March 2015) and BRPD Circular Letter No 03 (dated 16 February 2016) issued by Bangladesh Bank, Banks are required to provide 10% rebate on the interest closed from "good borrowers" subject to some qualifying criteria. Accordingly, the Bank has kept provision in the financial statements for the year ended 31 December 2021.

### **2.3.8 Provision for climate risk fund**

As per GBCSRD Circular No 04 (9 July 2015) issued by Bangladesh Bank, Banks are required to maintain a climate risk fund of 10% of the CSR budget. To comply with this requirement the Bank has kept provision in the financial statements for the year ended 31 December 2021.

### **2.3.9 Provision for current taxation**

Provision for current income tax has been made as per prescribed rate in the Finance Act, 2021 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 in compliance with IAS-12, "Income Taxes".

### **2.3.10 Deferred taxation**

Deferred tax is accounted for in accordance with IAS 12, "Income Taxes". Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

### **2.3.11 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 International Accounting Standard-19, "Employee Benefit". Bases of enumerating the retirement benefit schemes operated by the Bank are outlined below:

#### **a) Provident fund**

Provident fund benefits are given to the permanent employees of the Bank in accordance with Bank's service rules. Accordingly a trust deed and provident fund rules were prepared. The Commissioner of Income Tax, National Board of Revenue, Dhaka has approved the Provident Fund 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 recognition took effect from June 04, 2013. The Fund is operated by a Board of Trustees consisting six members (03 members from the Management and other 03 members from the Board of Directors) of the Bank. 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' account on yearly basis.

#### **b) Gratuity fund**

The Bank operates a funded gratuity scheme on "Continuing Fund basis", in respect of which provision will be made annually according to the recommendation based on Actuarial valuation covering all of its permanent eligible employees in accordance with Bank's Service Rules. The Fund will be operating by a Board of Trustees consisting members from the Board of Directors and Management of the Bank. Actuarial valuation of gratuity scheme will be made to assess the adequacy of the liabilities provided for the scheme as per IAS-19 "Employees Benefit". Contributions to the fund shall be made on the basis of actuarial recommendations.

Recognition of Gratuity fund has been done by the National Board of Revenue vide their letter number 08.01.0000.035.02.264.19/603 dated January 16, 2020 and actuarial valuation for assessing the adequacy of liabilities of the fund is under process which will be completed within a short time.

#### **c) Incentive bonus**

Incentive bonus is given to the employees every year considering the overall performance of the Bank as well as individual's performance. This bonus amount is distributed among the employees based on their performance. The bonus amount is paid annually, normally in first quarter of every following year and the costs is accounted for in the period to which it relates. Generally, a certain percentage of disclosed net profit is disbursed among the employees. The aforesaid percentage is approved in the Board meeting so that adequate provision can be made for Incentive Bonus as per IAS-37.

### **2.3.12 Start-up Fund**

In compliance with Bangladesh Bank SMESPD Circular no.-04, dated 29 March, 2021; Modhumoti Bank Limited has formed start-up fund in order to facilitate innovations for marketing new products, services and technologies, and such enterprises would create employment and assets in the country.

## **2.4 Share Capital**

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

### **2.4.1 Authorised Capital**

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association. Details are shown in note 14.1.

### **2.4.2 Paid up Capital**

Paid up capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of winding-up of the Bank, ordinary shareholders are ranked after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. Details are shown in note 14.2.

### **2.4.3 Statutory Reserve**

As per Bank Companies Act, the Bank requires to transfer 20% of its current year's profit before tax to statutory reserve until such reserve equals to its paid up capital. The Bank does comply with this requirement of law every year.

### **2.4.4 Revaluation reserve on government securities**

When an asset's carrying amount is increased as a result of revaluation, the increased amount is credited directly to equity under the Head of Revaluation Surplus. Revaluation reserve arises from the revaluation of land and buildings as well as the revaluation of Treasury bills and bonds (HFT & HTM) in accordance with the DOS circular no. 5 dated 26 May 2008 and DOS(SR) 1153/120/2010 dated 8 December 2010. The Bank has not yet recognized any revaluation surplus against any kind of its fixed assets till to the balance sheet date. The tax effect on revaluation gain is measured and recognised in the financial statements as per IAS 12: Income Taxes.

## **2.5 Contingent liabilities**

A contingent liability is -

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

A present obligation that arises from past events but is not recognised because:

- a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

## **2.6 Revenue recognition**

### **2.6.1 Interest income**

In terms of the provisions of the IAS-18 "Revenue", the interest income is recognised on accrual basis. Interest on unclassified loans and advances are calculated at the prescribed rates to be taken into income. Interest is ceased to be taken into income when such loans and advances are marked as classified as per criteria prescribed by the Bangladesh Bank. It is then kept in interest suspense account. Interest on classified advances is accounted for on a cash receipt basis.

### **2.6.2 Investment income**

Interest income on investments is recognised on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognised when it is realised.

### **2.6.3 Fees and commission income**

Fees and commission income arising on services provided by the Bank are recognised when those are realized. Commission charged to customers on letters of credit and letters of guarantee is credited to income at the time of transactions being recorded in the books of accounts.

#### **2.6.4 Income on Bills Purchased and Discounted**

Income on Bills Purchased and Discounted is recognised upon realisation since there is no uncertainty as to its realisation and accrued on a monthly basis

#### **2.6.5 Interest and fees receivable on credit cards**

Interest and fees receivable on credit cards are recognised on an accrual basis. Interest and fees cease to be taken into income when the recovery of interest and fees is in arrear for three months. Thereafter, interest and fees are accounted for on realisation basis.

#### **2.6.6 Dividend income on shares**

Dividend income on shares is recognised during the period when right to receive is established.

#### **2.6.7 Interest paid and other expenses**

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

#### **2.6.8 Dividend payments**

Interim dividend is recognised when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders.

The proposed dividend for the year 2021 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 Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established.

### **2.7 Risk management**

Risk and return are inversely related. Making perfect balance between these two aspects is a classical predicament to successful growth of a business. The role of risk management started from this point which actually is the process of identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of uncertain events or to maximize the realization of opportunities.

The MANCOM, All Risk Committee (Management Level), Credit Evaluation Committee (CEC), Asset Liability Management Committee (ALCO), Supervisory Review Process (SRP) Team and IASel Unit (Supervisory Committee) comprising Executive and Senior Management, are high level management committees responsible for the overall management of the risk profile of the Bank. In view of core risk guidelines, the bank has established various divisions/units to address specific risk, e.g. credit risk management, credit administration, internal control & compliance, anti- money laundering, ICT, treasury division etc. Further to manage the overall risks of the Bank in line with Basel accords, the Bank has formed a dedicated a Risk Management Division (RMD).

The Bank faces a number of risks stemming from credit risk, liquidity risk, market risk, foreign exchange risk, interest rate risk, equity price risk, operational risk, legal risk and also reputation risk. The risk management systems in place at the Bank are discussed below:

#### **2.7.1 Credit risk**

Credit risk is the risk of loss that may occur from the default of any counterparty to repay in accordance with agreed terms and conditions and/or deterioration of creditworthiness. The failure may result from unwillingness of the counter party or decline in his / her financial condition. Therefore, the Bank's credit risk management activities have been designed to address all these issues.

A methodical assessment & due diligence are done before sanction of any credit facility at Credit Risk Management Division of the Bank. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facilities and various critical risk factors. The assessment process starts at Branch Credit department by the Officer and ends at Credit Risk Management Division in Head Office where it is approved / declined by the competent authority. Credit approval authority has been partially delegated to the individual executives. Proposal beyond their delegation are approved / declined by the Board / Executive Committee (EC) of the Board.

Credit Administration (CAD) monitors the documentation aspects of approved credits and also manages the deteriorating accounts as there is no Legal & Recovery Unit yet in the Bank.

All other remaining risk in regards to credit portfolio are addressed by the Risk Management Division (RMD), the primary responsibility of this Division is to identify and assess the severity of risks and highlight the same to the management for strategic decision making in regard to Residual Risk (documentation risk, valuation error etc.) and concentration risk etc.

### **2.7.2 Foreign Exchange Risk**

Foreign exchange risk is the exposure of an institution to the potential impact of movements in foreign exchange rates. The risk is that adverse fluctuations in exchange rates may result in a loss in earnings. As per the guidelines of Bangladesh Bank, Modhumoti Bank Limited has developed a detailed Foreign Exchange Risk Management policies to minimize different types of risks associated with foreign exchange transactions. The Bank has also developed different strategies to handle foreign exchange risk by setting different types of limits and risk parameters to measure and monitor foreign exchange risk exposure of the Bank.

The foreign exchange desk of treasury division is involved in foreign exchange dealing activities with different counterparts; the treasury back office is engaged in transfer of funds and passing of the transaction entries in the books of accounts, and the mid office is responsible for verification of the deals. All foreign exchange transactions are revalued at market rate as per the directive of Bangladesh Bank. All Nostro Accounts are reconciled on a monthly basis and outstanding entries beyond 30 days are reviewed by the management for its settlement.

### **2.7.3 Asset Liability Management**

Responsibility of managing and controlling liquidity of the bank lies with Asset Liability Committee (ALCO) that meets at least once in a month. Asset Liability Management (ALM) desk being primarily responsible for management of liquidity risk closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities. A monthly projection of fund flows is reviewed in ALCO meeting regularly. On monthly basis, ALCO monitors liquidity management by examining key ratios, maximum cumulative outflow, upcoming funding requirement from all business units, asset-liability mismatch etc.

Asset-Liability Committee (ALCO) reviews country's overall economic position, the Bank's liquidity position, key performance ratios, interest rate risk, deposit and advance growth, cost of deposit & yield on advances, deposit & lending pricing strategy and different forecasted balance sheet risks of the Bank.

By strongly monitoring the maturity GAP of assets and liabilities and interest rates movement, Bank is able to maintain optimum liquidity with required regulatory compliances. A policy guideline on Assets Liability Management is formulated and approved by the Board of Directors of the Bank and revise it from time to time.

### **2.7.4 Money Laundering Risk**

The bank has board approved 'Money Laundering and Terrorist Financing Risk Management Guidelines' to prevent the money laundering and terrorist financing risk of the Bank. For mitigating the risks, the Bank has a designated Chief Anti Money Laundering Compliance Officer (CAMLCO) and Deputy Anti Money Laundering Compliance Officer (De-CAMLCO) at Head Office and Branch Anti Money Laundering Compliance Officer (BMALCO) in the Branches, who independently review the transactions of the accounts to verify suspicious transactions. Training is continuously given to all category of Officers and Executives for developing awareness and skill for identifying suspicious activities / transactions.

The CAMLCO, De-CMALCO and BAMLCO ensures the reporting of Suspicious Transactions Reports (STR), and ensure AML & CFT compliance culture throughout the bank.

### **2.7.5 Internal Control & Compliance Risk**

Internal control is the process, effected by the Board of Directors, Management & other personnel designed to provide reasonable assurance regarding the achievement of objectives with effectiveness & efficiency of operations. It encompasses all controls incorporated into the strategic, governance and management processes, covering the bank's entire range of activities and operations, and not just those directly related to financial operations and reporting. Its scope is not confined to those aspects of a business that could broadly be defined as compliance matters, but extends also to the performance aspects of a business.

Modhumoti Bank Ltd has established a System of Internal Control, which is designed to manage all the risks of failure to a reasonable level, achieve aims and objectives/goals of the Bank and this System provides reasonable assurance of effective & efficient operations covering all controls including financial & operational controls, reliability of the financial information, compliance with applicable laws & regulations, adherence to management policies, safeguarding of Bank's Assets, prevention & detection of fraud & errors, and accuracy & completeness of the accounting records.

### **2.7.6 Information and communication technology**

With the increasing use of Information and Communication Technology in the activities of the Banks, risk management for Information and Communication Technology has become important. ICT Division is aimed to provide uninterrupted & efficient operations of all products, services and deliverables – Banks already offered or intends to do in future. In banking institutions, all risks should be recognized, addressed and managed in a prudent manner according to the fundamental characteristics and challenges. ICT risk is the risk associated with the use, ownership, operation, involvement, influence and adoption of ICT within an organization. Risks surrounding Information Technology, such as unauthorized access to a system, network failure, software failure, lack of skills,

hacking, viruses attack and poor system integration poses threat for the organization. ICT risk of the Bank is addressed by finding out the weakness in a particular operation and initiating appropriate/ suitable strategy within the approved policies and procedures. To assist Risk Management Committee of Board of Directors, ICT Risk Management committee has been formed from Management team on 07th Sep. 2016 vide Office Order# HO/HRD/2016/1072 as per guideline of Bangladesh Bank.

MMBL has a comprehensive ICT Security Policy and procedures which are formally documented and approved by the Board of Directors of the Bank. The Bank follows the bottom-up approach that has been proven helpful in developing a set of relevant and important risk scenarios as followings:

#### **2.7.7 Liquidity risk**

The objective of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding balance comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Treasury Department under approved policy guidelines. Treasury front office is supported by a very structured Mid office and Back office. The Liquidity management is monitored by the Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

#### **2.7.8 Market risk**

The exposure of market risk of the Bank is restricted to foreign exchange risk, interest rate risk and equity risk.

##### **Foreign exchange risk**

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. No foreign exchange dealing on Bank's account was conducted during the year.

Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month-end. All Nostro accounts are reconciled on a monthly basis and outstanding entry beyond 30 days is reviewed by the management for its settlement. The position maintained by the bank at the end of day was within the stipulated limit prescribed by the Bangladesh Bank.

##### **Interest rate risk**

Interest rate risk may arise either from trading portfolio or non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills held for trading. The short-term movement in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. The Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

##### **Equity risk**

Equity risk arises from movement in market value of equities held. The risks are monitored by the Investment Committee under a well designed policy framework.

#### **2.7.9 Reputation risk arising from money laundering incidents**

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Chief Compliance Officer at Head Office and Compliance Officers at branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been established and transaction profile has been introduced. Training is continuously given to all category of Officers and Executives for developing awareness and skill for identifying suspicious activities / transactions.

#### **2.7.10 Operational risk**

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the Branches and Divisions at the Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

## RISK MITIGATION PROCESS

Risk mitigation involves prioritizing, evaluating, and implementing the appropriate risk-reducing controls recommended from the risk assessment process. Risk mitigation is a systematic methodology used by senior management to reduce mission risk. Risk mitigation can be achieved through any of the following risk mitigation options:

**Risk Assumption:** To accept the potential risk and continue operating the IT system or to implement controls to lower the risk to an acceptable level.

**Risk Avoidance:** To avoid the risk by eliminating the risk cause and/or consequence (e.g., forgo certain functions of the system or shut down the system when risks are identified)

**Risk Limitation:** To limit the risk by implementing controls that minimize the adverse impact of a threat's exercising vulnerability (e.g., use of supporting, preventive, detective controls)

**Risk Planning:** To manage risk by developing risk mitigation plan that prioritizes, implements, and maintains controls

**Research and Acknowledgment:** To lower the risk of loss by acknowledging the vulnerability or flaw and researching controls to correct the vulnerability

**Risk Transference:** To transfer the risk by using other options to compensate for the loss, such as purchasing insurance.

### Risk mitigation strategy was articulated in the following rules-

**Option-1:** When vulnerability (or flaw, weakness) exists, implement assurance techniques to reduce the likelihood of vulnerability's being exercised.

**Option-2:** When vulnerability can be exercised, apply layered protections, architectural designs, and administrative controls to minimize the risk of or prevent this occurrence.

**Option-3:** When the attacker's cost is less than the potential gain, apply protections to decrease an attacker's motivation by increasing the attacker's cost (e.g., use of system controls such as limiting what a system user can access and do can significantly reduce an attacker's gain).

**Option-4:** When loss is too great, apply design principles, architectural designs, and technical and non-technical protections to limit the extent of the attack, thereby reducing the potential for loss.

## 2.8 Earnings per share

### Basic earnings per share

Basic earnings per share is calculated in accordance with IAS 33 "Earnings per Share" and is shown on the face of the profit and loss account. This has been calculated by dividing the IAS earnings by the weighted average number of ordinary shares outstanding during the year.

### Diluted earnings per share

Diluted earnings per share is not required to be calculated for the year as there was no scope for dilution during the year under review.

## 2.9 Events after the reporting period

Where necessary, all the material events after the reporting period have been considered and appropriate adjustment / disclosures have been made in the financial statements. Detail is presented in Note 37.6.

## 2.10 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 etc. fall under the memorandum items. However, Bills for Collection is shown under contingent liabilities as per Bangladesh Bank's format of reporting.

## 2.11 Related party transaction

Related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged. Detail of related parties transaction are given in note- 37.

## 3. Compliance report on International Financial Reporting Standards (IFRS/IFRS) and International Accounting Standards (IAS):

Name of the standards	Ref.	Status
First-time Adoption of International Financial Reporting Standards	IFRS-1	Not applicable
Share-based Payment	IFRS-2	Not applicable
Business Combinations	IFRS-3	Not applicable
Insurance Contracts	IFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not applicable
Financial Instruments: Disclosures	IFRS-7	Applied
Operating Segments	IFRS-8	Applied
Financial Instruments	IFRS-9	Not applied
Consolidated Financial Statements	IFRS-10	Applied
Joint Arrangements	IFRS-11	Not applicable
Disclosure of Interests in other Entities	IFRS-12	Not applicable
Fair Value Measurement	IFRS-13	Applied
Regulatory deferral accounts	IFRS-14	Not applicable
Revenue from contractors with customers	IFRS-15	Applied
Leases	IFRS-16	Applied
Insurance Contracts	IFRS-17	Not applicable
Presentation of Financial Statements	IAS-1	Applied *
Inventories	IAS-2	Not Applicable
Statement of Cash Flows	IAS-7	Applied
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
Leases	IAS-17	Applied
Revenue	IAS-18	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government 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	Not Applicable
Interests in Joint Ventures	IAS-31	Not Applicable
Financial Instruments: Presentation	IAS-32	Applied *
Earnings per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied ***
Impairment of Assets	IAS-36	Not Applicable
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Financial Instruments: Recognition and Measurement	IAS-39	Applied *
Investment property	IAS-40	Not Applicable
Agriculture	IAS-41	Not Applicable

\* In order to comply with certain specific rules and regulations of the local Central Bank (Bangladesh Bank) which are different to IAS/IFRS, some of the requirements specified in these IAS/IFRSs are not applied. Refer below (note - 3.2) for such recognition and measurement differences that are most relevant and material to the Bank.

\*\* This 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.

### 3.1 Impact of New Accounting Standards

The Bank has consistently applied the accounting policies as set out in Note 2 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2020 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

#### (a) IFRS 16 Leases

IFRS 16, issued in January 2016 replaces existing guidance related to lease transactions and effective for reporting period beginning on or after 1 January 2019. IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'). It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. Interest expense on lease liability and depreciation on ROU assets are charged in the Profit and Loss Account. Detail accounting policy is stated in note no. 9.

#### (b) 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.

There are no other standards that are yet to be effective and that would be expected to have a material impact on the Bank's financial statements in the current or future reporting periods and on foreseeable future transactions.

### 3.2 Departures from IAS/IFRS

The financial statements of the Bank as at and for the year ended 31 December 2021 have been prepared under the historical cost convention except investments and in accordance with the "First Schedule" (section 38) of the Bank Companies Act 1991, as amended by Bangladesh Bank (the Central Bank of Bangladesh) through BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and Dhaka & Chittagong Stock Exchange's listing regulations. In case, any requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities, the provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS/IFRS are stated as under:

#### i) Investment in shares and 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 or loss account" or under "at fair value through other comprehensive income" where any change in 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 shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognized at costs.

#### ii) Revaluation gain/loss on Government securities

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

T-bills and T-bonds designated as 'held to maturity' are measured at amortized cost method and interest income is recognized through the profit & loss account.

**Bangladesh Bank:** HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date

are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

### iii) Provision on loans and advances

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

**Bangladesh Bank:** As per BRPD circular no. 14 dated 23 June 2012, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loan, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

### iv) Recognition of interest in suspense

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

**Bangladesh Bank:** As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as '**liability**' in the Balance Sheet.

### v) Other comprehensive income

**IFRS:** As per IAS 1, Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single Other Comprehensive Income (OCI) Statement.

**Bangladesh Bank:** Bangladesh Bank has issued templates for financial statements which will strictly be followed by all Banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income or the elements of Other Comprehensive Income allowed to include in a Single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity.

### vi) Financial instruments – presentation and disclosure

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

### vii) 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 DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no.2 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 transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book. However, as per DMD circular letter no.7 dated 29 July 2012, non primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such banks may enter collateralised repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognise the asset.

#### **viii) Financial guarantees**

**IFRS:** 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 dated 25 June 2003, financial guarantees such as L/C, L/G will be treated as Off-Balance Sheet items. No liability is recognized for the guarantee except the cash margin.

#### **ix) Cash and cash equivalent**

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

**Bangladesh Bank:** Some cash and cash equivalent items such as 'money at call and on short notice', Treasury bills, Prize bond are not shown as cash and cash equivalent. Money at call and on short notice is shown as a face item in balance sheet, and Treasury bills, Prize bonds are shown in Investment.

#### **x) Non-banking asset**

**IFRS:** No indication of Non-banking asset is found in any IFRS.

**Bangladesh Bank:** As per BRPD circular no: 14 dated 25 June 2003, there must exist a face item named Non-banking asset.

#### **xi) Cash flow statement**

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

**Bangladesh Bank:** As per BRPD circular no: 14 dated: 25 June 2003, cash flow is the mixture of direct and indirect method.

#### **xii) Balance with Bangladesh Bank: (CRR)**

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

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

#### **xiii) Presentation of intangible asset**

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

**Bangladesh Bank:** There is no requirement for regulation of intangible assets in BRPD circular no: 14.

#### **xiv) Off-balance sheet items**

**IFRS:** There is no concept of off-balance sheet items in any IFRS; hence there is no requirement of disclosure of off-balance sheet items.

**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 balance sheet.

#### **xv) Disclosure of appropriation of profit**

**IFRS:** There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

**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.

#### **xvi) Loans and advance net of provision**

**IFRS:** Loans and advances should be presented net of provisions.

**Bangladesh Bank:** As per BRPD circular no: 14 dated: 25 June 2003, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

### **3.3 Disclosure of FRC Policy on Use of Audited Financial Statements in Processing Loans**

Audited Financial Statements are mandatory documents for any existing company applying for new loan facility for the first from bank. The bank uses 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. It is also mandatory to the client of the bank to submit annual audited financial statements of the company to the bank on an annual basis. Audited Financial Statements are preserved with the loan file by the bank. However, in some special circumstances where latest Audited Financial Statements may not be available, the bank uses interim Management Accounts for the Borrower Risk Rating (BRR) or ICRR for the purpose of renewal of any loan facilities. Such BRR or ICRR is approved by the Management only for Interim use with an instruction to update the same with the Audited Financial Statements. Regarding the BRPD Circular Letter 35 dated July 06, 2021, and FRC Letter No. 178/FRC/APR/2021/27(28) dated December 8, 2021, From September 2021 the Bank verifying the Financial Statements using the Document Verification System (DVS).

### **3.4 The Bank's compliance with related pronouncements by Bangladesh Bank:**

#### **i) Internal Control**

Main objective of internal control is to ensure that management has reasonable assurance on some issues such as (i) operations are effective, efficient and aligned with strategy, (ii) financial reporting and management information is reliable, complete and timely accessible, (iii) the entity is in compliance with applicable laws and regulations as well as its internal policies and ethical values including sustainability, and (iv) assets of the company are safeguarded and frauds & errors are prevented or detected.

Modhumoti Bank Limited has established an effective internal control system to ensure the overall control of risks and provide reasonable assurance that the objectives set by the Bank will be met. It has designed to develop a high level risk culture among the Bank officials, establish efficient and qualified operating model of the Bank, ensure reliability of internal and external information including accounting and financial information, secure the Bank's operations and assets, and comply with laws, regulatory requirements and internal policies.

The Board of Directors of Modhumoti Bank Limited, through its Audit Committee, periodically reviews the effectiveness of Bank's internal control system covering all the material controls, including financial, operational and compliance controls, risk management systems, the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, training programs, budget, etc. Audit Committee of the Board reviews the actions taken on internal control issues identified by the Internal & External Auditors and Regulatory Authorities. It has active oversight on the internal audit's independence, scope of work and resources and it also reviews the functions of Internal Control & Compliance Division (ICCD) of Head Office, particularly the scope of the annual audit plan and frequency of the internal audit activities.

#### **ii) Internal Audit**

Internal Audit Mechanism is used as an important element to ensure good governance of Modhumoti Bank Limited. Internal Audit is the continuous and systematic process of examining and reporting on the activities of an organization undertaken by the specially assigned staff(s). They assure the Bank management that the Internal Controls are adequate and in operations, the policies and systems laid down are being adhered to and accounting records provided by the lower level are correct. Bank's internal audit Activities are effective and provide senior management with a number of important services. These include detecting and preventing fraud, testing internal control, and monitoring compliance with own policies & procedures, applicable rules & regulations, instructions/ guidelines of regulatory authority etc.

During the year 2021, ICCD conducted inspection on many of the Branches and Divisions of Head Office of the Bank and submitted reports presenting the findings of the audits/ inspections. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports. The reports or key points of the Reports have also been discussed in the meetings of the Audit Committee of the Board and necessary steps have been taken according to the decision of the said Committee for correct functioning of Internal Controls & Compliance.

#### **iii) Fraud and Forgeries**

The term 'fraud' commonly includes activities such as theft, corruption, conspiracy, embezzlement, money laundering, bribery and extortion. The increasing wave of fraud and forgery cases in the banking sector of Bangladesh in recent time calls for concerted steps in identifying ways for reducing or preventing frauds and forgeries by analyzing the causes and effect of frauds and forgeries, and prescribing effective control strategies for salvaging frauds. Modhumoti Bank Limited does always pay due attention on anti-fraud internal controls for prevention of fraud and forgery. The Bank has already implemented some strategies like Financial Control Strategy, Personnel Control Strategy, Credit Control Strategy, Administrative Control strategy, Process Control

Strategy etc. in order to strengthening the control system further. Pre-employment screening process has been adopted for verifying the qualification, experience, credit check, criminal history search etc. in case of recruitment of officials. Although it is not possible to eliminate all frauds because of the inherent limitations of Internal Control System, the Board of Directors and Bank Management have taken all the measures to keep the operational risk in a very minimum level. Internal Control and Compliance Division (ICCD) assesses and evaluates the effectiveness of Bank's anti-fraud internal control measures, recommends for further improvement in implementation of aforesaid strategies and reports to the Bangladesh Bank on effectiveness of controls at the end of each quarter following their prescribed format.

### 3.5 Operating segments

The Bank have no identified operating segment and as such presentation of segmental reporting is not made in the financial statements as per IFRS 8.

### 3.6 Approval of financial statements

The Bank in its 63rd Board Meeting held on April 28, 2022 approved the Financial Statements for the year ended 31 December 2021.

### 3.7 General

a) These financial statements are presented in BDT (Taka), which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest BDT (Taka).

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

c) Figures of previous year have been rearranged whenever necessary to conform to current year's presentation.

## 4. Cash of the Bank

### In hand:

Local currency

Foreign currencies

### Balance with Bangladesh Bank:

Local currency

Foreign currencies

### Balance with Sonali Bank Limited (as agent of Bangladesh Bank):

Local currency

Amount in BDT	
2021	2020
369,662,994	365,971,332
4,310,490	4,068,698
<b>373,973,484</b>	<b>370,040,030</b>
2,514,509,094	2,232,203,981
113,671,725	228,747,214
<b>2,628,180,819</b>	<b>2,460,951,195</b>
903,677	10,839,827
<b>2,629,084,496</b>	<b>2,471,791,022</b>
<b>3,003,057,981</b>	<b>2,841,831,052</b>

4.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of Bank Company Act 1991, DOS circular no. 01 dated 19 January 2014, MPD circular no. 01 dated 23 June 2014, MPD circular no. 01 dated 03 April 2018 and MPD circular no. 03 dated 09 April 2020.

The Cash Reserve Requirement (CRR) on the Bank's time and demand liabilities is calculated at the rate of 3.5% on daily basis and 4.0% on bi-weekly basis and has been maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio (SLR), is calculated on the same liabilities and has also been maintained in the form of treasury bills, bonds and debentures including FC balance with Bangladesh Bank. Both reserves are maintained by the Bank, detail of which is presented below:

#### 4.1.1 Cash Reserve Requirement (CRR)

As per Bangladesh Bank DOS Circular No. 01 dated January 01, 2014, MPD circular no. 01 dated 23 June 2014, MPD circular no. 01 dated 03 April 2018 and MPD circular no. 03 dated 09 April 2020, Bank has to maintain CRR @ 4.00% on bi-weekly average basis and minimum @ 3.50% on daily basis.

##### i) Daily basis

##### 3.5% of average Demand and Time Liabilities

Required reserve

Actual reserve held (Average daily on bi-weekly basis)

##### Surplus

##### ii) Bi-weekly average basis

##### 4.0% of average Demand and Time Liabilities

Required reserve

Actual reserve held (Average daily on bi-weekly basis)

##### Surplus

Amount in BDT	
2021	2020
1,937,104,000	1,862,230,000
2,290,158,576	2,311,370,889
<b>353,054,576</b>	<b>449,140,889</b>
2,213,945,000	2,128,908,000
2,290,158,576	2,311,370,889
<b>76,213,576</b>	<b>182,462,889</b>

#### 4.1.2 Statutory Liquidity Ratio (SLR)

##### 13% of required Average Demand and Time Liabilities:

Required reserve

Actual reserve held

##### Surplus

##### Held for Statutory Liquidity Ratio

Cash in hand

Balance with agent bank (Sonal Bank Ltd.) as per statement

Prize Bond

Excess of CRR

Bangladesh Bank Bills

Government treasury bonds

7,197,876,000	6,933,629,300
25,990,164,800	21,478,750,750
<b>18,792,288,800</b>	<b>14,545,121,450</b>
373,973,484	370,040,030
-	-
-	-
76,213,577	182,462,889
112,165,806	-
25,427,811,933	20,926,247,831
<b>25,990,164,800</b>	<b>21,478,750,750</b>

#### 5 Balance with other banks and financial institutions

In Bangladesh (Note -5.1)

Outside Bangladesh (Note -5.2)

3,526,596,326	5,615,943,247
442,993,162	325,851,961
<b>3,969,589,487</b>	<b>5,941,795,209</b>

Also refer to Note -5.3 for maturity wise grouping.

