

EMBRACING CHANGE FOR ACCELERATED GROWTH

ANNUAL REPORT 2022

MIDAS FINANCING LIMITED

a real friend of entrepreneurs

EMBRACING CHANGE FOR ACCELERATED GROWTH

MIDAS Financing Limited is deeply dedicated to leveraging technological advancements to empower and support SME businesses. Through a holistic digital transformation strategy, the company strategically enhances operational efficiencies, facilitates seamless access to finance, and elevates the overall customer experience. By embracing these transformative changes, MIDAS Financing Limited actively fosters accelerated growth within the SME sector. This proactive approach equips SMEs with the essential tools and opportunities to capitalize effectively on technological advancements, thereby driving their own sustained growth and ensuring long-term success in an ever-evolving business landscape.

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Letter of Transmittal

All Shareholders,
Bangladesh Bank,
Registrar of Joint Stock Companies and Firms,
Bangladesh Securities and Exchange Commission,
Dhaka Stock Exchange Limited,
Chittagong Stock Exchange PLC,
Zoha Zaman Kabir Rashid & Co., Chartered Accountants and
Howlader Maria & Co., Chartered Accountants.

Dear Sir/Madam
Annual Report for the year ended December 31, 2022.

Please find a copy of the enclosed Annual Report along with the audited Financial Statements including Consolidated and Separate Statement of Financial Position as on December 31, 2022, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on December 31, 2022 along with notes thereon of MIDAS Financing Limited and its subsidiary (MIDAS Investments Limited) as well as the Directors' Report of the Company thereon for your kind information and record.

Thanking you.
Sincerely yours



Tanvir Hasan, FCA
DMD and Company Secretary

Key Milestones

Milestones refer to a significant point in development. Some events of the past should be cherished to reinforce the present for betterment of the future that can be summarized as milestones. Milestones also entail to the significant achievement, progress or development happened in its total business period that reflects the total growth of the Company on periodic time frame. MIDAS Financing Limited's milestones from the inception are as follows:



May 16, 1995 Incorporation of the company

October 11, 1999 License from Bangladesh Bank October 11, 1999 Opening of 1st Branch (Chittagong Branch)

January 01, 2000 Commencement of commercial business operation

August 12, 2002 Initial Public Offering (IPO of shares and allotment of shares)

October 26, 2002 Listed with DSE (Dhaka Stock Exchange)

July 27, 2004 Listed with CSE (Chittagong Stock Exchange)

March 23, 2005 Registered with CDBL

May 15, 2005 Issuing of right share for the first time

November 06, 2014 Issuing of right share for the second time

About the Company

MIDAS Financing Limited (MFL) is one of the leading NBFIs in Bangladesh. The initial focus of the company was to finance mainly small and medium enterprises (SMEs) for alleviation of poverty through creation of employment opportunities and generation of income on a sustainable basis. Subsequently, in addition to its SME financing, MFL has ventured into various other sectors with its financing operations and has been playing a significant role in the economic development of Bangladesh.

The company has diversified its products and is now extending credit facilities like lease financing, term loan, home loan, portfolio loan, etc. to different corporate organizations, small and medium enterprises and individuals. The company offers its services through its 16 (sixteen) offices including head offices located at different places in the country as well as Head Offices. It also maintains its own portfolio of investment in listed securities and accepts term deposits offering competitive interest rates.



Vision & Mission

Vision

To become the leading financial institution of the country with diversified financial services towards the development of an enterprising society.

Mission

To provide value added financial services to valued customers. Maintain the highest level of ethical standard in financial operation, assist in development of industrial and financial sectors by opering diverse and innovative product.



Corporate Focus and Commitment

Corporate Focus

To give emphasis on continuous development endeavors and value addition to become a real friend of entrepreneurs and remain competitive in the financial service market.

Commitment

- Protect shareholders' capital as well as maximize the wealth of the organization;
- Provide a competitive compensation package to the employees who constitute the backbone of the management and operational strength of the company;
- Repay the loans taken from banks and financial institutions on time;
- Fulfill the responsibility to the nation through payment of taxes regularly;
- Avoid malpractice and anti-environmental, unethical and immoral activities and corrupt dealings;
- Maintain a congenial working environment;
- Practice good governance in every sphere of activities covering full disclosures and reporting to shareholders;
- Hold AGM and distribute dividends (if any) on time and disseminate price sensitive information.



Organizational Strategies

MIDAS Financing Limited (MFL) believes that industrialization, employment creation, poverty alleviation and overall economic progress of the country can be better achieved through sustainable development of micro, small and medium enterprises (SMEs). Accordingly, the activities of MFL aim at helping establishment of new enterprises as well as expansion of the existing ones in the SME sector. The majority of the MFL clients are small entrepreneurs who are usually not entertained by banks and other financial institutions. They are the loyal customers, who deserve high appreciation due to their sincerity and seriousness in loan repayment, providing support to the company's programs and compliance to contractual obligations. While playing an important role in the development of the country's SME sector, MFL is also fully aware of its obligation and is making unrelenting efforts to safeguard the interest of its shareholders.

MFL has adopted the following strategies to achieve its goals:

- Continuous diversification of program and expansion of business by introducing new financial scheme.
- Maximization of customers' satisfaction and attaining competitive edge over the financial institutions by providing speedy and better services in a congenial atmosphere.



- Augmentation of working fund by obtaining credit from banks, taking deposit from individual and institutional investors and recovering the overdue loans.
- Minimizing risk through careful selection of customers and close monitoring of financed projects.
- Minimizing the cost of fund.
- Ensuring economy in all spheres of operational activities.

Code of Conduct & Ethical Practices

Code of conduct is a set of rules outlining the norms, rules and responsibilities of, or proper practices for any organization. MIDAS Financing Limited is a value driven organization with strict adherence to principles even if the situation sometimes provides temporary benefit to the Company. It is the principles, values, standards, or rules of behavior that guide the decisions, procedures and systems of an organization in a way that contributes to the welfare of its key stakeholders, and respects the rights of all constituents affected by its operations.

In line with that, the service rule approved by the Board of Directors of MIDAS Financing Limited, all employees shall require observing and complying with the norms of conduct, manner, behavior and ethical practices stated hereunder in activities they perform in the Company.

Code of Conduct

- Conduct in such a manner that will enrich the image, dignity and reputation of the company.
- Shall discharge his duties honestly, faithfully, diligently and to the best of his abilities, devotion and efficiency.
- Shall attend his duty punctually and regularly.
- Shall not conduct in such a manner as is likely to bring his private interest into conflict with his official duties.
- Shall prevent and avoid potential conflict of interest that may arise and influence one whilst he/she performs.
- Shall not commit insubordination or non-compliance with any legitimate, lawful or reasonable order or instruction of a superior.
- Shall maintain secrecy regarding the affairs of the company and also of its clients.
- Shall not accept directly or indirectly any gift, gratuity or reward or any offer of a gift on his behalf or on behalf of any other person from any one, which is likely to have a negative effect in the interest of the company.
- Shall consider the risks and implications of their actions and in principle, should feel accountable for them, and for the potential adverse impacts.
- Environmental and climatic protections should be taken into account in all areas of lending/ financing.
- Shall not involve and take part in any business dealing like shareholding, profit sharing, partnership of any business company or manufacturing industry or servicing center for their personal benefit.

Ethical Practices

- Must give proper attention to the clients and make utmost efforts to render improved customer service at the quickest possible time.
- To act and encourage others to behave in a professional way and ethical manner.
- Shall not bring or attempt to bring any form of outside influence or pressure.
- Shall not take up additional job or employment with another organization or involve in any trade or business without the prior written approval of the management.
- Shall not associate in any activities, which may be prejudicial to the interest of the Company and subversive to the state.
- Use reasonable care and exercise independent professional judgment.
- Shall comply with all applicable laws, rules and regulations, Company policies and professional standards.
- Shall comply with all current regulatory and legal requirements and endeavor to follow best industry practice.

Corporate Profile

Registered Name of the Company	: MIDAS Financing Limited
Legal Form	: A public limited Company incorporated in Bangladesh on May 16, 1995 under the Companies Act 1994 and licensed as Financial Institution on October 11, 1999 under Financial Institutions Act, 1993.



Listing Status	: Listed with Dhaka Stock Exchange on October 26, 2002 and Chittagong Stock Exchange on July 27, 2004.
Company Registration Number	: C- 28404 (2250)/95
Bangladesh Bank License Number	: FID (L)/22, dated October 11, 1999
Membership	: Bangladesh Leasing & Finance Companies Association Bangladesh Association of Publicly Listed Companies
Authorized Capital	: BDT 2,000,000,000
Paid-up Capital	: BDT 1,438,925,070
No. of Shareholders	: 5545
Corporate Office	: MIDAS Centre (10th & 11th Floor), House # 5 Road # 16 (New), 27 (Old), Dhanmondi, Dhaka-1209.
Company Email	: info@mfl.com.bd
Company Website	: www.mfl.com.bd
No. of Employees	: 197
No. of Branches/Booths	: 15

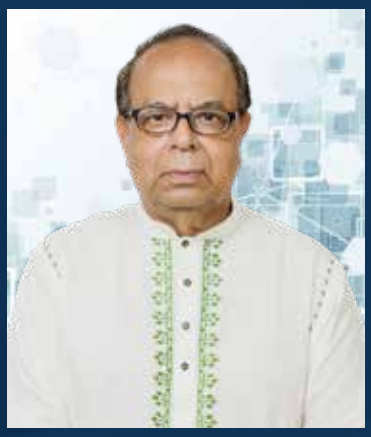
Board of Directors



Mr. Ali Imam Majumder
Chairman



Mr. Mohammed Nasiruddin Chowdhury
Director



Mr. Ghulam Rahman
Independent Director



Mr. Abdul Karim
Director



Mr. M. Hafizuddin Khan
Director



Ms. Nazneen Sultana
Independent Director



Mr. Md. Shamsul Alam
Director



Mr. Md. Shahedul Alam
Director

Executive Committee



Mr. Mohammed Nasiruddin Chowdhury
Chairman



Mr. Ali Imam Majumder
Member



Mr. M. Hafizuddin Khan
Member



Mr. Md. Shamsul Alam
Member

Audit Committee



Mr. Ghulam Rahman
Chairman



Mr. Mohammed Nasiruddin Chowdhury
Member



Mr. Abdul Karim
Member



Ms. Nazneen Sultana
Member



Mr. Md. Shahedul Alam
Member

Company Secretary	: Mr. Tanvir Hasan, FCA
Chief Financial Officer	: Mr. Mohammad Ashiqur Rahman
Head of ICC	: Mr. Ahmed Ibne Mazid Khan
Statutory Auditors	: Zoha Zaman Kabir Rashid & Co. Chartered Accountants Rupayan Karim Tower Level-7, Suite # 7A, 80, Kakrail Dhaka-1000, Bangladesh.
Corporate Governance Compliance Auditors	: Howlader Maria & Co. Chartered Accountants BTI Armitage House No. 77, (8th floor) Road No. 12, Block-E Banani, Dhaka -1213
Tax Consultant	: Zaman & Associates Suite: 6/1, Eastern Commercial Complex 73, Kakrail, Dhaka-1000
Legal Advisor	: Ruhul Ameen & Associates Nurjahan Sharif Plaza 34, Purana Paltan, Dhaka-1000 Azad & Company K.R. Plaza (6th Floor), 31 Purana Paltan, Dhaka-1000
Credit Rating Agency	: Alpha Credit Rating Limited Sadharan Bima Bhaban-2 (8th Floor) 139 Motijheel C/A, Dhaka-1000
Principal Bankers	: Agrani Bank Limited Bagladesh Krishi Bank Pubali Bank Limited Standard Bank Limited Jamuna Bank Limited

Products & Services

MIDAS Financing Limited (MFL) is open to flourishing new ideas, thinking and nontraditional innovative financing. For faster growth and wealth maximization, customers can get assistance from the Company through the following fund and fee-based debt products and services:

Through categorizing the products and services by the aforesaid broad generic names, MFL offers different products and services under the following broad heads:

In all cases management shall follow the key features of the above products as mentioned by Bangladesh Bank in their "Products and Services Guidelines". MFL has a wide range of conventional and non-conventional financing and deposit products for its corporate and individual clients.

Corporate Finance

1. Lease Finance
2. Short Term Finance
3. Work Order Finance
4. Term Finance
5. Reverse Factoring
6. Working Capital Finance
7. Syndication Finance
8. Factoring

SME Finance

1. Nari Uddokta Rin
2. Shilpo Rin
3. Chikitsha Rin
4. Krishi Rin



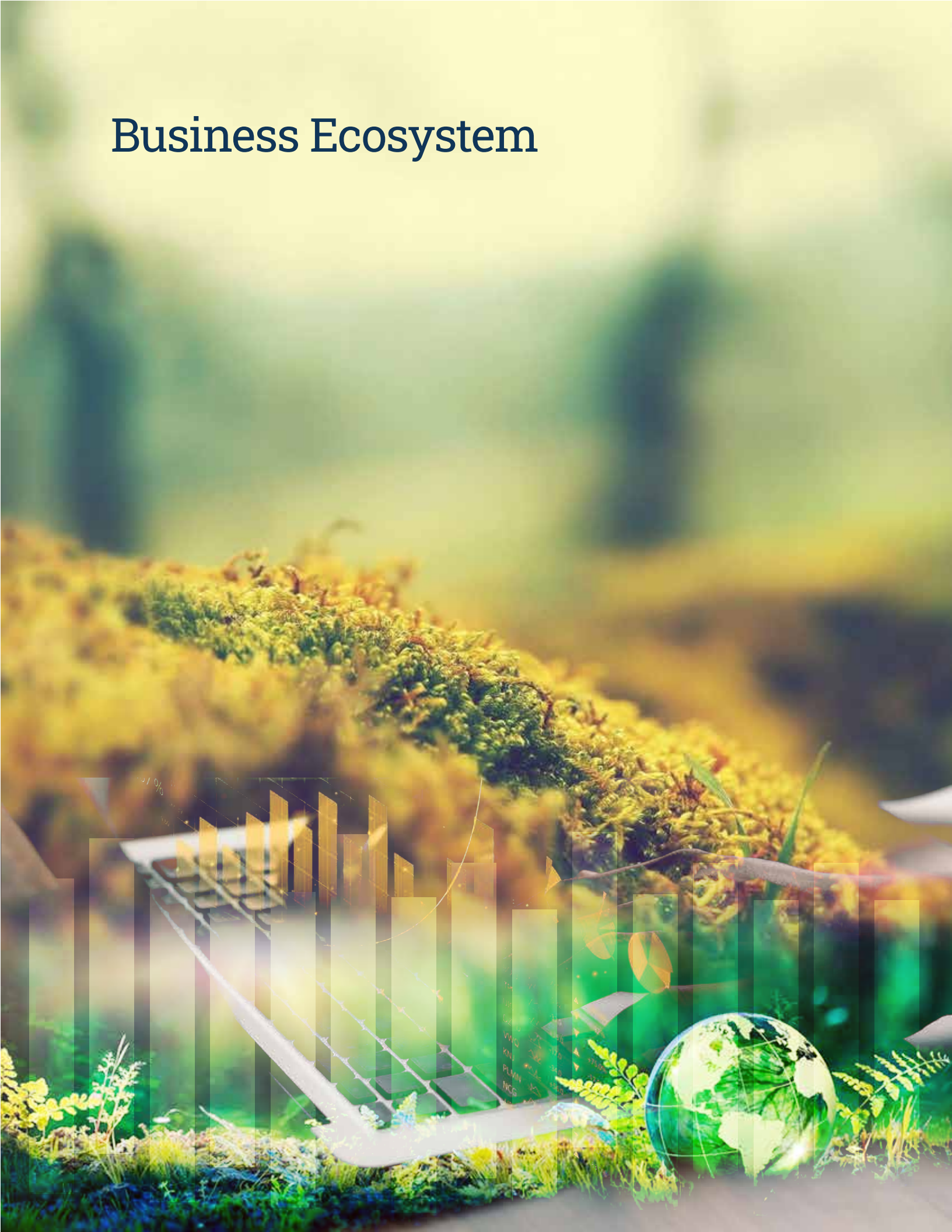
Consumer Finance

1. Auto Loan
2. Home Loan
3. Any Purpose Loan
4. Loan against Salary
5. Education Loan
6. House hold Durable Loan
7. Marriage Loan
8. Professional Loan (Teachers/ Doctors/Engineers and other Professionals

Deposit Products

1. Term deposit- 3 months
2. Term deposit – 6 months
3. Term deposit – 1 year
4. Monthly Income deposit
5. Quarterly Income deposit
6. Double money deposit
7. Triple money deposit
8. Monthly deposit scheme
9. Millionaire deposit scheme

Business Ecosystem



Board of Directors



01. Mr. Ali Imam Majumder
Chairman

02. Mr. Mohammed Nasiruddin Chowdhury
Director

03. Mr. Ghulam Rahman
Independent Director

04. Mr. Abdul Karim
Director

05. Mr. M. Hafizuddin Khan
Director



06. Ms. Nazneen Sultana
Independent Director

07. Mr. Md. Shamsul Alam
Director

08. Mr. Md. Shahedul Alam
Director

09. Mr. Mustafizur Rahman
Managing Director

Profile of the Directors of the Board



Mr. Ali Imam Majumder

Chairman
Nominated by MIDAS

Ali Imam Majumder has been elected as the Chairman of the Board of Directors of MIDAS Financing Limited for a period of 2 years in its 350th Board Meeting held on April 2023.

Ali Imam Majumder former cabinet secretary has been performing as Director of MIDAS Financing Limited since 2012.

Mr. Majumder had obtained M.Sc. in Mathematics from Chittagong University.

He joined BCS (Administration) Cadre on February 11, 1977 and served in different important positions during his long career. He performed the positions of Cabinet Secretary, Principal Secretary of Prime Minister's Office, Member, Planning Commission, Secretary, Ministry of Labor and Employment, Additional Secretary, Ministry of Information etc.

During his field assignment he performed as the Deputy Commissioner in Cox's Bazar and Sylhet for around five years. He also attended United Nations general assembly session as a delegate from Bangladesh in the year 2007.

Mr. Majumder acted as Chairman of the Board of Directors of the Sonali Bank Limited and the Biman Bangladesh Airlines Limited.

He attended different training courses both in home and abroad. Mr. Majumder attended Common Wealth Training Programme on Leadership Development in Toronto, Canada, Managing at the Top (MATT) held in United Kingdom, Disaster Management held in United Kingdom, etc.

Mr. Ali Imam Majumder has involved himself in several social activities like, Honorary Member of Dhaka Club Limited and Honorary Life Member of Dhaka Officers Club.

Further, he is a reputed columnist and regularly contributes in different newspapers especially in the Daily Prothom Alo on important national/international issues. He is an activist and member of the Executive Committee of the SHUJAN; an independent think tank on good governance as well as a member of the Audit committee, TIB.



Mr. Mohammed Nasir Uddin Chowdhury

Director

Nominated by LankaBangla Finance Limited

Mohammed Nasir Uddin Chowdhury, a well-known and veteran leader in the finance industry, is currently serving as the Managing Director of LankaBangla Securities Limited. Before joining in the current position Mr. Chowdhury served LankaBangla Finance Limited (LBFL) as the Managing Director. He is now the President of Bangladesh Merchant Bankers Association. Mr. Chowdhury also served LankaBangla Securities Limited as Chief Executive Officer from July 2002 to April 2011. Under his sound and proven leadership LankaBangla Finance Limited and its subsidiaries have been able to hold strong position in the respective industries.

Mr. Chowdhury also served as the Senior Vice President and Director of Dhaka Stock Exchange Limited from May 2010 to March 2011 and May 2008 to May 2010 respectively. Mr. Chowdhury is one of the Directors of BD Venture Limited, first venture capital company in Bangladesh. He is also the Director of Bengal Meat Limited.

Mr. Chowdhury completed his graduation and post-graduation from the University of Chittagong. He is a life time member at International Business Forum of Bangladesh (IBFB). He was the President of Old Faujians Association, Dhaka Chapter. Mr. Chowdhury is an active member of Dhaka Club and Chittagong Club. He is also a founder member of Ramu Golf & Country Club, Cox's Bazar.



Mr. Ghulam Rahman
Independent Director

Mr. Ghulam Rahman is a former civil servant. He has put in about four decades of distinguished service in statutory Commissions, Ministries, Departments, Public Corporations, Embassies abroad and educational institutions. During his long civil service career, he has performed law enforcement, administrative, developmental, regulatory and monitoring functions and worked closely with the private sector for enhancing public-private partnership in national development efforts.

He was the Secretary of Ministry of Commerce and also of Ministries of Shipping, Rural Development, and Co-operatives, Division of the Ministry of Local Government and Rural Development and Prime Minister's Office. He was Additional Secretary in charge of Banking in the Ministry of Finance. While in Service he was admired for his particular aptitude to create a harmonious and efficient work environment and consensus building.

Mr. Rahman joined a Finance Service Cadre of Civil Service in erstwhile Pakistan in 1970. Before joining government service, he was a Lecturer in the Department of Economics, University of Dhaka. He retired from government service in 2004. He was appointed Chairman of Bangladesh Energy Regulatory Commission (BERC) in 2007 and Chairman of Anti-Corruption Commission (ACC) in 2009. He completed his 4-year tenure as ACC Chairman in June, 2013.

Currently, Mr. Rahman is the President of Consumer Association of Bangladesh (CAB) and Vice-president of Anjuman Mofidul Islam.



Mr. Abdul Karim

Director
Nominated by MIDAS

Mr. Abdul Karim joined the Board of MIDAS Financing Limited on February 28, 2017. He is a retired Secretary to the Government of the People's Republic of Bangladesh and served the Government in different capacities. He also worked in the Ministries of Communications, Defense and Finance and held the posts of Member (Finance) and Chairman, Bangladesh Inland Water Transport Authority (BIWTA), Director, Bangladesh Small and Cottage Industries Corporation, Managing Director, Bangladesh House Building Finance Corporation and Managing Director, Bangladesh Shilpa Bank. After serving the Government for more than 31 years he joined Micro Industries Development Assistance and Services (MIDAS) in December, 1992 and discharged the responsibilities of Managing Director, MIDAS till December 11, 2011. He had also served as Managing Director of MIDAS Financing Limited from May, 1995 to April, 2004.

Mr. Karim is a B.A. (Hons) and M.A. in Economics from the University of Dhaka and has training in Advanced Accounting, Management Accounting, Public Administration, and Small Enterprise Promotion at both home and abroad. He travelled to the U.S.A., Canada, the U.K., the Federal Republic of Germany, Thailand, Malaysia, the Philippines, South Korea, Hong Kong, Singapore, the People's Republic of China, Saudi Arabia, Nepal, as well as India to conduct studies and attend training courses, seminars, workshops and conferences.

Mr. Karim taught Economics and Statistics in Dhaka University in his early years. He is now also on the Board of Directors of Village Education Resource Centre (VERC), Savar, Dhaka and of South Asia Partnership (SAP), Dhaka, Bangladesh, as honorary Treasurer.



Mr. M. Hafizuddin Khan

Director
Nominated by MIDAS

Mr. M. Hafizuddin Khan is a familiar face in Bangladesh. He obtained his B.A. (Honours) and M. A. Political Science from the Dhaka University in 1960 and 1961 respectively. Later on, he obtained Diploma in Development Finance from the Birmingham University, UK. In 1964, he joined the government service through the then Central Superior Service Examination in the Audit and Accounts Cadre and spent twelve years in the Railway and Military Finance. In 1977 he joined the senior service Pool as Deputy Secretary to the Government. After serving the Government for 35 years he retired in 1999 as the 6th Comptroller and Auditor General of Bangladesh.

Mr. Khan is a well-known reformer in administrative and financial management. He was the Director of the Agrani Bank Ltd., Basic Bank Ltd. and Rupali Bank Ltd. He was also the Chairman of the Agrani Bank Ltd. for a short period. He was Director Finance of the Integrated Rural Development Program, now Bangladesh Rural development Board and Member Finance of the Bangladesh Agricultural Development Corporation. As Joint Secretary to the Government, he has served in a number of Ministries including Ministries of Works, Internal Resources Division and Local Government Division. As Additional Secretary he has worked in the Prime Minister's Secretariat and on being promoted as Secretary to the Government. He served in the Ministries of Disaster Management & Relief and Posts & Telecommunications. Mr. Khan was made an Adviser in the Caretaker Government of 2001 in charge of the Ministries of Finance, Planning, Jute and Textiles. He was the Chairman and is currently a member of the Board of Trustees of the Transparency International Bangladesh.

Mr. Khan was also the President of the retired goverment employees association. He is currently the Vice-President of the Anjuman Mofidul Islam and is now the Chairman of Shujan (Citizens for Good Governance). He is a devoted civil society activist working for combating corruption, establishing good governance and for political reforms.



Ms. Nazneen Sultana

Independent Director

Ms. Nazneen Sultana was the first female Deputy Governor of Bangladesh Bank. As a Deputy Governor, she performed her responsibilities in the Human Resources Department, Information Systems Development Department, IT Operation and Communication Department, Credit Information Bureau, Foreign Exchange Investment Department, Foreign Exchange Operation Department and Foreign Exchange Policy Department. Prior to this, she was an Executive Director of the central bank. She was also the Project Manager for Bangladesh Bank of Standard Hardware and Software Package and ERP Package financed by the World Bank.

Ms. Sultana has a vast experience of over 30 years in managing critical supervisory issues at the Bangladesh Bank, where she was a key leader in developing the automation system. She joined the Board of Directors of MIDAS Financing Limited in 2020. Ms. Sultana obtained her Honours and Master's degrees in Physics from the University of Dhaka.



Mr. Md. Shamsul Alam

Director
Representing General Shareholders Group

After completion of B. Com (Hons), M.Com. in Accounting from University of Dhaka, Mr. Alam started his career in business. He is the Managing Director of Arasco Agro food and feed Ltd. Mr. Alam is also the proprietor of Arafat Agro Trade. He is representing the general shareholders group in board of MIDAS Financing Limited.



Mr. Md. Shahedul Alam

Director
Representing General Shareholders Group

Mr. Alam graduated from U.K in Business Administration and did his MBA from Dhaka University. He started his business career in Radio vision, a trading company for Home Appliances. He is the Chairman of Hay Agro Pvt. Limited and Director of SBL Capital Management Ltd. He joined the board of directors of MIDAS Financing Limited in 2014.

Profile of the Top Management Team



Mr. Mustafizur Rahman
Managing Director

Mr. Mustafizur Rahman is a seasoned investment banking professional having over 34 years of experience in some of the leading financial institutions (namely, IDLC Finance Limited, International leasing and Financial Services Limited, LankaBangla Finance Limited and Union Capital Limited) of Bangladesh. Mr. Rahman served International Leasing and Financial Services Limited as the Managing Director since June, 2006 to January, 2015. He also served Premier Leasing and Finance Limited and CVC Finance Limited as Managing Director before joining MIDAS Financing Limited.

Mr. Rahman obtained his MBA from IBA of Dhaka University. He also completed his post-graduation in Economics from the same university. Mr. Rahman attended various training courses and participated in seminars and workshops on different aspects of banking, entrepreneurship development, and risk management, etc. in home and abroad.



Mr. Tanvir Hasan, FCA

Deputy Managing Director & Company Secretary

A seasoned professional Fellow Chartered Accountant having 21 years of proven experience in the field of Finance, Accounts, Company Secretariat and Internal audit & control related job in renowned Local Group of Company like Square Pharmaceuticals Limited and Financial Institutions named Fareast Finance & Investment Limited, CVC Finance Limited in individual transparency and accountability in a cross functional management team.

Mr. Hasan joined MIDAS Financing Limited as General Manager (Finance, Accounts & Treasury) and Company Secretary in 2020 and appointed as Deputy Managing Director and Company Secretary in June 2023.

He had obtained Advanced Certificate in Business Administration (ACBA) from IBA, Dhaka University. As well, He also obtained MBA major in Marketing from University of Asia Pacific with finest result. He attended and represented in so many conferences, seminars in native country and abroad too.



Mr. Mohammod Monirul Islam
Deputy Managing Director

Mr. Mohammod Monirul Islam joined MIDAS Financing Limited (MFL) as General Manager (Business Development) in 2015 and appointed as Deputy Managing Director in June 2023. Prior to his joining, he worked as Senior Executive Vice President with International Leasing and Financial Services Limited. Mr. Islam started his career at Agrani Bank Limited as Senior Officer. Subsequently, he worked with Lanka Bangla Finance Limited, National Housing Finance & Investments Limited, Union Capital Limited and IDLC Finance Limited at different capacities. Mr. Islam obtained a Master's degree on International Business Administration from Banaras Hindu University, India under Indian Government Scholarship Program. He completed his graduation in Economics from same institution under similar scholarship program. He attended several trainings and workshops at home and abroad.



Mr. Abul Kalam Azad

Deputy General Manager (Head of Special Asset Management)

Mr. Abul Kalam Azad started his career as management trainee in The City Bank Limited. He joined MIDAS Financing Limited as Deputy General Manager in the year 2020 and acting as the Head of Special Asset Management. Prior to his joining, he served as Head of Special Asset Management of International Leasing and Financial Services Limited, National Finance Limited and Union Capital Limited. Mr. Azad completed his graduation and post-graduation from Dhaka University and also completed Masters of Business Administration from North South University. During his career he attended many trainings, workshops and seminars.



Mr. Ahmed Ibne Mazid Khan

Assistant General Manager & Head of ICC

A successful track record of about 29 years work experience in the country's Leading Financial Institution and in the Company Limited by Guarantee. Mr. Ahmed Ibne Mazid Khan has been working with MIDAS Financing Limited since 2000. Prior to that, he joined MIDAS in the year 1993. Since then, he has been serving in different positions of MIDAS and MIDAS Financing Limited. Now he is performing as Assistant General Manager and Head of ICC. He has long experience in Treasury Functions, Investment, Valuation, Compliance, Internal Audit, Money laundering issues, etc. During his career, he attended several trainings and workshops on various topics conducted by BIBM, BMDC, BFIU and Bangladesh Bank. Mr. Ahmed completed his graduation and post-graduation from the University of Chittagong.



Mr. Muhammad Shohidur Rahman

Assistant General Manager (Chief Risk Officer)

Mr. Shohidur has 18 years of extensive experience in NBFIs. He completed his BBA and MBA (major in Finance) from the University of Dhaka. Prior to joining at Midas Financing Limited., Mr. Shohidur worked with Union Capital Limited as Branch In-charge of Motijheel Branch for more than 3 years. He started his career with National Housing Finance and Investments Limited as Counselor in February 2004. He worked there for 2 years and thereafter joined International Leasing & Financial Services Limited in April 2006 and worked there for more than 6 years under different capacities. Later on, he served at National Finance Limited for more than 3 years. He has got well rounded experience with expertise in Corporate Finance, SME Finance as well as Branch Management. He attended various trainings/workshops at Bangladesh Bank, BIBM and different training organizations of Bangladesh.



Mr. Mohammad Ashiqur Rahman
Chief Financial Officer (CFO)

Mr. Mohammad Ashiqur Rahman joined MIDAS Financing Limited in the year 2003. Since then, he has been serving in different positions of MIDAS Financing Limited. Now he is performing as Chief Financial Officer (CFO) of the Company. Mr. Rahman completed his graduation and post-graduation from the University of Dhaka.

Committees of the Company

Management Committee
Mr. Mustafizur Rahman
Mr. Tanvir Hasan, FCA
Mr. Md. Monirul Islam
Mr. Ahmed Ibne Mazid Khan
Mr. Mohammad Ashiqur Rahman
Mr. Abu Mirja Md. Sayem

Credit Committee
Mr. Mustafizur Rahman
Mr. Tanvir Hasan, FCA
Mr. Md. Monirul Islam
Ms. Nasreen Ahmed
Mr. Abul Kalam Azad
Mr. Mohammad Ashiqur Rahman

Purchase and Disposal Committee
Mr. Tanvir Hasan, FCA
Mr. Md. Monirul Islam
Mr. Ahmed Ibne Mazid Khan
Mr. Md. Asaduzzaman

Integrity Committee
Mr. Mustafizur Rahman
Mr. Tanvir Hasan, FCA
Mr. Md. Monirul Islam

Asset Liability Management Committee
Mr. Mustafizur Rahman
Mr. Tanvir Hasan, FCA
Mr. Md. Monirul Islam
Mr. Abul Kalam Azad
Mr. Badrul Anwar
Mr. Zunaid Bin Islam
Mr. Saiful Islam

Promotion and Selection Committee
Mr. Mustafizur Rahman
Mr. Tanvir Hasan, FCA
Mr. Md. Monirul Islam
Mr. Md. Asaduzzaman

ICT Steering Committee
Mr. Mustafizur Rahman
Mr. Tanvir Hasan, FCA
Mr. Md. Monirul Islam
Mr. Abu Mirja Md. Sayem

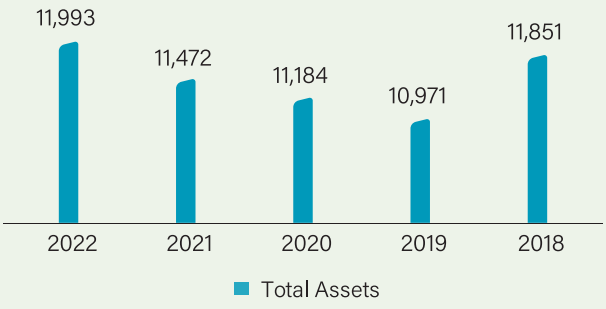
ICT Security Committee
Mr. Abu Mirja Md. Sayem
Ms. Neesha Naimeen
Mr. Mohammad Taimur Chowdhury
Ms. Sadia Jahan Nipa
Mr. AKM Wahiduzzaman

Monitoring and Recovery Committee
Mr. Mustafizur Rahman
Mr. Md. Monirul Islam
Mr. Abul Kalam Azad
Mr. Mohammad Omer Farooque

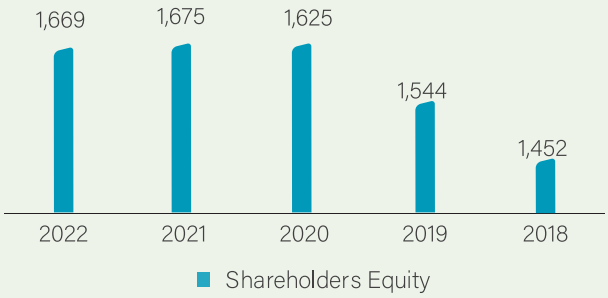
Risk Management Forum
Mr. Tanvir Hasan, FCA
Mr. Md. Monirul Islam
Mr. Ahmed Ibne Mazid Khan
Mr. Muhammad Shohidur Rahman
Mr. Abu Mirja Md. Sayem

Key Financial Highlights

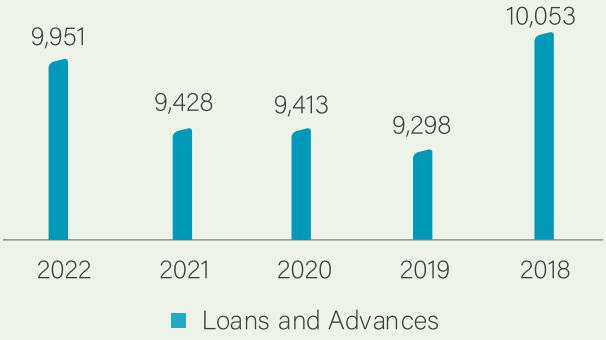
Total Assets
(Amount in Million Taka)



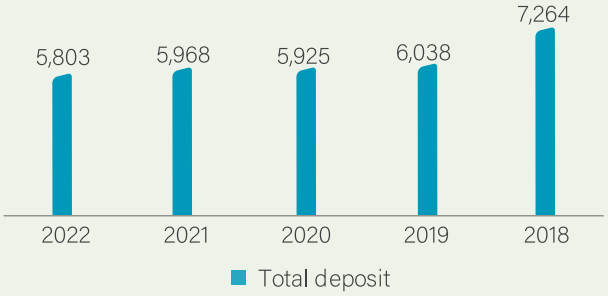
Shareholders Equity
(Amount in Million Taka)



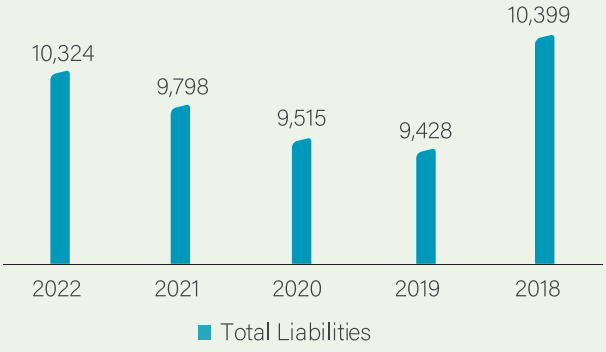
Loans and Advances
(Amount in Million Taka)



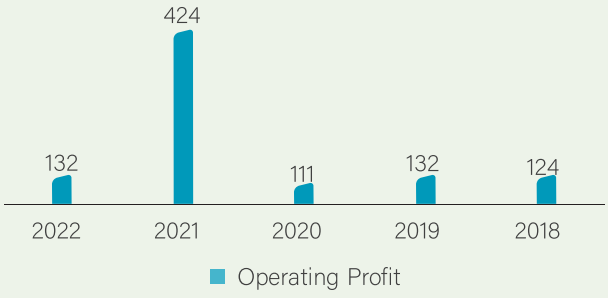
Total Deposit
(Amount in Million Taka)



Total Liabilities
(Amount in Million Taka)

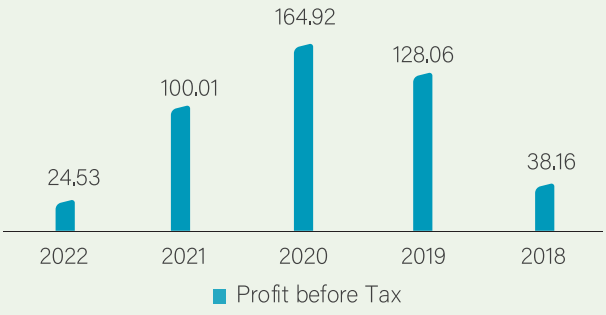


Operating Profit
(Amount in Million Taka)



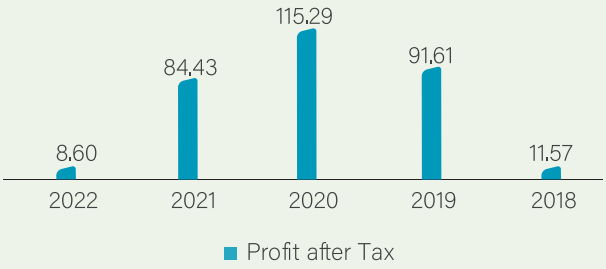
Profite before Tax

(Amount in Million Taka)

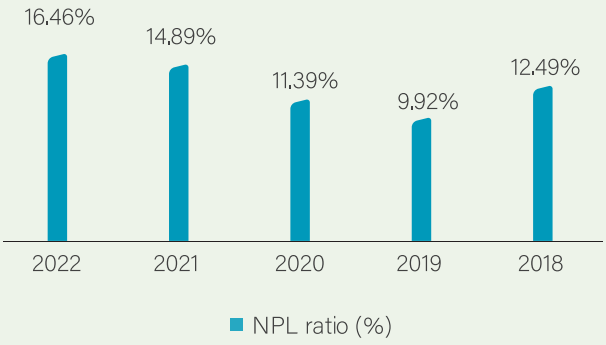


Profite after Tax

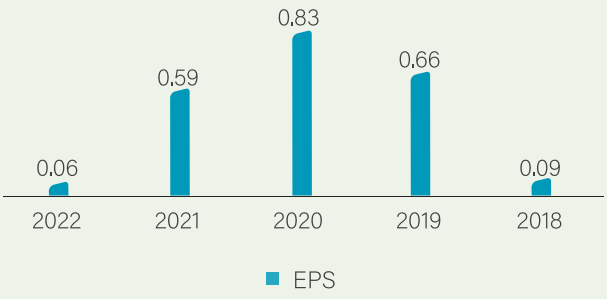
(Amount in Million Taka)



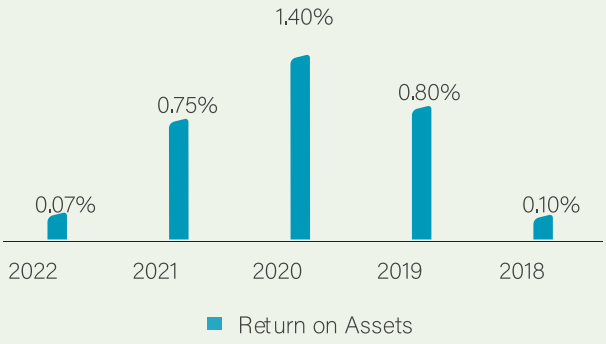
NPL Ratio (%)



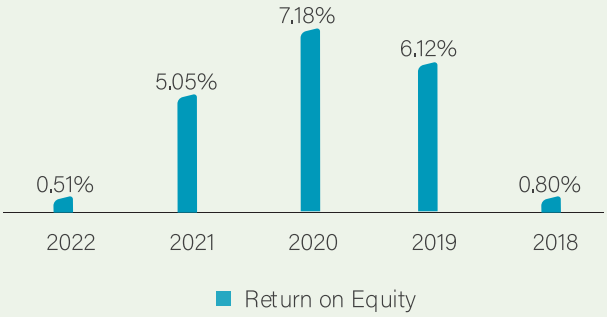
Earnings Per Share (EPS)



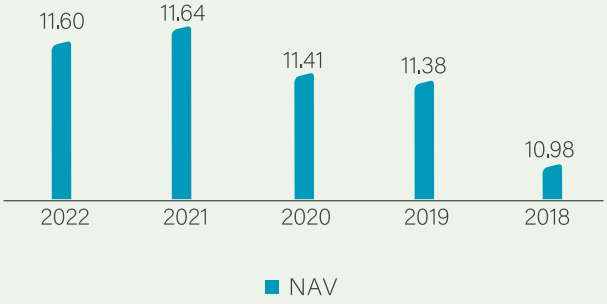
Return on Assets (%)



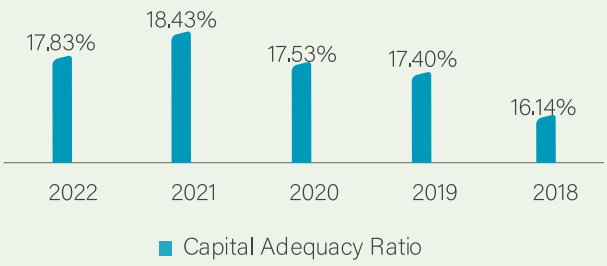
Return on Equity (%)



Net Asset Value Per Share (NAV)



Capital Adequacy Ratio (%)



Performance Overview

Business Performance	2022	2021
Contracted		
Lease finance	158,780,000	273,995,636
Term Finance	2,276,210,082	1,732,442,395
Total	**2,434,990,082**	**2,006,438,031**
Disbursed		
Lease finance	156,752,000	132,558,436
Term finance	1,769,030,082	1,002,912,395
Total	**1,925,782,082**	**1,135,470,831**
SED	1,427,836,442	652,489,000
MIDI	95,348,300	113,480,375
Housing	34,210,340	102,354,970
Consumer Credit	-	-
Staff Loan	23,578,000	8,389,000
Loan against deposit	188,057,000	126,199,050
Total	**1,769,030,082**	**1,002,912,395**
Ratio		
NPL (%)	16.46%	14.89%
Return on assets (%)	0.07%	0.75%
Debt equity ratio (%)	6.19%	5.85%
Return on average equity (%)	0.51%	5.05%
Earnings per share	0.06	0.59
Net asset value per share	11.60	11.64

Key Operating and Financial Data

Particulars	Amount in million except %				
	2022	2021	2020	2019	2018
Loan Disbursement	1,925.78	1,135.47	674.37	3,010.31	4,719.43
Lease, Loans & Advances	9,950.70	9,427.74	9,413.08	9,297.80	10,052.75
Profit before tax	24.53	100.01	164.92	128.06	38.16
Profit after tax	8.60	84.43	115.29	91.61	11.57
Shareholders' Equity	1,669.13	1,674.78	1,668.76	1,543.70	1,452.09
Total deposit	5,803.43	5,968.02	5,925.44	6,037.65	7,263.64
Total Assets	11,992.94	11,471.77	11,184.13	10,971.48	11,851.15
NPL ratio (%)	16.46%	14.88%	11.39%	9.92%	12.49%
Return on equity (average equity)	0.51%	5.05%	7.18%	6.12%	0.80%
Earnings per share (restated)	0.06	0.59	0.83	0.66	0.09
Net Asset Value Per Share	11.60	11.64	11.41	11.38	10.98
Capital Adequacy Ratio (%)	17.83%	18.43%	17.53%	17.40%	16.14%

Chairman's Statement



Message from the Chairman's Desk



Distinguished shareholders/ Honorable members of Board of Directors and valued stakeholders of MIDAS FINANCING LIMITED,

It is indeed a great honor and privilege for me to address you all in the 27th Annual General Meeting.

I would like to draw your kind attention that MIDAS FINANCING LIMITED started its journey from 1999. At present MIDAS FINANCING LIMITED proudly stands at moderate place in terms of asset quality, women entrepreneurship financing, capital adequacy, corporate governance and staff excellence.

The Company already established its footprint at the arena of small and medium financing and continuing its legacy of women entrepreneurship financing too.

2022 had been a year of unprecedented challenges for the Finance Industry due to adverse impact of aftershock of COVID-19 pandemic coupled with unwarranted in Europe geopolitical polarization, volatile energy and commodity prices.

Our strategic maneuvers allowed us to present a year of sustainable financial performance to you.

- The Company gained consolidated profit after tax Taka 0.86 crore for the year ended December 31, 2022 which was Taka 8.44 crore in last year.
- The paid-up capital of the company was raised up to 143.89 crore, capital gain has also been achieved from investment in shares.
- Total Assets of the Company stood at Tk. 1,199.29 crore showing an increase of 4.53% on 2022 as against Tk. 1,147.29 crore in the year 2021.
- The company registered growth of loans and advances 5.55% from last year and deposit portfolio decreased by 2.76%.

A necessary amount from the net profit after taxes has been reserved for the statutory reserve. Given the company's substantial growth prospects, the Board recommends 1.5% of cash dividend distribution for the year ended December 31, 2022, subject to approval of shareholders in the 27th Annual General Meeting.

We are thankful for the continued support from our customers in our products and services. We also want to express our appreciation to our Management for their unwavering commitment, loyalty and hard work which had led us to where we today. We are expressing our heartfelt gratitude towards our valued regulators and business partners for their ongoing support and faith in us.



Ali Imam Majumder
Chairman

Message from the Managing Director



Dear Shareholders,
Aspiration, commitment and success are the three pillars that I would like to describe for the year 2022. Throughout the year, we had made significant progress towards our goals driven by our focus on customer centricity.

