

Striving towards new opportunities

Annual Report 2019

MIDAS FINANCING LIMITED
a real friend of entrepreneurs

Striving towards new opporitnities

In the Midst of these

pandemic era,

we all should strive

for new challenges,

new opportunities.

Once these

pandemic will over,

we should explore

in the new arena of survival.

Our main focus

should be more humanitarian

ground rather than

doing business only.

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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 Limited and
Mahfel Huq & Co., Auditor.

Dear Sir/Madam

Annual report for the year ended December 31, 2019.

Enclosed please find a copy of the Annual Report along with the audited Financial Statements including Consolidated and separate Balance Sheet as at December 31, 2019 and Profit and loss account, Cash Flow Statements and Statement of Changes in Equity for the year ended December 31, 2019 along with notes thereon of MIDAS Financing Limited and its subsidiary (MIDAS Investments Limited) for your kind information and record.

Thank you.
Sincerely yours,



Tanvir Hasan, FCA
Company Secretary

Key Milestones

Milestones refer to a significant point in development. Some events of 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 Ltd.'s milestones from the inception are as follows:



Vision & Mission

Our 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 offering diverse and innovative product.

Our Vision

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



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 Ltd 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 Ltd, 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 to 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 in to 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 Institution Act 1993. The company was 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
Type of organization	:	**Financial Institution**
Corporate Head Office	:	'MIDAS Centre' (10th & 11th Floor) House # 5, Road # 16 (New) Dhanmondi, Dhaka-1209.
Auditors	:	Mahfel Huq & Co. Chartered Accountants BGIC Tower (4th Floor) 34 Topkhana Road, Dhaka-1000 Phone: 880-2-9581786, Fax: 880-2-9571005
Tax Consultant	:	ADN Associates Kaizuddin Tower (8th Floor) 176 (new), 47 (old) Shahid Syed Nazrul Islam Sarani Bijoy Nagar, Dhaka-1000 Phone: 880-2-9581786, Fax: 880-2-9571005
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
Membership	:	Bangladesh Leasing & Finance Companies Association (BLFCA) Bangladesh Association of Publicly Listed Companies (BAPLC)
Company Email	:	info@mfl.com.bd
Company website	:	www.mfl.com.bd
Principal Bankers	:	Standard Bank Ltd. Bangladesh Development Bank Ltd. The City Bank Ltd. Jamuna Bank Ltd. Pubali Bank Ltd. Sonali Bank Ltd. Janata Bank Ltd. Agrani Bank Ltd. Mercantile Bank Ltd. Dutch-Bangla Bank Ltd. Modhumoti Bank Ltd. One Bank Ltd. The Premier Bank Ltd. Shahjalal Islamic Bank Ltd. United Commercial Bank Ltd. Bangladesh Krishi Bank

Products & Services

MIDAS FINANCING LTD is open to flourish 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, **MIDAS FINANCING LTD** 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".

MIDAS FINANCING LTD 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 MEETING



Board of Directors



From left to right

Mr. Siddiqur Rahman Choudhury
Mr. Abdul Karim
Mr. Ali Imam Majumder
Mr. Md. Shamsul Alam
Mr. Mohammed Nasir Uddin Chowdhury, Chairman
Mr. M. Hafizuddin Khan
Mrs. Rokia Afzal Rahman
Mr. Md. Shahedul Alam
Mr. Ghulam Rahman
Mr. A. K. M. Kamruzzaman, FCMA
Mr. Mustafizur Rahman, Managing Director

Audit Committee

Mr. Ghulam Rahman, Chairman
Mrs. Rokia Afzal Rahman
Mr. M. Hafizuddin Khan
Mr. Ali Imam Majumder
Mr. Siddiqur Rahman Choudhury

Executive Committee

Mr. Ali Imam Majumder, Chairman
Mrs. Rokia Afzal Rahman
Mr. M. Hafizuddin Khan
Mr. Mohammed Nasir Uddin Chowdhury
Mr. Md. Shamsul Alam

Directors' Profile



Mohammed Nasir Uddin Chowdhury

Chairman
Nominated by LankaBangla Finance Limited

Mohammed Nasir Uddin Chowdhury, a well-known and veteran leader in 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 Ltd.

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.

Directors' Profile



Mrs. Rokia Afzal Rahman

Director
Nominated by MIDAS

Mrs. Rokia Afzal Rahman is a leading woman entrepreneur and a former Adviser (Minister) to the Caretaker Government of Bangladesh. She started her agro-based company in 1980 and further diversified her business into insurance, media, financial institution and real estate.

She is currently the Chairman of R.R. Group & Arlinks Group of Companies, R. R. Trust, Chairperson of Mediaworld Limited (owning company of "The Daily Star"). She is a Director of Mediastar Limited (owning company of "ProthomAlo") and Ayna Broadcasting Corporation Limited (FM Radio Station-ABC Radio). She is also an Independent Director of Bangladesh Lamps Limited and Marico Limited.

Mrs. Rokia Afzal Rahman is the Vice President of International Chamber of Commerce-ICC Bangladesh.

She served as a Board Member of the Central Bank of Bangladesh, and the President of the Bangladesh Employers Federation-BEF. She was also a Director of Reliance Insurance Limited. She is the former President of Metropolitan Chamber of Commerce and Industries-MCCI, Dhaka.

Mrs. Rokia Afzal Rahman serves the board of BRAC. She is the Chairperson of Banchte Shekha, Jessore-working for the underprivileged and extremely poor. She is a board member of MRDI (Management and Resource Development Initiative) and DNET.

She is the founder President of Bangladesh Federation of Women Entrepreneurs (BFWE). In 1994, the first Women Entrepreneurs Association (WEA) was formed in Bangladesh with Rokia Afzal Rahman as founder President. In 1996 Mrs. Rahman formed Women in Small Enterprises (WISE) to further promote women into small enterprises and industries.

Mrs. Rahman is the chairman of Presidency University.

Mrs. Rahman has received several international and national awards.

Directors' Profile



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 had 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 had 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., 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 had 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 Government Employees Welfare Association. He is currently Vice-President of the Anjuman Mofidul Islam and is now 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.

Directors' Profile



Mr. Ali Imam Majumder
Director
Nominated by MIDAS *

Mr. Ali Imam Majumder, a veteran columist and former cabinet secretary, has been serving 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 Labour 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 arround 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 Program 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, Dhaka Club Limited, Honorary Life Member, Dhaka Officers Club etc. Further, he is a veteran columnist and regularly contributes in different newspapers specially 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 Trustee of the TIB. He visited many countries like, USA, UK, Canada, Switzerland, Sweden, Russia, Saudi Arabia, UAE, Malaysia, China, India, Sri Lanka, Bhutan, Nepal, Japan, Thailand and Singapore.

** MIDAS withdrew nomination of Mr. Ali Imam Majumder w.e.f. July 02, 2019*



Mr. Siddiqur Rahman Choudhury
Independent Director

Mr. Siddiqur Rahman Choudhury, former Finance Secretary of the Government of Bangladesh joined the Board of MIDAS Financing Limited as an Independent Director on March 19, 2014. Mr. Choudhury had his education in the University of Connecticut, USA, University of Dhaka, Sylhet Government College and in the Aided High School, Sylhet. Besides 30 years of service in the government, Mr. Choudhury has a long experience of serving in the Boards of a number of financial institutions. He was the Chairman of the Board of Directors of Agrani Bank Limited, Sonali Bank (UK) Limited. and Sadharan Bima Corporation. He also served, as a member, in the Boards of Bangladesh Bank, Sonali Bank, House Building Finance Corporation, Saudi Bangladesh Investment Company (SABINCO) and Infrastructure Development Company Limited (IDCOL).

Directors' Profile



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, Embassy abroad and educational institutions. During his long civil service career he has preformed 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 Secretary, 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. 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 was one of the sponsor Directors of Intech Online Limited. Mr. Alam is representing the general shareholders group in board of MIDAS Financing Ltd.

Directors' Profile



Mr. Md. Shahedul Alam
Director (Representing General Shareholders Group)

Mr. Alam graduated from U.K in Business Admisnistration and did his MBA from Dhaka university. He started his business career in Radiovision, 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.



A. K. M. Kamruzzaman, FCMA
Director
Nominated by LankaBangla Investments Limited

Mr. A. K. M. Kamruzzaman, FCMA, is working as the Senior Executive Vice President & Head of Operations, with the responsibility of Asset Operations, Liability Operations, Treasury Operations, Asset

Monitoring, Collection & Recovery, Special Asset Management (SAM), Asset Accounts Maintenance, Closing & Clearance and MIS & Regulatory Reporting. During his long sixteen and half years' tenure with LankaBangla, he has got the rare opportunity to work in almost all the functional areas of the company in different capacities as head of Credit & Investment, Head of Business, Head of Credit Administration, Head of Accounts, Head of Administration & Company Secretary. He is a nominated Director in the Board of LankaBangla Asset Management Company Limited. Prior to LankaBangla, he served Opex Group, Prime Group, Babylon Group and some other leading companies in manufacturing and service industries.

He also served time to time as part-time and guest faculty in the Institute of Cost & Management Accountants of Bangladesh (ICMAB), the Institute of Business Administration (IBA), University of Dhaka, and as a guest trainer in Bangladesh Institute of Bank Management (BIBM) and Bangladesh Leasing & Finance Companies' Association (BLFCA). Currently he is the Chairman of Dhaka Branch Council (DBC) of ICMAB.

Mr. Kamruzzaman is a post graduate in Accounting from the University of Dhaka. He is also an MBA from the IBA, University of Dhaka and a Fellow Member (FCMA) of ICMAB. For personal and professional development, he has travelled SriLanka, Thailand, Malaysia, Indonesia, Singapore, Germany, France, Switzerland & Italy.

Top Management Profile



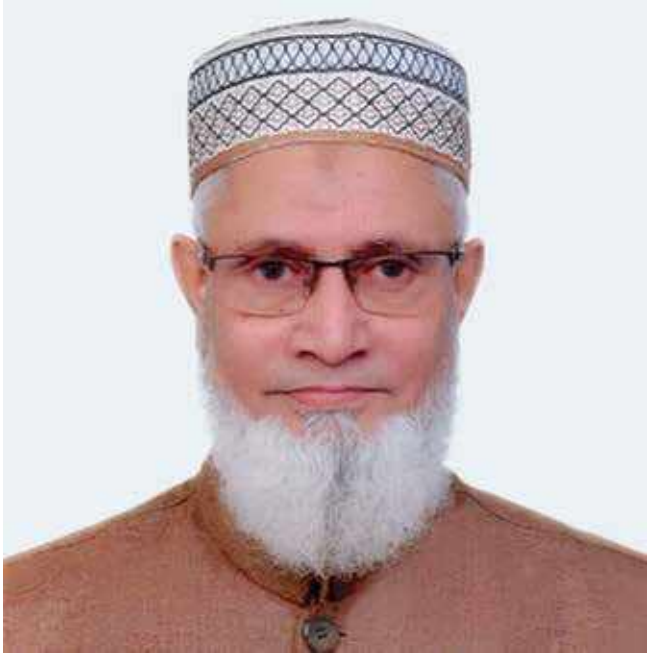
Mr. Mustafizur Rahman

Managing Director

Mr. Mustafizur Rahman is a seasoned Investment Banking professional having over 30 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, risk management, etc. in home and abroad.

Top Management Profile



Mr. Atiar Rahman Ansary

General Manager, Monitoring and Recovery

Mr. Md. Atiar Rahman Ansary completed his B.Sc (Hons), M.Sc. degree in 1985 from Dhaka University. After completion of his education he became associated with MIDAS and joined MIDAS in the year 1987 as an entry level officer. Thereafter he completed his Post Graduate Diploma on Personnel Management and also completed a special program on Entrepreneurship Development from the Humber University of Business and Technology, Toronto, Ontario, Canada. Mr. Ansary has been working with sincerity, honesty, integrity and at the highest level of professionalism for the welfare and development of the company since the date of his joining. During his 32 years of career, he worked in different managerial positions with full satisfaction of the Management. Mr. Ansary also played the key position of the company as the Managing Director (Current charge) for two times. He is now holding the position of General Manager and Head of Monitoring and Recovery Department. During his career he attended in many local and foreign trainings, workshop and seminars.



Mr. Mohammod Monirul Islam

General Manager (Business Development)

Mr. Mohammod Monirul Islam joined MIDAS Financing Limited (MFL) as General Manager (Business Development) in 2015. 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 Masters 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.

Top Management Profile



Mr. Tanvir Hasan, FCA

General Manager (FAT) & Company Secretary

A seasoned professional Chartered Accountant having 16 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 Ltd and Financial Institutions named Fareast Finance & Investment Ltd, CVC Finance Ltd in individual transparency and accountability in a cross functional management team. He is working in MIDAS Financing Ltd from May 2020.



Ms. Nasreen Ahmed

Deputy General Manager & CFO

Ms. Nasreen Ahmed completed her B.Com (Hons), M.Com from Dhaka University in the year 1985. Ms. Ahmed started her career in MIDAS in the year 1992. Since then she has been serving in different positions of the Company. During her career she attended a good number of training programs and workshops.

Committees of the Company

Management Committee

Mr. Mustafizur Rahman
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Md. Tanvir Hasan, FCA
Ms. Nasreen Ahmed
Ms. Morsheda Hasin
Mr. Ahmed Ibne Mazid Khan
Mr. Shameem Ahmed
Mr. Abu Mirja Md. Sayem

Credit Committee

Mr. Mustafizur Rahman
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Md. Tanvir Hasan, FCA
Ms. Nasreen Ahmed
Mr. Abul Kalam Azad

Purchase and Disposal Committee

Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Md. Tanvir Hasan, FCA
Ms. Nasreen Ahmed
Mr. Ahmed Ibne Mazid Khan
Mr. Shameem Ahmed

Integrity Committee

Mr. Mustafizur Rahman
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Md. Tanvir Hasan, FCA
Mr. Shameem Ahmed

Monitoring and Recovery Committee

Mr. Mustafizur Rahman
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Md. Tanvir Hasan, FCA
Mr. Abul Kalam Azad
Mr. Mohammad Omer Farooque
Mr. Mohammad Abdullah

Asset Liability Management Committee

Mr. Mustafizur Rahman
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Md. Tanvir Hasan, FCA
Ms. Nasreen Ahmed
Mr. Md. Saidur Rahman
Mr. Md. Khalid Hossain

Promotion and Selection Committee

Mr. Mustafizur Rahman
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Md. Tanvir Hasan, FCA
Mr. Shameem Ahmed

ICT Steering Committee

Mr. Mustafizur Rahman
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Md. Tanvir Hasan, FCA
Mr. Shameem Ahmed
Mr. Abu Mirja Md. Sayem

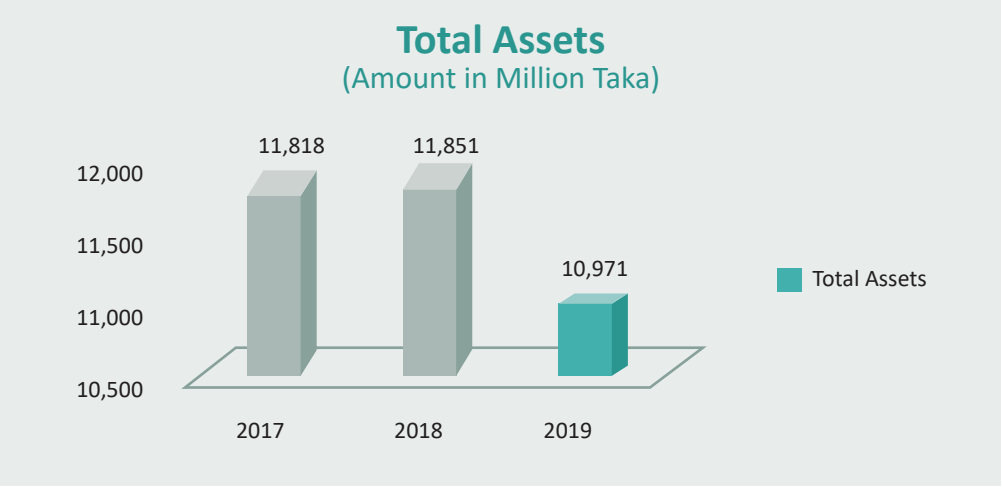
ICT Security Committee

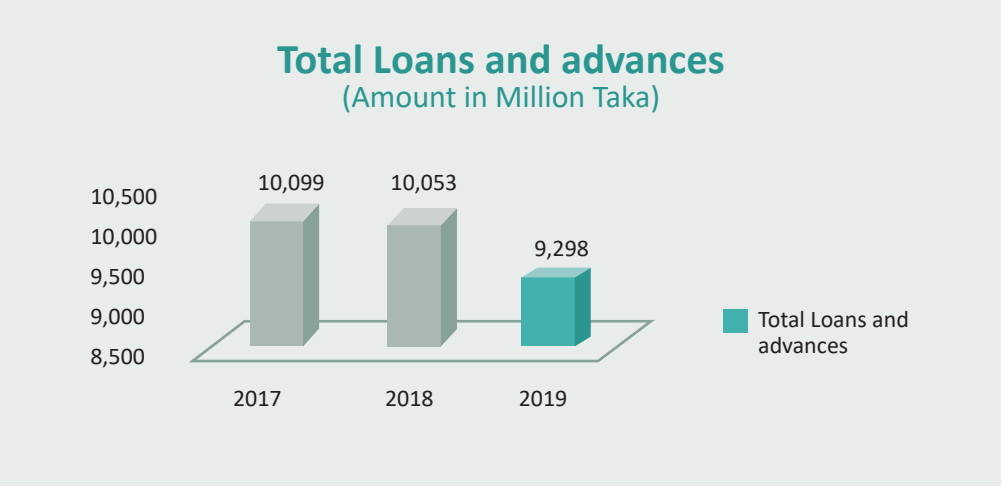
Mr. Abu Mirja Md. Sayem
Mr. Shameem Ahmed
Mr. Moshiur Rahman
Ms. Neesha Naimeen
Mr. Md. Abu Saeed
Mr. Mohammad Taimur Chowdhury
Mr. Masud Rana

Risk Management Forum

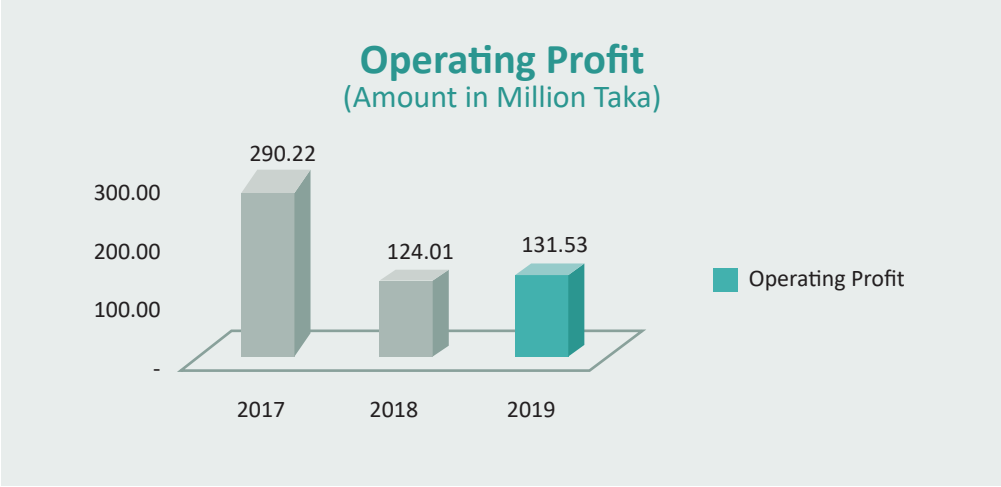
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Md. Tanvir Hasan, FCA
Ms. Nasreen Ahmed
Ms. Morsheda Hasin
Mr. Ahmed Ibne Mazid Khan
Mr. Shameem Ahmed
Mr. Muhammad Shohidur Rahman
Mr. Abu Mirja Md. Sayem
Mr. Md. Enamul Haque Khan
Mr. Mohammad Abdullah
Mr. Md. Saidur Rahman
Mr. Moshiur Rahman
Md. Sikander Mahmood
Mr. Md. Abu Saeed