##### 5.1 In Bangladesh

##### Current account:

Prime Bank Limited

Jamuna Bank Limited

Trust Bank Limited

Sonal Bank Limited

44,818	48,804
3,463,507	3,825,352
15,223,342	3,853,195
-	-
<b>18,731,667</b>	<b>7,727,351</b>

##### Short term deposits account:

Prime Bank Limited

Eastern Bank Limited

Janata Bank Limited

The City Bank Limited

Sonal Bank Limited

Bank Asia Limited

Agrani Bank Limited

Habib Bank Limited

60,093	1,311,241
3,080,135	102,038,999
34,479,864	48,404,316
28,746	1,041,045
64,652,097	1,821,703,514
4,054,607	79,953
5,709,115	-
-	36,029
<b>112,064,658</b>	<b>1,974,615,096</b>

**Fixed deposits:****In Banks**

Meghna Bank Limited
Trust Bank Limited
South Bangla Agricultural Bank Limited
Habib Bank Limited
Jamuna Bank Limited

**In Financial Institutions**

Prime Finance & Investment Limited
Bay Leasing and Investment Limited
Industrial and Infrastructure Development Finance Company Lim
Phoenix Finance and Investment Company Ltd.
Union Capital Ltd.
Bangladesh Finance and Investment Co. Ltd.
Fareast Finance & Investment Ltd.
Premier Leasing International Ltd.
LankaBangla Finance Limited
Uttara Finance and Investments Ltd.
GSP Finance Company (Bangladesh) Limited
CAPM Venture Capital and Finance Limited
CVC Finance Limited
IPDC of Bangladesh Ltd.
IDLC Finance Limited

**In Foreign Currency**

South Bangla Agricultural Bank Limited
Trust Bank Limited
Meghna Bank Limited

Amount in BDT	
2021	2020
-	-
-	-
750,000,000	-
-	-
-	-
<b>750,000,000</b>	-
-	-
-	50,000,000
-	350,000,000
140,000,000	684,000,000
430,000,000	450,000,000
388,000,000	470,000,000
-	-
285,000,000	275,000,000
-	100,000,000
-	800,000,000
10,000,000	40,000,000
-	45,000,000
20,000,000	-
-	200,000,000
-	-
<b>1,273,000,000</b>	<b>3,464,000,000</b>
85,800,000	169,600,800
1,201,200,000	-
85,800,000	-
<b>1,372,800,000</b>	<b>169,600,800</b>
<b>3,526,596,326</b>	<b>5,615,943,247</b>

**5.2 Outside Bangladesh (NOSTRO Accounts)**

Name of the Foreign Bank / Correspondent	Currency	2021		2020	
		Amount In F.C	Conversion Rate	Amount in Taka	Amount in Taka
AB Bank Ltd. (MUMBI)	ACU	12,447.88	85.80	1,068,028	953,995
Sonali Bank (Kolikata)	ACU	2,244.21	85.80	192,553	930,335
Masherq Bank, PSC, NY (OBU)	USD	156,487.79	85.80	13,426,652	10,187,868
Masherq Bank, PSC, NY	USD	3,748,807.32	85.80	321,647,668	217,124,869
Habib American Bank	USD	384,386.27	85.80	32,980,342	28,341,662
Banca Popolare DI Sondrio	GBP	1,827.34	115.72	211,465	513,950
United Bank of India (KOLIKATA)	ACU	97,345.75	85.80	8,352,265	5,839,682
State Bank of India (Sydney)	AUD	448.50	62.27	27,930	2,192,788
MCB Bank Ltd. (Karachi)	ACU	6,822.32	85.80	585,355	412,817
HDFC BANK (ACU)	ACU	3,718.88	85.80	319,080	14,350,754
Institute Centrale Delle Banche Popolari Italiane	EURO	525,672.73	97.28	51,135,235	25,929,691
Bank of Huzhou Co. Ltd. (CNY)	CNY	1,083.00	13.47	14,590	225,954
National Bank of Pakistan (TOKYO)	YEN	378,416.80	0.75	282,223	107,998

Name of the Foreign Bank / Correspondent	Amount in BDT				
	2021		2020		
	Currency	Amount In F.C	Conversion Rate	Amount in Taka	Amount in Taka
Axis Bank Ltd. Mumbai (ACU)	ACU	106,991.95	85.80	9,179,909	2,932,989
Kookmin Bank, Seoul (USD)	ACU	30,831.68	85.80	2,645,358	7,191,541
Kookmin Bank, (GBP)	GBP	45.82	115.72	5,302	368,187
Kookmin Bank, (AUSD)	AUD	4,417.96	62.27	275,122	311,692
Kookmin Bank, (CAD)	CAD	1,383.11	67.08	92,777	268,446
Masherq Bank Mumbai, (ACU)	ACU	6,425.48	85.80	551,306	7,666,743
<b>Total</b>				<b>442,993,162</b>	<b>325,851,961</b>

### 5.3 Maturity grouping of balance with other banks and financial institutions

On demand	731,724,829	333,579,313
Not more than three months	3,007,864,658	5,203,215,896
More than three months but not more than six months	230,000,000	-
More than six months but not more than one year	-	-
More than one year but less than five years	-	405,000,000
Above five years	-	-
	<b>3,969,589,487</b>	<b>5,941,795,209</b>

### 6 Money at call and on short notice

**192,400,000**      **218,900,000**

### 7 Investments

Government securities (Note-7.1)	25,540,793,238	20,926,622,231
Others (Note-7.2)	218,659,060	509,720,682
	<b>25,759,452,298</b>	<b>21,436,342,912</b>

#### 7.1 Government Securities

91 days Treasury Bills	-	-
182 days Treasury Bills	-	-
364 days Treasury Bills	112,165,806	-
2 years BGTB Bond	154,437,752	455,801,681
5 years BGTB Bond	1,188,397,801	2,772,569,490
10 years BGTB Bond	9,951,505,858	3,445,786,851
15 years BGTB Bond	7,906,332,583	8,431,989,605
20 years BGTB Bond	6,201,247,939	5,820,100,204
5 years Sukuk Bond	25,890,000	-
Prize Bonds	815,500	374,400
	<b>25,540,793,238</b>	<b>20,926,622,231</b>

Add: Reverse repo with other banks

**25,540,793,238**      **20,926,622,231**

#### 7.2 Other Investment

Investment in Preference Shares (Note-7.2.1)	126,040,000	166,720,000
Investment in Shares (Note-7.2.2)	92,619,060	343,000,682
	<b>218,659,060</b>	<b>509,720,682</b>

#### 7.2.1 Investment in Preference Shares

	Market Price (BDT)	Cost Price (BDT)	Cost Price (BDT)
Summit Narayangonj Power Lim	18,000,000	18,000,000	24,000,000
Summit LNG Terminal Co.(Pvt) Ltd.	74,040,000	74,040,000	98,720,000
Summit Barisal Power Limited	34,000,000	34,000,000	44,000,000
	<b>126,040,000</b>	<b>126,040,000</b>	<b>166,720,000</b>

	Amount in BDT		
	2021		2020
	2021	2020	
	Market Price (BDT)	Cost Price (BDT)	Cost Price (BDT)
<b>Quoted:</b>			
Coppertech	-	-	-
NewLine	-	-	-
RINGSHINE	-	-	2,112,190
Grameen Phone	58,544,046	54,551,610	299,999,732
CRYSTALINE	-	-	108,780
ROBI	-	-	2,712,530
SILVAPHL	-	-	-
Runner Auto	388,136	567,450	567,450
AND Telecom	-	-	-
Genexil	-	-	-
	<b>58,932,182</b>	<b>55,119,060</b>	<b>305,500,682</b>
<b>Unquoted:</b>			
Investment in CCBL	37,500,000	37,500,000	37,500,000
	<b>96,432,182</b>	<b>92,619,060</b>	<b>343,000,682</b>

7.3 Investments classified as per Bangladesh Bank Circular	2021	2020
Held for trading (HFT)	14,264,476,380	12,325,693,114
Held to maturity (HTM)	11,275,501,359	8,600,554,716
Other securities	815,500	374,400
	<b>25,540,793,238</b>	<b>20,926,622,231</b>

7.4 Maturity-wise grouping	2021	2020
On demand	815,500	374,400
Not more than three months	-	40,117,607
More than three months but not more than one year	294,392,936	342,977,026
More than one year but not more than five years	2,726,099,823	4,857,786,997
Above five years	22,738,144,039	16,195,086,882
	<b>25,759,452,298</b>	<b>21,436,342,912</b>

## 7.5 Repo and Reverse-repo

### 7.5.1 Repo as on 31 December 2021

Counter party name	Agreement date	Reversal date	Amount	Amount
Agrani Bank Ltd			-	1,650,024,836
Agrani Bank Ltd			-	847,383,944
			-	<b>2,497,408,780</b>

### 7.5.2 Transactions of Repo and Reverse-repo during the year

	Minimum outstanding	Maximum outstanding	Maximum outstanding
<b>Securities sold under repo</b>			
i) With Bangladesh Bank	-	-	1,706,812,733
ii) With Other Bank & FIs	991,554	3,529,788,679	2,496,785,550
<b>Securities purchase under reverse repo</b>			
i) With Bangladesh Bank	-	-	-
ii) With Other Bank & FIs	-	-	-

## 8 Loans and advances

Loans, cash credit, overdrafts etc. (Note 8.1)	39,436,257,826	36,399,089,518
Bills purchased and discounted (Note 8.13)	2,401,704,450	1,670,692,422
	<b>41,837,962,276</b>	<b>38,069,781,940</b>

		Amount in BDT		
		2021	2020	
<b>8.1</b>	<b>Loans, cash credit, overdrafts etc.</b>			
	<b>In Bangladesh</b>			
	Cash credit and overdrafts	16,202,811,926	16,147,686,036	
	Loans (General)	17,976,209,357	16,287,093,815	
	House building loan	1,175,941,053	823,503,840	
	Loan against trust receipt	678,459,623	1,101,122,740	
	Other Loans	3,402,835,868	2,039,683,087	
		<b>39,436,257,826</b>	<b>36,399,089,518</b>	
	<b>Outside Bangladesh</b>	-	-	
		<b>39,436,257,826</b>	<b>36,399,089,518</b>	
<b>8.2</b>	<b>Performing loans and advances</b>			
	Gross loans and advances	40,648,478,745	37,605,942,089	
	Non-performing loans and advances	1,189,483,532	463,839,851	
		<b>41,837,962,276</b>	<b>38,069,781,940</b>	
<b>8.3</b>	<b>Maturity-wise grouping</b>			
	On demand	4,623,066,803	2,074,956,672	
	Less than three months	9,517,790,772	5,638,815,195	
	More than three months but less than one year	10,866,119,183	15,066,125,520	
	More than one year but less than five years	10,333,020,976	10,004,323,302	
	More than five years	6,497,964,541	5,285,561,251	
		<b>41,837,962,276</b>	<b>38,069,781,940</b>	
<b>8.4</b>	<b>Loans and Advances on the basis of significant concentration</b>			
	Advances to allied concerns of directors	-	-	
	Advances to chief executive and other senior executives	38,268,224	39,381,922	
	<b>Advances to customers' group:</b>			
	Advances to large and medium industries	31,833,556,253	29,140,332,859	
	Advances to small and cottage industries	2,775,704,294	3,030,797,663	
	Commercial Lending	2,266,032,481	2,935,198,248	
	House Building Loan	1,172,723,470	823,503,840	
	Consumer Credit Scheme	773,937,537	611,419,353	
	Other Loans and Advances	2,977,740,019	1,489,148,054	
		<b>41,837,962,276</b>	<b>38,069,781,940</b>	
<b>8.5</b>	<b>Sector-wise allocation of loans and advances</b>			
		<b>% of total loan</b>		
		<b>2021</b>	<b>2020</b>	
	Agriculture, fishing, forestry and dairy firm	0.22%	90,070,149	299,993,302
	Industry (Other than working capital)	17.25%	7,218,821,742	7,573,202,472
	Working capital financing	22.49%	9,410,258,393	8,252,898,574
	Export credit	6.29%	2,631,449,130	1,344,878,163
	Import credit	5.45%	2,278,208,739	2,484,973,191
	Commercial credit	5.42%	2,266,032,481	2,935,198,248
	Constructions	19.57%	8,186,837,654	6,555,181,054
	Transport and Communication	1.47%	613,410,188	616,867,765
	Consumer Credit	1.85%	773,937,537	611,419,353
	Others	20.00%	8,368,936,264	7,395,169,817
		<b>100.00%</b>	<b>41,837,962,276</b>	<b>38,069,781,940</b>

## Amount in BDT

2021

2020

## 8.6 Details of large loans and advances

Number of clients with outstanding amount and classified loans exceeding 10% of total capital of the Bank. Total capital of the Bank was Taka 933.91 crore as at 31 December 2021 (Taka 886.61 crore in 2020).

Number of clients	58	70
Amount of outstanding loans and advances (BDT in crore)	2,818.96	2,799.78
Amount of classified loans and advances	-	-
Measures taken for recovery	-	-

Name of clients	Outstanding (BDT in crore)		Total BDT in crore	Total BDT in crore
	Funded	Non-Funded		
IFAD Autos Limited	-	-	-	49.58
IFAD Motors Limited	-	-	-	29.32
Hashem Foods Limited	102.68	-	102.68	97.24
A.K.M. Knit Wear Limited	78.04	310.03	388.07	236.30
Al Muslim Washing Limited	3.15	15.58	18.73	0.13
Al Muslim Garments Accessories	14.85	8.16	23.01	17.59
Pacific Blue Jeans Ltd	-	-	-	-
Mir Akhter Hossain Limited	53.72	69.09	122.81	155.15
Merits Technologies Ltd.	-	-	-	27.77
M/s. Logic & Thoughts	-	-	-	18.07
Deliverone Ltd.	-	-	-	22.50
Toma Construction & Co. Limited	21.36	377.18	398.54	402.37
Drug International Limited	-	97.42	97.42	74.94
ATI Ceramics Limited	-	18.02	18.02	32.48
Harnest Label Industries Limited	-	8.50	8.50	2.38
Afil Paper Mills Limited	-	-	-	-
M.MTea States Ltd.	-	1.71	1.71	0.07
Smart Technologies [BD] Limited	25.15	42.19	67.34	21.39
Smart Properties Ltd	-	-	-	3.38
AL-Mostafa Printing & Packaging Industries Ltd. Unit-1	-	-	-	-
GAZI Pipes	-	-	-	29.78
GAZI Tanks	-	-	-	12.74
Poton Traders	51.71	38.81	90.52	73.13
Nitol Motors Limited	-	-	-	57.72
Abdul Monem Limited	51.23	36.49	87.72	136.30
Pran Dairy Limited	10.25	13.16	23.41	36.32
Sylvan Technologies Limited	23.00	22.90	45.90	47.73
Advance Personal Care Limited	43.95	42.85	86.80	11.80
Evince Textiles Limited	-	-	-	-
Energypac Engineering Limited	25.27	7.40	32.67	58.00
EPV Chitagong Ltd.	71.94	-	71.94	75.52
EPV Thakurgaon Ltd.	-	82.08	82.08	81.04
Patriot Spinning Mills Ltd.	72.79	37.76	110.55	107.24
Envoy Textile Ltd.	24.73	-	24.73	-
Navana Construction Ltd.	-	-	-	37.46
Pratibha-Navana JV	-	-	-	2.33
Navana Batteries Limited	-	-	-	16.74
Winter Dress Ltd.	13.95	8.97	22.92	9.70
A & A Fashion Sweater Industries Ltd.	12.50	-	12.50	14.84
Md. Abdul Wadud and Monowara Begum	6.03	-	6.03	5.51
Kint Valley Fashion Ltd.	0.50	20.15	20.65	-
American International University Bangladesh	-	-	-	-
Knit City Ltd.	12.97	9.43	22.40	20.71
Riviera Composite Industries Ltd.	57.73	19.96	77.69	51.76
Baraka Engineers Ltd.	100.42	42.67	143.09	85.72
Business Information Technology Ltd.	-	3.28	3.28	-

Name of clients	Outstanding (BDT in crore)		Amount in BDT	
	Funded	Non-Funded	2021	2020
			Total BDT in crore	Total BDT in crore
Baraka Renewable Energy	-	1.93	1.93	1.93
CMECC-BEL JV	-	17.83	17.83	19.65
BUCG-BEL JV	-	-	-	14.01
Career Travel International Ltd.	-	1.04	1.04	1.45
Abul Khair Tobacco Co. Limited	0.11	-	0.11	4.24
Clamoon Garments Limited	-	-	-	19.93
Crossline Woven Apparels Ltd.	-	-	-	30.18
Crossline Woven Garments Limited	-	-	-	14.90
Sonali Paper & Board Mills Limited	2.39	-	2.39	8.28
Sonali Dredger Ltd	4.38	2.75	7.13	15.53
Labaid Hospital Ltd.	119.39	10.71	130.10	86.07
Castle Construction Co. Ltd	29.60	-	29.60	-
Younus Paper Mills Limited	28.09	2.78	30.87	29.76
Younus Offset Paper Mills	18.48	-	18.48	-
Younus Spinning Mills Limited	-	9.67	9.67	-
YSR Logistics Ltd	1.84	-	1.84	0.46
Five Star Ice & Cold Stroge (Pvt) Ltd	8.13	-	8.13	6.77
Fly Glaxy Tours Travels	-	0.07	0.07	0.07
Galaxy Flying Academy Ltd.	9.44	-	9.44	-
Srinagar Ice & Cold Stroge Ltd	8.99	-	8.99	13.60
Western Engineering (Pvt.) Ltd.	21.34	75.20	96.54	126.16
Bera Trade Tech	48.67	6.12	54.79	-
SSRI-Bera JV	6.21	-	6.21	-
Mahabub Brothers ( Pvt) Ltd	-	-	-	104.52
Ambient Steel (BD) Ltd	16.37	73.31	89.68	52.88
Disney Sweater Ltd.	3.11	50.16	53.27	42.05
A. K. Oxygen Ltd.	6.74	6.35	13.09	14.26
Mittal Ispat Ltd	16.05	-	16.05	30.33
	<b>1,227.25</b>	<b>1,591.71</b>	<b>2,818.96</b>	<b>2,799.78</b>

### 8.7 Category-wise Small Medium Enterprise Loans and Advances (SME)

Service Sector	6,240,804,322	5,547,647,611
Trading Sector	1,046,674,890	978,357,774
Industrial Sector	3,087,729,484	2,247,210,785
	<b>10,375,208,696</b>	<b>8,773,216,170</b>

### 8.8 Geographical location-wise allocations of loans and advances

	% of total loan	2021	2020
Dhaka region	82.96%	34,710,679,745	31,444,483,804
Chittagong region	10.80%	4,519,414,005	3,945,680,256
Rajshahi region	1.25%	524,891,600	315,804,724
Sylhet region	0.28%	117,693,143	114,079,025
Khulna region	3.72%	1,555,263,925	1,909,999,738
Mymensing region	0.13%	56,283,519	59,135,132
Rangpur region	0.78%	327,586,160	252,557,176
Barisal region	0.06%	26,150,180	28,042,084
	<b>100.00%</b>	<b>41,837,962,276</b>	<b>38,069,781,940</b>

### 8.9 Classification of loans and advances

	2021		2020	
<b>Unclassified:</b>				
Standard including staff loan	96.69%	40,455,187,980	97.99%	37,305,119,949
Special Mention Account (SMA)	0.46%	193,290,764	0.79%	300,822,139
	<b>97.16%</b>	<b>40,648,478,745</b>	<b>98.78%</b>	<b>37,605,942,089</b>
<b>Classified:</b>				
Sub-standard	0.90%	375,523,225	0.11%	43,063,651
Doubtful	0.12%	48,439,637	0.01%	5,317,544
Bad and loss	1.83%	765,520,670	1.09%	415,458,656
	2.84%	1,189,483,532	1.22%	463,839,851
	<b>100%</b>	<b>41,837,962,276</b>	<b>100%</b>	<b>38,069,781,940</b>

		Amount in BDT	
		2021	2020
<b>8.10 Particulars of loans and advances</b>			
i) Debts considered good in respect of which the bank is fully secured; Debts considered good for which the bank holds no other security than the debtors'		38,920,613,386	33,336,240,787
ii) Personal guarantee;		450,808,403	839,386,142
iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal guarantee of the debtors;		2,309,507,595	3,748,432,752
iv) Debts adversely classified; provision not maintained thereagainst			
v) Debts due by directors or officers of the bank or any of them either severally or jointly with any other persons;		157,032,892	145,722,259
vi) Debts due by companies or firms in which the directors or officers 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 any time during the year to directors or managers or officers of the bank or any of them either severally or jointly with any other persons;		157,032,892	145,722,259
viii) Maximum total amount of advances, including temporary advances made any time during the year to directors or managers or officers of the bank or any of them either severally or jointly with any other persons; advances granted during the year to 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;		-	-
ix) Due from banking companies;		-	-
x) Classified loans/investments for which interest has not been charged:			
(a) Increase/decrease of provision (specific)			
Amount of debts written off		-	-
Amount realized against the debts previously written off			
(b) Provision against the debt classified as bad/loss at the date of balance sheet		510,161,163	297,446,999
(c) Amount of interest charged in suspense account		310,580,093	235,929,817
xi) Loans written off:			
- Current year		3,000,885	-
- Cumulative to-date		3,000,885	-
- The amount of written off loans for which lawsuit filed		2,950,125	-

#### 8.11 Particulars of required provision for loans and advances/investments

		2021			2020
		Outstanding Loans	Base for Provision	% of required provision	Required provision
<b>For loans and advances:</b>					
<b>Unclassified - General provision</b>					
All unclassified loans (other than small enterprises, housing finance, Loan to MBs ,loans for professional, consumer financing and special mention account)					
	28,956,640,654	28,956,640,654	1%	495,166,152	379,882,154
Small and medium enterprise financing	9,560,132,524	9,560,132,524	0.25%	53,846,735	28,138,307
Loan to BHs/MBs/SDs against shares	910,559,589	910,559,589	2%	18,211,192	16,387,246
Housing	310,051,522	310,051,522	1%	3,100,515	2,418,293
Loan for professional	-	-	2%	-	-
Consumer finance	627,733,541	627,733,541	2%	12,554,671	9,206,936
Agriculture finance	90,070,149	90,070,149	1.00%	900,701	2,999,933
Special Mention Account (SMA)	193,290,764	193,290,764	0.25%-5%	1,152,607	2,984,757
	<b>40,648,478,745</b>	<b>40,648,478,745</b>		<b>584,932,573</b>	<b>442,017,627</b>

	2021			2020
	Outstanding Loans	Base for Provision	% of required provision	Required provision
<b>Classified - Specific provision:</b>				
Sub-standard	375,523,225	248,664,110	5% & 20%	48,215,799
Doubtful	48,439,637	19,577,015	20% & 50%	3,915,403
Bad and loss	765,520,670	510,161,163	100%	510,161,163
	<b>1,189,483,532</b>	<b>778,402,289</b>		<b>562,292,365</b>
Required provision for loans and advances				<b>1,147,224,938</b>
Total provision maintained				<b>1,147,642,482</b>
<b>Excess provision at 31 December</b>				<b>417,544</b>

#### 8.12 Listing of assets pledged as security/collaterals

##### Nature of the secured assets

	2021	2020
Gold & Gold Ornaments	-	-
Shares & Securities	156,477,205	39,628,143
Merchandise	2,290,101,995	1,949,873,024
Machinery with other Fixed Asset and Financial obligation	1,105,903,355	1,020,767,280
Real Estate with Financial obligation	20,324,925,556	18,593,292,262
Financial Obligation only (Insurance policies, Savings certificates, Bank deposit)	2,486,473,701	1,699,639,778
Miscellaneous;		
i) Crops/stock of crops hypothecations	870,526	509,500
ii) Guarantee of individuals/ Institutions	2,309,507,595	3,748,432,752
iii) Others	13,163,702,344	11,017,639,200
	<b>41,837,962,276</b>	<b>38,069,781,940</b>

#### 8.13 Bills purchased and discounted

In Bangladesh	2,054,525,931	1,463,384,196
Outside Bangladesh	347,178,519	207,308,226
	<b>2,401,704,450</b>	<b>1,670,692,422</b>

#### 8.13.1 Maturity-wise grouping

On demand	24,003,518	12,835,066
Less than three months	216,514,675	165,024,494
More than three months but less than one year	2,161,186,257	1,492,832,862
More than one year but less than five years	-	-
More than five years	-	-
	<b>2,401,704,450</b>	<b>1,670,692,422</b>

#### 9 Fixed assets including premises, furniture and fixtures

##### **Cost Price:**

Land	-	-
Building	-	-
Furniture and fixture	208,741,830	199,218,285
Computer and Computer peripheral	79,565,157	73,593,787
Electrical Equipments	186,049,236	174,428,635
Motor vehicles	31,600,001	34,100,000
Capital work in progress (CWIP)	2,168,500	7,563,454
	<b>508,124,724</b>	<b>488,904,160</b>

##### **Less: Accumulated depreciation:**

Land	-	-
Building	-	-
Furniture and fixture	87,095,888	65,934,277
Computer and Computer peripheral	62,143,260	53,968,844
Electrical Equipments	133,452,094	110,636,967
Motor vehicles	20,906,049	19,586,028
	<b>303,597,291</b>	<b>250,126,116</b>
	<b>204,527,433</b>	<b>238,778,045</b>

##### **Leased Assets:**

Right-of-Use (ROU) Assets	676,458,998	702,267,190
Less: Accumulated depreciation on ROU Assets	308,365,700	218,928,267
	<b>368,093,298</b>	<b>483,338,923</b>

**Software:**

Computer Software  
 SWIFT Software  
 Capital work in progress (CWIP)

Less: Amortization during the year

**Written down value at the end of the year**

Detail of fixed assets is presented in Annexure-A

Amount in BDT	
2021	2020
95,634,474	80,865,474
4,221,235	4,221,235
4,452,000	16,270,798
<b>104,307,709</b>	<b>101,357,507</b>
67,719,165	57,020,572
<b>36,588,544</b>	<b>44,336,935</b>
<b>609,209,275</b>	<b>766,453,903</b>

**Leased Assets:****Accounting Policy:**

The Bank assesses whether a contract is a lease, in accordance with the guidance stated in the IFRS 16: Leases, by determining whether the contract gives it the right to use a specified underlying physical asset for a lease term greater than 12 months, unless the underlying asset is of low value. Office premises for which monthly lease rental is the amount not exceeding Taka 25,000, ATM Booths and other installations are considered as low value asset.

Where the Bank is a lessee and the lease is deemed in scope, it recognizes a liability equal to the present value of lease payments over the lease term, discounted using the incremental borrowing rate applicable in the economic environment of the lease. It is considered as 5%. The liability is recognized in 'Other liabilities'. A corresponding right-of-use (ROU) Asset equal to the liability, adjusted for any lease payments made at or before the commencement date, is recognized in 'Property, plant and equipment'. The lease term includes any extension options contained in the contract that the Bank is reasonably certain, it will exercise.

The Bank subsequently depreciates the right-of-use (ROU) asset using the straight-line method over the lease term and measures the lease liability using the effective interest method. Depreciation of the asset is recognized in 'Depreciation and amortization', and interest on the lease liability is recognized in 'Interest expense'.

The judgements in determining lease balances are the determination of whether the Bank is reasonably certain that it will exercise extension options present in lease contracts. On initial recognition, the Bank considers a range of characteristics such as premises function, conditions mentioned in the lease contracts and the term remaining on the lease to determine whether it is reasonably certain that a contractual right to extend a lease will be exercised.

Existing lease liabilities may change in future periods due to changes in assumptions or decisions to exercise lease renewal or termination options, changes in payments due to renegotiations of market rental rates as permitted by those contracts and changes to payments due to rent being contractually linked to an inflation index. In general, the remeasurement of a lease liability under these circumstances leads to an equal change to the right-of-use asset balance, with no immediate effect on the income statement.

Prior period information is not restated, i.e. it is presented, as previously reported, under IAS 17 and related interpretations in which the Bank as lessee recognized lease payments in operating expenses on a straight-line basis.

The total rental expense during the year 2021 for premises leases was Taka 167,518,634 out of which Taka 145,832,508 has been presented in accordance with the IFRS 16: Leases and remaining Taka 21,686,126 is presented as stated above as per IAS 17. Reconciliation of rental expense has been presented in Note 26.1 for detail.

The right-of-use asset balances and depreciation charges are disclosed in Note 9 & Note 31 respectively. The lease liability balance is disclosed in Note 13 and the interest expense on lease liabilities is disclosed in Note 21.

		Amount in BDT	
		2021	2020
<b>10</b>	<b>Other assets</b>	<b>4,185,283,694</b>	<b>3,639,562,579</b>
<b>10.1</b>	<b>Classification of other assets</b>		
	Interest Receivable (Accrued Interest Income)	546,932,281	511,794,144
	Other receivable-Bangladesh Industrial Finance Company Ltd.	130,000,000	130,000,000
	Stationery, stamps, printing materials, etc.	1,401,327	1,088,404
	Advance rent	84,937,183	115,846,610
	Preliminary, renovation, development and prepaid expenses	2,325,499	9,191,928
	Branch adjustment (Note 10.3)	207,247	-
	Off-shore Banking Unit	1,657,227,000	819,767,500
	Advance income tax (Note 10.)	3,279,266,522	2,650,275,461
	Protested bills	89,500,000	89,500,000
	Others	50,713,636	131,866,031
		<b>5,842,510,694</b>	<b>4,459,330,079</b>
	Less: Off-shore Banking Unit	1,657,227,000	819,767,500
		<b>4,185,283,694</b>	<b>3,639,562,579</b>
<b>10.2</b>	<b>Advance income tax</b>		
	Opening balance	2,650,275,461	1,845,607,372
	Paid during the year	628,991,060	804,668,090
		<b>3,279,266,522</b>	<b>2,650,275,461</b>
	Less: Settlement/ Adjustment of previous year's tax liability	-	-
	<b>Closing balance</b>	<b>3,279,266,522</b>	<b>2,650,275,461</b>
<b>10.3</b>	<b>Branches' adjustment</b>		
	General accounts debit	207,247	-
		<b>207,247</b>	<b>-</b>
<b>11</b>	<b>Borrowing from other banks, financial institutions and agents</b>		
	In Bangladesh (Note 11.1)	6,114,905,514	3,663,140,760
	Outside Bangladesh (Note 11.2)	19,799,791	34,049,953
		<b>6,134,705,304</b>	<b>3,697,190,713</b>
<b>11.1</b>	<b>In Bangladesh</b>		
	<b>A) Re-Finance from Bangladesh Bank:</b>		
	Re-finance for women entrepreneurs	3,125,000	3,750,000
	Re-Finance for UBSP JICA FUND	262,435,484	174,967,742
	Re-Finance for Agri.	24,300,000	-
	Re-Finance scheme for small / micro enterprise holding 10 Taka Account	-	450,000
	Re-Finance scheme for Working Capital for Large industry	567,265,430	393,998,018
	Re-Finance scheme for Working Capital for CMSME	247,575,000	55,725,000
		<b>1,104,700,914</b>	<b>628,890,760</b>
	<b>B) Borrowing from Banks (In Local Currency):</b>		
	Janata Bank Limited	-	-
	Eastern Bank Limited	-	-
	United Commercial Bank Limited	250,000,000	100,000,000
	Rupali Bank Limited	-	250,000,000
	Uttara Bank Limited	400,000,000	300,000,000
	Agrani Bank Limited	-	250,000,000
	Sonali Bank Limited	150,000,000	250,000,000
	IFIC Bank Limited	450,000,000	230,000,000
	Meghna Bank Limited	-	130,000,000
	Bangladesh Development Bank Ltd.	150,000,000	100,000,000
	Prime Bank Limited	-	210,000,000
	Habib Bank Limited	-	200,000,000
	Basic Bank Limited	100,000,000	-
	AB Bank Limited	-	250,000,000
	South Bangla Agriculture and Commerce Bank Ltd.	-	-
		<b>1,500,000,000</b>	<b>2,270,000,000</b>

		Amount in BDT	
		2021	2020
<b>C) Borrowing from Banks (In Foreign Currency):</b>			
	United Commercial Bank Limited	-	-
	National Credit and Commerce Bank Limited	900,900,000	297,325,000
	Rupali Bank Limited	-	127,425,000
	NRB Bank Ltd.	171,600,000	-
	Bank Asia Ltd	343,200,000	-
	Off-shore Banking Unit	1,657,227,000	819,767,500
	Dhaka Bank Limited	42,900,000	-
	NRB Global Bank Limited	-	-
	Southeast Bank Limited	257,400,000	169,600,000
	Bank AlfalH Ltd	429,000,000	-
	Trust Bank Limited	1,279,404,600	-
	Commercial Bank of Ceylon PLC.	-	-
	Jamuna Bank Limite	85,800,000	169,900,000
		<b>5,167,431,600</b>	<b>1,584,017,500</b>
	Less: Off-shore Banking Unit	1,657,227,000	819,767,500
		<b>3,510,204,600</b>	<b>764,250,000</b>
	<b>(A+B+C) In Bangladesh</b>	<b>6,114,905,514</b>	<b>3,663,140,760</b>
<b>11.2</b>	<b>Outside Bangladesh</b>		
	Value Port Ltd.	19,799,791	34,049,953
		<b>19,799,791</b>	<b>34,049,953</b>
		<b>6,134,705,304</b>	<b>3,697,190,713</b>
<b>11.3</b>	<b>Maturity grouping of borrowings</b>		
	Repayable on demand	1,500,000,000	2,270,000,000
	Repayable within one month	1,460,484,600	297,325,000
	Over one month but within six months	2,049,720,000	466,925,000
	Over six months but within one year	-	-
	Over one year	1,124,500,704	662,940,713
		<b>6,134,705,304</b>	<b>3,697,190,713</b>
<b>12</b>	<b>Deposits and other accounts</b>		
	<b>Current and other accounts</b>		
	Current deposits	2,312,986,840	2,767,488,302
	Foreign currency deposits	356,931,483	496,313,332
	Sundry deposits (Note 12.1)	4,140,405,962	4,298,413,019
		<b>6,810,324,286</b>	<b>7,562,214,653</b>
	<b>Bills payable</b>		
	Payment order issued	521,940,507	787,297,820
	Demand draft	-	-
		<b>521,940,507</b>	<b>787,297,820</b>
	<b>Savings bank deposits</b>	<b>3,672,116,739</b>	<b>3,417,438,678</b>
	<b>Term/Fixed deposits</b>		
	Fixed deposits Receipts (FDR)	30,850,232,600	24,970,354,667
	Special notice deposits (SND)	6,029,443,042	8,086,589,849
	Scheme deposits	10,256,574,646	9,642,423,766
	Interest Payable on FDR/Scheme	488,389,827	487,398,035
		<b>47,624,640,115</b>	<b>43,186,766,317</b>
		<b>58,629,021,648</b>	<b>54,953,717,469</b>