In the year 2022, we have deeply committed ourselves in reinforcing the trust of our stakeholders with utmost sincerity and have focused in ensuring the highest level of satisfaction of our customers.

- The Lease, Loans and Advances recorded 5.55% increase with a total portfolio of Tk. 9,950.70 million at the end of December 2022, compared to the year 2021. In 2021, it was increased 0.16% with a total portfolio of Tk. 9,427.74 million at the end of December 2021 compared to Tk. 9,413.08 million at the end of December 2020.
- The Company also maintains Capital Adequacy Ratio at 17.83% which is above the required Margin of Adequate Capital Ratio for NBFIS @ 10%. Reserve & Surplus Tk. 230.21 million. Earnings per share (EPS) stood at Tk. 0.06 during 2022. NAV stood at Tk 11.60 per share.
- Average Cost of Fund decreased to 7.92% during the year compared to 9.08% in the preceding year due to decrease of Interest Rate on borrowing.
- The Non-Performing Loan (NPL) ratio was 16.46% of total loan as on December 31, 2022, which was 14.89% in the previous year which is well comparable.

The most important thing is the operational efficiency of any organization. Since the inception of MIDAS Financing Limited has always prioritized the sectors that present a growth potential on a long term basis. The digital transformation has enabled the financial service industry to thrive using a superior informational advantage. MFL is now moving towards technology-driven business solutions powered by a cultural environment that prioritizes efficiency & highest ethical standards. We are committed to set a role model for the industry in terms of digitalization and modernization of financial operations. We have developed a strong in-house software development wing.

Achievements so far attained by MIDAS Financing Limited is the combined reflection of the dedication, commitment, hard work and all out efforts by each and every member for which I sincerely thank them. But we are committed to materialize those by any means with the help of the customers, shareholders, depositors, borrowers, employees and all the stakeholders related to the organization. I strongly believe in the ability and team spirit that can surely build us stronger indeed.

May Allah bless us.
Thanks and Regards,



Mustafizur Rahman
Managing Director

Directors' Report to the Shareholders

The Directors of MIDAS Financing Limited (MFL) have pleasure in presenting their Report along with the audited financial statements for the year ended on December 31, 2022 to the honorable shareholders of the Company.

This Report has been prepared in keeping with the provisions of the Companies Act 1994, the Financial Institutions Act 1993, the Dhaka Stock Exchange (Listing) Regulations 2015, the Chittagong Stock Exchange (Listing) Regulations 2015, related Notifications, Rules, Regulations, Codes and Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, as applicable to MFL. Disclosures and explanations have been made herein have been in order to ensure compliance, transparency and good governance practices.

Industry outlook

A report titled "Report on Economic Scenario, Industry Outlook and Possible Future Developments in the Industry" has been incorporated in this annual report at page no: 67

Segment-wise Performance

(a) Lease, Loans and Advances:

The core business of MFL comprises Lease Finance, Term Loans, Housing Finance, Working Capital Financing, etc. MFL is one of the pioneers of SME financing and women entrepreneurs financing. The Board is fully aware of the fact that over the last several years MFL has been suffering owing to its increased NPL which is common to most of the Banks and NBFIs operating in the finance industry in Bangladesh. However, relentless efforts are being made and strong recovery drives as well as preventive and remedial measures are being taken for reduction of its NPL.

(b) Investments:

MFL has been taking part in the capital market operations through its investment in the securities of Companies listed with stock exchanges. Such investment is within the limit prescribed by Bangladesh Bank.

(c) Deposits and borrowings:

Deposits, borrowings from banks and financial institutions and Shareholders' Equity are the main sources of fund of MFL. The Company also avails of various low-cost funds under Bangladesh Bank refinance schemes and funds from SME Foundation, etc. Appropriate policies are followed to keep the cost of fund low.

The segment-wise and product-wise performance of the Company for the year ended December 31, 2022 is stated below:

Taka in crore

Segments	Portfolio			Income		
	2022	2021	% Increase (Decrease)	2022	2021	% Increase (Decrease)
Lease	93.38	89.62	4.20%	6.24	4.88	27.96%
Term	810.28	746.31	8.57%	72.88	98.43	(25.96%)
Housing	106.52	124.32	(14.32%)	12.33	17.69	(30.32%)
Investment	23.69	23.99	(1.25%)	1.10	7.29	(84.96%)
Portfolio				**Expense**		
Deposits	598.81	615.20	(2.66%)	50.78	60.81	(16.49%)

Details of Segment-wise financial position may be seen under Note-7 of the Notes to the Financial Statements at page no: 26

Financial Results and Performance

A comparative statement of the Consolidated Financial Results of the company for the year ended on December 31, 2022 and for the year ended December 31. 2021 is provided below:

Particulars	2022 (Taka in crore)	2021 (Taka in crore)
Net interest income	26.02	47.29
Other operating income	8.56	13.81
Total operating income	34.58	61.10
Total operating expenses	21.35	18.74
Profit before provisions	13.24	42.35

Provision for loans and investments	10.78	32.35
Profit before tax	2.45	10.00
Provision for tax	1.59	1.56
Net profit after tax	0.86	8.44
Transfer to statutory reserve	0.24	1.64
Transfer from statutory reserve	-	-
Retained earnings at the beginning	10.94	11.08
Dividend paid (Bonus & Cash)	2.85	6.95
Proposed bonus share	-	-
Net Retained Surplus (on consolidated basis)	8.71	10.94
EPS (Restated)	0.06	0.59

The above statement shows that the financial performance during the year compared to that for the previous year has deteriorated. Total operating income decreased to 43.40% of that of the last year and total operating expenses also increased slightly from the previous year. Details are described in the Management's discussion and analysis included in this annual report.

Declaration of dividend

Board of Directors has recommended 1.5% cash dividend for the financial year ended on December 31, 2022, subject to approval of the Shareholders at the 27th Annual General Meeting of the Company. The dividend will be applicable for the shareholders whose names will appear in the depository register of CDBL as on Record Date i.e., November 07, 2023.

Quarterly and annual financial performance:

The quarterly performance of the Company can be noted clearly from the table below:

Particulars	Q1 (Jan-March)	Q2 (Apr-Jun)	Q3 (Jul-Sep)	Q4 (Oct-Dec)	Annual (2022)
Interest income	16.81	20.52	14.90	40.86	93.09
Interest expenses	20.38	20.68	18.14	7.87	67.07
Net interest income	**(3.57)**	**(0.17)**	**(3.24)**	**33.00**	**26.02**
Other operating income	2.86	2.35	1.68	1.67	8.56
Total operating income	**(0.71)**	**2.18**	**(1.56)**	**34.67**	**34.58**
Total operating expenses	4.66	5.57	5.44	5.68	21.35
Profit before provisions	**(5.38)**	**(3.39)**	**(7.00)**	**29.00**	**13.24**
Provision for loans/ investments	11.34	2.72	2.25	(5.52)	10.78
Profit before tax	**(16.71)**	**(6.11)**	**(9.25)**	**34.52**	**2.45**
Provision for tax	0.59	0.06	0.51	0.44	1.59
Net profit after tax	**(17.30)**	**(6.16)**	**(9.76)**	**34.08**	**0.86**

Unlike the prior years and as expected, the quarterly performance of the Company was unsteady in nature, which is clearly observable from the table above. The operating expenses remained almost same over the year and reduced requirement for provision for loans/ investment resulted in a substantial consolidated net profit after tax of BDT 0.86 crore.

Operation of Subsidiaries

MIDAS Financing Limited is the owner of 99.9992% of the shares (2,49,99,800 number of shares of Taka 10 each) in the equity of MIDAS Investment Limited (MIL). MIL is a private Limited Company, incorporated on April 09, 2012 (bearing Registration No C-100772/12) under the Companies Act 1994 and licensed by BSEC on September 06, 2016 as Merchant Bank.

MIDAS Centre

MIDAS Centre, a 13 storied building, greatly contributes the confidence of depositors, clients and shareholders in the financial standing of the Company and serves as a symbol of pride for the stakeholders of MFL and MIL. The Head offices of MFL and MIL are located at MIDAS Centre.

Related Party Transactions

As per IAS 24 "Related Party Disclosure", related parties are those who have the control, joint control or have significant influence over the Company. The details of contracts and transactions executed with related parties during 2022 are described under Note 39.4 of the Notes to the Financial Statements for the year ended on December 31, 2022. Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time of comparable transactions with other customers of similar credential and do not involve more than normal risk.

During the year, MFL carried out a number of transactions with related parties in the ordinary course of business. The details of transactions are summarized below:

Taka in crore

Name of the Party	Nature of Relationship	Nature of Transaction	Classification Status	Amount in Tk.	
				2022	2021
MIDAS	Sponsor shareholder	Term deposits	N/A	80,000,000	100,000,000
MIDAS Investment Ltd.	Subsidiary	STL & LTD	Standard	228,875,922	236,145,983
MIDAS Investment Ltd.	Subsidiary	Term deposits	N/A	205,000,000	205,000,000
LankaBangla Securities Ltd.	Shareholder	Investment (un-listed)	N/A	5,000,000	5,000,000
LankaBangla Securities Ltd.	Shareholder	Maintainance of investment (Share) portfolio through BO A/C	N/A	214,923,874	273,104,159
Total				733,799,796	819,250,142

Risk and Concerns

The Directors believe that proper risk management is an essential part of the Company's business. Identification, evaluation and elimination (or at least minimization) of risks constitute the core of risk management system. In view thereof, different committees, sub-committees, departments and units are in place to manage various risks associated with staffing, operation, finance, credit, liquidity, market, etc. MFL has established an Asset Liability Committee (ALCO), a Credit Risk Management (CRM) Department, a Credit Disbursement Department (CDD) and an Internal Control and Compliance (ICC) Department as a part of the risk management framework of MFL. A report titled **"Report on Management of Risks and Concerns"** has been furnished separately.

Internal Control and Compliance

Strong internal controls are essential for sound management. The Board of Directors is responsible for instituting an effective internal control system and reviewing the effectiveness of the system. The Audit Committee monitors the Internal Audit and Compliance process to ensure that it is adequately resourced, approves the Internal Audit and Compliance Plan and reviews the Internal Audit and Compliance Report. Internal Control and Compliance (ICC) Department is now as a separate department. Development of an internal control system is an ongoing process and it should be responsive to the changes in external and internal operating environment for achieving sustainable growth and creating a long-term source of competitive advantages. The Board of Directors is satisfied with the effectiveness of the company's internal control system for the period under review.

Going Concern

Going concern is one of the fundamental assumptions in accounting practices and underlines the preparation of financial statements of companies. Under the going concern concept, it is assumed that a Company will continue in operation and that there is neither the intent nor the need to either liquidate it or to cease trading. It is the responsibility of the management of a Company to determine whether the going concern assumption is appropriate in the preparation of financial statements. The management of MFL has calculated all the ratios related to the maintenance of regulatory capital and

liquidity such as CRAR, CRR & SLR and liquidity profile. All the ratios and results thus calculated reveal that MFL is running well above the level of different parameters set by the respective guidelines of Bangladesh Bank.

Financial Reporting Framework and Disclosures

The Directors are pleased to confirm the following-

- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements of the Company;
- The accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in the preparation and presentation of financial statements and any departure there-from has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There is no significant doubt about the Company's ability to continue as a going concern;
- Significant deviations from the last year's operating results of the Company have been highlighted and the reasons thereof have been explained under Consolidated Financial Results and Performance;
- There was no extraordinary gain or loss during the year;
- No bonus share or stock dividend has been declared during the year, or shall be declared in future, as interim dividend.

Board Meetings and Attendance of Directors therein

The Board of Directors of MFL met 12 (twelve) times during the financial year ended on December 31, 2022. Other than Directors, the CS, CFO and Head of ICC of the Company attended the Board meetings. Attendance by the Directors at the Board Meeting during the reporting year and at the last Annual General Meeting is shown in the table below:

Name	Status with the Board	No. of Board Meetings		Attended at the last AGM (held on 21.07.2022)
		Held	Attended	
Ms. Rokia Afzal Rahman	Chairman	12	10	Yes
Mr. M. Hafiuzuddin Khan	Director	12	7	Yes
Mr. Ali Imam Majumder	Director	12	12	Yes
Mr. Abdul Karim	Director	12	12	Yes
Mr. Mohammed Nasir Uddin Chowdhury	Director	12	12	Yes
Mr. Ghulam Rahman	Independent Director	12	12	Yes
Ms. Nazneen Sultana	Independent Director	12	12	Yes
Mr. Md. Shamsul Alam	Director	12	12	Yes
Mr. Md. Shahedul Alam	Director	12	11	Yes

Note: Leave of absence was granted to the Directors those who could not attend the meetings.
Mr. Ali Imam Majumder elected as the Chairman of the Company on April 2023.

Remuneration paid to the Directors

The Directors of MIDAS Financing Limited do not receive any facilities except other than Board meeting and committee meeting attendance fees. Each Director was paid Tk. 8,000/- (Taka Eight Thousands only) for attending each meeting of the Board or Committee and total fees paid to the Directors of the Company amount to BDT 1,112,000 after deucting 10% VAT during the reporting financial year. A statement of remuneration paid to the Directors including Independent Directors is provided below:

Name of Director	No. of Meetings Attended				Remuneration Paid (Tk.)
	BM	ECM	ACM	Total	
Ms. Rokia Afzal Rahman	10	03	N/A	13	104,000
Mr. M. Hafiuzuddin Khan	07	03	N/A	10	80,000
Mr. Ali Imam Majumder	12	N/A	05	17	136,000
Mr. Abdul Karim	12	N/A	05	17	136,000
Mr. Mohammed Nasir Uddin Chowdhury	12	04	N/A	16	128,000
Mr. Ghulam Rahman	12	N/A	05	17	136,000
Ms. Nazneen Sultana	12	N/A	05	17	136,000
Mr. Md. Shamsul Alam	12	04	N/A	16	128,000
Mr. Md. Shahedul Alam	11	N/A	05	16	128,000

Note: **BM** denotes Board Meeting, **ECM** denotes Executive Committee Meeting and **ACM** denotes Audit Committee Meeting.

Remuneration paid to the Directors for attending meetings are exclusive of VAT.

Retirement and Re-election of Directors

In accordance with the provisions of the Companies Act, 1994 and clause no. 108-110 of the Articles of Association of the Company, at least one-third of the Directors are required to retire by rotation at each AGM and a retiring Director is eligible for re-election/ re-appointment by the Shareholders.

Accordingly, the following Directors will retire by rotation from the Board in the 27th AGM :

1. Mr. M. Hafizuddin Khan - Director, nominated by MIDAS
2. Mr. Md. Shahedul Alam - Director, elected by General Shareholders Group

Being eligible, the Retiring Directors have offered themselves for re-election which has been recommended by the Board of Directors for approval by the shareholders in the 27th AGM. Brief profiles of the Directors who are going to retire and be re-elected are disclosed at page no: 20-27. The interest of the retiring Directors in different entities are also disclosed at page no: 156

Re-appointment of Independent Director

Ms. Nazneen Sultana was appointed as an Independent Director of the Company on May 12, 2020 and completed her first tenure. Based on the contributions during her first term (3 years) of office to the Company, background and experience, the Board of Directors re-appointed Ms. Nazneen Sultana as Independent Director of the Company for another term of 3 (three) years, subject to the approval of Shareholders in the ensuing Annual General Meeting.

Key Operating and Financial Data of preceding 5 (five) years

A statement containing the summary of key operating and financial data of the preceding 5 (five) years has been presented at page no: 38

Pattern of Shareholding

A report on pattern of shareholding as on December 31, 2022 has been shown in Annexure-D at page no: 65

Corporate Social Responsibility (CSR)

MFL considers itself an integral part of the community in which it operates, and recognizes that it has responsibilities of providing the highest standards of service and ethical business. MFL in carrying out its business activities keeps in view its commitments for sustainable development and transparent corporate conduct. MFL prioritizes promoting a corporate culture that adheres to its business principles as well as generating good and sustainable returns in order to ensure mutual value creation for the Company as well as its stakeholders.

The Company helped for the growth of the SME sector along with the development of women entrepreneurs and played a significant role in the economic development of the nation by providing information relating its services and products, technical support and instant loan processing for the benefit of small and medium, especially women entrepreneurs.

As a continuation of its innovative initiatives, MFL organized a National Dialogue for Women Entrepreneurs on 02 November 2019 at MIDAS Convention Centre to acknowledge the achievement of women entrepreneurs and encourage them as new entrepreneurs in the corporate sector. In a discussion meeting with small and medium entrepreneurs held on 06 August 2019, MFL declared and launched 'SME Day' with a view to providing better services to SMEs and encouraging them for their business development. Such day will be observed on the first Monday of every month by the head office and 15 branches of MFL, as soon as the COVID-19 situation returns to normal.

Management's Discussion and Analysis

Management's Discussion and Analysis signed by the Managing Director of the Company presenting a detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on the issues prescribed under condition no. 1(5)(xxv) of the Corporate Governance Code has been presented at page no: 79.

Certification by MD and CFO

As per condition no. 1(5) (xxvi) of the Corporate Governance Code, a Declaration by the Managing Director (MD) and the Chief Financial Officer (CFO) in prescribed format has been submitted to the Board of Directors of the Company, which is disclosed in Annexure-A at page no: 51.

Appointment/Re-appointment of Statutory Auditors

Zoha Zaman Kabir Rashid & Co., Chartered Accountants was appointed as the Statutory Auditors of the Company in the last Annual General Meeting, They have completed the audit for the reporting year ended on December 31, 2022 and will retire at the conclusion of the 27th Annual General Meeting.

Zoha Zaman Kabir Rashid & Co., Chartered Accountants have confirmed their eligibility and willingness to the Board to accept their office as Statutory Auditors for the forthcoming financial year to be ended on December 31, 2023. On the proposal of the Audit Committee, the Board of Directors recommended to re-appoint Zoha Zaman Kabir Rashid & Co., Chartered Accountants as the Statutory Auditors of the Company for the financial year to be ended on December 31, 2023, subject to approval by the shareholders at the ensuing AGM at a remuneration of Taka 1,65,000 (One Lakh and sixty five thousands only) exclusive of VAT applicable as per the provisions of Law.

Status of Compliance with Corporate Governance Code

As per condition no. 9(3) and 1(5)(xxvii) of the Corporate Governance Code, the Directors of the Company are required to prepare a statement, in the prescribed format as to whether the Company has complied with the conditions of the corporate governance code or not and to disclose the same in the Directors' Report. Accordingly, a Statement on Status of Compliance of the Corporate Governance Code issued by BSEC has been incorporated in Annexure-C at page no: 53.

As per condition no. 9(1) and 1(5)(xxvi) of the Corporate Governance Code, every listed company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of the conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report. As per condition no. 9(2), the professional to provide such certificate shall be appointed by the shareholders in the Annual General Meeting. Accordingly, M/s Hawlader Maria & Co., Chartered Accountants was appointed as the Corporate Governance Compliance Auditors in the last Annual General Meeting. A Certificate submitted by M/s Hawlader Maria & Co., Chartered Accountants, for the year ended December 31, 2022 is enclosed in Annexure-B at page no: 52

Considering the conditions stated in the Corporate Governance Code, necessary expertise, the Board has recommended to appoint M/s Hawlader Maria & Co., Chartered Accountants, as the Corporate Governance Auditors of the Company for the financial year to be ended on December 31, 2023, subject to approval of the shareholders in the ensuing AGM at a remuneration of Taka 25,000 (twenty five thousands only) exclusive of VAT applicable as per the provisions of Law.

Acknowledgement

The Board of Directors takes this opportunity to extend its heartiest appreciation and gratitude to the valued clients, depositors, lenders, bankers, patrons and business partners for their continued support and co-operation during the year. The Board also extends its gratitude to Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock

Exchange Limited (DSE), Chittagong Stock Exchange PLC (CSE), Registrar of Joint Stock Companies and Firms, National Board of Revenue (NBR) and other regulatory bodies for the co-operation, assistance, valuable guidance and advices received from them by the Company from time to time. Sincere appreciation of the Board of Directors is also offered to the senior management and members of the staff at all levels of the Company for their hard work, loyalty, sincerity and dedication.

Finally, the Directors express their thanks to the valued shareholders and assure them that efforts will be continued to maximize the shareholders' wealth by further strengthening the governance of the Company. The Directors will welcome, and remain ready to listen to constructive criticisms at all times and will strive to make appropriate decisions in the greater interest of the Company.

For and on behalf of the Board of Directors,



Ali Imam Majumder
Chairman

ANNEXURE LIST:

A. Certification by the MD and CFO to the Board.
B. Certificate from M/s Hawlader Maria & Co., Chartered Accountants regarding compliance on the Corporate Governance Code.
C. Checklist on compliance of Corporate Governance Code.
D. The pattern of shareholding.
E. Report on Shareholding.

Annexure-A
[As per condition No. 1(5)(xxvi)]

MIDAS Financing Limited
Declaration by MD and CFO

Date: October 16, 2023

The Board of Directors
MIDAS Financing Limited
MIDAS Center (10th & 11th Floor)
House #05, Road # 16(New) 27 (old)
Dhanmondi, Dhaka-1209

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

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

1. The Financial Statements of MIDAS Financing Limited for the year ended on December 31, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

3. The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;

4. To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and

6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

In this regard, we also certify that: -

(i) We have reviewed the financial statements for the year ended on December 31, 2022 and that to the best of our knowledge and belief:

   (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (b) These statements collectively present true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year

Sincerely yours,

Mustafizur Rahman
Managing Director

Mohammad Ashiqur Rahman
Chief Financial Officer

Howlader Maria & Co.
Chartered Accountants

Annexure-B
[Certificate as per condition No. 1(5) (xxvii)]

Certificate on Compliance of Corporate Governance Code

Report to the Shareholders of MIDAS Financing Limited on compliance on the Corporate Governance Code

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

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

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

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

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;

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

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The governance of the Company is satisfactory.

Howlader Maria & Co.,
Chartered Accountants

Maria Howlader FCA
Enrollment No: 1063
Managing Partner

Dated, Dhaka
18 October 2023

Annexure-C
[As per condition 1(5)(xxvii)]

Checklist on compliance of Corporate Governance Code

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969. (Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.	Board of Directors:			
1(1)	Size of the Board of Directors: The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	Independent Directors:			
1(2) (a)	At least one fifth (1/5) of the total number of directors in the Company's board shall be independent directors.	√		
1(2) (b)	'Independent Director' means a Director:			
1(2) (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2) (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2) (b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	√		
1(2) (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or the holder of stock exchange or an intermediary of the capital market;	√		
1(2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2) (b) (viii)	Who is not independent director in more than 5 (five) listed companies.	√		
1(2) (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Banking Financial Institution (NBFI); and	√		
1(2) (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2) (d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days and	√		
1(2) (e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only.	√		
1(3)	Qualification of Independent Director :			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3) (b)	Independent Director shall have following Qualification:			
1(3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			N/A
1(3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or			N/A
1(3) (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	√		
1(3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
1(3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A
1(3) (c)	The Independent Director(s)shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3) (d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the commission.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:			
1(4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	Directors' Report to Shareholders:			
1(5) (i)	An industry outlook and possible future developments in the industry;	√		
1(5) (ii)	The segment-wise or product-wise performance;	√		
1(5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		
1(5) (x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5) (xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		
1(5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year			N/A
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details);	√		
1(5) (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1(5) (xxiii)(c)	Executives; and	√		
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5) (xxiv)	In case of the appointment or re-appointment of a Director a disclosure on the following information to the Shareholders:			
1(5) (xxiv) (a)	a brief resume of the Director;	√		
1(5) (xxiv)(b)	Nature of his/her expertise in specific functional areas; and	√		
1(5) (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5) (xxv) (a)	accounting policies and estimation for preparation of financial statements;	√		
1(5) (xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5) (xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5) (xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5) (xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5) (xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5) (xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	√		
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1(6)	Meetings of the Board of Directors:			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;			Please refer to the note given below:
1.7. (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.			Do
Note: As explained in the note under condition 6, since no NRC was formed, code of conduct for the chairperson of the Board, other members and company remain pending.				
2.	Governance of Board of Directors of Subsidiary Company:			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
2 (a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		
2 (b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	√		
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
2 (d)	The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also.	√		
2 (e)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.	√		
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3 (1)	Appointment:			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings:			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board.	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
3(3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3(3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4.	Board of Directors' Committee:			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee; and	√		
4 (ii)	Nomination and Remuneration Committee.			Please refer to the note given under condition number 6
5.	Audit Committee:			
5 (1)	Responsibility to the Board of Directors:			
5(1) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5 (2)	Constitution of the Audit Committee:			
5 (2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5 (2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5 (2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5 (2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	√		
5 (2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5 (2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(3)	Chairperson of the Audit Committee:			
5(3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
5(4)	Meeting of the Audit Committee:			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	√		
5(4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee:			
	The audit committee shall:-			
5(5) (a)	Oversee the financial reporting process;	√		
5(5) (b)	Monitor choice of accounting policies and principles.	√		
5(5) (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5) (d)	Oversee hiring and performance of external auditors.	√		
5(5) (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5) (f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5) (g)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.	√		
5(5) (h)	Review the adequacy of internal audit function.	√		
5(5) (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5) (j)	review statement of all related party transactions submitted by the management;	√		
5(5) (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	√		
5(5) (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:			N/A
5(6)	Reporting of the Audit Committee:			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a) (i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
5(6)(a) (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:			
5(6)(a)(ii)(a)	Report on conflicts of Interests.			N/A
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5(6)(a)(ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A
5(7)	Reporting to the Shareholders and General Investors:- Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			N/A
6.	Nomination and Remuneration Committee (NRC):	As per DFIM Circular number 18 dated October 26, 2011 and subsequent letter ref. no. DFIM(P)1052/27/2021-2436, dated November 04, 2021 of Bangladesh Bank, no Financial Institutions are eligible to comply with conditions for formation of Nomination and Remuneration Committee in accordance with the Corporate Governance Code, 2018 issued by BSEC. It is conflicting with the regulation of the Financial Institutions Act, 1993 and directives of the Bangladesh Bank.		
6(1)	Responsibility to the Board of Directors:			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6 (1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;			
6 (1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6 (1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			
6(2)	Constitution of the NRC:			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			
6(2)(b)	All members of the Committee shall be non-executive directors;			
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6(2)(g)	The company secretary shall act as the secretary of the Committee;			
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			
6(3)	Chairperson of the NRC:			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes			
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:			
6(4)	Meeting of the NRC:			
6(4) (a)	The NRC shall conduct at least one meeting in a financial year;			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6(4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6(4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6(5)	Role of the NRC:			
6(5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			
6(5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5) (b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5) (b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			
6(5) (b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6(5) (b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6(5) (b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			
6(5) (b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;			
6(5) (b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			
6(5) (b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;			
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
7.	External or Statutory Auditors:			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8.	Maintaining a website by the Company:			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The Company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9.	Reporting and Compliance of Corporate Governance:			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the **Annexure-C** attached, in the directors' report whether the company has complied with these conditions or not.	√		

The Pattern of Shareholding

as on December 31, 2022

Categories	Name	Status	No. of Shares held	% of holding
(a) Parent or Subsidiary or Associated Companies and other related parties	Nil			
(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children	Ms. Rokia A. Rahman (Nominated by MIDAS)	Chairman & Sponsor	447,906	0.311
	Mr. Ali Imam Majumder (Nominated by MIDAS)	Nominated Director	Nil	Nil
	Mr. M. Hafizuddin Khan (Nominated by MIDAS)	Nominated Director	Nil	Nil
	Mr. Abdul Karim (Nominated by MIDAS)	Nominated Director	Nil	Nil
	Mr. Mohammed Nasir Uddin Chowdhury (Nominated by LankaBangla Finance Limited)	Nominated Director	8,172,780	5.680
	Mr. Md. Shamsul Alam (Representative of General Shareholders Group)	Director	2,878,634	2.001
	Mr. Md. Shahedul Alam (Representative of General Shareholders Group)	Director	2,882,568	2.003
	Mr. Ghulam Rahman	Independent Director	124,367	0.086
	Ms. Nazneen Sultana	Independent Director	Nil	Nil
	Mr. Mustafizur Rahman	Managing Director	Nil	Nil
	Mr. Tanvir Hasan, FCA	Company Secretary	Nil	Nil
	Mr. Mohammad Ashiqur Rahman	Chief Financial Officer	Nil	Nil
	Mr. Ahmed Ibne Majid Khan	Head of Internal Audit	Nil	Nil
(c) Executives	Mr. Monirul Islam	GM, Business Development	Nil	Nil
	Ms. Nasreen Ahmed	DGM, Head of Branch Control Department	879	0.000
	Mr. Abul Kalam Azad	DGM, SAMLAD	Nil	Nil
	Mr. Muhammad Shohidur Rahman	AGM, Head of CRM	Nil	Nil
	Mr. S K Monirul Alam	AGM, Incharge of Khulna Branch	6996	0.004
(d) Shareholders holding ten percent (10%) or more voting interest in the company	MIDAS	Sponsor	43,238,534	30.049
	LankaBangla Investment Limited	Shareholder	19,142,807	13.304

Mr. Ali Imam Majumder elected as the Chairman of the Company on April 2023.

Shareholding Composition

as on December 31, 2022

Sponsors and Directors	Institute	Foreign	General Public
41.347%	26.658%	0.422%	31.573%

Annexure-E

Report on Shareholding of MIDAS Financing Limited

as on December 31, 2022

Sl. No.	Name	Status	No. of Shares	% of Shareholding
1	MIDAS	Sponsor	43,238,534	30.049
2	LankaBangla Finance Limited	Director (Represented by Mr. Mohammed Nasir Uddin Chowdhury)	8,172,780	5.680
3	LankaBangla Investment Limited	Shareholder	19,142,807	13.304
4	LankaBangla Securities Limited	Shareholder	13,360,833	9.285
5	Ms. Rokia Afzal Rahman	Chairman (Nominated by MIDAS)	447,906	0.311
6	Mr. Ali Imam Majumder	Director (Nominated by MIDAS)	0	0.000
7	Mr. Mohammed Ikramullah	Sponsor	1,042,691	0.725
8	Engineers & Consultants BD. Ltd.	Sponsor	707,489	0.492
9	Mr. M. Hafizuddin Khan	Director (Nominated by MIDAS)	0	0.000
10	Mr. Abdul Karim	Director (Nominated by MIDAS)	0	0.000
11	Mr. Md. Shamsul Alam	Director	2,878,634	2.001
12	Mr. Md. Shahedul Alam	Director	2,882,568	2.003
13	Mr. Ghulam Rahman	Independent Director	124,367	0.086
14	Ms. Nazneen Sultana	Independent Director	0	0.000
15	Institutions (excluding LankaBangla Investment Ltd. and LankaBangla Securities Ltd.)		5,854,846	4.069
16	Foreign		607,244	0.422
17	Public		45,431,808	31.573
Total			**143,892,507**	**100.000**

Mr. Ali Imam Majumder elected as the Chairman of the Company on April 2023.

1. Global Economy

While global economy was recovering strongly from the COVID-19 pandemic, the war in Ukraine posed a setback to the ongoing recovery. A rise in the global commodity prices and sluggish economic activities by war induced supply chain disruption is being observed. International organizations revised their forecasts for economic growth prospects and inflations. As per the United Nations (UN) publication 'World Economic Situation and Prospect 2022', the global economy grew by 5.5 percent in 2021, the highest growth rate since 1976, after contracting 3.4

Summary

As on December 31, 2022

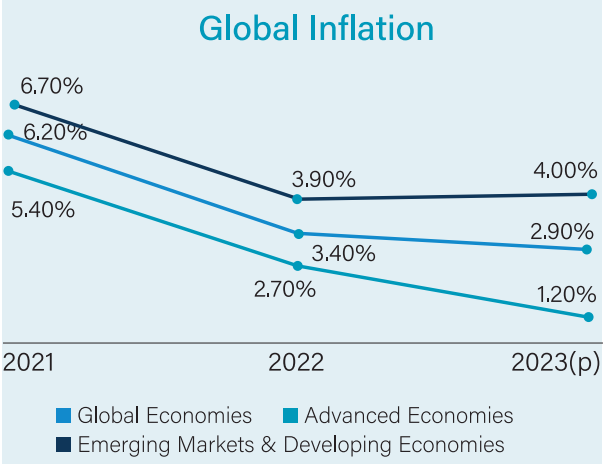
Sl. No.	Name of Shareholders	No. of Shares	% of Shareholding	Remarks
1	MIDAS	43,238,534	30.049	
2	LankaBangla	40,676,420	28.269	LankaBangla Finance Limited, LankaBangla Investment Limited and LankaBangla Securities Limited.
3	Sponsor and Directors	8,083,655	5.618	Other than MIDAS and LankaBangla Finance Limited.
4	Institutions	5,854,846	4.069	Other than LankaBangla Investment Limited and LankaBangla Securities Limited.
5	Foreigner	607,244	0.422	
6	Public	45,431,808	31.573	
Total		**143,892,507**	**100.000**	

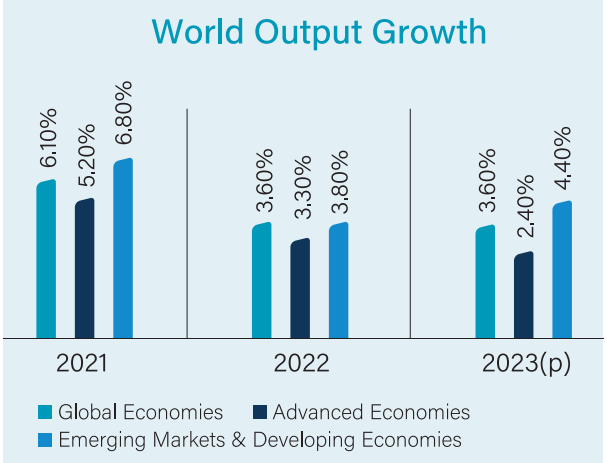
Report on Economic Scenario: World and Bangladesh

percent in 2020. Global economy is expected to grow by 4.0 percent in 2022 and 3.5 percent in 2023. In the World Bank's Global Economic Prospect, January 2022, the global economic growth is projected 4.1 and 3.2 percent in 2022 and 2023 respectively, while growth was estimated 5.5 percent in 2021. Sluggish growth rates between advanced economies and emerging and developing economies will be divergent. Growth in advanced economies is expected to decline from 5 percent in 2021 to 3.8 percent in 2022 and 2.3 percent in 2023. This growth rate will be sufficient to restore output and investment to their pre pandemic trend in these economies. In emerging and developing economies, however, growth is expected to drop from 6.3 percent in 2021 to 4.6 percent in 2022 and 4.4 percent in 2023. The report stressed that by 2023, all advanced economies will have achieved a full output recovery; yet output in emerging and developing economies will remain 4 percent below its pre pandemic trend. For many vulnerable economies, the setback is even larger: output of fragile and conflict-affected economies will be 7.5 percent below its pre-pandemic trend, and output of small island states will be 8.5 percent below. In the World Economic Outlook (WEO) April 2022, International Monetary Fund (IMF) projected that the global economy will grow by 3.6 percent both in 2022 and 2023. The projections for 2022 and 2023 are 0.8 and 0.2 percentage points lower than in the January 2022 WEO update. Global growth is forecast to decline to about 3.3 percent over the medium term beyond 2023.

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

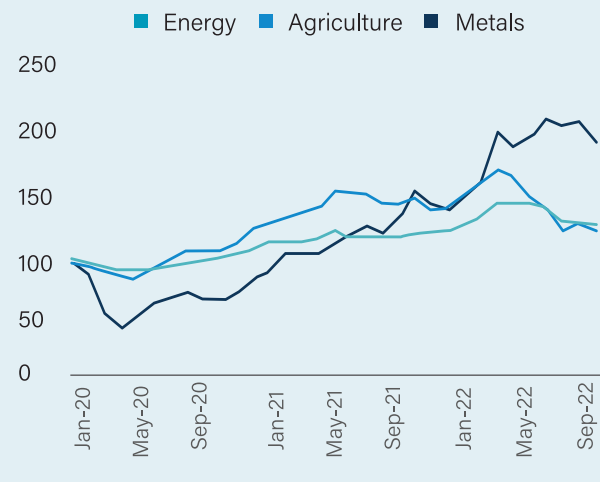


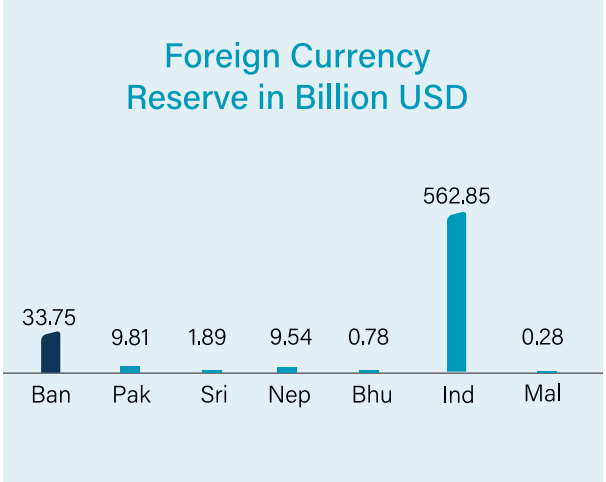


1.1 World Commodity Price

A sharp global growth slowdown and concerns about an impending global recession are weighing on commodity prices. In many economies, however, prices in domestic-currency terms remain elevated because of currency depreciations. This could deepen the food and energy crises already underway in a number of countries. As the global growth slowdown intensifies, commodity prices are expected to ease in the next two years, but they will remain considerably above their average over the past five years. Energy prices are expected to fall by 11 percent in 2023 and

12 percent in 2024. Agricultural and metal prices are projected to decline 5 and 15 percent, respectively, in 2023 before stabilizing in 2024. This outlook, however, is subject to numerous risks both in the short- and medium-term. Energy markets face an array of supply concerns as worries about the availability of energy during the upcoming winter intensify in Europe. Higher-than-expected energy prices could pass through to non-energy prices, especially food, prolonging challenges associated with food insecurity. A sharper slowdown in global growth presents a key downside risk, especially for crude oil and metal prices. A Special Focus section suggests that concerns about a possible global recession have already contributed to a decline in copper prices from their peak in March 2022, and a shift in demand from aluminum has contributed to lower aluminum prices. Prices will likely remain volatile as the energy transition unfolds and demand moves from fossil fuels to renewables, which will benefit some metal producers. Metal-exporting countries can make the most of the resulting opportunities for growth over the medium-term, while limiting the impact of price volatility by ensuring they have well-designed fiscal and monetary frameworks. Most commodity prices have retreated from their peaks in the aftermath of the post-pandemic demand surge and war in Ukraine as global growth slows and worries about a global recession intensify. However, individual commodities have seen divergent trends amid differences in supply conditions and their response to softening demand. Moreover, currency depreciations in many countries have resulted in higher commodity prices in local currency terms compared to the price in U.S. dollars. For example, from February 2022 to September 2022, the price of Brent crude oil in U.S. dollars fell nearly 6 percent. Yet, because of currency depreciations, almost 60 percent of oil-importing emerging market and developing economies saw an increase in domestic-currency oil prices during this period. Nearly 90 percent of these economies also saw a larger increase in wheat prices in local currency terms compared to the rise in U.S. dollars. As a result, commodity-driven inflationary pressures in many countries with depreciating currencies may be more persistent than indicated by recent declines in global commodity prices. is could prolong the food and energy crises already affecting many developing economies. Energy prices have diverged widely and have been extremely volatile since the outbreak of the war in Ukraine. Brent crude oil prices fell sharply during 2022Q3 (nearly one-quarter lower in September 2022 relative to its June 2022 peak) due to concerns about a global recession in 2023 and tightening financing conditions. Prices partially rebounded in October following the announcement by OPEC+ members on October 5th to reduce their production target by 2 million barrels per day (mb/d) but have been volatile since. Natural gas prices in Europe reached all-time highs in August 2022 due to aggressive actions by several countries to rebuild their inventories as well as reduced flows of gas from Russia. Prices have since dropped sharply as inventories reached their target levels and demand has fallen. Coal prices continued to increase in 2022Q3, as many countries turned to coal as a substitute for natural gas. During the past four quarters, natural gas prices in Europe and seaborne coal prices have averaged 420 and 180 percent higher, respectively, than their average over the past five years. Non-energy prices declined 13 percent in 2022Q3 (q/q). Metal prices declined the most, largely reflecting weaker global growth and concerns about a slowdown in China. Precious metal prices fell 9 percent (q/q) as global interest rates rose sharply. Agricultural commodity prices fell 11 percent in 2022Q3 (q/q). Fears about food shortages earlier in the year gradually eased. Exports from Ukraine restarted and inventories of key crops remain above historical levels, thereby providing a buffer for the ongoing 2022-23 season. Notwithstanding the decline in agricultural commodity prices from their March 2022 highs, they remain nearly 9 percent higher than a year ago. Expected supply shortfalls in the current season for some key commodities, especially maize, coupled with adverse weather and high energy prices, could keep prices high during the current season.





1.2 Regional Economy

After the strong rebound of 6.5 percent posted in 2021, growth in Asia and Pacific is expected to moderate to 4.0 percent in 2022 amid an uncertain global environment and rise to 4.3 percent in 2023. Inflation has risen above most central bank targets, but is expected to peak in late 2022. As the effects of the pandemic wane, the region faces new headwinds from global financial tightening and an expected slowdown of external demand. While Asia remains a relative bright spot in an increasingly lethargic global economy, it is expected to expand at a rate that is well below the average rate of 5.50 percent seen over the preceding two decades. Policy support is gradually being withdrawn as inflation rises and idle capacity is utilized, but monetary policy should be ready to tighten faster if the rise in core inflation turns out to be more persistent. The region's rising public debt levels call for continued fiscal consolidation, so interventions to mitigate global food and energy shocks should be well targeted, temporary, and budget neutral. Structural reforms are needed to boost growth and mitigate the scarring that is expected from the pandemic, especially making up for lost schooling through investments in education and training, promoting diversification, addressing the debt overhang from the pandemic, and harnessing digitalization. Strong multilateralism—including through international organizations, the Group of Twenty and regional processes—will be needed to mitigate geo-economic fragmentation and deliver much needed progress on climate change commitments.

Macro & Micro economic headway of Bangladesh

2. Bangladesh Economy

Bangladesh economy was growing consistently high over a decade crossing 7.0 percent milestone in FY 2015-16 and 8.0 percent milestone in FY 2018-19, however, the COVID-19 pandemic reduced the growth rate to 3.45 percent in FY 2019-20. Under the prudent leadership of the Honorable Prime Minister Sheikh Hasina Bangladesh successfully managed COVID-19 pandemic and returned to high growth trajectory. The economy grew by 6.94 percent in FY 2020-21. According to the provisional estimates of BBS, the GDP growth stood 7.25 percent in FY 2021-22, 0.05 percent higher than the target rate and 0.31 percent higher than the previous fiscal year. Medium-term forecasts for GDP growth rates are 7.5 percent in FY 2022-23, 7.8 percent in FY 2023-24 and 8.0 percent in FY 2024-25.

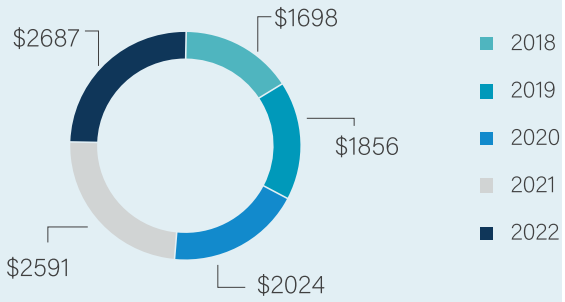
Inflation in FY 2020-21 stood at 5.56 percent, which is 0.09 percentage point lowers than FY 2019-20. Of which food and non-food inflation accounted for 5.73 percent and 5.29 percent respectively. Like all other countries of the world, an upward trend of price level is being observed in Bangladesh as the economic damages created by COVID-19 pandemic which is triggered by war in Ukraine. The point-to-point inflation in March 2022, stood at 6.22 percent, compared to the inflation rate 5.47 percent in March 2021. The revised revenue mobilization target was set at Tk. 3,89,000 crore in FY 2021-22, which is 9.78 percent of the GDP. Of them,

revenue receipt from NBR sources was marked at Tk. 3,30,000 crore (8.30% of GDP), tax revenue from non-NBR sources at Tk. 16,000 crore (0.40% of GDP) and non-tax revenue at Tk. 43,000 crore (1.10% of GDP). Total revenue mobilization up to February 2022 stood at Tk. 2,25,116 crore, up by 16.39 percent of the same period of previous fiscal year, achieving 57.87 percent of the target.

According to the revised budget, the total expenditure target for FY 2021-22 has been set at Tk. 5,93,500 crore (14.93% of GDP), which is 10.11 percent higher compared to FY 2020-21. The revised Annual Development program (ADP) size for FY 2021-22 stood at Tk. 2,07,550 crore (excluding autonomous/ agencies/ corporations' own funded projects), which is 5.01 percent higher than the previous fiscal year. The government is highly concerned of maintaining the budget deficit within 5 percent of GDP by increasing efficiency in revenue management. However, due to the increase in government expenditure for COVID-19 pandemic, target set at 5.1 percent of current fiscal year. The actual budget deficit for FY 2019-20 and FY 2020-21 stood at 4.7 percent and 4.3 percent of GDP respectively. The inflow of foreign grants and loans in the first eight months of FY 2021-22 (up to February 2022) amounted to US$ 5,899 million, up by 6.63 percent from the same period of the previous fiscal year. The country's external debt outstanding at the end of February 2022 was US$ 55,826 million or 12.23 percent of GDP.

Although global trade has turned around in 2021 after the effects of COVID-19 pandemic, the Russia-Ukraine conflict has been showing significant negative impact on world trade. As a result, food supply chains have been disrupted and Western sanctions on Russia have led to global trade instability. At the same time, the prices of petroleum along with commodity prices are rising, which is also creating inflationary pressures on the economies. However, Bangladesh's export growth is on a positive trend. During July-April of FY 2021-22, total export earnings increased by 35.14 percent to US$ 43,344.34 million compared to the same period of previous fiscal year. The total import payments (c&f) stood at US$ 66,898.70 million in FY 2021-22 (July-March), which is 43.84 percent higher than the import payments of the same period of the preceding fiscal year. The deficit of trade balance widened and stood at US$ 22,306 million in FY 2021-22 (July-February) which was US$ 12,359 million in FY 2020-21 (July-February). This deficit mainly occurred by the high growth in import payments relative to the growth in export earnings. During the time, current account balance showed a deficit of US$ 12,834 million due to expansion of trade deficit and a fall of workers' remittances. At the same time, the surplus of capital account balance and financial account balance both increased due to substantial amount of term loans received from the global development partner agencies. The net outcome of all these made the overall balance a deficit of US$ 2,222 million in FY 2021-22 (July-February) compared to US$ 6,879 million surpluses in the same period of previous fiscal year. Due to the deficit of the overall balance, the foreign exchange reserve decrease slightly. The foreign exchange reserve stood at US$ 46 billion at the end of February 2022. At the latest on 18 May 2022, the foreign exchange reserve stood at US$ 42.33 billion. During July-April, 2022, the exchange rate of Taka depreciated by 1.9 percent against US dollar.

