

Audited Financial Statements
of

Modhumoti Bank PLC.

As at and for the year ended 31 December 2023

Independent Auditor's Report
To the Shareholders of Modhumoti Bank PLC.
Report on the Audit of the Financial Statements

Howladar Yunus & Co.
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Opinion

We have audited the financial statements of Modhumoti Bank PLC. (the "Bank"), which comprise the balance sheet as at 31 December 2023 and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of Material accounting policy information.

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 2023, and of its profit and loss account and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.1.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note 2.01, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the 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 Bank audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on antifraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:



- a. internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
 - b. nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities.
- (iii) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;
 - (iv) the records and statements submitted by the branches have been properly maintained in the financial statements;
 - (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
 - (vi) the expenditures incurred were for the purpose of the Bank's business for the year;
 - (vii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
 - (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
 - (ix) the information and explanations required by us have been received and found satisfactory;
 - (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1,320 person hours; and
 - (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.



Muhammad Farooq, FCA

Managing Partner

Howladar Yunus & Co.; Chartered Accountants

ICAB Enrollment Number: 0521

Firm's Registration No.: [N/A]

Dated: Dhaka, 27 April 2024

DVC:

2404270521 AS 267963

Modhumoti Bank PLC.

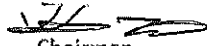

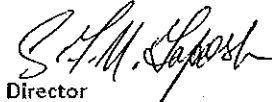

Balance Sheet
As at 31 December 2023

<u>Particulars</u>	<u>Notes</u>	<u>Amount in BDT</u>	
		2023	2022
<u>PROPERTY AND ASSETS</u>			
Cash	4		
Cash in hand (including foreign currencies)		551,438,359	461,224,505
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		3,842,096,463	2,986,291,795
		4,393,534,822	3,447,516,299
Balance with other banks and financial institutions	5		
In Bangladesh		2,086,878,648	6,160,354,602
Outside Bangladesh		567,942,596	917,726,002
		2,654,821,243	7,078,080,604
Money at call on short notice	6	25,500,000	27,850,000
Investments	7		
Government		23,428,057,733	21,554,747,058
Others		117,299,060	142,067,040
		23,545,356,793	21,696,814,098
Loans and advances	8		
Loans, Cash Credit, Overdrafts etc.		62,693,595,947	53,235,440,113
Bills purchased and discounted		589,002,771	2,614,365,864
		63,282,598,718	55,849,805,977
Fixed assets including premises, furniture and fixtures	9	391,869,604	513,824,618
Other assets	10	2,283,257,263	2,010,983,510
Non - banking assets		-	-
Total assets		96,576,938,444	90,624,875,106
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other banks, financial institutions and its agents	11	3,693,585,309	5,339,084,162
Deposits and other accounts	12		
Current Accounts and other Accounts		14,378,326,580	11,630,204,832
Bills Payable		720,133,007	651,013,341
Savings Bank Deposits		4,361,851,232	4,173,242,392
Special Notice Deposits (SND)		8,592,129,791	6,907,124,237
Fixed Deposits		50,119,690,364	48,512,815,689
Other Deposits		-	-
		78,172,130,974	71,874,400,492
Other Liabilities	13	5,698,612,073	4,858,880,603
Total Liabilities		87,564,328,356	82,072,365,257
Capital/Shareholders' Equity			
Paid up Capital	14.2	5,257,381,450	5,257,381,450
Statutory Reserve	15	2,895,378,006	2,516,440,135
Revaluation Reserve	16	120,537,038	94,031,641
Foreign currency translation gain	16 (a)	512,241	2,101,238
Surplus in Profit and Loss Account/ Retained Earnings	17	738,801,352	682,555,385
Total Shareholders' Equity		9,012,610,087	8,552,509,849
Total Liabilities and Shareholders' Equity		96,576,938,444	90,624,875,106



	Notes	Amount in BDT	
		2023	2022
Off-Balance Sheet Items			
Contingent liabilities			
Acceptances and Endorsements	18	3,747,879,843	5,914,062,725
Letters of Guarantees		27,162,141,668	15,391,777,872
Irrevocable Letter of Credits		9,947,782,985	8,958,443,889
Bills for Collection		4,881,021,162	6,605,883,300
Other Contingent Liabilities		6,358,115,850	
Total Contingent Liabilities		52,096,941,507	36,870,167,786
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		52,096,941,507	36,870,167,786

These Financial Statements should be read in conjunction with the annexed notes 1 to 37

 Chairman
 Vice Chairman
 Director
 Managing Director & CEO

See annexed Auditors' Report to the Shareholders of date

Dhaka, April 27, 2024



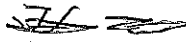
Muhammad Farooq, FCA
 Managing Partner
 Howladar Yunus & Co.; Chartered Accountants
 ICAB Enrollment Number: 0521
 Firm's Registration No.: [N/A]
 DVC:

2404270521 AS 267053

Modhumoti Bank PLC.
Profit and Loss Account
For the year ended 31 December 2023

Particulars	Notes	Amount in BDT	
		2023	2022
Interest income	20	5,200,423,758	4,264,967,845
Interest paid on deposits and borrowings etc.	21	4,026,004,273	3,861,332,371
Net interest income		1,174,419,485	403,635,474
Investment income	22	1,139,780,114	1,377,427,594
Commission, exchange and brokerage	23	1,050,601,682	1,224,553,666
Other operating income	24	266,842,448	159,418,386
		2,457,224,243	2,761,399,646
Total operating income (A)		3,631,643,729	3,165,035,120
Salaries and allowances	25	830,208,484	786,245,605
Rent, taxes, insurance, electricity etc.	26	69,908,918	82,313,478
Legal expenses		600,000	607,650
Postage, stamp, telecommunication etc.	27	40,447,650	37,332,830
Stationery, printing, advertisements etc.	28	96,808,656	41,364,621
Managing Director's salary and fees	29	16,404,278	13,501,586
Directors' fees	30	1,448,000	1,696,000
Auditors' fees		300,000	300,000
Depreciation and repairs to bank's assets	31	241,577,263	227,743,950
Other expenses	32	197,151,126	182,601,257
		1,494,854,376	1,373,706,976
Total operating expenses (B)		2,136,789,353	1,791,328,144
Profit before provision (C=A-B)			
Provision for loans and advances	13.1		
General provision		45,400,000	15,300,000
Specific provision		148,350,000	28,100,000
Provision for Off-shore Banking unit		-	-
Provision for others	13.1 (b)	1,100,000	3,800,000
Special General provision-COVID-19	13.1 (c)	-	-
Provision for off-balance sheet items	13.2	47,250,000	-
		242,100,000	47,200,000
Total provision (D)		1,894,689,353	1,744,128,144
Total profit before tax (C-D)			
Provision for taxation	33		
Current Tax		814,132,685	770,289,835
Deferred Tax		(22,833,756)	(30,955,328)
		791,298,929	739,334,507
Net profit after tax		1,103,390,424	1,004,793,637
Retained Earnings brought forward from previous years		25,382,704	36,635,313
		1,128,773,127	1,041,428,950
Appropriations			
Statutory Reserve	15	378,937,871	348,825,629
Start-Up Fund		11,033,904	10,047,936
Other Reserve			
		389,971,775	358,873,565
Retained Surplus	17	738,801,352	682,555,385
Earnings Per Share (EPS)	36	2.10	1.91

These Financial Statements should be read in conjunction with the annexed notes 1 to 37


Chairman


Vice Chairman


Director


Managing Director & CEO

See annexed Auditors' Report to the Shareholders of date

Dhaka, April 27, 2024

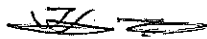


Muhammad Farooq, FCA
Managing Partner
Howladar Yunus & Co.; Chartered Accountants
ICAB Enrollment Number: 0521
Firm's Registration No.: [N/A]
DVC: 2404270521 AS 287063

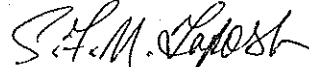
Modhumoti Bank PLC.
Cash Flow Statement
For the year ended 31 December 2023

	Notes	Amount in BDT	
		2023	2022
A. Cash Flow from Operating Activities			
Interest receipts in cash		6,328,404,747	5,718,452,039
Interest payments		(3,807,545,754)	(3,835,843,230)
Dividend receipts		8,218,529	13,499,479
Fees and commission receipts in cash		1,050,601,682	1,224,553,666
Recoveries on Loans previously written-off		694,223	278,315
Cash payments to employees		(806,612,762)	(769,747,191)
Cash payments to suppliers		(97,440,689)	(42,538,292)
Income taxes paid		(606,962,851)	(495,621,054)
Receipts from other operating activities	34	265,327,752	160,285,308
Payments for other operating activities	35	(410,466,134)	(393,167,880)
Operating profit before changes in operating assets and liabilities (i)		1,924,218,741	1,580,151,660
Increase / (decrease) in operating assets and liabilities			
Purchase/Sales of trading securities (Treasury bond/bill)		2,982,397,496	5,630,166,782
Loans and advances to customers		(7,432,792,741)	(14,011,843,701)
Other Assets		(157,127,608)	24,105,405
Deposits from other banks/ Borrowings		(1,745,498,853)	(2,175,621,143)
Deposits from customers		6,110,152,299	14,470,816,868
Other liabilities account of customers		69,119,665	129,072,835
Other Liabilities		191,398,336	115,064,841
Cash received from operating assets and liabilities (ii)		17,648,594	4,181,761,887
Net cash from operating activities (A=I+ii)		1,941,867,336	5,761,913,547
B. Cash flow from investing activities			
Proceeds from sale of securities		-	-
Payment for purchase of securities (Treasury bond/bill/shares)		(4,831,086,692)	(1,567,755,781)
Purchase of property, plant & equipment		(44,008,775)	(37,064,698)
Proceeds from Sale of property, plant & equipment		16,530,095	15,953,533
Net cash from investing activities (B)		(4,858,565,372)	(1,588,866,947)
C. Cash flows from financing activities			
Receipts from issue of ordinary shares		-	-
Proceeds from Lease Liability		251,447,391	139,378,572
Payment of Lease Liability (principal reduction)		(141,052,464)	(117,185,862)
Interest Expense on lease liabilities paid in cash		(16,773,789)	(20,561,096)
Dividends paid		(657,172,631)	(788,607,218)
Net cash from financing activities (C)		(563,551,543)	(786,975,603)
D. Net increase / decrease in cash & cash equivalent (A+B+C)		(3,480,249,579)	3,386,070,997
E. Effects of exchange rate changes on cash and cash equivalents		512,241	2,101,238
F. Cash and cash equivalents at beginning period		10,554,035,203	7,165,862,968
G. Cash and cash equivalents at end of period (D+E)		7,074,297,865	10,554,035,203
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)		551,438,359	461,224,505
Balance with Bangladesh Bank & its agent bank (including foreign currencies)		3,842,096,463	2,986,291,795
Balance with other banks and financial institutions		2,654,821,243	7,073,080,604
Money at call and on short notice		25,500,000	27,850,000
Prize bond (note: 7.1)		441,800	588,300
		7,074,297,865	10,554,035,203

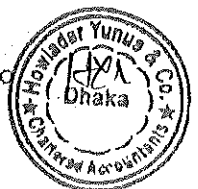
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Chairman


Vice Chairman


Director


Managing Director & CEO



Modhumoti Bank PLC.
Statement of Changes in Equity
For the year ended 31 December 2023

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 2023	5,257,381,450	2,516,440,135	94,031,641	2,101,238	682,555,385	8,552,509,849
Statutory Reserve	-	378,937,871	-	-	(378,937,871)	-
Surplus/deficit on account of revaluation of investment	-	-	26,505,397	-	-	26,505,397
Issue of ordinary share	-	-	-	-	-	-
Cash dividend	-	-	-	-	(657,172,681)	(657,172,681)
Dividend (Bonus Share)	-	-	-	-	-	-
Transfer to Start-Up Fund	-	-	-	-	(11,033,904)	(11,033,904)
Foreign currency translation gain	-	-	-	(1,588,997)	-	(1,588,997)
Net profit for the year	-	-	-	-	1,103,390,424	1,103,390,424
Balance as at 31 December 2023	5,257,381,450	2,895,378,006	120,537,038	512,241	738,801,352	9,012,610,087
Balance as at 31 December 2022	5,257,381,450	2,516,440,135	94,031,641	2,101,238	682,555,385	8,552,509,849

These Financial Statements should be read in conjunction with the annexed notes 1 to 37


Chairman


Vice Chairman


Director


Managing Director & CEO



Modhumoti Bank PLC.
Liquidity Statement
(Assets and liabilities Maturity Analysis)
As at 31 December 2023

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	1,848,230,822	-	-	-	2,545,304,000	4,393,534,822
Balance with other banks and financial institutions	1,091,178,648	1,563,642,596	-	-	-	2,654,821,243
Money at call and on short notice	25,500,000	-	-	-	-	25,500,000
Investments	441,800	-	2,154,565,340	117,299,060	21,273,050,593	23,545,356,793
Loans and advances	6,111,517,491	14,712,886,023	17,386,541,298	13,803,400,567	11,268,253,339	63,282,598,718
Fixed assets incl. premises, furniture and fixtures	-	-	20,834,373	308,291,010	62,744,222	391,869,604
Other assets	319,370,294	458,851,656	1,505,035,313	-	-	2,283,257,263
Non banking assets	-	-	-	-	-	-
Total assets (A)	9,396,239,055	16,735,380,275	21,066,976,324	14,228,990,636	35,149,352,154	96,576,938,444
Liabilities:						
Borrowings from Bangladesh bank, other banks, financial institutions and its agents	2,370,000,000	119,824,999	-	1,203,760,310	-	3,693,585,309
Deposits	6,678,118,957	17,308,647,767	23,278,678,293	12,294,268,341	18,612,417,616	78,172,130,974
Provision and other liabilities	-	-	-	56,986,121	5,641,625,952	5,698,612,073
Total liabilities (B)	9,048,118,957	17,428,472,767	23,278,678,293	13,555,014,772	24,254,043,568	87,564,328,356
Net liquidity gap (A - B)	348,120,098	(693,092,492)	(2,211,701,970)	673,975,864	10,895,308,586	9,012,610,087



Modhumoti Bank PLC.
Notes to the Financial Statements
As at and for the year ended 31 December 2023

1. Reporting entity

1.1 Legal status and nature of the Bank

Modhumoti Bank PLC. (the "Bank") is a scheduled commercial bank in the private sector established under the Bank Companies Act 1991 and incorporated in Bangladesh as a public limited company to carry out banking business in Bangladesh. The registered office of the Bank is located at Banglar Bani Bhaban, 81, Motijheel C/A, Dhaka-1000. The Bank has been running its banking operation following the Bank Companies Act 1991 (as amended up to the date), Central Bank's (Bangladesh Bank) regulation, Bangladesh Securities and Exchange Commission (BSEC) Rules & Regulations and all other laws & rules applicable in Bangladesh. The financial statements of the Bank as at and for the year ended December 31, 2023 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 50 branches and 1 Off-shore Banking Unit as on 31 December 2023. The Bank offers services for all commercial banking needs of the customers, which includes deposit banking, loans and advances, export import financing, inland and international remittance facility, etc. The Bank is being run by a competent 'Management Team', under supervision of a strategic Board of Directors, having long sound background to serve the enterprises ranging from micro, small and medium enterprises and industries to large corporate houses keeping the tagline in mind, "Your Access to Success".

1.3 Off-shore Banking Unit (OBU)

The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD (P-3)744(124)/2015-2447, dated April 02, 2015. The Off-shore Banking Unit commenced its commercial operation on September 23, 2015. The Bank established its Offshore Banking Unit (OBU) with a view of catering the banking requirement of non-resident customers to increase foreign trade business at Export Processing Zones (EPZs). Over the years, OBU has become an important strategic business unit due to growing demand of cheaper foreign currency loan and Usance Payable at Sight (UPAS) Letter of Credit from the clients. The principal activities of the Unit are to provide all kinds of commercial banking services to its customers in foreign currencies approved by the Bangladesh Bank. Presently, the Bank has one Off-shore Banking Unit in operation in Bangladesh. The Unit is governed under the rules and guidelines of Bangladesh Bank.

2. Basis of preparation of Financial Statements

2.1 Statement of compliance

The financial statements of the Bank have been made for the year ended 31 December 2023 and are prepared under the historical cost basis, except for certain investments which are stated at fair/market value in accordance with the First Schedule (Sec-38) of the Bank Companies Act 1991 (as amended up to the date), BRPD Circular # 14 dated June 25, 2003 and DFIM Circular # 11, dated December 23, 2009, other Bangladesh Bank Circulars, International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS"), the Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges' listing regulations and other laws & rules applicable in Bangladesh. In cases where the requirements of Bangladesh Bank differ with those of IAS/IFRS, the requirements of Bangladesh Bank have been applied.

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, there is a Financial Reporting Council (FRC) to adopt & issue financial reporting standards for public interest entities such as Banks. The Bank Companies Act 1991 has been amended to require Banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.



Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Securities and Exchange Rules 1987. In case, any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IAS/IFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail.

2.1.2 Use of estimates and judgments

In preparation of the financial statements management is required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a going concern basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

2.1.3 Foreign currency transaction

Foreign currency transactions are converted into equivalent BDT using the prevailing exchange rates on the dates of respective transactions as per IAS-21, "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into BDT at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into equivalent BDT.

Assets and liabilities & income and expenses of Off-shore Banking Units have been converted into BDT currency @ US\$1 = Taka 109.7500 (closing rate as at 31st December 2023) & Taka 107.7241 (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.

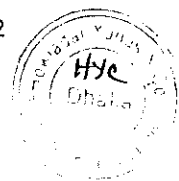
2.1.4 Statement of cash flows

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 2023.

2.1.7 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.2 Assets and basis of their valuation

2.2.1 Cash and cash equivalents

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

2.2.2 Loans, advances and lease / investments

- a) Loans and advances are stated in the balance sheet on gross basis.
- b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest on classified loans and advances is kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realised from borrowers. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.
- c) Commission and discounts on bills purchased and discounted are recognized at the time of realization.
- d) Provision for loans and advances is made on the basis of year-end review by the management following instructions contained in Bangladesh Bank BCD Circular no. 34, dated November 16, 1989, BCD Circular no. 20, dated December 27, 1994, BCD Circular no. 12, dated September 4, 1995, BRPD Circular no. 16, dated December 6, 1998, BRPD Circular no. 9, dated May 14, 2001, BRPD Circular no.02, February 2005, BRPD Circular no. 09, August 2005, BRPD Circular no. 17, dated December 06, 2005, BRPD circular no.32, dated October 27, 2010, BRPD Circular no.14, dated September 23, 2012, BRPD Circular no19, dated December 27, 2012, BRPD Circular no 05, dated May 29, 2013, BRPD Circular no 16, dated November 18, 2014, BRPD Circular no12, dated August 20,2017, BRPD Circular no 15, dated September 27, 2017, BRPD Circular No. 07, dated June 21, 2018, BRPD Circular No. 13 dated October 18, 2018, BRPD Circular No. 52 dated October 20, 2020, BRPD Circular No. 16 dated July 21, 2020, BRPD Circular No. 56 dated December 10, 2020, BRPD Circular No. 3 dated January 31, 2021, BRPD Circular No. 5 dated March 24, 2021, BRPD Circular No. 19 dated August 26, 2021, BRPD Circular No. 50 dated December 14, 2021, BRPD Circular No. 53 dated December 30, 2021, BRPD Circular Letter No. 53 dated December 22, 2022 and BRPD Circular Letter No. 03 dated February 02, 2023. The rates of provision for loans and advances are given below:

Particulars	Rate
General provision on unclassified general loans and advances / investments	1%
General provision on unclassified small enterprise financing	0.25%
General provision on interest receivable on loans / investments	1%
General provision on unclassified loans / investments for housing finance, loans for professionals to set-up business and loans to share business	1%-2%
General provision on unclassified consumer financing other than housing finance, loan for professionals and loans for BGs/MBs/SDs	1%-2%
General provision on Special Mention Account (SMA) except Short Term Agriculture Loans	0.25% - 5%
Specific provision on substandard loans and advances / investments	20%
Specific provision on doubtful loans and advances / investments	50%
Specific provision on bad / loss loans and advances / investments	100%

e) Loans and advances / investments are written-off to the extent that (i) there is no realistic prospect of recovery, and (ii) against which legal cases are pending for more than five years as per guidelines of Bangladesh Bank. These write-off however will not undermine / affect the claim amount against the borrower. During the year no loan account has been written off from the loan book of the Bank.

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

g) General Provision has been calculated against all unclassified Credit Card loans under Consumer Financing as per Bangladesh Bank guideline.

h) Provision for Short-term Agricultural and Micro-Credits as per Bangladesh Bank guideline.