		Amount in BDT	
		2021	2020
<b>12.1</b>	<b>Sundry deposits</b>		
	Margin deposits	1,655,053,746	1,824,623,955
	Withholding Tax, VAT and Excise duty etc.	188,295,346	176,262,949
	FC held against Export Development Fund (EDF)	1,257,606,497	812,542,189
	Cover Fund against Term Loan (Salary from BB)	393,721,871	616,322,562
	BLO account -USD	478,747,559	648,495,623
	Others	166,980,944	220,165,741
		<b>4,140,405,962</b>	<b>4,298,413,019</b>
<b>12.2</b>	<b>Deposits and Other Accounts</b>		
	Deposits from Banks	1,480,000,000	1,120,000,000
	Deposits from Customers	57,149,021,648	53,833,717,469
		<b>58,629,021,648</b>	<b>54,953,717,469</b>
<b>12.3</b>	<b>Sector-wise break-up of Deposits and Others account</b>		
	Government	5,185,845,365	6,265,541,651
	Deposit money banks	1,480,000,000	1,120,000,000
	Other public	8,721,594,460	7,455,951,357
	Foreign currency	356,931,483	496,313,332
	Private	42,884,650,339	39,615,911,129
		<b>58,629,021,648</b>	<b>54,953,717,469</b>
<b>12.4</b>	<b>Analysis of residual maturity grouping of deposits</b>		
	<b>Inter-bank deposits</b>		
	Repayable on demand	-	-
	Repayable within 1 month	350,000,000	1,120,000,000
	Over 1 month but within 6 months	1,130,000,000	-
	Over 6 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 years but within 10 years	-	-
		<b>1,480,000,000</b>	<b>1,120,000,000</b>
	<b>Other Deposits</b>		
	Repayable on demand	685,466,533	2,452,034,309
	Repayable within 1 month	2,549,241,584	1,516,388,336
	Over 1 month but within 6 months	22,797,130,481	21,760,306,988
	Over 6 months but within 1 year	6,846,175,344	15,379,481,459
	Over 1 year but within 5 years	12,267,101,853	10,524,990,050
	Over 5 years but within 10 years	12,003,905,852	2,200,516,326
		<b>57,149,021,648</b>	<b>53,833,717,469</b>
		<b>58,629,021,648</b>	<b>54,953,717,469</b>
<b>12.5</b>	<b>Unclaimed Deposits and valuables</b>	-	-
<b>13.00</b>	<b>Other liabilities</b>		
	Provision for loans and advances (Note 13.1)	1,147,642,482	742,940,000
	Provision for Incentive of Good borrowers (Note 13.1 (a))	-	-
	Provision for diminution in value of investments (Note 13.1 (b))	950,000	950,000
	Provision for other assets (Note 13.1 (b))	6,900,000	400,000
	Provision for protested bills (Note 13.1 (b))	89,500,000	89,500,000
	Provision for other assets (BIFCL) (Note 13.1 (b))	133,100,000	133,100,000
	Provision for Risk Coverage Fund (Note 13.1 (b))	2,000,000	2,000,000
	Special General provision for COVID-19 (Note 13.1 (c))	214,300,000	150,400,000
	Lease Liability	406,442,927	513,762,704
	Provision for off-balance sheet exposures (Note 13.2)	289,400,000	246,400,000
	Provision for taxation (Note 13.3)	3,689,522,771	3,251,313,921
	Provision for incentive bonus	55,524,433	53,890,885
	Interest Suspense Account (Note 13.4)	338,092,869	235,929,817
	Accrued expenses	9,756,015	18,862,913
	Interest payable on borrowings	35,859,243	12,226,889
	Branch adjustment (Note-13.5)	-	88,970
	Start-Up Fund	27,720,059	-
	Provision for audit fee	250,000	250,000
	Payable against protested bills	-	89,500,000
	Others	62,001,707	162,714,480
		<b>6,508,962,506</b>	<b>5,704,230,581</b>

		Amount in BDT	
		2021	2020
<b>13.1</b>	<b>Provision for loans and advances</b>		
	<b>A. General</b>		
	Provision held as on 1 January	427,240,000	363,840,000
	Add: Provision made during the year	136,450,000	63,800,000
	Less: Transferred to provision for other assets (BIFCL)	-	(400,000)
	<b>Provision held as on 31 December</b>	<b>563,690,000</b>	<b>427,240,000</b>
	<b>B. Specific</b>		
	<b>Movement in specific provision on classified loans</b>		
	Provision held as on 1 January	300,700,000	470,500,000
	Add: Specific provision made during the year	263,700,000	-
	Less: Written off during the year	(1,897,518)	-
	Less: Transferred to provision for protested bills	-	(89,500,000.00)
	Less: Transferred to provision for other assets (BIFCL)	-	(80,300,000)
	<b>Provision held as on 31 December</b>	<b>562,502,482</b>	<b>300,700,000</b>
	<b>C. Provision for Off-shore Banking Unit (OBU)</b>		
	Provision held as on 1 January	15,000,000	27,500,000
	Add: Provision made during the year	6,450,000	-
	Less: Transferred to provision for other assets (BIFCL)	-	(12,500,000)
	<b>Provision held as on 31 December</b>	<b>21,450,000</b>	<b>15,000,000</b>
	<b>Total provision on loans and advances (A+B+C)</b>	<b>1,147,642,482</b>	<b>742,940,000</b>
<b>13.1</b>	<b>(a) Provision for Incentive of Good borrowers</b>		
	Provision held as on 1 January	-	4,500,000
	Add: Provision made during the year	-	-
		-	<b>4,500,000</b>
	Less: Paid/adjustment during the year	-	4,500,000
	<b>Provision held as on 31 December</b>	-	-
<b>13.1</b>	<b>(b) Provision for others</b>		
	<b>(b-1) Provision for diminution in value of investments</b>		
	Provision held as on 1 January	950,000	36,900,000
	Add: Provision made during the year	-	-
	Less: Transferred to provision for other assets	-	(150,000)
	Less: Transferred to provision for other assets (BIFCL)	-	(35,800,000)
		<b>950,000</b>	<b>950,000</b>
	<b>(b-2) Provision for other assets</b>		
	Provision held as on 1 January	400,000	250,000
	Add: Provision made during the year	6,500,000	-
	Add: Transferred from provision for diminution in value of investments	-	150,000
		<b>6,900,000</b>	<b>400,000</b>
	<b>(b-3) Provision for protested bills</b>		
	Provision held as on 1 January	89,500,000	-
	Add: Transferred from Specific Provision	-	89,500,000
		<b>89,500,000</b>	<b>89,500,000</b>
	<b>(b-4) Provision for other assets (BIFCL)</b>		
	Provision held as on 1 January	133,100,000	-
	Add: Transferred from provision for diminution in value of investments	-	35,800,000
	Add: Transferred from provision for OBU	-	12,500,000
	Add: Transferred from General Provision	-	400,000
	Add: Transferred from provision for Off-balance sheet exposure	-	4,100,000
	Add: Transferred from Specific Provision	-	80,300,000
		<b>133,100,000</b>	<b>133,100,000</b>
	<b>(b-5) Provision for Risk Coverage Fund</b>		
	Provision held as on 31 December	2,000,000	2,000,000
		<b>2,000,000</b>	<b>2,000,000</b>
		<b>232,450,000</b>	<b>225,950,000</b>

		Amount in BDT	
		2021	2020
<b>13.1 (c) Special General provision for COVID-19</b>			
	Provision held as on 1 January	150,400,000	-
	Add: Provision made during the year (Net)	63,900,000	150,400,000
		<b>214,300,000</b>	<b>150,400,000</b>
<b>13.2 Provision for off-balance sheet exposures</b>			
	Provision held as on 1 January	246,400,000	250,500,000
	Add: Provision made during the year	43,000,000	-
	Less: Transferred to Provision for other assets (BIFCL)	-	(4,100,000)
		<b>289,400,000</b>	<b>246,400,000</b>
	Less: Adjustments made during the year	-	-
	<b>Provision held as on 31 December</b>	<b>289,400,000</b>	<b>246,400,000</b>
<b>13.3 Provision for taxation</b>			
	Current tax ( Note 13.3.1)	3,547,679,875	3,106,283,637
	Deferred tax ( Note 13.3.2)	141,842,896	145,030,284
		<b>3,689,522,771</b>	<b>3,251,313,921</b>
<b>13.3.1 Provision for current tax</b>			
	<b>Provision</b>		
	Balance at the beginning of the year	3,106,283,637	2,390,718,294
	Add: Provision made during the year	441,396,238	715,565,343
		<b>3,547,679,875</b>	<b>3,106,283,637</b>
	Less: Settlement/ Adjustment of previous year's tax liability	-	-
	<b>Balance at the end of the year</b>	<b>3,547,679,875</b>	<b>3,106,283,637</b>
	Provision for current tax of Taka 441,396,238/- has been kept following 40.00% Tax rate as prescribed by Finance Act 2021 based on the accounting profit made by the Bank after considering some add-backs to income and disallowances of expenditure as per "Income Tax Ordinance 1984".		
<b>13.3.2 Provision for deferred tax</b>			
	Balance at the beginning of the year	145,030,284	88,816,295
	Add : Provision made for deferred tax liabilities:		
	Charged/(credited) to profit and loss account	(3,187,388)	56,213,989
		141,842,896	145,030,284
	Adjustment made during the year	-	-
		141,842,896	145,030,284
	Less: Provision made for deferred tax assets	-	-
	<b>Balance at the end of the year</b>	<b>141,842,896</b>	<b>145,030,284</b>
<b>13.4 Interest Suspenses Account</b>			
	Balance at the beginning of the year	235,929,817	129,127,988
	Add: Amount transferred during the year	440,247,334	250,738,804
	Less: Amount recovered during the year	(338,084,283)	(143,936,975)
	Less: Amount written off during the year	-	-
	Balance at the end of the year	<b>338,092,869</b>	<b>235,929,817</b>
<b>13.5 Branches' adjustment</b>			
	General accounts debit	-	4,011
	General accounts credit	-	92,981
		-	<b>88,970</b>
<b>14 Share capital</b>			
<b>14.1 Authorised capital:</b>			
	2,000,000,000 ordinary shares of BDT 10 each	<b>20,000,000,000</b>	<b>20,000,000,000</b>
<b>14.2 Issued, subscribed and paid up capital:</b>			
	452,000,000 ordinary shares of BDT 10 each issued for cash	4,520,000,000	4,520,000,000
	22,600,000 ordinary shares of BDT 10 each issued for bonus share	226,000,000	226,000,000
	26,103,000 ordinary shares of BDT 10 each issued for bonus share	261,030,000	261,030,000
	25,035,145 ordinary shares of BDT 10 each issued for bonus share	250,351,450	-
		<b>5,257,381,450</b>	<b>5,007,030,000</b>

			Amount in BDT	
			2021	2020
Year	Particulars	Number of shares	Capital amount	Capital amount
2013	Opening Capital	452,000,000	4,520,000,000	4,520,000,000
2018	Bonus share Issued	22,600,000	226,000,000	226,000,000
2019	Bonus share Issued	26,103,000	261,030,000	261,030,000
2020	Bonus share Issued	25,035,145	250,351,450	-
		<b>525,738,145</b>	<b>5,257,381,450</b>	<b>5,007,030,000</b>

#### 14.4 Name of the Directors and their shareholdings in the year 2021

SI	Name of the directors	Status	Number of Shares	
			At 31 December 2021	At 31 December 2020
1	Mr. Humayun Kabir	Chairman	13,957,650	13,293,000
2	Mr. Shaikh Salahuddin	Vice- Chairman	20,936,475	19,939,500
3	Mr. Sheikh Fazle Noor Taposh	Director	46,525,500	44,310,000
4	Sharmin Apparels Limited Represented by Mr. Mohammad Ismail Hossain	Director	23,262,750	22,155,000
5	Sandhani Life Insurance Company Limited Represented by Mr. Nemai Kumer Saha	Director	34,894,125	33,232,500
6	Mr. Salahuddin Alamgir	Director	23,262,750	22,155,000
7	Tanveer Oils Limited Represented by Mr. Mostafa Kamal	Director	23,262,750	22,155,000
8	Everest Power Generation Company Limited Represented by Mrs. Tanjima Binthe Mostafa	Director	23,262,750	22,155,000
9	Mr. Humayun Kabir Bablu	Director	23,262,750	22,155,000
10	Mrs. Shahana Yasmin	Director	23,262,750	22,155,000
11	Mrs. Sultana Jahan	Director	23,262,750	22,155,000
12	Mango Teleservices Limited Represented by Mr. A. Mannan Khan	Director	23,262,750	22,155,000
13	Azbal International Limited Represented by Mrs. Ferdousi Islam	Director	23,262,750	22,155,000
14	Anwar Jute Spinning Mills Limited Represented by Mr. Manwar Hossain	Director	11,631,375	11,077,500
15	Meghna Flour & Dal Mills Limited Represented by Mr. Tanveer Ahmed Mostafa	Director	13,957,650	13,293,000
16	Mona Financial Consultancy & Securities Limited Represented by Mr. Md. Mahbubur Rahman	Director	11,631,375	11,077,500
17	Mr. Didarul Alam	Director	9,305,100	8,862,000
18	Sharmin Fashions Limited Represented by Mrs. Syeda Sharmin Hossain	Director	9,305,100	8,862,000
19	Advocate Yusuf Hussain Humayun	Independent Director	-	-
20	Mr. Shaheduzzaman Choudhury, FCA	Independent Director	-	-
<b>Total</b>			<b>381,509,100</b>	<b>363,342,000</b>

14.5 Classification of shareholders by holding	Amount in BDT			
	Number of holders		% of total holding	
	2021	2020	2021	2020
Less than 500 shares	-	-	-	-
500 to 5,000 shares	-	-	-	-
5,001 to 10,000 shares	-	-	-	-
10,001 to 20,000 shares	-	-	-	-
20,001 to 30,000 shares	-	-	-	-
30,001 to 40,000 shares	-	-	-	-
40,001 to 50,000 shares	-	-	-	-
50,001 to 100,000 shares	-	-	-	-
100,001 to 1,000,000 shares	-	-	-	-
Over 1,000,000 shares	41	41	100.00	100.00
	<b>41</b>	<b>41</b>	<b>100.00</b>	<b>100.00</b>

#### 14.6 Capital to Risk weighted Asset Ratio (CRAR):

In terms of Section 13 (2) of the Bank Company Act 1991, the Guideline on Risk Based Capital Adequacy (RBCA) under Basel-III issued vide BRPD Circular No. 18 dated December 21, 2014 (effective from January 01, 2015), BRPD Circular No. 2 dated March 04, 2015, and BRPD Circular No. 5 dated May 31, 2016, the calculation of Capital to Risk Weighted Asset Ratio (CRAR) is done at the end of every quarter in a year. Calculation of minimum total capital plus capital conservation buffer of the Bank at the end of December 2021 against the regulatory requirement of 12.50% is presented as under:

##### 1) Tier-1 -Core capital (Going Concern Capital)

###### a) Common Equity - Tier-1 (CET 1) Capital

Paid up capital	5,257,381,450	5,007,030,000
Share premium	-	-
Statutory reserve (Note 15)	2,167,614,506	1,854,552,297
General reserve	-	-
Surplus in Profit and Loss account/ Retained earnings (Note 17)	825,242,531	1,165,504,304
	<b>8,250,238,487</b>	<b>8,027,086,601</b>
b) Additional Tier-1 Capital	-	-
<b>Total Tier-1 Capital</b>	<b>8,250,238,487</b>	<b>8,027,086,601</b>

###### 2) Tier-2 Capital (Gone-concern Capital)

General provision maintained against unclassified loan	799,440,000	592,640,000
General provision on off-balance sheet items	289,400,000	246,400,000
Asset revaluation reserve	-	-
Revaluation reserve (50% of Fixed Assets & Securities and 10% of Equities)	-	-
	<b>1,088,840,000</b>	<b>839,040,000</b>

##### Less: Regulatory Adjustment

Revaluation Reserve for Fixed Assets, Securities & Equity Securities  
(deduction of 100% in 2019 as per Basel-III Guidelines)

	-	-
<b>Total Tier-2 Capital</b>	<b>1,088,840,000</b>	<b>839,040,000</b>
<b>A) Regulatory Capital (1+2)</b>	<b>9,339,078,487</b>	<b>8,866,126,601</b>

##### B) Risk weighted assets (RWA)

Credit Risk		
On-Balance Sheet	31,461,542,857	29,489,254,972
Off-Balance Sheet	10,133,386,932	10,585,302,710
	<b>41,594,929,789</b>	<b>40,074,557,682</b>
Market Risk Weighted Assets	6,830,461,850	6,355,631,762
Operational Risk Weighted Assets	3,317,903,069	3,272,161,057
<b>Total RWA</b>	<b>51,743,294,708</b>	<b>49,702,350,501</b>

<b>C) Required capital (Required Capital Tk.400.00 crore or actual whichever is higher)</b>	<b>5,174,329,471</b>	<b>4,970,235,050</b>
<b>D) Surplus (A-C)</b>	<b>4,164,749,016</b>	<b>3,895,891,551</b>

**Capital to Risk weighted Asset Ratio (CRAR):**

On Core Capital, i.e. CET 1 - (against standard of minimum 6%)

On Total Capital to Risk Weighted Asset Ratio (CRAR)- [against standard of minimum 10% plus Capital Conservation Buffer 2.50% (total 12.50%)]

Amount in BDT	
2021	2020
15.94%	16.15%
18.05%	17.84%

Any Bank with a Common Equity Tier 1 (CET 1) Capital ratio below 7% is required to conserve a certain percentage of its earnings in the subsequent year. In that case, a restriction is imposed on dividend payout as stated in the Basel III guideline. Above Calculation reveals that CET 1 ratio of Modhumoti Bank Limited (15.94%) is well above the required level.

**Leverage Ratio (against standard of 3%):**

	8.74%	9.62%
<b>15 Statutory reserve</b>		
Balance as at 1 January	1,854,552,297	1,371,215,695
Addition during the year ( 20% of pre-tax profit)	313,062,209	483,336,602
Balance as at 31 December	<b>2,167,614,506</b>	<b>1,854,552,297</b>
<b>16 Revaluation gain/(loss) on investment Revaluation reserve on HTM securities</b>		
Balance as at 1 January	7,541,958	3,143,329
Addition during the year	477,632	4,398,629
	8,019,590	7,541,958
Adjustment of amortization/ revaluation gain against sale/maturity	7,541,958	-
Balance as at 31 December	<b>477,632</b>	<b>7,541,958</b>
<b>Revaluation reserve on HFT securities</b>		
Balance as at 1 January	524,900,272	509,676
Addition during the year	2,235,182,235	524,900,272
	2,760,082,508	525,409,948
Adjustment of amortization/ revaluation gain against sale/maturity	2,726,734,794	509,676
Balance as at 31 December	<b>33,347,714</b>	<b>524,900,272</b>
	<b>33,825,345</b>	<b>532,442,230</b>
<b>16(a) Foreign currency translation gain/(loss)</b>		
Balance as at 1 January	-	148,369
Addition during the year	201,721	-
Disposal during the year	-	(148,369)
<b>Balance as on 31 December</b>	<b>201,721</b>	<b>-</b>
<b>17 Surplus in profit and loss account/Retained earnings</b>		
Balance as at 1 January	1,165,504,304	478,537,232
Less: Prior year adjustment (Start-Up Fund)	16,449,037	-
	<b>1,149,055,267</b>	<b>478,537,232</b>
Add: Addition during the year	1,127,102,195	1,644,903,674
	2,276,157,462	2,123,440,906
<b>Less:</b>		
Transfer to Statutory reserve	313,062,209	483,336,602
Transfer to Start-Up Fund	11,271,022	-
Issue of bonus shares	250,351,450	261,030,000
Cash dividend paid	876,230,250	213,570,000
	<b>1,450,914,931</b>	<b>957,936,602</b>
<b>Balance as on 31 December</b>	<b>825,242,531</b>	<b>1,165,504,304</b>

		Amount in BDT	
		2021	2020
<b>18</b>	<b>Contingent liabilities</b>		
<b>18.1</b>	<b>Acceptances and endorsements</b>		
	Acceptance under Letters of Credit -Cash (Foreign) Deferred	3,432,111,733	2,296,627,522
	Acceptance under Letters of Credit -BTB (Foreign) Usance	409,484,892	404,900,448
	Acceptance under Letters of Credit -BTB EPZ (Foreign) Usance	129,102,738	116,950,434
	Acceptance under Letters of Credit -BTB (Local) Usance	1,580,182,567	930,818,427
	Acceptance under Letters of Credit -BTB (Foreign) EDF	-	-
	Acceptance under Letters of Credit -Others	5,838,877	-
		<b>5,556,720,807</b>	<b>3,749,296,832</b>
	Less: Margin	-	-
		<b>5,556,720,807</b>	<b>3,749,296,832</b>
<b>18.2</b>	<b>Letters of guarantee</b>		
	Letters of guarantee (Local)	12,659,850,021	13,341,434,824
	Letters of guarantee (Foreign)	1,207,994,910	1,344,170,787
	Foreign counter guarantees	-	-
		<b>13,867,844,931</b>	<b>14,685,605,611</b>
	Less: Margin	871,652,224	829,128,896
		<b>12,996,192,707</b>	<b>13,856,476,715</b>
	<b>Money for which the Bank is contingently liable in respect of guarantee issued favouring:</b>		
	Directors or officers	25,770,435	5,000,000
	Government	-	-
	Banks and other financial institutions	-	-
	Others	13,842,074,495	14,680,605,611
		<b>13,867,844,931</b>	<b>14,685,605,611</b>
	Less: Margin	871,652,224	829,128,896
		<b>12,996,192,707</b>	<b>13,856,476,715</b>
<b>18.3</b>	<b>Irrevocable letters of credit</b>		
	Letter of Credit - Foreign	4,988,613,686	4,636,402,274
	Letter of Credit - BTB Foreign	1,542,497,688	737,693,247
	Letter of Credit - BTB - EPZ	105,415,051	105,892,403
	Letter of Credit - BTB (Local)	2,843,972,642	1,271,614,507
	Letter of Credit - EDF & Others	628,621,906	118,851,992
		<b>10,109,120,972</b>	<b>6,870,454,423</b>
	Less: Margin	783,401,522	995,495,059
		<b>9,325,719,450</b>	<b>5,874,959,364</b>
<b>18.4</b>	<b>Bills for collection</b>		
	Foreign bills for collection	1,045,332,306	555,086,206
	Local bills for collection	2,573,775,895	1,063,389,841
		<b>3,619,108,201</b>	<b>1,618,476,047</b>
<b>18.5</b>	<b>Other contingent liabilities</b>		
	Other contingent liabilities	668,657,520	-
		<b>668,657,520</b>	-

		Amount in BDT	
		2021	2020
<b>19</b>	<b>Income statement</b>		
	<b>Income:</b>		
	Interest, discount and similar income	4,735,121,229	6,046,054,909
	Dividend income	39,469,279	34,265,911
	Fees, commission and brokerage	362,480,796	297,498,249
	Gains less losses arising from dealing securities	-	-
	Gains less losses arising from investment securities	702,893,303	779,534,760
	Gains less losses arising from dealing in foreign currencies	202,359,120	116,213,655
	Income from non-banking assets	-	-
	Other operating income	108,612,356	95,444,979
	Profit less losses on interest rate changes	-	-
		<b>6,150,936,084</b>	<b>7,369,012,464</b>
	<b>Expenses:</b>		
	Interest, fees and commission	2,818,305,893	3,552,896,994
	Losses on loans and advances	-	-
	Administrative expenses	892,575,528	762,118,715
	Other operating expenses	157,481,965	155,481,182
	Depreciation on banking assets	197,261,654	267,632,566
		<b>4,065,625,039</b>	<b>4,738,129,458</b>
	<b>Income over expenditure</b>	<b>2,085,311,045</b>	<b>2,630,883,006</b>
<b>20</b>	<b>Interest income</b>		
	Interest on loans and advances	3,258,480,648	4,244,680,708
	Interest on placement with other banks and financial institutions	200,846,548	626,711,479
	Interest income from OBU	26,190,420	32,710,137
	Interest on foreign currency balances	22,870,171	13,184,430
		<b>3,508,387,787</b>	<b>4,917,286,754</b>
	Less: Interest income from OBU	26,190,420	32,710,137
		<b>3,482,197,367</b>	<b>4,884,576,617</b>
<b>21</b>	<b>Interest paid on deposits and borrowings etc.</b>		
	Interest on deposits	2,617,061,817	3,003,377,773
	Interest on borrowings	177,766,281	520,967,885
	Interest expense on lease liability	23,477,795	28,551,336
	Interest paid on borrowings (OBU)	26,190,420	32,710,137
		<b>2,844,496,313</b>	<b>3,585,607,131</b>
	Less: Interest paid on borrowings (OBU)	26,190,420	32,710,137
		<b>2,818,305,893</b>	<b>3,552,896,994</b>
<b>22</b>	<b>Investment income</b>		
	Interest income from Government Securities	1,201,567,600	1,160,963,414
	Gain on sale of Government Securities (Note-22.1)	702,893,303	779,534,760
	Dividend on shares	39,469,279	34,265,911
	Other Investment Income	-	-
	Gain on sale of shares	51,356,262	514,878
		<b>1,995,286,444</b>	<b>1,975,278,964</b>
<b>22.1</b>	<b>Capital Gain on Government Securities</b>		
	Capital Gain on treasury bills	-	3,110,251
	Capital Gain on treasury bonds	702,893,303	776,424,509
		<b>702,893,303</b>	<b>779,534,760</b>
<b>23</b>	<b>Commission, exchange and brokerage</b>		
	Commission on L/Cs	120,224,656	83,578,334
	Commission on L/Cs - EPZ	2,705,973	2,536,755
	Commission on Inland L/Cs	937,513	923,227
	Commission on L/Cs-back to back	46,788,727	32,768,454
	Commission on L/Gs	182,304,436	169,130,634
	Commission on Export L/C	3,297,620	2,750,633
	Commission on remittance	206,243	157,980
	Commission on collection on FDBP/ FDBC/ FDD	4,457,266	3,779,411
	Others Commission	1,558,364	1,872,820
	Exchange gain (Note-23.1)	202,359,120	116,213,655
		<b>564,839,917</b>	<b>413,711,904</b>

		Amount in BDT	
		2021	2020
<b>23.1</b>	<b>Exchange gain</b>		
	Exchange gain from revaluation/trade of foreign currency	202,359,120	116,213,655
		<b>202,359,120</b>	<b>116,213,655</b>
<b>24</b>	<b>Other operating income</b>		
	Account Maintenance Charges	6,438,903	6,863,157
	Postage / SWIFT/ fax recoveries from Import L/Cs	18,507,350	16,386,535
	Postage / SWIFT/ fax recoveries from Export related L/Cs	9,916,485	8,212,151
	Cards Fees and Charges (Note 24.1)	4,586,905	4,502,922
	Other Fees and Charges	51,789,896	45,692,862
	Fees and Charges on Export related L/Cs	17,372,817	13,787,352
		<b>108,612,356</b>	<b>95,444,979</b>
<b>24.1</b>	<b>Cards Fees and Charges:</b>		
	Fees and Charges (debit and prepaid card)	3,705,225	3,644,228
	<b>Credit Cards:</b>		
	Annual Fees	1,119,637	937,046
	VISA POS Reimbursement charges	447,595	505,396
	Cash Advance Fees	685,454	456,667
	Late payment and overlimit fees	991,773	1,309,875
	Card Cheque Fees (Processing and Issues)	826,284	785,519
	Replacement Fees and Others	1,887,136	774,721
		<b>9,663,105</b>	<b>8,413,453</b>
	<b>Cards Direct Expenses:</b>		
	VISA POS Reimbursement Charges	564,589	342,371
	VISA Associated Membership Sponsor Charges	404,340	504,300
	Fees and Charges of Card	3,981,762	2,787,945
	ATM Expenses NPSB	125,508	275,915
		<b>5,076,199</b>	<b>3,910,531</b>
	<b>Cards Fees and Charges (Net)</b>	<b>4,586,905</b>	<b>4,502,922</b>
<b>25</b>	<b>Salaries and Allowances</b>		
	Basic salary	234,954,335	209,842,746
	Bonus	71,255,263	67,154,930
	Other Salary & Allowances	373,147,401	291,191,148
	Bank Contribution to Provident Fund	23,470,013	21,115,618
		<b>702,827,011</b>	<b>589,304,442</b>
<b>26</b>	<b>Rent, taxes, insurance, Electricity etc.</b>		
	Rent, rates and taxes (26.1)	29,464,194	21,459,793
	Insurance	32,920,568	30,700,434
	Utilities (except telecommunication)	20,937,163	17,253,643
		<b>83,321,925</b>	<b>69,413,869</b>
<b>26.1</b>	<b>Rent, rates and taxes</b>		
	Office Rent	21,686,126	15,941,388
	Rent for ATM Booth	2,753,756	2,477,004
	Rates and Taxes	5,024,312	3,041,401
		<b>29,464,194</b>	<b>21,459,793</b>

Since 'IFRS 16: Leases' has already been implemented in Bangladesh, The Bank started to comply with the reporting requirements as prescribed in IFRS 16 from the year 2019. To comply with the accounting treatment prescribed in this IFRS, out of total rental expense of Taka 167,518,634, an amount of rental expenses (office premises for head office & twenty seven branches) of Taka 145,832,508 is converted into the Interest expense on lease liability and Depreciation expense on ROU Assets. The changes have been adopted only for disclosure purpose which are not affecting the payments of actual rental expense (there is no impact on cash outflow).

		Amount in BDT	
		2021	2020
<b>Reconciliation of rental expense is presented as under:</b>			
A) Total Rent expense incurred for office premises paid during 2021:			
Rent Expenses		146,244,387	155,264,739
VAT on Rent		21,274,247	20,732,789
<b>Total Rent expense incurred in 2021</b>		<b>167,518,634</b>	<b>175,997,528</b>
B) Rental expense converted into the Interest expense on lease liability & depreciation expense on ROU Assets:			
Rent Expenses		126,810,875	139,179,252
VAT on Rent Expenses		19,021,633	20,876,888
Rent expense considered for IFRS 16- Leases		145,832,508	160,056,140
<b>C) = (A-B), Rent Expenses presented in Note 26.1:</b>			
Rent Expenses		21,686,126	15,941,388
D) Expenses charged during 2021 for IFRS 16- Leases:			
Interest Expenses on lease liability (Note 21)		23,477,795	28,551,336
Depreciation Expenses on ROU Assets (Note 31)		130,280,561	155,402,923
<b>Total expenses charged for ROU Assets during the year</b>		<b>153,758,356</b>	<b>183,954,260</b>
<b>E) = (D-B), Additional expense incurred for leases during 2021</b>		<b>7,925,848</b>	<b>23,898,120</b>
<b>27 Postage, stamp, telecommunication etc.</b>			
Postage		3,960,086	3,441,453
Telephone / Mobile		5,782,447	5,741,357
Networklink, Internet, SWIFT, Reuters etc.		26,133,716	22,461,711
		<b>35,876,249</b>	<b>31,644,521</b>
<b>28 Stationery, printing, advertisements etc.</b>			
Printing & security stationery		9,642,986	3,020,588
Petty stationery		4,983,849	5,229,385
Computer consumable stationery		3,807,135	1,522,893
Publicity and advertisement		27,157,605	19,886,472
		<b>45,591,575</b>	<b>29,659,338</b>
<b>29 Managing Director's salary and fees</b>			
Basic Salary		6,000,000	6,000,000
Bonus		2,000,000	2,000,000
Other Salary & Allowance		4,363,837	4,495,316
Bank Contribution to Provident Fund		600,000	600,000
		<b>12,963,837</b>	<b>13,095,316</b>
<b>30 Directors' fees and expenses</b>			
Meeting attendance fees		1,512,000	1,440,000
		<b>1,512,000</b>	<b>1,440,000</b>
As per BRPD circular letter no. 11 dated 04 October 2015, Taka 8,000/- has been paid as Honorarium to the Directors, for attending per Board Meeting, EC Meeting, Board Audit Committee Meeting and Risk Management Committee Meeting held during the year 2021.			
<b>31 Depreciation and repairs of Bank's assets</b>			
<b>A) Depreciation on Fixed Assets:</b>			
Furniture and fixtures		21,312,439	32,525,885
Machinery & Equipment		22,975,625	46,307,173
Computer and Computer peripherals		8,174,416	19,544,488
Motor Vehicles		3,820,020	3,439,660
Software		10,698,593	10,412,437
		<b>66,981,093</b>	<b>112,229,643</b>
<b>B) Depreciation on Right-of-Use Assets:</b>			
		130,280,561	155,402,923
<b>Depreciation Expense for the year</b>		<b>197,261,654</b>	<b>267,632,566</b>
<b>C) Repairs/ Replacements of the Bank's assets:</b>			
Furniture & Fixtures		1,401,155	1,013,942
Machinery & Equipment		3,071,485	5,490,495
Motor Vehicles		306,387	369,210
Software maintenance		5,703,904	20,687,581
		<b>10,482,930</b>	<b>27,561,229</b>
<b>D) = (A+B+C), See Annexure - A for detail of Depreciation expense</b>		<b>207,744,584</b>	<b>295,193,795</b>
As stated in note 26.1, in accordance with IFRS 16, lease rental are now capitalized and related depreciation on ROU Assets is shown above.			

