Towards A Sustainable Business

Annual Report 2020



MIDAS FINANCING LIMITED

a real friend of entrepreneurs

Towards a Sustainable Business

Long Term sustainability has always been the prime focus of MIDAS. In a difficult and changed scenario it has got supreme importance. At MIDAS, we aim to take into account environmental, social and governance issues that have real and quantifiable financial impact over the long-term for our company, the business and people in which we invest. Long-term responsibility and sustainability are integrated into our business model and shareholder value creation framework and in the way we conduct our business, serve our clients and give back to the communities in which we live and work. We emphasize on inclusion and diversity that will be key to our success to power the future. By fully leveraging our diverse experiences, backgrounds and insights, we can inspire innovation, challenge the status quo and create better outcomes for our people, our clients and nation at large.

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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
Hoda Vasi Chowdhury & Co. Chartered Accountants and
Howlader Maria & CO. Chartered Accountants

Dear Sir/Madam

Annual report for the year ended December 31, 2020.

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, 2020 and Profit and loss account, Cash Flow Statements and Statement of Changes in Equity for the year ended December 31, 2020 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 Finance Ltd.'s milestones from the inception are as follows:

1. **May 16, 1995**
   Incorporation of the company
2. **October 11, 1999**
   License from Bangladesh Bank
3. **January 01, 2000**
   Commencement of commercial business operation
4. **August 12, 2002**
   Initial Public Offering (IPO of shares and allotment of shares)
5. **October 26, 2002**
   Listed with DSE (Dhaka Stock Exchange)
6. **July 27, 2004**
   Listed with CSE (Chittagong Stock Exchange)
7. **March 23, 2005**
   Registered with CDBL
8. **May 15, 2005**
   Issuing of right share for the first time
9. **October 11, 1999**
   Opening of 1st Branch (Chittagong Branch)
10. **November 06, 2014**
    Issuing of right share for second time

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.



Corporate Focus and Commitment

Corporate Focus

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

Commitment

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



Organizational Strategies

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

MFL has adopted the following strategies to achieve its goals:

- Continuous diversification of program and expansion of business by introducing new financial scheme.
- Maximization of customers' satisfaction and attaining competitive edge over the financial institutions by providing speedy and better services in a congenial atmosphere.
- Augmentation of working fund by obtaining credit from banks, taking deposit from individual and institutional investors and recovering the overdue loans.
- Minimizing risk through careful selection of customers and close monitoring of financed projects.
- Minimizing the cost of fund.
- Ensuring economy in all spheres of operational activities.



Code of Conduct & Ethical Practices

Code of conduct is a set of rules outlining the norms, rules and responsibilities of, or proper practices for any organization. MIDAS Financing 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 into account in all areas of lending/financing.
- Shall not involve and take part in any business dealing like shareholding, profit sharing, partnership of any business company or manufacturing industry or servicing center for their personal benefit.

Ethical Practices

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



Corporate Profile

Registered Name of the Company	:	MIDAS FINANCING LIMITED
Legal Form	:	A public limited company incorporated in Bangladesh on May 16, 1995 under the Companies Act 1994 and licensed as Financial Institution on October 11, 1999 under Financial 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), 27 (Old) Dhanmondi, Dhaka- 1209.
Auditors	:	Hoda Vasi Chowdhury & Co. Chartered Accountants BTMC Building (Level 7 & 8), 7 - 9, Karwan Bazar C/A, Dhaka-1215.
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. Agrani Bank Ltd. The City Bank Ltd. Jamuna Bank Ltd. Pubali Bank Ltd. Sonali Bank Ltd. Mercantile Bank Ltd. Dutch-Bangla Bank Ltd. Modhumomoti 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 Ecosystem



Board of Directors



Ms. Rokia Afzal Rahman
Chairman



Mr. Abdul Karim
Director



Mr. M. Hafizuddin Khan
Director



Ms. Nazneen Sultana
Independent Director



Mr. Mohammed Nasir Uddin Chowdhury
Director



Mr. Ghulam Rahman
Independent Director



Mr. Ali Imam Majumder
Director



Mr. Md. Shamsul Alam
Director



Mr. Md. Shahedul Alam
Director



Mr. Mustafizur Rahman
Managing Director

Audit Committee

Mr. Ghulam Rahman, Chairman
Ms. Rokia Afzal Rahman
Mr. M. Hafizuddin Khan
Mr. Md. Shamsul Alam