Per Capital Income of Bangladesh



2.1 Prospect of Bangladesh Economy

The Medium-term Macroeconomic Framework (MTMF), 2021-22 to 2024-25, has been formulated taking into account the recent dynamics of the global economy and the impacts on the domestic sector. While the global economy was recovering from COVID-19 impairment, the war in Ukraine is triggering the loss of lives and livelihood in the war zone and supply bottlenecks in the rest of the world. Countries are administering mass vaccinations and implementing incentive packages to address the unintended effects of the coronavirus on public health, global growth and commodity markets. Government of Bangladesh has been implementing 28 incentives worth of Tk. 1,87,679 crores. Because of the timely policy decision under the able leadership of Honorable Prime Minister Sheikh Hasina Bangladesh successfully managed repeated waves of COVID-19 with minimum loss of lives. As of

4 May 2022, 70.18 percent population have been fully vaccinated.

In the medium term, the government will put emphasis on full economic recovery from the fallout of COVID-19, address the issues arisen from war in Ukraine, implementing 8th Five Year Plan, the 2030 agenda-SDGs, second perspective plan (2021-2041), 'Delta Plan 2100', and 'Blue Economy' strategies.

Government is keen to restore the pre-pandemic economic high growth trajectory. Bangladesh became able to achieve 6.94 percent GDP growth against revised target of 6.1 percent in the MTMF. GDP growth is estimated 7.25 percent in 2021-22 and has been projected to gradually rise to 7.5, 7.8 and 8.0 percent respectively in FY 2022-23, FY 2023-24 and FY 2024-25. Inflation is estimated to be 5.8 percent in FY 2021-22, which is expected to gradually decrease in the next three fiscal years reaching 5.5 percent in FY 2024-25. Gross investment is forecasted to be between 31.5 to 33.6 percent of GDP in the next three fiscal years. Out of this, investment in the public sector will be between 6.6 to 7 percent and investment in the private sector will be between 25.4 to 28 percent of GDP.

As per the MTMF, the estimated revenue mobilization for FY 2021-22 will be 9.8 percent of GDP and projection is made that the revenue will lie between 9.8 percent to 10.6 percent of GDP in between FY 2022-23 to FY 2024-25. Public outlay is estimated to be 15.1 percent of GDP in FY 2021-22. It is projected that the outlay will be between 15.4 to 15.6 percent of GDP in following three years.

In FY 2021-22, the revised budget deficit is estimated to be 5.1 percent of GDP. The budget deficit is projected to be 5.5 to 5 percent of GDP in FY 2022-23 to FY 2024-25. This will a little bit higher than the target rate of keeping budget deficit within 5 percent of GDP due to increased government spending aimed at restoring the economy COVID-19 fall out and other global setbacks. The target is to keep the private sector credit flow at 14.8 percent in FY 2021-22, which is expected to increase to 15 to 16 percent of GDP in the next three fiscal years.

Export is estimated to grow by 34.1 percent in 2021-22 and projected to grow at a rate of 20 to 18 percent in the following three fiscal years. Import growth is estimated to be 30 percent in FY 2021-22 and projected to be 12 percent in FY 2022-23, 14 percent in FY 2023-24 and 14.5 percent in FY 2024-25. Remittances is estimated to be 5.5 percent of GDP in FY 2021-22 and projected to be between 5.7 to 5.4 percent in the following three fiscal years. Considering strong domestic demand, fiscal expansion, rebound of export, improved COVID situation, restoration of lives and livelihood, full resumption of economic activities, implementation of COVID-19 incentive packages, completion of few mega projects including Padma bridge, it is expected the economy of Bangladesh will continue to grow at pace of pre-pandemic growth path. Table 1.2 highlights the projection of key macroeconomic indicators during FY 2017-18 to FY 2024-25.

2.2 Private Sector Development

Private companies are spearheading Bangladesh's growth with their energy and optimism, putting the economy on a path to cross the $1-trillion mark by 2040. The milestone will be achieved because of private firms' drive to become world-class global businesses and their ability to recruit the best talent, build globally recognized brands, and compete with leading multinational companies. Bangladesh's emerging champions are innovative companies that have grown rapidly, created a structural advantage in the domestic market and are ready to pursue global ambitions. The success of these champions echoes the path of exemplary enterprises in other countries, doubling down on domain expertise, domestic success, and quality talent. These champions aim to raise international capital, form global alliances and penetrate a diverse and shifting global supply chain to ensure supply security.

The private sector is also boosting innovation and productivity and leveraging the growing digital landscape with well-structured strategic programs. We believe these champions can be powerful contributors to realizing Bangladesh's trillion-dollar ambition. The emerging companies boast an impressive ten-year average shareholder return of 16 per cent, delivering above the S&P Global 1200 companies' 15 per cent, the Asia 50 Index's 14 per cent, and the MSCI Emerging Markets' 10 per cent. The BCG report found solid optimism among companies with 57 per cent believing the next generation will have better lives. In Bangladesh, there is a growing young workforce with a median age of 28 and the working age population is 68.4 per cent. The report

found that 83 per cent of Bangladeshi companies surveyed have a bold ambitious vision and 38 per cent focused on driving better customer outcomes through personalization. About 78 per cent strongly believe that they must build a culture of continuous transformation and 61 per cent are pursuing strategic international expansion to create global brands. The local consumer market is set to become the ninth-largest in the world driven by a rapidly expanding middle and affluent class, which is projected to grow from about 19 million in 2020 to about 34 million by 2025. With an average annual GDP growth of 6.4 per cent between 2016 and 2021, Bangladesh has outpaced major Asian peers such as India, Indonesia, Vietnam, the Philippines, and Thailand. The country's growth rate was around double its fellow lower-middle-income countries and significantly higher than the global average of 2.9 per cent. The country has high economic resilience with a savings rate of 34 per cent against the global average of 27 per cent. The government debt at 19 per cent is the lowest among peers, said the report.

Besides China, the two most dynamic countries in the world are in South Asia, India and Bangladesh have strong momentum. One of the key elements now for Bangladesh is to really make good use of these opportunities. This is crucial. Actually, there is a real opportunity to really move forward to become a middle-income country in the coming years and decades. Companies around the world are diversifying their supply chain and Bangladesh can seize the opportunity. A massive shift in the supply chains will occur in five to seven years where Bangladesh can play a role. The the key is really to be open to grab these opportunities. Bangladesh to build infrastructures in order to lower logistics and transportation costs significantly. There are opportunities. Bangladesh is widely recognized for its important role in the global supply chain for textile and apparel, and the BCG continues to see growth in this sector with major domestic players expanding their businesses globally. The momentum in the digital industry, three times increase in public spending in the last decade, the government's 2041 vision and the Smart Nation Plan are also powering growth. The telecom industry is led by three private players, Grameenphone, Robi and Banglalink, which have helped position Bangladesh as the ninth-largest mobile market in the world. The NGO sector has also been a major driver of growth for the economy, with the world's largest NGO Brac and the pioneer of microfinance Grameen Bank providing a safety net for the bottom of the pyramid, the report said. The startup industry has raised funding of over $700 million and now the government is taking an active role in promoting start-ups. Other sectors are also emerging on the global stage with players like multinational goods company Pran-RFL establishing franchises in Africa and the Middle East, and pharmaceutical companies like Renata Ltd is driving expansion in Europe, the UK, and the US. No story is without ups and downs. The current economic climate has created some uncertainties, with liquidity challenges, foreign exchange risks and inflationary pressures in the short term. But the measures the country is taking should allow Bangladesh to remain on its course towards a trillion-dollar economy. For example, digital analytics is an area where more needs to be done. Although the country is enjoying a great demographic dividend, some companies are feeling the crunch when it comes to cutting-edge managerial talent or tech talent. The BCG found that 56 per cent of organizations have social impact at the top of their mind and are geared to drive meaningful change. In 2015, one big trend in Bangladesh and that was the middle and affluent class, and they were the driving force of the economy. Now, the next big driving force after the middle class are local companies. They're young, They're hungry. They want to grow despite the challenges. The report assessed companies based on three pillars: growing beyond, operating beyond, and organizing beyond. The companies that are "growing beyond" to realize global ambitions with societal impact at heart are Brac, bKash, Brac Bank, PHP, ShopUp, Pathao, Walton, Pran, and Summit. The companies that are "operating beyond" through partnerships and multi-local delivery networks are Square, FCI, Walton, PHP, ShopUp, Renata, Walton, Pathao and Meghna Group. The firms that are "organizing beyond" include Confidence Group, Renata, Pran, Beximco and FCI. Bangladesh is on the move.

FI industry prospect

3. Industry outlook

Financial Institutions (FI's) have been playing a crucial role by providing additional financial services that cannot be usually provided by the banks. NBFIs also play an important role in the capital market as well as in real estate sector of Bangladesh. The authority of granting licenses to NBFIs and their regulations and control are vested in Bangladesh Bank by the Financial Institution Act, 1993. Under the Act, Financial Institution Regulation 1994 was issued with the approval of the government. Besides, there are prudential regulations and guidelines for NBFIs issued by BB under section 18 (Chha) of FI Act 1993. At present, there are 35 NBFIs operating in Bangladesh. Among the NBFIs, three (3) are government-owned, thirteen (13) are joint ventures with foreign participation, and the rest nineteen (19) are private-sector companies. The number of branches of NBFIs stood at 271 as on 30 June 2022. Among the branches, 80 are set up in the district of Dhaka and the rest 191 are located in 36 districts across the country.

The majority of non-bank financial institutions' (NBFIs) sector outlooks remain neutral at mid-2022 despite increased macro challenges compared to end-2021, including the Russia–Ukraine conflict, elevated market volatility, rising interest rates, growing inflation, and lingering pandemic variants. While rating headroom has decreased in most instances, strong financial profiles, including modest leverage and improved funding profiles, offer a degree of cushion against rating migration. Total asset of NBFIs at the end of June 2022 stood at BDT 973.24 billion (un-audited), which was BDT 896.56 billion (un-audited) at the end of 2021. NBFIs are investing in different sectors of the economy, but their investments are mostly concentrated in industrial sector. Trade and commerce 14.75 percent, industry 45.73 percent, agriculture 2.53 percent, housing 19.07 percent, financial corporation 6.56 percent, service 6.93 percent, consumer finance 3.66 percent and others 0.77 percent. NBFIs are allowed to invest in the capital market up to 25 percent of their paid up capital and reserve as per section 16 of Financial Institutions Act, 1993. As of 30 June 2022, NBFIs total investment in capital market stood at BDT 44.86 billion which was accounted for 4.61 percent of the total assets of all NBFIs (as per DFIM circular no.-3, dated-15 February 2022). Total deposits of the NBFIs at the end of December 2021 decreased to BDT 444.20 billion (53.91 percent of total liabilities) from BDT 453.20 billion (55.55 percent of total liabilities) at the end of 2020 showing an overall decrease of 2 percent. At the end of June 2022, total deposit of NBFIs stood at BDT 478.08 billion. Total liability of the industry increased to BDT 823.96 billion at the end of December 2021 from BDT 815.84 billion of December 2020. At the end of June 2022, total liability and equity stood at BDT 929.90 billion and BDT 43.34 billion respectively. Non-performing loan (NPL) ratio is an indicator of asset quality. This is the ratio of gross non-performing loan/lease to total loan/lease. At the end of June 2022, the NPL for NBFIs was 22.99 percent. In the total asset composition of all NBFIs, the amount of loans/ lease was 71.24 percent during the said period. Earnings and profitability of an NBFI reflects its efficiency in managing resources and its long term sustainability. Among various measures of earnings and profitability, the best and widely used indicator is the return on assets (ROA) which is supplemented by return on equity (ROE). The industry ROA and ROE at the end of June 2022 were (0.44) and (9.91) respectively. At the end of June 2021, out of 35 NBFIs, the composite CAMELS rating of 13 were "2 or Satisfactory", 8 were "3 or Fair", 8 were "4 or Marginal" and 3 were "5 or Unsatisfactory". One is under process and the rest 2 are exempted from the rating process considering special circumstances. NBFIs are required to maintain provision for expected losses on loans, advances, leases, investments considering some objective criteria as well as qualitative judgment. Assets are classified as standard, special mention accounts, sub-standards, doubtful and bad/losses, requiring the NBFIs to keep provision by 1.00 percent, 5.00 percent, 20.00 percent, 50.00 percent and 100.00 percent respectively. At the end of June 2022, the total outstanding of loan/lease was BDT 693.32 billion of which NPL was BDT 159.36 billion (22.99 percent of total loan/lease). A master circular was issued on 26 July 2021 to ensure proper utilization of loan/lease/advances.

3.1 Credit Growth:

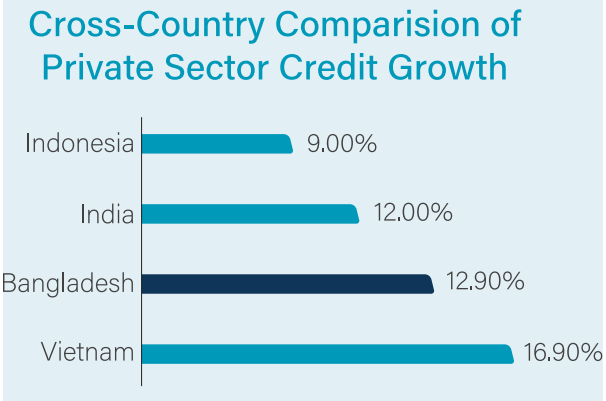
The private sector credit growth plunged in December 2022 due mainly to liquidity stress and unfavorable business environment in the wake of economic crisis in the country. The private sector

credit growth dropped to 12.8 per cent in December, the sixth month of the current financial year 2022-23, from 13.97 per cent in November. The private sector credit growth declined in December due to a liquidity shortage in the country's banking sector. The amount of excess liquidity in the country's banking sector has kept falling in recent months due to a host of reasons, including high dollar sales by the Bangladesh Bank, low deposit rates, growing inflationary pressure and cash withdrawal in the wake of bank loan scams.

The amount of excess liquidity in banks dropped to Tk 1.53 lakh crore in November compared with that of Tk 1.69 lakh crore in October 2022. The liquidity in excess of statutory liquidity ratio was Tk 2.03 lakh crore in June 2022 while it was Tk 2.17 lakh crore in November 2021.

Moreover, the country's economy has been grappling with various issues, including high inflation, foreign exchange volatility, dollar crisis and energy crisis that eventually reduced business production by 30-40 per cent. So, many businesses avoided bank borrowing due to the current business situation in the country. Banks faced liquidity stress as the BB sold over $12 billion from January to December, 2022 to the banks to address dollar shortage in the financial sector which, in its turn, mopped up an equivalent amount of local currency from the banking system. The central bank sold $7.62 billion directly to banks in FY22 amid a shortage of the greenback on the market. The domestic credit declined to 15.1 per cent in December from 15.79 per cent in November. The private sector credit growth reached 14.07 per cent in August, hitting nearly the BB monetary policy target of 14.1 per cent for FY23. The BB reduced the private sector credit growth target for FY23 to 14.01 from 14.8 per cent of FY22 to control inflationary pressure. The government's bank borrowing increased to Tk 3.02 lakh crore in December from Tk 2.99 lakh crore in November year. The borrowing stood at Tk 2.21 lakh crore at the end of December 2021.

The Bangladesh Bureau of Statistics recorded the overall inflation over 9 per cent in August and September, the highest since 2010-11 after the food inflation crossed a double-digit mark in the period. After that, it came down to 9.1 per cent in September, 8.91 per cent in October, 8.85 per cent in November and 8.71 in December 2022. After the withdrawal of Covid-containment strict restrictions for the last time in August 2021, the private sector credit growth started growing in line with the major growth in imports. High imports created instabilities on commodity and currency markets in the country. The foreign currency reserves in Bangladesh dropped to $33.74 billion on December 29, 2022 from $48.6 billion in August 2021. The exchange rate rose sharply to Tk 108 from Tk 84.8 against the US dollar within a year. The BB approved floating rate of dollars on September 14, 2022.



3.2 Sectoral Growth

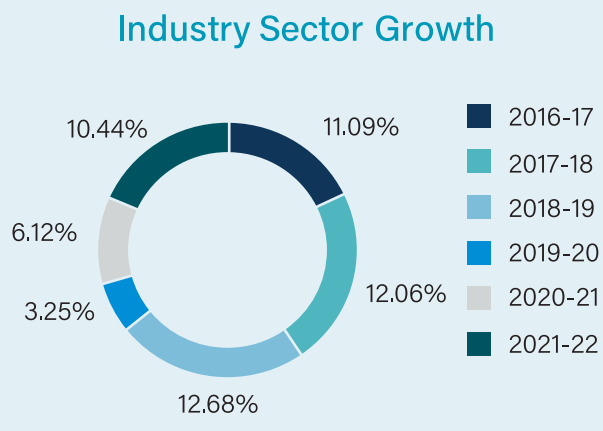
The growth of agriculture sector increased to 3.17 percent in the FY 2020-21, slightly lower than 0.25 percentage point from FY 2019-20. During the same period, industry sector grew by 10.29 percent, which was 3.16 percent in the previous fiscal year. The service sector grew by 5.73 percent in FY 2020-21, 1.8 percentage point up from the previous fiscal year.

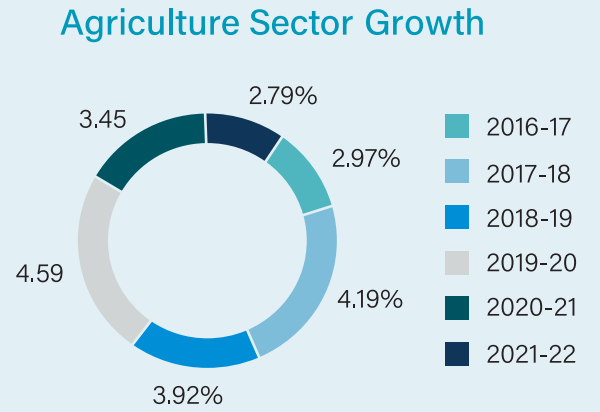
According to the provisional estimate of BBS, the growth rate of agriculture sector stood 2.20 percent in FY 2021-22, 0.97 percentage point lower than the previous fiscal year. Within the agriculture sector, the growth rate of forests and related services estimated highest growth rate of 5.37 percent in FY 2021-22. The contribution of the broad agricultural sector to the GDP stood at 11.50 percent in FY 2021-22, 0.57 percentage point lower than the previous fiscal year.

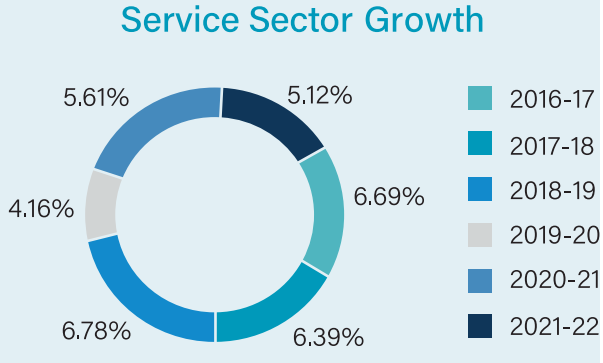
Industrial sector is estimated to have 10.44 percent growth in FY 2021-22, 0.15 percentage point higher than the previous fiscal year. The contribution of industries to GDP became 37.07 percent, which is 1.06 percentage point higher than the previous fiscal year.

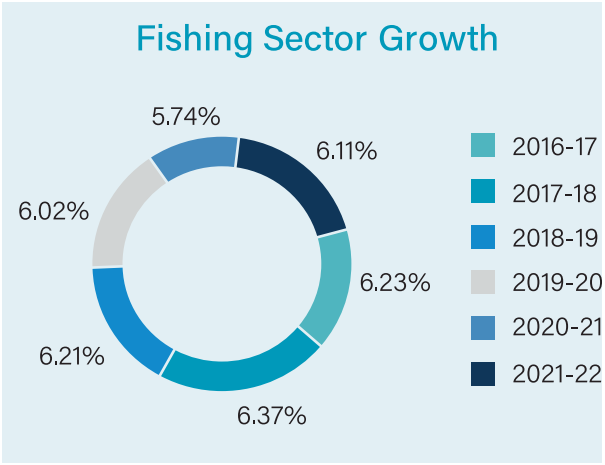
Services sector is estimated to have 6.31 percent growth in FY 2021-22, 0.58 percentage point higher than FY 2020-21. Human health and social work activities' is estimated to experience the highest growth rate of 9.78 percent followed by wholesale

and retail trade, transportation and storage, accommodation and food services activities; financial and insurance activities; professional, scientific and technical activities; education and other service sectors would grow significantly over FY 2020-21. The contribution of broad service sector to the GDP stood at 51.44 percent in FY 2021-22, 0.29 percentage point lower than the previous fiscal year.









3.3 Investment and Savings:

During FY 2020-21, domestic savings decreased to 25.34 percent of GDP, 1.74 percentage point lower than the previous year. Likewise, national savings as percent of GDP decreased to 30.79 percent in FY 2020-21, 0.63 percentage point lower than FY 2019-20. Gross domestic savings is provisionally estimated to be 21.56 percent of GDP in FY 2021-22, 3.78 percentage point lower than previous fiscal year. Gross national savings is estimated to be 25.45 percent of GDP, 5.34 percentage point lower than previous fiscal year.

The contribution of investment to GDP decreased to 31.02 percent in FY 2020-21, 0.29 percentage point lower than the previous fiscal year. Of 31.02 percent contribution to GDP, private investment is 23.70 percent while public investment is 7.32 percent. Public investment as a percentage of GDP has slightly increased and private investment as a percentage of GDP has slightly decreased compared to the previous fiscal year. Investment is estimated to be 31.68 percent of GDP of which private investment is 24.06 percent and public investment is 7.62 percent in FY 2021-22. Overall investment is 0.66 percentage point higher than last fiscal year.

3.4 Fiscal Data:

A broad-based economic recovery of Bangladesh has already taken place towards its pre-COVID growth trajectory, as reflected by the BBS estimation of real GDP growth of 7.25 percent for FY22. Like many other economies, the pass-through of surging global energy and commodity prices resulted in higher inflation in Bangladesh. The CPI-based average inflation stood at 5.99 percent in May 2022 and is unlikely to be contained within the target ceiling of

5.30 percent ending June 2022. The monetary policy stance and monetary program outlined for FY22 were intended to maintain necessary liquidity into the banking system accompanied by a lower market interest rate regime, meeting the private and public sector demand. BB has taken necessary policy measures, including open market operations, issuing BB bills, and tightening policy rates to manage money market liquidity conditions. The external sector faced some headwinds in FY22, as reflected in the widened current account deficit resulting from a higher trade deficit and relatively moderate inflow of remittances. The overall balance of payments (BoP) witnessed a deficit of USD 3.7 billion during July-April of FY22, exerting some depreciating pressures on the exchange rate. BB intervened in the foreign exchange market by selling a substantial amount of foreign currency to support exchange rate stability and maintain the external competitiveness of the Bangladesh Taka (BDT) in FY22. BB's monetary and credit programs for FY23 will pursue a cautious policy stance with a tightening bias to contain inflation and exchange rate pressures while supporting the economic recovery process, ensuring the necessary flow of funds to the economy's productive and employment generating activities for long-term economic growth. BB has decided to increase its policy rate (the repo rate) by 50 basis points to 5.50 percent from 5.00 percent to deal with the demand side pressures along with ensuring the required flow of funds to the priority and productive sectors to promote supply-side activities. BB's monetary policy also seeks to promote import-substituting economic activities and dissuade imports of luxury goods, fruits, non-cereal foods, canned and processed foods, etc., to reduce exchange rate depreciating pressure, protect foreign exchange reserves, and control inflation.

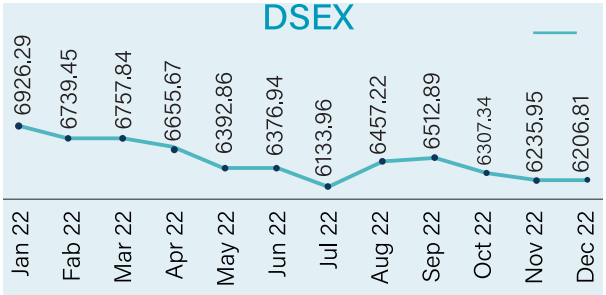
In this respect, BB will introduce a new refinance line of credit for import-substituting products to minimize import dependency and save valuable foreign exchange reserves. The LC margins for luxury goods, fruits, non-cereal foods, canned and processed foods, etc., will be increased comprehensively to discourage their imports.

BB will continue its support to implement the government's ongoing stimulus packages alongside BB's refinance schemes in the face of new adversities, including the Russia-Ukraine war in addition to the COVID-19 pandemic. Given the shallow trade linkage of Bangladesh with Russia and Ukraine, the direct adverse impact of the war is expected to be limited. The climate and environment-related vulnerabilities, like the recent sudden floods in the North and Northeastern part of the country, could have some headwinds on the country's overall price stability and growth prospect.

3.5 Capital Market

Capital market acts as a bridge of long term financing for the industrial development of a country through the sale and purchase of shares, debentures, bonds, mutual funds, treasury bills, certificates etc. and the turnover of capital market contributes to the economic development of the country. Capital market in Bangladesh consists of two full-fledged stock exchanges- the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE). Bangladesh Securities and Exchange Commission (BSEC), as watchdog, regulates these stock exchanges of the country. At the end of December 2022, Broad Index of the DSE and all share price index of the CSE were 0.47 percent and 0.44 percent lower respectively than that of the previous month. During December 2022, total turnover value of traded securities of DSE and CSE were 55.71 percent and 20.06 percent lower respectively than that of November 2022.

Total number of listed securities of DSE and CSE stood at 656 and 618 respectively at the end of December 2022. Broad Index of DSE and All Share Price Index of CSE stood at 6206.81 and 18328.02 respectively at the end of December 2022, which were 6235.95 and 18408.51 respectively at the end of November 2022. DSEX Shariah Index (DSES) and CSE Shariah Index (CSI) stood at 1358.84 and 1160.95 respectively at the end of December 2022, which were 1370.18 and 1169.88 respectively at the end of November 2022. The market capitalization of DSE and CSE stood at BDT 7609.37 billion and BDT 7414.38 billion respectively at the end of December 2022, which were BDT 7642.41 billion and BDT 7436.13 billion respectively at the end of November 2022. Total turnover value of traded securities of DSE and CSE stood at BDT 72.31 billion and BDT 2.87 billion respectively during December 2022, which were BDT 163.27 billion and BDT 3.59 billion respectively during November 2022. The Price-Earning (P/E) ratio of DSE and CSE stood at 14.10 and 14.35 respectively at the end of December 2022 which were 14.50 and 16.26 respectively at the end of November 2022.



3.6 Export and Import

Country's exports soar more than 34 per cent to $52.08 billion in the 2021-22 fiscal year (July 2021-June 2022). Bangladesh achieved the highest export earnings in the 2021-22 fiscal year with the final months recording robust income growths. In the 2021-22 fiscal year, exports reached $52,082.66 million, setting a new record. With $4.91 billion in export earnings in June, up 37.19 per cent over the same period a year ago, the country's overall export earnings in the last fiscal year exceeded the target of $43.50 billion. Bangladesh's export income in the 2020-21 fiscal year (July 2020-June 2021) was recorded at $38.76 billion.

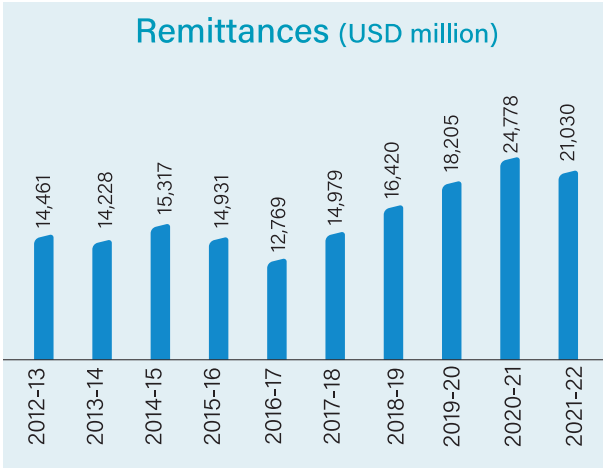
As always the growth in the 2021-22 fiscal year was largely attributed to the demand for ready-made garments. Bangladesh's earnings from garment export, which make up more than three fourths of the country's annual incomes since the beginning of this decade, surged to $42.61 billion in the 2021-22 fiscal year. Knitwear garment export grew 36.88 per cent year-on-year to $23.21 billion while woven garment export rose 33.82 per cent to $19.40 billion. During the cited period, many other traditional export items like frozen foods, home textiles, leather and leather products and footwear also performed well.



3.7 Overseas Employment and Remittance

Overseas employment has been playing a pivotal role in the socio-economic facet of Bangladesh for long which has proved its resilient presence in 2022. It is an alternative source of development as well. Bangladesh earns significant amount of remittance from overseas employment to cover the balance of payment. In all aspects, both the issues are very important in the perspective plan of the country. Keeping in mind this issue, the dissection of the maneuver shows what actually happened in the year 2022. According to the Bureau of Manpower Employment and Training (BMET) database, 11,10,034 people went abroad for work in 2022 against 6,17,209 people in 2021. This shows 79.84pc growth in overseas employment in the outgoing year over the last year.

Due to Russia-Ukraine war, world economy is now in vulnerable stage and obviously Bangladesh cannot avoid the reality. Although, Bangladesh was not affected in previous global downturn of economy in 2009 due to its continuous flow of remittances. The amount of remittance has also increased in recent years. It was USD 16.20 Billion in 2018, USD 18.21 billion in 2019, 24.78 billion USD in 2020 and 21.03 billion USD in 2021. Up to November 2022 the remittance figure stood at USD 19.59 billion, the trend shows USD 21.4 earning in 2022 declining from the previous year.



3.8 Foreign Exchange Reserve

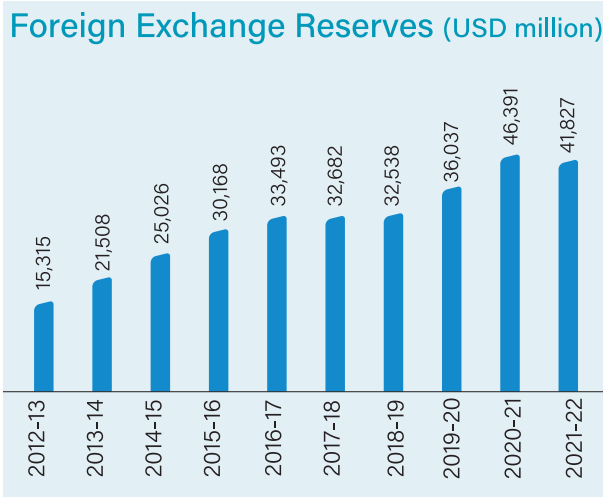
Bangladesh's foreign exchange reserves dropped to $41.83 billion on December 2022 due to a high import payment obligation against a low dollar supply. The reserves had come down to this position from record $48.6 billion in August 2021.

The BB injected more than $7.8 billion in the financial system from July to December in 2022 in order to facilitate banks in making import payments obligations.

The central bank sold $7.62 billion directly to the banks in FY22 amid a shortage of the greenback on the market.

Due to various restrictions and sluggish business environment amid the Covid pandemic, import payments had declined sharply while exports and remittance earnings witnessed growth in 2021. But, after the recovery of global business environment from the pandemic, foreign and local currency demand rose greatly, depleting reserves of the both currencies in the country as the existing supply could not match with the sudden demand. As imports have exceeded remittance and export earnings, it has also brought down the import payment capacity.

The country's reserves dropped by $6.77 billion from $48.6 billion a year ago, weakening Bangladesh's import payment capacity.

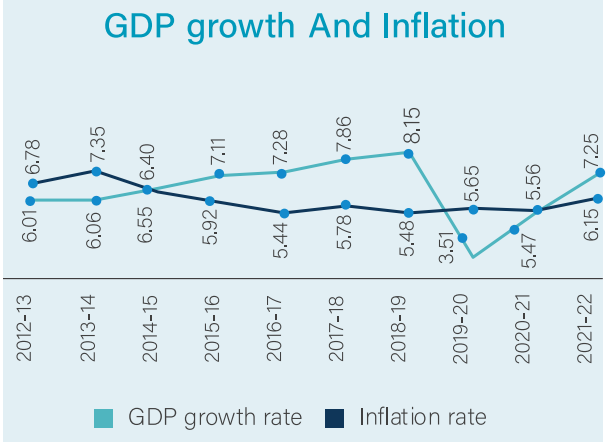


3.9 GDP Growth and Inflation

The Bangladesh government has set a target of 7.5 per cent growth of the country's gross domestic product (GDP) in the upcoming fiscal year of 2022-23 beginning from July. 7.25 percent GDP growth has been achieved in fiscal year 2021-2022 despite the enduring fallout of the pandemic. It appears from the economic variables that the second wave of Covid-19 continued in the first quarter of the current financial year but did not put a significant negative impact on the economy.

In FY 2021-22, the inflation rate stood at 6.15 percent, which is slightly higher than the target (5.50%). In this case, food inflation increased to 5.56 percent and non-food inflation stood at 5.85 percent. Despite the stagnation in the economy due to the corona virus, inflation in FY2020-21 is slightly high (5.56%) than the target (5.4%) as a result of uninterrupted food production and supply chains.

Although, Bangladesh has never experienced a negative economic growth during the last 47 years since its independence and maintained around 6% GDP growth rate for last one and half decade, the high rate of inflation always lessened the benefit of good GDP rate.



Pursuant to the Corporate Governance Code, 2018 the management of MIDAS Financing Limited has prepared the following analysis in relation to the company's position and operations along with brief discussion of changes in the financial statements among others, focusing on:

Management's Discussion and Analysis

Pursuant to the Corporate Governance Code, 2018 the management of MIDAS Financing Limited has prepared the following analysis in relation to the company's position and operations along with brief discussion of changes in the financial statements among others, focusing on:

(a) Accounting policies and estimation for preparation of financial statements

The financial statements have been prepared on a going concern basis and accrual method under historical cost convention and therefore did not take into consideration of the effect of inflation. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the DFIM circular no. 11 dated 23rd December 2009 in conformity with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Financial Institutions Act 1993, Securities and Exchange Rules 1987, the listing rules of Dhaka and Chittagong Stock Exchanges and other applicable laws & regulations in Bangladesh and practices generally followed by Financial Institutions. As Bangladesh Bank is the primary regulator of Financial Institutions, Bangladesh Banks guidelines, circulars, notifications and any other requirements are given preference to IAS and IFRS, where any contradictions arises. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

(b) Changes in accounting policies and estimation

The principle accounting policies had been consistently maintained and in 2022 no accounting policies had been changed. The preparation of the 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 those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in the future periods. During the reporting period the company did not change any basis of estimation.

(c) Comparative analysis of financial performance and financial position (based on consolidated financial statements)

The financial year 2022 has been challenging one with an operating environment, tight liquidity situation, constrained margins and rate volatility both deposits and loans rate. The company has ended the year with a result that was not up to the mark.

MFL fared moderate performance in 2022 in terms of liquidity, solvency and profitability. Our focus remains on improving asset quality, recovering classified loans, enhancing service excellence and rationalizing costs. A brief analysis of this year's financial performance has been appended below:

Interest Income

In 2022 the company's interest income (as per consolidated financial statement), mostly from lease, loans and advances, decreased by 23.47% i.e. BDT 28.55 crore from the last year. Lease, loan and advances portfolio stood at Taka 995.07 crore as of 31 Dec 2022 as against Taka 942.77 crore as of 31 Dec 2021. Although, portfolio growth by Taka 52.30 crore.

Interest Expense

Company's interest expense on deposit and borrowing decreased by 9.80% (BDT 7.29 crore) in 2022 compared to previous year. Deposit portfolio stood at Taka 578.31 crore as of 31 Dec 2022 as against Taka 594.71 crore as of 31 Dec 2021. Deposit portfolio decreased by Taka 16.39 crore. Borrowings from other banks, financial institutions and agents stood at Taka 265.77 crore as of 31 Dec 2022 as against Taka 205.07 crore as of 31 Dec 2021. Borrowings from other banks, financial institutions and agents increase by Taka 60.70 crore. Bank and FI industry faced a sudden shortage of liquid funds in 2022 which forced banks and FIs to collect deposit and fund at higher rate. But Bangladesh Bank

has circulated to decrease the deposit rate. As a result, the average cost of fund of the company 7.92% in 2022, which was 9.08% in 2021.

Income from investment and other operating income

In the year 2022 Capital Market of Bangladesh was not in a favorable position from the previous year. In 2022, Investment income of the company decreased by Taka 4.63 crore, reflecting 92.36% regression compare to last year capital market. Moreover, provision for diminution in value of investment has growth by Taka 5.86 crore in 2022. Other operating income, decreased by 5.20% i.e., BDT 0.39 Crore from the last year.

Operating expenses

The company's operating expense increased at 13.89% compared to last year. Total operating expenses increased by Taka 2.60 crore from last year where maximum contribution came from Salary and allowances. MFL's growth in salary and allowances was 10.62%.

Net Operating Profit

Due to decrease interest income, higher borrowing cost and Lower income from investment the company's operating profit decreased significantly compared to last year. Company's net operating profit decreased by 68.75% which was Taka 29.12 crore.

Provision for loans and investments

The company made provision for lease, loans and advances along with investments as per the guideline/ instruction of Bangladesh Bank. Due to increase of loan portfolio the company's general provisions increased but specific provisions decreased. The capital market was not potential in 2022, the company's provision against investment in share market increased significantly. But, in totaling the company's provision in this head increased by 10.78 crore.

Profit after Tax

Eventually, the profit after tax of the company stood at Taka 0.86 crore due to the factors mentioned above. As a result, our earnings per share (EPS) in 2022 reduced to Taka 0.59 from 0.81 of last year 2021.

Outlook

Interest rates volatility during the year appears to have calmed down at the end and expected to have within a specific range as banks have already more or less adjusted their Advance to deposit (AD) ratio. Completion of mega infrastructure projects will boost economic activities which will extend the business of FI industry to a new landmark.

Loan portfolio

Money market of the country faced a severe liquidity crisis at the end of 2022 all on a sudden due to excessive credit growth as projected to respective monetary policy and showed a clear mismatch between deposit and credit growth. Instant controlling measures taken by central bank eased this tight situation in the middle of 2022 but reduced the overall credit growth of the industry. Like most other Financial Institutions the company also unable to maintain credit growth at expected level. In this circumstances Lease, loan and advances portfolio stood at Taka 995.07 crore as of 31 Dec 2022 .As a result Lease, loan and advances portfolio in 2022 increased to Taka 52.30 crore from last year.

Non-performing loan (NPL)

Over the years MFL is trying to bring down its NPL at a tolerable limit. In 2019 the company was able to decrease its NPL at 9.92% from 12.49% of 2018. But, in line with the industry, NPL of the company increased again to 11.39% at the end of December 2020. At the end of December 2021, NPL of the company again increased to 14.89%. However, the company is trying to reduce its NPL by ensuring rigorous monitoring, disbursement of quality portfolio and increasing asset quality. But, NPL of the company increased to 16.46% at the end of December 2022.

Capital Adequacy Ratio

MFL has been maintaining the healthy CAR since long to comply with the Bangladesh Bank's Prudential Guideline on Capital Adequacy and Market Discipline for Financial Institutions. At the end 2022, capital adequacy ratio of the company (consolidated) stood at 17.83% compared to 18.38% in the preceding year.

Capital adequacy - As per BASEL-II	2022	2021
a) Core Capital (Tier-I)		
Paid-up capital	1,438,925,070	1,424,678,291
Statutory reserve	143,091,535	140,714,914
Retained earnings	87,114,825	109,384,298
	1,669,131,430	**1,674,777,503**
b) Supplementary Capital (Tier-II)		
General provision	111,959,297	95,192,361
c) Total eligible capital (a + b)	1,781,090,727	1,769,969,864
d) Risk Weighted Assets (RWA)	9,986,726,128	9,632,286,624
e) Capital Adequacy Ratio (%) (c/d)	17.83%	18.38%

Cash Flow Analysis

Amount in crore

Particulars	2022	2021
A. Cash flow from operating activities	(55.33)	18.83
B. Cash flow from investing activities	0.02	(0.19)
C. Cash flow from financing activities	59.27	(0.82)
D. Net increase in cash & cash equivalents (A+B+C)	3.96	17.83
E. Cash and cash equivalents at the beginning of the year	65.70	47.87
F. Cash and cash equivalents at the end of the year	69.66	65.70

Cash Flow from Operating Activities

Cash generated from operating activities before changes in operating assets and liabilities decreased by 393.83% in 2022 which was Tk. 74.16 crore compared to previous year. Net cash flow from operating activities decreased due to remarkable negative growth in deposit, Loans and lease finance and sale of trading securities compared to last year.

Cash flow from investing activities

Cash outflow from investing activities mainly occurred due to purchase of fixed assets.

Cash Flow from financing activities

The company received a good amount of term loan during this year to compensate its outgoing deposits. During this year 2022 the company's net borrowing was recorded Taka 60.70 core as against Taka 2.66 crore of last year.

Overall scenario

The cash and cash equivalent balance of the company increase to Taka 69.66 crore at the end of 2022 compared to Taka 65.70 crore of 2021.

d) Comparative financial performances with the peer industry

Finance Industry

The finance industry is marked by high levels of competition with 35 NBFIs and 61 Banks operating in the same space.

This sector passed a very challenging year 2022 amid liquidity crisis at the beginning and at the year end. Record private sector credit growth and sluggish deposit growth at the end of 2022 created shortage of money flow in the banking sector. To check any possible liquidity pressure on the market Bangladesh Bank slashed Bank's existing AD ratio rate. As a result, business for banking industry became tough and most of the Banks and Financial Institutions reduced fresh disbursement. Considering the liquidity

pressure in money market and stakeholder's necessity Bangladesh bank reduced CRR by 1 percentage, extended timeframe for maintaining new AD ratio. All these initiatives eased tight liquidity situation in the middle of the year but increased cost of fund of Banks and FIs. Frustratingly, liquidity situation tightened against the end of the year.

Soaring Non-performing Loan (NPL) has been treated as number one problem in banking sector, which pushed down overall financial health of Banks gradually.

Non-performing loans (NPLs) in the country's banking sector decreased 8 per cent year-on-year to Tk 134,396 crore in 2022 due to a relaxed loan classification policy taken by the Bangladesh Bank.

The ratio of default loans to outstanding loans and advances stood at 8.16 per cent last year in contrast to 7.9 per cent in 2021, according to the central bank data.

As per the central bank rules, borrowers were allowed to avoid the default zone by giving only 15 per cent of their total instalments of loans payable for last year.

Classified loans in the banking sector stood at Tk 120,656 crore in 2022 compared to Tk 103,273 crore the year before.

Borrowers also enjoyed a moratorium facility to repay loans throughout 2020 & 2021 as the central bank took the move to offset the business slowdown emanating from the coronavirus pandemic.

(e) Risk and concerns as well as the mitigation plan related to the financial statements

The Company always concentrates on delivering high value to its stakeholders through appropriate tradeoff between risk and return. A well-structured and proactive risk management system is in place within the Company to address the risks relating to credit, market, liquidity and operations. Details of the Risk Management have been described separately in this annual report.

(f) Future plan for Company's operation, performance and financial position

Company is planning to continue its operation with a steady outlook. Considering the market condition, MFL planned its budget for the year 2023 with a projection of disbursement of Taka 365 crore. The Company expects to provide decent dividends to its shareholders in future years.

Looking Forward

The company, considering the overall situation, intends to achieve cautious and healthy growth in earnings in the following years with an expectation of improvement of the money market, capital market and economic activities in upcoming days. By tested goodwill, continuous process renovation, enhancing management excellence, relationship with the stakeholders, the company is preparing to reap the benefits from all the future prospects.



Mustafizur Rahman
Managing Director

Report on Corporate Governance

Corporate Governance refers to the processes of making and implementing decisions in accordance with the laws, rules, regulations, codes, guidelines, etc. under which the functions of a corporate entity are operated, managed, controlled and regulated in order to ensure proper protection of the interests of its valued members and other stakeholders. MIDAS Financing Limited (MFL) is committed to ensure the highest standards of governance designed to protect the interest of all relevant stakeholders.

Governance practices and reporting framework

Corporate governance at MFL concerns the way the Company is managed and controlled, while creating value for both the Company and our stakeholders through transparency, accountability and fairness, while protecting the interests of relevant stakeholders. For maintaining and ensuring good governance in the Company MFL adopted the following laws, policies, rules and regulations:

- Corporate Governance Code (Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018) imposed by Bangladesh Securities and Exchange Commission (BSEC);
- The Companies Act 1994;
- Financial Institutions Act 1993;
- Listing requirement and regulations imposed by Dhaka Stock Exchange Limited and Chittagong Stock Exchange PLC;
- Various rules, regulations, guidelines, notifications, policies, etc. issued from time to time by the regulatory authorities;
- Laws of the Land;
- Company's internal standards of code of conducts, ethics and compliance.

As per the provisions of Articles of Association of MFL, the Board of Directors holds periodic meetings to resolve policy, issues and strategies to achieve the organizational goal. The Board sets Vision, Mission and Objective of the Company as per guidelines of Bangladesh Bank and all other regulatory authorities. The Vision of MFL has been set as 'to be a leading financial institution of the country with diversified financial services contributing towards development of an enterprising society' while its Mission has been set as 'provide value added financial services to valued customers, strictly maintaining the ethical standard in financial operation.' MFL regularly submit accurate and periodic documents including financial statements to the Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange PLC, National Board of Revenue, Registrar of Joint Stock Companies and Firms and other relevant regulatory authorities and the Board of MFL is committed to establish good corporate governance and to devote towards achieving excellence in its governance.

Main features of governance of MFL are summarized below:

Composition of Board of Directors

The Board of Directors of MFL consisting of 8 (Eight) Directors of which 2 (two) are Independent Directors. Diversity in constitution of the Board is ensured taking into consideration age, gender, experience, ethnicity, educational background, etc. The Directors exercises their power collectively while remain liable for discharging responsibilities individually. The Board has laid down Code of Conduct for the Chairman, all other Directors and CEO.