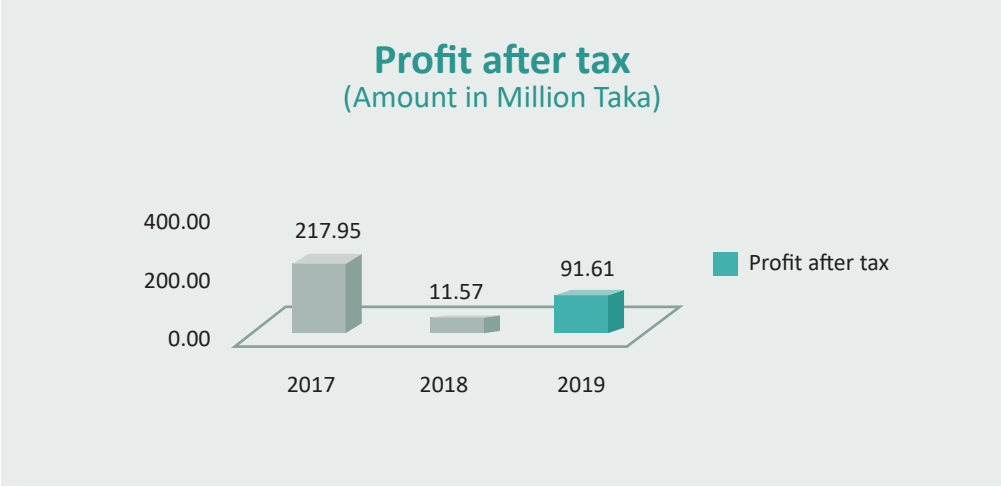
Key Financial Highlights



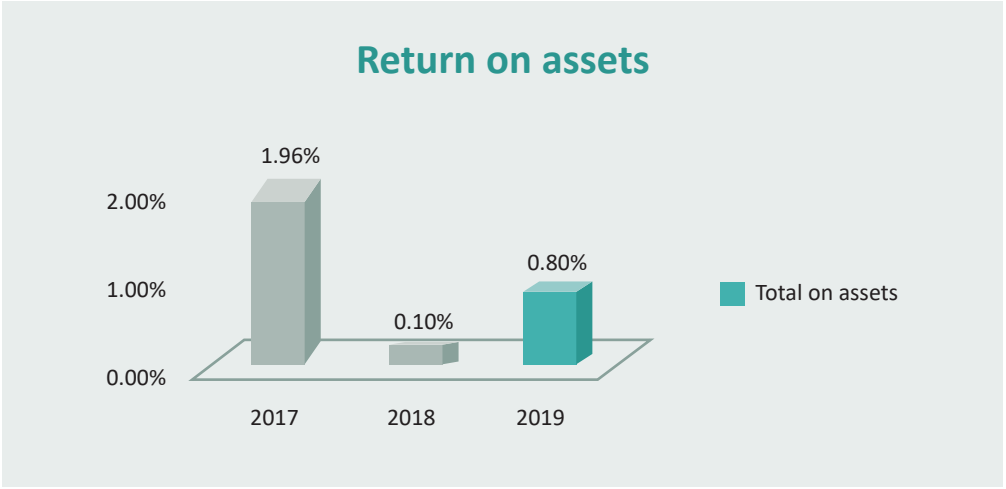


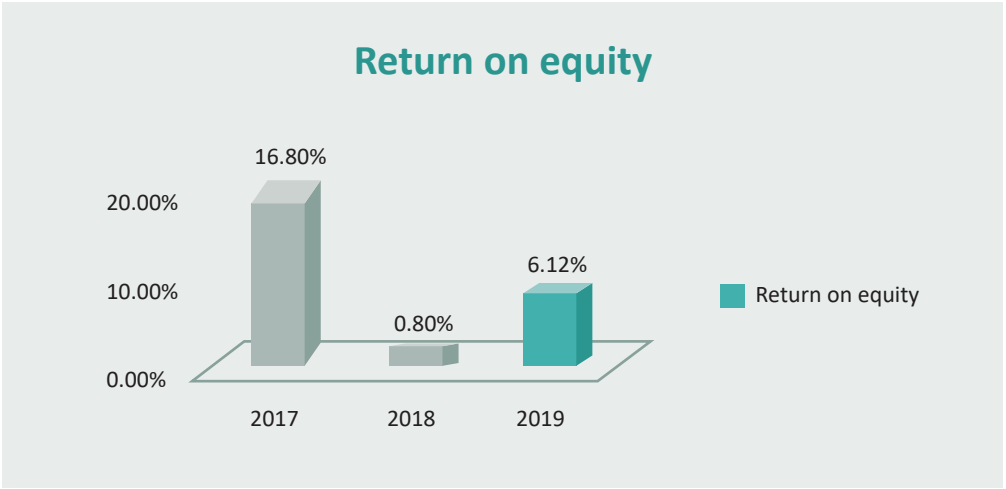
Key Financial Highlights



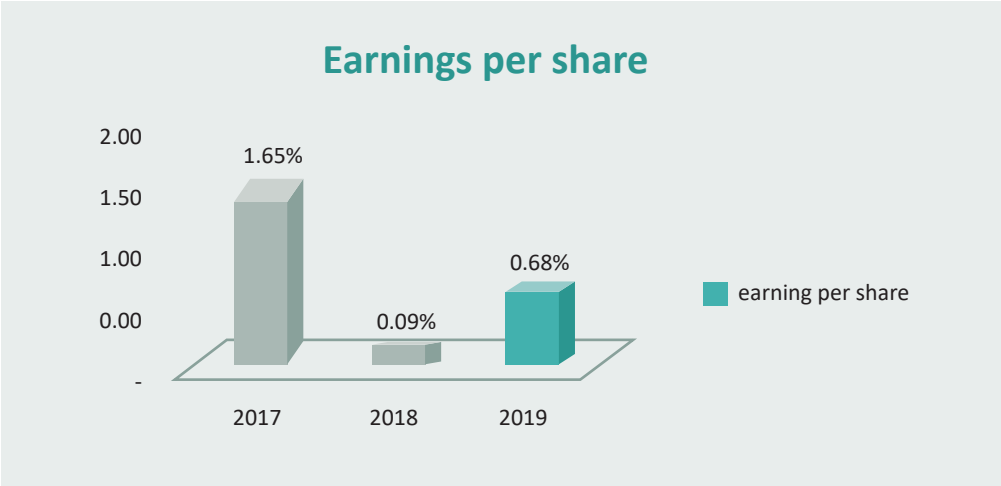


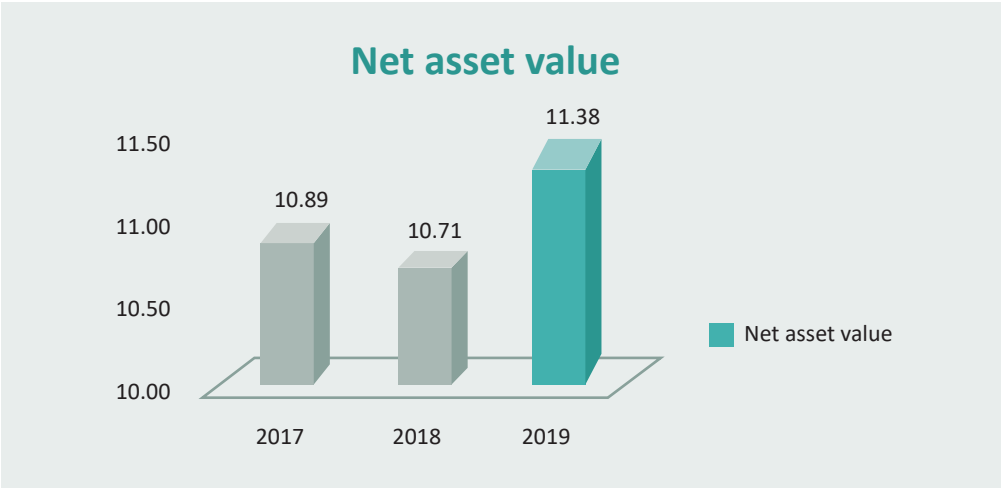
Key Financial Highlights



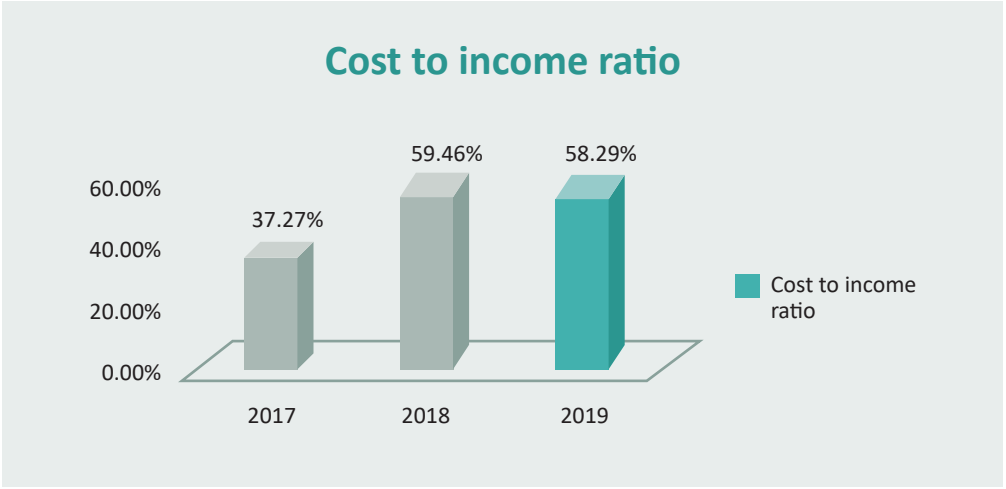


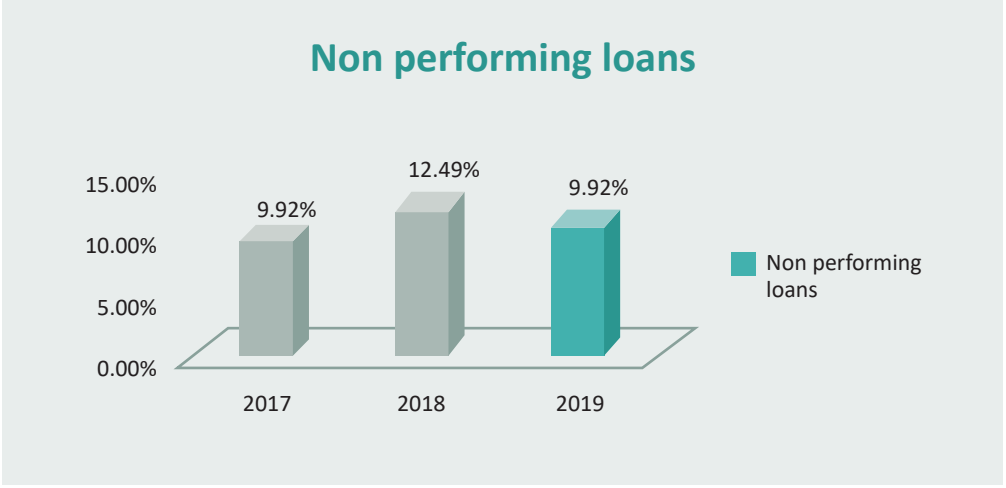
Key Financial Highlights





Key Financial Highlights





Performance Overview

Company's performance analysis is a subjective measure of how well a company has been using its investment in the business and generates revenues. This term is also used as a general measure of a company's overall financial health over a given period of time, and can be used to compare with other similar company in the industry. It is also a part of total business performance management that has three main activities. They are (a) selection of goals (b) consolidation (c) interventions in light of performance analysis. To achieve the goals, MIDAS Financing Ltd.'s management is continuously trying its best. Company's performances over the last two years are presented below:

Business performances	2019	2018
Contracted		
Lease finance	36,700,000	6,250,000
Term finance	1,552,550,000	230,345,318
Total	**1,589,250,000**	**236,595,318**
Disbursed		
Lease finance	79,958,296	164,950,000
Term finance	2,930,350,574	4,554,477,091
Total	**3,010,308,870**	**4,719,427,091**
SED	2,332,257,290	3,787,268,595
MIDI	362,460,000	354,080,000
Housing	71,550,000	167,530,000
Consumer Credit	1,320,000	1,330,000
Staff Loan	12,989,384	11,765,800
Loan against deposit	149,773,900	232,502,696
Ratios		
NPL	9.92%	12.49%
Return on asset (%)	0.80%	0.10%
Debt Equity ratio	6.11	7.16
Return on Average Equity (%)	6.12%	0.80%
Earnings per share	0.68	0.09
Net Asset Value	11.38	10.71

Chairman's Message



Dear Fellow Shareholders

With great pleasure, I would like to extend my warm welcome to all the respected shareholders to the 24th Annual General Meeting on behalf of the Board of Directors and everyone from MIDAS FINANCING LTD. This is indeed an opportune time for me also to acknowledge the years of hard work, sincerity and the commitment of our team.

The year 2019 has been a crucial year for MIDAS FINANCING LTD in many aspects. The team performed reasonably well in a year which proved to be very difficult for the FI sector. The overall goal for the year of 2019 was to consolidate our foundation which had been laid in previous years and to build MIDAS FINANCING LTD as a 'reliable & strong' organization.

Interest rates were on an upward trajectory led by scarcity of liquidity in the market during the whole year. In the later part of 2019, there was further pressure on the FI sector as broader financial market took a dim view of the sector due to troubles at few FIs. The company's leadership had played a catalytic role in navigating the organization through the challenges and difficulties of the industry during the year.

MIDAS FINANCING LTD also made substantial strides in solidifying corporate structure and policies. More people have been hired to fill the gaps and importantly MIDAS FINANCING LTD has been able to install a state of the art technology infrastructure.

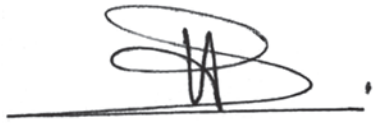
MIDAS FINANCING LTD operates primarily in the SME & consumers sector of the country with a view to offer conventional as well as non-conventional financial products & solutions. We have been aligning with green financing which is environment friendly. We also intend to support building entrepreneur, especially the women entrepreneurs. At MIDAS FINANCING LTD, we are trying to ensure that we remain relevant and responsive to customers as a compact financial service oriented organization. It is very important that we adjust to the forces that are reshaping our industry in near and longer terms. The company embraced a bold and customer centric process overhaul initiatives, tech-infrastructure upgrades and raising the skill levels of human resource in 2019 and will continue to do so in 2020. As well as, MIDAS FINANCING LTD will cater for products related to increasing 'access to financing for unbanked ones', support a digital economy, climate impact mitigation and adaptation financing and structured financing. It is absolutely important that Midas Financing Ltd develops a portfolio mix of traditional and newer products backed with superior customer service, technology and efficient operation.

At MIDAS FINANCING LTD, we are also trying to develop a performance oriented culture of pro-activity, loyalty to the Company & integrity with a good balance of skills and experience. The Board provides the vision, strategic leadership and sets challenging targets for the management which collectively acts as a strong impetus for the executive team to continually push the boundaries to achieve the growth aspirations.

I would also like to express my sincere gratitude to all our stakeholders and the regulatory authorities; specially, Bangladesh bank for their continued support and judicious guidance. I am grateful to my fellow Board members for their invaluable support and constant cooperation. My sincere appreciation is also for the MIDAS FINANCING LTD management team for their continued commitment and initiatives on new challenges.

Lastly, on behalf of the Board of Directors, I again express our commitment for adding value to all our stakeholders through implementation of prudent and responsible business strategies ensuring transparency and corporate practices.

With my best wishes,



Mohammed Nasir Uddin Chowdhury
Chairman

Directors' Report
to the Shareholders of MIDAS Financing Ltd. (MFL)

Dear Valued Shareholders,
The Directors of MIDAS Financing Ltd. (MFL) [hereinafter referred to as "MFL" or "the Company"] have the pleasure to present before you the Annual Report and the Audited Financial Statements of the Company for the year ended 31 December 2019 together with the Auditors' Report thereon.

The Report
This Report has been prepared in compliance 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 and 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 in order to ensure compliance, transparency and good governance practices. It is hoped that the report will provide a clear picture of the company's performance and affairs for the year.

A separate report titled "Report on Economic Scenario, Industry Outlook and Possible Future Developments in the Industry" has been incorporated in the Annual Report. Moreover, a report on corporate governance and a report on risks and concerns have also been annexed hereto. These reports as well as the tables, graphs and profiles shown separately will be considered integral parts of this report.

The Company, MFL
MFL is one of the leading NBFIs in Bangladesh. 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 areas 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) branches located at different places in the country as well as Head Office. It also maintains its own portfolio of investment in listed securities and accepts term deposits offering competitive interest rates. There was no significant change in the nature of these activities during the year 2019.

MFL's Consolidated Financial Results and Performance during the year 2019
A comparative picture of the Consolidated Financial Results of the company for the year ended 31 December 2019 and for the year ended 31 December 2018 is provided in the table below:

Taka in Crore

Particulars	2019	2018
Net interest income	22.23	17.37
Other operating income	9.31	13.22
Total operating income	**31.54**	**30.59**
Total operating expenses	(18.38)	(18.19)
Profit before provisions	**13.16**	**12.40**
Provision for loans and investments	(0.35)	(8.58)
Profit before tax	**12.81**	**3.82**
Provision for tax	(3.65)	(2.66)
Net profit after tax	**9.16**	**1.16**
Transfer to statutory reserve	(1.94)	(0.22)
Transfer from statutory reserve		-
Retained earnings at the beginning	1.36	3.73*
Proposed bonus share	-	(3.31)
Net Retained Surplus	**8.58**	**1.36**
EPS	**0.68**	**0.09**

**After adjustment of stock dividend for the year 2017.*

The table shows that the financial performance of the company during the year compared to that for the previous year has been much better. The overall performance of the banking and non-banking financial institutions sector during the year 2019 was rather gloomy due to tight liquidity situation. Despite that tight situation MFL stands out with its enhanced profitability.

The quarterly and annual financial performance (consolidated) of the company for the year 2019 stood as under:

Taka in Crore

Particulars	Q1 (Jan to Mar)	Q2 (Apr to Jun)	Q 3 (Jul to Sep)	Q 4 (Oct to Dec)	Annual 2019
Interest income	29.19	24.68	26.12	32.68	112.67
Interest expenses	(23.15)	(23.40)	(22.97)	(20.92)	(90.44)
Net interest income	**6.04**	**1.28**	**3.15**	**11.76**	**22.23**
Other operating income	3.31	2.58	1.58	1.84	9.31
Total operating income	**9.35**	**3.86**	**4.73**	**13.60**	**31.54**
Total operating expenses	(4.37)	(4.55)	(4.89)	(4.57)	(18.38)
Profit before provisions	**4.98**	**(0.69)**	**(0.16)**	**9.03**	**13.16**
Provision for loans/ investments	(0.24)	(14.04)	(3.77)	17.70	0.35
Profit before tax	**4.74**	**(14.73)**	**(3.93)**	**26.73**	**12.81**
Provision for tax	(0.68)	(0.57)	(0.28)	(2.12)	(3.65)
Net profit after tax	**4.06**	**(15.30)**	**(4.21)**	**24.61**	**9.16**

The operating expenses were almost same over the year. Provision charged, as per Bangladesh Bank guideline, in different quarters the varied according to the amount of NPL of the quarter.

That resulted in the fluctuations of the quarterly financial performance of the company.

Directors' Report

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 takes special note of the fact that over the last several years MFL has been suffering for its increased NPL which is common to most of the Banks and NBFIs operating in the financing industry in Bangladesh. Relentless efforts and strong recovery drives as well as preventive and remedial measures are being taken for the reduction of its NPL.

(b) Investments:

MFL has been in the capital market of Bangladesh through its investment in the securities listed with stock exchanges. The 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 receives also various low cost funds under Bangladesh Bank refinance scheme and funds from SME Foundation, etc. Appropriate policies are adopted to keep the cost of fund low.

Subsidiary Operation

MIDAS Financing Ltd. is the owner of 99.9992% shares (2,49,99,800 nos. of shares of Taka 10 each) of MIDAS Investment Limited (MIL). MIL is a private Limited Company, incorporated on 09 April 2012 (bearing Registration No C-100772/12) under the Companies Act 1994 and licensed from BSEC on 06 September 2016 as Merchant Bank. MIL contributed to the income of MFL as profit after tax by Taka 0.98 Crore in 2019 as against Taka 2.54 Crore in 2018.

MIDAS Centre

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

Related Party Transactions

As per IAS 24 "Related Party Disclosure", related parties are those who have the control, joint control or significant influence over the company. The details of the contracts and transactions executed with related parties during 2019 are stated under Note 39.4 of the Notes to the Financial Statements for the year ended 31 December 2019. 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 its normal course of business. Details of transactions are stated below:

Name of the Party	Nature of Relationship	Nature of Transaction	Classification Status	Amount in Tk.	
				2019	2018
Ms. Rokia Afzal Rahman	Sponsor Shareholder	Auto Finance	Standard	-	426,356
MIDAS	Sponsor Shareholder	Term Deposits	N/A	113,900,000	114,275,870
MIDAS Investment Ltd.	Subsidiary Company	STL & LTD	Standard	237,829,757	249,386,380
MIDAS Investment Ltd.	Subsidiary Company	Term Deposits	N/A	205,000,000	205,000,000
LankaBangla Finance Ltd.	Shareholder	Term Deposits	N/A	-	260,000,000
LankaBangla Investment Ltd.	Shareholder	Short Term Finance	Standard	-	80,000,000
LankaBangla Securities Ltd.	Shareholder	Equity Investment (Non-listed)	N/A	5,000,000	5,000,000
LankaBangla Securities Ltd.	Shareholder	Managing Portfolio through BO A/C	N/A	224,215,170	269,720,459
Shafique-Ul-Azam	Ex. Managing Director till 28 March 2019	Term Deposits	N/A	-	586,923
Total				**785,944,927**	**1,184,395,988**

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 core of the 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 provided separately.

Sub-committees of the Board

The Board of MFL has constituted (i) Executive Committee and (ii) Audit Committee as the subcommittees of the Board for ensuring good governance in the Company and in accordance with related guidelines provided in Bangladesh Bank DFIM Circular Letter No. 07 dated 25.09.2007. Nomination and Remuneration Committee could not be constituted owing to the express prohibition by the said circular for constitution of any other sub-committee of the Board. The Board has laid down the respective roles and responsibilities of the Audit Committee and the Executive Committee. As required under condition no. 5(7) of the Corporate Governance Code, a report on the activities carried out by the Audit Committee has been prepared for disclosure in the annual report.

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 is entrusted with the monitoring of 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. Internal Control and Compliance (ICC) Department has been established 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. However, the Board of Directors is satisfied with the effectiveness of the company's internal control system for the period under review.

Going Concern

The Directors believe that the company running on going concern concepts and the Financial Statements are prepared on going concern basis.

Statements regarding Financial Reporting Framework and Disclosures

The Directors accept that-

- 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 the 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 was declared during the year, or shall be declared in future, as interim dividend;

Directors' Report

Key Operating and Financial Data

A summary containing the key operating and financial data for the 5 (Five) years is presented separately, as under

(Figures in million Taka except ratios as per share data)

Particulars	30-June-15	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19
Loan disbursement	1,849.64	7,347.11	5,133.16	4,719.43	3,010,.31
Lease, loans & advances	5,017.16	8,771.09	10,099.43	10,052.74	9,297.80
Profit before tax	52.05	351.25	254.80	38.16	128.06
Profit after tax	42.54	267.22	217.95	11.57	91.61
Shareholder's fund	886.82	1,154.04	1,440.52	1,452.09	1,543.70
Total deposits	3,185.03	6,656.21	7,742.49	7,263.64	6,037.65
Total balance sheet size	6,365.84	10,396.46	11,817.94	11,851.15	10,971.48
NPL ratio (%)	21.73%	12.00%	9.92%	12.49%	9.92%
Return on equity (average equity)	7.53%	17.46%	16.80%	0.80%	6.12%
Earnings per share (restated)	0.32	2.02	1.65	0.09	0.68
Net assets value per share (restated)	6.70	8.72	10.89	10.71	11.38

Shareholding Pattern

The shareholding pattern as on 31 December 2019 is shown as a separate report which has been prepared in compliance with condition no. 1(5) (xxiii) of the corporate governance code.

Corporate Social Responsibility (CSR)

- MFL considers itself to be an integral part of the community in which it operates, and recognizes that it has responsibilities for providing the highest standards of service and ethical business. MFL in carrying out its business activities keeps 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. MFL takes pride in the activities for discharging its CSR and during the year 2019 accomplished the following tasks :

- Distribution of T-Shirt for Celebrating the World Wildlife Day-2019.

- The company worked for the growth of 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 to services and products, technical support and instant loan processing for the benefit of small and medium especially women entrepreneurs.

- In continuation of the innovative initiatives, MFL organized National Dialogue for Women Entrepreneurs on 02 November 2018 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 2018, MFL declared and launched 'SME Day' with a view to providing better services to SMEs and encouraging them for their business development. The day will be observed on the first Monday of every month by the head office and 15 branches of MFL.

Management's Discussion and Analysis

A Management's Discussion and Analysis signed by the MD presenting a detailed analysis of the company's position and operations along with a brief discussion on changes in the financial statements, among others, focusing on the issues prescribed under condition no. 1(5)(xxv) of the Corporate Governance Code is provided separately.

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. The Directors take on record that MD and CFO have jointly certified to the Board of Directors of the company that-

(a) They have reviewed the financial statements for the year ended 31 December 2019 and to the best of their knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

(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; and

(b) There are, to the best of their 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.

Corporate Governance

MFL is committed to achieve excellence in corporate governance. A Report on the Corporate Governance of MFL is produce separately.

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, on whether or not the company has complied with the conditions laid down in the corporate governance code, and to disclose the same in the Directors' Report. Accordingly, a Statement on Status of Compliance with the Corporate Governance Code has been prepared and attached herewith.

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 with 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 who will provide such certificate shall be appointed by the shareholders in the Annual General Meeting. Accordingly, a Certificate has been obtained from M/s Hawlader Maria & Co., Chartered Accountants, for the year ended 31 December 2019 and enclosed to this Annual Report. The Directors recommended that the shareholders may consider the appointment of M/s Hawlader Maria & Co., Chartered Accountants, as the Corporate Governance Auditor of the Company for the year ended 31 December 2019, to continue till the conclusion of the 24th AGM of 2020.

Board of Directors, its Meetings and Attendance of Directors therein

The Board of Directors of MFL consist of 10 (ten) Directors. During the year ended 31 December 2019, 12 (Twelve) Board Meetings were held wherein attendance was as follows:

Name of Director	Note Ref.	No. of Meetings	
		Held	Attended
Mr. Mohammed Nasir Uddin Chowdhury		12	12
Ms. Rokia Afzal Rahman		12	12
Mr. M. Hafizuddin Khan		12	12
Mr. Ali Imam Majumder	1	12	06
Ms. Parveen Mahmud	1	12	00
Mr. Siddiqur Rahman Choudhury		12	12
Mr. Abdul Karim		12	12
Mr. Ghulam Rahman		12	10
Mr. Md. Shamsul Alam		12	11
Mr. Md. Shahedul Alam		12	08
Mr. A.K.M. Kamruzzaman	2	12	05
Mr. S.M. Azad Hossain	3	12	05

Directors' Report

Notes

1. MIDAS withdrew its nomination of Ms. Parveen Mahmud and nominated Mr. Ali Imam Majumder as representative Director. Mr. Ali Imam Majumder was appointed as Director with effect from January 29, 2020.
2. Mr. A.K.M. Kamruzzaman was elected as representative Director of LankaBangla Investments Limited in the AGM held on 25.07.2019.
3. The position of Mr. S. M. Azad Hossain has become vacant because of holding less than 2% shares of Paid-up Capital of the company as per the BSEC notificaton no. BSEC/CMR-RCD/2009-193/217/Admin/90 date 21 May 2019.

Remuneration paid to the Directors

During the year ended 31 December 2019, 12 (Twelve) Meetings of the Board, 5 (five) Meetings of Audit Committee and 6 (Six) Meetings of the Executive Committee (EC) were held. Each Director was paid Tk. 8,000/- (Taka Eight Thousand) only for attending each meeting of the Board or Committee. A statement of remuneration paid to the Directors including Independent Directors is shown below:

Name of Director	No. of Meetings Attended				Remuneration Paid (Tk.)
	BM	ECM	ACM	Total	
Mr. Mohammed Nasir Uddin Chowdhury	12	5	1	18	144,000
Ms. Rokia Afzal Rahman	12	6	4	22	176,000
Mr. M. Hafizuddin Khan	12	6	5	23	184,000
Mr. Ali Imam Majumder [Note:1]	06	3	3	12	96,000
Mr. Siddiqur Rahman Choudhury	12	6	3	21	168,000
Mr. Abdul Karim	12	-	-	12	96,000
Ms. Parveen Mahmud [Note:1]	00	-	-	00	00
Mr. Ghulam Rahman	10	-	5	15	120,000
Mr. Md. Shamsul Alam	11	5	2	18	144,000
Mr. Md. Shahedul Alam	08	-	-	08	64,000
Mr. A.K.M. Kamruzzaman [Note:2]	05	-	-	05	40,000
Mr. S.M. Azad Hossain [Note:3]	05	-	-	05	40,000

Notes: BM, ECM and ACM stand for Board Meetings, Executive Committee Meetings and Audit Committee Meetings respectively.

1: MIDAS withdrew its nomination of Ms. Parveen Mahmud and nominated Mr. Ali Imam Majumder as representative Director. Mr. Ali Imam Majumder was appointed as Director with effect from January 29, 2020.

2: Mr. A.K.M. Kamruzzaman was elected as representative Director of LankaBangla Investments Limited in the AGM held on 25.07.2019.

3: The position of Mr. S. M. Azad Hossain has become vacant because of holding less than 2% shares of Paid-up Capital of the company as per the BSEC notificaton No. BSEC/CMRRC-D/2009-193/217/Admin/90 date 21 May 2019.

Directors' Retirement and Re-election/ Re-appointment

In accordance with the provisions of the Articles of Association of the Company and the Companies Act 1994, 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 Directors named below will retire in the 24th AGM:

1. Mr. Mohammed Nasir Uddin Chowdhury-Director Nominated by LankaBangla Finance Limited

2. Ms. Rokia A. Rahman-Director, Nominated by MIDAS

3. Mr. Shamsul Alam-Director, Nominated by General Shareholder Group

The Retiring Directors being eligible for re-election/ re-appointment may be re-elected/ re-appointed by the Shareholders in the 24th AGM. A brief profile of each of the retiring directors is provided separately.

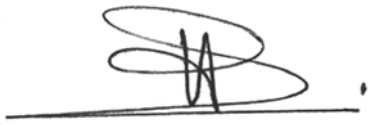
Appointment/ Re-appointment of Auditors

M/s Mafel Haq & Co., Chartered Accountants, were appointed Auditors of the company in the 22nd AGM. The firm will retire in the 24th AGM and being eligible for re-appointment has submitted their willingness to be re-appointed for a further term. The valued shareholders may consider re-appointment M/s Mafel Haq & Co., Chartered Accountants, as Auditors of the company for the next term (for the year 2020) to continue until conclusion of the 25th AGM at a fee of Taka 1,65,000/-(one lac sixty five thousand) only including tax and VAT.

Acknowledgement

The Board of Directors takes this opportunity to convey its heartiest appreciation and gratitude to the valued clients, depositors, lenders, bankers, patrons and business partners for their continued support and cooperation during the year. The Board also expresses its gratitude to Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (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 extended by them to the company from time to time. Sincere appreciation of the Board of Directors is also extended 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 offer 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, the constructive criticisms at all times and will make appropriate decisions in the greater interest of the company.

For and on behalf of the Board of Directors



Mohammed Nasir Uddin Chowdhury
Chairman
Dhaka, July 14, 2020

Report on Economic Scenario, Industry Outlook

Global Growth Outlook

In recent years, banking stopped being boring during the financial transition to a globalized world, and it also stopped serving the needs of the productive economy. The transformation of banking into a high glamour, high paid, globalized industry came with financial deregulation and a surge of cross-border capital flows. As a result of deregulation, retail banking activities blended with investment activities to create financial behemoths operating with an "originate-and-distribute" business model whereby loans were securitized and a range of financial services boosted the rents they could earn.

Global growth this year recorded its weakest pace since the global financial crisis a decade ago, reflecting common influences across countries and country-specific factors.

Rising trade barriers and associated uncertainty weighed on business sentiment and activity globally. In some cases (advanced economies and China), these developments magnified cyclical and structural slowdowns already under way.

Further pressures came from country-specific weakness in large emerging market economies such as Brazil, India, Mexico, and Russia. Worsening macroeconomic stress related to tighter financial conditions (Argentina), geopolitical tensions (Iran), and social unrest (Venezuela, Libya, Yemen) rounded out the difficult picture.