Executive Committee

Mr. Mohammed Nasir Uddin Chowdhury
Ms. Rokia Afzal Rahman
Mr. M. Hafizuddin Khan
Mr. Md. Shamsul Alam

Profiles of the Directors of the Board



Ms. Rokia Afzal Rahman
Chairman
Nominated by MIDAS

Ms. Rokia Afzal Rahman is a leading woman entrepreneur and a former Adviser (minister) to the Government of Bangladesh in charge of the ministry of Women and Children, Ministry of Labor and Employment, Ministry of Social Welfare and Ministry of Culture. She started her career in a commercial bank in 1962 when very few women had entered banks universally. She became the first woman bank manager of the country in 1964. In 1980 Ms. Rahman ventured into her own agro based industry and further diversified her business into insurance, media, financial institution, real estate and power sector.

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

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

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

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 Ms. Rahman formed Women in Small Enterprises (WISE) to further promote women into small enterprises and industries. Ms. Rahman has received several international and national awards.

Profiles of the Directors of the Board



Mr. Abdul Karim

Director
Nominated by MIDAS

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

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

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



Mr. M. Hafizuddin Khan

Director
Nominated by MIDAS

Mr. M. Hafizuddin Khan is a familiar face in Bangladesh. He obtained his B.A. (Honours) and M. A. Political Science from the Dhaka University in 1960 and 1961 respectively. Later on he obtained Diploma in Development Finance from the Birmingham University, UK. In 1964, he joined the government service through the then Central Superior Service Examination in the Audit and Accounts Cadre and spent twelve years in the Railway and Military Finance. In 1977 he joined the senior service Pool as Deputy Secretary to the Government. After serving the Government for 35 years he retired in 1999 as the 6th Comptroller and Auditor General of Bangladesh. Mr. Khan is a well-known reformer in administrative and financial management. He was the Director of the Agrani Bank Ltd., Basic Bank Ltd. and Rupali Bank Ltd. He was also the Chairman of the Agrani Bank Ltd. for a short period. He was Director Finance of the Integrated Rural Development Program, now Bangladesh Rural development Board and Member Finance of the Bangladesh Agricultural Development Corporation. As Joint Secretary to the Government, he has served in a number of Ministries including Ministries of Works, Internal Resources Division and Local Government Division. As Additional Secretary he has worked in the Prime Minister's Secretariat and on being promoted as Secretary to the Government he served in the Ministries of Disaster Management & Relief and Posts & Telecommunications. Mr. Khan was made an Adviser in the Caretaker Government of 2001 in charge of the Ministries of Finance, Planning, Jute and Textiles. He was the Chairman and is currently a member of the Board of Trustees of the Transparency International Bangladesh. Mr. Khan was also the President of the Retired 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.

Profiles of the Directors of the Board



Ms. Nazneen Sultana
Independent Director

Ms. Nazneen Sultana was the first female Deputy Governor of Bangladesh Bank. As a Deputy Governor, she performed her responsibilities in the Human Resources Department, Information Systems Development Department, IT Operation and Communication Department, Credit Information Bureau, Foreign Exchange Investment Department, Foreign Exchange Operation Department and Foreign Exchange Policy Department. Prior to this, she was an Executive Director of the central bank. She was also the Project Manager for Bangladesh Bank of Standard Hardware and Software Package and ERP Package financed by the World Bank. She has a vast experience of over 30 years in managing critical supervisory issues at the Bangladesh Bank, where she was a key leader in developing the automation system. She joined the Board of Directors of MIDAS Financing Limited in 2020. Ms. Sultana obtained her Honours and Master's degrees in Physics from the University of Dhaka.



Mohammed Nasir Uddin Chowdhury
Director
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.

Profiles of the Directors of the Board



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 performed law enforcement, administrative, developmental, regulatory and monitoring functions and worked closely with the private sector for enhancing public-private partnership in national development efforts.

He was 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. 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 atteended 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, and Dhaka Officers Club etc. Further, he is a veteran columnist and regularly contributes in different newspapers especially in the Daily Prothom Alo on important national/ international issues. He is an activist and member of the Executive Committee of the SHUJAN; an independent think tank on good governance as well as a 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.

Profiles of the Directors of the Board



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 and is representing the general shareholders group in board of MIDAS Financing Ltd.