2.2.3 Investments

All investment securities are initially recognised at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortized and discounts accredited, using the effective yield method to discount income. The valuation method of investments used are:

Held to maturity (HTM)

Investments which have 'fixed or determinable payments', and are intended to be 'held to maturity', other than those that meet the definition of 'held at amortized cost-others' are classified as held to maturity.

Held for trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing -in short-trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognised in the statement of income for the period in which it arises. These investments are subsequently revalued at current market value on weekly basis as per Bangladesh Bank Guideline. Revaluation gain has been shown in revaluation reserve account & revaluation loss has been shown in Profit & Loss account.

Value of investments has been enumerated as follows :

Items	Applicable accounting value
Government treasury bills-HTM	Amortized value
Government treasury bills-HFT	Market value
Government treasury bonds-HTM	Amortized value
Government treasury bonds-HFT	Market value
Prize bond	At cost

2.2.4 Property, plant and equipment

Property, plant & equipments are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured.

a) All fixed assets are stated at cost less accumulated depreciation as per IAS-16 " Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

b) The Bank recognises, in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged off as revenue expenditure in the period in which it is incurred.

c) Depreciation is charged for the year at the following rates on straight line depreciation method on all fixed assets is followed and no depreciation is charged on land:

Category of fixed assets	Rate of depreciation
Land	Nil
Buildings	2.50%
Furniture and fixtures	10%
Office equipments	20%
Library books	30%
Electrical equipments	20%
Computer equipments	20%
Motor Vehicles	20%



d) For additions during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.

e) On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sale proceeds.

f) Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset have been capitalized as part of the cost of the asset as per IAS-23.

g) Leasehold properties are recorded at present value of minimum lease payments or fair market value, whichever is lower as per the provisions of IAS-17. The carrying value of leasehold properties is amortized over the remaining lease term or useful life of leasehold property, whichever is lower.

2.2.5 Intangible assets

a) An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably.

b) Software represents the value of computer application software licensed for use of the Bank, other than software applied to the operation software system of computers. Intangible assets are carried at its cost, less accumulated amortization and any impairment losses.

Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are incurred in customizing the software for its intended use.

c) Expenditure incurred on software is capitalized only when it enhances and extends the economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the original cost of software.

d) Software is amortized using the straight line method over the estimated useful life of 10 (ten) years commencing from the date of the application. Software is available for use over the best estimate of its useful economic life.

2.2.6 Impairment of Assets:

The policy for all assets or cash-generating units for the purpose of assessing such assets for impairment is as follows:

The Bank assesses at the end of each reporting period or more frequently if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the bank makes an estimate of the asset's recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered as impaired and is written down to its recoverable amount by debiting to profit & loss account.

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired.

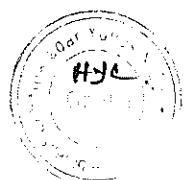
2.2.7 Other assets

Other assets include all balance sheet accounts not covered specifically in other areas of the supervisory activity and such accounts may be quite insignificant in the overall financial condition of the Bank.

2.2.8 Securities purchased under re-sale agreement

Securities purchased under re-sale agreements are treated as collateralized lending and recorded at the consideration paid and interest accrued thereon. The amount lent is shown as an asset either as loans and advances to customers or loans to other banks.

The difference between purchase price and re-sale price is treated as interest received and accrued evenly over the life of Repo agreement.



2.2.9 Receivables

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

2.2.10 Inventories

Inventories are measured at the lower of cost and net realizable value.

2.2.11 Leases

IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 significantly changes how a lessee accounts for the transactions under operating leases.

Recognition & Measurement of Leases as a Lessee (detail accounting policy in Note 9)

Under IFRS 16, an entity shall be recognizing a Right-of-Use (ROU) Asset (i.e. the right to use the office building, branches, service center, call center, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The Depreciation on the ROU Assets and the Interest Expense on the lease liability is recognized in the Profit or Loss account over the lease term replacing the previous treatment as per IAS 17 i.e. charging 'lease rent expenses' under Operating Lease.

Accordingly, the Bank assesses whether a contract is a lease, in accordance with the guidance stated in the IFRS 16: Leases, by determining whether the contract gives it the right to use a specified underlying physical asset for a lease term greater than 12 months, unless the underlying asset is of low value. Office premises for which monthly lease rental is the amount not exceeding Taka 25,000, ATM Booths and other installations are considered as low value asset.

2.2.12 Non-banking assets:

Non-banking assets are acquired on account of the failure of a borrower to repay the loan on time after receiving the decree from the Court regarding the right and title of the mortgage property. The Banks are awarded ownership of the mortgage properties according to the verdict of the Honorable Court in accordance with the section 33 (7) of "Artharin Adalat-2003". The value of Non-Banking Assets are determined and reported in the financial statements on the basis of valuation report of an Independent valuer. The Modhumoti Bank PLC. is yet to acquire any non-banking asset till to the date of December 31, 2023.

2.2.13 Reconciliation of inter-bank and inter-branch account

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

2.3 basis for valuation of liabilities and provisions

2.3.1 Borrowings from other banks, financial institutions and agents:

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

Disclosures of borrowings against Repo are shown in notes - 7.

2.3.2 Deposits and other accounts

Deposits by customers and banks are recognised when the Bank enters into contractual provisions of the arrangements with the counterparties, which is generally on trade date, and initially measured at the consideration received.

2.3.3 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxation, interest payable, interest suspense, accrued expenses, obligation under finance lease etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, the Income Tax Ordinance 1984 and internal policy of the Bank. Details are shown in Notes 13.

2.3.4 Provision for liabilities

A provision is recognised in the balance sheet when the Bank has legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Provision for loans and advances have been accounted for in the financial statements following the Bangladesh Bank circulars & guidelines.

2.3.5 Provision for Off-balance sheet exposures

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. As per BRPD Circular # 14, dated September 23, 2012, banks are advised to maintain provision @1% against off-balance sheet exposures. The instructions mentioned in the BRPD Circular # 07, dated June 21, 2018 and BRPD Circular # 13, dated October 18, 2018 have also been followed for calculating provision against off-balance sheet exposures.

2.3.6 Provision for nostro accounts

As per instructions contained in the circular letter no. 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 unreconciled 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

Previously commercial banks were required to maintain provision @10.0% of interest charged against loans to good borrowers, identified on the basis of prescribed guidelines stated in BRPD Circular no. 06 (19 March 2015) and BRPD Circular Letter no 03 (16 February 2016) for onward rebate to the recognized good borrowers. However, Bangladesh Bank during 2020 issued another circular (BRPD Circular No. 14 dated 18 June 2020), wherein it is mentioned that from 2020 banks need not to provide any rebate to good borrowers. Hence, during 2023, no further good borrowers' provision was accounted for in the financials.

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 2023.

2.3.9 Provision for current taxation

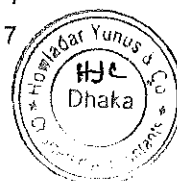
Provision for current income tax has been made as per prescribed rate in the Finance Act, 2023 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with IAS-12, "Income Taxes".

2.3.10 Deferred taxation

Deferred tax is accounted for in accordance with IAS 12, "Income Taxes". Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

2.3.11 Benefits to the employees

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



a) Provident fund

Provident fund benefits are given to the permanent employees of the Bank in accordance with Bank's service rules. Accordingly a trust deed and provident fund rules were prepared. The Commissioner of Income Tax, National Board of Revenue, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of section 2(52), read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from June 04, 2013. The Fund is operated by a Board of Trustees consisting six members (03 members from the Management and other 03 members from the Board of Directors) of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members' account on yearly basis.

b) Gratuity fund

The Bank operates a funded gratuity scheme on "Continuing Fund basis", in respect of which provision will be made annually according to the recommendation based on Actuarial valuation covering all of its permanent eligible employees in accordance with Bank's Service Rules. The Fund will be operating by a Board of Trustees consisting members from the Board of Directors and Management of the Bank. Actuarial valuation of gratuity scheme will be made to assess the adequacy of the liabilities provided for the scheme as per IAS-19 "Employees Benefit". Contributions to the fund shall be made on the basis of actuarial recommendations.

Recognition of Gratuity fund has been done by the National Board of Revenue vide their letter number 08.01.0000.035.02.264.19/603 dated January 16, 2020 and actuarial valuation for assessing the adequacy of liabilities of the fund is under process which will be completed within a short time.

c) Incentive bonus

Incentive bonus is given to the employees every year considering the overall performance of the Bank as well as individual's performance. This bonus amount is distributed among the employees based on their performance. The bonus amount is paid annually, normally in first quarter of every following year and the costs is accounted for in the period to which it relates. Generally, a certain percentage of disclosed net profit is disbursed among the employees. The aforesaid percentage is approved in the Board meeting so that adequate provision can be made for Incentive Bonus as per IAS-37.

2.3.12 Start-up Fund

In compliance with Bangladesh Bank SMESPD Circular no.-04, dated 29 March, 2021; Modhumoti Bank PLC. has formed start-up fund in order to facilitate innovations for marketing new products, services and technologies, and such enterprises would create employment and assets in the country.

2.4 Share Capital

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

2.4.1 Authorised Capital

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association. Details are shown in note 14.1.

2.4.2 Paid up Capital

Paid up capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of winding-up of the Bank, ordinary shareholders are ranked after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. Details are shown in note 14.2.

2.4.3 Statutory Reserve

As per Bank Companies Act, the Bank requires to transfer 20% of its current year's profit before tax to statutory reserve until such reserve equals to its paid up capital. The Bank does comply with this requirement of law every year.



2.4.4 Revaluation reserve on government securities

When an asset's carrying amount is increased as a result of revaluation, the increased amount is credited directly to equity under the Head of Revaluation Surplus. Revaluation reserve arises from the revaluation of land and buildings as well as the revaluation of Treasury bills and bonds (HFT & HTM) in accordance with the DOS circular no. 5 dated 26 May 2008 and DOS(SR) 1153/120/2010 dated 8 December 2010. The Bank has not yet recognized any revaluation surplus against any kind of its fixed assets till to the balance sheet date. The tax effect on revaluation gain is measured and recognised in the financial statements as per IAS 12: Income Taxes.

2.5 Contingent liabilities

A contingent liability is -

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

A present obligation that arises from past events but is not recognised because:

- a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

2.6 Revenue recognition

2.6.1 Interest income

In terms of the provisions of the IAS-18 "Revenue", the interest income is recognised on accrual basis. Interest on unclassified loans and advances are calculated at the prescribed rates to be taken into income. Interest is ceased to be taken into income when such loans and advances are marked as classified as per criteria prescribed by the Bangladesh Bank. It is then kept in interest suspense account. Interest on classified advances is accounted for on a cash receipt basis.

2.6.2 Investment income

Interest income on investments is recognised on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognised when it is realised.

2.6.3 Fees and commission income

Fees and commission income arising on services provided by the Bank are recognised when those are realized. Commission charged to customers on letters of credit and letters of guarantee is credited to income at the time of transactions being recorded in the books of accounts.

2.6.4 Income on Bills Purchased and Discounted

Income on Bills Purchased and Discounted is recognised upon realisation since there is no uncertainty as to its realisation and accrued on a monthly basis

2.6.5 Interest and fees receivable on credit cards

Interest and fees receivable on credit cards are recognised on an accrual basis. Interest and fees cease to be taken into income when the recovery of interest and fees is in arrear for three months. Thereafter, interest and fees are accounted for on realisation basis.

2.6.6 Dividend income on shares

Dividend income on shares is recognised during the period when right to receive is established.

2.6.7 Interest paid and other expenses

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

2.6.8 Dividend payments

Interim dividend is recognised when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders.

The proposed dividend for the year 2023 has not been recognized as a liability in the balance sheet in accordance with the IAS-10 : Events After the Reporting Period.

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



2.7 Risk management

Risk and return are inversely related. Making perfect balance between these two aspects is a classical predicament to successful growth of a business. The role of risk management started from this point which actually is the process of identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of uncertain events or to maximize the realization of opportunities.

The MANCOM, All Risk Committee (Management Level), Credit Evaluation Committee (CEC), Asset Liability Management Committee (ALCO), Supervisory Review Process (SRP) Team and IASel Unit (Supervisory Committee) comprising Executive and Senior Management, are high level management committees responsible for the overall management of the risk profile of the Bank. In view of core risk guidelines, the bank has established various divisions/units to address specific risk, e.g. credit risk management, credit administration, internal control & compliance, anti- money laundering, ICT, treasury division etc. Further to manage the overall risks of the Bank in line with Basel accords, the Bank has formed a dedicated a Risk Management Division (RMD).

The Bank faces a number of risks stemming from credit risk, liquidity risk, market risk, foreign exchange risk, interest rate risk, equity price risk, operational risk, legal risk and also reputation risk. The risk management systems in place at the Bank are discussed below:

2.7.1 Credit risk

Credit risk is the risk of loss that may occur from the default of any counterparty to repay in accordance with agreed terms and conditions and/or deterioration of creditworthiness. The failure may result from unwillingness of the counter party or decline in his / her financial condition. Therefore, the Bank's credit risk management activities have been designed to address all these issues.

A methodical assessment & due diligence are done before sanction of any credit facility at Credit Risk Management Division of the Bank. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facilities and various critical risk factors. The assessment process starts at Branch Credit department by the Officer and ends at Credit Risk Management Division in Head Office where it is approved / declined by the competent authority. Credit approval authority has been partially delegated to the individual executives. Proposal beyond their delegation are approved / declined by the Board / Executive Committee (EC) of the Board.

Credit Administration (CAD) monitors the documentation aspects of approved credits and also manages the deteriorating accounts as there is no Legal & Recovery Unit yet in the Bank.

All other remaining risk in regards to credit portfolio are addressed by the Risk Management Division (RMD), the primary responsibility of this Division is to identify and assess the severity of risks and highlight the same to the management for strategic decision making in regard to Residual Risk (documentation risk, valuation error etc.) and concentration risk etc.

2.7.2 Foreign Exchange Risk

Foreign exchange risk is the exposure of an institution to the potential impact of movements in foreign exchange rates. The risk is that adverse fluctuations in exchange rates may result in a loss in earnings. As per the guidelines of Bangladesh Bank, Modhumoti Bank PLC. has developed a detailed Foreign Exchange Risk Management policies to minimize different types of risks associated with foreign exchange transactions. The Bank has also developed different strategies to handle foreign exchange risk by setting different types of limits and risk parameters to measure and monitor foreign exchange risk exposure of the Bank.

The foreign exchange desk of treasury division is involved in foreign exchange dealing activities with different counterparts; the treasury back office is engaged in transfer of funds and passing of the transaction entries in the books of accounts, and the mid office is responsible for verification of the deals. All foreign exchange transactions are revalued at market rate as per the directive of Bangladesh Bank. All Nostro Accounts are reconciled on a monthly basis and outstanding entries beyond 30 days are reviewed by the management for its settlement.



2.7.3 Asset Liability Management

Responsibility of managing and controlling liquidity of the bank lies with Asset Liability Committee (ALCO) that meets at least once in a month. Asset Liability Management (ALM) desk being primarily responsible for management of liquidity risk closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities. A monthly projection of fund flows is reviewed in ALCO meeting regularly. On monthly basis, ALCO monitors liquidity management by examining key ratios, maximum cumulative outflow, upcoming funding requirement from all business units, asset-liability mismatch etc.

Asset-Liability Committee (ALCO) reviews country's overall economic position, the Bank's liquidity position, key performance ratios, interest rate risk, deposit and advance growth, cost of deposit & yield on advances, deposit & lending pricing strategy and different forecasted balance sheet risks of the Bank.

By strongly monitoring the maturity GAP of assets and liabilities and interest rates movement, Bank is able to maintain optimum liquidity with required regulatory compliances. A policy guideline on Assets Liability Management is formulated and approved by the Board of Directors of the Bank and revise it from time to time.

2.7.4 Money Laundering Risk

The bank has board approved 'Money Laundering and Terrorist Financing Risk Management Guidelines' to prevent the money laundering and terrorist financing risk of the Bank. For mitigating the risks, the Bank has a designated Chief Anti Money Laundering Compliance Officer (CAMLCO) and Deputy Anti Money Laundering Compliance Officer (De-CAMLCO) at Head Office and Branch Anti Money Laundering Compliance Officer (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-CAMLCO and BAMLCO ensures the reporting of Suspicious Transactions Reports (STR), and ensure AML & CFT compliance culture throughout the bank.

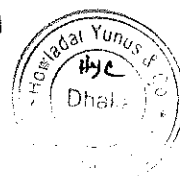
2.7.5 Internal Control & Compliance Risk

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

2.7.6 Information and communication technology

With the increasing use of Information and Communication Technology in the activities of the Banks, risk management for Information and Communication Technology has become important. ICT Division is aimed to provide uninterrupted & efficient operations of all products, services and deliverables – Banks already offered or intends to do in future. In banking institutions, all risks should be recognized, addressed and managed in a prudent manner according to the fundamental characteristics and challenges. ICT risk is the risk associated with the use, ownership, operation, involvement, influence and adoption of ICT within an organization. Risks surrounding Information Technology, such as unauthorized access to a system, network failure, software failure, lack of skills, hacking, viruses attack and poor system integration poses threat for the organization. ICT risk of the Bank is addressed by finding out the weakness in a particular operation and initiating appropriate/ suitable strategy within the approved policies and procedures. To assist Risk Management Committee of Board of Directors, ICT Risk Management committee has been formed from Management team on 07th Sep. 2016 vide Office Order# HO/HRD/2016/1072 as per guideline of Bangladesh Bank.



MMBL has a comprehensive ICT Security Policy and procedures which are formally documented and approved by the Board of Directors of the Bank. The Bank follows the bottom-up approach that has been proven helpful in developing a set of relevant and important risk scenarios as followings:

2.7.7 Liquidity risk

The objective of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding balance comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Treasury Department under approved policy guidelines. Treasury front office is supported by a very structured Mid office and Back office. The Liquidity management is monitored by the Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

2.7.8 Market risk

The exposure of market risk of the Bank is restricted to foreign exchange risk, interest rate risk and equity risk.

Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. No foreign exchange dealing on Bank's account was conducted during the year.

Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month-end. All Nostro accounts are reconciled on a monthly basis and outstanding entry beyond 30 days is reviewed by the management for its settlement. The position maintained by the bank at the end of day was within the stipulated limit prescribed by the Bangladesh Bank.

Interest rate risk

Interest rate risk may arise either from trading portfolio or non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills held for trading. The short-term movement in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. The Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

Equity risk

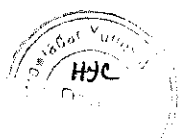
Equity risk arises from movement in market value of equities held. The risks are monitored by the Investment Committee under a well designed policy framework.

2.7.9 Reputation risk arising from money laundering incidents

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Chief Compliance Officer at Head Office and Compliance Officers at branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been established and transaction profile has been introduced. Training is continuously given to all category of Officers and Executives for developing awareness and skill for identifying suspicious activities / transactions.

2.7.10 Operational risk

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the Branches and Divisions at the Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.



RISK MITIGATION PROCESS

Risk mitigation involves prioritizing, evaluating, and implementing the appropriate risk-reducing controls recommended from the risk assessment process. Risk mitigation is a systematic methodology used by senior management to reduce mission risk. Risk mitigation can be achieved through any of the following risk mitigation options:

Risk Assumption: To accept the potential risk and continue operating the IT system or to implement controls to lower the risk to an acceptable level.

Risk Avoidance: To avoid the risk by eliminating the risk cause and/or consequence (e.g., forgo certain functions of the system or shut down the system when risks are identified)

Risk Limitation: To limit the risk by implementing controls that minimize the adverse impact of a threat's exercising vulnerability (e.g., use of supporting, preventive, detective controls)

Risk Planning: To manage risk by developing risk mitigation plan that prioritizes, implements, and maintains controls

Research and Acknowledgment: To lower the risk of loss by acknowledging the vulnerability or flaw and researching controls to correct the vulnerability

Risk Transference: To transfer the risk by using other options to compensate for the loss, such as purchasing insurance.

Risk mitigation strategy was articulated in the following rules-

Option-1: When vulnerability (or flaw, weakness) exists, implement assurance techniques to reduce the likelihood of vulnerability's being exercised.

Option-2: When vulnerability can be exercised, apply layered protections, architectural designs, and administrative controls to minimize the risk of or prevent this occurrence.

Option-3: When the attacker's cost is less than the potential gain, apply protections to decrease an attacker's motivation by increasing the attacker's cost (e.g., use of system controls such as limiting what a system user can access and do can significantly reduce an attacker's gain).