		Amount in BDT	
		2021	2020
<b>32</b>	<b>Other expenses</b>		
	Security and cleaning	41,745,192	41,659,905
	Entertainment	5,866,048	4,672,384
	Other Professional Service charges	2,215,634	1,222,500
	Books and periodicals	196,619	234,243
	Subscription	1,140,600	1,111,409
	Donation	34,820,849	29,648,715
	Travelling expenses	2,435,612	2,240,069
	Conveyance	4,229,543	2,611,718
	Gratuity expenses	40,500,000	30,000,000
	Fuel	1,484,286	1,324,166
	Leverage & Uniform	-	89,760
	Training/seminar	1,283,230	139,282
	Annual General Meeting (AGM)	188,160	355,749
	Bank charges	6,052,214	10,978,695
	Cash carrying charges	4,454,340	2,488,795
	NID verification charge	4,749	158
	Revaluation loss for foreign currency	-	48,475
	Exchange loss	94,383	190,152
	Office maintenance	4,333,616	5,145,637
	Office maintenance (MMBL Lounge)	7,500	387,325
	Honorarium for Banking Diploma	375,000	550,000
	Business development expense	10,000	112,359
	Washing and cleaning	71,879	35,100
	Croceries	115,490	99,998
	Croceries (MMBL Lounge)	-	800,000
	Holiday banking allowance	-	7,200
	Loss on sale of Properties	-	14,349,969
	Law charges	-	12,650
	Stamp charges	685	1,800
	Expenses regrading Agent Banking	276,661	671,060
	Papers	25,985	38,325
	Cartridge	4,075,272	3,376,115
	Miscellaneous Expenses	733,419	42,469
		<b>156,736,965</b>	<b>154,646,182</b>
<b>33</b>	<b>Tax expense</b>		
	Current tax	441,396,238	715,565,343
	Deferred tax	(3,187,388)	56,213,989
		<b>438,208,850</b>	<b>771,779,332</b>
<b>34</b>	<b>Cash received from other operating activities</b>		
	Account Maintenance Charges	6,438,903	6,863,157
	Postage / SWIFT/ fax recoveries from Import L/Cs	18,507,350	16,386,535
	Postage / SWIFT/ fax recoveries from Export related L/Cs	9,916,485	8,212,151
	Gain on sale of shares	51,356,262	514,878
	Fees on Share Transfer	-	-
	Cards Fees and Charges	4,586,905	4,502,922
	Other Fees and Charges	51,789,896	45,692,862
	Fees and Charges on Export related L/Cs	17,372,817	13,787,352
		<b>159,968,618</b>	<b>95,959,857</b>
<b>35</b>	<b>Payments for other operating activities</b>		
	Rent, rates and taxes	144,387,274	195,252,451
	Postage	35,876,249	31,644,521
	Directors fees	1,512,000	1,440,000
	Repairs	10,482,930	27,561,229
	Legal expenses	495,000	585,000
	Audit fees	250,000	250,000
	Others expenses (Note 32)	116,236,965	124,646,182
		<b>309,240,419</b>	<b>381,379,383</b>

### 36 Earnings per share (EPS)

Net profit after tax for the year ended 31 December (BDT)

Number of ordinary shares outstanding

Weighted average number of ordinary shares

Earnings per share (EPS) on closing number of share

Earnings per share (EPS) - (Weighted Average)

Amount in BDT	
2021	2020
1,127,102,195	1,644,903,674
525,738,145	525,738,145
525,738,145	525,738,145
<b>2.14</b>	<b>3.13</b>
<b>2.14</b>	<b>3.13</b>

Earnings per share (EPS) has been calculated in accordance with IAS-33: "Earnings Per Share (EPS)". Previous year's figure (2020: Taka 3.29 per share) has been adjusted for the issue of bonus shares (5.00% Stock Dividend was approved for the year 2020) during the year 2021.

### 37 General

#### 37.1 Audit Committee

Audit Committee of the Board of Directors of the Bank has been reformed by the Board of Directors in their meeting held on 14 November 2020 following re-constitution earlier as on 27 June 2019 comprising the following members as per provisions contained in Bangladesh Bank's BRPD Circular No. 11 dated 27 October 2013.

Sl. no.	Name	Status with the committee
1)	Mr. Shaikh Salahuddin	Chairman
2)	Mr. A. Mannan Khan	Member
3)	Mr. Md. Mahbubur Rahman	Member
4)	Advocate Yusuf Hussain Humayun	Member
5)	Mr. Shaheduzzaman Choudhury, FCA	Member

#### Role of the Bank's Audit Committee:

To oversee financial reporting process, the Audit Committee does the following tasks:

- Monitor, choice of accounting policies and principles
- Review the financial statements
- Review the appropriateness of the Bank's accounting policy
- Oversee the Bank's relationship with external auditors
- Review the Bank's existing system and upgradation of systems
- Review the adequacy of internal audit functions
- Review all reports of internal auditors
- Review Management's report on risk management
- Review the internal control weakness as submitted by statutory auditors
- Review Audit Committee's own terms of reference within the purview of BRPD Circular No. 11 dated 27 October 2013 of Bangladesh Bank.

During the year 2021, the audit committee held 4 (four) meetings. In these meetings, the Committee reviewed the Audited Financial Statements for the year 2020 in presence of external auditors and also Inspection Reports by ICCD of the Bank from time to time and also of Bangladesh Bank in purview with Bangladesh Bank's Circular and advised the Management to take necessary compliance and also for establishing a unique and up-to-the-mark Internal Control and Audit System in the Bank with adequate facilities complying policy guidelines by Bangladesh Bank.

#### 37.2 Related party/(ies) disclosure

##### 37.2.1 Related party transactions

During the year 2021, the Bank conducted business deals with the following organizations in which the directors has interest:

##### i) Loans and advances to directors and their related concern:

Name of party	Name of Directors	Related by	Nature of Facilities	Outstanding as on 31.12.2021	Status
Tanveer Foods Ltd.	Mr. Mostafa Kamal	Director	BG	2,576,000	Regular
Sonargaon Seeds Crushing Mills Limited	Mr. Mostafa Kamal	Director	BG	2,440,635	Regular
Meghna Container Terminal Ltd.	Mr. Mostafa Kamal	Director	BG	2,500,000	Regular
Tasnim Chemical Complex Ltd.	Mr. Mostafa Kamal	Director	BG	2,000,000	Regular
Meghna Pulp and Papers Mills Ltd.	Mr. Mostafa Kamal	Director	BG	2,981,800	Regular
Everest CNG Re-Fuelling and Conversion Ltd.	Mr. Mostafa Kamal	Director	BG	6,288,600	Regular
United Sugar Mills Limited	Mr. Mostafa Kamal	Director	BG	1,983,400	Regular
Sonargaon Seeds Crushing Mills Limited	Mr. Mostafa Kamal	Director	LC	-	Regular
M.S.A Services	Mr. Md. Didarul Alam	Director	BG	5,000,000	Regular
Mr. Didarul Alam	Mr. Md. Didarul Alam	Director	SOD	2,495,088	Regular

ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2021

a)

(BDT in Taka)

Name of Directors	Relationship with the Bank	Nature of transaction	Limit	Security Value	Outstanding as on 31.12.2021
Mr. Sheikh Fazle Noor Taposh	Director	Credit Card	2,000,000	Lien on FDR for Tk. 20,00,000/-	USD 41.40
		Credit Card	-	Prepaid in Nature	USD 3,563.26 Cr.
Mr. Mohammad Ismail Hossain	Director	Credit Card	500,000	Lien on FDR for Tk. 5,00,000/-	-
		Credit Card	USD 50,000	Lien on ERQ A/c for USD 50,000	USD 1,229.68
Mr. Salahuddin Alamgir	Director	Credit Card	2,000,000	Lien on FDR for Tk. 20,00,000/-	BDT 26,571.83 USD 10.89
Mr. Manwar Hossain	Director	Credit Card	500,000	Lien on FDR for Tk. 5,00,000/-	BDT 574.95
Mr. Humayun Kabir Bablu	Director	Credit Card	1,540,000	Lien on DBSR for Tk. 25,00,000/-	BDT 44,811.00
			USD 12000		USD 42.40
Mr. Didarul Alam	Director	Credit Card	750,000	Lien on FDR for Tk. 7,50,000/-	BDT 356.37 Cr.
Mr. Shaikh Salahuddin	Director	Credit Card	100,000	Lien on FDR for Tk. 5,00,000/-	BDT 28,749.82
		Credit Card	USD 5000		USD 597.12

b) The Bank has rented a portion of 10,150 square feet of Bengal House located at House No.12/A, Road No.63 Gulshan-2, Dhaka-1212 at a monthly rent of BDT 1,691,235.00. The Bank has paid BDT 50,400,000.00 as advance against Office Rent. During the year, the Bank has paid total rent of BDT 20,294,820.00 and outstanding balance of advance is Zero as on 31 December 2021.

c) Related party transactions

Nature of Party/ Contract	Relationship	Amount
Information Technology Consultants Limited (ITCL)	Common Director	7,296,465
Bengal Media Corporation Ltd.	Common Director	8,197,500

37.3 Number of employees of the Bank

The number of regular employees engaged for the whole year or part thereof who received a total yearly remuneration of BDT 144,000 or above were 613 at the end of December 2021.

37.4 Highlights on the overall activities of the Bank

Highlights on the overall activities of the Bank have been furnished in Annexure - C.

37.5 Coverage of External Audit

The external auditor of the Bank, MABS & J Partners, Chartered Accountants worked about in excess of 1278 person hours. During their audit, they audited above 80% of the Bank's risk weighted assets as on the Balance.



Chairman



Vice Chairman



Director



Managing Director & CEO

### Schedule of Fixed Assets

As at 31 December 2021

Amount in BDT

Particulars	Cost					Rate of Dep.	Depreciation				Written down value as at 31.12.2021
	Opening balance as on 01.01.2021	Addition during the year	Disposal/ Adjustment during the year	Balance as at 31.12.2021			Opening balance as on 01.01.2021	Charged during the year	Disposal/ Adjustment during the year	Balance as at 31.12.2021	
Land	-	-	-	-	-		-	-	-	-	-
Building	-	-	-	-	-		-	-	-	-	-
Furniture and fixtures	199,218,285	9,735,659	212,114	208,741,830	10%	65,934,277	21,312,439	150,827	87,095,889	121,645,941	
Computer and Computer peripheral	73,593,787	5,971,370	-	79,565,157	20%	53,968,844	8,174,416	-	62,143,260	17,421,897	
Electrical Equipments	174,428,635	11,983,487	362,886	186,049,236	20%	110,636,967	22,975,625	160,499	133,452,093	52,597,143	
Motor vehicles	34,100,000	-	2,499,999	31,600,001	20%	19,586,028	3,820,020	2,499,999	20,906,049	10,693,952	
Right-of-Use (ROU) Assets	702,267,190	15,034,936	40,843,127	676,458,999	**	218,928,267	130,280,561	40,843,127	308,365,701	368,093,298	
Capital work in progress (CWIP)	7,563,454	872,500	6,267,454	2,168,500		-	-	-	-	2,168,500	
<b>Sub-total</b>	<b>1,191,171,351</b>	<b>43,597,952</b>	<b>50,185,580</b>	<b>1,184,583,723</b>		<b>469,054,383</b>	<b>186,563,061</b>	<b>43,654,452</b>	<b>611,962,992</b>	<b>572,620,731</b>	
Software	85,086,709	14,769,000	-	99,855,709	20%	57,020,572	10,698,593	-	67,719,165	32,136,544	
Capital work in progress (CWIP)	16,270,798	-	11,818,798	4,452,000		-	-	-	-	4,452,000	
<b>Sub-total</b>	<b>101,357,507</b>	<b>14,769,000</b>	<b>11,818,798</b>	<b>104,307,709</b>		<b>57,020,572</b>	<b>10,698,593</b>	<b>-</b>	<b>67,719,165</b>	<b>36,588,544</b>	
<b>Total as at 31st December 2021</b>	<b>1,292,528,858</b>	<b>58,366,952</b>	<b>62,004,378</b>	<b>1,288,891,432</b>		<b>526,074,955</b>	<b>197,261,654</b>	<b>43,654,452</b>	<b>679,682,157</b>	<b>609,209,275</b>	
<b>Total as at 31st December 2020</b>	<b>1,229,508,883</b>	<b>194,490,582</b>	<b>131,470,607</b>	<b>1,292,528,858</b>		<b>337,593,103</b>	<b>267,632,566</b>	<b>79,150,715</b>	<b>526,074,955</b>	<b>766,453,902</b>	

\*\* Straight line method of depreciation is followed throughout the lease period as mentioned in the contracts.

**Name of the Directors of the Bank and their interest in different entities**

Sl. No	Name	Status with the Bank	Interest in other concerns Name of Concerns	Position
1	Mr. Humayun Kabir	Chairman	Dhaka Ice Cream Industries Limited (POLAR)	Chairman
			Zest Agro Food Processing Limited	Managing Director
			Northern Hatcheries Limited (Deshi Meat)	Managing Director
			Northern Agri Science Limited	Managing Director
2	Mr. Shaikh Salahuddin	Vice Chairman	Islami Commercial Insurance Company Limited	Shareholder
			Ajmeer Navigation	Proprietor
			Fardin Fish (Deep Sea Fishing)	Proprietor
			Khulna Shipping Lines	Proprietor
3	Mr. Sheikh Fazle Noor Taposh	Director	Sheikh & Chowdhury	Partner
			Banglar Bani Films, Media and Publications Limited	Chairman
4	Mr. Mohammad Ismail Hossain Representing Sharmin Apparels Limited	Director	Sharmin Group	Managing Director
			Sharmin Apparels Limited	Managing Director
			Sharmin Fashions Limited	Managing Director
			Sharaf Apparels Limited	Managing Director
			Ishayat Apparels Limited	Managing Director
			Sharaf Washing & Dyeing Industries Limited	Managing Director
			Sharaf Embroidery & Printing Limited	Managing Director
			A.M. Design Ltd.	Managing Director
			A.M. Fashions Limited	Managing Director
			limeeyat Apparels Limited	Managing Director
			limeeyat Washing & Dyeing Industries Limited	Managing Director
			Ishayat Fashions Limited	Managing Director
			Jaflong Valley Boarding School	Director
5	Mr. Nemai Kumar Saha Representing Sandhani Life Insurance Company Limited	Director	Sandhani Life Insurance Company Limited	Chief Executive Officer
6	Mr. Salahuddin Alamgir	Director	Labib Group	Chairman
			Matrix Sweaters Limited	Managing Director
			Starlight Sweaters Limited	Managing Director
			Raidha Collections Limited	Managing Director
			Sultana Sweaters Limited	
			Juthi Packaging Industries Limited	Managing Director
			Labib Dyeing Mills Limited	Managing Director
			Nice Cotton Limited	Managing Director
			Excel Telecom (Pvt) Limited	Managing Director
			R & R Agro Complex Limited	Managing Director
			Labib Poultry & Fisheries Limited	Managing Director
			Information Technology Consultans Limited (ITCL)	Director
			X- Telecom (pvt) Limited	Director
			Modhumoti Bank Limited	Director
			Unique Power Plant Limited	Managing Director
			Unique Cement Industries Limited	Managing Director
			Unique Hatchery & Feeds Limited	Managing Director
			Tanveer Oil's Limited	Managing Director
			Tanveer Food Limited	Managing Director
			Tanveer Polymer Industries Limited	Managing Director

Sl. No	Name	Status with the Bank	Interest in other concerns	
			Name of Concerns	Position
7	Mr. Mostafa Kamal Representing Tanveer Oils Limited	Director	Tanveer Steel Mills Limited	Managing Director
			Tanveer Paper Mills Limited	Managing Director
			Everest CNG Refueling & Conversion Limited	Managing Director
			Everest Power Generation Co. Limited	Managing Director
			G.Shipping Lines Limited	Managing Director
			Meghna Shipbuilders & Dockyard Limited	Managing Director
			Meghna Aviation Limited	Managing Director
			Global Ad Star Bag Industries Limited	Managing Director
			Surma Mustard Oil Mills Limited	Managing Director
			Tasnim Chemical Complex Limited	Managing Director
			Sonargaon Steel Fabricate Limited	Managing Director
			Sonargaon Printing & Packaging Industries Limited	Managing Director
			Sonargaon Salt Industries Limited	Managing Director
			Tasnim Condensed Milk Limited	Managing Director
			Cumilla Economic Zone Limited	Managing Director
			Dhaka Securities Limited	Managing Director
			Meghna Seeds Crushing Mills Limited	Managing Director
			Meghna Edible Oils Refinery Limited	Managing Director
			Meghna Pulp & Paper Mills Limited	Managing Director
			Meghna Sugar Refinery Limited	Managing Director
			Meghna Fresh LPG Limited	Managing Director
			Meghna Noodles & Biscuit Factory Limited	Managing Director
			Meghna Ballpen & Accessories MFG Limited	Managing Director
			Meghna Bulk Bag Industries Limited	Managing Director
			Meghna Economic Zone Limited	Managing Director
			Meghna Industrial Economic Zone Limited	Managing Director
			A Class Builders Limited	Managing Director
			USB International Lines Limited	Managing Director
			Meghna Tea Company Limited	Managing Director
			Titanic Shipping Lines Limited	Managing Director
Talelink Bangladesh Limited	Managing Director			
IMEX Shipping Bangladesh Limited	Managing Director			
Meghna PVC Limited	Managing Director			
MPP Power Plant Limited	Managing Director			
Sonargaon Flour & Dal Mills Limited	Managing Director			
Meghna Beverage Limited	Managing Director			
8	Ms. Tanjima Binthe Mostafa Representing Everest Power Generation Company Limited	Director	Unique Power Plant Limited	Director
			Unique Cement Industries Limited	Director
			Unique Hatchery & Feeds Limited	Director
			Tanveer Oil's Limited	Director
			Tanveer Food Limited	Director
			Tanveer Polymer Industries Limited	Director
			Tanveer Steel Mills Limited	Director
			Tanveer Paper Mills Limited	Director
			Everest CNG Refueling & Conversion Limited	Director
			Everest Power Generation Co. Limited	Director
			G.Shipping Lines Limited	Director
			Meghna Shipbuilders & Dockyard Limited	Director
			Meghna Aviation Limited	Director
			Global Ad Star Bag Industries Limited	Director
			Surma Mustard Oil Mills Limited	Director
			Tasnim Chemical Complex Limited	Director
			Sonargaon Steel Fabricate Limited	Director
			Sonargaon Printing & Packaging Industries Limited	Director

Sl. No	Name	Status with the Bank	Interest in other concerns Name of Concerns	Position
			Sonargaon Salt Industries Limited	Director
			Tasnim Condensed Milk Limited	Director
			Cumilla Economic Zone Limited	Director
			Dhaka Securities Limited	Director
			Meghna Seeds Crushing Mills Limited	Director
			Meghna Edible Oils Refinery Limited	Director
			Meghna Pulp & Paper Mills Limited	Director
			Meghna Sugar Refinery Limited	Director
			Meghna Fresh LPG Limited	Director
			Meghna Noodles & Biscuit Factory Limited	Director
			Meghna Ballpen & Accessories MFG Limited	Director
			Meghna Bulk Bag Industries Limited	Director
			Meghna Economic Zone Limited	Director
			Meghna Industrial Economic Zone Limited	Director
			A Class Builders Limited	Director
			USB International Lines Limited	Director
			Meghna Tea Company Limited	Director
			Titanic Shipping Lines Limited	Director
			Talelink Bangladesh Limited	Director
			IMEX Shipping Bangladesh Limited	Director
			Meghna PVC Limited	Director
			MPP Power Plant Limited	Director
			Sonargaon Flour and Dal Mills Limited	Director
			Meghna Beverage Limited	Director
9	Mr. Humayun Kabir Bablu	Director	Bengal Media Corporation Limited (RTV)	Managing Director
			Euphoria Apparels Ltd.	Managing Director
			Romania Food & Beverage Limited	Managing Director
			Linnex Electronics Bangladesh Limited	Managing Director
			Linnex Technologies Limited	Managing Director
			Bengal Windsor Thermoplastics Limited	Managing Director
			Bengal Hotels and Resorts Ltd.	Managing Director
			Bengal Plastics Limited	Director
			Bengal Polymer Wares Limited	Director
			Bengal Plastic Pipes Limited	Director
			Bengal Poly and Paper Sack Limited	Director
			Bengal Flexipak Limited	Director
			Bengal Adhesive & Chemical Products Limited	Director
			Bengal Cement Limited	Director
			Bengal Concept & Holdings Limited	Director
			Bengal Feed and Fisheries Limited	Director
			Bengal Renewable Energy Limited	Director
			Power Utility BD Limited	Director
			Hamilton Metal Corporation Limited	Director
			Hamilton Mold and Engineering Limited	Director
			Bengal Retails Limited	Director
			Bengal Melamine Limited	Director
10	Mrs. Shahana Yasmin	Director	Farzan Navigation	Proprietor
11	Mrs. Sultana Jahan	Director	Labib Group	Vice Chairman
			X- Telecom (pvt) Limited	Managing Director
			Matrix Sweaters Limited	Director
			Starlight Sweaters Limited	Director
			Raidha Collections Limited	Director
			Sultana Sweaters Limited	Director

Sl. No	Name	Status with the Bank	Interest in other concerns Name of Concerns	Position
			Juthi Packaging Industries Limited	Director
			Labib Dyeing Mills Limited	Director
			Nice Cotton Limited	Director
			Excel Telecom (Pvt) Limited	Director
			Labib Poultry & Fisheries Limited	Director
			Alamgir Ranch	Director
			Modhumoti Bank Limited	Director
12	Mr. A Mannan Khan Representing Mango Teleservices Limited	Director	Mango Teleservices Limited	Chairman
			Bangladesh Auto Industries Limited	Chairman
			Mango Technologies Limited	Chairman
			Bangladesh Lithium Battery Limited	Chairman
			HKGE Consortium Limited	Chairman
			Playpen Centre	Managing Partner
			Purple Telecom Limited	Chairman
			Platinum Communication Limited	Chairman
			Mango Electronics Limited	Chairman
			Mango Holding Limited	Managing Director
			Clix Limited	Chairman
			Telefort Limited	Chairman
			CSL Distribution Limited	Chairman
13	Mrs. Ferdousi Islam Representing Azbal International Limited	Director	China Bangla Ceramic Industries Ltd	Chairman
			Bajnabo Textile Mills Ltd	Chairman
			Azbal International Limited	Chairman
			Trustee Securities Ltd	Managing Director
			Northern General Insurance Co. Ltd	Director
			Total Merchandising & Trims Ltd	Director
			United Shipping Lines Ltd	Director
Bengal Tiger Cement Industries Ltd	Director			
14	Mr. Manwar Hossain Representing Anwar Jute Spinning Mills Limited	Director	Anwar Group of Industries	Chairman
			Bangladesh Finance Limited	Chairman
			Anwar Landmark Limited	Chairman
			Anwar Ispat Limited	Chairman
			Anwar Integrated Steel Plant Limited	Chairman
			Anwar Galvanizing Limited	Chairman
			Anwar Cement Limited	Chairman
			Anwar Cement Sheet Limited	Chairman
			A-One Polymer Limited	Chairman
			Anwar Silk Mills Limited	Chairman
			Mehmud Industries (Pvt.) Limited	Chairman
			Hossain Dyeing and Printing Mills Limited	Chairman
			Anwar Printex Limited	Chairman
			A-One Printex Limited	Chairman
			Anwar Denim Limited	Chairman
			Anwar Jute Spinning Mills Limited	Chairman
			AG Automobiles Limited	Chairman
AG Motors Limited	Chairman			
Toledo Motors Limited	Chairman			

Sl. No	Name	Status with the Bank	Interest in other concerns Name of Concerns	Position
15	Mr. Tanveer Ahmed Mostafa Representing Meghna Flour & Dal Mills Limited	Director	Meghna Flour & Dal Mills Limited	Managing Director
			Unique Power Plant Limited	Director
			Unique Cement Industries Limited	Director
			Unique Hatchery & Feeds Limited	Director
			Tanveer Oil's Limited	Director
			Tanveer Food Limited	Director
			Tanveer Polymer Industries Limited	Director
			Tanveer Steel Mills Limited	Director
			Tanveer Paper Mills Limited	Director
			Everest CNG Refueling & Conversion Limited	Director
			Everest Power Generation Co. Limited	Director
			G.Shipping Lines Limited	Director
			Meghna Shipbuilders & Dockyard Limited	Director
			Meghna Aviation Limited	Director
			Global Ad Star Bag Industries Limited	Director
			Surma Mustard Oil Mills Limited	Director
			Tasnim Chemical Complex Limited	Director
			Sonargaon Steel Fabricate Limited	Director
			Sonargaon Printing & Packaging Industries Limited	Director
			Sonargaon Salt Industries Limited	Director
			Tasnim Condensed Milk Limited	Director
			Cumilla Economic Zone Limited	Director
			Dhaka Securities Limited	Director
			Meghna Seeds Crushing Mills Limited	Director
			Meghna Edible Oils Refinery Limited	Director
			Meghna Pulp & Paper Mills Limited	Director
			Meghna Sugar Refinery Limited	Director
			Meghna Fresh LPG Limited	Director
			Meghna Noodles & Biscuit Factory Limited	Director
			Meghna Ballpen & Accessories MFG Limited	Director
			Meghna Bulk Bag Industries Limited	Director
			Meghna Economic Zone Limited	Director
			Meghna Industrial Economic Zone Limited	Director
A Class Builders Limited	Director			
USB International Lines Limited	Director			
Meghna Tea Company Limited	Director			
Titanic Shipping Lines Limited	Director			
Talelink Bangladesh Limited	Director			
IMEX Shipping Bangladesh Limited	Director			
Meghna PVC Limited	Director			
MPP Power Plant Limited	Director			
Sonargaon Flour and Dal Mills Limited	Director			
Meghna Beverage Limited	Director			
16	Mr. Md. Mahbubur Rahman Representing Mona Financial Consultancy & Securities Limited	Director	Mona Financial Consultancy & Securities Limited	Company Secretary

Sl. No	Name	Status with the Bank	Interest in other concerns Name of Concerns	Position
17	Mr. Didarul Alam	Director	Amena Fishing Limited	Managing Director
			Taseen Steels Limited	Managing Director
			TR Ship Breakers Limited	Managing Director
			Taher Ship Recycling Industries Limited	Managing Director
			Golden Bricks Works Limited	Managing Director
			Kadam Rasul Steel Ship Breaking Limited	Managing Director
			Taher & Company Limited	Director
			Mostafa Hakim Cement Industries Limited	Director
			Mostafa Hakim Housing & Real Estate Limited	Director
			Golden Steel Re-rolling Mills Limited	Director
			Golden Oxygen Limited	Director
			Golden Ispat Limited	Director
			Bangladesh Finance & Investment Co. Limited	Director
			S.B Corporation	Proprietor
			DAB Filling Station	Proprietor
			Didarul Alam & Brothers	Proprietor
			Silkline Travels (AC Bus)	Proprietor
			Bhatiary Filling Station	Managing Partner
18	Mrs. Syeda Sharmin Hossain Representing Sharmin Fashions Limited	Director	Sharmin Apparels Limited	Director
			Sharmin Fashions Limited	Director
			Sharaf Apparels Limited	Director
			Ishayat Apparels Limited	Director
			Sharaf Washing & Dyeing Industries Limited	Director
			Sharaf Embroidery & Printing Limited	Director
			A.M. Design Ltd	Director
			A.M. Fashions Limited	Director
			Iimeeyat Apparels Limited	Director
			Iimeeyat Washing & Dyeing Industries Limited	Director
			Ishayat Fashions Limited	Director
19	Mr. Yusuf Hussain Humayun	Independent Director	Law & Lawyers	Lawyer
20	Mr. Shaheduzzaman Choudhury	Independent Director	Innovative Minds Consulting Limited	Director
			Sandhani Life Insurance Co. Ltd.	Independent Director
			Sandhani Asset Management Co. Ltd.	Chairman
21	Mr. Md. Shafiu Azam	Managing Director & CEO	-	-

## Highlights on the overall activities

As at and for the year ended 31 December 2021

Sl. No.	Particulars		2021	2020
1	Paid-up capital	Taka	5,257,381,450	5,007,030,000
2	Total capital	Taka	9,339,078,487	8,866,126,601
3	Capital surplus	Taka	4,164,749,016	3,895,891,551
4	Total assets	Taka	79,556,955,011	72,914,667,594
5	Total deposits	Taka	58,629,021,648	54,953,717,469
6	Total loans and advances	Taka	41,837,962,276	38,069,781,940
7	Total contingent liabilities and commitments	Taka	33,821,452,431	26,923,832,912
8	Advance Deposit Ratio (ADR)	%	62.92%	62.01%
9	Percentage of classified loans against total loans and advances (NPL Ratio)	%	2.84%	1.22%
10	Net Profit after tax and provision (NPAT)	Taka	1,127,102,195	1,644,903,674
11	Amount of classified loans (NPL)	Taka	1,189,483,532	463,839,851
12	Provisions kept against Classified Loans	Taka	562,502,482	300,700,000
13	Provision surplus/(deficit) against classified loans	Taka	417,544	470,182
14	Cost of fund	%	6.42%	7.40%
15	Interest earning assets	Taka	71,759,404,062	65,666,820,061
16	Non-interest earning assets	Taka	7,797,550,949	7,247,847,533
17	Return on investment (ROI) [PAT/{Average Equity+ Long Term Borrowings+Deposits-Non Cash Fund}]	%	1.76%	2.54%
18	Return on assets (ROA) [PAT/ Average assets]	%	1.48%	2.28%
19	Income from investment	Taka	1,995,286,444	1,975,278,964
20	Capital to Risk weighted Asset Ratio (CRAR)	%	18.05%	17.84%
21	Stock dividend		-	5.00%
22	Earnings per share (EPS)	Taka	2.14	3.13
23	Net income per share	Taka	2.14	3.13
24	Price Earning Ratio (PE Ratio)	Times	-	-

**Segment Reporting**

IFRS 8 Operating Segments, requires particular classes of entities (essentially those with publicly traded securities) to disclose information about their operating segments, products and services, the geographical areas in which they operate, and their major customers.

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), or whose operating results are reviewed regularly by the entity's chief decision maker to make decisions about resources to be allocated to the segment and assess its performance, and, for which discrete financial information is available. IFRS 8 requires an entity to report financial and descriptive information about its reportable segments who have earned at least 10% revenue compared to the entity's total revenue, or, earned at least 10% profit/ (loss) compared to cumulative profit/ (loss), or, have at least 10% assets compared to total assets of all operating segments.