Bangladesh Economy

In the first quarter of 2019, Bangladesh was the world's seventh fastest growing economy with a rate of 7.3% real GDP annual growth, which ended with GDP growth of 8.15% in the end of the year. In the decade since 2004, Bangladesh averaged a GDP growth of 6.5%, which has been largely driven by its exports of ready-made garments, remittances and the domestic agricultural sector. Among the South Asian countries Bangladesh has the trend of having highest GDP growth since last 2 years.

Going forward, the economy is likely to slow, partly due to weak global trade. In addition, downside risks include threats from a banking system under strain from a high number of non-performing loans and a high vulnerability to natural disasters such as flooding and cyclones. FI industry has seen downward trend in the year 2019. The liquidation of peoples leasing has affected the trust of the depositors towards FI industry. This is very alarming the recent influx of over 700,000 additional refugees from Burma placed pressure on the Bangladeshi government's budget.

Future Global Economic Prospect

Financial technology will drive the new business model. For a long time, new market entrants found it difficult to break into the financial services industry. The sharing economy will be embedded in every part of the financial system. By 2020, consumers will need financial services. The so-called sharing economy may have started with but financial services will follow soon enough. In this case, the sharing economy refers to decentralized asset ownership and using information technology to find efficient matches between providers and users of capital, rather than automatically turning to a bank as an intermediary. Several industry groups have come together to commercialize technology and apply it to real financial services scenarios. We expect this surge in funding and innovation to continue as block chain and FinTech move from a largely retail focus to include more institutional use. And while many of these companies may not survive the next three to five years, we believe the use of the block chain "public ledger" will go on to become an integral part of financial institutions'. Digital becomes mainstream. Few years ago, many financial institutions built "e-business" units to ride a wave of e-commerce interest. Eventually, the initial "e" went away, and this became the new normal. Internet development, and large technology investments, drove unprecedented advances in efficiency. Today's "digital" wave has the same markers: separate teams, budgets, and resources to advance a digital agenda. This agenda extends from customer experience and operational efficiency to big data and analytics. In financial services, we have seen this approach applied to payments, retail banking, insurance, and wealth management, and migrating toward institutional areas such as capital markets and commercial banking. Customer intelligence" will be the most important predictor of revenue growth and profitability. Now, technology advances have given businesses access to exponentially more data about what users do and want. It is an amazing opportunity for whomever can use analytics to unlock the information inside, to give customers what they really want.

Cyber security will be one of the top risks facing financial institutions. Use of third party vendors, rapidly evolving, sophisticated and complex technologies, cross border data exchanges, increased use of mobile financing technologies by customers, including the rapid growth of the internet of things, heightened cross-border information security threats will be the ultimate game changer for this year.

Management 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 2019 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 estimate 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 2019 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 results that was not up to the mark.

MFL fared moderate performance in 2019 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 2019 the company's interest income (as per consolidated financial statement), mostly from lease, loans and advances, increased by 3.63% i.e. BDT 3.94 crore from the last year which was almost same as 2018. Lease, loan and advances portfolio stood at Taka 929.78 crore as of 31 Dec 2019 as against Taka 1005.27 crore as of 31 Dec 2018. Although, portfolio reduced by Taka 75.49 crore, interest income increased due to increase in effective rate of interest.

Interest Expense:

Company's interest expense on deposit and borrowing decreased by 1.01% (BDT 0.92 crore) in 2019 compared to previous year. Bank and FI industry faced a sudden shortage of liquid funds in 2019 which forced banks and FIs to collect deposit and fund at higher rate. As a result, the average cost of fund of the company decreased to 10.30% as on December 2019 compared to 10.34% in the previous year.

Net Interest Income:

Higher growth in interest income and lower growth in interest expenses resulted positive growth in net interest income. Net interest income increased 27.98% negative growth i.e. Taka 4.86 crore compared to last year.

Income from investment and other operating income:

The year 2019 was a very difficult year for the capital market of Bangladesh. In 2018, Investment income of the company fell by Taka 4.72 crore, reflecting 97.09% de-growth compare to last year due to bearish capital market. Moreover, provision for diminution in value of investment has increased by Taka 1.05 crore in 2019. Other operating income, increased by 10.53% i.e., BDT 0.86 Crore from the last year.

Operating expenses:

The company was able to retain operating expense at 1.09% growth compared to last year. Total operating expenses increased by Taka 0.20 crore from last year where maximum contribution came from Salary and allowances. MFL's growth in salary and allowances was 4.15%.

Management Discussion and Analysis

Net Operating Profit:
Due to static interest income, slower borrowing cost and lower income from investment the company's operating profit increased significantly compared to last year. Company's operating profit increased by Taka 0.75 crore which 6.06% growth.

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 reduction of loan portfolio and decrease of classified loan the company's general provisions increased and specific provision reversed. Due to slump in capital market in 2019 the company's provision against investment in share market increased significantly. In totaling the company's provision in this head decreased by 8.24 crore.

Profit after Tax:
Eventually, the profit after tax of the company increased significantly and stood at Taka 9.16 crore due to the factors mentioned above. As a result, our earnings per share (EPS) in 2019 increased to Taka 0.68 from 0.09 of last year 2018.

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 2018 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 2019 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. At the end of the year 2019 the company's loan portfolio reduced to Taka 929.78 crore from 1,005.27 crore of 2018.

Non-performing loan (NPL):
Over the years MFL is trying to bring down its NPL at a tolerable limit. In 2018 the company was able to increase its NPL at 12.49% from 9.92% of 2017. But, in line with the industry, NPL of the company decreased again to 9.92% at the end of December 2019. However, the company is trying to reduce its NPL by ensuring rigorous monitoring, disbursement of quality portfolio and increasing asset quality.

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 2019, capital adequacy ratio of the company (consolidated) stood at 17.40% compared to 16.14% in the preceding year.

Capital adequacy - As per BASEL-II	2019	2018
a) Core Capital (Tier-I)		
Paid-up capital	1,356,029,310	1,322,955,430
Statutory reserve	101,828,395	82,460,027
Retained earnings	85,843,236	46,675,316
	1,543,700,941	**1,452,090,773**
b) Supplementary Capital (Tier-II)		
General provision	72,971,889	68,384,689
c) Total eligible capital (a + b)	**1,616,672,830**	**1,520,475,462**
d) Risk Weighted Assets (RWA)	**9,293,569,950**	**9,421,879,919**
e) Capital Adequacy Ratio (%) (c/d)	**17.40%**	**16.14%**

Management Discussion and Analysis

Cash Flow Analysis

Particulars	2019	2018
A. Cash flow from operating activities	(25.91)	(29.54)
B. Cash flow from investing activities	(0.16)	(0.24)
C. Cash flow from financing activities	17.93	31.49
D. Net increase in cash and cash equivalents (A+B+C)	(8.14)	1.71
E. Cash and cash equivalent at the beginning of the year	52.73	51.02
F. Cash and cash equivalent at the end of the year	44.58	52.73

Cash Flow from Operating Activities
Cash generated from operating activities before changes in operating assets and liabilities decreased by 25.36% in 2019 which was Tk. 5.59 crore compared to previous year. Net cash flow from operating activities decreased due to remarkable negative growth in deposit 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 2019 the company's net borrowing was recorded Taka 17.93 core as against Taka 31.49 crore of last year.

Overall scenario
The cash and cash equivalent balance of the company reduce to Taka 44.59 crore at the end of 2019 compared to Taka 52.73 crore of 2018.

d) Comparative financial performances with the peer industry
Finance Industry
The finance industry is marked by high levels of competition with 34 NBFIs and 60 Banks operating in the same space. Three new more are coming soon.

This sector passed a very challenging year 2019 amid liquidity crisis at the beginning and at the year end. Record private sector credit growth and sluggish deposit growth at the end of 2019 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 again at 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. The share of classified loans rose to 10.30 percent of the total outstanding loans as of 31 December 2019 from 9.31 percent as of 31 December 2018.

(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 2020 with a projection of disbursement of Taka 430 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. Good Corporate Governance Philosophy establishes the mechanisms, processes and practices in a corporate entity for discharging the responsibilities and obligations of the members, the board and the senior management ethically to all the stakeholders through transparency, accountability and fairness, while protecting the interests of relevant stakeholders.

The Bangladesh Securities and Exchange Commission (BSEC) has imposed Corporate Governance Code (vide its Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018), all the conditions of which are mandatory to comply with by the issuers of securities listed with any stock exchange of Bangladesh. The main objective of issuance of the said code is to enhance corporate governance in the interest of investors and the capital market. MIDAS Financing Ltd. (MFL), being an NBFI, has to adhere to the provisions of Financial Institutions Act 1993 and various rules, regulations, guidelines, notifications, policies, etc. issued from time to time by its primary regulatory authority the Bangladesh Bank.

As per the provisions of Articles of Association of MFL, the Board of Directors holds periodic meetings to resolve policy issues and strategies for achieving the organizational goal by the Management. 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'. The Board of Directors 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:

Constitution of Board of Directors

The Board of Directors of MFL consisting of 10 (ten) Directors is standard in size. Diversity in constitution of the Board is ensured taking into consideration age, gender, experience, ethnicity, educational background, etc. The Directors hold regular meetings to ensure good communication and discussion on matters of importance for smooth operation of the Company. 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.

Appointment of 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.

Separation of Roles of Chairman and CEO

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

Constitution of Sub-committees of the Board

For ensuring good governance in MFL, the Board has constituted (i) Executive Committee and (ii) Audit Committee as the subcommittees of the Board. Although constitution of a Nomination and Remuneration Committee is prescribed by in the Corporate Governance Code, the Board could not constitute it because Bangladesh Bank DFIM Circular Letter No. 07 dated 25.09.2007 prohibits NBFIs to form any committee other than Audit Committee and Executive Committee as a sub-committee of the Board. The Board has laid down respective roles and responsibilities of the Audit Committee and the Executive Committee.

Appointment of CFO, CS and HIAC

The Board of MFL has ensured appointment of 3 (three) individuals as Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit and Compliance (HIAC) and also defining their respective roles, duties and responsibilities.

Appointment and Independence of External / Statutory Auditor

The Board of MFL complies with all the requirements related to appointment of External/ Statutory Auditor. 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.

Reporting and Disclosures

The 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.

Maintaining a website by the Company

MFL has an official website [www.mfl.com.bd] which is linked with the website of the stock exchanges and kept functional. The detailed disclosures as required under the listing regulations of the stock exchange(s) are made available on the website.

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.

Status of Governance and Corporate Governance Audit

The Directors of MFL cause to prepare a statement on the Status of Corporate Governance in prescribed format on yearly basis and disclose the same in the annual report. A Statement has been prepared for the year ended 31 December 2019.

Corporate Governance Audit

A Certificate regarding Corporate Governance and Compliance with the Corporate Governance Code for the year ended 31 December 2019 has been obtained from M/s Hawlader Maria & Co., Chartered Accountants. The Shareholders shall appoint the Corporate Governance Auditor of the Company for the year ending 31 December 2019 and to continue till conclusion of the 24th AGM of 2020.

Report of the Board 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 BSEC. Since BSEC issued Corporate Governance Code on 03 June 2018 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 of MFL is as stated below:

Sl. No.	Name of Member	Status in the Organization	Status in the Committee
1.	Mr. Ghulam Rahman	Independent Director	Chairman
2.	Ms. Rokia Afzal Rahman	Director	Member
3.	Mr. M. Hafizuddin Khan	Director	Member
4.	Mr. Md. Shamsul Alam	Director	Member
5.	Mr.Siddiqur Rahman Choudhury	Independent Director	Member

During the year 2019, Mr. Ali Imam Majumder also acted as member of the Audit Committee for a specific tenure. The Company Secretary performs as the Secretary of the Committee.

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 include, 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, inspec tion report of Bangladesh Bank, etc.

Meetings of the Committee

During the year 2019 five meetings of the Committee were held. Attendance at the Audit Committee Meetings by the Members is summarized below:

Report of the Board Audit Committee

Name of Member	No. of Meetings	
	Held	Attended
Mr. Ghulam Rahman	5	5
Ms. Rokia Afzal Rahman	5	4
Mr. M. Hafizuddin Khan	5	5
Mr. Md. Shamsul Alam	5	2
Mr.Siddiqur Rahman Choudhury	5	3

All the Meetings of the Committee were presided over by the Chairman of the Committee. The Managing Director attended the meetings on invitation. 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 year 2019 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 2019
- 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 risk s 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, the Committee has prepared this report for approval by the Board and publication in the Annual Report. 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.



Ghulam Rahman
Chairman, Audit Committee

Corporate Governance of MIDAS Financing Limited

(Certificate of compliance of Corporate Governanc)



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 2019. 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.

Place: Dhaka
Date: July 14, 2020

Maria Howlader FCA
Proprietor
Howlader Maria & Co.
Chartered Accountants

Compliance Status on BSEC Notification On Corporate Governance

Annexure-C
[As per condition No. 1(5)(xxvii)]

Status of compliance by MIDAS Financing Limited with the conditions imposed by BSEC through notification no. SEC/CMRRC-D/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is as follows:

(Report under Condition No. 9)

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 the company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty)	✓		
1 (2)	**Independent Directors:**			
1(2) (a)	At least one fifth (l/5) of the total number of Directors shall be Independent Directors	✓		
1(2)(b)	**Independent Director means a Director:**			
1(2)(b)(i)	Who either does not hold share in the company or holds less than one (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 TREC 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;	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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 qualifications:**			
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 shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(d)	1(3)(d) In special cases, the above qualifications 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;	✓		
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)	**The 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;	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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 Compliance 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 reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director;	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiv)(b)	nature of his or 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:-			
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:

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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		
2.	**GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY:**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board 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;	✓		
Note: *As explained in note under condition number 6, since no NRC was formed code of conduct for the Chairperson of the Board, other board members and Chief Executive Officer of the company remained pending.*				
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 COMPLI ANCE (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: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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;	✓		
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:**			
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;	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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.	✓		
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:**			
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;	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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.	✓		
5(6)(a)(ii)	**The Audit Committee shall immediately report to the Board 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

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6.	**NOMINATION AND REMUNERATION COMMITTEE (NRC): Please refer to the note given below:**			
6(1)	**Responsibility to the Board of Directors:**			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee 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 nonexecutive 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;			
	Note: *As per DFIM Circular number 18 dated October 26, 2011 no Non-Banking Financial Institution can constitute any permanent or temporary or any sub-committee of the Board except the Executive Committee and Audit Committee. Since there is clear contradiction between the regulations of Bangladesh Bank and Bangladesh Securities & Exchange Commission, MIDAS Financing Limited kept formation of Nomination and Remuneration Committee pending.*			
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:**			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;			
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:**			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(1)	**The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:**			
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 shall 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.	✓		

Compliance Report on BSEC's Notification

Compliance of Section 1.5(xxii)

Sl No.	Name of the Directors	Note Ref.	Meeting Held	Attended
1	Mr. Mohammed Nasir Uddin Chowdhury	-	12	12
2	Ms. Rokia Afzal Rahman	-	12	12
3	Mr. M. Hafizuddin Khan	-	12	12
4	Mr. Ali Imam Majumder	1	12	06
5	Ms. Parveen Mahmud	1	12	00
6	Mr. Siddiqur Rahman Choudhury	-	12	12
7	Mr. Abdul Karim	-	12	12
8	Mr. Ghulam Rahman	-	12	10
9	Mr. Md. Shamsul Alam	-	12	11
10	Mr. Md. Shahedul Alam	-	12	08
11	Mr. A.K.M. Kamruzzaman	2	12	05
12	Mr. S.M. Azad Hossain	3	12	05

Notes :

4. MIDAS withdrew its nomination of Ms. Parveen Mahmud and nominated Mr. Ali Imam Majumder as representative Director. Mr. Ali Imam Majumder was appointed as Director with effect from January 29, 2020.
5. Mr. A.K.M. Kamruzzaman was elected as representative Director of LankaBangla Investments Limited in the AGM held on 25.07.2019.
6. The position of Mr. S. M. Azad Hossain has become vacant because of holding less than 2% shares of Paid-up Capital of the company as per the BSEC notification No. BSEC/CMRRCD/2009-193/217/Admin/90 date 21 May 2019.

Compliance of Section 1.5(xxiii)

The Pattern of Shareholding

A. Parent/Subsidiary/Associated companies and other related party:

Number	Number of Share	Shares Held
Parent/Subsidiary/Associated companies and related party	0	0%

B. (I) Directors and their spouse and minor children:

Name	Designation	Number of shares	Amount (Taka)	Shares Held
Mr. Mohammed Nasir Uddin Chowdhury	Nominated by LankaBangla Finance Limited	7,701,952	77,019,520	5.680%
Ms. Rokia A. Rahman	Nominated by MIDAS	422,104	422,104	0.311%
Mr. Ali Imam Majumder [Note-1]	Nominated by MIDAS	0	0	0.000%
Mr. M. Hafizuddin Khan	Nominated by MIDAS	0	0	0.000%
Mr. Abdul Karim	Nominated by MIDAS	0	0	0.000%
Ms. Parveen Mahmud [Note-1]	Nominated by MIDAS	0	0	0.000%
Md. Shamsul Alam	Representative of General Shareholders Group.	2,712,803	2,712,803	2.001%
Mr. Md. Shahedul Alam	Representative of General Shareholders Group.	2,716,508	2,716,508	2.003%
Mr. S.M. Azad Hossain [Note-3]	Representative of General Shareholders Group.	220,000	2,200,000	0.166%
Mr. Siddiqur Rahman Choudhury	Independent Director	0	0	0.000%
Mr. Ghulam Rahman	Independent Director	117,203	117,203	0.086%
Mr. A.K.M. Kamruzzaman [Note-2]	Nominated by LankaBangla Investments Limited	18,040,000	18,040,000	13.304%
Mr. Mustafizur Rahman	Managing Director	0	0	0.000%

B. (ii) Chief Financial Officer, Company Secretary, Head of Internal Audit And their spouse and minor children:

Name	Designation	Number of shares	Amount (Taka)	Shares Held
Ms. Nasreen Ahmed	Chief Financial Officer	830	8,300	0.000%
Mr. Tanvir Hasan [Note-4]	Company Secretary	0	0	0.000%
Mr. Ahmed Ibne Majid Khan	Head of Internal Audit	0	0	0.000%

C. Executives (Top 5 salaried employees of the company, other than Directors, CEO, CFO, and Head of Internal Audit)

Name	Designation	Number of shares	Amount (Taka)	Shares Held
Mr. Atiar Rahman Ansary	GM, Monitoring and Recovery	2,931	29,310	0.002%
Mr. Monirul Islam	GM, Business development	0	0	0.000%
Mr. Abul Kalam Azad	DGM, SAMLAD	0	0	0.000%
Ms. Morsheda Hasin	AGM, CAD	0	0	0.000%
Mr. Muhammad Shohidur Rahman	AGM, Head of CRM	0	0	0.000%

D. Shareholders holding ten percent (10%) or more voting interest in the company:

Name	Designation	Number of shares	Amount (Taka)	Shares Held
MIDAS	Sponsor	40,747,585	40,747,585	30.049%
LANKABANGLA INVESTMENTS LTD.	Company	18,040,000	18,040,000	13.304%

Notes:

1. MIDAS withdrew its nomination of Ms. Parveen Mahmud and nominated Mr. Ali Imam Majumder as representative Director. Mr. Ali Imam Majumder was appointed as Director with effect from January 29, 2020.
2. Mr. A.K.M. Kamruzzaman was elected as representative Director of LankaBangla Investments Limited in the AGM held on 25.07.2019.
3. The position of Mr. S. M. Azad Hossain has become vacant because of holding less than 2% shares of Paid-up Capital of the company as per the BSEC notificaton No. BSEC/CMRRCD/2009-193/217/Admin/90 date 21 May 2019.
4. Mr. Tanvir Hasan, FCA was appointed as Company Secretary of MIDAS Financing Ltd with effect from May 07, 2020.

Declaration by CEO & CFO on Financial Statement

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

Date: 14 July 2020

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

Subject: Declaration on Financial Statements for the year ended on 31st December 2019.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 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 31st December 2019 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 31st December, 2019 and that to the best of our knowledge and belief:

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

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

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Mustafizur Rahman
Managing Director



Nasreen Ahmed
Chief Financial Officer

Risk Management

Risk management is the process, whereby organizations methodically address the risks attaching to their activities with the goal of achieving sustained benefit. Risk management is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unforeseen events or to maximize the realization of opportunities. The prime responsibility of every financial institution is to manage its risk in a way that the return from business can be maximized. In a financial institution, taking risk lies at the core of its business activity and it earn return on investments through managing the risk. Therefore it is imperative that the management should understand the risk what they are going to take in order to carry out the business.

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 framework 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. But 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 an 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	✓	✓

Risk Management

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.

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 are 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

Risk Management

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 contains 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.

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.

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 extend 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 2017 the overall deposit was BDT 2103.29 million and loan to deposit was 192.92%.

Disclosures on Capital adequacy and market discipline under Pillar III

Disclosures under Pillar III-Capital Adequacy Market Discipline as on December 2019

1) Scope of Application

Qualitative Disclosures:

(a) The Name of the top corporate entity in the group to which this 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	135.60	135.60
Non-repayable share premium account		
Statutory reserve	10.18	10.18
General Reserve & other reserve		
Retained earning	8.23	8.58
Dividend equalization account		
Total Tier-I capital	**154.01**	**154.36**
(c) The total amount of Tier-II capital	**7.30**	**7.30**
(d) Other deductions from capital	**-**	**-**
(e) Total eligible capital	**161.31**	**161.66**

Disclosures on Capital Adequacy and Market Discipline under Pillar III

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	846.14	845.28
(b) Capital requirement for Market Risk	23.68	36.34
(c) Capital requirement for Operational Risk	43.42	47.73

Total and Tier I capital ratio

Particulars	Solo	Consolidated
CAR on Total capital basis (%)	17.66	17.40
CAR on Tier 1 capital basis (%)	16.87	16.61

4) Credit Risk

Qualitative Disclosures:

(a) The general qualitative disclosure requirement with respect to credit risk including:
Definitions of past due and impaired (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

Disclosures on Capital Adequacy and Market Discipline under Pillar III

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 are 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.

(b) 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	74.95	74.95
Term finance	718.84	696.68
Housing finance	120.05	120.05
Staff Loan	3.31	3.31
Consumer credit	0.14	0.14
Interest receivable	34.65	34.65
Total	**951.94**	**929.78**

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

Figures in BDT Crore

Area	Solo	Consolidated
Dhaka	634.52	612.36
Chattogram	224.54	224.54
Khulna	37.58	37.58
Rajshahi	55.30	55.30
Total	**951.94**	**929.78**

Disclosures on Capital Adequacy and Market Discipline under Pillar III

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

Particulars	Figures in BDT Crore
Trade and Commerce	218.70
Garments and Knitwear	9.96
Textile	122.91
Food Production/Processing Industries	79.71
Leather & Leather Goods	4.07
Iron, Steel & Engineering	68.63
Pharmaceuticals and Chemicals	16.73
Telecommunication/Information Technology	0.08
Paper, Printing and Packaging	18.04
Jute & Jute Products	0.33
Ship Manufacturing Industry	28.91
Agriculture	12.68
Real Estate & Housing	124.32
Merchant Banking /Loan against Lien of Securities	31.04
Others	185.23
In-house Employees' Loan	4.06
Cement and Allied Industry	2.57
Plastic Industry	9.38
Electronics and Electric Product	14.55
Glass, Glassware and Ceramic Ind.	0.03
Total	**951.94**

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

Particulars	Figures in BDT Crore
Repayable on demand	78.38
Not more than 3 months	61.77
Over 3 months but not more that 1 year	289.64
Over 1 year but not more than 5 years	341.14
Over 5 years	181.01
Total	**951.94**

(g) 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)	94.46
NPAs to gross loans and advances (in%)	9.92%

ii) General and Specific provisions

Particulars	Figures in BDT Crore
Provision on unclassified loans and advances	7.30
Provision on classified loans and advances	27.01
Provision for off balance sheet exposures	-
Total	**34.31**

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

(h) Gross Non Performing Assets (NPAs)

Movement of Non-Performing Assets (NPAs)

Particulars	Figures in BDT Crore
Opening Balance	128.45
Additions	-
Reductions	(33.99)
Closing Balance	**94.46**

Movement of Specific Provisions for NPAs

Particulars	Figures in BDT Crore
Opening Balance	33.05
Provisions released during the period	(3.32)
Write-off	(2.71)
Written-back of excess provisions	-
Closing Balance	**27.02**

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 are 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.

Disclosures on Capital Adequacy and Market Discipline under Pillar III

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)	11.85	18.18
Quoted shares (Cost price)	22.29	32.49
Unquoted shares	2.26	3.26
Total unrealized gains (Losses)	(10.44)	(14.31)
Total latent revaluation gains (Losses)	-	-
Any amounts of the above included in Tier 2 Capital	-	-
Total	**24.55**	**35.75**

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 11.84 crore. Capital requirement is 10% of the said value which stands at BDT 1.18 crore.

General Risk-Market value of investment in equities is BDT 11.84 crore. Capital requirement is 10% of the said value which stands at BDT 1.18 crore.

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 month to 3 months	Over 3 month to 6 months	Over 6 month to 1 year
A. Total Rate Sensitive Liabilities (A)	103.76	102.67	105.07	155.65	109.79
B. Total Rate Sensitive Assets (B)	58.39	74.12	98.65	159.69	110.67
C. Mismatch	-45.38	-28.56	-6.42	4.04	0.88
D. Cumulative Mismatch	-45.38	-73.93	-80.35	-76.31	-75.43
E. Mismatch (%)	-43.73%	-27.81%	-6.11%	2.59%	0.81%

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)	-1.51	-3.02	-4.53
Revised Regulatory Capital (BDT in Crore)	159.81	158.30	156.79
Risk Weighted Assets (BDT in Crore)	913.24	913.24	913.24
Revised CAR (%)	17.50%	17.33%	17.17%

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 following manner:

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 are 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.

Disclosures on Capital Adequacy and Market Discipline under Pillar III

Quantitative Disclosures:
The capital requirements for Market Risk:

Figures in BDT Crore

Particulars	Solo	Consolidated
Interest rate risk		
Equity position risk	23.68	36.34
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	43.42	47.73

Credit Rating information

National Credit Ratings Ltd.