Option-4: When loss is too great, apply design principles, architectural designs, and technical and non-technical protections to limit the extent of the attack, thereby reducing the potential for loss.

2.8 Earnings per share

Basic earnings per share

Basic earnings per share is calculated in accordance with IAS 33 "Earnings per Share" and is shown on the face of the profit and loss account. This has been calculated by dividing the IAS earnings by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted earnings per share is not required to be calculated for the year as there was no scope for dilution during the year under review.

2.9 Events after the reporting period

Where necessary, all the material events after the reporting period have been considered and appropriate adjustment / disclosures have been made in the financial statements.

The Bank has changed its name from "Modhumoti Bank Limited" to "Modhumoti Bank PLC." as per decision of the shareholders in their Extra-Ordinary General Meeting held on July 29, 2023. The relevant approval from Registrar of Joint Stock Companies & Firms (RJSC) has been received on October 08, 2023, following which Bangladesh Bank has accorded approval with effect from January 28, 2024, i.e after the reporting date.

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

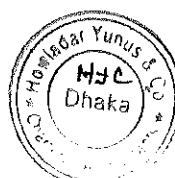
Related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged. Detail of related parties transaction are given in note- 37.

2.12 IFRS 16 Leases

IFRS 16, issued in January 2016 replaces existing guidance related to lease transactions and effective for reporting period beginning on or after 1 January 2019. IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'). It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. Interest expense on lease liability and depreciation on ROU assets are charged in the Profit and Loss Account. Detail accounting policy is stated in note no. 9.

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	Applied
Insurance Contracts	IFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not applicable
Financial Instruments: Disclosures	IFRS-7	Applied
Operating Segments	IFRS-8	Applied
Financial Instruments	IFRS-9	Not applied
Consolidated Financial Statements	IFRS-10	Applied
Joint Arrangements	IFRS-11	Not applicable
Disclosure of Interests in other Entities	IFRS-12	Not applicable
Fair Value Measurement	IFRS-13	Applied
Regulatory deferral accounts	IFRS-14	Not applicable
Revenue from contractors with customers	IFRS-15	Applied
Leases	IFRS-16	Applied
Insurance Contracts	IFRS-17	Not applicable
Presentation of Financial Statements	IAS-1	Applied *
Inventories	IAS-2	Not Applicable
Statement of Cash Flows	IAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events after the Reporting Period	IAS-10	Applied
Construction Contracts	IAS-11	Not Applicable
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Leases	IAS-17	Applied
Revenue	IAS-18	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government	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 Standards issued but not yet effective

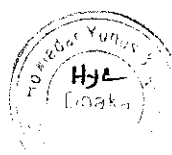
A number of new standards are effective for annual periods beginning after 1 January 2024:

Effective date	New standards or amendments
1 January 2024	Disclosures for sustainability and climate-related risks based on IFRS S1 and IFRS S2 will be implemented in phases starting in 2024.
	• IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.
	• IFRS S2 Climate-related Disclosures.

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 2023 have been prepared under the historical cost convention except investments and in accordance with the "First Schedule" (section 38) of the Bank Companies Act 1991, as amended by Bangladesh Bank (the Central Bank of Bangladesh) through BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and Dhaka & Chittagong Stock Exchange's listing regulations. In case, any requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities, the provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS/IFRS are stated as under:



i) Investment in shares and Securities

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognized at costs.

ii) Revaluation gain/loss on Government securities

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

T-bills and T-bonds designated as 'held to maturity' are measured at amortized cost method and interest income is recognized through the profit & loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

iii) Provision on loans and advances

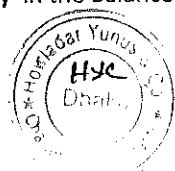
IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 June 2012, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loan, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

iv) Recognition of interest in suspense

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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as 'liability' in the Balance Sheet.



v) Other comprehensive income

IFRS: As per IAS 1, Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single Other Comprehensive Income (OCI) Statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all Banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income or the elements of Other Comprehensive Income allowed to include in a Single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity.

vi) Financial instruments – presentation and disclosure

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

vii) Repo and Reverse Repo transactions

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

Bangladesh Bank: As per DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no.2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book. However, as per DMD circular letter no.7 dated 29 July 2012, non primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such banks may enter collateralised repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognise the asset.

viii) Financial guarantees

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

Bangladesh Bank: As per BRPD circular no: 14 dated 25 June 2003, financial guarantees such as L/C, L/G will be treated as Off-Balance Sheet items. No liability is recognized for the guarantee except the cash margin.

ix) Cash and cash equivalent

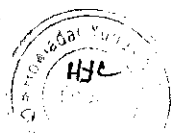
IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', Treasury bills, Prize bond are not shown as cash and cash equivalent. Money at call and on short notice is shown as a face item in balance sheet, and Treasury bills, Prize bonds are shown in Investment.

x) Non-banking asset

IFRS: No indication of Non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD circular no: 14 dated 25 June 2003, there must exist a face item named Non-banking asset.



xi) Cash flow statement

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

Bangladesh Bank: As per BRPD circular no: 14 dated: 25 June 2003, cash flow is the mixture of direct and indirect method.

xii) Balance with Bangladesh Bank: (CRR)

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

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

xiii) Presentation of intangible asset

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

Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD circular no: 14.

xiv) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement of disclosure of off-balance sheet items.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of balance sheet.

xv) Disclosure of appropriation of profit

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no: 14 dated: 25 June 2003, an appropriation of profit should be disclosed in the face of Profit and Loss Account.

xvi) Loans and advance net of provision

IFRS: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD circular no: 14 dated: 25 June 2003, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

3.3 Disclosure of FRC Policy on Use of Audited Financial Statements in Processing Loans

Audited Financial Statements are mandatory documents for any existing company applying for new loan facility for the first from bank. The bank uses the Audited Financial Statements while assessing any new credit / Loan facilities to any new customers. In compliance with BRPD Circular Letter No. 04, dated January 04, 2021, the bank obtained audited financial statements while approving any new loan. It is also mandatory to the client of the bank to submit annual audited financial statements of the company to the bank on an annual basis. Audited Financial Statements are preserved with the loan file by the bank. However, in some special circumstances where latest Audited Financial Statements may not be available, the bank uses interim Management Accounts for the Borrower Risk Rating (BRR) or ICRR for the purpose of renewal of any loan facilities. Such BRR or ICRR is approved by the Management only for Interim use with an instruction to update the same with the Audited Financial Statements. Regarding the BRPD Circular Letter 35 dated July 06, 2021, and FRC Letter No. 178/FRC/APR/2021/27(28) dated December 8, 2021, From September 2021 the Bank verifying the Financial Statements using the Document Verification System (DVS).

3.4 The Bank's compliance with related pronouncements by Bangladesh Bank:

i) Internal Control

Main objective of internal control is to ensure that management has reasonable assurance on some issues such as (i) operations are effective, efficient and aligned with strategy, (ii) financial reporting and management information is reliable, complete and timely accessible, (iii) the entity is in compliance with applicable laws and regulations as well as its internal policies and ethical values including sustainability, and (iv) assets of the company are safeguarded and frauds & errors are prevented or detected.



Modhumoti Bank PLC. has established an effective internal control system to ensure the overall control of risks and provide reasonable assurance that the objectives set by the Bank will be met. It has designed to develop a high level risk culture among the Bank officials, establish efficient and qualified operating model of the Bank, ensure reliability of internal and external information including accounting and financial information, secure the Bank's operations and assets, and comply with laws, regulatory requirements and internal policies.

The Board of Directors of Modhumoti Bank PLC., 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 PLC. 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 2023, 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 PLC. does always pay due attention on anti-fraud internal controls for prevention of fraud and forgery. The Bank has already implemented some strategies like Financial Control Strategy, Personnel Control Strategy, Credit Control Strategy, Administrative Control strategy, Process Control Strategy etc. in order to strengthening the control system further. Pre-employment screening process has been adopted for verifying the qualification, experience, credit check, criminal history search etc. in case of recruitment of officials. Although it is not possible to eliminate all frauds because of the inherent limitations of Internal Control System, the Board of Directors and Bank Management have taken all the measures to keep the operational risk in a very minimum level. Internal Control and Compliance Division (ICCD) assesses and evaluates the effectiveness of Bank's anti-fraud internal control measures, recommends for further improvement in implementation of aforesaid strategies and reports to the Bangladesh Bank on effectiveness of controls at the end of each quarter following their prescribed format.

3.5 Operating segments

The Bank have no identified operating segment and as such presentation of segmental reporting is not made in the financial statements as per IFRS 8.

3.6 Approval of financial statements

The Bank in its 77th Board Meeting held on April 27, 2024 approved the Financial Statements for the year ended 31 December 2023.

3.7 General

- a) These financial statements are presented in BDT (Taka), which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest BDT (Taka).
- b) The expenses, irrespective of capital or revenue nature, accrued/ due but not paid have been provided for in the Books of the Bank.
- c) Figures of previous year have been rearranged whenever necessary to conform to current year's presentation.



	Amount in BDT	
	2023	2022
4. Cash of the Bank		
In hand:		
Local currency	548,314,198	453,692,655
Foreign currencies	3,124,161	7,531,850
	551,438,359	461,224,505
Balance with Bangladesh Bank:		
Local currency	3,231,844,677	2,642,938,166
Foreign currencies	609,942,736	342,969,677
	3,841,787,413	2,985,907,842
Balance with Sonali Bank Limited (as agent of Bangladesh Bank):		
Local currency	309,050	383,952
	3,842,096,463	2,986,291,795
	4,393,534,822	3,447,516,299

- 4.1** Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of Bank Company Act 1991, DOS circular no. 01 dated 19 January 2014, MPD circular no. 01 dated 23 June 2014, MPD circular no. 01 dated 03 April 2018 and MPD circular no. 03 dated 09 April 2020.

The Cash Reserve Requirement (CRR) on the Bank's time and demand liabilities is calculated at the rate of 3.5% on daily basis and 4.0% on bi-weekly basis and has been maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio (SLR), is calculated on the same liabilities and has also been maintained in the form of treasury bills, bonds and debentures including FC balance with Bangladesh Bank. Both reserves are maintained by the Bank, detail of which is presented below:

4.1.1 Cash Reserve Requirement (CRR)

As per Bangladesh Bank DOS Circular No. 01 dated January 01, 2014, MPD circular no. 01 dated 23 June 2014, MPD circular no. 01 dated 03 April 2018 and MPD circular no. 03 dated 09 April 2020, Bank has to maintain CRR @ 4.00% on bi-weekly average basis and minimum @ 3.50% on daily basis.

i) Daily basis

3.5% of average Demand and Time Liabilities

Required reserve	2,545,304,000	2,265,574,000
Actual reserve held (Average daily on bi-weekly basis)	3,059,643,911	2,808,633,997
Surplus	514,339,911	543,059,997

ii) Bi-weekly average basis

4.0% of average Demand and Time Liabilities

Required reserve	2,908,937,000	2,589,244,000
Actual reserve held (Average daily on bi-weekly basis)	3,059,643,911	2,808,633,997
Surplus	150,706,911	219,389,997

4.1.2 Statutory Liquidity Ratio (SLR)

13% of required Average Demand and Time Liabilities:

Required reserve	9,454,462,000	8,415,431,000
Actual reserve held	21,976,170,391	22,246,178,940
Surplus	12,521,708,391	13,830,747,940

Held for Statutory Liquidity Ratio

Cash in hand	551,438,359	461,224,500
Balance with agent bank (Sonali Bank Ltd.) as per statement	-	-
Prize Bond	-	-
Excess of CRR	150,706,911	219,390,000
Government Treasury Bills	974,525	-
Government treasury bonds	21,273,050,595	21,565,564,440
	21,976,170,391	22,246,178,940



5 Balance with other banks and financial institutions

In Bangladesh (Note -5.1)

Outside Bangladesh (Note -5.2)

2,086,878,648	6,160,354,602
567,942,596	917,726,002
2,654,821,243	7,078,080,604

Also refer to Note -5.3 for maturity wise grouping.

5.1 In Bangladesh

Current account:

Prime Bank Limited

Jamuna Bank Limited

Trust Bank Limited

Sonali Bank Limited

46,193	46,527
6,000,665	4,545,855
29,675,450	26,120,218
3,042	3,962
35,725,349	30,716,562

Short term deposits account:

Prime Bank Limited

Eastern Bank Limited

Janata Bank Limited

The City Bank Limited

Sonali Bank Limited

Bank Asia Limited

Agrani Bank Limited

South Bangla Agricultural Bank Limited

Habib Bank Limited

1,052,750	50,211
26,991	25,642
107,483,723	142,780,925
2,036,979	54,337
43,573,199	22,448,849
5,041,332	3,578,418
9,234,120	7,198,861
82,003,974	-
230	796
250,453,299	176,138,040

Fixed deposits:

In Banks

Bank Al Falah Ltd.

Community Bank Bangladesh Limited

South Bangla Agricultural Bank Limited

NRB Bank Limited

National Credit and Commerce Bank Ltd.

NRB Commercial Bank Limited

-	450,000,000
-	780,000,000
-	900,000,000
-	900,000,000
-	450,000,000
-	500,000,000
-	3,980,000,000

In Financial Institutions

Prime Finance & Investment Limited

Phoenix Finance and Investment Company Ltd.

Union Capital Ltd.

Bangladesh Finance and Investment Co. Ltd.

Premier Leasing International Ltd.

IDLC Finance Limited

-	-
90,000,000	120,000,000
430,000,000	430,000,000
302,000,000	348,500,000
375,000,000	375,000,000
-	700,000,000
1,197,000,000	1,973,500,000

In Foreign Currency

South Bangla Agricultural Bank Limited

NRB Bank Limited

Eastern Bank Ltd

-	-
329,325,000	-
274,375,000	-
603,700,000	-
2,086,878,648	6,160,354,602

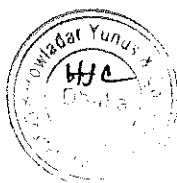


5.2 Outside Bangladesh (NOSTRO Accounts)

Name of the Foreign Bank / Correspondent	2023			2022
	Currency	Amount In F.C	Conversion Rate	Amount in Taka
AB Bank Ltd. (MUMBI)	ACU	462,543.84	109.75	50,764,186
Sonali Bank (Kolkata)	ACU	11,825.84	109.75	1,297,886
Mashreq Bank, PSC, NY (OBU)	USD	154,373.93	109.75	16,942,539
Mashreq Bank, PSC, NY	USD	2,521,405.96	109.75	276,724,304
Habib American Bank	USD	509,712.01	109.75	55,940,893
Sonali Bangladesh (UK)-USD	USD	11,634.20	109.75	1,276,853
Banca Popolare DI Sondrio	GBP	-	-	-
United Bank of India (KOLIKATA)	ACU	14,081.56	109.75	1,545,451
State Bank of India (Sydney)	AUD	5,535.26	75.26	416,590
MCB Bank Ltd. (Karachi)	ACU	41,695.32	109.75	4,576,061
HDFC Bank (ACU)	ACU	144,758.11	109.75	15,887,203
ICICI Bank Ltd. ACU, Mumbai	ACU	291,253.65	109.75	31,965,088
Mashreq Bank Mumbai, (ACU)	ACU	272,381.26	109.75	29,893,843
Sonali Bangladesh (UK)-EURO	EURO	4,699.00	122.01	573,321
BANCA UBAE SPA (EURO)	EURO	5,526.17	122.01	674,243
Institute Centrale Delle Banche Popolari Italian	EURO	-	-	-
Bank of Huzhou Co. Ltd. (CNY)	CNY	325.49	15.42	5,018
National Bank of Pakistan (TOKYO)	YEN	192,261.00	0.78	149,387
Axis Bank Ltd. Mumbai (ACU)	ACU	626,661.62	109.75	68,776,113
Kookmin Bank, Seoul (USD)	ACU	85,490.75	109.75	9,382,610
Kookmin Bank, (GBP)	GBP	4,276.72	140.59	601,263
Kookmin Bank, (AUD)	AUD	1,361.21	75.26	102,446
Kookmin Bank, (CAD)	CAD	5,379.18	83.15	447,297
Total				567,942,596
				917,726,002



		Amount in BDT	
		2023	2022
5.3	Maturity grouping of balance with other banks and financial institutions		
	On demand	1,091,178,648	681,138,040
	Not more than three months	1,563,642,596	6,396,942,564
	More than three months but not more than six months	-	-
	More than six months but not more than one year	-	-
	More than one year but less than five years	-	-
	Above five years	-	-
		2,654,821,243	7,078,080,604
6	Money at call and on short notice	25,500,000	27,850,000
7	Investments		
	Government securities (Note-7.1)	23,428,057,733	21,554,747,058
	Others (Note-7.2)	117,299,060	142,067,040
		23,545,356,793	21,696,814,098
7.1	Government Securities		
	91 days Treasury Bills	2,154,565,340	-
	182 days Treasury Bills	-	-
	364 days Treasury Bills	-	-
	2 years BGTB Bond	-	5,436,250
	5 years BGTB Bond	0	424,432,640
	10 years BGTB Bond	7,616,984,884	8,168,299,836
	15 years BGTB Bond	7,558,956,152	8,217,561,156
	20 years BGTB Bond	6,071,219,557	4,712,538,877
	5 years Sukuk Bond	25,890,000	25,890,000
	Prize Bonds	441,800	588,300
		23,428,057,733	21,554,747,058
	Add: Reverse repo with other banks	-	-
		23,428,057,733	21,554,747,058
7.2	Other Investment		
	Investment in Preference Shares (Note-7.2.1)	24,680,000	49,360,000
	Investment in Shares (Note-7.2.2)	92,619,060	92,707,040
		117,299,060	142,067,040
7.2.1	Investment in Preference Shares	2023	2022
		Market Price (BDT)	Cost Price (BDT)
	Summit Narayangonj Power Limited	-	-
	Summit LNG Terminal Co.{Pvt} Ltd.	24,680,000	49,360,000
	Summit Barisal Power Limited	-	-
		24,680,000	49,360,000
7.2.2	Investment in Shares	2023	2022
		Market Price (BDT)	Cost Price (BDT)
	Quoted:		
	Coppertech	-	-
	Grameen Phone	48,007,793	54,551,610
	Islami Commercial Insurance Co. Ltd	-	87,980
	Runner Auto	366,194	567,450
	Genexil	-	-
		48,373,987	55,119,060
	Unquoted:		
	Investment in CCBL	37,500,000	37,500,000
		85,873,987	92,707,040



		<u>Amount in BDT</u>	
		<u>2023</u>	<u>2022</u>
7.3	Investments classified as per Bangladesh Bank Circular		
	Held for trading (HFT)	5,651,912,101	8,634,309,598
	Held to maturity (HTM)	17,775,703,832	12,919,849,160
	Other securities	441,800	588,300
		<u>23,428,057,733</u>	<u>21,554,747,058</u>
7.4	Maturity-wise grouping		
	On demand	441,800	588,300
	Not more than three months	-	-
	More than three months but not more than one year	2,154,565,340	362,123,146
	More than one year but not more than five years	117,299,060	1,616,572,698
	Above five years	21,273,050,593	19,717,529,954
		<u>23,545,356,793</u>	<u>21,696,814,098</u>
7.5	Repo and Reverse-repo		
7.5.1	Repo as on 31 December 2023		
	<u>Counter party name</u>	<u>Reversal date</u>	<u>Amount</u>
	Bank Alfalah Limited		155,958,702
	Bangladesh Bank		971,001,547
	Bank Alfalah Limited		205,803,522
	Bangladesh Bank(ALS)	1/1/2024	-
	Bangladesh Bank		728,483,767
			<u>1,870,000,000</u>
			<u>2,061,247,538</u>
7.5.2	Transactions of Repo and Reverse-repo during the year		
		<u>Minimum outstanding</u>	<u>Maximum outstanding</u>
	Securities sold under repo		
	i) With Bangladesh Bank	79,959,005	1,399,678,970
	ii) With Other Bank & Fis	52,709,131	1,431,902,852
	Securities purchase under reverse repo		
	i) With Bangladesh Bank	-	-
	ii) With Other Bank & Fis	49,710,200	1,002,404,749
8	Loans and advances		
	Loans, cash credit, overdrafts etc. (Note 8.1)	62,693,595,947	53,235,440,113
	Bills purchased and discounted (Note 8.13)	589,002,771	2,614,365,864
		<u>63,282,598,718</u>	<u>55,849,805,977</u>
8.1	Loans, cash credit, overdrafts etc.		
	In Bangladesh		
	Cash credit and overdrafts	27,076,229,029	22,409,769,870
	Loans (General)	30,530,093,324	25,145,507,319
	House building loan	1,478,066,479	1,619,460,728
	Loan against trust receipt	2,105,722,562	1,421,910,733
	Other Loans	1,503,484,554	2,638,791,464
		<u>62,693,595,947</u>	<u>53,235,440,113</u>
	Outside Bangladesh	-	-
		<u>62,693,595,947</u>	<u>53,235,440,113</u>
8.2	Performing loans and advances		
	Gross loans and advances	62,228,094,146	54,899,729,060
	Non-performing loans and advances	1,054,504,572	950,076,917
		<u>63,282,598,718</u>	<u>55,849,805,977</u>
8.3	Maturity-wise grouping		
	On demand	6,111,517,491	6,348,682,349
	Less than three months	14,712,886,023	11,971,866,064
	More than three months but less than one year	17,386,541,298	15,913,369,830
	More than one year but less than five years	13,803,400,567	8,769,493,619
	More than five years	11,268,253,339	12,846,394,115
		<u>63,282,598,718</u>	<u>55,849,805,977</u>

Amount in BDT

2023 2022

8.4 Loans and Advances on the basis of significant concentration

Advances to allied concerns of directors	73,537,364	134,962,135
Advances to chief executive and other senior executives	14,672,853	21,844,015
Advances to customers' group:		
Advances to large and medium industries	38,276,005,664	37,647,494,045
Advances to small and cottage industries	3,394,165,333	3,774,212,931
Commercial Lending	6,387,419,061	5,840,577,196
House Building Loan	1,478,066,479	1,617,906,264
Consumer Credit Scheme	1,377,182,046	753,022,935
Other Loans and Advances	12,281,549,919	6,059,786,456
	63,282,598,718	55,849,805,977

8.5 Sector-wise allocation of loans and advances

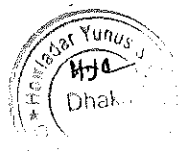
	% of total loan	2023	2022
Agriculture, fishing, forestry and dairy firm	0.25%	156,162,269	113,316,764
Industry (Other than working capital)	15.37%	9,724,445,895	8,699,400,038
Working capital financing	16.79%	10,622,744,393	11,641,538,546
Export credit	10.09%	6,385,457,389	5,656,827,626
Import credit	10.97%	6,940,081,718	2,405,229,542
Commercial credit	7.23%	4,576,472,463	5,840,577,196
Constructions	24.67%	15,609,371,462	13,702,580,017
Transport and Communication	0.54%	340,267,774	229,587,683
Consumer Credit	2.18%	1,377,182,046	753,022,935
Others	11.93%	7,550,413,309	6,807,725,630
	100.00%	63,282,598,718	55,849,805,977

8.6 Details of large loans and advances

Number of clients with outstanding amount and classified loans exceeding 10% of total capital of the Bank. Total capital of the Bank was Taka 952.84 crore as at 31 December 2023 (Taka 952.84 crore in 2022).