The Bank has not yet assessed its Operating Segments in terms of the criteria stated above as it is too early to identify. But, operating profit, assets & liabilities of main two operating segments i.e. on-shore banking business (main operation) and off-shore banking unit (OBU) are presented below:

**Amount in BDT**

Particular	Main Operation	OBU	Total
<b>External Revenue</b>			
Interest Income	4,606,958,148	76,806,819	4,683,764,967
Less: Interest Expense	2,770,151,701	48,154,193	2,818,305,893
<b>Net Interest Income</b>	<b>1,836,806,447</b>	<b>28,652,626</b>	<b>1,865,459,074</b>
Commission, exchange and brokerage	561,544,746	3,295,170	564,839,917
Capital gain	702,893,303	-	702,893,303
Other Income	199,437,897	-	199,437,897
<b>Operating Income</b>	<b>3,300,682,394</b>	<b>31,947,797</b>	<b>3,332,630,190</b>
Less: Administrative Expense	1,246,076,165	1,242,981	1,247,319,146
<b>Profit</b>	<b>2,054,606,229</b>	<b>30,704,816</b>	<b>2,085,311,045</b>
<b>Inter-Segment Revenue</b>	-	-	-
<b>Total Segment profit before provision</b>	<b>2,054,606,229</b>	<b>30,704,816</b>	<b>2,085,311,045</b>
<b>Segment Assets</b>	<b>76,201,445,206</b>	<b>3,355,509,805</b>	<b>79,556,955,011</b>
<b>Segment Liabilities</b>	<b>67,948,086,190</b>	<b>3,324,603,268</b>	<b>71,272,689,458</b>

## Statement of Tax Position of the Bank

As at December 31, 2021

SI. No.	Income Year	Assessment year	Provision made for tax expense as per financial statements	Assessment Status
1	2013	2014-2015	46,223,473	Complete
2	2014	2015-2016	132,091,071	Complete
3	2015	2016-2017	204,508,433	Under process
4	2016	2017-2018	308,347,484	Under process
5	2017	2018-2019	545,866,968	Under process
6	2018	2019-2020	704,174,341	Under process
7	2019	2020-2021	716,297,467	Under process
8	2020	2021-2022	715,565,343	Under process
9	2021	2022-2023	441,396,238	Submission of Tax Return is not due

# Off-shore Banking Unit

## Balance Sheet

As at 31 December 2021

Particulars	Note	2021		2020	
		USD	BDT	USD	BDT
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>		-	-	-	-
Cash in hand (including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)		-	-	-	-
<b>Balance with other Banks and financial institutions</b>	3	<b>14,156,488</b>	<b>1,214,626,652</b>	<b>136,922</b>	<b>11,631,508</b>
In Bangladesh		-	-	-	-
Outside Bangladesh		14,156,488	1,214,626,652	136,922	11,631,508
<b>Money at call on short notice</b>		-	-	-	-
<b>Investments</b>		-	-	-	-
Government securities		-	-	-	-
Other investments		-	-	-	-
Outside Bangladesh		-	-	-	-
<b>Loans and advances</b>	4	<b>24,880,445</b>	<b>2,134,742,162</b>	<b>17,573,077</b>	<b>1,492,832,862</b>
Loans, cash credits, overdrafts, etc.		-	-	-	-
Bills purchased and discounted	5	24,880,445	2,134,742,162	17,573,077	1,492,832,862
<b>Fixed assets including premises, furniture and fixtures</b>	6	<b>3,219</b>	<b>276,204</b>	<b>3,219</b>	<b>273,468</b>
<b>Other assets</b>	7	<b>68,354</b>	<b>5,864,787</b>	<b>1,125</b>	<b>95,561</b>
Non Banking Assets		-	-	-	-
<b>Total assets</b>		<b>39,108,506</b>	<b>3,355,509,805</b>	<b>17,714,343</b>	<b>1,504,833,399</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Borrowing from other banks, financial Institutions and agents</b>	8	<b>38,545,767</b>	<b>3,307,226,791</b>	<b>17,050,823</b>	<b>1,448,467,453</b>
In Bangladesh		38,315,000	3,287,427,000	16,650,000	1,414,417,500
Outside Bangladesh		230,767	19,799,791	400,823	34,049,953
<b>Deposit and other accounts</b>	9	<b>58,235</b>	<b>4,996,560</b>	<b>58,235</b>	<b>4,947,060</b>
Current deposits and other accounts		58,235	4,996,560	58,235	4,947,060
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
<b>Other liabilities</b>	10	<b>144,288</b>	<b>12,379,918</b>	<b>41,062</b>	<b>3,488,255</b>
<b>Total liabilities</b>		<b>38,748,290</b>	<b>3,324,603,268</b>	<b>17,150,121</b>	<b>1,456,902,768</b>
<b>Capital / Shareholders' equity</b>					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Other reserve		-	-	-	-
Foreign currency translation gain		-	201,721	-	-
Surplus in Profit and Loss Account	11	360,216	30,704,816	564,222	47,930,631
<b>Total shareholders' equity</b>		<b>360,216</b>	<b>30,906,537</b>	<b>564,222</b>	<b>47,930,631</b>
<b>Total liabilities and shareholders' equity</b>		<b>39,108,506</b>	<b>3,355,509,805</b>	<b>17,714,343</b>	<b>1,504,833,399</b>

# Off-shore Banking Unit

## Balance Sheet

As at 31 December 2021

Particulars	Note	2021		2020	
		USD	BDT	USD	BDT
<b><u>OFF BALANCE SHEET ITEMS</u></b>					
<b>Contingent liabilities</b>	12				
Acceptances and endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
		-	-	-	-
<b>Other Commitments:</b>					
Documents credit and short term trade -related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
		-	-	-	-
		-	-	-	-
		-	-	-	-
		-	-	-	-

## Off-shore Banking Unit

### Profit and Loss Account

For the year ended 31 December 2021

Particulars	Note	2021		2020	
		USD	BDT	USD	BDT
Interest income	13	901,065	76,806,819	1,683,852	143,043,227
Less: Interest paid on deposits, borrowings, etc	14	564,925	48,154,193	1,131,393	96,111,850
<b>Net Interest income</b>		<b>336,141</b>	<b>28,652,626</b>	<b>552,459</b>	<b>46,931,378</b>
Income from investment		-	-	-	-
Commission, exchange and brokerage	15	38,658	3,295,170	24,982	2,122,261
Other operating income	16	-	-	-	-
<b>Total operating income</b>		<b>374,798</b>	<b>31,947,797</b>	<b>577,441</b>	<b>49,053,638</b>
Salaries and allowances	17	14,582	1,242,981	13,220	1,123,008
Rent, taxes, insurance, lighting and travelling	18	-	-	-	-
Legal expenses		-	-	-	-
Postage, stamp, telegram and telephone	19	-	-	-	-
Auditors' fee		-	-	-	-
Stationery, printing and advertisement	20	-	-	-	-
Charges on loan loss		-	-	-	-
Managing Director's salary		-	-	-	-
Directors' meeting fee		-	-	-	-
Repair, maintenance and depreciation of asset:	21	-	-	-	-
Other expenses	22	-	-	-	-
<b>Total operating expenses</b>		<b>14,582</b>	<b>1,242,981</b>	<b>13,220</b>	<b>1,123,008</b>
<b>Profit before provision</b>		<b>360,216</b>	<b>30,704,816</b>	<b>564,222</b>	<b>47,930,631</b>
Provision for loans & advance, other assets & off BS items		-	-	-	-
<b>Profit before taxation</b>		<b>360,216</b>	<b>30,704,816</b>	<b>564,222</b>	<b>47,930,631</b>

# Off-shore Banking Unit

## Cash Flow Statement

For the year ended 31 December 2021

Particulars	Note	2021		2020	
		USD	BDT	USD	BDT
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Interest received in cash		901,065	76,806,819	1,683,852	143,043,227
Interest payments		(564,925)	(48,154,193)	(1,131,393)	(96,111,850)
Dividend received		-	-	-	-
Fees and commission received in cash		38,658	3,295,170	24,982	2,122,261
Recovery of loans and advances in cash previously written-off		-	-	-	-
Cash paid to employees		(14,582)	(1,242,981)	(13,220)	(1,123,008)
Income tax paid		-	-	-	-
Cash received from other operating activities		-	-	-	-
Cash paid for other operating activities		-	-	-	206,390
<b>Cash flows before charges in operating assets and liabilities</b>		<b>360,216</b>	<b>30,704,816</b>	<b>564,222</b>	<b>48,137,021</b>
<b>Increase / Decrease in operating assets and liabilities</b>					
Loans and advances to customers		(7,307,368)	(641,909,300)	14,633,333	1,241,491,358
Other assets		(67,229)	(5,769,226)	25,105	2,131,380
Borrowing from Banks					
Deposits from other Banks					
Deposit from customers		-	49,500	-	2,912
Other Liabilities		103,226	8,888,927	(78,496)	(6,868,820)
		<b>(7,271,372)</b>	<b>(638,740,099)</b>	<b>14,579,943</b>	<b>1,236,756,829</b>
<b>Net cash from operating activities</b>		<b>(6,911,156)</b>	<b>(608,035,283)</b>	<b>15,144,164</b>	<b>1,284,893,851</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of securities		-	-	-	-
Cash payments for purchase of securities		-	-	-	-
Purchase/ Sale of property, Plant & equipment of fixed assets		-	-	-	-
Sales of fixed assets		-	-	-	-
<b>Net cash from investing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Borrowing from other banks, financial institutions and agents		21,494,943	1,858,759,338	(15,088,089)	(1,280,126,207)
Net profit transferred to main operations		(564,222)	(47,930,631)	(361,875)	(30,574,820)
<b>Net Cash from Financing activities</b>		<b>20,930,722</b>	<b>1,810,828,707</b>	<b>(15,449,964)</b>	<b>(1,310,701,027)</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>		<b>14,019,566</b>	<b>1,202,793,424</b>	<b>(305,800)</b>	<b>(25,807,176)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>-</b>	<b>201,721</b>	<b>-</b>	<b>(148,369)</b>
<b>Opening cash and cash equivalent</b>		<b>136,922</b>	<b>11,631,508</b>	<b>442,721</b>	<b>37,587,053</b>
<b>Closing cash and cash equivalent</b>		<b>14,156,488</b>	<b>1,214,626,652</b>	<b>136,922</b>	<b>11,631,508</b>

# Off-shore Banking Unit

## Notes to the Financial Statements

As at and for the year ended 31 December 2021

### 1. Reporting entity

#### 1.1 Status of the units

The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD (P-3) 744(124)/2015-2447, dated 02 April 2015. The Off-shore Banking Unit commenced its commercial operation on 23 September 2015. The Bank established its Offshore Banking Unit (OBU) with a view of catering the banking requirement of non-resident customers to increase foreign trade business at Export Processing Zones (EPZs). Over the years, OBU has become an important strategic business unit due to growing demand of cheaper foreign currency loan and Usance Payable at Sight (UPAS) Letter of Credit (L/C) from the clients.

#### 1.1.1 Principal activities

Presently, the Bank has one Off-shore Banking Unit operating in Bangladesh. The principal activities of the Unit are to provide all kinds of commercial banking services to its customers in foreign currencies approved by the Bangladesh Bank. The Unit is governed under the rules and guidelines of Bangladesh Bank.

### 1.2 Significant accounting policies and basis of preparation of financial statements

#### 1.2.1 Basis of accounting

The Off-shore Banking Unit maintains its accounting records in USD from which accounts are prepared according to the Bank Companies Act, 1991 (as amended in 2013), International Financial Reporting Standards and other applicable directives issued by Bangladesh Bank.

#### 1.2.2 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

#### 1.2.3 Foreign currency transaction

##### a) Foreign currencies translation

Foreign currency transactions are converted into equivalent Taka using the ruling 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 Taka at weighted average rate of inter-bank market as determined 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 Taka equivalent.

##### b) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

##### c) Translation gains and losses

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

#### 1.2.4 Cash flow statement

Cash flow statement has been prepared in accordance with the International Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department (BRPD) of Bangladesh Bank.

#### 1.2.5 Reporting period

These financial statements cover one calendar year from 1st January to 31st December 2021.

### 1.3 Assets and basis of their valuation

#### 1.3.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on 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 unit management for its short-term commitments.

#### 1.3.2 Loans, advances and lease / investments

a) Loans and advances are stated in the balance sheet on gross basis.

b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

#### 1.3.3 Fixed assets and depreciation

a) All fixed assets are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

b) Depreciation is charged for the year at the following rates on reducing balance method on all fixed assets.

Category of fixed assets	Rate of depreciation
Furniture and fixtures	10%
Office equipments	20%

c) For additions during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.

### 1.4 Basis for valuation of liabilities and provisions

#### 1.4.1 Benefits to the employees

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

##### a) Provident fund

Provident fund benefits are given to the permanent employees of OBU under the provident fund rule of the Bank. The Commissioner of Income Tax, National Board of Revenue, Dhaka has approved the Provident Fund 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 recognition took effect from June 04, 2013. The Fund is operated by a Board of Trustees consisting six members (03 members from management and other 03 members from the Board of Directors) of the Bank. All confirmed employees of the Unit are contributing 10% of their basic salary as subscription to the Fund. The Unit also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members' account on yearly basis.

## **b) Gratuity fund**

The Bank operates a funded gratuity scheme on "Continuing Fund Basis", in respect of which provision will be made annually according to the recommendation based on Actuarial valuation covering all its permanent eligible employees in accordance with Bank's Service Rules. The Fund will be operating by a Board of Trustees consisting members from the Board of Directors and Management of the Bank. Actuarial valuation of gratuity scheme will be made to assess the adequacy of the liabilities provided for the scheme as per IAS-19 "Employees Benefit". Contributions to the fund shall be made by the Unit on the basis of actuarial recommendations.

## **c) Incentive bonus**

Incentive bonus is given to the employees every year considering the overall performance of the Bank as well as individual's performance. This bonus amount is distributed among the employees based on their performance. The bonus amount is paid annually, normally first quarter of every following year and the costs is accounted for in the period to which it relates. Generally, a certain percentage of disclosed net profit is disbursed among the employees. The aforesaid percentage is approved in the Board meeting so that adequate provision can be made for Incentive Bonus as per IAS-37.

### **1.4.2 Provision for liabilities**

A provision is recognized in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

## **1.5 Revenue recognition**

### **1.5.1 Interest income**

In terms of the provisions of the IAS-18 "Revenue", the interest income is recognised on accrual basis.

### **1.5.2 Fees and commission income**

Fees and commission income arising on services provided by the Bank are recognised when those are realized. Commission charged to customers on letters of credit and letters of guarantee is credited to income at the time of transactions being recorded in the books of accounts.

### **1.5.3 Interest paid and other expenses**

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

## **2.00 General**

- a) These financial statements are presented in BDT (Taka), which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest BDT (Taka).
- b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 85.80 (closing rate as at 31st December 2021) & Taka 85.24 (average rate which represents the year end).
- c) Figures of previous year have been rearranged whenever necessary to conform to current year's presentation.

	2021		2020	
	USD	BDT	USD	BDT
<b>3.00 Balance with other Banks and Financial Institutions</b>				
In Bangladesh (Note -3.01)	14,000,000	1,201,200,000	-	-
Outside Bangladesh (Note -3.02)	156,488	13,426,652	136,922	11,631,508
	<b>14,156,488</b>	<b>1,214,626,652</b>	<b>136,922</b>	<b>11,631,508</b>
<b>3.01 In Bangladesh</b>	14,000,000	1,201,200,000	-	-
	<b>14,000,000</b>	<b>1,201,200,000</b>	-	-
<b>3.02 Outside Bangladesh</b>				
Current Account	156,488	13,426,652	136,922	11,631,508
	<b>156,488</b>	<b>13,426,652</b>	<b>136,922</b>	<b>11,631,508</b>
<b>4.00 Loans and advances</b>				
<b>i) Loans, cash credits, overdrafts, etc</b>				
Term Loan				
Lease Finance				
T.R. Loan				
	-	-	-	-
<b>ii) Bills purchased and discounted (note-5)</b>				
<b>Inside Bangladesh</b>				
Inland bills purchased and discounted	23,204,208	1,990,921,013	16,857,633	1,432,055,943
<b>Outside Bangladesh</b>				
Foreign bills purchased and discounted	1,676,237	143,821,149	715,443	60,776,919
	<b>24,880,445</b>	<b>2,134,742,162</b>	<b>17,573,077</b>	<b>1,492,832,862</b>
	<b>24,880,445</b>	<b>2,134,742,162</b>	<b>17,573,077</b>	<b>1,492,832,862</b>
<b>4.01 Geographical location-wise Loans and Advances</b>				
Dhaka Division	24,880,445	2,134,742,162	17,573,077	1,492,832,862
Chittagong Division	-	-	-	-
Sylhet Division	-	-	-	-
Rajshahi Division	-	-	-	-
Khulna Division	-	-	-	-
Barisal Division	-	-	-	-
	<b>24,880,445</b>	<b>2,134,742,162</b>	<b>17,573,077</b>	<b>1,492,832,862</b>
<b>4.02 Classification of Loans and Advances</b>				
<b>Unclassified :</b>				
(i) Standard	24,727,965	2,121,659,433	17,573,077	1,492,832,862
(ii) Special mention account	152,479	13,082,729	-	-
<b>Classified :</b>				
(i) Substandard	-	-	-	-
(ii) Doubtful	-	-	-	-
(iii) Bad / Loss	-	-	-	-
	<b>24,880,445</b>	<b>2,134,742,162</b>	<b>17,573,077</b>	<b>1,492,832,862</b>
<b>5.00 Bills purchased and discounted</b>				
In Bangladesh	23,204,208	1,990,921,013	16,857,633	1,432,055,943
Outside Bangladesh	1,676,237	143,821,149	715,443	60,776,919
	<b>24,880,445</b>	<b>2,134,742,162</b>	<b>17,573,077</b>	<b>1,492,832,862</b>

	2021		2020	
	USD	BDT	USD	BDT
<b>6.00 Fixed assets including premises, furniture and fixtures</b>				
<b>Cost</b>				
Furniture and fixtures	4,196	360,058	4,196	356,491
Electrical Equipments	1,452	124,601	1,452	123,367
	<b>5,649</b>	<b>484,659</b>	<b>5,649</b>	<b>479,858</b>
<b>Less: Accumulated depreciation</b>				
Furniture and fixture	1,436	123,191	1,436	121,970
Electrical Equipments	994	85,265	994	84,420
	<b>2,430</b>	<b>208,455</b>	<b>2,430</b>	<b>206,390</b>
	<b>3,219</b>	<b>276,204</b>	<b>3,219</b>	<b>273,468</b>
<b>7.00 Other assets</b>				
Advance deposits and advance rent	-	-	1,125	95,561
Other prepaid expense	-	-	-	-
Interest receivable on Bills discount	68,354	5,864,787		
	<b>68,354</b>	<b>5,864,787</b>	<b>1,125</b>	<b>95,561</b>
<b>8.00 Borrowing from other banks, financial Institutions and its agents</b>				
<b>In Bangladesh:</b>				
Modhumoti Bank Limited	19,315,000	1,657,227,000	9,650,000	819,767,500
Jamuna Bank Limited	1,000,000	85,800,000	2,000,000	169,900,000
Rupali Bank Limited	-	-	1,500,000	127,425,000
Trust Bank Ltd.	1,000,000	85,800,000	-	-
National Credit and Commerce Bank Limited	7,500,000	643,500,000	3,500,000	297,325,000
Bank Asia Limited	2,000,000	171,600,000	-	-
United Commercial Bank Limited	-	-	-	-
Southeast Bank Ltd.	3,000,000	257,400,000	-	-
Dhaka Bank Ltd.	500,000	42,900,000	-	-
Bank Alfalah	4,000,000	343,200,000	-	-
NRB Global Bank Ltd.	-	-	-	-
NRB Bank Ltd.	-	-	-	-
	<b>38,315,000</b>	<b>3,287,427,000</b>	<b>16,650,000</b>	<b>1,414,417,500</b>
<b>Outside Bangladesh</b>	230,767	19,799,791	400,823	34,049,953
	<b>38,545,767</b>	<b>3,307,226,791</b>	<b>17,050,823</b>	<b>1,448,467,453</b>
<b>9.00 Deposit and other accounts</b>				
Current deposits and other accounts	58,235	4,996,560	58,235	4,947,060
Modhumoti Bank Limited				
Bangladesh Bank	-	-	-	-
	<b>58,235</b>	<b>4,996,560</b>	<b>58,235</b>	<b>4,947,060</b>
<b>10.00 Other liabilities</b>				
Interest payable on borrowings	77,951	6,688,227	35,665	3,029,766
Due to Head Office	65,251	5,598,493	5,397	458,490
Others	1,086	93,199	-	-
	<b>144,288</b>	<b>12,379,918</b>	<b>41,062</b>	<b>3,488,255</b>
<b>11.00 Surplus in Profit and Loss Account</b>				
Opening balance	564,222	47,930,631	361,875	30,574,820
Less: Adjustment/ payment for the year	(564,222)	(47,930,631)	(361,875)	(30,574,820)
Add: Addition during the year	360,216	30,704,816	564,222	47,930,631
	<b>360,216</b>	<b>30,704,816</b>	<b>564,222</b>	<b>47,930,631</b>

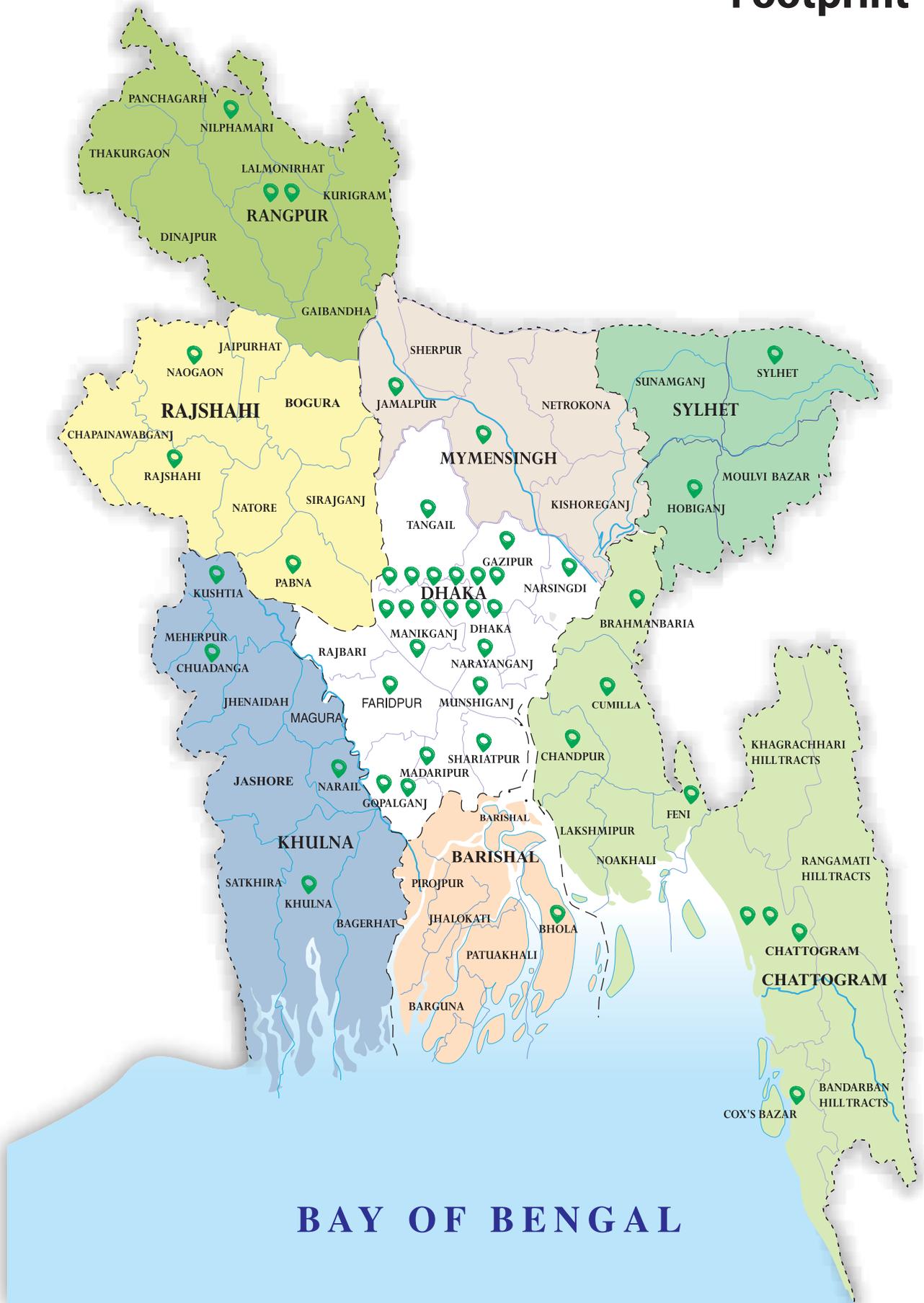
		2021		2020	
		USD	BDT	USD	BDT
<b>12.00</b>	<b>Contingent liabilities</b>				
<b>12.01</b>	<b>Acceptance &amp; endorsement</b>				
	Back to Back bills	-	-	-	-
	Less: Margin	-	-	-	-
		-	-	-	-
<b>12.02</b>	<b>Letters of credits</b>				
	Letters of credits	-	-	-	-
	Back to Back letter of credit	-	-	-	-
	Less: Margin	-	-	-	-
		-	-	-	-
<b>12.03</b>	<b>Letter of guarantee</b>				
	Letters of guarantee (Local)	-	-	-	-
	Letters of guarantee (Foreign)	-	-	-	-
	Foreign counter guarantees	-	-	-	-
	Less: Margin	-	-	-	-
		-	-	-	-
<b>12.04</b>	<b>Bills for collection</b>				
	Outward local bills for collection	-	-	-	-
	Inward foreign bills for collection	-	-	-	-
	Less: Margin	-	-	-	-
		-	-	-	-
<b>13.00</b>	<b>Interest income</b>				
	Term Loan				
	LTR loan				
	Bills discount	797,183	67,951,873	1,632,387	138,671,310
	Others	-	-	-	-
	<b>Interest on loans and advances</b>	<b>797,183</b>	<b>67,951,873</b>	<b>1,632,387</b>	<b>138,671,310</b>
	Interest on balance with other banks and financial institutions	103,883	8,854,946	51,465	4,371,917
	Interest received from foreign banks	-	-	-	-
		103,883	8,854,946	51,465	4,371,917
	<b>Total Interest income</b>	<b>901,065</b>	<b>76,806,819</b>	<b>1,683,852</b>	<b>143,043,227</b>
<b>14.00</b>	<b>Interest paid on deposits, borrowings, etc.</b>				
	Interest paid on borrowings, etc.	564,925	48,154,193	1,131,393	96,111,850
	Interest paid on Bangladesh Bank				
		<b>564,925</b>	<b>48,154,193</b>	<b>1,131,393</b>	<b>96,111,850</b>
<b>15.00</b>	<b>Commission, exchange and brokerage</b>				
	Commission, exchange and brokerage	38,658	3,295,170	24,982	2,122,261
		<b>38,658</b>	<b>3,295,170</b>	<b>24,982</b>	<b>2,122,261</b>
<b>16.00</b>	<b>Other operating income</b>				
	Postage / SWIFT/ fax recoveries from Others Business	-	-	-	-
		-	-	-	-

	2021		2020	
	USD	BDT	USD	BDT
<b>17.00 Salaries and Allowances</b>				
Basic salary	5,634	480,237	5,434	461,598
Other Salary & Allowances	8,385	714,719	7,251	616,012
Provident Fund	563	48,025	534	45,398
	<b>14,582</b>	<b>1,242,981</b>	<b>13,220</b>	<b>1,123,008</b>
<b>18.00 Rent, taxes, insurance, electricity etc.</b>				
Rent, rates and taxes	-	-	-	-
Insurance	-	-	-	-
Electricity and lighting	-	-	-	-
	-	-	-	-
<b>19.00 Postage, stamp, telecommunication etc.</b>				
Postage	-	-	-	-
Telephone	-	-	-	-
	-	-	-	-
<b>20.00 Stationery, printing, advertisements etc.</b>				
Petty stationery	-	-	-	-
Publicity and advertisement	-	-	-	-
	-	-	-	-
<b>21.00 Depreciation and repairs of Bank's assets</b>				
Furniture and fixtures	-	-	-	-
Electrical appliance	-	-	-	-
Repairs of assets	-	-	-	-
	-	-	-	-
<b>22.00 Other expenses</b>				
Security and cleaning	-	-	-	-
Entertainment	-	-	-	-
Travelling expenses	-	-	-	-
Conveyance	-	-	-	-
Other expense	-	-	-	-
	-	-	-	-

# SUPPLEMENTARY INFORMATION



# Footprint



 Branch of Modhumoti Bank Limited

## The Branch Network & Managers

### Barishal Division 01 Branch

District: Bhola			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Charfassion</b> 25 October 2015	Mr. Md. Eyasin Uddin Sohel Principal Officer 01712966868	Zilla Parisad Market (1 <sup>st</sup> floor) Sadar Road, Charfassion, Bhola	(0492) 374067

### Chattogram Division 08 Branches

District: Brahmanbaria			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Ashuganj</b> 13 April 2017	Mr. Dipon Chandra Roy Assistant Vice President 01716690409	Hazi Fazlul Huq Mansion (1 <sup>st</sup> floor) Kachari Road, Ashuganj Sadar Brahmanbaria	-

District: Chandpur			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Faridganj</b> 07 June 2021	Mr. Md. Jamal Hossain Principal Officer 01714320018	Abdur Rob Plaza (1 <sup>st</sup> floor) Holding-951, Ward-08, Kacharia Faridganj, Chandpur	-

District: Chattogram			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Agrabad</b> 27 November 2014	Mr. Mohammad Abu Toyab Vice President 01823925323	Daar-E-Shahidi (1 <sup>st</sup> floor) 69 Agrabad Commercial Area Chattogram	(031) 2520449 (031) 2520450
<b>O. R Nizam Road</b> 16 September 2018	Mr. Gazi Zahidul Islam Assistant Vice President 01678115610	Impulse City Center (1 <sup>st</sup> floor, B-1) O. R Nizam Road, Golpahar More Panchlaish, Chattogram	-
<b>Mirsharai</b> 06 August 2019	Mr. Shafiqur Rahman Chowdhury First Assistant Vice President 01816359673	Alauddin Center (1 <sup>st</sup> floor) Abu Torab Bazar, Mayani Union Parishad, Mirsharai, Chattogram	-

District: Cox's Bazar			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Cox's Bazar</b> 30 January 2020	Mr. Mohammed Kawsar Elahee Meah First Assistant Vice President 01977456456	Karim Barmiz Market (1 <sup>st</sup> floor) Main Road, East Bazar Ghata Cox's Bazar Pouroshova, Cox's Bazar	-

District: Cumilla			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Konkapoit</b> 03 August 2017	Mr. Enayet Hossain Robin Senior Executive Officer 01684915370	Al-Mostafa Heritage (1 <sup>st</sup> floor) Konkapoit Bazar, Chouddogram Cumilla	-

District: Feni			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Chhagalnaiya</b> 28 November 2018	Mr. Md. Mizanur Rahman Senior Executive Officer 01749905295	A.N. Modhumoti Market (1 <sup>st</sup> floor) Haji B Zaman Road -1, Jamaddar Bazar, Chhagalnaiya, Feni	-