The Board of Directors of MFL as on December 31, 2022 is as follows:

Name	Status in the Board	Status in the Board's Sub-Committee	
		Audit Committee	Executive Committee
Ms. Rokia Afzal Rahman (Nominated by MIDAS)	Chairman & Sponsor	-	Member
Mr. Abdul Karim (Nominated by MIDAS)	Nominated Director	Member	-
Mr. M. Hafizuddin Khan (Nominated by MIDAS)	Nominated Director	-	Member
Mr. Ali Imam Majumder (Nominated by MIDAS)	Nominated Director	Member	-
Mr. Mohammed Nasir Uddin Chowdhury (Nominated by LankaBangla Finance Limited)	Nominated Director	-	Chairman
Mr. Md. Shamsul Alam (Representative of General Shareholders Group)	Director	-	Member
Mr. Shahedul Alam (Representative of General Shareholders Group)	Director	Member	-
Mr. Ghulam Rahman	Independent Director	Chairman	-
Ms. Nazneen Sultana	Independent Director	Member	-

Mr. Ali Imam Majumder elected as the Chairman of MIDAS Financing Limited on April, 2023 and joined the Executive Committee on May 2023. Mr. Mohammed Nasiruddin Chowdhury joined the Audit Committee on May 2023.

Independent Director(s)

MFL ensures effective representation of independent directors on its Board so that the Directors, as a group, includes core competencies considered relevant in the context of the Company; for this purpose, MFL complies with the conditions related to selection, qualification and appointment of Independent Directors. The Board of MFL has included 2 (two) Independent Directors to ensure appointment of at least one-fifth of the total numbers of members of the Board.

Qualification of Independent Directors

Both the Independent Directors are able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business. They also fulfill the conditions specified in the Corporate Governance Code imposed by BSEC.

Separation of Roles of Chairman and Managing Director

In MFL, separate individuals perform the functions of the Chairman and Managing Director. The roles of the Chairman and Managing Director have also been laid down by the Board.

The Directors' Report to shareholders

The statements or disclosures specified in the Corporate Governance Code included in the Directors' Report to shareholders is prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994) and duly approved by the Board of Directors in its Board meeting held on October 16, 2023. Directors' Report for the year 2022 has been presented on page no: 44

Meetings of the Board of Directors

12 (Twelve) meetings of the Board of Directors were held during the year ended on December 31, 2022. Attendance of each Directors at the Board meetings and at the last Annual General Meeting (AGM) for the year under review is stated on page no:47

Governance of Subsidiary Company

MFL has one subsidiary Company. Proper care is taken to ensure that compliance with the conditions applicable for good governance of MFL as holding Company and also compliance with the conditions applicable for good governance of subsidiary Company can be ensured.

Managing Director, Chief Financial Officer, Head of Internal Control and Compliance and Company Secretary

The Board of Directors appointed a Managing Director (MD), a Company Secretary (CS), a Chief Financial

Officer (CFO) and a Head of Internal Control and Compliance (HICC) by different individuals. They are not holding any executive position in any other Company at the same time and their respective roles, duties and responsibilities have also laid down by the Board.

Board of Directors' Committee

For ensuring good governance in MFL, the Board has constituted the following sub-Committees:

(i) Executive Committee and
(ii) Audit Committee

Though constitution of a Nomination and Remuneration Committee is prescribed in the Corporate Governance Code issued by BSEC, the Board could not constitute it because as per DFIM Circular number 18 dated October 26, 2011 and subsequent letter ref. no. DFIM(P)1052/27/2021-2436, dated November 04, 2021 of Bangladesh Bank, no Financial Institutions are eligible to comply with conditions for formation of Nomination and Remuneration Committee in accordance with the Corporate Governance Code, 2018 issued by BSEC. It is conflicting with the regulation of the Financial Institutions Act, 1993 and directives of the Bangladesh Bank.

The Board has laid down respective roles and responsibilities of the Audit Committee and the Executive Committee.

Executive Committee

The Executive Committee is comprised of 4 (four) members. The Chairman of the Committee is Mr. Mohammed Nasir Uddin Chowdhury. He was duly appointed by the Board as the Chairman of the Committee. Other members are Mr. Ali Imam Majumder (since May 2023), Mr. M. Hafizuddin Khan and Mr. Md. Shamsul Alam. The Company Secretary of the Company acts as the Secretary to the Executive Committee.

Audit Committee

The Audit Committee is composed of 5 (five) members. The Board appointed Mr. Ghulam Rahman, one of the Independent Directors of the Company is the Chairman of the Committee. Other members of the Committee are Mr. Abdul Karim, Mr. Mohammed Nasir Uddin Chowdhury (since May 2023), Mr. Md. Shahedul Alam and Ms. Nazneen Sultana. The Company Secretary serves as the Secretary to the Audit Committee. Report on activities carried out by the Audit Committee during the year is disclosed on page no: 87

Maintaining a website by the Company

MFL has an official website and the website address is www.mfl.com.bd. The detailed disclosures as required under the listing regulations of the stock exchange(s) are made available on the website under the section "Investor Relations".

Redressal of Investor Grievances

Shareholders of MFL can lodge their complaints through the designated email id info@mfl.com.bd. The designated email id is also displayed on the Company's website. An investor may make a written complaint through fax of the company on (+88) 02 8142085.

Alternatively, investors can send their complaints to:

Share Department

MIDAS Financing Limited
MIDAS Center (10th & 11th Floor)
House # 05, Road # 16 (New) 27 (old), Dhanmondi
Dhaka-1209

After receiving any complaint from the investors through email, post, or fax, the Share Department make a proper investigation and take necessary steps to resolve the same efficiently and promptly within the regulatory framework.

Communication with shareholders

We give a lot of importance to the participation of shareholders in the AGM and also try to ensure their presence in this meeting to notify them about how their company is performing. This is because we follow the opinion that regular and transparent communication can help our shareholders feel connected to the company. Prior to the AGM, shareholders are given 3 weeks notice to ensure full attendance from the shareholders. The same notice is also sent to the Exchanges and Commission. Any resolutions containing price sensitive information send to the exchanges and Commission within two hours from the decision taken in compliance with the Circular no.: BSEC/CMRRCD/2021-396/52/Admin/140, dated December 28, 2022. To ensure active participation of the shareholders, MFL delivers the Annual Report at least 2 weeks prior to the AGM. Shareholders are also offered the chance to freely ask the Board regarding the operations and prospects of the Company at the AGM.

Dividend Distribution Policy

The dividend policy of MIDAS Financing Limited is to distribute funds to its shareholders after retaining a portion of its earnings for re-investment or to meet future capital requirement and pay the remaining as dividend in respect of each financial year out of net profit as determined by the Board of Directors. The dividend distribution policy, approved by the Board of the Company which is available in the Company's website and can be viewed through the link: www.mfl.com.bd/download/Dividendpolicy of MFL.pdf

Unpaid or Unclaimed Dividend

Pursuant to the Directive No. BSEC/CMRRCD/2021-386/03, dated January 14, 2021 of Bangladesh Securities and Exchange Commission (BSEC) and the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021, MFL transferred Tk. 5,99,245.86 (Taka Five Lac Ninety Nine Thousand Two Hundred Forty Five and Eighty Six Paisa) to the Capital Market Stabilization Fund (CMSF) against Unclaimed or Undistributed or Unsettled Cash Dividend of MIDAS Financing Limited, which remain unpaid or unclaimed or unsettled or undistributed for a period of 3 (three) years from the date of declaration or approval or record date or date of subscription or refund, as the case may be. Amounts remaining as unpaid or unclaimed dividend is Tk. 1,343,130.05. MIDAS Financing Limited have also transferred 61,541 no. of shares to the Capital Market Stabilization Fund (CMSF), which were remained in the Suspense BO Account of the Company as unclaimed or undistributed or unsettled stock dividend or bonus shares or un-allotted right shares for a period of 3 (three) years from the date of declaration or approval or record date or date of subscription or refund, as the case may be.

Appointment of External or Statutory Auditors

The Board of MFL complied with all the requirements related to appointment of External/ Statutory Auditors. The Board also ensures that the external/ statutory auditors are not engaged in any of the services that are not permissible. The external/ statutory auditor certifies that no partner or employee of the audit firm or his/her family member would possess any share of the Company at least during the tenure of their audit assignment.

The existing Auditors of the Company Zoha Zaman Kabir Rashid & Co., Chartered Accountants, have completed their second year of audit of the Company. Being eligible they have also offered themselves for re-appointment as Statutory Auditors of the Company for the financial year to be ended on December 31, 2023. On the proposal of the Audit Committee, the Board recommended Zoha Zaman Kabir Rashid & Co., Chartered Accountants, to the shareholders at the ensuing AGM to be re-appointed as the Statutory Auditors of the Company for the financial year to be ended on December 31, 2023 at a remuneration of Taka 1,65,000 (One Lac Sixty Five Thousand) only exclusive of VAT applicable as per the provisions of Law.

Status on compliance of Corporate Governance

A Statement on the status on compliance of Corporate Governance in prescribed format has been prepared for the year ended December 31, 2022 and disclosed on page no: 53.

Appointment of Compliance Auditors

A Certificate regarding Compliance on Corporate Governance for the year ended December 31, 2022 has been obtained from M/s Hawlader Maria & Co., Chartered Accountants. The Board has also recommended to appoint M/s Hawlader Maria & Co., Chartered Accountants, as the corporate governance compliance auditors of the Company for the financial year to be ended on December 31, 2023, subject to the approval of shareholders at the ensuing AGM at a remuneration of Taka 25,000.00 (Twenty Five Thousand) only exclusive of VAT applicable as per the provisions of law.

Reporting and Disclosures

The Board of Directors confirm that all the reports, statements and disclosures have been made properly and in timely manner in order to ensure compliance with all applicable laws, rules, regulations, codes, guidelines and notifications.

Report on the Activities of Audit Committee

Introduction

Every Non-Banking Financial Institution (NBFI) is required to constitute an Audit Committee as per the Bangladesh Bank Guidelines on Internal Control and Compliance (ICC) Framework. In addition to that as per the Corporate Governance Code issued on 03 June 2018 by BSEC, every entity listed with stock exchange(s) shall have an Audit Committee as a sub-Committee of the Board for ensuring good governance; the Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business; the duties of the Audit Committee shall be clearly set forth in writing; the Audit Committee shall be responsible to the Board; if the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier; and a report on activities carried out by the Audit Committee shall be disclosed in the annual report of the Company. Accordingly, this report is prepared.

Constitution and Composition

The Board of Directors ["the Board"] of MIDAS Financing Limited ["MFL" or "the Company"] had an Audit Committee in accordance with the Guidelines on Internal Control and Compliance (ICC) Framework of Bangladesh Bank and the Corporate Governance Guidelines issued in 2012 by Bangladesh Securities and Exchange Commission (BSEC). Since BSEC issued Corporate Governance Code Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) repealing the said Corporate Governance Guidelines, the Board reviewed the Constitution and Composition of the Audit Committee and approved a Revised TOR as per the new Code.

Presently, the Audit Committee consists of 5 (five) members of which 2 (two) are Independent Directors. The members of the Committee are financially literate and have adequate knowledge and relevant experience to carry out the responsibilities of the Committee. The Committee is chaired by Mr. Ghulam Rahman, one of the Independent Directors of the Company. The Company Secretary, Mr. Tanvir Hasan, FCA acted as the Secretary of the Committee and attended all the meetings of the Committee.

The members of the Audit Committee as on December 31, 2022 are as follows:

Name	Status with the Committee	Status with the Board
Mr. Ghulam Rahman	Chairman	Independent Director
Mr. Abdul Karim	Member	Director
Mr. Ali Imam Majumder	Member	Director
Ms. Nazneen Sultana	Member	Independent Director
Mr. Md. Shahedul Alam	Member	Director

Mr. Mohammed Nasiruddin Chowdhury joined the Audit Committee on May 2023 in place of Mr. Ali Imam Majumder.

Scope of Work of the Audit Committee

The scope of work of the Audit Committee of MFL is determined by directives, guidelines and code issued or imposed by its regulators i.e., Bangladesh Bank (BB) and BSEC. As per the Corporate Governance Code issued by BSEC, the duties of the Audit Committee shall be clearly set forth in writing. Accordingly, the Board has laid down the Terms of Reference (TOR) of the Audit Committee. As per the TOR, the scope of work of the Audit Committee includes, but not limited to,

Overseeing-

(a) Internal Control System of the Company
(b) Risk Management Process of the Company
(c) Financial Reporting of the Company
(d) Activities of Internal Control and Compliance (ICC) department of the Company

(e) Hiring and Performance of the External Auditors

(f) Compliance with Regulatory Requirements And reviewing management letter issued by auditor, inspection report of Bangladesh Bank, etc.

Meetings of the Committee

5 (five) meetings of the Committee were held during the financial year ended on December 31, 2022. Attendance in each meeting by the members of the Committee is summarized below:

Name	Audit Committee meetings held	Audit Committee meetings attended
Mr. Ghulam Rahman	5	5
Mr. Abdul Karim	5	5
Mr. Ali Imam Majumder	5	5
Ms. Nazneen Sultana	5	5
Mr. Md. Shahedul Alam	5	4

Mr. Mohammed Nasiruddin Chowdhury joined the Audit Committee on May 2023 in place of Mr. Ali Imam Majumder.

All the meetings of the Committee were presided over by the Chairman of the Committee. The Managing Director of the Company attended the meetings on invitation. As the Secretary of the Committee Mr. Tanvir Hasan, FCA, Company Secretary, also attended all the meetings. The proceedings of the meetings are duly recorded and minutes are regularly placed before the Board of Directors.

Activities of the Committee

In order to discharge the duties and responsibilities of the Audit Committee during the financial ended on December 31, 2022 and during the period till preparation of this report, the Committee-

- provided assistance to the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;
- performed overseeing the financial reporting process, monitoring choice of accounting policies and principles, reviewing the adequacy of internal audit function and monitoring Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- reviewed the systems and procedures to ensure that all transactions are completely and accurately recorded in the books of accounts;
- reviewed along with the management, the annual, quarterly and half yearly financial statements before submission to the Board for approval;
- reviewed statement of related party transactions submitted by the management;
- reviewed the Management's Discussion and Analysis which will be disclosed in the Annual Report for the year 2022;
- held meeting with the external auditors for review of the annual financial statements before submission to the Board for approval/ adoption;
- performed overseeing hiring and performance of external auditors and the determination of audit fees;
- reviewed the Management Letter issued by statutory auditors;
- reviewed the processes for identification, recording, evaluation and management of all significant risks throughout the Company and the existing risk management procedures for ensuring an effective internal checking system;
- monitored the procedures made by the management for building a suitable management information system (MIS) including computerization system and its application;
- reviewed the financial statements and investments of the subsidiary Company;
- reviewed the non-performing loan of the Company and recommended corrective measures;
- Recommended to focus on SME and Women entrepreneur financing and to form dedicated desk for women entrepreneurs.

Reporting

The Audit Committee reports on its activities to the Board. The minutes of the Committee were regularly placed before the Board. Pursuant to Condition No. 5(7) of the Corporate Governance Code imposed by BSEC, the Committee has prepared this report for publication in the Annual Report 2022 of MIDAS Financing Limited, which was duly approved by the Board of Directors on October 16, 2023.

The Audit Committee did not find any conflict of interest or any fraud, irregularity or material defect in

the Internal Control System. There are no infringement of laws, rules and regulations also. The Committee is of the view that the risks associated with the business of the Company are adequately controlled.

Acknowledgment

The Audit Committee expresses its sincere thanks to the members of the Board, Management and the internal and external auditors for their support in carrying out the duties and responsibilities of the Committee.

On behalf of the Committee



Ghulam Rahman
Chairman

Risk Management

The process of discovering, evaluating, and controlling risks to an organization's resources and profits is known as risk management. These dangers can be caused by a number of things, such as monetary unpredictability, legal responsibilities, technological problems, strategic management blunders, accidents, and natural calamities. An effective risk management program aids a business in taking into account all potential risks. The relationship between risks and the potential negative cascade effects on the strategic objectives of an organization are also examined by risk management.

MIDAS Financing Ltd. certainly believes that risk management is the core function that makes its business sustainable. Ability to generate profit consistently and sustainably is a function of enterprise wise risk management and the company is relentlessly pursuing continuous improvement in this area. Company's risk management strategy is based on a clear understanding of various risks, disciplined assessment, measurement and continuous monitoring of such risks.

MIDAS Financing Ltd. followed the risk management frame work within the organization for managing company's different kind of risks. It has an effective risk management system in the right place to identify measure and manage these risks at a tolerable limit in order to ensure quality of its asset, business opportunities and our creative ventures. The mixture of the following elements builds the risk management structures successfully.

- Policies and procedures to managing the risks;
- Methodology for determining risk appetite;
- Models for measuring risk, i.e., credit risk;
- Tools for analyzing risks, i.e., spreading balance sheet;
- Take appropriate measure to deal with the risk;
- Basel II implementation and Stress testing;
- Processes for recording and approving credit requests;
- The means of delegating and monitoring the use of credit authority;
- The management of documentation and limit input;
- Tools and techniques for monitoring and reporting risk exposures;
- The structures for regularly reviewing risk exposures. e.g., risk management forum.

Risk Factors and Its Management

For a financial institution risk is the vital part of its daily life. Identification, measurement, management perception about those risks, their control and or countermeasures works as the life line of the institution. Most of the times only credit risk is considered as risk to be evaluated at the time of lending decision. Except credit risk there are also some other risks aligning in financial business sector. The major risks that are encountered by Midas Financing Limited as a financial institution are as follows:

Credit Risk

Credit risk can be defined as a potential loss arises when a debtor or financial instrument issue risen willing or unable to meet its contractual obligation to repay the debt according to the agreed terms with the lenders or financial institutions. It can occur when the counterpart either defaulting or making late payments of interest or principal. Credit risk is not only associated with direct accounting loss but also with economic exposures. This encompasses opportunity costs, transaction costs and expenses associated with a non performing asset over and above the accounting loss.

Credit Risk Management (CRM)

The effective management of credit risk is a critical component of a comprehensive approach to risk management. It is essential for long-term success of MIDAS Financing Ltd. The goal of credit risk management is to maximize a MIDAS Financing Ltd.'s risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. MIDAS Financing Ltd. needs to manage the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions. Credit risk management is a continuous effort of identifying, measuring, monitoring and mitigating the credit risk in both pre-sanction stage as well as post-sanction stage. Following table refers the applicability of the steps in those two stages.

Table- 1: Steps of CRM

Steps of CRM	Pre-Sanction Stage	Post-Sanction Stage
Risk Identifying	✓	✓
Risk Assess/ Measuring	✓	✓
Risk Monitoring	x	✓
Risk Control/ Mitigation	✓	✓

Although specific credit risk management practices may differ among FIs depending upon the nature and complexity of their credit operations, a comprehensive credit risk management program should address four steps mentioned in Table-1. These should be applied in conjunction with the assessment of asset quality, adequacy of provisions and reserves, and disclosure of credit risk.

The credit risk management framework will include the followings:

a. Establishing an appropriate credit risk environment.
b. Setting up organizational structure for credit risk management.
c. Formulating Policy & Procedure.

Liquidity Risk

Liquidity risk is the probability of loss arising from a situation where there will not be enough cash and/ or cash equivalents to meet the needs of depositors and borrowers; sale of illiquid assets will yield less than their fair value; or illiquid assets cannot be sold at the desired time due to lack of buyers. Liquidity is the ability of an institution to transform its assets into cash or cash equivalent in a timely manner at a reasonable price to meet its commitments as they fall due. Liquidity risk arises when the cushion provided by the liquid assets are not sufficient enough to meet maturing obligations.

Liquidity Risk Management Process

An effective liquidity risk management process should include systems to identify measure, monitor and control its liquidity exposures. Management should be able to accurately identify and quantify the primary sources of MIDAS Financing Ltd.'s liquidity risk in a timely manner. To properly identify the sources, management should understand both existing as well as future risk that the MIDAS Financing Ltd. can be exposed to. Management should always be alert for new sources of liquidity risk at both the transaction and portfolio levels. Key elements of an effective risk management process should have an efficient MIS to measure, monitor and control existing and probable liquidity risks and report them to senior management and the board of directors. To control liquidity risk, the company shapes the structure of its assets and liabilities. As per Bangladesh bank guideline, MIDAS Financing Ltd. has formed Asset liability Committee (ALCO), which works with financial market activities; manages liquidity and interest rate risk considering market position and competition. This committee plays vital role for MIDAS Financing Ltd. to mitigate liquidity risk.

Equity Price Risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks in the stock markets dynamics. MIDAS Financing Ltd. minimizes this risk through portfolio diversification as per investment policy of the MIDAS Financing Ltd.and Investment Division manages the entire portfolio of the company.

Equity Price Risk Management Process

To maintain Minimum Capital Requirement of MFL as per Bangladesh Bank guideline, MFL will review the following: Monthly/Quarterly Risk Weighted Assets, Required capital and Capital Maintained etc., Stress Testing Result, Liquidity Position, Money Market Position, Monthly/ Quarterly/ Half yearly/ Yearly Financial position, Budget and Dividend. All the activities will be reviewed and discussed in the assets Liability Management Committee Meeting. Total equity will depend on the Risk weighted assets at the time. It is expected that there will be no negative retained earnings after the end of the year. Moreover, Company's total Tier- 1 capital will be reached at about Tk. 170 crore. Then the required capital of the company will be met by raising Tier- 2 capital i.e., revaluation of fixed assets, revaluation of securities and issuance of preference share etc.

Operational Risk

Operational Risk is the risk of financial losses related to breakdown in internal control and corporate governance. Such breakdown can be the result of human error, inadequate or failed internal processes and technical systems, fraud, or from any other adverse

external events. Of all the risks, operational risk may be the most devastating and at the same time, the most difficult to anticipate. Its appearance can result in sudden and dramatic reductions in the value of MIDAS Financing Ltd.. Operational risk differs from other risks since it is typically not taken in return for an expected reward rather exists in the natural course of corporate activity. At the same time, failure to manage operational risk properly can misinterpret the risk profile of MIDAS Financing Ltd. and expose it to significant losses.

Operational Risk Management

MIDAS Financing Ltd. can obtain the following values through Operational risk management:

(a) Validate and improve the reliability and effectiveness of business operations and the operation of the risk management framework;
(b) Enhance the risk-based decision-making process and improve the risk management capability of employees;
(c) Enhance confidence in planning process and prevents delay and cost overruns in the execution process;
(d) Develop organizational capability in ensuring safety of employees;
(e) Increase accuracy and visibility of risk information;
(f) Quickly identify the MIDAS Financing Ltd.'s operational deficiencies;
(g) Increase management foresight;
(h) Optimize business performance; and
(i) Reduce the cost and complexity of operational risk process.

Operational risk addresses the risk associated with fraud, forgery, which are unauthorized activities, error, omission, system failure and external events among others. Some more operational events are including operational errors, noncompliance with internal regulations, and non-compliance of legal requirements, launching new products without adequate operational support, rouge traders etc. MIDAS Financing Ltd. has an established and well-functioning Internal Control and Compliance Division to encounter and mitigate such risks. Apart from this, MIDAS Financing Ltd.uses basic indicators approach for calculation of capital charge against operational risk.

Operational Risk Management Process

MIDAS Financing Ltd. needs to manage operational risk after categorization. The process of operational risk management will be as follows:

Market Risk

Market risk can be defined as the risk of losses in on and off-balance sheet positions arising from adverse movements in market rates or prices such as interest rates, equity prices, foreign exchange rates, commodity prices and general credit spreads. Market risk is the risk that may affect Company's earnings and capital due to changes in the market level of interest rates, securities, equities as well as the volatilities of those prices. Volatility of money market, which ultimately imposes upward pressure on interest rate structure, may erode the Company's profitability. Devaluation of local currency against major international currencies affects business performance of import-based companies or companies borrowed in foreign currency adversely. Inability to offer a proactive and competitive posture due to lack of market access and inability to offer competitive products will hinder the Company's growth potential. Market risk may arise, broadly, in any of the following forms:

- Interest Rate Risk,
- Equity Price Risk and
- Credit Spread.

MIDAS Financing Ltd. should put in place a set of systems and procedures appropriate to its size and complexity of its operations for identifying, measuring, monitoring and controlling market risk. The risk appetite in relation to market risk should be assessed keeping in view the capital of the MIDAS Financing Ltd. as well as exposure to other risks. Once the market risk appetite is determined, MIDAS Financing Ltd. should develop a market risk-taking strategy in order to maximize returns while keeping exposure to market risk at or below the pre-determined level.

Industry Risk

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower revenues, profit margins, market share etc. which could have an adverse impact on the business, financial condition and results of operation. CAPM Venture Capital & Finance is operating in a highly competitive market. Some of the competitors have more resources, broader range of products, complementary lines of business etc. It is, therefore, very difficult to predict in advance the move of the competitors in the coming years.

Information Technology

Risk Technology always plays an essential role in any business concern that ensures better services to the customers and reduces the cost in various aspects. Any invention of new and more cost-effective technology may cause technological obsolescence and negative operational efficiency. Besides, any severe defects in the software and hardware may have an effect on productivity and profitability due to additional investment for replacement or maintenance. Financial information is mostly processed and delivered through technological platform, which inherently contains the risk of security breach, loss of data and data contamination. Continuity of company's operation and services are completely dependent on a strong, reliable and secured technology to manage this risk, MIDAS Financing Ltd. has established its policy which covers password & input control, network security, data encryption, virus protection and so on.

Compliance Risk

Compliance risk can be defined as the current or prospective risk of legal sanction and material financial loss the MIDAS Financing Ltd. may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of the best practice as well as from the possibility of incorrect interpretation of effective laws or regulations. Compliance risk is sometimes also referred to the risk adherence to principles of integrity and fair dealing. Some common sources of compliance risk are violations or noncompliance with laws and regulations and prescribed standards; lack of or inadequate compliance with contractual obligations and other legal documentation; complaints by customers and other counterparties; impairment of third party's interest; pending litigation procedures; involvement in money laundering, insider trading, violation of taxation rules, forgery and damage from computer hacking by the institution, its intermediaries or its customers; and lack of proper knowledge and delayed response by management to comply with laws and regulations. Internal control and compliance contain self-monitoring mechanisms, and actions taken to correct deficiencies as they are identified. Since financial service activities are conducted within a framework of obligations imposed by regulators, complying with such requirements is not optional but mandatory for financial institutions. The consequences of noncompliance include fines, public reprimands and enforced supervision of operation or withdrawal of authorization to operate, any of which can lead to loss of reputation particularly through adverse publicity in national media.

Money Laundering Risk

Money laundering means: knowingly moving, converting, or transferring proceeds of crime or property involved in an offence for the following purposes:- concealing or disguising the illicit nature, source, location, ownership or control of the proceeds of crime; or assisting any person involved in the commission of the predicate offence to evade the legal consequences of such offence; smuggling money or property earned through legal or illegal means to a foreign country; knowingly transferring or remitting the proceeds of crime to a foreign country or remitting or bringing them into Bangladesh from a foreign country with the intention of hiding or disguising its illegal source; or concluding or attempting to conclude financial transactions in such a manner so as to reporting requirement under this Act may be avoided; converting or moving or transferring property with the intention to instigate or assist for committing a predicate offence; acquiring, possessing or using any property, knowing that such property is the proceeds of a predicate offence; performing such activities so as to the illegal source of the proceeds of crime may be concealed or disguised; participating in, associating with, conspiring, attempting, abetting, instigate or counsel to commit any offences mentioned above;

The characteristics of effective AML risk management include the understanding the aspects of AML risk, management will exhibit strong commitment to compliance; when deficiencies are identified, management will promptly implements meaningful corrective action; authority and accountability for compliance should be defined clearly and enforced; the Board will approve an AML compliance program that includes adequate policies, procedures, controls, and information systems; in order to ensure AML compliance, MIDAS Financing Ltd. will appoint proper personnel and arrange training, if necessary. MIDAS Financing Ltd. will maintain effective processes for customer identification;

Management will develop a control mechanism for high-risk areas, products, services, and customers. MIDAS Financing Ltd. will also take necessary steps immediately against suspicious activity or substantive violations of law; and the compliance and controls

system of MIDAS Financing Ltd. will promptly adapt to the changes in international lists regarding AML issues.

Money laundering is the generic term used to describe the process by which criminal disguise the original ownership and control of the proceeds of criminal conduct by making such proceeds appear to have derived from a legitimate source. All financial institutions, both banks and non-banks are susceptible to money laundering activities.

Money Laundering Risk Management

MIDAS Financing Ltd. has approved anti-money laundering policy and CCU is responsible to ensure that money laundering and terrorist financing are not occurring in this organization. To aware the employee about money laundering, CCU regularly arranges training session where resource person of MIDAS Financing Ltd. provides speech who has extensive training on AML. To protect terrorist fund entrance, responsible person of MIDAS Financing Ltd. screen the UN criminal list first before recording in to our organization. In this way, CVCGL ensured the captioned function in line with BB directives. MIDAS Financing Ltd. has established its AML department at its Head Office headed by CAMLCO, CAMLCO is empowered with sufficient authority to implement and enforce corporate wide anti-money laundering policies, procedures and measures. CAMLCO reports directly to senior management importantly providing added assurance that the officers have sufficient authority and training to investigate potentially suspicious activities.

Interest Rate Risk

Interest rate risk arises when changes in interest rates have an impact to the future cash flows of financial instruments' fair values. This remained a potential concern for the finance industry, as market interest rates continued to fall during the period. As MIDAS Financing Ltd. deals in a number of interest-bearing financial assets that are mainly grouped under loans and advances there was close focus on safeguarding core business interest spreads. Downward movements in interest rates were continued both for lending and borrowing to be influenced by monetary policy changes whereas the decrease in lending rates remained at a relatively faster pace and resulting decreases in interest income too then the decrease in the borrowing rates. Apart from the resulting pressure exerted on our core margins, interest rate fluctuations continued to also influence:

- our ability to canvass deposits
- the fair values of financial assets and liabilities and
- average duration of mortgage-backed lease portfolios and other interest earning assets.

To stay competitive, MIDAS Financing Ltd. had to revise deposit rates during various times of the year through the ALCO committee. ALCO is the main committee that regularly oversees the interest rate risk of the Company and initiate appropriate action to minimize overall interest risk exposure within the Company's risk appetite limits. Treasury division is responsible to manage funding and the market rates on an ongoing basis and uphold the optimal interest rate structure of all products of MIDAS Financing Ltd.. In maintaining an optimal level of return for our core business, average yield levels and cost of funding is monitored on a monthly basis and presented at ALCO meetings to decide on pricing matters. The ALCO evaluates any potential adverse effects that may arise from situations when the cost of funding rises at a relatively higher pace than the yield earned on lending and other investments. ALCO reviews current interest rate environment and monitors the movement of key interest rate indices and interest sensitive assets and liabilities maturity gap analysis. ALCO reviewed impact of interest rate change on the bottom line by carrying out sensitivity analysis/rate shock analysis taking note of the continued decline in rates observed. MIDAS Financing Ltd. by having a strict monitoring system maintains its interest rate risk at moderate levels despite volatility in rates in the market. The Treasury Division is maintaining monthly overall-weighted average cost of funds at low levels throughout as depicted.

Interest Rate Risk Management Process

MFL developed and implemented effective and comprehensive procedures and information

systems to manage and control interest rate risk in accordance with its interest rate risk policies. These procedures are appropriate to the size and complexity of MFLs' interest rate risk- taking activities.

Internal inspections/audits are a key element in managing and controlling MFL's interest rate risk management program. It, at a minimum, randomly test all aspects of interest rate risk management activities in order to:

a. ensure interest rate risk management policies and procedures are being adhere to;
b. ensure effective management controls over interest rate risk positions;
c. verify the adequacy and accuracy of management information reports; and
d. ensure that personnel involved in interest rate risk management fully understand MFL interest rate risk policies and risk limits and have the expertise required to make effective decisions consistent with the interest rate risk policies.

Assessments of the interest rate risk operations is presented to the board on regular basis for review

Asset-liability Mismatch

Asset-liability mismatch is another cause of concern for MIDAS Financing Ltd.. Demand for funds to meet the increasing lending requirements has increased in a great extends but the availability of funds has become inadequate, as FIs are mostly dependent on loan from commercial banks and customer deposits. Like other FIs, MIDAS Financing Ltd. is highly dependent on customer deposit and deposit from banks & other FIs. Due to satisfactory performance depositors' reliance over MIDAS Financing Ltd. has been increased to a satisfactory level. During FY 2022 the overall deposit was BDT 6,008.43 million and loan to deposit was 168.87%.

Asset-liability Mismatch Management Process

ALCO establishes an asset-liability management policy that sets direction on acceptable levels of asset liability mismatch. This policy is designed to guide management in the evaluation of the impact of mismatch on the FI's earnings. The extent of risk exposure is a function of the maturity profile of the balance sheet, the level of loan prepayments and funding costs. Managing asset liability mismatch is, in effect, the adjustment of risk exposure upwards or downwards, which will be in response to ALCO's views on the future direction of interest rates. As part of the risk management process the committee monitors the current risk exposure and duration gap, using rate sensitivity analysis and simulation modeling to assess whether the current level of risk is satisfactory.

Board of Directors of MFL is duly informed about ALM risks, among others, through the Minutes of the meeting of risk management forum.

Disclosures under Pillar III – Capital Adequacy Market Discipline as on December 2022

1. Scope of Application

Qualitative Disclosures:

(a) The Name of the top corporate entity in the group to which these guidelines applies.

MIDAS Financing Limited

(b) An outline of differences in the basis of consolidated for accounting and regulatory purpose with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g., where the investment is risk weighted). MIDAS Financing Limited is the owner of 99.9992% of shares (2,49,99,800 nos. of shares of Tk. 10 each) of MIDAS Investment Limited (MIL) which is fully consolidated.

(c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.

Not Applicable.

Quantitative Disclosures:

(d) The aggregate amount of capital deficiencies in all subsidiaries are not included in the consolidation that are deducted and the name(s) of such subsidiaries.

Not Applicable.

2) Capital Structure

Qualitative Disclosures:

(a) Summary information on terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier-I or Tier-II. As per the guidelines of Bangladesh Bank, Tier-I and Tier-II Capital of the Company consists of as per following:

Tier-I	Tier-II
Fully Paid-up Capital	General provision
Share premium account	Revaluation reserves
Statutory reserve	50% of revaluation reserve of fixed assets
Retained earnings	45% of revaluation reserve on securities all other preference shares

Quantitative Disclosures:

(b) The amount of Tier-I capital, with separate disclosure of :

Figures in BDT Crore

Particulars	Solo	Consolidated
Paid up capital	143.89	143.89
Non-repayable share premium account		
Statutory reserve	14.31	14.31
General Reserve & other reserve		
Retained earning	8.16	8.71
Dividend equalization account		
Total Tier-I capital	166.36	166.91

(c) The total amount of Tier-II capital	11.19	11.20
(d) Other deductions from capital	-	-
(e) Total eligible capital	177.55	178.11

3) Capital Adequacy

Qualitative Disclosures:

A summary discussion of MFL's approach to assessing the adequacy of its capital to support current and future activities.

Risk Weighted Assets (RWA) and Capital Adequacy Ratio (CAR)

MFL has applied Standard approach for computation of Capital Charge for Credit Risk and Market Risk while Basic Indicator Approach for Operation Risk. Total Risk Weighted Assets (RWA) of the Company is determined by multiplying capital charge for market risk and operational risk

by reciprocal of the minimum capital adequacy ratio and adding the resulted figures to the sum of risk weighted assets for credit risk. Total RWA is then used as denominator while total Eligible Capital as numerator to derive Capital Adequacy Ratio.

Strategy to Achieve the Required Capital Adequacy:

- Rigorous monitoring of overdue loans to bring those under 90 days overdue
- Financing clients having good rating as per Company's policy
- Using benefit of credit risk mitigation by taking eligible collaterals against transactions
- Raise fresh capital by issuing bonus share/ right issue.

Quantitative Disclosures:

Figures in BDT Crore

Particulars	Solo	Consolidated
(a) Capital requirement for Credit Risk	894.88	895.67
(b) Capital requirement for Market Risk	32.43	45.77
(c) Capital requirement for Operational Risk	53.15	57.23

Total and Tier I capital ratio

Particulars	Solo	Consolidated
CAR on Total capital basis (%)	18.11	17.83
CAR on Tier 1 capital basis (%)	16.97	16.71

4) Credit Risk

Qualitative Disclosures:

(a) The general qualitative disclosure requirement with respect to credit risk including:

- Definitions of past due and im paired (for accounting purposes) As per the Bangladesh Bank's Prudential Guideline on Capital Adequacy and Market Discipline for Financial Institutions, the unsecured portion of any claim or exposure (other than claims secured by residential property) that is past due for 90 days or more, net of specific provisions (including partial write-off) will be risk weighted as per risk weights of respective balance sheet exposures. For the purpose of defining the net exposure of the past due loan, eligible financial collateral (if any) may be considered for Credit Risk Mitigation.
- Description of approaches followed for specific and general allowances and statistical methods

Particulars	Rate
General provision on unclassified loan, leases	1%
General provision on unclassified SME loan, leases	0.25%
General provision on special mention account	5%
Specific provision on substandard loan, leases	20%
Specific provision on doubtful loan, leases	50%
Specific provision on bad/loss loan, leases	100%

Discussion on FI's credit risk management policy Implementation of various strategies to minimize risk

To encounter and mitigate credit risk, the following control measures are taken place at MFL

- Looking into payment performance of customer before financing;
- Strong follow up of compliance of credit policies by appraiser and credit department;
- Taking collateral, performing valuation and legal vetting on the proposed collateral;
- Seeking legal opinion from external lawyers for any legal issues if required;
- Regular review of market situation and industry exposures;
- Insurance coverage for funded assets;
- Annual review of clients.

In addition to the industry best practices for assessing, identifying and measuring risks, MFL also considers Guideline for Managing Core Risks of Financial Institutions issued by Bangladesh Bank for management of risks.

Approved Credit Policy by the Board of Directors

The Board of Directors has approved the credit policy for the company where major policy guidelines, growth strategy, exposure limits and risk management strategies have been described /stated. Credit policy is regularly updated to cope up with the changing global, environmental and domestic scenarios.

Separate Credit Administration Department

An independent Credit Administration Department is in place, at MFL, to scrutinize all loans from risk-weighted point of view and assist the management in creating a high-quality portfolio and maximize returns from assets. The Credit department assesses credit risks and suggests mitigations and ensures that adequate security documents are in place before sanction of loan and before disbursement of loans.

Special Recovery and Collection Team

A strong recovery team monitors the performance of the loans and advances, identifies early sign of delinquencies in portfolio and takes corrective measures to mitigate risks, improve loan quality and to ensure recovery of loans in a timely manner including legal actions.

Independent Internal Compliance Department (ICC)

Appropriate internal control measures are in place at MFL. An Internal Compliance Department has been established to ensure compliance with all internal guidelines, Bangladesh Bank guidelines, operational procedures and adequacy of internal control and documentation procedures.

Credit Evaluation

To mitigate credit risk, MFL search for credit reports from Credit Information Bureau (CIB) of Bangladesh Bank. The report is scrutinized by Credit Admin Department and Loan Operation Department to understand the liability condition and repayment behavior of the client. Depending on the reports, opinions are taken from the concerned related parties for better understanding about client's credit worthiness.

Credit Approval Process

To ensure both speedy service and mitigation of credit risk, the approval process is maintained through a multilayer system. Depending on the size of the loan, a multilayer approval system is designed. As smaller loan is very frequent and comparatively less risky, lower sanctioning authority is set to improve processing time and associated risk. Biggest loans require scrutiny as the associated risk is higher hence sanctioning authority is higher as well.

Credit Quality and Portfolio Management

MFL believes in diversification in terms of products as well as sectors. To mitigate the Credit Risk, the company diversifies its loan exposure to different sectors confirming the Central Bank's requirements. Threshold limit is set for any sector so that any adverse impact on any industry has minimum effect on MFL's total return. Central Bank's instructions are strictly followed in determining Single Borrower/Large Loan limit. Significant concentration of credit in terms of group/sector or geographical location is carefully avoided to minimize risk.

Early Warning System

Performance of loans is regularly monitored to trigger early warning system to address the loans and advances whose performance show any deteriorating trend. It helps the company to grow its credit portfolio with ultimate objective of protecting the interest of the stakeholders.

Methods used to measure Credit Risk

As per the directives of Bangladesh Bank, 'The Standardize Approach' is applied by the company to measure its Credit Risk.

Quantitative Disclosures:

(c) Total gross credit risk exposures broken down by major types of credit exposure

Figures in BDT Crore

Particulars	Solo	Consolidated
Lease receivable	93.14	93.14
Term finance	805.27	785.68
Housing finance	106.20	106.20
Staff Loan	4.47	4.47
Consumer credit	0.01	0.01
Interest receivable	5.57	5.57
Total	**1,014.66**	**995.07**

(d) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure

Figures in BDT Crore

Area	Solo	Consolidated
Dhaka	696.39	676.80
Chattogram	233.51	237.52
Khulna	29.51	30.43
Rajshahi	55.25	55.74
Total	**1014.66**	**995.07**

(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure

Particulars	Figures in BDT Crore
Trade and Commerce	204.14
Industry	
A) Garments and Knitwear	67.12
B) Textile	116.36
C) Food Production and Processing Industry	88.21
D) Plastic Industry	28.69
E) Leather and Leather-Goods	3.65
F) Iron, Steel and Engineering	53.57
G) Pharmaceuticals and Chemicals	16.41
H) Cement and Allied Industry	0.90
I) Paper, Printing and Packaging	20.50
J) Glass, Glassware & Ceramic	10.06
J) Ship Manufacturing Industry	46.91
K) Electronics and Electrical Products	5.27
L) Power, Gas, Water & Sanitary Service	0.09
M) Telecommunication/Information Technology	2.27
Industry Total	**460.02**
Agriculture	13.04
Housing	104.57
Others	
A) Merchant Banking	1.69
B) Others	231.19
Others Total	**232.88**
Grand Total	**1,014.66**

(e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure

Particulars	Figures in BDT Crore
Repayable on demand	5.52
Not more than 3 months	251.45
Over 3 months but not more than 1 year	402.44
Over 1 year but not more than 5 years	244.79
Over 5 years	110.46
Total	**1,014.66**

(f) By major industry or counterparty type

i) Amount of impaired loans and if available, past due loans, provided separately

Particulars	Figures in BDT Crore
Gross non-performing assets (NPA)	166.98
NPAs to gross loans and advances (in %)	16.46%

ii) General and Specific provisions

Particulars	Figures in BDT Crore
Provision on unclassified loans and advances	12.38
Provision on classified loans and advances	55.47
Provision for off balance sheet exposures	0.00
Total	**67.85**

iii) Charges for specific allowances and charge-offs during the year.

(g) Gross Non-Performing Assets (NPAs)

Movement of Non-Performing Assets (NPAs)

Particulars	Figures in BDT Crore
Opening Balance	143.41
Additions	23.57
Reductions	
Closing Balance	**166.98**

Movement of Specific Provisions for NPAs

Particulars	Figures in BDT Crore
Opening Balance	55.98
Provisions charged during the period	2.28
Write-off	(2.79)
Written-back of excess provisions	-
Closing Balance	55.47

5) Equities: Banking book positions

Qualitative Disclosures

a) The general qualitative disclosure requirement with respect to equity risk, including Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;

Investment in equity securities is broadly categorized into two parts:

i) Quoted Securities that are traded in the secondary markets. (Trading Book Assets).

ii) Unquoted Securities that are valued at cost price.

Discussion of important policies covering the valuation and accounting of equity holdings in the banking book positions. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices. Both quoted unquoted securities are valued at cost and necessary provisions are maintained is the prices fall below the cost price.

Quantitative Disclosures:

b) Value disclosed in the balance sheet of investments, as well as the fair value of those investments, for quoted securities, a comparison to publicly quoted share value where the share price is materially different from fair value.

Figures in BDT Crore

Particulars	Solo	Consolidated
Quoted shares (Market price)	16.21	22.88
Quoted shares (Cost price)	21.43	29.92
Unquoted shares	2.26	3.26
Total unrealized gains (Losses)	(5.22)	(7.04)
Total latent revaluation gains (Losses)		
Any amounts of the above included in Tier 2 Capital		
Total	**18.47**	**26.14**

Capital requirements broken down by appropriate equity groupings, consistent with FI's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.

Specific Risk-Market value of investment in equities is BDT 16.21 crore. Capital requirement is 10% of the said value which stands at BDT 1.62crore.

General Risk – Market value of investment in equities is BDT 16.21 crore. Capital requirement is 10% of the said value which stands at BDT 1.62crore.

6) Interest rate in the banking book

Qualitative Disclosures:

a) The general qualitative disclosure requirement including the nature of interest risk and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits.

Interest rate risk in the banking book arises from mismatches between the future yield of assets and their funding cost. Assets Liability Committee (ALCO) monitors the interest rate movement on a regular basis. MFL measures the interest rate risk by calculating maturity gap between Risk Sensitive Assets (RSA) and Risk Sensitive Liabilities (RSL) i.e. a positive maturity gap affect company's profitability positively with the increment of interest rate and negative maturity gap affects company's profitability adversely with the increment of interest rate.

Quantitative Disclosures:

b) The increase (decline) in earning or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk broken down by currency (as relevant).

Interest Rate Risk-Increase in Interest Rate: (BDT in Crore) Where applicable

Figures in BDT Crore

Particulars	Maturity wise Distribution of Assets-Liabilities				
	1 to 30/31 day (One month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year
A. Total Rate Sensitive Liabilities (A)	74.19	81.06	91.45	151.59	228.83
B. Total Rate Sensitive Assets (B)	77.40	59.79	86.07	150.03	215.36
C. Mismatch	3.21	-21.27	-5.37	-1.56	-13.47
D. Cumulative Mismatch	3.21	-18.06	-23.44	-25.00	-38.47
E. Mismatch (%)	4.33%	-26.24%	-5.88%	-1.03%	-5.89%

following manner:

Interest Rate Risk			
Magnitude of Shock	Minor	Moderate	Major
	2%	4%	6%
Change in the Value of Bond Portfolio (BDT in Crore)	0.00	0.00	0.00
Net Interest Income (BDT in Crore)	-0.77	-1.54	-2.31
Revised Regulatory Capital (BDT in Crore)	175.31	174.54	173.77
Risk Weighted Assets (BDT in Crore)	943.95	943.95	943.95
Revised CAR (%)	18.57%	18.49%	18.41%

7) Market Risk

Qualitative Disclosures:

Views of BOD on trading/investment activities

All the Market risk related policies/guidelines are duly approved by BOD. The BOD sets limits, reviews and updates the compliance on regular basis aiming to mitigate market risk.

Method used to measure Market risk

Market risk is the probability of losing assets in balance sheet and off-balance sheet position arising out of volatility in market variables i.e. interest rate, exchange rate and prices of securities. In order to calculate the market risk for trading book purposes the company uses Standardize (rule based) Approach. Capital charge for interest rate risk and foreign exchange risk is not applicable to our company as because we do not have such balance sheet items.

