

» FLOURISHING EXCELLENCE »

ANNUAL REPORT
2018

ANNUAL REPORT 2018

The banking service industry has experienced tremendous growth and undergone significant changes in recent decades. To attract new customers and retain the existing ones is the key, which can be attained by delivering higher than expected service.

Modhumoti Bank has been continuing its operation since inception with an aim to become a safer, more agile and customer focused organization whilst increasing profitability. The Management of the Bank is keen to develop attitude of service to customers as well as expertise all-through the Bank.

Modhumoti Bank believes in instituting such culture within the organization, where a satisfied well-equipped employee will lead the customers becoming more satisfied through service excellence.



Table of Contents

Letter of Transmittal	03	Value Added Statement	131
Glimpse of the Fifth Annual General Meeting	06	Economic Value Added Statement	132
Notice of the Sixth Annual General Meeting	07	Distribution of Value Addition	132
Annual Report 2018: Scopes & Boundaries	08	Few words on Sustainable Finance	133
Forward Looking Approach	09	Sustainability Report	134
Highlights 2018	11		
Value Creation for Stakeholders in 2018	12	Modhumoti Bank Partnering Digital Payment of Social Safety Net Allowances	146
Business Trends in 2018: Graphical Presentation	14	Products & Services	148
Credit Rating Report	16	Key Features of some unique Products & Services	150
Chairman's Message & CEO's Review		Corporate Governance & Risk Management	
From the Chairman's Desk	18	Brief report on Corporate Governance	154
Managing Director & CEO's Review	21	Brief report on Overall Risk Management	165
		Disclosures on Risk Based Capital (Basel-III)	175
Corporate Objectives, Values & Structure		Audited Financial Statements 2018	
Corporate Profile	28	Independent Auditor's Report	200
Vision	30	Balance Sheet	202
Mission	30	Profit & Loss Account	204
Core Values	31	Cash Flow Statement	205
Our Commitment	31	Statement of Changes in Equity	206
Chronicles	32	Liquidity Statement	207
Major Events in 2018	33	Notes to the Financial Statements	208
Composition of the Board of Directors	35	Annexure-A : Schedule of Fixed Assets	255
Composition of the Board's Committees	36	Annexure-B : Name of the Directors of the Bank and their interest in different entities	256
Profile of the Board of Directors	37	Annexure-C : Highlights on the overall activities	263
The Sponsors	47	Annexure-D : Segment Reporting	264
The Senior Management & Committees	51	Off-shore Banking Unit : Balance Sheet	265
The Executives	55	Off-shore Banking Unit : Profit & Loss Account	267
Corporate Organogram	56	Off-shore Banking Unit : Cash Flow Statement	268
		Off-shore Banking Unit : Notes to the Financial statements	269
Directors' Report & Business Review		Footprint	276
Directors' Report	58	The Branch Network & Managers	277
Report on the activities of the Board's Audit Committee	77	Foreign Correspondent Bank Network	282
Management Discussion & Analysis	80	Division & District-wise Agent Details of Modhumoti Digital Banking	284
Financial Analysis	105		
Key Financial Data & Key Ratios	111	Proxy Form	303
Horizontal Analysis: Balance Sheet	113		
Horizontal Analysis: Profit & Loss Account	115		
Vertical Analysis: Balance Sheet	116		
Vertical Analysis: Profit & Loss Account	118		
Integrate & Sustainability Reporting			
Value Creation in 2018	120		
Integrated Report	121		

Letter of **Transmittal**

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

Sub: **Annual Report for the year ended 31 December 2018**

Dear Sir(s),

We are pleased to present Annual Report 2018 together with the audited financial statements including balance sheet as at 31st December 2018 and profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year ended 31st December 2018 along with notes thereto of Modhumoti Bank Limited for your kind information and record.

Best regards,

Yours truly,

Sd/-

Ashutosh Talukder
Company Secretary

Growing Clientele Over Years - The Ultimate Source of Inspiration



The Honorable Chairman with senior officials is celebrating achieving 1 lac customers of the Bank

2016

28,143 Deposit Accounts
1,671 Loan Accounts
792,874 Client Transactions
21,336 Total Customers
2,320 Agent Banking Accounts
6,697 Debit Cards
767 Credit Cards

Total Deposits BDT.23,304 million
Total Loans & Advances BDT.17,139 million
Agent Banking Transaction Amount BDT.31 million
Total Assets BDT.32,425 million

23 Branches
22 Own ATMs
70 Agent Points
486 Employees

Credit Rating Long Term A3
Short Term ST-2

2017

52,046 Deposit Accounts
2,190 Loan Accounts
1,260,152 Client Transactions
53,797 Total Customers
9,068 Agent Banking Accounts
12,894 Debit Cards
1,252 Credit Cards

Total Deposits BDT.33,036 million
Total Loans & Advances BDT.30,181 million
Agent Banking Transaction Amount BDT.204 million
Total Assets BDT.45,050 million

29 Branches
30 Own ATMs
200 Agent Points
547 Employees

Credit Rating Long Term A3
Short Term ST-2

99,168 Deposit Accounts
2,803 Loan Accounts
1,868,837 Client Transactions
97,857 Total Customers
38,732 Agent Banking Accounts
16,146 Debit Cards
1,613 Credit Cards

Total Deposits BDT. **37,744** million
 Total Loans & Advances BDT. **35,576** million

Agent Banking Transaction Amount BDT. **362** million
 Total Assets BDT. **51,304** million

35 Branches
32 Own ATMs
281 Agent Points
624 Employees

Credit Rating Long Term **A2**
 Short Term **ST-2**

2018



The Bank inaugurated its 30th Branch at Muksudpur, Gopalganj in 2018.

Glimpse of the Fifth Annual General Meeting



Notice of the **Sixth Annual General Meeting**

Notice is hereby given to all Members of Modhumoti Bank Limited that the Sixth Annual General Meeting of the Members of the Company will be held on Thursday, the 19th September 2019 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 31st December 2018 together with Directors' Report and Auditors' Report thereon.
- b) To declare dividend for the year ended on 31st December 2018.
- 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

Sd/-

Ashutosh Talukder
Company Secretary

September 04, 2019
Dhaka

Notes:

- a. The Register of Members and Share Transfer Books of the Company shall remain closed from 04 September 2019 to 19 September 2019 (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 stock dividend @ 5%, i.e., 5 bonus shares against holding of each 100 shares and also cash dividend @ 10%, i.e., at the rate of Tk. 1.00 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. The Board of Directors has recommended for appointment of M/s. MABS & J Partners, Chartered Accountants, as External Auditors of the Bank.
- f. Members are requested to notify the change of address, if any, well in time.

Registered Office: Banglar Bani Bhaban, 81, Motijheel C/A, Dhaka-1000

Annual Report 2018

Scopes & Boundaries

It is our pleasure to present the Annual Report 2018 to our shareholders, which has been prepared aiming to communicate how effectively the Bank, as a financial institution, has been managed business in the reported year to deliver consistent value to its stakeholders. Not to comply only with regulatory obligation, it encompasses the efforts the Company has undertaken towards contributing to economic prosperity, environmental sustainability and social well-being for a sustainable tomorrow.

Scopes and Boundaries

The Report covers the period between 1st January 2018 and 31st December 2018. The scopes of our Annual Report comprise of activities that have been carried out within the geographical boundaries of Bangladesh, but includes that of Off-shore Banking Unit (OBU). It is to be noted that the Bank does not have any operation in other countries.

Unless indicated otherwise, all data pertains to the Company and its business units. In explaining the Bank's operations and financial performance, we have extracted the financial information from the Audited Financial Statements for the financial year ended on December 31, 2018 with relevant comparative information. The financial statements consistently comply with the requirements of:

- International Accounting Standards and International Financial Reporting Standards;
- Companies Act 1994;
- Bank Companies Act 1991 (as amended up to 2018);
- Securities and Exchange Rules 1987;
- Relevant rules and regulations of Bangladesh Bank;
- Other applicable laws and regulations of the land.

The disclosure of non-financial information has been extracted from internally-maintained records reported for the statement of financial position, unless otherwise stated that it has been extracted from a reliable source. Due approval has been obtained from the Board of Directors (Board) for all materials that significantly matters, such as Financial Statements, Directors' Report etc. The Directors' Report to the Shareholders is prepared under section 184 of the Companies Act 1994, includes few additional statements that referred to the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC), dated 3rd June 2018. In presenting the Report, checklist applicable for a banking company issued by the Institute of Chartered Accountants of Bangladesh (ICAB) has been followed, as much as possible.

External Assurance

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

Description of Report	External Assurance
Financial Statements Audit Report	A. Qasem & Co., Chartered Accountants, a member firm of Ernst & Young Global Limited
Provident Fund Financial Audit	A. Qasem & Co., Chartered Accountants
Credit Rating	Credit Rating Agency of Bangladesh Limited (CRAB)

Comparability & Materiality

There have not been any significant changes to the scope, boundary and reporting basis since the last reporting date as of December 31, 2017. All the information presented in this report is on the same basis as the 2017 report in terms of the entities covered, the measurement methods applied and time frames used. Ratios used are comparable across the industry. The information provided covers all material matters relating to business strategy, risk and areas of critical importance to our stakeholders. The structure of the report has been further developed as part of our continuous focus on improving communication to our 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 of the Bank (<http://www.modhumotibankltd.com>).

Responsibility and Integrity of the Report

I, as Managing Director & CEO of Modhumoti Bank Limited, acknowledge that reasonable care has been taken in ensuring the integrity of this Annual Report and this report has been done through collaborative and collective efforts of the stewardship which ensures transparency and accountability and played its part in identification, prioritization and communication of material matters to best serve the information needs of our stakeholders, which should be read in conjunction with the audited financial statements.

Best Regards,



Md. Shafiu Azam
Managing Director & CEO



Statement Regarding Forward Looking Approach

Towards making things better and bringing a happier tomorrow

Modhumoti Bank Limited has been continuing its operation since inception with an aim to become a safer, more agile and customer focused 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 of the country.

We intend to create a strong and sound footing for the Bank based on the fundamentals of our balance sheet and working on further strengthening our liquidity, capital and reserves, improve on quality and appropriate mix of assets & liabilities and also adopting risk mitigation measures against market risk, interest rate & other Pillar-2 risks under Basel III for maximizing shareholder value, which will always be continued and reflected in our 'strong balance sheet'.

We commit to meet our customers' needs effectively in this new world of technology and working further towards establishing a very effective banking operational environment which is being run by the latest technology, necessary tools & applications and will be continuing keeping pace with the rapid change in technology for improving our service to customers faster, more convenient and with more extensive tailored propositions to meet their needs, which will obviously bring new opportunities for all stakeholders.

We aim to serve all our customer segments in the best manner, which is truly fair and inclusive, and will continue materially deepen and broaden our reach, delivering differentiated services to the full range of

customers – corporate, SME and retail, urban and rural, through innovation in products, processes and technology for making it easier for them to find, understand and access products that are fair/right for them, whatever their circumstances, to be succeed with customer loyalty.

We firm on improving loan work out strategies, introducing technology in various phases of approval of loans and advances, both funded and non-funded, diversifying risks for a balanced growth of lending by emphasizing more on small and medium sized enterprises, strengthening monitoring and supervision activities to keep quality asset portfolio and will be continuously keep efforts to excel in risk management capabilities and developing appropriate financial risk modeling and monitoring to restrict non-performing loan (NPL) at a tolerable low level and recovery of NPL will always get priority in Bank's to-do list as it will directly make the bottom line healthier.

We plan to serve our customers efficiently, for which cost management is our strategic priority and will 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.

We believe that digital technology has radically changed people's lives and has brought many untold benefits, but unfortunately it has also brought cybercrime, and defending against cybercrime is one of our most important as well as most urgent priorities and will continue investing in IT controls & infrastructures gradually to protect our customers, systems, i.e., the Bank and Society as a whole.

We wish to accelerate the transition to a green future, recognize our responsibility on sustainable development, increasingly emphasizing on environmental management system in bank-financed projects, maintaining strict compliance and good governance in norms and regulations to ensure long term sustainability and will, therefore, work constructively with all of our stakeholders to find the right balance.

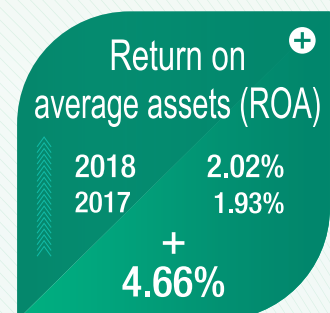
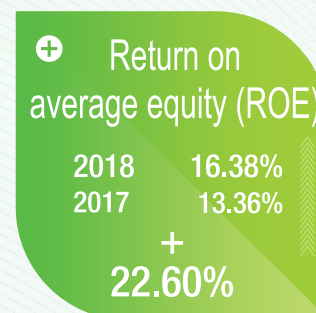
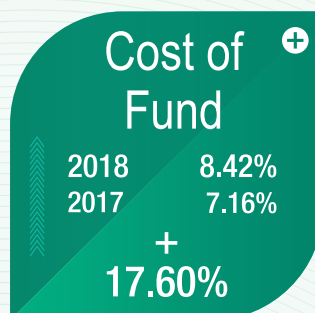
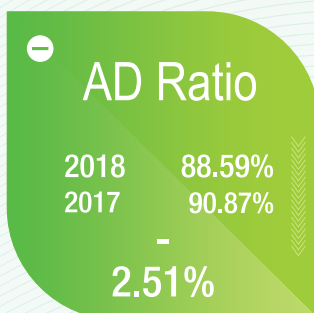
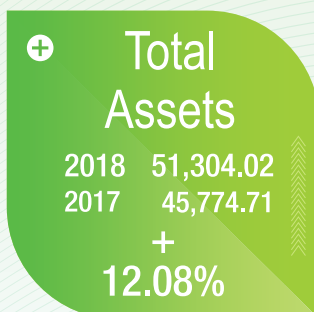
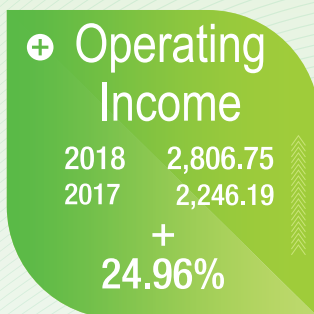
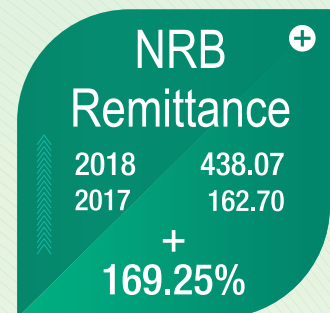
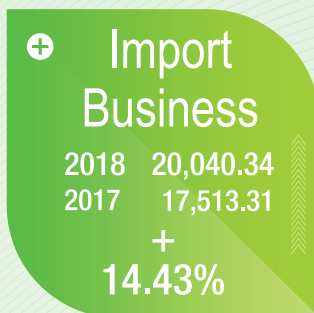
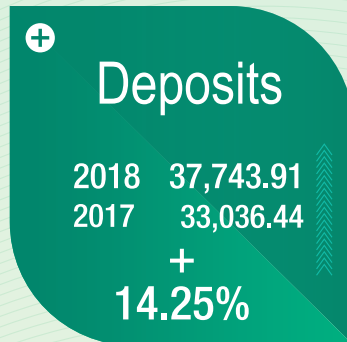
We emphasize on philosophy where everyone feels himself rewarded and will continue offering rewards, where colleagues will be rewarded for performance aligned to the long-term sustainable success of the business, building trust and adopting changes in culture, while shareholders will be rewarded with lucrative returns and customers will be happier for efficient services at lower cost, and resulting all will create more employment and income, increasing GDP, ultimately development of the nation.

Disclaimer

The Bank does not guarantee in any way that the expressions made or implied in forward looking statements would be materialized. The Bank does not also take any responsibility to update, modify or revise any forward looking statement contained in this annual report irrespective of whether those are changed by any new events, information or future development or by any other factors.

Highlights 2018

(In Million BDT)



Value Creation for Stakeholders in 2018

(In Million BDT)

	2018	2017
Customers		
Total Number of Deposit & Advance Accounts	101,971	54,236
Interest paid to Customers	2,502	1,816
Loans & Advances	35,576	30,181
Deposits	37,744	33,036
Total Number of Branches	35	29
Total Number of Agent point	281	200

Shareholders		
Profit after Tax	982	746
Total Assets	51,304	45,775
Shareholders Fund	6,257	5,731
Dividend Payout	10%	10%
Earnings Per Share	2.17	1.65

Employees		
Total Number of Employees	490	422
Total Staff Cost	456	403
Training cost	2.05	3.13
Per Employee Operating Profit	3.96	3.47

Government Institutions		
Corporate Tax	700	544
Investment in Govt. Securities	4,982	4,307
Withholding Tax	340	405

Business Partners		
Fees & Commissions	487	392
Payment to Service Providers	48	43
Total No. of Correspondent	152	151

Community		
CSR/Donation	20	19
Total No. of Internet Customers (MMBL Online)	199	283
Refinance to SME, Agri, Women	2.74	2.84
Utility Bill Collection	7,704.91	4,514.90

Value Creation for Stakeholders in 2018



6
New Branches

44,060
New Customers



5% | 10%
Stock Dividend | Cash Dividend

16.38%
Return on Equity



BDT **523.10** million
Corporate Income Tax

BDT **456.10** million
Withheld Tax
Excise Duty & VAT



49
Trainings

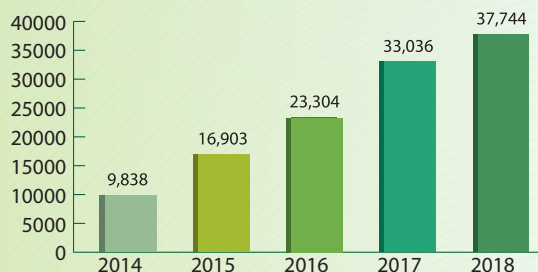
801
Attendees

Business Trends in 2018

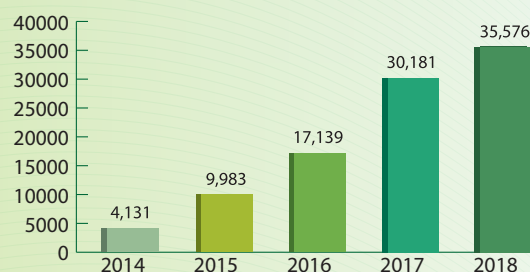
Graphical Presentation

(In Million BDT)

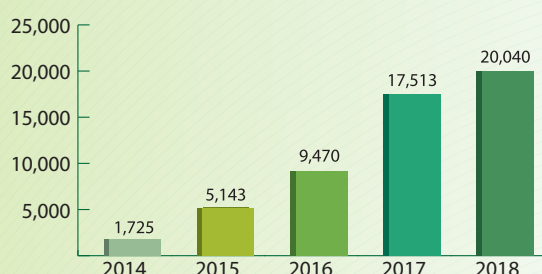
Deposits



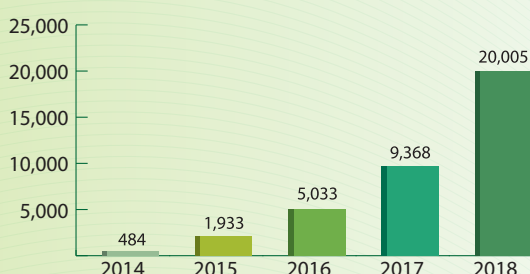
Advances



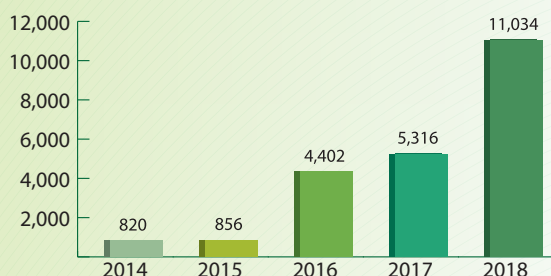
Import



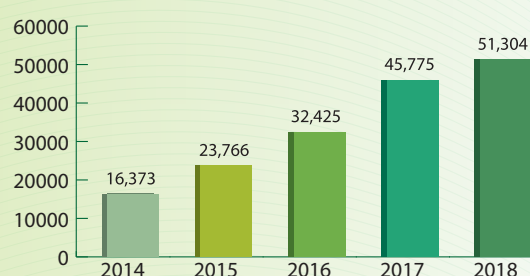
Export



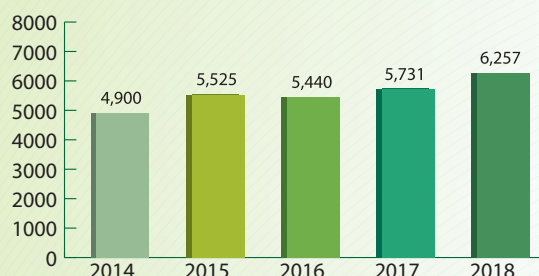
Guarantee Business



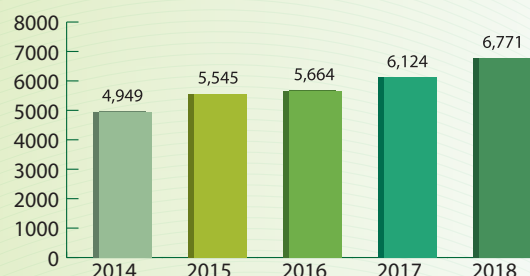
Total Assets



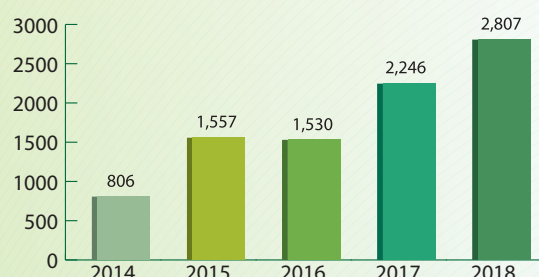
Shareholders' Equity



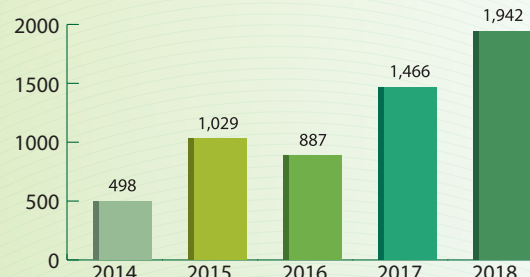
Total Capital



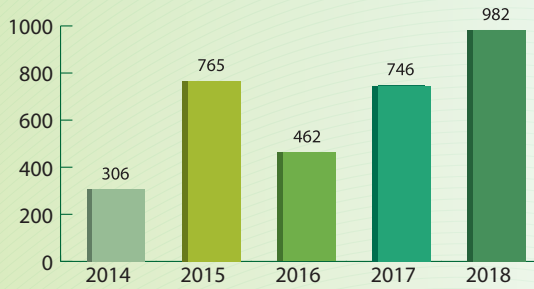
Operating Revenue



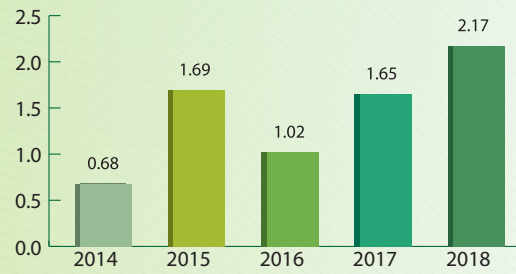
Operating Profit



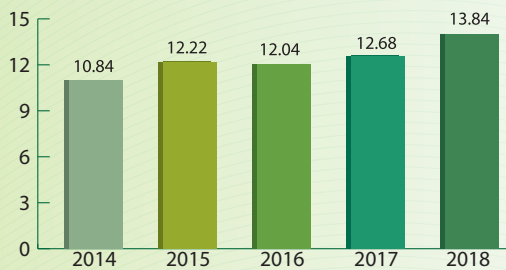
Net Profit after Tax



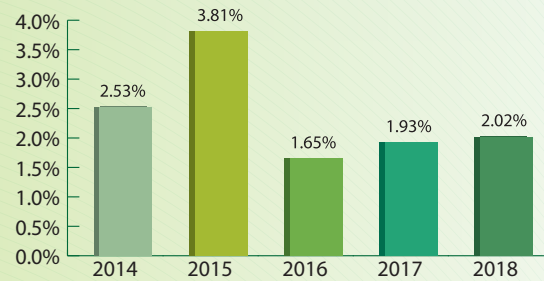
Earnings per Share (BDT)



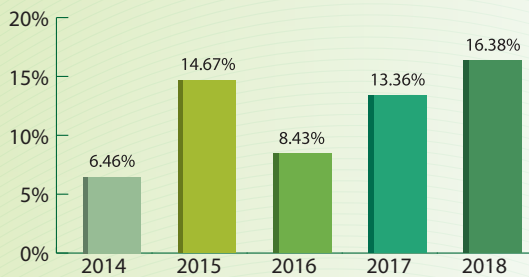
NAV per Share (BDT)



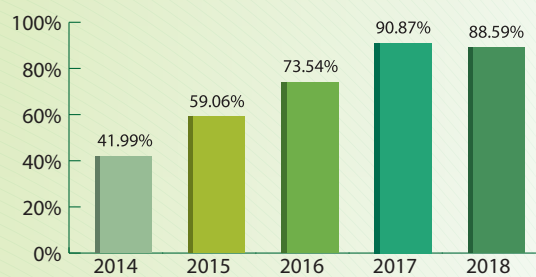
Return on Average Assets (ROA)



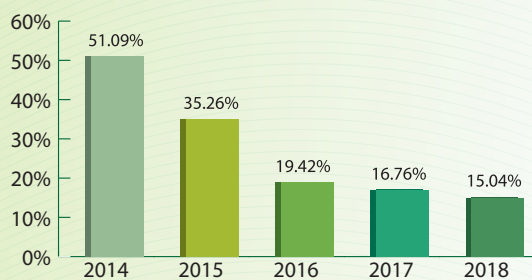
Return on Average Equity (ROE)



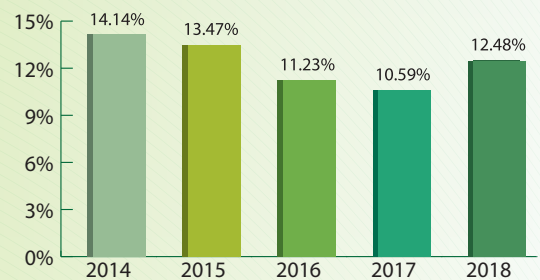
Credit-Deposit Ratio



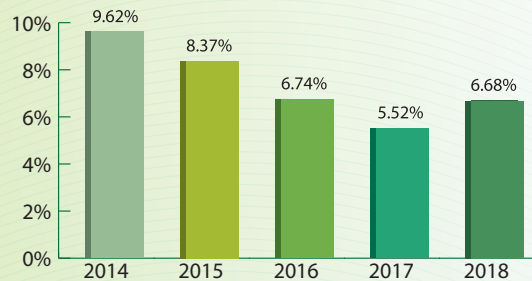
CRAR



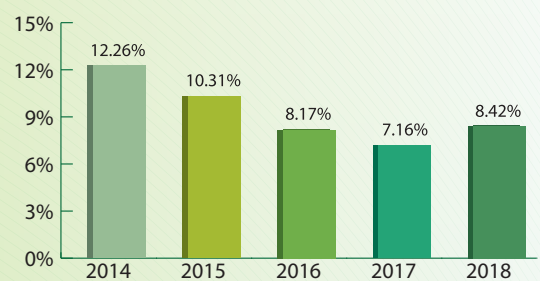
Yield on Average Advance



Cost of Deposit



Cost of Fund



Credit Rating Report



Long Term Rating upgraded to A₂

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, 2018.

Particulars	Surveillance Rating	
	2018	2017
Long Term	A ₂	A ₃
Short Term	ST-2	ST-2
Outlook	Stable	Stable
Date of Rating	30 June 2019	28 June 2018
Validity	30 June 2020	30 June 2019

The Bank has been rated in the category of A₂ for long term indicating that the corporate entity has strong capacity to meet financial commitment / obligations.

The Bank has also been rated as ST-2 for short term, 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.

Stable outlook implies that the bank is on the consistent growth trajectory having prospect of further progression with sustainability.

Chairman's Message & CEO's Review

We continued to respond to our passion in 2018 and tried to simplify the lives of our clients with a view to soothing their banking experiences with us. Commencing the 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.

Like before, as well in 2018, we maintained emphasizing on more improvement of our corporate governance and had a sustainable operation with special concern in taking opportunity of the expanding economic development of the country.

From the **Chairman's Desk**

The improvement in per capita income, growth in the middle-class population, better gender parity and influx of youth population into the employment market along with other positive changes in the demographic and socio-economic areas are expected to drive the future economy of Bangladesh. Because of this encouraging economic and social indicator, coupled with the strong organic growth of the Bank in a difficult market environment, we are hopeful that 2019 will also be a year of success for Modhumoti Bank Limited.

Bismillahir Rahmanir Rahim

Dear Distinguished Shareholders,

Assalamu Alaikum,

I feel proud and honored to welcome you once again in the 6th Annual General Meeting of the Bank. It's my great pleasure and honor to have the opportunity to report the progress of our beloved organization, Modhumoti Bank Limited to you, since we concluded a remarkable year, 2018, which strengthen the footprint of the Bank in the financial sector of the country despite many challenges along the way.

Before going in-depth, I would like to thank the Board of Directors and its Committees and all the members of the Management Team for leading us through this challenging yet successful year. On behalf of the Bank and Board of Directors, I would like to take the opportunity to thank all of you, our shareholders, customers and all other stakeholders including the regulatory bodies for continued support and confidence upon us. In the auspicious occasion of the Annual General Meeting, I would like to draw your attention in regards to following economic and financial issues of the country along with on the glimpse of performance of the Bank which are broadly elaborated in many sections of Annual Report.

Macroeconomic Review

Bangladesh's GDP grew at a record 7.86 per cent in 2018 which is expected to grow at a rate of 8.0% in the year 2019 and 2020 (as forecasted by ADB). The fiscal expansion followed the growth trajectory with development



budget allocation being 38 per cent of BDT 4,645 billion national budget for FY2018-2019. This sense of accomplishment is also reflected in the controlled inflation rate of 5.54 per cent as reported in December 2018, in spite of the rising food inflation on account of foods during the latter half of the year.

Meanwhile, the growth rate of import surpassed the growth rate of export, which resulted in the deficit of the current account balance to escalate, standing at a negative USD 3.08 billion. As a continuous steady flow of inward remittances, however, foreign exchange reserve remained healthy at USD 32.00 billion. Though Central Bank took measures to avoid large volatilities in the foreign exchange market, it is experienced that US Dollar strengthened against Bangladeshi Taka.

Financial Sector Frontier

In the financial sector frontier, year 2018 started amidst some uncertainties as the interest rates demonstrated a sudden upturn starting from the last quarter of 2017, after a declining and stable interest rate scenario for the preceding couple of years. The players in the financial market experienced significant liquidity pressures, since continued rise in interest rates in the first half of the year has been observed. Although directives from the Central Bank managed to stabilize the situation by mid-2018, financial market had already faced its brunt in the form of narrowing of spread as Advance-Deposit Ratio has been restricted to highest 83.50 per cent. To ease up the situation Bangladesh Bank has revised the Cash Reserve Requirement (CRR) at 5.50 per cent for commercial banks on bi-weekly average basis from the existing 6.50 per cent.

Bank's performance in 2018

Modhumoti Bank Limited is operating with the aim to be a prominent player in the financial sector of Bangladesh. During 2018, we expanded our business in many ways. Our achievements are reflected not only in the financial statements but also on the confidence and trust of our customers and stakeholders. Despite high competition and challenges, in 2018 the Management of the Bank continued to focus on its core business areas to finance corporates, SMEs and other potential growth sectors. The external environment of favorable business atmosphere both local and global also aided our growth.

I have already mentioned that this is an opportune time for me, since we have able to continue upper trend performance alike last few years, which have been reported in details through the pages of Annual Report for the year 2018, some of key points of which, I would like to share with you.

Increasing profitability: The Bank achieved operating profit of BDT 1,941.93 million in 2018 over BDT 1,465.70 million in 2017 and net profit after tax registered to BDT 981.99 million, increased from BDT 746.13 million in 2017. In 2018, EPS was BDT 2.17, an increase from BDT 1.65 of the preceding year. During the period, NAV per share stood at BDT 13.84 from BDT 12.68.

Growing size of the balance sheet: Total deposits of the Bank stood at BDT 37,743.91 million in 2018 registering growth of 14.24 per cent. On the other hand, total Loans and Advances grew significantly to BDT 35,575.64 million resulted in an increase of 17.87 per cent over 2017. Total Assets of the Bank stood at BDT 51,304.02 million which represent a growth of 12.08 per cent from BDT 45,774.71 million of previous year.

Increasing foreign exchange business: The Bank facilitated import of BDT 20,040 million in 2018, export of BDT 20,005 million, representing growth of 14.42 per cent and 113.55 per cent respectively over 2017 through its 5 AD branches and CTPU facility at Head Office, which explicitly shows the scope of improvement in the days to come. The Bank is also operating an Off-shore Unit. In 2018, NRB remittance amounting to BDT 438 million has been channeled through the Bank, which was an increase of 168.71 per cent over 2017.

Spreading footprint: The Bank opened 6 new branches in both urban and rural areas of the country and with the help of technology, the Bank had able to establish many agent points through out the country to carry forward the vision of financial inclusion by delivering the services in far flung rural areas of the country through Agent Banking services, for which present network stands to 38 branches and 346 agent points operating under a specific branch.

Continuing with upgraded credit rating: The Credit Rating Agency of Bangladesh (CRAB) has been rating the Bank since inception. The Bank received superior credit rating of A2 based on financials as of 2018 from A3 previously. This superior rating reflects improved resilience, innate strength and stability of the fundamentals of the Bank.

Corporate Governance

The corporate governance involves a set of identifiable relationships among the stakeholders of the Bank, which helps to reduce risks and development of a risk resilience system and we strive to practice and follow standard principles in accordance with regulatory guidelines since inception and we are in constant efforts for adhering to the rules, regulations and guidelines of regulatory authorities, and already realized from the experience that skilled

human resource is important not only to run financial institutions like a bank, or to increase profit or customer satisfaction but even to establish a sustainable bank and a healthy relationships amongst stakeholders in a longer period.

The Bank has given efforts to properly develop and build up capacity of its human resources under a sustainable planning. The Bank continues to strive to hire and maintain a talented workforce, and always keep them motivated by offering a comprehensive career to them, where accuracy of remuneration or financial aspects are not mere considerations. I am highly confident that the competent Management Team lead by Mr. Md. Shafiqul Azam as Managing Director & CEO, who has recently been re-appointed after completion of three-year term, will take the Bank to new heights and deliver expected results to the stakeholders, where all will be part of celebration of success.

Future prospect and outlook

The Bangladesh economy is expected to speed up on its growth track with the successful conclusion of the national election and the calm, stable & business friendly political environment. The improvement in per capita income, growth in the middle-class population, better gender parity and influx of youth population into the employment market along with other positive changes in the demographic and socio-economic areas are expected to drive the future economy of Bangladesh. Because of this encouraging economic and social indicator, coupled with the strong organic growth of the Bank in a difficult market environment, we are hopeful that 2019 will also be a year of success for Modhumoti Bank Limited.

The Bank is expanding its networks across the country. In the year 2018, the Bank opened 6 branches and 81 agent points across the country and expecting open 10 branches during 2019. We navigate through 2019 after a challenging year, the Management of Modhumoti Bank Limited stands resolute to the commitment of improved performance for coming years. Going forward in 2019, I would request the Management considering following approaches in setting priorities and focus for the Bank:

- Develop a culture that encourages innovation and challenges established processes, with a view to delivering excellent client experiences that differentiate us in a low-cost competitive environment vis-a-vis foster a 'customer first' mindset in all employees at all levels and across every vertical of the company while improving service standards further.
- Focusing on attaining a favorable CASA ratio by mobilizing low-cost or no-cost fund while tilting

the loan portfolio towards high yielding SME and Retail sector.

- We will continue to diversify our revenue streams, reduce portfolio concentration and explore niche markets that have either superior return or reduced risk. We focus on the markets that match our organizational strength.
- Restrict NPLs within desired levels and review policies and processes to ensure portfolio quality in the backdrop of business growth objectives.
- Continue investment in technology and people, since development is a continuous process, will bring better results for us.
- Agent banking network has to be expanded all over the country to achieve more geographical coverage which will be resulted in more financial inclusion.

Note of appreciations

I am immensely indebted to my colleagues for their unrelenting support and prudent counsel. I would like to thank members of the Executive Committee, 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.

I thank M/s. A. Qasem & Co., Chartered Accountants for conducting external audit with professionalism and advising us on various operational and compliance issues.

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.

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

With warm personal regards,



Humayun Kabir
Chairman

Managing Director & **CEO's Review**

During 2019, we will keep the focus on exceeding client expectations, seeking to know them better, offering them a variety of products and services, whenever and wherever they require. We will be keeping focus on solution, speedy service delivery; all backed by a service approach that feels personalized and can be consistently offered across all customer segments.

Bismillahir Rahmanir Rahim

Respected Shareholders and Honourable Members of the Board of Directors

Assalamu Alaikum,

It is my immense pleasure and honor for having opportunity of analyzing before you on the on-going and upcoming activities of Modhumoti Bank Limited and also performances for the year ended on 31st December, 2018, which I get for the fourth time in a row. Like before, as well in 2018, we maintained emphasizing on more improvement of our corporate governance and had a sustainable operation with special concern in taking opportunity of the expanding economic development of the country under the prudent guidance of the Board of Directors.

We continued to respond to our passion in 2018 and tried to simplify the lives of our clients with a view to soothing their banking experiences with us.

Commencing the 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. We are undertaking efforts today for developing capability to scale up our Bank's sustainably and such strategies that will also sustain the future growth of the Bank. Our goal is to serve our clients in all the ways in which they wish to bank, which is mutually constructive, operating with responsibility towards durability and sustainability, and also cooperating with communities in which we are present.



A brief review on world economy

Global growth for 2018-19 is projected to remain steady at its 2017 level of 3.7 per cent. It also indicates a weaker outlook for some key emerging markets and developing economies arising from country-specific factors, tighter financial conditions, escalating geopolitical tensions and higher oil import bills. Among advanced economies, growth disappointment shows in the euro area and the United Kingdom. Slower export growth after a strong surge in the final quarter of 2017 contributed notably to the euro area slowdown. Higher energy prices helped dampen demand in energy importers, while some countries were also affected by political uncertainty or industrial actions. Aggregate growth in the emerging market and developing economy group stabilized in the first half of 2018. Emerging Asia continued to register strong growth, supported by a domestic demand-led pickup in the economy. Core inflation, that is, excluding food and energy- remains below central banks' targets in most advanced economies. Among emerging market and developing economies, excluding Venezuela's hyperinflation, core inflation remains below the average of recent years but has inched up recently.

Macroeconomic scenario of Bangladesh

The Bangladesh economy has been able to maintain sustained economic growth. The economy grew at a rate of 7.86 per cent in FY2017-18, satisfactorily up from 7.28 per cent growth in FY2016-17. The per capita national income reached US\$1,751 in FY2017-18, up by US\$141 a year earlier.

During the period, broad agriculture sector registered a growth of 4.19 per cent, up by 1.22 percentage points compared to the previous year due to the better performance of most of its sectors and sub-sectors. Broad industry sector grew by 12.06 per cent, higher than the growth of 10.22 per cent in the previous year. Of the manufacturing sector, large and medium-scale manufacturing sector grew at a pace of 14.26 per cent compared to the growth of 11.20 per cent in the preceeding year. Growth of broad service sector slightly decreased to 6.39 per cent in FY2017-18 from 6.69 per cent in FY2016-17.

On demand side, the consumption expenditure stood at 77.17 per cent in FY2017-18. Gross domestic savings slightly decreased to 22.83 per cent of GDP in FY2017-18, from 25.33 per cent a year earlier. However, national savings as per cent of GDP reduced to 27.42 per cent in FY2017-18 from 29.64 per cent in FY2016-17. On the other hand, investment-GDP ratio increased to 31.23 per cent in FY2017-18, from 30.51 per cent in previous fiscal year.

The Consumer Price Index (CPI) inflation rate in FY2017-18 was 5.78 per cent at national level, which was 5.44 per cent in FY2016-17. Satisfactory domestic production, favorable domestic environment, low budget deficit and prudent monetary policy coupled with low fuel and commodity prices in the international markets contributed to subdue inflation level.

During FY2017-18, the current account of balance of payment shows a deficit for high growth of imports. Import expenditures have boosted up massively because of increasing private investment and implementation of mega projects. However, the increase in foreign direct investment, medium and long term loans inflow of the capital and financial accounts contributed to ease the effect. As a result, foreign exchange reserve remained stable and reached at US\$32.9 billion at the end of FY2017-18, which allowed slight depreciation of the exchange rate against US dollar. The EPZs are playing special role in the process of promoting rapid industrialization and attracting foreign direct investment.

The GDP under the Medium Term Macroeconomic Framework (MTMF) has been projected to grow at the rate of 7.8 per cent in FY2018-19 which is expected to be achieved through the implementation of prudent fiscal management, effective application of cautious monetary policy, appropriate management of expenditure, sound implementation of the reform activities.

Several major projects such as Padma Bridge, Metro-rail, Dhaka Elevated Express Way are being implemented. To sustain the role of rail as a dependable, affordable, environment-

friendly and compatible mass-transport system, a wide range of development activities are carried on. A number of programs are also being implemented for dredging of drying river ways, development and maintenance of navigability of different river routes, ensuring safe movement of water crafts. Development of inland river ports and establishment of infrastructure facilities to carry container goods in inland waterways are also going on. Bangladesh launched its first satellite 'Bangabondhu Sattelite-1' to the Space successfully on 12 May, 2018. Various development projects and programs are in progress to ensure the use and application of information and communication technology by increasing digital literacy at all walks of life.

The Government is also implementing different development projects under Public-Private Partnership (PPP) model. In FY2016-17 a total of 1,745 private projects were registered in Bangladesh Investment Development Authority (BIDA) with recommended amount of BDT 18,52,618 million, which stood at BDT 20,72,925 million in FY2017-18 for 1,643 projects. In 2017, a total amount of US\$2,151.6 million flowed as Foreign Direct Investment (FDI) in the country which was US\$2,333 million in 2016. In FY2017-18, a total of 62,678 million kilowatt-hours of electricity was produced, out of which 50 per cent had been generated by private sectors. Bangladesh has achieved stable credit rating by Moody's (Ba3) and S&P (BB-) for the ninth consecutive time.

The growth of domestic credit stood at 14.71 per cent in FY2017-18 compared to 11.16 per cent in FY2016-17. Of which, private sector credit growth stood at 16.95 per cent in FY2017-18 against 15.66 per cent of the previous fiscal year. The weighted average lending rate of commercial banks increased to 9.95 per cent at the end of June 2018 from 9.56 per cent of end June 2017. Similarly, the deposit rate increased to 5.50 per cent in June 2018 from 4.84 per cent in the same period of previous year. Country's export earnings stood at US\$ 36,668 million in FY2017-18, which is 5.81 per cent higher than the export earnings of US\$ 34,656 million in FY2016-17, wherein Readymade Garments took the lead by contributing 85 per cent of total exports.

Performance of Modhumoti Bank: A brief analysis

Likewise the expansion of economic development of the country towards maturity, Modhumoti Bank's business also continued to grow despite facing stiff competition and macro-economic challenges. The key Performance Parameters of our Bank is portrayed below:

Parameters	2018	2017	Comments on Net Result
Total Deposits	37,744	33,036	Increased by 14.25 per cent
Total Loans & Advances	35,575	30,181	Increased by 17.87 per cent
Operating Profit	1,942	1,466	Increased by 32.47 per cent
Net Profit	982	746	Increased by 31.64 per cent
Retained Earnings	683	490	Increased by 39.39 per cent
Total Assets	51,304	45,775	Increased by 12.08 per cent
Total Shareholders' Equity	6,257	5,731	Increased by 9.18 per cent
Import Business	20,040	17,513	Increased by 14.43 per cent
Export Business	20,005	9,368	Increased by 113.55 per cent
NRB Remittance	438	163	Increased by 168.71 per cent
% of Classified Loans	1.83%	0.29%	Higher than previous year, but lower than industry average
Capital to Risk Weighted Asset Ratio	15.04%	16.76%	Decreased by 10.26%, but higher than regulatory requirement
Dividend	15%	10%	The Board has proposed 5% stock dividend and 10% cash dividend for 2018, which was 10% cash dividend in 2017.

From the above brief parameters, it can be safely drawn that the Bank with the help of prudent guideline of the Board of Directors achieved its success in major and important banking parameters. The Bank has successfully been able to diversify its loan portfolio including all types of enterprises in various sectors of the economy. The Bank has been diversifying its deposit mix by increasing no cost-low cost deposits and reducing dependency on fixed term deposits resulting determined efforts to expand the Bank's CASA balance, base deposits, financial inclusion and customer base. At the end of 2018, the Bank had 99,168 deposit accounts, which were 52,046 in 2017. Also the Bank has been able to collect the deposits against various utility service providers with whom the Bank entered into agreements during last year.

Alike previous years, we have been offering various tailored loan products through our branch network. In 2018, we continued credit operations through Corporate Banking, SME and Retail Banking, and meantime our Card operations have also been expanded. During the Year 2018, number of Loan Accounts was 2,803 increased from 2,190 in the year 2017, which shows that we are expanding our loan portfolio, but it is not only confined to a number of corporate clients, but also spreaded over to a number of SME clients throughout the country. Our Retail and SME Loan portfolio comprises 17.79% of Total Loan Portfolio, which depicts our motto on diversification of the Bank's balance sheet and our commitment to lessen exposure on Large Loans, which are comparatively riskier. At present the Bank has Modhumoti Goti for starting up financing to small entrepreneurs, Modhumoti Progoti for capital financing, Modhumoti Agrogoti for working capital financing, Modhumoti Moushumi for financing seasonal business and Modhumoti Labannyo for women entrepreneurs. In addition, the Bank has introduced a brand new SME product titled as Modhumoti Shongoti, which is a factoring product caters the need for entrepreneurs involved in manufacturing business who constantly has receivable tied up for 2-months periods towards catering their business needs.

We have priority banking in our product basket, which is designed to meet the standards of 5-star luxury, giving the ultimate banking experience to the designated customers of the Bank. Modhumoti Bank is the first bank in the country introducing privilege banking services for the Freedom Fighters of the country as a token of recognition of their contribution to the country. Number of Freedom Fighters Accounts increased from 1,226 in the year 2017 to 1,451 at the end of 2018. Debit Cards, VISA cards, internet banking spreading their net to serve more people.

Our Agent Banking is spreading its footprint throughout the country on priority basis. I take the pride to state here that despite being a new bank and limited resources, we are one of the first to understand the importance of Agent Banking towards financial inclusion, which we have named as "Modhumoti Digital Banking". The number of Agent points increased from 200 in the Year 2017 to 281 in the Year 2018 covering 281 Unions, 37 Upazilas, 13 Districts and 7 Divisions of the Country and still moving on with the commitment to spread our Banking activities to the undeserved geographies for the safe, reliable and low cost delivery of banking services who hitherto did not have basic access to banking, are now able to open accounts, save, transact, get remittance, through our 'assisted digital' route with the help of a2i of the Government of the People's Republic of Bangladesh.

The Bank successfully raised BDT 1,450.00 million for one of its Ready Made Garments customer as Syndication Finance Arrangement, where a 2nd Generation Bank consented to participation in the deal. We have also successfully completed our role as Issuing and Paying Agent of Commercial Paper issued by RFL Plastics Limited. We have also invested in Preference Shares of two leading Independent Power Producers. Moreover, Modhumoti Bank Limited has participated in the total syndicated Term Loan of BDT 3,210.00 million favoring BSRM Wires Limited, one of the most renowned corporate house of the country where, Bank's participation was BDT 500.00 million. The project envisages of setting up of a steel wire manufacturer of different categories at Mirshorai, Chattogram.

The Bank is continuing to provide seemingsless service to its customers using centralized real time core banking solution and state-of-the-art Data Centre. ICT Department has been

working relentlessly to deliver class service to the customers maintaining cyber security at the top.

Now, the part to mention the contributions of the employees of the Bank who act as the driving force and pull the Bank to this peak, where it is now standing. In 2018, number of employees of the Bank stood at 490 increased from 422 in 2017 to support opening of 6 new branches in 2018 as well as to continue serving the expanding number of customers of the Bank.

We have achieved important results on efficiency, risk management, process simplification and the digitization of services we provide to customers - all through significant investments by complying all regulatory requirements effectively to maintain highest ethical standards and professionalism and to ensure adequate transparency in banking activities.

Looking Forward

During 2019, we will keep the focus on exceeding client expectations, seeking to know them better, offering them a variety of products and services, whenever and wherever they require. We will be keeping focus on solution, speedy service delivery; all backed by a service approach that feels personalized and can be consistently offered across all customer segments. These efforts aim to put us in a positive and sustainable growth path over time, always guided by the mission to simplify the lives of our clients, transforming their banking experiences.

The financial health of the banking sector is weakening due to rising non-performing loans, lack of corporate governance and increasing capital shortfall, according to a recently published report from Asian Development Bank, a development partner of our country. Doing business in the same environment, we are not out of this danger. But we believe that a dedicated liability team comprising of bank employees can improve the base deposit of the Bank. Likewise, a stronger business analysis team at Branch and Head Office level can mitigate the credit risks to become enormous and for the reduction of existing NPLs, monitoring and supervision of each and every loan portfolio of the Bank becomes a must. We need to centralize the Loan Documentation process, which we have already started. We have to allocate proper planning, resources and implementing these in a proper way for the betterment of the sustainable growth of the Bank. We have to keep in mind that Bank Merger may be taken place and we need to be prepared to take the benefit from the changes in economy due to such merger/acquisition.

We would continue our focus on expanding agent banking network through exploring other avenues. We understand requirement of country-men for mobile banking services, which we would also offer in near future. All these will work as further steps to broader financial inclusion as it will enable more people to understand not only banking but digital banking. The click & mortar distribution ecosystem being created by the banks inculcating in people, even in lower income segments, a habit of savings, and is acclimatizing these customers to formal sector banking, including mobile and internet banking.

Despite of all adversities, we shall have to maintain the growth momentum and be more innovative in our approach to business. As competition in the industry is getting more intense because of introduction of 3 new private commercial banks shortly and also due to limited client base and limited resources, we will have to explore business opportunities in new areas of the country to increase our client-base keeping in mind the existing Sustainable Development Goals, Millennium Development Goals, Industry Policy, Thrust Sectors, Basel-III etc. Besides, we shall continue reconnoitering the Foreign Funds for the Bank by enhancing our operational efficiencies.

We firmly believe on our already built solid foundation and our capacity of being flexible, which will enable us to reach the objectives of the Bank. We will show continued progress against our targets and delivery of our commitments for our customers, our peoples and our shareholders.

Looking forward to 2019, we will continue to support the real economy of the country. Our quality banking products and timely delivery of the services will help us to participate directly in the socio-economic development of this country by being a stable financial institution as an integral part of the community, and improve the life of people around. Our motto to serve our customers in the most effective friendly way with a smile will remain the core value for our employees.

As a small, simple, successful fourth generation private commercial bank in Bangladesh, we are dedicated to supporting our customers, contributing to country's economic and social development. We will remain focused on supporting the growth of SMEs, the backbone of the economy, and our social banking initiatives through expanding the CSR activities of the Bank in an innovative way.

Acknowledgement

I would like to thank to my knowledgeable, experienced and qualified Board of Directors, who possess reputation and respect in the society and all of their Committees for their judicious guidance from time to time in case of need. Their unstinted and patient support have helped us navigate a difficult transition from a challenging legacy and allowed us to invest in building the foundation of this bank.

I would like to thank my colleagues across the country for their hard work and commitment during the year 2018 it is they who drove the Bank's performance. I thank our customers for their confidence in the Bank. And obviously my thankfulness to valued shareholders for their continued support.

I would like to express my gratitude to the Honourable Governor and other Officials of Bangladesh Bank, and also other regulators like Registrar of Joint Stock Companies and Firms for their continuous assistance, valuable guidelines and co-operation since very inception of the Bank and I sincerely hope that this will continue in the days to come.

Given the progress we have made in the short time since we are operating and the plans we have for the coming years, I am confident that Modhumoti Bank will emerge as one of the leading private commercial banks in the country.

With best regards,



Md. Shafiu Azam
Managing Director & CEO

Corporate Objectives, Values & Structure

Modhumoti Bank Limited is working to build a solid base of its asset portfolio which will be reflected in its 'strong balance sheet'. 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.

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.



Celebrating Fifth Anniversary in 2018.

Corporate Profile

Modhumoti Bank Limited (the 'Bank') is a scheduled commercial bank in Bangladesh promoted by prudent entrepreneurs having long sound background, established under the Bank-Company Act 1991 and incorporated in Bangladesh as a public limited company under the Companies Act 1994 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'. 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 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 to 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 2018), 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. In 2018 the Bank emphasized on leading business towards achieving customers' satisfaction through providing best possible services, which we have expressed with the tagline 'Banking through Service Excellence'. The Bank has 35 branches and 1 Off-shore Banking Unit as on 31 December 2018, which is presently stand to 38 branches covering all the administrative divisions of the country. The Bank has already established 346 Agent Points 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.

38

Branches

01

OBU

346

Agent Points

40

ATMs

500+

Employees

1.2+ lac

Customers

Corporate Information

Legal Status	Public Limited Company
Date and Place of Incorporation	4 June 2013, Dhaka, Bangladesh
Date of Commencement of Business	4 June 2013
Banking License No. and date of obtaining banking license from Bangladesh Bank	বিআরপিডি (পি-৩)৭৪৫(৬৪)/২০১৩-২৭৩৭ 09 June 2013
Registered Office	Banglar Bani Bhaban 81 Motijheel C/A, Dhaka-1000
Head office	DCCI Building, 2 nd , 3 rd & 4 th Floor 65-66 Motijheel Commercial Area, Dhaka-1000 Email: info@modhumotibankltd.com Phone: 02-958 3809, Fax: 02-4711 9350
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, MP
Chairman, Risk Management Committee of the Board	Mr. Mostafa Kamal
Managing Director & CEO	Mr. Md. Shafiu Azam
BIN	000001507 dated 14.12.2016
VAT Registration	19011088268-Area Code 190101
Tax-Payer Identification Number	718496557566/LTU/Dhaka
Auditors	M/s. A. Qasem & Co., 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

Authorised Capital	BDT. 20000.00 million
Paid-up Capital	BDT. 4520.00 million
Face Value of Each Share	BDT. 10.00
No. of Outstanding Shares	452 million
Shareholding Pattern	Wholly owned by the Sponsors

Rating Information

Particulars	2018	2017
Long-Term	A2	A3
Short-Term	ST-2	ST-2

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)



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.



- » *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*



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



- » *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.*

Chronicles



The Bank organized Business Conferences at regular interval every year.

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
Launching Ceremony	6 July 2013
Obtained Banking License	9 June 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
Syhet 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 Point)	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

Value Added Services

Launched Privilege Banking service for freedom fighters	13 March 2014
Launched Priority Banking service at Gulshan Branch, Dhaka	1 September 2014
Launched Priority Banking Service at Agrabad Branch, Chittagong	25 September 2016



The Bank celebrated Bangla Naba Barsho 1426 at Dhanmondi Rabindra Sorobor.



The Bank organized a Doa Mahfil on the occasion of National Mourning Day in 2018.

Major Events in 2018

Branch Opening

Mukshedpur Branch, Gopalganj	12 April 2018
Pabna Branch, Pabna	07 June 2018
Kalia Branch, Narail	30 July 2018
O. R. Nizam Road Branch, Chattogram	16 September 2018
Chhagalnaiya Branch, Feni	28 November 2018
VIP Road Branch, Paltan, Dhaka	29 November 2018

Business Opening

Unveiled 'Modhumoti Labonnyo' a comprehensive product for women	13 March 2018
Revenue Collection Booth at Dhaka South City Corporation (Zone-2)	17 April 2018
Launched 'মধুমতি বর্ষীয়ান', a Savings Account for senior citizens	12 July 2018

Celebration

Second Anniversary of Modhumoti Digital Banking and Agent Conference	26 February 2018
Inauguration of 'SebaSoptaho' from 20th-25th March 2018	20 March 2018
Bengali New Year 1425	14 April 2018
Fifth Anniversary of Bank	27 September 2018

Significant Meeting

Annual Business Conference-2018	08 January 2018
Half-Yearly Business Conference 2018	15 July 2018
Fifth Annual General Meeting	27 September 2018
Half-Yearly Agent Banking Business Conference-2018	03 November 2018

Significant Agreement

Agreement with Bangladesh Bank for utilizing the Small and Medium Sized Enterprise Development Project -2 Fund	06 February 2018
MoU with Civil Aviation Authority of Bangladesh	15 March 2018
MoU with Credit Rating Agency of Bangladesh (CRAB)	21 March 2018

Business Partnership

MoU with Ambrosia Restaurant Limited	15 March 2018
MoU with Trans Fast Remittance LLC USA	10 April 2018
MoU with Hydrokleen Bangladesh Limited	22 April 2018
MoU with M H Samorita Hospital & Medical College	16 May 2018
MoU with Titas Gas Transmission & Distribution Company	13 September 2018
MoU with Sarah Resort Limited	14 November 2018
MoU with Bangladesh Specialized Hospital Limited	24 December 2018

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, MP

Mr. Mohammad Ismail Hossain
Representing Sharmin Apparels Limited

Mr. Nemaï Kumer Saha
Representing Sandhani Life Insurance Company Limited

Mr. Salahuddin Alamgir

Mr. Mostafa Kamal
Representing Tanveer Oils Limited

Mrs. Tanjima Binthe Mostafa
Representing Everest Power Generation Co. Limited

Mr. Humayun Kabir Bablu

Mrs. Shahana Yasmin

Mrs. Sultana Jahan

Mr. A. Mannan Khan
Representing Mango Teleservices Limited

Mrs. Ferdousi Islam
Representing Azbal International Limited

Mr. Manwar Hossain
Representing Anwar Jute Spinning Mills Limited

Mr. Tanveer Ahmed Mostafa
Representing Meghna Flour & Dal Mills Limited

Mr. Md. Mahbubur Rahman
Representing Mona Financial Consultancy & Securities Limited

Mr. Didarul Alam, MP

Mrs. Syeda Sharmin Hossain
Representing Sharmin Fashions Limited

Mr. Md. Shafiqul Azam, Managing Director & CEO (Ex-officio)

Composition of the Board's Committees



The Audit Committee

Chairman : Mr. Shaikh Salahuddin, MP
Members : Mr. A Mannan Khan
Mr. Md. Mahbubur Rahman



The Executive Committee

Chairman : Barrister Sheikh Fazle Noor Taposh, MP
Members : Mr. Mostafa Kamal
Mr. Salahuddin Alamgir
Mr. Mohammad Ismail Hossain
Mr. Nemaï Kumer Saha
Mr. Humayun Kabir Bablu
Mr. Manwar Hossain



The Risk Management Committee

Chairman : Mr. Mostafa Kamal
Members : Mrs. Sultana Jahan
Mr. A. Mannan Khan
Mr. Didarul Alam, MP
Mrs. Syeda Sharmin Hossain

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 and Kurmitola Golf Club, Dhaka. Besides, he involves with different social welfare activities.



Shaikh Salahuddin, MP
Vice-Chairman

Mr. Shaikh Salahuddin 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 and also a member of parliament in the Bangladesh National Parliament. He was born in a respectable Muslim family in 1967 in Khulna. 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 was the President of Khulna Nou-Paribahan Malik Group for long period.



Sheikh Fazle Noor Taposh, MP
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 a member of parliament in the Bangladesh National Parliament.

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 on 24th August, 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 is the Chairman of the Parliamentary Standing Committee on Private Member's Bills & Resolutions and also a Member of Standing Committee in Parliament for the Ministry for Law, Justice and Parliamentary Affairs and the Committee on Estimates. 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 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 life Member of Gulshan Club Limited, Uttara Club Limited, Kurmitola Golf Club 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 furthermore one of the few Bangladeshi entrepreneur to receive 'Socrates Award' and Manager of the year for his contribution in RMG Sector.



Nemai Kumer Saha
Director

Mr. Nemai Kumer 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 as Deputy Managing Director and Chief Financial Officer. He obtained M.Com in Accounting from Jagannath University in 1987.

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

Mr. Salahuddin Alamgir, CIP is a BMA Graduate. He is one of the most promising Entrepreneurs and committed business personalities, leading Labib Group as Chairman & CEO, which is one of the fast growing group of companies involving in various businesses in Bangladesh.

Labib Group has been moving forward successfully and extending its ventures from one after another. Currently it is involved in the businesses of Yarn Dyeing, Sweater, Telecom, Bank, Lease Finance, IT, Agro, Poultry, Fisheries, Packaging etc. and it has been running all its business concerns with good reputation, trust & credibility for last 20 years. It is an Export, Import & General Business Conglomerate and currently having a total of 15 factories & establishments throughout Bangladesh and playing vital role for earning of foreign exchange and creating employment opportunities.

Based on excellent business records and significant contribution to the Commerce, Industry & Economy of Bangladesh, Mr. Salahuddin Alamgir has been awarded with National & International Recognitions like '20th BATEXPO AWARD-2009', 'NOKIA BEST DISTRIBUTION AWARD-2009', '21st BATEXPO AWARD-2010', 'NATIONAL EXPORT TROPHY 2010-2011', 'MERCANTILE BANK HONOUR-2017', 'SAMSUNG APPRECIATION TROPHY-2019' etc.

Being a credible & committed business professional, Mr. Salahuddin Alamgir has been nominated and associated with the following Associations & Institutions of Bangladesh:

- President, Bangladesh Dyeing Yarn Exporters Association (BDYEA) since last 5 years
- Director, Federation of Bangladesh Chamber of Commerce & Industries (FBCCI)
- Member of the Executive Committee, SAARC Chamber of Commerce & Industries (SAARC CCI)
- Member of the Executive Committee, Bangladesh Mobile Phone Importers Association (BMPIA)
- Member of the Executive Committee, Bangladesh Chamber of Industries (BCI)
- Member, Bangladesh Garments Manufacturers & Exporters Association (BGMEA)
- Member, Bangladesh Textile Mills Association (BTMA)
- Member, Bangladesh Corrugated Carton & Accessories Manufacturers & Exporters Association
- Member, Gazipur Chamber of Commerce & Industries (GCCCI)
- Life Member, Kurmitola Golf Club Limited, Dhaka Cantonment, Dhaka
- Life Member, Army Golf Club Limited, Dhaka Cantonment, Dhaka
- Life Member, Gulshan Club Limited, Gulshan, Dhaka.

Mr. Salahuddin Alamgir is also an NDC Capstone Course Holder as well as a Member of NDC Alumni Association, Bangladesh.

Mr. Salahuddin Alamgir is also involved in various social works & activities. Such as,

- Founder, Baitul Jahan Mosque, Shakhipur Abasik Mohila College, Tangail
- Founder, Salma Begum Academic Bhabon, Betua High School, Shakhipur, Tangail
- Founder, Starlight Pre-Cadet School, Shakhipur, Tangail
- Founder, Baitul Labib Kalia, Shakhipur, Tangail
- Life Donor, Khudiram Hafizia Madrasa & Etimkhana, Shakhipur, Tangail
- Life Donor, Betua High School, Shakhipur, Tangail
- Donor, Betua Poschim Para Jame Mosque, Shakhipur, Tangail
- Donor, International Red Crescent Committee, Japan.

Mr. Alamgir has founded a charitable fund & organization named as 'Salahuddin Alamgir Foundation', through which he has been providing 'OLD AGED PEOPLE ALLOWANCE' to the old-aged people of Shakhipur and Tangail since 2012. As a part of Corporate Social Responsibilities (CSR), Mr. Salahuddin Alamgir is also contributing to the employees of LABIB GROUP 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.



Salahuddin Alamgir, CIP
Director



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 the Directors of the Bank.

Mr. Kamal started his 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 the business arena. He has engaged himself in numerous social welfare activities to uplift the socio-economic conditions 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 which is one of the biggest and leading conglomerates of Bangladesh. She is the daughter of Managing Director of the Group, Mr. Mostafa Kamal, one of the country's leading business personalities.

Mrs. Tanjima obtained her degree from Babson College, Boston in 2009 in Marketing and Economics. 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, capable to run the business smoothly and efficiently shoulder-to-shoulder with her entrepreneur father.

She had received '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 her recognition in the field of business and industry.



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- one of the leading businesses Group in the country and Managing Director of Bengal Media Corporation Limited (RTV). He is a member of the Executive Committee 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, Chairman, Bengal Group of Industries and Rtv and also a Member of Parliament from Noakhali-2.



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.



Sultana Jahan, CIP
Director

Mrs. Sultana Jahan, CIP was born in a respectable Muslim Family in Chandpur. She is the Vice-Chairman of Labib Group, a renowned business conglomerate in the field of apparel manufacturing, exporting, importing, IT, agro, printing, packaging, trading & distribution of Mobile Handsets since long. She is also a Member of the Board of Directors of Modhumoti Bank Limited since its inception.

Besides her business 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. Moreover, she is a Donor of International Red Crescent Committee, Japan.

Being a credible & committed business professional, Mrs. Sultana Jahan has been nominated and associated with the following Associations & Institutions of Bangladesh:

- Member, Kurmitola Golf Club, Dhaka Cantonment, Dhaka
- Member, Army Golf Club, Dhaka Cantonment, Dhaka
- Life Member, Gulshan Club Limited, Gulshan, Dhaka
- Member, Baridhara Society, Baridhara, Dhaka
- Member, Gulshan Society, Gulshan, Dhaka

Mrs. Sultana Jahan is also an NDC Capstone Course Holder as well as a Member of NDC Alumni Association, Bangladesh.



A. Mannan Khan
Director

Mr. A. Mannan Khan, Chairman of Mango Teleservices Limited, was born in 1966 at Singair, Manikgonj. 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 of Communication Solutions Limited (CSL) and contributed substantially to the nation undertaking many world class office automation solution and innovative projects like Air to Ground Communication System. Later on, in 2008, 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.

Mr. Khan is the Founder Chairman of Baira College, Singair, Manikgonj, which is established in 1994. He is also the Managing Director of Playpen which is an English Medium School catering the urban people and offering world-class education up to A level to about 1500 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.



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, 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.



Manwar Hossain
Director

Mr. Manwar Hossain is a member of the Executive Committee of the Board of Directors of the Bank.

As Group Managing Director, Mr. Manwar Hossain leads Anwar Group of Industries, a conglomerate with a 180 years legacy. Largely shaped by his father, the legendary business philanthropist, Al-Hajj Anwar Hossain, Anwar Group is now recognized and the 'Dun and Bradstreet' awarded most Diversified Business Conglomerate in Bangladesh.

Mr. Manwar Hossain began his business career in the Group in 1994 after completing his BBA and MBA from University of New Hampshire, USA. Apart from the Anwar Group of Industries, Mr. Hossain is also a Director of City General Insurance Company Limited, BD Finance Securities Limited, BD Finance Capital Holdings Limited. He is also the Chairman of Bangladesh Finance & Investment Company Limited, a former Director of Bangladesh Commerce Bank Limited and Vice Chairman of City Bank Limited.

Mr. Manwar Hossain has played a vital role as a Director of Dhaka Chamber of Commerce & Industry (DCCI). He leads the steel and cement sectors of Bangladesh as the President of the 'Steel Manufacturers of Association of Bangladesh' and Senior Vice President of 'Bangladesh Cement Manufacturers Association (BCMA)'.



Tanveer Ahmed Mostafa
Director

Mr. Tanveer Ahmed Mostafa, representing Meghna Flour & Dal Mills Limited, is a director of Meghna Group of Industries, one of the biggest business conglomerates of the country.

Born and raised in Dhaka, Bangladesh, Mr. Tanveer attended American International school, Dhaka, where he obtained his High school diploma before moving to England in 2011. He received a Bachelor of Science in Business Administration and Management from Queen Mary, University of London in 2015.

Mr. Tanveer is a big believer of Technological Innovation based changes and improvement to increase efficiency within the work environment and overall organization growth. He is the leading force behind the implementation of IT-Based solutions to modernize business activities and process efficiency within the company spearheading the strategy and innovation department of Meghna Group of Industries.



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.



Didarul Alam, MP
Director

Mr. Didarul Alam 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 Bachelor's 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., T.R 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, S.B. Corporation, Taseen Steels Limited, Silk Line Travels, Kadam Rasul Steel Ship Breaking Ltd., A Razzak Dobush & Sons Limited, Amena Fishing etc. at different capacities, such as Chairman, Managing Director & Director of the Board of Directors. He was also a Director of Bangladesh Finance and Investment Company Limited.

Mr. Alam is associated with different social and trade bodies. He played a vital role as a 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 Bhatiyari Golf & Country Club and Chittagong Club Limited. Mr. Alam traveled widely across the globe.



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 declared as Commercially Important Person (CIP) by the Government of Bangladesh (GOB) for his remarkable Contribution in Export.

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



Md. Shafiu Azam
Managing Director & CEO

Mr. Md. Shafiu Azam has been reappointed as Managing Director and Chief Executive Officer (CEO) of Modhumoti Bank Limited for the second time in-a-row. He has been in the top management position of the Bank since 8th August, 2016. Joined as Additional Managing Director of MMBL, 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 3rd 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, customer centric banker, Mr. Azam possesses more than 28 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. As a result, he has been accolade several times for his contributions for his outstanding performance.

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

Mr. Azam is the proud youngest Son of his 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 mitigating risks associated with the 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 parents of one daughter and a son.

The Sponsors



Mr. Humayun Kabir



Mr. Shaikh Salahuddin, MP



Barrister Sheikh Fazle Noor Taposh, MP



Mr. Noor-E-Alam Chowdhury, MP



Sharmin Apparels Limited
Rep. by Mr. Mohammad Ismail Hossain



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



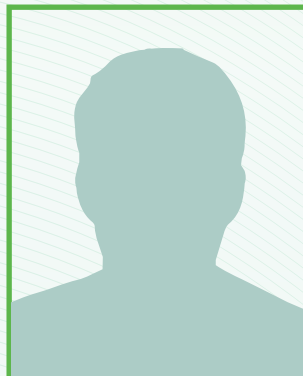
Mr. Alhaj Anwar Hossain



Mr. Salahuddin Alamgir



Tanveer Oils Limited
Rep. by Mr. Mostafa Kamal



Anwar Jute Spinning Mills Limited



Mr. Humayun Kabir Bablu

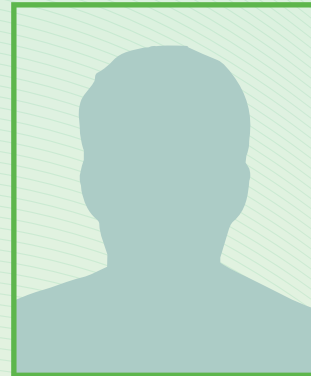
The Sponsors



Mrs. Shahana Yasmin



Mrs. Sultana Jahan



S. Jute Industries Limited*



Mr. Mohammad Ali Talukder*



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



Niki Dyeing, Printing & Finishing Mills Limited
Rep. by Mr. Md. Serajul Islam Bhuiyan



Mr. Mohd Jashim Uddin



Mr. Faiz Ahmed Khan



Mr. Syed Salman Masud

The Sponsors



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



Mr. Sheikh Fazle Shams



Barrister Rahat Khalil



Barrister Imranul Kabir



Barrister Khandaker Reza-E- Raquib



Dr. Golam Mohiuddin*



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

The Sponsors



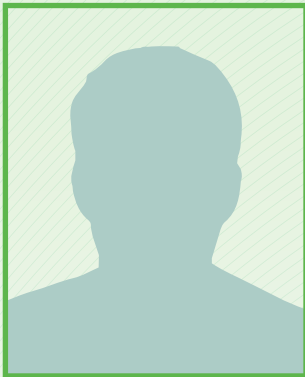
Mona Financial consultancy & Securities Limited
Rep. by Mr. Md. Mahbubur Rahman



Mr. Didarul Alam, MP



Meghna Flour & Dal Mills Limited
Rep. by Mr. Yousuf Ali



D & S Pretty Fashions Limited*



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



Azbal International Limited
Rep. by Mrs. Ferdousi Islam



Sharmin Fashions Limited**
Rep. by Mrs. Syeda Sharmin Hossain



Mr. Hasanur Bari**

* Transferred entire shareholding.
** Holds sponsor shares through transfer.