**Dhaka Division** **23 Branches**

District: Dhaka			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Aganagar</b> 14 May 2015	Mr. S.M. Imran Alam First Vice President 01718238244	Alam Tower, East Aganagar Keraniganj, Dhaka	(02) 7761888 (02) 7762111
<b>Ashulia</b> 23 January 2014	Mr. Mohammad Musabbir Hossan First Assistant Vice President 01912637937	Altaf Plaza (1 <sup>st</sup> floor), Alia Madrasa Jamgora, Ashulia Savar, Dhaka	-
<b>Banglamotor</b> 28 November 2016	Mr. Md. Kawsar Ali Molla First Vice President 01713487990	Rupayan Trade Centre (1 <sup>st</sup> floor) 114 Kazi Nazrul Islam Avenue Banglamotor, Dhaka	(02) 55138544 (02) 55138545 (02) 55138546
<b>Gulshan</b> 30 January 2014	Mr. Mohammad Shanoor Siddique Senior Vice President 01729099654	75 Gulshan Avenue Gulshan-1 Dhaka	(02) 9860392 (02) 9860332 (02) 9860011 (02) 9860310
<b>Mirpur</b> 07 December 2017	Mr. Md. Kamruzzaman Vice President 01711906698	Mid Town Trade Centre (1 <sup>st</sup> floor) Main Road-3, Section-7, Pallabi Mirpur, Dhaka	(02) 58051128 (02) 58051129
<b>Mitford</b> 02 October 2014	Mr. Md. Kayum Zaman Vice President 01719632906	57-58 Mitford Road Dhaka	(02) 7343678 (02) 7343035
<b>Motijheel</b> 19 September 2013	Mr. Muhammad Amir Hossain Sarker Senior Vice President 01715162664	DCCI Building (ground floor) 65-66, Motijheel C/A, Dhaka-1000	(02) 9586686 (02) 9586687 (02) 9583806
<b>Sheik Kamal Sarani</b> 30 August 2016	Mr. Atiqul Islam Akhand Vice President 01713329380	24/C, Sheikh Kamal Sarani Road 27 (old), 16 (new) Dhanmondi R/A, Dhaka	(02) 9119405 (02) 9119406
<b>Uttara</b> 18 December 2014	Mr. Mohammad Omar Faruq Khan Senior Vice President 01712262170	Siam Tower (2nd Floor), Holding15, Road-02, Sector: 3, Uttara, Dhaka	(02) 7914690 (02) 7914672 (02) 7914696
<b>VIP Road</b> 29 November 2018	Mr. Shah Md. Humayun Kabir Vice President 01711566486	Sel Trident Tower, Suite-202 (1 <sup>st</sup> floor, East Side), 57 (old-66) Purana Paltan Line, Inner Circular (VIP) Road, Dhaka	-
<b>Bangshal</b> 26 December 2019	Mr. Md. Gias Uddin First Vice President 01817562995	Mahmud Tower (1 <sup>st</sup> floor) (Road side) 19 Siddique Bazar North South Road, Dhaka	(02) 9511415 (02) 9511416
<b>Pragati Sarani</b> 26 February 2020	Mr. Md. Al Amin Mian First Assistant Vice President 01916298299	Mysha Chowdhury Tower (1 <sup>st</sup> floor), Gha-30/B, Shahjadpur Pragati Sarani, Dhaka	-

District: Faridpur			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Kanaipur</b> 16 March 2014	Mr. Kazi Arifur Rahman First Assistant Vice President 01755566565	Kanaipur Bahumukhi Shomobay Somity Market (1 <sup>st</sup> floor), Kanaipur Bazar, Kanaipur, Faridpur	-

District: Gazipur			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Mawna</b> 31 October 2016	Mr. Md. Firoz Ahmmed First Assistant Vice President 01914751809	Haji A. Salam Fakir Super Market (1 <sup>st</sup> floor) Mawna Bazar, Sreepur Gazipur	-

District: Gopalganj			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Sheikh Fajilatunnessa Mujib Eye Hospital</b> 05 June 2016	Mr. Zahirul Islam First Assistant Vice President 01716549220	Rental Hostel (1 <sup>st</sup> floor) Sheikh Fajilatunnessa Mujib Eye Hospital, Ghonapara, Gopalganj	(02) 6681254
<b>Muksudpur</b> 12 April 2018	Mr. Md. Moshiar Rahman First Assistant Vice President 01712602639	Monowara Shopping Complex (1 <sup>st</sup> floor) Chowrangi, Muksudpur Sadar, Gopalganj	-

District: Madaripur			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Shibchar</b> 29 November 2015	Mr. Mohammad Sanowar Hossain Assistant Vice President 01712677460	Ilias Ahmed Chowdhury Pouro Super Market (1 <sup>st</sup> floor), Shibchar Madaripur	-

District: Manikganj			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Singair</b> 30 January 2020	Mr. Mohammad Almas Ali First Assistant Vice President 01675289818	Bahadur Mollah Super Market (1 <sup>st</sup> floor) Singair, Manikganj	-

District: Munshiganj			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Shekharnagar</b> 23 March 2016	Mr. Abdul Wadud First Assistant Vice President 01948604206	Baitul Mamur Jame Masjid Marke (1 <sup>st</sup> floor), Shekharnagar Sirajdikhan Munshiganj	-

District: Narayanganj			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Kanchan</b> 16 April 2015	Mr. Muhammad Imran Alam First Vice President 01713065982	Chan Plaza (1 <sup>st</sup> floor), Kanchan Bazar Rupganj, Narayanganj	-

District: Narsingdi			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Shibpur</b> 27 December 2017	Mr. Md. Aynal Haque First Assistant Vice President 01717939712	Holding No.135/1 (1 <sup>st</sup> floor) College Gate, Shibpur Sadar Narsingdi	-

District: Shariatpur			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Bhedarganj</b> 28 July 2019	Mr. Mohammad Abu Zamih Senior Executive Officer 01722261596	Maa Plaza (1 <sup>st</sup> floor) Tiringir More Bhedarganj Upazila, Shariatpur	-

District: Tangail			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Shakhipur</b> 13 November 2014	Mr. Nasirul Amin First Assistant Vice President 01717784891	SMG Shopping Complex (1 <sup>st</sup> floor) Dhaka Road, Shakhipur Bazar Tangail	-

## Khulna Division 04 Branches

District: Chuadanga			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Jibannagar</b> 27 March 2014	Mr. Sharif Abu Aslam Principal Officer 01914154493	Eva Tower, (1 <sup>st</sup> floor) Changkhali Road, Jibannagar Chuadanga	-

District: Khulna			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Khulna</b> 31 March 2016	Mr. Mohammad Anas Senior Vice President 01736242718	Islam Trade Centre, (1 <sup>st</sup> floor) 18 KDA Avenue, Khulna	-

District: Kushtia			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Bheramara</b> 02 February 2017	Mr. Md. Asfakur Rahaman Assistant Vice President 01914948576	Professor Para, Godown More Bheramara, Kushtia	-

District: Narail			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Kalia</b> 30 July 2018	Mr. Md. Jasim Uddin First Assistant Vice President 01755616886	778 Godown Road, Ramnagar Kalia Pouroshova, Kalia, Narail	-

**Mymensingh Division****02 Branches**

District: Jamalpur			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Melandaha</b> 11 April 2019	Mr. Mohammad Jahidul Islam First Assistant Vice President 0174666620	Zinnah Super Market (1 <sup>st</sup> floor) Melandaha Bazar, Melandaha Jamalpur	-

District: Mymensingh			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Shambhuganj</b> 10 October 2016	Mr. Mohammad Ataul Huq Principal Officer 01961225769	Saha Market (1 <sup>st</sup> floor) Shambhuganj Bazar Shambhuganj, Mymensingh	-

**Rajshahi Division****03 Branches**

District: Naogaon			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Naogaon</b> 26 December 2017	Mr. Md. Anamul Haque Senior Executive Officer 01775508837	Time Square (1 <sup>st</sup> floor) Bazar Road, Naogaon Sadar Naogaon	(0741) 81481 (0741) 81482

District: Pabna			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Pabna</b> 07 June 2018	Mr. Abdullah Al Mahmud First Assistant Vice President 01719287171	Omar Shopping Complex (1 <sup>st</sup> floor) 65 M. M Ali Road Shibbrampur, Pabna Sadar, Pabna	-

District: Rajshahi			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Rajshahi</b> 20 October 2015	Mr. Md. Ariful Hasan Assistant Vice President 01755575713	RCCI Chamber Building (1 <sup>st</sup> floor) Station Road, Rajshahi	(0721) 770428 (0721) 770429

**Rangpur Division****03 Branches**

District: Rangpur			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Pirganj</b> 11 February 2016	Mr. Md. Mostafizur Rahman First Assistant Vice President 01818267237	Zaman Plaza (1 <sup>st</sup> floor), 653 Thana Road, Pirganj, Rangpur	(05227) 56208
<b>Rangpur</b> 03 October 2019	Mr. Md. Abul Kalam Azad Assistant Vice President 01716337301	Ray Mansion (1 <sup>st</sup> floor) Holding-268, Central Road Rangpur	-

District: Nilphamari			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Saidpur</b> 03 October 2019	Mr. Md. Yasir Arafat Principal Officer 01915345620	Loknath Tower, (1 <sup>st</sup> floor) Shahid Dr. Zikrul Hoque Road Saidpur, Nilphamari	-

**Sylhet Division** **02 Branches**

District: Sylhet			
Branch Name/ Date of opening	Manager Details	Address	Phone
<b>Amberkhana</b> 17 November 2013	Mr. Nahian Khan First Assistant Vice President 01714428137	Central Plaza, Holding -784 Airport Road, Kotwali, Sylhet	-
<b>Habiganj</b> 22 June 2021	Mr. Suman Kumar Paul Senior Executive Officer 01718377849	Ishaque Business Center (1 <sup>st</sup> floor) Holding-3690, Ward-05, Habiganj Sadar, Habiganj	

However, The Bank has already set up its own ATMs (total 45) as alternative delivery channel for the clients which are proving service through sharing Q-Cash branded largest Shared ATM/POS network in Bangladesh to provide services to its clients.

## Foreign Correspondent Bank Network

Country	Bank Name
AFGHANISTAN	ISLAMIC BANK OF AFGHANISTAN (FORMERLY BAKHTAR BANK)
AUSTRALIA	MIZUHO BANK, LTD. SYDNEY BRANCH
	STATE BANK OF INDIA
BAHRAIN	KEB HANA BANK, BAHRAIN BRANCH
	MASHREQ BANK PSC
	NATIONAL BANK OF PAKISTAN
BANGLADESH	AB BANK LIMITED
	AGRANI BANK LIMITED
	AL-ARAFAH ISLAMI BANK LTD.
	BENGAL COMMERCIAL BANK LIMITED
	BANK ASIA LTD
	ICB ISLAMIC BANK LIMITED
	BANGLADESH COMMERCE BANK LTD.
	BANGLADESH DEVELOPMENT BANK LIMITED (BDBL)
	BANGLADESH KRISHI BANK
	BASIC BANK LIMITED
	BRAC BANK LIMITED
	SONALI BANK LIMITED
	COMMERCIAL BANK OF CEYLON PLC
	THE CITY BANK LIMITED
	COMMUNITY BANK BANGLADESH LIMITED
	DUTCH-BANGLA BANK LTD
	DHAKA BANK LIMITED
	EASTERN BANK LTD.
	EXPORT IMPORT BANK OF BANGLADESH LTD
	PADMA BANK LIMITED
	FIRST SECURITY ISLAMI BANK LIMITED
	HABIB BANK LTD.
	WOORI BANK, DHAKA
	ISLAMI BANK BANGLADESH LTD
	INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LTD.
	JAMUNA BANK LIMITED
	JANATA BANK LIMITED
	MERCANTILE BANK LIMITED
	MIDLAND BANK LIMITED
	MEGHNA BANK LIMITED
	MUTUAL TRUST BANK LIMITED
	NATIONAL BANK LIMITED
	NATIONAL CREDIT AND COMMERCE BANK LIMITED
	GLOBAL ISLAMI BANK LIMITED
NRB COMMERCIAL BANK LIMITED	
NRB BANK LIMITED	
ONE BANK LIMITED	
PRIME BANK LIMITED	
THE PREMIER BANK LIMITED	
PUBALI BANK LIMITED	
RUPALI BANK LTD	

## Foreign Correspondent Bank Network

Country	Bank Name
	SOUTH BANGLA AGRICULTURE AND COMMERCE BANK LIMITED
	STATE BANK OF INDIA
	STANDARD BANK LIMITED
	SOUTHEAST BANK LIMITED
	SHIMANTO BANK LIMITED
	SHAHJALAL ISLAMI BANK LIMITED
	SOCIAL ISLAMI BANK LIMITED
	TRUST BANK LTD.
	UNION BANK LIMITED
	UNITED COMMERCIAL BANK LTD
	UTTARA BANK LIMITED
BELGIUM	BELFIUS BANK SA/NV
	BYBLOS BANK EUROPE SA
	KBC BANK NV
BULGARIA	UNITED BULGARIAN BANK AD
CHINA	AXIS BANK LIMITED SHANGHAI BRANCH
	BANK OF HUZHOU CO.,LTD
	BANK OF NINGBO
	BANK OF COMMUNICATIONS
	CHANGSHU RURAL COMMERCIAL BANK
	CHINA EVERBRIGHT BANK
	FUJIAN FUZHOU RURAL COMMERCIAL BANK COMPANY LIMITED
	INDUSTRIAL BANK CO.,LTD.
	JIANGSU HAIAN RURAL COMMERCIAL BANK CO.,LTD
	INDUSTRIAL BANK OF KOREA (CHINA) LIMITED
	JIANGSU JIANGYAN RURAL COMMERCIAL BANK CO., LTD
	JIANGSU JINGJIANG RURAL COMMERCIAL BANK CO., LTD
	JIANGSU ZHANGJIAGANG RURAL COMMERCIAL BANK CO.,LTD.
	JIANGSU JIANGNAN RURAL COMMERCIAL BANK CO.,LTD.(FORMALY JIANGSU WUJIN RURAL BANK)
	SHINHAN BANK(CHINA) LTD.
	SHANGHAI PUDONG DEVELOPMENT BANK
	BANK OF WENZHOU (FORMERLY WENZHOU CITY COMMERCIAL BANK)
	YINZHOU BANK
	ZHEJIANG MINTAI COMMERCIAL BANK
	ZHONGSHAN RURAL COMMERCIAL BANK COMPANY LIMITED
CZECH REPUBLIC	CESKOSLOVENSKA OBCHODNI BANKA, A.S.
EGYPT	MASHREQ BANK
FRANCE	BYBLOS BANK EUROPE S.A. (PARIS BRANCH)
	BANQUE PALATINE
	KBC BANK NV PARIS
	NATIONAL BANK OF PAKISTAN
	U.B.A.F (UNION DE BANQUES ARABES ET FRANCAISES)
GERMANY	ICICI BANK UK PLC
	MIZUHO BANK, LTD. DUESSELDORF BRANCH
	NATIONAL BANK OF PAKISTAN, FRANKFURT
	HAMBURG COMMERCIAL BANK AG GERMANY

## Foreign Correspondent Bank Network

Country	Bank Name
HONGKONG	AB INTERNATIONAL FINANCE LTD (A SUBSIDIARY COMPANY OF AB BANK LIMITED, DHAKA, BANGLADESH)
	EBL FINANCE (HK) LIMITED
	MASHREQ BANK PSC., HONG KONG BRANCH
	PBL FINANCE (HONG KONG) LIMITED
	THE BANK OF NEW YORK MELLON, HONG KONG BRANCH
	KBC BANK NV
	TORONTO DOMINION BANK
	CITY HONG KONG LIMITED
ICELAND	LANDSBANKINN HF
INDIA	AB BANK LIMITED- MUMBAI BRANCH
	AXIS BANK LIMITED
	ICICI BANK LIMITED
	INDUSIND BANK LIMITED
	MASHREQ BANK
	HDFC BANK LIMITED
	SONALI BANK KOLKATA
	PUNJAB NATIONAL BANK
	PUNJAB NATIONAL BANK (E-UBI)
	YES BANK LIMITED
INDONESIA	BANK NEGARA INDONESIA - PT (PERSERO)
ITALY	INTESA SANPAOLO SPA
	CREDITO EMILIANO S.P.A.
	BPER BANCA S.P.A.
	BANCA POPOLARE VALCONCA
	BANCA MONTE DI DEI PASCHI DI SIENA S.P.A.
	BANCA POPOLARE DI SONDRIO
	BANCA UBAE SPA
JAPAN	KEB HANA BANK
	MIZUHO BANK, LTD.
	NATIONAL BANK OF PAKISTAN
	U.B.A.F. - UNION DE BANQUES ARABES ET FRANCAISES TOKYO BRANCH
KOREA	BUSAN BANK
	INDUSTRIAL BANK OF KOREA
	KEB HANA BANK
	KOOKMIN BANK
	SHINHAN BANK
	U.B.A.F.-UNION DE BANQUES ARABES ET FRANCAISES
	WOORI BANK, SEOUL
KUWAIT	MASHREQ BANK PSC
KYRGYZSTAN OR KYRGYZ REPUBLIC	KYRGYZ INVESTMENT AND CREDIT BANK
LATVIA	AS 'PRIVATBANK'
MALAYSIA	MIZUHO BANK (MALAYSIA) BERHAD
NETHERLAND	DEUTSCHE BANK A.G.
PAKISTAN	MCB BANK LIMITED
POLAND	PKO BANK POLSKI S.A.

## Foreign Correspondent Bank Network

Country	Bank Name
QATAR	MASHREQ BANK PSC
	DOHA BANK
	UNITED BANK LIMITED, DOHA
SAN MARINO	BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE S.P.A.
SAUDI ARABIA	BANK AL-JAZIRA
	NATIONAL BANK OF PAKISTAN
SINGAPORE	AXIS BANK LIMITED
	ICICI BANK LIMITED
	MIZUHO BANK, LTD. SINGAPORE BRANCH
	U.B.A.F. - UNION DE BANQUES ARABES ET FRANCAISES
SPAIN	CAIXABANK, S.A.
	BANK OF AFRICA EUROPE, SAU
SRI LANKA	AXIS BANK LTD., COLOMBO
	COMMERCIAL BANK OF CEYLON PLC
	PEOPLE'S BANK SRI LANKA
SWITZERLAND	HABIB BANK AG ZURICH
	UBL (SWITZERLAND) AG
TAIWAN	MIZUHO BANK LTD. TAIPEI BRANCH
THAILAND	BANK OF AYUDHYA PUBLIC COMPANY LIMITED
	MIZUHO BANK, LTD., BANGKOK BRANCH
TURKEY	DENIZBANK A.S.
UKRAINE	JSC 'BANK CREDIT DNEPR'
UAE	AXIS BANK LIMITED, DIFC BRANCH (REGULATED BY DFSA)
	HABIB BANK AG ZURICH
	MASHREQ BANK PSC.
	DUBAI ISLAMIC BANK (FORMERLY NOOR BANK P.J.S.C.)
UK	BYBLOS BANK EUROPE S.A. (LONDON BRANCH)
	KEB HANA BANK
	MASHREQ BANK PSC
USA	HABIB AMERICAN BANK, NY
	MASHREQ BANK PSC., NEW YORK BRANCH
	NATIONAL BANK OF PAKISTAN, NEW YORK

## Division & District-wise Agent Details of

Modhumoti Digital Banking Outlets

### Barishal Division 06 Agent Points

#### District: Bhola

Upazila: Charfassion		Monitoring Branch: Charfassion	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Aslampur Union Digital Point 28-11-17	Minhazul Islam 01714868232	Aslampur Union Parishad, Charfassion Upazila, Bhola	
Jahanpur Union Digital Point 28-11-17	Mohammad Omar Faruk 01741005087	Jahanpur Union Parishad, Charfassion Upazila, Bhola	
Hazariganj Union Digital Point 28-11-17	Md. Hasnain (Al Amin) 01716607517	Hazariganj Union Parishad, Charfassion Upazila, Bhola	
Abu Bakarpur Union Digital Point 28-11-17	Md. Jahurul Islam 01727 924531	Abu Bakarpur Union Parishad, Charfassion Upazila, Bhola	

#### District: Barguna

Upazila: Barguna Sadar		Monitoring Branch: Khulna	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Sajid Computer & Varieties Corner 28-11-21	Md Imran Shikdar 01922330058	College Road, Baguna Sadar, Barguna	

#### District: Patuakhali

Upazila: Patuakhali Sadar		Monitoring Branch: Khulna	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
M/S Ahmed Enterprise 07-12-21	S.M. Hasib Ahmmed 01734062421	Selim Plaza, College Road, Sadar, Dist: Patuakhali	

### Chattogram Division 10 Agent Points

#### District: Chattogram

Upazila: Sitakundu		Monitoring Branch: O.R Nizam Road	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Barobkonda Union Digital Point 17-07-19	Farjana Akter Ruby 01828026853	Barobkonda Union Parishad, Sitakunda Chattogram	
Baroidala Union Digital Point 17-07-19	Uttam Kumar Dhe 01859751740	Baroidala Union Parishad, Sitakunda Chattogram	
Banshbaria Union Digital Point 17-07-19	Md. Salauddin 01814181552	Banshbaria Union Parishad, Sitakunda Chattogram	
Kumira Union Digital Point 17-07-19	Md. Abdus Salam 01670345411	Kumira Union Parishad, Sitakunda Chattogram	
Muradpur Union Digital Point 17-07-19	Gazi Md. Shahidul Alam 01811596964	Muradpur Union Parishad, Sitakunda Chattogram	
Salimpur Union Digital Point 17-07-19	Taslima Akter 01763490575	Salimpur Union Parishad, Sitakunda Chattogram	
Sayedpur Union Digital Point 17-07-19	Ferjana Akter 01830295965	Sayedpur Union Parishad, Sitakunda Chattogram	
Sonaichori Union Digital Point 17-07-19	Md. Kurban Ali 01813302097	Sonaichori Union Parishad, Sitakunda Chattogram	
Vatiary Union Digital Point 17-07-19	Shampa Chowdary 01722082098	Vatiary Union Parishad, Sitakunda Chattogram	

**District: Feni**

<b>Upazila:</b>		<b>Monitoring Branch:</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Mazumder Auto Honda Mechanical Workshop Digital Point 09-09-21	Md. Belal Hossain Mazumder 01821328871		Mirjar bazar, Main road, Chagolnaya, Chagolnaya, Feni

**Dhaka Division****190 Agent Points****District: Dhaka**

<b>Upazila: Nawabganj</b>		<b>Monitoring Branch: Shekharnagar</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Churain Union Digital Point 30-08-16	Md. Monjurul Islam 01624940264		Churain Union Parishad, Nawabganj, Dhaka
Barha Union Digital Point 30-08-16	Md. Sohel Rana 01918539221		Barha Union Parishad Nawabganj, Dhaka
Agla Union Digital Point 23-11-16	Sazzadur Rashid 01821179444		Agla Union Parishad Nawabganj Upazila, Dhaka
Galimpur Union Digital Point 23-11-16	Kona Akter 01912373222		Galimpur Union Parishad Nawabganj Upazila, Dhaka

**District: Faridpur**

<b>Upazila : Bhanga</b>		<b>Monitoring Branch: Muksudpur</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Hamirdi Union Digital Point 30-09-18	Milu Miah 01927352916		Hamirdi Union Parishad Bhanga Upazila, Faridpur
Tuzarpur Union Digital Point 30-09-18	Md. Arif Hossain 01756077147		Tuzarpur Union Parishad Bhanga Upazila, Faridpur
Nasirabad Union Digital Point 30-09-18	Tonmoy Goshal 01716757759		Nasirabad Union Parishad Bhanga Upazila, Faridpur
Chumurdi Union Digital Point 30-09-18	Md. Sharif Molla 0174967337		Chumurdi Union Parishad Bhanga Upazila, Faridpur
Manikdha Union Digital Point 30-09-18	Md. Prince Mahmud 01761535147		Manikdha Union Parishad Bhanga Upazila, Faridpur
Kawlibera Union Digital Point 30-09-18	Habibur Rahman 01703080842		Kawlibera Union Parishad Bhanga Upazila, Faridpur
Algi Union Digital Point 30-09-18	Swapna Akter 01918 -227602		Algi Union Parishad Bhanga Upazila, Faridpur
Gharua Union Digital Point 30-09-18	Shahin Molla 01729159976		Gharua Union Parishad Bhanga Upazila, Faridpur

<b>Upazila: Faridpur Sadar</b>		<b>Monitoring Branch: Kanaipur</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Kaijuri Union Digital Point 15-11-16	Md. Romjan Khan 01713575727		Kaijuri Union Parishad Sadar Upazila, Faridpur
Krishnanagar Union Digital Point 15-11-16	Md. Omar Faruque 017175567 72		Krishnanagar Union Parishad Sadar Upazila, Faridpur
Aliabad Union Digital Point 30-09-19	Md. Razib Hasan 01721090180		Aliabad Union Parishad Faridpur Sadar, Faridpur
Ambikapur Union Digital Point 30-09-19	Rokshana Parvin 01758814587		Ambikapur Union Parishad Faridpur Sadar, Faridpur

Upazila: Faridpur Sadar		Monitoring Branch: Kanaipur	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Kanaipur Union Digital point 22-04-21	Jashim Khan 01722109697	Kanaipur Union Parishad, Faridpur Sadar, Faridpur	
Ishangopalpur Union Digital point 04-05-21	Muhammad Sobdul Hosen 01711978279	Ishangopalpur Union Parishad, Faridpur Sadar, Faridpur	

Upazila: Modhukhali		Monitoring Branch: Kanaipur	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Jahapur Union Digital Point 15-11-16	Md Abu Jafar 01711730154	Jahapur Union Parishad Modhukhali Upazila, Faridpur	
Raipur Union Digital Point 15-11-16	Md. Rajon 01711448062	Raipur Union Parishad Modhukhali Upazila, Faridpur	
Dumain Union Digital Point 30-09-19	Sahin Molla 01933478055	Kamarkhali Union Parishad Modhukhali Upazila, Faridpur	
Dumain Union Digital Point 30-09-19	Monogit Mondol 01705796444	Dumain Union Parishad Modhukhali Upazila, Faridpur	
Gazna Union Digital point 17-05-21	Amit Kumar Joarder 01915526668	Gazna Union Parishad Madhukhali, Faridpur	
Madhukhali Upazila Digital point 22-04-21	Mohammad Hasib Sheikh 01 776616823	Madhukhali Upazila Parishad Madhukhali, Faridpur	
Arpara Union Digital point 09-05-21	Md. Chopol Shikder 01515288402	Arpara Union Parishad, Modhukhali, Faridpur	
Kamaladia Union Digital point 31-05-21	Mohammad Humayun Kabir 01712248766	Kamaladia Union Parishad Modhukhali, Faridpur	
Megchami Union Digital point 31-05-21	Sohidul 01725785199	Megchami Union Parishad Modhukhali, Faridpur	
Korakdi Union Digital point 31-05-21	Hasibul Islam 01986383770	Korakdi Union Parishad Modhukhali, Faridpur	
Kamar khali Union Digital Centre-2 03-10-21	Md Nizam Uddin 01920483678	Vill:Kamarkhali, Post: Kamarkhali, Up: Modhukhali, Dist: Faridpur	

Upazila: Saltha		Monitoring Branch: Kanaipur	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Atghor Union Digital Point 05-08-18	Md. Tarek Islam 01714285346	Atghor Union Parishad Saltha Upazila, Faridpur	
Sonapur Union Digital Point 05-08-18	Md. Hannan Khan 01911564552	Sonapur Union Parishad Saltha Upazila, Faridpur	
Jadunandi Union Digital Point 05-08-18	MMd. Abul Basar Juwel 0175766611	Jadunandi Union Parishad Saltha Upazila, Faridpur	
Ramkantapur Union Digital Point 05-08-18	Md. Anayet Hossain Molla 01720588479	Ramkantapur Union Parishad Saltha Upazila, Faridpur	
Ballabadi Union Digital Point 05-08-18	Sajedul Islam 01741392917	Ballabadi Union Parishad Saltha Upazila, Faridpur	
Bhawal Digital PointPoint 05-08-18	Sonjoy Biswas 01716796672	Bhawal Union Parishad Saltha Upazila, Faridpur	
Majhardia Union Digital Point 05-08-18	Md. Ripon Hossain 01757796889	Majhardia Union Parishad Saltha Upazila, Faridpur	
Gatti Union Digital Point 28-01-19	Md. Robiul Islam 01794349410	Gatti Union Parishad Saltha Upazila, Faridpur	

**District: Gazipur**

<b>Upazila: Sreepur</b>		<b>Monitoring Branch: Mawna</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Barmi Union Digital Point 08-01-17	Md. Mubarak Hossain 01717815037		Barmi Union Parishad Sreepur Upazila, Gazipur
Gazipur Union Digital Point 08-01-17	Md. Sohorab Hossain 01728918418		Gazipur Union Parishad Sreepur Upazila, Gazipur
Mawna Union Digital Point 08-01-17	Razib Mollah 01740633093		Mawna Union Parishad Sreepur Upazila, Gazipur
Telihat Union Digital Point 08-01-17	Mahotab Uddin 01914177156		Telihat Union Parishad Sreepur Upazila, Gazipur
Kaoraid Union Digital Point 08-01-17	Md. Monwar Hossain 01768602306		Kaoraid Union Parisha, Sreepur Upazila, Gazipur
Digital Agro Farm 29-09-21	Jayem Khan 01749208230		Vill:Mawna bazar, Post: Mawna Up: Sripur, Dist: Gazipur

**District: Gopalganj**

<b>Upazila: Gopalganj Sadar</b>		<b>Monitoring Branch: SFMEH</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Ulpur Union Digital Point 30-10-16	Rasel Chowdhury 01721745843		Ulpur Union Parishad Gopalganj Sadar Upazila, Gopalganj
Majhigati Union Digital Point 30-10-16	Avisek Biswas 01737759881		Majhigati Union Parishad Gopalganj Sadar Upazila, Gopalganj
Kajulia Union Digital Point 30-10-16	Mukul Sheikh 01736420510		Kajulia Union Parishad Gopalganj Sadar Upazila, Gopalganj
Raghunathpur Union Digital Point 30-10-16	Ashikol Islam 01728156981		Raghunathpur Union Parishad Gopalganj Sadar Upazila, Gopalganj
Kati Union Digital Point 30-10-16	Md. Shafiqul Alam 01712440338		Kati Union Parishad, GopalganjSadar Upazila, Gopalganj
Chandradigholia Union Digital Point 12-12-17	S M Touhidul Islam 01922802557		Chandradigholia Union Parishad Sadar Upazila, Gopalganj
Nizra Union Digital Point 12-12-17	Rabiul Islam 01734551919		Nizra Union Parishad, Sadar Upazila Gopalganj

<b>Upazila: Gopalganj Sadar</b>		<b>Monitoring Branch: SFMEH</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Sahapur Union Digital Point 12-12-17	Ashok Sarkar 01728818585		Sahapur Union Parishad Sadar Upazila, Gopalganj
Jalalabad Union Digital Point 12-12-17	Md. Meherabul Islam 01714881747		Jalalabad Union Parishad Sadar Upazila, Gopalganj
Satpar Union Digital Point 26-04-18	Kamalesh Mandol 01719762405		Satpar Union Parishad Sadar Upazila, Gopalganj
Boultali Union Digital Point 26-04-18	Iyamin Munsu 01721200071		Boultali Union Parishad Sadar Upazila, Gopalganj
Latifpur Union Digital Point 26-04-18	Md. Kabir Hossain 01719172719		Latifpur Union Parishad Sadar Upazila, Gopalganj
Gobra Union Digital Point 26-04-18	Dulal Chandra Biswas 01711519817		Gobra Union Parishad Sadar Upazila, Gopalganj
Paikkandi Union Digital Point 26-04-18	Md. Sagar Sarder 01632122904		Paikkandi Union Parishad Sadar Upazila, Gopalganj

Upazila: Gopalganj Sadar		Monitoring Branch: SFMEH	
Agent Point Name/ Date of Opening	Entrepreneurs Details		
Karpara Union Digital Point 26-04-18	Md. Osman Molla 01725609190	Karpara Union Parishad Sadar Upazila, Gopalganj	
Borashi Union Digital Point 26-04-18	Debashis Bairagy 01317897752	Borashi Union Parishad Sadar Upazila, Gopalganj	
Urfi Union Digital Point 26-04-18	Md. Rana Khan 01757902780	Urfi Union Parishad Sadar Upazila, Gopalganj	
Durgapur Union Digital Point 07-10-18	Shofikul Islam 01812623756	Durgapur Union Parishad Sadar Upazila, Gopalganj	
Haridaspur Union Digital Point 29-01-19	Pabitra Sarkar 01773399642	Haridaspur Union Parishad Sadar Upazila, Gopalganj	
Spriha Digital Computer 09-11-21	Milton Biswas 01922330058	Vill: Ghonapara, Post: Nilfaboyra Up: Gopalganj Sadar, Dist: Gopalganj	