EXECUTIVE SUMMARY
SURVEILLANCE RATINGS OF MIDAS FINANCING LIMITED

Declaration Date	23.07.2020	24.06.2019
Long Term Entity Rating	A (Single A)	A (Single A)
Short Term Entity Rating	ST-3	ST-3
Outlook	Developing	Developing
Expiry Date	22.07.2021	23.06.2020

Performance Highlights:

(TK in Million)

Particulars	2019	2018
Total Assets	11,061.42	11,933.08
Total Equity	1,540.18	1,443.34
Paid up capital	1,356.03	1,322.95
Risk weighted Assets (RWA)	9,099.47	9,214.33
Required capital (10% of RWA)	909.94	921.43
Total Eligible Capital	1,613.15	1,511.73
Tier I Capital	1,540.18	1,443.34
Tier II Capital	72.97	68.38
Gross Finance	9,519.45	10,287.32
Non-performing Loan (NPL)	1,076.07	1,284.54
% of NPL to Gross Finance	11.30%	12.49%
Provision required against NPL	343.12	398.92
Provision Maintained against NPL	343.12	398.92
Total Net Revenue	22.8.66	179.15
Net Income	96.84	11.16
CAR	17.73%	16.41%
ROE (%)	6.49	0.78
ROA (%)	0.84	0.09
NIM (%)	2.18	1.64
Asset Yield	11.24	10.44
Cost of Fund	10.30%	10.34%
Spread	0.55%	0.37%

Strengths
Experienced BoD.
Qualified management team.
Maintained required provisions against loans & advances.
Improvement in intermediation effciency.
Proper compliance of CAR with regulatory requirement.
Challenges
Single digit policy for interest rate.
Liquid fund crisis for onward financing to the borrowers.
High competition especially with banks in financial market.
Reactive protection against cyber-crime activities.
Adaptation ability to change.

Ahmedul Haque
Deputy Managing Director
National Credit Ratings Ltd.

Managing Director's Message



Distinguished Shareholders,
In 2019 financial year has been challenging, yet rewarding. MIDAS Financing Limited delivered comparatively better results than last year, underpinned by the continued focus on operational efficiencies, delivering better than expected business and satisfactory recovery of loans and leases.

My review will help you to take a closer look on how the Company may challenges and delivered enhance value to all shareholders.

- MFL has been able to rebuild its presence in the Financial Sector as a reputable Financial Solutions Provider through strengthening its position.
- Consolidated capital, reserve and earnings attributable to shareholders amounted to Tk. 1543.70 million, representing an increase of 6.31% from the previous year.
- Facing all the economic challenges, the consolidated net profit after tax became Taka 91.61 million for the year 2019 against Taka 11.57 million for the year 2018, and the consolidated EPS stood at Taka 0.68 for the year 2019 against Taka 0.09 for the year 2018. However, the Board recommended 2.5% Stock and 2.5% cash for the year 2019.
- Non-Performing Loan (NPL) has decreased in 2019. NPL of the company has become 9.92% as of 31 December 2019 while it was 12.49% as of 31 December 2018.
- Capital Adequacy Ratio (CAR) stood at 17.45% at the end of 2019 against the Bangladesh Banks stipulation of 10%. This shows our strength of capital and the commitment towards compliance of the regulatory framework. You know that CAR was 16.14% at the end of 2018.
- MIDAS Investment Limited (MIL), the only subsidiary company of MFL, completed its third year of commercial operation as a full-fledged merchant bank performing in the areas of merchant banking, portfolio investment, underwriting and issue management and has contributed to the income of MFL by Taka 9.77 million, net profit after tax, in 2019 .
- MFL maintains strict ethical standards in its operation. It emphasizes on making contribution towards development of SMEs and women entrepreneurs, and also on extending credit facilities to agro based industries and focusing on green business and eco-friendly financing. MFL focuses not only on its business performance but also on its social commitments in the communities it operates.

Considering the ongoing local and global economic and political scenario, it can be predicted that the overall business environment will be favorable coupled with some challenges. However, under the guidance of the Board of Directors comprising renowned, highly knowledgeable and experienced personalities, and the relentless effort of the management team of MFL, we would be able to overcome the hurdles, minimize risks and maximize the optimum use of resources so as to maximize profit and ultimately to maximize the shareholders' wealth. In order to achieve this, we shall be careful of delivering quality services, offering innovative financial products, minimizing NPL and building quality portfolios with the planned concentration on SME Financing all over the country through our branch network

Managing Director's Message

as well as corporate lending with target oriented and client based marketing.

We have planned to focus more on deposit mobilization from corporate and individual sources in order to reduce our dependence on commercial banks being funding source with high cost. The process of installing and implementing Core Banking Software (CBS) for automation of MFL's business is going on in full swing. We hope that such automation will increase profitability by reducing overhead cost and enhancing efficiency of processes of the company. Moreover, we aim to recruit right persons for right positions, develop their competencies and capabilities through training, performance recognition and rewarding, and try our best to retain the human resource of the company with competitive packages.

I express my sincere thanks to our honorable Chairman and respected members of the Board of Directors for the guidance and support provided throughout the year of 2019. I am grateful to Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies and Firms, and Central Depository Bangladesh Limited for their continuous support, guidance and cooperation. I would express sincere thanks to all of our customers, lenders and depositors who remained loyal to the Company and kept trust on the management. Our sincere thanks also goes to my team-mates and valuable staff for their contributions, hard work, loyalty, dedication, professionalism, positive attitude and commitment for achievements and performance in the year 2019 and paving the way forward in the years to come.

We look forward to your continued support, cooperation and guidance that are very essential and our constant source of encouragement and strength in the days ahead.

May Almighty bless us.
Wishing you all the best.



Mustafizur Rahman
Managing Director

Highlights as Required by Bangladesh Bank

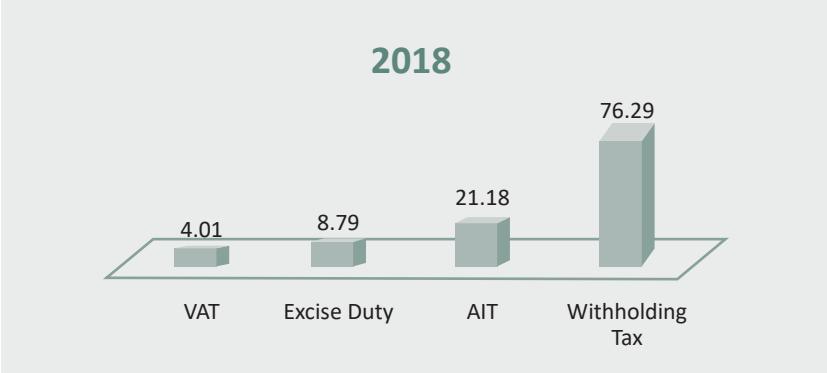
Midas Financing Ltd as on December 31, 2019

SL	Particulars	2019	2018
1	Paid-up capital	1,356,029,310	1,322,955,430
2	Total capital (eligible)	1,540,187,763	1,443,345,925
3	Surplus/(shortage) capital	356,029,310	322,955,430
4	Total assets	11,061,427,072	11,933,084,376
5	Total deposits	6,242,647,091	7,468,640,563
6	Total loans, advances and leases	9,519,445,210	10,287,318,648
7	Total contingent liabilities and commitments	1,689,250,000	436,595,318
8	Loans to deposit ratio (total loans/total deposits)	152.49%	137.74%
9	% of classified loans against total loans	9.92%	12.49%
10	Profit after tax and provision	96,841,838	11,160,346
11	Classified loans, advances and leases during the year	944,416,907	1,284,541,783
12	Provisions kept against classified loans, advances and leases	270,154,194	330,544,952
13	Provision surplus / (deficit) against classified loans, advances and leases	(267,078)	-
14	Cost of fund	10.30%	10.34%
15	Interest earning assets	8,979,632,096	9,787,966,553
16	Non-interest earning assets	2,081,794,975	2,145,117,823
17	Return on investment (ROI)	5.64%	13.99%
18	Return on assets (ROA)	0.84%	0.09%
19	Income from investment	15,051,938	393,304,871
20	Operating profit per share (2018: restated)	0.92	0.72
21	Earnings per share (2018: restated)	0.71	0.08
22	Price Earnings Ratio (2018: restated)	20.44	302.55
23	Net Assets Value (NAV) per share	11.36	10.64

Government Ex-Chequer Statement

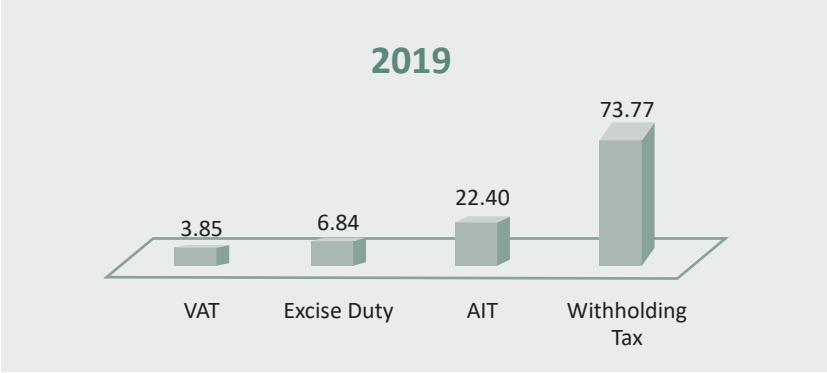
Government is considered as one of the most important stakeholders which play a critical role in the economic development of the country. Being a legitimate and ethical company, MFL contributes to the Government Exchequer when the necessary amounts fall due. For the year 2019 MFL paid an amount equal to BDT 106.86 million composed of income tax, VAT and excise duty. This is in comparison to BDT 110.27 million in 2018, reflecting its fair and consistent commitment towards national contribution.

VAT	4.01
Excise Duty	8.79
AIT	21.18
Withholding Tax	76.29



2018 (in bdt million)

VAT	3.85
Excise Duty	6.84
AIT	22.40
Withholding Tax	73.77



2019 (in bdt million)

Value Added Statement

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	2019		2018	
	Amount	%	Amount	%
Operational income	1,219,725,230		1,219,402,547	
Less: Cost of service rendered	933,744,635		952,146,375	
Total Operating Expenses	183,843,074		181,855,020	
Profit paid on deposits, Borrowing etc.	904,352,304		913,533,757	
Less: Salaries & Allowances	124,033,445		119,096,576	
Managing Director's Salary & Allowances	8,549,290		6,344,000	
Depreciation on Fixed Assets	21,868,008		17,801,826	
Value added by operating activities	**285,980,595**	**101**	**267,256,172**	**147**
Less: Provision for doubtful accounts & future losses	3,472,400	1	85,851,953	47
Total Value Added	**282,508,195**	**100**	**181,404,219**	**100**

Value Distributed To

Particulars	2019		2018	
	Amount	%	Amount	%
Provider to Capital: Shareholders as Dividend	-	-	33,073,880	18
Employees: As Salaries and other benefits	132,582,735	47	125,440,576	69
Government: Corporate Tax	36,447,204	13	26,589,269	15
To Expansion and growth: Expansion and growth	113,478,256	40	(3,699,506)	(2)
Total Distribution	282,508,195		181,404,219	

Market Value Added Statement

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.

The following statement shows how the MVA has been calculated for the year ended December 31, 2019 and 2018:

Particulars	2019	2018
Face value per share	10.00	10.00
Market Value per Share	14.60	24.90
Number of Shares outstanding	135,602,931	132,295,543
Total market capitalization	1,979,802,793	3,294,159,021
Book value of paid up capital	1,356,029,310	1,322,955,430
Market Value Addition	**623,773,483**	**1,971,203,591**

23rd AGM 2019











Auditors' Report and Audited Financial Statements of MIDAS Financing Limited and its subsidiary

As at and for the year ended December 31, 2019



Mahfel Huq & Co.
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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 subsidiary (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 December 31, 2019 and the consolidated and separate profit and loss account, consolidated and separate statements of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Company give a true and fair view, of the consolidated balance sheet of the Group and the separate balance sheet of the Company as at December 31, 2019, and of consolidated and separate financial performance and it's consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS's) as explained in note 2.1.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Risks	Our responses to the risks
Measurement of Provision for Loans and Advances	
The process of estimating provision for loans and advances portfolio associated with credit risk is significant and complex. For estimating these provisions certain factors need to be considered including recovery rates, outstanding balance, rate of provision the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation. At the year end the Group reported total gross loans and advances of BDT 9,519,445,210 (2018: BDT 10,287,318,648) and provision for loans and advances of BDT 343,126,082 (2018: BDT 398,929,641). 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 Bangladesh Bank FID circular no. 06/2006. • 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; and • 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; • Reviewed quarterly Classification of Loans (CL). • Tested the controls related to provision for loans and advances. Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: • Reviewed the adequacy of the company's general and specific provisions; • Assessed quarterly classification ledger of loan and advances (CL). • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and • Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. Assessed the presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note no. 7 to the financial statements	

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Implementation of IFRS 16: Leases

Risks	Our responses to the risks
IFRS 16 replaces the previous standard IAS 17 and specifics how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. We considered the implementation of IFRS 16 as a key audit matter, since the balances recorded are material, management had to apply several judgments and rates, measurement basis among others and undertake a significant date extraction to summarize the lease data for input into their lease calculation mode. The Company's disclosures relating to IFRS 16 are included in the note 25.1 of the financial statements. • Completeness and timing of recognition of loss events in accordance with criteria set out in Bangladesh Bank FID circular no. 06/2006. • 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; and • Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.	Our audit procedures included understanding management's process for implementing IFRS 16 transition impact analysis approach. We adopted a substantive strategy for lease accounts. Furthermore, to mitigate the inherent risk in this audit area, our audit approach included understanding of the management processes and controls for lease, performing walkthrough procedures and substantive audit procedures. Specifically • Obtained an understanding and evaluated the group's implementation process, including the review of the updated accounting policy and policy elections in accordance with IFRS 16. • We assessed the design and implementation of the key controls relating to the determination of the IFRS 16 transition impact disclosure; • We assessed the reasonableness of the discount rates used to calculate the lease obligation with support from our valuation specialists; • We assessed the accuracy of the lease data by testing the lease data captured by management for a sample of leases through the inspection of lease documentations; and The disclosure included within the Accounting Policies of the Group of the transition impact of IFRS 16 is appropriate. We conclude the discount rates used by the Group to determine the IFRS 16 lease liability and the lease data underpinning the impact analysis reasonable.
See note no. 2.9 and 25 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. The Company's disclosures relating to its IT systems and controls are included in note 8 of the financial statements.	• We tested the design and operating effectiveness of the Company's IT access controls or compensating controls over the information systems that are critical to financial reporting. • We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.

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Risks	Our responses to the risks
	• We tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.

Legal & Regulatory Matters

The Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. Significant Legal & Regulatory matters pertaining to the Company's were: • Compliance with rules & regulations, including submission of returns to various regulators; • Maintenance of regulatory capital, reserves & provisions; and • Litigation (cases) filed on behalf of or against the Company including any provisioning requirements. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. The Company's disclosures relating to its Legal & Regulatory Matters are included in note 1 the financial statements.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Company's management for all significant litigation and regulatory matters and inspected internal notes and reports.

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 auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the Company.

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 and separate financial statements in accordance with IFRSs applicable sections of the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank, 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. The Companies Act, 1994 requires the Management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the Consolidated and separate 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 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 the audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 but not for the purpose of expressing an opinion on the effectiveness of the Group'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

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attention in our auditor's report to the related disclosures in the consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 entity or business activities to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report that:

a) 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;

b) financial statements of the subsidiary company, MIDAS Investment Limited have been audited by Huda Hossain & Co., Chartered Accountants who expressed an unmodified opinion thereon and have been properly reflected in the consolidated financial statements;

c) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examinations of those books;

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

e) the consolidated balance sheet and consolidated profit and loss account together with annexed notes from 1 to 41 dealt with by the report are in agreement with the books of account and returns;

f) the expenditure incurred were for the purpose of the Company's business for the year;

Mahfel Huq & Co.
Chartered Accountants
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An Independent member firm of AGN International

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g) the financial statements of 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;

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

i) 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;

j) the records and statements submitted by the branches have been properly maintained and recorded in the financial statements;

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

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

m) 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;

n) 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 the management;

o) 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;

p) 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;

q) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1361 person hours for the audit of the books accounts of the Company;

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

s) the Company has complied with the 'DFIM Circular No. 11. Dated 23 December 2009' in preparing these financial statements; and

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

Dhaka, 14 July, 2020

Md. Abdus Satter Sarkar FCA, CMA
For and on behalf of
Mahfel Huq & Co.
Chartered Accountants

MIDAS Financing Limited and its subsidiary

Consolidated Balance Sheet

As at December 31, 2019

Particulars	Note	Amount in BDT	
		December 31, 2019	December 31, 2018
PROPERTY AND ASSETS			
Cash		**161,776,084**	**189,417,493**
Cash in hand (Including foreign currency)	3(a)	9,293,588	14,154,758
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3(b)	152,482,496	175,262,735
Balance with other banks and financial institutions		**284,107,889**	**337,916,190**
Inside Bangladesh	4(a)	284,107,889	337,916,190
Outside Bangladesh		-	-
Money at call and short notice	5	**-**	**-**
Investments		**357,516,271**	**415,632,466**
Government		-	-
Others	6(a)	357,516,271	415,632,466
Lease, loans and advances	7(a)	**9,297,804,812**	**10,052,745,342**
Fixed assets including land, building, furniture and fixtures	8(a)	**479,359,547**	**483,984,362**
Other assets	9(a)	**310,144,952**	**290,689,747**
Non-banking assets	10	**80,765,467**	**80,765,467**
TOTAL ASSETS		**10,971,475,022**	**11,851,151,067**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	**1,889,042,214**	**1,709,739,099**
Deposits and other accounts		**6,037,647,091**	**7,263,640,563**
Term deposits	12(a)	6,017,354,971	7,243,261,829
Other deposits	12(b)	20,292,120	20,378,734
Other liabilities	13(a)	**1,501,082,719**	**1,425,678,535**
Total Liabilities		**9,427,772,024**	**10,399,058,197**
Capital/Shareholders' equity		**1,543,700,941**	**1,452,090,773**
Paid-up capital	14.2	1,356,029,310	1,322,955,430
General reserve	15	-	-
Statutory reserve	16	101,828,395	82,460,027
Retained earnings	17(a)	85,843,236	46,675,316
Non-controlling interest		**2,057**	**2,097**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**10,971,475,022**	**11,851,151,067**
CONSOLIDATED OFF - BALANCE SHEET ITEMS			
Contingent liabilities	18.1		
Acceptances and endorsements		-	-
Letters of guarantee		100,000,000	200,000,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Total		**100,000,000**	**200,000,000**
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		1,589,250,000	236,595,318
Claims against the bank not acknowledged as debts		-	-
Total		**1,589,250,000**	**236,595,318**
TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES		**1,689,250,000**	**436,595,318**
Net assets value (NAV) per share (2018:restated)	35(a)	**11.38**	**10.71**

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 referred to in our separate report of even date.

Place: Dhaka
Dated: 14 July, 2020

Md. Abdus Satter Sarkar FCA, FCMA
For and on behalf of
Mahfel Huq & Co.
Chartered Accountants

MIDAS Financing Limited and its subsidiary

Consolidated Profit and Loss Account

For the year ended December 31, 2019

Particulars	Note	Amount in BDT	
		2019	2018
Interest income	20(a)	1,126,655,706	1,087,241,771
Interest on deposits & borrowings, etc.	21(a)	904,352,304	913,533,757
Net interest income		**222,303,402**	**173,708,014**
Income from investment	22(a)	1,413,080	48,582,683
Commission, exchange and brokerage		600,000	1,200,000
Other operating income	23(a)	91,056,444	82,378,093
Total operating income		**315,372,926**	**305,868,790**
Salary and allowances	24(a)	124,033,445	119,096,576
Rent, taxes, insurances, electricity, etc.	25(a)	4,391,267	8,591,461
Legal expenses	26(a)	7,386,035	9,505,954
Postage, stamp, telecommunication, etc.	27(a)	2,832,117	2,660,385
Stationery, printing, advertisements, etc.	28(a)	2,748,902	3,715,346
Managing Director's salary and benefits	29	8,549,290	6,344,000
Directors' fees and expenses	30(a)	1,569,763	1,990,405
Auditors' fees		211,000	196,000
Depreciation and repair of Company's assets	31(a)	23,818,193	20,510,529
Other expenses	32(a)	8,303,062	9,244,363
Total operating expenses		**183,843,074**	**181,855,020**
Profit before provision		**131,529,852**	**124,013,771**
General provisions	33(a)	4,587,200	(10,409,138)
Specific provisions	33(b)	(57,367,814)	55,429,738
Diminution in value of investments	33(c)	51,346,755	40,831,353
Other provisions	33(f)	4,906,259	-
Total provision		**3,472,400**	**85,851,953**
Total profit before tax		**128,057,451**	**38,161,818**
Current tax	33(d)	32,720,754	28,911,959
Deferred tax	33(e)	3,726,450	(2,322,690)
		36,447,204	**26,589,269**
Net profit after tax		**91,610,248**	**11,572,549**
Attributable to			
Shareholders of the Company		91,610,168	11,572,345
Non-controlling interest		80	204
		91,610,248	**11,572,549**
Appropriations to			
General reserve	15	-	-
Statutory reserve	16	19,368,368	2,232,069
		19,368,368	**2,232,069**
Retained surplus		**72,241,800**	**9,340,276**
Earnings per Share (EPS) (2018:restated)	34(a)	**0.68**	**0.09**

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 referred to in our separate report of even date.

Place: Dhaka
Dated: 14 July, 2020

Md. Abdus Satter Sarkar FCA, FCMA
For and on behalf of
Mahfel Huq & Co.
Chartered Accountants

MIDAS Financing Limited and its subsidiary

Consolidated Statement of Cash Flows

For the year ended December 31, 2019

Particulars	Note	Amount in BDT	
		2019	2018
A) Cash flow from operating activities			
Interest received		1,124,025,816	1,084,294,189
Interest paid		(878,340,661)	(829,021,917)
Dividend received		6,924,357	7,455,233
Fees & commission received		600,000	1,200,000
Recoveries of loans previously written off		25,338,726	28,893,425
Cash payments to employees		(132,582,735)	(125,440,576)
Cash payments to suppliers		(2,748,902)	(3,715,346)
Income tax paid		(29,446,639)	(28,662,487)
Received from other operating activities		81,881,507	119,853,763
Payments for other operating activities		(31,176,071)	(34,487,283)
Operating profit before changes in operating assets & liabilities		**164,475,397**	**220,369,000**
Changes in operating assets and liabilities			
Purchases/sale of trading securities		58,116,195	(68,831,267)
Loans and lease finance to customers		725,890,178	(28,119,078)
Other assets		27,695,717	14,530,528
Deposits from banks & individuals		(1,225,993,472)	(478,844,583)
Other liabilities		(9,300,319)	45,490,190
Sub Total		**(423,591,702)**	**(515,774,210)**
Net cash from operating activities		**(259,116,305)**	**(295,405,210)**
B) Cash flow from investing activities			
Sales proceeds of fixed assets		54,900	41,000
Purchases of fixed assets		(1,691,420)	(2,432,475)
Net cash from investing activities		**(1,636,520)**	**(2,391,475)**
C) Cash flow from financing activities			
Increase/(decrease) of borrowings		179,303,115	314,917,906
Net cash from financing activities		**179,303,115**	**314,917,906**
D) Net increase/(decrease) in cash & cash equivalents (A+B+C)		**(81,449,710)**	**17,121,221**
E) Effects of exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		**527,333,683**	**510,212,462**
G) Cash and cash equivalents at the end of the year (D+E+F)*		**445,883,973**	**527,333,683**
* **Cash and cash equivalents at the end of the year**			
Cash in hand (including foreign currency)	3(a)	9,293,588	14,154,758
Balance with Bangladesh Bank and its agent bank (s) (including foreign currency)	3(b)	152,482,496	175,262,735
Balance with other banks and financial institutions	4(a)	284,107,889	337,916,190
Total		**445,883,973**	**527,333,683**
Net operating cash flow per share (NOCFPS) (2018:restated)	36(a)	**(1.91)**	**(2.18)**

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

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

Place: Dhaka
Dated: 14 July, 2020

MIDAS Financing Limited and its subsidiary

Consolidated Statement of Changes in Equity

For the year ended December 31, 2019

Amount in BDT

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance as at January 1, 2019	**1,322,955,430**	**82,460,027**	**46,675,316**	**1,452,090,773**	**2,097**	**1,452,092,870**
Items involves in changes in equity						
Profit/(loss) for the period	-	-	91,610,168	91,610,168	80	91,610,248
Transfer to statutory reserve	-	19,368,368	(19,368,368)	-	-	-
Stock dividend for 2018	33,073,880	-	(33,073,880)	-	(120)	(120)
Balance as at December 31, 2019	**1,356,029,310**	**101,828,395**	**85,843,236**	**1,543,700,941**	**2,057**	**1,543,702,998**
Balance as at December 31, 2018	**1,322,955,430**	**82,460,027**	**46,675,316**	**1,452,090,773**	**2,097**	**1,452,092,870**

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

Place: Dhaka
Dated: 14 July, 2020

MIDAS Financing Limited

Balance Sheet

As at December 31, 2019

Particulars	Note	Amount in BDT	
		December 31, 2019	December 31, 2018
PROPERTY AND ASSETS			
Cash		**161,775,649**	**189,410,743**
Cash in hand (Including foreign currency)	3.1	9,293,153	14,148,008
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3.2	152,482,496	175,262,735
Balance with other banks and financial institutions		**280,041,525**	**323,006,997**
Inside Bangladesh	4.1	280,041,525	323,006,997
Outside Bangladesh		-	-
Money at call and short notice	5	**-**	**-**
Investments		**245,474,266**	**288,117,557**
Government		-	-
Others	6	245,474,266	288,117,557
Lease, loans and advances	7	**9,519,445,210**	**10,287,318,648**
Fixed assets including land, building, furniture and fixtures	8	**293,698,660**	**292,696,313**
Other assets	9	**480,226,295**	**471,768,651**
Non-banking assets	10	**80,765,467**	**80,765,467**
TOTAL ASSETS		**11,061,427,072**	**11,933,084,376**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	**1,889,042,214**	**1,709,739,099**
Deposits and other accounts		**6,242,647,091**	**7,468,640,563**
Term deposits	12.1	6,222,354,971	7,448,261,829
Other deposits		20,292,120	20,378,734
Other liabilities	13	**1,389,550,004**	**1,311,358,789**
Total Liabilities		**9,521,239,309**	**10,489,738,451**
Capital/Shareholders' equity		**1,540,187,763**	**1,443,345,925**
Paid-up capital	14.2	1,356,029,310	1,322,955,430
General reserve	15	-	-
Statutory reserve	16	101,828,395	82,460,027
Retained earnings	17	82,330,058	37,930,468
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**11,061,427,072**	**11,933,084,376**
OFF - BALANCE SHEET ITEMS			
Contingent liabilities	18.1		
Acceptances and endorsements		-	-
Letters of guarantee		100,000,000	200,000,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Total		**100,000,000**	**200,000,000**
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		1,589,250,000	236,595,318
Claims against the Bank not acknowledged as debts		-	-
Total		**1,589,250,000**	**236,595,318**
TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES		**1,689,250,000**	**436,595,318**
Net assets value (NAV) per share (2018:restated)	35	**11.36**	**10.64**

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

Place: Dhaka
Dated: 14 July, 2020

Md. Abdus Satter Sarkar FCA, FCMA
For and on behalf of
Mahfel Huq & Co.
Chartered Accountants

MIDAS Financing Limited

Profit and Loss Account

For the year ended December 31, 2019

Particulars	Note	Amount in BDT	
		2019	2018
Interest income	20	1,153,603,559	1,111,373,843
Interest on deposits & borrowings, etc.	21	924,943,597	932,225,878
Net interest income		**228,659,962**	**179,147,965**
Income from investment	22	15,051,938	39,304,871
Commission, exchange and brokerage		600,000	1,200,000
Other operating income	23	51,107,741	47,525,200
Total operating income		**295,419,641**	**267,178,036**
Salary and allowances	24	119,193,333	114,637,256
Rent, taxes, insurances, electricity, etc.	25	3,841,696	8,070,941
Legal expenses	26	7,271,035	9,448,254
Postage, stamp, telecommunication, etc.	27	2,629,441	2,468,606
Stationery, printing, advertisements, etc.	28	2,716,457	3,676,411
Managing Director's salary and benefits	29	8,549,290	6,344,000
Directors' fees and expenses	30	1,451,221	1,885,568
Auditors' fees		165,000	150,000
Depreciation and repair of company's assets	31	18,160,421	14,544,530
Other expenses	32	7,038,938	7,971,189
Total operating expenses		**171,016,832**	**169,196,755**
Profit before provision		**124,402,808**	**97,981,281**
General provisions	33	4,587,200	(10,409,138)
Specific provisions	33	(57,367,814)	55,429,738
Diminution in value of investments	33	40,332,557	20,443,884
Other provisions	33	3,848,709	-
Total provision		**(8,599,349)**	**65,464,484**
Profit before tax		**133,002,156**	**32,516,797**
Current tax		30,904,666	22,428,779
Deferred tax		5,255,652	(1,072,328)
		36,160,318	**21,356,451**
Net profit after taxation		**96,841,838**	**11,160,346**
Appropriations to			
General reserve	15	-	-
Statutory reserve	16	19,368,368	2,232,069
		19,368,368	**2,232,069**
Retained surplus		**77,473,471**	**8,928,277**
Earnings per Share (EPS) (2018:restated)	34	**0.71**	**0.08**

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 and loss referred to in our separate report of even date.