The **Senior Management** & Committees



MD & CEO Mr. Md. Shaful Azam and DMD Mr. Kazi Ahsan Khalil



*Mr. Md. Shaheen Howlader, SEVP and Head of SME & Retail | Mr. Kazi Ahsan Khalil, Deputy Managing Director
Mr. Md. Shaful Azam, Managing Director & CEO | Mr. Shahnawaj Chowdhury, SEVP and Head of Operations [from right]*

The Senior Management & Committees



MANCOM

- Chairman : Mr. Md. Shafiqur Rahman, Managing Director & CEO
- Members :
- : Mr. Kazi Ahsan Khalil, Deputy Managing Director
 - : Mr. Md. Shaheen Howlader, SEVP and Head of SME & Retail
 - : Mr. Shahnawaj Chowdhury, SEVP and Head of Operations
 - : Mr. Sufi Tofail Ahamed, EVP and Head of ICT Division
 - : Mr. Javed Khan, EVP and Head of Corporate & Member Secretary
 - : Ms. Fahmida Saeed Saki, EVP and Head of International Division
 - : Mr. Shaikh Mohammed Shoieb, SVP and Head of Trade Service Division
 - : Mr. Md. Shafiqur Rahman, SVP and Head of Human Resources Division
 - : Mr. Biswas Arifur Rahman, VP and Head of Treasury
 - : Mr. Mohammad Nazmul Hossain, FCA, VP and Head of Finance and Accounts Division
 - : Mr. Md. Emdad Hossain, VP and Head of ICCD
 - : Mr. Ashutosh Talukder, FVP and Company Secretary

The Senior Management & Committees



Asset Liability Committee, ALCO

- Chairman : Mr. Md. Shafiqur Rahman, Managing Director & CEO
- Members :
- : Mr. Kazi Ahsan Khalil, Deputy Managing Director
 - : Mr. Md. Shaheen Howlader, SEVP and Head of SME & Retail
 - : Mr. Shahnawaj Chowdhury, SEVP and Head of Operations
 - : Mr. Javed Khan, EVP and Head of Corporate
 - : Ms. Fahmida Saeed Saki, EVP and Head of International Division
 - : Mr. Shaikh Mohammed Shoieb, SVP and Head of Trade Service Division
 - : Mr. Md. Shafiqur Rahman, SVP and Head of Human Resources Division
 - : Mr. Biswas Arifur Rahman, VP and Head of Treasury & Member Secretary
 - : Mr. Mohammad Nazmul Hossain, FCA, VP and Head of Finance and Accounts Division
 - : Mr. Md. Mojammel Hoque, FVP, Risk Management Division

The Senior Management & **Committees**



Credit Evaluation Committee, **CEC**

- Chairman : Mr. Kazi Ahsan Khalil, Deputy Managing Director
- Members :
- : Mr. Md. Shaheen Howlader, SEVP and Head of SME & Retail
 - : Mr. Javed Khan, EVP and Head of Corporate & Member Secretary
 - : Mr. Shaikh Mohammed Shoieb, SVP and Head of Trade Service Division
 - : Mr. Arif Hasan Khan, SVP, Business Development and Marketing Division (Corporate)
 - : Mr. R.M. Sariful Islam, SVP, Credit Risk Management Division

The Executives

Managing Director & CEO

Mr. Md. Shafiqul Azam

Deputy Managing Director

Mr. Kazi Ahsan Khalil

Senior Executive Vice President

Mr. Md. Shaheen Howlader

Mr. Shahnawaj Chowdhury

Executive Vice President

Mr. Sufi Tofail Ahamed

Mr. Javed Khan

Ms. Fahmida Saeed Saki

Senior Vice President

Mr. Moklesur Rahman

Mr. Md. Shafiqur Rahman

Mr. Mohammad Anas

Mr. Shaikh Mohammed Shoieb

Mr. Arif Hasan Khan

Mr. R.M. Sariful Islam

Vice President

Mr. Md. Zainul Abedin

Mr. Atiqul Islam Akhand

Mr. Biswas Arifur Rahman

Mr. Azim Salam Khan

Mr. Mohammad Nazmul Hossain

Mr. Mohammad Abu Toyab

Mr. Md. Kamruzzaman

Mr. Shah Md. Humayun Kabir

Mr. Muhammad Amir Hossain Sarker

Mr. Md. Kayum Zaman

Mr. Noman Kabir

Mr. Md. Emdad Hossain

Mr. Mohammad Omar Faruq Khan

First Vice President

Mr. Md. Mahboobur Rahman

Mr. Md. Humayun Kabir Bhuiyan

Mr. Md. Moniruzzaman

Mr. K.M. Murshed Kabir

Mr. S.M. Imran Alam

Mr. Mohammad Najib Ullah

Mr. Muhammad Imran Alam

Mr. Kazi Asif Mahbub

Mr. Md. Kawsar Ali Molla

Mr. Mohammad Abul Hasan Kabir

Mr. R.M Shuvo Rahman

Mr. Mohammad Almas Uddin Miah

Ms. Asma Ul Husna

Mr. Md. Gias Uddin

Mr. Mohammad Faruk Hossain

Mr. Md. Lychur Rahman

Mr. Ashutosh Talukder

Mr. Mohammad Mahmud Hasan

Mr. Md. Monirul Islam

Mr. Md. Mojammel Hoque

Mr. S.M. Ashikur Rahman

Mr. Md. Nazmus Sakeb

Mr. Md. Rajaul Islam

Assistant Vice President

Mr. Md. Abdus Selim

Mr. Md. Touhidur Rahman

Mr. Zahid Al Muntasir

Mr. Md. Tofazzal Hossain

Mr. Tanushyam Sikder

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. Md. Ziaul Wahid

Mr. Kawsar Ahamad

Mr. Md. Abdullah Al Mamun

Mr. Mohammad Sanowar Hossain

Mr. Md. Shahidul Islam

Mr. Kamrul Momin

Mr. Md. Monir Hossain Bhuiyan

Mr. Md. Ataul Gani

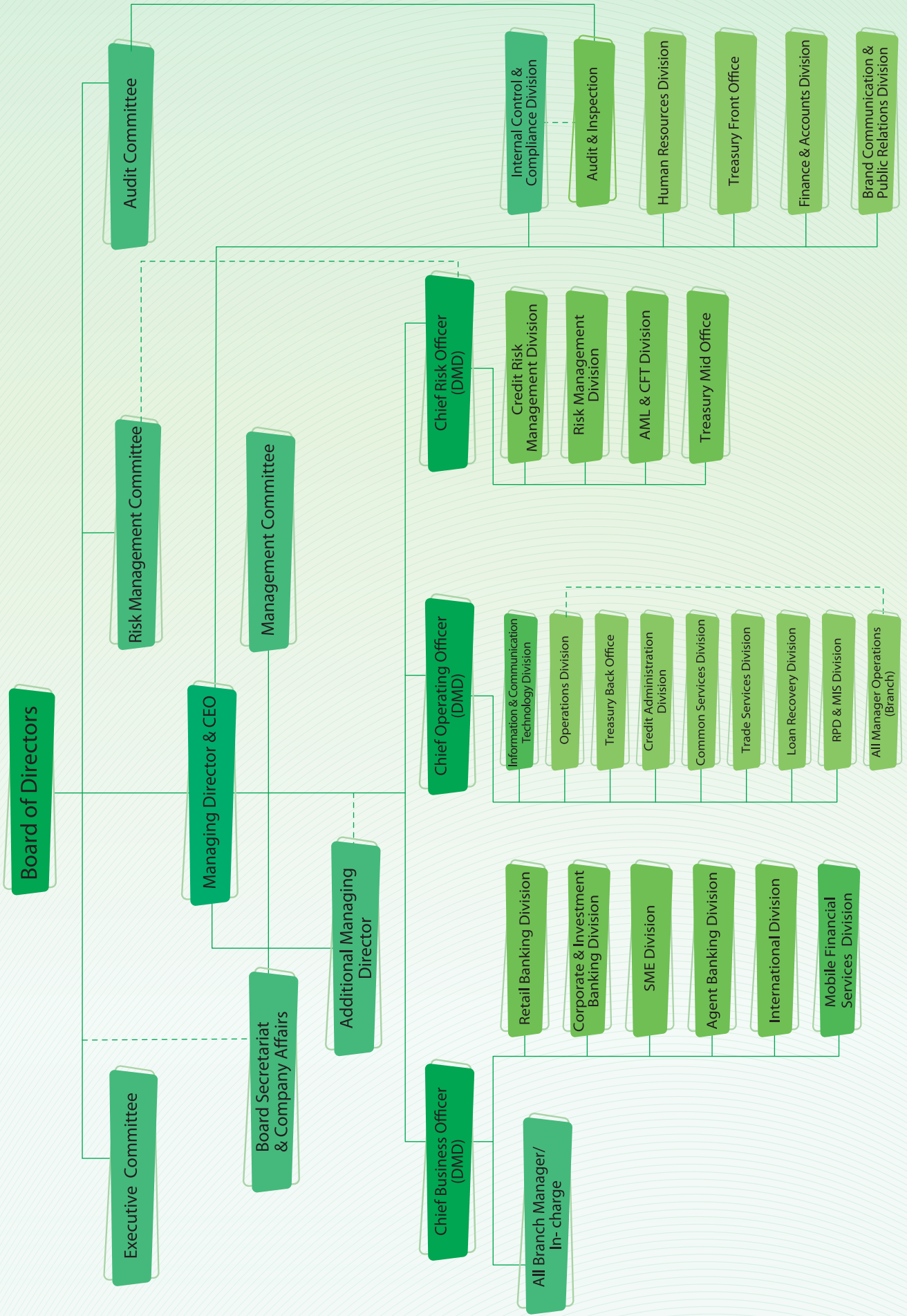
Mr. S. M. Shahin Iqbal

Mr. Md. Mashiur Alam Mollah

Mr. Md. Ashiqur Rahaman

Mr. Tapos Kumer Biswas

Corporate Organogram



Directors' Report & Business Review

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.

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 fulfilling our role and ensuring that we stay relevant to the communities we operate in. The Bank has tried its level best to diversify and expand its portfolio to include businesses of almost all types and sizes in various industries through its branches located in both urban and rural areas of the country.

Directors' Report

The Board of Directors of Modhumoti Bank Limited has an immense pleasure of presenting the Annual Report and the Audited Financial Statements for the year ended December 31, 2018 together with the Report of Auditors to the Shareholders on the occasion of the Sixth Annual General Meeting (AGM) of the Bank. A review of the report would reveal convincing performance of the Bank in a stiff and competitive environment. In addition, an overview of the key performances of the world and Bangladesh economy during 2018 and outlook for 2019 are provided in this report as part of humble presentation to our valued shareholders.

The Directors' Report has been prepared in compliance with section 184 of the Companies Act 1994, Bangladesh Securities and Exchange Commission's (BSEC) Notification and guidelines of Bangladesh Bank as well as other applicable regulations. Moreover, 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 Economy

The past year i.e. 2018 has been a transitional one for the world economy. In the early part of the year, the strong growth from 2017 continued. But as the year drew on, most indicators deteriorated. World trade growth is slowing in response to the economic uncertainty. Slow-down also reflects more unfavorable trade policies around the world. After strong world trade growth in 2017, growth slowed sharply in 2018. Global GDP growth will slow down from 3.8% to 3.5% in 2019. It has been forecasted that USA GDP growth is expected to slow down from 2.9% to 2.5%; China: 6.6% to 6.2%; Europe: 1.9% to 1.6%. Substantial fiscal action is required to keep the world economy growing particularly in China and the ASEAN economies. The US is already planning for a deficit of around 8% of GDP by 2021. The combined OECD fiscal deficit by 2020 will be 5% of GDP compared with just over 2% last year.

IMF forecasted that weakness in the second half of 2018 will carry over to coming quarters, with global growth projected to decline to 3.5 per cent in 2019 before picking up slightly to 3.6 per cent in 2020. This growth pattern reflects a persistent decline in the growth rate of advanced economies. From the trend levels reflected above it appears that downtrend is occurring more rapidly than previously anticipated-together with a temporary decline in the growth rate for emerging market and developing economies in 2019, suggesting contractions in few countries like Argentina and Turkey, as well as the impact of trade actions on China and other Asian economies. Specifically, growth in advanced economies is projected to slow from an estimated 2.3 per cent in 2018 to 2.0 per cent in 2019 and 1.7 per cent in 2020.

Among the developing economies, the regions of South Asia remained on a relatively strong growth trajectory, expanding by 5.6 per cent in 2018. Many commodity exporting countries, notably fuel exporters, are continuing a gradual recovery, although they remain exposed to volatile prices. Global economic growth remained at steady 3.7 per cent in 2018. Economic activity at the global level is expected to expand at a solid pace of more than 3 per cent in 2019.

World Economic Outlook

GDP at constant Prices	Percentage Change			
	Actual	Estimated	Projection	
	2017	2018	2019	2020
World	3.8	3.7	3.5	3.6
Advanced Economies	2.4	2.3	2.0	1.7
Emerging Market & Developing Economies	4.7	4.6	4.5	4.9

Source: World Economic Outlook Update (January 2019), International Monetary Fund

The Directors' Report has been prepared in compliance with section 184 of the Companies Act 1994, Bangladesh Securities and Exchange Commission's (BSEC) Notification and guidelines of Bangladesh Bank.

According to the latest IMF World Economic Outlook (January 2019), global growth has been revised down by 0.2 and 0.1 percentage points for 2019 and 2020 respectively. The downward revision reflected due continued trade tension, tighter global financial conditions, and higher commodity prices, as well as a weaker outlook for some key emerging market and developing economies arising from country specific factors.

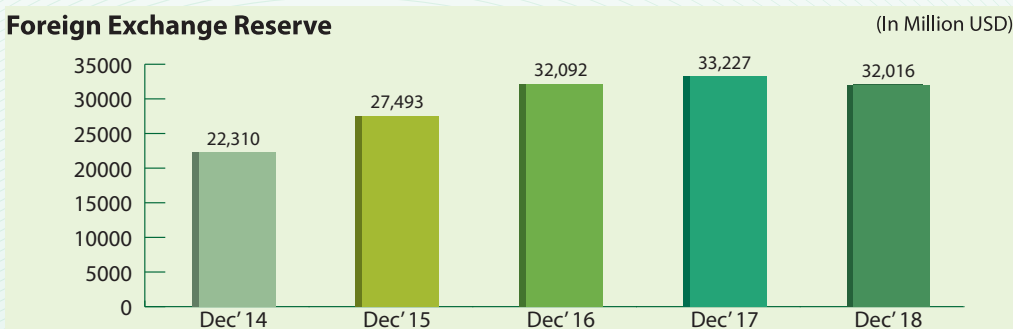
The latest World Economic League Table (WELT) for 2019 provides clear insight into the world economy and the growth prospects and rankings for each of 193 countries to 2033 and is published by the Centre for Economics and Business Research, a 25 year old London, UK based research organization. The study reveals that at the beginning of 2019 it seems likely that there will have to be expansionary policies announced during the year to prevent the world economy from sliding into recession. For the medium term it may roughly be as optimistic as it was a year ago, but it may be suspected that the route to growth will be bumpier than it was assumed earlier. A dynamic and inclusive global economy is central to delivering the ambitious targets of the 2030 Agenda for Sustainable Development.

Bangladesh Economy

Bangladesh will be the third fastest growing economy in the world in terms of achieving high Gross Domestic Product (GDP) in 2019, according to a United Nations report. Final estimates of Bangladesh Bureau of Statistics reveal that GDP grew by 7.86 per cent in FY 2018, up from 7.28 per cent in FY 2017, driven by strong domestic demand with support from robust credit growth, exports, and remittance inflows. Economic activities remained buoyant in the second half of 2018, aided by strong domestic demand, growth in remittance inflows at over 8.0 per cent in December 2018 and a pick-up in exports (14.4 per cent in December 2018). Government expenditure also supported domestic consumption and investment. Buyer's confidence in the RMG industry underpinned by improving workplace safety conditions and external demand, including from the strong US growth momentum and the diversification of RMG orders away from China aided exports. Improved energy supply and political calmness also supported economic activities.

Merchandise export (fob) rose by 6.4 per cent in FY18 to stand at USD 36.2 billion from USD 34 billion in FY17. However, export as a percentage of GDP decreased by 0.4 percentage point from 13.6 per cent in FY17 to 13.2 per cent in FY18. Export growth was led by growth in apparels (woven garments and knitwear products), and jute goods, whereas negative export growth of petroleum by-product, engineering products, raw jute, leather and leather products offset the large impact of apparels export growth. Merchandise import (fob) soared by 25.3 per cent in FY18 compared to 9.0 per cent increase in FY17. Import (fob) increased to USD 54.5 billion in FY18 from USD 43.5 billion in FY17, mainly driven by intermediate goods, industrial raw material and capital goods. Because of sharp rise in import, the trade deficit widened to USD 18.3 billion in FY18 from USD 9.5 billion in FY17.

Foreign exchange reserves have gone up past to a level generally deemed as adequate, but not yet to a level that could be viewed as excessive seen against those of other developing rival economies. Foreign exchange reserves held by Bangladesh Bank stood at US\$ 32,016 million at the end of December 2018 while it was US\$ 33,227 million in December 2017. Foreign exchange reserves decreased due to weak/less remittance flow in 2018 and high import payments.



Bangladesh will be the third fastest growing economy in the world in terms of achieving high Gross Domestic Product (GDP) in 2019, according to a United Nations report.

Inward remittance jumped by nearly 15 per cent or around \$2.0 billion in calendar year 2018 following the depreciating mode of BDT against dollar. Remittance inflows rose to \$15.53 billion in 2018 from \$13.54 billion a year ago despite a falling trend in outbound jobs of Bangladeshis. The uptrend in fuel oil prices globally also contributed to raise the inflow of remittance, particularly from the Middle-Eastern countries. The money sent home by Bangladeshis working abroad amounted to \$1.20 billion in December 2018 while it was \$1.17 billion in December 2017. It is expected that the country's stable outlook would continue with this upward trend in inward remittances in 2019.

Inflationary pressures remained well contained during the year 2018. Aided by moderating food inflation from lower rice prices, headline CPI inflation (point-to-point) continued its declining trend. Headline CPI inflation declined gradually to 5.35 per cent in December 2018 from 5.54 per cent in June 2018. Consequently, 12-month average inflation edged down to 5.54 per cent in December 2018 from 5.78 per cent in June 2018.

Bangladesh is moving towards high middle-income strata on the strength of an annual economic growth rate of 6 per cent and above during last five years or more. Based on the recent economic trends and econometric estimates, Bangladesh Bank projected GDP growth in the range of 7.5 to 8.2 per cent for FY2019 assuming continued political stability, carrying out necessary reforms for the economy and no external shocks.

Financial Year (FY): July to June	GDP Growth (%)
2011-12	6.52%
2012-13	6.01%
2013-14	6.06%
2014-15	6.55%
2015-16	7.11%
2016-17	7.28%
2017-18	7.86%

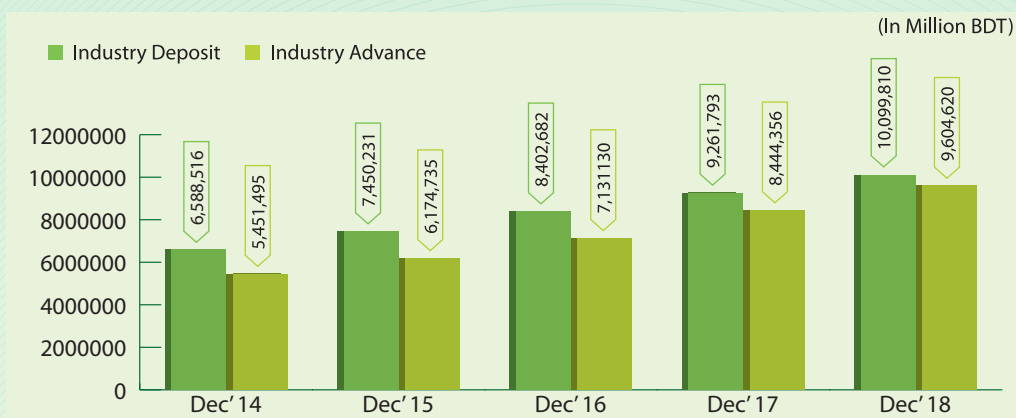
According to a new analysis by Centre for Economics and Business Research (CEBR), a UK-based research firm, Bangladesh is set to become the 24th largest economy in the next 15 years. The country was ranked 43rd in the globe in 2018 for its higher economic growth, may improve its position to 41st in the current year i.e., 2019.

Banking Industry Outlook

The banking system in Bangladesh appeared to be mostly resilient in 2018. A modest asset growth, led primarily by growth in loans and advances, was observed during the review year. Though growth in loans and advances shows moderated, still it continued to outpace the deposit growth. However, accumulation of higher deposits in earlier periods seemed to provide the required stability to the banking sector's deposit base. Asset quality of the banking sector slightly deteriorated. Nevertheless, net NPL ratio remained the same as that of the previous year mainly due to maintenance of higher loan-loss provisions. Consequently, profitability declined during 2018. Capital to risk-weighted assets ratio (CRAR) of the banking industry, even though decreased slightly in the review year, remained above the regulatory minimum capital requirement. Banking industry also maintained Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) well above the regulatory benchmarks. However, increase in advance-to-deposit ratio (ADR), particularly in PCBs, led towards a tighter liquidity condition.

The year 2018 passed with sluggish growth in deposits in the banking system, though different measures were taken by the government and the central bank to improve the situation. Lower deposit growth is creating liquidity pressure on the money market gradually, which may also put an adverse impact on the overall banking business in 2019 unless the situation improves shortly. Most of the time in the outgoing year, the banks, especially private lenders, faced liquidity pressure mainly due to higher credit growth than that of deposits. Total deposits in banking industry increased to BDT 10,099 billion in December 2018 as against BDT 9,261 billion in December 2017 representing a growth of 9.05 per cent. On the other hand, all banks' advances increased to BDT 9,604 billion in 2018 from BDT 8,444 billion in 2017 registering a 13.74 per cent growth.

The year 2018 passed with sluggish growth in deposits in the banking system, though different measures were taken by the government.



The highest ADR is re-fixed at 83.50 per cent for all the conventional banks and at 89 per cent for the Shariah-based Islamic banks, while the existing ratios are 85 per cent and 90 per cent respectively. The banks having ADR above re-fixed limit are allowed to implement the revised limit of ADR by September 30, 2019 instead of December 31, 2018 earlier. Most of the Banks had faced liquidity pressure following announcement of revised ADR. After more than two months of revising ADR, the central bank slashed the cash reserve requirement (CRR) by 1.0 percentage point to 5.50 per cent, enabling all the scheduled banks to use BDT 101 billion additional funds. Moreover, the decision was taken at a tripartite meeting of the Ministry of Finance, BB and the Bangladesh Association of Banks (BAB) on April 01, 2018 to help mitigate the current liquidity crunch in the banking system. The government had also allowed the state entities to deposit 50 per cent of their funds with the PCBs, up from the earlier ceiling of 25 per cent on the same ground. Banking sector indicators appeared concerning in 2018 as gross non-performing loan (NPL) ratio increased to 10.30 per cent at the end of December 2018 from 9.31 per cent in December 2017.

Challenges for the banking industry

Fundamental structural reforms are very much essential in our banking sector. Although the year 2019 is expected to be better for banking industry in Bangladesh but following uncertainties may persist:

- To keep both loan and deposit rate in single digit will be a big challenge for the banks as the market is supposed to play its own role in a macro-economic scenario.
- From the beginning of 2019, the industry has been passing through a liquidity contraction. On top of that Bangladesh Bank's directives for reduction of AD ratio in coming days will force the banks to collect deposits at higher rates limiting fresh lending at affordable pricing.
- Difference between the rate of deposits offered by the banks and rate of govt. savings instruments may be a reason for which savers are not interested to keep their money in banks. Consequently, deposit growth in private commercial Banks is not touching the level of expectation.
- Growth of investment and business activities may not occur as per projections due to various directives likely to impact credit flow and lack of governance letting loose ever rising NPLs.
- The big infrastructure projects that have been initiated in the recent years need to be implemented quickly to accelerate private investment. The planned special economic zones (SEZs) need to be operational soon. This, in turn, would encourage investment and export. In order to execute the ongoing mega projects, government may borrow huge sums from the banking sector eventually causing severe impact on the liquidity scenario.
- As per roadmap for implementation of Basel III, banks will require maintaining additional buffer capital of 2.50 per cent from 2019 & onwards which may cause pressure on Capital Management resulting in curtailing fresh lending.
- Flow of inward remittance may shrink further due to global recession & other adverse factors affecting global outlook and Bangladesh economy.

Banks will require maintaining additional buffer capital of 2.50 per cent from 2019 & onwards which may cause pressure on Capital Management.



The Bank inaugurated Kalia Branch in Narail in 2018.

Capital Market Outlook

Capital market of Bangladesh passed a challenging year in 2018. Financial market and Capital market are closely interlinked, as both of them are offering returns to the investors. Money market liquidity is another factor affecting this inter-relationship. The broad index DSEX has declined by 13.8 per cent in 2018, wiping out USD 4.3 billion of market capitalization. Average daily turnover amounted to USD 65.6 million, has decreased by 37.0 per cent than that in 2017. In 2018, financial sector was adversely affected by rising interest rate and growing NPL problems which dominated its stock market performance. The most important event in capital market of Bangladesh in 2018 was the strategic partnership between Dhaka Stock Exchange and a Chinese consortium of Shanghai and Shenzhen Stock exchanges. Until recent time, the market appeared heading for stability after 2010 bubble but uncertainty might set anytime despite proactive efforts by Bangladesh Bank and Bangladesh Securities and Exchange Commission in stabilizing capital market and simultaneously, taking steps for reining the banking sector's capital market exposures within global best practice norms linked to their capital bases. In the long run, market always and everywhere reflects fundamentals. As it is expected that fundamentals will remain strong in our economy, capital market will naturally perform better.

Review on performances of Modhumoti Bank Limited

Background

Modhumoti Bank Limited (the 'Bank') 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 and 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.

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', under 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 Bank has 35 branches and 1 Off-shore Banking Unit as on 31 December 2018. The banking businesses include deposits taking, cash withdrawal, extending

The Bank has real-time online banking network through 38 branches in both urban and rural areas having smart IT-backbone.

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 products. Core competencies may be classified into two segments interest earning activities in the form of providing loans and advances and investment activities.

Meanwhile 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. The Bank also opened 281 Agent Points in Union Digital Centres (UDCs) under arrangement with a2i of Prime Minister's Office through Agent Banking Operation till 2018. At present the Bank has real-time online banking network through 38 branches in both urban and rural areas having smart IT-backbone. Besides traditional delivery points, the Bank has 40 ATMs of its own, also sharing with other partner banks and consortium throughout the country. Presently, the Bank does not have any subsidiary company, but forming one for conducting fund management activities under Bangladesh Securities and Exchange Commission (Alternative Investment) Rules, 2015 is under process.

Segment/sector wise product performance

At the end of 2018, loans & advances increased by 17.88 per cent compared to the year 2017 and stood at BDT 35,575.65 million. Analysis on performances from different points of view on corporate lending vis-à-vis total lending of the Bank as on 31.12.2018 is presented in the tables below:

Major types of credit exposures

(In Million BDT)

Sl.no.	Types	2018	2017
1	Agriculture, fishing, forestry and dairy firm	146.12	136.90
2	Industry (Other than working capital)	6,008.35	5,200.83
3	Working capital financing	8,630.83	7,312.46
4	Export credit	1,492.47	1,440.31
5	Import credit	3,450.22	3,279.81
6	Commercial credit	3,079.36	1,255.36
7	Constructions	4,597.47	2,816.92
8	Transport and Communication	688.66	688.40
9	Consumer Credit	401.87	347.58
10	Others	7,080.29	7,702.72
	Total	35,575.65	30,181.30

Major industry-wise distribution of exposures

Major industry-wise credit exposure of the Bank as of December 31, 2018 was as below, and the numbers remained within the appetite of the Bank as approved by the Board of Directors.

(In Million BDT)

Sl.no.	Sector/Industry	2018	2017
1	Agriculture	97.60	137.50
2	Industry	15,855.60	11,168.30
3	Constructions	3,568.90	2,720.50
4	Power, Gas, Water & Sanitary Services	982.90	1,329.10
5	Transport, Storage & Communication	811.80	688.40
6	Trade Services	5,131.80	5,339.80
7	Housing Services	1,494.50	1,563.70
8	Banking & Insurance	4,526.20	3,918.60
9	Professional & Misc. services	3,106.35	3,315.40
	Total	35,575.65	30,181.30

At the end of 2018, loans & advances increased by 17.88 per cent compared to the year 2017 and stood at BDT 35,575.65 million.

Geographical distribution of credit exposures

(In Million BDT)

Sl.no.	Name of Division	2018	2017
Region Based	Barishal	42.55	51.41
	Chattogram	3,975.05	1,843.68
	Dhaka	30,440.00	27,117.77
	Khulna	743.86	851.86
	Mymensingh	36.53	33.16
	Rajshahi	69.16	64.54
	Rangpur	155.14	116.85
	Sylhet	113.37	102.04
	Total	35,575.65	30,181.30
Country Based	Domestic	35,575.65	30,181.30
	Overseas	-	-

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. 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 Gross Profit Margin, Operating Margin, Net Profit Margin, Break-even Point Analysis, Return on Asset (ROA) and Return on Equity (ROE).

Preparation of Financial Statements

The financial statements prepared by the 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 Financial Reporting Standards (IFRS) as adopted by the ICAB, the Securities and Exchange Rules 1987 and relevant rules & regulations applicable in Bangladesh. The external auditor, M/s. A. Qasem & Co., Chartered Accountants appointed by the shareholders, have certified the fairness of the financial statements for the year ended 31 December 2018. The financial statements of 2018 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 consideration.

Maintaining proper books of accounts

The Bank maintained proper books of accounts for its financial transactions occurred during the year 2018. 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, M/s. A. Qasem & Co., Chartered Accountants with an opinion that proper books of accounts as required by the law have been properly maintained.

The financial statements are prepared, compared, evaluated and analysed considering the prevailing business environment, opportunities and in the challenging context of economic environment and banking industry.

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.

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 have prevailed. 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 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 policies and approved delegation of authority matrix for all of its vendors. While selecting vendors as per the methods prescribed in the Bank's Procurement Policy, payment terms & conditions are communicated explicitly before issuing work order or purchase order. Bills are paid according to the payment terms and withholding taxes are deducted from bills as per tax laws. As of date there is no legal case filed by the Bank or filed against the Bank by any supplier.

Internal control System

Internal Control is a continuous process developed in combination of policies & procedures in order to provide safe & sound operations within the organization and also helps to achieve its goals and objectives, but provides only reasonable assurance, not absolute assurance. It is important for a bank-company most importantly, since activities of a bank involves with diversified & complex financial activities and high risks are associated with every activity. So issue of establishing an effective internal control system, good governance, transparency in all financial activities and accountability towards its stakeholders and regulators have become significant to ensure smooth performance of the banking industry throughout the world.

The Board of Directors through its Audit Committee 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. These controls include financial controls that assist the Board in meeting its responsibilities for the integrity and accuracy of the Bank's accounting records. The Bank's financial statements, prepared

The Board of Directors through its Audit Committee reviews the effectiveness of the system of internal controls and management, establish effective audit process and manage various risks.

from those records, comply with the required laws and standards. The system of internal control is sound in design and has been effectively implemented and monitored.

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. 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.

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.

The Bank has already formed different committees for risk management, which include the Board's Risk Management Committee. All Risk Committee of the Management, Management SRP Team and Basel Unit (Supervisory Committee) have been formed long 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. 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 most important out of six core risks of banking business, which refers to the probability of loss due to a borrower's failure to make payments on any type of debt. Credit risk management is the practice of mitigating losses by understanding adequacy of a bank's capital and loan loss reserves at any given time – a process that has long been a challenge for financial institutions. The Bank has a clearly-stated guideline that provides broad based policy on the core principles for identifying, measuring, managing and controlling credit risk. Multi-angular analysis has been exercised to make credit operations compatible with the highest standard of industry best practices and by incorporating credit appraisal principles. A well-defined process for credit approval is being followed in the Bank, through which a good number of credit risk officers (credit analysts) having adequate knowledge, experience and background exercise their prudence in assessing, approving and managing credit risk, wherein Credit Evaluation Committee at Head Office also assists the Management through reviewing necessarily and recommended for approval if satisfied. Business delegation for approval by the

Credit Evaluation Committee assists the Management through reviewing necessarily and recommended for approval if satisfied.

Management is also specified and proposals beyond such authority are being placed with ample analysis before the Executive Committee of the Board and in case of large loan to the Board of Directors for obtaining approval.

ICT Risk Management

There is no choice now-a-days, but a bank-company shall keep them more updated on Information Technology to improve operational efficiency, transparency, speed and accuracy in banking transactions. Technological development of a bank can tremendously increase its customer service as well as trust worthiness to the stakeholders towards the bank. But adoption of technology demands ensuring that the ICT related risks are properly identified and mitigated through a prudent ICT risk management strategy.

The Bank took considerable measures from time to time to mitigate identified vulnerabilities and risks. The Bank is gradually implementing various ICT related security solutions to ensure further security of the threat factors (like: Network, Mail, ATM Operation etc.). As the ICT risk management is an ongoing process, the Bank is constantly assessing risk by analyzing threats and vulnerabilities within its risk management framework and taking appropriate actions to mitigate and maintain an acceptable level of risk.

Internal Control & Compliance

Modhumoti Bank has continuously 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 ICC policies through the resources of the ICC Division. Our control system has been designed in such a way, so that compliance with all the relevant requirements is maintained in each activity of the Bank. Internal Control & Compliance Division (ICCD) of the Bank is comprised of 03 (three) interrelated wings/units, namely i) Audit & Inspection Department, ii) Monitoring Department and iii) Compliance Department. This Division independently verifies that all the branches/divisions are conducting their business in compliance with all approved risk management and internal control policies. If deviations are found, they are reported and got corrected to mitigate risk on a continuous basis. Furthermore, according to the provision of DOS Circular Letter No.17/2012 of Bangladesh Bank, the Bank requires to report to Bangladesh Bank stating its self-assessment (on the effectiveness of anti-fraud internal controls) activities. Thus, ICCD ensures the Board that the Bank is operating in compliance with all approved and established policies. Alongside, the Board of Directors, its Executive Committee, Audit Committee, Risk Management Committee, Management Committees, and Management Units also keep constant watch in risk management.

Anti-Money Laundering and combating Terrorism Financing

Modhumoti Bank Limited is aware to become compliant on anti-money laundering and combating terrorism financing issues as per guidelines of Bangladesh Bank since inception in 2013. AMLCFT Division as well as Central Compliance Unit at Head office was formed, Chief Anti Money Laundering Compliance Officer (CAMLCO), Deputy CAMLCO and BAMLCO were nominated in the very first year, and the Bank has taken many steps then to strengthen the total process in a structured way including arranging trainings for employees, participating in Central Bank and BFIU's initiatives taken from time to time. A manual has already been prepared entitled 'Money Laundering and Terrorist Financing Risk Management Guidelines' following Bangladesh Bank guidelines in this context and has been reviewed from time to time.

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

Control system has been designed in such a way, so that compliance with all the relevant requirements is maintained in each activity of the Bank.

ended 31 December 2018. 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 31 December 2018. 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 2018), Bangladesh Bank guidelines, Corporate Governance Code of Bangladesh Securities and Exchange Commission etc.

Analysis of business performances and financials

Modhumoti Bank is maintaining its performance consistently in the last five years in terms of business volume and profitability. During the last five years, the Bank's total assets recorded growth of 213.35 per cent and stood at BDT 51,304 million at the end of 2018, which was BDT 16,373 million at the end of 2014. At the end of 2018, loans & advances increased by 17.88 per cent compared to the year 2017 and stood at BDT 35,576 million. Modhumoti Bank Limited has been able to keep its NPL at 1.83 per cent which is much below than the industry average rate of 10.30 per cent. The Bank has further strengthened its recovery process and monitoring of impaired loans which will be helpful for restraining NPL within a very low level in coming days.

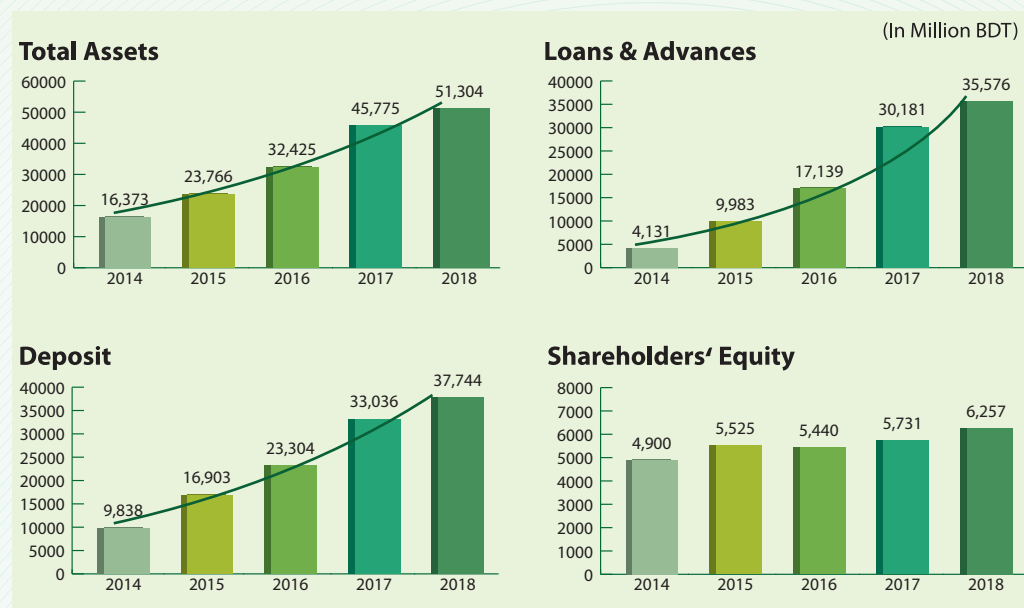
Deposit has stood at BDT 37,744 million at the year-end with an increase of BDT 4,708 million during 2018, though growth of deposit in 2018 was lesser than of credit growth. The Shareholders' equity has a positive growth of 9.18 per cent compared to previous year and it stood at BDT 6,257 million at the end of 2018.

Analysis of other performances

(In Million BDT)

Particulars	2018	2017	Growth
Import	20,040.3	17,513.3	14.43%
Export	20,005.2	9,367.7	113.56%
NRB Remittance	438.1	157.1	178.87%
Bank Guarantee	11,033.8	5,319.0	107.44%

Review of financial position as presented in the following graphs and tables reveals that the Bank has been able to maintain satisfactory growth of its total assets & other key performance indicators in spite of various challenges during the year 2018.



Modhumoti Bank Limited has been able to keep its NPL at 1.83 per cent which is much below than the industry average rate of 10.30 per cent.

Quarterly and Annual Financial Performance

Following table presents quarterly information of four quarters of the Bank during 2018 along with annually reflection, comparison of which with previous years has also been shown below.

(In Million BDT)

Particulars	Q-1	Q-2	Q-3	Q-4	Annually
A) Net interest income	422.60	465.00	468.00	528.73	1,884.33
B) Non-interest income	179.60	230.30	197.90	314.62	922.42
C) Operating income (A+B)	602.20	695.30	665.90	843.35	2,806.75
D) Operating expenses	193.90	222.60	222.50	225.82	864.82
E) Operating profit (C-D)	408.30	472.70	443.40	617.53	1,941.93

Analysis of Income Statement

(In Million BDT)

Particulars	2018	2017	Change in Amount	Change in %
Interest Income	4,386.05	3,100.80	1,285.25	41.45%
Interest Expense	2,501.71	1,816.11	685.60	37.75%
Net Interest Income	1,884.33	1,284.69	599.64	46.68%
Non-Interest Income	922.42	961.42	(39.00)	(4.06%)
Operating Expenses	864.82	780.4	84.42	10.82%
Profit before Provision	1,941.93	1,465.71	476.22	32.49%
Profit before Taxes	1,682.43	1,289.79	392.64	30.44%
Net Profit after Taxes (NPAT)	981.99	746.13	235.86	31.61%

Operating Expenses

The Bank's total operating expenditures were BDT 864.82 million in 2018 compared to BDT 780.40 million of 2017. The Bank had undertaken different initiatives, such as recruitment of a significant number of experienced and professional employees and also a good number of Probationary Officers to develop future leaders. Besides, Bank had opened six new branches along with ATM booths, expanded IT infrastructure and opened many agent points etc. during the year 2018. The increased cost contributed to expedite business operations. To match with the growth of business and expansion of branch; significant expenses were incurred for developing brand image and increased promotional and advertisement activities. Overall bank rent, utility bills, insurance premium, printing & stationary, repair, maintenance, office security, advertisements and business promotion expenses experienced a usual growth during 2018.

Vehicles Cost

The total number of the vehicles of the Bank is 7 (seven). The vehicles are generally used for carrying cash from feeding branch to other branches and for providing transport facilities to the executives for completion official duties. The total expenditure for vehicles was BDT 2.48 million in the year 2018 as against BDT 2.09 million in the year 2017.

Director's Remuneration

Directors are not eligible to any remuneration other than for attending any meeting of the Board and its Committee. The Bank paid BDT 8,000.00 each for attending a meeting in compliance with the BRPD Circular Letter No. 11 dated 4th October, 2015 of Bangladesh Bank, subject to deduction of 10 per cent as AIT. In the year 2018, a total of BDT 1.464 million has been paid as Directors' Fees, which was BDT 1.832 million in 2017.

Managing Director receives salary, allowances and other facilities according to his service contract. The details information regarding Managing Director's Salary and Fees is presented in Notes annexed to the Financial Statements.

Bank had opened six new branches along with ATM booths, expanded IT infrastructure and opened many agent points etc. during the year 2018.

Contribution to the National Exchequer

Modhumoti Bank is one of the largest tax payers in the country's banking sector and it regularly fulfils its direct and indirect tax obligations in time, which has a significant impact on our government treasury. During the period of January-December 2018, the Bank contributed in the following manner:

(In Million BDT)

Particulars	Year	Contribution
Corporate Tax, withholding tax, VAT and excise duty	2018	979.20
	2017	789.95

Key Performance Feature & Ratio

(In Million BDT)

Particulars	2018	2017
Net Asset Value per share (NAV) BDT	13.84	12.68
Earnings per share (BDT)	2.17	1.65
Net Operating Cash Flow Per Share (NOCFPS)	0.96	0.01
Return on asset (ROA)	2.02%	1.93%
Return on equity (ROE)	16.38%	13.36%
NPL	1.83%	0.29%
Yield on Advance	12.48%	10.59%
Cost of deposit	6.68%	5.52%
Cost of administration	1.74%	1.64%
Cost of fund	8.42%	7.16%
Spread	4.05%	3.43%

Appropriation of profit

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

(In Million BDT)

Particulars	2018	2017
Net Profit After Tax (NPAT)	981.99	746.13
Less: Statutory Reserve (20% on Profit before Tax)	336.49	257.96
Retained Surplus during the year	645.50	488.17
Add: Retained Surplus from the previous year	37.67	1.49
Distributable Profit for the year 2018	683.17	489.66

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% including 'Common Equity Tier-1 Capital Ratio' of 4.50%. Additionally, banks have to maintain 'Capital Conservation Buffer' of 2.50% by the end of the year 2019. There are some phase-in arrangements for Basel-III implementation by Bangladesh Bank, which allow the Banks to maintain 'Capital to Risk-weighted Asset Ratio (CRAR)' at 11.875% by the end of 2018. Modhumoti Bank has able to maintain CRAR at 15.04% at the end of 2018 due to its strong capital base. As a result of our efficient Balance Sheet management, the Bank has consistently been maintaining all Basel ratios after release of Action Plan/Roadmap for implementation by Bangladesh Bank in December 2014 (ref: BRPD Circular No. 18, dated December 21, 2014).

Total capital fund of the Bank increased by BDT 646 million and stood at BDT 6,771 million during 2018, which is elaborated below:

Total capital fund of the Bank increased by BDT 646 million and stood at BDT 6,771 million during 2018.

(In Million BDT)

Particulars	Dec 2018	Dec 2017
Tier-I Capital	6,256	5,726
Tier-II Capital	514	398
Total Capital	6,771	6,125
Total RWA	45,008	36,546
CRAR (Percentage)	15.04%	16.76%

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, 2018 and affirmed that the rating of the Bank has improved from 'A3' to 'A2' in the long term category. Three years rating is summarized as under:

Particulars	Credit Rating		
	Year-2018	Year-2017	Year-2016
Long Term	A2	A3	A3
Short Term	ST-2	ST-2	ST-2
Outlook	Stable	Stable	Stable
Date of Rating	30 June 2019	28 June 2018	8 June 2017
Validity	30 June 2020	30 June 2019	30 June 2018

Events occurring after the reporting date

As at the date of this report, the Directors are not aware of any matter or circumstance that has arisen since the end of the year 2018 up to the date of approval of financial statements by the Board of Directors of the Bank that has significantly affected or may significantly affect the operations of the Bank, the results of its operations or its state of affairs. However, the only event is, on 25 July 2019, the Board of Directors of the Bank has recommended stock dividend @ 5%, i.e., 5 shares against holding of each 100 shares and also cash dividend @ 10%, i.e., BDT 1.00 against per share of BDT 10.00 each, subject to approval of the shareholders in the ensuing Annual General Meeting scheduled to be held on 19 September 2019.

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

The rating of the Bank has improved from 'A3' to 'A2' in the long term category.



Modhumoti Bank Limited contributed to the Prime Minister's Relief & Welfare Fund as a part of CSR.

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.

The Bank manages its business in a responsible way and contributes to the society and environment in which it should be operated. The Bank has spent amounting BDT 19.62 million to carry on various CSR activities during 2018, which was BDT 19.14 million in 2017.

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 focuses 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 is aware on 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.

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 acknowledges the greater responsibility of prioritizing accomplishment of transparency, accountability and professionalism

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. 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 the Fifth Annual General Meeting held on 27 September 2018, the Board constituted with 18 members. In 2018, the Board approved and ratified many policies and operating manuals 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 seven members under chair of Barrister Sheikh Fazle Noor Taposh, MP. The Board has also formed an Audit Committee consisting of 3 (three) members under chair of Mr. Shaikh Salahuddin, Vice-Chairman of the Board of Directors and a Risk Management Committee consisting of 5 (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 2018

In 2018, 6 (six) meetings of the Board of Directors were held. Besides, 13 (thirteen) 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. Directors who could not attend the meeting(s) were granted leave of absence by the Board. The status of the attendance is presented below:

Attendance of Directors in Board Meeting held in 2018

Name	Status	No. of meetings attended	Remarks
Mr. Humayun Kabir	Chairman	6	
Mr. Shaikh Salahuddin, MP	Vice Chairman	4	
Mr. Sheikh Fazle Noor Taposh, MP	Director	6	
Mr. Mohammad Ismail Hossain	Director	6	
Mr. Nemai Kumer Saha	Director	5	
Mr. Salahuddin Alamgir	Director	6	
Mr. Mostafa Kamal	Director	4	
Mrs. Tanjima Binthe Mostafa	Director	4	
Mr. Humayun Kabir Bablu	Director	5	
Mrs. Shahana Yasmin	Director	3	
Mrs. Sultana Jahan	Director	4	
Mr. A. Mannan Khan	Director	5	
Mrs. Ferdousi Islam	Director	4	
Mr. Manwar Hossain	Director	5	
Mr. Tanveer Ahmed Mostafa	Director	2	Elected on 27 September 2018
Mr. Md. Mahbubur Rahman	Director	5	
Mr. Didarul Alam, MP	Director	4	
Mrs. Syeda Sharmin Hossain	Director	5	
Mr. Md. Shafiu Azam	Managing Director & CEO	5	The Managing Director attended the meeting as an Ex-officio member of the Board. The Deputy Managing Director attends meeting upon invitation in case of absence of the Managing Director.

6 (six) meetings of the Board of Directors, 13 (thirteen) meetings of Executive Committee (EC), 4 (four) meetings of Audit Committee (ACB) and also 4 (four) meetings of Risk Management Committee (RMC) were held in 2018.

Brief History of Capital and Utilization Thereof

The Bank has been incorporated on 4 June 2013 with paid-up capital of BDT 4,320.00 million, but raised BDT 200.00 million on 10 June 2013 through issuing further capital as approved by Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), for which paid-up capital stood at BDT 4,520.00 million divided into 452 million of ordinary shares while the Bank has been started operation on 19 September 2013. The Capital is utilized for procuring fixed assets, maintaining CRR and for operation of banking business.

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 4,520.00 million divided into 452.00 million ordinary shares as of 31 December 2018. The Bank's shares are yet to be floated through initial public offering (IPO) and hence, not listed with any stock exchange. Bangladesh Bank has allowed time extension for IPO till 2019 and the Bank has already applied for further extension, which is yet under their consideration. The Board members collectively represented 72.57 per cent of total outstanding paid-up capital of the Bank at the end of 2018, which was 73.00 per cent in 2017. 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 2018:

SL.	Name	No. of Shares	% of total Shares	Nominating Shareholder's (Institution) Name	Remarks
1	Mr. Humayun Kabir & Spouse	12,000,000	2.655%	--	--
2	Mr. Shaikh Salahuddin & Spouse	38,000,000	8.410%	--	Both are Directors
3	Mr. Sheikh Fazle Noor Taposh & Spouse	40,000,000	8.850%	--	--
4	Mr. Mohammad Ismail Hossain & Spouse	20,000,000	4.425%	M/s. Sharmin Apparels Limited	--
5	Mr. Nemaï Kumer Saha & Spouse	30,000,000	6.637%	M/s. Sandhani Life Insurance Co. Limited	--
6	Mr. Salahuddin Alamgir & Spouse	40,000,000	8.850%	--	Both are Directors
7	Mr. Mostafa Kamal & Spouse	20,000,000	4.425%	M/s. Tanveer Oils Limited	--
8	Mrs. Tanjima Binthe Mostafa & Spouse	20,000,000	4.425%	M/s. Everest Power Generation Co. Limited	--
9	Mr. Humayun Kabir Bablu & Spouse	20,000,000	4.425%	--	--
10	Mrs. Shahana Yasmin & Spouse	38,000,000	8.410%	--	Both are Directors
11	Mrs. Sultana Jahan & Spouse	40,000,000	8.850%	--	Both are Directors
12	Mr. A Mannan Khan & Spouse	20,000,000	4.425%	M/s. Mango Teleservices Limited	--
13	Mrs. Ferdousi Islam & Spouse	20,000,000	4.425%	M/s. Azbal International Limited	--
14	Mr. Manwar Hossain & Spouse	10,000,000	2.212%	M/s. Anwar Jute Spinning Mills Limited	--
15	Mr. Tanveer Ahmed Mostafa & Spouse	12,000,000	2.655%	M/s. Meghna Flour & Dal Mills Limited	--
16	Mr. Md. Mahbubur Rahman & Spouse	10,000,000	2.212%	M/s. Mona Financial Consultancy & Securities Limited	--
17	Mr. Didarul Alam & Spouse	8,000,000	1.770%	--	--
18	Mrs. Syeda Sharmin Hossain & Spouse	8,000,000	1.770%	M/s. Sharmin Fashions Limited	--

The Bank's shares are yet to be floated through initial public offering (IPO) and hence, not listed with any stock exchange.



The Bank established ATM Booth at Shibpur, Narsingdi.

- (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 per cent (10%) or more voting interest in the company : Nil

Auditors' Report

The Board of Directors reviewed the Auditors' Report provided by the Bank's auditors, M/s. A. Qasem & Co., Chartered Accountants based on the audited financial statements of the Bank for the year ended on 31 December, 2018. 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 Sixth Annual General Meeting 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.

Appointment of Auditors

M/s. A. Qasem & Co., Chartered Accountants, the current Auditors were appointed in the Third Annual General Meeting held on 28 September, 2016. Since they have audited the accounts of the Bank for subsequent three years, i.e., 2016, 2017 and 2018; they are not eligible for re-appointment for next term as per regulation of Bangladesh Bank and the Bangladesh Securities & Exchange Commission (BSEC). According to Companies Act 1994, the shareholders are empowered to appoint external auditors and fix their remuneration at Annual General Meeting. Further, obtaining subsequent approval from Bangladesh Bank is required. 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 which are sometimes volatile as witnessed in recent times. In 2018, Modhumoti Bank made good progress on executing our strategy and improving returns. Our progress gives us 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. We can accelerate our growth and achieve increased returns for the shareholders in the years ahead.

The auditors didn't raise any material misstatement or significant disagreement during review of the Bank's financial statements.

We shall remain as a well-diversified bank for providing excellent products and services to our customers and clients. Our business model enables us to leverage resource and relationship to produce long-term sustainable outputs for our stakeholders. These outputs provide combined value for our stakeholders, helping people to rise.

We have a strong capital base and have acquired a quality business portfolio and diversity to help us boost our revenue earnings. Our presence in the market is growing steadily and we are in the process of further improving our presence in all areas of operations. We have professional Bankers with profound managerial talents & experience and perhaps most importantly, we have a hard 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. Performance against our financial metrics and strategic non-financial performance measures is directly linked to executive remuneration, and influences incentive outcomes for our employees more broadly. This approach supports us in our work to deliver positive outcomes for all our stakeholders. 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.

Acknowledgement

We would like to take the opportunity of expressing our heart-felt appreciation and 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 auditors who have 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, patrons 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.

We also expresses deep appreciation to the Management and all employees including sub-staffs for their enthusiasm in developing all the business models, policies & procedures and implementing an effective control system and also for their insatiable passion to improve process and platforms by embracing new and better ways of doing things to place the Bank to be a prestigious one.

We wholeheartedly appreciate the sincere effort along with combined and incessant support of the Board of Directors by all of its Committees for their wise counsel and guidance in matters of governance and strategic direction which has set strong foundation for sustainable growth and acts as an engine for responsible growth that is producing stronger financial results and momentum.

Lastly, I personally, would like to thank my colleagues at the Board again for their valuable time and contributions in guiding the Bank to the right direction and also like to thank all of our stakeholders for their continuous support and trust on us. Looking forward for a better performance in 2019.

On behalf of the Board of Directors,



Humayun Kabir
Chairman

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.

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

The current economic environment has heightened the need for effective audit committees. The financial debacles and alleged fraudulent activities at banking sector – along with phenomena such as continuing economic turbulence are well known to the public. An Audit committee provides actionable insights to oversee and improve financial practices and reporting. With insights and expertise in financial, legal, management and operational issues, audit committee creates and maintains effective anti-fraud programs. They can also encourage the organization's leadership team to establish a comprehensive ethics and compliance program. Since banks, as a financial intermediary, do business with the money of other people, responsibilities of a bank-company are more crucial than those of others.

Modhumoti Bank believes that 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 stakeholders. The Board of Directors is aware on their role and responsibilities; as such constituted the Audit Committee of the Board as an organizational structure through which internal audit teams reporting directly to them, contributes to the overall integrity of the internal audit functions as well as effectiveness and also communicates a message of independence, reliability and trust. It also builds confidence and credibility among present and potential stakeholders.

This Report on activities of the Board's Audit Committee during 2018 is prepared as a disclosure in Annual Report in accordance with the direction given by Bangladesh Securities and Exchange Commission (BSEC) through Corporate Governance Code dated 3 June 2018.

Constitution of the Audit Committee

The Board of Directors of Modhumoti Bank formed the Board's Audit Committee in their very first meeting held on 01 August 2013, the ToR of which has been prepared in line with BRPD Circular No. 11 on 27 October 2013 and other policies and circulars of Bangladesh Bank issued from time to time. The Audit Committee has been reformed on 28 July 2016 in the 22nd meeting of the Board of Directors, which was in force at the balance sheet date of 2018.

All the members chosen are financially literate 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, MP	Chairman	Vice-Chairman
Mr. A Mannan Khan	Member	Director
Mr. Md. Mahbubur Rahman	Member	Director

Activities and functions of the Audit Committee

The responsibility of the Audit Committee has been widened with the promulgation of revised ICC Guidelines and risk related circulars besides the amended Bank Companies Act, 1991 and accordingly, the Committee has to discharge manifold functions including special assignments requested by the Board.

The responsibility of the Audit Committee has been widened with the promulgation of revised ICC Guidelines.

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 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 othersimilar issues found by internal and external auditors and inspectors of the regulatoryauthority and place it before the Board after reviewing whether necessary corrective measureshave been taken by the Management.

Financial Reporting

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

Internal Audit

- To monitor whether internal control management is able to conduct its operation independently fromthe bank-management;
- To review the activities and the organizational structure of the internal audit and ensurethat 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 areduely 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 (centralbank and other bodies) as well as internalrules and regulations approved by the Board of the Bank.

Meetings and key activities in 2018

According to applicable rules and regulations, 04 (four) meetings of the Committee were held in the year 2018. The Committee from time to time invited the Managing Director, theHead 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 and placed in the following meeting of the Board of Directors. Company Secretary of the Board acts as the Secretary of the Committee.The Management has extended necessary cooperation and team members were present

The Board of Directors is aware on their role and responsibilities; as such constituted the Audit Committee of the Board as an organizational structure through which internal audit teams reporting directly to them.

accordingly on invitation. The following matters were transacted in the meetings among others:

- » The Committee approved yearly risk based annual audit & inspection plan for 2018;
- » The Committee reviewed risk based inspection reports from time to time and compliance thereof and the Management has been advised for necessary compliance;
- » The Committee reviewed draft financial statements for the year ended 2017 and recommended for approval, which have subsequently been approved by the Board of Directors and by the shareholders in the Fifth Annual General Meeting;
- » The Committee reviewed the Management Report prepared by external auditors, M/s. A. Qasem & Co., Chartered Accountants and stressed rapid rectification of the lapses pointed out in it;
- » The Committee reviewed quarterly reports on the nature of discrepancies/ lapses in credit documents/ portfolio according to Central Bank guidelines;
- » The Committee reviewed Bangladesh Bank's Comprehensive Inspection Report as of 31.12.2017 on Head Office, which has been discussed later on in the Special Board Meeting held on 17 January 2019 in presence of Bangladesh Bank officials;
- » The Committee reviewed Bangladesh Bank's inspection reports;
- » The Committee reviewed Annual Health Report 2017 as prepared by ICCD of the Bank, which has subsequently been placed in the meeting of the Board of Directors;
- » The Committee reviewed half-yearly statement of Self-Assessment of Anti-Fraud Internal Controls under DOS circular letter no.17 dated November 07, 2012 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 2018 prepared by the Management and audited by external auditors, M/s. A. Qasem & Co., Chartered Accountants in their 23rd meeting held on 14 May 2019 and recommended these to the Board for consideration, which have subsequently been approved by the Board of Directors in their 41st meeting held on 20 May 2019 and presently laid before the shareholders in the Annual General Meeting.

Acknowledgement

The Audit Committee accords its sincere thanks and gratitude to Members of the Board, Management Team, Bangladesh Bank's Inspection Teams and Internal & External Auditors for their continuous support in carrying out the duties and responsibilities. We believe that we would be able to establish ourselves as a compliant bank with a unique system over the period.

With warm regards,



Shaikh Salahuddin
Chairman

The Audit Committee reviewed and examined the Annual Financial Statements for the year 2018 prepared by the Management and audited by external auditors.



The Bank inaugurated VIP Road Branch, Dhaka in 2018.

Management **Discussion & Analysis**

It is always expected that all the related actors stringently perform their roles and responsibilities towards the stakeholders, and obviously more expectation should be in case of a commercial bank especially when aging only six years. The Board continues to provide strategic direction to the Bank which focused on strengthening and optimizing the infrastructure already in place as a result of the geographical expansion and investments undertaken in the recent past. Consequently, 2018 was a year for growing our volumes and existing relationships, driving operational excellence and strengthening risk management processes and internal controls. The growth, stability and profitability of the Bank bear testimony to the strategic direction provided by the Board.

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 fulfilling our role and ensuring that we stay relevant to the communities we operate in. In this regard, we should disclose that the Management's Discussion and Analysis of the financial condition and results of the operations of Modhumoti Bank Limited for the year 2018 should be read in conjunction with the Bank's audited financial statements for the year ended December 31, 2018 prepared in accordance with International Financial Reporting Standards ('IFRS') and applicable laws of the land.

In the year 2018, we have achieved a total deposit of BDT 37,743.91 million, total loans & advances of BDT 35,575.65 million and total operating profit of BDT 1,941.19 million registering growths of 14 per cent, 18 per cent and 32 per cent respectively in comparison to the year 2017. We also have extended our branch network to 35 branches, which is presently 38. Keeping the brandline in mind, 'Your Access to Success', the Bank has developed various customized products for corporate, SMEs, agro-based, green-based enterprises. The Bank truly believes in partnering with new entrepreneurs in different business segments of various industries having potential growth in manufacturing, service and trade through 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.

Though unfavorable economic condition and fierce competition prevailed in the market and also being a fourth generation bank having limited network, the Bank has tried its level best to diversify and expand its portfolio to include businesses of almost all types and sizes in various industries through its branches located in both urban and rural areas of the country. The Bank has extended credit facilities to large corporate establishments in diverse business lines of the country either singly or in syndicate.



The Bank signed participatory agreement with Bangladesh Bank for utilizing the SMEDP-2.



The Bank participated in the total syndicated Term Loan of BDT 3210.00 million favoring BSRM Wires Limited.

Business Review:

Corporate and Institutional Banking

Bangladesh economy continues to be among the fastest growing economies in the world due to stable macro and export-oriented industry-led growth. Corporate Banking activities of Modhumoti Bank Limited are led by Business Development and Marketing Division (Corporate) of the Bank. The Division is tasked with originating and managing the relationships with corporate comprises of a wide variety of industry segments. The Division manages portfolios comprising of General Credit, Ready Made Garments, Syndication and Structured Finance. Corporate Portfolio of the Bank was Tk. 23,574 million with less Non-Performing Loan. Total import business of the Bank was equivalent BDT 20,040.34 million in 2018 compared to equivalent BDT 17,513.32 million of 2017. In 2018 different customers of the Bank exported equivalent BDT 20,005.24 million through our Bank which was equivalent BDT 9367.68 million in earlier year. Import and Export Business of the Bank grew by 14.43 per cent and 113.56 per cent respectively.

The different activities of Corporate Banking are run by experienced personnel in their specified areas are noted below:

- 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, we have extended project finance to some notable business houses of the country in following sectors:
 - i. Cement sector,
 - ii. Environment friendly Auto Brick Sector,
 - iii. Textile and RMG sector,
 - iv. Auto Rice Mill,
 - v. Steel Sector,
 - vi. Health Care Sector,
 - vii. Infrastructure Sector,
 - viii. Power Sector,
 - ix. Chemical Sector,
 - x. Food Sector, etc.
- c. **Syndications & Structured Finance:** Syndications and Structured Finance deals are usually arranging funds and participating in local currency as well as in foreign currency syndication. Last year, Modhumoti Bank Limited has participated in various syndication deals. The Bank successfully raised BDT 1,450.00 million for one of its Ready Made Garments customer as Lead Arranger where a Second Generation Bank participated in the deal. We have successfully completed our role of Issuing and Paying Agent of Commercial Paper issued by RFL Plastics Limited. We have also invested in Preference Shares of two leading Independent Power Producers.
- d. **Export Finance:** Export Finance Division 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, so that diversification of export can be made. We have also got re-finance facility from Bangladesh Bank under Urban Building Safety Project (UBSP) for one of the reputed RMG house of the country.



The Bank organized Half Yearly Business Conference in 2018.

- e. **Overdraft (Work Order):** Considering the development in private and public sector, Modhumoti Bank Limited is financing against confirmed Work Order 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. **Investment in Corporate House:** The Bank has been involved in investment in Preference Share of two power project of Summit Group. The issuing companies are Summit Narayanganj Power Unit II Limited and Summit Barishal Power Limited.

Sector-wise distribution of the portfolio as on 31 December 2018 is as under:

Sectors	2018 (in %)	2017 (in %)
Agriculture, fishing, forestry and dairy firm	0.41	0.45
Industry (Other than working capital)	16.89	17.23
Working capital financing	24.26	24.23
Export credit	4.20	4.77
Import credit	9.70	10.87
Commercial credit	8.66	4.16
Construction	12.92	9.33
Transport and Communication	1.94	2.28
Consumer Credit	1.13	1.15
Others	19.90	25.52
Total	100.00	100.00

While booking/marketing loan customers for the Bank, we emphasize on sectoral allocation of the Credit portfolio of the Bank, though it is not always possible to appropriately maintain the ratio. But the Bank always tries to maintain balanced, risk-minimized, healthy, economically profitable projects/ventures towards building a growing economy of the country. As a result, the Bank bags not only large and medium sized many corporate houses, but also expands its footprint in many under-developed areas, where profitability is least concern but providing banking service to some young, energetic and performed entrepreneur for the country is the main motto.

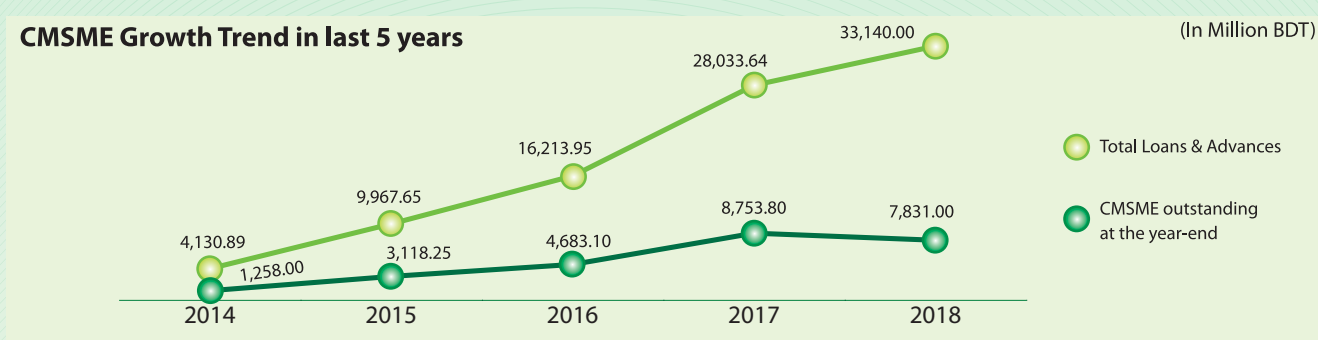
Development Projects under Contractor Financing



The work is in progress against facilities to M/S. TCCL- Frame JV, a joint venture lead by Toma Construction Limited.



The work is in progress against facilities to Western Engineering Limited for completing different Government construction works.



Cottage, Micro, Small and Medium Enterprise (CMSME)

A vibrant Cottage, Micro, Small and Medium (CMSME) sector is one of the principal driving forces in the development of the economy of Bangladesh. It has been playing a significant role in raising economic growth, employment generation, creating new business sectors, reducing poverty, reducing rich-poor disparity and regional discrimination, ensuring equality of women and empowering them. SMEs stimulate private ownership and entrepreneurial skills and can adapt quickly to changing market situation, generate employment, help diversify economic activities, and make a significant contribution to exports and trade. Development of CMSMEs is envisaged as a key element in development strategy. For achieving double digit growth in manufacturing, matching development of CMSMEs is considered critical. Enhanced micro, small and medium enterprise activities in the rural and backward regions constitute a key component of the strategy for rural development and reduction of poverty and regional disparity which narrows the gap of income inequality. The present government has also put much emphasis on the development of CMSME sector considering it as 'the driving force for industrialization'.

Since CMSMEs are based on relatively small investment, their survival depends on readily available market with easy access. In this context, access to finance, market development and expansion as well as removal of other bottlenecks are a challenging task, which requires coordinated efforts both by the individual financial institutions as well as the government. Keeping this in view, the Bank has already formulated a comprehensive policy on CMSMEs financing and made gradual progress in this sector. The Bank is offering tailor made congenial loan products and services to accommodate CMSMEs to fulfill financial need of the client which will keep role in the growing GDP of the country.

The Bank has already introduced several products like Modhumoti Goti for starting up financing to small entrepreneur, Modhumoti Progoti for capital financing, Modhumoti Agrogoti for working capital financing, Modhumoti Moushumi for financing seasonal business and also Modhumoti Labannyo for women entrepreneurs. In addition, the Bank has introduced a brand new SME product titled Modhumoti Shongoti which is a factoring product for catering the need for entrepreneur involves in manufacturing business who constantly has receivable tied up for period of more than 2 months. The Bank's SME exposure is thus well diversified among potential CMSME customers to different sectors viz. 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.

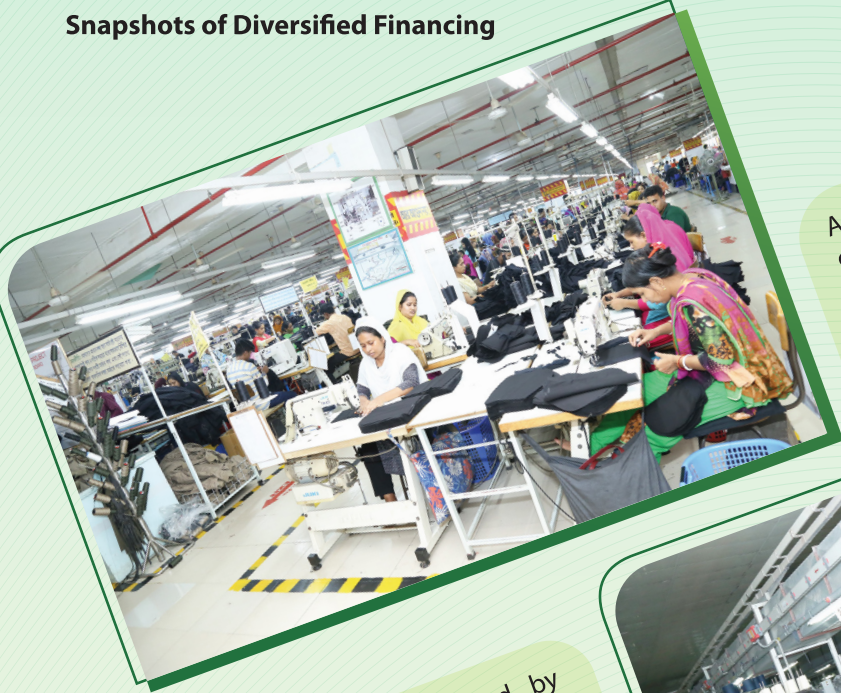
Despite fierce competition in the market and being a fourth generation Bank, CMSME portfolio of the Bank is growing over the years. During the year 2018, the Bank disbursed BDT 8,509.10 million in CMSME, but outstanding was BDT 7,831.00 million as on 31 December 2018 that constitutes 23.63 per cent of overall loan portfolio of the Bank. However, the exposure of CMSME decreased little bit in the year 2018 compared to 2017 since outstanding was BDT 8,753.80 million, but CMSME loans have been disbursed among 1,073 borrowers. On the other hand, the Management has left no stone unturned to reduce the percentage of NPL and to maintain a sound CMSME portfolio.