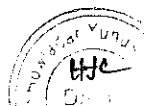
Number of clients	95	86
Amount of outstanding loans and advances (BDT in crore)	5,981.08	4,245.09
Amount of classified loans and advances	-	-
Measures taken for recovery	-	-

Name of clients	Outstanding (BDT in crore)		Total	Total
	Funded	Non-Funded	BDT in crore	BDT in crore
IFAD Autos Limited	-	-	-	56.25
IFAD Motors Limited	-	-	-	11.86
Hashem Foods Limited	113.04	-	113.04	106.87
A.K.M. Knit Wear Limited	83.43	197.46	280.89	213.57
Al Muslim Washing Limited	23.20	19.72	42.92	24.38
Al Muslim Garments Accessories	11.45	7.43	18.88	21.14
Mir Akhter Hossain Limited	144.77	167.24	312.01	318.66
Gazi Pipes	27.89	9.26	37.15	21.18
Gazi Tanks	21.57	0.41	21.98	17.86
Gazi International	83.25	85.66	168.91	103.52
Toma Construction & Co. Limited	91.94	163.21	255.15	338.50
Drug International Limited	-	82.33	82.33	96.75
ATI Ceramics Limited	-	7.62	7.62	10.94
Khwaja Yunus Ali Medical College and Hospital	-	2.93	2.93	22.73
Harnest Label Industries Limited	1.16	4.72	5.88	2.85
Taj Printers	-	13.12	13.12	10.06
M.M Tea States Ltd.	-	14.79	14.79	-
Smart Technologies [BD] Limited	-	-	-	37.62
Pesco Steel Ltd.	38.50	-	38.50	7.52



Amount in BDT

Name of clients	Outstanding (BDT in crore)		2023	2022
	Funded	Non-Funded	Total	Total
			BDT in crore	BDT in crore
Poton Traders	87.00	29.55	116.55	107.07
Abdul Monem Limited	51.29	278.77	330.06	56.58
Pran Dairy Limited	35.55	14.06	49.61	76.31
Sylvan Technologies Limited	27.84	33.25	61.09	56.95
Advance Personal Care Limited	59.62	8.44	68.06	73.02
Energypac Engineering Limited	18.56	-	18.56	23.34
EPV Chitagong Ltd.	-	0.05	0.05	0.05
Patriot Spinning Mills Ltd.	63.11	16.49	79.60	29.01
Envoy Textile Ltd.	96.24	209.64	305.88	173.49
ENERGYPAC POWER VENTURE LTD.	74.01	-	74.01	67.24
Winter Dress Ltd.	1.02	30.38	31.40	1.87
A & A Fashion Sweater Industries Ltd.	14.53	0.03	14.56	11.08
Md. Abdul Wadud and Monowara Begum	6.33	-	6.33	6.29
Kint Valley Fashion Ltd.	15.59	19.30	34.89	21.94
NITOL MOTORS LIMITED	19.88	-	19.88	21.49
Knit City Ltd.	21.61	1.05	22.66	21.40
Riviera Composite Industries Ltd.	77.59	1.07	78.66	79.66
Baraka Engineers Ltd.	161.64	2.24	163.88	179.48
Business Information Technology Ltd.	-	3.28	3.28	3.69
Baraka Renewable Energy	-	1.93	1.93	1.93
CMECC-BEL JV	-	17.83	17.83	17.83
Career Travel International Ltd.	-	1.52	1.52	1.52
CLAMOON GARMENTS LIMITED	-	-	-	12.21
CROSSLINE WOVEN APPARELS LTD	-	-	-	35.97
CROSSLINE WOVEN GARMENTS LIMITED	-	-	-	19.68
Al-Mostofa Agro Industrial Complex Ltd.	91.49	24.68	116.17	64.35
Al-Mostafa Printing & Packing Ind. Ltd, Al-Mostafa Print	23.02	27.59	50.61	73.36
BRAC University	-	450.00	450.00	-
National Development Engineers Ltd	135.44	123.19	258.63	-
Reedisha Textstripe Ltd.	-	47.54	47.54	-
Kohinoor Chemical Company (BD) Ltd	-	4.14	4.14	-
Euro Arte Apparels Ltd.	76.43	134.30	210.73	-
Abul Khair Tobacco Co. Limited	108.52	-	108.52	9.96
GPH ISPAT LIMITED	39.45	-	39.45	-
GPH RENEWABLE ENERGY LIMITED	-	17.72	17.72	-
GPH OXYGEN LIMITED	12.29	-	12.29	-
ABUL KHAIR MATCH FACTORY LTD.	-	-	-	0.67
KSRM STEEL PLANT LIMITED	-	-	-	53.54
KSRM POWER PLANT LIMITED	-	-	-	29.28
Sonali Paper & Board Mills Limited	3.25	9.58	12.83	20.84
GOGREEN GARDEN LIMITED	-	-	-	0.13
Virgo Communication Ltd.	-	0.85	0.85	-
IP Communications Ltd.	-	0.05	0.05	-
Sonali Dredger Ltd	6.16	3.86	10.02	10.41
LABAID CANCER HOSPITAL & SUPER SPECIALITY CENTRE	158.08	-	158.08	151.49
Castle Construction Co. Ltd, Charka SPC Poles Ltd, GEMC	62.26	15.88	78.14	74.72
Younus Paper Mills Limited	54.16	1.37	55.53	27.00
Younus Offset Paper Mills	13.73	-	13.73	16.20
Younus Spinning Mills Limited	10.60	-	10.60	16.59
GOGREEN GARDEN LIMITED	0.10	-	0.10	-
YSR Logistics Ltd	6.21	-	6.21	4.30
Perfume Chemical Industry Ltd.	9.99	-	9.99	5.00
Five Star Ice & Cold Stroge (Pvt) Ltd	-	-	-	-
Fly Glaxy Tours Travels	-	0.12	0.12	0.12
Galaxy Flying Academy Ltd.	7.85	-	7.85	8.74
Srinagar Ice & Cold Stroge Ltd	6.49	-	6.49	7.98
Western Engineering (Pvt.) Ltd.	31.45	5.30	36.75	120.83
Bera Trade Tech	59.64	18.68	78.32	60.24
SSRI-Bera JV	4.29	-	4.29	7.61
Eurozone Fashion Ltd	12.06	6.99	19.05	34.03
ARS Washing Ltd	0.32	0.20	0.52	0.53
Ethical Garments Ltd.	71.28	74.89	146.17	101.40
Ambient Steel (BD) Ltd	167.84	11.69	179.53	175.14
Disney Sweater Ltd.	4.54	3.16	7.70	46.77



Name of clients	Amount in BDT			
	2023		2022	
	Outstanding (BDT in crore)		Total	Total
Funded	Non-Funded	BDT in crore	BDT in crore	
A. K. Oxygen Ltd.	7.16	3.55	10.71	10.63
VINCEN CONSULTANCY PVT. LTD.	-	12.42	12.42	15.25
WCL-BTT JV	6.68	-	6.68	-
WESTERN BUILDING AND CONSTRUCTION PRODUCTS LTD	-	-	-	0.25
S.S. Engineering & Construction Ltd.	65.37	22.79	88.16	58.18
SSECL-HB JV	2.59	-	2.59	15.35
BBL & SSECL JV	6.62	-	6.62	7.71
SSECL-KSAL JV	13.86	-	13.86	-
SSECL-KSA JV	25.48	-	25.48	-
M. M. BUILDERS AND ENGINEERS LTD.	-	-	-	0.54
Overseas Marketing Corporation (Pvt.) Ltd	74.66	61.83	136.49	84.51
Global Instruments Supply Co.	-	0.67	0.67	0.19
OMC Healthcare Pvt. Ltd.	2.84	1.19	4.03	2.08
The Peninsula Chittagong Limited	28.75	17.11	45.86	-
Sayeman Beach Resort Limited	37.88	-	37.88	-
Muhammad Aminul Haque (Pvt.) Ltd.	52.20	57.07	109.27	-
OMC Footwear Ltd	-	0.49	0.49	0.80
BSRM WIRES LIMITED	32.21	14.02	46.23	38.42
BSRM STEELS LIMITED	9.95	-	9.95	19.94
Mahabub Brothers (Pvt.) Limited	144.21	10.48	154.69	146.24
S.N.Buliders(PVT) Limited	64.77	33.05	97.82	101.39
ADEX CORPORATION LIMITED	70.07	26.01	96.08	101.03
	3,293.84	2,687.23	5,981.08	4,245.09

8.7 Category-wise Small Medium Enterprise Loans and Advances (SME)

Service Sector	6,418,507,037	6,142,087,920
Trading Sector	2,103,892,315	2,493,124,084
Industrial Sector	4,440,613,443	4,542,728,434
	12,963,012,795	13,177,940,438

8.8 Geographical location-wise allocations of loans and advances

	% of total loan	2023	2022
Dhaka region	86.26%	54,590,226,020	46,104,345,584
Chittagong region	6.14%	3,886,275,734	5,254,043,827
Rajshahi region	1.64%	1,039,107,736	894,183,638
Sylhet region	0.14%	91,639,146	120,158,183
Khulna region	4.66%	2,949,299,865	2,804,092,355
Mymensing Region	0.18%	114,963,362	91,800,000
Rangpur region	0.88%	559,359,407	541,494,205
Barisal region	0.08%	51,727,449	39,688,185
	100.00%	63,282,598,718	55,849,805,977

8.9 Classification of loans and advances

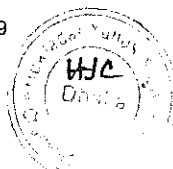
	2023		2022	
Unclassified:				
Standard including staff loan	96.22%	60,890,563,023	96.89%	54,112,414,292
Special Mention Account (SMA)	2.11%	1,337,531,123	1.41%	787,314,768
	98.33%	62,228,094,146	98.30%	54,899,729,060
Classified:				
Sub-standard	0.03%	17,656,614	0.10%	55,253,130
Doubtful	0.00%	1,247,407	0.11%	61,786,784
Bad and loss	1.64%	1,035,600,551	1.49%	833,037,002
	1.67%	1,054,504,572	1.70%	950,076,917
	100%	63,282,598,718	100%	55,849,805,977



		<u>Amount in BDT</u>	
		<u>2023</u>	<u>2022</u>
8.10	Particulars of loans and advances		
i)	Debts considered good in respect of which the bank is fully secured; Debts considered good for which the bank holds no other security than the debtors' personal guarantee;	52,977,454,599	46,643,250,548
ii)	Debts considered good secured by the personal liabilities of one or more parties in addition to the personal guarantee of the debtors;	4,015,344,325	3,892,968,039
iii)	Debts adversely classified; provision not maintained thereagainst		
iv)	Debts due by directors or officers of the bank or any of them either severally or jointly with any other persons;	6,112,294,676	5,154,588,002
v)	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;	177,505,118	158,999,389
vi)	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;		
vii)		177,505,118	158,999,389
viii)	Maximum total amount of advances, including temporary advances made any time during the year to directors or managers or officers of the bank or any of them either severally or jointly with any other persons; advances granted during the year to companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in case of private companies, as members;	-	-
ix)	Due from banking companies;	-	-
x)	Classified loans/investments for which interest has not been charged:		
	(a) Increase/decrease of provision (specific)		
	Amount of debts written off	-	-
	Amount realized against the debts previously written off	-	-
	(b) Provision against the debt classified as bad/loss at the date of balance sheet	712,329,079	560,514,088
	(c) Amount of interest charged in suspense account	784,525,851	385,072,658
xi)	Loans written off:		
	- Current year	-	25,701,264
	- Cumulative to-date	27,940,092	28,704,149
	- The amount of written off loans for which lawsuit filed	27,940,092	46,913,055

8.11 Particulars of required provision for loans and advances/investments

			<u>2023</u>	<u>2022</u>	
For loans and advances:	Outstanding Loans	Base for Provision	% of required provision	Required provision	Required provision
Unclassified - General provision					
All unclassified loans (other than small enterprises, housing finance, Loan to MBs ,loans for professional, consumer financing and special mention account)	46,245,760,636	46,245,760,636	1%	471,810,167	504,477,561
Small and medium enterprise financing	12,097,601,561	12,097,601,561	0.25%	75,443,681	30,532,453
Loan to BHs/MBs/SDs against shares	990,194,206	990,194,206	1%	9,901,942	20,239,347
Housing	691,715,873	691,715,873	1%	6,917,159	6,709,143
Loan for professional	-	-	2%	-	-
Consumer finance	782,577,793	782,577,793	2%	15,651,556	12,863,708
Agriculture finance	82,712,954	82,712,954	1%	827,130	1,133,168
Special Mention Account (SMA)	1,337,531,123	1,337,531,123	0.25%-5%	11,772,431	6,355,317
	62,228,094,146	62,228,094,146		592,324,066	582,310,696
			2023		2022
	Outstanding Loans	Base for Provision	% of required provision	Required provision	Required provision
Classified - Specific provision:					
Sub-standard	17,656,614	4,750,428	5% & 20%	965,086	1,293,379
Doubtful	1,247,407	1,186,894	20% & 50%	593,447	3,280,496
Bad and loss	1,035,600,551	712,329,079	100%	712,329,079	560,514,088
	1,054,504,572	718,266,401		713,887,612	565,087,963
Required provision for loans and advances				1,306,211,678	1,147,398,659
Total provision maintained				1,306,649,082	1,148,599,082
Excess provision at 31 December				437,405	1,200,423



		Amount in BDT	
		2023	2022
8.12	Listing of assets pledged as security/collaterals		
	<u>Nature of the secured assets</u>		
	Gold & Gold Ornaments	-	-
	Shares & Securities	163,404,553	158,542,060
	Merchandise	2,062,254,930	2,639,143,688
	Machinery with other Fixed Asset and Financial obligation	1,510,660,070	1,046,281,706
	Real Estate with Financial obligation	36,529,845,014	29,337,063,755
	Financial Obligation only (Insurance policies, Savings certificates, Bank deposit etc)	7,739,331,552	4,806,652,541
	Miscellaneous;		
	i) Crops/stock of crops hypothecations	3,536,530	3,177,611
	ii) Guarantee of individuals/ Institutions	6,112,294,676	5,154,588,002
	ii) Others	9,161,271,394	12,704,356,615
		63,282,598,718	55,849,805,977
8.13	Bills purchased and discounted		
	In Bangladesh	545,829,075	2,580,234,518
	Outside Bangladesh	43,173,696	34,131,347
		589,002,771	2,614,365,864
8.13.1	Maturity-wise grouping		
	On demand	80,400,869	22,500,155
	Less than three months	226,691,344	264,827,702
	More than three months but less than one year	281,910,558	2,327,038,007
	More than one year but less than five years	-	-
	More than five years	-	-
		589,002,771	2,614,365,864
9	Fixed assets including premises, furniture and fixtures		
	Cost Price:		
	Land	-	-
	Building	-	-
	Furniture and fixture	212,332,029	211,613,617
	Computer and Computer peripheral	101,555,520	90,435,092
	Electrical Equipments	191,584,620	194,257,180
	Motor vehicles	40,875,001	31,600,001
	Capital work in progress (CWIP)	2,574,000	160,000
		548,921,170	528,065,890
	Less: Accumulated depreciation:		
	Land	-	-
	Building	-	-
	Furniture and fixture	122,233,879	101,591,446
	Computer and Computer peripheral	77,915,623	70,827,027
	Electrical Equipments	166,456,412	152,232,401
	Motor vehicles	25,454,702	24,726,069
		392,060,616	349,376,943
		156,860,554	178,688,947
	Leased Assets:		
	Right-of-Use (ROU) Assets	733,919,116	690,833,226
	Less: Accumulated depreciation on ROU Assets	519,744,438	382,038,065
		214,174,677	308,795,161
	Software:		
	Computer Software	105,479,874	96,804,474
	SWIFT Software	4,221,235	4,221,235
	Capital work in progress (CWIP)	2,400,000	4,452,000
		112,101,109	105,477,709
	Less: Amortization during the year	91,266,736	79,137,199
		20,834,373	26,340,510
	Written down value at the end of the year	391,869,604	513,824,618
	Detail of fixed assets is presented in Annexure-A		

Amount in BDT

2023	2022
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Leased Assets:

Accounting Policy:

The Bank assesses whether a contract is a lease, in accordance with the guidance stated in the IFRS 16: Leases, by determining whether the contract gives it the right to use a specified underlying physical asset for a lease term greater than 12 months, unless the underlying asset is of low value. Office premises for which monthly lease rental is the amount not exceeding Taka 25,000, ATM Booths and other installations are considered as low value asset.

Where the Bank is a lessee and the lease is deemed in scope, it recognizes a liability equal to the present value of lease payments over the lease term, discounted using the incremental borrowing rate applicable in the economic environment of the lease. It is considered as 5%. The liability is recognized in 'Other liabilities'. A corresponding right-of-use (ROU) Asset equal to the liability, adjusted for any lease payments made at or before the commencement date, is recognized in 'Property, plant and equipment'. The lease term includes any extension options contained in the contract that the Bank is reasonably certain, it will exercise.

The Bank subsequently depreciates the right-of-use (ROU) asset using the straight-line method over the lease term and measures the lease liability using the effective interest method. Depreciation of the asset is recognized in 'Depreciation and amortization', and interest on the lease liability is recognized in 'Interest expense'.

The judgements in determining lease balances are the determination of whether the Bank is reasonably certain that it will exercise extension options present in lease contracts. On initial recognition, the Bank considers a range of characteristics such as premises function, conditions mentioned in the lease contracts and the term remaining on the lease to determine whether it is reasonably certain that a contractual right to extend a lease will be exercised.

Existing lease liabilities may change in future periods due to changes in assumptions or decisions to exercise lease renewal or termination options, changes in payments due to renegotiations of market rental rates as permitted by those contracts and changes to payments due to rent being contractually linked to an inflation index. In general, the remeasurement of a lease liability under these circumstances leads to an equal change to the right-of-use asset balance, with no immediate effect on the income statement.