Place: Dhaka
Dated: 14 July, 2020

Md. Abdus Satter Sarkar FCA, FCMA
For and on behalf of
Mahfel Huq & Co.
Chartered Accountants

MIDAS Financing Limited

Statement of Cash Flows

For the year ended December 31, 2019

Particulars	Note	Amount in BDT	
		2019	2018
A) Cash flow from operating activities			
Interest received		1,150,973,669	1,108,426,257
Interest paid		(899,249,805)	(846,635,382)
Dividend received		5,267,994	5,401,098
Fees & commission received		600,000	1,200,000
Recoveries of loans previously written off		25,338,726	28,893,425
Cash payments to employees		(127,742,623)	(120,981,256)
Cash payments to suppliers		(2,716,457)	(3,676,411)
Income tax paid		(22,395,708)	(21,183,461)
Received from other operating activities		45,836,905	56,429,173
Payments for other operating activities		(28,849,549)	(31,954,933)
Operating profit before changes in operating assets & liabilities		**147,063,151**	**175,918,510**
Changes in operating assets and liabilities			
Purchases/sale of trading securities		42,643,291	(14,392,407)
Loans and lease finance to customers		740,692,914	(46,228,856)
Other assets		26,549,430	14,491,832
Deposits from banks & individuals		(1,225,993,472)	(478,844,583)
Other liabilities		20,777,526	48,544,796
Sub total		**(395,330,312)**	**(476,429,218)**
Net cash from operating activities		**(248,267,161)**	**(300,510,708)**
B) Cash flow from investing activities			
Sales proceeds of fixed assets		54,900	41,000
Purchases of fixed assets		(1,691,420)	(1,244,778)
Net cash from investing activities		**(1,636,520)**	**(1,203,778)**
C) Cash flow from financing activities			
Increase/(decrease) of borrowings		179,303,115	314,917,906
Net cash from financing activities		**179,303,115**	**314,917,906**
D) Net increase/(decrease) in cash & cash equivalents (A+B+C)		**(70,600,566)**	**13,203,420**
E) Effects of exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		**512,417,740**	**499,214,320**
G) Cash and cash equivalents at the end of the year (D+E+F)*		**441,817,174**	**512,417,740**
***Cash and cash equivalents at the end of the year**			
Cash in hand (including foreign currency)	3.1	9,293,153	14,148,008
Balance with Bangladesh Bank and its agent bank (s) (including foreign currency)	3.2	152,482,496	175,262,735
Balance with other banks and financial institutions	4	280,041,525	323,006,997
Total		**441,817,174**	**512,417,740**
Net operating cash flow per share (NOCFPS) (2018:restated)	36	**(1.83)**	**(2.22)**

The accounting policies and explanatory notes form an integral part of these financial statements

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

Place: Dhaka
Dated: 22 May 2019

MIDAS Financing Limited

Statement of Changes in Equity

For the year ended December 31, 2019

Amount in BDT

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total equity
Balance as at January 1, 2019	**1,322,955,430**	**82,460,027**	**37,930,468**	**1,443,345,925**
Items involves in changes in equity				
Profit/(loss) for the period	-	-	96,841,838	96,841,838
Transfer to statutory reserve	-	19,368,368	(19,368,368)	-
Stock dividend for 2018	33,073,880	-	(33,073,880)	-
Balance as at December 31, 2019	**1,356,029,310**	**101,828,395**	**82,330,058**	**1,540,187,763**

Balance as at December 31, 2018	**1,322,955,430**	**82,460,027**	**37,930,468**	**1,443,345,925**

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

Place: Dhaka
Dated:14 July, 2020

MIDAS Financing Limited

Liquidity Statements

As at December 31, 2019

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)	9,293,153	-	-	-	-	9,293,153
Balance with Bangladesh Bank and its agent bank(s)	152,482,496	-	-	-	-	152,482,496
Balance with other banks and financial institutions	52,692,817	85,000,000	142,348,708	-	-	280,041,525
Money at call and short notice	-	-	-	-	-	-
Investments	227,278	-	6,755,007	212,859,891	25,632,090	245,474,266
Lease, loans and advances	783,826,876	617,666,627	2,896,346,986	3,411,482,689	1,810,122,032	9,519,445,210
Fixed assets including land, building, furniture and fixtures	1,353,404	2,706,808	12,180,635	85,264,444	192,193,370	293,698,660
Other assets	79,960,135	6,446,855	2,854,900	116,524,542	274,439,863	480,226,295
Non-banking assets	-	-	80,765,467	-	-	80,765,467
Total Assets (i)	**1,079,836,158**	**711,820,290**	**3,141,251,703**	**3,826,131,566**	**2,302,387,353**	**11,061,427,072**
Liabilities						
Borrowings from other banks, financial institutions and agents	129,686,910	141,689,186	703,639,342	758,049,465	155,977,311	1,889,042,214
Deposits and other accounts	700,937,859	438,267,486	1,984,504,185	1,927,343,289	1,191,594,272	6,242,647,091
Provision and other liabilities	233,979,235	85,057,495	415,958,247	373,415,229	281,139,799	1,389,550,004
Total Liabilities (ii)	**1,064,604,004**	**665,014,166**	**3,104,101,773**	**3,058,807,983**	**1,628,711,382**	**9,521,239,309**
Net Liquidity Gap (i-ii)	**15,232,155**	**46,806,124**	**37,149,930**	**767,323,583**	**673,675,972**	**1,540,187,763**

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, 2019

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.

2.2 Use of estimates and judgments

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 these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.3 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".

2.4 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.

2.5 Reporting period

These financial statements heve been prepared for the period form January 01, 2019 to December 31, 2019.

2.6 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.

2.7 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.

2.8 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.

2.9 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.

As per 'IFRS 16: Leases', summary of lease related information is provided as follows:

Figure in BDT

Particulars	Opening Balance	Depreciation/ interest expense/ addition	Accumulated depreciation/ Lease Payment/ Advance Adjustment	Closing Balance
ROU-Assets for lease rent	15,789,888	4,507,083	4,507,083	11,282,805
Lease liabilities	10,873,759	895,694	3,826,774	7,942,679
*Advance office rent & security money	5,285,051	1,124,000	4,754,151	1,654,900

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.

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

2.10.1 Property, plant and equipments are stated at cost less accumulated depreciation. The cost of the assets is the cost of acquisition or construction together with purchase price and other directly attributable costs for bringing the assets to working conditions for their intended use as per International Accounting Standard (IAS) 16: "Property, Plant and Equipment".

2.10.2 Fixed Assets are depreciated based on Reducing Balance and Straight Line Method and rate of depreciation are charged from 2.5% to 30%. 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%

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

2.10.3 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.

2.11 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.

2.12 Investments in securities

Investment in securities has been shown at cost on an aggregate portfolio basis. Cost includes acquisition charges if any with the investments. Full provision for diminution in value of shares as on closing of the year on aggregate portfolio basis have been made in accordance with Bangladesh Bank Instructions.

2.13 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.

2.14 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.

2.15 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	1%
Special mention account	5%
Specific provision on:	
Substandard loans and advances	20%
Doubtful loans and advances	50%
Bad/loss loans and advances	100%

2.16 Income Tax

2.16.1 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.

2.16.2 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.

2.17 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.

2.17.1 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.

2.17.2 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.

2.17.3 Fees base income

Fees base incomes are taken into income on cash basis.

2.17.4 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.

2.17.5 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.

2.17.6 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.

2.18 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"

2.19 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.

2.20 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.

2.21 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.

2.22 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 3,307,388 nos shares during the year against the stock dividend declared for the year 2018. As a result, total number of share outstanding as of 31 December 2019 was 135,602,931 nos. Therefore, the EPS of 2018 has been restated to conform current year's presentation.

2.23 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

2.24 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.

2.25 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.

* Being a NBFI, we always follows Going Concern Concept. As well as our cash flow statement as on 31.12.2019, due to covid 19 didn't hampered at all. Hence, we are disclosing this issue for farther information and record.

2.26 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.

2.27 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.

2.28 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

2.29 Status of Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

IAS Title	IAS No.	Status
Presentation of Financial Statements	1	Applied*
Inventories	2	N/A
Statement of Cash Flows	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 & 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	N/A
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit plans	26	N/A
Separate Financial Statements	27	Applied
Investments in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Financial Instruments: Presentation	32	Applied*
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
IFRS Title	**IFRS No.**	**Status**
First-time Adoption of International Financial Reporting Standards	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-Current Assets Held for Sale and Discontinued Operations	5	Applied*
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied*
Operating Segments	8	Applied
Financial Instruments	9	Applied*
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	Applied
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	Applied*
Leases	16	Applied
Insurance Contracts	17	N/A

N/A=Not Applicable

*As the regulatory requirement differ with the standards, relevant disclosure and presentations are made in accordance with Bangladesh Bank's requirements.

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

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Financial Institutions (FIs) in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations differ with the requirements of IAS/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 below along with financial impact where applicable:

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	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 cashflows, 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-11, Date-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.	Presentation of financial statements is not aligned with requirements of the IAS 1. There is no financial impact for this departure in the financial statements.
2	Current / Non-current distinction	IAS 1 "Presentation of Financial Statements"	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-11, Date-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.	Presentation of financial statements is not fully aligned with all requirements of the IAS. 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.
3	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-11, Date-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.	Presentation of financial statements is not aligned with requirements of the IAS 1. There is no financial impact for this departure in the financial statements.
4	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-11, Date-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.	Presentation of financial statements is not aligned with requirements of the IAS 1. There is no financial impact for this departure in the financial statements.
5	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-11, Date-23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Presentation of financial statements is not fully aligned with all requirements of the IAS. Financial Statements for 2018 and corresponding year 2017 have been prepared as per guideline (DFIM Circular-11, Date-23 December 2009)

6	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 illiquid asset and not available for use in day to day operations.	"Bangladesh Bank has issued templates for financial statements vide DFIM Circular# 11 dated December 23, 2009 which will strictly be followed by all NBFIs. The templates of financial statements provided detail of presentation of statement cash flows."	Presentation of financial statements is not fully aligned with the requirements of IAS. Thus items which should be presented as "investment activities-Balance with Bangladesg Bank (BB)" as per IAS is shown as cash & cash equivalent.
7	Presentation and disclosure of Financial Statements and Financial Instruments	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 Other Comprehensive Income statement.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular# 11 dated December 23, 2009 which will strictly be followed by all NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor the elements of Other Comprehensive Income are allowed to include in a Single Comprehensive Income Statement.	Presentation of financial statements is not fully aligned with all requirements of IAS.
8	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9	"Financial Instruments"	IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairement allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonabe information, including that which is forward-looking. For those loans and advances for which the credit risk has not incresed significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses.	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 loan (good/standard loans) 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 Financial Statements , provision has been kept for 2019 equivalent to BDT (5.74) crore as per Bangladesh Bank guidelines among which BDT 0.46 crore is general provision on good loan. Also, as at 31 December 2019 , accumulated provision for lease, loan and advances stand at BDT 34.31 crore.
9	Valuation of Investment in quoted and un quoted share	IFRS 9	"Financial Instruments"	As per requirements of IFRS 9: classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.	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 respectively. Provision should be made for any loss arising from diminution in value of investment.	During this year, total market value of all shares of MIDAS Financing Ltd and its subsidiary is less than the cost price. During the year the company made provision of BDT 5.13 crore for consolidated investment and BDT 4.03 crore for separate investment.

10	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 assets 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 25.80 crore from 22.11 crore resulting increase of BDT 4.15 crore of interest suspense. This amount has been shown as other liabilities in note 13.6
11	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 the 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 lease, loans and advances.

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
3	**Cash**			
	Cash in hand (including foreign currency)	3.1	9,293,153	14,148,008
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	152,482,496	175,262,735
	Total		**161,775,649**	**189,410,743**
3.1	**Cash in hand (including foreign currency)**			
	In local currency		9,293,153	14,148,008
	In foreign currency		-	-
	Total		**9,293,153**	**14,148,008**
3.2	**Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)**			
	In local currency		152,482,496	175,262,735
	In foreign currency		-	-
	Total		**152,482,496**	**175,262,735**
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.			
	The minimum Cash Reserve Requirement on the Company's total term deposits and other deposits (except banks & financial institutions) at the rate of 2.50% 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		150,706,970	172,899,658
	Actual reserve maintained	3.2	152,482,496	175,262,735
	Surplus		**1,775,526**	**2,363,077**
3.5	**Statutory liquidity reserve (SLR)**			
	Required reserve (including CRR)		326,514,754	369,930,050
	Actual reserve held (including CRR)	3.6	441,817,174	512,417,740
	Surplus		**115,302,420**	**142,487,690**
3.6	**Actual reserve held (including CRR)**			
	Cash in hand (including foreign currency)	3.1	9,293,153	14,148,008
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	152,482,496	175,262,735
	Balance with other banks and financial institutions	4	280,041,525	323,006,997
	Total		**441,817,174**	**512,417,740**
3(a)	**Consolidated cash**			
	Consolidated cash in hand (including foreign currency)			
	MIDAS Financing Ltd.	3.1	9,293,153	14,148,008
	MIDAS Investment Ltd.		435	6,750
	Total		**9,293,588**	**14,154,758**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
3(b)	**Consolidated Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)**			
	MIDAS Financing Ltd.	3.2	152,482,496	175,262,735
	MIDAS Investment Ltd.		-	-
	Total		**152,482,496**	**175,262,735**
4	**Balance with other banks and financial institutions**			
	Inside Bangladesh	4.1	280,041,525	323,006,997
	Outside Bangladesh		-	-
	Total		**280,041,525**	**323,006,997**
4.1	**Inside Bangladesh**			
	A. STD accounts			
	Standard Bank Ltd.		20,433,575	39,927,387
	United Commercial Bank Ltd.		20,394,167	17,684,081
	IFIC Bank Ltd.		122,832	111,490
	Janata Bank Ltd.		2,799	4,186
	Mercantile Bank Ltd.		45,706	4,122,127
	Uttara Bank Ltd.		4,275	5,275
	Agrani Bank Ltd.		40	960
	AB Bank Ltd.		255,864	127,216
	Dutch Bangla Bank Ltd.		230,670	775,499
	One Bank Ltd.		507,457	533,626
	The Premier Bank Ltd.		1,545,512	761,908
	Pubali Bank Ltd.		3,792,891	3,034,203
	Bangladesh Development Bank Ltd.		8,182	8,987
	Jamuna Bank Ltd		3,324,868	1,736,886
	Mutual Trust Bank Ltd.		21,046	21,593
	Modhumoti Bank Ltd.		19,748	-
	Bangladesh Krishi Bank		488,102	-
	National Credit and Commerce Bank Ltd.		-	32
	Total A		**51,197,734**	**68,855,456**
	B. Current accounts			
	United Commercial Bank Ltd.		1,495,083	2,288,022
	Total B		**1,495,083**	**2,288,022**
	C. Term deposits			
	United Commercial Bank Ltd.		55,000,000	55,000,000
	Jamuna Bank Ltd.		50,000,000	50,000,000
	Mercantile Bank Ltd.		-	30,000,000
	The City Bank Ltd		50,000,000	50,000,000
	Bangladesh Industrial Finance and Investment Company Ltd.		22,348,708	21,863,519
	Dutch Bangla Bank Ltd.		-	45,000,000
	Uttara Bank Ltd.		50,000,000	-
	Total C		**227,348,708**	**251,863,519**
	Total (A+B+C)		**280,041,525**	**323,006,997**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
4.2	**Maturity grouping of balance with other banks and financial institutions**			
	On demand		52,692,817	93,006,997
	Not more than 3 months		85,000,000	65,000,000
	More than 3 months but less than 1 year		142,348,708	165,000,000
	More than 1 year but less than 5 years		-	-
	More than 5 years		-	-
	Total		**280,041,525**	**323,006,997**
4(a)	**Consolidated balance with other banks and financial institutions**			
	Inside Bangladesh			
	MIDAS Financing Ltd.	4.1	280,041,525	323,006,997
	MIDAS Investment Ltd.		209,066,364	219,909,193
	Adjustment for consolidation		(205,000,000)	(205,000,000)
			284,107,889	**337,916,190**
	Outside Bangladesh			
	MIDAS Financing Ltd.		-	-
	MIDAS Investment Ltd.		-	-
			-	**-**
	Total		**284,107,889**	**337,916,190**
5	**Money at call and short notice**		**-**	**-**
6	**Investment**			
	a) Government securities		**-**	**-**
	b) Other investments			
	Investment in listed securities	6.1	222,904,816	265,548,107
	Investment in unlisted securities	6.2	22,569,450	22,569,450
	Total		**245,474,266**	**288,117,557**

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	275,205	3,592,386	5,618,377	5,028,282
Tannery Industries	-	-	-	16,775,512
Mutual Fund	300,000	1,680,000	3,062,640	3,062,640
Textile	1,211,229	31,064,922	82,129,333	80,682,073
Pharmaceutical and Chemicals	1,053,177	78,389,823	127,299,375	127,354,195
Fuel and Power	-	-	-	17,440,980
Engineering	37,545	3,564,684	4,754,381	3,302,951
Information Technology	392	26,421	3,410	-
Paper	-	-	-	1,729,040
Telecommunication	-	-	-	10,131,515
Miscellaneous	3,916	161,731	37,300	40,919
Total		**118,479,967**	**222,904,816**	**265,548,107**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
6.2	**Investment in unlisted securities**	**No. of Share**		
	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		227,278	13,277,405
	Not more than 3 months		-	58,420,583
	More than 3 months but less than 1 year		6,755,007	92,941,837
	More than 1 year but less than 5 years		212,859,891	100,908,282
	More than 5 years		25,632,090	22,569,450
	Total		**245,474,266**	**288,117,557**
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	222,904,816	265,548,107
	Investment in nonlisted securities	6.2	22,569,450	22,569,450
			245,474,266	**288,117,557**
	MIDAS Investment Ltd.			
	Investment in listed securities		102,042,005	113,880,239
	Investment in nonlisted securities		10,000,000	13,634,670
			112,042,005	**127,514,909**
	Total		**357,516,271**	**415,632,466**
7	**Lease, loans and advances**			
	a) Inside Bangladesh			
	Lease receivable	7.a.i	749,461,703	801,311,517
	Term finance	7.a.ii	7,188,415,673	7,751,391,409
	Housing finance	7.a.iii	1,200,491,926	1,350,262,507
	Staff loan	7.a.iv	33,141,003	31,555,030
	Consumer credit	7.a.v	1,381,309	3,401,459
	Interest receivable	7.a.vi	346,553,596	349,396,726
			9,519,445,210	**10,287,318,648**
	b) Outside Bangladesh		-	-
	Total (a+b)		**9,519,445,210**	**10,287,318,648**

Notes	Particulars	Amount in BDT	
		December 31, 2019	December 31, 2018
7.a.i	**Lease receivable**		
	Opening balance	801,311,517	882,777,345
	Add: Addition during the year	79,958,296	164,950,000
		881,269,813	**1,047,727,345**
	Less: Realization during the year	129,075,514	246,415,828
	Less: Write off	2,732,596	-
	Closing balance	**749,461,703**	**801,311,517**
	Lease Receivable		
	Gross lease receivable	852,851,703	947,133,766
	Less: Unearned lease income	103,390,000	145,822,249
		749,461,703	**801,311,517**
7.a.ii	**Term finance**		
	Opening balance	7,751,391,409	7,703,692,856
	Add: Addition during the year	2,844,491,190	4,373,851,291
		10,595,882,599	**12,077,544,147**
	Less: Realization during the year	3,385,150,847	4,251,343,399
	Less: Write off	22,316,079	74,809,339
	Closing balance	**7,188,415,673**	**7,751,391,409**
7.a.iii	**Housing finance**		
	Opening balance	1,350,262,507	1,404,378,728
	Add: Addition during the year	71,550,000	167,530,000
		1,421,812,507	**1,571,908,728**
	Less: Realization during the year	221,320,581	221,646,221
	Closing balance	**1,200,491,926**	**1,350,262,507**
7.a.iv	**Staff loan**		
	Opening balance	31,555,030	27,367,094
	Add: Addition during the year	12,989,384	11,765,800
		44,544,414	**39,132,894**
	Less: Realization during the year	11,403,411	7,577,864
	Closing balance	**33,141,003**	**31,555,030**
7.a.v	**Consumer credit**		
	Opening balance	3,401,459	2,816,361
	Add: Addition during the year	1,320,000	1,330,000
		4,721,459	**4,146,361**
	Less: Realization during the year	1,208,302	744,902
	Less: Write off	2,131,848	-
	Closing balance	**1,381,309**	**3,401,459**

Notes	Particulars	Amount in BDT	
		December 31, 2019	December 31, 2018
7.a.vi	**Interest receivable**		
	Lease finance	61,251,283	75,789,150
	Term finance	235,136,782	221,997,435
	Housing finance	42,706,427	43,663,828
	Consumer credit	-	309,680
	Staff loan	7,459,104	7,636,633
	Total	**346,553,596**	**349,396,726**

During the year Tk. 3,370,184.00 against term finance interest receivable, Tk. 1,004,562.00 against lease finance interest receivable and Tk. 309,680.00 against consumer credit interest receivable have been written off. The compnay also wrote off Tk. 11,607,580.00 against term finance interest receivable during the year 2018.