Market Risk Management System:

A system for managing Market Risk is in place where guideline has been given regarding long-term, short-term funding, liquidity contingency plan, local regulatory compliance, etc. Treasury manages the Market risk with the help of Asset Liability Management Committee (ALCO) and Asset Liability Management (ALM) Desk in the

Interest Risk Management

Treasury Department reviews the risk of changes in the income of the company as a result of movements in the market interest rates. In the normal course of business, MFL tries to minimize the mismatches between the duration of interest rate sensitive assets and liabilities. Effective Interest Rate Risk Management is done as under:

Market analysis

Market analysis over interest rate movements is reviewed by the Treasury Department of the company. The type and level of mismatch interest rate risk of the company is managed and monitored from two perspectives, being an economic value perspective and earning value perspective.

GAP analysis

ALCO has established guidelines in line with central bank's policy for the management of assets and liabilities, monitoring and minimizing interest rate risks at an acceptable level. ALCO in its regular monthly meeting analyzes Interest Rate Sensitivity by computing GAP i.e., the difference between rate sensitive assets and rate sensitive liabilities and takes decision of

enhancing or reducing the GAP according to prevailing market situation aiming to mitigate interest rate risk.

Continuous Monitoring

Company's treasury manages and controls day-to-day trading activities under the supervision of ALCO that ensures continuous monitoring of the level of assumed risks.

Equity Risk Management

Equity Risk is the risk of loss due to adverse change in the market place of equities held by the Company.

Equity Risk is managed by the following manner

MFL minimizes the equity risks by portfolio diversification as per investment policy of the Company. The entire portfolio is managed by MIDAS Financing Limited.

Quantitative Disclosures

The capital requirements for Market Risk:

Figures in BDT Crore

Particulars	Solo	Consolidated
Interest rate risk		
Equity position risk	32.43	45.77
Foreign Exchange Position and Commodity risk (if any)		

8) Operational Risk

Qualitative disclosure

Views of Board on the system to reduce Operational Risk:

All the policies and guidelines of internal control and compliances are established as per advice of the Board. The Board delegates its authority to Executive Committee and Managing Director. Audit Committee of the Board oversees the activities of internal Control and compliance as per good governance guideline issued by Bangladesh Securities and Exchange Commission.

Performance gap of executives and staff:

MFL's recruitment policy is based on retaining and attracting the most suitable people at all levels of the business and this is reflected in our objective approach to recruitment and selection. The approach is based on the requirements of the job (both now and in future), matching the ability and potential of the individual. Qualification, skills and competency form our basis for nurturing talent. Favorable job responsibilities are increasingly attracting greater participation from different level of employees in the MFL family. We aim to foster a sense of pride in working for MFL and to be the employer of choice. As such there exists no performance gap in MFL.

Potential external events

No such potential external event exists to raise operational risk of MFL at the time of reporting.

Policies and Procedure for mitigating operational risk:

MFL has also established a strong Internal Control and Compliance Department (ICC) to address operational risk and to frame and implement policies to deter such risks. ICC Department assesses operational risk across the company as a whole and ensures that appropriate framework exists to identify, assess and manage operational risk.

Approach to calculating capital charge for operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. MFL uses basic indicator approach for calculating capital charge against operational risk i.e., 15% of average positive annual gross income of the company over last three years.

Quantitative Disclosures:

Capital requirement for operational risk:

Figures in BDT Crore

Particulars	Solo	Consolidated
Capital requirement for operational risk	53.15	57.23

HIGHLIGHT AS REQUIRED BY BANGLADESH BANK

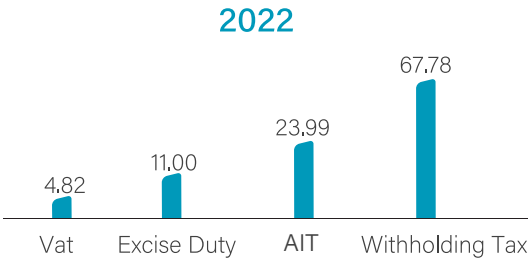
MIDAS Financing Ltd. and its subsidiary

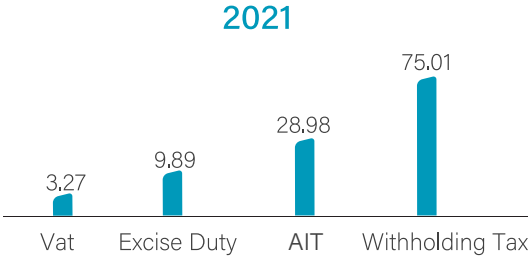
As on December 31, 2022

SL	Particulars	BDT/%	Solo		Consolidated	
			2022	2021	2022	2021
1	Paid-up capital	BDT	1,438,925,070	1,424,678,291	1,438,925,070	1,424,678,291
2	Total capital	BDT	1,663,607,702	1,665,971,373	1,669,131,430	1,674,777,503
3	Capital surplus	BDT	438,925,070	424,678,291	438,925,070	424,678,291
4	Total assets	BDT	12,038,147,528	11,540,196,380	11,992,940,338	11,472,873,894
5	Total deposits	BDT	6,008,428,198	6,173,024,516	5,803,428,198	5,968,024,516
6	Total lease, loans and advances	BDT	10,146,585,760	9,632,255,868	9,950,695,848	9,427,736,286
7	Total contingent liabilities and commitments	BDT	-	100,000,000	-	100,000,000
8	Credit deposit ratio	%	168.87%	156.04%	171.46%	157.97%
9	Percentage of classified loan against total loans	%	16.46%	14.89%	16.46%	14.89%
10	Net profit after taxation	BDT	11,883,110	81,882,639	8,600,680	84,432,832
11	Classified lease, loans and advances	BDT	1,669,843,902	1,434,143,540	1,669,843,902	1,434,143,540
12	Provisions kept against classified loans	BDT	554,708,285	559,792,284	554,708,285	559,792,284
13	Provision surplus/(deficit) against classified loan	BDT	0.00	30.32	0.00	30.32
14	Cost of fund	%	7.92%	9.08%	7.92%	9.08%
15	Interest earnings assets	BDT	9,664,208,151	9,308,710,414	9,929,470,932	9,563,965,718
16	Non-interest earnings assets	BDT	2,373,939,377	2,231,485,966	2,063,469,405	1,908,908,176
17	Return on investment in shares (ROI)	%	4.60%	28.83%	4.14%	17.39%
18	Return on assets (ROA)	%	0.10%	0.72%	0.07%	0.75%
19	Income from investment	BDT	10,963,752	72,945,322	13,695,355	61,089,487
20	Earnings per share (Restated)	BDT	0.08	0.57	0.06	0.59
21	Operating profit per share (Restated)	BDT	0.82	2.96	0.92	2.97
22	Price earning ratio (Restated)	Times	156.21	31.28	215.82	30.34
23	Market price per share	BDT	12.90	17.80	12.90	17.80
24	Net assets value (NAV) per share(Restated)	BDT	11.56	11.58	11.60	11.64

Government Ex-chequer Statement

Particulars	2022		2021	
	Amount in Taka	Amount in Million	Amount in Taka	Amount in Million
VAT	4,824,142	4.82	3,273,160	3.27
Excise Duty	11,003,946	11.00	9,889,175	9.89
AIT	23,987,264	23.99	28,978,157	28.98
Withholding Tax	67,781,052	67.78	75,005,849	75.01
Total	107,596,404	107.60	117,146,341	117.15





Value Added Statement
for the year ended 31 December 2022

Value added is a measure of wealth created by the FI through various business activities. The statement of value added shows the total wealth created and how it was distributed among stakeholders, including the Government, employees and shareholders.

VALUE ADDITION:

Figures in BDT

Particulars	2022		2021	
	Amount	%	Amount	%
Operational income	1,006,878,117		1,357,941,183	
Less: Cost of service rendered	723,422,429		788,177,221	
Total Operating Expenses	201,453,827		174,264,979	
Profit paid on deposits, Borrowing etc.	686,952,910		762,986,485	
Less: Salaries & Allowances	139,319,876		123,996,306	
Managing Director's Salary & Allowances	10,083,889		9,472,004	
Depreciation on Fixed Assets	15,580,543		15,605,933	
Value added by operating activities	**283,455,687**	**149**	**569,763,962**	**239**
Less: Provission for doubtful accounts & future losses	93,019,764	49	331,160,170	139
Total Value Added	**190,435,924**	**100**	**238,603,792**	**100**

VALUE DISTRIBUTED TO:

Figures in BDT

Particulars	2022		2021	
	Amount	%	Amount	%
Provider to Capital: Shareholders as Dividend	28,493,558	15	69,496,502	29
Employees: As Salaries and other benefits	149,403,765	78	133,468,310	56
Government: Corporate Tax	13,568,506	7	8,746,911	4
To Expansion and growth: Expansion and growth	(1,029,905)	(1)	26,892,069	11
Total Distribution	190,435,924	100	238,603,792	100

Market Value Added Statement
for the year ended 31 December 2022

Market Value Added Statement reflects the company's performance evaluated by the market through the share price. This amount is derived from the difference between market capitalization and book value of the shares outstanding. It signifies the enhancement of financial solvency as perceived by the market.

Particulars	2022	2021
Face value per share	10.00	10.00
Market Value per Share	12.90	17.80
Number of Shares outstanding	143,892,507	142,467,829
Total market capitalization	1,856,213,340	2,535,927,358
Book value of paid up capital	1,438,925,070	1,424,678,291
Market Value Addition	**417,288,270**	**1,111,249,067**

ECONOMIC VALUE ADDED (EVA) STATEMENT
For the year ended 31 December 2022

Economic value added (EVA) is a measure of a company's financial performance based on the residual wealth calculated by deducting its cost of capital from its operating profit. Economic Value-Aded is the financial performance measure that attempts to measure that true economic profit of an organization. It provides a measurement of the organization success or failure over a period of time. It is the post-tax return on capital employed less the cost of capital employed. Companies which earn higher returns than cost of capital create value, and companies which earn lower returns than cost of capital are deemed harmful for shareholder value.

The aim of EVA is to provide management with a measure of their success in increasing shareholder's wealth: a better measure than profit of how much the company had made for shareholders.

EVA has been calculated by the following formula:

EVA = Net Operating Profit - Taxes - Cost of Capital

Figures in BDT

Particulars	2022	2021
Net Operating Profit	118,471,379.41	421,789,719.00
Less: Provision for taxes	13,568,505.68	8,746,911.00
Net operating profit after tax (NOPAT)	104,902,873.73	413,042,808.00
Charges for capital		
Capital employed		
Cost of equity (%)*		
Economic Value added	2,342,157,338.84	**2,320,956,018.00**
	10.95%	9.88%
Capital employed as on 31st December	256,466,228.60	229,310,454.58
Shareholder's equity		
Accumulated provision for doubtful accounts and future losses		
Average shareholder's equity**	1,663,607,702.23	**1,665,971,373.00**
	678,549,636.61	**654,984,645.00**
	2,342,157,338.84	**2,320,956,018.00**

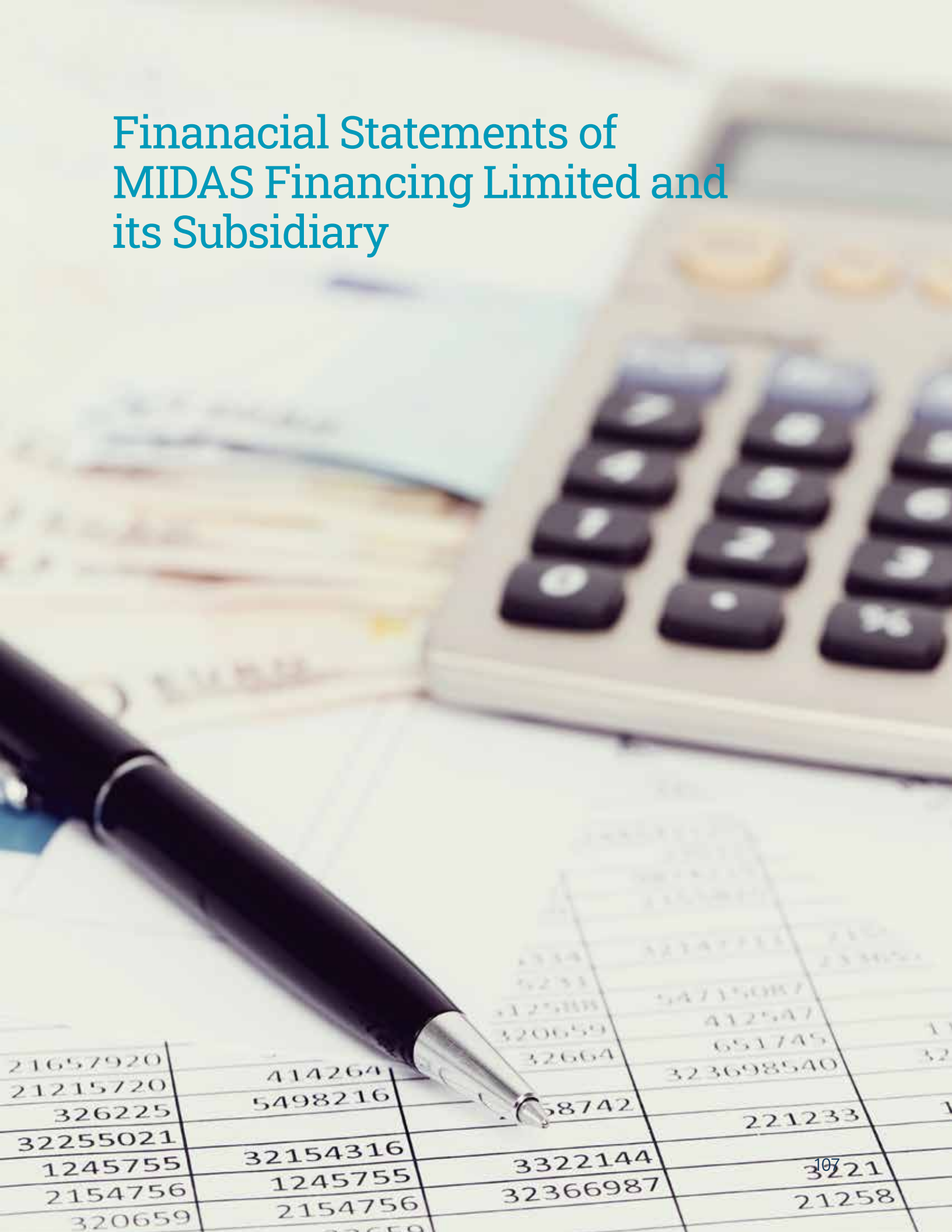
*Cost of equity reflects shareholder's expected return. Ultimately, this is the opportunity cost for shareholders for investing their funds in the company. Interest on 20 years Government Treasury Bond plus a standard risk premium has been assumed to be the cost of equity.

** Average shareholders equity has been derived from average of current year and previous years.

26th AGM, 2022



Finanacial Statements of MIDAS Financing Limited and its Subsidiary



Independent Auditor's Report
to the Shareholders of MIDAS Financing Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated financial statements of MIDAS Financing Limited and its subsidiaries (the "Group") as well as the separate financial statements of MIDAS Financing Limited (the "Company"), which comprise the consolidated and separate balance sheet as at 31 December 2022 and the consolidated and separate profit and loss accounts, the consolidated and separate statement of changes in equity and the consolidated and separate cash flow statements for the year the ended, and notes to the financial statements, including a summary of significant accounting policies other explanatory information disclosed in notes 1 to 41.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company and the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year the ended in accordance with International Financial Reporting Standards (IFRSs), where practicable and comply with Financial Institutions Act 1993, the Securities and Exchanges Rules 1987, the Companies Act 1994 along with the rules & regulations issued by Bangladesh Bank and applicable rules & regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of MIDAS Financing Limited (the 'Company') in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), 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.

Matter of Emphasis

MIDAS Financing Limited has lease, loan and advances amounting to BDT 1014.66 crore in which classified loan is of BDT 166.98 crore and unclassified loan is of BDT 847.67 crore. As per the requirements of the Bangladesh Bank total shortfall provision against twenty individual lease, loan and advances is BDT 24.28 crore & other provision is BDT 5.99 crore. In this regard, the entity has appealed for availing deferral facility to DFIM of Bangladesh Bank. Bangladesh Bank has issued a letter reference no. DFIM(C)1054/41/2023-2191 dated 22 June 2023 to adjust the shortfall of provision in the next five (05) years from 2022. However, the entity kept additional provision for lease, loan and advances is BDT 5.19258 crore, and for other provision is BDT 1.20 crore. As a result, the entity has maintained a total provision against lease, loan and advances amounting to BDT 67.85 crore and other provision is BDT 6.00 crore under "Other Liabilities" in the statement of financial position.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters.

- Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the consolidated and separate financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Description of key audit matters	Our response to key audit matters
Risk	**Our response to the risk**
Provision for diminution in value of investment in share	
At the year-end of 2022 group investments comprise of marketable ordinary shares of BDT 236,880,653 (2021:BDT 239,938,883) and it represents 1.97% of total assets. Provision for diminution in value of investment of BDT 52,182,357 (2021:BDT 8,036,223). This was an area for our audit and significant audit effort was directed. Invested in quoted shares and unquoted shares are valued at cost. However, the company made provision for diminution in value of investment as per FID circular no 08, dated 03 August 2002. We focused on this area because of the significance of the investments in the financial statements, and departure from the recognition and presentation criteria of IFRS 9, IFRS 7 & IAS 32 to comply the above circular of Bangladesh Bank for determining the valuation methodology and presentation to be applied by the management of the company.	Our audit approach was a combination of test of internal control and substantive procedures. ▪ We obtained sufficient audit evidence to conclude that the inputs and methodologies used for the valuation of the investments are within a reasonable range and that valuation policies were consistently applied by the management of the company. ▪ We assessed the design and operating effectiveness of the Group's key controls supporting the identification, measurement and oversight of valuation risk of financial assets. ▪ We tested the calculations of provision for diminution in value of investment and checked the presentation and disclosure of investment in compliance with FID circular no. 8 dated 3 August 2002.
See note no 6 & 13.2 to the financial statements	
It systems and controls	
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls	We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspect of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the company's periodic review of access rights and reviewed request of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Term Deposit	
Term Deposit of the group BDT 5,988,140,293 which is decreased by 2.66% from the last year. Significant judgment is required for Term Deposit, which has a vice-versa relation with interest income on interest expense on deposits.	We have tested operating effectiveness of key controls on the following: ▪ Tested the deposit attraction policy and procedure. ▪ Identification of reinvestment rate of with the combination of deposit receiving rate. ▪ Tested the investment maturities ladder compile with deposit tenure. ▪ Conducted analysis for understanding industry practice on deposit interest rate compare to inflation rate. ▪ Tested penalty practice on early settlement of deposit. ▪ Finally assess the reinvest appropriateness in against of the receiving deposit.
See note no. 12.1 to the financial statement	
Measurement of provision for Lease, loans and advances	
The process for estimating the provision for loans, advances and portfolio associated with credit risk is significant and complex. For the analysis of large exposure on a stand-alone basis, provisions calculation consider the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates. As at 31 December 2022 the Group reported total gross Lease, loans and advances of BDT 10,146,585,760 (2021: BDT 9,632,255,868) and provision for lease, loans and advances was of BDT 678,549,637 (2021: BDT 654,984,645) We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias: ▪ Completeness and timing of recognition of loss events in accordance with criteria set out in FID circular no 08, dated 03 August 2002, FID circular no 03, dated 03 May 2006 and FID circular no 03 dated 29 April 2013; ▪For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; ▪ Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.	We tested the design and operating effectiveness of key controls focusing on the following: ▪ Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; ▪ Identification of loss events, including early warning and default warning indicators; ▪ Reviewed quarterly classification of loans (CL); Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: ▪ Reviewed the adequacy of the companies general and specific provisions; ▪ Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; ▪ Assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines, and ▪ Finally compared the amount of loan provision and loan classification disclosed in the financial statements with the quick summary report prepared by Bangladesh Bank.
See note no 7 & 13 to the financial statements	

Measurement of deferred tax liabilities	
The Company reports net deferred tax liabilities (DTL) amounted to BDT 8,193,123 as at 31st December 2022. (2021:BDT 9,537,754). Deferred tax income accounted for during the year 2022 BDT 1,344,630. (Whereas Deferred tax expense accounted for the year (2021: BDT 15,826,052) Significant judgment is required in relation to deferred tax assets/liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Groups future taxable income. ▪ We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. ▪ We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTAs. ▪ Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.
See note no 13.4 to the financial statements	

Reporting on other information

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

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

In connection with our audit of the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements and internal controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Company in accordance with IFRSs as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of Consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Financial Institutions Act, 1993 and the Bangladesh Bank guidelines require the Management to ensure effective internal audit, internal control and risk management functions of the Company. 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 these consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 Group and the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Groups and the Company's ability to continue as a going concern. If we conclude that a material uncertainly 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 Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 1987, the Financial Institutions Act, 1993 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) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

(iii) the consolidated and separate balance sheet and consolidated and separate profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(iv) the expenditures incurred were for the purpose of the Company's business for the year;

(v) the financial statements of the Group and the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;

(vi) adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Banks instructions in this regard have been followed properly;

(vii) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;

(viii) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;

(ix) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;

(x) taxes and duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;

(xi) nothing has come to our attention that the Company has adopted any unethical means i.e. "Window dressing" to inflate the profit and mismatch between the maturity of assets and liabilities;

(xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;

(xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;

(xiv) the Company has complied with relevant laws pertaining to capital, reserve, and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/ leases found satisfactory;

(xv) we have reviewed over 80% of the risk weighted assets of the Group & Company and we have spent around 1248 person hours for the audit of the books and accounts of the Company;

(xvi) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;

(xvii) the Company has complied with the "First Schedule" of the Financial Institutions Act,1993 in preparing these financial statements; and

(xviii) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Place: Dhaka
Dated: 16 October 2023

Md. Iqbal Hossain FCA
Senior Partner
Enrolment no.: 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2310170596AS783209

Midas Financing Limited and Its Subsidiary
Consolidated Balance Sheet
As at December 31, 2022

Particulars	Notes	31 Dec. 2022 Taka	31 Dec. 2021 Taka
PROPERTY AND ASSETS			
Cash		**97,377,501**	**92,132,852**
Cash in hand (Including foreign currency)	3(a)	318,472	275,098
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3(b)	97,059,029	91,857,754
Balance with other banks and financial institutions		**599,240,952**	**564,839,994**
Inside Bangladesh	4(a)	599,240,952	564,839,994
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments		**331,724,147**	**330,067,804**
Government		-	-
Others	6(a)	331,724,147	330,067,804
Lease, loans and advances	7(a)	**9,950,695,848**	**9,427,736,286**
Fixed assets including land, building, furniture and fixtures	8(a)	**169,717,022**	**176,529,238**
Investment property-Building	8.1.(a)	**269,250,171**	**277,788,211**
Other assets	9(a)	**479,783,706**	**508,628,519**
Non-banking assets	10	**95,150,990**	**95,150,990**
TOTAL ASSETS		**11,992,940,338**	**11,472,873,894**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	**2,657,667,147**	**2,050,695,870**
Deposits and other accounts		**5,803,428,198**	**5,968,024,516**
Term deposits	12(a)	5,783,140,293	5,947,076,788
Other deposits	12(b)	20,287,906	20,947,728
Other liabilities	13(a)	**1,862,711,511**	**1,779,373,929**
Total liabilities		**10,323,806,857**	**9,798,094,315**
Capital/Shareholders' equity		**1,669,131,430**	**1,674,777,503**
Paid-up capital	14.2	1,438,925,070	1,424,678,291
General reserve	15	-	-
Statutory reserve	16	143,091,535	140,714,913
Retained earnings	17(a)	87,114,824	109,384,298
Non-controlling interest		**2,051**	**2,077**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**11,992,940,338**	**11,472,873,894**
CONSOLIDATED OFF - BALANCE SHEET ITEMS			
Contingent liabilities	18.1		
Acceptances and endorsements		-	-
Letters of guarantee		-	100,000,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Total		**-**	**100,000,000**
Other commitments	18.2		
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		-	-
Claims against the bank not acknowledged as debts		-	-
Total		-	-
TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES		**-**	**100,000,000**
Net assets value (NAV) per share (Restated)	35(a)	**11.60**	**11.64**

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.

Chairman | Director | Managing Director | Chief Financial Officer | Company Secretary

This is the consolidated balance sheet account referred to in our separate report of even date.

Place: Dhaka
Dated: 16 October 2023

Md. Iqbal Hossain FCA
Senior Partner
Enrolment no.: 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2310170596AS783209

MIDAS FINANCING LIMITED AND ITS SUBSIDIARY
Consolidated Profit and Loss Account
For the year ended December 31, 2022

Particulars	Notes	31 Dec. 2022 Taka	31 Dec. 2021 Taka
Interest income	20(a)	930,852,209	1,216,388,971
Interest on deposits & borrowings, etc.	21(a)	670,666,407	743,517,892
Net interest income		**260,185,802**	**472,871,079**
Income from investment	22(a)	13,695,355	61,089,487
Commission, exchange and brokerage		-	1,100,000
Other operating income	23(a)	71,950,357	75,899,387
Total operating income		**345,831,514**	**610,959,953**
Salary and allowances	24(a)	144,126,062	129,937,586
Rent, taxes, insurances, electricity, etc.	25(a)	14,759,421	8,659,605
Legal expenses	26(a)	5,779,562	2,999,122
Postage, stamp, telecommunication, etc.	27(a)	3,510,179	2,821,850
Stationery, printing, advertisements, etc.	28(a)	3,059,739	2,386,174
Managing Director's salary and benefits	29	10,083,889	9,472,004
Directors' fees and expenses	30(a)	1,360,700	1,375,200
Auditors' fees		268,333	247,250
Depreciation and repair of company's assets	31(a)	21,688,764	21,781,984
Other expenses	32(a)	8,842,956	7,758,117
Total operating expenses		**213,479,605**	**187,438,892**
Profit before provision		**132,351,909**	**423,521,060**
General provisions	33(a)	28,648,991	20,845,862
Specific provisions	33(b)	(5,083,999)	290,466,088
Diminution in value of investments	33(c)	52,896,350	(5,675,230)
Other provisions	33(f)	32,357,574	16,873,190
Provision for off balance sheet exposures	33 (g)	(1,000,000)	1,000,000
Total provision		**107,818,916**	**323,509,910**
Total profit before tax		**24,532,993**	**100,011,151**
Current tax	33(d)	18,519,584	32,519,386
Deferred tax	33(e)	(2,587,271)	(16,941,067)
		15,932,313	**15,578,319**
Net profit after tax		**8,600,680**	**84,432,832**
Attributable to			
Shareholders of the Company		8,600,706	84,432,652
Non-controlling interest		(26)	180
		8,600,680	**84,432,832**
Appropriations to			
General reserve	15	-	-
Statutory reserve	16	2,376,622	16,376,528
		2,376,622	**16,376,528**
Retained surplus		**6,224,084**	**68,056,124**
Earnings per Share (EPS) (Restated)	**34(a)**	**0.06**	**0.59**

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.

Chairman | Director | Managing Director | Chief Financial Officer | Company Secretary

This is the consolidated profit and loss account referred to in our separate report of even date.

Place: Dhaka
Dated: 16 October 2023

Md. Iqbal Hossain FCA
Senior Partner
Enrolment no.: 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2310170596AS783209

MIDAS FINANCING LIMITED AND ITS SUBSIDIARY
Consolidated Statement of Cash Flows
For the year ended 31 December 2022

Particulars	Notes	31 Dec. 2022 Taka	31 Dec. 2021 Taka
A) Cash flow from operating activities			
Interest received	38(a)	917,576,852	1,196,203,373
Interest paid	39(a)	(706,411,976)	(970,699,445)
Dividend received		(9,718,292)	5,572,682
Fees & commission received		-	1,100,000
Recoveries of loans previously written off		(14,821,039)	(14,162,029)
Cash payments to employees		(154,209,951)	(139,409,590)
Cash payments to suppliers		(3,059,739)	(2,386,174)
Income tax paid		(28,590,009)	(34,899,175)
Received from other operating activities	40(a)	69,120,097	130,980,418
Payments for other operating activities		(36,265,922)	(25,572,550)
Operating profit before changes in operating assets & liabilities		**33,620,022**	**146,727,509**
Changes in operating assets and liabilities			
Purchases/sale of trading securities		(1,656,342)	42,612,333
Loans and lease finance to customers		(490,294,718)	(31,490,755)
Other assets	42(a)	79,289,585	(107,849,389)
Deposits from banks & individuals		(164,596,317)	42,583,635
Other liabilities	43(a)	(9,641,971)	95,760,372
Sub Total		**(586,899,763)**	**41,616,197**
Net cash from operating activities		**(553,279,741)**	**188,343,706**
B) Cash flow from investing activities			
Sales proceeds of fixed assets		17,161,698	40,900
Purchases of fixed assets		(16,960,847)	(1,957,297)
Net cash from investing activities		**200,851**	**(1,916,397)**
C) Cash flow from financing activities			
Increase/(decrease) of borrowings		606,971,277	26,578,705
Dividend paid		(14,246,779)	(34,748,251)
Net cash from financing activities		**592,724,498**	**(8,169,546)**
D) Net increase/(decrease) in cash & cash equivalents (A+B+C)		**39,645,608**	**178,257,763**
E) Effects of exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		**656,972,845**	**478,715,082**
G) Cash and cash equivalents at the end of the period (D+E+F)*	44(a)	**696,618,453**	**656,972,845**
Cash and cash equivalents at the end of the period			
Cash in hand (including foreign currency)	3(a)	318,472	275,098
Balance with Bangladesh Bank and its agent bank (s) (including foreign currency)	3(b)	97,059,029	91,857,754
Balance with other banks and financial institutions	4(a)	599,240,952	564,839,994
Total		**696,618,453**	**656,972,845**
Net operating cash flow per share (NOCFPS) (Restated)	36(a)	**(3.85)**	**1.31**

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.

Chairman | Director | Managing Director | Chief Financial Officer | Company Secretary

Md. Iqbal Hossain FCA
Senior Partner
Enrolment no.: 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2310170596AS783209

Place: Dhaka
Dated: 16 October 2023

MIDAS Financing Limited and its subsidiary
Consolidated Statement of Changes in Equity
For the year ended 31 December 2022

Particulars	Attributable to equity holders of the company				Non-Controlling Interest Taka	Total Equity Taka
	Paid-up Capital Taka	Statutory Reserve Taka	Retained Earnings Taka	Total Taka		
Balance as at January 1, 2022	**1,424,678,291**	**140,714,913**	**109,384,298**	**1,674,777,503**	**2,077**	**1,674,779,580**
Stock dividend for 2021	14,246,779		(14,246,779)	-	-	-
Cash dividend for 2021			(14,246,779)	(14,246,779)	-	(14,246,779)
Restated balance	**1,438,925,070**	**140,714,913**	**80,890,740**	**1,660,530,724**	**2,077**	**1,660,532,801**
Items involves in changes in equity						
Profit/(loss) for the period	-	-	8,600,706	8,600,706	(26)	8,600,680
Transfer to statutory reserve	-	2,376,622	(2,376,622)	-	-	-
Net change	**-**	**2,376,622**	**6,224,083**	**8,600,706**	**(26)**	**8,600,680**
Balance as at December 31, 2022	**1,438,925,070**	**143,091,535**	**87,114,824**	**1,669,131,430**	**2,051**	**1,669,133,481**

MIDAS Financing Limited and its subsidiary
Consolidated Statement of Changes in Equity
For the year ended 31 December 2021

Particulars	Attributable to equity holders of the company				Non-Controlling Interest Taka	Total Equity Taka
	Paid-up Capital Taka	Statutory Reserve Taka	Retained Earnings Taka	Total Taka		
Balance as at January 1, 2021	**1,389,930,040**	**124,338,385**	**110,824,677**	**1,625,093,102**	**2,079**	**1,625,095,181**
Stock dividend for 2020	34,748,251	-	(34,748,251)	-	-	-
Cash Dividend for 2020			(34,748,251)	(34,748,251)	(182)	(34,748,433)
Restated balance	**1,424,678,291**	**124,338,385**	**41,328,175**	**1,590,344,851**	**1,897**	**1,590,346,748**
Items involves in changes in equity						
Profit/(loss) for the period	-	-	84,432,652	84,432,652	180	84,432,832
Transfer to statutory reserve	-	16,376,528	(16,376,528)	-	-	-
Net change	**-**	**16,376,528**	**68,056,123**	**84,432,652**	**180**	**84,432,832**
Balance as at December 31, 2021	**1,424,678,291**	**140,714,913**	**109,384,298**	**1,674,777,503**	**2,077**	**1,674,779,580**

Chairman | Director | Managing Director | Chief Financial Officer | Company Secretary

Place: Dhaka
Dated: 16 October 2023

Md. Iqbal Hossain FCA
Senior Partner
Enrolment no.: 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2310170596AS783209

Midas Financing Limited
Balance Sheet
As at December 31, 2022

Particulars	Notes	31 Dec. 2022 Taka	31 Dec. 2021 Taka
PROPERTY AND ASSETS			
Cash		**97,370,544**	**92,129,415**
Cash in hand (Including foreign currency)	3.1	311,515	271,661
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3.2	97,059,029	91,857,754
Balance with other banks and financial institutions		**582,522,738**	**552,525,723**
Inside Bangladesh	4.1	582,522,738	552,525,723
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments		**236,880,653**	**239,938,883**
Government		-	-
Others	6	236,880,653	239,938,883
Lease, loans and advances	7	**10,146,585,760**	**9,632,255,868**
Fixed assets including land, building, furniture and fixtures	8	**134,001,400**	**140,265,892**
Investment property-Building	8.1	**132,962,680**	**138,006,169**
Other assets	9	**612,672,762**	**649,923,441**
Non-banking assets	10	**95,150,990**	**95,150,990**
TOTAL ASSETS		**12,038,147,528**	**11,540,196,380**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	**2,657,667,147**	**2,050,695,870**
Deposits and other accounts		**6,008,428,198**	**6,173,024,516**
Term deposits	12.1	5,988,140,293	6,152,076,788
Other deposits		20,287,906	20,947,728
Other liabilities	13	**1,708,444,480**	**1,650,504,621**
Total liabilities		**10,374,539,826**	**9,874,225,007**
Capital/Shareholders' equity		**1,663,607,702**	**1,665,971,373**
Paid-up capital	14.2	1,438,925,070	1,424,678,291
General reserve	15	-	-
Statutory reserve	16	143,091,535	140,714,913
Retained earnings	17	81,591,098	100,578,168
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**12,038,147,528**	**11,540,196,380**
OFF - BALANCE SHEET ITEMS			
Contingent liabilities	18.1		
Acceptances and endorsements		-	-
Letters of guarantee		-	100,000,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Total		**-**	**100,000,000**
Other commitments	18.2		
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		-	-
Claims against the Bank not acknowledged as debts		-	-
Total		-	-
TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES		-	**100,000,000**
Net assets value (NAV) per share (Restated)	**35**	**11.56**	**11.58**

The annexed notes 1 to 41 from an integral part of these financial statements.

Chairman | Director | Managing Director | Chief Financial Officer | Company Secretary

This is the balance sheet referred to in our separate report of even date.

Place: Dhaka
Dated: 16 October 2023

Md. Iqbal Hossain FCA
Senior Partner
Enrolment no.: 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2310170596AS783209

MIDAS FINANCING LIMITED
Profit and Loss Account
For the year ended December 31, 2022

Particulars	Notes	31 Dec. 2022 Taka	31 Dec. 2021 Taka
Interest income	20	952,652,613	1,238,901,798
Interest on deposits & borrowings, etc.	21	686,952,910	762,986,485
Net interest income		**265,699,703**	**475,915,314**
Income from investment	22	10,963,752	72,945,322
Commission, exchange and brokerage		-	1,100,000
Other operating income	23	43,261,751	46,094,063
Total operating income		**319,925,207**	**596,054,698**
Salary and allowances	24	139,319,876	123,996,306
Rent, taxes, insurances, electricity, etc.	25	13,451,905	7,740,306
Legal expenses	26	5,722,062	2,884,122
Postage, stamp, telecommunication, etc.	27	3,354,919	2,652,808
Stationery, printing, advertisements, etc.	28	2,992,537	2,306,374
Managing Director's salary and benefits	29	10,083,889	9,472,004
Directors' fees and expenses	30	1,223,200	1,295,200
Auditors' fees		210,833	189,750
Depreciation and repair of company's assets	31	17,599,137	17,511,404
Other expenses	32	7,495,469	6,216,705
Total operating expenses		**201,453,827**	**174,264,979**
Profit before provision		**118,471,379**	**421,789,719**
General provisions	33	28,648,991	20,845,862
Specific provisions	33	(5,083,999)	290,466,088
Diminution in value of investments	33	44,146,134	8,036,223
Other provisions	33	26,308,638	10,811,998
Provision for off balance sheet exposures	33	(1,000,000)	1,000,000
Total provision		**93,019,764**	**331,160,170**
Profit before tax		**25,451,616**	**90,629,549**
Current tax	33(d)	14,913,136	24,572,962
Deferred tax	33(e)	(1,344,630)	(15,826,052)
		13,568,506	**8,746,911**
Net profit after taxation		**11,883,110**	**81,882,639**
Appropriations to			
General reserve	15	-	-
Statutory reserve	16	2,376,622	16,376,528
		2,376,622	**16,376,528**
Retained surplus		**9,506,488**	**65,506,111**
Earnings per Share (EPS) (Restated)	34	**0.08**	**0.57**

The annexed notes 1 to 41 form an integral part of these financial statements.

Chairman | Director | Managing Director | Chief Financial Officer | Company Secretary

This is the profit & loss account referred to in our separate report of even date.

Place: Dhaka
Dated: 16 October 2023

Md. Iqbal Hossain FCA
Senior Partner
Enrolment no.: 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2310170596AS783209

MIDAS FINANCING LIMITED
Statement of Cash Flows
For the year ended 31 December 2022

Particulars	Notes	31 Dec. 2022 Taka	31 Dec. 2021 Taka
A) Cash flow from operating activities			
Interest received		939,377,257	1,218,716,202
Interest paid		(727,506,842)	(994,976,401)
Dividend received		(12,863,937)	2,822,928
Fees & commission received		-	1,100,000
Recoveries of loans previously written off		(14,821,039)	(14,162,029)
Cash payments to employees		(149,403,765)	(133,468,310)
Cash payments to suppliers		(2,992,537)	(2,306,374)
Income tax paid		(23,987,264)	(28,978,156)
Received from other operating activities		47,089,601	96,216,617
Payments for other operating activities		(33,213,306)	(22,679,503)
Operating profit before changes in operating assets & liabilities		**21,678,168**	**122,284,974**
Changes in operating assets and liabilities			
Purchases/sale of trading securities		3,058,229	26,157,097
Loans and lease finance to customers		(481,665,049)	11,363,977
Other assets		79,692,101	(106,832,844)
Deposits from banks & individuals		(164,596,317)	42,583,635
Other liabilities		(15,854,338)	81,957,768
Sub total		**(579,365,373)**	**55,229,632**
Net cash from operating activities		**(557,687,205)**	**177,514,606**
B) Cash flow from investing activities			
Sales proceeds of fixed assets		17,161,698	40,900
Purchases of fixed assets		(16,960,847)	(1,904,405)
Net cash from investing activities		**200,851**	**(1,863,505)**
C) Cash flow from financing activities			
Increase/(decrease) of borrowings		606,971,277	26,578,705
Dividend paid		(14,246,779)	(34,748,251)
Net cash from financing activities		**592,724,498**	**(8,169,546)**
D) Net increase/(decrease) in cash & cash equivalents (A+B+C)		**35,238,145**	**167,481,556**
E) Effects of exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		**644,655,137**	**477,173,581**
G) Cash and cash equivalents at the end of the period (D+E+F)*		**679,893,282**	**644,655,137**
Cash and cash equivalents at the end of the period			
Cash in hand (including foreign currency)	3.1	311,515	271,661
Balance with Bangladesh Bank and its agent bank (s) (including foreign currency)	3.2	97,059,029	91,857,754
Balance with other banks and financial institutions	4	582,522,738	552,525,723
Total		**679,893,282**	**644,655,137**
Net operating cash flow per share (NOCFPS) (Restated)	36	**(3.88)**	**1.23**

The annexed notes 1 to 41 form an integral part of these financial statements.

Chairman | Director | Managing Director | Chief Financial Officer | Company Secretary

Md. Iqbal Hossain FCA
Senior Partner
Enrolment no.: 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2310170596AS783209

Place: Dhaka
Dated: 16 October 2023

MIDAS Financing Limited
Statement of Changes in Equity
For the year ended 31 December 2022

Particulars	Attributable to equity holders of the company			
	Paid-up Capital Taka	Statutory Reserve Taka	Retained Earnings Taka	Total Taka
Balance as at January 1, 2022	**1,424,678,291**	**140,714,913**	**100,578,169**	**1,665,971,373**
Stock dividend for 2021	14,246,779	-	(14,246,779)	-
Cash dividend for 2021	-	-	(14,246,779)	(14,246,779)
Restated balance	**1,438,925,070**	**140,714,913**	**72,084,610**	**1,651,724,592**
Items involves in changes in equity				
Profit/(loss) for the period	-	-	11,883,110	11,883,110
Transfer to statutory reserve	-	2,376,622	(2,376,622)	-
Balance as at December 31, 2022	**1,438,925,070**	**143,091,535**	**81,591,098**	**1,663,607,702**

MIDAS Financing Limited
Statement of Changes in Equity
For the year ended 31 December 2021

Particulars	Attributable to equity holders of the company			
	Paid-up Capital Taka	Statutory Reserve Taka	Retained Earnings Taka	Total Taka
Balance as at January 1, 2021	**1,389,930,040**	**124,338,385**	**104,568,560**	**1,618,836,985**
Stock dividend for 2020	34,748,251	-	(34,748,251)	-
Cash dividend for 2020			(34,748,251)	(34,748,251)
Restated balance	**1,424,678,291**	**124,338,385**	**35,072,058**	**1,584,088,734**
Items involves in changes in equity				
Profit/(loss) for the period	-	-	81,882,639	81,882,639
Transfer to statutory reserve	-	16,376,528	(16,376,528)	-
Balance as at December 31, 2021	**1,424,678,291**	**140,714,913**	**100,578,169**	**1,665,971,373**

Chairman | Director | Managing Director | Chief Financial Officer | Company Secretary

Place: Dhaka
Dated: 16 October 2023

Md. Iqbal Hossain FCA
Senior Partner
Enrolment no.: 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2310170596AS783209

MIDAS Financing Limited
Liquidity Statements
As at December 31, 2022

Amount in Taka

Particulars	Not more than 1 month term	01-03 Months term	03-12 Months term	01-05 Years term	Avobe 05 years term	Total
Assets						
Cash in hand (Including foreign currency)	311,515	-	-	-	-	311,515
Balance with Bangladesh Bank and its agent bank(s)	97,059,029	-	-	-	-	97,059,029
Balance with other banks and financial institutions	160,174,029	205,000,000	217,348,709	-	-	582,522,738
Money at call and short notice	-	-	-	-	-	-
Investments	21,431,120	42,862,241	85,724,481	64,293,361	22,569,450	236,880,654
Lease, loans and advances	55,239,426	2,514,481,097	4,024,383,451	2,447,869,746	1,104,612,040	10,146,585,760
Fixed assets including land, building, furniture and fixtures	878,088	1,756,176	7,902,790	55,319,532	68,144,814	134,001,400
Building (Investment property)	-	1,260,872	3,782,617	25,217,447	102,701,744	132,962,680
Other assets	87,097,814	11,434,865	3,029,316	213,341,684	297,769,083	612,672,762
Non-banking assets	-	-	95,150,990	-	-	95,150,990
Total Assets (i)	**422,191,020**	**2,776,795,251**	**4,437,322,355**	**2,806,041,770**	**1,595,797,131**	**12,038,147,528**
Liabilities						
Borrowings from other banks, financial institutions and agents	-	776,943,268	602,173,876	1,142,411,071	136,138,932	2,657,667,147
Deposits and other accounts	63,220,559	1,626,784,082	3,202,060,667	1,086,224,037	30,138,854	6,008,428,198
Provision and other liabilities	129,632,309	331,550,556	599,948,625	552,584,260	94,728,730	1,708,444,480
Total Liabilities (ii)	**192,852,868**	**2,735,277,905**	**4,404,183,168**	**2,781,219,368**	**261,006,516**	**10,374,539,825**
Net Liquidity Gap (i-ii)	**229,338,153**	**41,517,346**	**33,139,187**	**24,822,403**	**1,334,790,615**	**1,663,607,703**

MIDAS Financing Limited and its subsidiary

Notes, comprising a summary of significant accounting policies and other explanatory notes

As at and for the year ended December 31, 2022

1. Legal status and nature of the company

1.1 Domicile, legal form and country of incorporation

MIDAS Financing Limited (MFL) is a Public Company Limited by shares incorporated on May 16, 1995 under the Companies Act, 1994 and authorized to commence its business operation in Bangladesh as per certificate of commencement of business. The Company obtained license from Bangladesh Bank on October 11, 1999 to operate as a Non Bank Financial Institution under the Financial Institutions Act, 1993. The Company has been listed with Dhaka Stock Exchange Ltd. since October 26, 2002 and Chittagong Stock Exchange Ltd. since July 27, 2004. The registered office of the Company is situated at its own premises at MIDAS CENTRE, House # 05, Road # 16 (new)/ 27 (old), Dhanmondi R/A, Dhaka-1209. MIDAS Financing Limited has a subsidiary company named MIDAS Investment Limited (MIL) and MFL holds 99.9992% shares of MIL. MIL was incorporated on 9th April 2012 under the companies Act, 1994 bearing registration number C-100772/12 and operating Merchant Banking Business.

1.2 Principal activities and nature of operation

"The main activities of the Company include the following:"

- Small and Medium Enterprise (SME) Finance
- Lease Finance
- Auto Finance
- Term Finance
- Micro Industries Finance
- Consumers Finance
- Housing Finance
- Loan against Lien of Securities
- Work Order Finance
- Term Deposit Collection
- Treasury Operation

1.3 Subsidiary Company

MIDAS Investment Limited (MIL)

MIDAS Financing Limited is the owner of 99.9992% of shares (2,49,99,800 nos. of shares of Tk. 10 each) of MIDAS Investment Limited (MIL). MIDAS Investment Limited is a Private Limited Company and incorporated under the Companies Act, 1994 on 09 April, 2012 bearing Registration No C-100772/12 with the Registrar of Joint Stock Companies and Firms. The registered office of the Company is MIDAS Centre (6th floor), House # 05, Road # 16 (new)/27 (old), Dhanmondi R/A, Dhaka-1209. The core business of the Company is Merchant Banking. The paid up capital of the Company is Tk. 25 crore.

2. Significant accounting policies

2.1 Basis of preparation of the financial statements

These Statements have been prepared on a going concern basis and accrual method under the historical cost convention and in accordance with the Financial Institution Act, 1993 and Bangladesh Bank DFIM Circular No. 11 dated 23 December 2009 in conformity with International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS), the Companies Act, 1994, the Securities & Exchange Rules 1987, the listing of DSE & CSE regulations and other laws & regulations applicable in Bangladesh.