5-years Trend of CMSME Loan Portfolio

Year	CMSME outstanding at the year-end	Total Loans & Advances*	% CMSME of Total loan Portfolio	Remarks
2014	1,258.00	4,130.89	30.45	Growth reduced in 2018, since Bangladesh Bank has recently modified CMSME definition by excluding medium enterprises of trading sectors from SME.
2015	3,118.25	9,967.65	31.28	
2016	4,683.10	16,213.95	28.88	
2017	8,753.80	28,033.64	31.23	
2018	7,831.00	33,140.00	23.63	

* Excluding OBU loans

Snapshots of Diversified Financing



A.K.M. Knit Wear Limited, a 100% export oriented woven garments of Al Muslim Group, financed by Modhumoti Bank Limited. The woven garments comprises of 120 lines. They exported around BDT 14354 Million during 2017-18.

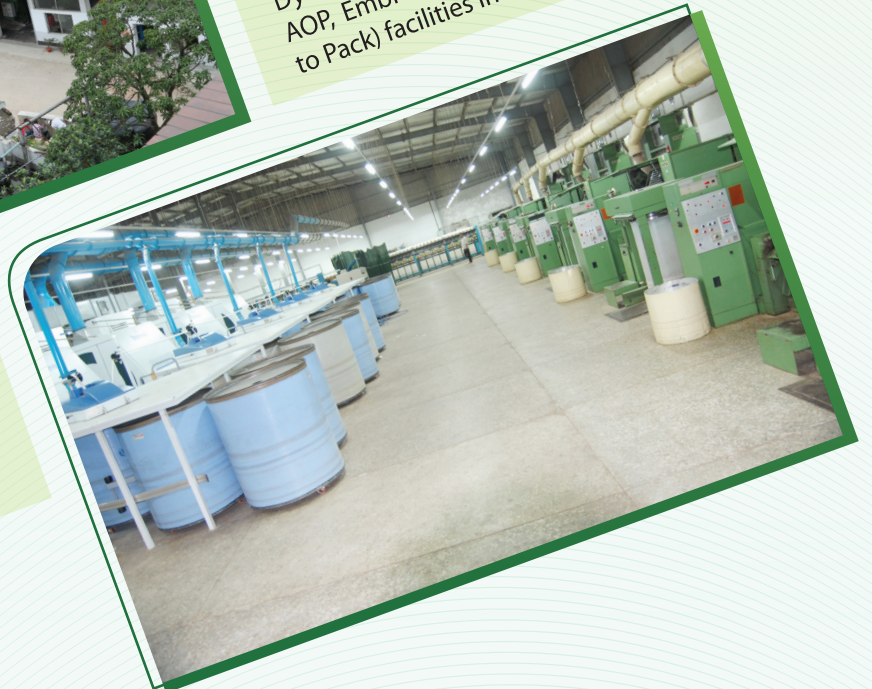
Evince Textiles Limited, financed by Modhumoti Bank Limited is engaged in Manufacturing, Dyeing & Finishing of 100% yarn dyed fabric and exporting the same as a deemed exporter. Monthly production capacity is 7,20,600 yards.



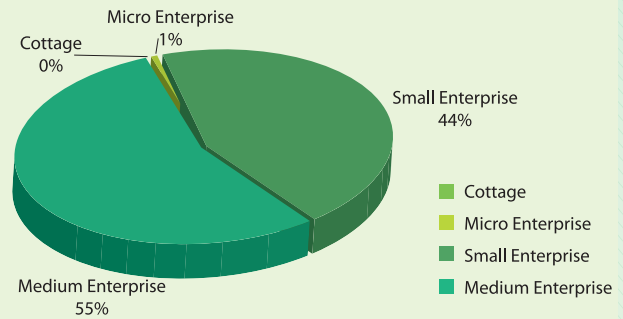
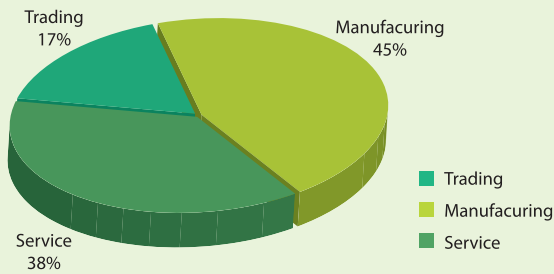
LANTABUR GROUP a renowned Ready-Made Garments manufacturer is enjoying composite credit facilities from Modhumoti Bank Limited. The group is engaged in manufacturing & exporting knit apparels & garments. Starting its journey in 2007 as Taqwa Fabrics Ltd., it has expanded its' operation through establishing Libas Knitwear Ltd. The group has Knitting, Dyeing, All Over Printing, Chest Printing, AOP, Embroidery, Washing and Garments (Cut to Pack) facilities in a single compound.



Patriot Spinning Mills Limited, a 100% export oriented spinning mill is availing credit facilities from Modhumoti Bank Limited. The project manufactures yarns of different count with its 38,700 spindles.



Sector-wise CMSME Loan Portfolio



Sector-wise CMSME Loan Portfolio at the end of 2018

According to SMESPD Master Circular No. 01 dated 07.01.2016 of Bangladesh Bank, banks are obligated to disburse CMSME loan for at least 20 per cent of its loan portfolio outstanding. As a fourth generation Bank, we have been strongly focusing on CMSME financing. The Bank has assigned special officers at all the respective branches for CMSME and Women entrepreneurs so that the Bank can offer customized services and guidelines to grasp the niche market. Therefore, all branches have separate target for selling SME products. The Bank will continue increasing CMSME loans over the period, and expecting reaching to 30 per cent within next few years.

The Bank has participated in various workshops, forums and fairs to build awareness among the customers as well as for capacity building of the CMSME officials by providing continuous training for them. The Bank also puts emphasis on Women Entrepreneur Financing through various capacity building initiatives. The Bank participated in 'Women Entrepreneur Conference & Product Exhibition -2018' organized by Bangladesh Bank held during March 08-11, 2018. The Bank arranged campaigns from time to time to promote 'Modhumoti Labonnyo' and 'Modhumoti Moushumi' customers.

Participation Agreement with Bangladesh Bank for 'SMEDP-2'

Modhumoti Bank Limited signed participation agreement with Bangladesh Bank titled 'Small Medium Enterprise Development Project Two' in 2018. Under this agreement, the Bank may avail re-finance facilities from Bangladesh Bank assisted by Asian Development Bank (ADB) at the rate 4.00% for financing any SMEs located outside Dhaka and Chattogram Metropolitan City for any amount upto BDT 30.00 million in buying fixed assets, working capital, technical know-how and training.

Refinance agreement signed with Bangladesh Bank

Modhumoti Bank Limited has already executed some agreements with Bangladesh Bank for availing refinance facilities, and availed such facilities for the first time in 2018, which are noted below:

Type of Refinance Scheme	Total Fund	Source of the Fund	Remarks
Small & Medium Sized Enterprise Development Project-2 (hereinafter called SMEDP-2)	USD 200.00 Million BDT	Asian Development Bank (ADB)	<ul style="list-style-type: none"> √ Maximum BDT 10.00 million for Cottage, Micro & Small, √ Maximum BDT 30.00 million for Medium Enterprise
Renewable Energy & Environment Friendly Financeable Sector	2000.00 Million USD	Bangladesh Bank	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	USD 30.00 Million	Asian Development Bank (ADB)	<ul style="list-style-type: none"> √ Upgrading FCK facilities to improved Zigzag Kiln facilities √ Construction of new VSBK, HHK, or tunnel Kiln facilities
Small Enterprise Sector (Hereinafter called SEF)	USD 10.00 Million	International Development Association (IDA)	To support the development of Small Enterprise Sector.

Snapshots of Diversified Financing



Modhumoti Bank Limited has financed Carbonated Soft Drinks (CSD) line of Hashem Foods Limited. The company has manufacturing facility of 30,000 BPH (Bottle Per Hour).

IFAD Autos Limited, a valued client of Modhumoti Bank Limited is the sole agent of Ashok Leyland and also has an assembling plant for 10,000 vehicles per year.



Meghna Star Cables & Electrical Appliances Ltd. a valued customer of Modhumoti Bank Limited is equipped to manufacture PVC Coated Cables along with Medium and High Voltage Category, Copper and Aluminum Wires, LAN, Coaxial & Optical Fiber Cables, Bus bar, Strips, Tube Etc.



Modhumoti Bank Limited is supporting governments awarded power plants to fulfill electricity requirement of the country. EVP Chittagong Limited is one of the power plants the bank has financed. EPV Chittagong Limited is 108 MW HFO based IPP (Independent Power Producer) situated at Patya, Chattogram.



Type of Refinance Scheme	Total Fund	Source of the Fund	Remarks
Setting up Agro based Product Processing Industries in Rural Areas	-	Bangladesh Bank	100% refinance facilities
New Entrepreneurs in Cottage, Micro & Small Enterprise Sector (Hereinafter called the New Entrepreneur Fund (NEF))	-	Bangladesh Bank	√ Maximum BDT 1.00 million loan without collateral security √ Maximum BDT 2.50 million loan with collateral security
Green Transformation Fund	Revolving fund of \$ 200.00 million	Bangladesh Bank	Export-oriented Textile & Textile Products (including RMG), & Leather Goods Manufacturing Industries including Footwear
Green Products/ Initiatives	Revolving fund of BDT 2000.00 million	Bangladesh Bank	Upto 100% refinance facility
Urban Building Safety Project (UBSP)-RMG	4240 million Japanese yen	JICA	For strengthening factories of RMG sector & Private commercial building in Dhaka, Narayanganj, Gazipur & Chattogram District.
Small & Medium Sized Enterprise Development Project-2 (hereinafter called SMEDP-2)	USD 200.00 million	Asian Development Bank (ADB)	√ Maximum BDT 10.00 million for Cottage, Micro & Small, √ Maximum BDT 30.00 million for Medium Enterprise
SMEDP-2	USD 200 million	ADB	To Small & Medium Sized Enterprise Development

Strategic Business Plan for CMSME Banking

- » Continuing increasing CMSME exposure of the Bank;
- » Growth achieved in micro / cottage and SE portfolio has to be maintained and efforts to be continued to reach 50% of the portfolio by 2020 according to Bangladesh Bank guideline;
- » Exposure in manufacturing sector has to be maintained to the extent of already achieved above 50%;
- » Focus to be given on SE and ME customers in service and manufacturing sector;
- » Establishing dedicated desk for women entrepreneurs with competent manpower at all branches;
- » Focus to be particularly given in booking funded and non-funded business in relation with contractor financing;
- » Cluster based financing, agro processing to CM, SE and ME to be given top priority;
- » Proper staffing in both Branch & Head Office level;
- » Continuing in-house and external training and product-based workshop for the officers dealing with CMSME portfolio for equipping them with updated policy and strategies of the Bank;
- » Branch-wise target allocation considering business opportunities and preparing workplan accordingly and follow-up & monitoring from time to time;
- » Restructuring of CMSME Division as per Bangladesh Bank Guidelines and Circulars from time to time.
- » Establishment of separate wing of CRM for CMSME segment with experienced manpower;
- » Arrangement of alternative loan disbursement through linkage financing;

Retail Banking

Retail banking, also known as consumer banking, refers to such depository or credit services that a bank provides to individual customers. Retail credit, i.e., Personal Loan, Home Loan, Auto Loan etc., is one of the promising sectors of the banking industry with emergence of the middle class and higher-middle class segment in the society.

Modhumoti Bank Limited has rich deposit product line for the prospective retail depositors. The Bank has introduced Personal Loan for creditworthy individuals, Auto Loan named as Vehicle Loan for general individuals and Vehicle Loan (Special) for Honorable Members of Parliament (MPs). The Bank is continuously introducing new



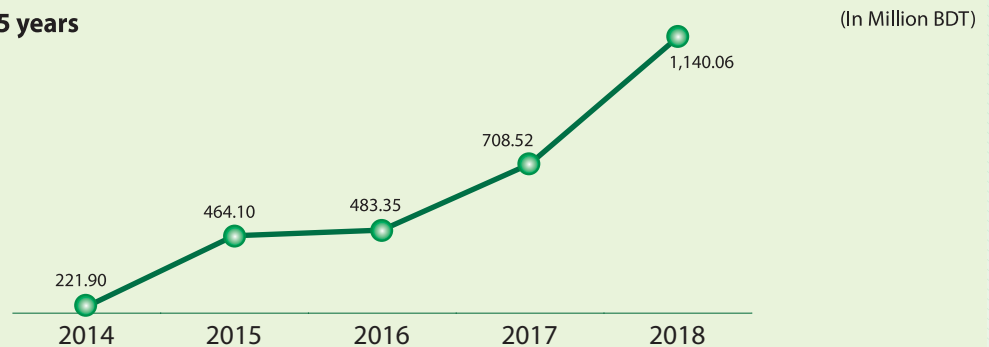
The Bank signed an MoU with Titas Gas T&D Co. Limited in 2018.



The Bank signed an agreement with Sarah Resort Limited.

products to keep up pace with the highly competitive market. The Bank has already executed agreements with different reputed auto dealers to make the products available in the target market. Two distinctive Home Loan products named Modhumoti Ashroy for semi-structured building and Modhumoti Thikana for construction of RCC structure building and purchasing apartment are also there to enrich the secured retail loan portfolio. The Retail Loan portfolio outstanding reached to BDT 1,140.06 million at the end of the year 2018, which was BDT 708.52 million in preceding year.

Retail Growth Trend in last 5 years



Cards and Alternative Delivery Channel

Electronic payment system is a way of making transactions or paying for goods and services through an electronic medium without using checks or cash, which has grown increasingly over the last decades for its ease, uninterrupted service round the clock and ample security. To facilitate customers with the modern banking facilities, Modhumoti Bank has introduced electronic payment services through Proprietary and VISA EMV Debit/Credit Cards and ATMs soon after its inception. By now, the Bank has designed different related products having transaction flexibility as desired by the consumers in home and abroad along with latest security features and keen to host more product diversification in future.

Modhumoti Bank Limited already became a member of National Payment Switch Bangladesh (NPSB) and Q-Cash consortium facilitating its customers to avail ATM services from NPSB and Q-Cash ATMs all over the country. The Bank is also expanding its own ATM network, as a part of which installed 03 new ATMs in 2018 raising total number to 40 including 4 off-site ATMs presently.

Modhumoti Bank upholds quality customer services and serving its clients with proper attention and care through its dedicated helpline round the clock (for Cards). As part of customer retention programs, the Bank has also introduced amiable discount facilities for its cardholders at different fashion houses, restaurants, hotels and resorts, airlines, jewelry shops, diagnostics centers, hospitals etc. in major cities of the country and continuously inserting efforts to expand the program. For the convenience of the Bank's cardholders, the Bank also offers complimentary access to Balaka Lounge at Hazrat Shahjalal International Airport, Dhaka while a luxurious lounge at Shah Amanat International Airport, Chattogram, likely to be inaugurated in 2019. Year-wise number of cards in circulation (cumulative) is presented below:

SI	Product	2014	2015	2016	2017	2018
01	Debit Cards	1,655	3,285	6,697	12,894	16,146
02	Credit Cards	-	-	767	1,252	1,613
Total		1,655	3,285	7,464	14,146	17,759



The Bank signed an agreement with Civil Aviation Authority of Bangladesh.



The Bank signed an agreement with Transfast in 2018.

Privilege Banking

The Bank has introduced offering privilege banking services to freedom fighters of the country in counter service at any branch of the Bank in recognition of their contribution and service to the Nation, along with offering privilege rate of interest to them, i.e., additional interest for deposits but discount for loans and advances from regular rate of interest. Freedom fighter account is a unique concept introduced by Modhumoti Bank Limited since inception, which is very first of its kind.

Priority Banking

Priority Banking of Modhumoti Bank, presently co-ordinating from Gulshan Branch, Dhaka and Agrabad Branch, Chattogram, is an insignia that is synonymous with class, excellent and exclusivity, designed to provide premium level of banking, financial advice and investment supportive for high-worthy clients, where every financial need of a client will be taken into account by a dedicated relationship manager who will deliver a bespoke banking experience, focused around the highest level of customer service and efficiency. Priority Banking clients enjoy dedicated personal attention at exceptional service level.

Foreign exchange business

Bangladesh is becoming an active partner of international value chain and also international trade is increasingly complex due to regulatory and compliances issue. Modhumoti Bank is constantly working to improve its capacity for providing services to its clientele in supporting trade finance and foreign exchange transactions. The core strategy of international business operations of the Bank is to establish a large and effective network of correspondences worldwide for catering the growing demand of quality trade services to the clients. The Bank is constantly expanding its relationship with high street banks of different countries.

International Division executes trade operations of the clients through 5 (five) Authorized Dealer (AD) branches, of which four in Dhaka at Motijheel, Gulshan, Mitford and Uttara and one in Chattogram at Agrabad and also at Central Trade Processing Unit (CTPU) at Head Office to facilitate clients from non-AD branches. The main objective of CTPU is to act as a platform for all Non-AD branches to generate profit for smooth operation of Non Funded facilities. The Division also coordinates LC confirmation, negotiation, discounting, foreign guarantee, trade payments, Nostro reconciliation, reporting etc. The Bank has been operating one Offshore Banking Unit also.

Nostro Accounts

The Bank currently maintains 13 (Thirteen) Nostro accounts in major international currencies i.e; US Dollar, Pound Sterling, Japanese Yen, Euro & Dollar accounts under Asian Clearing Union and 01 (One) Nostro for Off-shore Banking Unit (OBU) to support foreign exchange transactions with reputed International Banks which ensure effective Foreign Currency Management and timely payment of foreign commitments.

Correspondent Banking

Correspondent Banking unit is the main international contact point of the Bank. Being the heart of International Division, this unit plays a key role in facilitating foreign trade transactions of AD branches. Side by side building and nurturing correspondent network. Correspondence Banking team looks after L/C advising, confirmation, negotiation, discounting and foreign guarantee, etc. The team also plays key role in sourcing fund for Off-shore Banking Unit (OBU) of the Bank. Modhumoti Bank has been enjoying handsome credit limit with foreign banks. We have also been able to enhance the rebate/fee income from our foreign correspondents. As of 31 December 2018, Modhumoti Bank has established Relationship Management Application (RMA) with 152 correspondents in 34 major countries all over the world.

SWIFT Operations

As a member of the Global SWIFT.NET since 2013, Modhumoti Bank facilitates cross border trade transactions, inward/outward remittance etc. of the Bank through state-of-the-art secured infrastructure. SWIFT Operation Unit works as an authenticated communication medium of the Bank. All AD branches are connected to Global SWIFT Network via Data center at Head Office.

The SWIFT Unit has introduced SWIFT Alliance Message Management 7.3.15 so that branches can be linked up with SWIFT system around the world which is continuously updating its security patch in our swift system on quarterly basis.

Trade Services

Alike other banks, trade finance business is one of the major concentration areas of Modhumoti Bank Limited and Trade Services Division (TSD) has been playing a key role as facilitator to overall trade and foreign exchange business under prevailing local and international laws. Our range of resources and level of expertise in 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.

During the year 2018 the foreign trade financing of the Bank has witnessed remarkable growth. Despite global financial recession & worldwide economic ruin in 2018, the Bank achieved significant success in foreign trade business.

Import

The Bank registered a positive growth of 14.43 per cent in import business in the year 2018 as compared to that of previous year. The volume of Import Business stood at USD 238.44 million equivalent to BDT 20,040.34 million. The main import commodities were capital machinery, raw cotton, scrap vessels, cement clinkers, wheat, edible oil, petroleum products, yarn, fabrics, garment accessories and other consumer items.

(In Million)

Currency	2014	2015	2016	2017	2018
USD	22.34	65.21	121.34	214.45	238.44
BDT	1,725.45	5,143.10	9,469.67	17,513.32	20,040.34

Export

The export business of the Bank has increased by 113.56 per cent in 2018, reached to USD 238.86 million equivalent to BDT 20,005.24 million. The main export commodities were readymade garments, garment accessories, knitwear, frozen food, pulp & papers, shrimp, handicrafts, jute and jute goods etc.

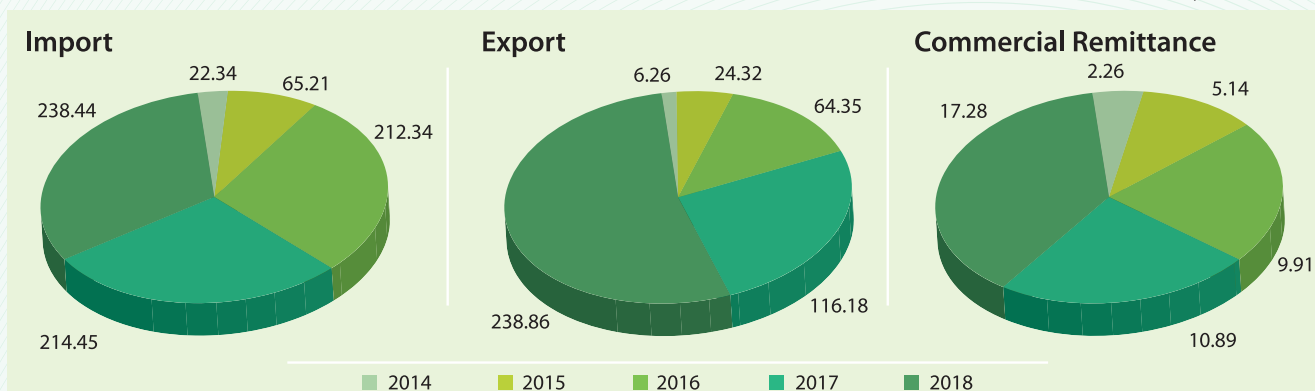
(In Million)

Currency	2014	2015	2016	2017	2018
USD	6.26	24.32	64.35	116.18	238.86
BDT	484.03	1,932.82	5,032.87	9,367.68	20,005.24

Commercial Remittance

In Bangladesh, remittance is one of the most important economic variables as it helps in balance of payment, increase foreign exchange reserve, enhance national savings and increase velocity of money. Remittance has created a new dimension in the economic development of Bangladesh and helps the Government of Bangladesh to reduce dependency on Foreign Aid. In 2018, Modhumoti Bank has performed Commercial Remittance business (received through SWIFT) for USD 17.28 million equivalent to BDT 1,433.30 million registering a growth of 50.35 per cent as compared to previous year.

(In Million USD)



Non-Resident (NRB) Business

Foreign remittance is the second largest sources of foreign exchange for much needed economic development of the country. NRB Division of the Bank is dedicatedly involved in securing foreign remittances ensuring quality services to the Bangladeshi Expatriates living and residing abroad as well as their target beneficiaries in Bangladesh. The Bank has been emphasizing to build nationwide network through well-equipped online branches and Agent Points at Union Digital Centres under Agent Banking Umbrella.

Modhumoti Bank Limited put top priority on homebound foreign remittance from Bangladeshi expatriates and has entered into arrangements with a number of exchange companies. The Bank signed agreements with a number of remittance transfer provider companies, such as Aftab Exchange House, Cash Express, Placid N.K. Corporation, RIA Financials, Trans-Fast Remittance LLC, Western Union Money Transfer, Xpress Money Services etc. Growth in the Bank's Inward remittance business is detailed under:

(In Million)

Currency	2014	2015	2016	2017	2018
USD	--	0.67	1.42	1.93	5.18
BDT	10.30	56.40	119.84	162.70	438.07

OBU Operations

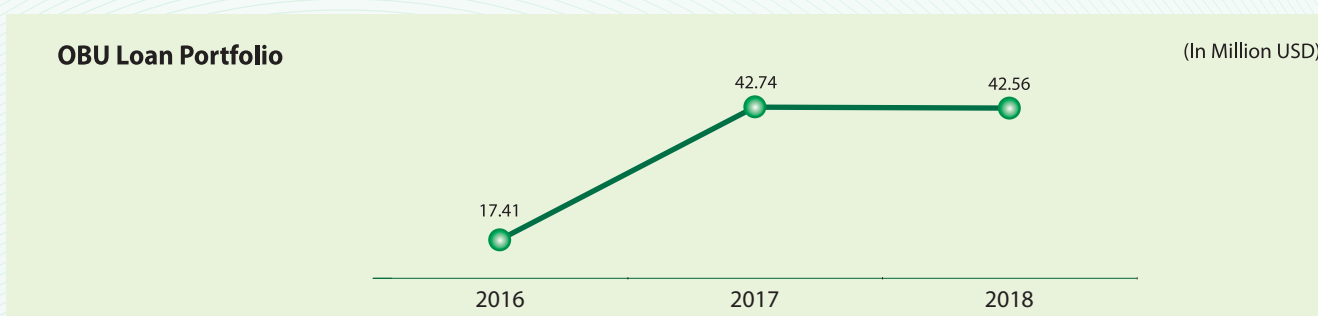
Foreign entities have presence in Bangladesh and abroad are eligible to borrow foreign currency loans from the offshore banking units (OBUs) along with local enterprises located at economic zones, export processing zones, private export processing zones, and hi-tech parks can take loans. Over the years OBU has become an important strategic business unit for a commercial bank due to growing demand of cheaper foreign currency loan and Usance Payable at Sight (UPAS) Letter of Credit from the clients. A bank's OBU usually offers the following products and services to the clients:

- 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) Documentary Credit;
- Purchase/Discount of Export Bills in Foreign Currency;
- Foreign Currency Term Loan to eligible resident industrial units, etc.

Modhumoti Bank Limited obtained permission from Bangladesh Bank for operation of Off-shore Banking Unit (OBU) on April 02, 2015 and started OBU operation on September 23, 2015. The overall operation of the Offshore Banking Units is controlled and supervised by Offshore Banking, Head Office Cell of International Division. The Bank's OBU provides continuous financial services such as deposit taking, money transmission, trade finance, credit facilities etc. Side by side, OBU is also supporting on-shore clients within the purview set out by the Bangladesh Bank. As on 31 December 2018, total loans and advances of OBU reached to USD 42.56 million equivalent to BDT 3,596.32 million.

Bangladesh Bank has introduced new policy in 2018 through which OBUs will have to mobilise major funds from external sources and will not be allowed to collect more than 20 per cent of their regulatory capital from domestic banking operation and also announces some new instructions including requirement of taking re-approval from the central bank to open every OBU and have their licenses renewed. All these new changes will lead the banks operating OBU to re-design the process of doing business. In the meantime Modhumoti Bank has applied for license newly.

3-years Business Trend of OBU



Treasury Management

Treasury management or treasury operation includes management of an enterprise's holdings, with the ultimate goal of managing the firm's liquidity and mitigating its operational, financial and reputational risk. The Treasury Division is responsible for a number of activities such as buying and selling of foreign exchange currencies in a centralized fashion; borrowing to meet liquidity requirements as well as lending and placing excess cash to ensure all resources are usefully deployed. The Division is also responsible for managing and growing the investment portfolio including bonds, shares, other financial securities and financial derivatives and the associated financial risk management.

Banking industry always goes through the changes in rules, regulations, economic ups and downs as well as innovation in offering technology based products & services. Hence, Treasury Division has become a strategically important business partner for all business divisions & branches across the Bank. Treasury is primarily supposed to manage bank's liquidity in all currencies properly. Besides, Treasury is also responsible to make sound financial investments in all currencies with the available liquidity with the concentration of reducing financial risk. A sound treasury operation should always be focused on uncompromising stance on prudent management of the risks involved in the business while generating profit opportunistically.

Treasury Division of Modhumoti Bank has continued to demonstrate exceptional performance in 2018 along with last couple of years in spite of the market volatility, uncertainty, complexity & some other interest rate risk and market risk related issues which have been observed globally as well as within the country. Throughout the year, the Bank's Treasury has provided strong support & treasury solutions to both internal and external clients. Despite facing severe instability in the market, we were able to make significant contribution to the Bank's profitability, liquidity management and risk mitigation in the year 2018 and were able to generate significant trading volume and earn positive returns for the stakeholders of the Bank. Modhumoti Bank's Treasury mainly focuses on the following:

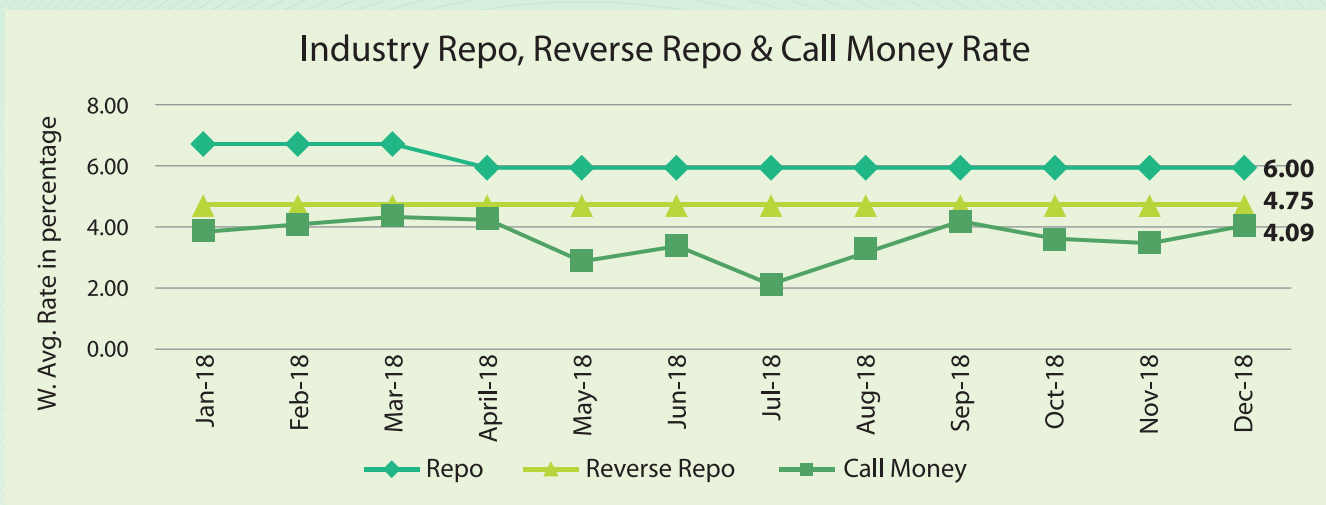
- Manage market, liquidity and interest rate risks within limit
- Graph all market opportunities which is rational for Bank
- Diversified fund management network creation
- Escalating business size
- Improving profitability
- Strengthening Asset Liability Management (ALM) procedures with market changes.

We cater to diversified customer groups with the following dedicated desks:



Money Market

Money supply growth of our country (Broad money, M2) stood at 9.41 per cent (y-o-y) in December 2018 which was 10.69 per cent in December 2017. Private sector credit recorded 13.33 per cent growth in December 2018 which was lower than 18.00 per cent than that of previous year. Beside this, the deposit growth was not at par with credit growth. Government met up their fund requirement from non-marketable instrument (i.e. National Savings Certificate) in year 2018. For this reason, the local Money Market was moderately liquid all over the year due to less government borrowing from the banking sector.



In 2018, overnight money market rate was 2.17% – 4.50% throughout the year. The biggest challenge in 2018 was to ensure proper fund management and fund utilization. Our Money Market Desk was very effective in the interbank money market. They have applied their expert forecasting skills to manage liquidity and earned considerable profit for the Bank. This desk facilitates all kinds of available solutions. These include call money, repo, reverse repo, term money (across different tenors) and FX SWAP. The vigorous activities in money market have made us to become one of the most efficient money market desks among the Banks.

Fixed Income Securities Market

In 2018, Government met up their fund requirement from non-marketable instrument (i.e. National Savings Certificate) instead of borrowing from banking system rather than issuing fresh treasury-bills and treasury-bonds. In such situation, market players lost interest to trade the existing securities they are holding because of lower interest rate. Also the lower yield curve of long term fixed income securities forced the rational investors to invest in non-tradable securities like national saving certificates. In spite of such situation, the Bank made a remarkable foot print in both primary and secondary market of government securities trading which made us one of the best primary dealers in the entire market.

Foreign Exchange

Due to our country's trade deficit in 2018, USD/BDT exchange rate faced an upward pressure compared to last year. USD/BDT rate was 82.70 at the very beginning of the year 2018 and closed to 83.90 in December-2018. Main reason behind this increase was the import settlement obligations for capital machinery of different government mega projects and fuel payments. Our FX Desk was able to forecast such situation and took necessary steps accordingly so that we were able to keep our net open position within limit and the overall LC payment were settled smoothly in the entire year 2018.

Asset Liability Management (ALM) Desk

Asset – liability management is managing the risk that can arise from the changes of assets and liabilities. ALM is a strategic management tool to especially manage liquidity risk and interest rate risk faced by banks. It is an ongoing process to formulate, implement, monitor and revise strategies related to assets and liabilities management. The Bank has a dedicated ALM desk under the Treasury Division. This desk provides economic, market and bank information and analysis to the Asset Liability Management Committee (ALCO) to assist in making their strategic decisions. ALCO, which meets at least once in a month, is responsible for:

- Balance sheet Management
- Interest rate determination in view of the bank and the future business strategy
- Liquidity risk, Interest rate risk and Foreign exchange risk management
- Maximizing returns of investment

Throughout the year 2018, the ALM Desk presented the market outlook, Bank's financial position and various analyses to the ALCO which give clear ideas about the market liquidity for availing market opportunities for investment, fund deployment in the market and fund management strategy for the Bank.



The Bank organized Agent Conference in 2018.

Overall Treasury Focus for 2019

- Ensuring availability of local currency
- Ensuring availability of foreign currency
- Strengthening foreign exchange corporate sales operation
- Ensuring strict regulatory compliance (specially LCR/ADR/Commitment)
- Discovering existing and new areas of business
- Increasing volume of deposit and ensuring Competitive lending rate
- Establishing on speculative trading under FX Dealing
- Developing market research under ALM operation
- Observing overall business growth

Agent Banking Operation

With a view to reach out the underserved portion of the population, the Bank has already established more than 300 Agent Banking outlets at Union Digital Centres under an MoU signed with a2i of Prime Minister's office through which be able to extend wide range of financial services to the geographically dispersed people like Account Opening, Cash Deposit, Cash Withdrawal, Money Transfer, Utility Bill Payment, Payment of Inward Foreign Remittance, Balance Inquiry, Loan Initiation etc. Modhumoti Bank Limited operates its Agent Banking activities in the name of 'Modhumoti Digital Banking' which was started operation in 2016 in Tangail.

Risks & Compliances Review:

Internal Control System

A strong internal control system including an independent and effective internal audit function is an integral part of sound corporate governance. Banking supervisors must be satisfied as to the effectiveness of a bank's internal audit function that policies and practices are followed and that management takes appropriate and timely corrective action in response to internal control weaknesses identified by internal auditors. The main objectives of Internal Control System can be categorized as follows:

- Operations Objective: Effectiveness and efficiency of operations which comprised of basic business objectives including performance and profitability goals.
- Reporting Objective: Timely, accurate, relevant and reliable reporting of financial and non-financial statements needed for decision making within the banking organization as well as external parties.
- Compliance Objective: Conducting activities and taking specific actions in accordance with applicable laws and regulations, supervisory requirement and organization's policies and procedures.

Key features of Internal Control System are as follows:

- i) Management Oversight & Control Environment;
- ii) Risk Recognition & Assessment;
- iii) Control Activities & Segregation of Duties;
- iv) Information & Communication; and
- v) Monitoring Activities & Regularization of Deficiencies.

Internal Control & Compliance Division (ICCD)

In order to establish the efficient, effective and compliant internal control system in the Bank, Internal Control & Compliance Division segregated its functions into 03 (Three) separate units:

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

Audit & Inspection Unit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes based on different manuals, instructions, rules & regulations and procedures laid down by Bangladesh Bank & other regulatory authorities from time to time and the bank's own policies & procedures.

Types of Audit & Inspections and its Functions

- Risk based inspections (Conduct risk based inspection in different branches & divisions/departments/units of Head Office according to the approved risk based audit plan for each year by the Audit Committee of Board, ACB);
- Information System & Technology Audit (Conduct IS/IT Audit as per Bangladesh Bank guideline);
- 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;
- Surprise Physical Cash Check and AML/CFT Audit.

Compliance Unit

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 the other Units/Departments and Branches regarding any regulatory changes.

Functions of Compliance Unit

- 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 Inspection Report

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.

Functions of Monitoring Unit

- Establish monitoring mechanism/procedures to ensure high risks areas are regularly reviewed;
- Assimilate Risk Matrix to monitor compliance with the AML/KYC issues, Compliance Risk, Operational Risk, Market Risk and Credit Risk;
- Ensure all limits set internally or externally are properly followed and appropriate reports are generated regularly;
- Review operational performances against key control issues of individual offices;
- Analyze various reports and assess key risk areas;
- Evaluate 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
- Recommend to the Head of Internal Control & Compliance to send audit/inspection team in the areas where regular deficiencies are identified.

ICC Performances during 2018 at a glance

- Overall audit coverage has been enhanced, since 74 Risk-based Inspections on 12 nos. Divisions/Departments/Units of Head Office and 29 Branches along with 33 IS/IT Audits during the year 2018 have been conducted. A total of 13 Special Inspections/Investigations have been conducted on different issues and also Nostro Accounts were reviewed on quarterly basis;
- Continuous monitoring has been established in major risk aspects;
- Regulatory compliance has been improved, since Compliance Unit has received 37 reports/letters from Bangladesh Bank during the year 2018, 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 6 Branches during the year 2018 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);
- Pursued respective Divisions/Units to update and develop Guidelines/ Manuals/Policies to run the operations smoothly.

Credit Risk Management

In a bank's portfolio, losses stem from outright default due to the inability or unwillingness of the customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions. Credit risk emanates from a bank's on and off balance sheet dealings with an individual, corporate, bank, financial institution or a sovereign. Credit risk may take the following forms:

- » Credit risk arises from the eventuality that 'the borrower will fail to meet its obligations in accordance with agreed terms, resulting in a negative effect on the profitability and capital of the bank.'
- » The largest and most obvious source of credit risk is the funded loans. However, credit risk could stem from both on-balance sheet and off-balance sheet activities such as guarantees. It may arise from either an inability or an unwillingness to perform in the pre-committed contracted manner. As such, the person involved in credit will be prudent enough to assess the inability or unwillingness of the borrower for repayment of loan.
- » Credit risk comes not only from 'dealing with households, small or medium-sized enterprises (SMEs), or corporate clients, but also may come from other banks and financial institutions, or a sovereign.' The persons related with credit assessment will be vigilant enough to choose the sector for investment/lending.
- » In more technical terms, credit risk can be viewed as the existence of multiple possible outcomes of a loan or other extension of credit. The possible outcomes range from full and timely payments according to the contract, all the way to a complete absence of any repayment (a total loss on the loan). Payments could be made in full but not in a timely manner, or payments could be made in a timely manner but not in full. Every possible outcome, and there are a great many possible outcomes, can be said to have a probability of occurrence, and the probabilities, as in any distribution, sum to 100 percent. The credit officials/executives of the bank to be vibrant enough to forecast the every possible outcome to assess the credit risk.
- » In this and all the subsequent sections on credit risk management, "loan" is used as shorthand for all possible types of exposure to a single client or group of related clients. All concerns related to credit must have understanding about different types of transactions, including off-balance-sheet transactions, pose credit risk, and all such transactions are subject to these Guidelines as appropriate.

Credit risk management is the practice of mitigating losses by understanding adequacy of a bank's capital and loan loss reserves at any given time – a process that has long been a challenge for financial institutions. Pursuant to Bangladesh Bank's guideline, the Bank has already formulated the Credit Risk Management Manual and also revised the same from time to time to assess and mitigate the credit risk in more effective and befitting manner. The guideline provided broad based policy on the core principles for identifying, measuring, managing and controlling credit risk. Multi-angular analysis has been exercised in preparing the guideline to make credit operations compatible with the highest standard of industry best practices and by incorporating credit appraisal principles. A well-defined process for credit approval is being followed in the Bank, through which a good number of credit risk officers (credit analysts) having adequate knowledge, experience and background exercise their prudence in assessing, approving and managing credit risk, wherein Credit Evaluation Committee at Head Office also assists the Management through reviewing necessarily and recommended for approval if satisfied. Business delegation for approval by the Management is also specified and proposals beyond such authority are being placed with ample analysis before the Executive Committee of the Board and in case of a large loan to the Board of Directors for obtaining approval.



The Bank emphasized training on prevention malpractices in banking.



The MD & CEO is seen distributing certificate to a participant.

Anti-Money Laundering (AML) & Combating Financing of Terrorism (CFT)

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.

In this context, to bolster and reinforce the stability and integrity of the country's financial system, Modhumoti Bank's AML & CFT Division has been engaged in relentless efforts to combat money laundering and terrorist financing by ensuring proper regulatory compliance as per BFIU (Bangladesh Financial Intelligence Unit) guidelines. The Management has separate and dedicated headcount for surveillance of Anti-Money Laundering functions. Training and awareness programs are continuously held to make all employees alert about the issue. The Bank has also undertaken campaign against Money Laundering in electronic media. The Bank has properly assigned responsibilities and developed CAMLCO & Deputy of CAMCLO at Head Office and BAMLCOs at Branches. Besides, a Central Compliance Committee (CCC) has been formed to ensure compliance of instructions and guidelines relating to prevention of money laundering and combating terrorist financing. The Bank has already installed a software [called S-3 software; S3 represents: Sanction Screening Software] for checking the customers' accounts whether they are listed in the UN/OFAC/ other International/Local Sanction List or not.

The Bank's compliance structure is further strengthened and supported by:

- Well-defined AML/CTF policies and guidelines;
- Proper customer identification processes (through KYC);
- Customer classification process;
- Customer transaction monitoring systems (including PEPs/IPs - high-risk customers);
- Proper reporting systems (including cash transactions and suspicious transaction reports);
- Appropriate OFAC, UN, EU and local sanction list screening systems for onboarding customers and for cross-border transactions;
- Effective training for employees, special awareness programs for the senior management and customer awareness programs

To further mitigate business risks, the Bank:

- Embraces proper customer identification and verification processes;
- Ensures screening of origination of fund of customers;
- Identifies the beneficial owner of the customer;
- Screens sanction lists and adverse media reports;
- Ensures KYC processes for occasional transactions/walk-in customers;
- Monitors customer transactions and activities, while submitting CTR, STR/SAR and AML/CTF compliance reports to the regulator;
- Provides accurate and timely customer information;
- Maintains records as per regulatory requirements;
- Ensures employee and senior management awareness program;
- Organizes customer awareness programs to mitigate regulatory risks associated with money laundering and terrorist financing

Successful implementation of instructions from the regulator, continuation of awareness programs and improvement of regulatory audit rating, while securing the position in the top-five listed banks in terms of regulatory audit rating will be the top priority for the AML& CFT Division over the coming years.

Information Technology

The adoption of information technology in the banking industry has enabled banks to improve operational efficiency, reduce transaction time and operating cost for collecting, storing and processing information. The bank is dedicated towards its customer satisfaction with the help of the technological advantages. Technological development of the bank tremendously increased its customer service as well as trust worthiness of the stakeholders towards the bank. Now, ICT is also playing vital role in fostering customer-bank relationship, increasing level of customer satisfaction, developing and maintaining competitive advantage and promoting attractive banking products through its various established payment channel. The customers are benefited by getting a number of options for doing banking through different delivery channels according to their convenience. The business people are also getting benefit of faster realization of receivables from their clients and making payments to their suppliers instantly and securely. The bank is always dedicated towards its customer satisfaction with help of the technological advantages. ICT Division is not only well equipped with technology, but also with a dedicated professional ICT workforce.

ICT Infrastructure

Modhumoti Bank has reviewed present ICT infrastructure and taken steps to procure state of the art IT Security solutions (hardware, software and network infrastructure) for their implementation of Tier-3 Data Center at Gulshan with auto replication with Disaster Recovery Site. ICT Security Team has been formulated to minimize technological and operational risks and comply with the latest ICT Security Guideline of Bangladesh Bank. We are also in the process of procurement of network infrastructure for secure and reliable communication. Connectivity to and from bank networks and external networks are carefully planned for secure operations. The Bank's ICT staffs are ensuing security policies when designing new infrastructure or upgrading existing networks taking into consideration for managing users, dividing networks into segments and restricting access to information based on different business and security policies. Several training on ICT Security awareness has been arranged throughout the year at the Training Institute of the Bank as part of awareness build up among the employees of the Bank.

BankUltimus Core Banking Solution

From the date of inception, the Bank has always been moving with the latest technology and has adopted different advantages of the technology which has enriched its ICT infrastructure to mitigate risk that may arise from malfunction of system, failure of network, lack of knowledge of the users, virus attack, hacking etc. Bank is using state-of-art Core Banking Solution (CBS) "BankUltimus V-2" to support its customers' regular banking and Foreign Trade transactions. Core Banking Software (CBS) has further been upgraded to its latest release to enhance existing features and functionalities and secure online banking transaction

Launching of new website

The inevitability of a website to expand business all over the world is crucial. Having a website is not just simply a showcase, it is part of the Marketing Strategy to get online exposure and it markets brand, products and services. The Bank's website contains all products and information being available for its prospective clients, the receiver of service or purchasers of the product can find the features and specifications of products and necessary information. The Bank recently re-designed its website for getting such necessary information in more customer-friendly way.

ATM Network

The Bank has so far established 38 own ATM booths across the country and issued a substantial number of debit cards to its customers. However, the Bank has taken major steps for rapid expansion of ATM channel at suitable locations to serve potential clients across the country. The Bank has also integrated its ATM Network with National Payment Switch of Bangladesh (NPSB) which is an initiative of Bangladesh Bank to bring all commercial banks under the same platform for interoperability of ATMs/Debit Cards in case of issuing and acquiring and thus giving access of ATM network of more than 6500.

Credit Card Payment Collection Module

Modhumoti Bank is issuing VISA Classic, Gold, Platinum and Dual Currency Credit Cards - maintaining all features and facilities of international standards to compete with other peer banks. As number of credit cards and related transactions are increasing day by day, it has a requirement to make the payment collection process fully automated to reduce errors in settlement and reconciliation on daily basis. We procured and implemented Payment Collection Module which could be accessed from all of our branches for receipt of payment. In addition, reporting of credit card information and transactions as per Bangladesh Bank guideline is also made available from the same module

ACH, EFT and RTGS

ACH (Automated Clearing House) is dealing with clearing cheques receipt and multifarious payment settlement services for all branches and its reconciliation. The Bank completed preparedness for BACH-II implementation project as per guideline of Bangladesh Bank. FC Cheques and Demand Draft will be processed through BACH-II in High Value Cut-Off.

EFT (Electronic Fund Transfer) is the fastest growing service enables to transfer of funds for our 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.

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 involves proactively before implementation of new ICT Infrastructure and modules in Core Banking & other software applications. 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 Banking

Bangladesh Bank is putting more emphasis on financial inclusion through bringing more and more unbanked population in the financial system of the country. As a new generation bank, Modhumoti Bank is pioneer in introducing Agent Banking Services 'Modhumoti Digital Banking' with the objective of ensuring greater financial inclusion and increasing the outreach of the services to the unbanked population. It has already been observed that Modhumoti Digital Banking is becoming popular financial tool for the people of rural areas which are greatly contributing to the development of rural economy. Modhumoti Bank has completed distribution of Govt. Safetynet Allowances (Elderly Allowances, Freedom Fighter Allowances and Widow Allowances) to more than 30,000 beneficiaries amounting around BDT 45.00 million through 'Digital Banking' outlets and enhance banking facilitating banking for unbanked population and bringing them away countries financial inclusion.

Electronic Bill Payment System

Modhumoti Bank has introduced solution to collect various types of utility bills like BRTA, WASA, DPDC, DNCC, DSCC and DESCO etc. Since the systems are automatically connected to the relevant organization's billing system and henceforth manual input for usage unit and bill amount need not be inputted again. As a result a user can pay the utility bills, tax and fees with less time and error free manner.

e-GP Procurement System

e-Government Procurement system ensures transparency and accountability in the public procurement process for better resource utilization by creating competition and equal opportunity for all qualified vendors-small or big. It will ensure efficiency at most of the government organizations in the country. It also increases purchasing power by demand aggregation, and empowers the small and medium bidders. The Bank has been providing banking

services for e-Government Procurement (e-GP) through our Branches. In the mean time customers have received e-GP tendering services from our bank with their satisfaction.

State of Art New Data Centre and Disaster Recovery Site (DRS)

Modhumoti Bank will be implementing Tier-3 state of the art new Data Centre at Gulshan Head Office, shifting of which is under process - keeping in mind of future scalability, efficiency, fault tolerance and high availability. Disaster Recovery Site of Motijheel will be shifted to the 2nd Floor of present Head office DCCI Building with auto replication facility. However, as per ICT Security guideline of Bangladesh Bank, geo-graphically separated Disaster Recovery site has been planned for implementation in different Seismic Zone-III.

As per the business continuity plan (BCP) of the Bank, redundancy has been kept at Disaster Recovery Site for all the devices installed at the Data center. Link level redundancy as well as device level redundancy has been maintained to ensure up time and better services to the customers. As the business processes and initiatives are now driven by ICT, therefore, the Bank will continue investing in ICT to ensure sound and secure ICT operation.

Biometric Attendance System

Employee attendance system has been automated and centralized for transparency, accountability and performance evaluation. Attendance management software helps the Bank quick retrieval of attendance status from central location. After installation of centralized attendance management software with integration of finger attendance devices, we have been availing following facility-

- Centralized staff attendance & leave monitoring and reporting;
- Easy to get information of all branch offices from a central server;
- Customized reporting- daily and periodical;
- Efficient track of all employees' movements;
- Control of access to secured, highly restricted areas and checkpoints;

e-DOC- Security Document Management Software

Credit proposal having approved by competent authority of the Bank have to undergo cumbersome and time consuming documentation process before disbursement. This is due to dependency on legacy system practiced by branches, non-availability of facility for remote supervision & verification and absense tools for their management, regular updates & retrieval for internal use. After implementation of e-Doc solution which are now piloting, the following facilities could be yielding:

- 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;

ICT Risk Management

The adoption of technology in the Banking industry demands Bank to ensure that the ICT related risks are properly identified and mitigated through a prudent ICT risk management strategy.

Modhumoti Bank took considerable measures from time to time to mitigate identified vulnerabilities and risks. The Bank is gradually implementing various ICT related security solutions to ensure further security of the threat factors (like: Network, Mail, ATM Operation etc.). As the ICT risk management is an ongoing process, the Bank is constantly assessing risk by analyzing threats and vulnerabilities within its risk management framework and taking appropriate actions to mitigate and maintain an acceptable level of risk.

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

The Bank has following ICT projects for immediate implementation:

- Re-Launching of internet banking software: Modhumoti Bank is now in the process of re-launching internet banking module with the following features-
- Enquiry – all possible way;
- Account Management;
- Fund Transfer;
- FA solution (Two Factor Authentication);
- Bill & Utility payment (mobile/ DESCO/DPDC/WASA);
- Service Request;
- ATM and Branch search;
- QR code (For mobile)

Implementation of 2-FA solution will secure online transactions in addition with typical verification of identity and authenticity of customers which is also compliance of Bangladesh Bank's ICT Security Guideline for ensuring secure online transactions through internet banking and e-Commerce.

- HRM- Human Resource Management Software: Human resource management (HRM or HR) is the strategic approach to the effective management of organization workers so that they help the business gain a competitive advantage. HRM solution is primarily concerned with the management of people within organizations for overseeing employee-benefits design, employee recruitment, training and development, performance appraisal, and also rewarding.
- Mobile Banking Solution: Modhumoti Bank is in the process of launching Mobile Banking Solution to reach unbanked population. Mobile Financial Solution will be a leading software platform that enables banks to offer comprehensive mobile banking and payment services to their customers. After launching customized mobile banking solution, the Bank will acquire new customers from branchless areas, increase low-cost deposit base, and increase revenue and subsequently profit. It will be a state-of-the-art mobile banking system with the following services :
- Secure and feature-rich software solution and managed services to provide mobile and branchless banking to banks and their customers;
- Electronic payments solution and services connecting banks, merchants, utility companies, governments, online shops etc.;
- Comprehensive foreign remittance solution and managed services connecting local and foreign banks, exchange houses and disbursement points;
- Custom-made software solution sales, support and professional services;
- Anyone with a mobile phone can be a bank customer without ever visiting any bank branch.

Human Resources

Modhumoti Bank Limited has already made a mark in the financial market of the country and is well known by the citizens. The relentless effort of the employees of the Bank has made it possible to come so far within a span of 6 years. Our Bank is now one of the fastest growing banks of the country. We are setting examples not in terms of financial figures only but also in terms of work environment, employee benefits, healthy organizational culture, employee engagement, potentiality development and learning environment. We opt to maximize employee potentials through better working environment and by developing their skills through continuous learning opportunities. Human Resources Division of the Bank consists of a dedicated team that is specialized in developing superior frameworks for developing the human capital of the Bank. Modhumoti Bank Limited is going to add another gem in its feather as it sets to install its own Human Resources Management Information System (System). The HRMIS will improve the efficiency of the HR services of the Bank. We believe, Modhumoti Bank Limited will emerge as a role model in the coming days when it comes about employee facilitation.

Manpower status

As an employer of choice, Modhumoti Bank continues to strive to hire and maintain a talented workforce. Last year we have recruited many fresh and experienced employees like every year. As a progressive bank, we have always promoted women empowerment and give equal opportunity to everyone regardless of their gender. We expect more participation of the female candidates in the coming days and thus will be able to get even more balanced ratio. A comparative position of last few years on the number of employees is as follows:

Particulars	2018	2017	2016	Regular Employees	2018	2017	2016
Regular Employees	490	422	372	Male	402	344	304
Casual Employees	134	125	114	Female	88	78	68
Total	624	547	486	Total	490	422	372

Here 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 among the youth.

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 2018, we recruited a total number of 113 regular employees out of which 61 were fresh officers, 43 were experienced Officers and the rest 9 were Executives. Recruitment history of last three years is stated below:

Particulars	2018		2017		2016	
	Executives	Officers	Executives	Officers	Executives	Officers
Experienced	9	43	13	30	8	37
Fresh	0	61	0	35	0	52
Total	113		78		97	

Modhumoti Bank has always nurtured talents whether it is our employees or fresh Graduates/ Post Graduates. We have been providing internship opportunities ever since the inception of the Bank. We do not only provide internship opportunities, we also ensure that the interns get the maximum learning from their internship program.

Culture

We have been working to establish a performance driven culture in Modhumoti bank Limited through setting specific Job descriptions, Organogram, KPIs and effective and efficient Performance Appraisal System. We do not only focus on creating a performance driven culture but also a culture of belongingness. We opt to inject the sense of ownership in the minds of our employees so that they can relate to their jobs more than ever.

Ethics & Compliance

A bank's Code of Ethics and Business Conduct is a framework of ethical behavior for the employees. It contains all the factors to be considered for smooth operation of business without any ethical disturbance. HRD has already prepared a 'Code of Conduct' following guidelines of Bangladesh Bank that is under process to be approved by the Board of Directors. Meanwhile we have circulated the draft which the employees of Modhumoti Bank have received with highest respect. The new joiners are properly oriented to comply with the Code of Ethics & Business Conduct as well.

The Bank has already formed an active 'Ethics Moral & Integrity Committee' wherein Mr. Shahnawaj Chowdhury, one of the senior officials ranked as SEVP & Head of Operations has been appointed as focal point. The Bank has been regularly posting rhymes from 'Chharay Chharay Shudyachar' on the national dailies as per the Central Bank guideline. We are also providing our employees with training on prevention of Malpractices in Banking (Ethics, Integrity, Good Governance and Compliance) and Prevention of Money Laundering and Trade-based Money Laundering and Combating Financing on Terrorism regularly.

Learning & Development

Modhumoti Bank Limited has given special focus on Learning and Development from its inception and in recent years has established 'Modhumoti Learning & Development Center – Explore'. Explore has been running yearlong training and workshops internally as per the Training Calendar that is prepared based on the Training Need Assessment (TNA). Apart from the internal training and workshops, the Bank also sends its employees for local and international training or workshops externally.

The overall training & workshops scenario for the last three years is as follows:

Training & Workshops	2018	2017	2016
Internal	21	24	8
External	28	80	37
Total	49	104	45

The Bank's HRD is also working to develop Online Learning platform for the employees of the Bank and hope to initiate such online program within soonest possible time.

Compensation and benefits

In this competitive market an organization must offer better compensation and pay packages in order to keep the best human resources. Therefore Modhumoti Bank Limited offers competitive compensation and benefit packages comprising of salary, bonus, increments and other facilities. The bank has already established contributory provident fund and keeping provision for gratuity since inception. Some other policies in relation to employee benefits are under process which are expected to be formulated and adopted shortly.

Performance Management

Here at Modhumoti Bank we opt to deploy the right man at the right place where they get opportunities to prove themselves. The individual level Job Descriptions and KPI's are set in advance in order to measure the performance of the employees. Consequently, we do the performance appraisal timely and periodically which enables us to promote the deserving employees in regular manner. We have excellent performance appraisal process and policies that helps us to run the promotion process smoothly. We also rotate our employees if and when required due to business needs or as per compliance issue.

Employee engagement & Work-life Balance

Considering the amount of time our employees spend at work, it won't be wrong to consider the Bank as our second home. Our dedicated employees spend most of their times at work and therefore the Management aims to facilitate the employees with a homely environment. Therefore, the Bank has been organizing yearly picnics, Eid celebrations, Iftar mahfils, New Year celebration, Women's Day celebration, sports and cultural activities and many more. An engaged employee has more affiliation with the organization and therefore feels more connected emotionally.

Moreover, in order to maintain a work-life balance, we provide a friendly working environment which is occupied by friendly employees who promote a homely yet professional culture in the bank. 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.

Employee turnover

Modhumoti Bank is an employer of choice. Therefore, we recruit many employees every year and several employees get separated from the Bank as well. The turnover ratios for the past three years are stated here.

Year	Turn Over Ratio
2018	13%
2017	9%
2016	11%

Human Capital Accounting

Human Capital is a measure of the skills, education, capacity and attributes of human resources of an organization influence productive capacity and earning potential. Since the 1960s/70s, the term human capital has become a more popular economic concept as the emerging 'knowledge economy' makes greater use of a wider range of human capital. Human resources are now considered as one of the main sources of competitive advantage of any organization, which is a key to earn revenue & enhance profitability in service industry in similar way as physical

assets such as machines and money. Modhumoti Bank continues to encourage diversity, believing that everybody should have the opportunity to reach their full potential. We believe, engaged employees are likely to take more responsibility and embrace accountability which helps Bank for attaining targeted goals.

The importance of HR function is increasing continuously as well as requirements to this function are also growing quickly. In order to meet high quality of human resources management (HRM) in an organization it is necessary to assess HR effectiveness. Regular analysis of HR effectiveness provides organizations with valuable information on strengths and weaknesses of HR system. Modhumoti Bank always measures that there is a statistically significant correlation between human capital return on investment (HCROI) and Bank's key performance indicators including net profit, return on assets (ROA) and return on equity (ROE).

Human Resource Accounting (HRA) is a new branch, is primarily involved in measuring the various aspects related to human assets. Its basic purpose is to facilitate the effective management of human resources by providing information to acquiring, develop, retain, utilize, and evaluate human resources. Per employee cost and revenue matrix at Modhumoti Bank is stated hereunder:

Particulars	2018	2017	2016	2015	2014
Operating cost per employee	1.76	1.85	1.73	1.78	1.51
Training cost per employee	0.004	0.007	0.007	0.008	0.011
Operating profit per employee	3.96	3.47	2.38	3.47	2.43
Gross turnover per employee	5.73	5.32	4.11	5.24	3.93



Quest for Service Excellence

The banking service industry has experienced tremendous growth and undergone great change in recent decades. Varying forms of deregulation, competition and more demanding customers have created an environment significantly different from that which existed only a few years ago. Customer delight to attract new customers and retain the existing ones is the key, which can be attained by delivering higher than expected service and practically the service employees

become the customer contact point which reveals the moments of truth to cast an everlasting impression which either makes the customer a positive brand ambassador or spread negative publicity. The Management of Modhumoti Bank is keen to develop attitude of service to customers as well as expertise all-through the Bank, which is also very much essential in this growing stage of the Bank, for which took many initiatives on 'Customer Service Excellence' in 2018.

Modhumoti Bank opts to lead the banking industry not in terms of financial growth only but also in terms of excellent services. Our aim is to provide optimum customer services from all levels of the Bank. There is no debate that equipped employees with required skills and tools are always a pre-condition to provide excellent customer service. An organization's determination to beat its competitors and stay in business is to promote a culture of customer focus with satisfied customers.

Customer service is an organization's ability to supply its customers what they want and need. Customer service is achieved with effective management of customer perceptions and expectations, though there is often a difference between customer perception and customer expectations. However, the Bank had set some principles in association with external experts in 2018 and also introduced providing training to its employees at various levels on 'Customer Service Excellence'. Initially the Branch Managers, Manager Operations and unit in-charges were given the training to ensure the right mindset at the top level in the branches. Gradually we started providing the same training to other employees of branches who are accountable for other services. We have conducted several training sessions covering the issue wherein a total of 155 employees participated in total.

Modhumoti Bank believes in instituting such culture within the organization, where a satisfied well-equipped employee will lead the customers becoming more satisfied. Alongside many motivation programs, the Bank will continue emphasizing on more training on regular basis with an aim to provide it to all the employees and also to keep them always updated on the latest banking issues. Our motto to 'Serve with a Smile' is a constant goal, which we achieve and retain for now and also for the future.



The Operation Managers pose after attending a workshop on Branch Operations.

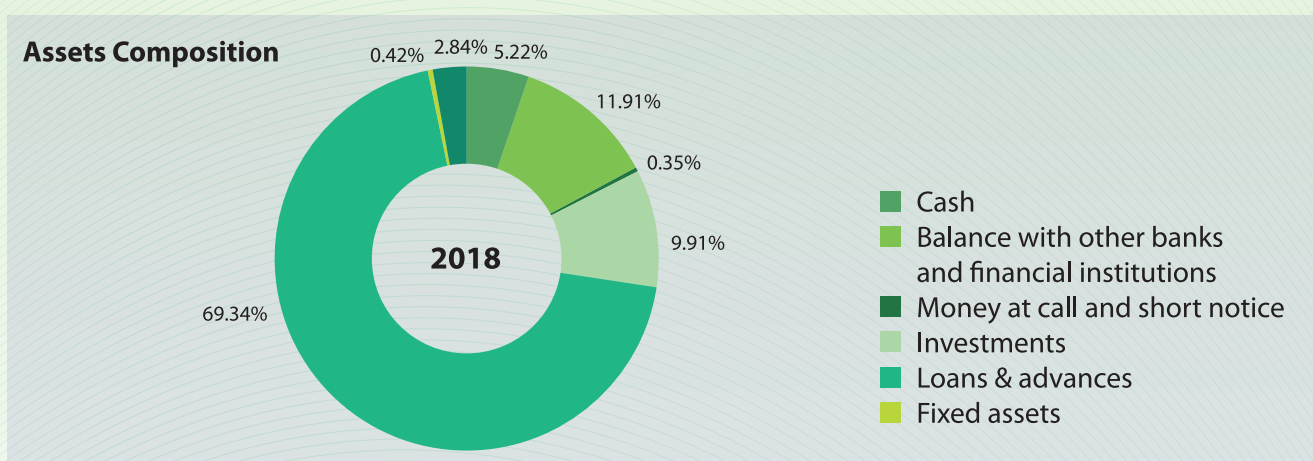
Financial Analysis

Total Assets

Total Assets of MMBL stood at BDT 51,304.03 million as on 31 December 2018 as against BDT 45,774.72 million of previous year registering a growth of about 12.08 per cent over the year 2017. In total assets, loan and advances covered 69.34% of total assets. Contents of total assets of MMBL is shown in following table:

(In Million BDT)

Assets	2018	2017	Increase/ (Decrease)	Growth (%)
Cash	2,675.70	2,535.95	139.75	5.51%
Balance with other banks and financial institutions	6,112.46	7,069.25	(956.79)	(13.53%)
Money at call and short notice	180.60	-	180.60	
Investments	5,085.88	4,407.18	678.70	15.40%
Loans, advances and lease / investments	35,575.65	30,181.30	5,394.35	17.87%
Fixed assets	215.78	219.99	(4.20)	(1.91%)
Other assets	1,457.95	1,361.05	96.90	7.12%
Non - banking assets	-	-	-	
Total assets	51,304.03	45,774.72	5,529.31	12.08%



Cash and Bank Balance

Cash and bank balance includes notes and coins in hand, balance with Bangladesh bank and its agent bank and balance with other banks and financial institutions. In 2018, total Cash and bank balance was BDT 8,788.16 million compared to BDT 9,605.20 million in December 2017. Details are as follows:

(In Million BDT)

Cash and Balance with other banks	2018	2017	Increase/ (Decrease)	Growth (%)
In hand (including foreign currencies)	347.00	292.97	54.03	18.44%
Balance with Bangladesh Bank and its agent bank (s)	2,328.70	2,242.98	85.72	3.82%
Cash in hand including foreign currencies	2,675.70	2,535.95	139.75	5.51%
Balance with other banks and financial institutions	6,112.46	7,069.25	(956.79)	(13.53%)
In Bangladesh	5,906.34	6,908.39	(1,002.05)	(14.50%)
Outside Bangladesh	206.11	160.86	45.26	28.13%

Money at Call and Short Notice

Call lending is a part of the treasury function. Bank's lending under this head of BDT 180.60 million as on December 31, 2018 and it was BDT - million in the same date of last year which is equivalent of 100 per cent growth compared to the corresponding period. Positive growth indicates that bank has strong liquidity position as well as the bank is efficient in generating income.

Investment

Investment in Treasury bill/bond occupies a significant portion of the total investment of the Bank which is BDT 5,085.88 million as on December 31, 2018 and it was BDT 4,407.18 million in 2017. Details are as follows:

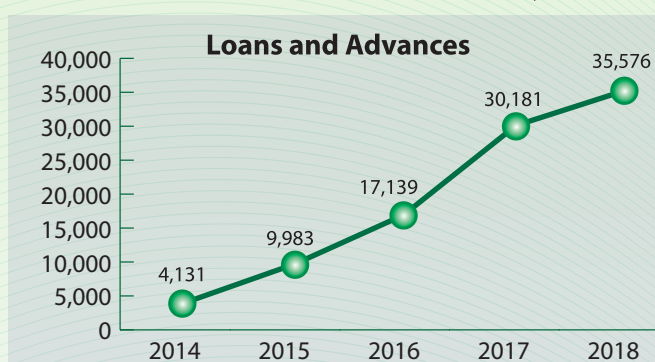
(In Million BDT)

Particulars	2018	2017	Increase/ (Decrease)	Growth (%)
Government Securities:				
Held for trading (HFT)	504.42	391.20	113.22	28.94%
Held to maturity (HTM)	4,477.83	3,915.64	562.18	14.36%
Reverse Repo	-	-	-	-
Prize Bond	0.37	0.22	0.15	69.28%
Other Investments:				
Share	103.27	100.12	3.15	3.14%
Bangladesh Bank Bills	-	-	-	-
Total	5,085.88	4,407.18	678.70	15.40%

Loans and Advances

(In Million BDT)

MMBL's loans and advances increased by BDT 5,394.35 million during the year 2018 and stood at BDT 35,575.65 million which was BDT 30,181.30 million in 2017 showing a substantial growth of 17.87 per cent over the previous year. Concentration of loans and advances was well managed and details of concentration are given at notes to the financial statements. The ratio of non-performing loan was 1.83 per cent 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 is presented here :

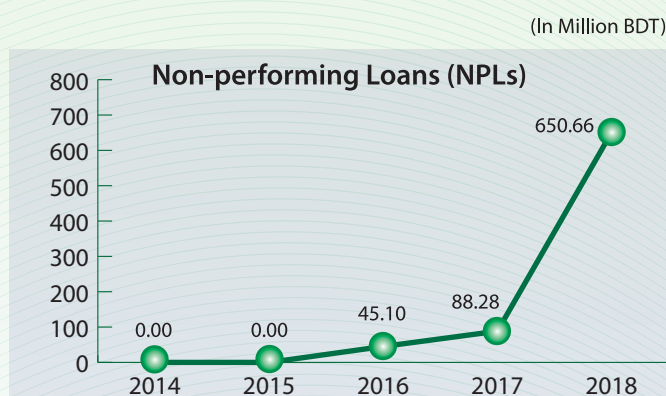


Fixed Assets

Fixed assets include land, building, furniture & fixture, office equipment and vehicles etc. MMBL's fixed assets decreased by BDT 4.20 million during the year 2018 and stood at BDT 215.78 million which was BDT 219.98 million in 2017.

Other Assets

Other assets of the bank increased by BDT 96.90 million during the year 2018 and stood at BDT 1,457.95 million and it was BDT 1,361.05 million in 2017. The main components of other assets are advance income tax, advance rent, interest receivable, branch adjustment account and suspense account etc.



Borrowings from other Banks, Financial Institutions and Agents

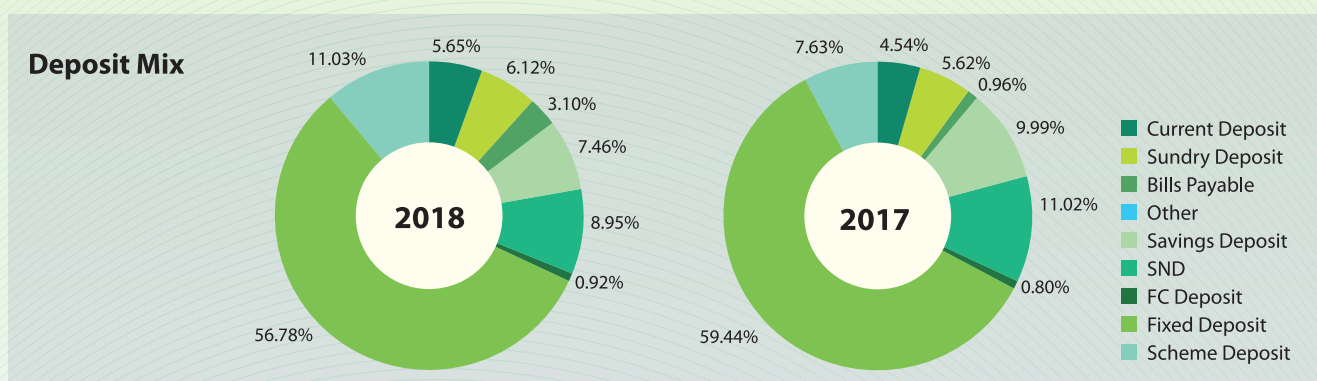
MMBL has borrowed fund from other banks and financial institutions as well as Bangladesh Bank for Refinance against SME loan. MMBL has also borrowed foreign currency for its OBU operation. In 2018, borrowings of the Bank stood at BDT 4,863.55 million which was BDT 5,326.62 million in 2017.

Deposits

During the year 2018, total deposits of the bank increased by BDT 4,707.47 million and stood at BDT 37,743.91 million (it was BDT 33,036.44 million in 2017) to present growth of 14.25 percent. No-cost & Low-cost deposit increased by 11.70 per cent compared to the corresponding period.