7.1	**Residual maturity grouping of lease, loans and advances**		
	Receivable on demand	783,826,876	711,273,815
	Not more than 3 months	617,666,627	611,433,439
	Over 3 months but not more than 1 year	2,896,346,986	3,006,384,129
	Over 1 year but not more than 5 years	3,411,482,689	3,628,378,259
	Over 5 years	1,810,122,032	2,329,849,006
	Total	**9,519,445,210**	**10,287,318,648**
7.2	**Investments on the basis of significant concentration**		
	Lease, loans and advances to the institutions in which Directors have interest	-	426,356
	Lease, loans and advances to chief executives and other senior executives	40,600,107	39,191,663
	Lease, loans and advances to customer groups	9,478,845,103	10,247,700,629
	Total	**9,519,445,210**	**10,287,318,648**
7.3	**Investments allowed to group exceeding 15% of NBFI's total capital**		
	Total capital of the company	1,540,187,763	1,443,345,925
	15% of company's total capital	231,028,164	216,501,889
	Total outstanding amount to such customers at end of the year	2,329,190,675	2,064,187,313
	Number of such types of customers	8	7

7.4	**Sector-wise classification of lease, loans and advances**	Composition			
		31 Dec. 19	31 Dec. 18		
	Agriculture	1.33%	1.29%	126,789,263	132,329,381
	Cement and Allied Industry	0.27%	0.21%	25,661,677	21,886,951
	Electronics and Electric products	1.53%	0.00%	145,528,292	-
	Food Production / Processing Industries	8.37%	7.78%	797,090,440	800,254,637
	Garments and Knitwear	1.05%	1.24%	99,641,689	127,824,659
	Glass, Glassware and Ceramic Ind.	0.00%	0.00%	306,332	-
	Iron, Steel & Engineering	7.21%	10.69%	686,288,186	1,099,779,758
	In-house Employees' Loan	0.43%	0.38%	40,600,107	39,191,662
	Jute & Jute Products	0.03%	0.06%	3,330,249	5,949,779
	Leather & Leather Goods	0.43%	0.33%	40,676,317	33,695,877

Notes	Particulars	Composition		Amount in BDT	
				December 31, 2019	December 31, 2018
		31 Dec. 19	31 Dec. 18		
	Merchant Banking / LLS	3.26%	3.13%	310,429,269	322,352,503
	Others	19.46%	19.67%	1,852,340,227	2,023,908,048
	Pharmaceuticals and Chemicals	1.76%	1.59%	167,274,560	163,466,750
	Paper, Printing and Packaging	1.90%	1.73%	180,394,247	178,261,345
	Plastic Industries	0.99%	0.93%	93,784,408	95,258,011
	Real Estate & Housing	13.06%	13.55%	1,243,198,353	1,393,926,335
	Ship Manufacturing Industry	3.04%	2.38%	289,162,737	245,346,149
	Trade and Commerce	22.97%	24.19%	2,187,005,002	2,489,002,959
	Textile	12.91%	10.83%	1,229,120,287	1,114,060,274
	Telecommunication/Information Technology	0.01%	0.01%	823,570	823,570
	Total	**100.00%**	**100.00%**	**9,519,445,210**	**10,287,318,648**

		Composition			
7.5	**Geographical location-wise lease, loans and advances**	**31 Dec. 19**	**31 Dec. 18**		
	Chattogram	23.59%	25.65%	2,245,430,280	2,779,194,864
	Dhaka	66.66%	64.33%	6,345,243,680	6,492,066,215
	Khulna	3.95%	4.86%	375,794,691	453,384,739
	Rajshahi	5.81%	5.16%	552,976,559	562,672,830
	Total	**100.00%**	**100.00%**	**9,519,445,210**	**10,287,318,648**

		Composition			
7.6	**Grouping of lease, loans and advances as per classification rules of Bangladesh Bank**	**31 Dec. 19**	**31 Dec. 18**		
	Unclassified	84.98%	85.32%	8,089,431,505	8,734,193,871
	Special mention account (SMA)	5.10%	4.76%	485,396,798	268,582,994
	Substandard	1.59%	1.32%	151,552,724	352,862,589
	Doubtful	0.80%	1.77%	75,783,957	172,887,293
	Bad or loss	7.53%	6.83%	717,280,226	758,791,901
	Total	**100.00%**	**100.00%**	**9,519,445,210**	**10,287,318,648**

		Basis for Provision	Rate		
7.7	**Particulars of provision for lease, loans and advances**				
	Unclassified	4,374,429,847	1.00%	43,744,298	44,956,979
	Unclassified (SME)	3,715,001,658	0.25%	9,287,504	10,596,241
	Special mention account	405,384,393	5.00%	20,269,220	12,831,469
				73,301,022	**68,384,689**
	Substandard	116,838,452	20.00%	23,367,690	50,209,643
	Doubtful	57,941,044	50.00%	28,970,522	53,495,612
	Bad or loss	217,753,926	100.00%	217,753,926	226,839,697
				270,092,138	**330,544,952**
	Required provision for lease, loans and advances			**343,393,161**	**398,929,641**
	Required provision for diminution in value of investment			**79,397,550**	**39,064,993**
	Total provision required			**422,790,711**	**437,994,634**
	Total provision maintained			**422,523,633**	**437,994,634**
	Excess/(short) provision			**(267,078)**	**-**

Notes	Particulars	Amount in BDT	
		December 31, 2019	December 31, 2018
7.8	**Particulars of lease, loans and advances**		
(i)	Debts considered good in respect of which the MFL is fully secured	1,618,822,926	1,774,068,684
(ii)	Debts considered good for which the MFL holds no other security other than the debtor's personal guarantee;	40,600,107	39,191,662
(iii)	Debts considered good and secured by personal security of one or more parties in addition to the personal security of the debtors;	7,860,022,177	8,474,058,302
		9,519,445,210	**10,287,318,648**
(iv)	Amount of classified loan in which no provision has been maintained;	-	-
(v)	Debts due by directors or officers of the MFL or any of them either severally or jointly with any other person;	40,600,107	39,191,663
(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);	-	426,356
(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;	4,100,000	1,600,000
(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;	717,280,226	758,791,901
(xi)	**Cumulative amount of written off loans and advances:**		
	Opening Balance	510,790,468	453,266,974
	Add: Amount written off during the year	31,864,950	86,416,919
	Less: Amount received of during the year	25,338,726	28,893,425
	Balance of written off loans and advances yet to be recovered	**517,316,692**	**510,790,468**
7(a)	**Consolidated lease, loans and advances**		
	Inside Bangladesh		
	MIDAS Financing Ltd.	9,519,445,210	10,287,318,648
	MIDAS Investment Ltd.	16,189,359	14,813,074
	Adjustment for consolidation	(237,829,757)	(249,386,380)
		9,297,804,812	**10,052,745,342**
	Outside Bangladesh		
	MIDAS Financing Ltd.	-	-
	MIDAS Investment Ltd.	-	-
		-	**-**
	Total	**9,297,804,812**	**10,052,745,342**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
8	**Fixed assets including land, building, furniture and fixtures**			
	Free hold assets		293,421,511	292,300,386
	Intangible assets		277,149	395,927
	Total		**293,698,660**	**292,696,313**
	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	293,698,660	292,696,313
	MIDAS Investment Ltd.		185,660,887	191,288,049
	Total		**479,359,547**	**483,984,362**
	A schedule of consolidated fixed assets including land, building, furniture and fixtures is given in Annexure-B			
9	**Others assets**			
	Interest receivable on FDR		7,427,616	4,418,008
	Investment in MIDAS Investment Ltd.		249,998,000	249,998,000
	Advance against purchase of shares		1,310,355	4,172,352
	Advance income tax	9.1	79,361,206	56,965,498
	Advance against expenditure		363,890	382,100
	*Advance office rent & security money		1,954,900	5,285,051
	Security deposit	9.2	633,500	633,500
	Stamp, stationery etc, in hand		107,933	31,067
	Asset held for sale		11,250,246	11,250,246
	Receivable from rental income & others		49,721,452	49,874,849
	Dividend receivable		14,999,880	24,999,800
	Advance Against Purchase of Software		900,000	-
	Over due interest receivable		62,197,317	63,758,180
	Total		**480,226,295**	**471,768,651**
	*Advance rent upto 2019 Tk 36.30 lac has been considered with Right of Use (ROU) Assets as per IFRS 16.			
9.1	**Advance income tax**			
	Opening Balance		56,965,498	70,047,252
	Add: Addition during the year		22,395,708	21,183,461
			79,361,206	**91,230,713**
	Less: Adjustment during the year		-	(34,265,215)
			79,361,206	**56,965,498**
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
	Total		**633,500**	**633,500**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
9.3	**Maturity grouping of other assets**			
	Receivable on demand		79,960,135	91,459,038
	Not more than 3 months		6,446,855	6,302,469
	Over 3 months but not more than 1 year		2,854,900	5,285,051
	Over 1 year but not more than 5 years		116,524,542	101,000,943
	Over 5 years		274,439,863	267,721,150
	Total		**480,226,295**	**471,768,651**
9(a)	**Consolidated others assets**			
	MIDAS Financing Ltd.	9	480,226,295	471,768,651
	MIDAS Investment Ltd.		79,916,657	68,919,096
	Adjustment for consolidation		(249,998,000)	(249,998,000)
	Total		**310,144,952**	**290,689,747**
10	**Non-banking assets**			
	Habib Vegitable Product Ltd.		52,700,000	52,700,000
	Biswas Febrics Ltd.		28,065,467	28,065,467
	Total		**80,765,467**	**80,765,467**
	MIDAS Financing limited was awarded absolute ownership of the mortgaged properties of the above mentioned clients, by the competent court against default loans.			
11	**Borrowings from other banks, financial institutions and agents**			
	Secured		1,354,244,939	1,285,083,467
	Unsecured		534,797,275	424,655,632
			1,889,042,214	**1,709,739,099**
	Inside Bangladesh	11.1	1,889,042,214	1,709,739,099
	Outside Bangladesh		-	-
	Total		**1,889,042,214**	**1,709,739,099**
11.1	**Inside Bangladesh**			
	Term loan from other Banks & FIs	11.2	1,279,367,209	1,220,234,090
	Refinance against SME loan from Bangladesh Bank		72,285,203	64,179,367
	Refinance against housing loan from Bangladesh Bank		8,887,453	10,510,033
	Refinance against SMEPD loan from Bangladesh Bank		49,980,000	73,808,898
	Loan from SME foundation		10,337,500	18,450,000
	Short term loan from Banks & FIs	11.3	408,184,849	212,556,711
	Call loan	11.4	60,000,000	110,000,000
	Total		**1,889,042,214**	**1,709,739,099**
11.2	**Term loan from other Banks & FIs**			
	Agrani Bank Ltd.		382,953,959	468,621,182
	One Bank Ltd.		49,614,722	77,727,600
	Midland Bank Ltd.		68,545,936	97,056,125
	The UAE Bangladesh Investment Company Ltd.		57,165,498	87,553,638
	Modhumoti Bank Ltd.		92,336,067	119,270,902
	National Housing Finance & Investment Ltd.		55,284,391	105,528,375
	Shahjalal Islami Bank Ltd.		175,492,576	264,476,268
	Bangladesh Krishi Bank		397,974,060	-
	Total		**1,279,367,209**	**1,220,234,090**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
11.3	**Short term loan from Banks & FIs**			
	Standard Bank Ltd.		21,340,780	12,224,085
	Pubali Bank Ltd.		15,516,393	34,837,775
	United Commercial Bank Ltd.		5,291,407	(1,291,525)
	Jamuna Bank Ltd.		4,140,887	535,438
	The City Bank Ltd.		45,292,655	45,242,660
	Dutch Bangla Bank Ltd.		-	20,349,268
	Modhumoti Bank Ltd.		-	25,589
	Agrani Bank Ltd		296,449,946	100,619,885
	Mercantile Bank Ltd.		-	13,536
	Uttara Bank Ltd.		20,152,781	-
	Total		**408,184,849**	**212,556,711**
11.4	**Call loan**			
	Sonali Bank Ltd.		60,000,000	110,000,000
	Total		**60,000,000**	**110,000,000**
11.5	**Maturity grouping of borrowings from other banks, financial institutions and agents**			
	Repayable on demand		60,000,000	110,000,000
	Within 1 month		69,686,910	36,881,806
	Over 1 months but not more than 6 months		708,445,932	799,877,812
	Over 6 months but not more than 1 year		136,882,596	212,556,711
	Over 1 year but not more than 5 years		758,049,465	539,912,737
	Over 5 years		155,977,311	10,510,033
	Total		**1,889,042,214**	**1,709,739,099**
11(a)	**Consolidated borrowings from other banks, financial institutions and agents**			
	Inside Bangladesh			
	MIDAS Financing Ltd.	11	1,889,042,214	1,709,739,099
	MIDAS Investment Ltd.		237,829,757	249,386,380
	Adjustment for consolidation		(237,829,757)	(249,386,380)
			1,889,042,214	**1,709,739,099**
	Outside Bangladesh			
	MIDAS Financing Ltd.		-	-
	MIDAS Investment Ltd.		-	-
			-	-
	Total		**1,889,042,214**	**1,709,739,099**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
12	**Deposits and other accounts**			
	Term deposits	**12.1**	**6,222,354,971**	**7,448,261,829**
	Other Deposits			
	Security deposits		4,868,217	4,870,077
	Advance lease rental		15,423,903	15,508,657
			20,292,120	**20,378,734**
	Total		**6,242,647,091**	**7,468,640,563**
12.1	**Term deposits**			
	General deposits		6,082,354,971	6,808,261,829
	Deposit from other Banks and Financial institutions	12.2	140,000,000	640,000,000
	Total		**6,222,354,971**	**7,448,261,829**
12.2	**Deposits from other banks and financial institutions**			
	Agrani Bank Ltd.		100,000,000	200,000,000
	National Housing Finance and Investment Ltd.		-	100,000,000
	LankaBangla Finance Ltd.		-	260,000,000
	National Credit and Commerce Bank Ltd.		40,000,000	80,000,000
	Total		**140,000,000**	**640,000,000**
12.3	**Maturity analysis of deposits and other accounts**			
	Repayable on demand		37,734,465	21,346,340
	Within 1 month		663,203,394	649,782,437
	Over 1 months but not more than 6 months		730,445,810	726,099,348
	Over 6 months but not more than 1 year		1,692,325,861	1,773,028,783
	Over 1 year but not more than 5 years		1,927,343,289	2,973,984,837
	Over 5 years		1,191,594,272	1,324,398,818
	Total		**6,242,647,091**	**7,468,640,563**
12(a)	**Consolidated deposits and other accounts**			
	Term deposits			
	MIDAS Financing Ltd.	12.1	6,222,354,971	7,448,261,829
	MIDAS Investment Ltd.		-	-
	Adjustment for consolidation		(205,000,000)	(205,000,000)
			6,017,354,971	**7,243,261,829**
12(b)	**Other deposits**			
	MIDAS Financing Ltd.		20,292,120	20,378,734
	MIDAS Investment Ltd.		-	-
			20,292,120	**20,378,734**
	Total		**6,037,647,091**	**7,263,640,563**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
13	**Other liabilities**			
	Provision for lease, loans & advances	13.1	343,126,083	398,929,641
	Provision for investment in securities	13.2	79,397,550	39,064,993
	Provision for tax	13.3	125,550,775	94,646,109
	Deferred tax liability	13.4	24,046,673	18,791,021
	Interest payable on borrowings		23,836,545	24,948,695
	Interest payable on deposits		459,177,257	433,267,009
	Advance against installment		38,932,682	38,367,477
	Advance rent from MIDAS Centre & NGS		6,239,950	22,084,233
	Payable & provision against expenditure	13.5	6,752,217	7,408,835
	Interest suspense	13.6	258,018,321	221,188,781
	Provision for rental income & others		16,501,535	12,652,826
	Lease liabilities		7,942,679	-
	Dividend payable		27,737	9,169
	Total		**1,389,550,004**	**1,311,358,789**
13.1	**Provision for lease, loans & advances**			
	(a) General provision on unclassified lease, loans and advances			
	Provision held at the beginning of the year		68,384,689	78,793,827
	Required provision during the year	33	4,587,200	(10,409,138)
	Balance at the end of the year		**72,971,889**	**68,384,689**
	(b) Specific provision on classified lease, loans and advances			
	Provision held at the beginning of the year		330,544,952	322,876,497
	Required provision during the year	33	(33,210,234)	82,477,794
	Less: Write off during the year		(27,180,524)	(74,809,339)
	Balance at the end of the year		**270,154,194**	**330,544,952**
	Total provision		**343,126,083**	**398,929,641**
	During the year 2019, the company recovered Tk. 24,157,580 from written off loans which was adjusted against current year's required provision of Tk. (33,210,234). Therefore, Tk. (57,367,814) was charged in profit and loss account for the year 2019.			
13.2	**Provision for investment in securities**			
	Provision held at the beginning of the year		39,064,993	18,621,109
	Required provision during the year		40,332,557	20,443,884
	Balance at the end of the year		**79,397,550**	**39,064,993**
13.3	**Provision for tax**			
	Balance at the beginning of the year		94,646,109	106,482,545
	Provision made during the year		30,904,666	22,428,779
	Adjustment during the year		-	(34,265,215)
	Balance at the end of the year		**125,550,775**	**94,646,109**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
13.4	**Deferred tax liability**			
	Balance at the beginning of the year		18,791,021	19,863,349
	Deferred tax (income)/expenses during the year		5,255,652	(1,072,328)
	Balance at the end of the year		**24,046,673**	**18,791,021**
	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.			
	Computaion of deffered tax			
	Accounting written down value of fixed assets		293,698,660	292,696,313
	Tax base written down value of fixed assets		229,574,198	242,586,925
	Net taxable temporary differences		**64,124,462**	**50,109,388**
	Applicable tax rate		37.50%	37.50%
	Defferred tax liability		**24,046,673**	**18,791,021**
	Deferred tax (income)/expenses during the year		**5,255,652**	**(1,072,328)**
13.5	**Payable & provision against expenditure**			
	Payable to CDBL		19,027	9,856
	Payable against utilities		4,884,649	6,080,084
	Liability for others		1,460	460
	Audit fees		165,000	150,000
	Withholding VAT,Tax & Excise duty		17,893	(405,959)
	CIB fees		1,652,114	1,574,394
	Advance Against SME Fair		12,074	-
	Total		**6,752,217**	**7,408,835**
13.6	**Interest suspense**			
	Lease finance		81,530,247	59,372,360
	Term finance		156,991,384	145,890,114
	Consumer credit		-	309,680
	Housing finance		19,496,690	15,616,627
	Total		**258,018,321**	**221,188,781**
13.7	**Movement of interest suspense account**			
	Balance at the beginning of the year		221,188,781	179,922,818
	Add: Net charge during the year		41,513,966	52,873,543
	Less: Realized during the year		-	-
	Less: Write off during the year		(4,684,426)	(11,607,580)
	Total		**258,018,321**	**221,188,781**
13.8	**Maturity grouping of other liabilities**			
	Repayable on demand		139,251,267	138,649,412
	Within 1 month		94,727,968	93,457,781
	Over 1 month but not more than 6 months		141,762,492	131,153,319
	Over 6 months but not more than 1 year		359,253,250	344,208,778
	Over 1 year but not more than 5 years		373,415,229	342,763,247
	Over 5 years		281,139,799	261,126,252
	Total		**1,389,550,004**	**1,311,358,789**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
13(a)	**Consolidated other liabilities**			
	MIDAS Financing Ltd.	13	1,389,550,004	1,311,358,789
	MIDAS Investment Ltd.		111,532,715	114,319,746
	Adjustment for consolidation		-	-
	Total		**1,501,082,719**	**1,425,678,535**
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		1,322,955,430	1,202,686,760
	Add: Bonus share issued		33,073,880	120,268,670
	Total at the end of the year		**1,356,029,310**	**1,322,955,430**
14.3	**Shareholding position**			
	Sponsor shareholders group		430,245,490	419,751,720
	General shareholders group	14.3.1	925,783,820	903,203,710
	Total		**1,356,029,310**	**1,322,955,430**
14.3.1	**General shareholders group**			
	Non resident		24,324,130	27,487,020
	Companies & institutions		464,185,250	450,709,920
	General public		437,274,440	425,006,770
	Total		**925,783,820**	**903,203,710**

14.4

Classification of shareholders by holding	No. of Share-holders	Percentage of holding shares	No. of shares	No. of shares
Less than 500 shares	1413	0.14%	189,070	265,547
501 to 5,000 shares	1681	2.38%	3,230,474	4,093,948
5,001 to 10,000 shares	352	1.82%	2,473,095	2,733,920
10,001 to 20,000 shares	255	2.59%	3,510,828	3,214,990
20,001 to 30,000 shares	86	1.54%	2,084,292	2,123,464
30,001 to 40,000 shares	41	1.03%	1,400,086	1,383,516
40,001 to 50,000 shares	34	1.12%	1,518,321	1,106,111
50,001 to 1,00,000 shares	56	2.84%	3,847,675	2,740,858
1,00,001 & above shares	84	86.54%	117,349,090	114,633,189
Total	**4002**	**100.00%**	**135,602,931**	**132,295,543**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018

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	12,026,867	120,268,670	1,322,955,430
2019	Bonus share	3,307,388	33,073,880	1,356,029,310

14.6 Capital adequacy - As per BASEL-II

a) Core Capital (Tier-I)			
Paid-up capital	14.2	1,356,029,310	1,322,955,430
Statutory reserve	16	101,828,395	82,460,027
Retained earnings	17	82,330,058	37,930,468
		1,540,187,763	**1,443,345,925**
b) Supplementary Capital (Tier-II)			
General provision	13.1 (a)	72,971,889	68,384,689
c) Total eligible capital (a + b)		**1,613,159,652**	**1,511,730,614**
Total assets including off-balance sheet exposures		**12,750,677,072**	**12,369,679,694**
d) Total risk weighted assets (RWA)		**9,132,377,156**	**9,214,331,131**
e) Required capital based on risk weighted assets (10% of d)		**913,237,716**	**921,433,113**
f) Capital surplus/(shortfall) (c-e)		**699,921,937**	**590,297,501**
Capital Adequacy Ratio (%)		**17.66**	**16.41**

14.7 Consolidated Capital adequacy - As per BASEL-II

a) Core Capital (Tier-I)			
Paid-up capital	14.2	1,356,029,310	1,322,955,430
Statutory reserve	16	101,828,395	82,460,027
Retained earnings	17(a)	85,843,236	46,675,316
		1,543,700,941	**1,452,090,773**
b) Supplementary Capital (Tier-II)			
General provision	13.1 (a)	72,971,889	68,384,689
c) Total eligible capital (a + b)		**1,616,672,830**	**1,520,475,462**
Total assets including off-balance sheet exposures		**12,660,725,022**	**12,287,746,385**
d) Total risk weighted assets (RWA)		**9,293,569,950**	**9,421,879,919**
e) Required capital based on risk weighted assets (10% of d)		**929,356,995**	**942,187,992**
f) Capital surplus/(shortfall) (c-e)		**687,315,835**	**578,287,471**
Capital Adequacy Ratio (%)		**17.40**	**16.14**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
15	**General reserve**			
	Opening balance		-	-
	Add: Addition during the year		-	-
			-	**-**
16	**Statutory reserve**			
	Opening balance		82,460,027	80,227,958
	Add: Addition during the year		19,368,368	2,232,069
	Closing balance		**101,828,395**	**82,460,027**
	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		37,930,468	149,270,861
	Add: Profit after tax		96,841,838	11,160,346
	Less: Transfer to statutory reserve		(19,368,368)	(2,232,069)
	Less: Issuance of bonus share		(33,073,880)	(120,268,670)
	Closing balance		**82,330,058**	**37,930,468**
17(a)	**Consolidated retained earnings**			
	Opening balance		46,675,316	157,603,711
	Add: Profit after tax		91,610,168	11,572,344
	Less: Transfer to statutory reserve		(19,368,368)	(2,232,069)
	Less: Issuance of bonus share		(33,073,880)	(120,268,670)
	Closing balance		**85,843,236**	**46,675,316**
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	200,000,000
	Irrevocable letters of credit		-	-
	Bills for collection		-	-
	Total		**100,000,000**	**200,000,000**
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		1,589,250,000	236,595,318
	Claims against the bank not acknowledged as debts		-	-
	Total		**1,589,250,000**	**236,595,318**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
19	**Profit and loss account**			
	Income			
	Interest income	20	1,153,603,559	1,111,373,843
	Dividend income	22	20,267,874	30,400,898
	Commission, exchange and brokerage		600,000	1,200,000
	Gains less losses arising from investment securities	22	(5,215,936)	8,903,973
	Other operating income	23	51,107,741	47,525,200
			1,220,363,238	**1,199,403,914**
	Expenses			
	Interest on deposits & borrowings, etc.	21	924,943,597	932,225,878
	Administrative expenses		147,737,048	149,051,399
	Other operating expenses	32	7,038,938	7,971,189
	Depreciation on fixed assets	31(a)	16,240,846	12,174,167
			1,095,960,430	**1,101,422,633**
	Profit before provision		**124,402,808**	**97,981,281**
20	**Interest income**			
	Interest on lease, loans & advances	20.1	1,132,944,171	1,094,312,198
	Interest on placement with other Banks & FIs	20.2	20,659,388	17,061,645
	Total		**1,153,603,559**	**1,111,373,843**
20.1	**Interest on lease, loans & advances**			
	Interest income on lease finance		29,603,852	24,552,124
	Interest income on term finance		935,362,825	883,060,420
	Interest on housing finance		164,573,548	183,588,716
	Interest on consumer credit		278,769	211,282
	Interest on staff loan		3,125,178	2,899,656
	Total		**1,132,944,171**	**1,094,312,198**
20.2	**Interest on placement with other Banks & FIs**			
	Interest on FDR		19,882,346	15,927,385
	Interest on STD accounts		777,042	933,010
	Interest Income-Short term lending		-	201,250
	Total		**20,659,388**	**17,061,645**
20(a)	**Consolidated interest income**			
	Interest on lease, loans & advances			
	MIDAS Financing Ltd.	20.1	1,132,944,171	1,094,312,198
	MIDAS Investment Ltd.		4,477,955	3,416,100
	Adjustment for consolidation		(31,425,808)	(27,548,172)
			1,105,996,318	**1,070,180,126**
	Interest on placement with other Banks & FIs			
	MIDAS Financing Ltd.	20.2	20,659,388	17,061,645
	MIDAS Investment Ltd.		20,705,000	18,914,581
	Adjustment for consolidation		(20,705,000)	(18,914,581)
			20,659,388	**17,061,645**
	Total		**1,126,655,706**	**1,087,241,771**
21	**Interest on deposits & borrowings, etc.**			
	Interest paid on deposits		746,956,889	782,296,460
	Interest paid on borrowings	21.1	177,986,708	149,929,418
	Total		**924,943,597**	**932,225,878**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
21.1	**Interest paid on borrowings**			
	Interest expenses on bank loan		155,036,526	129,569,305
	Interest expenses on call loan		5,065,000	7,203,264
	Interest expenses on re-financing loan		4,072,904	5,400,555
	Interest Expenses- BD Bank SMEDP		2,729,962	1,416,182
	Interest exp ense on lease rent*		895,694	-
	Other financing cost		10,186,623	6,340,112
	Total		**177,986,708**	**149,929,418**
	*Interest paid on lease rent has been calculated for the year 2019 as per IFRS-16			
21(a)	**Consolidated interest on deposits and borrowings, etc.**			
	Interest paid on deposits			
	MIDAS Financing Ltd.		746,956,889	782,296,460
	MIDAS Investment Ltd.		113,707	222,460
	Adjustment for consolidation		(20,705,000)	(18,914,581)
			726,365,596	**763,604,339**
	Interest paid on borrowings			
	MIDAS Financing Ltd.		177,986,708	149,929,418
	MIDAS Investment Ltd.		31,425,808	27,548,172
	Adjustment for consolidation		(31,425,808)	(27,548,172)
			177,986,708	**149,929,418**
	Total		**904,352,304**	**913,533,757**
22	**Income from investment**			
	Income from investment in shares		(5,215,936)	8,903,973
	Dividend income		20,267,874	30,400,898
	Total		**15,051,938**	**39,304,871**
22(a)	**Consolidated income from investment**			
	Income from investment in shares			
	MIDAS Financing Ltd.	22	(5,215,936)	8,903,973
	MIDAS Investment Ltd.		(295,341)	32,223,477
			(5,511,277)	**41,127,450**
	Dividend income			
	MIDAS Financing Ltd.		20,267,874	30,400,898
	MIDAS Investment Ltd.		1,656,363	2,054,135
			21,924,237	**32,455,033**
	Less: Dividend from subsidiary		(14,999,880)	(24,999,800)
	Total		**1,413,080**	**48,582,683**
23	**Other operating income**			
	Transfer price for leased asset		97,448	99,455
	Processing and other fees		4,977,379	5,255,466
	Sale of application form		177,400	298,850
	Rental income-MIDAS Centre & Nahar green		45,481,797	41,529,679
	Other income	23.1	348,930	341,750
	Gain on sale of fixed assets		24,787	-
	Total		**51,107,741**	**47,525,200**
23.1	**Other income**			
	Notice pay		65,000	98,490
	News paper & other sales		7,500	3,806
	Miscellaneous income from deposits (Delay fine)		268,925	218,140
	Miscellaneous income others		7,505	21,314
	Total		**348,930**	**341,750**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
23(a)	**Consolidated other operating income**			
	MIDAS Financing Ltd.	23	51,107,741	47,525,200
	MIDAS Investment Ltd.		39,948,703	34,852,893
	Total		**91,056,444**	**82,378,093**
24	**Salary and allowances**		**119,193,333**	**114,637,256**
24(a)	**Consolidated salary & allowances**			
	MIDAS Financing Ltd.	24	119,193,333	114,637,256
	MIDAS Investment Ltd.		4,840,112	4,459,320
	Total		**124,033,445**	**119,096,576**
25	**Rent, taxes, insurances, electricity, etc.**			
	Rates & taxes		184,188	109,620
	Office rent	25.1	247,141	4,666,304
	Insurance		123,519	266,378
	Utilities		3,286,848	3,028,639
	Total		**3,841,696**	**8,070,941**
25.1	**Disclosue related to office rent**			
	Actual office rent		5,152,784	4,666,304
	Less: Reclassifiction of office rent (as per IFRS-16: Leases)		4,905,643	-
	Rent expense as reported		**247,141**	**4,666,304**
	*Right Of Use (ROU) Assets as per under IFRS-16 has been calculated for the year 2019 considering monthly rental expenses. Last year rental expense Tk. 102,925 has been incuded in this year due to delay of renewal of rental agreement.			
25(a)	**Consolidated rent, taxes, insurance, electricity, etc.**			
	MIDAS Financing Ltd.	25	3,841,696	8,070,941
	MIDAS Investment Ltd.		549,571	520,520
	Total		**4,391,267**	**8,591,461**
26	**Legal expenses**			
	Legal/professional fees		3,425,051	4,626,013
	Other legal expenses/Non judicial stamp		3,845,984	4,822,241
	Total		**7,271,035**	**9,448,254**
26(a)	**Consolidated legal expenses**			
	MIDAS Financing Ltd.	26	7,271,035	9,448,254
	MIDAS Investment Ltd.		115,000	57,700
	Total		**7,386,035**	**9,505,954**
27	**Postage, stamp, telecommunication, etc.**			
	Postage & courier expenses		159,265	173,502
	Telephone, mobile, fax and internet		2,470,176	2,295,104
	Total		**2,629,441**	**2,468,606**
27(a)	**Consolidated postage, stamps, telecommunication, etc.**			
	MIDAS Financing Ltd.	27	2,629,441	2,468,606
	MIDAS Investment Ltd.		202,676	191,779
	Total		**2,832,117**	**2,660,385**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
28	**Stationery, printing, advertisements, etc.**			
	Stationery		750,146	746,286
	Printing		560,153	1,121,872
	Advertisement and publicity		1,257,950	1,627,502
	Signboard and banner		148,208	180,751
	Total		**2,716,457**	**3,676,411**
28(a)	**Consolidated stationery, printing, advertisements, etc.**			
	MIDAS Financing Ltd.	28	2,716,457	3,676,411
	MIDAS Investment Ltd.		32,445	38,935
	Total		**2,748,902**	**3,715,346**
29	**Managing Director's salary and benefits**		**8,549,290**	**6,344,000**
30	**Directors' fees and expenses**			
	Honorarium for attending meeting (including VAT)		1,398,800	1,830,800
	Incidental expenses for meeting		52,421	54,768
	Total		**1,451,221**	**1,885,568**
	Total 12 nos of Board Meeting, 5 nos of Audit Committee Meeting and 6 nos of Executive Committee (EC) Meeting were held during the period of January 01, 2019 to December 31, 2019. Each Director was paid Tk.8,000 for attending in each meeting.			
30(a)	**Consolidated directors' fees and expenses**			
	MIDAS Financing Ltd.	30	1,451,221	1,885,568
	MIDAS Investment Ltd.		118,542	104,837
	Total		**1,569,763**	**1,990,405**
31	**Depreciation and repair of company's assets**			
	i) Depreciation of company's assets (Annexure A)			
	Building		8,156,073	8,156,073
	Right of use of assets		4,507,083	-
	Office equipment		731,018	705,892
	Office furniture		1,457,555	1,616,601
	Motor vehicle		488,634	609,559
	Intengible asset		118,778	169,683
	Computer equipment		781,706	916,359
			16,240,846	**12,174,167**
	ii) Repair of company's assets			
	Office repair and maintenance		1,641,891	2,025,042
	Car maintenance		277,684	345,321
			1,919,575	**2,370,363**
	Total		**18,160,421**	**14,544,530**
	*Depreciation of ROU (Right Of Use) assets has been calculated for the year 2019 as per IFRS-16 (Annexure -A)			