The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements.

The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed in detail in note-2.3 & Annexure-E.

However, this departure with IFRS has been made by following all of the relevant provisions of IAS-1 and the details disclosures are given in note-2.3 & Annexure-E by following the provision of Para 20 of IAS-1 (Presentation of Financial Statements).

2.2 Basis of measurement

This financial statements have been prepared based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and no adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.3 Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirements

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Financial Institutions in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of IAS and IFRS. As such the company has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of Bangladesh Bank, which are disclosed in Annexure-E along with financial impact where applicable.

2.4 Significant accounting policies

Same disclosed accounting policies and methods of computation have been followed in these Financial Statements as were applied in the preparation of the financial statements of MIDAS Financing Limited as at and for the year ended 31 December 2022.

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

The most critical estimates and judgments are applied to the following:

a. Provision for impairment of loans, leases, investments, income tax and deferred tax.

b. Useful life of depreciable assets.

c. Gratuity.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised. In accordance with the guidelines as prescribed by IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" , provisions are recognized in the following situations:

Provisions

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Contingent Liability :

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

Contingent Assets:

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are never recognized, rather they are disclosed in the financial statements when they arise.

2.6 Accounting for term finance & other finances

Books of accounts for term finance operation are maintained based on the accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for short-term finance, and unrealised principal for long-term finance, real estate finance, car loans and other finances are accounted for as term finance assets of the Company. Interest earnings are recognised as operational revenue periodically.

2.7 Investment in securities

Investment in marketable ordinary shares has been shown at cost, on an aggregate portfolio basis. Investment in non-marketable shares has been valued at cost. Full provision for diminution in value of shares as on closing of the year on an aggregate portfolio basis is made in the financial statements as required by Bangladesh Bank DFIM circular No. 02 dated January 31, 2012.

2.8 Consolidation of operation of subsidiary

The financial statements of the company and its subsidiary, as mentioned in note. 1.3 have been consolidated in accordance with International Financial Reporting Standard 10 "Consolidated Financial Statements". The consolidation of the financial statements have been made after elimination of all material inter-company transactions.

The total profits of the company and its subsidiary are shown in the consolidated profit and loss account with the proportion of profit after tax pertaining to minority shareholders being deducted as "Non-controlling interest". All assets and liabilities of the Company and its subsidiary are shown in the consolidated balance sheet. The interest of minority shareholders of the subsidiary are shown in the consolidated balance sheet under the heading "Non-controlling interest".

2.9 Risk and uncertainty for use of estimates (Provisions)

The preparation of financial statements in conformity with International Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and requires disclosure for contingent assets and liabilities during the reporting period and on the dates of the financial statements. Due to inherent uncertainty involved in making estimates, actual results reported could differ from those estimates.

In accordance with the guidelines as prescribed by International Accounting Standards (IAS) 37: Provisions, contingent liabilities and contingent assets, provisions are recognized in the following situations:

a. When the Company has an obligation as a result of past events;

b. When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c. Reliable estimate can be made of the amount of the obligation.

2.10 Components of the financial statements

The financial statements comprise of (As per DFIM Circular No. 11, Dated December 23, 2009):

a) Balance Sheet as at 31 December 2022;

b) Profit and Loss Account for the year ended 31 December 2022;

c) Statement of Cash Flows for the year ended 31 December 2022;

d) Statement of Changes in Equity for the year ended 31 December 2022;

e) Liquidity Statement for the year ended 31 December 2022;

f) Notes to the Financial Statements for the year ended 31 December 2022.

2.11 Directors' responsibility statement

The Board of Directors' takes the responsibility for the preparation and presentation of these financial statements.

2.12 Reporting period

These financial statements have been prepared for the period from January 01, 2022 to December 31, 2022.

2.13 Date of authorization

The Board of directors has authorized this financial statements on October 16, 2023

2.14 Comparative information

As guided in paragraph 36 and 38 of IAS 1 Presentation of Financial Statements, comparative information in respect of the previous year, have been presented in all numerical information in the financial statements and the narrative and descriptive information where, it is relevant for understanding of the current year's financial statements.

2.15 Functional and presentation currency

These financial statements are presented in Taka, which is the company's functional currency. Figures appearing in these financial statements and notes have been rounded off to the nearest Taka.

2.16 Statement of cash flows

Cash flow statement can be prepared using either direct method or the indirect methodas per IAS 7 "Statement of Cash Flows". The presentation should be selected to present these cash flows in a manner that is appropriate for the business or industry. The method selected should be applied consistently. However, As per DFIM Circular No. 11 dated 23 December 2009, cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.

2.17 Leases

Some disclosed accounting policies and methods of computation have been followed in these financial statements as were applied in the preparation of the financial statements of MIDAS financing limited and its subsidiary as at and for the year 31 December 2018, except for those related of IFRS 16: "Leases", which is effective from 1 January 2019.

Changes in significant accounting policies - IFRS 16 Leases

Nature and impact of changes

Definition of a lease

IFRS 16 :Leases' defines a lease as "A Contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration."

As a leasee

As a leasee, MFL previously classified leases as operating or finance lease based on its assessment of weather the leases transferred significantly all of the risks and rewards incidental to ownership of the underlyning assets to MFL. Under IFRS 16, MFL recognises right-of-use assets and lease liabilities for all leases.

Leases classified as opertaing lease under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at MFL's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measered at an amount equal to the leases liability, adjusted by the amount of an prepaid or accrued lease liabilities for all leases.

Leases previously classified as finance lease

For leases that were classified as finance leases under IAS 17 (if any), the carrying amount of right-of-use assets and the lease liability at 1 January 2019 are determined at the carrying amount of the lease assets and lease liabilty under IAS 17.

As a lessor

MFL is not required to make any adjustment on transitions to IFRS for leases in which it acts as a lessor.

The MFL follows IFRS 16 which has been effective from 01 January, 2019 for the recognition, measurement, presentation and disclosure of leases.

Accounting policy for IFRS 16: Leases

MFL has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 as Operating Lease.

2.18 Fixed assets (property, plant and equipments) and depreciation

2.18.1 i) Recognition and measurement

Items of own fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per International Accounting Standard (IAS) 16, "Property, Plant and Equipment".

2.18.2 ii) Subsequent expenditure on Fixed assets

Subsequent expenditure is capitalised only when it increases the future economic benefit from the assets and that cost can be measured reliably. All other expenditures are recognised as an expense as and when they are incurred.

Fixed Assets are depreciated based on Reducing Balance and Straight Line Method and rate of depreciation are charged from 2.5% to 20%. Addition to fixed assets are depreciated from the month of acquisition for full month irrespective of the date of acquisition of the month of the assets at the applicable rate while no depreciation is charged on any item in the month of disposal. No depreciation was charged on land.

I. Free holds assets	Method	Rate of Depreciation
Land	N/A	N/A
Building	Straight Line	2.5%
ROU-Assets for lease rent	Straight Line	Lease term
Office Equipment	Reducing Balance	18%
Computer Equipment	Reducing Balance	18%
Furniture & Fixtures	Reducing Balance	10%
Motor Vehicle	Reducing Balance	20%

2.18.3 Investment Property

Investment property is held to earn rentals or for capital appreciation or both. Therefore, an investment property generates cash flows largely independently of the other assets held by an entity. This distinguishes investment property from owner occupied property. The production or supply of goods or services (or the use of property for administrative purposes) generates cash flows that are attributable not only to property, but also to other assets used in the production or supply process. As per IAS 40, an entity may choose either the fair value model or the cost model for all other investment property The Company decided to measure the investment properties in cost value of the property.

2.19 Intangible assets and amortisation of intangible assets

Recognition & Measurement

Intangible assets comprise the value of computer software. Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation

Amortisation is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management best estimates of 3 or 5 years.

Subsequent expenditure

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits in the specifications to which it relates. All other expenditures are expensed as incurred.

II. Intangible assets	Method	Rate of Depreciation
System & software	Reducing Balance	30%

2.20 On disposal of fixed assets, the written down value are eliminated from sale proceeds and gain or loss on such disposal is reflected in the profit and loss account as per requirement of IAS-16.

Depreciation methods, useful lives and residual values, if any are reviewed at the balance sheet date.

2.21 Cash & cash equivalents

Cash and cash equivalents consist of notes and coins in hand, bank balances, and short term investments that are readily convertible to known amount of cash which are unlikely to be affected by any insignificant risk of changes in value.

2.22 Bank loans

Bank loans are recorded at the proceeds received. Interest on bank loans is accounted for on accrual basis and charged to profit and loss account.

2.23 Statutory reserve

NBFIs are required to transfer 20% of the profit to statutory reserve before declaration of dividend as per Financial Institutions Regulations, 1994. MIDAS Financing Limited (MFL) transfers 20% on post tax profit in compliance with the regulation.

2.24 Employees benefit obligation

(a) Defined contribution plan

The Company operates a contributory provident fund scheme for its permanent employees. Provident fund is administered by a Board of Trustees and is funded with equal contributions both by the employees and the Company at a predetermined rate of 10% of basic salary.

(b) Gratuity

The Company operates a gratuity scheme to retain and motivates its employees for long term retention. Employees entitlement to gratuity is calculated on the last basic pay and is payable at the rate of one month's basic pay for each completed year of service after completion of five years of service, 50% of one month basic pay for each completed years for three years service with MFL and 75% of one month basic pay for each completed years for four years service.

2.25 Provision for loans and advances

Provision for investments and advances is an estimate of the losses that may be sustained in the investment portfolio. The provision is based on Bangladesh Bank guidelines.

MFL's methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank guidelines. Provision for loans and advances is made on the basis of periodical review by the management and of instructions of Bangladesh Bank. The Classification rates are given below:

Particulars	Rate
General provision on:	
Unclassified loans and advances (SME)	0.25%
Unclassified loans and advances (Non SME)	1%
Financing to the Subsidiaries and/or Sister Concerns/Brokerage House/Merchant Banks/Stock Dealers	2%
Special mention account (SMA)	5%
Specific provision on:	
Substandard loans and advances (SS)	20%
Doubtful loans and advances (DF)	50%
Bad/loss loans and advances (BL)	100%

2.26 Income Tax

2.26.1 Current tax

Provision for current income tax has been made as per IAS 12 and in accordance with the Income Tax Ordinance 1984 and amendment made there to from time to time.

2.26.2 Deferred tax

Pursuant to International Accounting Standard (IAS) 12: "Income Taxes", deferred tax is provided for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes.

2.27 Revenue recognition

Revenue is only recognised when it meets the following five steps model framework as per IFRS 15: "Revenue from Contracts with Customers."

a) identify the contract (s) with customers;
b) identify the performance obligations in the contract;
c) determine the transaction price;
d) allocate the transaction price to the performance obligations in the contract;
e) recognise revenue when (or as) the entity satisfies a performance obligation.

2.27.1 Lease income

The excess of aggregate rental receivable over the cost of lease constitutes the total unearned interest income at the commencement of the contract. This income is allocated over the period of lease that reflect a constant periodic return on net investment.

2.27.2 Income from term finance

Interest income on term finance is recognized on accrual basis. Interest portion of the installments due credited to the profit and loss account.

2.27.3 Fees base income

Fees base incomes are taken into income on cash basis.

2.27.4 Dividend income

Dividend income from shares is recognized when the shareholders' legal rights to receive payments have been established i.e. after approval of dividend in the annual general meeting by the Shareholders.

2.27.5 Rental income

Rental Income is recognized on accrual basis. In case of advance rent, it is adjusted with the monthly rent received from the tenant as per agreement. Rental income is shown in the accounts after netting off building repair and maintenance and city corporation tax to facilitate proper tax presentation.

2.27.6 Gain/(Loss) on sale of securities

Capital gain/(loss) on sale of securities listed in the stock exchanges is recognized only when the securities are sold in the market.

2.28 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of fund. The Company capitalized borrowing costs that is directly attributable to the acquisition, construction or production of qualifying asset. Other borrowing costs are recognized as an expense as per IAS 23 "Borrowing Cost"

2.29 Interest suspense account

Accrued interest on classified lease, term finance, housing finance, consumer credit and other loans and advances are not recognized as income rather transferred to interest suspense account in accordance with Bangladesh Bank guidelines.

2.30 Write-off

Write-off describes a reduction in recognised value. It refers to the recognition of the reduced or zero value of an assets. Generally it refers to an investment for which a return on the investment is now impossible or unlikely. The item's potential return is thus cancelled and removed from ("written-off") the company's balance sheet.

2.31 Litigation

The Company has no party to any lawsuits except those arising in the normal course of business, which were filed against the default clients for non-performance in loan/lease repayment. The Company, however, provides adequate provision against such doubtful finance.

2.32 Earnings per share (EPS)

The Company calculates Earnings Per Share (EPS) in accordance with IAS 33: Earnings Per Share, which has been shown on the face of profit and loss account, and the computation of EPS is stated in Note 34. The compnay issued 1,424,678 nos shares during the year against the stock dividend declared for the year 2021. As a result, total number of share outstanding as of 31 December 2022 was 143,892,507 nos. Therefore, the EPS of 2021 has been restated to conform current year's presentation.

2.33 Related party disclosure

Parties are considered to be related, if one party has the ability to control the other party or exercise significant influence over the other party, in making financial and operational decisions and include associated companies with or without common directors and key management positions. The company has entered into transactions with other entities in the normal course of business that fall within the definition of related party as per International Accounting Standard -24 ' Related Party Disclosures'. Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time of comparable transactions with other customers of similar credential and do not involve more than normal risk. Details of related party/(ies) transactions have been given in Note 39

2.34 Going Concern

The company has adequate resources to continue in operation for foreseeable future. For this reason the directors continued to adopt going concern basis in preparing the Financial statements. The current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing businesses and operations.

2.35 Events after the reporting period

Events after the reporting period are those events that occur between the end of the reporting period and the date when the financial statements are authorised for issue. These events are of two types : (1) Adjusting Events and (2) Non-adjusting Events. Adjusting events are those that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events are those events that are the indicative of conditions that arose after the reporting period. There is no adjusting events after the reporting period in case of MFL.

2.36 Contingent liabilities and contingent assets

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

Bangladesh Bank : As per requirement of DFIM Circular No. 11, Dated December 23, 2009 off-balance sheet items (e.g. Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

2.37 Liquidity statement

The liquidity statement has been prepared in accordance with remaining maturity grouping of assets and liabilities as of the close of the year as per following basis:

a) Balance with other banks and financial institutions are on the basis of their maturity terms.
b) Investment are on the basis of their residual maturity terms.
c) Lease loans and advances are on the basis of their repayment/maturity schedule.
d) Fixed assets are on the basis of their useful lives.
e) Other assets are on the basis of their adjustment terms.
f) Borrowings from other banks and financial institutions as per their maturity/repayment terms.
g) Deposits and other accounts are on the basis of their maturity terms and past behaviour trends.
h) Other liabilities are on the basis of their settlement terms.

2.38 Reclassifications

To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/ restated/reclassified, whenever considered necessary, to conform to current period's presentation.

2.39 BASEL II and its implementation

To cope with the international best practice and to make the capital more risk sensitive as well as shock resilient, guidelines on "BASEL Accord for Financial Institutions (BAFI)" have been introduced from January 01, 2011 on test basis by Bangladesh Bank. At the end of the test run period, BASEL Accord regime has started and the guidelines namely "Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (CAMD)" have come fully into force from January 01, 2012 with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital and disclosure requirement as stated in these guidelines have to be followed by all Financial Institutions for the purpose of statutory compliance.As per CAMD guidelines, Financial Institutions should maintain a Capital Adequacy Ratio (CAR) of minimum 10% which is complied by the company. Latest status of Capital Adequacy Ratio (CAR) has been shown in note - 14.6 & 14.7

2.40 Status of compliance of International Accounting Standards and International Financial Reporting Standards

In addition to compliance with local regulatory requirements, in preparing the Financial Statements, MFL applied following IAS and IFRS:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	Applied
Agriculture	41	N/A

Name of the IFRS	IFRS No.	Status
Share Based payment	2	N/A
Business combination	3	N/A
Insurance Contracts	4	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied *
Operating Segments	8	N/A
Consolidated Financial Statements	10	N/A
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied *
Revenue from Contract with Customers	15	Applied *
Leases	16	Applied *

N/A= Not Applicable

*As the regulatory requirements differ with the standards, relevant disclosures have been made in accordance with Bangladesh Bank's requirements.

Notes	Particulars	Ref. Notes	Amount in BDT 31 Dec. 2022	31 Dec. 2021
3	**Cash**			
	Cash in hand (including foreign currency)	3.1	311,515	271,661
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	97,059,029	91,857,754
	Total		**97,370,544**	**92,129,415**
3.1	**Cash in hand (including foreign currency)**			
	In local currency		311,515	271,661
	In foreign currency		-	-
	Total		**311,515**	**271,661**
3.2	**Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)**			
	In local currency		97,059,029	91,857,754
	In foreign currency		-	-
	Total		**97,059,029**	**91,857,754**

3.3 Cash reserve requirement (CRR) and Statutory liquidity reserve (SLR)

Cash Reserve requirement (CRR) and Statutory Liquidity Reserve (SLR) have been calculated and maintained in accordance with the Financial Institutions Act, 1993 and subsequent FID Circular # 06, dated November 06, 2003, FID Circular # 02 dated November 10, 2004 and DFIM circular # 03 dated June 21, 2020.

The minimum Cash Reserve Requirement on the Company's total term deposits and other deposits (except banks & financial institutions) at the rate of 1.50% has been calculated and maintained with Bangladesh Bank in current account and 5% Statutory Liquidity Reserve, including CRR, on total liabilities has also been maintained in the form of Cash in hand, balance with Bangladesh Bank and other banks and financial institutions, treasury bills, bonds and debentures etc. Both the reserves maintained by the Company are in excess of the statutory requirements as shown below:

3.4	**Cash reserve requirement (CRR)**			
	Required reserve		87,285,288	87,866,361
	Actual reserve maintained	3.2	97,059,029	91,857,754
	Surplus		**9,773,741**	**3,991,393**
3.5	**Statutory liquidity reserve (SLR)**			
	Required reserve (including CRR)		316,435,438	319,845,441
	Actual reserve held (including CRR)	3.6	679,893,282	644,655,137
	Surplus		**363,457,844**	**324,809,697**
3.6	**Actual reserve held (including CRR)**			
	Cash in hand (including foreign currency)	3.1	311,515	271,661
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	97,059,029	91,857,754
	Balance with other banks and financial institutions	4	582,522,738	552,525,723
	Total		**679,893,282**	**644,655,137**
3(a)	**Consolidated cash**			
	Consolidated cash in hand (including foreign currency)			
	MIDAS Financing Ltd.	3.1	311,515	271,661
	MIDAS Investment Ltd.		6,957	3,437
	Total		**318,472**	**275,098**
3(b)	**Consolidated Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)**			
	MIDAS Financing Ltd.	3.2	97,059,029	91,857,754
	MIDAS Investment Ltd.		-	-
	Total		**97,059,029**	**91,857,754**
4	**Balance with other banks and financial institutions**			
	Inside Bangladesh	4.1	582,522,738	552,525,723
	Outside Bangladesh		-	-
	Total		**582,522,738**	**552,525,723**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 Dec. 2022	31 Dec. 2021
4.1	**Inside Bangladesh**			
A.	**STD accounts**			
	Standard Bank Ltd.		123,340,007	97,441,668
	United Commercial Bank Ltd.		15,837,974	9,532,982
	IFIC Bank Ltd.		176,444	1,721,718
	Janata Bank Ltd.		-	1,150
	Mercantile Bank Ltd.		3,037,258	2,584,508
	Uttara Bank Ltd.		520	2,492
	Agrani Bank Ltd.		559,213	1,366,378
	AB Bank Ltd.		111,310	285,842
	Dutch Bangla Bank Ltd.		2,542,407	1,342,741
	One Bank Ltd.		296,355	663,235
	The Premier Bank Ltd.		1,226,075	2,639,438
	Pubali Bank Ltd.		1,970,352	2,628,328
	Bangladesh Development Bank Ltd.		6,112	6,975
	The City Bank		11,684	-
	Jamuna Bank Ltd		10,656,961	6,045,085
	Mutual Trust Bank Ltd.		23,128	2,613,531
	Modhumoti Bank Ltd.		(531)	65,548
	Bangladesh Krishi Bank		35,052	80,558
	National Credit and Commerce Bank Ltd.		-	-
	Total A		**159,830,322**	**129,022,179**
B.	**Current accounts**			
	United Commercial Bank Ltd.		235,709	1,134,165
	Agrani Bank Ltd.		107,998	20,670
	Total B		**343,706**	**1,154,835**
C.	**Term deposits**			
	United Commercial Bank Ltd.		55,000,000	55,000,000
	Jamuna Bank Ltd.		50,000,000	50,000,000
	Standard Bank Ltd.		90,000,000	90,000,000
	The City Bank Ltd		50,000,000	50,000,000
	Bangladesh Industrial Finance and Investment Company Ltd.		22,348,709	22,348,709
	Exim Bank Ltd.		60,000,000	60,000,000
	Agrani Bank Limited		45,000,000	45,000,000
	Uttara Bank Ltd.		50,000,000	50,000,000
	Total C		**422,348,709**	**422,348,709**
	Total (A+B+C)		**582,522,738**	**552,525,723**
4.2	**Maturity grouping of balance with other banks and financial institutions**			
	On demand		160,174,029	130,177,013
	Not more than 3 months		205,000,000	185,000,000
	More than 3 months but less than 1 year		217,348,709	237,348,709
	More than 1 year but less than 5 years		-	-
	More than 5 years		-	-
	Total		582,522,738	552,525,722
4(a)	**Consolidated balance with other banks and financial institutions**			
	Inside Bangladesh			
	MIDAS Financing Ltd.	4.1	582,522,738	552,525,723
	MIDAS Investment Ltd.		221,718,215	217,314,271
	Adjustment for consolidation		(205,000,000)	(205,000,000)
			599,240,952	564,839,994
	Outside Bangladesh			
	MIDAS Financing Ltd.		-	-
	MIDAS Investment Ltd.		-	-
			-	-
	Total		599,240,952	564,839,994

Notes	Particulars	Ref. Notes	Amount in BDT 31 Dec. 2022	31 Dec. 2021
5	**Money at call and short notice**		-	-
6	**Investment**			
	a) Government securities		-	-
	b) Other investments			
	Investment in listed securities	6.1	214,311,203	217,369,433
	Investment in unlisted securities	6.2	22,569,450	22,569,450
	Total		**236,880,653**	**239,938,883**

6.1 Investment in listed securities

Details of listed securities (sector wise) are given below	No. of Share	Market Price	Cost Price	Cost Price
Bank	610320	6,779,440	8,334,612	5,028,282
Mutual Fund	300000	2,340,000	3,062,640	3,062,640
Textile	226648	6,115,007	14,425,670	14,425,670
Pharmaceutical and Chemicals	972000	146,894,400	188,488,282	194,852,841
		162,128,847	**214,311,204**	**217,369,433**

		No. of Share		
6.2	**Investment in unlisted securities**			
	Central Depository Bangladesh Ltd.	571,181	4,569,450	4,569,450
	Financial Excellence Ltd.	300,000	3,000,000	3,000,000
	Lankabangla Securities Ltd.	97,828	5,000,000	5,000,000
	Bangladesh Ventures Ltd.	1,100,000	10,000,000	10,000,000
	Total		**22,569,450**	**22,569,450**
6.3	**Maturity grouping of investment**			
	On demand		21,431,120	-
	Not more than 3 months		42,862,241	1,394,361
	More than 3 months but less than 1 year		85,724,481	175,379,289
	More than 1 year but less than 5 years		64,293,361	37,533,143
	More than 5 years		22,569,450	25,632,090
	Total		**236,880,653**	**239,938,883**
6(a)	**Consolidated investment**			
	a) Government securities			
	MIDAS Financing Ltd.		-	-
	MIDAS Investment Ltd.		-	-
			-	**-**
	b) Other investment			
	MIDAS Financing Ltd.			
	Investment in listed securities	6.1	214,311,203	217,369,433
	Investment in unlisted securities	6.2	22,569,450	22,569,450
			236,880,653	**239,938,883**
	MIDAS Investment Ltd.			
	Investment in listed securities		84,843,493	73,444,992
	Investment in unlisted securities		10,000,000	16,683,930
			94,843,493	**90,128,922**
	Total		**331,724,147**	**330,067,804**
7	**Lease, loans and advances**			
a)	**Inside Bangladesh**			
	Lease receivable	7.a.i	931,417,198	895,952,304
	Term finance	7.a.ii	8,052,721,451	7,429,240,701
	Housing finance	7.a.iii	1,062,014,550	1,241,250,613
	Staff loan	7.a.iv	44,651,522	29,478,806
	Consumer credit	7.a.v	110,770	342,919
	Interest receivable	7.a.vi	55,670,269	35,990,525
			10,146,585,760	**9,632,255,868**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 Dec. 2022	31 Dec. 2021
b)	**Outside Bangladesh**		-	-
	Total (a+b)		**10,146,585,760**	**9,632,255,868**
7.a.i	**Lease receivable**			
	Opening balance		895,952,304	809,281,335
	Add: Addition during the year		156,752,000	132,558,436
			1,052,704,304	**941,839,771**
	Less: Realization during the year		121,287,107	43,401,779
	Less: Write off		-	2,485,687
	Closing balance		**931,417,198**	**895,952,304**
7.a.ii	**Term finance**			
	Opening balance		7,429,240,701	7,101,141,784
	Add: Addition during the year		1,711,241,742	892,159,425
			9,140,482,444	**7,993,301,208**
	Less: Realization during the year		1,059,847,974	549,710,889
	Less: Write off		27,913,019	14,349,618
	Closing balance		**8,052,721,451**	**7,429,240,701**
7.a.iii	**Housing finance**			
	Opening balance		1,241,250,613	1,138,450,947
	Add: Addition during the year		34,210,340	102,354,970
			1,275,460,953	**1,240,805,917**
	Less: Realization during the year		213,446,403	(444,696)
	Closing balance		**1,062,014,550**	**1,241,250,613**
7.a.iv	**Staff loan**			
	Opening balance		29,478,806	25,373,633
	Add: Addition during the year		23,578,000	8,398,000
			53,056,806	**33,771,633**
	Less: Realization during the year		8,405,284	4,292,827
	Closing balance		**44,651,522**	**29,478,806**
7.a.v	**Consumer credit**			
	Opening balance		342,919	943,567
	Add: Addition during the year		-	-
			342,919	**943,567**
	Less: Realization during the year		232,149	600,648
	Less: Write off		-	-
	Closing balance		**110,770**	**342,919**
7.a.vi	**Interest receivable**			
	Lease finance		2,416,387	207,085
	Term finance		50,070,076	33,827,335
	Housing finance		3,143,409	1,950,833
	Consumer credit		30	581
	Staff loan		40,367	4,691
	Total		**55,670,269**	**35,990,525**

During the year Tk. 4,751,825.00 against term finance interest receivable have been written off.

Notes	Particulars	Ref. Notes	Amount in BDT 31 Dec. 2022	31 Dec. 2021
7.1	**Residual maturity grouping of lease, loans and advances**			
	Receivable on demand		55,239,426	723,844,874
	Not more than 3 months		2,514,481,097	1,254,972,775
	Over 3 months but not more than 1 year		4,024,383,451	3,975,678,577
	Over 1 year but not more than 5 years		2,447,869,746	2,054,216,238
	Over 5 years		1,104,612,040	1,623,543,404
	Total		**10,146,585,760**	**9,632,255,868**
7.2	**Investments on the basis of significant concentration**			
	Lease, loans and advances to the institutions in which Directors have interest		-	-
	Lease, loans and advances to chief executives and other senior executives		44,691,889	29,483,497
	Lease, loans and advances to customer groups		10,101,893,871	9,602,772,371
	Total		**10,146,585,760**	**9,632,255,868**
7.3	**Investments allowed to group exceeding 15% of NBFI's total capital**			
	Total capital of the company		1,663,607,702	1,665,971,373
	15% of company's total capital		249,541,155	249,895,706
	Total outstanding amount to such customers at end of the year		2,344,134,379	1,764,901,418
	Number of such types of customers		6	5
	Amount of classified lease, loans and advances thereon		-	-

7.4 **Sector-wise classification of lease, loans and advances**

Particulars	Composition 31 Dec. 22	31 Dec. 21		
Agriculture	1.29%	0.95%	130,414,448	91,119,452
Cement and Allied Industry	0.09%	0.12%	8,994,857	11,859,369
Electronics and Electric products	0.52%	1.06%	52,700,625	102,134,018
Food Production / Processing Industries	8.69%	9.18%	882,077,574	884,143,784
Garments and Knitwear	6.62%	5.86%	671,221,553	564,873,021
Glass, Glassware and Ceramic Ind.	0.99%	0.00%	100,604,740	-
Iron, Steel & Engineering	5.28%	5.54%	535,726,300	533,769,806
In-house Employees' Loan	0.44%	0.31%	44,218,108	29,483,497
Jute & Jute Products	0.00%	0.00%	-	-
Leather & Leather Goods	0.36%	0.38%	36,515,264	36,823,458
Merchant Banking / LLS	0.17%	0.51%	16,882,231	48,753,789
Others	22.35%	23.45%	2,267,731,396	2,258,927,540
Pharmaceuticals and Chemicals	1.62%	1.79%	164,143,265	172,850,108
Paper, Printing and Packaging	2.02%	1.41%	204,968,407	135,910,718
Power, Gas, Water & Sanitary service	0.01%	0.01%	942,349	935,361
Plastic Industries	2.83%	0.85%	286,931,626	81,767,059
Real Estate & Housing	10.31%	11.11%	1,045,674,754	1,070,317,353
Ship Manufacturing Industry	4.62%	4.54%	469,129,857	436,838,361
Trade and Commerce	20.12%	22.22%	2,041,448,595	2,140,092,396
Textile	11.47%	10.71%	1,163,558,988	1,031,656,777
Telecommunication/Information Technology	0.22%	0.00%	22,700,824	-
Total	**100.00%**	**100.00%**	**10,146,585,760**	**9,632,255,868**

7.5 Geographical location-wise lease, loans and advances

Chattogram	23.01%	24.66%	2,335,078,701	2,375,159,808
Dhaka	68.63%	66.40%	6,963,919,726	6,395,443,267
Khulna	2.91%	3.16%	295,099,719	304,261,159
Rajshahi	5.45%	5.79%	552,487,614	557,391,632
Total	100.00%	100.00%	10,146,585,760	9,632,255,868

Notes	Particulars			Ref. Notes	Amount in BDT 31 Dec. 2022	31 Dec. 2021
7.6	**Grouping of lease, loans and advances as per classification rules of Bangladesh Bank**					
	Unclassified	75.85%	84.17%		7,696,251,387	8,107,000,119
	Special mention account (SMA)	7.69%	0.95%		780,490,471	91,112,208
	Substandard	2.44%	2.69%		247,184,382	259,463,065
	Doubtful	1.74%	0.99%		176,892,496	95,815,775
	Bad or loss	12.28%	11.20%		1,245,767,025	1,078,864,700
	Total	**100.00%**	**100.00%**		**10,146,585,760**	**9,632,255,868**
7.7	**Particulars of provision for lease, loans and advances**	**Basis for provision**	**Rate (%)**			
	A. General Provision					
	Unclassified	4,452,224,573	1.00%		44,522,246	48,687,894
	Unclassified (SME)	1,447,174,322	0.25%		3,617,936	5,067,777
	Financing to the Subsidiaries and/or Sister Concerns/ Brokerage House/Merchant Banks/Stock Dealers	377,846,753	2.00%		7,556,935	8,041,372
	Special mention account	724,258,711	5.00%		36,212,936	2,649,418
					91,910,052	**64,446,461**
	Deferrel Provision					
	Unclassified	429,891,895	2.00%		8,597,838	13,492,523
	Unclassified (SME)	326,512,024	2.00%		6,530,240	11,647,067
	Special mention account	132,162,808	2.00%		2,643,256	-
	Substandard	75,251,132	2.00%		1,505,023	-
	Doubtful	32,899,478	2.00%		657,990	-
					19,934,347	**25,139,590**
	Special Provision					
	Unclassified		1.00%		-	2,958,519
	Unclassified (SME)		0.25%		-	1,282,948
	Special mention account	434,476,753	5.00%		21,723,838	1,364,839
	Substandard	90,872,653	20.00%		18,174,531	30,243,456
	Doubtful	16,532,534	50.00%		8,266,267	9,486,886
	Bad or loss	82,348,042	100.00%		82,348,042	98,276,797
					130,512,677	**143,613,444**
	B. Specific Provision					
	Substandard	96,387,659	20.00%		19,277,532	34,793,040
	Doubtful	97,339,303	50.00%		48,669,652	23,667,584
	Bad or loss	368,245,377	100.00%		368,245,377	363,324,495
	Total Specific Provision				**436,192,561**	**421,785,119**
	Required provision for lease, loans and advances (A+B)				**678,549,637**	**654,984,614**
	Required provision for Diminution in value of investment				**52,182,357**	**8,036,223**
	Required provision for Rental receivable				**10,729,284**	**7,414,578**
	Required provision for Other Assets				**32,823,412**	**14,629,480**
	Required provision for Off balance sheet exposure				**-**	**1,000,000**
	Required provision for FDR				**16,448,709**	**11,648,709**
	Total provision required				**790,733,399**	**697,713,605**
	Total provision maintained (Note-13.1, 13.2, 13.7)				**790,733,399**	**697,713,635**
	Excess/(short) provision				**0**	**30.32**
7.8	**Particulars of lease, loans and advances**					
(i)	Debts considered good in respect of which the MFL is fully secured				1,439,865,743	1,628,487,027
(ii)	Debts considered good for which the MFL holds no other security other than the debtor's personal guarantee;				44,691,889	29,483,497
(iii)	Debts considered good and secured by personal security of one or more parties in addition to the personal security of the debtors;				8,662,028,128	7,974,285,343
					10,146,585,760	**9,632,255,868**
(iv)	Amount of classified loan in which no provision has been maintained;				-	-

Notes	Particulars	Ref. Notes	Amount in BDT 31 Dec. 2022	31 Dec. 2021
(v)	Debts due by directors or officers of the MFL or any of them either severally or jointly with any other person;		44,691,889	29,483,497
(vi)	Debts due by companies or firms in which the directors of the MFL are interested as directors, partners or managing agents or in the case of private companies as members (Note 39.4);		-	-
(vii)	Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the MFL or any of them either severally or jointly with any other persons;		5,550,000	3,598,000
(viii)	Maximum total amount of advances including temporary advances granted during the period to the companies or firms in which the directors of the MFL are interested as directors, partners or managing agents or in the case of private companies as members;		-	-
(ix)	Receivable from other NBFI's;		-	-
(x)	Total amount of advance on which profit is not credited;		1,245,767,025	1,078,864,700
(xi)	Cumulative amount of written off loans and advances:			
	Opening Balance		497,152,518	491,566,077
	Add: Amount written off during the year		32,664,844	19,748,470
	Less: Amount received of during the year		(14,821,039)	(14,162,029)
	Balance of written off loans and advances yet to be recovered		**514,996,324**	**497,152,518**
7(a)	**Consolidated lease, loans and advances**			
	Inside Bangladesh			
	MIDAS Financing Ltd.		10,146,585,760	9,632,255,868
	MIDAS Investment Ltd.		32,986,010	31,626,401
	Adjustment for consolidation		(228,875,922)	(236,145,983)
			9,950,695,848	**9,427,736,286**
	Outside Bangladesh			
	MIDAS Financing Ltd.		-	-
	MIDAS Investment Ltd.		-	-
			-	-
	Total		**9,950,695,848**	**9,427,736,286**
8	**Fixed assets including land, building, furniture and fixtures**			
	Free hold assets		118,380,707	140,130,092
	Intangible assets		15,620,693	135,800
	Total		**134,001,400**	**140,265,892**
	A schedule of fixed assets including land, building, furniture and fixtures is given in **Annexure-A**			
8(a)	**Consolidated fixed assets including land, building, furniture and fixtures**			
	MIDAS Financing Ltd.	8	134,001,400	140,265,892
	MIDAS Investment Ltd.		35,715,622	36,263,346
	Total		**169,717,022**	**176,529,238**
	A schedule of consolidated fixed assets including land, building, furniture and fixtures is given in **Annexure-B**			
8.1	**Investment property-Building Annexure-C**		**132,962,680**	**138,006,169**
8.1.(a)	**Consolidated Investment Property - Building Annexure-D**		**269,250,171**	**277,788,211**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 Dec. 2022	31 Dec. 2021
9	**Others assets**			
	Interest receivable on FDR		11,106,174	9,715,417
	Investment in MIDAS Investment Ltd.		249,998,000	249,998,000
	Advance against purchase of shares		612,670	55,734,726
	Advance income tax	9.1	157,111,943	133,124,679
	Advance against expenditure		3,980,971	9,243,724
	Advance office rent		1,450,900	1,534,900
	Security deposit	9.2	637,500	637,500
	Stamp, stationery etc, in hand		635,707	240,827
	Asset held for sale		8,522,976	8,522,976
	Receivable from rental income & others		94,840,348	92,718,681
	Dividend receivable		19,999,840	19,999,840
	Advance Against Purchase of Software		960,000	2,700,000
	Over due interest receivable		62,197,317	62,197,317
	Receivable Against BB Refinance		618,416	3,554,854
	Total		**612,672,762**	**649,923,441**
9.1	**Advance income tax**			
	Opening balance		133,124,679	104,146,523
	Add: Addition during the year		23,987,264	28,978,157
			157,111,943	**133,124,679**
	Less: Adjustment during the year		-	-
			157,111,943	**133,124,679**
9.2	**Security deposit**			
	Deposits with BTCL		9,000	9,000
	Deposits with Grameen Phone		11,000	11,000
	PUNARBHABA Security Service		45,000	45,000
	DPDC-Security Deposit-MIDAS Centre		558,000	558,000
	Solar Panel-Hathajari		5,000	5,000
	Electricity Meter-Feni		5,500	5,500
	Water bill- Security deposit- Cumilla		4,000	4,000
	Total		**637,500**	**637,500**
9.3	**Maturity grouping of other assets**			
	Receivable on demand		87,097,814	104,677,565
	Not more than 3 months		11,434,865	52,454,285
	Over 3 months but not more than 1 year		3,029,316	7,789,754
	Over 1 year but not more than 5 years		213,341,684	194,428,933
	Over 5 years		297,769,083	290,572,904
	Total		**612,672,762**	**649,923,441**
9(a)	**Consolidated others assets**			
	MIDAS Financing Ltd.	9	612,672,762	649,923,441
	MIDAS Investment Ltd.		117,108,944	108,703,078
	Adjustment for consolidation		(249,998,000)	(249,998,000)
	Total		**479,783,706**	**508,628,519**
10	**Non-banking assets**			
	Habib Vegitable Product Ltd.		67,085,523	67,085,523
	Biswas Febrics Ltd.		28,065,467	28,065,467
	Total		**95,150,990**	**95,150,990**

MIDAS Financing limited was awarded absolute ownership of the mortgaged properties of the above mentioned clients, by the competent court against default loans.

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 Dec. 2022	31 Dec. 2021
11	**Borrowings from other banks, financial institutions and agents**			
	Secured		2,100,672,722	1,529,448,130
	Unsecured		556,994,426	521,247,740
			2,657,667,147	**2,050,695,870**
	Inside Bangladesh	11.1	2,657,667,147	2,050,695,870
	Outside Bangladesh		-	-
	Total		**2,657,667,147**	**2,050,695,870**
11.1	**Inside Bangladesh**			
	Term loan from other Banks & FIs	11.2	1,943,370,564	1,351,847,481
	Refinance against SME loan from Bangladesh Bank		3,495,834	59,095,417
	Refinance against Housing loan from Bangladesh Bank		4,780,445	6,012,950
	Refinance against SMEPD loan from Bangladesh Bank		6,250,000	19,500,000
	Refinance against CMSME loan from Bangladesh Bank		-	1,860,000
	Loan from SME foundation		5,175,000	8,957,500
	Short term loan from Banks & FIs	11.3	694,595,305	523,422,522
	Call loan	11.4	-	80,000,000
	Total		**2,657,667,147**	**2,050,695,870**
11.2	**Term loan from other Banks & FIs**			
	Agrani Bank Ltd.		1,487,233,851	1,057,838,548
	Jamuna Bank Ltd.		49,337,082	-
	Modhumoti Bank Ltd.		-	28,045,022
	Shahjalal Islami Bank Ltd.		-	7,140,951
	Bangladesh Krishi Bank		406,799,631	258,822,961
	Total		**1,943,370,564**	**1,351,847,481**
11.3	**Short term loan from Banks & FIs**			
	Standard Bank Ltd.		-	53,000,000
	Pubali Bank Ltd.		60,573,815	51,986,628
	United Commercial Bank Ltd.		37,401,026	46,693,790
	Jamuna Bank Ltd.		30,234,098	45,945,914
	The City Bank Ltd.		43,593,143	40,882,722
	Agrani Bank Ltd		476,719,332	240,835,247
	Uttara Bank Ltd.		46,073,891	44,078,221
	Total		**694,595,305**	**523,422,522**
11.4	**Call loan**			
	Sonali Bank Ltd.		-	40,000,000
	National Credit & Commerce Bank Ltd.		-	40,000,000
	Total		**-**	**80,000,000**
11.5	**Maturity grouping of borrowings from other banks, financial institutions and agents**			
	Repayable on demand		-	80,000,000
	Within 1 month		109,676,834	161,377,445
	Over 1 months but not more than 6 months		1,087,828,157	599,562,801
	Over 6 months but not more than 1 year		181,612,153	96,742,596
	Over 1 year but not more than 5 years		1,142,411,071	654,971,966
	Over 5 years		136,138,932	458,041,062
	Total		**2,657,667,147**	**2,050,695,870**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 Dec. 2022	31 Dec. 2021
11(a)	**Consolidated borrowings from other banks, financial institutions and agents**			
	Inside Bangladesh			
	MIDAS Financing Ltd.	11	2,657,667,147	2,050,695,870
	MIDAS Investment Ltd.		228,875,922	236,145,983
	Adjustment for consolidation		(228,875,922)	(236,145,983)
			2,657,667,147	**2,050,695,870**
	Outside Bangladesh			
	MIDAS Financing Ltd.		-	-
	MIDAS Investment Ltd.		-	-
			-	**-**
	Total		**2,657,667,147**	**2,050,695,870**
12	**Deposits and other accounts**			
	Term deposits	12.1	**5,988,140,293**	**6,152,076,788**
	Other Deposits			
	Security deposits		2,361,537	4,868,217
	Advance lease rental		17,926,369	16,079,511
			20,287,906	**20,947,728**
	Total		**6,008,428,198**	**6,173,024,516**
12.1	**Term deposits**			
	General deposits		5,888,140,293	6,052,076,788
	Deposit from other Banks and Financial institutions	12.2	100,000,000	100,000,000
	Total		5,988,140,293	6,152,076,788
12.2	**Deposits from other banks and financial institutions**			
	Agrani Bank Ltd.		100,000,000	100,000,000
	Total		**100,000,000**	**100,000,000**
12.3	**Maturity analysis of deposits and other accounts**			
	Repayable on demand		63,220,559	50,463,893
	Within 1 month		568,985,027	666,336,763
	Over 1 months but not more than 6 months		2,153,129,100	2,245,612,341
	Over 6 months but not more than 1 year		2,106,730,622	2,082,081,998
	Over 1 year but not more than 5 years		1,086,224,037	1,116,989,050
	Over 5 years		30,138,854	11,540,470
	Total		**6,008,428,198**	**6,173,024,516**
12(a)	**Consolidated deposits and other accounts**			
	Term deposits			
	MIDAS Financing Ltd.	12.1	5,988,140,293	6,152,076,788
	MIDAS Investment Ltd.		-	-
	Adjustment for consolidation		(205,000,000)	(205,000,000)
			5,783,140,293	5,947,076,788
12(b)	**Other deposits**			
	MIDAS Financing Ltd.		20,287,906	20,947,728
	MIDAS Investment Ltd.		-	-
			20,287,906	20,947,728
	Total		5,803,428,198	5,968,024,516

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 Dec. 2022	31 Dec. 2021
13	**Other liabilities**			
	Provision for lease, loans & advances	13.1	678,549,637	654,984,645
	Provision for investment in securities	13.2	52,182,357	8,036,223
	Provision for tax	13.3	211,587,607	196,674,471
	Deferred tax liability	13.4	8,193,123	9,537,754
	Interest payable on borrowings		6,786,975	9,658,039
	Interest payable on deposits		194,297,101	231,979,969
	Advance against installment		65,639,105	118,640,562
	Advance rent from MIDAS Centre & NGS		8,802,782	552,020
	Payable & provision against expenditure	13.5	17,448,547	16,741,033
	Interest suspense	13.6	392,182,594	353,518,172
	Provision for rental income & others	13.7	60,001,405	34,692,767
	Lease liabilities		11,430,117	14,361,195
	Unclaimed Dividend	13.8	1,343,130	1,127,772
	Total		**1,708,444,480**	**1,650,504,621**
13.1	**Provision for lease, loans & advances**			
	(a) General provision on unclassified lease, loans and advances			
	Provision held at the beginning of the year		95,192,361	74,346,499
	Required provision- during the year	33	27,463,591	(9,900,034)
	Required provision - Special General Provision-Covid 19		(7,368,256)	25,139,590
	Required provision - Special Provision		8,553,656	5,606,306
	Balance at the end of the year		**123,841,352**	**95,192,361**
	(b) Specific provision on classified lease, loans and advances			
	Provision held at the beginning of the year		559,792,284	286,161,502
	Required provision during the year	33	42,320,431	152,458,950
	Required provision - Special Provision		(19,491,411)	138,007,138
	Less: Write off during the year		(27,913,019)	(16,835,305)
	Balance at the end of the year		**554,708,285**	**559,792,284**
	Total provision		**678,549,637**	**654,984,645**

As per regulator's requirement DFIM Letter reference no: DFIM(c)1054/41/2023-2191 dated 22 June 2023, provision against lease loan & advances amounting to BDT 24.2788 crore have to keep as additional provision within next 5 (five) years from the year 2022. Out of the total amounting to BDT 24.2788 crore, provision BDT 5.19258 crore kept for the year 2022.

13.2	**Provision for investment in securities**		
	Provision held at the beginning of the year	8,036,223	-
	Required provision during the year	44,146,134	8,036,223
	Balance at the end of the year	**52,182,357**	**8,036,223**
13.3	**Provision for tax**		
	Balance at the beginning of the year	196,674,471	172,101,509
	Provision made during the year	14,913,136	24,572,962
	Adjustment during the year	-	-
	Balance at the end of the year	**211,587,607**	**196,674,471**
	Detail shown in **Annexure-F**		
13.4	**Deferred tax liability**		
	Balance at the beginning of the year	9,537,754	25,363,805
	Deferred tax (income)/expenses during the year	(1,344,630)	(15,826,052)
	Balance at the end of the year	**8,193,123**	**9,537,754**

Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of International Accounting Standard (IAS) 12.