Mr. Md. Shahedul Alam

Director
Representing General Shareholders Group

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

Profiles of the Top Management Team



Mr. Mustafizur Rahman
Managing Director

Mr. Mustafizur Rahman is a seasoned Investment Banking professional having over 32 years of experience in some of the leading financial institutions (namely, IDLC Finance Limited, International leasing and Financial Services Limited, LankaBangla Finance Limited and Union Capital Limited) of Bangladesh. Mr. Rahman served International Leasing and Financial Services Limited as the Managing Director since June, 2006 to January, 2015. He also served Premier Leasing and Finance Limited and CVC Finance Limited as Managing Director before joining MIDAS Financing Limited.

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

Profiles of the Top Management Team



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 Master's degree on International Business Administration from Banaras Hindu University, India under Indian Government Scholarship Program. He completed his graduation in Economics from same institution under similar scholarship program. He attended several trainings and workshops at home and abroad.



Mr. Tanvir Hasan, FCA
General Manager
(Finance, Accounts & Treasury & Company Secretary)

A seasoned professional Chartered Accountant having 18 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 last year.

Profiles of the Top Management Team



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.



Mr. Abul Kalam Azad
Deputy General Manager (Head of Special Asset Management)

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

Profiles of the Top Management Team



Mr. Ahmed Ibne Mazid Khan
Assistant General Manager & Head of ICC

A successful track record of about 28 years work experience in the country's Leading Financial Institution and in the Company Limited by Guarantee.

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



Mr. Muhammad Shohidur Rahman
Assistant General Manager (Chief Risk Officer)

Mr. Shohidur has 16 years of extensive experience in NBFIs. He completed his BBA and MBA (major in Finance) from the University of Dhaka. Prior to joining at Midas Financing Ltd., Mr. Shohidur worked with Union Capital Ltd. as Branch In-Charge of Motijheel Branch for more than 3 years. He started his career with National Housing Finance and Investments Ltd. as Counselor in February 2004. He worked there for 2 years and thereafter joined International Leasing & Financial Services Ltd. in April 2006 and worked there for more than 6 years under different capacities. Later on, he served at National Finance Ltd. for more than 3 years. He has got well rounded experience with expertise in Corporate Finance, SME Finance as well as Branch Management. He attended various trainings/workshops at Bangladesh Bank, BIBM and different training organizations of Bangladesh.

Committees of the Company

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

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

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

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

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

Asset Liability Management Committee
Mr. Mustafizur Rahman
Mr. Md. Monirul Islam
Mr. Tanvir Hasan, FCA
Ms. Nasreen Ahmed
Mr. Abul Kalam Azad
Mr. Md. Saidur Rahman
Mr. Zunaid Bin Islam
Mr. Md. Khalid Hossain
Mr. Saiful Islam

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

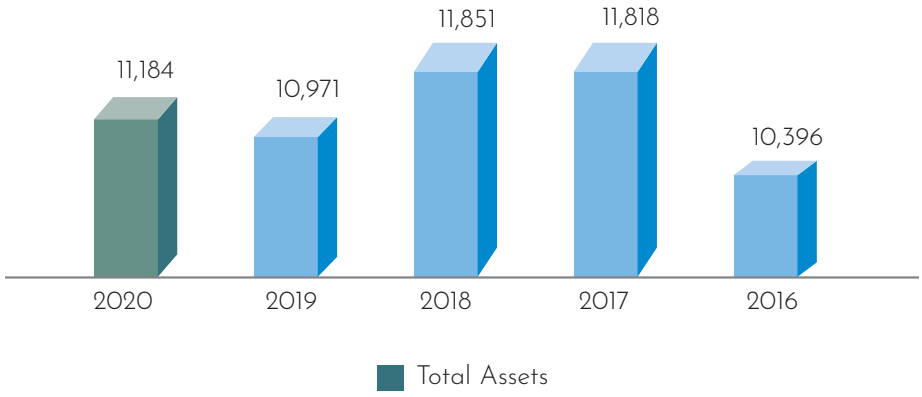
ICT Steering Committee
Mr. Mustafizur Rahman
Mr. Md. Monirul Islam
Mr. Tanvir Hasan, FCA
Mr. Abu Mirja Md. Sayem

ICT Security Committee
Mr. Abu Mirja Md. Sayem
Mr. Moshiur Rahman
Ms. Neesha Naimeen
Mr. Abu Saeed
Mr. Mohammad Taimur Chowdhury
Mr. Masud Rana