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
31(a)	**Consolidated depreciation and repair of company's assets**			
	a) Depreciation of company's assets (Annexure B)			
	MIDAS Financing Ltd.	31(i)	16,240,846	12,174,167
	MIDAS Investment Ltd.		5,627,162	5,627,659
			21,868,008	**17,801,826**
	b) Repair of company's assets:			
	MIDAS Financing Ltd.	31(ii)	1,919,575	2,370,363
	MIDAS Investment Ltd.		30,610	338,340
			1,950,185	**2,708,703**
	Total		**23,818,193**	**20,510,529**
32	**Other expenses**			
	Fuel		549,154	586,815
	Traveling and conveyance		1,731,138	1,494,532
	Public relation and AGM expenses		444,181	734,601
	News paper & periodicals		60,416	61,026
	Business promotion & development		20,700	173,098
	Entertainment		785,906	1,159,773
	Training, seminar & workshop		306,065	274,194
	Membership fees & subscription		1,605,253	2,014,590
	Bank charge		1,033,253	893,748
	Share management expenses		137,882	318,824
	Miscellaneous expenses		92,321	-
	Loss on sale of fixed assets		208,001	259,988
	Event Management		64,668	-
	Total		**7,038,938**	**7,971,189**
32(a)	**Consolidated other expenses**			
	MIDAS Financing Ltd.	32	7,038,938	7,971,189
	MIDAS Investment Ltd.		1,264,124	1,273,174
	Total		**8,303,062**	**9,244,363**
33	**Provision against loans, lease finance & others**			
	General provisions	13.1 (a)	4,587,200	(10,409,138)
	Specific provisions	13.1 (b)	(57,367,814)	55,429,738
	Provisions for diminution in value of investments	13.2	40,332,557	20,443,884
	Other provisions		3,848,709	-
	Total		**(8,599,349)**	**65,464,484**
33(a)	**Consolidated provision against loans, lease finance & others**			
	General provisions			
	MIDAS Financing Ltd.		4,587,200	(10,409,138)
	MIDAS Investment Ltd.		-	-
	Total		**4,587,200**	**(10,409,138)**
33(b)	**Specific provisions**			
	MIDAS Financing Ltd.		(57,367,814)	55,429,738
	MIDAS Investment Ltd.		-	-
	Total		**(57,367,814)**	**55,429,738**
33(c)	**Provisions for diminution in value of investments**			
	MIDAS Financing Ltd.		40,332,557	20,443,884
	MIDAS Investment Ltd.		11,014,198	20,387,469
	Total		**51,346,755**	**40,831,353**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
33(d)	**Current tax**			
	MIDAS Financing Ltd.		30,904,666	22,428,779
	MIDAS Investment Ltd.		1,816,088	6,483,180
	Total		**32,720,754**	**28,911,959**
33(e)	**Deferred tax**			
	MIDAS Financing Ltd.		5,255,652	(1,072,328)
	MIDAS Investment Ltd.		(1,529,202)	(1,250,362)
	Total		**3,726,450**	**(2,322,690)**
33(f)	**Other provisions**			
	MIDAS Financing Ltd.		3,848,709	-
	MIDAS Investment Ltd.		1,057,550	-
	Total		**4,906,259**	**-**
34	**Earnings per share (EPS)**			
	Net profit after tax (A)		96,841,838	11,160,346
	Number of ordinary shares outstanding (denominator)(B)		135,602,931	135,602,931
	Earnings per share (A/B) 2018:restated)		**0.71**	**0.08**
34(a)	**Consolidated earnings per share (EPS)**			
	Consolidated net profit after tax (A)		91,610,248	11,572,549
	Number of ordinary shares outstanding (denominator) (B)		135,602,931	135,602,931
	Earnings per share (A/B) 2018:restated)		**0.68**	**0.09**
35	**Net assets value (NAV) per share**			
	Net assets (A)		1,540,187,763	1,443,345,925
	Number of ordinary shares outstanding (denominator) (B)		135,602,931	135,602,931
	Net assets value (NAV) per share (A/B) (2018:restated)		**11.36**	**10.64**
35(a)	**Consolidated net assets value (NAV) per share**			
	Net assets (A)		1,543,700,941	1,452,090,773
	Number of ordinary shares outstanding (denominator) (B)		135,602,931	135,602,931
	Consolidated net assets value (NAV) per share (A/B) (2018:restated)		**11.38**	**10.71**
36	**Net operating cash flow per share**			
	Net operating cash flow (A)		(248,267,161)	(300,510,708)
	Number of ordinary shares outstanding (denominator) (B)		135,602,931	135,602,931
	Net operating cash flow per share (A/B) (2018:restated)		**(1.83)**	**(2.22)**
36(a)	**Consolidated net operating cash flow per share**			
	Net operating cash flow (A)		(259,116,305)	(295,405,210)
	Number of ordinary shares outstanding (denominator)(B)		135,602,931	135,602,931
	Consolidated net operating cash flow per share (A/B) (2018:restated)		**(1.91)**	**(2.18)**
37	**Reconciliation of net operating cash flow**			
	Net profit after tax		**96,841,838**	**11,160,346**
	Adjustment for non cash-cash items			
	Add: Depreciation		16,240,846	12,174,167
	Add/(Less): Provision for taxation		30,904,666	22,428,779
	Add/(Less): Provision for deferred tax		5,255,652	(1,072,328)
	Add: Provision for loans and investment		11,709,522	92,512,540
	Add: Provision for others		3,848,709	-
	Add/(Less):Accrued income		8,729,360	(17,347,610)
	Add/(Less):Accrued expenses		24,798,098	85,590,496
	Add/(Loss on disposal of fixed assets)		208,001	259,988
			198,536,693	**205,706,377**

Notes	Particulars	Ref. Notes	Amount in BDT	
			December 31, 2019	December 31, 2018
	Changes in operating assets and liabilities			
	Increase/(Decrease) in Purchases/Sale of trading securities		42,643,291	(14,392,407)
	(Increase)/Decrease in Loans and lease finance to customers		740,681,710	(46,228,856)
	Increase/(Decrease) in Deposits from banks & individuals		(1,225,993,472)	(478,844,583)
	Increase/(Decrease) in Interest suspense		36,829,540	41,265,963
	(Increase)/Decrease in Income tax		(22,395,708)	(21,183,461)
	Increase/(Decrease) in Payable & accrued expenses		(656,617)	(2,151,992)
	(Increase)/Decrease in Other assets		5,233,493	5,737,426
	Increase/(Decrease) in Other liabilities		(23,146,090)	9,580,825
	Cash received/(paid) from operating assets and liabilities		**(446,803,854)**	**(506,217,085)**
	Net cash from operating activites		**(248,267,161)**	**(300,510,708)**
37(a)	**Reconciliation of consolidated net operating cash flow**			
	Net profit after tax		**91,610,248**	**11,572,549**
	Adjustment for non cash-cash items			
	Add: Depreciation		21,868,008	17,801,826
	Add/(Less): Provision for taxation		32,720,754	28,911,959
	Add/(Less): Provision for deferred tax		3,726,450	(2,322,690)
	Add: Provision for loans and investment		27,629,980	112,900,009
	Add/(Less):Accrued income		2,345,637	(21,536,782)
	Add/(Less):Accrued expenses		25,115,950	84,511,839
	Add/(Loss on disposal of fixed assets)		208,001	259,988
			205,225,029	**232,098,699**
	Changes in operating assets and liabilities			
	(Increase)/Decrease in Other assets		6,074,036	6,109,114
	Increase/(Decrease) in Other liabilities		(25,950,219)	13,967,025
	Increase/(Decrease) in Purchases/Sale of trading securities		58,116,195	(68,831,267)
	(Increase)/Decrease in Loans and lease finance to customers		725,896,237	(28,119,078)
	Increase/(Decrease) in Deposits from banks & individuals		(1,225,993,472)	(478,844,583)
	(Increase)/Decrease in Income tax		(29,446,639)	(28,662,487)
	Increase/(Decrease) in Interest suspense		36,829,540	41,265,963
	Increase/(Decrease) in Payable & accrued expenses		(9,867,011)	15,611,405
	Cash received/(paid) from operating assets and liabilities		**(464,341,334)**	**(527,503,909)**
	Net cash from operating activites		**(259,116,305)**	**(295,405,210)**

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	Ms. Rokia A. Rahman	Director	Member	Graduation in Banking from Karachi, Pakistan.
3	Mr. M. Hafizuddin Khan	Director	Member	B.A. (Hons) and M.A. in Political Science from D.U.
4	Mr. Siddiqur Rahman Choudhury	Independent Director	Member	B.Sc. (Hons), M.Sc. (D.U.) Diploma in Public Financial Management (University of Connecticut, USA)
5	Mr. Md. Shamsul Alam	Director	Member	B. Com. (Hons) and M. Com. in Accounting 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	76th Meeting	12.02.2019	4
2	77nd Meeting	24.04.2019	5
3	78rd Meeting	22.05.2019	5
4	79th Meeting	28.07.2019	4
5	80th Meeting	31.10.2019	5

c) Meeting of Audit Committee

During the period January 1, 2019 to December 31, 2019, 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 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.

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	**Mr. Mohammed Nasir Uddin Chowdhury**	Chairman (Nominated by LankaBangla 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
2	**Ms. Rokia A. Rahman**	Director (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
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 Transparency International - Bangladesh (TIB) NIS Support Project, Phase-2	Director Member of Board of Trustees Senior Advisor
6	**Mr. Siddiqur Rahman Choudhury**	Independent Director	Social Marketing Company Ltd. SMC Enterprise Ltd.	Chairman Chairman
7	**Mr. Ghulam Rahman**	Independent Director	Consumer Associtaion of Bangladesh MIDAS Investment Ltd. Anjuman Mufidul Islam	President Director Vice President
8	**Mr. Md. Shamsul Alam**	Director (General Share holder Group)	Arasco Agro Food and Feed Ltd. Arafat Agro Trade	Managing Director Proprietor
9	**Mr. Md. Shahedul Alam**	Director (General Share holder Group)	RADIO VISION SBL Capital Managemnt Ltd.	Partner Chairman Director
10	**Mr. A.K.M Kamruzzaman**	Director (Nominated by LankaBangla Investments Ltd.)	LankaBangla Investment Ltd.	Head of operation

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 disclosures) as noted below:

Name of the related party	Relationship	Transaction nature	Classification Status	Amount in BDT	
				2019	2018
Ms. Rokia Afzal Rahman	Sponsor shareholder	Auto finance	Standard	-	426,356
MIDAS	Sponsor shareholder	Term deposits	N/A	113,900,000	114,275,870
MIDAS Investment Ltd	Subsidiary	STL & LTD	Standard	237,829,757	249,386,380
MIDAS Investment Ltd	Subsidiary	Term deposits	N/A	205,000,000	205,000,000
LankaBangla Finance Ltd.	Shareholder	Term deposits	N/A	-	260,000,000
LankaBangla Investment Ltd.	Shareholder	Short term finance	Standard	-	80,000,000
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	224,215,170	269,720,459
Shafique-Ul-Azam	Ex. Managing Director	Term deposits	N/A	-	586,923
Total				**785,944,927**	**1,184,395,988**

39.5 Lending policy to related parties

Amount of transactions regarding loans and advances, deposits, guarantees and commitment - 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 200 at the end of December 31, 2019 as against 196 in 2018.

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 317th Board Meeting held on July 14, 2020 has recommended to the shareholders @2.5% (percent) Stock Dividend and @2.5% (percent) Cash Dividend for the year ended December 31, 2019 subject to approval from Bangladesh Bank. The final approval of the dividend will come during the 24th Annual General Meeting scheduled to be held on August 25, 2020 through digital platform as per Bangladesh Securities & Exchange Commission (BSEC).

ANNEXURE-A

MIDAS Financing Limited

Fixed assets including land, building, furniture and fixtures

For the year ended December 31, 2019

Amount in BDT

Particulars	COST				Rate of Dep	DEPRECIATION/AMORTIZATION				WDV as on Dec 31, 2019
	Balance as on Jan 1, 2019	Addition/transfer during the year	Disposal/ adjustment during the year	Balance as on Dec 31, 2019		Balance as on Jan 1, 2019	Charged for the year	Adjustment/ transfer during the year	Balance as on Dec 31, 2019	
I. Free holds assets										
Land	19,505,978	-	-	19,505,978		-	-	-	-	19,505,978
Building	326,242,920	-	-	326,242,920	2.5%	78,025,387	8,156,072	-	86,181,459	240,061,461
ROU-Assets for lease rent	-	15,789,888	-	15,789,888		-	4,507,083	-	4,507,083	11,282,805
Office equipment	9,908,289	1,118,181	518,152	10,508,318	18%	6,448,876	731,017	465,428	6,714,465	3,793,853
Furniture & fixtures	29,070,826	186,222	-	29,257,048	10%	14,601,028	1,457,555	-	16,058,583	13,198,465
Motor vehicle	8,119,543	-	-	8,119,543	20%	5,676,374	488,634	-	6,165,008	1,954,535
Computer equipment	14,283,982	387,017	984,016	13,686,983	18%	10,079,487	781,708	798,626	10,062,569	3,624,414
Sub total	**407,131,538**	**17,481,308**	**1,502,168**	**423,110,678**		**114,831,152**	**16,122,068**	**1,264,054**	**129,689,167**	**293,421,511**
II. Intangible assets	-			-						
System & software	1,339,275	-	-	1,339,275	30%	943,348	118,778	-	1,062,126	277,149
Total as on Dec 31, 19	**408,470,813**	**17,481,308**	**1,502,168**	**424,449,953**		**115,774,500**	**16,240,846**	**1,264,054**	**130,751,293**	**293,698,660**
Total as on Dec 31, 18	**408,443,841**	**1,244,778**	**1,217,806**	**408,470,813**		**104,517,151**	**12,174,167**	**916,818**	**115,774,500**	**292,696,313**

*ROU (Right Of Use) assets has been calculated for the year 2019 as per IFRS-16

ANNEXURE-B

MIDAS Financing Limited and its subsidiary

Consolidated Fixed assets including land, building, furniture and fixtures

For the year ended December 31, 2019

Amount in BDT

Particulars	COST				DEPRECIATION/AMORTIZATION				WDV as on Dec 31, 2019
	Balance as on Jan 1, 2019	Addition/ transfer during the year	Disposal/ adjustment during the year	Balance as on Dec 31, 2019	Balance as on Jan 1, 2019	Charged for the year	Adjustment/ transfer during the year	Balance as on Dec 31, 2019	
I. Free holds assets									
Land	37,161,905	-	-	37,161,905	-	-	-	-	37,161,905
Building	524,854,965	-	-	524,854,965	104,780,510	13,121,373	-	117,901,883	406,953,082
ROU-Assets for lease rent	-	15,789,888	-	15,789,888	-	4,507,083	-	4,507,083	11,282,805
Office equipment	10,051,634	1,118,181	518,152	10,651,663	6,606,016	816,563	465,428	6,957,151	3,694,512
Furniture & fixtures	30,099,518	186,222	-	30,285,740	14,945,887	1,531,541	-	16,477,428	13,808,312
Motor vehicle	8,119,543	-	-	8,119,543	5,676,374	488,634	-	6,165,008	1,954,535
Computer equipment	15,299,166	387,017	984,016	14,702,167	11,000,134	937,537	798,626	11,139,045	3,563,122
Sub total	**625,586,731**	**17,481,308**	**1,502,168**	**641,565,871**	**143,008,921**	**21,402,730**	**1,264,054**	**163,147,597**	**478,418,273**
II. Intangible assets									
System & software	2,494,275	-	-	2,494,275	1,087,723	465,278	-	1,553,001	941,274
Total as on Dec 31, 19	**628,081,006**	**17,481,308**	**1,502,168**	**644,060,146**	**144,096,644**	**21,868,008**	**1,264,054**	**164,700,599**	**479,359,547**
Total as on Dec 31, 18	**626,866,336**	**2,432,475**	**1,217,806**	**628,081,006**	**127,211,636**	**17,801,826**	**916,818**	**144,096,644**	**483,984,362**

*ROU (Right Of Use) assets has been calculated for the year 2019 as per IFRS-16

MIDAS Financing Ltd. and its subsidiary

Highlight as required by Bangladesh Bank

As on December 31, 2019

SL#	Particulars		Solo		Consolidated	
			2019	2018	2019	2018
1	Paid-up capital	BDT	1,356,029,310	1,322,955,430	1,356,029,310	1,322,955,430
2	Total capital	BDT	1,540,187,763	1,443,345,925	1,543,700,941	1,452,090,773
3	Capital surplus	BDT	356,029,310	322,955,430	356,029,310	322,955,430
4	Total assets	BDT	11,061,427,072	11,933,084,376	10,971,475,022	11,851,151,067
5	Total deposits	BDT	6,242,647,091	7,468,640,563	6,037,647,091	7,263,640,563
6	Total lease, loans and advances	BDT	9,519,445,210	10,287,318,648	9,297,804,812	10,052,745,342
7	Total contingent liabilities and commitments	BDT	1,689,250,000	436,595,318	1,689,250,000	436,595,318
8	Credit deposit ratio	%	152.49%	137.74%	154.00%	138.40%
9	Percentage of classified loan against total loans	%	9.92%	12.49%	9.92%	12.49%
10	Net profit after taxation	BDT	96,841,838	11,160,346	91,610,248	11,572,549
11	Classified lease, loans and advances	BDT	944,616,907	1,284,541,783	944,616,907	1,284,541,783
12	Provisions kept against classified loans	BDT	270,154,194	330,544,952	270,154,194	330,544,952
13	Provision surplus/(deficit) against classified loan	BDT	(267,078)	-	(267,077.7)	-
14	Cost of fund	%	10.30%	10.34%	10.30%	10.34%
15	Interest earnings assets	BDT	8,979,632,096	9,787,966,553	9,022,516,198	9,856,170,892
16	Non-interest earnings assets	BDT	2,081,794,975	2,145,117,823	1,948,958,823	1,994,980,175
17	Return on investment in shares (ROI)	%	5.64%	13.99%	0.37%	12.74%
18	Return on assets (ROA)	%	0.84%	0.09%	0.80%	0.10%
19	Income from investment	BDT	15,051,938	39,304,871	1,413,080	48,582,683
20	Earnings per share (2018:restated)	BDT	0.71	0.08	0.68	0.09
21	Operating profit per share (2018:restated)	BDT	0.92	0.72	0.97	0.94
22	Price earning ratio (2018:restated)	Times	20.44	302.55	21.61	291.77
23	Market price per share	BDT	14.60	24.90	14.60	24.90
24	Net assets value (NAV) per share (2018:restated)	BDT	11.36	10.64	11.38	10.71

Auditors' Report and Audited Financial Statements

of MIDAS Investment Limited

As at and for the year December 31, 2019



Independent Auditor's Report

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of MIDAS INVESTMENT LIMITED, which comprise the statement of financial position as at 31st December,2019 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.
In our opinion, the financial statements present fairly in all material respects in accordance with International Financial Reporting Standards (IFRSs), Instruction of Bangladesh Investment Development Authority (BIDA) and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 financial statements that give a true and fair view in accordance with IFRSs, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the MIDAS INVESTMENT LIMITED. 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 International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 un certainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity 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.

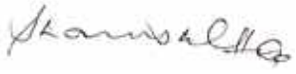
Report on Other Legal and Regulatory Requirements

we also report the following:

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

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

c) the statement of financial position and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements dealt with by the report are in agreement with the books of account.



Dated; Dhaka
26 February, 2020

(Md. Shamsul Huda, FCA
HUDA HOSSAIN & CO.
Chartered Accountants

MIDAS INVESTMENT LIMITED
Statement of Financial Position
As at 31st December, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
ASSETS			
Non-current Assets			
Property, plant and equipment	3	37,219,296	38,088,691
Building (Investment Property)	3.1	147,777,465	152,188,733
Intangible Assets	3.2	664,125	1,010,625
Long-term investment	4	205,000,000	205,000,000
Total non-current assets		**390,660,886**	**396,288,049**
Current Assets			
Cash and bank balance	5	4,066,799	14,915,943
Advance income tax		49,962,280	42,911,349
Investment in Securities	6	112,042,005	127,514,909
Margin Loan to portfolio investors		16,189,359	14,813,074
Rental income receivable	7	27,310,198	23,701,438
Other assets	8	2,644,178	2,306,309
Total current assets		**212,214,819**	**226,163,022**
Total Assets		**602,875,705**	**622,451,071**
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	9	250,000,000	250,000,000
Retained earnings	10	3,513,234	8,744,944
Total Equity		**253,513,234**	**258,744,944**
Liabilities			
Non-current Liabilities			
Long-term loan	11	185,329,757	189,386,380
Current Liabilities			
Short Term Loan	11.1	52,500,000	60,000,000
Liability against expenses	12	46,000	46,000
Provision for taxation	13	38,121,313	36,305,225
Other liabilities	14	73,365,402	77,968,522
Total Current Liabilities		**164,032,714**	**174,319,747**
Total Liabilities		**349,362,471**	**363,706,127**
Total Equity and Liabilities		**602,875,705**	**622,451,071**

These account should be read in conjunction with the accompanying notes, which constitute an integral part thereof.

Chairman **Director** **Chief Executive Officer** **Company Secretary**

As per report of date annexed

Dated, Dhaka;
26, February, 2020.