Notes	Particulars	Ref. Notes	Amount in BDT 31 Dec. 2022	31 Dec. 2021
	Computaion of deffered tax			
	Accounting written down value of fixed assets		266,964,080	278,272,061
	Tax base written down value of fixed assets		245,115,752	252,838,052
	Net taxable temporary differences		**21,848,328**	**25,434,009**
	Applicable tax rate		37.50%	37.50%
	Defferred tax liability		**8,193,123**	**9,537,754**
	Deferred tax (income)/expenses during the year		**(1,344,630)**	**(15,826,052)**
	Detail shown in **Annexure-G**			
13.5	**Payable & provision against expenditure**			
	Payable to CDBL		2,436	2,436
	Payable against utilities		2,308,181	2,308,181
	Liability for others		1,021,423	3,022,931
	Audit fees		210,833	189,750
	Withholding VAT,Tax & Excise duty		12,151,931	9,487,992
	CIB fees		1,741,669	1,717,669
	Advance Against SME Fair		12,074	12,074
	Total		**17,448,547**	**16,741,033**
13.6	**Interest suspense**			
	Lease finance		110,944,964	107,571,728
	Term finance		238,838,205	205,918,343
	Consumer credit		19,096	33,371
	Housing finance		42,380,329	39,994,730
	Total		**392,182,594**	**353,518,172**
13.7	**Provision for rental income & others**			
	Provision for rental income		10,729,284	7,414,578
	Provision for Others		32,823,412	14,629,480
	Provision against FDR		16,448,709	11,648,709
	Provision against Off balance sheet exposure		-	1,000,000
			60,001,405	**34,692,767**

As per regulator's requirement DFIM Letter reference no: DFIM(c)1054/41/2023-2191 dated 22 June 2023, provision against other assets amounting to BDT 5.9871 have to keep as additional provision within next 5 (five) years from the year 2022. Out of the total amounting to BDT 5.9871 crore, provision BDT 1.19742 crore kept for the year 2022.

13.8	**Unclaimed dividend**			
	Aging analysis of unclaimed dividend			
	Upto 3 years		1,343,130	1,127,772
	Over 3 years but less than 5 years		-	-
	5 years and above		-	-
			1,343,130	**1,127,772**

As a NBFI, MIDAS Financing Limited prepares and presents its financial statements as per DFIM Circular (Ref. No: DFIM Circular no-11) dated December 23, 2009, where unclaimed dividend payable are shown in other liabilities.

13.9	**Movement of interest suspense account**			
	Balance at the beginning of the year		353,518,172	325,097,860
	Add: Net charge during the year		43,416,246	31,333,477
	Less: Realized during the year		-	-
	Less: Write off during the year		(4,751,825)	(2,913,165)
	Total		**392,182,594**	**353,518,172**
13.10	**Maturity grouping of other liabilities**			
	Repayable on demand		17,448,547	16,741,033
	Within 1 month		112,183,762	42,728,991
	Over 1 month but not more than 6 months		552,584,260	556,862,109
	Over 6 months but not more than 1 year		378,914,921	381,848,303
	Over 1 year but not more than 5 years		552,584,260	556,862,109
	Over 5 years		94,728,730	95,462,076
	Total		**1,708,444,480**	**1,650,504,621**

Notes	Particulars	Ref. Notes	Amount in BDT 31 Dec. 2022	31 Dec. 2021
13(a)	**Consolidated other liabilities**			
	MIDAS Financing Ltd.	13	1,708,444,480	1,650,504,621
	MIDAS Investment Ltd.		154,267,031	128,869,307
	Adjustment for consolidation		-	-
	Total		**1,862,711,511**	**1,779,373,929**
14	**Share Capital**			
14.1	**Authorized Capital**			
	200,000,000 ordinary shares of Tk. 10 each		**2,000,000,000**	**2,000,000,000**
14.2	**Issued, Subscribed and Paid up Capital**			
	At the beginning of the year		1,424,678,291	1,389,930,040
	Add: Bonus share issued		14,246,779	34,748,251
	Total at the end of the year		**1,438,925,070**	**1,424,678,291**
14.3	**Shareholding position**			
	Sponsor shareholders group		454,366,200	449,867,550
	General shareholders group	14.3.1	984,558,870	974,810,741
	Total		**1,438,925,070**	**1,424,678,291**
14.3.1	**General shareholders group**			
	Non resident		6,480,250	6,497,020
	Companies & institutions		383,584,860	376,194,150
	General public		594,493,760	592,119,571
	Total		**984,558,870**	**974,810,741**

14.4

Classification of shareholders by holding	No. of Shareholders	Percentage of holding shares	No. of shares	No. of shares
Less than 500 shares	1806	0.16%	234,500	322,640
501 to 5,000 shares	2353	3.03%	4,361,454	5,037,418
5,001 to 10,000 shares	556	2.55%	3,676,449	4,417,883
10,001 to 20,000 shares	389	3.58%	5,156,383	5,271,194
20,001 to 30,000 shares	154	2.53%	3,645,240	3,421,055
30,001 to 40,000 shares	80	1.90%	2,727,685	2,424,667
40,001 to 50,000 shares	36	1.10%	1,587,587	1,811,327
50,001 to 1,00,000 shares	81	3.83%	5,514,497	4,678,383
1,00,001 & above shares	90	81.30%	116,988,712	115,083,262
Total	**5545**	**100.00%**	**143,892,507**	**142,467,829**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 Dec. 2022	31 Dec. 2021

14.5 Year wise details break up of raising paid up capital

Year	Declaration	No of shares	Value of shares Per share @ Tk. 10	Paid up capital (Cumulative)
May 16, 1995	1st Allotment share	10,000	100,000	100,000
1996-1997	Allotment share	5,021,000	50,210,000	50,310,000
1999-2000	Allotment share	509,000	5,090,000	55,400,000
2002-2003	IPO	4,460,000	44,600,000	100,000,000
2003-2004	Bonus share	689,200	6,892,000	106,892,000
2004-2005	Bonus share	1,068,920	10,689,200	117,581,200
2004-2005	Right share	11,758,120	117,581,200	235,162,400
2005-2006	Bonus share	2,351,620	23,516,200	258,678,600
2006-2007	Bonus share	2,586,790	25,867,900	284,546,500
2007-2008	Bonus share	2,845,460	28,454,600	313,001,100
2008-2009	Bonus share	3,912,510	39,125,100	352,126,200
2009-2010	Bonus share	5,281,890	52,818,900	404,945,100
2010-2011	Bonus share	14,173,070	141,730,700	546,675,800
2011-2012	Bonus share	5,466,758	54,667,580	601,343,380
2014-2015	Right share	60,134,338	601,343,380	1,202,686,760
2018	Bonus share 2017	12,026,867	120,268,670	1,322,955,430
2019	Bonus share 2018	3,307,388	33,073,880	1,356,029,310
2020	Bonus share 2019	3,390,073	33,900,730	1,389,930,040
2021	Bonus share 2020	3,474,825	34,748,251	1,424,678,291
2022	Bonus share 2021	1,424,678	14,246,779	1,438,925,070

14.6	**Capital adequacy - As per BASEL-II**			
	a) Core Capital (Tier-I)			
	Paid-up capital	14.2	1,438,925,070	1,424,678,291
	Statutory reserve	16	143,091,535	140,714,913
	Retained earnings	17	81,591,098	100,578,168
			1,663,607,702	**1,665,971,373**
	b) Supplementary Capital (Tier-II)			
	General provision	13.1 (a)	111,859,555	95,192,361
	c) Total eligible capital (a + b)		**1,775,467,258**	**1,761,163,733**
	Total assets including off-balance sheet exposures		**12,038,147,528**	**11,640,196,380**
	d) Total risk weighted assets (RWA)		**9,804,495,416**	**9,454,995,216**
	e) Required capital based on risk weighted assets (10% of d)		**980,449,542**	**945,499,522**
	f) Capital surplus/(shortfall) (c-e)		**795,017,716**	**815,664,212**
	Capital Adequacy Ratio (%)		**18.11**	**18.63**

Notes	Particulars	Ref. Notes	Amount in BDT 31 Dec. 2022	31 Dec. 2021
14.7	**Consolidated Capital adequacy - As per BASEL-II**			
	a) Core Capital (Tier-I)			
	Paid-up capital	14.2	1,438,925,070	1,424,678,291
	Statutory reserve	16	143,091,535	140,714,913
	Retained earnings	17(a)	87,114,824	109,384,298
			1,669,131,430	**1,674,777,503**
	b) Supplementary Capital (Tier-II)			
	General provision	13.1 (a)	111,959,297	95,192,361
	c) Total eligible capital (a + b)		**1,781,090,727**	**1,769,969,864**
	Total assets including off-balance sheet exposures		**11,992,940,338**	**11,572,873,893**
	d) Total risk weighted assets (RWA)		**9,986,726,128**	**9,632,286,624**
	e) Required capital based on risk weighted assets (10% of d)		**998,672,613**	**963,228,662**
	f) Capital surplus/(shortfall) (c-e)		**782,418,114**	**806,741,201**
	Capital Adequacy Ratio (%)		**17.83**	**18.38**
15	**General reserve**			
	Opening balance		-	-
	Add: Addition during the year		-	-
			-	**-**
16	**Statutory reserve**			
	Opening balance		140,714,913	124,338,385
	Add: Addition during the year		2,376,622	16,376,528
	Closing balance		**143,091,535**	**140,714,913**

NBFIs are required to transfer 20% of the profit to statutory reserve before declaration of dividend as per Financial Institutions Regulations, 1994. MIDAS Financing Limited (MFL) transfer 20% on post tax profit in compliance with the regulation.

17	**Retained earnings**			
	Opening balance		100,578,168	104,568,559
	Add: Profit after tax		11,883,110	81,882,639
	Less: Transfer to statutory reserve		(2,376,622)	(16,376,528)
	Less: Issuance of stock dividend		(14,246,779)	(34,748,251)
	Less: Issuance of cash dividend		(14,246,779)	(34,748,251)
	Closing balance		**81,591,098**	**100,578,168**
17(a)	**Consolidated retained earnings**			
	Opening balance		109,384,298	110,824,677
	Add: Profit after tax		8,600,706	84,432,652
	Less: Transfer to statutory reserve		(2,376,622)	(16,376,528)
	Less: Issuance of stock dividend		(14,246,779)	(34,748,251)
	Less: Issuance of cash dividend		(14,246,779)	(34,748,251)
	Closing balance		**87,114,824**	**109,384,298**

18 Business commitments and contingencies

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities. No material losses are anticipated as a result of these transactions. These contingent liabilities and business commitments are quantified are below:

18.1 Contingent liabilities

Acceptances and endorsements	-	-
Letters of guarantee	-	100,000,000
Irrevocable letters of credit	-	-
Bills for collection	-	-
Total	**-**	**100,000,000**

18.2 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	-	-
Claims against the bank not acknowledged as debts	-	-
Total	**-**	**-**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 Dec. 2022	31 Dec. 2021
19	**Profit and loss account**			
	Income			
	Interest income	20	952,652,613	1,238,901,798
	Dividend income	22	7,135,903	22,822,768
	Commission, exchange and brokerage		-	1,100,000
	Gains less losses arising from investment securities	22	3,827,849	50,122,554
	Other operating income	23	43,261,751	46,094,063
			1,006,878,117	**1,359,041,184**
	Expenses			
	Interest on deposits & borrowings, etc.	21	686,952,910	762,986,485
	Administrative expenses		178,377,815	152,442,341
	Other operating expenses	32	7,495,469	6,216,705
	Depreciation on fixed assets	31(a)	15,580,543	15,605,933
			888,406,737	**937,251,464**
	Profit before provision		**118,471,379**	**421,789,719**
20	**Interest income**			
	Interest on lease, loans & advances	20.1	931,164,673	1,224,131,068
	Interest on placement with other Banks & FIs	20.2	21,487,942	14,770,731
	Total		**952,652,613**	**1,238,901,798**
20.1	**Interest on lease, loans & advances**			
	Interest income on lease finance		62,446,215	48,775,716
	Interest income on term finance		728,771,064	984,370,929
	Interest on housing finance		123,263,679	176,926,923
	Interest on consumer credit		56,015	138,138
	Interest on staff loan		1,806,662	(242,667)
	Revenue from writeoff collection		14,821,039	14,162,029
	Total		**931,164,673**	**1,224,131,068**
20.2	**Interest on placement with other Banks & FIs**			
	Interest on FDR		20,326,704	13,973,319
	Interest on STD accounts		1,161,238	797,412
	Total		**21,487,942**	**14,770,731**
20(a)	**Consolidated interest income**			
	Interest on lease, loans & advances			
	MIDAS Financing Ltd.	20.1	931,164,673	1,224,131,068
	MIDAS Investment Ltd.		5,325,798	7,408,995
	Adjustment for consolidation		(27,126,203)	(29,921,824)
			909,364,267	**1,201,618,239**
	Interest on placement with other Banks & FIs			
	MIDAS Financing Ltd.	20.2	21,487,942	14,770,731
	MIDAS Investment Ltd.		16,454,667	19,799,783
	Adjustment for consolidation		(16,454,667)	(19,799,783)
			21,487,942	**14,770,731**
	Total		**930,852,209**	**1,216,388,971**

Notes	Particulars	Ref. Notes	Amount in BDT 2022	2021
21	**Interest on deposits & borrowings, etc.**			
	Interest paid on deposits		507,837,672	608,082,118
	Interest paid on borrowings	21.1	179,115,237	154,904,367
	Total		**686,952,910**	**762,986,485**
21.1	**Interest paid on borrowings**			
	Interest expenses on bank loan		171,533,221	142,983,383
	Interest expenses on call loan		1,544,305	5,217,587
	Interest expenses on re-financing loan		1,219,250	1,590,455
	Interest expenses- BD Bank SMEDP		316,319	930,810
	Interest Expenses - Bd Bank CMSME		37,825	230,950
	Interest expenses on lease liabilities		1,209,368	1,338,181
	Other financing cost		3,254,947	2,613,000
	Total		**179,115,237**	**154,904,367**
21(a)	**Consolidated interest on deposits and borrowings, etc.**			
	Interest paid on deposits			
	MIDAS Financing Ltd.		507,837,672	608,082,118
	MIDAS Investment Ltd.		168,164	331,191
	Adjustment for consolidation		(16,454,667)	(19,799,783)
			491,551,170	**588,613,525**
	Interest paid on borrowings			
	MIDAS Financing Ltd.		179,115,237	154,904,367
	MIDAS Investment Ltd.		27,126,203	29,921,824
	Adjustment for consolidation		(27,126,203)	(29,921,824)
			179,115,237	**154,904,367**
	Total		**670,666,407**	**743,517,892**
22	**Income from investment**			
	Income from investment in shares		3,827,849	50,122,554
	Dividend income		7,135,903	22,822,768
	Total		**10,963,752**	**72,945,322**
22(a)	**Consolidated income from investment**			
	Income from investment in shares			
	MIDAS Financing Ltd.	22	3,827,849	50,122,554
	MIDAS Investment Ltd.		(414,042)	5,394,251
			3,413,807	**55,516,805**
	Dividend income			
	MIDAS Financing Ltd.		7,135,903	22,822,768
	MIDAS Investment Ltd.		3,145,645	2,749,754
			10,281,548	**25,572,522**
	Less: Dividend from subsidiary		-	(19,999,840)
	Total		**13,695,355**	**61,089,487**

Notes	Particulars	Ref. Notes	Amount in BDT 2022	2021
23	**Other operating income**			
	Transfer price for leased asset		-	-
	Processing and other fees		5,719,494	5,324,927
	Sale of application form		56,176	73,850
	Rental income-MIDAS Centre & Nahar green		32,769,644	39,989,741
	Other income	23.1	621,517	705,545
	Gain on sale of fixed assets		4,094,921	-
	Total		**43,261,751**	**46,094,063**
23.1	**Other income**			
	Notice pay		203,253	208,389
	News paper & other sales		360	-
	Miscellaneous income from deposits (Delay fine)		413,270	409,016
	Miscellaneous income others		4,634	88,140
	Total		**621,517**	**705,545**
23(a)	**Consolidated other operating income**			
	MIDAS Financing Ltd.	23	43,261,751	46,094,063
	MIDAS Investment Ltd.		28,688,606	29,805,323
	Total		**71,950,357**	**75,899,387**
24	**Salary and allowances**		**139,319,876**	**123,996,306**
24(a)	**Consolidated salary & allowances**			
	MIDAS Financing Ltd.	24	139,319,876	123,996,306
	MIDAS Investment Ltd.		4,806,186	5,941,281
	Total		**144,126,062**	**129,937,586**
25	**Rent, taxes, insurances, electricity, etc.**			
	Rates & taxes		1,997,244	1,977,094
	Office rent		144,216	240,055
	Insurance		199,406	188,068
	Utilities		11,111,039	5,335,089
	Total		**13,451,905**	**7,740,306**
25(a)	**Consolidated rent, taxes, insurance, electricity, etc.**			
	MIDAS Financing Ltd.	25	13,451,905	7,740,306
	MIDAS Investment Ltd.		1,307,516	919,299
	Total		**14,759,421**	**8,659,605**
26	**Legal expenses**			
	Legal/professional fees		2,214,017	1,841,849
	Other legal expenses/Non judicial stamp		3,508,045	1,042,273
	Total		**5,722,062**	**2,884,122**
26(a)	**Consolidated legal expenses**			
	MIDAS Financing Ltd.	26	5,722,062	2,884,122
	MIDAS Investment Ltd.		57,500	115,000
	Total		**5,779,562**	**2,999,122**

Notes	Particulars	Ref. Notes	Amount in BDT 2022	2021
27	**Postage, stamp, telecommunication, etc.**			
	Postage & courier expenses		187,959	158,373
	Telephone, mobile, fax and internet		3,166,960	2,494,435
	Total		**3,354,919**	**2,652,808**
27(a)	**Consolidated postage, stamps, telecommunication, etc.**			
	MIDAS Financing Ltd.	27	3,354,919	2,652,808
	MIDAS Investment Ltd.		155,260	169,042
	Total		**3,510,179**	**2,821,850**
28	**Stationery, printing, advertisements, etc.**			
	Stationery		670,077	683,705
	Printing		1,013,156	797,203
	Advertisement and publicity		1,295,644	771,695
	Signboard and banner		13,660	53,771
	Total		**2,992,537**	**2,306,374**
28(a)	**Consolidated stationery, printing, advertisements, etc.**			
	MIDAS Financing Ltd.	28	2,992,537	2,306,374
	MIDAS Investment Ltd.		67,202	79,800
	Total		**3,059,739**	**2,386,174**
29	**Managing Director's salary and benefits**		**10,083,889**	**9,472,004**
30	**Directors' fees and expenses**			
	Honorarium for attending meeting (including VAT)		1,223,200	1,295,200
	Incidental expenses for meeting		-	-
	Total		**1,223,200**	**1,295,200**
	Total 12 nos of Board meeting, 5 nos of audit committee meeting and 4 executive committee (EC) meeting were held during the period of January 01, 2022 to December 31, 2022. Each Director was paid Tk. 8,000 for attending in each meeting.			
30(a)	**Consolidated directors' fees and expenses**			
	MIDAS Financing Ltd.	30	1,223,200	1,295,200
	MIDAS Investment Ltd.		137,500	80,000
	Total		**1,360,700**	**1,375,200**
31	**Depreciation and repair of company's assets**			
	i) Depreciation of company's assets (Annexure A)			
	Building		2,968,470	3,112,584
	Right of use of assets		4,768,319	4,582,841
	Office equipment		531,880	572,539
	Office furniture		1,197,452	1,242,673
	Motor vehicle		250,182	312,727
	Intengible asset		135,566	58,200
	Computer equipment		685,185	680,881
			10,537,054	**10,562,444**
	ii) Building (Investment property)		**5,043,489**	**5,043,489**
	iii) Repair of company's assets			
	Office repair and maintenance		1,449,773	1,490,304
	Car maintenance		568,821	415,167
			2,018,594	**1,905,471**
	Total (i+ii+iii)		**17,599,137**	**17,511,404**

Notes	Particulars	Ref. Notes	Amount in BDT 2022	2021
31(a)	**Consolidated depreciation and repair of company's assets**			
	a) Depreciation of company's assets (Annexure B)			
	MIDAS Financing Ltd.	31(i)	10,537,054	10,562,444
	MIDAS Investment Ltd.		547,723	618,130
			11,084,777	**11,180,574**
	b) Building (Investment property)		**8,538,040**	**8,627,644**
	c) Repair of company's assets:			
	MIDAS Financing Ltd.	31(ii)	2,018,594	1,905,471
	MIDAS Investment Ltd.		47,353	68,295
			2,065,947	**1,973,766**
	Total (a+b+c)		**21,688,764**	**21,781,984**
32	**Other expenses**			
	Fuel		253,141	357,500
	Traveling and conveyance		1,282,031	1,003,309
	Public relation and AGM expenses		879,371	567,602
	News paper & periodicals		11,022	21,600
	Business promotion & development		100,000	96,988
	Entertainment		1,603,277	1,020,740
	Training, seminar & workshop		22,250	15,000
	Membership fees & subscription		1,574,126	2,162,902
	Bank charge		1,262,482	695,876
	Share management expenses		180,257	259,979
	Donation		40,000	-
	Miscellaneous expenses		-	100
	Loss on sale of fixed assets		52,843	15,109
	Event management		234,669	-
	Total		**7,495,469**	**6,216,705**
32(a)	**Consolidated other expenses**			
	MIDAS Financing Ltd.	32	7,495,469	6,216,705
	MIDAS Investment Ltd.		1,347,487	1,541,411
	Total		**8,842,956**	**7,758,117**
33	**Provision against loans, lease finance & others**			
	General provisions	13.1 (a)	28,648,991	20,845,862
	Specific provisions	13.1 (b)	(5,083,999)	290,466,088
	Provisions for diminution in value of investments	13.2	44,146,134	8,036,223
	Provision for off balance sheet exposures		(1,000,000)	1,000,000
	Other provisions		26,308,638	10,811,998
	Total		**93,019,763**	**331,160,170**
33(a)	**Consolidated provision against loans, lease finance & others**			
	General provisions			
	MIDAS Financing Ltd.		28,648,991	20,845,862
	MIDAS Investment Ltd.		-	-
	Total		**28,648,991**	**20,845,862**

Notes	Particulars	Ref. Notes	Amount in BDT 2022	2021
33(b)	**Specific provisions**			
	MIDAS Financing Ltd.		(5,083,999)	290,466,088
	MIDAS Investment Ltd.		-	-
	Total		**(5,083,999)**	**290,466,088**
33(c)	**Provisions for diminution in value of investments**			
	MIDAS Financing Ltd.		44,146,134	8,036,223
	MIDAS Investment Ltd.		8,750,217	(13,711,454)
	Total		**52,896,350**	**(5,675,230)**
33(d)	**Current tax**			
	MIDAS Financing Ltd.		14,913,136	24,572,962
	MIDAS Investment Ltd.		3,606,448	7,946,424
	Total		**18,519,584**	**32,519,386**
33(e)	**Deferred tax**			
	MIDAS Financing Ltd.		(1,344,630)	(15,826,052)
	MIDAS Investment Ltd.		(1,242,641)	(1,115,015)
	Total		**(2,587,271)**	**(16,941,067)**
33(f)	**Other provisions**			
	MIDAS Financing Ltd.		26,308,638	10,811,998
	MIDAS Investment Ltd.		6,048,936	6,061,192
	Total		**32,357,574**	**16,873,190**
33(g)	**Provision for off balance sheet exposures**			
	MIDAS Financing Ltd.		(1,000,000)	1,000,000
	MIDAS Investment Ltd.		-	-
	Total		**(1,000,000)**	**1,000,000**
34	**Earnings per share (EPS)**			
	Net profit after tax (A)		11,883,110	81,882,639
	Number of ordinary shares outstanding (denominator) (B)		143,892,507	143,892,507
	Earnings per share (A/B) (Restated)		**0.08**	**0.57**
34(a)	**Consolidated earnings per share (EPS)**			
	Consolidated net profit after tax (A)		8,600,680	84,432,832
	Number of ordinary shares outstanding (denominator) (B)		143,892,507	143,892,507
	Earnings per share (A/B) (Restated)		**0.06**	**0.59**
35	**Net assets value (NAV) per share**			
	Net assets (A)		1,663,607,702	1,665,971,373
	Number of ordinary shares outstanding (denominator) (B)		143,892,507	143,892,507
	Net assets value (NAV) per share (A/B) (Restated)		**11.56**	**11.58**
35(a)	**Consolidated net assets value (NAV) per share**			
	Net assets (A)		1,669,131,430	1,674,777,503
	Number of ordinary shares outstanding (denominator) (B)		143,892,507	143,892,507
	Consolidated net assets value (NAV) per share (A/B) (Restated)		**11.60**	**11.64**

Notes	Particulars	Ref. Notes	Amount in BDT 2022	2021
36	**Net operating cash flow per share**			
	Net operating cash flow (A)		(557,687,205)	177,514,606
	Number of ordinary shares outstanding (denominator) (B)		143,892,507	143,892,507
	Net operating cash flow per share (A/B) (Restated)		**(3.88)**	**1.23**
36(a)	**Consolidated net operating cash flow per share**			
	Net operating cash flow (A)		(553,279,741)	188,343,706
	Number of ordinary shares outstanding (denominator) (B)		143,892,507	143,892,507
	Consolidated net operating cash flow per share (A/B) (Restated)		**(3.85)**	**1.31**
37	**Reconciliation of net operating cash flow**			
	Net profit after tax		**11,883,110**	**81,882,639**
	Items not involved in cash movement:			
	Add: Depreciation		15,580,543	15,605,933
	Add/(Less): Provision for taxation		14,913,136	24,572,962
	Add/(Less): Provision for deferred tax		(1,344,630)	(15,826,052)
	Add: Provision for loans and investment		67,711,125	319,348,173
	Add: Provision for others		25,308,638	11,811,998
	Add/(Less):Accrued income		(54,124,588)	(41,269,442)
	Add/(Less):Accrued expenses		(51,478,325)	(231,989,916)
	Less: Gain on disposal of fixed assets		4,094,921	-
	Add: Adjustment for ROU lease rent		(2,931,078)	(2,667,419)
	Add: Loss on disposal of fixed assets		52,843	15,109
	Adjustments to reconcile net profit after tax to net to net cash provided by operating activities		**29,665,695**	**161,483,988**
	Changes in operating assets and liabilities			
	(Increase)/Decrease in Loans and lease finance to customers		(481,665,049)	11,363,977
	(Increase)/Decrease in Purchase/Sale of trading securities		3,058,229	26,157,097
	Increase/(Decrease) in Deposits from banks & individuals		(164,596,317)	42,583,635
	Increase/(Decrease) in Interest suspense		38,664,422	28,420,312
	(Increase)/Decrease in Income tax		(23,987,264)	(28,978,156)
	Increase/(Decrease) in Payable & accrued expenses		707,514	10,650,309
	(Increase)/Decrease in Other assets		59,692,261	(86,833,004)
	Increase/(Decrease) in Other liabilities		(19,226,698)	12,666,449
	Cash received/(paid) from operating assets and liabilities		**(587,352,901)**	**16,030,618**
	Net cash flow from/(used in) operating activites		**(557,687,205)**	**177,514,606**

Notes	Particulars	Ref. Notes	Amount in BDT	
			2022	2021
37(a)	**Reconciliation of consolidated net operating cash flow**			
	Net profit after tax		**8,600,680**	**84,432,832**
	Items not involved in cash movement:			
	Add: Depreciation		19,622,817	19,808,218
	Add/(Less): Provision for taxation		18,519,584	32,519,386
	Add/(Less): Provision for deferred tax		(2,587,271)	(16,941,067)
	Add: Provision for loans and investment		76,461,342	305,636,720
	Add: Provision for others		31,357,574	17,873,190
	Add/(Less):Accrued income		(54,124,588)	(26,956,773)
	Add/(Less):Accrued expenses		(35,600,375)	(227,181,553)
	Add: Adjustment for ROU lease rent		(2,931,078)	(2,667,419)
	Less: Gain on disposal of fixed assets		4,094,921	-
	Add: Loss on disposal of fixed assets		52,843	15,109
	Adjustments to reconcile net profit after tax to net to net cash provided by operating activities		**63,466,449**	**186,538,643**
	Changes in operating assets and liabilities			
	(Increase)/Decrease in Other assets		57,274,281	(93,679,575)
	Increase/(Decrease) in Other liabilities		(28,905,132)	36,907,344
	(Increase)/Decrease in Purchase/Sale of trading securities		(1,656,342)	42,612,333
	(Increase)/Decrease in Loans and lease finance to customers		(490,294,718)	(31,490,755)
	Increase/(Decrease) in Deposits from banks & individuals		(164,596,317)	42,583,635
	(Increase)/Decrease in Income tax		(28,590,009)	(34,899,175)
	Increase/(Decrease) in Interest suspense		38,664,422	28,420,312
	Increase/(Decrease) in Payable & accrued expenses		1,357,625	11,350,945
	Cash received/(paid) from operating assets and liabilities		**(616,746,190)**	**1,805,063**
	Net cash flow from/(used in) operating activites		**(553,279,741)**	**188,343,706**

38 Disclosure on Audit Committee of the Board

a) Composition of audit committee

The audit Committee of the Board of Directors consists of the following 5(five) members of the Board:

Sl. No	Name	Status with the company	Status with the Committee	Educational Qualification
1	Mr. Ghulam Rahman	Independent Director	Chairman	B.A. (Hons) and M.A. in Economics from D.U.
2	Mr. Abdul Karim	Director	Member	B.A. (Hons) and M.A. in Economics from D.U.
3	Mr. Ali Imam Majumder	Director	Member	M. Sc. In Mathematics from C.U.
4	Ms. Nazneen Sultana	Independent Director	Member	B.Sc. (Hons), M.Sc. In Physics from D.U.
5	Mr. Md. Shahedul Alam	Director	Member	M. BA from D.U.

The members of the Board Audit Committee are all having good exposure in the NBFI's business. They played active role in the Board Meetings.

b) Meetings held by the committee during the year by date and no of attendances

Sl. No	Meeting No	Date of Meetings	No of Attendances
1	92nd Meeting	23.01.2022	5
2	93rd Meeting	28.04.2022	5
3	94th Meeting	19.07.2022	5
4	95th Meeting	31.08.2022	5
5	96th Meeting	23.10.2022	5

c) Meeting of Audit Committee

During the period January 1, 2022 to December 31, 2022, the Audit Committee of the Board conducted 5 (Five) meetings. In those meetings, among others, the committee reviewed/discussed/oversaw the following issues

i) Annual internal audit plan and compliance process;
ii) Adequacy of internal audit function;
iii) Company's internal administrative policy;
iv) Quarterly loan, lease classification and recovery position;
v) Financial reporting process and choice of accounting policies and principles;
vi) Annual financial statements along with annual report of the Company;
vii) Quarterly and half-yearly financial statements of the Company;
viii) Internal and External (including Bangladesh Bank) Inspection & Audit Reports and management letter issued by statutory auditor;
ix) Internal control systems and procedures;
x) Financial statements of subsidiary company;
xi) Compliance of legal and regulatory requirements.

39 Related party disclosure

Parties are considered to be related, if one party has the ability to control the other party or exercise significant influence over the other party, in making financial and operational decisions and include associated companies with or without common directors and key management positions. The company has entered into transactions with other entities in the normal course of business that fall within the definition or related party as per International Accounting Standard -24 ' Related Party Disclosure.' Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time of comparable transactions with other customers of similar credential and do not involve more than normal risk.

MIDAS Financing Limited and its subsidiary

Notes, comprising a summary of significant accounting policies and other explanatory notes

As at and for the year ended December 31, 2022

39.1 Name of the Directors and their interest in different entities

Sl. No.	Name of Directors	Status in MFL	Entities where they have interest	Position
1	Ms. Rokia A. Rahman	Chairman (Nominated by MIDAS)	R.R. Cold Storage Ltd.	Chairman & MD
			Mediaworld Ltd.	Chairman
			Arlinks Ltd.	Chairman
			Aris Holdings Ltd.	Chairman
			Mediastar Ltd.	Director
			Imaan Cold Storage Ltd.	Director
			ABC Radio	Director
			Bangladesh Lamps Ltd.	Independent Director
			Marico Bangladesh Ltd.	Independent Director
			MIDAS	Director
			BRAC	Governing Body Member
			Banchte Shekha, Jashore	Chairperson
			Presidency University	Member of Board of Trustees
2	Mr. Mohammed Nasir Uddin Chowdhury	Director (Nominated by Lanka-Bangla Finance Ltd.)	Rajshahi Agro Fisheries Complex Ltd.	Chairman
			FinExcel Ltd.	Vice Chairman
			LankaBangla Securities Ltd.	Managing Director
			Bengal Meat Processing Industry Ltd..	Director
			LankaBangla Investment Ltd.	Director
			BD Venture Ltd.	Director
			Eastern Cables Ltd.	Director
3	Mr. Abdul Karim	Director (Nominated by MIDAS)	MIDAS	Director
			SEP Bangladesh	Treasurer
			VERC	Treasurer
4	Mr. M. Hafizuddin Khan	Director (Nominated by MIDAS)	MIDAS Investment Limited	Director
			MIDAS	Director
			Transparency International - Bangladesh (TIB)	Member of Board of Trustees
			Anjuman Mufidul Islam	Vice President
5	Mr. Ali Imam Majumder	Director (Nominated by MIDAS)	MIDAS	Director
			Transparency International - Bangladesh (TIB)	Member of Board of Trustees
			NIS Suport Project, Phase-2	Senior Advisor
6	Mr. Ghulam Rahman	Independent Director	Consumer Associtaion of Bangladesh	President
			MIDAS Investment Ltd.	Director
			Anjuman Mufidul Islam	Vice President
7	Mr. Md. Shamsul Alam	Director (General Share holder Group)	Arasco Agro Food and Feed Ltd.	Managing Director
			Arafat Agro Trade	Proprietor
8	Mr. Md. Shahedul Alam	Director (General Share holder Group)	RADIO VISION	Partner
			Hay Agro (Pvt) Ltd.	Chairman
			SBL Capital Managemnt Ltd.	Director
9	Ms. Nazneen Sultana	Independent Director		

39.2 Significant contract in which the company, its subsidiary or any fellow subsidiary company was a party and wherein the directors have interest that subsisted at any time during the year or at the end of the year - Nill

39.3 Shares issued to Directors & Executives without consideration or issued at discount - Nill

39.4 Related party transactions

During the year, the company carried out a number of transactions with related party in the normal course of business. The name of the related party and nature of this transactions have been set out in accordance with the provisions of IAS 24 (Related party disclosure) as noted below:

Name of the related party	Relationship	Transaction nature	Classification Status	Amount in BDT	
				2022	2021
MIDAS	Sponsor shareholder	Term deposits	N/A	80,000,000	100,000,000
MIDAS Investment Ltd	Subsidiary	STL & LTD	Standard	228,875,922	236,145,983
MIDAS Investment Ltd	Subsidiary	Term deposits	N/A	205,000,000	205,000,000
LankaBangla Securities Ltd.	Shareholder	Investment (un-listed)	N/A	5,000,000	5,000,000
LankaBangla Securities Ltd.	Shareholder	Maintainance of investment (Share) portfolio through BO A/C	N/A	214,923,874	273,104,159
Total				**733,799,796**	**819,250,142**

39.5 Lending policy to related parties

Amount of transactions regarding loans and advances, deposits, guarantees and commitment in **Note- 39.4**

39.6 Investment in securities of the Directors and their related concerns - Nill

40 Number of employees

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk. 36,000 per annum or above were 197 at the end of December 31, 2022 as against 182 in 2021.

41 Events after the balance sheet date

There is no material adjusting or non adjusting events after the balance sheet date except as disclosed in **Note- 41.1**

41.1 Proposed dividend

The Board of Directors in its 356th Meeting held on October 16, 2023 has recommended to the shareholders @1.5% (percent) Cash Dividend for the year ended December 31, 2022 as per the approval from Bangladesh Bank through letter # DFIM (C) 1054/41/2023-2744 dated August 14, 2023. The final approval of the dividend will come during the 27th Annual General Meeting of the company through digital platform as per Bangladesh Securities & Exchange Commission (BSEC) guideline.

Annexure-A

MIDAS Financing Limited

Fixed assets including land, building, furniture and fixtures

For the period ended December 31, 2022

Amount in Taka

Particulars	COST				Rate of Dep	DEPRECIATION/AMORTIZATION				WDV as on December 31, 2022
	Balance as on Jan 1, 2022	Addition/ transfer during the year	Disposal/ adjustment during the year	Balance as on Dec 31. 2022		Balance as on Jan 1, 2022	Charged for the year	Adjustment/ transfer during the year	Balance as on Dec 31. 2022	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
I. Free holds assets										
Land	19,505,978	-	1,500,460	18,005,518		-	-	-	-	18,005,518
Building	124,503,139	-	17,293,609	107,209,530	2.5%	38,759,985	2,968,470	5,751,623	35,976,832	71,232,698
Right of use of assets	28,327,411	431,335.11	-	28,758,746		12,753,373	4,768,319	-	17,521,691	11,237,055
Office equipment	10,300,343	164,896	61,665	10,403,574	18%	7,399,836	531,880	49,185	7,882,531	2,521,043
Furniture & fixtures	30,414,768	71,247		30,486,015	10%	18,477,348	1,197,452	-	19,674,800	10,811,215
Motor vehicle	8,119,543	-	-	8,119,543	20%	6,868,635	250,182	-	7,118,817	1,000,726
Computer equipment	14,664,567	1,104,245	149,650	15,619,162	18%	11,446,483	685,185	84,957	12,046,711	3,572,451
Sub total	**235,835,749**	**1,771,723**	**19,005,384**	**218,602,088**		**95,705,657**	**10,401,487**	**5,885,765**	**100,221,380**	**118,380,707**
II. Intangible assets										
System & software	1,339,275	15,620,459	-	16,959,734	30%	1,203,474	135,566	-	1,339,041	15,620,693
Total as on Dec 31, 2022	**237,175,024**	**17,392,182**	**19,005,384**	**235,561,822**		**96,909,132**	**10,537,054**	**5,885,765**	**101,560,421**	**134,001,400**
Total as on Dec 31, 2021	**29,466,882**	**8,210,586**	**502,444**	**237,175,024**		**86,738,064**	**10,562,444**	**510,094**	**96,909,132**	**140,265,892**

MIDAS Financing Limited and its subsidiary

Consolidated Fixed assets including land, building, furniture and fixtures

For the period ended December 31, 2022

Amount in Taka

Particulars	COST				DEPRECIATION/AMORTIZATION				WDV as on December 31, 2022
	Balance as on Jan 1, 2022	Addition/ transfer during the year	Disposal/ adjustment during the year	Balance as on Dec 31. 2022	Balance as on Jan 1, 2022	Charged for the year	Adjustment/ transfer during the year	Balance as on Dec 31. 2022	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
I. Free holds assets									
Land	37,161,905	-	1,500,460	35,661,445	-	-	-	-	35,661,445
Building	146,664,477	-	17,293,609	129,370,868	42,825,201	3,420,873	5,751,623	40,494,451	88,876,417
Right of use of assets	28,327,411	431,335		28,758,746	12,753,373	4,768,319	-	17,521,692	11,237,055
Office equipment	10,465,620	164,896	61,665	10,568,851	7,752,249	535,389	49,185	8,238,453	2,330,398
Furniture & fixtures	31,443,460	71,247	-	31,514,707	18,989,394	1,215,716	-	20,205,110	11,309,597
Motor vehicle	8,119,543	-	-	8,119,543	6,868,635	250,182	-	7,118,817	1,000,726
Computer equipment	15,710,711	1,104,245	149,650	16,665,306	12,533,178	692,031	84,957	13,140,252	3,525,054
Sub total	**277,893,127**	**1,771,723**	**19,005,384**	**260,659,466**	**101,722,028**	**10,882,509**	**5,885,765**	**106,718,775**	**153,940,692**
II. Intangible assets									
System & software	2,494,275	15,620,459	-	18,114,734	2,136,137	202,267	-	2,338,404	15,776,330
Total as on Dec 31, 2022	**280,387,402**	**17,392,182**	**19,005,384**	**278,774,200**	**103,858,166**	**11,084,777**	**5,885,765**	**109,057,179**	**169,717,022**
Total as on Dec 31, 2021	**272,626,368**	**8,263,478**	**502,444**	**280,387,402**	**93,068,966**	**11,180,576**	**510,094**	**103,858,166**	**176,529,238**

MIDAS Financing Limited
Investment Property
For the period ended December 31, 2022

Amount in Taka

Particulars	COST				Rate of Dep	DEPRECIATION				WDV as on December 31, 2022
	Balance as on Jan 1, 2022	Addition/ transfer during the year	Disposal/ adjustment during the year	Balance as on Dec 31. 2022		Balance as on Jan 1, 2022	Charged for the year	Adjustment/ transfer during the year	Balance as on Dec 31. 2022	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
Nahar Green	63,390,907	-	-	63,390,907	2.5%	20,026,455	1,584,773	-	21,611,228	41,779,679
MIDAS Centre	138,348,874	-	-	138,348,874	2.5%	43,707,157	3,458,716	-	47,165,873	91,183,001
Total as on Dec 31, 2022	**201,739,781**	**-**	**-**	**201,739,781**		**63,733,612**	**5,043,489**	**-**	**68,777,101**	**132,962,680**

MIDAS Financing Limited
Investment Property
For the period ended December 31, 2021

Particulars	COST				Rate of Dep	DEPRECIATION				WDV as on December 31, 2021
	Balance as on Jan 1, 2021	Addition/ transfer during the year	Disposal/ adjustment during the year	Balance as on Dec 31. 2021		Balance as on Jan 1, 2021	Charged for the year	Adjustment/ transfer during the year	Balance as on Dec 31. 2021	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
Nahar Green	63,390,907	-	-	63,390,907	2.5%	18,441,682	1,584,773	-	20,026,455	43,364,452
MIDAS Centre	138,348,874	-	-	138,348,874	2.5%	40,248,441	3,458,716	-	43,707,157	94,641,717
Total as on Dec 31, 2021	**201,739,781**	**-**	**-**	**201,739,781**		**58,690,123**	**5,043,489**	**-**	**63,733,612**	**138,006,169**

MIDAS Financing Limited and its subsidiary

Investment Property

For the period ended December 31, 2022

Amount in Taka

Particulars	COST				Rate of Dep	DEPRECIATION				WDV as on December 31, 2022
	Balance as on Jan 1, 2022	Addition/ transfer during the year	Disposal/ adjustment during the year	Balance as on Dec 31. 2022		Balance as on Jan 1, 2022	Charged for the year	Adjustment/ transfer during the year	Balance as on Dec 31. 2022	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
MIDAS Financing Ltd.	201,739,781	-	-	201,739,781	2.5%	63,733,612	5,043,489	-	68,777,101	132,962,680
MIDAS Investment Ltd.	176,450,707	-	-	176,450,707	2.5%	36,668,665	3,494,551	-	40,163,216	136,287,491
Total as on Dec 31, 2022	**378,190,488**	**-**	**-**	**378,190,488**		**100,402,277**	**8,538,040**	**-**	**108,940,317**	**269,250,171**

MIDAS Financing Limited and its subsidiary

Investment Property

For the period ended December 31, 2021

Particulars	COST				Rate of Dep	DEPRECIATION				WDV as on December 31, 2021
	Balance as on Jan 1, 2021	Addition/ transfer during the year	Disposal/ adjustment during the year	Balance as on Dec 31. 2021		Balance as on Jan 1, 2021	Charged for the year	Adjustment/ transfer during the year	Balance as on Dec 31. 2021	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
MIDAS Financing Ltd.	201,739,781	-	-	201,739,781	2.5%	58,690,123	5,043,489	-	63,733,612	138,006,169
MIDAS Investment Ltd.	176,450,707	-	-	176,450,707	2.5%	33,084,510	3,584,155	-	36,668,665	139,782,042
Total as on Dec 31, 2021	**378,190,488**	**-**	**-**	**378,190,488**		**91,774,633**	**8,627,644**	**-**	**100,402,277**	**277,788,211**

Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirements

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).	As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.	In separate Financial Statements, an amount of BDT 2.36 crore has been charged as incremental provision for leases, loans and advances, which includes BDT 2.86 crore as general provision on good loan for the year 2022. Also, as at 31 December 2022, accumulated provision for leases, loans and advances stands at BDT 67.85 crore.
2	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	Investment in shares falls either under at "fair value through profit/ loss (FVTPL)' or "fair value through other comprehensive income (FVTOCI)" where any change in the fair value in case of FVTPL at the year - end is taken to profit of loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income.	As per FID circular No. 08, dated 03 August 2002 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; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this year, total market value of all shares of MIDAS Financing Ltd and its subsidiary is higher than the cost price. During the year the company made provision of BDT 5.29 crore for consolidated investment and BDT 4.41 crore for separate investment.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
3	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 "Financial Instruments"	Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	At year end, interest suspense account has increased to BDT 39.22 crore from 35.36 crore resulting increase of BDT 3.86 crore of interest suspense. This amount has been shown as other liabilities in note 13.6
4	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is liquidated asset and not available for use in day to day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
5	Measurement of deferred tax asset	IAS 12 "Income Tax"	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against the provision for lease, loans and advances.	During this year there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against the provision for leases, loans and advances.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
6	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements" IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments: Disclosure"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
7	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the 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 DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
8	Current/ Non-current distinction	IAS 1 "Presentation of Financial Statement"	As per Para 60 of IAS 1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/ non-current portion of assets and liabilities can be obtained.
9	Off-balance sheet items	IAS 1 "Presentation of Financial Statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure but there is a disclosure in the financial statements.
10	Impairment of Margin Loan (Loans and receivables	IFRS 9 "Financial Instruments"	Measurement after initial recognition at amortized cost and recording of changes through profit and loss.	As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/ CMRRCD/2009-193/196 dated 28 December 2016, provisions for the year 2016 on impairment of principal portion of margin loan shall be kept at 20% on each quarter for the five quarters starting from December 2016.	There is no such impact for this. However, we have been maintaining full provision for unrealized loss (if any) of margin loan in the portfolio.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
11	Complete set of financial statements	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) Statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) statement of cash flows, iv) statement of changes in equity, v) statement of liquidity, vi) Notes, comprising significant accounting policies and other explanatory information.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
12	Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" para 54: the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure - A as separate line item.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
13	Other comprehensive income	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.
14	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

MIDAS FINANCING LIMITED

Computation Of Taxable Income And Tax Liability According To Income Tax Law

For the period ended from January 01, 2022 to December 31, 2022

Assessment year 2023-2024

			Taka
Net profit/(Loss) as per audited accounts			**25,451,616**
Less: Capital gain from sale of shares of companies- listed with stock exchange for separate calculation"			3,827,849
Less: Dividend Income for separate calculation			7,135,903
Less: Rental Income for separate calculation			32,769,644
			43,733,396
A= Business Income/(Loss)			**(18,281,780)**
B= Add: Inadmissible expenses/Provision			
Provision for doubtful debts			93,019,764
Excess Perquisite			2,485,320
Depreciation on fixed assets for separate calculation			15,580,543
			111,085,627
C= (A+B)			**92,803,846**
D = Less: Admissible expenses			
Depreciation on fixed assets as per 3rd schedule			5,677,763
Bad debts Written off during the year			32,664,844
			38,342,607
E= Income/(Loss) from Business			**54,461,239**
Calculation of Tax :			
1. Income from Business	54,461,239		
Less: Loss carry forwarded from previous year- Annex.-3	(52,289,095)		
Loss carry forwarded for next year	**2,172,144**	X 37.5%	814,554
2. Income from House Property - Annex.-2	**32,769,644**	X 37.5%	12,288,617
3. Dividend Income	**7,135,903**	X 20%	1,427,181
4. Capital Gain from sale of share	**3,827,849**	X 10%	382,785
	Total Tax Liability		**14,913,136**

MIDAS FINANCING LIMITED
Deferred Tax Calculation
For the year ended December 31, 2022

	Carrying Amount in Balance Sheet	Tax Base	Taxable/(deductible) temporary difference
Written down value of own assets	266,964,080	245,115,752	21,848,328
Applicable tax rate			37.50%
Deffered Tax Liabilities/(deferred tax assets)			8,193,123
Deffered Tax maintained in the accounts			9,537,754
Deffered Tax liabilities/(deferred tax assets) to be maintained			**(1,344,630)**

Fixed Assets

Particulars	Opening Balance	Addition	Deletion	Not applicable for depreciation allowance	Rate	Depreciation	WDV
Land	19,505,978	-	1,500,460	-	-	-	18,005,518
Building (Chattogram)	9,166,876				10%	916,688	8,250,189
Building (Bagura)	2,556,831				10%	255,683	2,301,148
Building (2.5 no of floors MC) Own use	24,480,188		17,293,609		10%	718,658	6,467,922
Building (NG) Rented	45,185,039			45,185,039	0%	-	45,185,039
Building (4 no of floors MC) Rented	135,268,637			135,268,637	0%	-	135,268,637
Office Equipment	5,375,093	164,896	61,665	-	10%	547,832	4,930,492
Computer equipment	1,169,279	1,104,245	149,650	-	30%	637,162	1,486,712
Furniture & Fixtures	9,258,409	71,247	-	-	10%	932,966	8,396,690
Motor Vehicle	195,562	-	-	-	20%	39,112	156,449
System & software	676,159	15,620,459		-	10%	1,629,662	14,666,956
	252,838,052	**16,960,847**	**19,005,384**	**180,453,676**		**5,677,763**	**245,115,752**

HIGHLIGHT AS REQUIRED BY BANGLADESH BANK

MIDAS Financing Ltd. and its subsidiary

As on December 31, 2022

SL	Particulars	BDT/%	Solo		Consolidated	
			2022	2021	2022	2021
1	Paid-up capital	BDT	1,438,925,070	1,424,678,291	1,438,925,070	1,424,678,291
2	Total capital	BDT	1,663,607,702	1,665,971,373	1,669,131,430	1,674,777,503
3	Capital surplus	BDT	438,925,070	424,678,291	438,925,070	424,678,291
4	Total assets	BDT	12,038,147,528	11,540,196,380	11,992,940,338	11,472,873,894
5	Total deposits	BDT	6,008,428,198	6,173,024,516	5,803,428,198	5,968,024,516
6	Total lease, loans and advances	BDT	10,146,585,760	9,632,255,868	9,950,695,848	9,427,736,286
7	Total contingent liabilities and commitments	BDT	-	100,000,000	-	100,000,000
8	Credit deposit ratio	%	168.87%	156.04%	171.46%	157.97%
9	Percentage of classified loan against total loans	%	16.46%	14.89%	16.46%	14.89%
10	Net profit after taxation	BDT	11,883,110	81,882,639	8,600,680	84,432,832
11	Classified lease, loans and advances	BDT	1,669,843,902	1,434,143,540	1,669,843,902	1,434,143,540
12	Provisions kept against classified loans	BDT	554,708,285	559,792,284	554,708,285	559,792,284
13	Provision surplus/(deficit) against classified loan	BDT	0.00	30.32	0.00	30.32
14	Cost of fund	%	7.92%	9.08%	7.92%	9.08%
15	Interest earnings assets	BDT	9,664,208,151	9,308,710,414	9,929,470,932	9,563,965,718
16	Non-interest earnings assets	BDT	2,373,939,377	2,231,485,966	2,063,469,405	1,908,908,176
17	Return on investment in shares (ROI)	%	4.60%	28.83%	4.14%	17.39%
18	Return on assets (ROA)	%	0.10%	0.72%	0.07%	0.75%
19	Income from investment	BDT	10,963,752	72,945,322	13,695,355	61,089,487
20	Earnings per share (Restated)	BDT	0.08	0.57	0.06	0.59
21	Operating profit per share (Restated)	BDT	0.82	2.96	0.92	2.97
22	Price earning ratio (Restated)	Times	156.21	31.28	215.82	30.34
23	Market price per share	BDT	12.90	17.80	12.90	17.80
24	Net assets value (NAV) per share(Restated)	BDT	11.56	11.58	11.60	11.64

Finanacial Statements of MIDAS Investment Limited



FAMES & R

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Phone : 01819496565, 01819207889, E-mail : haque.fouzia@gmail.com
hoquezhc@yahoo.com

Independent Auditor's Report

To the Shareholders of MIDAS INVESTMENT LIMITED

Repot on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MIDAS INVESTMENT LIMITED which comprises the statement of financial position as at December 31, 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Company as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

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

Management is responsible for the preparation of the financial statements that gives a true and fair view in accordance with IFRSs, The Companies Act, 1994 and other applicable laws and regulations 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.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgments 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 Company'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 Company 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 gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and

timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

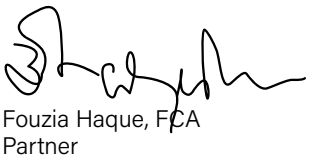
Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and

c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.