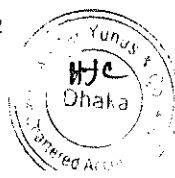
Prior period information is not restated, i.e. it is presented, as previously reported, under IAS 17 and related interpretations in which the Bank as lessee recognized lease payments in operating expenses on a straight-line basis.

The total rental expense during the year 2023 for premises leases was Taka 168,917,144 out of which Taka 167,013,157 has been presented in accordance with the IFRS 16: Leases and remaining Taka 1,903,987 is presented as stated above as per IAS 17. Reconciliation of rental expense has been presented in Note 26.1 for detail.

The right-of-use asset balances and depreciation charges are disclosed in Note 9 & Note 31 respectively. The lease liability balance is disclosed in Note 13 and the interest expense on lease liabilities is disclosed in Note 21.



	2023	2022
10 Other assets	2,283,257,263	2,010,983,510
10.1 Classification of other assets		
Interest Receivable (Accrued Interest Income)	458,851,656	456,230,464
Other receivable-Bangladesh Industrial Finance Company Ltd.	130,000,000	130,000,000
Stationery, stamps, printing materials, etc.	3,207,031	2,574,998
Advance rent	23,396,648	52,810,031
Prepaid expenses	2,909,932	2,794,367
Branch adjustment (Note 10.3)	101,925	251,775
Off-shore Banking Unit	488,387,500	2,082,380,832
Advance income tax (Note 10.2)	1,392,138,665	1,250,682,512
Protested bills	89,500,000	89,500,000
Others	183,151,407	26,139,363
	2,771,644,763	4,093,364,342
Less: Off-shore Banking Unit	488,387,500	2,082,380,832
	2,283,257,263	2,010,983,510
10.2 Advance income tax		
Opening balance	1,250,682,512	3,279,266,522
Add: Paid during the year	602,007,968	450,574,645
	1,852,690,480	3,729,841,167
Less: Settlement/ Adjustment of previous year's tax liability	460,551,815	2,479,158,655
Closing balance	1,392,138,665	1,250,682,512
10.3 Branches' adjustment		
General accounts debit	101,925	251,775
	101,925	251,775
11 Borrowing from other banks, financial institutions and agents		
In Bangladesh (Note 11.1)	3,693,585,309	5,339,084,162
Outside Bangladesh (Note 11.2)	-	-
	3,693,585,309	5,339,084,162
11.1 In Bangladesh		
A) Re-Finance from Bangladesh Bank:		
Re-finance for women entrepreneurs	625,000	1,875,000
Re-Finance for UBSP JICA FUND	224,163,643	246,033,266
Re-Finance for Agri.	-	10,250,000
Borrowing from Bangladesh Bank under ALS	1,870,000,000	-
Re-Finance scheme for Term Loan CMSME	6,933,333	-
Re-Finance for Term Loan Green Refinance	91,666,666	-
Re-Finance for STL under Agri Loan	20,600,000	-
Pre-Finance for CMSME Loan	784,956,667	-
Re-Finance for PC Loan	145,000,000	-
Re-Finance scheme for Working Capital for Large industry	-	164,294,695
Re-Finance scheme for Working Capital for CMSME	49,640,000	286,875,000
	3,193,585,309	709,327,962
B) Borrowing from Banks (In Local Currency):		
Trust Bank Limited	-	2,150,000,000
Uttara Bank Limited	-	200,000,000
Commercial Bank of Ceylon PLC.	-	500,000,000
Meghna Bank Limited	150,000,000	710,000,000
Bank Al Falah Ltd.	350,000,000	450,000,000
South Bangla Agriculture and Commerce Bank Ltd.	-	-
	500,000,000	4,010,000,000
C) Borrowing from Banks (In Foreign Currency):		
Commercial Bank of Ceylon PLC.	-	206,585,400
Bank Asia Ltd	-	413,170,800
Off-shore Banking Unit	488,387,500	2,082,380,832
Jamuna Bank Limited	-	-
	488,387,500	2,702,137,032
Less: Off-shore Banking Unit	488,387,500	2,082,380,832
	-	619,756,200
(A+B+C) In Bangladesh	3,693,585,309	5,339,084,162



	2023	2022
11.2 Outside Bangladesh		
Value Port Ltd.	-	-
	3,693,585,309	5,339,084,162
11.3 Maturity grouping of borrowings		
Repayable on demand	350,000,000	1,060,000,000
Repayable within one month	2,020,000,000	3,016,463,500
Over one month but within six months	28,158,333	103,292,700
Over six months but within one year	91,666,666	450,000,000
Over one year	1,203,760,310	709,327,962
	3,693,585,309	5,339,084,162
12 Deposits and other accounts		
Current and other accounts		
Current deposits	3,040,298,163	2,356,796,213
Foreign currency deposits	1,913,330,955	1,124,627,780
Sundry deposits (Note 12.1)	9,424,697,462	8,148,780,839
	14,378,326,580	11,630,204,832
Bills payable		
Payment order issued	720,133,007	651,013,341
Demand draft	-	-
	720,133,007	651,013,341
Savings bank deposits	4,361,851,232	4,173,242,392
Term/Fixed deposits		
Fixed deposits Receipts (FDR)	39,390,625,028	38,007,625,612
Special notice deposits (SND)	8,592,129,791	6,907,124,237
Scheme deposits	9,996,727,849	9,991,311,109
Interest Payable on FDR/Scheme	732,337,487	513,878,969
	58,711,820,156	55,419,939,926
	78,172,130,974	71,874,400,492
12.1 Sundry deposits		
Margin deposits	4,166,977,576	2,677,597,562
Withholding Tax, VAT and Excise duty etc.	282,961,399	280,761,408
FC held against Export Development Fund (EDF)	2,246,491,017	3,098,142,504
Cover Fund against Term Loan (Salary from BB)	-	56,245,982
BLO account -USD	2,408,244,620	1,852,162,611
Others	320,022,851	183,870,773
	9,424,697,462	8,148,780,839
12.2 Deposits and Other Accounts		
Deposits from Banks	-	100,000,000
Deposits from Customers	78,172,130,974	71,774,400,492
	78,172,130,974	71,874,400,492
12.3 Sector-wise break-up of Deposits and Others account		
Government	5,425,104,381	5,568,317,770
Deposit money banks	-	100,000,000
Other public	12,685,005,535	8,760,580,832
Foreign currency	1,913,330,955	1,124,627,780
Private	58,148,690,103	56,320,874,109
	78,172,130,974	71,874,400,492

	2023	2022
12.4 Analysis of residual maturity grouping of deposits		
Inter-bank deposits		
Repayable on demand	-	-
Repayable within 1 month	-	50,000,000
Over 1 month but within 6 months	-	50,000,000
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years but within 10 years	-	-
	-	100,000,000
Other Deposits		
Repayable on demand	1,636,639,263	1,357,901,683
Repayable within 1 month	5,041,479,693	2,819,558,785
Over 1 month but within 6 months	31,040,750,237	29,553,169,914
Over 6 months but within 1 year	9,546,575,823	9,304,431,344
Over 1 year but within 5 years	21,718,965,804	17,970,398,341
Over 5 years but within 10 years	9,187,720,153	10,768,940,425
	78,172,130,974	71,774,400,492
	78,172,130,974	71,874,400,492
12.5 Unclaimed Deposits and valuables	-	-
13.00 Other liabilities		
Provision for loans and advances (Note 13.1)	1,306,649,082	1,148,599,082
Provision for diminution in value of investments (Note 13.1 (a))	6,750,000	6,750,000
Provision for other assets (Note 13.1 (a))	11,800,000	10,700,000
Provision for protested bills (Note 13.1 (a))	89,500,000	89,500,000
Provision for other assets (BIFCL) (Note 13.1 (a))	133,100,000	133,100,000
Provision for Risk Coverage Fund (Note 13.1 (a))	2,000,000	2,000,000
Special General provision for COVID-19 (Note 13.1 (b))	214,300,000	214,300,000
Lease Liability	241,733,221	345,084,711
Provision for off-balance sheet exposures (Note 13.2)	384,150,000	301,200,000
Provision for taxation (Note 13.3)	2,230,444,445	1,904,652,214
Provision for incentive bonus	70,297,561	63,232,974
Interest Suspense Account (Note 13.4)	856,823,703	464,651,453
Accrued expenses	8,749,412	17,917,076
Interest payable on borrowings	9,884,015	37,526,871
Branch adjustment (Note-13.5)	-	-
Start-Up Fund	48,801,900	37,767,995
Provision for audit fee	300,000	300,000
Others	83,328,733	81,598,226
	5,698,612,073	4,858,880,603
13.1 Provision for loans and advances		
A. General		
Provision held as on 1 January	559,590,000	563,690,000
Add: Provision made during the year	45,400,000	15,300,000
Less: Transferred to provision for diminution in value of investments	-	(5,800,000)
Less: Transferred to provision for off-balance sheet exposures	(14,800,000)	(11,800,000)
Less: Transferred to provision for Off-shore Banking Unit (OBU)	-	(1,800,000)
Provision held as on 31 December	590,190,000	559,590,000
B. Specific		
Movement in specific provision on classified loans		
Provision held as on 1 January	565,759,082	562,502,482
Add: Specific provision made during the year	148,350,000	28,100,000
Less: Written off during the year	-	(24,843,400)
Provision held as on 31 December	714,109,082	565,759,082
C. Provision for Off-shore Banking Unit (OBU)		
Provision held as on 1 January	23,250,000	21,450,000
Add: Provision made during the year	-	-
Less: Transferred to provision for off-balance sheet exposures	(20,900,000)	1,800,000
Provision held as on 31 December	2,350,000	23,250,000
Total provision on loans and advances (A+B+C)	1,306,649,082	1,148,599,082

	2023	2022
13.1 (a) Provision for others		
(a-1) Provision for diminution in value of investments		
Provision held as on 1 January	6,750,000	950,000
Add: Transferred from General Provision	-	5,800,000
	<u>6,750,000</u>	<u>6,750,000</u>
(a-2) Provision for other assets		
Provision held as on 1 January	10,700,000	6,900,000
Add: Provision made during the year	1,100,000	3,800,000
	<u>11,800,000</u>	<u>10,700,000</u>
(a-3) Provision for protested bills		
Provision held as on 1 January	89,500,000	89,500,000
Add: Provision made during the year	-	-
	<u>89,500,000</u>	<u>89,500,000</u>
(a-4) Provision for other assets (BIFCL)		
Provision held as on 1 January	133,100,000	133,100,000
Add: Provision made during the year	-	-
	<u>133,100,000</u>	<u>133,100,000</u>
(a-5) Provision for Risk Coverage Fund		
Provision held as on 31 December	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>
	<u>243,150,000</u>	<u>242,050,000</u>
13.1 (b) Special General provision for COVID-19		
Provision held as on 1 January	214,300,000	214,300,000
Add: Provision made during the year	-	-
	<u>214,300,000</u>	<u>214,300,000</u>
13.2 Provision for off-balance sheet exposures		
Provision held as on 1 January	301,200,000	289,400,000
Add: Provision made during the year	47,250,000	-
Add: Transferred from provision for Off-shore Banking Unit (OBU)	20,900,000	-
Add: Transferred from General Provision	14,800,000	11,800,000
	<u>384,150,000</u>	<u>301,200,000</u>
Less: Adjustments made during the year	-	-
Provision held as on 31 December	<u>384,150,000</u>	<u>301,200,000</u>
13.3 Provision for taxation		
Current tax (Note 13.3.1)	2,142,390,633	1,793,764,646
Deferred tax (Note 13.3.2)	88,053,812	110,887,568
	<u>2,230,444,445</u>	<u>1,904,652,214</u>
13.3.1 Provision for current tax		
Provision		
Balance at the beginning of the year	1,793,764,646	3,547,679,875
Add: Provision made during the year	814,132,685	770,289,835
	<u>2,607,897,331</u>	<u>4,317,969,710</u>
Less: Settlement/ Adjustment of previous year's tax liability	465,506,698	2,524,205,064
Balance at the end of the year	<u>2,142,390,633</u>	<u>1,793,764,646</u>

Provision for current tax of Taka 814,132,685/- has been kept following 40.00% Tax rate as prescribed by Finance Act 2023 based on the accounting profit made by the Bank after considering some add-backs to income and disallowances of expenditure as per "Income Tax Act. 2023".

	<u>2023</u>	<u>2022</u>	
13.3.2 Provision for deferred tax			
Balance at the beginning of the year	110,887,568	141,842,896	
Add : Provision made for deferred tax liabilities:			
Charged/(credited) to profit and loss account	(22,833,756)	(30,955,328)	
	88,053,812	110,887,568	
Adjustment made during the year	-	-	
	<u>88,053,812</u>	<u>110,887,568</u>	
Less: Provision made for deferred tax assets	-	-	
Balance at the end of the year	<u><u>88,053,812</u></u>	<u><u>110,887,568</u></u>	
13.4 Interest Suspenses Account			
Balance at the beginning of the year	464,651,453	338,092,869	
Add: Amount transferred during the year	908,504,640	662,184,357	
Less: Amount recovered during the year	(516,332,390)	(535,085,842)	
Less: Amount written off during the year	-	(539,931)	
Balance at the end of the year	<u><u>856,823,703</u></u>	<u><u>464,651,453</u></u>	
13.5 Branches' adjustment			
General accounts debit	-	-	
General accounts credit	-	-	
	<u><u>-</u></u>	<u><u>-</u></u>	
14 Share capital			
14.1 Authorised capital:			
2,000,000,000 ordinary shares of BDT 10 each	<u><u>20,000,000,000</u></u>	<u><u>20,000,000,000</u></u>	
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	
22,600,000 ordinary shares of BDT 10 each issued for bonus share	226,000,000	226,000,000	
26,103,000 ordinary shares of BDT 10 each issued for bonus share	261,030,000	261,030,000	
25,035,145 ordinary shares of BDT 10 each issued for bonus share	250,351,450	250,351,450	
	<u><u>5,257,381,450</u></u>	<u><u>5,257,381,450</u></u>	
14.3 Share capital at a glance from inception			
	Number of	Capital	Capital
<u>Year</u>	<u>shares</u>	<u>amount</u>	<u>amount</u>
2013	452,000,000	4,520,000,000	4,520,000,000
2018	22,600,000	226,000,000	226,000,000
2019	26,103,000	261,030,000	261,030,000
2020	25,035,145	250,351,450	250,351,450
	<u><u>525,738,145</u></u>	<u><u>5,257,381,450</u></u>	<u><u>5,257,381,450</u></u>



2023

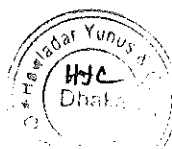
2022

14.4 Name of the Directors and their shareholdings in the year 2023

Sl	Name of the directors	Status	Number of Shares	
			At 31 December 2023	At 31 December 2022
1	Mr. Humayun Kabir	Chairman	13,957,650	13,957,650
2	Mr. Shaikh Salahuddin	Vice- Chairman	20,936,475	20,936,475
3	Mr. Sheikh Fazle Noor Taposh	Director	46,525,500	46,525,500
4	Sharmin Apparels Limited Represented by Mr. Mohammad Ismail Hossain	Director	23,262,750	23,262,750
5	Sandhani Life Insurance Company Limited Represented by Mr. Nemaï Kumer Saha	Director	34,894,125	34,894,125
6	Mr. Salahuddin Alamgir	Director	23,262,750	23,262,750
7	Tanveer Oils Limited Represented by Mr. Mostafa Kamal	Director	23,262,750	23,262,750
8	Everest Power Generation Company Limited Represented by Mrs. Tanjima Binthe Mostafa	Director	23,262,750	23,262,750
9	Mr. Humayun Kabir Bablu	Director	23,262,750	23,262,750
10	Mrs. Shahana Yasmin	Director	23,262,750	23,262,750
11	Mrs. Sultana Jahan	Director	23,262,750	23,262,750
12	Mango Teleservices Limited Represented by Mr. A. Mannan Khan	Director	23,262,750	23,262,750
13	Azbal International Limited Represented by Mrs. Ferdousi Islam	Director	23,262,750	23,262,750
14	Anwar Jute Spinning Mills Limited Represented by Mr. Manwar Hossain	Director	11,631,375	11,631,375
15	Meghna Flour & Dal Mills Limited Represented by Mr. Tanveer Ahmed Mostafa	Director	13,957,650	13,957,650
16	Mona Financial Consultancy & Securities Limited Represented by Mr. Md. Mahbubur Rahman	Director	11,631,375	11,631,375
17	Mr. Didarul Alam	Director	9,305,100	9,305,100
18	Sharmin Fashions Limited Represented by Mrs. Syeda Sharmin Hossain	Director	9,305,100	9,305,100
19	Advocate Syed Rezaur Rahman	Independent Director	-	-
			381,509,100	381,509,100

14.5 Classification of shareholders by holding

	Number of holders		% of total holding	
	2023	2022	2023	2022
Less than 500 shares	-	-	-	-
500 to 5,000 shares	-	-	-	-
5,001 to 10,000 shares	-	-	-	-
10,001 to 20,000 shares	-	-	-	-
20,001 to 30,000 shares	-	-	-	-
30,001 to 40,000 shares	-	-	-	-
40,001 to 50,000 shares	-	-	-	-
50,001 to 100,000 shares	-	-	-	-
100,001 to 1,000,000 shares	-	-	-	-
Over 1,000,000 shares	41	41	100.00	100.00
	<u>41</u>	<u>41</u>	<u>100.00</u>	<u>100.00</u>



14.6 Capital to Risk weighted Asset Ratio (CRAR):

In terms of Section 13 (2) of the Bank Company Act 1991, the Guideline on Risk Based Capital Adequacy (RBCA) under Basel-III issued vide BRPD Circular No. 18 dated December 21, 2014 (effective from January 01, 2015), BRPD Circular No. 2 dated March 04, 2015, and BRPD Circular No. 5 dated May 31, 2016, the calculation of Capital to Risk Weighted Asset Ratio (CRAR) is done at the end of every quarter in a year. Calculation of minimum total capital plus capital conservation buffer of the Bank at the end of December 2023 against the regulatory requirement of 12.50% is presented as under:

1) Tier-1 -Core capital (Going Concern Capital)

a) Common Equity - Tier-1 (CET 1) Capital

	2023	2022
Paid up capital	5,257,381,450	5,257,381,450
Share premium	-	-
Statutory reserve (Note 15)	2,895,378,006	2,516,440,135
General reserve	-	-
Surplus in Profit and Loss account/ Retained earnings (Note 17)	738,801,352	682,555,385
	<u>8,891,560,808</u>	<u>8,456,376,970</u>
b) Additional Tier-1 Capital	-	-
Total Tier-1 Capital	<u>8,891,560,808</u>	<u>8,456,376,970</u>
Less: Regulatory Adjustment		
Goodwill and all other intangible assets	20,834,373	26,340,510
	<u>8,870,726,435</u>	<u>8,430,036,460</u>

2) Tier-2 Capital (Gone-concern Capital)

General provision maintained against unclassified loan	806,840,000	797,140,000
General provision on off-balance sheet items	384,150,000	301,200,000
Asset revaluation reserve	-	-
Revaluation reserve (50% of Fixed Assets & Securities and 10% of Equities)	-	-
	<u>1,190,990,000</u>	<u>1,098,340,000</u>
Less: Regulatory Adjustment		
Revaluation Reserve for Fixed Assets, Securities & Equity Securities (deduction of 100% in 2019 as per Basel-III Guidelines)	-	-
Total Tier-2 Capital	<u>1,190,990,000</u>	<u>1,098,340,000</u>
A) Regulatory Capital (1+2)	<u>10,061,716,435</u>	<u>9,528,376,460</u>

B) Risk weighted assets (RWA)

Credit Risk		
On-Balance Sheet	44,342,197,514	40,135,479,898
Off-Balance Sheet	12,177,972,608	11,562,425,558
	<u>56,520,170,122</u>	<u>51,697,905,456</u>
Market Risk Weighted Assets	2,427,879,854	4,399,674,284
Operational Risk Weighted Assets	3,639,884,494	3,211,906,342
Total RWA	<u>62,587,934,470</u>	<u>59,309,486,083</u>
C) Required capital (Minimum capital requirement (MCR) (10% on B)	<u>6,258,793,447</u>	<u>5,930,948,608</u>
D) Surplus (A-C)	<u>3,802,922,988</u>	<u>3,597,427,852</u>

Capital to Risk weighted Asset Ratio (CRAR):

On Core Capital, i.e. CET 1 - (against standard of minimum 6%)	14.17%	14.26%
On Total Capital to Risk Weighted Asset Ratio (CRAR)- [against standard of minimum 10% plus Capital Conservation Buffer 2.50% (total 12.50%)]	16.08%	16.07%

Any Bank with a Common Equity Tier 1 (CET 1) Capital ratio below 7% is required to conserve a certain percentage of its earnings in the subsequent year. In that case, a restriction is imposed on dividend payout as stated in the Basel III guideline. Above Calculation reveals that CET 1 ratio of Modhumoti Bank PLC. (14.17%) is well above the required level.