(Md. Shamsul Huda, FCA)
HUDA HOSSAIN & CO.
Chartered Accountants

MIDAS INVESTMENT LIMITED

Statement of Profit or Loss and other Comprehensive Income

For the period ended 31st December, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Operating Income	15	4,477,955	3,416,100
Less: Operating Expenses	15.1	7,567,535	6,051,778
Operating Income		**(3,089,581)**	**(2,635,678)**
Income from investment in securities	16	1,361,022	34,277,613
Other income	17	36,681,724	32,048,621
Total other Income		**34,953,165**	**63,690,556**
Administrative Expenses			
Salary and allowances		4,840,112	4,459,320
Utilities Expenses		408,497	347,975
Bank charges & Excise duty		74,125	176,504
Legal & Professional fees		115,000	57,700
Audit fees		46,000	46,000
Regulatory fees and charges	18	141,073	172,546
Printing & Stationary	19	32,445	38,935
Postage, stamp and telecommunication	20	202,676	191,779
Directors Fees		118,542	104,837
Depreciation	22	5,627,162	5,627,660
Other expenses	23	1,220,609	1,435,010
Total administrative expenses		**12,826,241**	**12,658,266**
Profit before provision		**22,126,924**	**51,032,290**
Provision for investment in share	24	(11,014,198)	(20,387,469)
Provision for Rental receivable		(1,057,550)	-
Profit before taxation		**10,055,176**	**30,644,821**
Tax expenses:			
Current tax		(1,816,088)	6,483,180
Deferred Tax		1,529,202	(1,250,362)
		(286,886)	**5,232,818**
Profit for the period		**9,768,290**	**25,412,003**
Earnings Per Share (Taka)	25	**0.39**	**1.02**

Chairman **Director** **Chief Executive Officer** **Company Secretary**

As per report of date annexed

Dated, Dhaka;
26, February, 2020.

(Md. Shamsul Huda, FCA)
HUDA HOSSAIN & CO.
Chartered Accountants

MIDAS INVESTMENT LIMITED

Statement of Changes in Shareholders' Equity

As at 31st December ,2019

Amount in Taka

Particulars	Share Capital	Reserve	Dividend	Retained Earnings	Total
Balance as at January 01 2019	250,000,000		-	8,744,943	258,744,943
Profit for the period	-	-	-	9,768,290	9,768,290
Interim Dividend 2019	-	-	-	(15,000,000)	(15,000,000)
Balance as at 31 December, 2019	250,000,000	-	-	3,513,233	268,513,233
Balance as at 31 December 2018	250,000,000	-	-	8,744,944	258,744,944

Chairman **Director** **Chief Executive Officer** **Company Secretary**

As per report of date annexed

Dated, Dhaka;
26, February, 2020.

(Md. Shamsul Huda, FCA)
HUDA HOSSAIN & CO.
Chartered Accountants

MIDAS INVESTMENT LIMITED
Statement of Cash Flow
As at 31st December ,2019

	Particulars	Amount in Taka	
		2019	2018
A)	**Cash flows from Operating Activities**		
	Fees & Commission Received	4,477,955	3,416,100
	Interest received from TDR	20,705,000	18,914,581
	Interest paid against borrowing	(33,046,895)	(28,626,828)
	Profit/(Loss) from share investment	1,361,022	34,277,613
	Cash payment to employees	(4,840,112)	(4,459,320)
	Cash Payment to Others	(2,403,564)	(2,793,746)
	Income Tax Paid	(7,050,931)	(7,479,026)
	Received from other Income	36,339,943	31,201,116
	Operating profit before changes in Operating Assets & Liabilities:	**15,542,417**	**44,450,490**
	Changes in Operating Assets and Liabilities		
	Purchase / Sale of Trading Securities	15,472,904	(54,438,860)
	Other Assets	1,146,287	38,696
	Other liabilities	(5,077,845)	11,945,394
	Sub Total	**11,541,346**	**(42,454,770)**
	Net cash flow from operating activities (Total of "A"):	**27,083,763**	**1,995,720**
B)	**Cash flows from Investing Activitives**		
	Purchase / Sale of Property, Plant & Equipment	-	(1,187,697)
	Increase in investment in Margin loan	(1,376,285)	(9,436,395)
	Net Cash flows by investing activities (Total of "B"):	**(1,376,285)**	**(10,624,092)**
C)	**Cash flows From Financing Activities**		
	Increase/(decrease) of borrowings	(11,556,623)	27,546,173
	Dividend payment	(25,000,000)	(15,000,000)
	Net Cash flow by Financing Activities (Total of "C"):	**(36,556,623)**	**12,546,173**
D)	**Net Increase/ (Decrease) in cash & cash equivalents (A+B+C)**	**(10,849,144)**	**3,917,801**
E)	**Opening cash and cash-equivalents**	**14,915,943**	**10,998,142**
F)	**Closing cash cash-equivalents (D+E)***	**4,066,799**	**14,915,943**
	*** Closing cash and cash-equivalents**		
	Cash in hand	435	6,750
	Cash at bank	4,066,364	14,909,193
	Total:	**4,066,799**	**14,915,943**

Chairman **Director** **Chief Executive Officer** **Company Secretary**

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 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.MIDAS Investment also got the Depository Participant (DP) license from the Central Depository Bangladesh Limited (CDBL) on 11th September, 2017.

1.02 Company's Activities

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

2.00 Basis of preparation and Significant Accounting Policies

2.01 Statement of compliance

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business following accrual basis of accounting under historical cost convention. In preparation of the financial statements the company followed respective provisions of The Companies Act 1994,The Securities and Exchange(Merchant Banker and Portfolio Manager) Rules,1996 and International Accounting Statndard (IAS) and/or International Financial Reporting Standards and other applicable laws and regulations.

2.02 Use of estimates and judgment

Preparation of the financial statements in conformity with IAS requires the use of certain critical accounting estimates. lt 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.

2.03 Cash flow statement

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

2.04 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank.

2.05 Accounting for Margin Loan

Margin Loan to Portfolio investors is given at an agreed ratio (not more than the ratio prescribed by BSEC) between investor's deposit and loan amount to purchase securities against respective investor account. The new investor are to maintain the margin as per set rules and regulations. The margin is monitored on daily basis as it is changes due to changes in market price of share. If the margin falls below the minimum requirement, the investors are required to deposit additional fund to maintain the margin as per rules otherwise the securities are sold to bring the margin to the required level.

2.06 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.

2.07 Property plant & Equipment

Recognition

An item is recognized as an asset when it is probable that future economic benefit associated with the asset will flow to the enterprise and the cost of the assets to the enterprise can be measured reliably. The cost of an item of fixed assets includes its purchase price (easel discounts and rebates), including import duties and taxes, and any directly attributable cost of bringing the asset to working condition for its intended use.

Measurement

Fixed assets for own use are stated initially at cost and subsequently at cost less accumulated depreciation and any accumulated impairment losses or at a re-valued amount less any accumulated depreciation and subsequent accumulated impairment losses.

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

Components of an asset with differing patterns of benefits are depreciated separately. Depreciation is charged to amortized the cost of assets, over their estimated useful lives, using the straight-line method in accordance with IAS-16 “Property, Plant and Equipment”. Full year depreciation is charged on additions irrespective of date when the related assets are put into use. On the other hand, no depreciation has been charged on the month of disposal.

The company follows the straight-line method of depreciation applying annual rates stated as follows:

Land	0%
Building	2.50%
Motor vehicles	20%
Office decoration	15%
Office equipment	20%
Furniture and fixtures	15%
Computers & Accessories	33%

Disposal

The gain or loss arising out of disposal or retirement of fixed assets is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognized in profit and loss account.

2.08 Intangible assets

Intangible assets are accounted for in accordance with "IAS 38 Intangible Assets".Intangible assets acquired separetely are recognized at cost initially.Such asstes are carried at cost less any accumulation amortization and any impairment losses. The company's intangible assets include software that purchese during the year. The assets are amortized at 30% per annum on straight line method.

2.09 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.

2.10 Revenue Recognition

Revenue is recognized only when it is measurable and probable that the economic benefits associated with the transaction will follow to the company and in accordance with International Financial Reporting Statndard.

Profit or loss on sale of securities

Profit or loss arising from the sale of securities is accounted for only when the securities are sold/offloaded.

Brokerage commission

Brokerage commission is recognised as income when selling or buying order is signed and trade is executed.

Portfolio management fee

Portfolio management fees are recognised on the market value of the clients' portfolio on daily basis and charged to client's balance on quarterly basis.

Dividend income

Dividend is recognized as income when the right to receive the income is establised.

Underwriting fee

Underwriting fee is recognized according to the stage of completion of Underwriting services as agreed and defined in Underwriting agreement between the company.

Other income

Other income is recognized from rental income and net interest income .

2.11 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."

2.12 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."

2.13 Income and expenditures

"Income and expenditures are recognised on accrual basis. Income is only recognised if its realization is reasonably certain."

2.14 Taxation

Tax expense comprises current and deferred tax.

2.14.1 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."

Sl	Particulars	Amount in Taka	
		2019	2018
3	**Property, plant and equipment**		
	Land	17,655,927	17,655,927
	Building	22,161,338	22,161,338
	Furniture & fixtures	493,237	493,237
	Office decoration	535,455	535,455
	Office equipment	143,345	143,345
	Computer & accessories	1,015,183	1,015,183
	Property, plant and equipment at cost	**42,004,485**	**42,004,486**
	Less: Accumulated Depriciation	4,785,189	3,915,795
	Written down value (WDV)	**37,219,296**	**38,088,691**
3.01	**Building (Investment Property)**	176,450,707	176,450,707
	Less: Accumulated Depriciation	28,673,242	24,261,974
	Written down value (WDV)	**147,777,465**	**152,188,733**
3.02	**Intangible Assets**		
	IT Software & System	1,155,000	1,155,000
	Less: Accumulated amortization	490,875	144,375
	Written down value (WDV)	**664,125**	**1,010,625**
	* Details of fixed assets is given in Annexure-A		
4.	**Long-term investments**		
	Term deposits with MFL	205,000,000	205,000,000
		205,000,000	**205,000,000**
5.	**Cash and bank balance**		
	Cash in hand	435	6,750
	Pubali Bank Ltd. (A/C No.3781101014557)	363	1,344
	Standard Bank Ltd.(A/C No.01433006114)	200,261	4,542,071
	Mercantile Bank- SND (A/C No.110213123408135)	222,866	6,438,870
	Mercantile Bank Ltd. (110211122407841)	3,642,299	3,881,339
	Bank Alfalah Ltd.(0701-22044144)	575	45,570
		4,066,799	**14,915,943**
6	**Investment in Securities**		
	Investments in listed securities(6.1)	102,042,005	113,880,239
	Investments in non- listed securities(6.2)	10,000,000	13,634,670
		112,042,005	**127,514,909**
6.1	Investments in listed securities, this represent investment made by the Company in Different Shares Listed with the stock Exchanges.		
6.2	**Investments in non- listed securities**		
	Arian Chemicals Ltd.	10,000,000	10,000,000
	Runner Automobile Ltd.	-	1,080,825
	Esquare knit composite Ltd.	-	1,880,145
	ADN telecom Ltd.	-	569,040
	Genex Infosys Ltd.	-	104,660
		10,000,000	**13,634,670**

Sl	Particulars	Amount in Taka	
		2019	2018

7. Rental income receivable

Office space	25,091,973	21,905,793
Garage space	219,000	183,000
Service charge	1,999,225	1,612,645
	27,310,198	**23,701,438**

Rental income receivable

SL	Name of Tenant	Taka	Taka
01	Brandwin Group of companies Ltd.	22,864,258	18,211,478
02	Esperto Health Care	4,154,960	5,291,960
03	AGEC	165,000	198,000
04	Receivable from -HmC	125,980	-
	Total	**27,310,198**	**23,701,438**

8. Other assets

Advance against purchase of shares	109,578	50,121
Refundable Security Deposit-CDBL	200,000	200,000
Receivable from panel broker-CBL	-	945,077
Advance to Others	6,000	-
Deferred Tax Assets	1,484,156	-
Employee loan	844,445	1,111,111
	2,644,178	**2,306,309**

9. Share Capital

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 Shareholding	2019	2018
1.	MIDAS Financing Limited	24,999,800	99.9992%	249,998,000	249,998,000
2.	Md. Fazlul Hoque	100	0.0004%	1,000	1,000
3	Mr.Bazlur Rahman Khan	100	0.0004%	1,000	1,000
		25,000,000	100%	**250,000,000**	**250,000,000**

10. Retained Earnings

Opening balance	8,744,944	8,332,941
Add: Net profit after taxation	9,768,290	25,412,003
Less: Interim Dividend	(15,000,000)	(25,000,000)
	3,513,234	**8,744,944**

11 Long term loan

Opening balance	189,386,380	196,840,207
Add: Addition during the period	-	14,058,805
	189,386,380	210,899,012
Less: Adjustment during the period	(4,056,623)	(21,512,632)
	185,329,757	**189,386,380**

Sl	Particulars	Amount in Taka	
		2019	2018
11.1	**Short Term Loan(STL)**		
	Opening balance	60,000,000	25,000,000
	Add: Addition during the period	2,500,000	35,000,000
	Less: deduction during the period	(10,000,000)	-
		52,500,000	60,000,000
12	**Liability Against Expenses**		
	Laibilities for audit fees	46,000	46,000
		46,000	46,000
13	**Provision for taxation**		
	Opening balance	36,305,225	29,822,045
	Add: Addition during the period	1,816,088	6,483,180
		38,121,313	**36,305,225**
		38,121,313	**36,305,225**
14	**Other liabilities**		
	Withholding AIT & VAT payable	10,017	9,400
	Advance rent-UDDL	-	2,084,500
	Advance from Secure Link Services BD Ltd.	379,000	-
	Refundable security money(14.3)	6,583,700	7,720,700
	Provision for investment in share (14.1)	38,663,452	27,649,254
	Payable to Clients	1,984,566	3,216,582
	Payable to Panel Broker-LBSL	743,040	4,416,596
	Service charge payable to MFL	2,578,920	2,059,150
	Interest expense payable(Do- 2921)	3,534,922	2,015,820
	Interest expense payable(MFL-STL)	275,664	1,476,915
	Deferred Tax Liability (14.2)	-	45,046
	Dividend Payable	15,000,000	25,000,000
	Provision for Rental Income	2,731,790	1,674,240
	Other Accrued expenses	880,330	600,319
		73,365,402	**77,968,522**
14.1	**Provision for investment in share**		
	Opening balance	27,649,254	7,261,785
	Add: Addition/(adjustment) during the period	11,014,198	20,387,469
		38,663,452	**27,649,254**
14.2	**Deferred Tax Liability/(Asset)**		
	Opening balance	45,046	1,295,408
	Deferred tax (income)/expenses accounted for during the year	(1,529,202)	(1,250,362)
		(1,484,156)	**45,046**
	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	185,660,887	191,288,050
	Tax base written down value	189,618,636	191,167,929
	Net taxable differences	**(3,957,750)**	**120,121**
	Applicable tax rate	**37.50%**	**37.50%**
	Deferred tax Assets at the end of the period	**(1,484,156)**	**45,046**
	Deferred tax liability at the beginning of the year	45,046	1,295,408
	Deferred tax (income)/expenses accounted for during the period	**(1,529,202)**	**(1,250,362)**

Sl	Particulars	Amount in Taka	
		2019	2018
14.3	**Refundable security money**		
	Security Deposit - TIB	4,575,000	4,575,000
	Security Deposit - Brandwin Group Ltd.	758,000	758,000
	Security Deposit-UDDL	1,250,700	1,250,700
	Security Deposit-W & L	-	1,137,000
		6,583,700	**7,720,700**
15.	**Operating Income**		
	Brokerage Commission	1,072,263	981,386
	Management Fee	62,796	93,399
	Margin Interest income	3,295,396	1,050,131
	BO Account Fee	11,000	23,500
	BO Account Renewal Fee	36,500	18,500
	IPO Application fee	-	50
	Underwriter commission	-	1,249,134
		4,477,955	**3,416,100**
15.1	**Operating Expenses**		
	CDBL Share Maintenance charges	106,007	197,260
	Interest expenses	7,453,828	5,829,318
	BO Account opening charges	7,700	25,200
		7,567,535	**6,051,778**
16.	**Income from Investment in securities:**		
	Dividend Income	1,656,363	2,054,135
	Profit /(loss) on sale of Securities	(295,341)	32,223,478
	Total amount	**1,361,022**	**34,277,613**
17.	**Other income:**		
	Rental income-Office space	39,692,124	34,589,547
	Rental income-Garage space	210,000	141,000
	Interest Income on staff Loan	34,465	37,871
	Bank interest income	12,114	78,866
	cheque Dishonour charges	-	5,610
	Net Interest Income (Note-17.1)	(3,266,979)	(2,804,273)
		36,681,724	**32,048,621**
17.1	**Net Interest Income**		
	Interest income on TDR	20,705,000	18,914,581
	Less: Interest expenses	(23,971,979)	(21,718,854)
	Net Interest Income	**(3,266,979)**	**(2,804,273)**
18.	**Regulatory fees and charges:**		
	RJSC expenses	5,773	8,546
	Bidding Fee-DSE	15,000	48,000
	Govt. Duty, VAT & License Fees	20,300	16,000
	Membership & Subscription-BMBA	100,000	100,000
		141,073	**172,546**
19.	**Printing & Stationeries**		
	Stationary expenses	-	6,600
	Printing expenses	3,750	13,901
	Office supplies	28,695	18,434
		32,445	**38,935**

Sl	Particulars	Amount in Taka	
		2019	2018
20.	**Telecommunication, Postage, Stamp**		
	Mobile and Tnt Bill	44,516	43,500
	Networking charges	153,500	144,000
	Stamp	4,660	4,279
		202,676	**191,779**
21.	**Directors Fees and expenses**		
	Directors Fees	103,750	93,750
	Others expenses-Board meeting	14,792	11,087
		118,542	**104,837**
22.	**Depreciation & Amortization**		
	Depreciation on Property,plant & equipment	869,394	1,072,017
	Depreciation on (Investment Property)	4,411,268	4,411,268
	Amortization on Intangible Assets	346,500	144,375
		5,627,162	**5,627,660**
23.	**Other expenses**		
	News paper & periodical expenses	2,900	2,937
	Holding Tax	957,633	957,634
	Repair & Maintenance	30,610	338,340
	Advertisement	-	19,652
	Travelling & Conveyance	6,877	12,974
	Entertainment expenses	26,858	26,556
	Web expenses	-	30,827
	Training expenses	10,895	-
	Dish & cable charges	3,900	3,600
	Software maintenance charges	156,559	37,850
	Miscellaneous expenses	24,377	4,640
		1,220,609	**1,435,010**
24.	**Provision for Investment in share**	(11,014,198)	(20,387,469)
		(11,014,198)	**(20,387,469)**
25.	**Earnings Per Share (Taka)**		
	a. Net profit after tax (Taka)	9,768,290	25,412,003
	b. No. of ordinary share outstanding	25,000,000	25,000,000
	Earnings Per Share (a/b)	**0.39**	**1.02**
25.1	**Non-controlling interest(taka)**		
	200 ordinary shares* EPS	**78**	**203**
	Interest of MFL		
	24,999,800 ordinary shares* EPS	**9,768,212**	**25,411,800**

26. Related parties

MIDAS FINANCING LIMITED (MFL) holds 99.9992% share of MIDAS investment Ltd. As a result , MFL is the controlling party of the company.

26.1 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.

Sl	Name of the party	Relation with the entity	Name of transaction	2019	2018
1	MIDAS FINANCING LTD	Parent	Deposit	205,000,000	205,000,000
2	MIDAS FINANCING LTD	Parent	Interest expenses	23,971,979	21,718,854
3	MIDAS FINANCING LTD	Parent	Loan	185,329,757	189,386,380
4	MIDAS FINANCING LTD	Parent	STL	52,500,000	60,000,000

27. Contingencies and commitment

There are no contingent assets or liabilities and unrecognized contractual commitments at the date of statement of financial position.

28. Events after the reporting period

No material events had occurred after the date of statement of the date of issue of these financial statements, which could affect the value stated in the financial statements or required disclosure in the notes.

Annexure-A

MIDAS INVESTMENT LIMITED

Property, Plant and Equipment

As at 31st December, 2019

Amount in Taka

Particulars	COST				Rate	DEPRECIATION / AMORTIZATION				Written down value as at 31.12.2019
	Balance as at 01.01.2019	Addition during the period	Disposal/ Adjustment during the period	Balance as at 31.12.2019		Balance as at 01.01.2019	Charged during the period	Disposal/ Adjustment during the period	Balance as at 31.12.2019	
I.Free holds Assets:										
Land	17,655,927	-	-	17,655,927		-	-	-	-	17,655,927
Building (Own use)	22,161,338	-	-	22,161,338	2.5%	2,493,148	554,033	-	3,047,181	19,114,157
Furniture & fixtures	493,237		-	493,237	15%	217,164	73,986	-	291,150	202,087
Office decoration	535,455	-	-	535,455	15%	208,014	80,318	-	288,332	247,123
Office equipment	143,345		-	143,345	20%	138,116	5,228.17	-	143,344	1
Computer & accessories	1,015,183		-	1,015,183	33%	859,353	155,828.73	-	1,015,182	1
As at 31 December' 2019	**42,004,485**	**-**	**-**	**42,004,485**		**3,915,795**	**869,394**	**-**	**4,785,189**	**37,219,296**
As at 31 December' 2018	**41,971,788**	**32,697**		**42,004,485**		**2,843,778**	**1,072,017**	**-**	**3,915,795**	**38,088,691**
02.Building (Investment Property):										
Building (Investment Property)	176,450,707	-		176,450,707	2.5%	24,261,974	4,411,268		28,673,242	147,777,465
As at 31 December' 2019	**176,450,707**	**-**	**-**	**176,450,707**		**24,261,974**	**4,411,268**	**-**	**28,673,242**	**147,777,465**
As at 31 December' 2018	**176,450,707**	**-**	**-**	**176,450,707**		**19,850,706**	**4,411,268**	**-**	**24,261,974**	**152,188,733**
03. Intangible Assets:										
IT System & Software	1,155,000.00		-	1,155,000	30%	144,375.00	346,500	-	490,875	664,125
As at 31 December' 2019	**1,155,000.00**	**-**		**1,155,000**		**-**	**346,500**		**490,875**	**664,125**
As at 31 December' 2018	**1,155,000.00**	**-**	**-**	**1,155,000**		**-**	**144,375**	**-**	**144,375**	**1,010,625**
Total as at 31 December 2019	**219,610,192**	**-**	**-**	**219,610,192**		**28,177,769**	**5,627,162**	**-**	**33,949,306**	**185,660,887**

Notice of the 24th Annual General Meeting
(Virtual Shareholder Meeting)

Notice is hereby given that the 24th Annual General Meeting of the Shareholders of MIDAS Financing Limited will be held at 11.00 a. m. on Tuesday, 25 August 2020. The AGM will be held virtually by using digital platform to transact the following business:

1. To consider and adopt Directors' Report and Audited Financial Statements of the Company and its subsidiary as of and for the year ended on December 31, 2019 together with the Auditors' report thereon.
2. To declare dividend as recommended by the Board of Directors.
3. To appoint auditors until conclusion of next AGM and fix their remuneration.
4. To appoint professional for providing certificate on compliance of Corporate Governance Code for the year 2019 and fix their remuneration.
5. To elect/reelect Directors.

Date: August 10, 2020

By order of the Board

Tanvir Hasan, FCA
Company Secretary

Notes:

i) The shareholders whose names appear on the Members/Depository Register on the Record Date i.e., 5th August 2020 shall be eligible to attend the AGM (virtual meeting through digital platform/online live portal) of the Company and to receive the Dividend (i.e., 2.5% Stock and 2.5% Cash Dividend)

ii) In view of the Order (SEC/SRMRC/04-231/25 dated 08th July 2020) of Bangladesh Securities and Exchange Commission (BSEC), the ensuring 24th AGM of the Company would be conducted through digital platform (virtual meeting). Therefore, the shareholders are requested to attend the 24th AGM through online live portal to avoid serious health risk due to pandemic COVID-19 Coronavirus crisis. The detailed procedures and link of the online live portal to attend the meeting will be communicated to the shareholders in due course.

iii) 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 and other credential as proof of their identity.

iv) The softcopy of the Annual Report 2019 of the Company will be sent to the shareholders' respective e-mail addresses. However, interested shareholders may collect hard copy of the Annual Report-2019 from the Company's share office by submitting a written request. The Annual Report-2019 is also available in the Company's official website at www.mfl.com.bd

N.B: In compliance with the Bangladesh Securities Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013, no Food Box/ Gift/ Gift coupon shall be distributed at the AGM.

Branches/Booths of MFL

Chattogram
Excel SM Tower (1st Floor)
62, Zakir Hossain Road
East Nasirabad, Khulshi, Chattogram
Phone: 01720 503 897, 031-632417

Khulna
Fatema Tower (2nd Floor)
2-A, KDA Avenue, Khulna-9100
Phone: 721857, 01971 896 844

Bogura
Jamil Shopping Center (3rd Floor), Borogola
Bagura Rangpur Road, Sadar, Bagura
Phone: 051-69927, 01974 096 092

Narayanganj
81/C B.B Road (2nd Floor)
2 No. Rail Gate, Narayanganj
Phone: 01731 928 308, 01971 928 308

Cumilla
Salam Builders Mansion (2nd Floor)
Mogoltuli, Cumilla
Phone: 01973 116 447, 081-69117

Feni
Hazi Latif Tower (3rd Floor)
626, Trunk Road, Cumilla Bus Stand, Feni
Phone: 01678 606 145

Gazipur
K.S Tower (2nd Floor)
Chandana Chowrasta, Gazipur
Phone: 01970 450 482

Sitakunda
Nibir Biponi Bitan (1st Floor)
Sitakunda, Chattogram
Phone: 01978 488 460

Islampur
Nurul Haque Tower (2nd Floor)
21 Patoatuly Road, Dhaka-1100
Phone: 02-9511390, 01973 111 308
01985 551 906

Chandpur
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Chandpur-3600
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Narsingdi
Bankpatti, Madhabdi Bazar
Madhabdi, Narsingdi
Phone: 9446808, 01979 303 463

Keranigonj
Morhum Shahadat Hossain Mansion (1st Floor)
House # 01, Golam Bazar Road, Kodamtoli
Bus Stand, Keranigonj, Dhaka
Phone: 01979 097 091

Hathazari
S.A Shopping Complex (2nd Floor)
Hathazari, Chattogram
Phone: 01713 279 158, 01973 279 158

Brahmanbaria
144 Court Road (3rd Floor)
Bank Potti, Brahmanbaria
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