Upazila: Kashiani		Monitoring Branch: SFMEH	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Moheshpur Digital Point 12-12-17	Azizur Rahman 01718448861	Moheshpur Union Parishad Kashiani Upazila, Gopalganj	
Orakandi Union Digital Point 12-12-17	Palash Chandra Tikader 01739571830	Orakandi Union Parishad Kashiani Upazila, Gopalganj	
Parulia Union Digital Point 12-12-17	Sajol Molla 01948066175	Parulia Union Parishad Kashiani Upazila, Gopalganj	
Ratoil Union Digital Point 12-12-17	Arifuzzaman Shichir 01712505196	Ratoil Union Parishad Kashiani Upazila, Gopalganj	
Sazail Union Digital Point 12-12-17	Ibna Jabir Munshi 01928794581	Sazail Union Parishad Kashiani Upazila, Gopalganj	
Kashiani Union Digital Point 26-04-18	Rubiya Akhter 01706170301	Kashiani Union Parishad Kashiani Upazila, Gopalganj	
Bethuri Union Digital Point 29-01-19	Kamal Biswas 01990325657	Bethuri Union Parishad Kashiani Upazila, Gopalganj	
Fukra Union Digital Point 29-01-19	Shah Alam 01736592133	Fukra Union Parishad Kashiani Upazila, Gopalganj	
Hatiara Union Digital Point 29-01-19	Progga Sarkar 01727730207	Hatiara Union Parishad Kashiani Upazila, Gopalganj	
Puisur Union Digital Point 29-01-19	Murad Ali Sikder 01715621035	Puisur Union Parishad Kashiani Upazila, Gopalganj	
Nijamkandi Union Digital Point 29-01-19	Liton Shekh 01981089525	Nijamkandi Union Parishad Kashiani Upazila, Gopalganj	
Mahmudpur Union Digital Point 29-01-19	Angshu Pati Mistry 01756453848	Mahmudpur Union Parishad Kashiani Upazila, Gopalganj	

District: Gopalganj			
Upazila: Muksudpur		Monitoring Branch: Muksudpur	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Bahugram Union Digital Point 12-12-17	Rakibul Hasan Molla 01767499646	Bahugram Union Parishad Muksudpur Upazila, Gopalganj	
Jalirpar Union Digital Point 12-12-17	Sumon Mojumdar 01758689021	Jalirpar Union Parishad Muksudpur Upazila, Gopalganj	
Khandarpara Union Digital Point 12-12-17	Nuralam Shaikh 01712325360	Khandarpara Union Parishad Muksudpur Upazila, Gopalganj	
Ujani Union Digital Point 12-12-17	Sujit Mandal 01740595899	Ujani Union Parishad Muksudpur Upazila, Gopalganj	

Upazila: Muksudpur		Monitoring Branch: Muksudpur	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Poshargati Union Digital Point 26-07-18	Ahasan Habib 01721312273	Poshargati Union Parishad Muksudpur Upazila, Gopalganj	
Gobindopur Union Digital Point 26-07-18	Gobinda Biswas 01717065987	Gobindopur Union Parishad Muksudpur Upazila, Gopalganj	
Bashbaria Union Digital Point 26-07-18	Sujit Kumar Bain 01724527223	Bashbaria Union Parishad Muksudpur Upazila, Gopalganj	
Moharajpur Union Digital Point 26-07-18	Fardous Rahman 01711309359	Moharajpur Union Parishad Muksudpur Upazila, Gopalganj	
Batikamari Union Digital Point 26-07-18	Rafiqul Islam 01712984383	Batikamari Union Parishad Muksudpur Upazila, Gopalganj	
Dignagar Union Digital Point 26-07-18	Kanchan Molla 01713577948	Dignagar Union Parishad Muksudpur Upazila, Gopalganj	
Gohala Union Digital Point 26-07-18	Sujon Roy 01711514476	Gohala Union Parishad Muksudpur Upazila, Gopalganj	
Kashalia Union Digital Point 26-07-18	Mohammad Shahabuddin Shaikh 01710810490	Kashalia Union Parishad Muksudpur Upazila, Gopalganj	
Nanikhir Union Digital Point 26-07-18	Milton Chandra Mondal 01712471823	Nanikhir Union Parishad Muksudpur Upazila, Gopalganj	
Rajpat Union Digital Point 26-07-18	Nawsher Ali Molla 01717241121	Rajpat Union Parishad Muksudpur Upazila, Gopalganj	
Vabrasur Union Digital Point 28-01-19	Sakib Mia 01756251090	Vabrasur Union Parishad Muksudpur Upazila, Gopalganj	
Mochna Union Digital Point 28-01-19	Chandi Das 01774769488	Mochna Union Parishad Muksudpur Upazila, Gopalganj	
Raghdhi Union Digital Point 28-01-19	Palash Chandra 01775607830	Raghdhi Union Parishad Muksudpur Upazila, Gopalganj	
M/S Moushumi Enterprise 14-11-21	Md Hasibur Rahman Litu 01715281041	Adampur Notunbazar, Up: Muksudpur, Dist: Gopalganj	

Upazila: Tungipara		Monitoring Branch: SFMEH	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Borni Union Digital Point 30-10-16	Rinku Mia 01677720749	Borni Union Parishad TungiparaUpazila, Gopalganj	
Patgati Union Digital Point 30-10-16	Maynul Islam Opu 01711515003	Patgati Union Parishad TungiparaUpazila, Gopalganj	
Kushli Union Digital Point 26-04-18	Zahangir Alam 01716123403	Kushli Union Parishad Tungipara Upazila, Gopalganj	
Dumria Union Digital Point 26-04-18	Sohel 01712612225	Dumria Union Parishad TungiparaUpazila,Gopalganj	
Gopalpur Union Digital Point 26-04-18	Asit Biswas 01728382551	Gopalpur Union Parishad Tungipara Upazila, Gopalganj	

Upazila: Kotalipara		Monitoring Branch: SFMEH	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Amtali Union Digital Centre 12-12-17	Rumon Mia 01915595640	Amtali Union Parishad, Kotalipara Upazila, Gopalganj	
Hiron Union Digital Centre 12-12-17	Md. Omar Faruk 01920205922	Hiron Union Parishad Kotalipara Upazila, Gopalganj	
Pinjuri Union Digital Centre 12-12-17	Sifat Ahmad 01934324702	Pinjuri Union Parishad, Kotalipara Upazila, Gopalganj	

<b>Upazila: Kotalipara</b>		<b>Monitoring Branch: SFMEH</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Ramshil Union Digital Centre 26-04-18	Dipankar Barai 01913781534		Ramshil Union Parishad, Kotalipara Upazila, Gopalganj
Kushla Union Digital Centre 26-04-18	MohiuddinFakir 01753445000		Kushla Union Parishad, Kotalipara Upazila, Gopalganj.
Suagram Union Digital Centre 26-04-18	Subash Chandra Hazra 01933517702		Suagram Union Parishad, Kotalipara Upazila, Gopalganj.
Kalabari Union Digital Centre 26-04-18	Ramlal Barai 01966572000		Kalabari Union Parishad, Kotalipara Upazila, Gopalganj.
Sadullapur Union Digital Centre 26-04-18	Biplab Chakroborti 01710157104		Sadullapur Union Parishad, Kotalipara Upazila, Gopalganj.
Bandhabari Union Digital Centre 26-04-18	Asadul Sheikh 01976229622		Bandhabari Union Parishad, Kotalipara Upazila, Gopalganj.
Radhaganj Union Digital Centre 07-10-18	Anup Bagchi 01913950225		Radhaganj Union Parishad, Kotalipara Upazila, Gopalganj.
Kandi Union Digital Centre 28-05-19	Monimohan Barai 01713578889		Kandi Union Parishad, Kotalipara, Gopalganj

<b>District: Madaripur</b>			
<b>Upazila: Madaripur Sadar</b>		<b>Monitoring Branch: Shibchar</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Bahadurpur Union Digital Point 07-05-18	Saidur Rahman 01765423600		Bahadurpur Union Parishad Sadar Upazila, Madaripur.
Kalkapur Union Digital Point 07-05-18	Md. Rubel 01777827038		Kalkapur Union Parishad Sadar Upazila, Madaripur
Kendua Union Digital Point 07-05-18	Rifat Azad 01920740848		Kendua Union Parishad Sadar Upazila, Madaripur
Shirkhara Union Digital Point 07-05-18	Nazmul Rahman 01763319265		Shirkhara Union Parishad Sadar Upazila, Madaripur
Jhaoudi Union Digital Point 07-05-18	Shafikul Isalm 01727922352		Jhaoudi Union Parishad Sadar Upazila, Madaripur
Khoajpur Union Digital Point 07-05-18	Juel 01930658203		Khoajpur Union Parishad Sadar Upazila, Madaripur
Chilarchar Union Digital Point 07-05-18	Dulal Sarnokar 01742509267		Chilarchar Union Parishad Sadar Upazila, Madaripur
Ghatmajhi Union Digital Point 07-05-18	Mohammad Alauddin Khan 01917459643		Ghatmajhi Union Parishad Sadar Upazila, Madaripur
Rasti Union Digital Point 07-05-18	Md. Muhibullah 01761730408		Rasti Union Parishad Sadar Upazila, Madaripur
Dhurail Union Digital Point 07-05-18	Sharmin Akter 01758367933		Dhurail Union Parishad Sadar Upazila, Madaripur
Kunia Union Digital Point 07-05-18	Emon 01765673246		Kunia Union Parishad Sadar Upazila, Madaripur
Pearpur Union Digital Point 07-05-18	Ariful Islam 01912761609		Pearpur Union Parishad Sadar Upazila, Madaripur
Mostafapur Union Digital Point 11-02-19	Kazi Dalia 01864488695		Mostafapur Union Parishad Sadar Upazila, Madaripur
Panch Kholā Union Digital Point 11-02-19	Sajib Matubber 01928789269		Panch Kholā Union Parishad Sadar Upazila, Madaripur
Dudkhali Union Digital Point 11-02-19	Tawfina 01924812005		Dudkhali Union Parishad Sadar Upazila, Madaripur

<b>Upazila: Rajoir</b>	<b>Monitoring Branch: Shibchar</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>	<b>Address</b>
Ishibpur Union Digital Point 07-05-18	Arafat Hosen 01711308444	Ishibpur Union Parishad Rajoir Upazila, Madaripur
Badarpasha Union Digital Point 07-05-18	Md. Arifur Rahman Miah 01712793917	Badarpasha Union Parishad Rajoir Upazila, Madaripur
Paikpara Union Digital Point 07-05-18	Md. Merajul Islam 01714799725	Paikpara Union Parishad Rajoir Upazila, Madaripur
Bajitpur Union Digital Point 07-05-18	Md. Arifur Rahman Miah 01712793917	Badarpasha Union Parishad Rajoir Upazila, Madaripur
Khalia Union Digital Point 07-05-18	Habiba Akter 01765518928	Khalia Union Parishad Rajoir Upazila, Madaripur
Kadambari union Digital Point 07-05-18	Prokash Chandra Bhakta 01743549226	Kadambari Union Parishad Rajoir Upazila, Madaripur
Amgram Union Digital Point 07-05-18	Kabir Hossain 01746681179	Amgram Union Parishad Rajoir Upazila, Madaripur
Hossenpur Digital Point 07-05-18	Naima Akter 01768902389	Hossenpur Union Parishad Rajoir Upazila, Madaripur
Horidasdi Union Digital Point 07-05-18	Md. Easin Sheikh Tipu 01718437221	Horidasdi Union Parishad Rajoir Upazila, Madaripur
Kabirajpur Union Digital Point 07-05-18	Salma Khanom 01720097582	Kabirajpur Union Parishad Rajoir Upazila, Madaripur

<b>Upazila: Shibchar</b>	<b>Monitoring Branch : Shibchar</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>	<b>Address</b>
Dattapara Union Digital Point 08-03-16	Kawsar Munsif 01771111008	Dattapara Union Parishad Shibchar Upazila, Madaripur
Umedpur Union Digital Point 08-03-16	Md. Rubayet Hussain 01735183853	Umedpur Union Parishad Shibchar Upazila, Madaripur
Kutubpur Union Digital Point 30-03-16	Md. Karim Molla 01728613647	Kutubpur Union Parishad Shibchar Upazila, Madaripur
Khathalbari Union Digital Point 28-04-16	Md. Suruj Miah 01717459761	Khathalbari Union Parishad Shibchar Upazila, Madaripur
Banshkandi Union Digital Point 28-04-16	Sahanaz Parvin 01621940577	Banshkandi Union Parishad ShibcharUpazila, Madaripur
Madborerchor Union Digital Point 30-06-16	Md. Shohidul Islam 01990733233	Madborerchor Union Parishad ShibcharUpazila, Madaripur
Shiruail Union Digital Point 30-06-16	Md. Ruhul Amin 01725362001	Shiruail Union Parishad ShibcharUpazila, Madaripur
Bhadrason Union Digital Point 30-06-16	Biplob Chandra Pal 01718518999	Bhadrason Union Parishad ShibcharUpazila, Madaripur
Sannasirchar Union Digital Point 15-11-17	Aspreya 01791605511	Sannasirchar Union Parishad Shibchar Upazila, Madaripur
Kadirpur Union Digital Point 15-11-17	Abu Syid Miah 01729140809	Kadirpur Union Parishad Shibchar Upazila, Madaripur
Panchar Union Digital Point 15-11-17	Md. Simul Hossain 01752088000	Panchar Union Parishad Shibchar Upazila, Madaripur
Ditiya Khanda Union Digital Point 03-05-21	Kazi Obaydur Rahman 01747307150	Ditiya Khanda Union Digital Centre, Ditiya Khanda Union Parishad, Shibchar, Madaripur
Charjanajat Union Digital Point 03-05-21	Kamal Hosen 01772492060	Charjanajat Union Digital Centre, Charjanajat Union Parishad, Shibchar, Madaripur
Vandari Kandi Union Digital Point 02-05-21	Md. Shakil Howlader 01770548760	Vandari Kandi Union Digital Centre, Vandari Kandi Union Parishad, Shibchar, Madaripur
Boheratola South Union Digital Point 02-05-21	Md. Abu Shaid 01746256071	Boheratola South Union Digital Centre, Boheratola South Union Parishad, Shibchar, Madaripur

Upazila: Shibchar		Monitoring Branch : Shibchar	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Baharatola Uttar Union Digital Point 02-05-21	Md. Gahangir Alom 01721356460	Baharatola Uttar Union Digital Center, Baharatola Uttar Union Parishad, Shibchar, Madaripur	
Shibchar Union Digital Point 04-05-21	Md. Sajib Talukdar 01717034750	Shibchar Union Digital Centre, Shibchar Union Parishad, Shibchar, Madaripur	
Panchar Royal Hospital & Diagnostic centre 27-09-21	Mohammad Shamsul Hoque 01712650049	Vill: Panchar, Post: Panchar, Up: Shibchar, Dist: Madaripur	
M/S Shahnaz Enterprise 01-11-21	A. Rahman 01623618360	Vill: Shekhpur bazar, Post: Cholenam bajitpur, Up: Shibchar, Dist: Madaripur	

Upazila: Kalkini		Monitoring Branch: Shibchar	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Enayetnagar Union Digital point 04-05-21	Abdullah Ibne Jakir 01858092510	Enayetnagar Union Parishad, Kalkini, Madaripur	
Purbo Enayetnagar Union Digital point 04-05-21	Md. Rafikul Islam 01727465315	Purbo Enayetnagar Parishad, Kalkini, Madaripur	
Laxmipur Union Digital point 06-05-21	Md. Sajib Mia 01711129597	Laxmipur Union Parishad, Kalkini, Madaripur	
Bansgari Union Digital point 06-05-21	Md. Nazmul Hasan 01718292064	Bansgari Union Parishad, Kalkini, Madaripur	
Sahebrampur Union Digital point 04-05-21	Julhas 01786692144	Sahebrampur Union Parishad, Kalkini, Madaripur	
Chardaulatkhan Union Digital Point 14-06-21	Hafaz Abu Salah 01718854144	Chardaulatkhan Union Parishad, Kalkini, Madaripur	

#### District: Shariatpur

Upazila: Zajira		Monitoring Branch: Shibchar	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
B.K Nagar Union Digital Centre 25-11-21	Md Rhidoy 01839121070	B K Nagar Union Parisad, Up: Zajira, Dist: Shariatpur	

#### District: Manikganj

Upazila: Singair		Monitoring Branch:	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Nazrul Enterprise Digital Point 08-09-21	Amzad Hossen 01811846428	Nazrul Enterprise, Basta, Golaidanga, Singair, Manikgonj	
M/S Sarker Traders Digital Point 08-09-21	Shahanara Akter 01799580739	Pouroshova gate, Singair, Manikganj	
M/S Subayel Enterprise 07-12-21	Mohammed Sobdar Khan 01749683468	Vill: Panishail bazar, Post: Jamirta, Up: Singair, Dist: Manikganj	

<b>District: Tangail</b>		
<b>Upazila: Delduar</b>	<b>Monitoring Branch: Shakhipur</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>	<b>Address</b>
Pathrail Union Digital Point 27-04-17	Asim Kumar Ghosh 01713562313	Pathrail Union Parishad Delduar Upazila, Tangail
Atia Union Digital Point 27-04-17	Palash Chandra Mondol 01714830346	Atia Union Parishad Delduar Upazila, Tangail
Dewli Union Digital Point 27-04-17	Aklima Akter 01740016478	Dewli Union Parishad Delduar Upazila, Tangail
Dubail Union Digital Point 27-04-17	Liton Kumer Paul 01915428687	Dubail Union Parishad Delduar Upazila, Tangail
Elasin Union Digital Point 27-04-17	Shariful Islam 01733031466	Elasin Union Parishad Delduar Upazila, Tangail
Fazilhati Union Digital Point 27-04-17	Zesmin Akter Talukder 01716240171	Fazilhati Union Parishad Delduar Upazila, Tangail
Lauhati Union Digital Point 27-04-17	Md. Jahangir Alam 01742634944	Lauhati Union Parishad Delduar Upazila, Tangail
Delduar Union Digital Point 27-04-17	Md. Jowel Miah 01671978840	Delduar Union Parishad Delduar Upazila, Tangail

<b>Upazila: Nagarpur</b>	<b>Monitoring Branch: Shakhipur</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>	<b>Address</b>
Salimabad Union Digital Point 17-10-17	Md. Imran Hossen 01716292937	Salimabad Union Parishad Nagarpur Upazila, Tangail
Gayhata Union Digital Point 17-10-17	Md. Ariful Islam 01716222913	Gayhata Union Parishad Nagarpur Upazila, Tangail
Mokna Union Digital Point 17-10-17	Md. Abdullah 01762358316	Mokna Union Parishad Nagarpur Upazila, Tangail
Dhubria Union Digital Point 17-10-17	Md. Nazrul Islam 01734327110	Dhubria Union Parishad Nagarpur Upazila, Tangail
Doptiar Union Digital Point 17-10-17	Md. Babul Hossain 01722404026	Doptiar Union Parishad Nagarpur Upazila, Tangail
Nagarpur Union Digital Point 17-10-17	Aynal Kabir 01717992474	Nagarpur Union Parishad Nagarpur Upazila, Tangail
Bhadra Union Digital Point 17-10-17	Md. Ahidur Rahman 01712898823	Bhadra Union Parishad Nagarpur Upazila, Tangail
Bekra Atgram Union Digital Point 17-10-17	Shahida Parvin 01714827426	Bekra Atgram Union Parishad Nagarpur Upazila, Tangail
Shahabatpur Union Digital Point 17-10-17	Md. Nur Alam Khan 01748069796	Shahabatpur Union Parishad Nagarpur Upazila, Tangail
Mamudnagar Union Digital Point 17-10-17	Md. Sariful Islam 01727583228	Mamudnagar Union Parishad Nagarpur Upazila, Tangail
Pakutia Union Digital Point 17-10-17	Mohammad Amdad Hossen 01753560884	Pakutia Union Parishad Nagarpur Upazila, Tangail
Bharra Union Digital Point 17-10-17	Md. Razib Miah 01746792813	Bharra Union Parishad Nagarpur Upazila, Tangail

<b>Upazila: Shakhipur</b>		<b>Monitoring Branch: Shakhipur</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Boheratoil Union Digital Point 04-02-16	Md. Saddam Hosen 01748104633		Boheratoil Union Parishad ShakhipurUpazila, Tangail
Kakrajan Union Digital Point 04-02-16	Habibur Rahman 01718291840		Kakrajan Union Parishad ShakhipurUpazila, Tangail
Jadobpur Union Digital Point 07-03-16	Md. Rubel Rana 01725111025		Jadobpur Union Parishad ShakhipurUpazila, Tangail
Hatibandha Union Digital Point 26-07-16	Golam Mostafa 01724834830		Hatibandha Union Parishad ShakhipurUpazila, Tangail
Gazaria Union Digital Point 31-08-16	Md. Liton 01737114566		Gazaria Union Parishad ShakhipurUpazila, Tangail
Dariapur Union Digital Point 31-08-16	Mohammad Masum 01713537347		Dariapur Union Parishad ShakhipurUpazila, Tangail
Kalia Union Digital Centre 23-11-21	Nurjahan Akter 01726919040		Kalia Union Digital Centre Vill: Ghonarchala, Post: Kalia, Up: Sakhipur, Dist: Tangail

<b>Khulna Division</b>	<b>117 Agent Points</b>
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<b>District: Bagerhat</b>
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<b>Upazila: Chitolmari</b>		<b>Monitoring Branch: SFMEH</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Barabaria Union Digital Point 26-09-17	Sujon Sheikh 01740947626		Barabaria Union Parishad Chitolmari Upazila, Bagerhat
Kolatala Union Digital Point 26-09-17	Mintu Sheikh 017322519015		Kolatala Union Parishad Chitolmari Upazila, Bagerhat
Shibpur Union Digital Point 26-09-17	Md. Abdullah Al Mamun 01934171217		Shibpur Union Parishad Chitolmari Upazila, Bagerhat
Santoshpur Union Digital Point 26-09-17	Salma Akter 01700882846		Santoshpur Union Parishad Chitolmari Upazila, Bagerhat
Charbaniari Union Digital Point 26-09-17	Mithun Biswas 01913348087		Charbaniari Union Parishad Chitolmari Upazila, Bagerhat
Chitolmari Union Digital Point 26-09-17	Md. Abul Hosen 01930361826		Chitolmari Union Parishad Chitolmari Upazila, Bagerhat
Hizla Union Digital Point 26-09-17	Gobinda Ray 01925382622		Hizla Union Parishad Chitolmari Upazila, Bagerhat

<b>Upazila: Fakirhat</b>	<b>Monitoring Branch: Khulna</b>
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<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Fakirhat Union Digital Point 28-09-17	Dalia Khatun 01783158970		Fakirhat Union Parishad Fakirhat Upazila, Bagerhat
Piljang Union Digital Point 28-09-17	Mousumi Khatun 01787189026		Piljang Union Parishad Fakirhat Upazila, Bagerhat
Shuvodia Union Digital Point 28-09-17	Md. Mazharul Islam 01741418875		Shuvodia Union Parishad Fakirhat Upazila, Bagerhat
Lakhpur Union Digital Point 28-09-17	Md. Deloar Hossain 01950643552		Lakhpur Union Parishad Fakirhat Upazila, Bagerhat
Naldha-Maubhogh Union Digital Point 28-09-17	Abdullahil Mamun 01851672959		Naldha-Maubhogh Union Parishad Fakirhat Upazila, Bagerhat

Upazila: Fakirhat		Monitoring Branch: Khulna	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Betaga Union Digital Point 28-09-17	Md. Iqbal Hossain 01920182262	Betaga Union Parishad Fakirhat Upazila, Bagerhat	
Mulghar Union Digital Point 28-09-17	Masura Khatun 01825478007	Mulghar Union Parishad Fakirhat Upazila, Bagerhat	
Bahirdia Mansa Union Digital Point 28-09-17	Farzana Khatun 01722467015	Bahirdia Mansa Union Parishad Fakirhat Upazila, Bagerhat	
M/S Halder Enterprise 12-09-21	Narayan Halder 01717728874	Vill:Foltita, Post:kolkolia, Up:Fakirhat, Dist:Bagerhat	

Upazila: Mollahat		Monitoring Branch: SFMEH	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Kulia Union Digital Point 31-10-16	Md. Shafik ul Islam 01635176326	Kulia Union Parishad Mollahat Upazila, Bagerhat	
Gaola Union Digital Point 31-10-16	Bodruzzaman 01723445307	Gaola Union Parishad Mollahat Upazila, Bagerhat	
Kudalia Union Digital Point 31-10-16	Shamim Khan 01630181463	Kudalia Union Parishad Mollahat Upazila, Bagerhat	
Atjuri Union Digital Point 31-10-16	Md. Zillur Rahman 01718849675	Atjuri Union Parishad Mollahat Upazila, Bagerhat	
Udaypur Union Digital Point 31-10-16	Kishor Kumar Sarkar 01911579200	Udaypur Union Parishad Mollahat Upazila, Bagerhat	
Chunkhola Union Digital Point 31-10-16	Sheikh Wobayedur Rahman 01912770775	Chunkhola Union Parishad Mollahat Upazila, Bagerhat	
Gangni Union Digital Point 31-10-16	Shamirul Islam 01712174197	Gangni Union Parishad Mollahat Upazila, Bagerhat	

Upazila: Mongla		Monitoring Branch: Khulna	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Green Valley Enterprise 29-11-21	Mirza Shamim Reza 01728299999	Singapore Market, Port Area, Mongla, Bagerhat	

Upazila: Morolganj		Monitoring Branch: Khulna	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
M/S Abida Enterprise 25-11-21	Md Hafiz Al Asad 01711972695	Morolganj Bazar, Up: Moralganj, Dist: Bagerhat	

District: Jhenaidah			
Upazila:		Monitoring Branch: Khulna	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
M/S Rasel Traders 07-10-21	Md Khalekuzzaman Rasel 01752178977	Vill:Nepa more, Rakeshpota bazar, Post: Nepa, Up: Moheshpur, Dist: Jinaidah	

<b>District: Khulna</b>		
<b>Upazila: Batiaghata</b>	<b>Monitoring Branch: Khulna</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>	<b>Address</b>
Jalma Union Digital Point 16-11-16	Sheuli Bachar 01912261158	Jalma Union Parishad Batiaghata Upazila, Khulna
Batiaghata Union Digital Point 16-11-16	Prianka Biswas 01916485204	Batiaghata Union Parishad Batiaghata Upazila, Khulna
Gongarampur Union Digital Point 16-11-16	Sumon Mondol 01952686165	Gongarampur Union Parishad Batiaghata Upazila, Khulna
Amirpur Union Digital Point 16-11-16	Md. Mahidul Islam 01717249489	Amirpur Union Parishad Batiaghata Upazila, Khulna
Bhanderkote Union Digital Point 16-11-16	Md. Monirul Islam 01925216241	Bhanderkote Union Parishad Batiaghata Upazila, Khulna
Baliadanga Union Digital Point 03-10-19	S.M. ShohailAjmir 01718100623	Baliadanga Union Parishad Batiaghata, Khulna
Surkhali Union Digital Point 03-05-21	Yousuf Gazi 01911888831	Surkhali Union Digital Centre, Surkhali Union Parishad, Bhatiaghata, Khulna
Friends Enterprise 12-09-21	Mithun Kumar Das 01926000162	Vill: Sachiyabunia, Post: Choyghoria, Up: Batiyaghata, Dist: Khulna

<b>Upazila: Dacope</b>	<b>Monitoring Branch: Khulna</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>	<b>Address</b>
Banishanta Union Digital Point 25-07-18	Palash Roy 01946433481	Banishanta Union Parishad Dacope Upazila, Khulna
Kamarkhola Union Digital Point 25-07-18	Sanjib Banarjee 01943986532	Kamarkhola Union Parishad Dacope Upazila, Khulna
Tildanga Union Digital Point 25-07-18	Parikhit Bairagi 01911838323	Tildanga Union Parishad Dacope Upazila, Khulna
Dacope Union Digital Point 25-07-18	Biswajit Raptan 01915516532	Dacope Union Parishad Dacope Upazila, Khulna
Kailashgonj Union Digital Point 25-07-18	Uttam Mondal 01918810740	Kailashgonj Union Parishad Dacope Upazila, Khulna
Bajua Union Digital Point 25-07-18	Pappu Saha 01918189989	Bajua Union Parishad Dacope Upazila, Khulna
Loudob Union Digital Point 25-07-18	Govinda Roy	Loudob Union Parishad Dacope Upazila, Khulna
Shutarkhali Union Digital Point 25-07-18	Raju Gazi 01951420793	Shutarkhali Union Parishad Dacope Upazila, Khulna
Pankhali Union Digital Point 03-10-19	Shibani Ray 01950774101	Pankhali Union Parishad Dacope Upazila, Khulna
Green Valley Enterprise 15-11-21	Mirza Shamim Reza 01728299999	Vill: Chalna bazar, Up: Dacope, Dist: Khulna

<b>Upazila: Digholia</b>	<b>Monitoring Branch: Khulna</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>	<b>Address</b>
Aranghata Union Digital Point 27-09-17	Melon Ray 01911140398	Aranghata Union Parishad Digholia Upazila, Khulna
Barakpur Union Digital Point 27-09-17	Md. Abdul Wahid Moral 01920504546	Barakpur Union Parishad Digholia Upazila, Khulna
Digholia Union Digital Point 27-09-17	Hasib Israk Nayan 01925513695	Digholia Union Parishad Digholia Upazila, Khulna
Gazirhat Union Digital Point 27-09-17	Uzzal Biswas 01732592876	Gazirhat Union Parishad Digholia Upazila, Khulna

<b>Upazila: Digholia</b>		<b>Monitoring Branch: Khulna</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Jogipal Union Digital Point 27-09-17	Manira Akter 01914143840		Jogipal Union Parishad Digholia Upazila, Khulna
Senhati Union Digital Point 27-09-17	G.M Shariful Islam 01911399485		Senhati Union Parishad Digholia Upazila, Khulna

<b>Upazila: Dumuria</b>		<b>Monitoring Branch: Khulna</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Kharnia Union Digital Point 15-03-17	S Jahabur Rahman 01914652536		Kharnia Union Parishad Dumuria Upazila, Khulna
Dumuria Union Digital Point 15-03-17	Md. Abdul Kader Biswas 01713991636		Dumuria Union Parishad Dumuria Upazila, Khulna
Rangpur Union Digital Point 15-03-17	Lithu Mondal 01710147536		Rangpur Union Parishad Dumuria Upazila, Khulna
Sharafpur Union Digital Point 15-03-17	Bipradas Kundu 01712394155		Sharafpur Union Parishad Dumuria Upazila, Khulna
Sahas Union Digital Point 15-03-17	Prokash Chandra Biswas 01713914988		Sahas Union Parishad Dumuria Upazila, Khulna
Vandarpara Union Digital Point 15-03-17	Lab Gain 01713920597		Vandarpara Union Parishad Dumuria Upazila, Khulna
Atlia Union Digital Point 27-09-17	Santo Kumer Mitra 01718780858		Atlia Union Parishad Dumuria Upazila, Khulna
Gutudia Union Digital Point 27-09-17	Shekhar Kumer Mondal 01915518565		Gutudia Union Parishad Dumuria Upazila, Khulna
Dhamalia Union Digital Point 03-10-19	Md. Jahangir Alom 01711210912		Dhamalia Union Parishad Dumuria Upazila, Khulna
Maguraghona Union Digital Point 03-10-19	Motiar Rahman 01774907070		Maguraghona Union Dumuria Upazila, Khulna
Magurkhali Union Digital Point 03-10-19	Nobodip Sarker 01716605372		Magurkhali Union Parishad Dumuria Upazila, Khulna
Rudaghara Union Digital Point 03-05-21	Azimuzzaman 01922300210		Rudaghara Union Digital Centre, Rudaghara Union Parishad, Dumuria, Khulna
Raghunathpur Union Digital Point 03-05-21	Vrigu Sarker 01717669243		Raghunathpur Union Digital Centre, Raghunathpur Union Parishad, Dumuria, Khulna

<b>Upazila: Koyra</b>		<b>Monitoring Branch: Khulna</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Moharajpur Union Digital Point 03-10-19	Md. Ahsan Habib 01916053089		Moharajpur Union Parishad Koyra Upazila, Khulna
Koyra Union Digital Point 03-10-19	Md. Mehedi Hasan 01916053089		Koyra Union Parishad Koyra Upazila, Khulna
Amadi Union Digital Point 03-10-19	Liton Ahmed 01920513076		Amadi Union Parishad Koyra Upazila, Khulna
Bagali Union Digital Point 03-10-19	Md. Akbar Hossain 01911232424		Bagali Union Parishad Koyra Upazila, Khulna
Moheswaripur Union Digital Point 03-10-19	Sushanta Kumar Sana 01927475443		Moheswaripur Union Parishad Koyra Upazila, Khulna
North Bedkashi Union Digital Point 03-10-19	Md. Nuruzzaman 01915910728		North Bedkashi Union Parishad Koyra Upazila, Khulna
South Bedkashi Union Digital Point 03-10-19	Md. Nazmul Islam 01715864240		South Bedkashi Union Parishad Koyra Upazila, Khulna
M/S Abida Enterprise 23-11-21	Md Hafiz Al Asad 01711972695		Koyra Puraton bazar, Up: Koyra Dist: Khulna