(In Million BDT)

Particulars	2018	2017	Mix (%)	
			2018	2017
No Cost Deposit	5,611.56	3,671.22	14.87%	11.11%
Current Deposit	2,131.44	1,498.65	5.65%	4.54%
Sundry Deposit	2,308.63	1,856.39	6.12%	5.62%
Bills Payable	1,171.49	316.17	3.10%	0.96%
Other	-	-	0.00%	0.00%
Low Cost Deposit	6,540.39	7,208.06	17.33%	21.82%
Savings Deposit	2,814.37	3,301.56	7.46%	9.99%
SND	3,378.60	3,641.32	8.95%	11.02%
FC Deposit	347.42	265.19	0.92%	0.80%
High Cost Deposit	25,591.96	22,157.15	67.80%	67.07%
Fixed Deposit	21,430.51	19,637.31	56.78%	59.44%
Scheme Deposit	4,161.45	2,519.84	11.03%	7.63%
Total Deposit	37,743.91	33,036.44	100.00%	100.00%

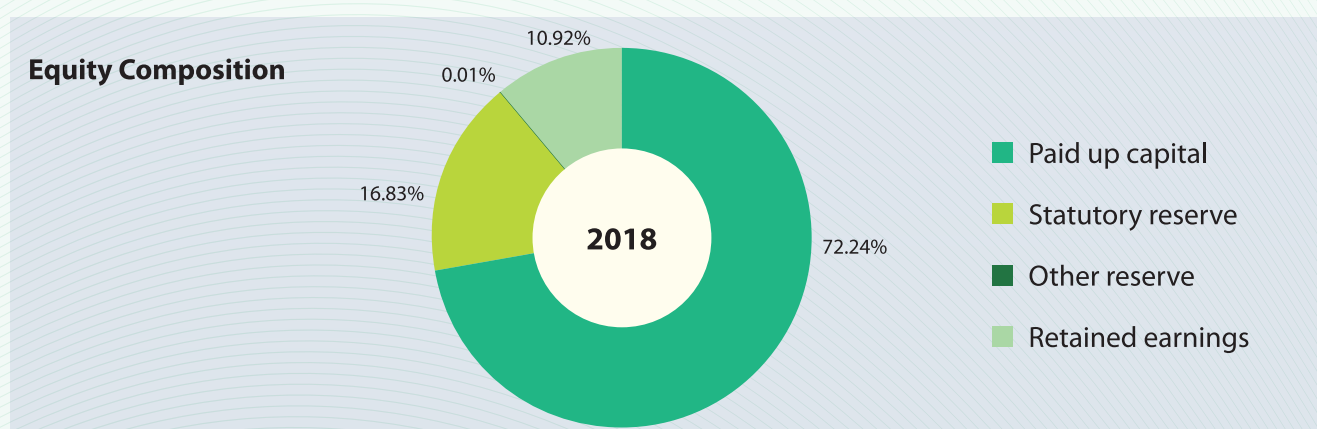


Shareholders' Equity

Total shareholders' equity includes paid up capital, statutory reserve and retained earnings and other reserves. By the end of the year 2018, total shareholders' equity increased to BDT 6,256.91 million from BDT 5,731.11 million in 2017 which is equivalent of 9.17 per cent growth. Details are as follows:

(In Million BDT)

Shareholders' Equity	2018	2017	Increase/ (Decrease)	Growth (%)
Paid up capital	4,520.00	4,520.00	-	0.00%
Statutory reserve	1,053.29	716.80	336.49	46.94%
Other reserve	0.45	4.64	(4.19)	(90.33%)
Retained earnings	683.17	489.67	193.50	39.52%
Total Shareholders' Equity	6,256.91	5,731.11	525.80	9.17%



Analysis of Operating Results

In 2018, MMBL made operating income of BDT 2,806.75 million (it was BDT 2,246.10 million in 2017) whereas operating expense was BDT 864.82 million in 2018 compared to BDT 780.40 million in 2017. Profit before provision and tax was BDT 1,941.93 million compared to BDT 1,465.71 million in 2017. Profit after tax was BDT 981.99 million against BDT 746.13 million in 2017. Earnings Per Share stood at BDT 2.17 which was BDT 1.65 in 2017. Details are as follows:

(In Million BDT)

Particulars	2018	2017	Increase/ (Decrease)	Growth (%)
Interest Income	4,386.05	3,100.80	1,285.25	41.45%
Interest Expense	2,501.71	1,816.11	685.60	37.75%
Net Interest Income (NII)	1,884.33	1,284.69	599.65	46.68%
Non-Interest Income	922.42	961.42	(39.00)	(4.06%)
Operating Expenses	864.82	780.40	84.42	10.82%
Profit before Provision & Taxes	1,941.93	1,465.71	476.23	32.49%
Profit before Taxes (PBT)	1,682.43	1,289.79	392.65	30.44%
Net Profit after Taxes (NPAT)	981.99	746.13	235.86	31.61%

Interest Income

During the year 2018, interest income increased by BDT 1,285.25 million and stood at BDT 4,386.05 million against BDT 3,100.80 million in 2017. The major interest earning came from follows:

(In Million BDT)

Particulars	2018	2017	Increase/ (Decrease)	Growth (%)
Interest on loans and advances	3,796.76	2,447.88	1,348.88	55.10%
Interest on balances with other Banks & FI's	580.33	646.82	(66.50)	(10.28%)
Interest on balance with foreign Bank	8.96	6.09	2.87	47.07%
Total	4,386.05	3,100.80	1,285.25	41.45%

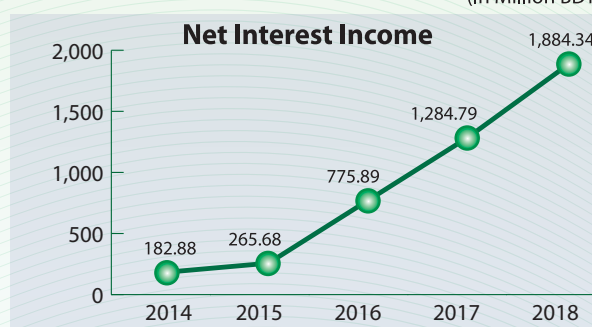
Interest Expense

In 2018, MMBL incurred BDT 2,501.71 million as interest expense and it was BDT 1,816.11 million in 2017. It reveals a growth of 37.75 per cent during 2018. The Bank was able to maintain a strong liquidity position during the period and simultaneously managed to procure deposit at lower cost. Our average cost of deposits in 2018 was 6.68 per cent which was 5.52 per cent in 2017. Interest paid on borrowings was BDT 361.83 million in 2018 which was BDT 260.51 million in 2017.

(In Million BDT)

Net Interest Income

MMBL earned total BDT 1,884.33 million as net interest income during the year 2018 registering increase by BDT 599.65 million which is equivalent to 46.68 per cent growth over previous year. It indicates that the management of the Bank is more efficient to manage the interest rate of loans and deposits.



Product wise Interest Expense Analysis

In 2018, interest expenses on deposits increased by BDT 584.28 million and stood at BDT 2,139.88 million which was BDT 1,555.60 million in 2017. It reveals a positive growth of 37.56 per cent in terms of profitability. Details are as follows.

(In Million BDT)

Particulars	2018	2017	Increase/(Decrease)	Change (%)
Savings Deposits	126.69	231.53	(104.84)	(45.28%)
Short Notice Deposit	71.56	103.20	(31.64)	(30.66%)
Term Deposits	1,575.44	963.27	612.17	63.55%
Scheme Deposits	366.19	257.60	108.59	42.15%
Total	2,139.88	1,555.60	584.28	37.56%

Income from Investment

MMBL has earned investment income of BDT 373.63 million during the year 2018 which was BDT 518.27 million in 2017. In investment income, interest income was BDT 368.86 million and non-interest income was BDT 4.77 million. Detail is given below:

(In Million BDT)

Investment Income	2018	2017	Increase/ (Decrease)	Change (%)
Interest on treasury bills/Reverse repo/bonds	368.86	334.16	34.70	10.38%
Interest on debentures / bonds	-	-	-	
Gain on discounted bond / bills	-	-	-	
Interest Income from investment	-	-	-	
Gain on Govt. security trading	- 8.83	171.73	(180.56)	(105.14%)
Dividend on shares	8.22	8.16	0.06	0.79%
Gain on sale of shares	5.38	4.22	1.15	27.30%
Non-Interest Income from Investment	-	-	-	
Total	373.63	518.27	(144.64)	(27.91%)

(In Million BDT)

Commission, Exchange and Brokerage

During the year 2018, MMBL earned total BDT 486.56 million as commission, exchange and brokerage which was BDT 391.82 million in 2017. Commission, exchange and brokerage income increased by BDT 94.74 million from previous year.

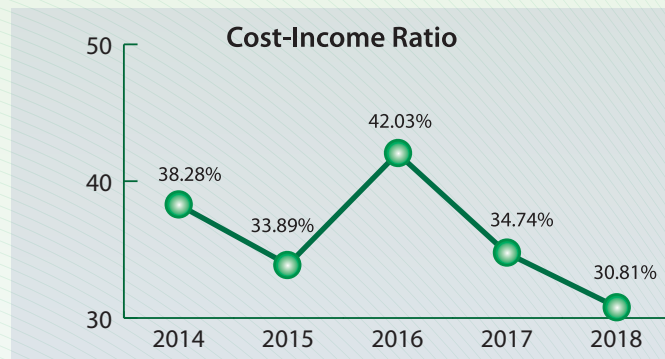
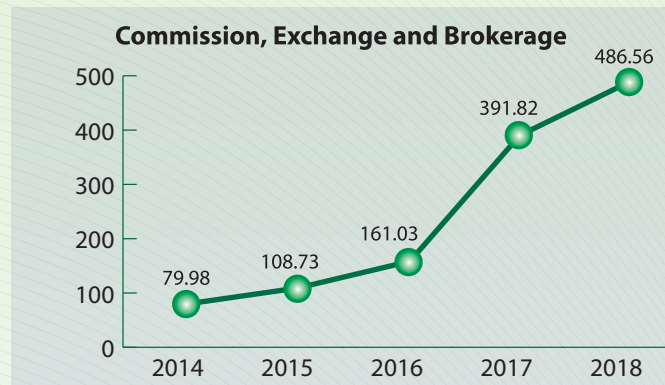
Other Operating Income

Other operating income increased by BDT 10.91 million and stood at BDT 62.23 million in 2018. It was BDT 51.32 million in 2017.

Operating Expenses

Total operating expenses during 2018 has increased to BDT 864.82 million compared to BDT 780.40 million in the last year. It reveals a positive growth of 10.82% which has had a negative impact on the bank's profitability.

The main components of the operating expenses are as follows :



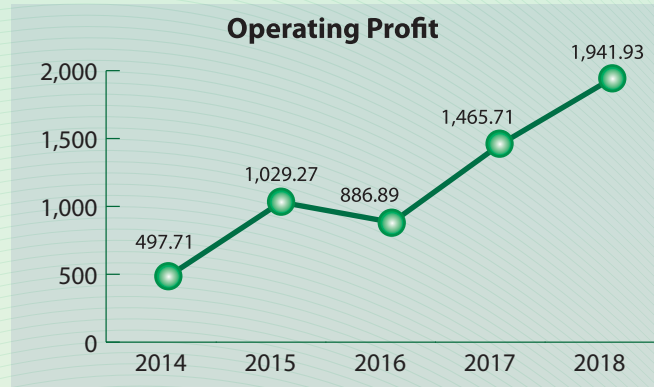
(In Million BDT)

Particulars	2018	2017	Increase/ (Decrease)	Change (%)
Salaries and allowances	446.42	393.55	52.87	13.43%
Rent, taxes, insurance, electricity, etc.	152.73	131.76	20.97	15.92%
Legal expenses	0.39	0.54	(0.15)	(28.30%)
Postage, stamp, telecommunication, etc.	25.43	25.76	(0.33)	(1.29%)
Stationery, printing, advertisements, etc.	48.91	43.07	5.84	13.56%
Managing Director's salary and fees	9.52	9.53	(0.01)	(0.14%)
Directors' fees	1.46	1.83	(0.37)	(20.09%)
Auditors' fees	0.25	0.25	-	0.00%
Depreciation and repair of Bank's assets	63.86	56.69	7.17	12.65%
Other expenses	115.85	117.42	(1.57)	(1.33%)
Total	864.82	780.40	84.42	10.82%

Operating Profit

The total operating profit of the Bank for the year 2018 stood at BDT 1,941.93 million in comparison with BDT 1,465.71 million in 2017. Operating profit increased in 2018 mainly due to increase in interest income, commission & exchange gain.

(In Million BDT)



Profit before Tax

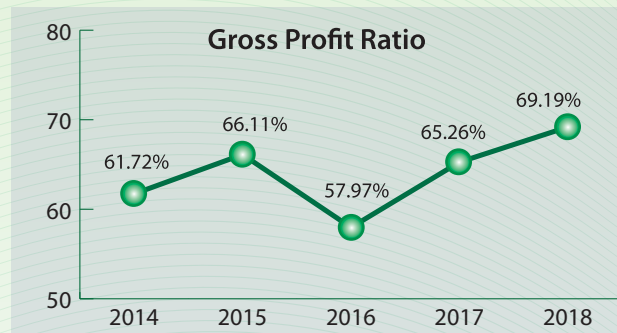
Profit before tax of the Bank stood at BDT 1,682.43 million in 2018 compared to BDT 1,289.79 million in 2017. The Bank maintained adequate amount of provision against loans and advances, off-balance sheet items, and other assets. Bank maintained adequate provision during 2018 as per regulatory requirement.

Net Profit after Tax

During the year 2018, net profit after tax increased by BDT 235.86 million and stood at BDT 981.99 million. It was BDT 746.13 million in 2017. Net profit increased due to increase of Interest income & other operation income.

(In Million BDT)

Year	Operating Profit	Profit after Tax
2018	1,941.93	981.99
2017	1,465.71	746.13
2016	886.76	462.19
2015	1,029.27	764.93
2014	497.71	306.30



Return on Equity

During the year, Return on Equity (RoE) of the Bank was 16.38 per cent in 2018 while it was 13.36 per cent in the year 2017.

Return on Assets

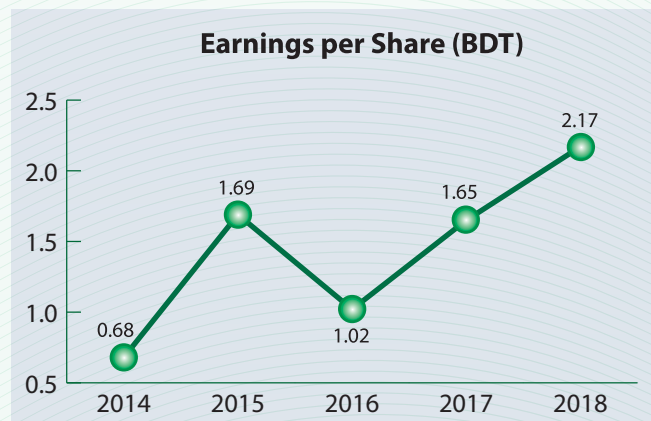
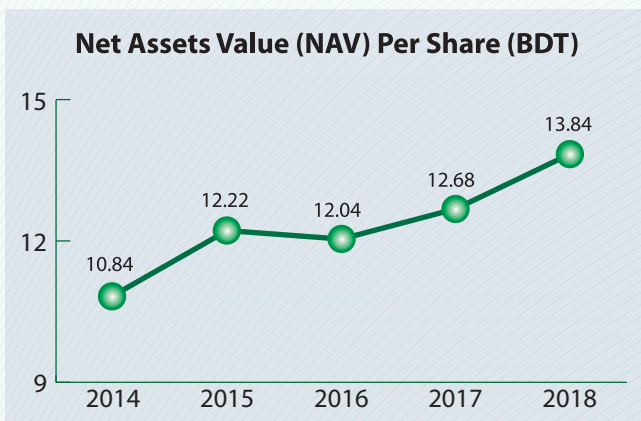
To the contrary, Return on Assets (RoA) of the Bank stood at 2.02 per cent in 2018 while it was 1.93 per cent in the previous year.

Net Assets Value (NAV) Per Share

NAV per share stood at BDT 13.84 at the end of 2018 whereas it was BDT 12.68 in the previous year.

Earnings per Share

In 2018, MMBL's earnings per share (EPS) BDT 2.17 compared to BDT 1.65 in previous year.



Shareholders' Information

Key Financial Data & Key Ratios

(In Million BDT)

Result of Operation	2018	2017	2016	2015	2014
Interest income	4,386	3,101	2,365	1,417	881
Interest expenses	2,502	1,816	1,589	1,151	698
Net interest income	1,884	1,285	776	266	183
Investment income	374	518	555	1,163	535
Commission, exchange and brokerage	487	392	161	109	80
Other operating income	62	51	38	19	9
Operating income	2,807	2,246	1,530	1,557	806
Operating expenses	865	780	643	528	309
Operating profit	1,942	1,466	887	1,029	498
Provision for loans and assets	260	176	117	58	56
Net profit before tax	1,682	1,290	770	971	442
Tax including deferred tax	700	544	308	206	136
Net profit after tax	982	746	462	765	306

Balance Sheet					
Authorized capital	20,000	20,000	20,000	20,000	20,000
Paid-up capital	4,520	4,520	4,520	4,520	4,520
Shareholders' equity	6,257	5,731	5,440	5,525	4,900
Deposits	37,744	33,036	23,304	16,903	9,838
Loans and advances	35,576	30,181	17,139	9,983	4,131
Investments	5,086	4,407	4,047	2,640	6,955
Fixed assets	216	220	217	202	149
Total assets	51,304	45,775	32,425	23,766	16,373
Total liabilities	45,047	40,044	26,984	18,240	11,473

Other Business					
Import	20,040	17,513	9,470	5,143	1,725
Export	20,005	9,368	5,033	1,933	484
Remittance	438	163	120	56	10
Guarantee Business	11,034	5,316	4,402	856	820
No. of foreign correspondents	152	151	132	114	94

Liquidity Measures					
Long-term liabilities	14,573	10,677	7,047	2,280	1,086
Current liabilities	30,474	29,367	19,937	15,961	10,387
Earning assets	46,743	41,713	29,373	21,708	15,654
Current assets	28,399	25,764	21,004	14,868	9,052
Credit-deposit ratio	88.59%	90.87%	73.54%	59.06%	41.99%
CRR Held (percent)	6.06%	5.84%	6.73%	7.14%	7.32%
SLR Held (percent)	15.61%	14.47%	16.33%	18.02%	84.13%

Shareholders' Information

Key Financial Data & Key Ratios

(In Million BDT)

Capital Measures	2018	2017	2016	2015	2014
Total risk weighted asset	45,008	36,546	29,171	15,727	9,687
Tier-1 Capital	6,256	5,726	5,432	5,422	4,883
Tier-2 Capital	514	398	232	123	66
Total capital	6,771	6,124	5,664	5,545	4,949
Tier-1 Ratio (percent)	13.90%	15.67%	18.62%	34.48%	50.41%
Tier-2 Ratio (percent)	1.14%	1.09%	0.79%	0.78%	0.68%
Capital to Risk Weighted Asset Ratio (percent)	15.04%	16.76%	19.42%	35.26%	51.09%
Leverage Ratio (percent) under Basel-III	9.87%	10.71%	14.47%	21.17%	-
Liquidity Coverage Ratio (LCR)	162.28%	268.20%	380.43%	500.68%	-
Net Stable Funding Ratio (NSFR)	104.26%	121.39%	134.48%	175.55%	-

Operating Performance Ratio (%)					
Gross profit ratio	69.19%	65.26%	57.97%	66.11%	61.72%
Cost-income ratio	30.81%	34.74%	42.03%	33.89%	38.28%
Cost of Deposit	6.68%	5.52%	6.74%	8.37%	9.62%
Cost of Fund	8.42%	7.16%	8.17%	10.31%	12.26%
Yield on average advance	12.48%	10.59%	11.23%	13.47%	14.14%
Spread	4.06%	3.43%	3.06%	3.16%	1.88%
Earning asset to total assets (average)	91.11%	91.13%	90.59%	91.34%	95.61%
Return on average assets (ROA)	2.02%	1.93%	1.65%	3.81%	2.53%
Return on average equity (ROE)	16.38%	13.36%	8.43%	14.67%	6.46%

Asset Quality					
Non-performing loans (NPLs)	650.66	88.28	45.10	-	-
NPLs to total loans and advances (percent)	1.83%	0.29%	0.26%	0.00%	0.00%
Provision for unclassified loans and advance	314.24	252.34	153.80	88.69	41.00
Provision for classified loans and advance	154.00	12.10	6.22	-	-

Share Information					
No. of shares outstanding (in million)	452	452	452	452	452
No. of shareholders	41	41	41	41	41
Earnings per share (BDT)	2.17	1.65	1.02	1.69	0.68
Dividend (percent)	15%	10%	10%	10%	5%
Net asset value per share (BDT)	13.84	12.68	12.04	12.22	10.84

Other information					
No. of branches	35	29	23	15	10
Number of ATM	32	30	22	16	6
No. of employees	490	422	372	297	205
Profit per employee (BDT in million)	3.96	3.47	2.38	3.47	2.43

Horizontal Analysis : Balance Sheet

(In Million BDT)

PROPERTY AND ASSETS	2018	18 Vs 17	2017	17 Vs 16	2016	16 Vs 15	2015	15 Vs 14	2014	14 Vs 13
Cash										
Cash in hand (including foreign currencies)	347.00	18.44%	292.97	77.07%	165.46	52.78%	108.30	86.67%	58.02	443.92%
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2,328.70	3.82%	2,242.98	20.33%	1,863.95	49.64%	1,245.62	93.36%	644.21	499.65%
	2,675.70	5.51%	2,535.95	24.96%	2,029.41	49.89%	1,353.92	92.80%	702.23	494.62%
Balance with other banks and financial institutions										
In Bangladesh	5,906.34	-14.50%	6,908.39	-15.80%	8,204.92	-3.37%	8,490.75	130.54%	3,683.05	-49.04%
Outside Bangladesh	206.11	28.13%	160.86	-64.80%	456.92	93.40%	236.25	29.42%	182.55	-
	6,112.46	-13.53%	7,069.25	-18.39%	8,661.84	-0.75%	8,727.00	125.76%	3,865.60	-46.51%
Money at call on short notice	180.60	100.00%	-	-	-	-	600.00	-	-	-
Investments										
Government	4,982.62	15.68%	4,307.06	9.13%	3,946.88	52.36%	2,590.41	-62.75%	6,954.98	5286.05%
Others	103.27	3.14%	100.12	0.12%	100.00	100.00%	50.00	-	-	-
	5,085.88	15.40%	4,407.18	8.90%	4,046.88	53.27%	2,640.41	-62.04%	6,954.98	5286.05%
Loans and advances										
Loans, Cash Credit, Overdrafts etc.	32,693.77	17.67%	27,785.06	74.51%	15,921.34	61.48%	9,859.72	141.69%	4,079.52	11652.32%
Bills purchased and discounted	2,881.88	20.27%	2,396.24	96.86%	1,217.26	887.06%	123.32	140.02%	51.38	-
	35,575.65	17.87%	30,181.30	76.10%	17,138.60	71.68%	9,983.04	141.67%	4,130.90	11800.33%
Fixed assets including premises, furniture and fixtures	215.78	-1.91%	219.99	1.55%	216.62	7.41%	201.68	33.96%	150.55	70.95%
Other assets	1,457.95	7.12%	1,361.05	310.99%	331.16	27.64%	259.45	-54.54%	570.76	98.83%
Non - banking assets	-	-	-	-	-	-	-	-	-	-
Total assets	51,304.03	12.08%	45,774.72	41.17%	32,424.51	36.44%	23,765.50	45.13%	16,375.02	107.70%

Horizontal Analysis : Balance Sheet

(In Million BDT)

	2018	18 Vs 17	2017	17 Vs 16	2016	16 Vs 15	2015	15 Vs 14	2014	14 Vs 13
LIABILITIES AND CAPITAL										
Liabilities										
Borrowings from other banks, financial institutions and its agents	4,863.55	-8.69%	5,326.62	69.92%	3,134.86	212.42%	1,003.40	-28.33%	1,400.00	-10.26%
Deposits and other accounts										
Current Accounts and other Accounts										
Bills Payable	4,787.48	32.24%	3,620.23	27.39%	2,841.76	204.52%	933.19	224.48%	287.60	332.50%
Savings Bank Deposits	1,171.49	270.52%	316.17	-25.53%	424.58	262.45%	117.14	33.35%	87.85	127855.14%
Special Notice Deposits (SND)	2,814.37	-14.76%	3,301.56	-24.15%	4,352.58	1136.98%	351.87	98.09%	177.64	746.32%
Fixed Deposits	3,378.60	-7.21%	3,641.32	110.89%	1,726.61	-53.45%	3,709.29	118.28%	1,699.33	34371.70%
Other Deposits	25,591.96	15.50%	22,157.15	58.74%	13,958.20	18.37%	11,791.93	55.45%	7,585.72	377.93%
	-	-	-	-	-	-	-	-	-	-
Other Liabilities	37,743.91	14.25%	33,036.44	41.76%	23,303.74	37.86%	16,903.42	71.82%	9,838.13	485.71%
Total Liabilities	2,439.66	45.17%	1,680.55	207.88%	545.85	63.81%	333.23	40.84%	236.60	255.24%
Capital/Shareholders' Equity	45,047.12	12.50%	40,043.61	48.40%	26,984.45	47.94%	18,240.05	58.96%	11,474.73	247.06%
Paid up Capital	4,520.00	0.00%	4,520.00	0.00%	4,520.00	0.00%	4,520.00	0.00%	4,520.00	0.00%
Statutory Reserve	1,053.29	46.94%	716.80	56.22%	458.84	50.53%	304.82	175.48%	110.65	397.56%
Revaluation Reserve	0.34	-91.31%	3.95	-47.89%	7.58	-92.66%	103.31	505.15%	17.07	2799.06%
Foreign currency translation gain	0.11	-84.68%	0.69	398.37%	0.14	59852.38%	0.00	-	-	-
Surplus in Profit and Loss Account/ Retained Earnings	683.17	39.52%	489.67	7.98%	453.49	-24.08%	597.33	136.51%	252.56	628.43%
Total Shareholders' Equity	6,256.91	9.17%	5,731.11	5.35%	5,440.06	-1.55%	5,525.45	12.76%	4,900.28	7.05%
Total Liabilities and Shareholders' Equity	51,304.03	12.08%	45,774.72	41.17%	32,424.51	36.44%	23,765.50	45.13%	16,375.02	107.70%

Horizontal Analysis : Profit and Loss Account

(In Million BDT)

	2018	18 Vs 17	2017	17 Vs 16	2016	16 Vs 15	2015	15 Vs 14	2014	14 Vs 13
Interest income	4,386.05	41.45%	3,100.80	31.10%	2,365.22	66.94%	1,416.79	60.89%	880.58	243.75%
Interest paid on deposits and borrowings etc.	2,501.71	37.75%	1,816.11	14.27%	1,589.34	38.07%	1,151.11	64.98%	697.71	1334.84%
Net interest income	1,884.33	46.68%	1,284.69	65.58%	775.89	192.04%	265.68	45.28%	182.87	-11.89%
Investment income	373.63	-27.91%	518.27	-6.55%	554.57	-52.33%	1,163.26	117.41%	535.05	-
Commission, exchange and brokerage	486.56	24.18%	391.82	143.32%	161.03	48.10%	108.73	35.94%	79.98	3206.04%
Other operating income	62.23	21.26%	51.32	33.61%	38.41	99.57%	19.24	125.91%	8.52	161732%
Total operating income (A)	2,806.75	24.96%	2,246.10	46.81%	1,529.90	-1.74%	1,291.23	107.08%	623.55	25618.33%
Salaries and allowances	446.42	13.43%	393.55	28.23%	306.91	65.39%	185.57	99.52%	93.01	260.95%
Rent, taxes, insurance, electricity etc.	152.73	15.92%	131.76	19.41%	110.35	9.32%	100.94	35.04%	74.75	163.55%
Legal expenses	0.39	-28.30%	0.54	95.25%	0.28	-24.35%	0.36	65.23%	0.22	266.67%
Postage, stamp, telecommunication etc.	25.43	-1.29%	25.76	33.46%	19.30	63.92%	11.77	58.05%	7.45	810.47%
Stationery, printing, advertisements etc.	48.91	13.56%	43.07	42.40%	30.25	-32.18%	44.60	58.79%	28.09	204.68%
Managing Director's salary and fees	9.52	-0.14%	9.53	22.23%	7.80	-6.28%	8.32	0.00%	8.32	67.93%
Directors' fees	1.46	-20.09%	1.83	12.25%	1.63	26.32%	1.29	-16.48%	1.55	483.74%
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	63.86	12.65%	56.69	10.45%	51.33	21.06%	42.40	79.39%	23.63	602.23%
Other expenses	115.85	-1.33%	117.42	2.05%	115.06	-12.92%	132.13	84.93%	71.45	200.21%
Total operating expenses (B)	864.82	10.82%	780.40	21.34%	643.14	21.89%	527.64	70.91%	308.72	218.72%
Profit before provision (C=A-B)	1,941.93	32.49%	1,465.71	65.31%	886.65	-13.85%	1,029.16	106.83%	497.59	340.37%
Provision for loans and advances										
General provision	60.40	-30.04%	86.34	54.27%	55.97	17.74%	47.53	16.93%	40.65	11514.29%
Specific provision	141.90	2313.27%	5.88	-5.47%	6.22	-	-	-	-	-
Provision for Off-shore Banking unit	1.50	-87.70%	12.20	33.39%	9.15	5838.96%	0.15	-	-	-
Provision for off-balance sheet items	55.70	-20.43%	70.00	54.57%	45.29	321.28%	10.75	-28.33%	15.00	860.24%
Provision for Incentive of Good Borrowers	-	-	1.50	-	-	-	-	-	-	-
Total provision (D)	259.50	47.51%	175.92	50.85%	116.62	99.57%	58.44	5.01%	55.65	2810.40%
Total profit before tax (C-D)	1,682.43	30.44%	1,289.79	67.50%	770.02	-20.68%	970.72	119.65%	441.94	297.85%
Provision for taxation										
Current	704.17	29.00%	545.87	77.03%	308.35	50.77%	204.51	54.82%	132.09	185.77%
Deferred Tax	(3.73)	68.84%	(2.21)	445.12%	(0.41)	-129.18%	1.39	-62.05%	3.66	-54.57%
Net profit after tax	981.99	31.61%	746.13	61.47%	462.08	-39.58%	764.83	149.79%	306.19	439.06%

Vertical Analysis : Balance Sheet

(In Million BDT)

	2018	%	2017	%	2016	%	2015	%	2014	%
PROPERTY AND ASSETS										
Cash										
Cash in hand (including foreign currencies)	347.00	0.68%	292.97	0.64%	165.46	0.51%	108.30	0.46%	58.02	0.35%
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2,328.70	4.54%	2,242.98	4.90%	1,863.95	5.75%	1,245.62	5.24%	644.21	3.93%
	2,675.70	5.22%	2,535.95	5.54%	2,029.41	6.26%	1,353.92	5.70%	702.23	4.29%
Balance with other banks and financial institutions										
In Bangladesh	5,906.34	11.51%	6,908.39	15.09%	8,204.92	25.30%	8,490.75	35.73%	3,683.05	22.49%
Outside Bangladesh	206.11	0.40%	160.86	0.35%	456.92	1.41%	236.25	0.99%	182.55	1.11%
	6,112.46	11.91%	7,069.25	15.44%	8,661.84	26.71%	8,727.00	36.72%	3,865.60	23.61%
Money at call on short notice	180.60	0.00	-	-	-	-	600.00	3%	-	-
Investments										
Government	4,982.62	9.71%	4,307.06	9.41%	3,946.88	12.17%	2,590.41	10.90%	6,954.98	42.47%
Others	103.27	0.20%	100.12	0.22%	100.00	0.31%	50.00	0.21%	-	0.00%
	5,085.88	9.91%	4,407.18	9.63%	4,046.88	12.48%	2,640.41	11.11%	6,954.98	42.47%
Loans and advances										
Loans, Cash Credit, Overdrafts etc.	32,693.77	63.73%	27,785.06	60.70%	15,921.34	49.10%	9,859.72	41.49%	4,079.52	24.91%
Bills purchased and discounted	2,881.88	5.62%	2,396.24	5.23%	1,217.26	3.75%	123.32	0.52%	51.38	0.31%
	35,575.65	69.34%	30,181.30	65.93%	17,138.60	52.86%	9,983.04	42.01%	4,130.90	25.23%
Fixed assets including premises, furniture and fixtures	215.78	0.42%	219.99	0.48%	216.62	0.67%	201.68	0.85%	150.55	0.92%
Other assets	1,457.95	2.84%	1,361.05	2.97%	331.16	1.02%	259.45	1.09%	570.76	3.49%
Non - banking assets	-	-	-	-	-	-	-	-	-	-
Total assets	51,304.03	100.00%	45,774.72	100.00%	32,424.51	100.00%	23,765.50	100.00%	16,375.02	100.00%

Vertical Analysis : Balance Sheet

(In Million BDT)

	2018	%	2017	%	2016	%	2015	%	2014	%
LIABILITIES AND CAPITAL										
Liabilities										
Borrowings from other banks, financial institutions and its agents	4,863.55	9.48%	5,326.62	11.64%	3,134.86	9.67%	1,003.40	4.22%	1,400.00	8.55%
Deposits and other accounts										
Current Accounts and other Accounts	4,787.48	9.33%	3,620.23	7.91%	2,841.76	8.76%	933.19	3.93%	287.60	1.76%
Bills Payable	1,171.49	2.28%	316.17	0.69%	424.58	1.31%	117.14	0.49%	87.85	0.54%
Savings Bank Deposits	2,814.37	5.49%	3,301.56	7.21%	4,352.58	13.42%	351.87	1.48%	177.64	1.08%
Special Notice Deposits (SND)	3,378.60	6.59%	3,641.32	7.95%	1,726.61	5.33%	3,709.29	15.61%	1,699.33	10.38%
Fixed Deposits	25,591.96	49.88%	22,157.15	48.40%	13,958.20	43.05%	11,791.93	49.62%	7,585.72	46.32%
Other Deposits	-	-	-	-	-	-	-	-	-	-
Other Liabilities	37,743.91	73.57%	33,036.44	72.17%	23,303.74	71.87%	16,903.42	71.13%	9,838.13	60.08%
Total Liabilities	2,439.66	4.76%	1,680.55	3.67%	545.85	1.68%	333.23	1.40%	236.60	1.44%
Capital/Shareholders' Equity	45,047.12	87.80%	40,043.61	87.48%	26,984.45	83.22%	18,240.05	76.75%	11,474.73	70.07%
Paid up Capital	4,520.00	8.81%	4,520.00	9.87%	4,520.00	13.94%	4,520.00	19.02%	4,520.00	27.60%
Statutory Reserve	1,053.29	2.05%	716.80	1.57%	458.84	1.42%	304.82	1.28%	110.65	0.68%
Revaluation Reserve	0.34	0.00%	3.95	0.01%	7.58	0.02%	103.31	0.43%	17.07	0.10%
Foreign currency translation gain	0.11	0.00%	0.69	0.00%	0.14	0.00%	0.00	0.00%	-	-
Surplus in Profit and Loss Account/ Retained Earnings	683.17	1.33%	489.67	1.07%	453.49	1.40%	597.33	2.51%	252.56	1.54%
Total Shareholders' Equity	6,256.91	12.20%	5,731.11	12.52%	5,440.06	16.78%	5,525.45	23.25%	4,900.28	29.93%
Total Liabilities and Shareholders' Equity	51,304.03	100.00%	45,774.72	100.00%	32,424.51	100.00%	23,765.50	100.00%	16,375.02	100.00%

Vertical Analysis : Profit and Loss Account

(In Million BDT)

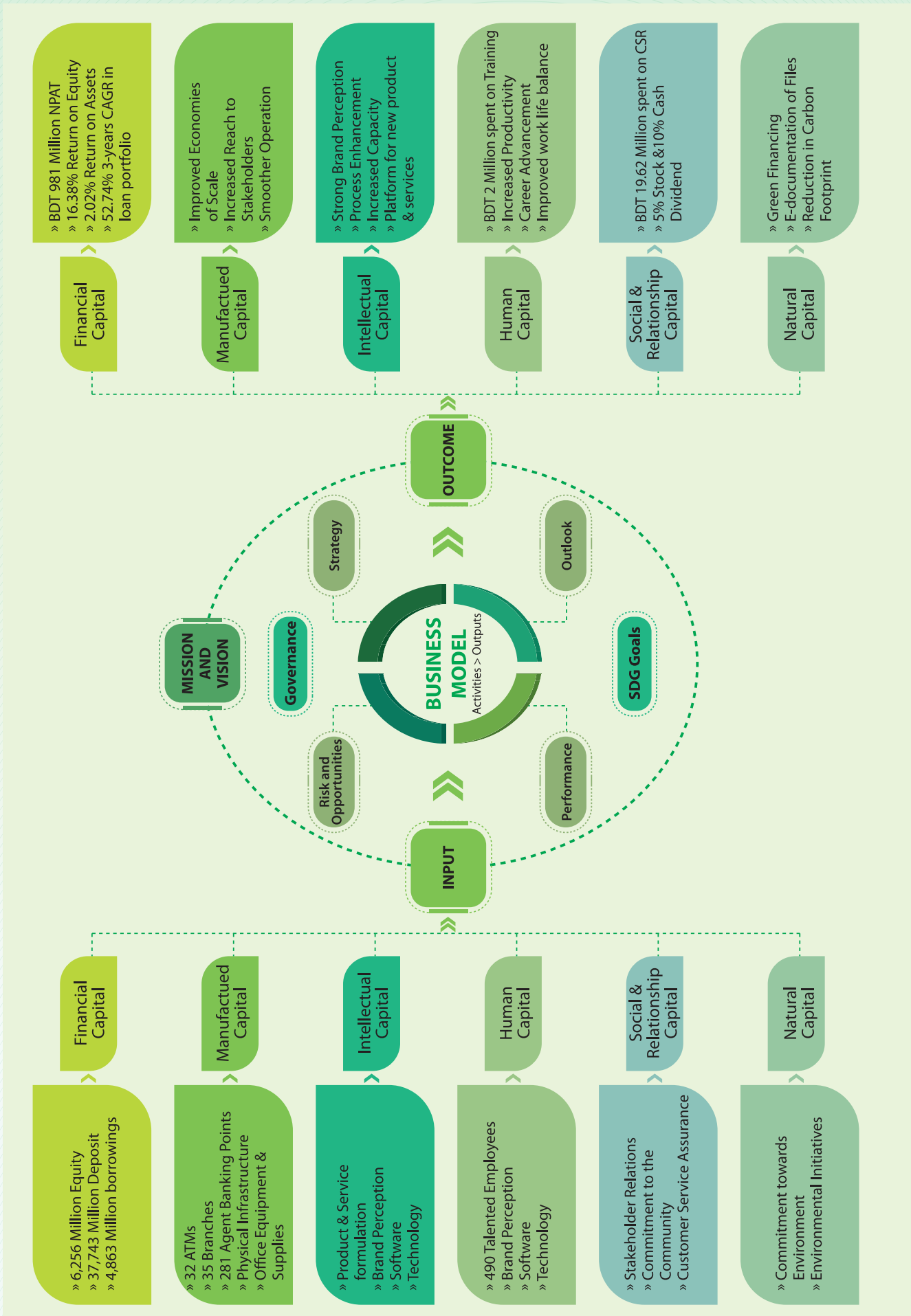
	2018	%	2017	%	2016	%	2015	%	2014	%
Interest income	4,386.05	82.62%	3,100.80	76.33%	2,365.22	75.83%	1,416.79	52.32%	880.58	58.54%
Interest paid on deposits and borrowings etc.	2,501.71	47.13%	1,816.11	44.71%	1,589.34	50.95%	1,151.11	42.51%	697.71	46.39%
Net interest income	1,884.33	35.50%	1,284.69	31.63%	775.89	24.87%	265.68	9.81%	182.87	12.16%
Investment income	373.63	7.04%	518.27	12.76%	554.57	17.78%	1,163.26	42.96%	535.05	35.57%
Commission, exchange and brokerage	486.56	9.17%	391.82	9.65%	161.03	5.16%	108.73	4.02%	79.98	5.32%
Other operating income	62.23	1.17%	51.32	1.26%	38.41	1.23%	19.24	0.71%	8.52	0.57%
Total operating income (A)	922.42	17.38%	961.42	23.67%	754.01	24.17%	1,291.23	47.68%	623.55	41.46%
	2,806.75	52.87%	2,246.10	55.29%	1,529.90	49.05%	1,556.91	57.49%	806.42	53.61%
Salaries and allowances	446.42	8.41%	393.55	9.69%	306.91	9.84%	185.57	6.85%	93.01	6.18%
Rent, taxes, insurance, electricity etc.	152.73	2.88%	131.76	3.24%	110.35	2.72%	100.94	2.48%	74.75	1.84%
Legal expenses	0.39	0.01%	0.54	0.01%	0.28	0.01%	0.36	0.01%	0.22	0.01%
Postage, stamp, telecommunication etc.	25.43	0.48%	25.76	0.63%	19.30	0.48%	11.77	0.29%	7.45	0.18%
Stationery, printing, advertisements etc.	48.91	0.92%	43.07	1.06%	30.25	0.74%	44.60	1.10%	28.09	0.69%
Managing Director's salary and fees	9.52	0.18%	9.53	0.23%	7.80	0.19%	8.32	0.20%	8.32	0.20%
Directors' fees	1.46	0.03%	1.83	0.05%	1.63	0.04%	1.29	0.03%	1.55	0.04%
Auditors' fees	0.25	0.00%	0.25	0.01%	0.25	0.01%	0.25	0.01%	0.25	0.01%
Depreciation and repairs to bank's assets	63.86	1.20%	56.69	1.40%	51.33	1.26%	42.40	1.04%	23.63	0.58%
Other expenses	115.85	2.18%	117.42	2.89%	115.06	2.83%	132.13	3.25%	71.45	1.76%
Total operating expenses (B)	864.82	16.29%	780.40	19.21%	643.14	15.83%	527.64	12.99%	308.72	7.60%
Profit before provision (C=A-B)	1,941.93	36.58%	1,465.71	36.08%	886.65	33.21%	1,029.16	44.50%	497.59	46.01%
Provision for loans and advances										
General provision	60.40	1.14%	86.34	2.13%	55.97	1.38%	47.53	1.17%	40.65	1.00%
Specific provision	141.90	2.67%	5.88	0.14%	6.22	0.15%	-	-	-	-
Provision for Off-shore Banking unit	1.50	0.03%	12.20	0.30%	9.15	0.23%	0.15	0.00%	-	-
Provision for off-balance sheet items	55.70	1.05%	70.00	1.72%	45.29	1.11%	10.75	0.26%	15.00	0.37%
Provision for Incentive of Good Borrowers	-	0.00%	1.50	0.04%	-	-	-	-	-	-
Total provision (D)	259.50	4.89%	175.92	4.33%	116.62	2.87%	58.44	1.44%	55.65	1.37%
Total profit before tax (C-D)	1,682.43	31.69%	1,289.79	31.75%	770.02	30.34%	970.72	43.07%	441.94	44.64%
Provision for taxation										
Current	704.17	13.27%	545.87	13.44%	308.35	7.59%	204.51	5.03%	132.09	3.25%
Deferred Tax	(3.73)	-0.07%	(2.21)	-0.05%	(0.41)	-0.01%	1.39	0.03%	3.66	0.09%
Net profit after tax	700.44	13.19%	543.66	13.38%	307.94	7.58%	205.90	5.07%	135.75	3.34%
	981.99	18.50%	746.13	18.37%	462.08	22.76%	764.83	38.00%	306.19	41.30%

Integrate & Sustainability Reporting

Through 'Integrated Reporting' we make an effort to inform all of our stakeholders a vivid story of our commitment toward value creation. Evolving around the value creation process, this brief report focuses on intensity of the competition created by the environment, effects of macro environmental forces, SWOT analysis and business model to capitalize the competitive advantages.

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. Modhumoti Bank always 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.

Value Creation in 2018



Integrated Report

Banks have always played an active role in the economic and social development of countries by having the ability to select investment projects, manage risks, and decide who has access to capital and what activities are financed. By performing this function, these institutions have a huge impact on society and consequently on sustainable development. In the recent era, banks are increasing their social responsibility practices, reinforcing their credibility and the trust that their stakeholders have in them.

Through 'Integrated Reporting' we make an effort to inform all of our stakeholders a vivid story of our commitment toward value creation also that Modhumoti Bank Limited is not an exception. Evolving around the value creation process, this brief report focuses on intensity of the competition created by the environment, effects of macro environmental forces, SWOT analysis and business model to capitalize the competitive advantages.

This integrated report covers the period from 1 January 2018 to 31 December 2018 and corresponds to the 'capitals model' of value creation, adopted by the International Integrated Reporting Council (IIRC) in the International Framework. Based on our understanding of IIRC's guidelines, our report explains our dependence and impact on the forms of capital that are fundamental to our ability to create value over the long term.

Competitive Intensity and our response

In Bangladesh, a country with GDP size of BDT 22,505 billion, the banking industry is fiercely competitive and has a total of 59 scheduled banks, 5 non-scheduled banks and 34 NBFIs as at the end of 2018. Moreover, the banking industry in Bangladesh is continuously exposed to numerous risks, both internally and externally. In this backdrop, it is utmost imperative for any bank to identify the risk factors and competitive forces that shape the banking industry. As we envisioned to gradually expanding our operations amid this intense competition and acute risky environment, Modhumoti Bank has also adopted a risk identification and mitigation framework. This not only protects the Bank from adverse conditions but also helps to enhance its operational viability and sustainability.

We have depicted our risk framework through:

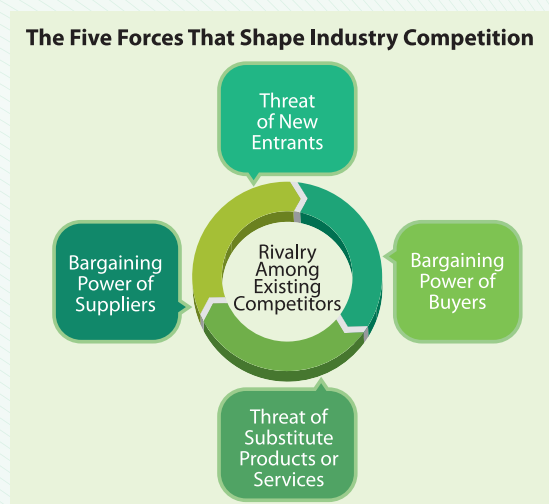
- Michael Porter's risk analysis structure;
- PEST Analysis;
- SWOT analysis

Michael Porter's Risk Analysis Structure

In 1979, Harvard Business Review [HBR] published 'How Competitive Forces Shape Strategy' by a young economist and associate professor, Michael E. Porter. In subsequent decades, Porter has brought his signature economic rigor to the study of competitive strategy for corporations, regions, nations, and, more recently, health care and philanthropy. 'Porter's five forces' have shaped a generation of academic research and business practice.

Threat of New Entrants: High

A number of new banks and NBFIs have entered the already crowded financial services industry over the couple of years. Meanwhile, few other banks are currently awaiting for approval which makes the threat of new entrants is reasonably high. A number of foreign institutions are now providing funding facilities to local companies at lower rate of interest with easier terms and conditions. In the future, many more foreign banks and financial institutions may also enter the market. These again would only further intensify the competition. The switching cost of customers is also low as given incentives by new entrants.



Threat of Substitute Products: Moderate

In addition to the threat from the new entrants, Modhumoti Bank'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 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 themselves offer the products on installment payment basis, removing the need to get a financier involved.

Competitive Rivalry: High

The Bangladeshi financial services industry is marked by high level of competition with 59 banks and 34 NBFIs operating in the space. The level of loyalty of customers is low and switching cost is low due to the high number of banks operating in Bangladesh which affiliated price wars among themselves.

Buyer Power: Moderate

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 Modhumoti Bank has requirement to focus on corporate loans more due to limited resources as a new bank, the Bank is fronting intense buyers' power. SME and retail businesses have generally been less rate-sensitive; however, rising competition in this market segment have made it considerably more price-sensitive.

Supplier Power: High

Depositors are the main supplier of funds for the banking industry, whose bargaining power is strong in Bangladesh as the banking industry is facing a chronic liquidity crisis over the years (from mid-2017 to till date). As a result, depositors are now 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 with return from deposits often lagging the inflation rate, thereby being subjected to a negative real return on their deposits. This prompted depositors to look for other avenues such as National Savings Certificate (NCS), Equity Investments and so on.

PESTEL Analysis for the macro environment

The PEST analysis is usually undertaken for understanding of the external environment in the context of banking sector which the industry operates in. Generally, external factors are out of the industry's control and the industry need is to be aware of them to adapt itself for exploit opportunities and to avoid the threats in the environment.

- P - Government is responsible for protecting the political stability, public interest, consumer protection and regulations of business activities.
- E - Competition for resources, competitor activities, savings, unemployment
- S - Work life balance, lifestyle, trends in consumer behaviors and leisure
- T - Technology develops new products, improved communication and internet
- E - Environmental Safeguard, Green Products (Green Banking)
- L - Government rules and regulations, Laws, Tax system, Traffics

Macroeconomic Factors	Impact on Industry	Our Front
Macroeconomic Factors		
<p>In political stability ranking, Bangladesh took 172nd position with an index of -1.15. This indicates that Bangladesh is mostly affected with political instability. In spite of that after the national election held on December 2018, we hope that stability on the political front will prevail in the near future. Political stability will encourage the entrepreneurs to borrow more to meet their growing demand of investment.</p>	<p>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.</p>	<p>The Bank Management will continuously assess the political situation and adapts its business strategies accordingly. Management prioritizes the control of NPL amid the expected growth of the loan portfolio. More robust due diligence will be conducted for loan proposals from PEPs (Politically Exposed Person).</p>
E-Economic Factors		
<p>In 2018, GDP growth rate hit 7.86% which was the highest ever in history of the country's economy. GDP growth increased by 7.97% compared to last year's growth. Interest rate will likely to remain high because of excess fund requirement from both public and private sector. In line with the economic growth, inflation at the rate of 6% to 7% is highly likely. Import of capital machineries for implementation of the mega project will deter the exchange rate to go down.</p>	<p>To accommodate the fund requirement by the lenders, banks have to allure the borrowers with high interest rate to augment their deposit base, thus the overall spread of the sector is expected to be declined, especially in such situation when the Government has intension to lowering lending rate with 3% spread.</p>	<p>The Bank is focusing on attaining a favorable CASA ratio by mobilizing low-cost or no-cost fund. Management has been working at high scale to tilt its loan and advance portfolio to SME and Retail sector from last few years which will continue for upcoming years. These two efforts from the Bank will help to attain a favorable interest rate spread.</p>
S-Social Factors		
<p>The lifestyles of the citizens improved a lot as per capita income is now approximately USD 1,751. 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 is vigorously pursuing 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>

Macroeconomic Factors	Impact on Industry	Our Front
T-Technology Factors		
<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, SMS banking, BACH (Automated Clearing House), Electronic Fund Transfer (EFT) etc.</p>
E-Environmental Factors		
<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 green banking policy and Environmental and Social Risk Management Guidelines for all banks.</p>	<p>Modhumoti Bank 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 'Green Banking Policy' and 'Environmental & Social Risk Management Policy' as part of environmental due diligence.</p>
L-Legal factors		
<p>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.</p>	<p>The banking industry is regulated under the Bank Companies Act 1991 as amended in 2018, 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.</p>	<p>Since inception, Modhumoti Bank 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.</p>

SWOT Analysis

Strengths	Strengthening Further
The ownership structure of the Bank is a perfect mixture of visionary individuals having long professional experiences and renowned corporates of the country. The Board consists with such personalities who possess success as well as respect in their profession, for which have influence over the society.	The Bank will always continue with such mix to achieve the vision of leading 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.
Modhumoti Bank is maintaining strong capital base since its inception and as on the end of year 2018, the capital to risk weighted asset ratio of the Bank was recorded at 15.04%.	The Bank requires floating shares through IPO to comply with license terms, which will further boost up its capital base.
MMBL achieved a favorable Cost to Income ratio of 30.81% while the average Cost to Income ratio of all PCBs is 78.40%	Management of the Bank is always vigilant to keep the operating expense in control and boosting operating profit.
The Bank is consistently maintaining the lower NPL ratio, which is 1.83% at the end of 2018, which indicates good asset quality of the bank.	Credit Approval process will be more stringent by conducting due diligence more rigorously and initiatives are being taken to recover the non-performing loan.
The Bank has achieved steady ROA and ROE growth over the years, which are 2.02% and 16.38% respectively.	The Bank will continue to deliver impressive financial results, maintaining high returns for its shareholders.
Credit portfolio is diversified by multiple sectors and industries.	The Bank will maintain diversification process and minimal even industry exposure to minimize the credit risk.
Competent and experienced employees.	The Bank will continue recruiting talent officers and retain them and Invest in people for more development as they are the main assets of the Bank.
Rigorous practice of good corporate governance.	The Bank is continue complying the regulatory rules and regulations for the improvement of the Bank.
Nursing a culture embracing changes.	The Bank nurtures strategy to embrace changing environment in terms of market, technology, demand etc which give it strength to sustain in rapid and diversified challenges.

Weakness	Addressing our Weakness
Present Branch Network is comparatively weaker.	The Bank has planned to set up more branches in the year 2019, of which 3 new branches have already been opened during reporting time.
CASA ratio of the deposit mix is not at optimum.	Management of the Bank is pursuing a number of campaign to mobilize no-cost or low-cost fund.
The loan portfolio of the Bank is still concentrated in corporate segment and concentration to large loans is in higher side.	The Management is aware and prioritizing SME financing for which concentration to corporate segment as well as to large loans would get shrunk.

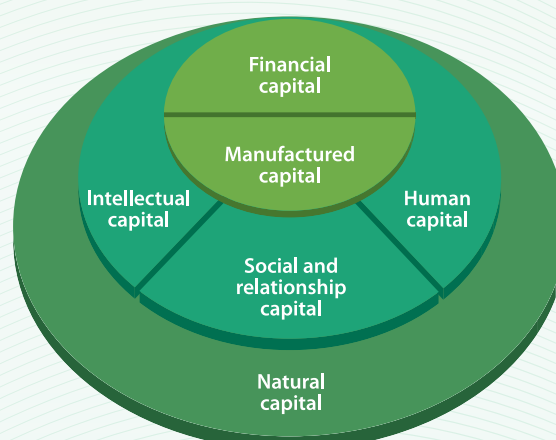
Weakness	Addressing our Weakness
Management's delegation to approve loans is still limited for which much time required for approving loan application than of banks established in '2000 or earlier.	To overcome, presently Executive Committee of the Bank meets on regular interval and the Management has processed many loan proposals on post-facto basis under prudent guideline set by the Committee. The Higher Management is aware to overcome the situation and is expected to be resolved over time.

Opportunity	Capitalizing on Opportunities
Income level of the people of Bangladesh is increasing gradually, which is reflected to our continuous GDP growth, for which demand for financial services would be increased.	The Management is continuing with R&D activities and more new products and services would be introduced.
Remittance inflow in the country is almost continuously steady.	The Management is continuing with plan to grab market share through channeling remittances by Agent Banking operation as well as branches.
Introduction to subsidiaries as capital market intermediaries would diversify the revenue base.	The Board of Directors has already decided in principle to establish a subsidiary to operate as 'Fund Manager' and 'Asset Management Company'.
Availing low cost foreign fund	The Bank is pursuing foreign fund managers to avail low cost foreign fund. The Bank has already availed USD 5 million for its Off-shore Banking Unit from Symbiotics SA.

Threat	Countering Threat
Intense competition in corporate lending is driving commercial banks to focus more on SME and consumer financing.	The Bank is striving to reduce its dependency on corporate loans by disbursing more and more SME and Retail loans.
New banks and NBFIs entrants will increase competition.	The Bank is striving to improve customer satisfaction to increase their loyalty and switching cost.
The banking sector has at risk for cyber security attacks.	The Bank is committed to ensure top-notch cyber security with the growing use of state-of-the-art technology in banking transactions.

The Capitals Report

The Five Capitals Model is used to allow organizations to develop a vision of what sustainability looks like for its own operations, products and services. The vision is developed by considering what an organization needs to do in order to maximize the value of each capital. However, an organization needs to consider the impact of its activities on each of the capitals in an integrated way in order to avoid 'trade-offs'. Using the model in this way for decision-making can lead to more sustainable outcomes. Sustainable development is the best way to manage these capital assets in the long-term. It is a dynamic process through which organizations can begin to achieve a balance between their environmental, social and economic activities.



There are five types of sustainable capital through which an organization can deliver the goods and services it supposed to provide and competitiveness of that particular organization depends on the capability of how efficiently and effectively the different sorts of capital are being managed. An integrated report should deliver information about how the different forms of capital are being managed to the respective capital providers. Here is an effort to communicate the capital providers and other stakeholders about how the capitals are being utilized here at the Bank to produce the financial performance.

Financial Capital

Financial capital includes shareholders' equity, debt and reinvested capital and is a critical input in executing our business activities. For a Bank, financial capital is a 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 with dividend payments and the rest retained to aid business operations and growth through enhancing other capitals. The Bank currently uses the following major financial capitals to create value in different time horizon.

Paid-up Capital: The paid-up capital refers to the amount that has been received by the company through the issue of shares to the shareholders. The paid up capital is BDT 4,520.00 million which played a significant role for creating value for the stakeholders.

Statutory Reserve: As per Bank Companies Act, a 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 in every year and as on 31st December, 2018 the statutory reserve of the Bank was BDT 1,053.29 million which was 23.30% of the paid-up capital.

Retained Earnings: Retained earnings refer to the percentage of net earnings not paid out as dividends to shareholders, but retained by the Bank to be reinvested in its core business, or any other purposes. The retained earnings position of the Bank was BDT 683.17 million as on 31 December 2018.

Deposits: Currently a range of attractive products and services have been offered by the Bank. The major types of deposits are current deposits, bills payable, savings bank deposits, term deposits. Total amount of deposits of the Bank was BDT 37,743 million as on 31 December, 2018 of which current deposit including bills payable, savings & SND deposit and term deposit comprises of 15.78%, 16.40% and 67.82% respectively. Deposits are the key source of finance that played crucial role in value creation process of the Bank.

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. The tangible capital of Modhumoti Bank consists of all the physical objects ranging from our branches & agent point units to the network and IT infrastructure such as the computers, equipment and supplies that we use in providing services to the clients.

The Bank has already been able to gain benefits of money spent on strengthening infrastructure. The Bank has established 35 branches and 281 agent banking points across the country till December 2018. The Bank will continuously invest in technology with the objective of delivering unmatched customer experience through technology. Further, the Bank is mindful of the requirement to maintain the state of art work environment within the Bank premises and continuously invest sufficiently in upbrining the existing premises to be in line with industry standards. Consequent to above initiatives the total amount invested in the Manufactured Capital of the Bank which are represented in the form of Fixed Assets stood at BDT 215.78 million as on 31 December 2018.

Human Capital

As a fourth-generation private commercial bank, Modhumoti Bank believes that its people resources represent its biggest asset and will be a strongest competitive advantage in future to grow fast. Human capital consists of 490 colleagues of the Bank. Our human capital creates value through their passion, dedication and commitment in reaching the objective of the organization. To be a team builder, the HR of the Bank focuses in bringing the right talent for the right role and provides an open environment for the employees where focus is given on providing people the right training and right experience. The Bank also 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. The Bank also ensures proper diversity of staff with respect to gender, religion and ethnicity and respects their values equally.

Intellectual Capital

Modhumoti Bank developed quite a number of intellectual capitals through out this six 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 catalyzes the growth of our organization. Here is a list of some of the intellectual capital of the Bank:

- Agent Banking License
- Off-shore Banking Unit (OBU) License
- Bank Ultimus (Core Banking Software)
- Internet Banking Service
- SMS Banking Service
- SWIFT Operation
- BACH (Automated Clearing House)
- Electronic Fund Transfer (EFT)
- Real Time Gross Settlement System (RTGS)

The above mentioned intellectual capital provides superior customer experience and solid brand image in congruence to business goals. These properties provide customers the most comfortable financial services in the quickest manner. Modhumoti Bank is proactive to identify the best and upgraded intellectual capital and to make it available to customers at the soonest possible way.

Social and Relationship Capital

Our social and relationship capital involves the relationships we have created and nurtured with our stakeholders as well as the inter-relationships between them that enable greater value creation for all. Our active engagement with all our stakeholders creates sustainable value and helps us achieve our objectives in a mutually beneficial way. Our attitude to sustaining and enhancing customer capital involves managing customers' experiences and superseding their expectations with our products and services. Understanding client needs and aspiration allows us to gear our supply chain better to finally deliver products that satisfy the customer. This is supported by our focus on regular engagement and ethical marketing. The Bank arranges events that bring various stakeholders on common platforms and committed to create partnerships with multilateral organizations to innovate financing solutions for underserved segments.

Natural Capital

Natural Capital refers to naturally occurring biological, physical, biophysical, chemical and mineral assets, as well as their interplay through healthy functioning ecosystems, on which all life depends. We require natural capital such as land and energy to deploy and operate our manufactured capital. The Bank is always committed to make energy-efficiency initiatives and creating awareness on optimized consumption of these resources.

Value Creating Business Model

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.

Strategy and Resource Allocation

To create value for our shareholders (long term capital providers) by attaining our short, medium and long term goals, the Management reviews strategies from time to time and the Bank has already chosen a set of

strategic priorities for the year 2019. The implementation of these strategies in line with our short, medium and long term goals will require proper allocation of resources for the development of our capitals.

The strategic priorities will be achieved by:

- Instill a culture that values excellent client experiences, ethical and fair conduct and market integrity;
- Foster a “customer first” mindset in all employees at all levels and across every vertical of the company while improving service standards further;
- Develop a culture that encourages innovation and challenges established processes, with a view to delivering excellent client experiences that differentiate us in a low-cost competitive environment;
- Deliver new products and services to market quickly without compromising system stability;
- Constantly leverage new technologies to meet changing client expectations and enter partnerships to drive innovation;
- Ensure appropriate technical capability and skill to prevent our clients from being exploited;
- Constantly monitor and anticipate criminal exploitation of our systems and cyber-attacks on cloud services, and deploy prevention and mitigation measures;
- Increase the radius of coverage by each branch through technology adoptions that enhance mobility of sales, credit and collections colleagues;
- Ensure that we have a diverse workforce with the right skills and capabilities to successfully execute our strategy;
- Capacitate our people to perform in a world of rapidly changing client expectations, technology and ways of working;
- Restrict NPLs within desired levels and review policies and processes to ensure portfolio quality in the backdrop of business growth objectives;
- Focus on risk management on enterprise level;
- Maintain an ethical and risk-aware culture that upholds our principles and values;
- Focus not only on returns but also on the risk and capital requirements of these returns.

Resource allocation strategies to meet objectives

Our efforts always remain to undertake decisions with the view of long-term value creation for our investors. This means, occasionally, certain tradeoffs are needed to be made between capitals in order to accommodate our long-term orientation. Mostly, these are in the form of financial investments made towards ensuring the development and sustainability of other capitals in a way that the resulting long-term returns will outweigh the short term costs. In other words, we allocate our resources to build on our various capitals with the view of enabling a sustainable growth engine. This resource allocation strategy is manifested in our approach of utilizing key capitals, the role of innovation and other considerations in strategy formulation, explained in the following sections.

Differentiators that provide competitive advantage to create value

Modhumoti Bank 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 scale our businesses while maintaining the quality of our assets and service standards for our stakeholders.

During the short journey, Modhumoti Bank 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.

Challenges in Executing our Strategy

Bangladesh has been experiencing more than 6% GDP growth over the last few years. Our rising per capita income, growing export basket, higher contribution in UN peace keeping force is a testament that we are

rising as a nation. However, there remains a series of social, environmental, regulatory, technological and economic challenges to reach our long term goals.

The following challenges offer a broad forward looking view of what we need to manage as we carry out our strategy over the short to medium term as well as long term:

- Non-Performing Loan (NPL) is a critical challenge for the banking sector of Bangladesh, and most of the banks are struggling to address the problem. The banking system is still burdened with an alarming amount of non-performing loans (NPLs) that make funds costlier and banks' operations riskier;
- Given the liquidity crisis in the money market, fierce competition among banks for deposits is inevitable. With this in mind, re-pricing existing assets in line with the extra cost of deposits is being considered. This could hinder recovery and lead to mounting non-performing loans in the banking sector;
- As an increasing number of Banks and NBFIs have started targeting the markets for Corporate Loans as well as SMEs and Retail Loans, margins have been shrinking in these segments;
- Lack of a mature bond market and limited availability of other long-term funding create a maturity mismatch for most banks and NBFIs in the country that book long-term loan assets;
- While Modhumoti Bank is taking a number of process improvements in an effort to cost minimization for the year in review, the rate of OPEX growth is expected to catch up in 2019 to support the business growth of the Bank since it is a new bank;
- The number of new financial services regulations continues to grow. The various ways in which new regulations are circulated within country can lead to uncertainty. Ensuring an efficient customers experience while adhering to regulatory demands is an ongoing consideration;
- New technologies not only create opportunities but also introduce major new challenges. Cyber-attack is one of the challenges emerged out of technological development. Globally, cyber-attacks are increasing in number and sophistication, as is the utilization systems and people;
- The advancement of new technology and the speed with which they are being adopted shifting customers' expectations to more highly customized yet affordable products and services than ever. Meeting up the ever changing customer expectations through delivering new product and service will be crucial challenges in the years to come.

Managing Associated Risks

Given the persistent volatile, uncertain and complex macroeconomic and geopolitical environments, amplifying the sense of risk both locally and globally as well as intensifying fierce competition from traditional and non-traditional competitors (principally fintech), at Modhumoti Bank, we continue to actively manage our top risks and regularly revise our mitigation plans in the face of any material developments. This enables us to capitalize on opportunities, while protecting from downside risks.

At Modhumoti Bank, strengthening corporate governance is believed to be essential to being competitive. In this context, regular review of policies is conducted to ensure that the company stays compliant to current standards while also anticipating possible ways of breach in the future. Moreover, the risks to which financial institutions are exposed are becoming more complex and diverse, heightening the importance of risk management. The Bank is working to strengthen and enhance risk management by gaining an accurate understanding and awareness of each type of risk, and to establish an appropriate risk management framework to maintain the soundness and adequacy of management and secure stable income.

External Assurance

Modhumoti Bank makes use of various independent service providers to get assurance on various aspects of the business operations including elements of internal and external reporting. The consolidated annual financial statements and the financial statements of the Bank for the year ended 31 December 2018 have been audited by M/s. A. Qasem & Co., Chartered Accountants and an unqualified opinion has been expressed on those financial statements by the auditor. Bangladesh Bank inspection team audited the different operational units of the Bank including different divisions/units at Head Office and branches during 2018 and provided their observations and recommendation. The Bank got superior credit rating from Credit Rating Agency of Bangladesh (CRAB) which is A2 based on financials as of 2018 from A3 previously.

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 stood at BDT 2,189.14 million as of December 31, 2018 as against BDT 1,739.87 million in 2017.

Particulars	2018 Taka	%	2017 Taka	%
Interest income	4,386.05		3,100.80	
Investment income	373.63		518.27	
Commission, exchange and brokerage	486.56		391.82	
Other operating income	62.23		51.32	
	5,308.47		4,062.21	
Less: Cost of services & suppliers				
Interest paid on deposits and borrowings etc.	2,501.71		1,816.11	
Rent, taxes, insurance, electricity etc.	152.73		131.76	
Legal expenses	0.39		0.54	
Postage, stamp, telecommunication etc.	25.43		25.76	
Stationery, printing, advertisements etc.	48.91		43.07	
Directors' fees and expense	1.46		1.83	
Repairs to bank's assets	13.10		9.68	
Other expenses	116.11		117.68	
	2,859.84		2,146.43	
Value added by banking services	2,448.64		1,915.79	
Non-banking income	-		-	
Less: Provision for loans & advances				
Total provision on loans and advances	203.80		105.92	
Provision for Off-Balance Sheet Items	55.70		70.00	
	259.50		175.92	
Total value added	2,189.14		1,739.87	
Distribution of value addition to:				
Employees as salary and allowances	455.93	21%	403.08	23%
Share Holders as dividend	678.00	31%	452.00	26%
Government as income tax	700.44	32%	543.66	31%
Expansion & Growth as:				
Statutory Reserve	336.49	15%	257.96	15%
Depreciation	50.76	2%	47.00	3%
Retained Earnings	(32.48)	-1%	36.17	2%
	2,189.14	100%	1,739.87	100%

Economic Value Added Statement

Economic value added is a measure of profitability which takes into consideration the cost of total invested equity. Shareholders / equity providers are always conscious about their return on capital invested. As a commercial banking company, we are deeply concerned for delivery of value to all of our shareholders / equity providers.

Shareholders equity
Add: Cumulative provision for Loans, Off-Balance sheet exposure and Off-shore Banking Units

BDT in Million		
2018	2017	2016
6,256.91	5,731.11	5,440.06
666.54	407.04	226.40
6,923.45	6,138.15	5,666.46

Average shareholders' equity

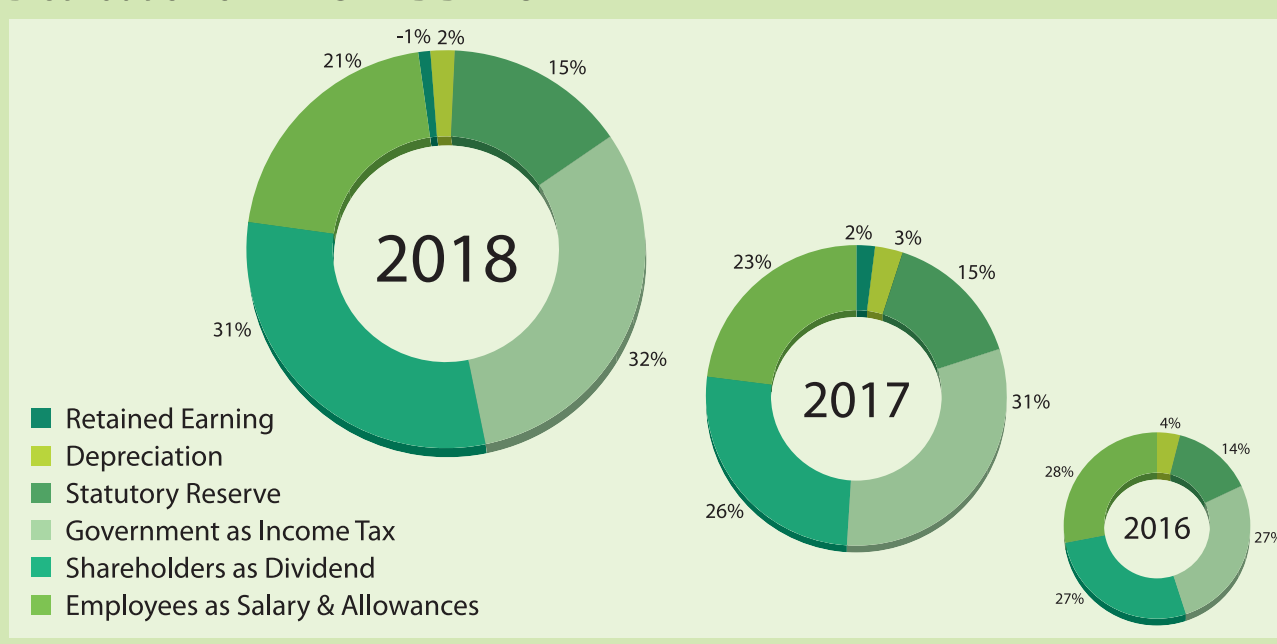
6,530.80	5,902.31	5,653.96
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Earnings

Profit after taxation	981.99	746.22	462.33
Add: Provision for loans, Off-Balance Sheet exposure and Off-shore Banking units	259.50	180.64	110.40
Less: Waiver during the year	-	-	-
Less: Written-off during the year	-	-	-
	1,241.50	926.86	572.73

Average cost of equity (based on weighted average rate of shanchaypatra issued by the Government of Bangladesh) plus 2% risk premium	12.05%	12.11%	12.17%
Cost of average equity	786.96	714.77	688.09
Economic value added	454.54	212.09	(115.36)
Growth over last year	114%	284%	-167%

Distribution of VALUE ADDITION



Few words on **Sustainable Finance**

It is a pleasure for me to share some views with the Bank's stakeholders that Sustainability is not just about adopting the latest energy-efficient technologies or turning to renewable sources of power. Sustainability is the responsibility of every human being living in a society every day. It is about changing our behaviour and mindset to reduce power and water consumption, thereby helping to control emissions and pollution levels. If we each take responsibility in shifting our own behavior, we can trigger the type of change that is necessary to achieve sustainability which will ultimately create social, environmental and economic benefits.