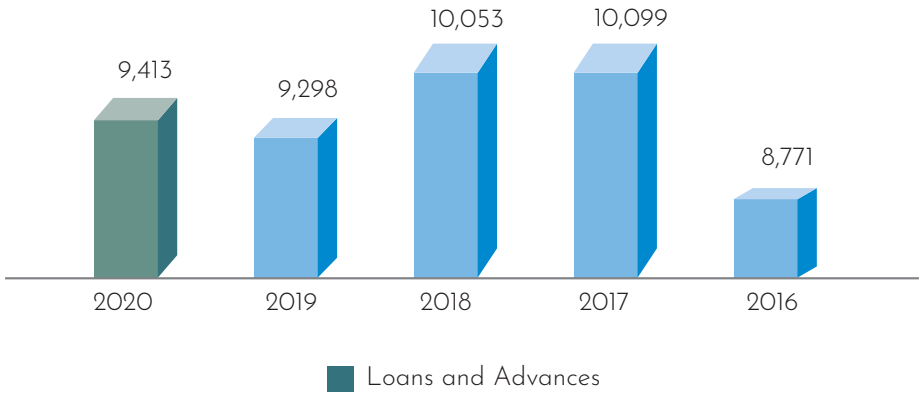
Risk Management Forum
Mr. Md. Monirul Islam
Mr. Tanvir Hasan, FCA
Ms. Nasreen Ahmed
Mr. Ahmed Ibne Mazid Khan
Mr. Muhammad Shohidur Rahman
Mr. Abu Mirja Md. Sayem
Mr. Md. Enamul Haque Khan
Mr. Md. Saidur Rahman
Mr. Moshiur Rahman
Mr.Md. Sikander Mahmood
Mr. Md. Abu Saeed

Key Financial Highlights

Total Assets
(Amount in Million Taka)

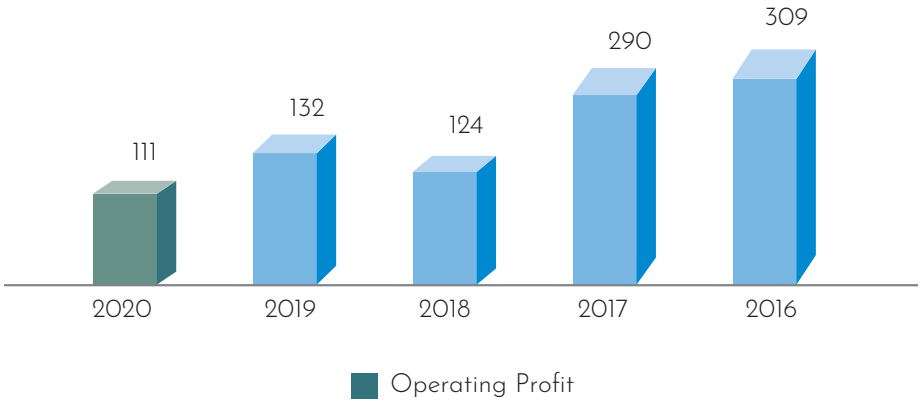


Loans and Advances
(Amount in Million Taka)

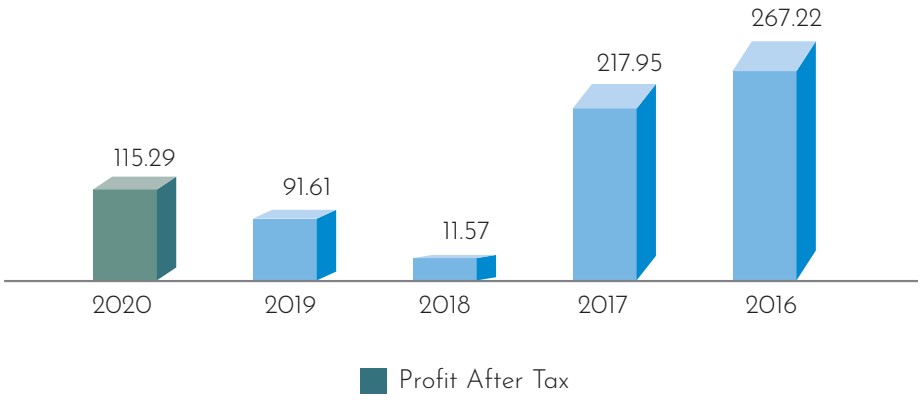


Key Financial Highlights

Operating Profit
(Amount in Million Taka)