Date : 01 June, 2023
Place : Dhaka

Fouzia Haque, FCA
Partner
FAMES & R
Chartered Accountants
DVC # 2306251032AS277364

MIDAS INVESTMENT LIMITED
Statement of Financial Position
As at Decmber 31, 2022

Particulars	Notes	Amount in Taka	
		December 31, 2022	December 31, 2021
ASSETS			
Non-current Assets:			
Property, plant and equipment	3	35,559,987	36,041,009
Building (Investment Property)	4	136,287,491	139,782,042
Intangible Assets	5	155,636	222,338
Long-term investment	6	205,000,000	205,000,000
Total non-current assets		**377,003,114**	**381,045,388**
Current Assets			
Cash and Cash Equivalents	7	16,725,172	12,317,709
Investment in Securities	8	94,843,493	90,128,922
Margin Loan to client	9	32,986,010	31,626,401
Rental income receivable	10	44,338,358	41,080,253
Advance Income Tax	11	66,429,837	61,684,593
Deferred Tax	12	5,377,608	4,134,967
Other Assets	13	963,141	1,803,266
Total Current Asset		**261,663,618**	**242,776,110**
Total Assets		**638,666,731**	**623,821,498**
EQUITY AND LIABILITIES			
Shareholders' Equity:			
Share capital	14	250,000,000	250,000,000
Retained earnings	15	5,523,795	8,806,228
Total Equity		**255,523,795**	**258,806,228**
Liabilities			
Non-current Liabilities			
Long-term loan	15	191,252,591	191,590,830
Current Liabilities:			
Short Term Loan	17	37,623,331	44,555,153
Provision for Taxation	18	52,969,075	49,362,627
Other Liabilities	19	101,297,940	79,506,660
Total Current Liabilities		**191,890,346**	**173,424,440**
Total Liabilities		**383,142,937**	**365,015,270**
Total Equity and Liabilities		**638,666,731**	**623,821,498**

The accompanying notes form an integral part of the financial statements.

Chairman | Director | Chief Executive Officer (CC) | Company Secretary

Signed as per our report of even date annexed

Date : June 1, 2023
Place : Dhaka

Fouzia Haque, FCA
Partner
FAMES & R
Chartered Accountants
DVC # 2306251032AS277364

MIDAS INVESTMENT LIMITED
Statement of Profit or Loss and other Comprehensive Income
For the year ended December 31, 2022

Particulars	Notes	Amount in Taka	
		December 31, 2022	December 31, 2021
Operating Income	20	5,325,798	7,408,995
Income from investment in securities	21	2,731,602	8,144,005
Operating Expenses	22	(5,043,179)	(6,153,146)
Operating Income		**3,014,220**	**9,399,854**
Other income	23	22,892,084	25,505,238
Total Income		**25,906,305**	**34,905,092**
Administrative Expenses			
Salary & allowances		4,806,186	5,941,281
Utility expenses		558,516	564,299
Bank charges & excise duty		85,407	132,501
Legal & Professional Fee		57,500	115,000
Audit Fee		57,500	57,500
Regulatory fees and charges		749,000	355,000
Printing & Stationary	23	67,202	79,800
Postage, stamp and telecommunication	24	155,260	169,042
Directors fees	25	137,500	80,000
Training	26	2,812	-
Other expenses	27	1,306,621	1,477,205
Depreciation	28	4,042,274	4,202,285
Total administrative expenses		**12,025,778**	**13,173,913**
Profit before provision		**13,880,527**	**21,731,179**
Provision for investment in shares & Others	29	8,750,217	(13,711,454)
Provision for Rental receivable		6,048,936	6,061,192
Profit before taxation		**(918,626)**	**29,381,441**
Tax expenses:			
Current Tax	30	3,606,448	7,946,424
Deffered Tax		(1,242,641)	(1,115,015)
		2,363,807	**6,831,409**
Profit for the period		**(3,282,433)**	**22,550,032**
Earnings Per Share (Taka)	**31**	**(0.13)**	**0.90**

Annexed notes form integral part of these Financial Statements

Chairman | Director | Chief Executive Officer (CC) | Company Secretary

Signed as per our report of even date annexed

Date : June 1, 2023
Place : Dhaka

Fouzia Haque, FCA
Partner
FAMES & R
Chartered Accountants
DVC # 2306251032AS277364

MIDAS INVESTMENT LIMITED
Statement of Changes in Equity
For the year ended Decmber 31, 2022

Particulars	Share Capital Taka	Retained Earnings Taka	Total Taka
Balance as at January 01, 2022	**250,000,000**	**8,806,228**	**258,806,228**
Net Profit for the year	-	(3,282,433)	(3,282,433)
Cash dividend paid	-	-	-
Balance as at December 31, 2022	**250,000,000**	**5,523,795**	**255,523,795**
Balance as at December 31, 2021	**250,000,000**	**8,806,228**	**258,806,228**

Chairman | Director | Chief Executive Officer (CC) | Company Secretary

Date : June 1, 2023
Place : Dhaka

MIDAS INVESTMENT LIMITED
Statement of Cash Flows
For the year ended December 31, 2022

	Amount in Taka	
	December 31 2022	December 31 2021
Cash flows from Operating Activities		
Fees & Commission received	5,325,798	7,408,995
Profit/(Loss) from share investment	2,731,602	8,144,005
Interest received from TDR	15,029,667	19,799,783
Interest paid against borrowing	(23,296,700)	(25,113,461)
Cash payment to employees	(4,806,186)	(5,941,281)
Cash Payment for Others expenses	(3,227,671)	(2,835,563)
Income Tax Paid	(4,602,745)	(5,921,019)
Received from other Income	25,430,501	23,973,024
Sub Total	**12,584,266**	**19,514,483**
Changes in Operating Assets and Liabilities		
Purchase / Sale of Trading Securities	(4,714,571)	16,455,236
Other Assets	(402,516)	(1,016,545)
Other liabilities	5,569,954	7,733,321
Sub Total	**452,867**	**23,172,012**
Net cash flow from operating activities	**13,037,133**	**42,686,495**
Cash flows from Investing Activitives		
Fixed Assets Purchase	-	(52,892)
Decrease/(increase) in investment in Margin loan	(1,359,609)	(7,983,583)
Net Cash flows by investing activities	**(1,359,609)**	**(8,036,475)**
Cash flows From Financing Activities		
Dividend paid during the period	-	(20,000,000)
Increase/(decrease) of borrowings	(7,270,061)	(3,873,814)
Net Cash flow by Financing Activities	**(7,270,061)**	**(23,873,814)**
Net Increase/ (Decrease) in cash & cash equivalents	**4,407,463**	**10,776,207**
Opening cash and cash-equivalents	**12,317,708**	**1,541,501**
Closing cash cash-equivalents	**16,725,171**	**12,317,708**
Closing cash and cash-equivalents		
Cash in hand	6,957	3,437
Cash at bank	16,718,215	12,314,271
Total:	**16,725,172**	**12,317,708**
Cash flow per share	**0.18**	**0.43**

Chairman | Director | Chief Executive Officer (CC) | Company Secretary

Date : June 1, 2023
Place : Dhaka

1.00 Company and it's activities:

1.01 Corporate information

MIDAS Investment Limited is a subsidiary company of MIDAS Financing Limited.The Company was incorporated under the Cornpanies Act 1994 on dated 09 April, 2012 bearing Registration No C-100772/12 with the Registrar of Joint Stock Companies & Firms. The registered office of the company is at MIDAS Centre (6th floor), House 05, Road- 16 (New), Dhanmondi, Dhaka-1209. MIDAS Investment Limited is a Full -fledged Merchant Banker & Portfolio Manager under the Registration Certificate No-MB91/2016 dated 06 September,2016 issued by Bangladesh Securities Exchange Commission (BSEC).

1.02 Company's Activities

The Company has been formed with a view to operating Merchant Banking activities.

2.00 Significant Accounting Policies:

2.01 Basis of Preparation and Presentation of Financial Statements

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, The Securities and Exchange Rules, 2020 and other applicable laws & regulations in Bangladesh.

2.02 Statement of compliance

The Financial Statements of the Company under-reporting have been prepared under the historical cost convention ongoing concern,period consistency and accrual basis concept in accordance with Generally Accepted Accounting Principles (GAAP) and practices in Bangladesh in compliance with the Companies Act 1994,The Securities and Exchange Rules, 2020 and International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and other applicable laws and regulations of the Country.

2.03 Components of the Financial Statements:

The Financial Statements comprises the followings:

(a) Statement of Financial Position;

(b) Statement of Profit or Loss and Comprehensive Income;

(c) Statement of Changes in Equity;

(d) Statement of Cash Flows and

(e) Notes to the financial statements.

2.04 Application of Standards

The Financial Statements have been prepared in compliance with the requirements of IAS and the following IASs are applicable for the financial statements for the year under review :

IASs:

IAS-1 Presentation of Financial Statements;

IAS-7 Statement of Cash Flows;

IAS-8 Accounting Policies, Changes in Acounting Estimates and Errors;

IAS-10 Events after the Balance Sheet Date;

IAS-12 Income Taxes;

IAS-16 Property, Plant and Equipment;

IAS-19 Employee Benefits;

IAS-21 The Effects of Changes in Foreign Exchange Rates;

IAS-24 Related Party Disclosures;

IAS-33 Earnings per Share;

IAS-34 Interim Financial Reporting;

IAS-36 Impairment of Assets;

IAS-38 Intangible Assets;

IAS-39 Financial Instrument: Recognition and Measurement;

IFRSs:

IFRS-1 First-time Adoption of International Financial Reporting Standards;

IFRS-7 Financial Instrument: Disclosure;

IFRS-8 Operating Segments;

IFRS-9 Financial Instrument;

IFRS-13 Fair Value Measurement;

IFRS-15 Revenue from Contracts with Customers;

2.05 Going Concern

The company has adequate resources to continue in operation for the foreseeable future and hence, the Financial Statements have been prepared on a going concern basis. As per management assessment, there is no material uncertainties related to event or condition which may cast significant doubt upon the company's ability to continue as a going concern.

2.06 Reporting Period

The financial period of the company covers 12 (Twelve) months period from January 01, 2022 to December 31, 2022

2.07 Use of estimates and judgment

Preparation of the financial statements in conformity with IAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies that affect the reported amounts of the revenue and expenses, assets and liabilities. Due to involvement of inherent uncertainty in making estimates, actual results could be different from those estimates.

2.08 Cash flow statement

The cash flow statement is prepared using the direct method as stipulated in International Accounting Standard (IAS)-7 "Statement of Cash Flows". Cash and cash equivalents for cash flow statements comprises mainly of cash in hand and balances at banks.

2.09 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits and other short term/ fixed deposits with banks and non-banking financial institutions which are held and available for use by the company without any restriction. Cash and cash equivalents other than reporting currency is translated at closing rate as per ISA-21 "The Effects of Changes in Foreign Exchange Rates". Resulting translation difference is recognized as income through other comprehensive income.

2.10 Property plant & Equipment:

Initial Recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of 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 assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc.

Subsequent expenditure

Subsequent expenditure of fixed assets are added to the carrying amount of the asset, when it is probable that future economic benefits, exceeding its present standard of performance, will flow to the company and the cost of the item can be measured reliably All other costs are recognized in profit and loss account as expense.

Depreciation

Depreciation is recognized in the statement of profit or loss and other comprehensive income using 'Reducing Balance Method' over the estimated useful lives of each fixed assets. No depreciation is charged on Land & Land Development. Depreciation is charged on additions to fixed assets from the date when the assets are available for use. Depreciation on disposals of fixed assets, ceases at the earlier of the date that the assets are disposed. Depreciation is 100% as administrative expenses. The rates of depreciation being charged on different assets are given below:

Land	0%
Building	2.50%
Office decoration	15%
Office equipment	20%
Furniture and fixtures	15%
Computers & Accessories	33%
IT System and Software	30%

Disposal

On disposal of Property,Plant and Equipment the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Profit or Loss and Other Comprehensive Income, which is determined with reference to the net book value of the assets and net sale proceeds.Depreciation charged on dispoal assets for upto the date of assets disposal.

2.11 Impairment of Assets

The carrying amount of the companies assets are reviewed at each balance sheet date whenever there is any indication of impairment. If any such indication exist, the assets recoverable amounts are estimated. An impairment loss is recognized whenever the carrying amount of the assets or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the Profit and Loss Account.

2.12 Revenue Recognition

In accordance with the provisions of the IFRS-15: "Revenue from Contracts with Customers"; revenue from contracts with customers represents the amount that reflects the considerations to which entity expects to be entitled in exchange for goods supplied and service provided to customers during the year. Revenue from contracts with customers is recognized in the statement of profit or loss and other comprehensive income when the performance obligation (supply of promised goods and services) is satisfied. Performance obligation is satisfied at a point in time when customer obtains the control of goods and services. Revenue has been recognized at the time of invoice made for the services rendered by the company.

2.13 Financial instruments

Non-derivative financial instruments comprise investments in shares and TDR/FDR, trade receivables, cash and cash equivalents, margin loans, share capital and interest -bearing borrowings.

2.14 Financial assets at fair value through profit or loss

The financial asset is classified at fair value through profit or loss if it is classified as held for trading is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets are measured at fair value through profit or loss, and changes therein are recognised in profit or loss. Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available for sale.

2.15 Provision on investment

As per requirements of IAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

2.16 Income and expenditures

Income and expenditures are recognised on accrual basis. Income is only recognised if its realization is reasonably certain.

2.17 Employee benefits

The Company Maintains a defined contributory Provident Fund for its employees. Both the employees and MIDAS Investment Limited makes equal contribution to the Fund.

2.18 Borrowing cost

Interest and other cost incurred in the Company in connection with the borrowing of fund are recognized as expenses in the periodin which they are incurred unless such borrowings cost related to acquisition/construction of assets in progress that are required to capitalized as per IAS-23: Borrowing Cost.

2.19 Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. MIDAS INVESTMENT LIMITED is Full fledge Merchant Bank.. As per the Income Tax Ordinance, 1984, provision for tax has been made at the existing rate of 37.5% in respect of business income.

Current tax

Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereto from time to time.

Deferred tax

Deferred tax has been recognized in accordance with the provision of IAS 12: Income Taxes, based on the deductible or taxable temporary difference between the carrying amount of assets/liabilities and its tax base. Deferred tax asset or liability is the amount of income tax recoverable or payable in the future periods recognized in the current period. Deferred tax asset or liability does not create a legal recoverability or liability from or to tax authority. Related deferred tax income/expense is recognized as well in the statement of comprehensive income. Deferred tax assets and liabilities are offsetted if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

2.20 Earnings Per Share (EPS)

This represents earnings for the period attributable to the ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit for the period has been considered as fully attributable to ordinary shareholders. Basic earnings per share has been calculated by dividing the net profit or loss by the weighted average number of ordinary shares outstanding during the year. Computation of weighted average number of ordinary shares are required as number of shares outstanding has been changed during the year.

2.21 Reconciliation of Inter-Company account

Accounts with regard to inter-company are reconciled regularly and there are no material differences which may affect the financial statements significantly.

2.22 Related party disclosure

As per International Accounting Standards (IAS) 24 "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 33.

2.23 Offsetting

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

2.24 Contingencies

Contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

2.25 Uniform accounting policies

The financial statements of MIDAS FINANCING LIMITED and MIDAS Investment Limited have been prepared in accordance with uniform policies of accounting.

2.26 Proposed dividend

Proposed dividend has not been recognised as a liability in the balance sheet in accordance with International Accounting Standards (IAS) 10 "Events After the Balance Sheet Date".

2.27 General

i) Figures appearing in these Financial Statements have been rounded off to the nearest integer.

ii) Prior year's figures have been shown to ensure comparability with the current year.

iii) Bracket figures are denote negative.

Note	Particulars		Amount in Taka	
			31 December 2022	31 December 2021
3	**Property, plant and equipment**			
	Opening balance		42,057,377	42,004,485
	Addition during the year		-	52,892
	Closing balance		**42,057,377**	**42,057,377**
	Accumulated Depreciation			
	Opening balance		6,016,369	5,493,526
	Addition during the year		481,022	522,843
	Closing balance		**6,497,391**	**6,016,369**
	Written down value (WDV)		**35,559,987**	**36,041,009**
	Details has been shown in the **Annexure - A** (Property, Plant and Equipment).			
4	**Building (Investment Property)**			
	Building (Investment Property) at cost		176,450,707	176,450,707
	Less: Accumulated Depriciation		40,163,216	36,668,665
	Written down value (WDV)		**136,287,491**	**139,782,042**
5	**Intangible Assets**			
	IT Software & System at cost		1,155,000	1,155,000
	Less: Accumulated amortization		999,364	932,662
	Written down value (WDV)		**155,636**	**222,338**
6	**Long-term investments**			
	Term Deposits with MIDAS Financing Limited		205,000,000	205,000,000
			205,000,000	**205,000,000**
7	**Cash and Cash Equivalents**			
	Cash in hand		6,957	3,437
	Cash at bank (Note:7.01)		16,718,215	12,314,272
			16,725,172	**12,317,709**
7.01	**Cash at bank**			
	Standard Bank Ltd.	(CD A/C No. 01433006114)	333,956	2,861,444
	Mercantile Bank Ltd.	(SND A/C No. 110213123408135)	4,011,373	21,442
	Mercantile Bank Ltd.	(CD A/C No. 110211122407841)	12,372,886	9,431,386
			16,718,215	**12,314,271**
8	**Investment in Securities**			
	Investments in listed securities	8.1	84,843,493	73,444,992
	Investments in non- listed securities	8.2	10,000,000	16,683,930
			94,843,493	**90,128,922**

8.1 Investments in listed securities

Particulars	As on 31, December 2022		
	Cost Value	Market Value	Unrealized Gain/(Loss)
Bank	7,905,014	6,959,000	(946,014)
Fuel & Power	8,574,857	5,974,260	(2,600,597)
Pharmaceuticals	9,255,503	5,784,865	(3,470,638)
Textile	21,787,000	16,478,971	(5,308,029)
Mutual Fund	751,650	520,000	(231,650)
Miscellaneous	25,052,435	20,395,700	(4,656,735)
Ceramics	3,041,958	3,010,000	(31,958)
Cement	4,127,055	3,240,000	(887,055)
Travel & Leisure	4,260,031	3,462,000	(798,031)
Insurance	87,990	247,252	159,262
Total amount	**84,843,493**	**66,072,048**	**(18,771,445)**

The above represent investment made by the company in different shares listed with the stock exchanges. The investment shows at cost in the Statement of Financial Position and provision for unrealized loss have been recognized in the statement of Comprehensive Income.

8.2	**Investments in non- listed securities**		
	Arian Chemicals Ltd.	10,000,000	10,000,000
	Union Insurance Limited	-	46,430
	BD Thai Foods Limited	-	637,500
	Union Bank Limited	-	6,000,000
	Balance	**10,000,000**	**16,683,930**
9	**Margin Loan to Client**		
		32,986,010	**31,626,401**
10	**Rental income receivable**		
	Office space	40,846,393	38,016,868
	Garage space	333,000	291,000
	Service charge	3,158,965	2,772,385
		44,338,358	**41,080,253**

Tenant wise details of the rental income receivable

SL	Name of Tenant	Taka	Taka
01	Brandwin Group of companies Ltd.	39,822,598	34,169,818
02	Esperto Health Care	4,154,960	4,154,960
03	AGEC	317,400	339,000
04	Secured Link BD- 3rd Floor north side	-	382,000
05	Secured Link BD- 3rd Floor South side	6,000	1,920,105
06	Howlader Maria & Co.(HmC)	-	114,370
09	Lanka Bangla Securities Ltd.	37,400	-
	Balance	**44,338,358**	**41,080,253**

11	**Advance Income Tax**		
	Balance at the beginning of the period	61,684,592	55,763,573
	Add: Addition during the period	4,745,245	5,921,019
	Balance	**66,429,837**	**61,684,593**

Note	Particulars	Amount in Taka	
		31 December 2022	31 December 2021
12	**Deferred Tax**		
	Opening balance	(4,134,967)	(3,019,952)
	Add: Addition / adjustment during the period	(1,242,641)	(1,115,015)
	Balance	**(5,377,608)**	**(4,134,967)**
	Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of IAS-12		
	Computation of deferred tax		
	Accounting written down value	172,003,114	176,045,388
	Tax base written down value	186,343,401	187,071,968
	temporary differences	(14,340,287)	(11,026,580)
	Applicable tax rate	37.50%	37.50%
	Deferred tax Assets at the end of the period	(5,377,608)	(4,134,968)
	Deferred tax assets at the beginning of the year	(4,134,967)	(3,019,953)
	Deferred tax (income)/expenses accounted for during the period	**(1,242,641)**	**(1,115,015)**
13	**Other assets**		
	Advance against purchase of shares	543,641	1,515,016
	Refundable Security Deposit-CDBL	200,000	200,000
	Advance to Others	219,500	88,250
	Balance	**963,141**	**1,803,266**
14	**Authorised Capital**		
	100,000,000 ordinary shares of Tk.10/- each	**1,000,000,000**	**1,000,000,000**
	Issued, subscribed and paid up capital		
	25,000,000 Ordinary shares of Tk. 10/- each fully paid up	**250,000,000**	**250,000,000**

Details are as follows:

Sl #	Name of Shareholders	No. of Shares	% of Share-holding	31 December 2022	31 December 2021
1.	MIDAS Financing Limited	24,999,800	99.9992%	249,998,000	249,998,000
2.	Mr. Md. Fazlul Hoque	100	0.0004%	1,000	1,000
3.	Mr. Bazlur Rahman Khan	100	0.0004%	1,000	1,000
	Total	**25,000,000**	**100%**	**250,000,000**	**250,000,000**

15	**Retained Earnings**		
	Opening balance	8,806,228	6,256,196
	Add: Net profit after taxation	(3,282,433)	22,550,032
	Less: Dividend declared	-	(20,000,000)
	Balance	**5,523,795**	**8,806,228**
16	**Long term loan**		
	Opening balance	191,590,830	191,980,187
	Add: Addition during the period	-	13,000,000
		191,590,830	**204,980,187**
	Less: Adjustment during the period	(338,239)	(13,389,357)
	Balance	**191,252,591**	**191,590,830**

Note	Particulars		Amount in Taka	
			31 December 2022	31 December 2021
17	**Short Term Loan (STL)**			
	Opening balance		44,555,153	48,039,610
	Less: Adjustment during the period		(6,931,822)	(3,484,457)
	Balance		**37,623,331**	**44,555,153**
18	**Provision for taxation**			
	Balance at the beginning of the period		49,362,627	41,416,203
	Add: Addition during the period		3,606,448	7,946,424
	Balance		**52,969,075**	**49,362,627**
19	**Other liabilities**			
	Withholding Tax & VAT payable		47,141	9,784
	Advance Rent- Secured Link BD Ltd.		-	756,105
	Provision for investment in shares	19.1	18,771,442	14,310,619
	Provision for Margin Loan - Negative Equity	19.2	4,385,987	963,792
	Provision for Rental Income & other Investment	19.3	23,031,410	16,854,174
	Refundable security money	19.4	4,226,000	3,614,000
	Audit Fee payable		57,500	57,500
	Clients payable		10,570,200	6,412,567
	Payable to Panel Broker		-	523,702
	Service charge payable to MFL		7,973,813	6,872,210
	Interest expense payable (Do- 2921)		9,205,041	6,201,790
	Interest expense payable (MFL-STL)		86,731	542,979
	Dividend Payable		20,000,000	20,000,000
	Other Accrued expenses		2,942,675	2,387,437
	Balance		**101,297,940**	**79,506,660**
19.1	**Provision for investment in shares**			
	Opening balance		14,310,619	29,985,865
	Addition/(adjustment) during the period		4,460,823	(15,675,246)
			18,771,442	**14,310,619**
19.2	**Provision for Margin Loan - Negative Equity**			
	Opening balance		963,792	-
	Addition/(adjustment) during the period		3,422,195	963,792
			4,385,987	**963,792**
19.3	**Provision for Rental Income & other Investment**			
	Rental provision for Esperto		4,154,960	3,336,224
	Rental provision for Brandwin		15,876,450	11,517,950
	Investment in Placement Share in Arian Chemical		3,000,000	2,000,000
			23,031,410	**16,854,174**
19.4	**Refundable Security money**			
	Security Deposit - TIB		2,856,000	2,856,000
	Security Deposit - Brandwin Group Ltd.		758,000	758,000
	Security Deposit-Eduko Bd Ltd.		612,000	-
			4,226,000	**3,614,000**

Note	Particulars		Amount in Taka	
			31 December 2022	31 December 2021
20	**Operating Income**			
	Brokerage Commission		1,208,593	3,573,038
	Margin Interest income		4,035,225	3,699,957
	Yeraly BO A/C Maintenance Fee		77,500	74,000
	BO Account Opening Fee		3,000	27,000
	IPO Application Fee		1,480	10,000
	Underwriting Commission		-	25,000
	Total		**5,325,798**	**7,408,995**
21	**Income from Investment in securities:**			
	Dividend Income		3,145,645	2,749,754
	Profit /(loss) on sale of Securities		(414,042)	5,394,251
	Total		**2,731,602**	**8,144,005**
22	**Operating Expenses**			
	CDBL Share Maintenance charges		165,714	260,141
	Interest expenses		4,875,015	5,821,955
	BO Account charges (opening & renewal)		2,450	71,050
	Total		**5,043,179**	**6,153,146**
23	**Other income:**			
	Rental income-Office space		28,516,746	29,613,090
	Rental income-Garage space		153,000	186,000
	Bank interest income- SND A/C		11,985	2,275
	Other Income		6,875	3,959
	Net Interest Income	23.1	(5,796,521)	(4,300,086)
	Total		**22,892,084**	**25,505,238**
23.1	**Net Interest Income**			
	Interest income on TDR (D0-2921)		16,454,667	19,799,783
	Less: Interest expenses on LTD (D0-2921)		(22,251,188)	(24,099,869)
	Total		**(5,796,521)**	**(4,300,086)**
24	**Regulatory fees and charges:**			
	License & Renewal Expenses		730,000	320,000
	Bidding Fee for IPO application-DSE		19,000	35,000
	Total		**749,000**	**355,000**
25	**Printing & Stationeries**			
	Printing expenses		16,484	8,500
	Office supplies		50,718	71,300
	Total		**67,202**	**79,800**
26	**Postage, stamp and telecommunication**			
	Mobile and TnT Bill		51,908	47,172
	Networking charges		100,000	120,000
	Stamp		3,352	1,870
	Total		**155,260**	**169,042**

Note	Particulars	Amount in Taka	
		January to December 2022	January to December 2021
27	**Directors Fees and expenses**		
	Directors Fees	137,500	80,000
	Total	**137,500**	**80,000**
28	**Other expenses**		
	News Paper & Periodicals	860	-
	Repair & Maintenance	47,353	68,295
	Advertisement Expenses	28,350	-
	Travelling & Conveyance	13,680	54,975
	Entertainment expenses	50,869	106,265
	Dish and Cable Charge	1,500	3,600
	Software maintenance charges	151,050	143,000
	Rent / Rates & Taxes (including Holding Tax)	980,189	957,634
	Business Promotion & Development	32,770	-
	Miscellaneous expenses	-	143,436
	Total	**1,306,621**	**1,477,205**
29	**Depreciation Expenses**		
	Depreciation - Property Plant & Equipment	481,022	522,843
	Depreciation - Investment Property	3,494,551	3,584,155
	Amortization - Intengible Assets	66,701	95,288
	Total	**4,042,274**	**4,202,285**
30	**Provision for Investments and Others**		
	Provision for Investment in Securities	5,460,823	(14,675,246)
	Provision for Margin Loan - Negative Equity	3,289,394	963,792
	Total	**8,750,217**	**(13,711,454)**
31	**Earnings Per Share (Taka)**		
	a. Net profit after tax (Taka)	(3,282,433)	22,550,032
	b. No. of ordinary share outstanding	25,000,000	25,000,000
	Earnings Per Share (a/b)	**(0.13)**	**0.90**
32	**Non-controlling interest (taka)**		
	200 ordinary shares* EPS	**(26)**	**180**
	Interest of MFL		
	24,999,800 ordinary shares* EPS	**(3,282,407)**	**22,549,852**

33 Related parties and transection with it

MIDAS Financing Limited (MFL) holds 99.9992% share of MIDAS Investment Limited, As a result MFL is the controlling party of the company.

Related party transaction

During the period, the Company carried some transactions with related party in the normal course of business. The name of the related party and nature of these transactions have been set out in accordance with the provisions of BAS 24-Related Party Disclosures.

Name of the party	Relation with the entity	Name / Nature of transaction	2022	2021
MIDAS Financing Limited	Parent	Deposit	-	205,000,000
MIDAS Financing Limited	Parent	Interest Income	16,454,667	24,099,869
MIDAS Financing Limited	Parent	Loan	-	191,590,830
MIDAS Financing Limited	Parent	STL	37,623,331	44,555,153

MIDAS INVESTMENT LIMITED

Property, Plant and Equipment

As at Decmber 31, 2022

Annexure-A

Amount in Taka

Particulars	COST				Rate %	DEPRECIATION / AMORTIZATION				Written Down Value as at 31.12.2022
	Balance as at 01.01.2022	Addition during the period	Disposal/ Adj. during the period	Balance as at 31.12.2022		Balance as at 01.01.2022	Addition during the period	Disposal/ Adj. during the period	Balance as at 31.12.2022	
1. Free holds Assets:										
Land	17,655,927	-	-	17,655,927		-	-	-	-	17,655,927
Building (Own use)	22,161,338	-	-	22,161,338	2.5%	4,065,217	452,403	-	4,517,620	17,643,718
Furniture & fixtures	493,237	-	-	493,237	15%	384,351	(724)	-	383,627	109,610
Office decoration	535,455	-	-	535,455	15%	393,671	18,988	-	412,659	122,796
Office equipment	165,277	-	-	165,277	20%	147,731	3,509	-	151,240	14,037
Computer & accessories	1,046,143	-	-	1,046,143	33%	1,025,399	6,846	-	1,032,245	13,898
Sub Total	**42,057,377**	**-**	**-**	**42,057,377**		**6,016,369**	**481,022**	**-**	**6,497,391**	**35,559,987**
2. Building (Investment Property):										
Building (Investment Property)	176,450,707	-	-	176,450,707	2.5%	36,668,665	3,494,551	-	40,163,216	136,287,491
Sub Total	**176,450,707**	**-**	**-**	**176,450,707**		**36,668,665**	**3,494,551**	**-**	**40,163,216**	**136,287,491**
3. Intangible Assets:										
IT System & Software	1,155,000	-	-	1,155,000	30%	932,663	66,701	-	999,364	155,636
Sub Total	**1,155,000**	**-**	**-**	**1,155,000**		**932,663**	**66,701**	**-**	**999,364**	**155,636**
Total as on 31 December 2022	**219,663,084**	**-**	**-**	**219,663,084**		**43,617,697**	**4,042,274**	**-**	**47,659,971**	**172,003,114**
Total as on 31 December 2021	**219,610,192**	**52,892**	**-**	**219,663,084**		**38,578,036**	**4,202,285**		**42,780,321**	**176,882,763**

NOTICE OF THE 27th ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of MIDAS Financing Limited will be held on Wednesday, November 22, 2023 at 10.30 a.m. The AGM will be held by using digital platform through the link: https://midasfinancing.bdvirtualagm.com to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company and its subsidiary for the year ended on December 31, 2022 together with the Auditors' Report and Directors' Report thereon.
2. To declare dividend for the year ended on December 31, 2022 as recommended by the Board of Directors.
3. To elect/re-elect Directors of the Company.
4. To approve the re-appointment of Independent Director of the Company.
5. To appoint Statutory Auditors of the Company until conclusion of next AGM and to fix their remuneration.
6. To appoint Corporate Governance Compliance Auditors for the year to be ended on December 31, 2023 and to fix their remuneration.
7. To transact any other business with the permission of the Chair.

Special Business:

1. **To change the registered name of the Company to "MIDAS Financing PLC" from "MIDAS Financing Limited".** The following special resolution is proposed to be passed with or without modification to adopt the change of the registered name of the Company to 'MIDAS Financing PLC' from 'MIDAS Financing Limited' in accordance with the Companies Act, 1994 (amended in 2020) and to amend the relevant clauses of the Memorandum and Articles of Associations of the Company:

   "RESOLVED THAT the proposal of changing the registered name of the Company to "MIDAS Financing PLC" from 'MIDAS Financing Limited' in accordance with the Companies Act, 1994 (amended in 2020) and amendment in the relevant clauses of the Memorandum and Articles of Associations of the Company, be and is hereby approved, subject to the approval of the regulatory authorities."

2. **To open Shariah Based Islamic Financing Wing of MIDAS Financing Limited.**
   "RESOLVED THAT the proposal of opening Shariah Based Islamic Financing Wing of MIDAS Financing Limited and amendment in the relevant clauses of the Memorandum and Articles of Associations of the Company, be and is hereby approved, subject to the approval of the regulatory authorities."

By order of the Board

Date: October 18, 2023

(Tanvir Hasan, FCA)
DMD & Company Secretary

Notes:

i) The Record Date shall be Tuesday, November 07, 2023. The Members whose names appear on the Share Register of the Company and/or in the Depository (CDBL) Register on the 'Record Date' i.e. November 07, 2023 shall be eligible to attend the Annual General Meeting and will be entitled to the Dividend (if approved in the AGM).

ii) The Board of Directors recommended 1.5% Cash Dividend for the year ended December 31, 2022.

iii) The Detailed procedures for joining and participation will be communicated to the Shareholder's email ID in due course and it would also be available at the Company's website: www.mfl.com.bd

iv) The Members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the Members need to put their 16-digit Beneficial Owner (BO) ID number/Folio number and other credential as proof of their identity.

v) Depositary Participants (DP) / Stock Brokers are requested to send the list of Margin Account Holders, if any, along with their Bank Account within November 20, 2023 to the Company, otherwise, the dividend will be paid to the shareholders bank account whose names appeared in the Member / Depository Registrar on the 'Record Date.'

vi) A member eligible to attend the Annual General Meeting (AGM) may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, duly filled, signed and stamped at BDT 20 must be sent at the Registered Office of the Company or through email at info@ mfl.com.bd at least 72 hours before commencement of the AGM.

vii) The softcopy of the Annual Report 2022 of the Company will be sent to the shareholders' respective e-mail addresses. However, interested shareholders may collect hard copy of the Annual Report 2022 from the Company's share office by submitting a written request. The Annual Report 2022 will be also available in the Company's official website: www.mfl.com.bd

N.B: In compliance with the Bangladesh Securities Exchange Commission's Circular No. SEC/ MRRCD/2009-193/154 dated October 24, 2013, no Food Box/ Gift/ Gift coupon shall be distributed at the AGM.

MIDAS Financing Limited

Registered Office: House: 5, Road: 16 (New) 27 (Old)
Dhanmondi, Dhaka 1209

PROXY FORM

I/We .....of.....being a shareholder of MIDAS Financing Limited and entitled to vote, hereby appoint Mr. /Mrs./Miss .... as my/ our proxy to attend/join and vote for me/us and on my/ our behalf at the 27th Annual General Meeting of the Company to be held on Wednesday, November 22, 2023 at 10:30 a.m. on a digital platform or at any adjournment thereof or at any ballot to be taken in consequence hereof

Signed this..... Signature of proxy ..... day of 2023

Revenue Stamp of Tk. 20/

Signature of Shareholder

BO ID:

No. of Shares held .....

Note:

1) This form of proxy, duly completed and signed must be deposited at least 72 hours before the meeting at the Company's registered office. Proxy is invalid if not signed and stamped as explained above.

2) Signature of Shareholder must be in accordance with Specimen Signature recorded with the Company.

MIDAS Financing Limited

Registered Office: House: 5, Road: 16 (New) 27 (Old)
Dhanmondi, Dhaka 1209

ATTENDANCE SLIP

I hereby record my joining at 27th Annual General Meeting of the Company to be held on Wednesday, November 22, 2023 at 10:30 a.m. on a digital platform.

Name of the Member/Proxy .....

BO ID:

Signature of Shareholder..... Signature of proxy .....

No. of Shares held ..... Date .....

N.B.: Shareholder attending meeting in person or Proxy are requested to complete the Attendance Slip and Send the same by post/email (info@mfl.com.bd) to the registered office of the company at least 72 hours before commencenent of the AGM.

Branches/ Booths of MFL

Chattagram
Excel SM Tower (1st Floor)
62, Zakir Hossain Road
East Nasirabad, Khulshi, Chattagram
Phone: 01971 818 808, 031-632 417

Khulna
Fatema Tower (2nd Floor)
2-A, KDA Avenue, Khulna- 9100
Phone: 02 477 721 857, 01971 896 844

Bagura
Jamil Shopping Center (3rd Floor), Borogola
Bagura Rangpur Road, Sadar, Bagura
Phone: 02 589 903 561, 02 589 903 566, 01974 096 092

Narayanganj
81/C B.B Rood (2nd Floor)
2 No. Rail Gate, Narayanganj
Phone: 01985 551 932, 01971 928 308

Cumilla
Salam Builders Mansion (2nd Floor)
Mogoltuli, Cumilla
Phone: 01973 116 447, 081-69 117

Feni
Hazi Latif Tower (3rd Floor)
626, Trunk Road, Cumilla Bus Stand, Feni
Phone: 01678 606 145

Gazipur
KS Tower (2nd Floor)
Chandana Chowrasta, Gazipur
Phone: 01970 450 482

Sitakunda
Nibir Biponi Bitan (1st Floor)
Sitakunda, Chattogram
Phone: 01978 488 460, 02 334 456 342

Islampur
Nurul Haque Tower (2nd Floor)
21 Patoatuly Road, Dhaka-1100
Phone: 02-951 1390, 01973 111 308, 01985 551 906

Chandpur
35 Haji Mohsin Road (1st Floor)
Chandpur- 3600
Phone: 02 334 486 059, 01970 451 675

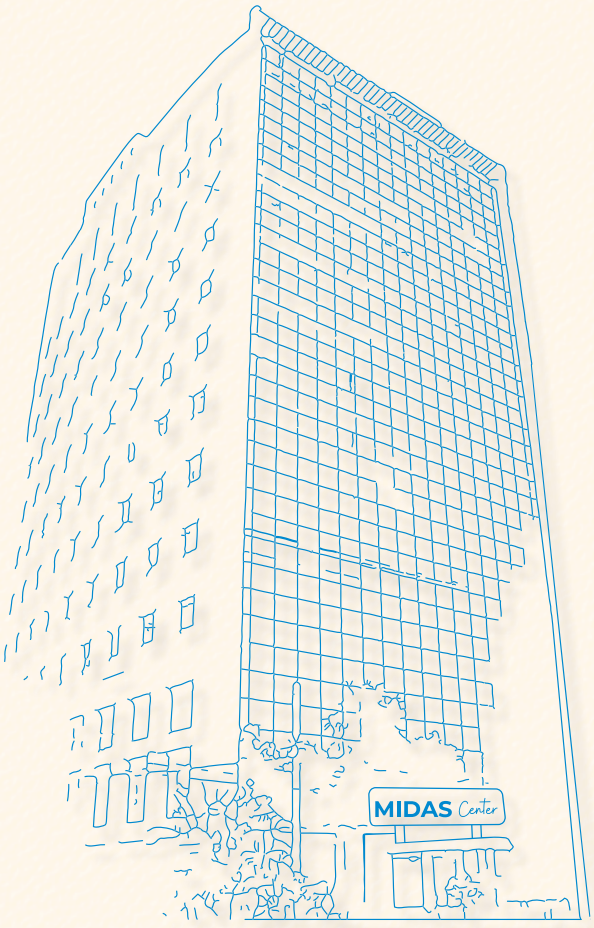
Narsingdi
SK Tower (2nd floor)
House 04, Road: 10, Anaudi Road Narsingdi
Phone: 9446 808, 01979 303 463

Keranigonj
Marhum Shahadat Hossain Mansion (1st Floor)
House #Ol, Golam Bazar Road, Kodamtoli
Bus Stand, Keranigonj, Dhaka
Phone: 01979 097 091

Hathazari
SA Shopping Complex (2nd Floor)
Hathazari, Chattogram
Phone: 01713 279 158, 01973 279 158

Brahmanbaria
Sikder Plaza, Court Road - 144, (3rd Floor)
Bank Potti, Brahmanbaria
Phone: 01816 109 773, 01973 279 157, 02 334 429 144

Jashore
Sardar Plaza (1st Floor)
135 M. K. Road, Jashore
Phone: 01718 445 935



MIDAS FINANCING LIMITED
a real friend of entrepreneurs

MIDAS Center(10th & 11th Floor)
House: 05, Road: 16(new), 27(old)
Dhanmondi, Dhaka-1209, Bangladesh
Tel: 02-9102205, 9102208, 09611221055
E-mail: info@mfl.com.bd
www.mfl.com.bd

Paper Rhyme