'Sustainable Finance' is comparatively a new phenomenon in doing business in the financial sector with special focus on the environmental, ecological and social factors, targeting conservation of nature and natural resources. The term broadly encompasses awareness creation and promotion of environment-friendly banking and selection of borrowers in such a way so that a Bank can contribute in the Sustainable Development Goals (SDGs) to eradicate poverty, protect the planet and ensure that all people enjoy peace and prosperity.

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 has already provided a guideline and circulars for all banks and financial organizations which include the Environmental & Social Risk Management, based on which banks in Bangladesh formulated their own policy. Modhumoti Bank Limited is also adopted a policy in this context duly approved by the Board of Directors. To ensure the sustainable financing (environment and society friendly), we have taken the endeavor to report the activities relating to sustainable financing, green banking initiatives and corporate social responsibility (CSR) for our stakeholders.

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 lending in environment friendly brick kiln and also has around 24 per cent of its financing in SME sectors which creates huge job opportunities for the communities involved. The Bank has already established more than 321 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 in many areas including to Honorable Prime Minister's Relief Fund under CSR activities of the Bank.

We are committed to be profitable and sustainable in doing business by ensuring compliance of the environmental and social risk management guidelines of Bangladesh Bank and also the SDGs of UNDP. We believe, this will pave us the way to help more people and eventually the businesses of the Bank will prosper. And last but not the least; we will continue to value the demand of the society as a whole including the people, customers, shareholders and communities.

Sincerely yours,



Kazi Ahsan Khalil

Deputy Managing Director & Head of Business
Chairman, Sustainable Finance Committee

We are committed to be profitable and sustainable in doing business by ensuring compliance of the environmental and social risk management guidelines of Bangladesh Bank and also the SDGs of UNDP.

Sustainability Report

Sustainable Banking

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 law, 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 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.

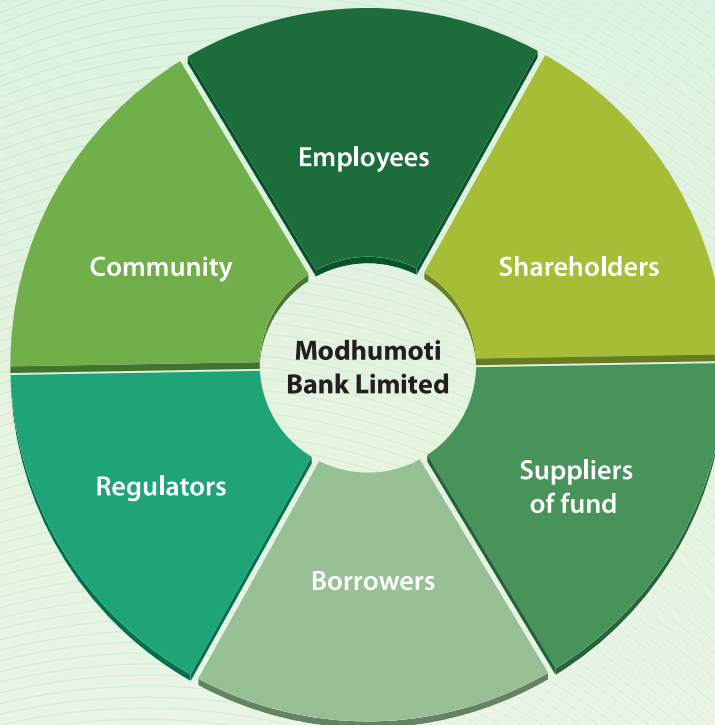
The Bank always believes that growth should be both inclusive and environmentally sound to reduce poverty and build shared prosperity for our society to continue to meet up the needs of future generations. We are working towards building a solid business model capable of generating stable revenue, delighted 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.



In recent years, there has been growing attention on how organizations manage, measure and report their non-financial impact. This is, of course, an important area for a mission-driven organization like Modhumoti Bank that was created to use money to make positive social, environmental and cultural change happen. The coming years will be challenging for every one due to climate change. We all are aware of the fact that the change in climate has direct impact on biodiversity, agriculture, forestry, dry land, water resources and human health. To safeguard the planet and it's eco-system from the adverse effect of environmental degradation caused by rising carbon emission, encroachment of rivers, improper disposal of industrial waste, medical & household waste, deforestation, loss of open space etc. Modhumoti Bank in line with global norms is also doing green banking and following sustainable practices.

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. The Bank always values the right of the stakeholders.



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.

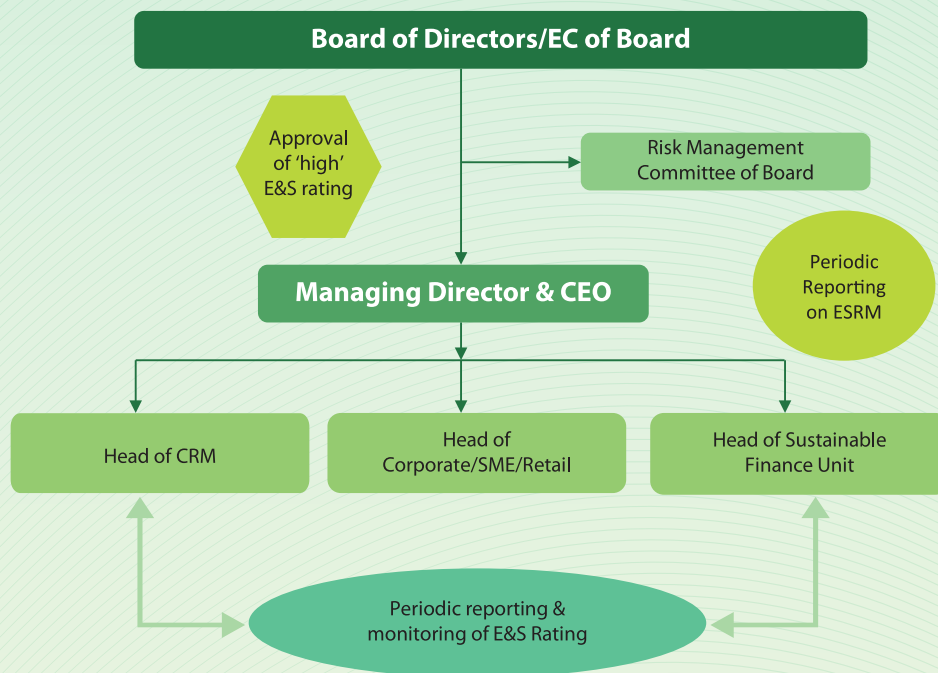
As per BB guidance, the Risk Management Committee of Board is entrusted with the following responsibilities regarding Sustainable Banking & Sustainable Finance (Green Banking & CSR) of the Bank:

- 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 the setting up of Sustainable Finance Unit (SFU) and Sustainable Finance Committee.

Modhumoti Bank has a Sustainable Finance Committee headed by the Deputy Managing Director of the Bank and comprises the heads of different divisions following the instruction Bangladesh Bank. This Committee meets at least once a quarter 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 ESRM in Diagram



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.	Name	Designation	Position
1.	Mr. Kazi Ahsan Khalil	DMD & Head of Business	Chairman
2.	Mr. Md. Shaheen Howlader	SEVP & Head of SME & Retail	Member
3.	Mr. Sufi Tofail Ahamed	EVP & Head of ICT Division	Member
4.	Mr. Javed Khan	EVP & Head of BDMD (Corporate)	Member
5.	Ms. Fahmida Saeed Saki	EVP & Head of ID	Member
6.	Mr. Md. Shafiqur Rahman	SVP & Head of HRD	Member
7.	Mr. R.M. Sariful Islam	SVP & In Charge of CRMD	Member
8.	Mr. Mohammad Nazmul Hossain, FCA	VP & Head of FAD	Member
9.	Mr. Md. Emdad Hossain	VP & Head of ICCD	Member
10.	Mr. S M Imran Alam	FVP & Head of E&CSD and PRD	Member
11.	Mr. Mahmud Hasan	FVP & In Charge of CAD	Member
12.	Mr. Md. Mojammel Hoque	FVP, Focal Point Official, SFU	Member Secretary
13.	Mr. S.M. Ashiqur Rahman	FVP, Card Division	Member

Green Banking Report

“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.

Bangladesh Bank's initiatives

The 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.
- Board Risk Management Committee (BRMC) 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.

Green Activities

- Activities or functions regarding the 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 the necessary environmental due diligence factors before lending;
- Make 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;
- Reduce carbon footprint in our branches and corporate Offices;
- Create awareness amongst the stakeholders about environmental and social responsibility enabling them to adopt environment friendly business practices;
- Effectively and efficiently manage 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.

Green Banking & Sustainable Performance Highlights in 2018

Performance criteria	Achievement of the Bank	MMBL Standing
Gender diversity among permanent employees	Permanent employees include 402 male and 88 female i.e. 17.96 percent female employees as of December 31, 2018.	The Bank has no gender prejudice and treats all the employees and customers fairly and equally.
Training	Total 47 training courses attended by 625 employees of the Bank.	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.344.53 million in 2018.	The Bank is committed to increase the portfolio over the years.
Climate Risk Fund	The Bank lent Tk.0.65 million at a concessional rate (4%) for the marginal farmers of the country.	We are committed to help the society in return as a corporate entity.
Online Banking	All 35 branches of the Bank are operating through online coverage which is 37 till date.	The Bank believes in hassle-free banking for the customers for the ultimate success.
SMS Banking	The Bank facilitates SMS alert services to 78 percent of total deposits accounts.	The Bank is on the way to introduce full-fledged SMS Banking soon.

Other Green Banking Initiatives

Topic (Automated Banking)	Year 2018		
	Rural	Urban	Total
Number of ATMs	18	17	35
Number of Branches with Online Banking	18	17	35
Number of Internet Banking Users	23	598	621
Total Number of Accounts	58,944	40,224	99,168
Number of Branches Powered by Solar Energy	0	0	0
Number of Agent Outlets	281	0	281

 <p>1 NO POVERTY</p> <p>Goal 1: End poverty in all its forms everywhere</p>	 <p>2 ZERO HUNGER</p> <p>Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Goal 3: Ensure healthy lives and promote well-being for all at all ages</p>	 <p>4 QUALITY EDUCATION</p> <p>Goal 4: Ensure inclusive and quality education for all and promote lifelong learning</p>	 <p>5 GENDER EQUALITY</p> <p>Goal 5: Achieve gender equality and empower all women and girls</p>
 <p>6 CLEAN WATER AND SANITATION</p> <p>Goal 6: Ensure access to water and sanitation for all</p>	 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>Goal 9: Build resilient infrastructure, promote sustainable industrialization and foster innovation</p>	 <p>10 REDUCED INEQUALITIES</p> <p>Goal 10: Reduce inequality within and among countries</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Goal 11: Make cities inclusive, safe, resilient and sustainable</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Goal 12: Ensure sustainable consumption and production patterns</p>	 <p>13 CLIMATE ACTION</p> <p>Goal 13: Take urgent action to combat climate change and its impacts</p>	 <p>14 LIFE BELOW WATER</p> <p>Goal 14: Conserve and sustainably use the oceans, seas and marine resources</p>	 <p>15 LIFE ON LAND</p> <p>Goal 15: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Goal 16: Promote just, peaceful and inclusive societies</p>	 <p>17 PARTNERSHIPS FOR THE GOALS</p> <p>Goal 17: Revitalize the global partnership for sustainable development</p>	 <p>SUSTAINABLE DEVELOPMENT GOALS</p> <p>17 GOALS TO TRANSFORM OUR WORLD</p>		

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.

The Sustainable Development Goals (SDGs) embrace a universal approach to the sustainable development agenda. They explicitly call on business to use creativity and innovation to address development challenges and recognize the need for governments to encourage sustainability reporting. Global Reporting Initiative (GRI) is an international independent organization that helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others. GRI is the bridge between businesses and governments, enabling them both to make positive contributions to the SDGs. Business and government leaders can agree with international principles, but without guidance on how to put them into practice, little can be accomplished. GRI helps organizations align big picture, principle-based approaches with the reality of data-driven reporting. Bangladesh has successfully incorporated SDG priorities in all development policies. As the country moves ahead, challenges in the areas of resources mobilization, stakeholders' engagement and data management, improvement in economic governance will have to be encountered. Yet we are quite confident of setting ourselves as an example of a leading SDG achiever.

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 Tk.10 account opening for the marginal farmers, employment of 553 people including support staffs, CSR expenditure for the society, opened 321 Agent Banking Points till June 30, 2019 (which was 281 till December 31, 2018) 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;
- to 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.



The Bank establishes on-site ATM Booth at every Branch.

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 74.79 percent of the total accounts are facilitated with SMS Banking, which is targeted to reach to 100 per cent. 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.

The Bank has following indicative areas for CSR initiatives as recommended by Bangladesh Bank:

CSR Initiatives	Indicative CSR Allocation
Education	30%
Preventive and curative healthcare	20%
Other areas	50%

Apart from the above, the Bank will have the CSR initiatives/activities as follows:

- Financial inclusion including subsidized lending as per BB circulars;
- The Bank may consider 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 from time to time.

However, the indicative allocation of CSR expenditure may vary with the proper approval of the competent authority.

Expenditure as Corporate Social Responsibility in 2018

The Bank contributed a total sum of BDT.19.40 million in 2018 for the purpose of CSR in a number of local initiatives. The detail of the contribution is appended below:

(In Million BDT)

Particulars	Amount
Prime Minister's Relief Fund	10.00
Donation for conducting relief initiatives including support to flood victims and cold wave	
Education	4.50
Contribution for development of education institutes	
Preventive and Curative Healthcare	3.60
Others	1.30
Total	19.40

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 2018, we have contributed Tk.10.00 million to the Honorable Prime Minister's Relief Fund for the flood affected people of the country under CSR initiatives of the Bank.

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 contributed to the Honorable Prime Minister's Relief & Welfare Fund under CSR activities. Mr. Humayun Kabir, Chairman of the Board of Directors is seen handing over the cheque to the Honorable Prime Minister Sheikh Hasina. Mrs. Shahana Yasmin, Director of the Bank was also present on the occasion.

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 2018, we spent BDT 4.50 million in different institutions are as follows:

(In Million BDT)

Sl. No.	Name of Institution	Amount
1	Sheikh Rasel Kindergarten	1.00
2	Dattapara T.N Academy	0.50
3	Alhaj M. A. Aziz High School	1.00
4	Motaleb Hossain Junior High School	1.00
5	PLAYPEN	1.00
Total		4.50



The Bank always prioritized educational sector in CSR activities. Mr. Md. Shafiqul Azam, Managing Director & CEO is seen handing over cheque to Mr. Shahidul Islam Niru, Chairman of Alhaj M A Aziz High School.

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 2018, MMBL has spent Taka 3.60 million to provide different Preventive and Curative Healthcare support which are as follows:

(In Million BDT)

Sl. No.	Name of Institution	Amount
1	Humanitarian Ground of Treatment Purpose	0.40
2	Nilufa Old Care and Services	0.20
3	Medical Treatment Fee Purpose	1.00
4	MH Samorita Medical College	2.00
Total		3.60

Other Social Projects

In 2018, MMBL donated/ spent Tk.1.30 million on the occasion of social project including Baitul Aman Jame Masjid, Farajipara Road, Khulna for building the Masjid and Iqbalnagor Jame Masjid, Iqbalnagor Masjid Road, Khulna for building three floors (4th to 6th) of the Masjid.

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 2018 is noted below:

(In Crore BDT)

Sl. No.	Name of Institution	Amount
1	Excise duty	4.52
2	Withheld tax	33.99
3	VAT	7.10
4	Corporate income tax	52.31
Total		97.92

Environment-responsive

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 upto BDT 0.08 million without any collateral security but up-to BDT 5.00 million with collateral under SME Loans. It is to be noted that the outstanding loan for women entrepreneur was BDT 23.70 million as of December 31, 2018.

The Bank sponsored Tk.3.00 lac only to mountaineer Ms Reshma Nahar Ratna for expedition of Mount Kilimanjaro, the highest mountain in Africa and Mount Kenya, the second highest mountain in Africa in an effort to empower women.



The Bank sponsored mountaineer Ms. Reshma Nahar Ratna for expedition of Mount Kilimanjaro, the highest mountain in Africa and Mount Kenya, the second highest mountain in Africa.

Community Services

To serve the community as part of our responsibility, we have introduced Agent Banking services and till 2018 we have established 281 digital points across the country. The agent points are located in the Union Digital Point which facilitate less privileged population segments which become 321 till June 30, 2019 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. The Bank is serving the underprivileged people especially who get allowances under Social Safety Net of the Government through opening bank accounts through agent points of the Bank in Gopalganj. The Bank also sponsors different sports and individual adventure for enriching the image of the country.

The banking sector in Bangladesh is considered to be in a relatively environmentally friendly industry (in terms of emissions and pollution). However, environmental impact of Banks is not physically related to their banking activities but with the activities of the customers. Banking sector is one of the major sources of financing investment for commercial projects, which is one of the most important economic activities for economic growth and encouraging environmentally responsible investments and prudent lending. We all need to work together, because there are no jobs on a dead planet; there is no equity without rights to decent work and social protection, no social justice without a shift in governance and ambition, and, ultimately, no peace for the peoples of the world without the guarantees of sustainability. We all want the freedom to choose how we want to live and who we want to become. This freedom is a fundamental value of humanity. But there is more. People want to be valued as respected members of society; to enjoy economic prosperity with a job; home and the finances to at least meet basic needs; and to enjoy a healthy natural environment that they are happy to take responsibility for. These individual, social and economic desires closely reflect the three core dimensions of Modhumoti Bank itself. We are part of communities and we share one planet that feeds and shelters us; and that we do business in an economic and environmentally responsible way.

Client's Testimonial

Source of Inspiration



Mrs. Prianka Debnath
Assistant Teacher

“ I have been working as an Assistant Teacher at a primary school at Charfassion, Bhola since January 2017. I do not spend on luxury, do not require that much for personal reasons, but truly speaking, I just barely fulfill my basic necessities with my salary being a school teacher.

However, one day I and my husband decided to build our own house on our small piece of land. Yes, we have some small savings but not enough to build a house. We require some extra money to invest. We approached to our relatives and known people for financial help but didn't get enough. Very frankly, didn't think of bank-loan, hence never heard a bank gives loan to a primary school teacher! Naturally, I was little bit frustrated.

One fine day, one of my colleagues informed me that Modhumoti Bank Limited, having a branch in my locality, has been providing loan to school teachers like me. Without wasting any more time, I rushed to the Bank's Charfassion Branch and talked to the Manager there. The Manager listened to me carefully and gave me a positive node and the rest is simply history!

I was surprised to learn that Modhumoti Bank had designed a special loan for any purpose named 'Modhumoti Dishari' for teachers, for which even a primary school teacher like me may apply and does not required that much documentation or any collateral security. I got my loan amounting to Tk.2.00 lac within very short period of time. I had an ecstatic feeling! Modhumoti Dishari Loan made my dream come true. We completed our home. Now, my family live in our own home and even we let out portion of the house to earn some extra money.

I would like to thank Modhumoti Bank Limited from the bottom of my heart! ”

Modhumoti Bank Partnering

Digital Payment of Social Safety Net Program Allowances

In 2018, Government of the People's Republic of Bangladesh has decided to disburse some of its Social Safety Net Program Allowances through some private commercial banks rather than the state owned commercial banks and selected three private commercial banks of Bangladesh including Modhumoti Bank, which is recognition of capability of the Bank for disbursement of such allowances.

Social safety net program may be defined as a protective mechanism taken by the government to protect the poor and vulnerable groups of the society, exhibits strong commitment to ensure the wellbeing of citizens including the poor, ultra-poor and most vulnerable group. To elevate poverty and hardship of the people, Bangladesh Government allocates a significant amount of money in the national budget every year.

At Present, Modhumoti Bank Limited has involved with the following social safety net disbursement programs:

Program Name	Assign Ministry	Coverage Area	Brief Details
Disbursement of Social Safety Net Program Allowances	Ministry of Social Welfare	Sadar Upazila and 21 Unions of Gopalganj District	21000 beneficiaries have already been received allowances of 04 (Four) Quarter through Modhumoti Digital Banking.
Employment Generation Project for the Poorest (EGPP)	Ministry of Local Government, Rural Development and Co-operatives	Pirganj Upazila, Rangpur and Sadar Upazila, Mymensingh	1669 beneficiaries are receiving their allowances through Modhumoti Digital Banking as and when disbursed by the Ministry.
Income Generating Activities(IGA)	Ministry of Women and Children Affairs	Tarakanda Upazila, Mymensingh	38 beneficiaries are receiving their allowances through Modhumoti Digital Banking as and when disbursed by the Ministry.
Climate Resilient Livelihood (CRLP)	An UNDP Program under Ministry of Local Government, Rural Development and Co-operatives	Paikgacha Upazila, Khulna	27 beneficiaries are receiving their allowances through Modhumoti Digital Banking as and when disbursed by the Ministry.

Financial Inclusion for access to financial services has become a major concern for developing countries. Reaching potential clients in rural areas by establishing a full-fledged branch is very much expensive and generally does not cover the cost of a branch. In addition the amount of time and money incurred by the peoples of remote areas to reach a bank branch is one of the major barriers to achieve the financial inclusion. In this perspective and to provide limited scale banking and financial services to the unbanked population of the country, Bangladesh Bank introduced Agent Banking in Bangladesh in 2013 by issuing Agent Banking Guidelines with a view to safety, security and trustworthiness in agent banking service. Agent banking means business of providing banking services through agent's network. Agent Banking refers to a system of providing limited scale banking and financial services to the underserved population through engaged agents under a valid agency agreement, rather than a teller/cashier.

Despite a Fourth Generation bank, Modhumoti Bank Limited has made a strong presence in the development of the financial inclusion in Bangladesh through successful implementation of its Agent



An opening ceremony of a Modhumoti Digital Banking Agent Point.

Banking activities in the name of Modhumoti Digital Banking, which is based on UDCs under agreement executed with a2i of the Prime Minister's Office. After launching of its first ever Agent Outlet or digital Banking outlet in Boheratoil Union of Shakhipur, Tangail in April 02, 2016, Modhumoti Digital Banking has come over a long ways to till date and at the end of December 2018 Modhumoti Digital Banking has established its 281st Digital Banking outlets at Radhaganj Union Parishad, Kotalipara, Gopalganj and through these agent points, the Bank has opened 38,738 depository accounts in last three years, of which only 1,150 accounts are high cost accounts while remaining 37,588 accounts are of CASAs. In the meantime, the Bank has already established 346 Agent Outlets in 346 Unions.

Year-wise Agent Operations of Modhumoti Bank

Year	Geographical Coverage			No. of Accounts opened
	District	Upazila	Union	
2016	11	19	70	2,320
2017	13	35	200	9,968
2018	14	39	281	38,738

Products and Services offered through Modhumoti Digital Banking

Products	Services
» Current Bank Deposit Account – Agent	» Different Types of Account Opening
» Current Bank Deposit Account – Customer	» Cash Deposit
» Savings Bank Deposit Account – Agent	» Cash Withdrawal
» Savings Bank Deposit Account – Freedom Fighter	» Fund Transfer between Accounts within Bank
» No Frill Savings Account	» EFT between any Bank Branches in Bangladesh
» Safety Net Savings Account	» Inward Foreign Remittance Payment
» Short Notice Deposit Account	» Mini Statement
» Fixed Deposit Account for 1/3/6/12 Months	» Balance Enquiry
» Monthly Income Scheme for 3/5 Years	» Statement on Date Range
» Double Deposit Scheme	» Debit/Credit Card Paper Processing
» Triple Benefit Scheme.	» Cheque Book Delivery
» Monthly Savings Scheme for 3/5 Years	» Small Loan (Agri/SE/retail) Paper Processing.
» Monthly Prottasha Deposit Scheme for 1/2/3/4/5 Years	» Collection of Loan Installment
	» Collection of Clearing Cheques
	» Disbursement of Social Safety Net Program Allowances of Different Ministries and Others to underserved population

Upcoming Services of Modhumoti Digital Banking

- » Introducing School Banking Account
- » All types of Utility Collection through EK Pay Platform
- » Cluster Based Small Enterprise and Agri Loan Disbursement
- » Disbursement of Wages and Salary of Different Local Authorities
- » Agreement and execution of fund transfer with different Mobile Financial Solutions of different banks
- » Disbursement of Allowances of Vulnerable Group Development Program under Ministry of Women and Children Affairs
- » Disbursement of Allowances of Local Government Support Project under Ministry of Local Government, Rural Development and Co-operatives



Products & Services

Corporate & Structured Finance

- Term Loan/Time Loan
- Lease Finance
- Trade Finance
- Trust Receipt
- Working Capital
- Bill Discounting
- Agency Function
- Letter of Guarantee
- Corporate Advisory Service
- Equity Financing & Arrangement
- Syndication Arrangement & Participation

Small & Medium Enterprise (SME)

- Modhumoti Goti
- Modhumoti Progoti
- Modhumoti Agrogoti
- Modhumoti Moushumi
- Modhumoti Sangoti
- Modhumoti Labonnyo

Agriculture Loan

- Modhumoti Shamolima (Crop Loan)
- Modhumoti Shamolchhaya (Farm Loan)
- Modhumoti Shamolmaya (Any Agri-purpose Loan)

Treasury products

Money Market

- Call Money/ Notice Money
- Assured Liquidity Support
- REPO
- Reverse REPO
- Commercial Paper
- SWAP
- Term deposit

Foreign Exchange

- Spot
- Forward
- FC overnight Placements
- FC term deposits
- Fixed Income Securities
- Coupon Securities/Treasury Bonds.
- Discount Securities/Treasury Bills
- Bangladesh Bank Bills

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 তারুণ্য Savings Account
(For students aging between 18 & 25 years)
Modhumoti Freedom Fighters Savings Account
Modhumoti বর্ষীয়ান Savings Account
Modhumoti Salary Account
Modhumoti Labonnyo
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 / RFCD

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 Accountholder)

Monthly Income Scheme (MIS) (For 1, 3 & 5 Years)

Incredible Benefit Scheme

Double Benefit Scheme
Triple Benefit Scheme

Remittance Service

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

Service Products

Priority Banking services
Locker Service
24 hour ATM access
Online Banking
SMS Banking/Internet Banking
SWIFT

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 / Bakhrabad Gas
WASA

Off-Shore Banking Services

Agent Banking Services

Key features of some unique Products & Services

Liability Products

Modhumoti পাঠশালা Savings Account (School Banking): Modhumoti পাঠশালা Savings Account is a joint savings account under School Banking for minors, having all the features of savings account, but will be operated by guardian/parent till they become adults. This account will offer the account holders a unique opportunity to save from an early stage of life to ensure better education and other financial needs in future. An initial deposit amount for minimum BDT 100.00 will be required to open this account. No fees and charges are applicable except Government fees as applicable from time to time. ATM card may also be issued against the account.

Modhumoti তারুণ্য Savings Account: Modhumoti তারুণ্য Savings Account is a specially designed deposit product to attract the youth, especially university & college students. An initial deposit amount for minimum BDT 1,000.00 will be required to open this account. No fees and charges are applicable except Government fees as applicable from time to time. ATM card may also be issued against the account.

Modhumoti বর্ষীয়ান Savings Account: Modhumoti বর্ষীয়ান Savings Account is a specially designed deposit product to attract senior citizens segment of the country having age of 60 & above. Senior Citizens are offered 1% additional interest on regular savings rate & also 0.50% higher than usual rates on FDR under Privilege Banking.

Modhumoti Freedom Fighters Savings Account: Modhumoti Bank Limited showed respect for the Freedom Fighters by introducing Privilege Banking since inception of the Bank considering them as the best sons of our Nation. Under the program, the freedom fighters shall avail privilege rate @ 1% above the usual rate of interest in Modhumoti Freedom Fighters Savings Account and all sorts of FDR & DPS and also 1% less interest rate than of usual rate for all sorts of personal loans.

Modhumoti লাবণ্য Account: Modhumoti লাবণ্য (Labonnyo), a savings account is the starting point of a comprehensive banking solution for women under Privilege Banking. The account comes with other special facilities like Modhumoti Labonnyo Debit Card, Modhumoti Labonnyo Credit Card and Modhumoti Labonnyo DPS Account, and also easy access to Modhumoti Personal Loan, Modhumoti Vehicle Loan, Modhumoti HBL Thikana/Ashroy and Modhumoti Labonnyo Loan for Women Entrepreneurs.

Modhumoti Salary Account: The account is a savings account by nature, but would be opened in the name of an employee 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.

High Performance Savings Account: To develop corporate relationship with large corporate bodies as well as Government organizations, Modhumoti Bank Limited has designed some special deposit products. High Performance Savings Account is one of the special deposit products to get priority from the corporate/ Government bodies by giving them some extra mileage.

Corporate Savers' Account: Corporate Savers' Account is a non-individual interest bearing deposit account and can be opened by 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.

Special Corporate Deposit Account: Special Corporate Deposit Account is a non-individual high interest bearing deposit account with minimum balance of Tk.10.00 crore and can be opened by any 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.

Monthly Saving Scheme (MSS): The Monthly Saving Scheme (MSS) is an attractive scheme for the persons 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. MSS is mainly designed to encourage and help the depositors having regular monthly income to accumulate their savings.

Modhumoti প্রত্যাশা Deposit Scheme (PDS): Modhumoti প্রত্যাশা is a monthly deposit scheme, through which someone may receive a desired amount of money from BDT 50,000.00 to BDT 10,00,000.00 after certain period of maximum 5 years by depositing a smaller amount in every month.

Modhumoti সাধ্য Deposit Scheme (SDS): Modhumoti Bank Limited introduces Modhumoti Shaddho Deposit Scheme- a flexible deposit scheme with a tenor up-to 10 years. Customers save in small installments and get a handsome return at maturity. In case of emergency, customers may apply for loan against outstanding of Modhumoti SDS, keeping savings intact.



Priority Banking is designed to meet the standards of 5-star luxury, giving the ultimate banking experience; essentially a world-class combination of the latest financial products and services, wealth management solutions as well as other special advisory services. A Priority Banking client can contact the lead advisor working with his account and complete just about any transaction, from cashing a cheque or ordering more cheques to moving large sums of money from one account to another.

Priority Banking of Modhumoti Bank, presently co-ordinating from Gulshan Branch, Dhaka and Agrabad Branch, Chattogram, is an insignia that is synonymous with class, excellent and exclusivity, designed to provide premium level of banking, financial advice and investment supportive for high-worthy clients, where every financial need of a client will be taken into account by a dedicated relationship manager.

Monthly Income Scheme (MIS): Monthly Income Scheme (MIS) is a special fixed deposit scheme which allows interest income on monthly basis and refund of the principal amount at maturity. Modhumoti Bank Limited offers attractive return on investment. A customer can open more than one account. In case of emergency, customers may apply for loan against outstanding of Modhumoti MIS, keeping savings intact.

Incredible Benefit Schemes - Double Benefit Scheme (DBS) & Triple Benefit Scheme (TBS): Double Benefit Scheme (DBS) & Triple Benefit Scheme (TBS) are a time specified deposit scheme for clients where the deposited money will be doubled & tripled respectively at maturity. Customers may open more than one DBS or TBS account at any branch of the Bank. This scheme offers loan facility against lien of DBS or TBS Account & also allows premature encashment.

Fixed Deposit Receipt (1/3/6/12 months): Fixed deposit is a term product where customer is paid interest based on time of the investment. Modhumoti Bank Limited offered attractive interest rate with flexible tenure starts from 1 month, 3 months, 6 months and 12 months having automatic renewal facility at maturity. The customer may avail loan against lien of FDR to meet urgent financial needs. Premature encashment is also allowed.

Asset Products-Retail

Modhumoti Vehicle Loan: Modhumoti Vehicle Loan is provided to purchase brand new and reconditioned motor vehicles for private use only. Maximum loan limit is Tk.40.00 lac or 50% of the vehicle-price, whichever is lower.

Modhumoti Vehicle Loan (Special): This product is introduced for importing & purchasing vehicles for

facilitating Member of Parliament. Maximum loan limit is Tk.40.00 lac or 50% of the vehicle-price, whichever is lower.

Modhumoti Ashroy: 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.

Modhumoti Thikana: Modhumoti Thikana loan is introduced to facilitate 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 Personal Loan: Modhumoti Personal Loan is offered for any purpose of an individual person ranging from Tk.0.50 lac to Tk.10.00 lac. For some reasons, such as house renovation or interior decoration, quotation from vendor is required, while for marriages in the family, a mere self-declaration is asked.

Modhumoti Dishari (School Teachers Loan): Modhumoti Dishari is any purpose loan for school teachers whose salary account is maintained with Modhumoti Bank Limited. Minimum loan limit is Tk.0.25 lac and maximum limit is Tk.3.00 lac.

Asset Products- CMSME

Modhumoti Goti (Unsecured Loan): Modhumoti Goti is an unsecured loan for any justifiable business purpose. Loan size is allowable from Tk.2.00 lac to Tk. 10.00 lac and loan may be allowed without any collateral security.

Modhumoti Progoti (Capital Loan): Modhumoti Progoti loan is provided for meeting capital for business expansion, to finance purchase of new business space

or expansion of existing outlets, purchase of capital machineries; procuring light and heavy vehicles for business use.

Modhumoti Agrogoti (Working Capital Loan): Modhumoti Agrogoti is introduced to augment working capital base of SME customers for financing day to day business.

Modhumoti Labonnyo (Women Entrepreneurs' Loan): Modhumoti Labonnyo loan is provided to women entrepreneurs for any justifiable business purpose ranging from Tk.1.00 lac to Tk.50.00 lac based on the banker-customer relationship, but an amount up to Tk.8.0 lac may be allowed without any collateral security.

Modhumoti Moushumi (Seasonal Loan): Modhumoti Moushumi loan is provided to meet short term financing need, wherein total facilities do not exceed Tk.50.00 lac for SE customers.

Modhumoti Sangoti (Factoring): Modhumoti Sangoti is introduced to provide short term finance against

commercial invoice. Revolving loan limit may be allowed up to Tk.50.00 lac.

Asset Products- Agricultural

Modhumoti Shamolima (Crop Loan): Modhumoti Shamolima is introduced to help farmers, shared croppers and landless farmers to bear the cost of tilling of land, fertilizers, pesticides, irrigation, seed etc. for producing different crops and vegetables. Loan limit is up to Tk.3.00 lac or as determined by Bangladesh Bank from time to time.

Modhumoti Shamolchhaya (Farm Loan): Modhumoti Shamolchhaya is introduced for any justifiable capital expenses and/or working capital or agro-project finance. Loan limit is up to Tk.100.00 lac.

Modhumoti Shamolmaya (Any Agri-Purpose Loan): Modhumoti Shamolmaya is provided for any justifiable capital expenses and /or working capital or project finance. Loan limit is up to Tk.100.00 lac.

Corporate Governance & Risk Management

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.

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.

Brief Report on **Corporate Governance**

Identifying stakeholders and protecting their interests is obviously a challenge in every business sector. Banks, as a financial intermediary, do business with the money of other people. Thus, responsibilities of a bank-company are more crucial 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. On the other hand, clients would not allow charging more, whereas regulators might have specific choices to put money, and rights, choices and responsibilities of many groups are not same.

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. Governance structures and principles identify the distribution of rights and responsibilities among different participants in an organization and include the rules and procedures for making decisions in corporate affairs. In other words, corporate governance 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.

Corporate Governance Framework

A bank through its Board and Board's Committees endeavors to strike and deliver the highest governing standard for the benefits of its 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 are Board of Directors which is comprised with non-executive Directors in Bangladesh, Shareholders and lastly but essentially, the Management, who are solely responsible for ensuring interest of other stakeholders, such as depositors, creditors, clients, employees, regulators etc.

Here, 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.



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 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.

Common Principles of Corporate Governance

Commonly accepted principles of corporate governance include:

- Rights and equitable treatment of shareholders: Organizations should respect the rights of shareholders and help shareholders to exercise those rights by effectively communicating information that is understandable and accessible and encouraging shareholders to participate in general meetings.
- Interests of other stakeholders: Organizations should recognize that they have legal and other obligations to all legitimate stakeholders.
- Role and responsibilities of the Board: The Board needs a range of skills and understanding to be able to deal with various business issues and have the ability to review and challenge management performance. It needs to be of sufficient size and have an appropriate level of commitment to fulfill its responsibilities and duties.
- Integrity and ethical behavior: Ethical and responsible decision making is not only important for public relations, but it is also a necessary element in risk management and avoiding lawsuits.
- Disclosure and transparency: Organizations should clarify and make publicly known the roles and responsibilities of Board and Management to provide shareholders with a level of accountability. They should also implement procedures to independently verify and safeguard the integrity of company's financial reporting. Disclosure on material matters should be disclosed timely to ensure that all investors have access to clear, factual information.

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. Separate roles of the Board and Management have already been defined by Bangladesh Bank as a guideline, which are to be followed by all banks. Besides, Bangladesh Securities and Exchange Commission (BSEC) has also provided code, which is to follow by listed banks.

The Bank's corporate governance philosophy encompasses not only regulators and legal requirements but also various internal rules, policies, procedures and practices based on the best practices of local banks. At Modhumoti Bank, 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.

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 and 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.

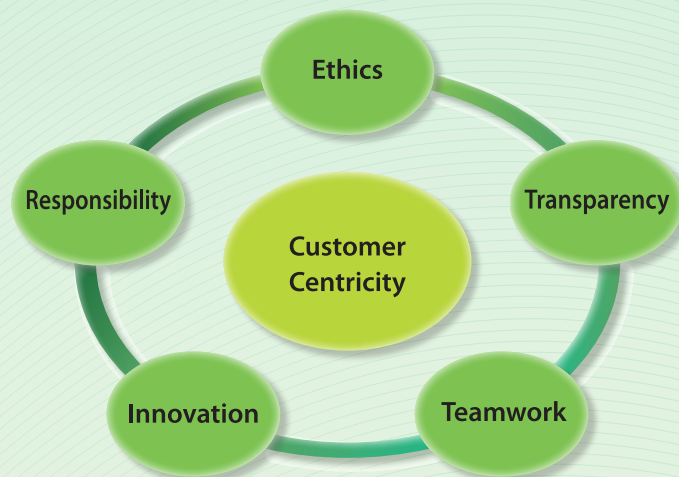
Vision

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



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

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. The Board is responsible for both designing and implementing governance mechanism including appointment and supervision of respective Board Committees and Top Management. According to guideline by Bangladesh Bank, the onus of setting strategic aims and goals of the company is also on the Board.

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), 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. All the Directors of Modhumoti Bank Limited including the Chairman are Non-Executive directors except the Managing Director & CEO alike all other banks of the country. The Bank is yet to appoint any Independent Director.

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. 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. The Management under leadership of Managing Director & CEO assumes responsibility for the day-to-day operations. The Managing Director & CEO is an ex-officio member of the Board. Here, 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.

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.

Roles and Responsibilities of the Board of Directors

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, as stipulated in Bangladesh Bank's BRPD Circular No.11 dated 27 October 2013, wherein roles and responsibilities of the Board of Directors of a bank-company have been stated.

- a) Work-planning and strategic management;
- b) Credit and risk management;
- c) Internal control management;
- d) Human resources management and development;
- e) Financial management;
- f) Formation of Board committees;
- g) Appointment of Managing Director & CEO etc.

Directors 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.

The Role and Responsibilities of the Chairman of the Board

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.

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 some facilities in line with BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank.

Board meetings and attendance

Meeting of the Board of Directors is held on a 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 circulated prior to the meeting.

Supplementary items may be taken up for consideration with the permission of the Chairman and with the consent of the majority of the Directors present in the meeting. 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.

In 2018, 6 (six) meetings of the Board of Directors were held. Besides, 13 (thirteen) 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. Directors who could not attend the meeting(s) were granted leave of absence by the Board. Chairmen of the committee(s) of the Board of Directors are enjoying full freedom to carry out their responsibilities.

Ownership Composition

The Authorized Capital of Modhumoti Bank Limited is BDT 20,000.00 (twenty thousand) million divided into 2,000 million ordinary shares of BDT 10.00 each. The Paid-up Capital of the Bank was BDT 4,520.00 million divided into 452 million ordinary shares as of 31 December 2018. The Bank's shares are yet to be floated through initial public offering (IPO) nor listed with any stock exchange. Bangladesh Bank has allowed time extension for IPO till 2019 and the Bank has already applied for further extension, which is yet under their consideration. The Board members collectively represented 72.57 per cent of total outstanding paid-up capital of the Bank at the end of 2018, which was 73.00 per cent in 2017.

Directors' Shareholding Status

Shareholding details of the Directors as of 31 December 2018 are stated below:

Sl.	Name of the Directors	Status	Number of Shares
1	Mr. Humayun Kabir	Chairman	12,000,000
2	Mr. Shaikh Salahuddin, MP	Vice- Chairman	18,000,000
3	Mr. Sheikh Fazle Noor Taposh, MP	Director	40,000,000
4	Sharmin Apparels Limited Represented by Mr. Mohammad Ismail Hossain	Director	20,000,000
5	Sandhani Life Insurance Company Limited Represented by Mr. Nemaï Kumer Saha	Director	30,000,000
6	Mr. Salahuddin Alamgir	Director	20,000,000
7	Tanveer Oils Limited Represented by Mr. Mostafa Kamal	Director	20,000,000
8	Everest Power Generation Company Limited Represented by Mrs. Tanjima Binthe Mostafa	Director	20,000,000
9	Mr. Humayun Kabir Bablu	Director	20,000,000
10	Mrs. Shahana Yasmin	Director	20,000,000
11	Mrs. Sultana Jahan	Director	20,000,000
12	Mango Teleservices Limited Represented by Mr. A. Mannan Khan	Director	20,000,000
13	Azbal International Limited Represented by Mrs. Ferdousi Islam	Director	20,000,000
14	Anwar Jute Spinning Mills Limited Represented by Mr. Manwar Hossain	Director	10,000,000
15	Meghna Flour & Dal Mills Limited Represented by Mr. Tanveer Ahmed Mostafa	Director	12,000,000
16	Mona Financial Consultancy & Securities Limited Represented by Mr. Md. Mahbubur Rahman	Director	10,000,000
17	Mr. Didarul Alam, MP	Director	8,000,000
18	Sharmin Fashions Limited Represented by Mrs. Syeda Sharmin Hossain	Director	8,000,000
Total			328,000,000

Board's Committees and their Responsibilities

Bangladesh Bank's BRPD Circular No.11 dated 27 October 2013 allowed a bank-company to form 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, MP. The Board has also formed an Audit Committee under the chair of Mr. Shaikh Salahuddin, MP, Vice-Chairman of the Board consisting of three 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. Sometimes other Executives were invited to attend meetings when required.

The Executive Committee

Objective: Executive Committee has been formed to assist the Board, deliberate urgent and important management issues including sanctioning loans and advances 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, MP.

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 2018:

Name	Status in the Committee	Status with the Bank
Mr. Sheikh Fazle Noor Taposh, MP	Chairman	Director
Mr. Mostafa Kamal	Member	Director
Mr. Salahuddin Alamgir	Member	Director
Mr. Mohammad Ismail Hossain	Member	Director
Mr. Nemaï Kumer Saha	Member	Director
Mr. Humayun Kabir Bablu	Member	Director
Mr. Manwar Hossain	Member	Director

No. of Meetings and Attendance: A total of 13 (thirteen) meetings of the Executive Committee have been held during 01 January 2018 to 31 December 2018 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.

Composition: In compliance with Section 15Kha(2) of the Bank-Company Act 1991 (amended up to 2013), BRPD Circular No.11 dated 27 October 2013; the Board of Directors constituted the Audit Committee (ACB) of the Board with 3 (three) members, which was as follow as of 31 December 2018:

Name	Status in the Committee	Status with the Bank
Mr. Shaikh Salahuddin, MP	Chairman	Vice-Chairman
Mr. A Mannan Khan	Member	Director
Mr. Md. Mahbubur Rahman	Member	Director



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

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 2018 to 31 December 2018.

Major agenda covered in 2018

- Reviewed Bangladesh Bank's Comprehensive Inspection Report;
- Reviewed Audit and Inspection reports prepared by the Internal Control and Compliance Division (ICCD) of the Bank as well as external auditors;
- Reviewed actions taken by the Management in regard to deficiencies raised in the Bangladesh Bank inspection report and by the internal audit and inspection team;
- Reviewed corrective measures taken by the Management in regard to lapses pointed out on the internal control and other issues as are raised by internal and external auditors and inspectors of the regulatory authority;
- Reviewed compliance status of audit objections and recommendations made by Bangladesh Bank inspectors, external and internal auditors;
- Reviewed Management Report on Financial Accounts of the Bank for the year ended on 31.12.2017

Reporting: 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 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 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.

Reporting of Internal Auditors to the Audit Committee: Internal Control & Compliance Division has 03 units, (i) Audit & Inspection Unit, (ii) Monitoring Unit and (iii) Compliance Unit, who are performing the following core activities:

- Conducting comprehensive/surprise/special audit & inspection on branches and divisions/units of Head Office;
- Monitoring and reviewing the operational performance of various branches through examination of Quarterly Operations Report (QOR), Loan Documentation Checklist (LDCL), Departmental Control Function Checklist (DCFCL) etc. as part of risk management.
- Collecting compliance of the inspection/audit reports & complying regulatory requirements including directives of Bangladesh Bank.

The Risk Management Committee

Objective: To play an effective role in mitigating impending risks arising out from business and reviewing strategies and policies for adopting changes by the Board to carry out responsibilities efficiently. 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 will scrutinize 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. 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 15 Kha(3) of the Bank-Company Act 1991 (amended up to 2013), BRPD Circular No. 11 dated 27 October 2013; the Board of Directors constituted the Risk Management Committee with 5 (five) members, which was as follow as of 31 December 2018:

Name	Status in the Committee	Status with the Bank
Mr. Mostafa Kamal	Chairman	Director
Mrs. Sultana Jahan	Member	Director
Mr. A. Mannan Khan	Member	Director
Mr. Didarul Alam, MP	Member	Director
Mrs. Syeda Sharmin Hossain	Member	Director

No. of Meetings and Attendance: The RMC held 4(four) meetings during 2018 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 2018

- 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 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 the Comprehensive Risk Management Rating of the Bank based on December-2017 and June-2018 and advised the Management to take appropriate steps to comply the suggestions of Bangladesh Bank;
- Reviewed Green Banking activities of the Bank etc.

Attendance of Directors in Board & Committee Meetings held in 2018

The status of attendance is stated below:

Name	Designation	Attendance in Meetings			
		Board	EC	ACB	RMC
Mr. Humayun Kabir	Chairman	6	--	--	--
Mr. Shaikh Salahuddin, MP	Vice Chairman	4	--	4	--
Mr. Sheikh Fazle Noor Taposh, MP	Director	6	13	--	--
Mr. Mohammad Ismail Hossain	Director	6	13	--	--
Mr. Nemai Kumer Saha	Director	5	12	--	--
Mr. Salahuddin Alamgir	Director	6	12	--	--
Mr. Mostafa Kamal	Director	4	5	--	4
Mrs. Tanjima Binthe Mostafa	Director	4	--	--	--
Mr. Humayun Kabir Bablu	Director	5	11	--	--
Mrs. Shahana Yasmin	Director	3	--	--	--
Mrs. Sultana Jahan	Director	4	--	--	1
Mr. A. Mannan Khan	Director	5	--	4	2
Mrs. Ferdousi Islam	Director	4	--	--	--
Mr. Manwar Hossain	Director	5	11	--	--
Mr. Tanveer Ahmed Mostafa*	Director	2	--	--	--
Mr. Md. Mahbubur Rahman	Director	5	--	4	--
Mr. Didarul Alam, MP	Director	4	--	--	2
Mrs. Syeda Sharmin Hossain	Director	5	--	--	2

*Please note that Mr. Tanveer Ahmed Mostafa has been appointed Director on 27 September 2018 in the Fifth Annual General Meeting.

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.

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.

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 CEO shall ensure compliance of the Bank-Company Act 1991 and other relevant laws and regulations in discharging routine functions of the bank.
- 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 report to Bangladesh Bank on issues which are in violation of the Bank Company Act 1991.
- The recruitment, promotion and all other staff issues of the bank except those in the two tiers below him shall rest on 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.

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.

During 2018, the Board reviewed the overall business performance of the Bank and observed with satisfaction that there is significant growth in terms of profitability, deposit growth, growth of quality loans & advances, foreign remittance.

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

Management Team is headed by the Managing Director & CEO Mr. Md. Shafiu Azam, who has long banking experience. The functions of the Board and the Management are clearly defined and sharply bifurcated. 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 already 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. All Risk Committee of the Management, 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.

Responsibility of the Senior Management

As suggested by Bangladesh Bank 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 and the Chief Financial Officer (CFO), 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. 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 Board of Directors 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.

Formation of Management Committee (MANCOM)

Formation of MANCOM lead by Managing Director & CEO as an Ex-officio Chairman and discussion of related topics there for ensuring internal control system is practiced in the country since long, which was also introduced initially by the Central Bank. The 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:

- a) 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.
- b) 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.
- c) The MANCOM will, if necessary, put in place an Internal Control Structure of the Bank assigning/segregating clear responsibility & duty, authority, reporting relationship etc.
- d) 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.
- e) The MANCOM will review on yearly basis the overall effectiveness of the Control System and provide a certificate to the Board of Directors on the usefulness & efficiency of Internal Control Policies & Procedures.

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.

Human Capital

In banking, the journey never completes and it is employees always who would suffix the added value to organization in respect of both skill value and economic value. As we think human resources are the main sources of competitive advantage of any organization, employees are treated as Human Capital at Modhumoti Bank. To this effect, the Bank has constantly taken initiatives to sharpen its people's knowledge and skills through continuous training and development and acquire employees embodying a set of skills which ultimately generates a stock of productive capital for our organization.

We believe that it is our people who are the differentiator for the organization and absolute basis for competitive advantage. Capacity Building of human resources through hiring as well as training has got the key position in Bank's objectives both in short term & long term. Employees are required to work in a team to run a system smoothly and efficiently. Our efficient work force acted as the fundamental pillar to elevate the Bank at today's height of success and beyond. We are always concerned with upgrading our entire workforce to the next level of skill and efficiency and it is a continuous process.

Modhumoti Bank always measures that there is a statistically significant correlation between human capital return on investment (HCROI) and Bank's key performance indicators including net profit, return on assets (ROA) and return on equity (ROE). We strongly believe that In line with its expansion plans, Modhumoti Bank plans to acquire talents from the market to meet the customers' ever-increasing demand and to support the ever changing business scenario.

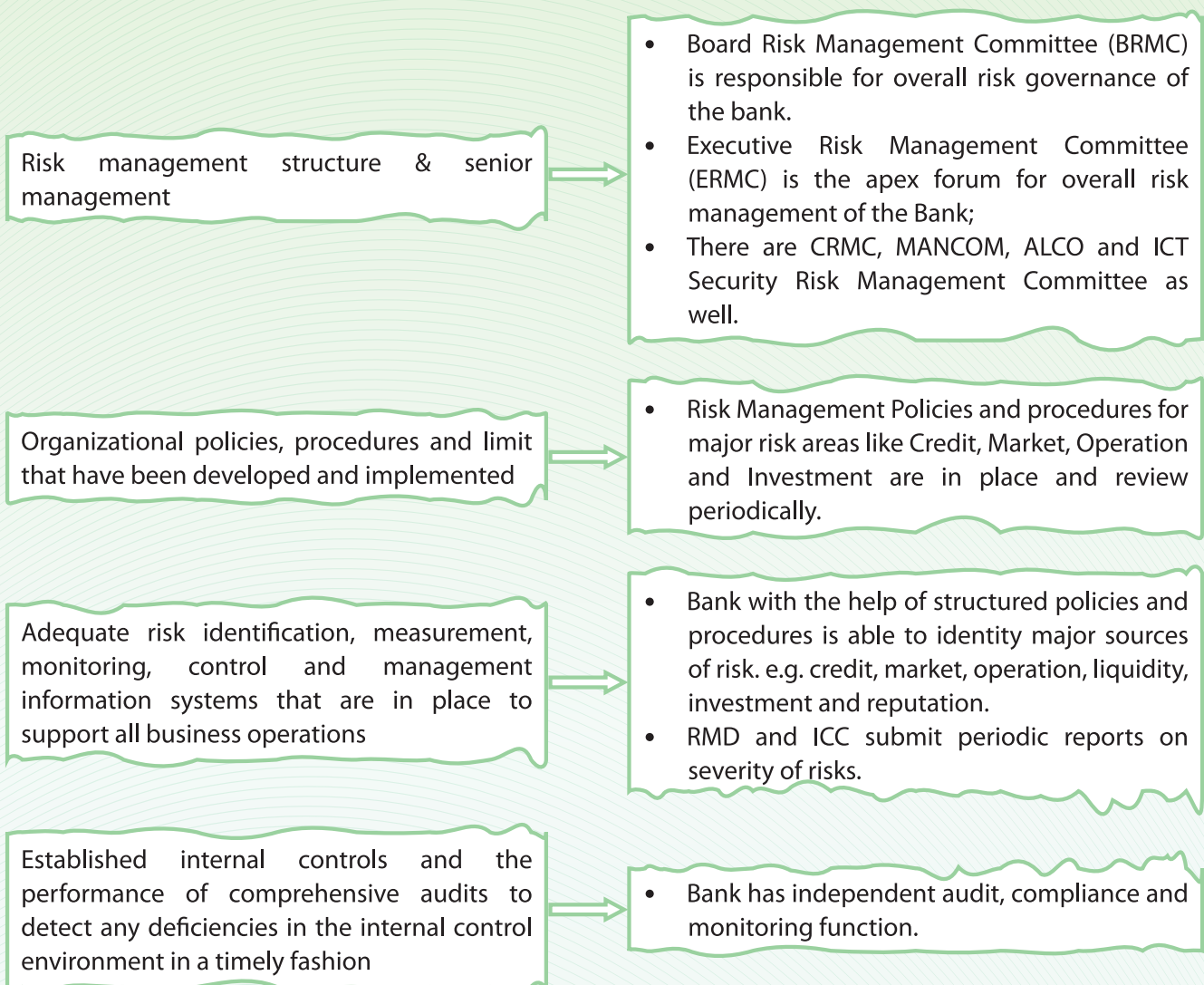
Brief Report on Overall Risk Management

Risk management is the process of identification, analysis and acceptance or mitigation of uncertainty in investment decisions. We seek to limit adverse variations in earnings and capital by managing risk exposures within agreed levels of risk appetite.

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. Responsibility and accountability for risk management resides at all levels within the bank, from the board down through the organization to each business manager and risk specialist.

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 seek 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.

Key elements of Risk Management System



Objective 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;

The risk management process of the bank operates under following structure:

- The Board of Directors (BoD) of MMBL 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), Recovery Division, 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;
- MMBL also 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), and Executive Risk Management Committee (ERMC) to identify, assess, mitigate and monitor risk throughout the organization. RMD is also 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 maximum profitability.

Board Risk Management Committee

To oversee the risk management of the Bank, the Board has formed Board Risk Management Committee as per the guidelines of Bangladesh Bank. 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

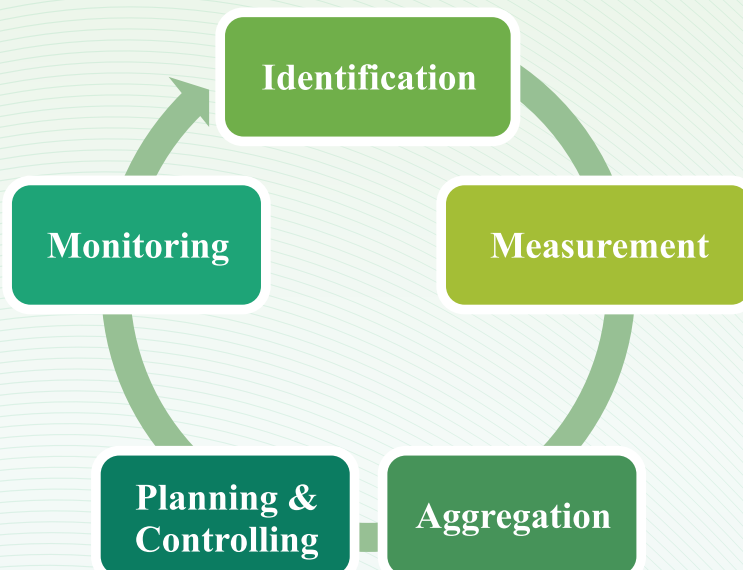
Management Committee. During the year 2018, four (04) BRMC meetings were held where designated memoranda were placed for their perusal and recommendation. The list of issues discussed in the meetings of BRMC includes the following:

- 1 Key risk issues of the Bank
- 2 Top 20 Borrowers Performance
- 3 Wholesale Borrowing Position of the Bank
- 4 Performance of the Branches as per Budget
- 5 Comprehensive Risk Management Rating of the Bank
- 6 Review of Comprehensive Risk Management Report
- 7 Stress Testing Result of the Bank
- 8 Review of Internal Capital Adequacy Assessment Process
- 9 Green Banking Report of the Bank
- 10 Risk Based Capital Adequacy Statement as per Basel III
- 11 Synopsis of the Newly Issued Risk Management Guidelines for Banks by Bangladesh Bank
- 12 Management Action Triggers of Modhumoti Bank Limited

Risk Management Process

MMBL has developed a number of risk management policies and guidelines following the risk strategy of the Bank and BB guidelines. 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.

An effective risk management system includes the implementation of clearly defined policies and processes to facilitate the identification and quantification of risks inherent in a bank's different activities. The policy is formally established and approved by the board of directors and clearly set out the parameters under which different risks are to be managed/controlled.



Risk identification: The first stage of risk management is to identify bank's risk area in order to measure and manage i.e either mitigate or risk transfer. Typically MMBL distinguishes Credit risk, Market risk, Liquidity risk, Operational risk, and Information & Communication Technology (ICT) risk. Beside these, concentration risk, strategic risk, residual risk, reputation risk, settlement risk, environmental & climate risk and core risks etc. are covered under Internal Capital Adequacy Assessment Process (ICAAP).

Risk measurement: The consistent assessment of the above mentioned types of risks is an essential prerequisite for successful risk management. For example, in order to assess credit risk associated with any corporate financing proposal, MMBL carries out various risk assessment like financial spreadsheet analysis, credit risk grading, Credit Rating Status and other risk like concentration related to the borrower and the relevant industry.

Risk aggregation: MMBL closely monitors aggregate risk in order to minimize its exposure to adverse financial developments- such as a credit crunch or even insolvency- arising from a counterparty or client. While aggregating risks, it is important to take into account correlation effects which cause a Bank's overall risk differing from the sum of the individual risks. This applies to risks both within a risk category as well as across different risk categories.

Planning & controlling risk: MMBL takes into consideration the business strategy while planning and setting control for mitigating risk. As risk management is the trade-off between risk and return, MMBL always tries to manage the risk without hampering the business growth and stakeholders return.

Risk monitoring: Risk monitoring is the most challenging task in the whole risk management cycle as monitoring helps the Bank to identify earlier any probable risk that may take in place in many cases. Risk monitoring also helps to track whether the risks actually incurred lie within the prescribed limits, thus ensuring an institution's capacity to bear those risks. CRM, CAD, RMD and Recovery Division are entrusted to monitor the risk issues facing by the Bank especially credit risk.

The above process of risk management is being undertaken by MMBL which implies that if any risk(s) remains un-attended, that will be addressed through the repetition of the process which started with identification of those factors and the process continues.

Basel III implementation status

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.

Basel III is an evolution rather than a revolution for many banks. It was developed from the existing Basel II framework, and the most significant differences for banks are the introduction of liquidity and leverage ratios, and enhanced minimum capital requirements.

Globally Basel III was introduced in 2010 as the previous version of capital standard, was felt inadequate to maintain financial stability during global financial crisis started in 2007 with the intention of gradual implementation starting from January 01, 2013 and full implementation starting from January 01, 2019. In Bangladesh, Basel III phase wise implementation started back in 2015 and will fully be implemented from January 2020. Changes in Basel III & implementation status of Basel III in MMBL are briefly stated as followings:

Capital: Banks are required to hold at least 4.5% of risk-weighted assets in the form of Core Equity Tier-1 as prescribed by Bangladesh Bank. This rule is an effort to ensure that banks maintain high quality capital. In contrast to the requirement Tier-1 capital of MMBL is 13.90% and Tier – 2 capital is 1.14% i.e. Capital to Risk Weighted Assets (CRAR) stood at 15.04% at the end of December 2018.

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 though, but the bank faced difficulties in maintaining NSFR for the month of June 2018 due to acute liquidity pressure in the money market.

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 9.87% in December 2018 against regulatory requirement of 3%.

Risks under the Guidelines on Risk Based Capital Adequacy (BASEL-III)

To cope up with the international best practices and make the bank's capital shock absorbent, 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks' (Revised regulatory capital framework in line with Basel III) was introduced from January 01, 2015 as a parallel run with Basel II. Under RBCA guidelines, Modhumoti Bank considers the following risk against Pillar-I & Pillar-II.

Sl.	Risks as per BB Guidelines	Risks Considered in Basel Accords	Remarks
1	Credit Risk	Credit Risk	Pillar- I & II
2	Foreign Exchange Risk	Market Risk	Pillar-I & II
3	Asset Liability Risk	Operational Risk	Pillar-I & II
4	Money Laundering Risk	Residual Risk	Pillar-II
5	Internal Control & Compliance Risk	Concentration Risk	Pillar-II
6	Information & Communication Technology Risk	Liquidity Risk	Pillar-II
7	Guidelines on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions in Bangladesh	Reputation Risk	Pillar-II
8	Supervisory Review Process	Strategic Risk	Pillar-II
		Evaluation of Core Risk Management	Pillar-II
		Settlement Risk	Pillar-II
		Environmental & Climate Change Risk	Pillar-II

The Risk Management Division of the Bank assists Executive Risk Management Committee for appropriate decisions making through 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-I Minimum Capital Requirement and Pillar-II Supervisory Review Process as per Basel III.

As per Pillar-III Market Discipline of Basel III, detail disclosure has been published in the regulatory disclosure section of this Annual Report.

Supervisory Committees Relating to Risk Management

The supervisory committees relating to risk management of the bank at management level are as follows having definite responsibilities of each committee:

- Executive Risk Management Committee;
- Supervisory Review Process Team;
- Basel Unit (Supervisory Committee).

Executive Risk Management Committee (ERMC)

The bank has Board approved Executive Risk Management Committee (previously All Risk Committee) comprising senior management of the Bank as per DOS Circular Letter No.13, dated September 09, 2015 of Bangladesh Bank headed by Chief Risk Officer. The responsibilities of ERMC are noted below:

- Meet at least once in a month and discuss all significant risks issues facing by the Bank;
- Setting targets for capital ratios and capital composition;
- Managing the balance sheet and the funding structure;
- Developing risk policies for business units and determining the over all investment strategy;
- Identifying, monitoring, and managing the bank's current and potential operational risks exposures;
- Handling "critical risks" (risks that require follow-up and further reporting);
- Follow up the reports prepared by Internal Audit and inform the Board about unusual circumstances;
- Preparing management information on issues such as IT security, physical security, business continuity, and compliance.

Supervisory Review Process (SRP) Team

As per the Revised Process Document for SRP-SREP Dialogue on ICAAP (Implementation of 2nd Pillar of Basel II & Basel III) Banks must have an exclusive body naming SRP Team in the 'Managerial Layer' which will be constituted by the concerned departmental heads of a bank and headed by Managing Director.

Accordingly, the Bank has a SRP Team duly approved by the Board of Directors of the Bank. 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.

Capital Management as per Basel Accords

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.

Minimum Capital Requirement

As per guidelines of Risk Based Capital Adequacy (RBCA) of Bangladesh Bank, every scheduled bank maintain Minimum Capital 10% of Risk Weighted Assets whereas 4.5% maintain 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%. Banks should not distribute capital (i.e. pay dividends or bonuses in any form) in case capital level falls within this range. In this context, MMBL maintained a Capital to Risk Weighted Asset (CRAR) of 15.04% on 'Solo Basis' against required minimum of 10.00% of Risk Weighted Asset (RWA) as of 31.12.2018. However, the bank has to maintain minimum capital Tk.4,000.00 million or MCR 10.00% on Risk Weighted Asset i.e. Tk.4,500.84 million whichever is higher i.e. Tk.4,500.84 million has to be maintained. We had an excess capital of BDT2,269.86 million after meeting all three risks as on the reporting date.

Internal Capital Adequacy Assessment Process (ICAAP)

Banks must have a document (called Internal Capital Adequacy Assessment Process-ICAAP) for assessing their overall risk profile and a strategy for maintaining adequate capital. This document is also to be approved by the Board of Directors. The Bank conducts ICAAP process every year as stipulated by the Bangladesh Bank. ICAAP is aimed at ensuring that the bank maintains an amount of capital commensurate to its risk profile and improves upon its risk management systems and framework. It involves realistic assessment of the level of risks inherent in the business operations of the bank and setting aside adequate capital to cover all such risks like Residual Risk, Concentration Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk etc. The assessment is done considering the operational presence, activities, and processes etc. Monitoring all the material risks also forms part of ICAAP. In short, ICAAP is integrated into the management and decision making process and is reflected in the processes and business operations of the Bank.

Capital Requirement for ICAAP Statement:

Sl. No.	Particulars of Risks	Capital Requirement (Taka in crore)
1	Credit Risk	417.38
2	Market Risk	9.71
3	Operational Risk	22.99
A) Minimum Capital Requirement under Pillar-1		450.08
1	Residual Risk	9.65
2	Concentration Risk	4.00
3	Liquidity Risk	9.00
4	Reputation Risk	0.00
5	Strategic Risk	0.00
6	Settlement Risk	0.00
7	Evaluation of Core Risk Management	27.00
8	Environmental & Climate Change Risk	0.00
9	Other material risks	0.00
B) Additional capital required under Pillar-2		49.66
C) Total Capital Requirement (A+B) for the year 2018		499.74

Risk management reporting

After proper analysis, risks are to be prioritized and reported to competent authorities (both internal and external) by RMD on regular basis.

MMBL prepare Monthly Risk Management Report (MRMR) and Comprehensive Risk Management Report (CRMR) according to the formats provided by Bangladesh Bank (BB). Bank also arrange monthly meeting of ARC to discuss the risk issues based on the findings of the risk reports prepared by the RMD and shall submit the CRMR and MRMR along with the minutes of ARC meeting to DOS of BB within stipulated time. Discussions & decisions of ARC must be reflected in the meeting minutes. MMBL also submit the board approved Risk Appetite Statement (RAS) on yearly basis and BRMC meeting minutes on regular basis. Besides Bank submit a soft copy of Stress Test report to DOS of BB on half yearly basis along with risk reports. The risk reports and forwarding letter are to be signed by the CRO.

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.	Compliance Status	Frequency	Compliance Status
1	Monthly Risk Management Report	Monthly	Complied
2	Quarterly Risk Management Report	Quarterly	Complied
3	Comprehensive Risk Management Report	Semi-annually	Complied
4	Capital Adequacy Statement	Quarterly	Complied
5	Stress Testing & Gap Analysis	Quarterly	Complied
6	Internal Capital Adequacy Assessment Process (ICAAP) Statement	Yearly	Complied
7	Risk Appetite Statement	Yearly	Complied
8	Review Report of the Risk Management Policies & Effectiveness of Risk Management Function of the Bank	Yearly	Complied

The Bank met all the regulatory requirements relating to risk management activities of the Bank in 2018.

Borrowers' Rating

Capital Management is one of the key strategic issues these days in the banking business. Borrower rating not only plays an important role in improving capital adequacy of the bank through capital relief but also helps the bank to understand the risk associated with the borrowers. In this regard, RMD calculates capital relief on the basis of rated customers quarterly.

According to Pillar-I of Basel-III, RWA of banks is calculated against Credit Risk, Market Risk and Operational Risk. 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 assessed by External Credit Assessment Institutions (ECAIs).

Credit Rating Status of the Bank

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Credit Rating Status of the Bank

(In crore BDT)

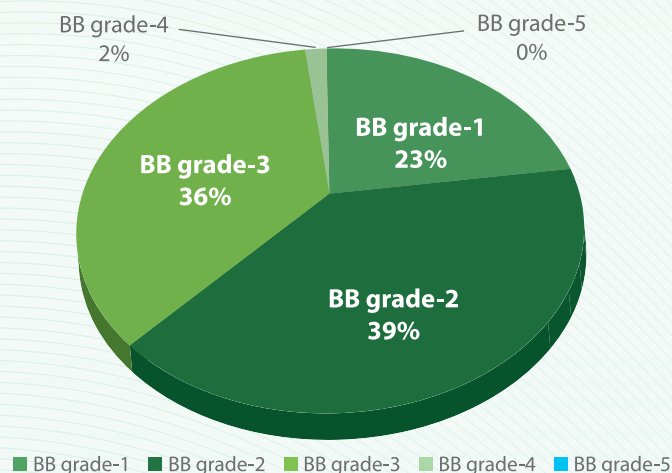
Sl. No.	Compliance Status	December 2016	December 2017	December 2018
1	Total no. of customer/entity	745	996	1,141
2	Total loans and advances (excluding OBU exposure)	1,621.40	2,803.36	3,327.54
3	No. of customer/entity eligible for rating	89	96	133
4	Amount of loans eligible for rating	1,137.00	2,465.66	2,995.91
5	No of customer/entity rated by the external credit rating agency	18	55	61
6	Amount of rated loans	299.87	1,326.99	1,342.95
7	% of rated loans to total eligible loans for rating (7= 6/4 x 100)	26.37%	53.82%	44.83%
8	Unrated no of customer/entity eligible for rating	72	41	72
9	Amount of unrated loans eligible for rating	837.13	1,138.67	1,553.30

As a result of vigorous effort and continuous persuasion, Credit rating of 61 (44.83%) borrowers out of total 133 eligible Corporate & SME borrowers of MMBL was completed. The rating distribution of the 61 Corporate & SME borrowers of MMBL as on 31 Dec 2018 was as follows:

Bangladesh Bank Rating Grade	Corporate		SME		Total		Percentage of Total	
	No.	OS	No.	OS	No.	OS*	No. Rated Borrowers	Outstanding Rated Borrowers
BB grade 1	14	390.53	-	-	14	390.53	22.95%	29.08%
BB grade 2	24	664.14	-	-	24	664.14	39.34%	49.45%
BB grade 3	17	211.18	5	70.94	22	282.12	36.07%	21.01%
BB grade 4	-	-	1	6.16	1	6.16	1.64%	0.46%
BB grade 5	-	-	-	-	-	-	0.00%	0.00%
Total	55	1265.85	6	77.1	61	1342.95	100%	100%

*OS- outstanding in crore Taka.

Percentage of Rated Borrowers



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. Before shock the Capital to Risk Weighted Assets (CRAR) was 15.04% on 31.12.2018. The position of CRAR after shock are 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: Other Manufacturing Industries	3%	9%	15%	14.95	14.75	14.56
Performing loans directly downgraded to B/L: SME Loans	3%	9%	15%	14.96	14.79	14.62
Increase in NPLs due to default of top large loan borrowers	Top 3	Top 7	Top 10	11.54	6.53	3.34
Negative shift in NPLs categories	5%	10%	15%	14.90	14.81	14.66
Decrease in the FSV of collateral	10%	20%	40%	14.98	14.91	14.66
Increase in NPLs	3%	9%	15%	13.08	8.99	4.66
Interest Rate	1%	2%	3%	14.12	13.19	12.26
FEX: Currency Appreciation	5%	10%	15%	14.97	14.89	14.81
Equity Shock	10%	20%	40%	15.02	15.00	14.97
Combined Shock				11.85	6.58	0.91

For absorbing different shocks under Stress Testing, MMBL took the following measures:

- Exposure on large loan customers are being monitored closely
- Emphasize on enhancing collateral coverage against large loan exposure;
- Encouraging focus on SME loanlending;
- Regular loans are being monitored closely in order to avoid classification;
- Persuading unrated Corporate and SME customers 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, 2018

The challenges for managing & maintaining Capital up to a certain level linked to regulatory metrics have increased following the strengthening of the regulatory capital framework after the global financial crisis. Banks globally have been required to significantly increase the quantity and the quality of their capital as a safeguard against unforeseen risks. New capital buffers and a leverage based requirement have been introduced to reinforce the robustness of the regulatory capital framework.