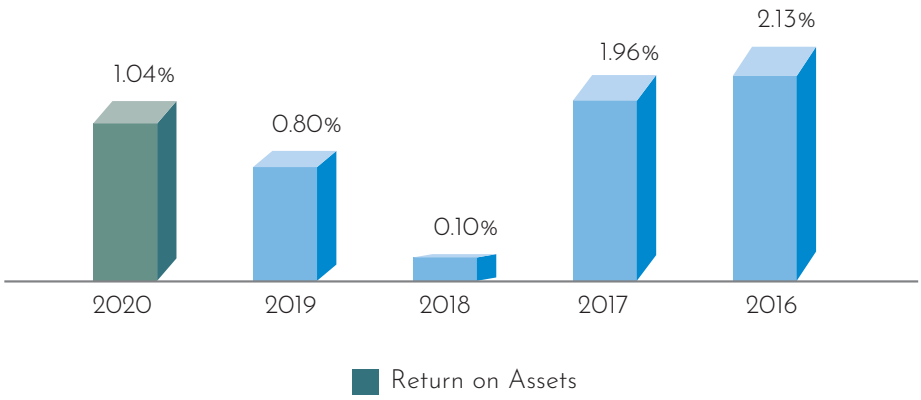


Profit After Tax
(Amount in Million Taka)