Leverage Ratio (against standard of 3.25%):

7.68% 7.89%

15 Statutory reserve

Balance as at 1 January	2,516,440,135	2,167,614,506
Addition during the year (20% of pre-tax profit)	378,937,871	348,825,629
Balance as at 31 December	<u>2,895,378,006</u>	<u>2,516,440,135</u>



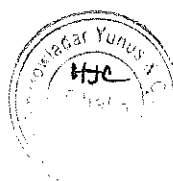
	2023	2022
16 Revaluation gain/(loss) on investment		
Revaluation reserve on HTM securities		
Balance as at 1 January	1,970,634	477,632
Addition during the year	1,894,072	1,493,003
	3,864,706	1,970,634
Adjustment of amortization/ revaluation gain against sale/maturity	120,827	-
Balance as at 31 December	<u>3,743,880</u>	<u>1,970,634</u>
Revaluation reserve on HFT securities		
Balance as at 1 January	92,061,007	33,347,714
Addition during the year	236,092,616	1,475,671,021
	328,153,624	1,509,018,735
Adjustment of amortization/ revaluation gain against sale/maturity	211,360,465	1,416,957,727
Balance as at 31 December	<u>116,793,158</u>	<u>92,061,007</u>
	<u>120,537,038</u>	<u>94,031,641</u>
16(a) Foreign currency translation gain/(loss)		
Balance as at 1 January	2,101,238	201,721
Addition during the year	512,241	2,101,238
Disposal during the year	(2,101,238)	(201,721)
Balance as on 31 December	<u>512,241</u>	<u>2,101,238</u>
17 Surplus in profit and loss account/Retained earnings		
Balance as at 1 January	682,555,385	825,242,531
	682,555,385	825,242,531
Add: Addition during the year	1,103,390,424	1,004,793,637
	1,785,945,809	1,830,036,168
Less:		
Transfer to Statutory reserve	378,937,871	348,825,629
Transfer to Start-Up Fund	11,033,904	10,047,936
Issue of bonus shares	-	-
Cash dividend paid	657,172,681	788,607,218
	1,047,144,456	1,147,480,783
Balance as on 31 December	<u>738,801,352</u>	<u>682,555,385</u>
18 Contingent liabilities		
18.1 Acceptances and endorsements		
Acceptance under Letters of Credit -Cash (Foreign) Deferred	1,744,261,414	3,421,363,342
Acceptance under Letters of Credit -BTB (Foreign) Usance	486,205,871	519,368,223
Acceptance under Letters of Credit -BTB EPZ (Foreign) Usance	54,812,921	56,976,759
Acceptance under Letters of Credit -BTB (Local) Usance	1,457,756,628	1,912,417,326
Acceptance under Letters of Credit -BTB (Foreign) EDF	-	-
Acceptance under Letters of Credit -Others	4,843,008	3,937,075
	3,747,879,843	5,914,062,725
Less: Margin	-	-
	<u>3,747,879,843</u>	<u>5,914,062,725</u>
18.2 Letters of guarantee		
Letters of guarantee (Local)	27,105,990,668	15,077,375,435
Letters of guarantee (Foreign)	56,151,000	314,402,437
	27,162,141,668	15,391,777,872
Less: Margin	1,432,758,236	980,726,736
	<u>25,729,383,432</u>	<u>14,411,051,135</u>
Money for which the Bank is contingently liable in respect of guarantee issued favouring:		
Directors or officers	26,281,300	80,117,135
Government	-	-
Banks and other financial institutions	-	-
Others	27,135,860,368	15,311,660,736
	27,162,141,668	15,391,777,872
Less: Margin	1,432,758,236	980,726,736
	<u>25,729,383,432</u>	<u>14,411,051,135</u>



	2023	2022
18.3 Irrevocable letters of credit		
Letter of Credit - Foreign	6,353,893,370	5,802,415,421
Letter of Credit - BTB Foreign	618,601,349	738,642,554
Letter of Credit - BTB - EPZ	101,947,248	82,411,465
Letter of Credit - BTB (Local)	2,535,698,359	2,165,989,151
Letter of Credit - EDF & Others	337,642,659	168,985,298
	<u>9,947,782,985</u>	<u>8,958,443,889</u>
Less: Margin	2,734,219,340	1,696,870,826
	<u>7,213,563,645</u>	<u>7,261,573,063</u>
18.4 Bills for collection		
Foreign bills for collection	1,727,020,333	2,192,213,420
Local bills for collection	3,154,000,829	4,413,669,879
	<u>4,881,021,162</u>	<u>6,605,883,300</u>
18.5 Other contingent liabilities		
Other contingent liabilities	6,358,115,850	-
	<u>6,358,115,850</u>	<u>-</u>
19 Income statement		
Income:		
Interest, discount and similar income	6,331,331,478	5,637,981,442
Dividend income	8,218,529	13,499,479
Fees, commission and brokerage	615,647,406	378,214,027
Gains less losses arising from dealing securities	-	-
Gains less losses arising from investment securities	653,865	(9,085,481)
Gains less losses arising from dealing in foreign currencies	434,954,276	846,339,639
Income from non-banking assets	-	-
Other operating income	266,842,448	159,418,386
Profit less losses on interest rate changes	-	-
	<u>7,657,648,001</u>	<u>7,026,367,491</u>
Expenses:		
Interest, fees and commission	4,026,004,273	3,861,332,371
Losses on loans and advances	-	-
Administrative expenses	1,090,890,790	987,166,081
Other operating expenses	198,051,126	183,508,907
Depreciation on banking assets	205,912,460	203,031,989
	<u>5,520,858,648</u>	<u>5,235,039,347</u>
Income over expenditure	<u>2,136,789,353</u>	<u>1,791,328,144</u>
20 Interest income		
Interest on loans and advances	5,001,789,240	4,042,485,678
Interest on placement with other banks and financial institutions	131,945,629	188,020,402
Interest income from OBU	111,534,770	128,902,763
Interest on foreign currency balances	66,688,889	34,461,765
	<u>5,311,958,527</u>	<u>4,393,870,609</u>
Less: Interest income from OBU	111,534,770	128,902,763
	<u>5,200,423,758</u>	<u>4,264,967,845</u>
21 Interest paid on deposits and borrowings etc.		
Interest on deposits	3,598,868,926	3,199,190,458
Interest on borrowings	410,361,558	641,580,817
Interest expense on lease liability	16,773,789	20,561,096
Interest paid on borrowings (OBU)	111,534,770	128,902,763
	<u>4,137,539,042</u>	<u>3,990,235,134</u>
Less: Interest paid on borrowings (OBU)	111,534,770	128,902,763
	<u>4,026,004,273</u>	<u>3,861,332,371</u>

	2023	2022
22 Investment income		
Interest income from Government Securities	1,129,948,315	1,371,867,859
Gain on sale of Government Securities (Note-22.1)	653,865	(9,085,481)
Dividend on shares	8,218,529	13,499,479
Other Investment Income	-	-
Gain on sale of shares	959,405	1,145,738
	<u>1,139,780,114</u>	<u>1,377,427,594</u>
22.1 Capital Gain on Government Securities		
Capital Gain on treasury bills	-	(4,053,599)
Capital Gain on treasury bonds	653,865	(5,031,882)
	<u>653,865</u>	<u>(9,085,481)</u>
23 Commission, exchange and brokerage		
Commission on L/Cs	195,510,369	108,932,912
Commission on L/Cs - EPZ	2,291,631	2,988,607
Commission on Inland L/Cs	386,438	161,937
Commission on L/Cs-back to back	38,514,921	62,097,976
Commission on L/Gs	350,577,976	195,023,194
Commission on Export L/C	1,424,990	2,083,286
Commission on remittance	211,493	266,843
Commission on collection on FDBP/ FDBC/ FDD	3,655,841	3,552,792
Commission on ACS	1,961,604	506,925
Other Commission	21,112,144	2,599,555
Exchange gain (Note-23.1)	434,954,276	846,339,639
	<u>1,050,601,682</u>	<u>1,224,553,666</u>
23.1 Exchange gain		
Exchange gain from revaluation/trade of foreign currency	434,954,276	846,339,639
	<u>434,954,276</u>	<u>846,339,639</u>
24 Other operating income		
Account Maintenance Charges	9,422,936	10,434,478
Postage / SWIFT/ fax recoveries from Import L/Cs	22,071,822	17,550,056
Postage / SWIFT/ fax recoveries from Export related L/Cs	7,962,967	9,351,081
Recovery from written-off Advances	694,223	278,815
Gain on sales of fixed assets	1,779,878	-
Cards Fees and Charges (Note 24.1)	908,146	2,367,473
Other Fees and Charges	193,410,408	87,701,347
Fees and Charges on Export related L/Cs	30,592,068	31,735,135
	<u>266,842,448</u>	<u>159,418,386</u>
24.1 Cards Fees and Charges:		
Fees and Charges (debit and prepaid card)	1,265,938	1,392,993
Annual Fees	1,688,089	3,376,554
VISA POS Reimbursement charges	2,709,309	899,583
Cash Advance Fees	1,371,483	938,693
Late payment and overlimit fees	2,420,252	1,905,887
Card Cheque Fees (Processing and Issues)	1,223,924	982,806
Replacement Fees and Others	2,912,509	854,162
	<u>13,591,503</u>	<u>10,350,678</u>
Cards Direct Expenses:		
VISA POS Reimbursement Charges	235,218	127,264
VISA Associated Membership Sponsor Charges	525,300	437,340
Fees and Charges of Card	11,415,475	7,256,913
ATM Expenses NPSB	507,364	161,688
	<u>12,683,357</u>	<u>7,983,205</u>
Cards Fees and Charges (Net)	<u>908,146</u>	<u>2,367,473</u>

	2023	2022
25 Salaries and Allowances		
Basic salary	282,850,175	266,237,273
Bonus	93,100,779	78,706,007
Other Salary & Allowances	425,914,830	414,523,520
Bank Contribution to Provident Fund	28,342,700	26,778,805
	830,208,484	786,245,605
26 Rent, taxes, insurance, Electricity etc.		
Rent, rates and taxes (26.1)	8,841,397	21,028,515
Insurance	34,540,391	39,141,965
Utilities (except telecommunication)	26,527,131	22,142,999
	69,908,918	82,313,478
26.1 Rent, rates and taxes		
Office Rent	1,903,987	14,028,245
Rent for ATM Booth	3,765,871	3,831,187
Rates and Taxes	3,171,539	3,169,082
	8,841,397	21,028,515
<p>Since 'IFRS 16: Leases' has already been implemented in Bangladesh, The Bank started to comply with the reporting requirements as prescribed in IFRS 16 from the year 2019. To comply with the accounting treatment prescribed in this IFRS, out of total rental expense of Taka 168,917,144, an amount of rental expenses (office premises for head office & thirty one branches) of Taka 167,013,157 is converted into the Interest expense on lease liability and Depreciation expense on ROU Assets. The changes have been adopted only for disclosure purpose which are not affecting the payments of actual rental expense (there is no impact on cash outflow).</p> <p>Reconciliation of rental expense is presented as under:</p>		
A) Total Rent expense incurred for office premises paid during 2023:		
Rent Expenses	146,258,088	151,881,672
VAT on Rent	22,659,056	22,086,241
Total Rent expense incurred in 2023	168,917,144	173,967,913
B) Rental expense converted into the Interest expense on lease liability & depreciation expense on ROU Assets:		
Rent Expenses	145,228,832	139,077,971
VAT on Rent Expenses	21,784,325	20,861,697
Rent expense considered for IFRS 16- Leases	167,013,157	159,939,668
C)= (A-B), Rent Expenses presented in Note 26.1:		
Rent Expenses	1,903,987	14,028,245
D) Expenses charged during 2023 for IFRS 16- Leases:		
Interest Expenses on lease liability (Note 21)	16,773,789	20,561,096
Depreciation Expenses on ROU Assets (Note 31)	141,508,362	137,318,493
Total expenses charged for ROU Assets during the year	158,282,150	157,879,589
E) = (D-B), Additional expense incurred for leases during 2023	(8,731,007)	(2,060,079)
27 Postage, stamp, telecommunication etc.		
Postage	5,539,384	5,033,991
Telephone / Mobile	6,557,135	6,566,478
Networklink, Internet, SWIFT, Reuters etc.	28,351,130	25,732,361
	40,447,650	37,332,830
28 Stationery, printing, advertisements etc.		
Printing & security stationery	8,437,331	5,807,259
Petty stationery	8,942,246	5,970,099
Computer consumable stationery	1,404,980	1,448,846
Publicity and advertisement	78,024,099	28,138,417
	96,808,656	41,364,621
29 Managing Director's salary and fees		
Basic Salary	8,400,000	6,954,838
Bonus	2,600,000	1,500,000
Other Salary & Allowance	4,564,278	4,351,264
Bank Contribution to Provident Fund	840,000	695,484
	16,404,278	13,501,586



	2023	2022
30 Directors' fees and expenses		
Meeting attendance fees	1,448,000	1,696,000
	<u>1,448,000</u>	<u>1,696,000</u>

As per BRPD circular letter no. 11 dated 04 October 2015, Taka 8,000/- has been paid as Honorarium to the Directors, for attending per Board Meeting, EC Meeting, Board Audit Committee Meeting and Risk Management Committee Meeting held during the year 2023.

31 Depreciation and repairs of Bank's assets

A) Depreciation on Fixed Assets:

Furniture and fixtures	21,124,225	21,139,325
Machinery & Equipment	17,591,006	20,370,068
Computer and Computer peripherals	9,275,184	8,966,049
Motor Vehicles	4,284,146	3,820,020
Software	12,129,537	11,418,034
	<u>64,404,098</u>	<u>65,713,496</u>

B) Depreciation on Right-of-Use Assets:

Depreciation Expense for the year

	141,508,362	137,318,493
	<u>205,912,460</u>	<u>203,031,989</u>

C) Repairs/ Replacements of the Bank's assets:

Furniture & Fixtures	1,939,050	2,186,345
Machinery & Equipment	3,393,635	4,898,510
Motor Vehicles	1,525,883	1,200,745
Software maintenance	28,806,236	16,426,361
	<u>35,664,804</u>	<u>24,711,961</u>
	<u>241,577,263</u>	<u>227,743,950</u>

D) = (A+B+C), See Annexure - A for detail of Depreciation expense

As stated in note 26.1, in accordance with IFRS 16, lease rental are now capitalized and related depreciation on ROU Assets is shown above.

32 Other expenses

Security and cleaning	44,227,941	43,434,445
Entertainment	10,128,141	7,878,534
Other Professional Service charges	2,491,150	2,179,775
Books and periodicals	-	142,360
Subscription	2,090,887	1,419,792
Donation	59,503,247	55,360,000
Travelling expenses	3,209,443	3,023,715
Conveyance	3,423,175	3,486,800
Gratuity expenses	41,000,000	35,000,000
Fuel	2,501,683	1,775,446
Leverage & Uniform	449,800	639,021
Training/seminar	2,948,778	5,208,196
Annual General Meeting (AGM)	491,581	594,829
Cash carrying charges	4,110,795	5,052,079
NID verification charge	476,285	42,388
Exchange loss	1,441,989	2,107,565
Office maintenance	6,272,385	4,950,238
Honorarium for Banking Diploma	1,575,000	1,485,000
Business development expense	-	29,990
Croceries	23,557	63,577
Expenses regrading Agent Banking	3,448,272	1,167,204
Cartridge	3,422,496	3,385,218
Miscellaneous Expenses	3,914,520	4,175,085
	<u>197,151,126</u>	<u>182,601,257</u>

33 Tax expense

Current tax	814,132,685	770,289,835
Deferred tax	(22,833,756)	(30,955,328)
	<u>791,298,929</u>	<u>739,334,507</u>



	2023	2022
34 Cash received from other operating activities		
Account Maintenance Charges	9,422,936	10,434,478
Postage / SWIFT/ fax recoveries from Import L/Cs	22,071,822	17,550,056
Postage / SWIFT/ fax recoveries from Export related L/Cs	7,962,967	9,351,081
Gain on sale of shares	959,405	1,145,738
Fees on Share Transfer	-	-
Cards Fees and Charges	908,146	2,367,473
Other Fees and Charges	193,410,408	87,701,347
Fees and Charges on Export related L/Cs	30,592,068	31,735,135
	265,327,752	160,285,308
35 Payments for other operating activities		
Rent, rates and taxes	175,854,554	180,968,183
Postage	40,447,650	37,332,830
Directors fees	1,448,000	1,696,000
Repairs	35,664,804	24,711,961
Legal expenses	600,000	607,650
Audit fees	300,000	300,000
Others expenses (Note 32)	156,151,126	147,551,257
	410,466,134	393,167,880
36 Earnings per share (EPS)		
Net profit after tax for the year ended 31 December (BDT)	1,103,390,424	1,004,793,637
Number of ordinary shares outstanding	525,738,145	525,738,145
Weighted average number of ordinary shares	525,738,145	525,738,145
Earnings per share (EPS) on closing number of share	2.10	1.91
Earnings per share (EPS) - (Weighted Average)	2.10	1.91

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



37 General

37.1 Audit Committee

Audit Committee of the Board of Directors of the Bank has been reformed by the Board of Directors in their meeting held on 28 October 2023 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	Educational qualification
1)	Mr. Shaikh Salahuddin	Chairman	H. S .C
2)	Mr. A. Mannan Khan	Member	B. Sc. in Engineering Specialization in Tele-Communications
3)	Mr. Md. Mahbubur Rahman	Member	MBA
4)	Advocate Mr. Syed Rezaur Rahman	Member	M. A, LLB

Role of the Bank's Audit Committee:

To oversee financial reporting process, the Audit Committee does the following tasks:

- 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 2023, the audit committee held 4 (four) meetings. In these meetings, the Committee reviewed the Audited Financial Statements for the year 2022 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 2023, the Bank conducted business deals with the following organizations in which the directors has interest:

i) Loans and advances to directors and their related concern

Name of party	Name of Directors	Related by	Nature of Facilities	Outstanding as on 31.12.2023	Status
Sonargaon Seeds Crushing Mills Limited	Mr. Mostafa Kamal	Director	BG	986,000	Regular
Tanveer Paper Mills Ltd.	Mr. Mostafa Kamal	Director	LC	-	Regular
Meghna Container Terminal Ltd.	Mr. Mostafa Kamal	Director	BG	2,500,000	Regular
Meghna Edible Oils Refinery Ltd.	Mr. Mostafa Kamal	Director	LC	-	Regular
Meghna Edible Oils Refinery Ltd.	Mr. Mostafa Kamal	Director	BG	10,846,700	Regular
Meghna Beverage	Mr. Mostafa Kamal	Director	LC	-	Regular
Meghna Bulk Bag	Mr. Mostafa Kamal	Director	LC	11,100,000	Regular
Meghna Noodles	Mr. Mostafa Kamal	Director	LC	3,934,000	Regular
Meghna Ship Building Ltd.	Mr. Mostafa Kamal	Director	LC	-	Regular
Meghna Shipbuilders & Dockyard Ltd.	Mr. Mostafa Kamal	Director	LC	-	Regular
Meghna Sugar Refinery Ltd.	Mr. Mostafa Kamal	Director	LC	-	Regular
Tasnim Chemical Ltd.	Mr. Mostafa Kamal	Director	BG	-	Regular
Meghna Pulp and Papers Mills Ltd.	Mr. Mostafa Kamal	Director	LC	32,167,000	Regular
Meghna Pulp and Papers Mills Ltd.	Mr. Mostafa Kamal	Director	BG	2,981,800	Regular
Everest CNG Re-Fuelling and Conversion Ltd.	Mr. Mostafa Kamal	Director	BG	-	Regular
United Sugar Mills Limited	Mr. Mostafa Kamal	Director	BG	1,983,400	Regular
United Shipping Lines	Mr. Mostafa Kamal	Director	BG	1,983,400	Regular
Sonargaon Seeds Fabricate Ltd.	Mr. Mostafa Kamal	Director	BG	-	Regular
Sonargaon Seeds Fabricate Ltd.	Mr. Mostafa Kamal	Director	LC	-	Regular
M.S.A Services	Mr. Md. Didarul Alam	Director	BG	5,000,000	Expired



ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2023

Name of Directors	Relationship with the Bank	Nature of transaction	Limit	Security Value	Outstanding as on 31.12.2023
Mr. Sheikh Fazle Noor Taposh	Director	Credit Card	2,000,000	Lien on FDR for Tk. 20,00,000/-	
		Credit Card		Prepaid in Nature	USD 5,604.04 Cr.
Mr. Mohammad Ismail Hossain	Director	Credit Card	500,000	Lien on FDR for Tk. 5,00,000/-	BDT 149.11
		Credit Card	USD 50,000	Lien on ERG A/c for USD 50,000	
Mr. Salahuddin Alamgir	Director	Credit Card	1,000,000	Lien on FDR for Tk. 10,00,000/-	BDT 31,779.00
Mr. Manwar Hossain	Director	Credit Card	500,000	Lien on FDR for Tk. 5,00,000/-	
Mr. Humayun Kabir Bablu	Director	Credit Card	1,540,000	Lien on DBSR for	BDT 16,936.54
			USD 12000	Tk. 25,00,000/-	
Mr. Shaikh Salahuddin	Director	Credit Card	100,000	Lien on FDR for Tk.	BDT 150.35
		Credit Card	USD 5000	5,00,000/-	

b) The Bank has rented a portion of 10,150 square feet of Bengal House located at House No.12/A, Road No.63 Gulshan 2, Dhaka-1212 at a monthly rent of BDT 1,691,235.00. The Bank has paid BDT 50,400,000.00 as advance against Office Rent. During the year, the Bank has paid total rent of BDT 20,294,820.00 and outstanding balance of advance is Zero as on 31 December 2023.

c) Related party transactions

Nature of Party/ Contract	Relationship	Amount
Information Technology Consultants Limited (ITCL)	Common Director	10,079,783
Banglar Bani Films, Media & Publication Limited	Common Director	1,150,000
Bengal Media Corporation Ltd.	Common Director	5,145,000

37.3 Number of employees of the Bank


The number of regular employees engaged for the whole year or part thereof who received a total yearly remuneration of BDT 144,000 or above were 671 at the end of December 2023.