Upazila: Paikgacha		Monitoring Branch: Khulna	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Horidhali Union Digital Point 27-09-17	Anamul Ahmed 01749090666	Horidhali Union Parishad Paikgacha Upazila, Khulna	
Laskar Union Digital Point 27-09-17	Mohammad Osman Ali 01710643388	Laskar Union Parishad Paikgacha Upazila, Khulna	
Raruli Union Digital Point 27-09-17	Sumon Debnath 01746159192	Raruli Union Parishad Paikgacha Upazila, Khulna	
Chandkhali Union Digital Point 27-09-17	Md. Habibur Rahman (Habib) 01708636760	Chandkhali Union Parishad Paikgacha Upazila, Khulna	
Gadaipur Union Digital Point 27-09-17	Kazi Hasnat Hossain 01708915805	Gadaipur Union Parishad Paikgacha Upazila, Khulna	
Lata Union Digital Point 27-09-17	Bimanesh Sarkar 01761733397	Lata Union Parishad Paikgacha Upazila, Khulna	
Kapilmuni Union Digital Point 27-09-17	Md. Monirul Islam 01719032711	Kapilmuni Union Parishad Paikgacha Upazila, Khulna	
Deluti Union Digital Point 27-09-17	Sadananda Gain 01711272086	Deluti Union Parishad Paikgacha Upazila, Khulna	
Soladana Union Digital Point 27-09-17	Amirul Islam Gazi 01916682156	Soladana Union Parishad Paikgacha Upazila, Khulna	
Garaikhali Union Digital Point 27-09-17	Abu Hena Mostafa Kamal 01916002004	Garaikhali Union Parishad Paikgacha Upazila, Khulna	

Upazila: Phultala		Monitoring Branch: Khulna	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Atra Gilatala Union Digital Point 27-09-17	Md. Shanewas Sardar 01918606731	Atra Gilatala Union Parishad Phultala Upazila, Khulna	
Damodar Union Digital Point 27-09-17	Md. Ilias Gazi 01916284398	Damodar Union Parishad Phultala Upazila, Khulna	
Phultala Union Digital Point 27-09-17	Muzahidul Islam 01913227117	Phultala Union Parishad Phultala Upazila, Khulna	
Zamira Union Digital Point 27-09-17	Md. Alamgir Hossain 01762473508	Zamira Union Parishad Phultala Upazila, Khulna	

Upazila: Rupsha		Monitoring Branch: Khulna	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Noihati Union Digital Point 17-11-16	Md. Al Mamun Sk. Shimul 01711928591	Noihati Union Parishad Rupsha Upazila, Khulna	
Tilok Salpo Bahirdia Union Digital Point 17-11-16	Prodip Halder 01787464551	T.S Bahirdia Union Parishad Rupsha Upazila, Khulna	
Sreefaltala Union Digital Point 17-11-16	Md. Easir Arafat 01911295220	Sreefaltala Union Parishad Rupsha Upazila, Khulna	
Ghatbhogh Union Digital Point 17-11-16	Prodip Kumar Sharkar 01842953098	Ghatbhogh Union Parishad Rupsha Upazila, Khulna	
Aichgati Union Digital Point 17-11-16	Md. Ahsan Ahmed 01913436403	Aichgati Union Parishad Rupsha Upazila, Khulna	

<b>Upazila: Terokhada</b>		<b>Monitoring Branch: Khulna</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>	<b>Address</b>	
Sachiadah Union Digital Point 03-10-19	Lasker Sohanur Rahman 01689985988	Sachiadah Union Parishad Terokhada Upazila, Khulna	
Chagladah Union Digital Point 03-10-19	Kazi Ashikuzzaman 01719850487	Chagladah Union Parishad Terokhada Upazila, Khulna	
Ajagarah Union Digital Point 03-10-19	Sumon Kumar Biswas 01913402967	Ajagarah Union Parishad Terokhada Upazila, Khulna	
Madhupur Union Digital Point 03-10-19	ZasimUddin 01972971187	Madhupur Union Parishad Terokhada Upazila, Khulna	
Barasat Union Digital Point 03-05-21	Md. Rabiul Islam 01922864799	Barasat Union Digital Centre, Barasat Union Parishad, Terokhada, Khulna	

<b>District: Narail</b>			
<b>Upazila: Kalia</b>		<b>Monitoring Branch: Kalia</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>	<b>Address</b>	
Babra Hasla Union Digital Point 31-03-19	Md. Abu Taher 01747816375	1 No. Babra Hasla Union Parishad Kalia Upazila, Narail	
Purulia Union Digital Point 31-03-19	Md. Monirujaman 01686083909	2 No. Purulia Union Parishad Kalia Upazila, Narail	
Hamidpur Union Digital Point 31-03-19	Md. Tutul Ali Meer 01944251598	3 No. Hamidpur Union Parishad Kalia Upazila, Narail	
Mouli Union Digital Point 31-03-19	Broja Kishore Das 01718847547	4 No. Mouli Union Parishad Kalia Upazila, Narail	
Khasial Union Digital Point 31-03-19	Md. Shaheen Chowdhury 01749850004	6 No. Khasial Union Parishad Kalia Upazila, Narail	
Joynagar Union Digital Point 31-03-19	Md. Jashim Uddin 01719177256	7 No. Joynagar Union Parishad Kalia Upazila, Narail	
Kalabaria Union Digital Point 31-03-19	S. M Shohag Rana 01712036993	8 No. Kalabaria Union Parishad Kalia Upazila, Narail	
Baisona Union Digital Point 31-03-19	S. M. Nayeem Hosen 01761421494	9 No. Baisona Union Parishad, Kalia Upazila, Narail	
Peroli Union Digital Point 31-03-19	Md. Shamim Hossen 01949867591	11 No. Peroli Union Parishad Kalia Upazila, Narail	
Chanchuri Union Digital Point 31-03-19	Md. Shamim Hossen 01725306708	12 No. Chanchuri Union Parishad, Kalia Upazila, Narail	
Barnal Eliasabad Union Digital Point 31-03-19	Tisha Khatun 01980941013	13 No. Barnal Eliasabad Union Parishad Kalia Upazila, Narail	
Panchgrame Union Digital Point 31-03-19	Hossain Islam 01729360028	14 No. Panchgrame Union Parishad Kalia Upazila, Narail	
Pahordanga Union Digital Point 09-05-21	Md. Roman Molla 01772119261	Pahordanga Union Digital Centre, Pahordanga Union Parishad, Kalia, Narail	
M/S Mahabub Enterprise Digital Point 08-06-21	Md. Mahabub Alam 01711959244	Dumuria, Amritonagar, Joynagar, Kalia, Narail	
Khan Traders Digital Point 10-06-21	Khan Russel 01743916382	Chorkhali, Post: Borodia, Khasial, Kalia, Narail	

Upazila:Lohagora		Monitoring Branch: Kalia	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Joypur Union Digital Point 19-05-21	Md. Akidul Islam 01911313258	Joypur Union Parishad, Lohagora, Narail	
Dighalia Union Digital Point 19-05-21	Kazi Siddikur Rahman 01729347865	Narail Dighalia Union Parishad, Lohagora,	
Naldi Union Digital Point 24-05-21	Md. Mafijur Khan 01751554611	Naldi Union Parishad, Lohagora, Narail	
Shalnagar Union Digital Point 24-05-21	Md. Ziaour Rahman 01939115304	Shalnagar Union Parishad, Lohagora, Narail	
Laxmipasha Union Digital Point 30-05-21	Md. Amirul Islam 01929669787	Laxmipasha Union Parishad, Lohagora, Narail	
Itna Union Digital Point 30-05-21	Md. Milon Sorder 01312042272	Itna Union Parishad, Lohagora, Narail	
Noagram Union Digital Centre 14-10-21	Md Habibur Rahman 01711179387	4 No Noagram Union Parisad, Post: Morichpasha, Up: Lohagora, Dist: Narail	

Mymensingh Division		50 Agent Points	
District: Mymensingh			
Upazila: Gouripur		Monitoring Branch: Shambhugonj	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Gouripur Union Digital Point 08-09-17	Mst. Ripa Akter 01740846656	Gouripur Union Parishad Gouripur Upazila, Mymensingh	
Mailakanda Union Digital Point 08-09-17	Sudipta Sarker 01960122387	Mailakanda Union Parishad Gouripur Upazila, Mymensingh	
Achintapur Union Digital Point 08-09-17	Hasim Uddin 01714914162	Achintapur Union Parishad Gouripur Upazila, Mymensingh	
Bokainagar Union Digital Point 08-09-17	Hussain Ahmmed 01713593490	Bokainagar Union Parishad Gouripur Upazila, Mymensingh	
Maoha Union Digital Point 08-09-17	Md. Touhidul Islam 01736851706	Maoha Union Parishad Gouripur Upazila, Mymensingh	
Sahanati Union Digital Point 08-09-17	Md. Golam Mahmud Faridi 01710738211	Sahanati Union Parishad Gouripur Upazila, Mymensingh	
Sidhla Union Digital Point 27-02-19	Md. Ziaur Rohman 01919808720	Sidhla Union Parishad, Gouripur Upazila, Mymensingh	
Ramgopalpur Union Digital Point 27-02-19	Minara Akther 01988346382	Ramgopalpur Union Parishad Gouripur Upazila, Mymensingh	
Dowhakhala Union Digital Point 27-02-19	Abu Hanif Ahammad 01712046452	Dowhakhala Union Parishad Gouripur Upazila, Mymensingh	
Bhangnamari Union Digital Point 27-02-19	Abdullah Al Mamon 01735449428	Bhangnamari Union Parishad Gouripur Upazila, Mymensingh	

Upazila: Ishwarganj		Monitoring Branch: Shambhugonj	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Atharabari Union Digital Point 11-08-17	Md. Saddam Hossain 01926268338	Atharabari Union Parishad Ishwarganj Upazila, Mymensingh	
Ishwarganj Union Digital Point 11-08-17	Bilkis Akter 01740824452	Ishwarganj Union Parishad Ishwarganj Upazila, Mymensingh	
Jatia Union Digital Point 11-08-17	Mohammad Mossarrof Hossen 01761526263	Jatia Union Parishad Ishwarganj Upazila, Mymensingh	

Upazila: Ishwarganj		Monitoring Branch: Shambhugonj	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Magtula Union Digital Point 11-08-17	Md. Atikur Rahman 01683420338	Magtula Union Parishad Ishwarganj Upazila, Mymensingh	
Maijbag Union Digital Point 11-08-17	Anisuzzaman 01714707199	Maijbag Union Parishad Ishwarganj Upazila, Mymensingh	
Rajibpur Union Digital Point 11-08-17	Md. Aktaruzzaman 01763579775	Rajibpur Union Parishad Ishwarganj Upazila, Mymensingh	
Sarisha Union Digital Point 11-08-17	Md. Mazharul Islam 01761915218	Sarisha Union Parishad Ishwarganj Upazila, Mymensingh	
Sohagi Union Digital Point 11-08-17	Shohel Rana 01725062988	Sohagi Union Parishad Ishwarganj Upazila, Mymensingh	
Tarundia Union Digital Point 11-08-17	Siddiquir Rahman 01749300717	Tarundia Union Parishad Ishwarganj Upazila, Mymensingh	
Uchakhila Union Digital Point 11-08-17	Md. Hamidur Rahman 01740873983	Uchakhila Union Parishad Ishwarganj Upazila, Mymensingh	
Barahit Union Digital Point 13-04-21	Md. Amdadul Haque 01731618499	Barahit Union Parishad, Ishwarganj, Mymensingh	

Upazila: Mymensingh Sadar		Monitoring Branch: Shambhugonj	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Sirta Union Digital Point 26-12-16	Md. Hasanul Islam 01727808443	Sirta Union Parishad, Sadar Upazila, Mymensingh	
Poran Gonj Union Digital Point 26-12-16	Delowar Hossain 01735711106	Poran Gonj Union Parishad Sadar Upazila, Mymensingh	
Borar Char Union Digital Point 26-12-16	Mohammad Shirazul Islam 01740847194	Borar Char Union Parishad Sadar Upazila, Mymensingh	
Char Nilaxmia Union Digital Point 26-12-16	Abdul Jalil 01553913032	Char Nilaxmia Union Parishad Sadar Upazila, Mymensingh	
Boira Union Digital Point 27-12-16	A K M Rezaul Karim 01710500787	Boira Union Parishad, Sadar Upazila, Mymensingh	
Dapunia Union Digital Point 27-12-16	Md. Ruhul Amin 01713515725	Dapunia Union Parishad Sadar Upazila, Mymensingh	
Ghagra Union Digital Point 27-12-16	Md. Kamruzzaman 01719377530	Ghagra Union Parishad Sadar Upazila, Mymensingh	
Khagdahar Union Digital Point 27-12-16	Md. Monirul Hoque Masud 01742717151	Khagdahar Union Parishad Sadar Upazila, Mymensingh	
Austadhar Union Digital Point 27-12-16	Md. Nahid Hasan 01925028639	Austadhar Union Parishad Sadar Upazila, Mymensingh	
Char Iswardia Union Digital Point 27-12-16	Kamrul Hasan 01879360302	Char Iswardia Union Parishad Sadar Upazila, Mymensingh	
Bhabkhali Union Digital Point 27-02-19	Md. Amdadul Haque 01734326822	Bhabkhali Union Parishad Sadar Upazila, Mymensingh	
Kustia Union Digital Point 27-02-19	Mst. Selina Nasnin 01736815597	Kustia Union Parishad, Sadar Upazila, Mymensingh	

Upazila: Tarakanda		Monitoring Branch: Shambhugonj	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Tarakanda Union Digital Point 25-04-17	Manik Mia 01838352427	Tarakanda Union Parishad Tarakanda Upazila, Mymensingh	
Kamaria Union Digital Point 25-04-17	Juwel Mia 01831036355	Kamaria Union Parishad Tarakanda Upazila, Mymensingh	
Rampur Union Digital Point 25-04-17	Md. Faruk Ahmed 01722907835	Rampur Union Parishad Tarakanda Upazila, Mymensingh	

Upazila: Tarakanda	Monitoring Branch: Shambhugonj	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address
Banihala Union Digital Point 25-04-17	Md. Mozammel Hoq 01750722283	Banihala Union Parishad Tarakanda Upazila, Mymensingh
Galagaon Union Digital Point 25-04-17	Md. Ruhul Amin 01737199541	Galagaon Union Parishad Tarakanda Upazila, Mymensingh
Kamargaon Union Digital Point 25-04-17	Md. Kamal Hossain 01718946088	Kamargaon Union Parishad Tarakanda Upazila, Mymensingh
Biska Union Digital Point 25-04-17	Md. Suzan Mia 01724372819	Biska Union Parishad Tarakanda Upazila, Mymensingh
Kakni Union Digital Point 27-02-19	Al Mamun 01920403094	Kakni Union Parishad Tarakanda Upazila, Mymensingh
Balikhon Union Digital Point 13-04-21	Md. Sumon Mia 01752826944	Balikhon Union Parishad, Tarakanda, Mymensingh
Dhakua Union Digital Point 13-04-21	Sujata Azim 01724072002	Dhakua Union Parishad, Tarakanda, Mymensingh

**Rajshahi Division**
**60 Agent Points**
**District: Naogaon**

Upazila: Manda	Monitoring Branch: Naogaon	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address
Vhalain Union Digital Point 31-07-19	Md. Sirajul Islam 01736156672	Vhalain Union Parishad Manda Upazila, Naogaon
Manda Union Digital Point 31-07-19	Md. Saiful Islam 01734644721	Manda Union Parishad Manda Upazila, Naogaon
Gonespur Union Digital Point 31-07-19	Nunnahar Khatun 01937490188	Gonespur Union Parishad Manda Upazila, Naogaon
Mainam Union Digital Point 31-07-19	Milon Kumar Mondal 01717927449	Mainam Union Parishad Manda Upazila, Naogaon
Kusumba Union Digital Point 31-07-19	Anamul Hossain Mridha 01724340451	Kusumba Union Parishad Manda Upazila, Naogaon
Tentulia Union Digital Point 31-07-19	Shah Md. Atikur Rahman 01771706262	Tentulia Union Parishad, Manda Upazila, Naogaon
Prosadpur Union Digital Point 31-07-19	Sohag Babu 01746334282	Prosadpur Union Parishad Manda Upazila, Naogaon
Bharsho Union Digital Point 18-05-21	Santona 01713744729	Bharsho Union Parishad, Manda, Naogaon

Upazila: Naogaon Sadar	Monitoring Branch: Naogaon	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address
Kirtipur Union Digital Point 31-07-19	Md. Shaykat Bin Sultan 01751565715	Kirtipur Union Parishad Naogaon Sadar Upazila, Naogaon
Boktarpur Union Digital Point 31-07-19	Md. Shahadat Hossain 01750371405	Boktarpur Union Parishad Naogaon Sadar, Naogaon
Tilakpur Union Digital Point 31-07-19	Md. Abdul Hannan 01715484732	Naogaon Sadar Upazila, Naogaon Tilakpur Union Parishad
Dubalhati Union Digital Point 31-07-19	Md. Robiul Islam 01739038600	Dubalhati Union Parishad Naogaon Sadar Upazila, Naogaon

Upazila: Naogaon Sadar		Monitoring Branch: Naogaon	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Hasaigari Union Digital Point 31-07-19	Md. Sumon Ahmed 01722711515	Hasaigari Union Parishad Naogaon Sadar Upazila, Naogaon	
Chandipu Union Digital Point 31-07-19	Md. MotalebHossein 01722705721	Chandipur Union Parishad Naogaon Sadar Upazila, Naogaon	
Shikarpur Union Digital Point 31-07-19	Md. Biplob Hossen 01738420756	Shikarpur Union Parishad Naogaon Sadar Upazila, Naogaon	
Sailgachi Union Digital Point 31-07-19	Md. Salim Sardar 01771661446	Sailgachi Union Parishad Naogaon Sadar Upazila, Naogaon	
Hapania Union Digital Point 18-05-21	Jannatun Nesa 01759092215	Hapania Union Parishad Naogaon Sadar, Naogaon	
Bolihar Union Digital Point 18-05-21	Selim Reza 01779508094	Bolihar Union Parishad Naogaon Sadar, Naogaon	
Boalia Union Digital Point 18-05-21	Sabiha Begum 01789721000	Boalia Union Parishad Naogaon Sadar, Naogaon	

Upazila: Porsha		Monitoring Branch: Naogaon	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Mosidpur Union Digital Point 31-07-19	Md. Farhad Hossain 01736071882	Mosidpur Union Parishad Porsha Upazila, Naogaon	

Upazila: Atrai		Monitoring Branch: Naogaon	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Pachupur Union Digital Point 18-05-21	Md. Earshad Ali Maghal 01712985687	Pachupur Union Parishad Atrai, Naogaon	

Upazila: Patnitola		Monitoring Branch: Naogaon	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Patnitola Union Digital Centre 04-10-21	Md Masud Rana 01701018046	Patnitola Union Parisad Up: Patnitola, Dist: Naogaon	

Upazila: Sapahar		Monitoring Branch: Naogaon	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Sapahar Union Digital Centre 07-10-21	Runa Laila 01772886189	Sapahar Union Parisad Up: Sapahar, Dist: Naogaon	

### District: Rajshahi

Upazila: Durgapur		Monitoring Branch: Rajshahi	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Naopara Union Digital Point 18-04-19	Ayub Ansari 01751362037	Naopara Union Parishad Durgapur Upazila, Rajshahi	
Kismatgankoir Union Digital Point 18-04-19	Md. Asaduzzaman Shekh 01737599516	Kismatgankoir Union Parishad Durgapur Upazila, Rajshahi	

Upazila: Durgapur		Monitoring Branch: Rajshahi	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Pananagar Union Digital Point 18-04-19	Md. Tawhid Hasan 01730501220	Pananagar Union Parishad Durgapur Upazila, Rajshahi	
Jhaluka Union Digital Point 18-04-19	Md. Saddam Hosen 01744813481	Jhaluka Union Parishad Durgapur Upazila, Rajshahi	
Maria Union Digital Point 18-04-19	Mijanur Rahman 01740120980	Maria Union Parishad Durgapur Upazila, Rajshahi	
Joynagar Union Digital Point 18-04-19	Md. Mehedi Al Imam 01712719070	Joynagar Union Parishad Durgapur Upazila, Rajshahi	
Deloabari Union Digital Point 02-05-21	Md. Sukria 01791694437	Deluabari Union Parishad Durgapur, Rajshahi	
Charasariadaha Union Digital Point 06-05-21	Md. Twel 01735001514	Char Ashariadaha Union Parishad Durgapur, Rajshahi	

Upazila: Godagari		Monitoring Branch: Rajshahi	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Deopara Union Digital Point 09-03-17	Md. Mahafujul Haque 01713701435	Deopara Union Parishad Godagari Upazila, Rajshahi	
Godagari Union Digital Point 31-07-18	Md. Maruful Haque 01740731373	Godagari Union Parishad Godagari Upazila, Rajshahi	
Mohonpur Union Digital Point 31-07-18	Md. Tohidul Islam 01750100348	Mohonpur Union Parishad Godagari Upazila, Rajshahi	
Pakri Union Digital Point 31-07-18	Md. Abul Kalam Azad 01735123465	Pakri Union Parishad Godagari Upazila, Rajshahi	
Matikata Union Digital Point 31-07-18	Md. Maudud Hasan 01789551735	Matikata Union Parishad Godagari Upazila, Rajshahi	
Rishikul Union Digital Point 31-07-18	Md. Saiful Islam 01820509319	Rishikul Union Parishad Godagari Upazila, Rajshahi	
Bashudebpur Union Digital Point 31-07-18	Md. Kamruzzaman 01719791200	Bashudebpur Union Parishad Godagari Upazila, Rajshahi	
Gogram Union Digital Point 04-05-21	Jannatul Nayem 01980604535	Gogram Union Parishad Godagari, Rajshahi	

Upazila: Paba		Monitoring Branch: Rajshahi	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Darsonpara Union Digital Point 09-03-17	Md. Mostafizur Rahman 01741624495	Darsonpara Union Parishad Paba Upazila, Rajshahi	
Huzuripara Union Digital Point 09-03-17	Md. Ziaul Haque 01724450418	Huzuripara Union Parishad Paba Upazila, Rajshahi	
Damkura Union Digital Point 09-03-17	Md. Nur-A-Salam 01550009129	Damkura Union Parishad Paba Upazila, Rajshahi	
Horipur Union Digital Point 09-03-17	Shariful Islam 01714228400	Horipur Union Parishad Paba Upazila, Rajshahi	
Horogram Union Digital Point 09-03-17	Rakibul Islam 01728357040	Horogram Union Parishad Paba Upazila, Rajshahi	
Harian Union Digital Point 09-03-17	Md. Shahabuddin 01938700502	Harian Union Parishad Paba Upazila, Rajshahi	
Parila Union Digital Point 09-03-17	Md. Alomgir Hossain 01733294275	Parila Union Parishad Paba Upazila, Rajshahi	

Upazila: Paba		Monitoring Branch: Rajshahi	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Borogachi Union Digital Point 03-09-17	Md. Razu Ahmed 01745931874	Borogachi Union Parishad Paba Upazila, Rajshahi	
M/S Babu Traders 08-11-21	Shariful Islam 01725612481	Vill: Khorkhori, By pass bazar, Post: Khorkhori, Up: Motihar, Dist: Rajshahi	

Upazila: Charghat		Monitoring Branch: Rajshahi	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Bhayalakshmipur Union Digital Point 05-05-21	Md. Abdul Hadi 01728172114	Bhayalakshmipur Union Parishad Charghat, Rajshahi	
Nimpara Union Digital Point 06-05-21	Md. Meheda Aual 01722955146	Nimpara Union Parishad Charghat, Rajshahi	
Sardah Union Digital Point 05-05-21	Md. Nahed Parvag 01745737244	Sardah Union Parishad Charghat, Rajshahi	
Charghat Union Digital Point 05-05-21	Md. Shariful Islam 01723504316	Charghat Union Parishad, Charghat, Rajshahi	
Sholua Union Digital Point 05-05-21	Most. Jhuma Khatun 01722822401	Sholua Union Parishad Charghat, Rajshahi	
Yousufpur Union Digital Point 06-05-21	Md. Mongur Rohman 01722418761	Yousufpur Union Parishad, Charghat, Rajshahi	

Upazila: Mohanpur		Monitoring Branch: Rajshahi	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Baksimoil Union Digital Point 04-05-21	Belash Kumar 01735958695	Baksimoil Union Parishad, Mohanpur, Rajshahi	
Dhuroil Union Digital Point 04-05-21	Md. Deluar Hossain 01734532277	Baksimoil Union Parishad, Mohanpur, Rajshahi	
Jahanabad Union Digital Point 04-05-21	Abul Hosen 01714727509	Jahanabad Union Parishad Mohanpur, Rajshahi	
Raighati Union Digital Point 24-06-21	Md Mosiur Rahman 01721337439	Raighati Union Parishad Mohanpur, Rajshahi	
Mougachi Union Digital Point 30-06-21	Md Jaynal Abedin 01729989264	Mougach Union Parishad Mohanpur, Rajshahi	
Ghasigram Union Digital Centre 20-09-21	Md Mamunur Rashid 01732404991	Ghasigram Union Digital Centre Gasigram, Gocha, Mohanpur Rajshahi	

**Rangpur Division**

**16 Agent Points**

**District: Rangpur**

Upazila: Pirganj		Monitoring Branch: Pirganj	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Kumedpur Union Digital Point 27-09-16	Md. Monowar Hossain 01784581767	Kumedpur Union Parishad Pirganj Upazila, Rangpur	

Upazila: Pirganj		Monitoring Branch: Pirganj	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Bara Dargah Union Digital Point 27-09-16	Md. Sanjidul Islam 01745183488	Bara Dargah Union Parishad Pirganj Upazila, Rangpur	
Shanerhat Union Digital Point 27-09-16	Md. MofazzolHossain 01738560200	Shanerhat Union Parishad Pirganj Upazila, Rangpur	
Ramnathpur Union Digital Point 27-09-16	Md. Shariful Islam 01751205152	Ramnathpur Union Parishad Pirganj Upazila, Rangpur	
Chatra Union Digital Point 02-10-16	Md. Nur Habib Parvej 01732166770	Chatra Union Parishad Pirganj Upazila, Rangpur	
Madankhali Union Digital Point 02-10-16	Md. Rezaul Karim 01737720921	Madankhali Union Parishad Pirganj Upazila, Rangpur	
Bhendabari Union Digital Point 02-10-16	Sumon Kumar Mahonto 01719463275	Bhendabari Union Parishad Pirganj Upazila, Rangpur	
Pirganj Union Digital Point 12-05-17	Md. Rabiul Alam 01723271463	Pirganj Union Parishad Pirganj Upazila, Rangpur	
Boro Alampur Union Digital Point 12-05-17	Md. Shariful islam 01791841588	Boro Alampur Union Parishad Pirganj Upazila, Rangpur	
Mithipur Union Digital Point 12-05-17	Md. Oyares Ali 01750684022	Mithipur Union Parishad Pirganj Upazila, Rangpur	
Tukuria Union Digital Point 12-05-17	Md. Faijur Rahman 01727062072	Tukuria Union Parishad Pirganj Upazila, Rangpur	
Roypur Union Digital Point 12-05-17	Md. Helal Mia 01737524979	Roypur Union Parishad Pirganj Upazila, Rangpur	
Kabilpur Union Digital Point 12-05-17	Md. Touhidul Islam 01764749200	Kabilpur Union Parishad Pirganj Upazila, Rangpur	
Chaitrakul Union Digital Point 12-05-17	Md. Bakibillha All 01710727621	Chaitrakul Union Parishad Pirganj Upazila, Rangpur	
Digital Web Point 09-11-21	Md Rabiul Alam 01723271463	Vill: Laldighi Bazar, Post: Pirganj Up: Pirganj, Dist: Rangpur	

**District: Kurigram**

Upazila: Kurigram Sadar		Monitoring Branch: Pirganj	
Agent Point Name/ Date of Opening Point	Entrepreneurs Details	Address	
Green Valley Enterprise 23-11-21	Mirza Shamim Reza 01728299999	Sadar Hospital Road, Kurigram Sadar, Kurigram	

**Sylhet Division**

**08 Agent Points**

**District: Sylhet**

Upazila: Sadar		Monitoring Branch: Amberkhana	
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	
Tuker Bazar Union Digital Point 28-07-16	Md. Juned Ahmed 01734358158	Tuker Bazar Union Parishad Sylhet Sadar, Sylhet	
Kandi Gao Union Digital Point 28-07-16	Md. Jahed Islam 01743076726	Kandi Gao Union Parishad Sylhet Sadar, Sylhet	

<b>Upazila: South Surma</b>		<b>Monitoring Branch: Amberkhana</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
Kamal Bazar Union Digital Point 31-05-16	Md. Moin Uddin 01712302356		Kamal Bazar Union Parishad Dakshin Surma, Sylhet
Tetli Union Digital Point 31-05-16	Sheikh Md. Emran Ahmed 01833071302		Tetli Union Parishad Dakshin Surma, Sylhet
Jalalpur Union Digital Point 31-05-16	Bimol Kanti Paul 01723236261		Jalalpur Union Parishad Dakshin Surma, Sylhet
Daudpur Union Digital Point 28-06-16	Md. Mahbubur Rahman 01717926271		Daudpur Union Parishad Dakshin Surma, Sylhet
Boroikandi Union Digital Point 28-07-16	Biplob Malakar 01738111456		Boroikandi Union Parishad Dakshin Surma, Sylhet

### **District: Sunamganj**

<b>Upazila: Sunamganj Sadar</b>		<b>Monitoring Branch: Amberkhana</b>	
<b>Agent Point Name/ Date of Opening</b>	<b>Entrepreneurs Details</b>		<b>Address</b>
M/S Abida Enterprise 24-11-21	Md Hafiz Al Asad 01711972695		Notunpara Road, Up:Sunamganj Sadar, Dist: Sunamganj



Registered Office: Banglar Bani Bhaban, 81 Motijheel C/A, Dhaka-1000  
Head Office: Khandker Tower (Level 7-8), 94 Gulshan Avenue, Dhaka-1212

## PROXY FORM

I/We,..... of  
..... (Address)  
being shareholder(s) of Modhumoti Bank Limited and entitled to vote hereby appoint Mr./Mrs./Miss  
.....of  
..... (Address)  
as my/our proxy to attend and vote for me/us and on my/our behalf at the Ninth Annual General Meeting of the Bank to be held on Saturday, the 18th June 2022 at 12:30 p.m. at Radisson Blu Dhaka Water Garden and at any adjournment thereof and the poll that may be taken in consequence thereof.

As witness my/our hand this ..... day of ..... 2022.

(Signature of the Proxy)  
Date : .....



Signature of the Shareholder(s)  
Registered Folio : .....  
No. of Shares held : .....  
Date : .....

Signature Verified

.....  
Authorized Signature

### Notes:

1. A Shareholder entitled to attend and vote at the Ninth Annual General Meeting may appoint a Proxy to attend and vote in his/her behalf. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
2. Signature of the member must be in accordance with the specimen signature registered with the Company.



### Attendance Slip

I/We hereby record my/our presence at the Ninth Annual General Meeting of Modhumoti Bank Limited on Saturday, the 18th June 2022 at 12:30 p.m. at Radisson Blu Dhaka Water Garden.

Name of Shareholder(s)/ Proxy : .....  
Registered Folio No.: .....

.....  
Signature(s) of Shareholder(s)/ Proxy



**HEAD OFFICE:**

Khandker Tower (Level 7 & 8), 94 Gulshan Avenue, Gulshan-1, Dhaka-1212  
Phone: +88-02-55068910 | Web: [www.modhumotibankltd.com](http://www.modhumotibankltd.com)