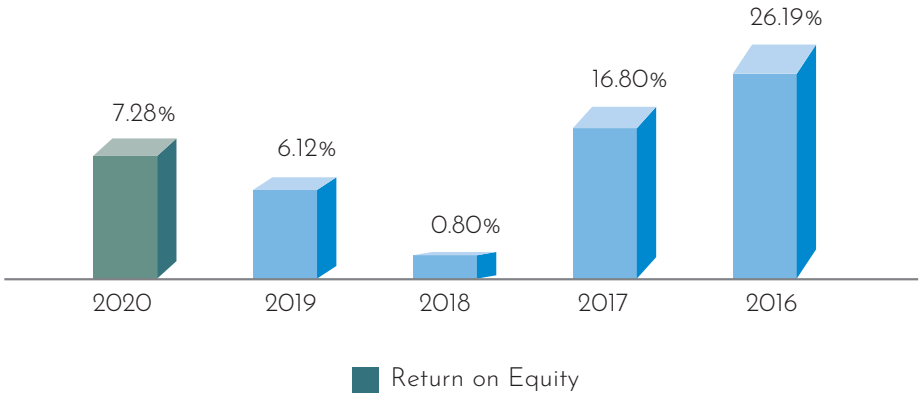


Key Financial Highlights

Return on Assets

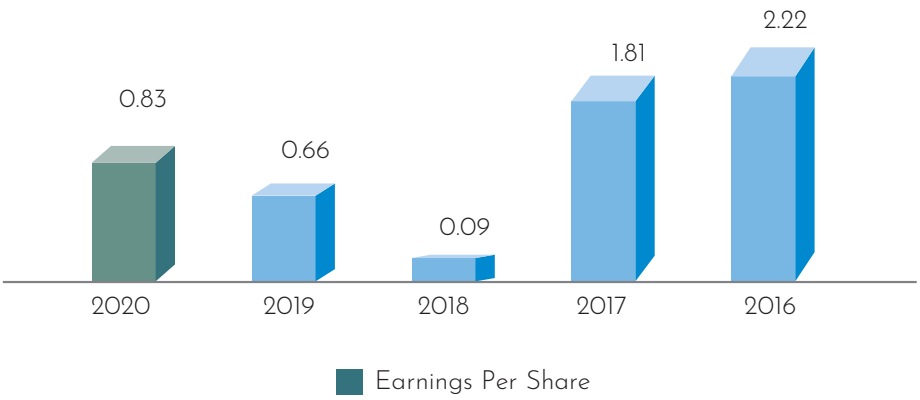


Return on Equity

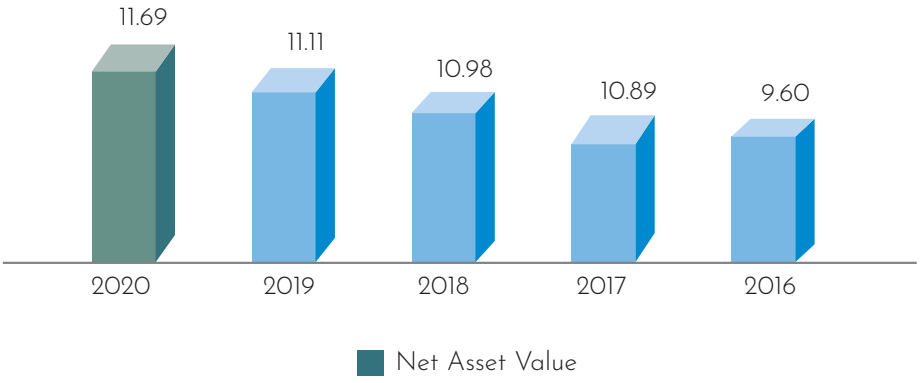


Key Financial Highlights

Earnings Per Share

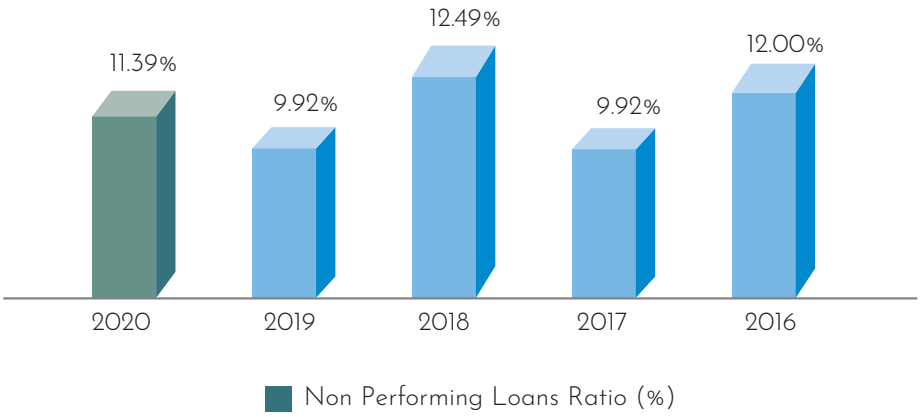


Net Asset Value

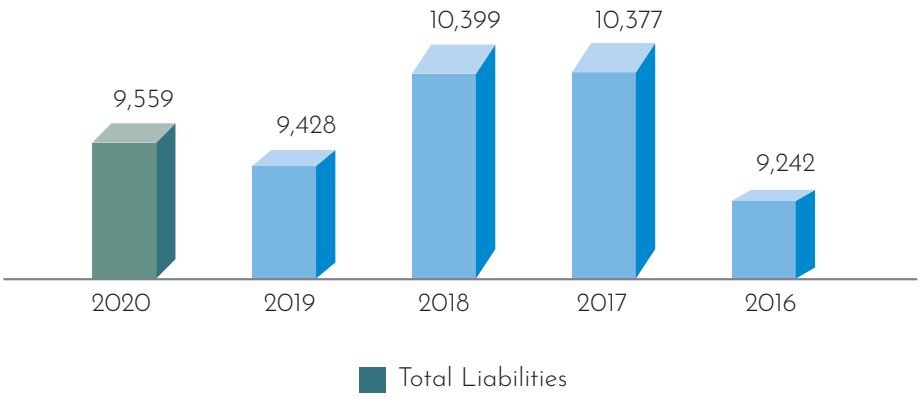


Key Financial Highlights

Non Performing Loans Ratio (%)



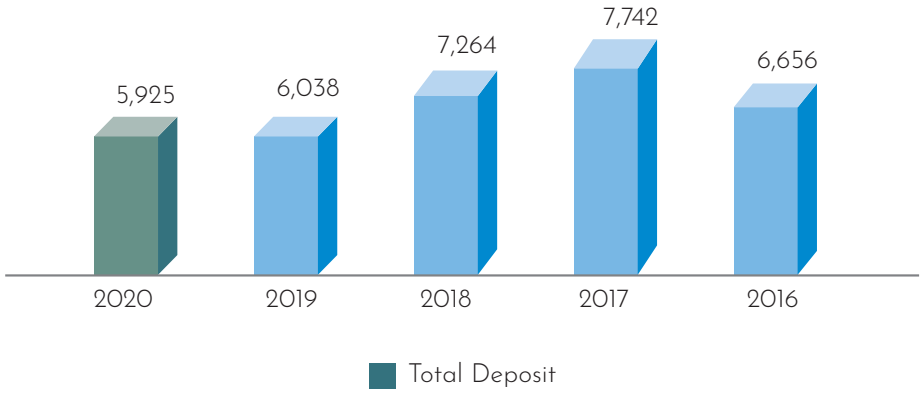
Total Liabilities
(Amount in Million Taka)