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-I and Supervisory Review Process (SRP) under Pillar-II 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-I Minimum Capital Requirement (MCR) and Pillar-II 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, 2018).

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, 2018 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 2018 of the Bank. The report is prepared once a year and available on the website of the Bank (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, 2018). However, the BRPD circular 05, dated 09 April 2005 and BRPD Circular No. 02, dated, January 16, 2014 respectively regarding 'Single Borrower Exposure Limit' are being applied by the Bank in determining maximum amount of finance.

Quantitative Disclosure

d) Aggregate amount of capital deficiencies: There was no capital deficiency in the financial year 2018 as there was no subsidiary of the Bank.

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, provision for Off-Balance Sheet items and revaluation reserve on government securities, fixed asset and equity instruments are part of Tier 2 capital.

It is mentionable that revaluation reserve as of December 31, 2014 has to be phased out as per Basel -III by 20% in 2015, 40% in 2016, 60% in 2017, 80% in 2018 and 100% in 2019. That means the Bank can not show revaluation reserve as capital from the year 2019.

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	√	

Quantitative Disclosures

a) Regulatory capital of the Bank as of December 31, 2018

Tier-1 capital of the bank as of December 31, 2018 was Tk. 6,256.46 million which is 92.40% of total regulatory capital and rest 7.60% from Tier-2 capital. Tier-1 capital comprised 66.76% from paid up capital, 15.56% from statutory reserve and rest 10.09% from retained earnings of the Bank. Tier-2 capital is Tk. 514.25 million which is 7.60% of total regulatory capital and the major contributors are general provision on loans and advances including Off-Balance sheet items.

(In Million BDT)

Sl. no.	Regulatory Capital	Solo
1.0	Common Equity Tier-1 (Going Concern Capital)	
1.1	Fully Paid-up Capital	4,520.00
1.2	Non-repayable Share premium account	-
1.3	Statutory Reserve	1,053.29
1.4	General Reserve	-
1.5	Retained Earnings	683.17
1.6	Dividend Equalization Account	-
1.7	Minority interest in Subsidiaries	-
1.8	Actuarial gain/loss	-
1.9	Others (if any item approved by Bangladesh Bank)	-
1.10	Sub-Total: (1.1 to 1.9)	6,256.46
1.11	Regulatory adjustment from Common Equity Tier-1 (Going Concern Capital)	
1.12	Shortfall in provisions required against Non-performing loans (NPLs)	-
1.13	Shortfall in provisions required against investment in shares	-
1.14	Remaining deficit on account of revaluation of investment in securities after netting off from any other surplus on the securities	-
1.15	Goodwill and all other intangible assets	-
1.16	Deferred Tax Assets (DTA)	-
1.17	Defined benefit pension fund assets	-
1.18	Gain on sale related to securitization transactions	-
1.19	Investment in own CET-1 Instruments/shares (as per Para 3.4.7 of Basel III guidelines)	-
1.20	Reciprocal crossholdings in the CET-1 capital of Banking, Financial and Insurance Entities	-
1.21	Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991 (50% of investment)	-
1.22	Investments subsidiaries which are not consolidated (50% of investment)	-
1.23	Others if any	-
1.24	Sub Total (1.12 to 1.23)	-
1.25	Total Common Equity Tier-1 Capital (1.10 less 1.23)	6,256.46
2.0	Additional Tier-1 Capital	
2.1	Non-cumulative irredeemable preference shares	-
2.2	Instruments issued by the banks that meet the qualifying criteria for AT1 (as specified at Annex-4 of Basel III Guidelines)	-
2.3	Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties (for consolidated reporting only);	-
2.7	Others (if any item approved by Bangladesh Bank)	-
2.8	Sub-Total (2.1 to 2.7)	-
2.9	Regulatory adjustments	
2.10	Investment in own AT-1 Instrument/ Share (as per Para 3.4.7 of Basel-III Guidelines)	-
2.11	Reciprocal of crossholding in the AT-1 Capital Of Banking , Financial and Insurance Entities	-
2.12	Others if any	-
2.13	Sub-Total (2.10 to 2.12)	-
2.13	Total Additional Tier-1 Capital Available (2.8 less 2.13)	-

Sl. no.	Regulatory Capital	Solo
2.14	Maximum Limit Of Additional Tier-1 Capital (AT-1 can be maximum up to 1.5% of the Total RWA or 33.33% of CET1, whichever is higher)	2,085.28
2.15	Excess Amount over Maximum Limit of AT-1	-
2.16	Total Admissible AT-1 Capital	-
2.17	Total Tier-1 Capital	6,256.46
3.0	Tier-2 Capital (Gone Concern Capital)	
3.1	General Provision	512.54
3.2	All other preference shares	-
3.3	Subordinated Debt/ Instruments issued by the bank that meet the qualifying criteria for Tier 2 Capital (as per Annex 4 of Basel-III)	-
3.4	Minority Interest i.e. Tie-2 issued by consolidated subsidiaries to third parties (for consolidated reporting only)	-
3.5	Revaluation reserve as for as on 31 December, 2014 (50% of Fixed Asset & Securities & 10% of Equities)	8.54
3.6	Others (if any item approved by Bangladesh Bank)	-
3.7	Sub-Total (3.1 to 3.6)	521.08
3.8	Regulatory Adjustment	
3.9	Revaluation Reserve for Fixed Asset, Securities & Equity Securities (follow in deductions as per Basel-III Guidelines) 80%	6.83
3.10	Investment in own T-2 Instruments / Shares (as per Para 3.4.7 of Basel-III Guidelines)	-
3.11	Reciprocal Crossholding in the Tier-2 capital of Banking, Financial & insurance Entities	-
3.12	Any Investment exceeding the approved limit under section 26(2) of Bank Company Act 1991(50% of investment)	-
3.13	Investment In Subsidiaries which are not consolidated (50% of investment)	-
3.14	Others if any	-
3.15	Sub-Total (3.9 to 3.14)	6.83
3.16	Total Tier-2 Capital Available (3.7 minus 3.15)	514.25
3.16	Maximum Limit of Tier-2 Capital (Tier-2 capital can be maximum up to 4.0% of the total RWA or 88.89% of the CET1, whichever is higher)	5,561.37
3.17	Excess Amount over Maximum Limit of T-2	-
3.18	Total Admissible Tier-2 Capital	514.25
3.19	Total Regulatory Capital (2.16+3.18)	6,770.70

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

Quantitative Disclosures:

Following table shows component-wise allocation of capital to meet three risks namely i) Credit Risk, ii) Market Risk and iii) Operational Risk under Pillar-I Minimum Capital Requirement of Basel III. As on the reporting date i.e. 31 December 2018, MMBL maintained a Capital to Risk Weighted Asset (CRAR) of 15.04% on 'Solo Basis' against required minimum of 10.00% of Risk Weighted Asset (RWA). However, the Bank has to maintain minimum capital Tk.4,000.00 million or MCR 10.00% on Risk Weighted Asset i.e. Tk. 4,500.84 million whichever is higher i.e. Tk. 4,500.84 million has to be maintained. We had an excess capital of BDT 2,269.86 million after meeting all three risks as on the reporting date.

Risk Weighted Asset (RWA) & Minimum Capital Requirement (MCR):

(In Million BDT)

Sl. no.	Particulars	Solo
1.	Risk Weighted Assets:	
	For Credit Risk:	41,738.46
	On-Balance Sheet	29,073.91
	Off-Balance Sheet	12,664.55
	For Market Risk	971.06
	For Operational Risk	2,298.91
	Total:	45,008.43
2.	Minimum Capital Required (10% of RWA):	
	For Credit Risk	4,173.84
	For Market Risk	97.11
	For Operational Risk	2,29.89
	Total:	4,500.84
	Minimum capital requirement (MCR) Tk.4,000.00 million or 10% of RWA whichever is higher	4,500.84

Capital to Risk Weighted Assets Ratio (CRAR)

(In Million BDT)

Sl. no.	Capital Adequacy	Solo
A.	Regulatory Capital:	
	a. Tier-1 (Going Concern Capital)	6,256.45
	b. Tier-2 (Gone Concern Capital)	514.25
	c. Total eligible capital	6,770.70
B	Capital to Risk Weighted Assets Ratio (CRAR)	
	Tier-1 Capital to RWA	13.90%
	Tier-2 Capital to RWA	1.14%
	Total:	15.04%
C	Minimum capital requirement (MCR) Tk.4,000.00 million or 10% of RWA whichever is higher	4,500.84
D	Capital surplus (A-C)	2,269.86

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:

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 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 and BDMD (Corporate) and BDMD (SME) upon receiving the final approval from the competent authority.

Credit Administration:

Credit Administration Division (CAD) at Head Office 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 BRPD Circular No-14 and 19 of 2012; 05 of 2013, and 08 of 2015, and advice 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 2013), 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	2.5%	5%	1%	2%	0.25%	2%	1%
SMA	-	5%	2%	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"> • the loan was not made in compliance with the bank's internal policies; • failure to maintain adequate and enforceable documentation; or • poor control over collateral
	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"> • occasional overdrawn within the past year, • below-average or declining profitability; • barely acceptable liquidity; • Problems in strategic planning.
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"> • recurrent overdrawn, • low account turnover, • competitive difficulties, • location in a volatile industry with an acute drop in demand;

Classification		Conditions to be fulfilled
		<ul style="list-style-type: none"> • very low profitability that is also declining; • inadequate liquidity; • cash flow less than repayment of principal and interest; • weak management; • doubts about integrity of management; • conflict in corporate governance; • unjustifiable lack of external audit; and • pending litigation of a significant nature.
	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		<p>Assets must be classified no higher than Doubtful if any of the following deficiencies of the obligor is present:</p> <ul style="list-style-type: none"> • permanent overdrawn; • location in an industry with poor aggregate earnings or loss of markets; • serious competitive problems; failure of key products; operational losses; • illiquidity, including the necessity to sell assets to meet operating expenses; • cash flow less than required interest payments; very poor management; • non-cooperative or hostile management; • serious doubts of the integrity of management; • doubts about true ownership; and • complete absence of faith in financial statements.
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"> • the obligor seeks new loans to finance operational losses; • location in an industry that is disappearing; • location in the bottom quartile of its industry in terms of profitability; • technological obsolescence and very high losses; • asset sales at a loss to meet operational expenses; • cash flow less than production costs; • no repayment source except liquidation; • presence of money laundering, fraud, embezzlement, or other criminal activity; and • no further support by owners.

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 BDT)

Sl.no.	Types	2018	2017
1	Agriculture, fishing, forestry and dairy firm	146.12	136.90
2	Industry (Other than working capital)	6,008.35	5,200.83
3	Working capital financing	8,630.83	7,312.46
4	Export credit	1,492.47	1,440.31
5	Import credit	3,450.22	3,279.81
6	Commercial credit	3,079.36	1,255.36
7	Constructions	4,597.47	2,816.92
8	Transport and Communication	688.66	688.40
9	Consumer Credit	401.87	347.58
10	Others	7,080.29	7,702.72
Total		35,575.65	30,181.30

c) Geographical distribution of exposures:

(In Million BDT)

	Name of Division	2018	2017
Region Based	Dhaka	30,440.00	27,117.77
	Chattogram	3,975.05	1,843.68
	Rajshahi	69.16	64.54
	Sylhet	113.37	102.04
	Khulna	743.86	851.86
	Rangpur	155.14	116.85
	Barishal	42.55	51.41
	Mymensingh	36.53	33.16
	Total	35,575.65	30,181.30
Country Based	Domestic	35,575.65	30,181.30
	Overseas	-	-

d) Major industry-wise distribution of exposures:

Major industry wise credit exposure of the bank as of December 31, 2018 was as below, and the numbers remained within the appetite of the bank as approved by the Board of Directors.

(In Million BDT)

Sl.no.	Sector/Industry	2018	2017
1	Agriculture	97.58	137.50
2	Industry	15,855.59	11,168.30
3	Constructions	3,568.88	2,720.50
4	Power, Gas, Water & Sanitary Services	982.90	1,329.10
5	Transport, Storage & Communication	811.80	688.40
6	Trade Services	5,131.79	5,339.80
7	Housing Services	1,494.47	1,563.70
8	Banking & Insurance	4,526.20	3,918.60
9	Professional & Misc. services	3,106.51	3,315.40
Total		35,575.65	30,181.30

e) Residual contractual maturity breakdown of the whole portfolio:

(In Million BDT)

Particulars	2018	2017
On demand	3,634.48	545.48
Less than three months	5,015.15	7,615.06
More than three months but less than one year	10,833.34	9,255.80
More than one year but less than five years	9,753.10	8,836.03
More than five years	6,339.58	3,928.93
Total	35,575.65	30,181.30

f) Major industry type amount of impaired loans:

(In Million BDT)

Particulars	2018	2017
Agriculture	12.40	-
Industry	387.30	44.89
Constructions	13.10	4.20
Power, Gas, Water & Sanitary Services	-	-
Transport, Storage & Communication	0.00	-
Trade Services	228.80	34.10
Housing Services	4.50	0.70
Banking & Insurance	-	-
Professional & Misc. services	4.50	4.40
Total	650.6	88.29

g) Gross Non Performing Assets (NPAs)

(In Million BDT)

Particulars	2018	2017
Gross Non-Performing Assets (NPAs)	650.66	88.29
Nonperforming assets to outstanding loans and advances	1.83%	0.29%
Movement of Non-Performing Assets (NPAs):		
Opening balance	88.29	45.10
Additions/ Reductions	562.37	43.19
Closing balance	650.66	88.29
Movement of specific provisions for NPAs:		
Opening balance	12.06	6.22
Provision made during the period	141.82	5.84
Write off	0.00	0.00
Write back of excess provisions	0.00	0.00
Closing balance	153.88	12.06

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 BDT)

Particulars	Solo	
	Cost Price	Market Price
Unquoted Share	100.00	100.00
Quoted Share	3.27	4.01

For Banking Book Equity

(In Million BDT)

Sl.no.	Particulars	Solo (Bank)
c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period	5.28
d)	Total unrealized gains(losses)	0.71
	Total latent revaluation gains (losses)	0.00
	Any amounts of the above included in Tier 2 capital	0.00

e) Capital Requirement

(In Million BDT)

Particulars	Solo (Bank)
Unquoted Share	150.00
Quoted Share	4.09

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 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). If rates go up by 1% the price of assets fall more than the price of liabilities. A negative duration gap is when the duration of assets is less than the duration of liabilities (which means greater exposure to declining interest rates). If rates go down by 1%, the price of assets goes up less than the price of liabilities.

(In Million BDT)

Sl.No.	Particulars	Amount		
1	Market value of assets	50,515.80		
2	Market value of liabilities	44,088.50		
3	Weighted average duration of assets (DA) in years	1.67		
4	Weighted average duration of liabilities (DL) in years	0.41		
5	Duration gap (DA -DL) in years	1.31		
6	Yield to maturity (YTM -Assets)	9.39%		
7	Yield to maturity (YTM -Liability)	6.24%		
8	Change of market value of equity due to increase in interest rates	1%	2%	3%
9	Fall in Market Value of Equity	(605.56)	(1,211.12)	(1,816.67)
10	Stress testing	Minor Shock	Moderate Shock	Major Shock
11	Regulatory capital (after shock)	6,165.10	5,559.60	4,954.00
12	RWA (After shock)	44,402.80	43,797.30	43,191.70
13	CRAR (After shock)	13.88%	12.69%	11.47%

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, 2018 under earnings perspective with Simple Sensitivity Analysis:

(In Million BDT)

Particulars	3 months	6 months	1 year	Above 1 year
Interest sensitive assets	13,044.30	4,557.60	9,115.10	18,713.20
Interest sensitive liabilities	14,398.00	4,399.70	8,799.30	7,087.30
Net gap	(1,353.70)	157.90	315.80	11,625.90
Cumulative gap	(1,353.70)	(1,195.80)	(880.00)	10,745.90
Interest rate changes	0.01	0.01	0.01	0.01
Yearly earnings impact	(13.54)	(11.96)	(8.80)	107.46
Accumulated earnings impact	(13.54)	(25.50)	(34.30)	73.16

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/ processes are suggested by the Asset Liability Committee (ALCO).
- 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 BDT)

Particulars	2018	2017
Interest rate risk	14.88	24.49
Equity position risk	0.80	20.18
Foreign exchange risk	81.43	14.28
Commodity risk	-	-
Total	97.11	58.94

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-13	
		No. of female members-05	
02.	Gender diversity among permanent employees	i. entry level	No. of male employees- 253
			No. of female employees- 83
		ii. mid -level	No. of male employees- 138
			No. of female employees- 4
		iii. senior management	No. of male employees- 11
			No. of female employees- 1
03	Gender breakdown by age group for permanent employees	i. < 30 years	No. of male employees- 109
			No. of female employees- 41
		ii. 30-50 years	No. of male employees- 281
			No. of female employees- 47
		iii. > 50 years	No. of male employees-12
			No. of female employees- 0

Potential external events

General business and political condition

Some major economic-financial indicators performed well below par in the outgoing calendar year i.e. 2018, casting their adverse impacts on Bangladesh's economic health. The underperformances are: a negative overall balance of payments (BoP), net domestic asset with the central bank and inadequate broad-money growth as a result of poor demand deposits. The net sales of national savings certificates continued to rise over expectation, leading to low growth in the banking sector and leaving huge liabilities for the government. And imports expanded substantially, driven mainly by import of food and machinery mostly meant for Padma Bridge and capital machinery, affecting the balance of trade.

Performance of Modhumoti Bank greatly depends on the general economic conditions of the country as well as World economy. One of the major achievements of the economy has been a 7.86 per cent economic growth in FY 2017-18 breaking the six per cent cycle that continued for a decade or so. Like previous years, major boost of growth has come from the industrial sector followed by the services sector. Though average inflation has been around 5.54 per cent, food inflation is showing a declining rate in recent months, mainly because of agricultural achievement in rice production result in decline of price. Investment is a major impetus to Bangladesh's growth. Despite the relative calm in the political scenario, private investment has not picked up. Target was set to increase investment to 31.90 per cent of GDP in FY 2017-18, keeping in mind the need for a growing economy.

The external sector has been a source of strength for the Bangladesh economy for several years. This has changed in recent periods. A glimmer of hope is in the horizon with both RMG and total exports picking up during July-December of FY 2018-19. Current account deficit of Bangladesh reached its historical highest at USD 9.8 billion in 2018. High import growth arising primarily from one-time surge in food grain import due to flood and sharp increase in petroleum products import exerted significant pressure on current account.

Inflation

From the beginning of FY2013-14 a downward trend has been observed in year-on year inflation. Starting from 7.35 per cent in FY2013-14 year-on-year inflation declined to 5.44 per cent in FY2016-17 but slightly increased to 5.78 per cent in FY2017-18. Satisfactory domestic production, favorable domestic environment, low budget deficit and prudent monetary policy coupled with low fuel commodity prices in the international markets contributed to such sliding of overall inflation.

Good Governance

Despite a bounce back in a sluggish growth and the rise in import volumes in recent months, the financial sector faced a number of serious challenges, which could threaten progress in the year 2018. A severe governance crisis caused the industry to face a record increase in non-performing loans (NPL), financial scams and liquidity shortages. Bad loans and recapitalization in the banking sector, have always been a cause for concern in Bangladesh.

The lack of good governance is another reason for the deterioration of the banking sector's health. Despite the central bank's attempt to improve performance of the banking sector, improvements are not visible yet. The independence of the central has been gradually diminishing due to political influence. If reform measures are not taken, the crisis of the banking sector will have serious implications for the economy.

Remittance

During the fiscal year 2017-18, worker's inward remittance flow was recorded at USD 14.98 billion which was USD 12.77 billion during FY 2016-2017 but was USD 14.93 billion in the preceding year. The inflow of remittance was recovered somewhat in 2017-2018 but it was nearly equal to the amount of remittance in the year 2015-2016. Moreover, migrant workers sent their hard-earned money to their near and dear ones through the illegal channel to get higher rates than those offered by banks. The outlook of remittance inflow is optimistic in the current fiscal year as the fuel price is expected to rise.

Fraud Risk

Fraud Risk is the risk of incurring losses as a result of an intentional act or omission by a third party involving dishonesty, for personal and/or business gain, to avoid personal and/or business loss, or to conceal improper or unauthorized activity. This includes facilitation, misrepresentation, money laundering, terrorist financing, theft, forgery and cyber-crime.

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 BDT)

Particulars	Solo	
	2018	2017
The capital requirements for operational risk	229.89	206.83

Calculation of Capital Charge for Operational Risk: Basic Indicator Approach

(In Million BDT)

Year	Gross Income (GI)	Average GI	15% of Average GI
2018	1,927.81	1,532.61	229.89
2017	1,436.49		
2016	1,233.53		
Total	4,597.82	1,532.61	229.89

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 Executive Risk Management Committee (ERMC) 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 All Risk Committee of Management.

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 18.50%, AD Ratio at 80%, LCR at 110%, NSFR at 105% 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-III of Basel-III.

Quantitative Disclosures:

(In Million BDT)

Particulars	2018	2017
Liquidity Coverage Ratio (LCR)	162.28%	268.20%
Net Stable Funding Ratio (NSFR)	104.26%	121.39%
Stock of High quality liquid assets	7669.91	6,852.99
Total net cash outflows over the next 30 calendar days	2,912.46	2,555.18
Available amount of stable funding	37,945.49	35,845.72
Required amount of stable funding	36,395.56	29,530.60

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 T1 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-I 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. 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:

(In Million BDT)

Particulars	2018	2017
Leverage Ratio	9.87%	10.71%
On balance sheet exposure	51,162.73	45,034.63
Off balance sheet exposure	12,194.87	8,438.08
Total exposure	63,357.60	53,472.72

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 40 employees are considered as material risk takers which include the Managing Director & CEO, Head of Risk Management & Chief Risk Officer, Head of Operations, Head of Treasury and Head of Business Development & Marketing Division and 35 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 7 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:

Fixed pay	:	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.
Benefits	:	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.
Annual	:	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 determines the policies relating to the remuneration for the employees and reviews them from time to time if necessary. The Board of Directors approved a performance bonus for the eligible employees of the Bank for the year 2018.

Whether risk and compliance employees are remunerated independently of the businesses they oversee:

The Bank has no separate policy for the risk and compliance employees.

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, industry (banking) pay structure 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 need to apply 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 the annual performance appraisal 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 of the Bank including achievement of profit target, loans and advances target etc. These are assessed individually on a rating scale overseen by the individual's supervisor or committee.

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 of the bank found weak, then no increases in remuneration may take place despite personal achievements of employees. However, the management will take initiative to improve the overall business performance and individual performance so that 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 2018

(In Million BDT)

Particulars	Number	Amount
Number of meetings held of Board of Directors	6	-
Remuneration paid to Board of Directors	-	0.66

h) Variable remuneration, bonuses and other payments during 2018

(In Million BDT)

Particulars	Number	Amount
Employees having received a variable remuneration award (Profit Bonuses)	-	17.48
Guaranteed bonuses awarded (Eid and Festival Bonuses)	-	28.91
Sign-on awards made	-	-
Severance payments made (PF, GF, Leave Encashment)	-	0.25

i) Deferred remuneration in 2018

(In Million BDT)

Particulars	Amount
Total amount of outstanding deferred remuneration (PF, GF etc.):	
Cash	68.15
Shares	
Share-linked instruments & others	
Total amount of deferred remuneration paid out in 2018	68.15

j) Breakdown of amount of remuneration

(In Million BDT)

Particulars	Amount
Breakdown of amount of remuneration:	
Fixed	409.30
Variable	46.64
Deferred	68.15
Non-deferred	
Different forms used	
Cash	68.15
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 BDT)

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 2018 due to ex post explicit adjustments	-
Total amount of reduction during 2018 due to ex post implicit adjustments	-

Signing Audited Financial Statements 2018



Humayun Kabir
Chairman



Shaikh Salahuddin, MP
Vice-Chairman



Barrister Sheikh Fazle Noor Taposh, MP
Director



Md. Shafiul Azam
Managing Director & CEO

Audited Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRS and for such internal control as management determines necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

The accompanying financial statements of the Bank give a true and fair view of the balance sheet of the Bank as at 31 December 2018, and of its profit and loss account, its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the Companies Act, 1994, the Banking Companies Act, 1991 (as amended up to date), rules and regulations issued by Bangladesh Bank and other applicable laws and regulations.

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 2018, 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 2018, and of its profit and loss account, its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as explained in note # 2 and comply with the Companies Act, 1994, the Banking Companies Act, 1991 (as amended up to date), rules and regulations issued by Bangladesh Bank and other applicable laws and regulations.

Basis for opinion

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

Responsibilities of management and those charged with governance for the financial statements and internal controls

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Bank or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the management's responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in notes of the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank.
- (iii) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (iv) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) the expenditures incurred were for the purpose of the Bank's business for the year;
- (vii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 960 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.

Dated, Dhaka
20 May 2019


A. Qasem & Co.
 Chartered Accountants

Balance Sheet

As at 31 December 2018

Particulars	Notes	Amount in BDT	
		2018	2017
PROPERTY AND ASSETS			
Cash	4		
Cash in hand (including foreign currencies)		346,997,220	292,970,609
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		2,328,701,550	2,242,979,385
		2,675,698,770	2,535,949,994
Balance with other banks and financial institutions	5		
In Bangladesh		5,906,344,808	6,908,392,914
Outside Bangladesh		206,111,851	160,855,669
		6,112,456,658	7,069,248,583
Money at call on short notice	6	180,600,000	-
Investments	7		
Government		4,982,615,418	4,307,062,289
Others		103,267,586	100,121,860
		5,085,883,003	4,407,184,149
Loans and advances	8		
Loans, Cash Credit, Overdrafts etc.		32,693,770,419	27,785,058,045
Bills purchased and discounted		2,881,878,941	2,396,241,115
		35,575,649,360	30,181,299,160
Fixed assets including premises, furniture and fixtures	9	215,784,296	219,986,671
Other assets	10	1,457,954,033	1,361,050,267
Non - banking assets		-	-
Total assets		51,304,026,121	45,774,718,824
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and its agents	11	4,863,549,307	5,326,618,500
Deposits and other accounts	12		
Current Accounts and other Accounts		4,787,481,334	3,620,232,655
Bills Payable		1,171,494,988	316,174,805
Savings Bank Deposits		2,814,372,369	3,301,561,016
Special Notice Deposits (SND)		3,378,602,792	3,641,316,182
Fixed Deposits		25,591,960,038	22,157,151,653
Other Deposits		-	-
		37,743,911,522	33,036,436,311
Other Liabilities	13	2,439,658,706	1,680,554,882
Total Liabilities		45,047,119,535	40,043,609,693
Capital/Shareholders' Equity			
Paid up Capital	14.2	4,520,000,000	4,520,000,000
Statutory Reserve	15	1,053,286,265	716,799,672
Revaluation Reserve	16	343,207	3,951,454
Foreign currency translation gain	17(a)	105,706	690,199
Surplus in Profit and Loss Account/ Retained Earnings	17	683,171,408	489,667,806
		6,256,906,586	5,731,109,131
Total Shareholders' Equity		6,256,906,586	5,731,109,131
Total Liabilities and Shareholders' Equity		51,304,026,121	45,774,718,824

Balance Sheet

As at 31 December 2018

Particulars	Notes	Amount in BDT	
		2018	2017
Off-Balance Sheet Items			
Contingent liabilities	18		
Acceptances and Endorsements		3,953,511,356	3,389,608,043
Letters of Guarantees		12,497,052,615	5,883,586,832
Irrevocable Letter of Credits		4,427,456,601	3,564,602,778
Bills for Collection		1,994,499,092	1,242,701,887
Other Contingent Liabilities		128,535,600	168,349,900
Total Contingent Liabilities		23,001,055,263	14,248,849,440
Other Commitments			
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		-	-
Total other commitments		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		23,001,055,263	14,248,849,440

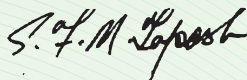
These Financial Statements should be read in conjunction with the annexed notes 1 to 37



Chairman



Vice Chairman



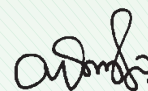
Director



Managing Director & CEO

See annexed Auditors' Report to the Shareholders of date

Dated, Dhaka
20 May 2019



A. Qasem & Co.
Chartered Accountants

Profit and Loss Account

For the year ended 31 December 2018

Particulars	Notes	Amount in BDT	
		2018	2017
Interest income	20	4,386,049,124	3,100,798,948
Interest paid on deposits and borrowings etc.	21	2,501,714,999	1,816,110,921
Net interest income		1,884,334,125	1,284,688,027
Investment income	22	373,629,915	518,273,405
Commission, exchange and brokerage	23	486,560,723	391,824,292
Other operating income	24	62,227,387	51,318,160
		922,418,026	961,415,857
Total operating income (A)		2,806,752,151	2,246,103,885
Salaries and allowances	25	446,419,992	393,547,719
Rent, taxes, insurance, electricity etc.	26	152,729,689	131,760,054
Legal expenses		385,000	536,925
Postage, stamp, telecommunication etc.	27	25,425,915	25,759,492
Stationery, printing, advertisements etc.	28	48,914,360	43,073,144
Managing Director's salary and fees	29	9,516,927	9,530,410
Directors' fees	30	1,464,000	1,832,000
Auditors' fees		250,000	250,000
Depreciation and repairs to bank's assets	31	63,860,131	56,687,380
Other expenses	32	115,853,173	117,419,668
		864,819,187	780,396,792
Total operating expenses (B)		864,819,187	780,396,792
Profit before provision (C=A-B)		1,941,932,964	1,465,707,093
Provision for loans and advances	13.1		
General provision		60,400,000	86,340,000
Specific provision		141,900,000	5,880,000
Provision for Off-shore Banking unit		1,500,000	12,200,000
Provision for off-balance sheet items	13.2	55,700,000	70,000,000
Provision for Incentive of Good Borrowers		-	1,500,000
		259,500,000	175,920,000
Total provision (D)		259,500,000	175,920,000
Total profit before tax (C-D)		1,682,432,964	1,289,787,093
Provision for taxation	33		
Current		704,174,341	545,866,968
Deferred Tax		(3,731,572)	(2,210,182)
		700,442,769	543,656,786
Net profit after tax		981,990,195	746,130,307
Retained Earnings brought forward from previous years		37,667,806	1,494,918
		1,019,658,001	747,625,225
Appropriations			
Statutory Reserve	15	336,486,593	257,957,419
Other Reserve		-	-
		336,486,593	257,957,419
Retained Surplus	17	683,171,408	489,667,806
Earnings Per Share (EPS)	36	2.17	1.65

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

Dated, Dhaka
20 May 2019



A. Qasem & Co.
Chartered Accountants

Cash Flow Statement

For the year ended 31 December 2018

Particulars	Notes	Amount in BDT	
		2018	2017
A. Cash Flow from Operating Activities			
Interest receipts in cash		4,792,313,656	3,571,210,136
Interest payments		(2,305,114,640)	(1,759,584,285)
Dividend receipts		8,219,744	8,155,498
Fees and commission receipts in cash		486,560,723	391,824,292
Recoveries on Loans previously written-off		-	-
Cash payments to employees		(435,936,919)	(373,078,129)
Cash payments to suppliers		(48,877,846)	(43,353,184)
Income taxes paid		(523,058,338)	(384,625,191)
Receipts from other operating activities	34	67,604,623	55,542,083
Payments for other operating activities	35	(297,158,093)	(267,670,999)
Operating profit before changes in operating assets and liabilities (i)		1,744,552,910	1,198,420,222
Increase / (decrease) in operating assets and liabilities			
Purchase of trading securities (Treasury bond/bill)		(113,220,696)	226,646,759
Loans and advances to customers		(5,394,350,200)	(13,042,694,556)
Other Assets		127,730,830	(293,036,089)
Deposits from other banks/ Borrowings		(513,109,193)	2,141,795,100
Deposits from customers		3,705,594,668	9,834,535,178
Other liabilities account of customers		855,320,183	(108,403,659)
Other Liabilities		19,271,348	44,900,654
Cash received from operating assets and liabilities (ii)		(1,312,763,061)	(1,196,256,612)
Net cash from operating activities (A=i+ii)		431,789,850	2,163,609
B. Cash flow from investing activities			
Proceeds from sale of securities		-	100,000,000
Payment for purchase of securities (Treasury bond/bill/shares)		(568,936,205)	(686,929,502)
Purchase of property, plant & equipment		(46,871,633)	(50,212,877)
Sale of property, plant & equipment		309,533	144,963
Net cash from investing activities (B)		(615,498,305)	(636,997,416)
C. Cash flows from financing activities			
Receipts from issue of ordinary shares		-	-
Dividends paid		(452,000,000)	(452,000,000)
Net cash from financing activities (C)		(452,000,000)	(452,000,000)
D. Net increase / decrease in cash & cash equivalent (A+B+C)		(635,708,456)	(1,086,833,807)
E. Effects of exchange rate changes on cash and cash equivalents		(584,493)	690,199
F. Cash and cash equivalents at beginning period		9,605,415,377	10,691,558,985
G. Cash and cash equivalents at end of period (D+E)		8,969,122,428	9,605,415,377
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)		346,997,220	292,970,609
Balance with Bangladesh Bank & its agent bank (including foreign currencies)		2,328,701,550	2,242,979,385
Balance with other banks and financial institutions		6,112,456,658	7,069,248,583
Money at call and on short notice		180,600,000	-
Prize bond		367,000	216,800
		8,969,122,428	9,605,415,377

These Financial Statements should be read in conjunction with the annexed notes 1 to 37



Chairman



Vice Chairman



Director



Managing Director & CEO



A. Qasem & Co.
Chartered Accountants

Dated, Dhaka
20 May 2019

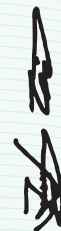
Statement of Changes in Equity

For the year ended 31 December 2018

Amount in BDT

Particulars	Paid up capital	Statutory Reserve	Revaluation Reserve	Foreign currency translation gain	Surplus in Profit and Loss Account/ Retained Earnings	Total
Balance as at 1 January 2018	4,520,000,000	716,799,672	3,951,454	690,199	489,667,806	5,731,109,131
Statutory Reserve	-	336,486,593	-	-	(336,486,593)	-
Suplus/deficit on account of revaluation of investment	-	-	(3,608,247)	-	-	(3,608,247)
Issue of ordinary share	-	-	-	-	-	-
Cash dividend	-	-	-	-	(452,000,000)	(452,000,000)
Foreign currency translation gain	-	-	-	(584,493)	-	(584,493)
Net profit for the year	-	-	-	-	981,990,195	981,990,195
Balance as at 31 December 2018	4,520,000,000	1,053,286,265	343,207	105,706	683,171,408	6,256,906,586
Balance as at 31 December 2017	4,520,000,000	716,799,672	3,951,454	690,199	489,667,806	5,731,109,131

These Financial Statements should be read in conjunction with the annexed notes 1 to 37



Chairman



Vice Chairman



Director



Managing Director & CEO



A. Qasem & Co.
Chartered Accountants

Dated, Dhaka
20 May 2019

Liquidity Statement

(Assets and Liabilities Maturity Analysis)
As at 31 December 2018

Amount in BDT

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets:						
Cash in hand	905,933,916	-	-	-	1,769,764,854	2,675,698,770
Balance with other banks and financial institutions	2,338,956,658	3,003,500,000	770,000,000	-	-	6,112,456,658
Money at call and on short notice	180,600,000	-	-	-	-	180,600,000
Investments	367,000	-	250,441,319	439,511,200	4,395,563,484	5,085,883,003
Loans and advances	3,634,475,012	5,015,153,030	10,833,335,147	9,753,104,235	6,339,581,936	35,575,649,360
Fixed assets incl. premises, furniture and fixtures	-	-	8,332,254	99,410,376	108,041,665	215,784,296
Other assets	178,739,266	198,349,129	1,080,865,638	-	-	1,457,954,033
Non banking assets	-	-	-	-	-	-
Total assets (A)	7,239,071,852	8,217,002,159	12,942,974,358	10,292,025,812	12,612,951,939	51,304,026,121
Liabilities:						
Borrowings from Bangladesh bank, other banks, financial institutions and its agents	2,882,400,000	499,500,000	1,000,000,000	481,649,307	-	4,863,549,307
Deposits	3,263,728,994	8,059,432,903	14,768,721,962	7,483,731,415	4,168,296,248	37,743,911,522
Provision and other liabilities	-	-	-	1,097,846,418	1,341,812,288	2,439,658,706
Total liabilities (B)	6,146,128,994	8,558,932,903	15,768,721,962	9,063,227,139	5,510,108,536	45,047,119,535
Net liquidity gap (A - B)	1,092,942,858	(341,930,744)	(2,825,747,604)	1,228,798,673	7,102,843,404	6,256,906,586

Notes to the Financial Statements

As at and for the year ended 31 December 2018

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 Companies Act 1994 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 2013), 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 31 December 2018 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 35 branches and 1 Off-shore Banking Unit as on 31 December 2018. 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 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 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 2018 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 2013), 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") adopted by the Institute of Chartered Accountants of Bangladesh ("ICAB"), 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, the Financial Reporting Council (FRC) is to be formed and it is to 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 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 83.90 (closing rate as at 31st December 2018) and Taka 83.50 (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 2018.

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.

2.2.1 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 no.19, dated December 27, 2012, BRPD Circular no 05, dated May 29, 2013, BRPD Circular no 16, dated November 18, 2014, BRPD Circular no.12, dated August 20,2017, BRPD Circular no 15, dated September 27, 2017, BRPD Circular No. 07, dated June 21, 2018 and BRPD Circular No. 13 dated October 18, 2018. 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	2%
General provision on unclassified consumer financing other than housing finance, loan for professionals and loans for BGs/MBs/SDs	5%
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 reducing balance method on all fixed assets other than vehicles and software on which straight line depreciation method 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 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, 2018

2.2.12 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. FEPA (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 2018.

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 2018.

2.3.9 Provision for current taxation

Provision for current income tax has been made as per prescribed rate in the Finance Act, 2018 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 Bangladesh 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 shall operate 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 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 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.

2.4 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 2018 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 Basel 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 of 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-AMLCO) at Head Office and Branch Anti Money Laundering Compliance Officer (BAMLCO) 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-AMLCO 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 IASe 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 basic 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.

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	Not 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	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 2018 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

(a) IFRS 9: Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of the financial instruments, a new expected credit loss model for calculating impairment of financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. As per the Bank's assessment, any material impact of IFRS 9 would be primarily on calculation of impairment provision. However, as Bangladesh Bank has not issued any circular to revise its current impairment, classification and measurement policies to align with IFRS 9, the Bank is unable to quantify any potential impact on its financial statements.

(b) IFRS 15: Revenue from Contracts with Customers

'IFRS 15 Revenue from Contracts with Customers' replaces 'IAS 18 Revenue', 'IAS 11 Construction Contracts' and 'IFRI 13 Customer Loyalty Programmes'. IFRS 15 establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model governing revenue recognition. The five-step model includes: 1) identifying the contract with the customer, 2) identifying each of the performance obligations included in the contract, 3) determining the amount of consideration in the contract, 4) allocating the consideration to each of the identified performance obligations, and 5) recognizing revenue as each performance obligation is satisfied. The Bank has assessed the impact of IFRS 15 and found no adjustment as of 1 January 2018 to recognize in the 'retained earnings'. There were no significant impacts from adoption of IFRS 15 in relation to the timing of when the Modhumoti Bank Limited recognizes revenue or when revenue should be recognized gross as a 'principal' or net as an 'agent'.

(c) 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. 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. The accounting for lessors will not significantly change. The Bank has not yet assessed any potential impact of IFRS 16 on its financial statements.

(d) 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 2018 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 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 whose primary aim is 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 2018, 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.

3.4 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.

3.5 Approval of financial statements

The Bank in its 41st Board Meeting held on 20th May, 2019 approved the Financial Statements for the year ended 31 December 2018.

3.6 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.

	Amount in BDT	
	2018	2017
4. Cash of the Bank		
In hand:		
Local currency	343,654,739	290,672,951
Foreign currencies	3,342,481	2,297,658
	346,997,220	292,970,609
Balance with Bangladesh Bank:		
Local currency	2,170,545,168	2,193,549,222
Foreign currencies	153,575,029	48,964,640
	2,324,120,198	2,242,513,861
Balance with Sonali Bank Limited (as agent of Bangladesh Bank):		
Local currency	4,581,352	465,524
	2,328,701,550	2,242,979,385
	2,675,698,770	2,535,949,994

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 nos. 01 dated 19 January 2014, MPD circular no. 01 dated 23 June 2014 and MPD circular no. 01 dated 03 April 2018.

The Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 5% on daily basis and 5.5% on bi-weekly basis has been calculated and maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio, on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including FC balance with Bangladesh Bank. Both reserves maintained by the Bank are shown 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 and MPD circular no. 01 dated 03 April 2018, Bank has to maintain CRR @ 5.5% on bi-weekly average basis and minimum @ 5% on daily basis.

i) Daily basis

5% of average Demand and Time Liabilities

Required reserve	1,769,764,854	1,907,127,564
Actual reserve held (Average daily on bi-weekly basis)	2,143,695,741	2,193,549,222
Surplus	373,930,888	286,421,658

ii) Bi-weekly average basis

5.5% of average Demand and Time Liabilities

Required reserve	1,946,741,339	2,066,054,861
Actual reserve held (Average daily on bi-weekly basis)	2,143,695,741	2,193,549,222
Surplus	196,954,402	127,494,361

4.1.2 Statutory Liquidity Ratio (SLR)

13% of required Average Demand and Time Liabilities:

Required reserve	4,601,388,619	4,132,109,722
Actual reserve held	5,526,200,040	4,600,498,422
Surplus	924,811,420	468,388,700

Held for Statutory Liquidity Ratio

Cash in hand	346,997,220	292,970,609
Balance with agent bank (Sonali Bank Ltd.) as per statement	-	465,524
Prize Bond	-	216,800
Excess of CRR	196,954,402	-
Bangladesh Bank Bills	-	-
Government treasury bonds	4,982,248,418	4,306,845,489
	5,526,200,040	4,600,498,422

	Amount in BDT	
	2018	2017
5 Balance with other banks and financial institutions		
In Bangladesh (Note -5.1)	5,906,344,808	6,908,392,914
Outside Bangladesh (Note-5.2)	206,111,851	160,855,669
	6,112,456,658	7,069,248,583
Also refer to note 5.3 for maturity wise grouping		
5.1 In Bangladesh		
Current account:		
Prime Bank Limited	104,569	71,118
Jamuna Bank Limited	1,228,013	1,359,512
Trust Bank Limited	4,106,046	2,528,190
Sonali Bank Limited	-	-
	5,438,629	3,958,820
Short term deposits account:		
Prime Bank Limited	9,633,952	2,901,923
Eastern Bank Limited	1,044,780	50,398,423
Janata Bank Limited	66,349,291	36,504,669
The City Bank Limited	3,882,412	5,494,580
Sonali Bank Limited	11,593,521	9,989,876
Bank Asia Limited	5,097,439	-
Habib Bank Limited	35,904,784	1,044,623
	133,506,179	106,334,094
Fixed deposits:		
In Banks		
National Bank of Pakistan	-	150,000,000
The Premier Bank Limited	-	300,000,000
South Bangla Agricultural Bank Limited	200,000,000	-
Habib Bank Limited	300,000,000	-
Jamuna Bank Limited	500,000,000	-
	1,000,000,000	450,000,000
In Financial Institutions		
Prime Finance & Investment Limited	-	450,000,000
International Leasing and Financial Services Ltd.	-	100,000,000
Bay Leasing and Investment Limited	610,000,000	350,000,000
Industrial and Infrastructure Development Finance Company Limited	450,000,000	650,000,000
Phoenix Finance and Investment Company Ltd.	520,000,000	650,000,000
Union Capital Ltd.	700,000,000	500,000,000
Bangladesh Finance and Investment Co. Ltd.	500,000,000	750,000,000
Fareast Finance & Investment Ltd.	30,000,000	500,000,000
Premier Leasing International Ltd.	235,000,000	550,000,000
LankaBangla Finance Limited	350,000,000	750,000,000
Hajj Finance Company Limited	-	200,000,000
Meridian Finance & Investment Ltd.	-	100,000,000
GSP Finance	100,000,000	200,000,000
MIDAS Financing Limited	-	200,000,000
CAPM Venture Capital and Finance Limited	140,000,000	150,000,000
National Finance Ltd.	50,000,000	-
IPDC of Bangladesh Ltd.	998,500,000	-
	4,683,500,000	6,100,000,000

In Foreign Currency

The City Bank Limited
Rupali Bank Limited
NRB Bank Limited
AB Bank Limited

Amount in BDT	
2018	2017
-	90,970,000
-	115,780,000
83,900,000	-
-	41,350,000
83,900,000	248,100,000
5,906,344,808	6,908,392,914

5.2 Outside Bangladesh (NOSTRO Accounts)

Name of the Foreign Bank / Correspondent	Currency	2018			2017
		Amount In F.C	Conversion Rate	Amount in Taka	Amount in Taka
AB Bank Ltd. (MUMBI)	ACU	1,124.40	83.9000	94,337	3,600,278
Sonali Bank (Kolikata)	ACU	11,984.11	83.9000	1,005,467	9,984,254
Masherq Bank, PSC, NY (OBU)	USD	-	83.9000	-	-
Masherq Bank, PSC, NY	USD	1,804,517.73	83.9000	151,399,038	131,185,045
AB Bank (OBU)	USD	-	83.9000	-	966,449
Masherq Bank, PSC, (UK)	GBP	1,397.73	106.2552	148,516	320,216
United Bank of India (KOLIKATA)	ACU	19,800.15	83.9000	1,661,233	3,843,870
State Bank of India (Sydney)	AUD	2,476.00	59.2300	146,662	95,840
MCB Bank Ltd. (Karachi)	ACU	25,192.00	83.9000	2,113,609	801,859
Masherq Bank, PSC, (EURO)	EURO	60,632.82	95.5243	5,791,908	1,340,836
National Bank of Pakistan (TOKYO)	YEN	523,357.00	0.7562	395,763	83,641
Axis Bank Ltd. Mumbai (ACU)	ACU	306,639.61	83.9000	25,727,063	368,990
Kookmin Bank, Seoul (USD)	USD	15,896.50	83.9000	1,333,716	5,917,391
Masherq Bank Mumbai, (ACU)	ACU	194,213.82	83.9000	16,294,540	2,346,999
Total				206,111,851	160,855,669

5.3 Maturity grouping of balance with other banks and financial institutions

On demand	341,550,479	264,814,489
Not more than three months	5,130,906,179	854,434,094
More than three months but not more than six months	770,000,000	6,120,000,000
More than six months but not more than one year	-	50,000,000
More than one year but less than five years	-	-
Above five years	-	-
	6,242,456,658	7,289,248,583
6 Money at call and on short notice	180,600,000	-
7 Investments		
Government securities (Note-7.1)	4,982,615,418	4,307,062,289
Others (Note-7.2)	103,267,586	100,121,860
	5,085,883,003	4,407,184,149

	Amount in BDT	
	2018	2017
7.1 Government Securities		
91 days Treasury Bills	-	-
182 days Treasury Bills	-	-
364 days Treasury Bills	-	-
2 years BGTB Bond	-	-
5 years BGTB Bond	439,511,200	40,555,080
10 years BGTB Bond	1,998,645,855	2,012,984,685
15 years BGTB Bond	1,185,781,943	1,010,984,836
20 years BGTB Bond	1,358,309,420	1,242,320,888
Prize Bonds	367,000	216,800
	4,982,615,418	4,307,062,289
Add: Reverse repo with other banks	-	-
	4,982,615,418	4,307,062,289
7.2 Other Investment		
Investment in Preference Shares (Note-7.2.1)	100,000,000	100,000,000
Investment in Shares (Note-7.2.2)	3,267,586	121,860
	103,267,586	100,121,860
7.2.1 Investment in Preference Shares		
	2018	2017
	Market Price (BDT)	Cost Price (BDT)
Summit Narayangonj Power Limited	36,000,000	36,000,000
Summit Barisal Power Limited	64,000,000	64,000,000
	100,000,000	100,000,000
7.2.2 Investment in Shares		
	2018	2017
	Market Price (BDT)	Cost Price (BDT)
Quoted:		
Nahee Aluminum Composite panel Ltd.	-	-
Oimex Electrode Limited	-	-
Bashundhara Paper	905,627	864,560
SK Trim	233,445	50,420
VSFTDL	203,456	35,200
Amman Cotton	247,759	235,400
SILVAPHL	276,709	91,930
Runner Auto	1,080,825	1,080,825
KTL	254,619	100,640
S.Steel Ltd.	134,910	134,910
AND Telecom	569,040	569,040
Genexil	104,660	104,660
	4,011,050	3,267,585
Unquoted:	-	-
	4,011,050	3,267,585
7.3 Investments classified as per Bangladesh Bank Circular		
Held for trading (HFT)	504,421,733	391,201,037
Held to maturity (HTM)	4,477,826,685	3,915,644,452
Other securities	367,000	216,800
	4,982,615,418	4,307,062,289

	Amount in BDT	
	2018	2017
7.4 Maturity-wise grouping		
On demand	367,000	216,800
Not more than three months	-	55,386
More than three months but not more than one year	250,441,319	66,474
More than one year but not more than five years	439,511,200	351,161,213
Above five years	4,395,563,484	4,055,684,276
	5,085,883,003	4,407,184,149

7.5 Cost and market value of investments

7.5.1 Government securities

	2018		2017
	Cost Price (BDT)	Market Price (BDT)	
Treasury Bills	-	-	-
Bangladesh Bank Bills	-	-	-
Bangladesh Government Treasury Bond	5,037,301,935	4,982,248,418	4,306,845,489
Prize Bonds	367,000	367,000	216,800
	5,037,668,935	4,982,615,418	4,307,062,289

7.6 Repo and Reverse-repo

7.6.1 Repo as on 31 December 2018

Counter party name	Agreement date	Reversal date	Amount	Amount
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7.6.2 Transactions of Repo and Reverse-repo during the year 2018

	Minimum outstanding BDT	Maximum outstanding BDT	Maximum outstanding BDT
Securities sold under repo			
i) With Bangladesh Bank	-	-	-
ii) With Other Bank & FIs	98,172,528	403,698,914	403,698,914
Securities purchase under reverse repo			
i) With Bangladesh Bank	-	-	-
ii) With Other Bank & FIs	-	74,289,031	74,289,031

8 Loans and advances

Loans, cash credit, overdrafts etc. (Note 8.1)	32,693,770,419	27,785,058,045
Bills purchased and discounted (Note 8.13)	2,881,878,941	2,396,241,115
	35,575,649,360	30,181,299,160

8.1 Loans, cash credit, overdrafts etc.

In Bangladesh

Cash credit and overdrafts	14,060,871,690	10,957,032,047
Loans (General)	14,097,520,323	12,742,222,685
House building loan	860,372,160	849,781,399
Loan against trust receipt	1,558,327,247	1,462,109,946
Other Loans	2,116,678,999	1,773,911,967
	32,693,770,419	27,785,058,045
Outside Bangladesh	-	-
	32,693,770,419	27,785,058,045

8.6 Details of large loans and advances

Amount in BDT	
2018	2017

Number of clients with outstanding amount and classified loans exceeding 10% of total capital of the Bank. Total capital of the Bank was Taka 677.07 crore as at 31 December 2018 (Taka 612.48 crore in 2017).

Number of clients	67	60
Amount of outstanding loans and advances (BDT in crore)	2,632.01	2,089.54
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	62.13	2.96	65.09	33.36
Confidence Electric Limited	-	-	-	-
Hashem Foods Limited	89.45	1.08	90.53	86.38
A.K.M. Knit Wear Limited	32.69	33.21	65.90	46.80
Al Muslim Washing Limited	6.82	2.78	9.60	-
Pacific Blue Jeans Ltd	9.66	11.38	21.04	-
Mir Akhter Hossain Limited	13.36	89.19	102.55	-
Toma Construction & Co. Limited	5.15	395.91	401.06	56.43
Drug International Limited	-	56.04	56.04	96.87
ATI Ceramics Limited	-	-	-	2.45
Harnest Label Industries Limited	-	-	-	2.03
Afil Paper Mills Limited	78.34	14.75	93.09	77.81
Smart Technologies [BD] Limited	4.64	79.42	84.06	80.63
AL-Mostafa Printing & Packaging Industries Ltd. Unit-1	-	6.08	6.08	2.17
AL-Mostafa Printing & Packaging Industries Ltd. Unit-2	4.81	-	4.81	6.32
Sunny Foils & Polymer Industries Ltd.	0.17	5.23	5.40	19.60
Meghna Star Cables & Electrical Appliances Ltd	53.95	23.04	76.99	-
Thai- Foils & Ploymer Industries Ltd	-	19.41	19.41	-
N. R. Trading & Al-Amin Poultry	-	-	-	50.19
GAZI Satellite Television Ltd.	12.23	-	12.23	19.88
GAZI Pipes	28.87	11.15	40.02	47.65
GAZI Tanks	9.96	-	9.96	13.91
GAZI International	4.52	1.58	6.10	7.08
GAZI Infrastructure Development Company Limited	9.49	6.84	16.33	0.08
MAX Infrastruture Limited	-	-	-	0.44
Poton Traders	-	-	-	58.53
CLC Power Company Ltd.	-	-	-	61.96
Nitol Motors Limited	79.60	-	79.60	70.71
Abdul Monem Limited	53.67	9.51	63.18	72.52
Pran Dairy Limited	34.70	11.69	46.39	59.13
Sylvan Technologies Limited	14.89	27.16	42.05	15.15
Advance Personal Care Limited	9.78	-	9.78	5.11
Evince Textiles Limited	96.24	27.91	124.15	149.81
Evince Retail Limited	11.22	-	11.22	6.01
Radiant Sweaters Industries Limited	-	-	-	-
Sayem Fashions Limited	-	-	-	-
Energypac Engineering Limited	20.87	2.57	23.44	43.02
ECPV Chitagong Ltd.	72.35	-	72.35	70.94
EPV Thakurgaon Ltd.	-	34.57	34.57	-

Name of clients	Amount in BDT			
	2018		2017	
	Outstanding (BDT in crore)	Total BDT in crore	Total BDT in crore	Total BDT in crore
	Funded	Non-Funded		
Patriot Spinning Mills Ltd.	54.01	5.84	59.85	71.50
Navana Construction Ltd.	28.94	7.31	36.25	51.12
Pratibha-Navana LV	1.80	1.05	2.85	4.78
Navana Batteries Limited	10.34	6.46	16.80	16.37
Navana Limited	5.68	-	5.68	3.16
Winter Dress Ltd.	11.75	8.26	20.01	13.45
A & A Fashion Sweater Industries Ltd.	17.70	1.19	18.89	20.36
American International	83.12	-	83.12	58.98
University Bangladesh			-	10.96
The Fashion Ltd.	2.36	3.98	6.34	0.80
Knit City Ltd.	0.49	-	0.49	-
Riviera Resources Ltd.	-	-	-	19.29
Riviera Composite Industries Ltd.	30.27	1.84	32.11	25.69
Core Spun Apparel Ltd.	1.51	-	1.51	12.11
Purbachal Apparel Ltd.	18.39	-	18.39	65.55
Baraka Engineers Ltd.	40.88	45.10	85.98	4.42
Ranks FC Properties Ltd.			-	16.28
Rangs Properties Ltd.			-	83.08
Abul Khair Tobacco Co. Limited	66.39	3.62	70.01	39.90
GPH Ispat Limited			-	46.28
KSRM Steel Plant Limited			-	37.08
Sonali Paper & Board Mills Limited	19.11	49.34	68.45	38.43
Younus Paper Mills Limited	33.01	19.42	52.43	58.29
YSR Logistics Ltd	0.49	-	0.49	
Five Star Ice & Cold Stroge (Pvt) Ltd	4.86	-	4.86	
Fly Glaxy Tours Travels	-	0.20	0.20	
Srinagar Ice & Cold Stroge Ltd	11.02	-	11.02	
Labaid Hospital Limited	-	-	-	89.29
Western Engineering (Pvt.) Ltd.	73.41	87.18	160.59	-
Oversease Marketing Corp Ltd	7.92	29.26	37.18	
Mahabub Brothers (Pvt) ltd	16.95	-	16.95	
Mahabub Brothers (Pvt) ltd & G.K.B & Company (Pvt) Ltd	18.88	7.91	26.79	
Ambient Steel (BD) Ltd		12.57	12.57	
Disney Sweater Ltd.	0.59	33.72	34.31	25.69
A. K. Oxygen Ltd.	23.03	1.19	24.22	13.71
Mittal Ispat Ltd	30.65	-	30.65	
Total	1,433.11	1,198.90	2,632.01	2,089.54

8.7 Category-wise Small Medium Enterprise Loans and Advances (SME)

Service Sector
Trading Sector
Industrial Sector

2,955,313,010

1,366,502,491

3,509,234,432

7,831,049,933

4,415,911,105

2,041,217,275

2,254,011,531

8,711,139,911

Amount in BDT	
2018	2017

8.8 Geographical location-wise allocations of loans and advances

	% of total loan	2018	2017
Dhaka region	85.67%	30,476,526,651	27,150,925,310
Chittagong region	11.17%	3,975,045,225	1,843,682,941
Rajshahi region	0.19%	69,156,484	64,539,398
Sylhet region	0.32%	113,373,220	102,035,324
Khulna region	2.09%	743,855,660	851,863,513
Rangpur region	0.44%	155,142,628	116,846,960
Barisal region	0.12%	42,549,493	51,405,713
	100.00%	35,575,649,360	30,181,299,160

8.9 Classification of loans and advances

Unclassified:

	2018		2017	
Standard including staff loan	94.08%	33,470,198,268	98.96%	29,868,795,067
Special Mention Account (SMA)	4.09%	1,454,790,140	0.74%	224,216,413
	98.17%	34,924,988,408	99.71%	30,093,011,480

Classified:

Sub-standard	0.31%	111,950,247	0.05%	13,959,969
Doubtful	0.70%	248,124,419	0.04%	13,242,235
Bad and loss	0.82%	290,586,286	0.20%	61,085,476
	1.83%	650,660,952	0.29%	88,287,680
	100%	35,575,649,360	100%	30,181,299,160

8.10 Particulars of loans and advances

i) Debts considered good in respect of which the bank is fully secured;	31,074,366,730	26,217,437,224
ii) Debts considered good for which the bank holds no other security than the debtors' personal guarantee;	768,899,681	1,073,647,068
iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal guarantee of the debtors;	3,597,156,955	2,890,214,869
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;	135,225,994	121,730,634
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;	135,225,994	121,730,634
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;	-	-

	Amount in BDT	
	2018	2017
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	69,359,818	10,491,970
(c) Amount of interest charged in suspense account	24,686,001	5,207,031
xi) Loans written off:		
- Current year	-	-
- Cumulative to-date	-	-
- The amount of written off loans for which lawsuit filed	-	-

8.11 Particulars of required provision for loans and advances/investments

	2018				2017
	Outstanding Loans	Base for Provision	% of required provision	Required provision	Required provision
For loans and advances:					
Unclassified - General provision					
All unclassified loans (other than small enterprises, housing finance, Loan to MBs, loans for professional, consumer financing and special mention account)	25,644,913,888	25,512,198,312	1%	255,035,972	199,056,497
Small and medium enterprise financing	6,327,182,295	6,327,182,295	0.25%	15,817,956	21,056,981
Loan to BHs/MBs/SDs against shares	810,985,756	810,985,756	2%	16,219,715	16,712,817
Housing	295,355,953	295,355,953	1%	2,953,560	2,556,826
Loan for professional	-	-	2%	-	-
Consumer finance	327,078,513	327,078,513	5%	14,553,097	10,481,205
Agriculture finance	64,681,864	64,681,864	1.00%	646,819	1,088,790
Special Mention Account (SMA)	1,454,790,140	1,452,279,721	0.25%-5%	8,462,712	1,228,041
	34,924,988,408	34,789,762,414		313,689,831	252,181,157
Classified - Specific provision:					
Sub-standard	111,950,247	51,677,275	20%	10,335,455	534,864
Doubtful	248,124,419	148,365,303	50%	74,182,651	1,034,748
Bad and loss	290,586,286	69,359,818	100%	69,359,818	10,491,970
	650,660,952	269,402,395		153,877,924	12,061,582
Required provision for loans and advances				467,567,755	264,242,738
Total provision maintained				468,240,000	264,440,000
Excess provision at 31 December				672,245	197,262

	Amount in BDT	
	2018	2017
8.12 Listing of assets pledged as security/collaterals		
Nature of the secured assets		
Gold & Gold Ornaments	-	-
Shares & Securities	444,264,017	-
Merchandise	6,044,369,660	1,597,137,259
Machinery with other Fixed Asset and Financial obligation	851,767,779	772,805,998
Real Estate with Financial obligation	14,144,462,670	15,797,715,987
Financial Obligation only (Insurance policies, Savings certificates, Bank deposit etc)	725,182,525	681,965,128
Miscellaneous;		
i) Crops/stock of crops hypothecations	-	-
ii) Guarantee of individuals/ Institutions	3,597,303,116	4,010,986,499
ii) Others	9,768,299,593	7,320,688,288
	35,575,649,360	30,181,299,160
8.13 Bills purchased and discounted		
In Bangladesh	2,342,894,941	2,089,071,813
Outside Bangladesh	538,984,001	307,169,301
	2,881,878,941	2,396,241,115
8.13.1 Maturity-wise grouping		
On demand	89,718,891	55,925,379
Less than three months	155,151,701	1,183,488,686
More than three months but less than one year	2,637,008,350	1,156,827,050
More than one year but less than five years	-	-
More than five years	-	-
	2,881,878,941	2,396,241,115
9 Fixed assets including premises, furniture and fixtures		
Cost:		
Land	-	-
Building	-	-
Furniture and fixture	153,190,398	139,832,819
Computer and Computer peripheral	53,798,167	49,449,532
Electrical Equipments	121,668,525	103,583,106
Motor vehicles	34,980,000	31,300,000
	363,637,089	324,165,456
Less: Accumulated depreciation		
Land	-	-
Building	-	-
Furniture and fixture	45,148,733	33,865,702
Computer and Computer peripheral	28,120,447	21,697,539
Electrical Equipments	54,363,769	39,217,854
Motor vehicles	28,552,099	22,088,423
	156,185,048	116,869,518
	207,452,042	207,295,938
Software:		
Computer Software	45,969,000	39,169,000
SWIFT Software	4,221,235	4,221,235
	50,190,235	43,390,235
Less: Amortization during the year	41,857,981	30,699,502
	8,332,254	12,690,733
Written down value at the end of the year	215,784,296	219,986,671
Details are shown in Annexure-A		

	Amount in BDT	
	2018	2017
10 Other assets	1,457,954,033	1,361,050,267
10.1 Classification of other assets		
Interest Receivable Income	198,349,129	244,580,726
Investment in shares of subsidiary companies:	-	-
Other receivable - Bangladesh Industrial Finance Company Ltd.*	130,000,000	220,000,000
Stationery, stamps, printing materials, etc.	1,456,254	1,492,768
Advance rent	77,259,411	85,110,975
Security deposits	-	392,985
Preliminary, formation and organizational expenses, renovation, development and prepaid expenses	5,558,366	7,379,234
Branch adjustment (Note 10.2)	-	-
Off-shore Banking Unit	847,390,000	533,663,100
Advance income tax	1,003,606,227	724,851,957
Others	41,724,646	77,241,623
	2,305,344,033	1,894,713,367
Less: Off-shore Banking Unit	847,390,000	533,663,100
	1,457,954,033	1,361,050,267

*As on balance sheet date, the Bank had four (04) uncollected term deposits (TDRs) with Bangladesh Industrial Finance Company Ltd. (BIFC), a NBFI operating under the license of Bangladesh Bank, for a total amount of Taka 130,000,000 (thirteen crore). Accrued interest of Taka 12,837,500 (one crore twenty eight lac thirty seven thousand five hundred) has not been recognized in the Profit & Loss Account for the year ended December 31, 2018. The Bank expects to collect entire amount of those TDRs by June 30, 2019.

10.2 Branches' adjustment

General accounts debit	-	-
General accounts credit	-	-
	-	-

11 Borrowing from other banks, financial institutions and agents

In Bangladesh (Note 11.1)	4,384,637,500	4,857,709,500
Outside Bangladesh (Note 11.2)	478,911,807	468,909,000
	4,863,549,307	5,326,618,500

11.1 In Bangladesh

A) Re-Finance from Bangladesh Bank:

Re-finance for women entrepreneurs	1,187,500	2,500,000
Re-Finance scheme for small / micro enterprise holding 10 Taka Account	1,550,000	337,500
	2,737,500	2,837,500

	Amount in BDT	
	2018	2017
B) Borrowing from Banks (In Local Currency):		
Janata Bank Limited	100,000,000	550,000,000
National Credit and Commerce Bank Limited	-	200,000,000
United Commercial Bank Limited	-	300,000,000
Rupali Bank Limited	250,000,000	1,000,000,000
Uttara Bank Limited	-	250,000,000
Agrani Bank Limited	1,000,000,000	350,000,000
Bank Asia Limited	-	300,000,000
Dutch-Bangla Bank Limited	-	300,000,000
Sonali Bank Limited	500,000,000	500,000,000
Jamuna Bank Limited	550,000,000	-
Commercial Bank of Ceylon PLC.	80,000,000	-
Meghna Bank Limited	60,000,000	-
Southeast Bank Limited	-	-
South Bangla Agriculture and Commerce Bank Ltd.	80,000,000	-
	2,620,000,000	3,750,000,000
C) Borrowing from Banks (In Foreign Currency):		
Eastern Bank Limited	-	248,100,000
United Commercial Bank Limited	209,750,000	-
National Credit and Commerce Bank Limited	83,900,000	-
Rupali Bank Limited	1,132,650,000	-
NRB Bank Ltd.	83,900,000	-
South Bangla Agriculture and Commerce Bank Ltd.	83,900,000	-
Bank Asia Ltd	167,800,000	-
Off-shore Banking Unit	847,390,000	533,663,100
The City Bank Limited	-	153,822,000
Commercial Bank of Ceylon	-	124,050,000
The Premier Bank Limited	-	165,400,000
Agrani Bank Limited	-	413,500,000
	2,609,290,000	1,638,535,100
Less: Off-shore Banking Unit	847,390,000	533,663,100
	1,761,900,000	1,104,872,000
Total (A+B+C)	4,384,637,500	4,857,709,500
11.2 Outside Bangladesh		
Symbiotics S.A	464,641,675	454,850,000
Value Port Ltd.	14,270,132	14,059,000
	478,911,807	468,909,000
	4,863,549,307	5,326,618,500
11.3 Maturity grouping of borrowings		
Repayable on demand	1,040,000,000	1,050,000,000
Repayable within one month	1,842,400,000	1,206,392,000
Over one month but within six months	1,499,500,000	2,598,480,000
Over six months but within one year	-	-
Over one year	481,649,307	471,746,500
	4,863,549,307	5,326,618,500

	Amount in BDT	
	2018	2017
12 Deposits and other accounts		
Current and other accounts		
Current deposits	2,131,436,371	1,498,651,800
Foreign currency deposits	347,419,370	265,187,009
Sundry deposits (Note 12.1)	2,308,625,593	1,856,393,846
	4,787,481,334	3,620,232,655
Bills payable		
Payment order issued	1,171,494,988	316,174,805
Demand draft	-	-
	1,171,494,988	316,174,805
Savings bank deposits	2,814,372,369	3,301,561,016
Term/Fixed deposits		
Fixed deposits Receipts (FDR)	20,912,260,080	19,315,661,363
Special notice deposits (SND)	3,378,602,792	3,641,316,182
Scheme deposits	4,161,447,522	2,519,838,212
Interest Payable on FDR/Scheme	518,252,437	321,652,078
	28,970,562,830	25,798,467,836
	37,743,911,522	33,036,436,311
12.1 Sundry deposits		
Margin deposits	1,087,647,097	698,101,404
Withholding Tax, VAT and Excise duty etc.	118,561,292	63,180,545
FC held against Export Development Fund (EDF)	643,161,557	570,096,955
BLO account -USD	372,342,485	453,404,380
Others	86,913,162	71,610,562
	2,308,625,593	1,856,393,846
12.2 Deposits and Other Accounts		
Deposits from Banks	-	50,040,000
Deposits from Customers	37,743,911,522	32,986,396,311
	37,743,911,522	33,036,436,311
12.3 Sector-wise break-up of Deposits and Others account		
Government	3,504,843,578	3,485,072,570
Deposit money banks	-	50,040,000
Other public	5,832,162,983	4,392,724,072
Foreign currency	347,419,370	265,187,009
Private	28,059,485,591	24,843,412,661
	37,743,911,522	33,036,436,311
12.4 Analysis of residual maturity grouping of deposits		
Inter-bank deposits		
Repayable on demand	-	-
Repayable within 1 month	-	-
Over 1 month but within 6 months	-	50,040,000
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years but within 10 years	-	-
	-	50,040,000

	Amount in BDT	
	2018	2017
Other Deposits		
Repayable on demand	1,138,261,368	230,501,518
Repayable within 1 month	2,125,467,627	2,646,726,806
Over 1 month but within 6 months	15,083,247,328	13,987,188,092
Over 6 months but within 1 year	11,046,351,813	7,822,771,156
Over 1 year but within 5 years	7,483,731,415	7,750,714,776
Over 5 years but within 10 years	866,851,971	548,533,963
	37,743,911,522	32,986,436,311
	37,743,911,522	33,036,476,311
12.5 Unclaimed Deposits and valuables	-	-
	-	-
13.00 Other liabilities		
Provision for loans and advances (Note 13.1)	468,240,000	264,440,000
Provision for Incentive of Good borrowers (Note 13.1 (a))	1,500,000	1,500,000
Provision for off-balance sheet exposures (Note 13.2)	198,300,000	142,600,000
Provision for taxation (Note 13.3)	1,559,259,126	1,103,120,425
Provision for incentive bonus	40,468,701	37,946,116
Interest Suspense Account (Note 13.4)	29,893,032	5,207,031
Accrued expenses	8,223,321	8,834,635
Interest payable on borrowings	16,905,461	28,121,648
Branch adjustment (Note-13.5)	-	39
Provision for audit fee	250,000	250,000
Others	116,619,064	88,534,988
	2,439,658,706	1,680,554,882
13.1 Provision for loans and advances		
A. General		
Provision held as on 1 January	230,840,000	144,500,000
Add: Provision made during the year	60,400,000	86,340,000
Provision held as on 31 December	291,240,000	230,840,000
B. Specific		
Movement in specific provision on classified loans		
Provision held as on 1 January	12,100,000	6,220,000
Less: Fully provided debts written off during the year	-	-
Add: Recoveries of amounts previously written off	-	-
Add: Specific provision made during the year for other accounts	141,900,000	5,880,000
Less: Provision no longer required	-	-
Add: Transferred from General Provision	-	-
Provision held as on 31 December	154,000,000	12,100,000
C. Provision for Off-shore Banking Unit (OBU)		
Provision held as on 1 January	21,500,000	9,300,000
Add: Provision made during the year	1,500,000	12,200,000
Provision held as on 31 December	23,000,000	21,500,000
Total provision on loans and advances (A+B+C)	468,240,000	264,440,000

	Amount in BDT	
	2018	2017
13.1 (a) Provision for Incentive of Good borrowers		
Provision held as on 1 January	1,500,000	-
Add: Provision made during the year	-	1,500,000
	1,500,000	1,500,000
Less: Paid during the year	-	-
Provision held as on 31 December	1,500,000	1,500,000
<p>Provision for incentive to the eligible good borrowers has been maintained as per Bangladesh Bank, BRPD circular no 6, dated 19 March 2015 & BRPD circular letter no 3 dated 16 February 2016 based on the following selection criteria:</p> <p>i) Relationship with bank for last 3 years i.e. since January 2016 ii) No past due during last 3 years i.e. since January 2016 iii) No late servicing of quarterly interest during last 3 years iv) Clean CIB report against those borrowers in last 3 years i.e. 2016, 2017 & 2018 v) Full compliance as per sanction terms</p>		
13.2 Provision for off-balance sheet exposures		
Provision held as on 1 January	142,600,000	72,600,000
Add: Provision made during the year	55,700,000	70,000,000
	198,300,000	142,600,000
Less: Adjustments made during the year	-	-
Provision held as on 31 December	198,300,000	142,600,000
13.3 Provision for taxation		
Current tax (Note 13.3.1)	1,552,497,260	1,092,626,987
Deferred tax (Note 13.3.2)	6,761,866	10,493,438
	1,559,259,126	1,103,120,425
13.3.1 Provision for current tax		
Provision		
Balance at the beginning of the year	1,092,626,987	595,876,051
Add: Provision made during the year	704,174,341	545,866,968
	1,796,801,328	1,141,743,019
Less: Settlement/ Adjustment of previous year's tax liability	244,304,068	49,116,032
Balance at the end of the year	1,552,497,260	1,092,626,987
<p>Provision for current tax of Tk.704,174,341.00 has been made @ 37.50% as prescribed by Finance Act 2018 of the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per "Income Tax Ordinance 1984" and BAS 12 "Income Tax".</p>		
13.3.2 Provision for deferred tax		
Balance at the beginning of the year	10,493,438	12,703,620
Add : Provision made for deferred tax liabilities		
Charged/(credited) to profit and loss account	(3,731,572)	(2,210,182)
	6,761,866	10,493,438
Adjustment made during the year	-	-
	6,761,866	10,493,438
Less: Provision made for deferred tax assets	-	-
Balance at the end of the year	6,761,866	10,493,438
13.4 Interest Suspenses Account		
Balance at the beginning of the year	5,207,031	2,903,123
Add: Amount transferred during the year	99,135,157	19,302,358
Less: Amount recovered during the year	(74,449,156)	(16,998,450)
Less: Amount written off during the year	-	-
Balance at the end of the year	29,893,032	5,207,031

	Amount in BDT	
	2018	2017
13.5 Branches' adjustment		
General accounts debit	-	-
General accounts credit	-	39
	-	39
14 Share capital		
14.1 Authorised capital:		
2,000,000,000 ordinary shares of BDT 10 each	20,000,000,000	20,000,000,000
14.2 Issued, subscribed and paid up capital:		
452,000,000 ordinary shares of BDT 10 each issued for cash	4,520,000,000	4,520,000,000
	4,520,000,000	4,520,000,000

14.3 Share capital at a glance from inception

Year	Particulars	Number of shares	Capital amount BDT	Capital amount BDT
2013	Opening Capital	452,000,000	4,520,000,000	4,520,000,000

14.4 Name of the Directors and their shareholdings in the year 2018

SI	Name of the directors	Status	Number of Shares	
			At 31 December 2018	At 31 December 2017
1	Mr. Humayun Kabir	Chairman	12,000,000	8,000,000
2	Mr. Shaikh Salahuddin, MP	Vice- Chairman	18,000,000	18,000,000
3	Mr. Sheikh Fazle Noor Taposh, MP	Director	40,000,000	40,000,000
4	Sharmin Apparels Limited Represented by Mr. Mohammad Ismail Hossain	Director	20,000,000	20,000,000
5	Sandhani Life Insurance Company Limited Represented by Mr. Nemaï Kumer Saha	Director	30,000,000	30,000,000
6	Mr. Salahuddin Alamgir	Director	20,000,000	20,000,000
7	Tanveer Oils Limited Represented by Mr. Mostafa Kamal	Director	20,000,000	20,000,000
8	Everest Power Generation Company Limited Represented by Mrs. Tanjima Binthe Mostafa	Director	20,000,000	20,000,000
9	Mr. Humayun Kabir Bablu	Director	20,000,000	20,000,000
10	Mrs. Shahana Yasmin	Director	20,000,000	20,000,000
11	Mrs. Sultana Jahan	Director	20,000,000	20,000,000
12	Mango Teleservices Limited Represented by Mr. A. Mannan Khan	Director	20,000,000	20,000,000
13	Azbal International Limited Represented by Mrs. Ferdousi Islam	Director	20,000,000	20,000,000
14	Anwar Jute Spinning Mills Limited Represented by Mr. Manwar Hossain	Director	10,000,000	10,000,000
15	D & S Pretty Fashions Limited Represented by Mr. Rezin Ahmmad Talukder	Director	-	6,000,000
16	Meghna Flour & Dal Mills Limited Represented by Mr. Tanveer Ahmed Mostafa	Director	12,000,000	12,000,000
17	Mona Financial Consultancy & Securities Limited Represented by Mr. Md. Mahbubur Rahman	Director	10,000,000	10,000,000
18	Mr. Didarul Alam, MP	Director	8,000,000	8,000,000
19	Sharmin Fashions Limited Represented by Mrs. Syeda Sharmin Hossain	Director	8,000,000	8,000,000
			328,000,000	330,000,000

Amount in BDT

2018

2017

14.5 Classification of shareholders by holding

	<u>Number of holders</u>		<u>% of total holding</u>	
	2018	2017	2018	2017
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	9	10	1.99	2.21
Over 1,000,000 shares	32	31	98.01	97.79
	41	41	100.00	100.00

14.6 Capital to Risk weighted Asset Ratio (CRAR):

The calculation of CRAR has been done as per BRPD Circular No.2 dated March 04, 2015 and the Guidelines on Risk Based Capital Adequacy (RBCA) under Basel-III December 2015 vide BRPD Circular No.18 dated December 21, 2014.