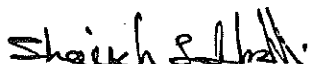
37.4 Highlights on the overall activities of the Bank

Highlights on the overall activities of the Bank have been furnished in Annexure - C.

37.5 Coverage of External Audit

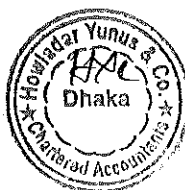
The external auditor of the Bank, Howladar Yunus & Co., Chartered Accountants worked about in excess of 1320 person hours. During their audit, they audited above 80% of the Bank's risk weighted assets as on the Balance.


Chairman


Vice Chairman


Director


Managing Director & CEO



Modhumoti Bank PLC.

Schedule of Fixed Assets

As at 31 December 2023

Amount in BDT

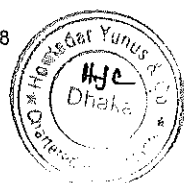
Particulars	Cost				Rate of Dep.	Depreciation				Written down value as at 31.12.2023
	Opening balance as on 01.01.2023	Addition during the year	Disposal/ Adjustment during the year	Balance as at 31.12.2023		Opening balance as on 01.01.2023	Charged during the year	Disposal/ Adjustment during the year	Balance as at 31.12.2023	
Land	-	-	-	-		-	-	-	-	-
Building	-	-	-	-		-	-	-	-	-
Furniture and fixtures	211,613,617	1,297,557	579,145	212,332,029	10%	101,591,446	21,124,225	481,792	122,233,879	90,098,150
Computer and Computer peripheral	90,435,092	13,310,228	2,189,800	101,555,520	20%	70,827,027	9,275,184	2,186,588	77,915,623	23,639,897
Electrical Equipments	194,257,180	1,006,590	3,679,150	191,584,620	20%	152,232,401	17,591,006	3,366,995	166,456,412	25,128,208
Motor vehicles	31,600,001	14,745,000	5,470,000	40,875,001	20%	24,726,069	4,284,146	3,555,513	25,454,702	15,420,299
Right-of-Use (ROU) Assets	690,833,226	46,887,877	3,801,988	733,919,116	**	382,038,065	141,508,362	3,801,988	519,744,438	214,174,677
Capital work in progress (CWIP)	160,000	2,574,000	160,000	2,574,000		-	-	-	-	2,574,000
Sub-total	1,218,899,116	79,821,252	15,880,083	1,282,840,285		731,415,008	193,782,923	13,392,876	911,805,054	371,035,231
Software	101,025,709	8,675,400	-	109,701,109	20%	79,137,199	12,129,537	-	91,266,736	18,434,373
Capital work in progress (CWIP)	4,452,000	2,400,000	4,452,000	2,400,000		-	-	-	-	2,400,000
Sub-total	105,477,709	11,075,400	4,452,000	112,101,109		79,137,199	12,129,537	-	91,266,736	20,834,373
Total as at 31st December 2023	1,324,376,825	90,896,652	20,332,083	1,394,941,394		810,552,207	205,912,460	13,392,876	1,003,071,790	391,869,604
Total as at 31st December 2022	1,288,891,432	115,085,055	79,599,661	1,324,376,825		679,682,157	203,031,989	72,161,938	810,552,208	513,824,618

** Straight line method of depreciation is followed throughout the lease period as mentioned in the contracts.

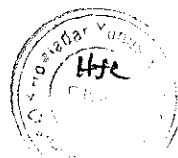


Name of the Directors of the Bank and their interest in different entities

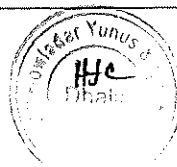
Sl. No	Name	Status with the Bank	Interest in other concerns	
			Name of Concerns	Position
1	Mr. Humayun Kabir	Chairman	Dhaka Ice Cream Industries Limited (POLAR)	Chairman
			Zest Agro Food Processing Limited	Managing Director
			Northern Hatcheries Limited (Deshi Meat)	Managing Director
			Northern Agri Science Limited	Managing Director
2	Mr. Shaikh Salahuddin	Vice Chairman	Islami Commercial Insurance Company Limited	Shareholder
			Ajmeer Navigation	Proprietor
			Fardin Fish (Deep Sea Fishing)	Proprietor
			Khulna Shipping Lines	Proprietor
3	Mr. Sheikh Fazle Noor Taposh	Director	Sheikh & Chowdhury	Partner
			Banglar Bani Films, Media and Publications Limited	Chairman
4	Mr. Mohammad Ismail Hossain Representing Sharmin Apparels Limited	Director	Sharmin Group	Managing Director
			Sharmin Apparels Limited	Managing Director
			Sharmin Fashions Limited	Managing Director
			Sharaf Apparels Limited	Managing Director
			Ishayat Apparels Limited	Managing Director
			Sharaf Washing & Dyeing Industries Limited	Managing Director
			Sharaf Embroidery & Printing Limited	Managing Director
			A.M. Design Ltd.	Managing Director
			A.M. Fashions Limited	Managing Director
			limeeyat Apparels Limited	Managing Director
			limeeyat Washing & Dyeing Industries Limited	Managing Director
			Ishayat Fashions Limited	Managing Director
			Jaflong Valley Boarding School	Director
5	Mr. Nemai Kumar Saha Representing Sandhani Life Insurance Company Limited	Director	Sandhani Life Insurance Company Limited	Chief Executive Officer
6	Mr. Salahuddin Alamgir	Director	Labib Group	Chairman
			Matrix Sweaters Limited	Managing Director
			Starlight Sweaters Limited	Managing Director
			Raidha Collections Limited	Managing Director
			Sultana Sweaters Limited	
			Juthi Packaging Industries Limited	Managing Director
			Labib Dyeing Mills Limited	Managing Director
			Nice Cotton Limited	Managing Director
			Excel Telecom (Pvt) Limited	Managing Director
			R & R Agro Complex Limited	Managing Director
			Labib Poultry & Fisheries Limited	Managing Director
			Information Technology Consultants Limited (ITCL)	Director
			X- Telecom (pvt) Limited	Director
			Unique Power Plant Limited	Managing Director
			Unique Cement Industries Limited	Managing Director
			Unique Hatchery & Feeds Limited	Managing Director
			Tanveer Oil's Limited	Managing Director
			Tanveer Food Limited	Managing Director
			Tanveer Polymer Industries Limited	Managing Director
			Tanveer Steel Mills Limited	Managing Director
			Tanveer Paper Mills Limited	Managing Director
			Everest CNG Refueling & Conversion Limited	Managing Director
			Everest Power Generation Co. Limited	Managing Director
			G.Shipping Lines Limited	Managing Director
			Meghna Shipbuilders & Dockyard Limited	Managing Director
			Meghna Aviation Limited	Managing Director
			Global Ad Star Bag Industries Limited	Managing Director



Sl. No	Name	Status with the Bank	Interest in other concerns	
			Name of Concerns	Position
7	Mr. Mostafa Kamal Representing Tanveer Oils Limited	Director	Surma Mustard Oil Mills Limited	Managing Director
			Tasnim Chemical Complex Limited	Managing Director
			Sonargaon Steel Fabricate Limited	Managing Director
			Sonargaon Printing & Packaging Industries Limited	Managing Director
			Sonargaon Salt Industries Limited	Managing Director
			Tasnim Condensed Milk Limited	Managing Director
			Cumilla Economic Zone Limited	Managing Director
			Dhaka Securities Limited	Managing Director
			Meghna Seeds Crushing Mills Limited	Managing Director
			Meghna Edible Oils Refinery Limited	Managing Director
			Meghna Pulp & Paper Mills Limited	Managing Director
			Meghna Sugar Refinery Limited	Managing Director
			Meghna Fresh LPG Limited	Managing Director
			Meghna Noodles & Biscuit Factory Limited	Managing Director
			Meghna Ballpen & Accessories MFG Limited	Managing Director
			Meghna Bulk Bag Industries Limited	Managing Director
			Meghna Economic Zone Limited	Managing Director
			Meghna Industrial Economic Zone Limited	Managing Director
			A Class Builders Limited	Managing Director
			USB International Lines Limited	Managing Director
			Meghna Tea Company Limited	Managing Director
			Titanic Shipping Lines Limited	Managing Director
			Talelink Bangladesh Limited	Managing Director
			IMEX Shipping Bangladesh Limited	Managing Director
			Meghna PVC Limited	Managing Director
			MPP Power Plant Limited	Managing Director
			Sonargaon Flour & Dal Mills Limited	Managing Director
			Meghna Beverage Limited	Managing Director
8	Ms. Tanjima Binthe Mostafa Representing Everest Power Generation Company Limited	Director	Unique Power Plant Limited	Director
			Unique Cement Industries Limited	Director
			Unique Hatchery & Feeds Limited	Director
			Tanveer Oil's Limited	Director
			Tanveer Food Limited	Director
			Tanveer Polymer Industries Limited	Director
			Tanveer Steel Mills Limited	Director
			Tanveer Paper Mills Limited	Director
			Everest CNG Refueling & Conversion Limited	Director
			Everest Power Generation Co. Limited	Director
			G.Shipping Lines Limited	Director
			Meghna Shipbuilders & Dockyard Limited	Director
			Meghna Aviation Limited	Director
			Global Ad Star Bag Industries Limited	Director
			Surma Mustard Oil Mills Limited	Director
			Tasnim Chemical Complex Limited	Director
			Sonargaon Steel Fabricate Limited	Director
			Sonargaon Printing & Packaging Industries Limited	Director
			Sonargaon Salt Industries Limited	Director
			Tasnim Condensed Milk Limited	Director
			Cumilla Economic Zone Limited	Director
			Dhaka Securities Limited	Director
			Meghna Seeds Crushing Mills Limited	Director
			Meghna Edible Oils Refinery Limited	Director
			Meghna Pulp & Paper Mills Limited	Director
			Meghna Sugar Refinery Limited	Director
			Meghna Fresh LPG Limited	Director
			Meghna Noodles & Biscuit Factory Limited	Director
Meghna Ballpen & Accessories MFG Limited	Director			
Meghna Bulk Bag Industries Limited	Director			



Sl. No	Name	Status with the Bank	Interest in other concerns	
			Name of Concerns	Position
			Meghna Economic Zone Limited	Director
			Meghna Industrial Economic Zone Limited	Director
			A Class Builders Limited	Director
			USB International Lines Limited	Director
			Meghna Tea Company Limited	Director
			Titanic Shipping Lines Limited	Director
			Talelink Bangladesh Limited	Director
			IMEX Shipping Bangladesh Limited	Director
			Meghna PVC Limited	Director
			MPP Power Plant Limited	Director
			Sonargaon Flour and Dal Mills Limited	Director
			Meghna Beverage Limited	Director
			9	Mr. Humayun Kabir Bablu
Euphoria Apparels Ltd.	Managing Director			
Romania Food & Beverage Limited	Managing Director			
Linnex Electronics Bangladesh Limited	Managing Director			
Bengal Windsor Thermoplastics Limited	Managing Director			
Bengal Hotels and Resorts Ltd.	Managing Director			
Bengal Plastics Limited	Director			
Bengal Polymer Wares Limited	Director			
Bengal Plastic Pipes Limited	Director			
Bengal Poly and Paper Sack Limited	Director			
Bengal Flexipak Limited	Director			
Bengal Adhesive & Chemical Products Limited	Director			
Bengal Cement Limited	Director			
Bengal Concept & Holdings Limited	Director			
Bengal Feed and Fisheries Limited	Director			
Bengal Renewable Energy Limited	Director			
Power Utility BD Limited	Director			
Hamilton Metal Corporation Limited	Director			
Hamilton Mold and Engineering Limited	Director			
Bengal Retails Limited	Director			
Linnex Technologies Limited	Managing Director			
Bengal Melamine 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
			Juthi Packaging Industries Limited	Director
			Labib Dyeing Mills Limited	Director
			Nice Cotton Limited	Director
			Excel Telecom (Pvt) Limited	Director
			Labib Poultry & Fisheries Limited	Director
Alamgir Ranch	Director			
12	Mr. A Mannan Khan Representing Mango Teleservices Limited	Director	Mango Teleservices Limited	Chairman
			Bangladesh Auto Industries Limited	Chairman
			Mango Technologies Limited	Chairman
			Bangladesh Lithium Battery Limited	Chairman
			HKGE Consortium Limited	Chairman
			Playpen Centre	Managing Partner
			Purple Telecom Limited	Chairman
			Platinum Communication Limited	Chairman
			Mango Electronics Limited	Chairman
Mango Holding Limited	Managing Director			



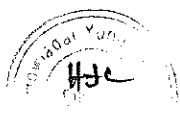
Sl. No	Name	Status with the Bank	Interest in other concerns	
			Name of Concerns	Position
			Clix Limited	Chairman
			Telefort Limited	Chairman
			CSL Distribution Limited	Chairman
13	Mrs. Ferdousi Islam Representing Azbal International Limited	Director	China Bangla Ceramic Industries Ltd	Chairman
			Bajnabo Textile Mills Ltd	Chairman
			China Bangla Engineering & Technology Services Ltd	Chairman
			Azbal International Limited	Chairman
			Trustee Securities Ltd	Managing Director
			Northern General Insurance Co. Ltd	Director
			Total Merchandising & Trims Ltd	Director
			United Shipping Lines Ltd	Director
			Bengal Tiger Cement Industries Ltd	Director
14	Mr. Manwar Hossain Representing Anwar Jute Spinning Mills Limited	Director	Anwar Group of Industries	Chairman
			Bangladesh Finance Limited	Chairman
			Anwar Landmark Limited	Chairman
			Anwar Ispat Limited	Chairman
			Anwar Integrated Steel Plant Limited	Chairman
			Anwar Galvanizing Limited	Chairman
			Anwar Cement Limited	Chairman
			Anwar Cement Sheet Limited	Chairman
			A-One Polymer Limited	Chairman
			Anwar Silk Mills Limited	Chairman
			Mehmud Industries (Pvt.) Limited	Chairman
			Hossain Dyeing and Printing Mills Limited	Chairman
			Anwar Printex Limited	Chairman
			A-One Printex Limited	Chairman
			Anwar Denim Limited	Chairman
			Anwar Jute Spinning Mills Limited	Chairman
			AG Automobiles Limited	Chairman
			AG Motors Limited	Chairman
Toledo Motors Limited	Chairman			
15	Mr. Tanveer Ahmed Mostafa Representing Meghna Flour & Dal Mills Limited	Director	Meghna Flour & Dal Mills Limited	Managing Director
			Unique Power Plant Limited	Director
			Unique Cement Industries Limited	Director
			Unique Hatchery & Feeds Limited	Director
			Tanveer Oil's Limited	Director
			Tanveer Food Limited	Director
			Tanveer Polymer Industries Limited	Director
			Tanveer Steel Mills Limited	Director
			Tanveer Paper Mills Limited	Director
			Everest CNG Refueling & Conversion Limited	Director
			Everest Power Generation Co. Limited	Director
			G.Shipping Lines Limited	Director
			Meghna Shipbuilders & Dockyard Limited	Director
			Meghna Aviation Limited	Director
			Global Ad Star Bag Industries Limited	Director
			Surma Mustard Oil Mills Limited	Director
			Tasnim Chemical Complex Limited	Director
			Sonargaon Steel Fabricate Limited	Director
			Sonargaon Printing & Packaging Industries Limited	Director
			Sonargaon Salt Industries Limited	Director
			Tasnim Condensed Milk Limited	Director
			Cumilla Economic Zone Limited	Director
Dhaka Securities Limited	Director			
Meghna Seeds Crushing Mills Limited	Director			
Meghna Edible Oils Refinery Limited	Director			
Meghna Pulp & Paper Mills Limited	Director			
Meghna Sugar Refinery Limited	Director			

Sl. No	Name	Status with the Bank	Interest in other concerns	
			Name of Concerns	Position
			Meghna Fresh LPG Limited	Director
			Meghna Noodles & Biscuit Factory Limited	Director
			Meghna Ballpen & Accessories MFG Limited	Director
			Meghna Bulk Bag Industries Limited	Director
			Meghna Economic Zone Limited	Director
			Meghna Industrial Economic Zone Limited	Director
			A Class Builders Limited	Director
			USB International Lines Limited	Director
			Meghna Tea Company Limited	Director
			Titanic Shipping Lines Limited	Director
			Talelink Bangladesh Limited	Director
			IMEX Shipping Bangladesh Limited	Director
			Meghna PVC Limited	Director
			MPP Power Plant Limited	Director
			Sonargaon Flour and Dal Mills Limited	Director
			Meghna Beverage Limited	Director
16	Mr. Md. Mahbubur Rahman Representing Mona Financial Consultancy & Securities Limited	Director	Mona Financial Consultancy & Securities Limited	Company Secretary
17	Mr. Didarul Alam	Director	Amena Fishing Limited	Managing Director
			Taseen Steels Limited	Managing Director
			TR Ship Breakers Limited	Managing Director
			Taher Ship Recycling Industries Limited	Managing Director
			Golden Bricks Works Limited	Managing Director
			Kadam Rasul Steel Ship Breaking Limited	Managing Director
			Taher & Company Limited	Director
			Mostafa Hakim Cement Industries Limited	Director
			Mostafa Hakim Housing & Real Estate Limited	Director
			Golden Steel Re-rolling Mills Limited	Director
			Golden Oxygen Limited	Director
			Golden Ispat Limited	Director
			Bangladesh Finance & Investment Co. Limited	Director
			S.B Corporation	Proprietor
			DAB Filling Station	Proprietor
			Didarul Alam & Brothers	Proprietor
			Silkline Travels (AC Bus)	Proprietor
			Bhatiary Filling Station	Managing Partner
18	Mrs. Syeda Sharmin Hossain Representing Sharmin Fashions Limited	Director	Sharmin Apparels Limited	Director
			Sharmin Fashions Limited	Director
			Sharaf Apparels Limited	Director
			Ishayat Apparels Limited	Director
			Sharaf Washing & Dyeing Industries Limited	Director
			Sharaf Embroidery & Printing Limited	Director
			A.M. Design Ltd	Director
			A.M. Fashions Limited	Director
			Jimeeyat Apparels Limited	Director
			Jimeeyat Washing & Dyeing Industries Limited	Director
			Ishayat Fashions Limited	Director
19	Mr. Syed Rezaur Rahman	Independent Director		Lawyer
20	Mr. Md. Shafiu Azam	Managing Director & CEO		



Modhumoti Bank PLC.
Highlights on the overall activities
As at and for the year ended 31 December 2023

Sl. No.	Particulars		2023	2022
1	Paid-up capital	Taka	5,257,381,450	5,257,381,450
2	Total capital	Taka	10,061,716,435	9,528,376,460
3	Capital surplus	Taka	3,802,922,988	3,597,427,852
4	Total assets	Taka	96,576,938,444	90,624,875,106
5	Total deposits	Taka	78,172,130,974	71,874,400,492
6	Total loans and advances	Taka	63,282,598,718	55,849,805,977
7	Total contingent liabilities and commitments	Taka	52,096,941,507	36,870,167,786
8	Advance Deposit Ratio (ADR)	%	77.53%	70.38%
9	Percentage of classified loans against total loans and advances (NPL Ratio)	%	1.67%	1.70%
10	Net Profit after tax and provision (NPAT)	Taka	1,103,390,424	1,004,793,637
11	Amount of classified loans (NPL)	Taka	1,054,504,572	950,076,917
12	Provisions kept against Classified Loans	Taka	714,109,082	565,759,082
13	Provision surplus/(deficit) against classified loans	Taka	437,405	1,200,423
14	Cost of fund	%	6.76%	6.45%
15	Interest earning assets	Taka	89,508,276,755	84,652,550,679
16	Non-Interest earning assets	Taka	7,068,661,689	5,972,324,427
17	Return on investment (ROI) [PAT/{Average Equity+Long Term Borrowings+Deposits-Non Cash Fund}]	%	1.40%	1.39%
18	Return on assets (ROA) [PAT/ Average assets]	%	1.18%	1.18%
19	Income from investment	Taka	1,139,780,114	1,377,427,594
20	Capital to Risk weighted Asset Ratio (CRAR)	%	16.08%	16.07%
21	Stock dividend		-	-
22	Earnings per share (EPS)	Taka	2.10	1.91
23	Net income per share	Taka	2.10	1.91
24	Price Earning Ratio (PE Ratio)	Times	-	-



Segment Reporting

IFRS 8 Operating Segments, requires particular classes of entities (essentially those with publicly traded securities) to disclose information about their operating segments, products and services, the geographical areas in which they operate, and their major customers.