1) Tier-I -Core capital (Going Concern Capital)

a) Common Equity - Tier-1 Capital

Paid up capital	4,520,000,000	4,520,000,000
Share premium	-	-
Statutory reserve (Note 14)	1,053,286,265	716,799,672
General reserve	-	-
Surplus in Profit and Loss account/ Retained earnings (Note 17)	683,171,408	489,667,806
	6,256,457,673	5,726,467,478

b) Additional Tier-1 Capital

	-	-
	6,256,457,673	5,726,467,478

2) Tier-2 Capital (Gone-concern Capital)

General provision maintained against unclassified loan	314,240,000	252,340,000
General provision on off-balance sheet items	198,300,000	142,600,000
Asset revaluation reserve	-	-
Revaluation reserve of Government securities (50%)	8,535,650	8,535,650
	521,075,650	403,475,650

Less: Regulatory Adjustment

Revaluation Reserve for Fixed Assets, Securities & Equity Securities (follow in deductions as per Basel-III Guidelines) 80%	6,828,520	5,121,390
	514,247,130	398,354,260

A) Regulatory Capital (1+2)

	6,770,704,803	6,124,821,738
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	Amount in BDT	
	2018	2017
B) Risk weighted assets (RWA)		
Credit Risk		
On-Balance Sheet	29,073,907,706	24,833,860,242
Off-Balance Sheet	12,664,553,112	9,054,837,075
	41,738,460,819	33,888,697,317
Market Risk Weighted Assets	971,062,977	589,409,011
Operational Risk Weighted Assets	2,298,912,061	2,068,277,792
Total RWA	45,008,435,857	36,546,384,120
C) Required capital (Required Capital Tk.400.00 crore or actual whichever is higher)	4,500,843,586	4,000,000,000
D) Surplus (A-C)	2,269,861,217	2,124,821,738
Capital to Risk weighted Asset Ratio (CRAR):		
On core capital - against standard of minimum 5%	13.90%	15.67%
On total capital - against standard of minimum 10%	15.04%	16.76%
15 Statutory reserve		
Balance as at 1 January 2018	716,799,672	458,842,253
Addition during the year (20% of pre-tax profit)	336,486,593	257,957,419
Balance as at 31 December 2018	1,053,286,265	716,799,672
16 Revaluation gain/(loss) on investment		
Revaluation reserve on HTM securities		
Balance as at 1 January 2018	2,609	2,641,043
Addition during the year	190,534	2,609
	193,143	2,643,652
Adjustment of amortization/ revaluation gain against sale/maturity	-	(2,641,043)
Balance as at 31 December 2018	193,143	2,609
Revaluation reserve on HFT securities		
Balance as at 1 January 2018	3,948,845	4,942,290
Addition during the year	(3,798,781)	187,602,785
	150,064	192,545,075
Adjustment of amortization/ revaluation gain against sale/maturity	-	(188,596,230)
Balance as at 31 December	150,064	3,948,845
	343,207	3,951,454
17 Surplus in profit and loss account/Retained earnings		
Balance as at 1 January 2018	489,667,806	453,494,918
Prior year adjustment	-	-
	489,667,806	453,494,918
Add: Addition during the year	981,990,195	746,130,307
	1,471,658,001	1,199,625,225
Less:		
Transfer to Statutory reserve	336,486,593	257,957,419
Issue of bonus shares	-	-
Cash dividend paid	452,000,000	452,000,000
	788,486,593	709,957,419
Balance as on 31 December 2018	683,171,408	489,667,806

	Amount in BDT	
	2018	2017
17(a) Foreign currency translation gain/(loss)		
Balance as at 1 January 2018	690,199	138,490
Addition during the year	105,706	690,199
Disposal during the year	(690,199)	(138,490)
Balance as on 31 December 2018	105,706	690,199
18 Contingent liabilities		
18.1 Acceptances and endorsements		
Acceptance under Letters of Credit -Cash (Foreign) Deferred	3,099,544,921	2,693,336,299
Acceptance under Letters of Credit -BTB (Foreign) Usance	334,589,544	318,808,641
Acceptance under Letters of Credit -BTB EPZ (Foreign) Usance	44,653,575	35,527,737
Acceptance under Letters of Credit -BTB (Local) Usance	474,723,316	340,255,901
Acceptance under Letters of Credit -BTB (Foreign) EDF	-	-
Acceptance under Letters of Credit -Others	-	1,679,465
	3,953,511,356	3,389,608,043
Less: Margin	-	-
	3,953,511,356	3,389,608,043
18.2 Letters of guarantee		
Letters of guarantee (Local)	10,392,973,609	5,883,235,832
Letters of guarantee (Foreign)	2,104,079,006	351,000
Foreign counter guarantees	-	-
	12,497,052,615	5,883,586,832
Less: Margin	578,832,867	284,566,845
	11,918,219,748	5,599,019,987
Money for which the Bank is contingently liable in respect of guarantee issued favouring:		
Directors or officers	48,710,222	7,440,635
Government	-	-
Banks and other financial institutions	-	-
Others	12,448,342,393	5,876,146,197
	12,497,052,615	5,883,586,832
Less: Margin	578,832,867	284,566,845
	11,918,219,748	5,599,019,987
18.3 Irrevocable letters of credit		
Letter of Credit - Foreign	3,340,709,974	2,982,754,223
Letter of Credit - BTB Foreign	379,031,275	286,202,522
Letter of Credit - BTB - EPZ	39,514,173	43,208,425
Letter of Credit - BTB (Local)	588,001,448	148,248,877
Letter of Credit - EDF & Others	80,199,731	104,188,731
	4,427,456,601	3,564,602,778
Less: Margin	508,814,230	399,305,342
	3,918,642,371	3,165,297,436
18.4 Bills for collection		
Foreign bills for collection	602,661,613	424,806,065
Local bills for collection	1,391,837,479	817,895,822
	1,994,499,092	1,242,701,887

	Amount in BDT	
	2018	2017
18.5 Other contingent liabilities		
Other contingent liabilities	128,535,600	168,349,900
	128,535,600	168,349,900
19 Income statement		
Income:		
Interest, discount and similar income	4,760,288,438	3,434,962,654
Dividend income	8,219,744	8,155,498
Fees, commission and brokerage	257,411,693	175,653,315
Gains less losses arising from dealing securities	-	-
Gains less losses arising from investment securities	(8,829,142)	171,730,278
Gains less losses arising from dealing in foreign currencies	229,149,031	216,170,977
Income from non-banking assets	-	-
Other operating income	62,227,387	51,318,160
Profit less losses on interest rate changes	-	-
	5,308,467,150	4,057,990,882
Expenses:		
Interest, fees and commission	2,501,714,999	1,816,110,921
Losses on loans and advances	-	-
Administrative expenses	697,572,763	615,186,396
Other operating expenses	116,488,173	118,206,593
Depreciation on banking assets	50,758,251	47,003,803
	3,366,534,186	2,596,507,712
Income over expenditure	1,941,932,964	1,461,483,170
20 Interest income		
Interest on loans and advances	3,796,761,758	2,447,882,237
Interest on placement with other banks and financial institutions	580,326,669	646,823,773
Interest income from OBU	18,349,221	8,071,936
Interest on foreign currency balances	8,960,698	6,092,938
	4,404,398,345	3,108,870,884
Less: Interest income from OBU	18,349,221	8,071,936
	4,386,049,124	3,100,798,948
21 Interest paid on deposits and borrowings etc.		
Interest on deposits	2,139,880,832	1,555,599,210
Interest on borrowings	361,834,167	260,511,711
Interest paid on borrowings (OBU)	18,349,221	8,071,936
	2,520,064,220	1,824,182,857
Less: Interest paid on borrowings (OBU)	18,349,221	8,071,936
	2,501,714,999	1,816,110,921
22 Investment income		
Interest income from Government Securities (Note-22.1)	368,862,077	334,163,706
Gain on sale of Government Securities (Note-22.2)	(8,829,142)	171,730,278
Dividend on shares	8,219,744	8,155,498
Other Investment Income	-	-
Gain on sale of shares	5,377,236	4,223,923
	373,629,915	518,273,405

	Amount in BDT	
	2018	2017
22.1 Interest Income from Government Securities		
Interest on treasury bills	-	7,943,133
Interest on treasury bonds	466,988,372	531,861,423
	466,988,372	539,804,555
Interest Expenses on treasury bills/bonds	(98,126,295)	(205,640,849)
Interest Income from Government Securities	368,862,077	334,163,706
22.2 Capital Gain on Government Securities		
Capital Gain on treasury bills	-	1,604,681
Capital Gain on treasury bonds	(8,829,142)	170,125,597
	(8,829,142)	171,730,278
23 Commission, exchange and brokerage		
Commission on L/Cs	83,311,416	61,175,265
Commission on L/Cs - EPZ	1,800,855	3,489,462
Commission on Inland L/Cs	1,484,037	1,367,609
Commission on L/Cs-back to back	21,212,897	18,580,158
Commission on L/Gs	139,828,197	80,038,314
Commission on Export L/C	1,137,436	6,247,150
Commission on remittance	185,891	154,738
Commission on collection on FDBP/ FDBC/ FDD	3,195,925	3,586,531
Others Commission	5,255,039	1,014,089
Exchange gain (Note-23.1)	229,149,031	216,170,977
	486,560,723	391,824,292
23.1 Exchange gain		
Exchange gain from revaluation/trade of foreign currency	229,149,031	216,313,831
Exchange loss from revaluation/trade of foreign currency	-	(142,855)
	229,149,031	216,170,977
24 Other operating income		
Account Maintenance Charges	10,477,316	8,091,596
Postage / SWIFT/ fax recoveries from Import L/Cs	13,888,249	11,974,263
Postage / SWIFT/ fax recoveries from Export related L/Cs	4,620,030	3,678,689
Fees on Share Transfer	5,000	1,000
Cards Fees and Charges (Note 24.1)	5,923,272	2,887,445
Other Fees and Charges	11,520,322	18,579,933
Fees and Charges on Export related L/Cs	15,793,198	6,105,232
	62,227,387	51,318,160

		Amount in BDT	
		2018	2017
24.1 Cards Fees and Charges:			
Fees and Charges (debit and prepaid card)		2,279,850	2,031,961
Credit Cards:			
Annual Fees		444,625	199,750
VISA POS Reimbursement charges		1,038,740	669,059
Cash Advance Fees		269,632	167,633
Late payment and overlimit fees		717,095	577,551
Card Cheque Fees (Processing and Issues)		1,000,435	790,370
Replacement Fees and Others		2,745,487	67,997
		8,495,863	4,504,321
Cards Direct Expenses:			
VISA POS Reimbursement Charges		58,458	54,107
VISA Associated Membership Sponsor Charges		796,620	304,510
Fees and Charges of Card		1,445,512	1,057,207
ATM Expenses NPSB		272,001	201,053
		2,572,591	1,616,876
Cards Fees and Charges (Net)		5,923,272	2,887,445
25 Salaries and Allowances			
Basic salary		153,319,481	149,777,472
Bonus		50,392,511	56,440,667
Other Salary & Allowances		227,283,676	174,219,105
Bank Contribution to Provident Fund		15,424,323	13,110,476
		446,419,992	393,547,719
26 Rent, taxes, insurance, Electricity etc.			
Rent, rates and taxes (26.1)		114,351,336	104,393,210
Insurance		21,956,669	15,442,694
Utilities (except telecommunication)		16,421,684	11,924,151
		152,729,689	131,760,054
26.1 Rent, rates and taxes			
Rent for Office		95,532,174	87,476,826
Rent for ATM Booth		1,609,728	1,162,041
Rent for Grage		268,000	90,000
VAT on Rent		14,342,283	13,204,206
Rates and Taxes		2,599,151	2,460,137
		114,351,336	104,393,210
27 Postage, stamp, telecommunication etc.			
Postage		3,108,202	3,272,645
Telephone / Mobile		5,004,083	4,573,614
Networklink, Internet, SWIFT, Reuters etc.		17,313,630	17,913,232
		25,425,915	25,759,492
28 Stationery, printing, advertisements etc.			
Printing & security stationery		3,689,290	4,725,609
Petty stationery		9,878,513	4,724,183
Computer consumable stationery		2,088,782	3,295,110
Publicity and advertisement		33,257,776	30,328,241
		48,914,360	43,073,144

	Amount in BDT	
	2018	2017
29 Managing Director's salary and fees		
Basic Salary	4,200,000	4,200,000
Bonus	1,400,000	1,400,000
Other Salary & Allowance	3,496,927	3,510,410
Bank Contribution to Provident Fund	420,000	420,000
	9,516,927	9,530,410
30 Directors' fees and expenses		
Meeting attendance fees	1,464,000	1,832,000
Each Director is paid for BDT 8,000/- per meeting per attendance.	1,464,000	1,832,000
31 Depreciation and repairs of Bank's assets		
Depreciation :		
Furniture and fixtures	11,467,924	11,077,829
Machinery & Equipment	15,245,264	13,616,426
Computer and Computer peripherals	6,422,908	6,052,128
Motor Vehicles	6,463,676	6,260,028
Software	11,158,479	9,997,392
	50,758,251	47,003,803
Repairs/ Replacements of the Bank's assets:		
Furniture & Fixtures	67,770	144,345
Machinery & Equipment	1,113,916	1,182,164
Motor Vehicles	898,944	457,131
Software maintenance	11,021,250	7,899,937
	13,101,880	9,683,577
	63,860,131	56,687,380
32 Other expenses		
Security and cleaning	28,742,499	23,604,871
Salary of casual staff	14,357,013	13,784,554
Entertainment	8,992,091	9,273,613
Other Professional Service charges	250,000	1,311,135
Books and periodicals	402,523	1,082,468
Subscription	1,184,497	920,834
Donation	19,620,000	19,135,000
Travelling expenses	6,105,173	2,067,390
Conveyance	2,082,773	1,603,105
Gratuity expenses	4,200,000	22,400,000
Fuel	1,579,910	1,625,534
Leverage & Uniform	522,295	470,220
Training/seminar	2,051,749	3,125,635
Annual General Meeting (AGM)	879,429	579,165
Bank charges	5,970,678	4,730,776
Cash carrying charges	2,930,949	2,407,890
Amortization of prepaid expenses	693,986	396,705
Electronic and Other goods	-	1,066,250
VAT on expenditure	5,586,490	5,394,299
Miscellaneous Expenses	9,701,117	2,440,224
	115,853,173	117,419,668

		Amount in BDT	
		2018	2017
33	Tax expense		
	Current tax	704,174,341	545,866,968
	Deferred tax	(3,731,572)	(2,210,182)
		700,442,769	543,656,786
34	Cash received from other operating activities		
	Account Maintenance Charges	10,477,316	8,091,596
	Postage / SWIFT/ fax recoveries from Import L/Cs	13,888,249	11,974,263
	Postage / SWIFT/ fax recoveries from Export related L/Cs	4,620,030	3,678,689
	Gain on sale of shares	5,377,236	4,223,923
	Fees on Share Transfer	5,000	1,000
	Cards Fees and Charges	5,923,272	2,887,445
	Other Fees and Charges	11,520,322	18,579,933
	Fees and Charges on Export related L/Cs	15,793,198	6,105,232
		67,604,623	55,542,083
35	Payments for other operating activities		
	Rent, rates and taxes	144,878,125	112,189,337
	Postage	25,425,915	25,759,492
	Directors fees	1,464,000	1,832,000
	Repairs	13,101,880	9,683,577
	Legal expenses	385,000	536,925
	Audit fees	250,000	250,000
	Others expenses (Note 32)	111,653,173	117,419,668
		297,158,093	267,670,999
36	Earnings per share (EPS)		
	Net profit after tax for the year ended 31 December (BDT)	981,990,195	746,130,307
	Number of ordinary shares outstanding	452,000,000	452,000,000
	Weighted average number of ordinary shares	452,000,000	452,000,000
	Earnings per share (EPS) on closing number of share	2.17	1.65
	Earnings per share (EPS) - (Weighted Average)	2.17	1.65

37 General

37.1 Audit Committee

Audit Committee of the Board of Directors of the Bank has been re-constituted by the Board of Directors in their meeting held on 28 July 2016 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

Role of the Bank's Audit Committee

Oversee financial reporting process

- i) Monitor, choice of accounting policies and principles
- ii) Review the financial statements
- iii) Review the appropriateness of the Bank's accounting policy
- iv) Oversee the Bank's relationship with external auditors
- v) Review the Bank's existing system and upgradation of systems
- vi) Review the adequacy of internal audit functions
- vii) Review all reports of internal auditors
- viii) Review Management's report on risk management
- ix) Review the internal control weakness as submitted by statutory auditors
- x) 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 2018, the audit committee held 4 (four) meetings. In these meetings, the Committee reviewed the Audited Financial Statements for the year 2017 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 2018, the bank conducted business deal with the following organisation in which the directors has interest.

i) Loans and advances to directors and their related concer

Name of party	Name of Directors	Related by	Nature of Facilities	Outstanding as on 31.12.2018	Status
Everest CNG Re-Fuelling and Conversion Ltd.	Mr. Mostafa Kamal	Director	BG	6,288,600	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
Meghna Edible Oils Refinery Limited	Mr. Mostafa Kamal	Director	BG	10,846,700	Regular
Meghna Pulp & Papers Mills Ltd.	Mr. Mostafa Kamal	Director	BG	21,634,286	Regular
M.S.A Services Limited	Mr. Md. Didarul Alam	Director	BG	5,000,000	Regular

ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2018

a)

(BDT in Taka)

Name of Directors	Relationship with the Bank	Nature of transaction	Limit	Security Value	Outstanding as on 31.12.2018
Mr. Sheikh Fazle Noor Taposh	Director	Credit Card	2,000,000	Lien on FDR for Tk. 20,00,000/-	BDT 115
Mr. Mohammad Ismail Hossain	Director	Credit Card	500,000	Lien on FDR for Tk. 5,00,000/-	BDT 161,791.31
		Credit Card	USD 20,000	Lien on ERQ A/c for USD 20,000	-
Mr. Salahuddin Alamgir	Director	Credit Card	2,000,000	Lien on FDR for Tk. 20,00,000/-	BDT 44,761.50 USD 8.99
Mr. Manwar Hossain	Director	Credit Card	500,000	Lien on FDR for Tk. 5,00,000/-	BDT 6,612.50
Mrs. Syeda Sharmin Hossain	Director	Credit Card	500,000	Lien on FDR for Tk. 5,00,000/-	BDT 34,647.93
		Credit Card	USD 10,000	Lien on ERQ A/c for USD 10,000	USD 2,155.59
Mr. Humayun Kabir	Director	Credit Card	2,100,000	Lien on DBSR for Tk. 25,00,000/	BDT 76,326.66
			USD. 5000		

b) 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 1,600,000.00. The Bank has paid BDT 50,400,000.00 as advance against Office Rent. During the year, Bank has paid total of BDT 19,200,000.00 and outstanding balance as advance of BDT 6,300,000.00 on 31 December 2018.

c) Related party transactions

Nature of Party/ Contract	Relationship	Amount
Information Technology Consultants Limited (ITCL)	Common Director	7,518,252
Bengal Media Corporation Ltd.	Common Director	5,248,428

37.3 Number of employees

The number of regular employees engaged for the whole year or part thereof who received a total remuneration of BDT 144,000 p.a. or above were 490 at the end of December 2018.

37.4 Highlights on the overall activities of the Bank

Highlights on the overall activities of the Bank have been furnished in Annexure - B.

37.5 Coverage of External Audit

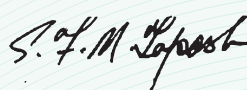
The external auditor of the Bank, M/S A. Qasem & Co., Chartered Accountants worked about in excess of 960 person hours. During their audit, they audited above 80% of the Bank's risk weighted assets as on the Balance.



Chairman



Vice Chairman



Director



Managing Director & CEO

Schedule of Fixed Assets

As at 31 December 2018

(In Million BDT)

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as at 31.12.2018
	Opening balance as on 01.01.2018	Addition during the year	Disposal during the year	Balance as at 31.12.2018		Opening balance as on 01.01.2018	Charged during the year	Disposal/ Adjustment during the year	Balance as at 31.12.2018	
Land	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	139,832,819	13,357,579	-	153,190,398	10%	33,677,121	11,467,924	-	45,145,045	108,045,353
Computer and Computer peripheral	49,449,532	4,348,635	-	53,798,167	20%	21,697,539	6,422,908	-	28,120,447	25,677,720
Electrical Equipments	103,583,106	18,685,419	600,000	121,668,525	20%	39,406,435	15,251,489	290,467	54,367,457	67,301,068
Motor vehicles	31,300,000	3,680,000	-	34,980,000	20%	22,088,423	6,463,676	-	28,552,099	6,427,901
	324,165,457	40,071,633	600,000	363,637,090		116,869,519	39,605,997	290,467	156,185,049	207,452,042
Software	43,390,235	6,800,000	-	50,190,235	20%	30,699,502	11,158,479	-	41,857,981	8,332,254
Total as at 31st December 2018	367,555,692	46,871,633	600,000	413,827,325		147,569,021	50,764,476	290,467	198,043,030	215,784,296
Total as at 31st December 2017	317,342,814	50,536,602	323,724	367,555,692		100,720,406	47,003,812	155,197	147,569,021	219,986,671

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
			Ilmeeyat Washing & Dyeing Industries Limited	Managing Director
Jaflong Velly Boarding School	Director			
5	Mr. Nemaï Kumer Saha Representing Sandhani Life Insurance Company Limited	Director	Sandhani Life Insurance Company Limited	DMD & CFO
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	Managing Director
			Starlight Knitters Limited	Managing Director
			Labib Fashions Limited	Managing Director
			Excel Sweaters Limited	Managing Director
			Sweater Cottage Limited	Managing Director
			Juthi Packaging Industries Limited	Managing Director
			Salma Packers 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			

Sl. No	Name	Status with the Bank	Interest in other concerns	
			Name of Concerns	Position
7	Mr. Mostafa Kamal Representing Tanveer Oils Limited	Director	United Feeds Limited	Managing Director
			United Mineral Water & Pet Industries Limited	Managing Director
			United Sugar Mills Limited	Managing Director
			Unique Cement Industries Limited	Managing Director
			Unique Power Plant 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
			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
			Janata Flour & Dal Mills Limited	Managing Director
			Meghna Shipbuilders & Dockyard 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 Salt Industries Limited	Managing Director
			Tasnim Condensed Milk Limited	Managing Director
			Dhaka Securities Limited	Managing Director
			Meghna Seeds Crushing Mills Limited	Managing Director
			Tanveer Printing & Packaging Industries Limited	Managing Director
			Meghna Edible Oils Refinery Limited	Managing Director
			Meghna Pulp & Paper Mills 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			

Sl. No	Name	Status with the Bank	Interest in other concerns	
			Name of Concerns	Position
8	Mrs. Tanjima Binthe Mostafa Representing Everest Power Generation Company Limited	Director	United Feeds Limited	Director
			United Mineral Water & Pet Industries Limited	Director
			United Sugar Mills Limited	Director
			Unique Cement Industries Limited	Director
			Unique Power Plant 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
			Janata Flour & Dal Mills Limited	Director
			Meghna Shipbuilders & Dockyard Limited	Director
			Global Ad Star Bag Industries Limited	Director
			Surma Mustard Oil Mills Limited	Director
			Tasnim Chemical Complex Limited	Director
			Sonargaon Salt Industries Limited	Director
			Tasnim Condensed Milk Limited	Director
			Dhaka Securities Limited	Director
			Meghna Seeds Crushing Mills Limited	Director
			Tanveer Printing & Packaging Industries Limited	Director
			Meghna Edible Oils Refinery Limited	Director
			Meghna Pulp & Paper Mills 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			

Sl. No	Name	Status with the Bank	Interest in other concerns	
			Name of Concerns	Position
9	Mr. Humayun Kabir Bablu	Director	Bengal Media Corporation Limited (RTV)	Managing Director
			Euphoria Apparels Limited	Managing Director
			Romania Food & Beverage Limited	Managing Director
			Linnex Electronics Bangladesh Limited	Managing Director
			Bengal Windsor Thermoplastics Limited	Managing Director
			Bengal Hotels and Resorts Limited	Managing Director
			Bengal Plastics Limited	Director
			Bengal Polymer Wares Limited	Director
			Bengal Plastic Pipes Limited	Director
			Bengal Poly and PaperSack Limited	Director
			Bengal Flexipack Limited	Director
			Bengal Adhesive & Chemical Products Limited	Director
			Bengal Cement Limited	Director
			Bengal Overseas Corporation Limited	Director
			Bengal Concept & Holdings Limited	Director
			Bengal Feed and Fisheries Limited	Director
			Bengal Corrugated Carton industries Limited	Director
			Bengal Renewable Engery Limited	Director
			Power Utility BD Limited	Director
Hemilton Metal Corporation Limited	Director			
10	Mrs. Shahana Yasmin	Director	Farzan Fising	Proprietor
			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
			Starlight Knitters Limited	Director
			Labib Fashions Limited	Director
			Excel Sweaters Limited	Director
			Sweater Cottage Limited	Director
			Juthi Packaging Industries Limited	Director
			Salma Packers Limited	Director
			Labib Dyeing Mills Limited	Director
			Nice Cotton Limited	Director
			Excel Telecom (Pvt) Limited	Director
R& R Agro Complex Limited	Director			
Labib Poultry & Fisheries Limited	Director			

Sl. No	Name	Status with the Bank	Interest in other concerns	
			Name of Concerns	Position
12	Mr. A Mannan Khan Representing Mango Teleservices Limited	Director	Mango Teleservices Limited	Chairman
			Mango Electronics Limited	Chairman
			CSL Distribution Limited	Chairman
			Mango Holdings Limited	Managing Director
			Playpen School	Managing Partner
			Clix Limited	Chairman
			Telefort Limited	Chairman
			Bangladesh Auto Industries Limited	Chairman
			Mango Technologies Limited	Chairman
			Bangladesh Lithium Battery Limited	Chairman
13	Mrs. Ferdousi Islam Representing Azbal International Limited	Director	China Bangla Ceramic Industries Limited	Chairman
			Bajnabo Textile Mills Limited	Chairman
			China Bangla Engineering & Technology Services Limited	Chairman
			Azbal International Limited	Chairman
			Trustee Securities Limited	Managing Director
			Northern General Insurance Co. Limited	Director
			Total Merchandising & Trims Limited	Director
			United Shipping Lines Limited	Director
14	Mr. Manwar Hossain Representing Anwar Jute Spinning Mills Limited	Director	Anwar Group of Industries	Group Managing Director
			BD Finance & Investment Company Limited	Chairman
			BD Finance Securities Limited	Chairman
			BD Finance Capital Holdings Limited	Chairman
			Anwar Landmark Limited	Vice Chairman
			Anwar Ispat Limited	Managing Director
			Anwar Integrated Steel Plant Limited	Managing Director
			Anwar Galvanizing Limited	Managing Director
			Anwar Cement Limited	Managing Director
			Anwar Cement Sheet Limited	Managing Director
			A-One Polymer Limited	Managing Director
			Anwar Silk Mills Limited	Director
			Mehmud Industries (Pvt) Limited	Director
			Hossain Dyeing and Printing Mills Limited	Director
			Anwar Jute Spinning Mills Limited	Director
			AG Automobiles Limited	Director
City General Insurance Company Limited	Director			
Commerce Bank Securities and Investment Limited	Director			

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
			United Sugar Mills Limited	Director
			Tanveer Paper Mills Limited	Director
			Meghna Shipbuilders & Dockyard Limited	Director
			Meghna Properties Limited	Director
			Global Ad Star Bag Industries Limited	Director
			Tasnim Condensed Milk Limited	Director
			Dhaka Securities Limited	Director
			Meghna Seeds Crushing Mills Limited	Director
			Tanveer Printing & Packaging Industries Limited	Director
			Meghna Milk Products Limited	Director
			Meghna Electricity Generation Co. Limited	Director
			Meghna Aviation Limited	Director
			Meghna Edible Oils Refinery Limited	Director
			Meghna Pulp & Paper Mills Limited	Director
			Meghna Chicks & Farms Limited	Director
			A Class Builders Limited	Director
			USB International Lines Limited	Director
			Ekattur Media Company Limited	Director
Meghna Tea Company Limited	Director			
16	Mr. Md. Mahbubur Rahman Representing Mona Financial Consultancy & Securities Limited	Director	Mona Financial Consultancy & Securities Limited	Company Secretary
17	Mr. Didarul Alam	Director	M.S.A. Services Limited	Chairman
			Golden Oxygen Limited	Managing Director
			T. R.Ship Breakers Limited	Managing Director
			T. R.Fishing Limited	Managing Director
			Taher & Company Limited	Managing Director
			Al Haj Mostafa Hakim Cement Industries Limited	Managing Director
			Al Haj Mostafa Hakim Housing Real Estate Limited	Managing Director
			Kumira Ship Breakers Limited	Managing Director
			Taseen Steels Limited	Managing Director
			Kadam Rasul Steel Ship Breaking Limited	Managing Director
			A. Razzak Dobush & Sons Limited	Managing Director
			S.B.Corporation	Managing Partner
			Golden Bricks Works Limited	Director
			M/s. Didarul Alam & Brothers	Proprietor
			Silk Line Travels	Proprietor
			Amena Fishing	Proprietor

Sl. No	Name	Status with the Bank	Interest in other concerns	
			Name of Concerns	Position
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 Limited	Director
			A.M.Fashions Limited	Director
			Limeeyat Apparels Limited	Director
			Limeeyat Washing & Dyeing Industries Limited	Director
19	Mr. Md. Shaful Azam	Managing Director & CEO	-	-

Highlights on the overall activities

As at and for the year ended 31 December 2018

Sl. No.	Particulars		2018	2017
1	Paid-up capital	Taka	4,520,000,000	4,520,000,000
2	Total capital	Taka	6,770,704,803	6,124,821,738
3	Capital surplus	Taka	2,269,861,217	2,124,821,738
4	Total assets	Taka	51,304,026,121	45,774,718,824
5	Total deposits	Taka	37,743,911,522	33,036,436,311
6	Total loans and advances	Taka	35,575,649,360	30,181,299,160
7	Total contingent liabilities and commitments	Taka	23,001,055,263	14,248,849,440
8	Advance Deposit Ratio (ADR)	%	88.59%	90.87%
9	Percentage of classified loans against total loans and advances (NPL Ratio)	%	1.83%	0.29%
10	Net Profit after tax and provision (NPAT)	Taka	981,990,195	746,130,307
11	Amount of classified loans (NPL)	Taka	650,660,952	88,287,680
12	Provisions kept against Classified Loans	Taka	154,000,000	12,100,000
13	Provision surplus/(deficit) against classified loans	Taka	672,245	197,262
14	Cost of fund	%	8.42%	7.16%
15	Interest earning assets	Taka	46,743,038,543	41,712,917,403
16	Non-interest earning assets	Taka	4,560,987,577	3,336,949,464
17	Return on investment (ROI) [PAT/{Average Equity+Long Term Borrowings+Deposits-Non Cash Fund}]	%	2.06%	1.74%
18	Return on assets (ROA) [PAT/ Average assets]	%	2.02%	1.93%
19	Income from investment	Taka	373,629,915	518,273,405
20	Capital to Risk weighted Asset Ratio (CRAR)	%	15.04%	16.76%
21	Stock dividend		-	-
22	Earnings per share (EPS)	Taka	2.17	1.65
23	Net income per share	Taka	2.17	1.65
24	Price Earning Ratio (PE Ratio)	Times	-	-

Segment Reporting

Reportable Segment	Operation
Branch Banking	General Banking
	Credit
	Foreign Inward Remittance
	Foreign Trade
Treasury Division	Sale/Purchase of Treasury Bill
	Sale/Purchase of Treasury Bond
	Call Money Lending/Borrowing

Disclosure

(In Million BDT)

Particular	Main Operation	OBU	Total
External Revenue			
Interest Income	4,644,318,651	110,592,551	4,754,911,202
Less: Interest Expense	2,411,983,718	89,731,281	2,501,714,999
Net Interest Income	2,232,334,932	20,861,270	2,253,196,202
Commission, exchange and brokerage	483,513,877	3,046,847	486,560,723
Capital gain	(8,829,142)	-	(8,829,142)
Other Income	75,797,647	26,720	75,824,367
Operating Income	2,782,817,314	23,934,837	2,806,752,151
Less: Administrative Expense	862,950,464	1,868,722	864,819,187
Profit	1,919,866,850	22,066,114	1,941,932,964
Inter-Segment Revenue	-	-	-
Total Segment profit before provision	1,919,866,850	22,066,114	1,941,932,964
Segment Assets	48,978,724,719	2,325,301,401	51,304,026,121
Segment Liabilities	42,743,989,953	2,303,129,581	45,047,119,535

Off-shore Banking Unit

Balance Sheet

As at 31 December 2018

Particulars	Note	31-12-2018		31-12-2017	
		USD	BDT	USD	BDT
PROPERTY AND ASSETS					
Cash		-	-	-	-
Cash in hand (including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)		-	-	-	-
Balance with other Banks and financial institutions	3	237,284	19,908,131	192,904	15,953,175
In Bangladesh		-	-	-	-
Outside Bangladesh		237,284	19,908,131	192,904	15,953,175
Money at call on short notice		-	-	-	-
Investments		-	-	-	-
Government securities		-	-	-	-
Other investments		-	-	-	-
Outside Bangladesh		-	-	-	-
Loans and advances	4	27,417,127	2,300,296,994	25,969,270	2,147,658,627
Loans, cash credits, overdrafts, etc.		-	-	-	-
Bills purchased and discounted	5	27,417,127	2,300,296,994	25,969,270	2,147,658,627
Fixed assets including premises, furniture and fixtures	6	3,878	325,339	4,545	356,814
Other assets	7	56,865	4,770,937	89,288	7,384,105
Non Banking Assets		-	-	-	-
Total assets		27,715,154	2,325,301,401	26,256,007	2,171,352,720
LIABILITIES AND CAPITAL					
Liabilities		-	-	-	-
Borrowing from other banks, financial Institutions and agents	8	27,308,126	2,291,151,807	25,483,000	2,107,444,100
In Bangladesh		21,600,000	1,812,240,000	19,813,000	1,638,535,100
Outside Bangladesh		5,708,126	478,911,807	5,670,000	468,909,000
Deposit and other accounts	9	58,235	4,885,913	231,612	19,154,298
Current deposits and other accounts		58,235	4,885,913	231,612	19,154,298
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
Other liabilities	10	84,528	7,091,861	178,725	14,780,560
Total liabilities		27,450,889	2,303,129,581	25,893,337	2,141,378,957
Capital / Shareholders' equity		-	-	-	-
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Other reserve		-	-	-	-
Foreign currency translation gain		-	105,706	-	690,199
Surplus in Profit and Loss Account	11	264,265	22,066,114	362,671	29,283,564
Total shareholders' equity		264,265	22,171,820	362,671	29,973,763
Total liabilities and shareholders' equity		27,715,154	2,325,301,401	26,256,007	2,171,352,720

Off-shore Banking Unit

Balance Sheet

As at 31 December 2018

Particulars	Note	31-Dec-2018		31-Dec-2017	
		USD	BDT	USD	BDT
OFF BALANCE SHEET ITEMS					
Contingent liabilities	12				
Acceptances and endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
		-	-	-	-
Other Commitments:					
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 2018

Particulars	Note	31-12-2018		31-12-2017	
		USD	BDT	USD	BDT
Interest income	13	1,324,462	110,592,551	1,072,836	86,620,802
Less: Interest paid on deposits, borrowings, etc.	14	1,074,626	89,731,281	750,020	60,556,601
Net Interest income		249,836	20,861,270	322,816	26,064,201
Income from investment		-	-	-	-
Commission, exchange and brokerage	15	36,489	3,046,847	49,875	4,026,908
Other operating income	16	320	26,720	930	75,088
Total operating income		286,645	23,934,837	373,621	30,166,197
Salaries and allowances	17	14,147	1,181,289	-	-
Rent, taxes, insurance, lighting and travelling	18	4,187	349,588	4,327	349,356
Legal expenses		-	-	4,845	391,156
Postage, stamp, telegram and telephone	19	6	481	6	512
Auditors' fee		-	-	-	-
Stationery, printing and advertisement	20	159	13,296	233	18,806
Charges on loan loss		-	-	-	-
Managing Director's salary		-	-	-	-
Directors' meeting fee		-	-	-	-
Repair, maintenance and depreciation of assets	21	697	58,170	690	54,133
Other expenses	22	3,184	265,899	851	68,669
Total operating expenses		22,380	1,868,722	10,951	882,633
Profit before provision		264,265	22,066,114	362,671	29,283,564
Provision for loans & advance, other assets & off BS items		-	-	-	-
Profit before taxation		264,265	22,066,114	362,671	29,283,564

Off-shore Banking Unit

Cash Flow Statement

For the year ended 31 December 2018

Particulars	Note	31-12-2018		31-12-2017	
		USD	BDT	USD	BDT
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received in cash		1,324,462	110,592,551	1,072,836	86,620,802
Interest payments		(1,074,626)	(89,731,281)	(750,020)	(60,556,601)
Dividend received		-	-	-	-
Fees and commission received in cash		36,489	3,046,847	49,875	4,026,908
Recovery of loans and advances in cash previously written-off		-	-	-	-
Cash paid to employees		(14,147)	(1,181,289)	-	-
Income tax paid		-	-	-	-
Cash received from other operating activities		320	26,720	930	75,088
Cash paid for other operating activities		(7,565)	(541,263)	(10,261)	(796,023)
Cash flows before charges in operating assets and liabilities		264,933	22,212,285	363,360	29,370,174
Increase / Decrease in operating assets and liabilities					
Loans and advances to customers		(1,447,857)	(152,638,367)	(14,331,108)	(1,223,006,632)
Other assets		32,423	2,613,168	(86,463)	(7,159,832)
Borrowing from Banks					
Deposits from other Banks					
Deposit from customers		(173,377)	(14,268,384)	189,242	15,788,034
Other Liabilities		(94,197)	(7,803,394)	95,819	8,166,558
		(1,683,009)	(172,096,978)	(14,132,510)	(1,206,211,871)
Net cash from operating activities		(1,418,076)	(149,884,693)	(13,769,150)	(1,176,841,697)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of securities		-	-	-	-
Cash payments for purchase of securities		-	-	-	-
Purchase/ Sale of property, Plant & equipment of fixed assets		-	-	-	-
Sales of fixed assets		-	-	-	-
Net cash from investing activities		-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Borrowing from other banks, financial institutions and agents		1,825,126	183,707,707	14,006,360	1,195,625,066
Net profit transferred to main operations		(362,671)	(29,283,564)	(145,065)	(11,387,182)
Net Cash from Financing activities		1,462,456	154,424,143	13,861,295	1,184,237,884
Net increase/(decrease) in cash and cash equivalent		44,380	4,539,449	92,145	7,396,187
Effects of exchange rate changes on cash and cash equivalents		-	(584,493)	-	551,709
Opening cash and cash equivalent		192,904	15,953,175	100,759	8,005,279
Closing cash and cash equivalent		237,284	19,908,131	192,904	15,953,175

Off-shore Banking Unit

Notes to the Financial Statements

As at and for the year ended 31 December 2018

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 2018.

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 BAS-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 Bangladesh 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 shall operate 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 IAS-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 83.90 (closing rate as at 31st December 2018) and Taka 83.50 (average rate which represents the year end).
- c) Figures of previous year have been rearranged whenever necessary to conform to current year's presentation.

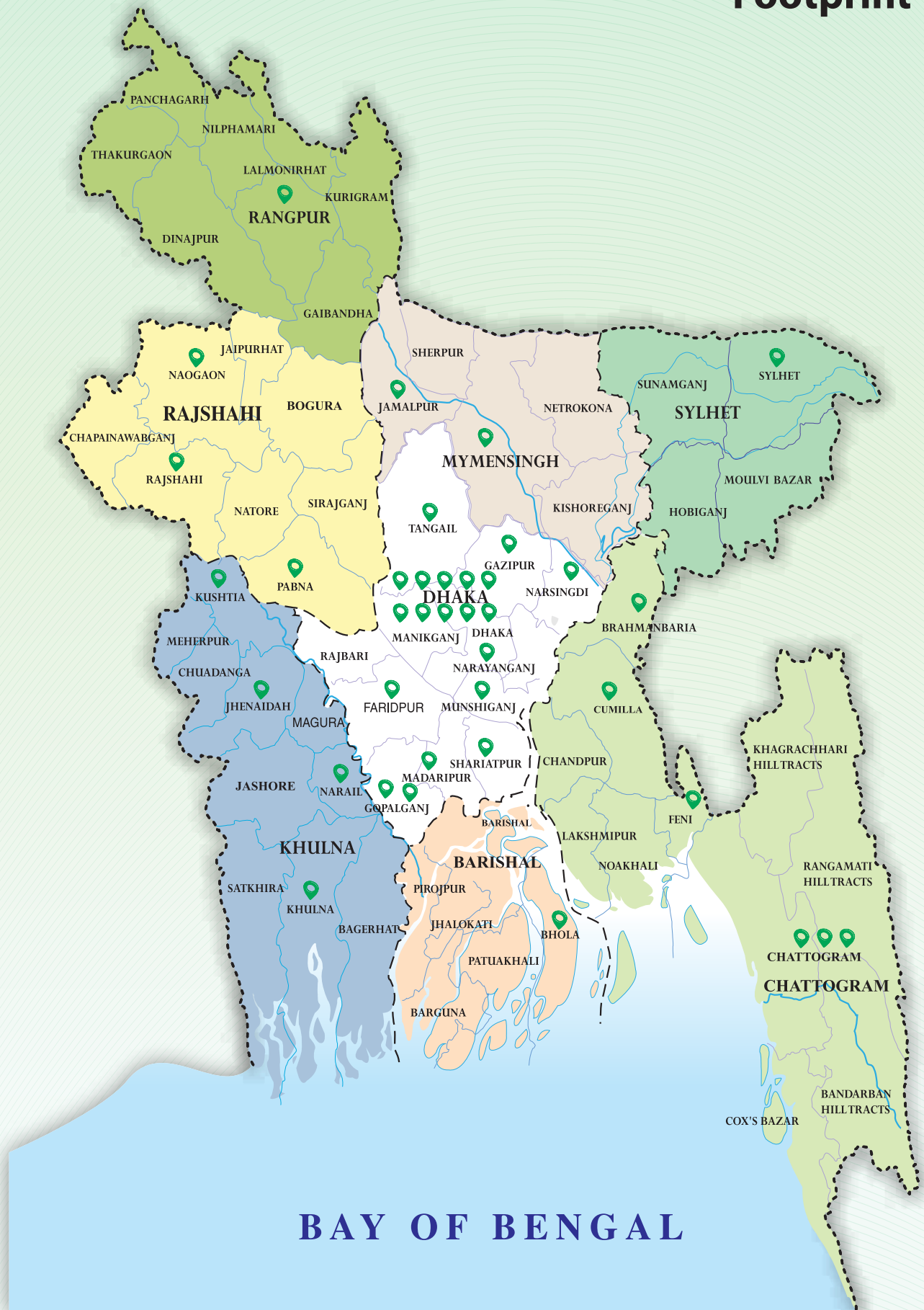
	31-Dec-2018		31-Dec-2017	
	USD	BDT	USD	BDT
3.00 Balance with other Banks and Financial Institutions				
In Bangladesh (<i>Note -3.01</i>)	-	-	-	-
Outside Bangladesh (<i>Note -3.02</i>)	237,284	19,908,131	192,904	15,953,175
	237,284	19,908,131	192,904	15,953,175
3.01 In Bangladesh	-	-	-	-
	-	-	-	-
3.02 Outside Bangladesh				
Current Account	237,284	19,908,131	192,904	15,953,175
	237,284	19,908,131	192,904	15,953,175
4.00 Loans and advances				
i) Loans, cash credits, overdrafts, etc				
Term Loan	-	-	-	-
Lease Finance	-	-	-	-
T.R. Loan	-	-	-	-
	-	-	-	-
ii) Bills purchased and discounted (note-5)				
Inside Bangladesh				
Inland bills purchased and discounted	27,125,458	2,275,825,965	25,182,085	2,082,558,396
Outside Bangladesh				
Foreign bills purchased and discounted	291,669	24,471,029	787,185	65,100,231
	27,417,127	2,300,296,994	25,969,270	2,147,658,627
	27,417,127	2,300,296,994	25,969,270	2,147,658,627
4.01 Geographical location-wise Loans and Advances				
Dhaka	27,417,127	2,300,296,994	25,969,270	2,147,658,627
Chittagong Division	-	-	-	-
Sylhet	-	-	-	-
Rajshahi Division	-	-	-	-
Khulna	-	-	-	-
Barisal	-	-	-	-
	27,417,127	2,300,296,994	25,969,270	2,147,658,627
4.02 Classification of Loans and Advances				
Unclassified :				
(i) Standard	27,417,127	2,300,296,994	25,969,270	2,147,658,627
(ii) Special mention account	-	-	-	-
Classified :				
(i) Substandard	-	-	-	-
(ii) Doubtful	-	-	-	-
(iii) Bad / Loss	-	-	-	-
	27,417,127	2,300,296,994	25,969,270	2,147,658,627

	31-Dec-2018		31-Dec-2017	
	USD	BDT	USD	BDT
5.00 Bills purchased and discounted				
In Bangladesh	27,125,458	2,275,825,965	25,182,085	2,082,558,396
Outside Bangladesh	291,669	24,471,029	787,185	65,100,231
	27,417,127	2,300,296,994	25,969,270	2,147,658,627
6.00 Fixed assets including premises, furniture and fixtures				
Cost				
Furniture and fixtures	4,196	352,085	4,196	329,424
Electrical Equipments	1,452	121,842	1,452	114,000
	5,649	473,927	5,649	443,424
Less: Accumulated depreciation				
Furniture and fixture	1,047	87,811	652	51,184
Electrical Equipments	724	60,777	451	35,426
	1,771	148,588	1,103	86,610
	3,878	325,339	4,545	356,814
7.00 Other assets				
Advance deposits and advance rent	1,125	94,380	1,125	93,030
Other prepaid expense	55,740	4,676,557	88,163	7,291,075
Interest receivable on Bills discount				
	56,865	4,770,937	89,288	7,384,105
8.00 Borrowing from other banks, financial Institutions and its agents				
In Bangladesh:				
Modhumoti Bank Limited	10,100,000	847,390,000	6,453,000	533,663,100
Eastern Bank Limited	-	-	3,000,000	248,100,000
Rupali Bank Limited	7,500,000	629,250,000	-	-
South Bangla Agriculture and Commerce Bank Ltd.	1,000,000	83,900,000	-	-
National Credit and Commerce Bank Limited	1,000,000	83,900,000	-	-
The City Bank Limited	-	-	1,860,000	153,822,000
United Commercial Bank Limited	1,000,000	83,900,000	-	-
Agrani Bank Ltd.	-	-	5,000,000	413,500,000
Commercial Bank of Ceylon	-	-	1,500,000	124,050,000
The Premier Bank Ltd.	-	-	2,000,000	165,400,000
NRB Bank Ltd.	1,000,000	83,900,000	-	-
	21,600,000	1,812,240,000	19,813,000	1,638,535,100
Outside Bangladesh	5,708,126	478,911,807	5,670,000	468,909,000
	27,308,126	2,291,151,807	25,483,000	2,107,444,100
9.00 Deposit and other accounts				
Current deposits and other accounts	58,235	4,885,913	231,612	19,154,298
Modhumoti Bank Limited				
Bangladesh Bank	-	-	-	-
	58,235	4,885,913	231,612	19,154,298
10.00 Other liabilities				
Interest payable on borrowings	68,594	5,755,056	150,059	12,409,885
Due to Head Office	15,933	1,336,806	28,570	2,362,747
Others	-	-	96	7,928
	84,528	7,091,861	178,725	14,780,560

	31-Dec-2018		31-Dec-2017	
	USD	BDT	USD	BDT
11.00 Surplus in Profit and Loss Account				
Opening balance	362,671	29,283,564	145,065	11,387,183
Less: Adjustment/ payment for the year	(362,671)	(29,283,564)	(145,065)	(11,387,183)
Add: Addition during the year	264,265	22,066,114	362,671	29,283,564
	264,265	22,066,114	362,671	29,283,564
12.00 Contingent liabilities				
12.01 Acceptance & endorsement				
Back to Back bills	-	-	-	-
Less: Margin	-	-	-	-
	-	-	-	-
12.02 Letters of credits				
Letters of credits	-	-	-	-
Back to Back letter of credit	-	-	-	-
	-	-	-	-
Less: Margin	-	-	-	-
	-	-	-	-
12.03 Letter of guarantee				
Letters of guarantee (Local)	-	-	-	-
Letters of guarantee (Foreign)	-	-	-	-
Foreign counter guarantees	-	-	-	-
	-	-	-	-
Less: Margin	-	-	-	-
	-	-	-	-
12.04 Bills for collection				
Outward local bills for collection	-	-	-	-
Inward foreign bills for collection	-	-	-	-
	-	-	-	-
Less: Margin	-	-	-	-
	-	-	-	-
13.00 Interest income				
Term Loan				
LTR loan				
Bills discount	1,322,167	110,400,981	1,070,103	86,400,149
Others	-	-	-	-
Interest on loans and advances	1,322,167	110,400,981	1,070,103	86,400,149
Interest on balance with other banks and financial institutions	2,294	191,570	2,733	220,653
Interest received from foreign banks	-	-	-	-
	2,294	191,570	2,733	220,653
Total Interest income	1,324,462	110,592,551	1,072,836	86,620,802
14.00 Interest paid on deposits, borrowings, etc.				
Interest paid on borrowings, etc.	1,074,626	89,731,281	750,020	60,556,601
Interest paid on Bangladesh Bank				
	1,074,626	89,731,281	750,020	60,556,601

	31-Dec-2018		31-Dec-2017	
	USD	BDT	USD	BDT
15.00 Commission, exchange and brokerage				
Commission, exchange and brokerage	36,489	3,046,847	49,875	4,026,908
	36,489	3,046,847	49,875	4,026,908
16.00 Other operating income				
Postage / SWIFT/ fax recoveries from Others Business	320	26,720	930	75,088
	320	26,720	930	75,088
17.00 Salaries and Allowances				
Basic salary	4,324	361,088	-	-
Other Salary & Allowances	9,390	784,092	-	-
Provident Fund	432	36,109	-	-
	14,147	1,181,289	-	-
18.00 Rent, taxes, insurance, electricity etc.				
Rent, rates and taxes	3,588	299,598	3,588	289,695
Insurance	26	2,155	27	2,149
Electricity and lighting	573	47,835	712	57,512
	4,187	349,588	4,327	349,356
19.00 Postage, stamp, telecommunication etc.				
Postage	6	481	-	-
Telephone	-	-	6	512
	6	481	6	512
20.00 Stationery, printing, advertisements etc.				
Petty stationery	119	9,907	135	10,886
Publicity and advertisement	41	3,388	98	7,920
	159	13,296	233	18,806
21.00 Depreciation and repairs of Bank's assets				
Furniture and fixtures	395	32,948	408	31,991
Electrical appliance	273	22,805	282	22,142
Repairs of assets	29	2,417	-	-
	697	58,170	690	54,133
22.00 Other expenses				
Security and cleaning	2,636	220,074	-	-
Entertainment	218	18,231	374	30,223
Travelling expenses	-	-	64	5,193
Conveyance	62	5,160	91	7,342
Other expense	269	22,433	321	25,912
	3,184	265,899	851	68,669

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
Charfassion 25 October 2015	Mr. Md. Rezaul Kabir Senior Executive Officer Cell : 01712643584	Zilla Parisad Market (1 st floor) Sadar Road, Charfassion Bhola	(0492) 374067

Chattogram Division 06 Branches

District: Brahmanbaria			
Branch Name/ Date of opening	Manager Details	Address	Phone
Ashuganj 13 April 2017	Mr. Md. Ziaul Wahid Assistant Vice President Cell : 01717430466	HaziFazlul Huq Mansion (1 st floor) Kachari Road, Ashuganj Sadar, Brahmanbaria	-

District: Chattogram			
Branch Name/ Date of opening	Manager Details	Address	Phone
Agrabad 27 November 2014	Mr. Md. Kayum Zaman Vice President Cell : 01719632906	Dar-E-Shahidi (1 st floor) 69 Agrabad C/A Chattogram	(031) 2520449 (031) 2520450
O. R Nizam Road 16 September 2018	Mr. Mohammed Kawsar Elahee Meah First Assistant Vice President Cell : 01977456456	Impulse City Center (1 st Floor B-1), O. R Nizam Road Golpahar More, panchlaish Chattogram	-
Mirsharai 06 August 2019	Mr. Aminul Islam First Assistant Vice President Cell : 01815599596	Alauddin Center (1st Floor) Abu Torab Bazar, Mirsharai Chattogram	-

District: Cumilla			
Branch Name/ Date of opening	Manager Details	Address	Phone
Konkapoit 03 August 2017	Mr. Md. Jamal Hossain Senior Executive Officer Cell : 01714320018	Al-Mostafa Heritage (1 st floor) Konkapoit Bazar, Chouddogram, Cumilla	-

District: Feni			
Branch Name/ Date of opening	Manager Details	Address	Phone
Chhagalnaiya 28 November 2018	Mr. Sawpan Kumar Barua First Assistant Vice President Cell : 01819630440, 01746743273	A.N. Modhumoti Market, 1 st Floor Haji B Zaman Road-1, Jamaddar Bazar, Chhagalnaiya, Feni	-

Dhaka Division	20 Branches
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District: Dhaka			
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Branch Name/ Date of opening	Manager Details	Address	Phone
Aganagar 14 May 2015	Mr. Mohammad Najib Ullah First Vice President Cell: 01713329470	Alam Tower East Aganagar, Keraniganj Dhaka	(02) 7761888 (02) 7762111
Ashulia 23 January 2014	Mr. Mohammed Monirul Haq Assistant Vice President Cell : 01911389803	Altab Plaza (1 st floor) Jamgora Ashulia, Savar, Dhaka	-
Banglamotor 28 November 2016	Mr. Noman Kabir Vice President Cell : 01716223007	Rupayan Trade Centre (1 st floor), 114 Kazi Nazrul Islam Avenue, Banglamotor, Dhaka	(02) 55138544 (02) 55138545 (02) 55138546
Gulshan 30 January 2014	Mr. Mohammad Abu Toyab Vice President Cell : 01823925323	75 Gulshan Avenue Gulshan-1, Dhaka	(02) 9860392 (02) 9860332 (02) 9860011 (02) 9860310
Mirpur 07 December 2017	Mr. Md. Kawsar Ali Molla First Vice President Cell : 01713487990	Mid Town Trade Centre (1 st floor), Main Road-3, Section-7 Pallabi, Mirpur, Dhaka	(02) 58051128 (02) 58051129
Mitford 02 October 2014	Mr. Shah Md. Humayun Kabir Vice President Cell : 01711566486	57-58, Mitford Road Dhaka	(02) 7343678 (02) 7343035
Motijheel 19 September 2013	Mr. Muhammad Amir Hossain Sarker Vice President Cell : 01715162664	DCCI Building (ground floor) 65-66, Motijheel C/A Dhaka-1000	(02) 9586686 (02) 9586687 (02) 9583806
Sheikh Kamal Sarani 01 September 2016	Mr. Atiqul Islam Akhand Vice President Cell : 01713329380	24/C, Sheikh Kamal Sarani Road 27 (old), 16 (new) Dhanmondi R/A, Dhaka	(02) 9119405 (02) 9119406
Uttara 18 December 2014	Mr. Mohammad Omar Faruq Khan Vice President Cell : 01712262170	Singapore Plaza (1 st floor) House-17, Road-02 Section-03, Uttara Model Town, Dhaka	(02) 7914690 (02) 7914672 (02) 7914696
VIP Road 29 November 2018	Mr. Md. Kamruzzaman Vice President Cell : 01841906698	Sel Trident Tower, Suite-202 (1 st floor , East Side), 57 (old-66) Purana Paltan Line Inner Circular (VIP) Road, Dhaka	-

District: Faridpur			
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Branch Name/ Date of opening	Manager Details	Address	Phone
Kanaipur 16 March 2014	Mr. Md. Asfakur Rahaman Assistant Vice President Cell : 01914948576	Co-Operative Market (1 st floor) Kanaipur Bazar, Kanaipur Faridpur	-

District: Gazipur			
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Branch Name/ Date of opening	Manager Details	Address	Phone
Mawna 31 October 2016	Mr. Mohammad Sanowar Hossain Assistant Vice President Cell : 01712677460	Haji A. Salam Super Market (1 st floor), Mawna Bazar Sreepur, Gazipur	-

District: Gopalganj			
Branch Name/ Date of opening	Manager Details	Address	Phone
Sheikh Fajilatunnessa Mujib Eye Hospital 05 June 2016	Mr. S M Md. Shahabuddin Senior Executive Officer Cell : 01710692242	Rental Hostel (1 st floor), Sheikh Fajilatunnessa Mujib Eye Hospital Ghonapara, Gopalganj	(02) 6681254
Muksudpur 12 April 2018	Mr. Shihab Jahangir First Assistant Vice President Cell : 01714005649	Monowara Shopping Complex (1 st floor), Chourangi, Muksudpur Sadar, Gopalganj	-

District: Madaripur			
Branch Name/ Date of opening	Manager Details	Address	Phone
Shibchar 29 November 2015	Mr. Abdul Wadud Principal Officer Cell : 01948604206	Ilias Ahmed Chowdhury Pouro Super Market (1 st floor) Shibchar, Madaripur	(06624) 56350 (06624) 56351-2

District: Munshiganj			
Branch Name/ Date of opening	Manager Details	Address	Phone
Shekharnagar 24 March 2016	Mr. Mohammad Almas Ali Principal Officer Cell : 01675289818	Baitul Mamur Jame Masjid Market (1 st floor), Shekharnagar Sirajdikhan, Munshiganj	-

District: Narayanganj			
Branch Name/ Date of opening	Manager Details	Address	Phone
Kanchan 16 April 2015	Mr. Sheik Kamal Hossain First Assistant Vice President Cell : 01834300251	Chan Plaza (1 st floor), Kanchan Bazar, Rupgonj, Narayanganj	-

District: Narsingdi			
Branch Name/ Date of opening	Manager Details	Address	Phone
Shibpur 27 December 2017	Mr. Enayet Hossain Robin Senior Executive Officer Cell : 01684915370	Holding No.135/1 (1 st floor) College Gate, Shibpur Sadar Narsingdi	-

District: Shariatpur			
Branch Name/ Date of opening	Manager Details	Address	Phone
Bhedarganj 28 July 2019	Mr. Nasirul Amin First Assistant Vice President Cell : 01717784891	Maa Plaza (1 st Floor), Tiringir More, Bhedarganj Upazila Shariatpur	-

District: Tangail			
Branch Name/ Date of opening	Manager Details	Address	Phone
Shakhipur 13 November 2014	Mr. Kazi Arifur Rahman First Assistant Vice President Cell : 01755966565	SMG Shopping Complex (1 st floor), Dhaka Road Shakhipur, Tangail	-

Khulna Division	04 Branches
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District: Jhenaidah			
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Branch Name/ Date of opening	Manager Details	Address	Phone
Jinnahnagar 27 March 2014	Mr. Kazi Shakhawat Hossain Principal Officer Cell : 01718770568	Jinnahnagar Bazar, Durgapur Maheshpur, Jhenaidah	-

District: Khulna			
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Branch Name/ Date of opening	Manager Details	Address	Phone
Khulna 31 March 2016	Mr. Mohammad Anas Senior Vice President Cell : 01715199759	Islam Trade Centre (1 st floor) 18 KDA Avenue, Khulna	-

District: Kushtia			
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Branch Name/ Date of opening	Manager Details	Address	Phone
Bheramara 02 February 2017	Mr. Md. Azizul Islam First Assistant Vice President Cell : 01715016891	Professor Para, Godown More Bheramara, Kushtia	-

District: Narail			
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Branch Name/ Date of opening	Manager Details	Address	Phone
Kalia 30 July 2018	Mr. Sharif Abu Aslam Principal Officer Cell : 01914154493	778 Godown Road, Ramnagar Kalia Pourashova, Kalia, Narail	-

Mymensingh Division	02 Branches
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District: Jamalpur			
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Branch Name/ Date of opening	Manager Details	Address	Phone
Melandaha 11 April 2019	Mr. Md. Mostafizur Rahman First Assistant Vice President Cell : 01818267237	Jinnah Super Market (1 st Floor) Melandaha Bazar, Melandaha Jamalpur	-

District: Mymensingh			
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Branch Name/ Date of opening	Manager Details	Address	Phone
Shambhuganj 10 October 2016	Mr. Mohammad Musabbir Hossan First Assistant Vice President Cell : 01912637937	Saha Market (1 st floor) Shambhuganj Bazar Shambhuganj, Mymensingh	-

Rajshahi Division	03 Branches
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District: Naogaon

Branch Name/ Date of opening	Manager Details	Address	Phone
Naogaon 26 December 2017	Mr. Md. Anamul Haque Senior Executive Officer Cell : 01775508837	Time Square (1 st floor) Bazar Road, Naogaon Sadar Naogaon	(0741) 81481 (0741) 81482

District:Pabna

Branch Name/ Date of opening	Manager Details	Address	Phone
Pabna 07 June 2018	Mr. G.M. Hasan Shahrior Principal Officer Cell : 01717462508	Omar Sopping Complex (1 st Floor) 65 M.M Ali Road Shibrampur Pabna Sadar, Pabna	-

District: Rajshahi

Branch Name/ Date of opening	Manager Details	Address	Phone
Rajshahi 20 October 2015	Mr. Dipon Chandra Roy Assistant Vice President Cell : 01716690409	RCCI Building (1 st Floor) Station Road, Rajshahi	(0721) 770428 (0721) 770429

Rangpur Division	01 Branch
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District: Rangpur

Branch Name/ Date of opening	Manager Details	Address	Phone
Pirgonj 11 February 2016	Mr. Md. Abul Kalam Azad First Assistant Vice President Cell : 01716337301	Zaman Plaza (1 st floor) Thana Road, Pirgonj, Rangpur	(05227) 56208

Sylhet Division	01 Branch
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District: Sylhet

Branch Name/ Date of opening	Manager Details	Address	Phone
Amberkhana 24 November 2013	Mr. Suman Kumar Paul Executive Officer Cell : 01718377849	Amin Complex (1 st floor) Waves, 80-A/1, Amberkhana Sylhet	(0821) 715424

The Bank has already set up its own ATMs beside its branches through sharing Q-Cash branded largest Shared ATM/POS/NPSB network in Bangladesh to provide services to its clients.

Foreign Correspondent Bank Network

Country	Bank Name
AUSTRALIA	MIZUHO BANK, LTD. SYDNEY BRANCH
	STATE BANK OF INDIA AUSTRALIA
BAHRAIN	KEB HANA BANK, BAHRAIN BRANCH
	MASHREQ BANK PSC
	NATIONAL BANK OF PAKISTAN
BELGIUM	BELFIUS BANK SA/NV
	KBC BANK NV
CHINA	AXIS BANK LIMITED SHANGHAI BRANCH
	BANK OF WENZHOU (FORMERLY WENZHOU CITY COMMERCIAL BANK)
	CHINA EVERBRIGHT BANK
	BANK OF COMMUNICATIONS
	BANK OF NINGBO
	INDUSTRIAL BANK CO. LTD.
	INDUSTRIAL BANK OF KOREA (CHINA) LIMITED
	JIANGSU JIANGYAN RURAL COMMERCIAL BANK CO., LTD
	JIANGSU JIANGNAN RURAL COMMERCIAL BANK CO.,LTD. (FORMALY JIANGSU WUJIN RURAL BANK)
	JIANGSU JINGJIANG RURAL COMMERCIAL BANK CO., LTD
	BANK OF HUZHOU CO.,LTD CHINA
	YINZHOU BANK
	RURAL COMMERCIAL BANK OF ZHANGJIAGANG CHINA
	CHANGSHU RURAL COMMERCIAL BANK CHINA
	SHINHAN BANK
	EGYPT
FRANCE	KBC BANK NV, FRANCE
	U.B.A.F (UNION DE BANQUES ARABES ET FRANCAISES)
	NATIONAL BANK OF PAKISTAN
GERMANY	ICICI BANK UK PLC
	MIZUHO BANK, LTD. DUESSELDORF BRANCH
	HAMBURG COMMERCIAL BANK AG GERMANY
	NATIONAL BANK OF PAKISTAN, FRANKFURT
HONGKONG	PBL FINANCE (HONG KONG) LIMITED
	EBL FINANCE (HK) LIMITED
	AXIS BANK LIMITED
	AB INTERNATIONAL FINANCE LTD (A SUBSIDIARY COMPANY OF AB BANK LIMITED, DHAKA, BANGLADESH)
	MASHREQBANK PSC., HONG KONG BRANCH
	THE BANK OF NEW YORK MELLON, HONG KONG BRANCH
	TORONTO DOMINION BANK
ICELAND	NBI HF
INDIA	AXIS BANK LIMITED
	AB BANK LIMITED- MUMBAI BRANCH
	SONALI BANK KOLKATA
	ICICI BANK LIMITED
	MASHREQ BANK, INDIA
	UNITED BANK OF INDIA
	INDUSIND BANK LIMITED
ITALY	UNICREDIT S.P.A.
	BANCA UBAE SPA
	BANCA POPOLARE DELL'EMILIA ROMAGNA
	CREDITO EMILIANO S.P.A. ITALY
	KBC BANK NV, ITALY

Country	Bank Name
JAPAN	U.B.A.F. - UNION DE BANQUES ARABES ET FRANCAISES TOKYO BRANCH
	KEB HANA BANK, JAPAN BRANCH
	NATIONAL BANK OF PAKISTAN
	MIZUHO BANK, LTD.
KOREA	U.B.A.F.-UNION DE BANQUES ARABES ET FRANCAISES
	KOOKMIN BANK
	SHINHAN BANK
	BUSAN BANK
	INDUSTRIAL BANK OF KOREA
	KEB HANA BANK
KUWAIT	MASHREQ BANK
LATVIA	AS 'PRIVATBANK'
MALAYSIA	MIZUHO BANK (MALAYSIA) BERHAD
NETHERLAND	DEUTSCHE BANK A.G. AMSTERDAM
	KBC BANK NV, NETHERLAND
PAKISTAN	NIB BANK LIMITED
	MCB BANK LIMITED
POLAND	POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA POLAND
QATAR	UNITED BANK LIMITED, DOHA
	MASHREQ BANK, QATAR
RUSSIA	VOZROZHDENIE BANK RUSSIAN FEDERATION
SAUDI ARABIA	NATIONAL BANK OF PAKISTAN
	BANK AL-JAZIRA
SINGAPORE	U.B.A.F. - UNION DE BANQUES ARABES ET FRANCAISES
	AXIS BANK LIMITED
	ICICI BANK LIMITED, SINGAPORE BRANCH
	KEB HANA BANK, SINGAPORE BRANCH
	MIZUHO BANK, LTD. SINGAPORE BRANCH
SPAIN	CAIXA BANK, S.A.
SRI LANKA	AXIS BANK LTD.
	COMMERCIAL BANK OF CEYLON PLC
SWITZERLAND	HABIB BANK AG ZURICH
	UBL (SWITZERLAND) AG/ UNITED BANK A.G., ZURICH
	BSI S.A
TAIWAN	MIZUHO BANK, LTD.,TAIPEI BRANCH
	THE BANK OF NEW YORK MELLON, TAIPEI BRANCH
THAILAND	MIZUHO BANK, LTD., BANGKOK BRANCH
	BANK OF AYUDHYA PUBLIC COMPANY LIMITED
TURKEY	DENIZBANK A.S.
UAE	HABIB BANK AG ZURICH
	AXIS BANK LIMITED, DIFC BRANCH (REGULATED BY DFSA)
	ICICI BANK LIMITED, UAE BRANCH
	MASHREQ BANK PSC.
	NOOR BANK P.J.S.C.
UK	HABIB-UK PLC
	ICICI BANK UK PLC
	KEB HANA BANK, LONDON BRANCH
	MASHREQ BANK PSC, LONDON BRANCH
	SONALI BANK (UK) LTD
UKRAINE	PJSC 'BANK CREDIT DNEPR'
USA	MASHREQ BANK PSC., NEW YORK BRANCH
	NATIONAL BANK OF PAKISTAN, NEW YORK

Division & District-wise Agent Details of Modhumoti Digital Banking

Barishal Division 4 Agent Points

District: Bhola

Upazila: Charfassion		Monitoring Branch: Charfassion		Agent Point: 04
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Aslampur Union Digital Centre 28-11-17	Minhazul Islam Cell : 01714-868232	Aslampur Union Parishad Charfassion Upazila, Bhola	minhazul.up@gmail.com	
Jahanpur Union Digital Centre 28-11-17	Mphammad Omar Faruk Cell : 01741-005087	Jahanpur Union Parishad Charfassion Upazila, Bhola	farukjahanpur01@gmail.com	
Hazariganj Union Digital Centre 28-11-17	Md. Hasnain (Al Amin) Cell : 01716607517	Hazariganj Union Parishad Charfassion Upazila, Bhola	hasnainhu@gmail.com	
Abu Bakarpur Union Digital Centre 28-11-17	Md. Jahirul Islam Cell : 01727 924531	Abu Bakarpur Union Parishad, Charfassion Upazila, Bhola	jahirulislam7235@gmail.com	

Dhaka Division 155 Agent Points

District: Dhaka

Upazila: Nawabganj		Monitoring Branch: Shekharnagar		Agent Point: 04
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Churain Union Digital Centre 30-08-16	Md. Monjurul Islam Cell : 01624940264	Churain Union Parishad Nawabganj, Dhaka	monjo69@gmail.com	
Barha Union Digital Centre 30-08-16	Md. Sohel Rana Cell : 01918539221	Barha Union Parishad Nawabganj, Dhaka	sohel9221@gmail.com	
Agla Union Digital Centre 23-11-16	Sazzadur Rashid Cell : 01821179444	Agla Union Parishad Nawabganj Upazila, Dhaka	sazzadur.rashid@gmail.com	
Galimpur Union Digital Centre 23-11-16	Kona Akter Cell : 01912373222	Galimpur Union Parishad Nawabganj Upazila, Dhaka	kona.akter0199@gmail.com	

District: Faridpur

Upazila: Bhanga		Monitoring Branch: Muksudpur		Agent Point: 08
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Hamirdi Union Digital Centre 30-09-18	Milu Miah Cell : 01927-352916	Hamirdi Union Parishad Bhanga Upazila, Faridpur	hamirdiup47@gmail.com	
Tuzarpur Union Digital Centre 30-09-18	Md. Arif Hossain Cell : 01756-077147	Tuzarpur Union Parishad Bhanga Upazila, Faridpur	joy.arif23@gmail.com	
Nasirabad Union Digital Centre 30-09-18	Tonmoy Goshal Cell : 01716-757759	Nasirabad Union Parishad Bhanga Upazila, Faridpur	tonmoysoro@gmail.com	
Chumurdi Union Digital Centre 30-09-18	Md. Sharif Molla Cell : 01749-67337	Chumurdi Union Parishad Bhanga Upazila, Faridpur	rshariful77@gmail.com	
Manikdha Union Digital Centre 30-09-18	Md. Prince Mahmud Cell : 01761-535147	Manikdha Union Parishad Bhanga Upazila, Faridpur	princeuic@gmail.com	

Upazila: Bhanga		Monitoring Branch: Muksudpur		Agent Point: 08
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Kawlibera Union Digital Centre 30-09-18	Habibur Rahman Cell : 01703-080842	Kawlibera Union Parishad Bhanga Upazila, Faridpur	habibur301@yahoo.com	
Algi Union Digital Centre 30-09-18	Swapna Akter Cell : 01918-227602	Algi Union Parishad Bhanga Upazila, Faridpur	swapna.tuli@yahoo.com	
Gharua Union Digital Centre 30-09-18	Shahin Molla Cell : 01729-159976	Gharua Union Parishad Bhanga Upazila, Faridpur	uisc.shahin@gmail.com	

Upazila: Faridpur Sadar		Monitoring Branch: Kanaipur		Agent Point: 02
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Kaijuri Union Digital Centre 15-11-16	Md. Romjan Khan Cell : 01713575727	Kaijuri Union Parishad Sadar Upazila, Faridpur	romjakhan.ku@gmail.com	
Krishnanagar Union Digital Centre 15-11-16	Md. Omar Faruque Cell : 01717556772	Krishnanagar Union Parishad, Sadar Upazila Faridpur	omarfaruque24@gmail.com	

Upazila: Modhukhali		Monitoring Branch: Kanaipur		Agent Point: 02
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Jahapur Union Digital Centre 15-11-16	Md Abu Jafar Cell : 01711730154	Jahapur Union Parishad Modhukhali Upazila, Faridpur	jafar7891@gmail.com	
Raipur Union Digital Centre 15-11-16	Md. Rajon Cell : 01711448062	Raipur Union Parishad Modhukhali Upazila, Faridpur	uiscrajon@yahoo.com	

Upazila: Saltha		Monitoring Branch: Kanaipur		Agent Point: 08
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Atghor Union Digital Centre 05-08-18	Md. Tarek Islam Cell : 01714285346	Atghor Union Parishad Saltha Upazila, Faridpur	shovon.udc2014@gmail.com	
Sonapur Union Digital Centre 05-08-18	Md. Hannan Khan Cell : 01911564552	Sonapur Union Parishad Saltha Upazila, Faridpur	uics.titul52@gmail.com	
Jadunandi Union Digital Centre 05-08-18	Md. Abul Basar Juwel Cell : 0175766611	Jadunandi Union Parishad Saltha Upazila, Faridpur	juwelmollah.uisc@gmail.com	
Ramkantapur Union Digital Centre 05-08-18	Md. Anayet Hossain Molla Cell : 01720588479	Ramkantapur Union Parishad, Saltha Upazila Faridpur	anayetmollauisc@gmail.com	
Ballabadi Union Digital Centre 05-08-18	Sajedul Islam Cell : 01741392917	Ballabadi Union Parishad Saltha Upazila, Faridpur	sajedulislam77@gmail.com	
Bhawal Digital Point Centre 05-08-18	Sonjoy Biswas Cell : 01716796672	Bhawal Union Parishad Saltha Upazila, Faridpur	s01716796672@gmail.com	
Majhardia Union Digital Centre 05-08-18	Md. Ripon Hossain Cell : 017577968889	Majhardia Union Parishad Saltha Upazila, Faridpur		
Gatti Union Digital Center 29-01-19	Md. Robiul Islam Cell : 01794349410	Gatti Union Parishad Saltha Upazila, Faridpur	up3nogatti@gmail.com	

District: Gazipur

Upazila: Sreepur		Monitoring Branch: Mawna		Agent Point: 05
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Barmi Union Digital Centre 08-01-17	Md. Mubarak Hossain Cell : 01717815037	Barmi Union Parishad Sreepur Upazila, Gazipur	uiscbarmi100@gmail.com	
Gazipur Union Digital Centre 08-01-17	Md. Sohorab Hossain Cell : 01728918418	Gazipur Union Parishad Sreepur Upazila, Gazipur	gazipur.uisc89@gmail.com	
Mawna Union Digital Centre 08-01-17	Razib Mollah Cell : 01740633093	Mawna Union Parishad Sreepur Upazila, Gazipur	razibhasan82@gmail.com	
Telihati Union Digital Centre 08-01-17	Mahotab Uddin Cell : 01914177156	Telihati Union Parishad Sreepur Upazila, Gazipur	uisc.telihati@gmail.com	
Kaoraid Union Digital Centre 08-01-17	Md. Monwar Hossain Cell : 01768602306	Kaoraid Union Parishad Sreepur Upazila, Gazipur	kaoraiduisc9999@gmail.com	

District: Gopalganj

Upazila: Gopalganj Sadar		Monitoring Branch: SFMEH		Agent Point: 19
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Ulpur Union Digital Centre 30-10-16	Rasel Chowdhury Cell : 01721745843	Ulpur Union Parishad Gopalganj Sadar, Gopalganj	crasel176@yahoo.com	
Majhigati Union Digital Centre 30-10-16	Avissek Biswas Cell : 01737759881	Majhigati Union Parishad Gopalganj Sadar, Gopalganj	abisek2297@gmail.com	
Kajulia Union Digital Centre 30-10-16	Mukul Sheikh Cell : 01736420510	Kajulia Union Parishad Gopalganj Sadar, Gopalganj	mukulsheikh02@gmail.com	
Raghunathpur Union Digital Centre 30-10-16	Nigamamanda Bose Cell : 01912838643	Raghunathpur Union Parishad, Gopalganj Sadar Gopalganj	nigambose@gmail.com	
Kati Union Digital Centre 30-10-16	Md. Shafiqul Alam Cell : 01712440338	Kati Union Parishad Gopalganj Sadar, Gopalganj	Kati.udc@gmail.com	
Chandradigholia Union Digital Centre 12-12-17	S M Touhidul Islam Cell : 01922-802557	Chandradigholia Union Parishad, Sadar Upazila Gopalganj	touhidulalamch@gmail.com	
Nizra Union Digital Centre 12-12-17	Rabiul Islam Cell : 01734-551919	Nizra Union Parishad Sadar Upazila, Gopalganj	udcnizra@gmail.com	
Sahapur Union Digital Centre 12-12-17	Ashok Sarkar Cell : 01728-818585	Sahapur Union Parishad Sadar Upazila, Gopalganj	ashoksarker01@gmail.com	
Jalalabad Union Digital Centre 12-12-17	Md. Meherabul Islam Cell : 01714881747	Jalalabad Union Parishad Sadar Upazila, Gopalganj	uiccmeharab@gmail.com	
Satpar Union Digital Centre 26-04-18	Kamalesh Mandol Cell : 01719762405	Satpar Union Parishad Sadar Upazila, Gopalganj	mandolbulet@gmail.com	
Boultali Union Digital Centre 26-04-18	Iyamin Munsif Cell : 01721200071	Boultali Union Parishad Sadar Upazila, Gopalganj	boneeamine@gmail.com	
Latifpur Union Digital Centre 26-04-18	Md. Kabir Hossain Cell : 01719172719	Latifpur Union Parishad Sadar Upazila, Gopalganj	mmkabirshike10@gmail.com	
Gobra Union Digital Centre 26-04-18	Dulal Chandra Biswas Cell : 01711519817	Gobra Union Parishad Sadar Upazila, Gopalganj	udcgobra@gmail.com	
Paikkandi Union Digital Centre 26-04-18	Md. Sagar Sarder Cell : 01632122904	Paikkandi Union Parishad Sadar Upazila, Gopalganj	agarnewsbd@gmail.com	
Karpara Union Digital Centre 26-04-18	Md. Osman Molla Cell : 01725609190	Karpara Union Parishad Sadar Upazila, Gopalganj	osman609190@gmail.com	

Upazila: Gopalganj Sadar		Monitoring Branch: SFMEH		Agent Point: 19
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Borashi Union Digital Centre 26-04-18	M.M. Maruf Billah Cell : 01736213171	Borashi Union Parishad Sadar Upazila, Gopalganj	21borashi@gmail.com	
Urfi Union Digital Centre 26-04-18	Md. Rana Khan Cell : 01757902780	Urfi Union Parishad, Sadar Upazila, Gopalganj	rana.k6533@gmail.com	
Durgapur Union Digital Centre 07-10-18	Shofikul Islam Cell : 01812623756	Durgapur Union Parishad Sadar Upazila, Gopalganj	shofikul.islam77@yahoo.com	
Haridaspur Union Digital Center 29-01-19	Pabitra Sarkar Cell : 01773399642	Haridaspur Union Parishad Sadar Upazila, Gopalganj	haridaspurup@gmail.com	

Upazila: Kashiani		Monitoring Branch: SFMEH		Agent Point: 12
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Moheshpur Digital Centre 12-12-17	Azizur Rahman Cell : 01718-448861	Moheshpur Union Parishad Kashiani Upazila, Gopalganj	ictkashiani@gmail.com	
Orakandi Union Digital Centre 12-12-17	Palash Chandra Tikader Cell : 01739-571830	Orakandi Union Parishad Kashiani Upazila, Gopalganj	uisc1122@gmail.com	
Parulia Union Digital Centre 12-12-17	Sajol Molla Cell : 01948-066175	Parulia Union Parishad Kashiani Upazila, Gopalganj	smsajolup0088@gmail.com	
Ratoil Union Digital Centre 12-12-17	Arifuzzaman Shichir Cell : 01712-505196	Ratoil Union Parishad Kashiani Upazila, Gopalganj	smshishir39@gmail.com	
Sazail Union Digital Centre 12-12-17	Ibna Jabir Munshi Cell : 01928-794581	Sazail Union Parishad Kashiani Upazila, Gopalganj	86ramjanali@gmail.com	
Kashiani Union Digital Centre 26-04-18	Rubiya Akhter Cell : 01706170301	Kashiani Union Parishad Kashiani Upazila, Gopalganj	islambristy685@gmail.com	
Bethuri Union Digital Center 29-01-19	Kamal Biswas Cell : 01990325657	Bethuri Union Parishad Kashiani Upazila, Gopalganj	komolbiswas@gmail.com	
Fukra Union Digital Center 29-01-19	Shah Alam Cell : 01736592133	Fukra Union Parishad Kashiani Upazila, Gopalganj	sahalamsha18@gmail.com	
Hatiara Union Digital Center 29-01-19	Progga Sarkar Cell : 01727730207	Hatiara Union Parishad Kashiani Upazila, Gopalganj	sarkarprogga31@gmail.com	
Puisur Union Digital Center 29-01-19	Murad Ali Sikder Cell : 01715621035	Puisur Union Parishad Kashiani Upazila, Gopalganj	murad.puisurup@gmail.com	
Nijamkandi Union Digital Center 29-01-19	Liton Shekh Cell : 01981089525	Nijamkandi Union Parishad Kashiani Upazila, Gopalganj	litonshikh58@gmail.com	
Mahmudpur Union Digital Center 29-01-19	Angshu Pati Mistry Cell : 01756453848	Mahmudpur Union Parishad Kashiani Upazila, Gopalganj	mistry.angshu86@gmail.com	

Upazila: Kotalipara		Monitoring Branch: SFMEH		Agent Point: 11
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Amtail Union Digital Centre 12-12-17	Rumon Mia Cell : 01915-595640	Amtali Union Parishad Kotalipara Upazila, Gopalganj	rumonmiah88@gmail.com	
Hiron Union Digital Centre 12-12-17	Md. Omar Faruk Cell : 01920-205922	Hiron Union Parishad Kotalipara Upazila, Gopalganj	mir.omar34@yahoo.com	
Pinjuri Union Digital Centre 12-12-17	Sifat Ahmad Cell : 01934-324702	Pinjuri Union Parishad Kotalipara Upazila, Gopalganj	sifatahmed111@gmail.com	
Ramshil Union Digital Centre 26-04-18	Dipankar Barai Cell : 0191378153	Ramshil Union Parishad Kotalipara Upazila, Gopalganj	dipankarbarai@gmail.com	
Kushla Union Digital Centre 26-04-18	Mohiuddin Fakir Cell : 01753445000	Kushla Union Parishad Kotalipara Upazila, Gopalganj	mohiuddinfokir@gmail.com	

Upazila: Kotalipara	Monitoring Branch: SFMEH		Agent Point: 11
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address
Suagram Union Digital Centre 26-04-18	Subash Chandra Hazra Cell : 01933517702	Suagram Union Parishad Kotalipara Upazila, Gopalganj	subashhazra@yahoo.com
Kalabari Union Digital Centre 26-04-18	Ramlal Barai Cell : 01966572000	Kalabari Union Parishad Kotalipara Upazila, Gopalganj	rambarai2013@gmail.com
Sadullapur Union Digital Centre 26-04-18	Biplab Chakroborti Cell : 01710157104	Sadullapur Union Parishad Kotalipara Upazila, Gopalganj	bsc505050@gmail.com
Bandhabari Union Digital Centre 26-04-18	Asadul Sheikh Cell : 01976229622	Bandhabari Union Parishad Kotalipara Upazila, Gopalganj	asadulsheikh@gmail.com
Radhaganj Union Digital Centre 07-10-18	Anup Bagchi Cell : 01913950225	Radhaganj Union Parishad Kotalipara Upazila, Gopalganj	anupbagchi57@yahoo.com
Kandi Union Digital Centre 28-05-19	Monimohan Barai Cell : 01713578889	Kandi Union Parishad Kotalipara, Gopalganj	Upennuttam2015@gmail.com

Upazila: Muksudpur	Monitoring Branch: Muksudpur		Agent Point: 17
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address
Bahugram Union Digital Centre 12-12-17	Rakibul Hasan Molla Cell : 01767-499646	Bahugram Union Parishad, Muksudpur Upazila, Gopalganj	rakibul.hasan2148@gmail.com
Jalirpar Union Digital Centre 12-12-17	Sumon Mojumdar Cell : 01758-689021	Jalirpar Union Parishad Muksudpur Upazila Gopalganj	sumanmajumder966@yahoo.com
Khandarpara Union Digital Centre 12-12-17	Nuralam Shaikh Cell : 01712-325360	Khandarpara Union Parishad, Muksudpur Upazila, Gopalganj	khandarparaudc@gmail.com
Ujani Union Digital Centre 12-12-17	Sujit Mandal Cell : 01740-595899	Ujani Union Parishad Muksudpur Upazila Gopalganj	sujit.mandal87@gmail.com
Poshargati Union Digital Centre 25-07-18	Ahasan Habib Cell : 01721-312273	Poshargati Union Parishad, Muksudpur Upazila, Gopalganj	ahasan_krish@yahoo.com
Gobindopur Union Digital Centre 25-07-18	Gobinda Biswas Cell : 01717-065987	Gobindopur Union Parishad, Muksudpur Upazila, Gopalganj	gobindobiswas212@gmail.com
Bashbaria Union Digital Centre 25-07-18	Sujit Kumar Bain Cell : 01724-527223	Bashbaria Union Parishad, Muksudpur Upazila, Gopalganj	sujitkumarbain@gmail.com
Moharajpur Union Digital Centre 25-07-18	Fardous Rahman Cell : 01711-309359	Moharajpur Union Parishad, Muksudpur Upazila, Gopalganj	frtanu@yahoo.com
Batikamari Union Digital Centre 25-07-18	Rafiqul Islam Cell : 01712-984383	Batikamari Union Parishad, Muksudpur Upazila, Gopalganj	islam.rafiqul036@gmail.com
Dignagar Union Digital Centre 25-07-18	Kanchan Molla Cell : 01713-577948	Dignagar Union Parishad Muksudpur Upazila Gopalganj	kanchan.mollah78@gmail.com
Gohala Union Digital Centre 25-07-18	Sujon Roy Cell : 01711-514476	Gohala Union Parishad Muksudpur Upazila Gopalganj	sujan11bd@gmail.com

Upazila: Muksudpur		Monitoring Branch: Muksudpur		Agent Point: 17
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Kashalia Union Digital Centre 25-07-18	Mohammad Shahabuddin Shaikh Cell : 01710-810490	Kashalia Union Parishad Muksudpur Upazila Gopalganj	shahabuddinshaikh33@yahoo.com	
Nanikhir Union Digital Centre 25-07-18	Milton Chandra Mondal Cell : 01712-471823	Nanikhir Union Parishad Muksudpur Upazila Gopalganj	miltonmandal35@yahoo.com	
Rajpat Union Digital Centre 25-07-18	Nawsher Ali Molla Cell : 01717-241121	Rajpat Union Parishad Muksudpur Upazila Gopalganj	1234nows@gmail.com	
Vabrasur Union Digital Center 28-01-19	Sakib Mia Cell : 01756251090	Vabrasur Union Parishad Muksudpur Upazila Gopalganj	sima58482@gmail.com	
Mochna Union Digital Center 28-01-19	Chandi Das Cell : 01774769488	Mochna Union Parishad Muksudpur Upazila Gopalganj	chandidas50@gmail.com	
Raghdhi Union Digital Center 28-01-19	Palash Chandra Cell : 01775607830	Raghdhi Union Parishad Muksudpur Upazila Gopalganj	palashsaker401@gmail.com	

Upazila: Tungipara		Monitoring Branch: SFMEH		Agent Point: 05
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Borni Union Digital Centre 30-10-16	Rinku Mia Cell : 01677720749	Borni Union Parishad Tungipara, Gopalganj	rinkuislam2020@gmail.com	
Patgati Union Digital Centre 30-10-16	Maynul Islam Opu Cell : 01711515003	Patgati Union Parishad Tungipara, Gopalganj	maynul_opu@gmail.com	
Kushli Union Digital Centre 26-04-18	Zahangir Alam Cell : 01716123403	Kushli Union Parishad Tungipara Upazila, Gopalganj	uisc2011.bd@gmail.com	
Dumria Union Digital Centre 26-04-18	Sohel Cell : 01712612225	Dumria Union Parishad Tungipara Upazila, Gopalganj	mollahsohel@yahoo.com	
Gopalpur Union Digital Centre 26-04-18	Asit Biswas Cell : 01728382551	Gopalpur Union Parishad Tungipara Upazila, Gopalganj	asit.biswas60@gmail.com	

District: Madaripur

Upazila: Madaripur Sadar		Monitoring Branch: Shibchar		Agent Point: 15
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Bahadurpur Union Digital Centre 05-07-18	Saidur Rahman Cell : 01765423600	Bahadurpur Union Parishad Sadar Upazila, Madaripur	uisc.bahadurpur@gmail.com	
Kalkapur Union Digital Centre 05-07-18	Md. Rubel Cell : 01777-827038	Kalkapur Union Parishad Sadar Upazila, Madaripur	mahim.hossain7@gmail.com	
Kendua Union Digital Centre 05-07-18	Rifat Azad Cell : 01920-740848	Kendua Union Parishad Sadar Upazila, Madaripur	rifatazad2015@gmail.com	
Shirkhara Union Digital Centre 05-07-18	Nazmul Rahman Cell : 01763-319265	Shirkhara Union Parishad Sadar Upazila, Madaripur	upshirkhara@gmail.com	
Jhaoudi Union Digital Centre 05-07-18	Shafikul Isalm Cell : 01727-922352	Jhaoudi Union Parishad Sadar Upazila, Madaripur	shafikjibon@gmail.com	
Khoajpur Union Digital Centre 05-07-18	Juel Cell : 01930-658203	Khoajpur Union Parishad Sadar Upazila, Madaripur	jewelt222@gmail.com	

Upazila: Madaripur Sadar	Monitoring Branch: Shibchar		Agent Point: 15
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address
Chilarchar Union Digital Centre 05-07-18	Dulal Sarnokar Cell : 01742-509267	Chilarchar Union Parishad Sadar Upazila, Madaripur	upchilarchar@gmail.com
Ghatmajhi Union Digital Centre 05-07-18	Mohammad Alauddin Khan Cell : 01917459643	Ghatmajhi Union Parishad Sadar Upazila, Madaripur	alauddinkhan45@gmail.com
Rasti Union Digital Centre 05-07-18	Md. Muhibullah Cell : 01761-730408	Rasti Union Parishad, Sadar Upazila, Madaripur	smnayemahmed@gmail.com
Dhurail Union Digital Centre 05-07-18	Sharmin Akter Cell : 01758-367933	Dhurail Union Parishad Sadar Upazila, Madaripur	smirity786@gmail.com
Kunia Union Digital Centre 05-07-18	Emon Cell : 01765-673246	Kunia Union Parishad, Sadar Upazila, Madaripur	emonkhan1996@gmail.com
Pearpur Union Digital Centre 05-07-18	Ariful Islam Cell : 01912-761609	Pearpur Union Parishad Sadar Upazila, Madaripur	arifnil2021@gmail.com
Mostafapur Union Digital Centre 11-02-19	Kazi Dalia Cell : 01864488695	Mostafapur Union Parishad Sadar Upazila, Madaripur	anisrahman170@yahoo.com
Panch Khola Union Digital Centre 11-02-19	Sajib Matubber Cell : 01928789269	Panch Khola Union Parishad Sadar Upazila, Madaripur	sojibmatubber28@gmail.com
Dudkhali Union Digital Centre 11-02-19	Tawfina Cell : 01924812005	Dudkhali Union Parishad Sadar Upazila, Madaripur	updudkhali@gmail.com

Upazila: Rajoir	Monitoring Branch: Shibchar		Agent Point: 10
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address
Ishibpur Union Digital Centre 05-07-18	Arafat Hosen Cell : 01711-308444	Ishibpur Union Parishad Rajoir Upazila, Madaripur	arafathosen@gmail.com
Badarpasha Union Digital Centre 05-07-18	Md. Arifur Rahman Miah Cell : 01712-793917	Badarpasha Union Parishad, Rajoir Upazila Madaripur	badarpasaudc@gmail.com
Paikpara Union Digital Centre 05-07-18	Md. Merajul Islam Cell : 01714-799725	Paikpara Union Parishad Rajoir Upazila, Madaripur	paikparaudc@gmail.com
Bajitpur Union Digital Centre 05-07-18	Rima Akter Cell : 01937-797878	Bajitpur Union Parishad Rajoir Upazila, Madaripur	sarminadry06@gmail.com
Khalia Union Digital Centre 05-07-18	Habiba Akter Cell : 01765-518928	Khalia Union Parishad Rajoir Upazila, Madaripur	khaliyudc@gmail.com
Kadambari union Digital Centre 05-07-18	Prokash Chandra Bhakta Cell : 01743-549226	Kadambari Union Parishad, Rajoir Upazila Madaripur	kadambariudc@gmail.com
Amgram Union Digital Centre 05-07-18	Kabir Hossain Cell : 01746-681179	Amgram Union Parishad Rajoir Upazila, Madaripur	amgramup@gmail.com
Hossenpur Digital Centre 05-07-18	Naima Akter Cell : 01768-902389	Hossenpur Union Parishad Rajoir Upazila, Madaripur	naimalijue@gmail.com
Horidasdi Union Digital Centre 05-07-18	Md. Easin Sheikh Tipu Cell : 01718-437221	Horidasdi Union Parishad Rajoir Upazila, Madaripur	haridasdiudc@gmail.com
Kabirajpur Union Digital Centre 05-07-18	Salma Khanom Cell : 01720-097582	Kabirajpur Union Parishad Rajoir Upazila, Madaripur	kabirajpurudc@gmail.com

Upazila: Shibchar		Monitoring Branch: Shibchar		Agent Point: 11
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Dattapara Union Digital Centre 08-03-16	Kawsar Munsif Cell : 01771111008	Dattapara Union Parishad Shibchar, Madaripur	dattaparaunionparishad@gmail.com	
Umedpur Union Digital Centre 08-03-16	Md. Rubayet Hussain Cell : 01735183853	Umedpur Union Parishad Shibchar, Madaripur	umedpurup@yahoo.com	
Kutubpur Union Digital Centre 30-03-16	Md. Karim Molla alias Karim Mia Cell : 01728613647	Kutubpur Union Parishad Shibchar, Madaripur	kutubpurup@yahoo.com	
Khathalbari Union Digital Centre 28-04-16	Md. Suruj Miah Cell : 01717459761	Khathalbari Union Parishad Shibchar, Madaripur	suruj.bwsdi@yahoo.com	
Banshkandi Union Digital Centre 28-04-16	Sahanaz Parvin Cell : 01621940577	Banshkandi Union Parishad Shibchar, Madaripur	sahanaakter4@gmail.com	
Madborerchor Union Digital Centre 30-06-16	Md. Shohidul Islam Cell : 01990733233	Madborerchor Union Parishad Shibchar, Madaripur	shakil.aahamed33@gmail.com	
Shiruail Union Digital Centre 30-06-16	Md. Ruhul Amin Cell : 01725362001	Shiruail Union Parishad Shibchar, Madaripur	shiruailup@gmail.com	
Bhadrason Union Digital Centre 30-06-16	Biplob Chandra Pal Cell : 01718518999	Bhadrason Union Parishad Shibchar, Madaripur	bhadrasonuisc21@gmail.com	
Sannasirchar Union Digital Centre 15-11-17	Aspreya Cell : 01791-605511	Sannasirchar Union Parishad Shibchar Upazila, Madaripur	marathossain247@gmail.com	
Kadirpur Union Digital Centre 15-11-17	Abu Syid Miah Cell : 01729-140809	Kadirpur Union Parishad Shibchar Upazila, Madaripur	abusyid2013@yahoo.com	
Panchar Union Digital Centre 15-11-17	Md. Simul Hossain Cell : 01752-088000	Panchar Union Parishad Shibchar Upazila, Madaripur	shimull300@gmail.com	

District: Tangail

Upazila: Delduar		Monitoring Branch: Shakhipur		Agent Point: 08
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Pathrail Union Digital Centre 27-04-17	Asim Kumar Ghosh Cell : 01713562313	Pathrail Union Parishad Delduar Upazila, Tangail	asim.ghosh48@yahoo.com	
Atia Union Digital Centre 27-04-17	Palash Chandra Mondol Cell : 01714830346	Atia Union Parishad Delduar Upazila, Tangail	mpalash76@yahoo.com	
Dewli Union Digital Centre 27-04-17	Aklima Akter Cell : 01740016478	Dewli Union Parishad Delduar Upazila, Tangail	dewli_uisc@yahoo.com	
Dubail Union Digital Centre 27-04-17	Liton Kumer Paul Cell : 01915428687	Dubail Union Parishad Delduar Upazila, Tangail	litonpaul533@yao.com	
Elasin Union Digital Centre 27-04-17	Shariful Islam Cell : 01733031466	Elasin Union Parishad Delduar Upazila, Tangail	sharifulislamamit@gmail.com	
Fazilhati Union Digital Centre 27-04-17	Zesmin Akter Talukder Cell : 01716240171	Fazilhati Union Parishad Delduar Upazila, Tangail	uiscjui@yahoo.com	
Lauhati Union Digital Centre 27-04-17	Md. Jahangir Alam Cell : 01742634944	Lauhati Union Parishad Delduar Upazila, Tangail	lauhati_up@yahoo.com	
Delduar Union Digital Centre 27-04-17	Md. Jewel Miah Cell : 01671978840	Delduar Union Parishad Delduar Upazila, Tangail	jewel978840@gmail.com	

Upazila: Nagarpur	Monitoring Branch: Shakhipur		Agent Point: 12
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address
Salimabad Union Digital Centre 17-10-16	Md. Imran Hossen Cell : 01716292937	Salimabad Union Parishad Nagarpur Upazila, Tangail	imranuiscsa@yahoo.com
Gayhata Union Digital Centre 17-10-16	Md. Ariful Islam Cell : 01716222913	Gayhata Union Parishad Nagarpur Upazila, Tangail	ariful.uisc22@gmail.com
Mokna Union Digital Centre 17-10-16	Md. Abdullah Cell : 01762358316	Mokna Union Parishad Nagarpur Upazila, Tangail	uiscmokna@gmail.com
Dhubria Union Digital Centre 17-10-16	Md. Nazrul Islam Cell : 01734327110	Dhubria Union Parishad Nagarpur Upazila, Tangail	nazrul.rx33@yahoo.com
Doptiar Union Digital Centre 17-10-16	Md. Babul Hossain Cell : 01722404026	Doptiar Union Parishad Nagarpur Upazila, Tangail	jakarulbabu@gmail.com
Nagarpur Union Digital Centre 17-10-16	Aynal Kabir Cell : 01717992474	Nagarpur Union Parishad Nagarpur Upazila, Tangail	mdaoynal@gmail.com
Bhadra Union Digital Centre 17-10-17	Md. Ahidur Rahman Cell : 01712898823	Bhadra Union Parishad Nagarpur Upazila, Tangail	ahidkhan01@gmail.com
Bekra Atgram Union Digital Centre 17-10-16	Shahida Parvin Cell : 01714827426	Bekra Atgram Union Parishad Nagarpur Upazila, Tangail	shahidaparvin.uisc@gmail.com
Shahabatpur Union Digital Centre 17-10-16	Md. Nur Alam Khan Cell : 01748069796	Shahabatpur Union Parishad, Nagarpur Upazila, Tangail	junaed2008@gmail.com
Mamudnagar Union Digital Centre 17-10-16	Md. Sariful Islam Cell : 01727583228	Mamudnagar Union Parishad, Nagarpur Upazila, Tangail	soreful1010@yahoo.com
Pakutia Union Digital Centre 17-10-16	Mohammad Amdad Hossen Cell : 01753560884	Pakutia Union Parishad Nagarpur Upazila, Tangail	uisc_pakutia@yahoo.com
Bharra Union Digital Centre 17-10-16	Md. Razib Miah Cell : 01746792813	Bharra Union Parishad Nagarpur Upazila, Tangail	razibmiah01@gmail.com

Upazila: Shakhipur	Monitoring Branch: Shakhipur		Agent Point: 06
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address
Boheratoil Union Digital Centre 04-02-16	Md. Saddam Hosen Cell : 01748104633	Boheratoil Union Parishad Shakhipur, Tangail	saddam332@gmail.com
Kakrajan Union Digital Centre 04-02-16	Habibur Rahman Cell : 01718291840	Kakrajan Union Parishad Shakhipur, Tangail	habib.kakrajan@gmail.com
Jadobpur Union Digital Centre 07-03-16	Md. Rubel Rana Cell : 01725111025	Jadobpur Union Parishad Shakhipur, Tangail	rubelrana1025@gmail.com
Hatibandha Union Digital Centre 26-07-16	Golam Mostafa Cell : 01724834830	Hatibandha Union Parishad Shakhipur, Tangail	hatibanda.up5@gmail.com
Gazaria Union Digital Centre 31-08-16	Md. Liton Cell : 01737114566	Gazaria Union Parishad Shakhipur, Tangail	gazariaup@gmail.com
Dariapur Union Digital Centre 31-08-16	Mohammad Masum Cell : 01713537347	Dariapur Union Parishad Shakhipur, Tangail	info@masum.us

District: Bagerhat

Upazila: Chitolmari		Monitoring Branch: SFMEH		Agent Point: 07
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Barabaria Union Digital Centre 26-09-17	Sujon Sheikh Cell : 01740947626	Barabaria Union Parishad Chitolmari Upazila, Bagerhat	sujanmodu506@gmail.com	
Kolatala Union Digital Centre 26-09-17	Mintu Sheikh Cell : 017322519015	Kolatala Union Parishad Chitolmari Upazila, Bagerhat	mintu01740@gmail.com	
Shibpur Union Digital Centre 26-09-17	Md.Abdullah Al Mamun Cell : 01934171217	Shibpur Union Parishad Chitolmari Upazila, Bagerhat	abdullaha137@gmail.com	
Santoshpur Union Digital Centre 26-09-17	Salma Akter Cell : 01700882846	Santoshpur Union Parishad Chitolmari Upazila, Bagerhat	salma.rima10@gmail.com	
Charbaniari Union Digital Centre 26-09-17	Mithun Biswas Cell : 01913348087	Charbaniari Union Parishad Chitolmari Upazila, Bagerhat	biswasmithun496@gmail.com	
Chitolmari Union Digital Centre 26-09-17	Md. Abul Hosen Cell : 01930361826	Chitolmari Union Parishad Chitolmari Upazila, Bagerhat	abul.hossen29@gmail.com	
Hizla Union Digital Centre 26-09-17	Gobinda Ray Cell : 01925382622	Hizla Union Parishad Chitolmari Upazila, Bagerhat	gobindaroy23@gmail.com	

Upazila: Fakirhat		Monitoring Branch: Khulna		Agent Point: 08
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Fakirhat Union Digital Centre 28-09-17	Dalia Khatun Cell : 01783158970	Fakirhat Union Parishad Fakirhat Upazila, Bagerhat	fakirhatudc04@gmail.com	
Piljang Union Digital Centre 28-09-17	Mousumi Khatun Cell : 01787189026	Piljang Union Parishad Fakirhat Upazila, Bagerhat	mowshumi14@yahoo.com	
Shuvodia Union Digital Centre 28-09-17	Md. Mazharul Islam Cell : 01741418875	Shuvodia Union Parishad Fakirhat Upazila, Bagerhat	mdmazharulli606@gmail.com	
Lakhpur Union Digital Centre 28-09-17	Md. Deloar Hossain Cell : 01950643552	Lakhpur Union Parishad Fakirhat Upazila, Bagerhat	delwar3552gmail.com	
Naldha-Maubhogh Union Digital Centre 28-09-17	Abdullahil Mamun Cell : 01851672959	Naldha-Maubhogh Union Parishad, Fakirhat Upazila Bagerhat	naldhaup@gmail.com	
Betaga Union Digital Centre 28-09-17	Md. Iqbal Hossain Cell : 01920182262	Betaga Union Parishad Fakirhat Upazila, Bagerhat	iqbaluisc1@gmail.com	
Mulghar Union Digital Centre 28-09-17	Masura Khatun Cell : 01825478007	Mulghar Union Parishad Fakirhat Upazila, Bagerhat	msaurakhatunup@gmail.com	
Bahirdia Mansa Union Digital Centre 28-09-17	Farzana Khatun Cell : 01722467015	Bahirdia Mansa Union Parishad, Fakirhat Upazila Bagerhat	farjanakhatun1993@gmail.com	

Upazila: Mollahat		Monitoring Branch: SFMEH		Agent Point: 07
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Kulia Union Digital Centre 31-10-16	Molla Rezaul Karim Cell : 01920638914	Kulia Union Parishad Mollahat, Bagerhat	khokonmolla96@yahoo.com	
Gaola Union Digital Centre 31-10-16	Bodruzzaman Cell : 01723445307	Gaola Union Parishad Mollahat, Bagerhat	bzaman44@gmail.com	
Kudalia Union Digital Centre 31-10-16	Shamim Khan Cell : 01630181463	Kudalia Union Parishad Mollahat, Bagerhat	powermack.computer@gmail.com	

Upazila: Mollahat		Monitoring Branch: SFMEH		Agent Point: 07
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Atjuri Union Digital Centre 31-10-16	Md. Zillur Rahman Cell : 01718849675	Atjuri Union Parishad Mollahat, Bagerhat	zizimmurrahman@gmail.com	
Udaypur Union Digital Centre 31-10-16	Kishor Kumar Sarkar Cell : 01911579200	Udaypur Union Parishad Mollahat, Bagerhat	kishorkumarsarkar11@gmail.com	
Chunkhola Union Digital Centre 31-10-16	Sheikh Wobayedur Rahman Cell : 01912770775	Chunkhola Union Parishad Mollahat, Bagerhat	wobayedur.rahman@gmail.com	
Gangni Union Digital Centre 31-10-16	Shamirul Islam Cell : 01712174197	Gangni Union Parishad Mollahat, Bagerhat	shaikhshamirul@yahoo.com	

District: Khulna

Upazila: Batiaghata		Monitoring Branch: Khulna		Agent Point: 05
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Jalma Union Digital Centre 16-11-16	Sheuli Bachar Cell : 01912261158	Jalma Union Parishad Batiaghata Upazila, Khulna	sheulibachar@gmail.com	
Batiaghata Union Digital Centre 16-11-16	Prianka Biswas Cell : 01916485204	Batiaghata Union Parishad Batiaghata Upazila, Khulna	priankabiswas2012@gmail.com	
Gongarampur Union Digital Centre 16-11-16	Sumon Mondol Cell : 01952686165	Gongarampur Union Parishad, Batiaghata Upazila, Khulna	sumonmondol87@gmail.com	
Amirpur Union Digital Centre 16-11-16	Md. Mahidul Islam Cell : 01717249489	Amirpur Union Parishad Batiaghata Upazila, Khulna	mahidulislam31@yahoo.com	
Bhanderkote Union Digital Centre 16-11-16	Md. Monirul Islam Cell : 01925216241	Bhanderkote Union Parishad, Batiaghata Upazila, Khulna	monirul.b1982@gmail.com	

Upazila: Dacope		Monitoring Branch: Khulna		Agent Point: 08
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Banishanta Union Digital Centre 25-07-18	Palash Roy Cell : 01946433481	Banishanta Union Parishad Dacope Upazila, Khulna	Palash.88roy@gmail.com	
Kamarkhola Union Digital Centre 25-07-18	Sanjib Banarjee Cell : 01943986532	Kamarkhola Union Parishad Dacope Upazila, Khulna	joybanerjee017@gmail.com	
Tildanga Union Digital Centre 25-07-18	Parikhait Bairagi Cell : 01911838323	Tildanga Union Parishad Dacope Upazila, Khulna	parikhaitbairagi@gmail.com	
Dacope Union Digital Centre 25-07-18	Biswajit Raptan Cell : 01915516532	Dacope Union Parishad Dacope Upazila, Khulna	raptandacope@gmail.com	
Kailashgonj Union Digital Centre 25-07-18	Uttam Mondal Cell : 01918810740	Kailashgonj Union Parishad Dacope Upazila, Khulna	uttammon99@gmail.com	
Bajua Union Digital Centre 25-07-18	Pappu Saha Cell : 01918189989	Bajua Union Parishad Dacope Upazila, Khulna	shaha.pappu@gmail.com	
Loudob Union Digital Centre 25-07-18	Govinda Roy	Loudob Union Parishad Dacope Upazila, Khulna	gobindaray420@gmail.com	
Shutarkhali Union Digital Centre 25-07-18	Raju Gazi Cell : 01951420793	Shutarkhali Union Parishad Dacope Upazila, Khulna	gaziraju1993@gmail.com	

Upazila: Digholia		Monitoring Branch: Khulna		Agent Point: 06
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Aranghata Union Digital Centre 27-09-17	Melon Ray Cell : 01911140398	Aranghata Union Parishad Digholia Upazila, Khulna	meelonr@gmail.com	
Barakpur Union Digital Centre 27-09-17	Md. Abdul Wahid Moral Cell : 01920504546	Barakpur Union Parishad Digholia Upazila, Khulna	wahidmorol@gmail.com	
Digholia Union Digital Centre 27-09-17	Hasib Israk Nayan Cell : 01925513695	Digholia Union Parishad Digholia Upazila, Khulna	hasibisrak@gmail.com	
Gazirhat Union Digital Centre 27-09-17	Uzzal Biswas Cell : 01732592876	Gazirhat Union Parishad Digholia Upazila, Khulna	ujjlbiswas1987@gmail.com	
Jogipal Union Digital Centre 27-09-17	Manira Akter Cell : 01914143840	Jogipal Union Parishad Digholia Upazila, Khulna	minusonali16@gmail.com	
Senhati Union Digital Centre 27-09-17	G.M Shariful Islam Cell : 01911399485	Senhati Union Parishad Digholia Upazila, Khulna	pcsurjo@gmail.com	

Upazila: Dumuria		Monitoring Branch: Khulna		Agent Point: 08
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Kharnia Union Digital Centre 15-03-17	S Jahabur Rahman Cell : 01914652536	Kharnia Union Parishad Dumuria Upazila, Khulna	jahaburrahman@gmail.com	
Dumuria Union Digital Centre 15-03-17	Md. Abdul Kader Biswas Cell : 01713991636	Dumuria Union Parishad Dumuria Upazila, Khulna	kader.dumuria@gmail.com	
Rangpur Union Digital Centre 15-03-17	Lithu Mondal Cell : 01710147536	Rangpur Union Parishad Dumuria Upazila, Khulna	lithumondol1992@gmail.com	
Sharafpur Union Digital Centre 15-03-17	Bipradas Kundu Cell : 01712394155	Sharafpur Union Parishad Dumuria Upazila, Khulna	bipra6.sarafpur@gmail.com	
Sahas Union Digital Centre 15-03-17	Prokash Chandra Biswas Cell : 01713914988	Sahas Union Parishad Dumuria Upazila, Khulna	prokash1972@gmail.com	
Vandarpara Union Digital Centre 15-03-17	Lab Gain Cell : 01713920597	Vandarpara Union Parishad Dumuria Upazila, Khulna	labgain.bd87@gmail.com	
Atlia Union Digital Centre 27-09-17	Santo Kumer Mitra Cell : 01718780858	Atlia Union Parishad Dumuria Upazila, Khulna	meherun.shanto@gmail.com	
Gutudia Union Digital Centre 27-09-17	Shekhar Kumer Mondal Cell : 01915518565	Gutudia Union Parishad Dumuria Upazila, Khulna	shakarmondal11@gmail.com	

Upazila: Paikgacha		Monitoring Branch: Khulna		Agent Point: 10
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Horidhali Union Digital Centre 27-09-17	Anamul Ahmed Cell : 01749090666	Horidhali Union Parishad Paikgacha Upazila, Khulna	udccana1995@gmail.com	
Laskar Union Digital Centre 27-09-17	Mohammad Osman Ali Cell : 01710643388	Laskar Union Parishad Paikgacha Upazila, Khulna	osmanali199270@yahoo.com	
Raruli Union Digital Centre 27-09-17	Sumon Debnath Cell : 01746159192	Raruli Union Parishad Paikgacha Upazila, Khulna	udcsumon1995@gmail.com	
Chandkhali Union Digital Centre 27-09-17	Md. Habibur Rahman (Habib) Cell : 01708636760	Chandkhali Union Parishad Paikgacha Upazila, Khulna	habiburbashar96@gmail.com	
Gadaipur Union Digital Centre 27-09-17	Kazi Hasnat Hossain Cell : 01708915805	Gadaipur Union Parishad Paikgacha Upazila, Khulna	kazinoyon12@gmail.com	
Lata Union Digital Centre 27-09-17	Bimanesh Sarkar Cell : 01761733397	Lata Union Parishad Paikgacha Upazila, Khulna	sbimanesh@gmail.com	
Kapilmuni Union Digital Centre 27-09-17	Md. Monirul Islam Cell : 01719032711	Kapilmuni Union Parishad Paikgacha Upazila, Khulna	monirul.kapilmuni@gmail.com	

Upazila: Paikgacha		Monitoring Branch: Khulna		Agent Point: 10
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Deluti Union Digital Centre 27-09-17	Sadananda Gain Cell : 01711272086	Deluti Union Parishad Paikgacha Upazila, Khulna	milongain86@gmail.com	
Soladana Union Digital Centre 27-09-17	Amirul Islam Gazi Cell : 01916682156	Soladana Union Parishad Paikgacha Upazila, Khulna	md.rajuuisc@gmail.com	
Garaikhali Union Digital Centre 27-09-17	Abu Hena Mostafa Kamal Cell : 01916002004	Garaikhali Union Parishad Paikgacha Upazila, Khulna	abuhena002004@gmail.com	

Upazila: Phultala		Monitoring Branch: Khulna		Agent Point: 04
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Atra Gilatala Union Digital Centre 27-09-17	Md. Shanewas Sardar Cell : 01918606731	Atra Gilatala Union Parishad Phultala Upazila, Khulna	shahnawaz2012sardar@gmail.com	
Damodar Union Digital Centre 27-09-17	Md. Ilias Gazi Cell : 01916284398	Damodar Union Parishad Phultala Upazila, Khulna	issaggazi08@gmail.com	
Phultala Union Digital Centre 27-09-17	Muzahidul Islam Cell : 01913227117	Phultala Union Parishad Phultala Upazila, Khulna	mugahid2014islam@gmail.com	
Zamira Union Digital Centre 27-09-17	Md. Alamgir Hossain Cell : 01762473508	Zamira Union Parishad Phultala Upazila, Khulna	alamgirh553@gmail.com	

Upazila: Rupsha		Monitoring Branch: Khulna		Agent Point: 05
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Noihati Union Digital Centre 17-11-16	Md. Al Mamun Sk. Shimul Cell : 01711928591	Noihati Union Parishad Rupsha Upazila, Khulna	mr.amssbd@gmail.com	
Tilok Salpo Bahirdia Union Digital Centre 17-11-16	Prodip Halder Cell : 01787464551	T.S Bahirdia Union Parishad Rupsha Upazila, Khulna	prodipt30@gmail.com	
Sreefaltala Union Digital Centre 17-11-16	Md. Easir Arafat Cell : 01911295220	Sreefaltala Union Parishad Rupsha Upazila, Khulna	arafat7@yahoo.com	
Ghatbogh Union Digital Centre 17-11-16	Prodip Kumar Sharkar Cell : 01842953098	Ghatbogh Union Parishad Rupsha Upazila, Khulna	prodipt20@gmail.com	
Aichgati Union Digital Centre 17-11-16	Md. Ahsan Ahmed Cell : 01913436403	Aichgati Union Parishad Rupsha Upazila, Khulna	ahsan.uisc@gmail.com	

District: Narail

Upazila: Kalia		Monitoring Branch: Kalia		Agent Point: 12
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
1 No. Babra Hasla Union Digital Centre 31-03-19	Md. Abu Taher Cell : 01747816375	1 No. Babra Hasla Union Parishad, Kalia Upazila Narail	babrahasla01@gmail.com	
2 No. Purulia Union Digital Centre 31-03-19	Md. Monirujaman Cell : 01686083909	2 No. Purulia Union Parishad, Kalia Upazila Narail	simlamoni083909@gmail.com	
3 No. Hamidpur Union Digital Centre 31-03-19	Md. Tutul Ali Meer Cell : 01944251598	3 No. Hamidpur Union Parishad, Kalia Upazila Narail	meer.computer@gmail.com	

Upazila: Kalia		Monitoring Branch: Kalia		Agent Point: 12
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
4 No. Mouli Union Digital Centre 31-03-19	Broja Kishore Das Cell : 01718847547	4 No. Mouli Union Parishad, Kalia Upazila Narail	broja1225@gmail.com	
6 No. Khasial Union Digital Centre 31-03-19	Md. Shaheen Chowdhury Cell : 01749850004	6 No. Khasial Union Parishad, Kalia Upazila Narail	nishicomputercenter2009@gmail.com	
7 No. Joynagar Union Digital Centre 31-03-19	Md. Jashim Uddin Cell : 01719177256	7 No. Joynagar Union Parishad, Kalia Upazila Narail	jasim.udc@gmail.com	
8 No. Kalabaria Union Digital Centre 31-03-19	S. M Shohag Rana Cell : 01712036993	8 No. Kalabaria Union Parishad, Kalia Upazila Narail	shohag129@gmail.com	
9 No. Baisona Union Digital Centre 31-03-19	S.M. Nayeem Hosen Cell : 01761421494	9 No. Baisona Union Parishad, Kalia Upazila Narail	nayeem_udc@yahoo.com	
11 No. Peroli Union Digital Centre 31-03-19	Md. Shamim Hossen Cell : 01949867591	11 No. Peroli Union Parishad, Kalia Upazila Narail	infoshamimudc@gmail.com	
12 No. Chanchuri Union Digital Centre 31-03-19	Md. Shamim Hossen Cell : 01725306708	12 No. Chanchuri Union Parishad, Kalia Upazila Narail	shemudigital@gmail.com	
13 No. Barnal Eliasabad Union Digital Centre 31-03-19	Tisha Khatun Cell : 01980941013	13 No. Barnal Eliasabad Union Parishad, Kalia Upazila, Narail	tishakhatun013@gmail.com	
14 No. Panchgrame Union Digital Centre 31-03-19	Hossain Islam Cell : 01729360028	14 No. Panchgrame Union Parishad, Kalia Upazila Narail	husainislam90@gmail.com	

Mymensingh Division	40 Agent Points
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District: Mymensingh

Upazila: Gauripur		Monitoring Branch: Shambhugonj		Agent Point: 10
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Gauripur Union Digital Centre 08-09-17	Mst. Ripa Akter Cell : 01740846656	Gauripur Union Parishad Gauripur Upazila Mymensingh	2nounionpsrshadgauripur31@gmail.com	
Mailakanda Union Digital Centre 08-09-17	Sudipta Sarker Cell : 01960122387	Mailakanda Union Parishad, Gauripur Upazila, Mymensingh	malaikandaup@gmail.com	
Achintapur Union Digital Centre 08-09-17	Hasim Uddin Cell : 01714914162	Achintapur Union Parishad, Gauripur Upazila, Mymensingh	hasimuddin14924@gmail.com	
Bokainagar Union Digital Centre 08-09-17	Hussain Ahmmed Cell : 01713593490	Bokainagar Union Parishad, Gauripur Upazila, Mymensingh	bokainagarup@gmail.com	
Maoha Union Digital Centre 08-09-17	Md. Touhidul Islam Cell : 01736851706	Maoha Union Parishad Gauripur Upazila Mymensingh	thouhidul8211@gmail.com	

Upazila: Gauripur	Monitoring Branch: Shambhugonj		Agent Point: 10
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address
Sahanati Union Digital Centre 08-09-17	Md. Golam Mahmud Faridi Cell : 01710738211	Sahanati Union Parishad Gauripur Upazila Mymensingh	mahmudpiaus@gmail.com
Sidhla Union Digital Centre 27-02-19	Md. Ziaur Rohman Cell : 01919808720	Sidhla Union Parishad Gauripur Upazila Mymensingh	sidhlauc10@gmail.com
Ramgopalpur Union Digital Centre 27-02-19	Minara Akther Cell : 01988346382	Ramgopalpur Union Parishad, Gauripur Upazila, Mymensingh	minashadek@gmail.com
Dowhakhala Union Digital Centre 27-02-19	Abu Hanif Ahammad Cell : 01712046452	Dowhakhala Union Parishad, Gauripur Upazila, Mymensingh	hanifudc786@gmail.com
Bhangnamari Union Digital Centre 27-02-19	Abdullah Al Mamon Cell : 01735449428	Bhangnamari Union Parishad, Gauripur Upazila, Mymensingh	almamun449428@gmail.com

Upazila: Ishwarganj	Monitoring Branch: Shambhugonj		Agent Point: 10
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address
Atharabari Union Digital Centre 11-08-17	Md. Saddam Hossain Cell : 01926268338	Atharabari Union Parishad Ishwarganj Upazila Mymensingh	saddamhossain.shb@gmail.com
Ishwarganj Union Digital Centre 11-08-17	Bilkis Akter Cell : 01740824452	Ishwarganj Union Parishad, Ishwarganj Upazila, Mymensingh	bilkis.akter010198@gmail.com
Jatia Union Digital Centre 11-08-17	Mohammad Mossarrof Hossen Cell : 01761526263	Jatia Union Parishad Ishwarganj Upazila Mymensingh	mosarrofossen355@yahoo.com
Magtula Union Digital Centre 11-08-17	Md. Atikur Rahman Cell : 01683420338	Magtula Union Parishad Ishwarganj Upazila Mymensingh	mogtola.up7@gmail.com
Maijbag Union Digital Centre 11-08-17	Anisuzzaman Cell : 01714707199	Maijbag Union Parishad Ishwarganj Upazila Mymensingh	zaman01687@gmail.com
Rajibpur Union Digital Centre 11-08-17	Md. Aktaruzzaman Cell : 01763579775	Rajibpur Union Parishad Ishwarganj Upazila Mymensingh	md.aktaruzzaman641@yahoo.com
Sarisha Union Digital Centre 11-08-17	Md. Mazharul Islam Cell : 01761915218	Sarisha Union Parishad Ishwarganj Upazila Mymensingh	mazharul.uisc@gmail.com
Sohagi Union Digital Centre 11-08-17	Shohel Rana Cell : 01725062988	Sohagi Union Parishad Ishwarganj Upazila Mymensingh	sohel@gmail.com
Tarundia Union Digital Centre 11-08-17	Siddiqur Rahman Cell : 01749300717	Tarundia Union Parishad Ishwarganj Upazila Mymensingh	siddiqkajol@gmail.com
Uchakhila Union Digital Centre 11-08-17	Md. Hamidur Rahman Cell : 01740873983	Uchakhila Union Parishad Ishwarganj Upazila Mymensingh	uisc_uchakhila@yahoo.com

Upazila: Mymensingh Sadar		Monitoring Branch: Shambhugonj		Agent Point: 12
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Sirta Union Digital Centre 26-12-16	Md. Hasanul Islam Cell : 01727808443	Sirta Union Parishad, Sadar Upazila, Mymensingh	hasanuisc@gmail.com	
Poran Gonj Union Digital Centre 26-12-16	Delowar Hossain Cell : 01735711106	Poran Gonj Union Parishad Sadar Upazila, Mymensingh	arzuniloy@yahoo.com	
Borar Char Union Digital Centre 26-12-16	Mohammad Shirazul Islam Cell : 01740847194	Borar Char Union Parishad Sadar Upazila, Mymensingh	sirajul.islam.uisc1@gmail.com	
Char Nilaxmia Union Digital Centre 26-12-16	Abdul Jalil Cell : 01553913032	Char Nilaxmia Union Parishad, Sadar Upazila Mymensingh	fakirj362@gmail.com	
Boira Union Digital Centre 27-12-16	A K M Rezaul Karim Cell : 01710500787	Boira Union Parishad, Sadar Upazila, Mymensingh	rezaulkarim355@gmail.com	
Dapunia Union Digital Centre 27-12-16	Md. Ruhul Amin Cell : 01713515725	Dapunia Union Parishad Sadar Upazila, Mymensingh	mdruhul717@gmail.com	
Ghagra Union Digital Centre 27-12-16	Md. Kamruzzaman Cell : 01719377530	Ghagra Union Parishad Sadar Upazila, Mymensingh	sumon.mim@gmail.com	
Khagdahar Union Digital Centre 27-12-16	Md. Monirul Hoque Masud Cell : 01742717151	Khagdahar Union Parishad Sadar Upazila, Mymensingh	masud69.uisc@gmail.com	
Austadhar Union Digital Centre 27-12-16	Md. Nahid Hasan Cell : 01925028639	Austadhar Union Parishad, Sadar Upazila, Mymensingh	nahidhasan1uisc@gmail.com	
Char Iswardia Union Digital Centre 27-12-16	Kamrul Hasan Cell : 01879360302	Char Iswardia Union Parishad Sadar Upazila, Mymensingh	kamrul.uisc2@gmail.com	
Bhabkhali Union Digital Centre 27-02-19	Md. Amdadul Haque Cell : 01734326822	Bhabkhali Union Parishad Sadar Upazila, Mymensingh	amdadul6@gmail.com	
Kustia Union Digital Centre 27-02-19	Mst. Selina Nasnin Cell : 01736815597	Kustia Union Parishad, Sadar Upazila , Mymensingh	salinanasnin@gmail.com	

Upazila: Tarakanda		Monitoring Branch: Shambhugonj		Agent Point: 08
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Tarakanda Union Digital Centre 25-04-17	Manik Mia Cell : 01838352427	Tarakanda Union Parishad Tarakanda Upazila Mymensingh	manik2427@gmail.com	
Kamaria Union Digital Centre 25-04-17	Juwel Mia Cell : 01831036355	Kamaria Union Parishad Tarakanda Upazila Mymensingh	juwelmia018310@gmail.com	
Rampur Union Digital Centre 25-04-17	Md. Faruk Ahmed Cell : 01722907835	Rampur Union Parishad Tarakanda Upazila Mymensingh	farukahmed.uisc@gmail.com	
Banihala Union Digital Centre 25-04-17	Md. Mozammel Hoq Cell : 01750722283	Banihala Union Parishad Tarakanda Upazila Mymensingh	banihalaiup@gmail.com	
Galagaon Union Digital Centre 25-04-17	Md. Ruhul Amin Cell : 01737199541	Galagaon Union Parishad Tarakanda Upazila Mymensingh	ruhulamin.uisc41@gmail.com	

Upazila: Tarakanda		Monitoring Branch: Shambhugonj		Agent Point: 08
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Kamargaon Union Digital Centre 25-04-17	Md. Kamal Hossain Cell : 01718946088	Kamargaon Union Parishad, Tarakanda Upazila, Mymensingh	kamalhossain217@gmail.com	
Kakni Union Digital Centre 27-02-19	Al Mamun Cell : 01920403094	Kakni Union Parishad Tarakanda Upazila Mymensingh	mamunktmb@gmail.com	
Biska Union Digital Centre 25-04-17	Md. Suzan Mia Cell : 01724372819	Biska Union Parishad Tarakanda Upazila Mymensingh	suzan01912@gmail.com	

Rajshahi Division

21 Agent Points

District: Rajshahi

Upazila: Durgapur		Monitoring Branch: Rajshahi		Agent Point: 06
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Naopara Union Digital Centre 18-04-19	Ayub Ansari Cell : 01751362037	Naopara Union Parishad Durgapur Upazila, Rajshahi	ayub82277@gmail.com	
Kismatgankoir Union Digital Centre 18-04-19	Md. Asaduzzaman Shekh Cell : 01737599516	Kismatgankoir Union Parishad, Durgapur Upazila, Rajshahi	Asaduzzaman2ud@yahoo.com Sawonjts.uisc.3up@gmail.com	
Pananagar Union Digital Centre 18-04-19	Md. Tawhid Hasan Cell : 01730501220	Pananagar Union Parishad Durgapur Upazila, Rajshahi	Saddamhosen999@gmail.com	
Jhaluka Union Digital Centre 18-04-19	Md. Saddam Hosen Cell : 01744813481	Jhaluka Union Parishad Durgapur, Rajshahi	Mizansagor120@gmail.com	
Maria Union Digital Centre 18-04-19	Mijanur Rahman Cell : 01740120980	Maria Union Parishad Durgapur, Rajshahi	mahedijudc@gmail.com	
Joynagar Union Digital Centre 18-04-19	Md. Mehedi Al Imam Cell : 01712719070	Joynagar Union Parishad Durgapur, Rajshahi		

Upazila: Godagari		Monitoring Branch: Rajshahi		Agent Point: 07
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Deopara Union Digital Centre 03-09-17	Md. Mahafujul Haque Cell : 01713701435	Deopara Union Parishad Godagari Upazila, Rajshahi	sumon07dup@yahoo.com	
Godagari Union Digital Centre 31-07-18	Md. Maruful Haque Cell : 01740-731373	Godagari Union Parishad Godagari Upazila, Rajshahi	marufhoq20@gmail.com	
Mohonpur Union Digital Centre 31-07-18	Md. Tohidul Islam Cell : 01750-100348	Mohonpur Union Parishad Godagari Upazila, Rajshahi	uisc.2u.godagari.raj@yahoo.com	
Pakri Union Digital Centre 31-07-18	Md. Abul Kalam Azad Cell : 01735-123465	Pakri Union Parishad Godagari Upazila, Rajshahi	uiscpakri@yahoo.com	
Matikata Union Digital Centre 31-07-18	Md. Maudud Hasan Cell : 01789-551735	Matikata Union Parishad Godagari Upazila, Rajshahi	maudud.hasan@gmail.com	
Rishikul Union Digital Centre 31-07-18	Md. Saiful Islam Cell : 01820-509319	Rishikul Union Parishad Godagari Upazila, Rajshahi	saifuljs123@gmail.com	
Bashudebpur Union Digital Centre 31-07-18	Md. Kamruzzaman Cell : 01719-791200	Bashudebpur Union Parishad Godagari Upazila, Rajshahi	kamrulkamu08@gmail.com	

Upazila: Paba	Monitoring Branch: Rajshahi		Agent Point: 08
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address
Darsonpara Union Digital Centre 03-09-17	Md. Mostafizur Rahman Cell : 01741624495	Darsonpara Union Parishad Paba Upazila, Rajshahi	rana.uisc1u@gmail.com
Huzuripara Union Digital Centre 03-09-17	Md. Ziaul Haque Cell : 01724450418	Huzuripara Union Parishad Paba Upazila, Rajshahi	ziaul.uisc@gmail.com
Damkura Union Digital Centre 03-09-17	Md. Nur-A-Salam Cell : 01550009129	Damkura Union Parishad Paba Upazila, Rajshahi	uisc.damkura@gmail.com
Horipur Union Digital Centre 03-09-17	Shariful Islam Cell : 01714228400	Horipur Union Parishad Paba Upazila, Rajshahi	4no.horipurup.pabaraj@gmail.com
Horogram Union Digital Centre 03-09-17	Rakibul Islam Cell : 01728357040	Horogram Union Parishad Paba Upazila, Rajshahi	roniuisc5@gmail.com
Harian Union Digital Centre 03-09-17	Md. Shahabuddin Cell : 01938700502	Harian Union Parishad Paba Upazila, Rajshahi	harianunion@gmail.com
Parila Union Digital Centre 03-09-17	Md. Alomgir Hossain Cell : 01733294275	Parila Union Parishad Paba Upazila, Rajshahi	alomgirudc9@yahoo.com
Borogachi Union Digital Centre 03-09-17	Md. Razu Ahmed Cell : 01745931874	Borogachi Union Parishad Paba Upazila, Rajshahi	razuahmed11@yahoo.com

Rangpur Division	14 Agent Points
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District: Rangpur

Upazila: Pirganj	Monitoring Branch: Pirganj		Agent Point: 14
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address
Kumedpur Union Digital Centre 27-09-16	Md. Monowar Hossain Cell : 01784581767	Kumedpur Union Parishad Pirganj, Rangpur	kumedpurup.rang@gmail.com
Bara Dargah Union Digital Centre 27-09-16	Md. Sanjidul Islam Cell : 01745183488	Bara Dargah Union Parishad, Pirganj, Rangpur	borodargahup2010@gmail.com
Shanerhat Union Digital Centre 27-09-16	Md. Mofazzol Hossain Cell : 01738560200	Shanerhat Union Parishad Pirganj, Rangpur	kholahati2011@gmail.com
Ramnathpur Union Digital Centre 27-09-16	Md. Shariful Islam Cell : 01751205152	Ramnathpur Union Parishad, Pirganj, Rangpur	shariful2021@gmail.com
Chatra Union Digital Centre 02-10-16	Md. Nur Habib Parvej Cell : 01732166770	Chatra Union Parishad Pirganj, Rangpur	chatraup.rang@gmail.com
Madankhali Union Digital Centre 02-10-16	Md. Rezaul Karim Cell : 01737720921	Madankhali Union Parishad, Pirganj, Rangpur	rezaulkarim877@gmail.com
Bhendabari Union Digital Centre 02-10-16	Sumon Kumar Mahonto Cell : 01719463275	Bhendabari Union Parishad, Pirganj, Rangpur	sreesumon9@gmail.com
Pirganj Union Digital Centre 12-05-17	Md. Rabiul Alam Cell : 01723271463	Pirganj Union Parishad Pirganj Upazila, Rangpur	rabiulalam1985@gmail.com
Boro Alampur Union Digital Centre 12-05-17	Md. Shariful islam Cell : 01791841588	Boro Alampur Union Parishad, Pirganj Upazila Rangpur	boroalampurup.rang@gmail.com
Mithipur Union Digital Centre 12-05-17	Md. Oyares Ali Cell : 01750684022	Mithipur Union Parishad Pirganj Upazila, Rangpur	udc.mithipur@gmail.com
Tukuria Union Digital Centre 12-05-17	Md. Fajur Rahman Cell : 01727062072	Tukuria Union Parishad Pirganj Upazila, Rangpur	rebekasultana.fajur@gmail.com
Roypur Union Digital Centre 12-05-17	Md. Helal Mia Cell : 01737524979	Roypur Union Parishad Pirganj Upazila, Rangpur	helalkhan1991@gmail.com

Upazila: Pirganj		Monitoring Branch: Pirganj		Agent Point: 14
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Kabilpur Union Digital Centre 12-05-17	Md. Touhidul Islam Cell : 01764749200	Kabilpur Union Parishad Pirganj Upazila, Rangpur	touhidgion@gmail.com	
Chaitrakul Union Digital Centre 12-05-17	Md. Bakibillha All Cell : 01710727621	Chaitrakul Union Parishad Pirganj Upazila, Rangpur	bakibillhaallhasan1980@gmail.com	

Sylhet Division

7 Agent Points

District: Sylhet

Upazila: Sadar		Monitoring Branch: Amberkhana		Agent Point: 02
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Tuker Bazar Union Digital Centre 28-07-16	Md. Juned Ahmed Cell : 01734358158	Tuker Bazar Union Parishad Sylhet Sadar, Sylhet	uisc_juned@yahoo.com	
Kandi Gao Union Digital Centre 28-07-16	Md. Jahed Islam Cell : 01743076726	Kandi Gao Union Parishad Sylhet Sadar, Sylhet	jahedislam587@gmail.com	

Upazila: South Surma		Monitoring Branch: Pirganj		Agent Point: 05
Agent Point Name/ Date of Opening	Entrepreneurs Details	Address	Email Address	
Kamal Bazar Union Digital Centre 31-05-16	Md. Moin Uddin Cell : 01712302356	Kamal Bazar Union Parishad, Dakshin Surma Sylhet	moinuddinapu@gmail.com	
Tetli Union Digital Centre 31-05-16	Sheikh Md. Emran Ahmed Cell : 01833071302	Tetli Union Parishad Dakshin Surma, Sylhet	mdemran.online@gmail.com	
Jalalpur Union Digital Centre 31-05-16	Bimol Kanti Paul Cell : 01723236261	Jalalpur Union Parishad Dakshin Surma, Sylhet	bimolpaul23@gmail.com	
Daudpur Union Digital Centre 28-06-16	Md. Mahbubur Rahman Cell : 01717926271	Daudpur Union Parishad Dakshin Surma, Sylhet	uisc.daudpur@gmail.com	
Boroikandi Union Digital Centre 28-07-16	Biplob Malakar Cell : 01738111456	Boroikandi Union Parishad, Dakshin Surma Sylhet	biplob_456@yahoo.com	



Registered Office: Banglar Bani Bhaban, 81, Motijheel C/A, Dhaka-1000, Bangladesh
 Head Office: DCCI Building (4th Floor), 65-66 Motijheel C/A, Dhaka-1000

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 Sixth Annual General Meeting of the Bank to be held on Thursday, the 19th September 2019 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 2019.

(Signature of the Proxy) Date :	Revenue Stamp	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 Sixth 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 Sixth Annual General Meeting of Modhumoti Bank Limited on Thursday, the 19th September 2019 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:

DCCI Building (2nd, 3rd & 4th Floor), 65-66 Motijheel C/A, Dhaka
Phone: +8802 9583808,+8802 9583809, Fax: +8802-9583803,+8802-47119350
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