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), or whose operating results are reviewed regularly by the entity's chief decision maker to make decisions about resources to be allocated to the segment and assess its performance, and, for which discrete financial information is available. IFRS 8 requires an entity to report financial and descriptive information about its reportable segments who have earned at least 10% revenue compared to the entity's total revenue, or, earned at least 10% profit/ (loss) compared to cumulative profit/ (loss), or, have at least 10% assets compared to total assets of all operating segments.

The Bank has not yet assessed its Operating Segments in terms of the criteria stated above as it is too early to identify. But, operating profit, assets & liabilities of main two operating segments i.e. on-shore banking business (main operation) and off-shore banking unit (OBU) are presented below:

	Amount in BDT		
Particular	Main Operation	OBU	Total
External Revenue			
Interest Income	6,177,563,767	152,808,307	6,330,372,073
Less: Interest Expense	3,902,183,948	123,820,324	4,026,004,273
Net Interest Income	2,275,379,818	28,987,982	2,304,367,801
Commission, exchange and brokerage	1,050,363,977	237,705	1,050,601,682
Capital gain	653,865	-	653,865
Other Income	276,020,381	-	276,020,381
Operating Income	3,602,418,041	29,225,687	3,631,643,729
Less: Administrative Expense	1,492,866,305	1,988,071	1,494,854,376
Profit	2,109,551,736	27,237,616	2,136,789,353
Inter-Segment Revenue	-	-	-
Total Segment profit before provision	2,109,551,736	27,237,616	2,136,789,353
Segment Assets	96,052,577,280	524,361,164	96,576,938,444
Segment Liabilities	87,067,717,050	496,611,307	87,564,328,356



**Statement of Tax Position of the Bank
As at December 31, 2023**

Sl. No.	Income Year	Assessment year	Provision made for tax expense as per financial statements	Assessment Status
1	2013	2014-2015	46,223,473	Complete
2	2014	2015-2016	132,091,071	Complete
3	2015	2016-2017	204,508,433	Complete
4	2016	2017-2018	308,347,484	Complete
5	2017	2018-2019	545,866,968	Complete
6	2018	2019-2020	704,174,341	Complete
7	2019	2020-2021	716,297,467	Complete
8	2020	2021-2022	715,565,343	Complete
9	2021	2022-2023	441,396,238	Complete
10	2022	2023-2024	770,289,835	Under process
11	2023	2024-2025	814,132,685	Submission of Tax Return is not due



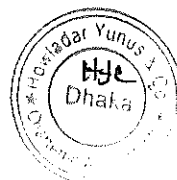
Modhumoti Bank PLC.

Off-shore Banking Unit

Balance Sheet

As at 31 December 2023

Note	31-12-2023		31-12-2022		
	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	2,654,374	291,317,539	140,111	14,472,446
In Bangladesh		-	-	-	-
Outside Bangladesh		2,654,374	291,317,539	140,111	14,472,446
Money at call on short notice		-	-	-	-
Investments		-	-	-	-
Government securities		-	-	-	-
Other investments		-	-	-	-
Outside Bangladesh		-	-	-	-
Loans and advances	4	2,109,502	231,517,795	22,403,168	2,314,083,669
Loans, cash credits, overdrafts, etc.		-	-	-	-
Bills purchased and discounted	5	2,109,502	231,517,795	22,403,168	2,314,083,669
Fixed assets including premises, furniture and fixtures	6	-	-	-	-
Other assets	7	13,903	1,525,830	-	-
Non Banking Assets		-	-	-	-
Total assets		<u>4,777,778</u>	<u>524,361,164</u>	<u>22,543,279</u>	<u>2,328,556,114</u>
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from other banks, financial institutions and agents	8	4,450,000	488,387,500	22,160,000	2,288,966,232
In Bangladesh		4,450,000	488,387,500	22,160,000	2,288,966,232
Outside Bangladesh		-	-	-	-
Deposit and other accounts	9	58,235	6,391,287	58,235	6,015,246
Current deposits and other accounts		58,235	6,391,287	58,235	6,015,246
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
Other liabilities	10	16,697	1,832,520	101,888	10,524,240
Total liabilities		<u>4,524,932</u>	<u>496,611,307</u>	<u>22,320,123</u>	<u>2,305,505,718</u>
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Other reserve		-	-	-	-
Foreign currency translation gain		-	512,241	-	2,101,238
Surplus in Profit and Loss Account	11	252,846	27,237,616	223,156	20,949,158
Total shareholders' equity		<u>252,846</u>	<u>27,749,857</u>	<u>223,156</u>	<u>23,050,396</u>
Total liabilities and shareholders' equity		<u>4,777,778</u>	<u>524,361,164</u>	<u>22,543,279</u>	<u>2,328,556,114</u>



Note	31-Dec-2023		31-Dec-2022	
	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		-	-	-
		-	-	-
		-	-	-
		-	-	-



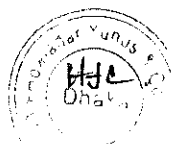
Modhumoti Bank PLC.

Off-shore Banking Unit

Profit and Loss Account

For the year ended 31 December 2023

Particulars	Note	2023		2022	
		USD	BDT	USD	BDT
Interest income	13	1,418,516	152,808,307	2,550,098	239,394,825
Less: Interest paid on deposits, borrowings, etc	14	1,149,421	123,820,324	2,345,706	220,207,128
Net Interest income		269,095	28,987,982	204,393	19,187,697
Income from investment		-	-	-	-
Commission, exchange and brokerage	15	2,207	237,705	37,265	3,498,281
Other operating income	16	-	-	-	-
Total operating income		271,301	29,225,687	241,657	22,685,979
Salaries and allowances	17	18,455	1,988,071	18,501	1,736,820
Rent, taxes, insurance, lighting and travelling	18	-	-	-	-
Legal expenses		-	-	-	-
Postage, stamp, telegram and telephone	19	-	-	-	-
Auditors' fee		-	-	-	-
Stationery, printing and advertisement	20	-	-	-	-
Charges on loan loss		-	-	-	-
Managing Director's salary		-	-	-	-
Directors' meeting fee		-	-	-	-
Repair, maintenance and depreciation of assets	21	-	-	-	-
Other expenses	22	-	-	-	-
Total operating expenses		18,455	1,988,071	18,501	1,736,820
Profit before provision		252,846	27,237,616	223,156	20,949,158
Provision for loans & advance, other assets & off BS items		-	-	-	-
Profit before taxation		252,846	27,237,616	223,156	20,949,158



Modhumoti Bank PLC.
Off-shore Banking Unit
Cash Flow Statement
For the year ended 31 December 2023

Particulars	Note	2023		2022	
		USD	BDT	USD	BDT
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received in cash		1,418,516	152,808,307	2,550,098	239,394,825
Interest payments		(1,149,421)	(123,820,324)	(2,345,706)	(220,207,128)
Dividend received		-	-	-	-
Fees and commission received in cash		2,207	237,705	37,265	3,498,281
Recovery of loans and advances in cash previously written-off		-	-	-	-
Cash paid to employees		(18,455)	(1,988,071)	(18,501)	(1,736,820)
Income tax paid		-	-	-	-
Cash received from other operating activities		-	-	-	-
Cash paid for other operating activities		-	-	-	-
Cash flows before charges in operating assets and liabilities		252,846	27,237,616	223,156	20,949,158
Increase / Decrease in operating assets and liabilities					
Loans and advances to customers		20,293,666	2,082,565,874	2,477,277	(179,341,507)
Other assets		(13,903)	(1,525,830)	68,354	5,864,787
Borrowing from Banks		-	-	-	-
Deposits from other Banks		-	376,041	-	1,018,687
Deposit from customers		(85,190)	(8,691,720)	(42,401)	(1,579,474)
Other Liabilities		-	-	-	-
		20,194,573	2,072,724,364	2,503,231	(174,037,507)
Net cash from operating activities		20,447,419	2,099,961,980	2,726,387	(153,088,349)
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		-	-	3,219	-
Sales of fixed assets		-	-	-	-
Net cash from investing activities		-	-	3,219	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Borrowing from other banks, financial institutions and agents		(17,710,000)	(1,800,578,732)	(16,385,767)	(1,018,260,559)
Net profit transferred to main operations		(223,156)	(20,949,158)	(360,216)	(30,704,816)
Net Cash from Financing activities		(17,933,156)	(1,821,527,890)	(16,745,983)	(1,048,965,375)
Net increase/(decrease) in cash and cash equivalent		2,514,263	278,434,090	(14,016,377)	(1,202,053,724)
Effects of exchange rate changes on cash and cash equivalents		-	(1,588,997)	-	1,899,517
Opening cash and cash equivalent		140,111	14,472,446	14,156,488	1,214,626,652
Closing cash and cash equivalent		2,654,374	291,317,539	140,111	14,472,446



Off-shore Banking Unit
Notes to the Financial Statements
As at and for the year ended 31 December 2023

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 2023.

1.3 Assets and basis of their valuation

1.3.1 Cash and cash equivalents

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

1.3.2 Loans, advances and lease / investments

a) Loans and advances are stated in the balance sheet on gross basis.

b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

1.3.3 Fixed assets and depreciation

a) All fixed assets are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

b) Depreciation is charged for the year at the following rates on reducing balance method on all fixed assets.

Category of fixed assets	Rate of
Furniture and fixtures	10%
Office equipments	20%

c) For additions during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.

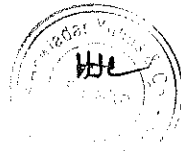
1.4 Basis for valuation of liabilities and provisions

1.4.1 Benefits to the employees

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

a) Provident fund

Provident fund benefits are given to the permanent employees of OBU under the provident fund rule of the Bank. The Commissioner of Income Tax, National Board of Revenue, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of section 2(52), read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from June 04, 2013. The Fund is operated by a Board of Trustees consisting six members (03 members from management and other 03 members from the Board of Directors) of the Bank. All confirmed employees of the Unit are contributing 10% of their basic salary as subscription to the Fund. The Unit also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members' account on yearly basis.



b) Gratuity fund

The Bank operates a funded gratuity scheme on "Continuing Fund Basis", in respect of which provision will be made annually according to the recommendation based on Actuarial valuation covering all its permanent eligible employees in accordance with Bank's Service Rules. The Fund will be operating by a Board of Trustees consisting members from the Board of Directors and Management of the Bank. Actuarial valuation of gratuity scheme will be made to assess the adequacy of the liabilities provided for the scheme as per IAS-19 "Employees Benefit". Contributions to the fund shall be made by the Unit on the basis of actuarial recommendations.

c) Incentive bonus

Incentive bonus is given to the employees every year considering the overall performance of the Bank as well as individual's performance. This bonus amount is distributed among the employees based on their performance. The bonus amount is paid annually, normally first quarter of every following year and the costs is accounted for in the period to which it relates. Generally, a certain percentage of disclosed net profit is disbursed among the employees. The aforesaid percentage is approved in the Board meeting so that adequate provision can be made for Incentive Bonus as per IAS-37.

1.4.2 Provision for liabilities

A provision is recognized in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

1.5 Revenue recognition

1.5.1 Interest income

In terms of the provisions of the IAS-18 "Revenue", the interest income is recognised on accrual basis.

1.5.2 Fees and commission income

Fees and commission income arising on services provided by the Bank are recognised when those are realized. Commission charged to customers on letters of credit and letters of guarantee is credited to income at the time of transactions being recorded in the books of accounts.

1.5.3 Interest paid and other expenses

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

2.00 General

- a) These financial statements are presented in BDT (Taka), which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest BDT (Taka).
- b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 109.7500 (closing rate as at 31st December 2023) & Taka 107.7241 (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-2023		31-Dec-2022	
	USD	BDT	USD	BDT
3.00 Balance with other Banks and Financial Institutions				
In Bangladesh (Note -3.01)	2,500,000	274,375,000	-	-
Outside Bangladesh (Note -3.02)	154,374	16,942,539	140,111	14,472,446
	<u>2,654,374</u>	<u>291,317,539</u>	<u>140,111</u>	<u>14,472,446</u>
3.01 In Bangladesh				
Eastern Bank Ltd	2,500,000	274,375,000	-	-
	<u>2,500,000</u>	<u>274,375,000</u>	-	-
3.02 Outside Bangladesh				
Current Account	154,374	16,942,539	140,111	14,472,446
	<u>154,374</u>	<u>16,942,539</u>	<u>140,111</u>	<u>14,472,446</u>
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	1,698,957	186,460,545	22,403,168	2,314,083,669
Outside Bangladesh				
Foreign bills purchased and discounted	410,544	45,057,250	-	-
	<u>2,109,502</u>	<u>231,517,795</u>	<u>22,403,168</u>	<u>2,314,083,669</u>
	<u>2,109,502</u>	<u>231,517,795</u>	<u>22,403,168</u>	<u>2,314,083,669</u>
4.01 Geographical location-wise Loans and Advances				
Dhaka	2,109,502	231,517,795	22,403,168	2,314,083,669
Chittagong Division	-	-	-	-
Sylhet	-	-	-	-
Rajshahi Division	-	-	-	-
Khulna	-	-	-	-
Barisal	-	-	-	-
	<u>2,109,502</u>	<u>231,517,795</u>	<u>22,403,168</u>	<u>2,314,083,669</u>
4.02 Classification of Loans and Advances				
Unclassified :				
(i) Standard	2,109,502	231,517,795	22,403,168	2,314,083,669
(ii) Special mention account	-	-	-	-
Classified :				
(i) Substandard	-	-	-	-
(ii) Doubtful	-	-	-	-
(iii) Bad / Loss	-	-	-	-
	<u>2,109,502</u>	<u>231,517,795</u>	<u>22,403,168</u>	<u>2,314,083,669</u>

	31-Dec-2023		31-Dec-2022	
	USD	BDT	USD	BDT
5.00 Bills purchased and discounted				
In Bangladesh	1,698,957	186,460,545	22,403,168	2,314,083,669
Outside Bangladesh	410,544	45,057,250	-	-
	<u>2,109,502</u>	<u>231,517,795</u>	<u>22,403,168</u>	<u>2,314,083,669</u>
6.00 Fixed assets including premises, furniture and fixtures				
Cost				
Furniture and fixtures	-	-	-	-
Electrical Equipments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: Accumulated depreciation				
Furniture and fixture	-	-	-	-
Electrical Equipments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7.00 Other assets				
Advance deposits and advance rent	-	-	-	-
Other prepaid expense	-	-	-	-
Interest receivable on Bills discount	13,903	1,525,830	-	-
	<u>13,903</u>	<u>1,525,830</u>	<u>-</u>	<u>-</u>
8.00 Borrowing from other banks, financial Institutions and its agents				
In Bangladesh:				
Modhumoti Bank PLC.	4,450,000	488,387,500	20,160,000	2,082,380,832
Jamuna Bank Limited	-	-	-	-
Bank of Ceylon	-	-	2,000,000	206,585,400
Trust Bank Ltd.	-	-	-	-
National Credit and Commerce Bank Limited	-	-	-	-
Bank Asia Limited	-	-	-	-
United Commercial Bank Limited	-	-	-	-
Southeast Bank Ltd.	-	-	-	-
Dhaka Bank Ltd.	-	-	-	-
Bank Alfalah	-	-	-	-
NRB Global Bank Ltd.	-	-	-	-
NRB Bank Ltd.	-	-	-	-
	<u>4,450,000</u>	<u>488,387,500</u>	<u>22,160,000</u>	<u>2,288,966,232</u>
Outside Bangladesh	-	-	-	-
	<u>4,450,000</u>	<u>488,387,500</u>	<u>22,160,000</u>	<u>2,288,966,232</u>
9.00 Deposit and other accounts				
Current deposits and other accounts	58,235	6,391,287	58,235	6,015,246
Modhumoti Bank Limited	-	-	-	-
Bangladesh Bank	-	-	-	-
	<u>58,235</u>	<u>6,391,287</u>	<u>58,235</u>	<u>6,015,246</u>
10.00 Other liabilities				
Interest payable on borrowings	-	-	10,000	1,032,927
Due to Head Office	16,697	1,832,520	91,888	9,491,313
Others	-	-	-	-
	<u>16,697</u>	<u>1,832,520</u>	<u>101,888</u>	<u>10,524,240</u>
11.00 Surplus in Profit and Loss Account				
Opening balance	223,156	20,949,158	360,216	30,704,816
Less: Adjustment/ payment for the year	(223,156)	(20,949,158)	(360,216)	(30,704,816)
Add: Addition during the year	252,846	27,237,616	223,156	20,949,158

	252,846	27,237,616	223,156	20,949,158
	31-Dec-2023		31-Dec-2022	
	USD	BDT	USD	BDT
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	1,197,524	129,002,208	2,262,592	212,404,673
Others	-	-	-	-
Interest on loans and advances	1,197,524	129,002,208	2,262,592	212,404,673
Interest on balance with other banks and financial institutions	220,991	23,806,099	287,506	26,990,152
Interest received from foreign banks	-	-	-	-
	220,991	23,806,099	287,506	26,990,152
Total Interest income	1,418,516	152,808,307	2,550,098	239,394,825
14.00 Interest paid on deposits, borrowings, etc.				
Interest paid on borrowings, etc.	1,149,421	123,820,324	2,345,706	220,207,128
Interest paid on Bangladesh Bank				
	1,149,421	123,820,324	2,345,706	220,207,128
15.00 Commission, exchange and brokerage				
Commission, exchange and brokerage	2,207	237,705	37,265	3,498,281
	2,207	237,705	37,265	3,498,281
16.00 Other operating income				
Postage / SWIFT/ fax recoveries from Others Business	-	-	-	-
	-	-	-	-

	31-Dec-2023		31-Dec-2022	
	USD	BDT	USD	BDT
17.00 Salaries and Allowances				
Basic salary	7,229	778,754	7,346	689,636
Other Salary & Allowances	10,503	1,131,440	10,429	979,067
Provident Fund	723	77,877	726	68,117
	<u>18,455</u>	<u>1,988,071</u>	<u>18,501</u>	<u>1,736,820</u>
18.00 Rent, taxes, insurance, electricity etc.				
Rent, rates and taxes	-	-	-	-
Insurance	-	-	-	-
Electricity and lighting	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
19.00 Postage, stamp, telecommunication etc.				
Postage	-	-	-	-
Telephone	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
20.00 Stationery, printing, advertisements etc.				
Petty stationery	-	-	-	-
Publicity and advertisement	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
21.00 Depreciation and repairs of Bank's assets				
Furniture and fixtures	-	-	-	-
Electrical appliance	-	-	-	-
Repairs of assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
22.00 Other expenses				
Security and cleaning	-	-	-	-
Entertainment	-	-	-	-
Travelling expenses	-	-	-	-
Conveyance	-	-	-	-
Other expense	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