Key Financial Highlights

Total Deposit

(Amount in Million Taka)



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	2020	2019
Contracted		
Lease finance	60,750,000	36,700,000
Term finance	382,150,000	1,552,550,000
Total	**442,900,000**	**1,589,250,000**
Disbursed		
Lease finance	132,100,000	79,958,296
Term finance	542,274,885	2,930,350,574
Total	**674,374,885**	**3,010,308,870**
SED	220,517,784	2,332,257,290
MIDI	91,950,000	362,460,000
Housing	29,300,000	71,550,000
Consumer Credit	350,000	1,320,000
Staff Loan	3,595,500	12,989,384
Loan against deposit	196,561,601	149,773,900
Ratios		
NPL	11.39%	9.92%
Return on asset (%)	1.04%	0.80%
Debt Equity ratio	5.96%	6.11
Return on Average Equity (%)	7.28%	6.12%
Earnings per share	0.83	0.66
Net Asset Value	11.69	11.11



Message from the Chairman



Dear Fellow Shareholders,

With great pleasure, I would like to extend my warm welcome to all the respected shareholders to the 25th 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 2020, was one of the toughest years in the past century as the world has sustained the deadly pandemic. The COVID-19 pandemic is causing havoc across the global economic and financial sphere, as it emerges as the biggest test for financial systems since the 2008–09 global financial crisis (GFC). The Asian Development Bank predicts that the global economic cost of the pandemic is likely to be between $5.8 and $8.8 trillion (about 6.4% - 9.7% of world GDP).

Bangladesh economy has displayed strong resilience and posted strong GDP growth compared to regional and lower imports contributed to offset the lower exports, resulting in rising foreign exchange reserves which stood at a record high USD 43 billion as of 31 December 2020. Bangladesh, one of the shining stars of Asia, also shared the hit of economic fallout caused by the pandemic. Though the economy of Bangladesh faced tremendous challenges, it also showed its strength in the process of regaining economic growth. According to the official data of the government of Bangladesh, Bangladesh's growth of gross domestic product (GDP) in FY20 was 5.24%. Though this was lower than the projected 8.20% for FY20 and lowest in the last decade, Bangladesh's growth during the pandemic was way above many other countries. The economy remained resilient, thanks to its domestic strength and the government's timely effort to make it happen.

The initial panic in the economy was dealt with in form of stimulus package announced by the government as well as support from the Central bank through payment deferral to borrowers, relaxed classification policy and liquidity assistance. Banks and FIs adopted cautious approach in disbursements due to uncertain environment coupled with

Implementation of a ceiling in lending and deposit rate, resulting in private sector lending growth at below 9.0% for FY20 However, with a record-high surplus liquidity, disbursements are expected to pick up next year. The Preformation of the capital market is a silver lining for the year otherwise characterized as gloomy economic climate with index reaching at an all-time high

In such extreme business and social environment, as an organization our responsibility was immense. We undertook measures prioritizing the health and safety of our stakeholders. We have highlighted here our prime initiatives for-Customers, employees and the community

Post pandemic world warrants a new way of thinking and living with the aim of continuing our business along with maintaining the safety of our own. This change will surely bring some challenges for us but simultaneously it opens new opportunities for business sector and industries.

Bangladesh has been adapting itself with the digitization process for the last few years which ultimately turned out to be a blessing for the nation during this global pandemic. By endorsing diverse online platforms, most of the economic activities were successfully performed throughout the year. As a result, the demand for technology-based

business, especially in digital transformation, communication and the internet had significant boost. This crisis, like the once before, demands from the people of the world and business to reflect, re-imagine, recalibrate, and reinvent. Business which will follow those surely will be well-equipped to rise up to the challenges and can successfully hold their position in the post Covid-19 era.

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 were main 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 2020 and will continue to do so in 2021. 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.

Last but not least, we would like to convey our gratefulness to our shareholders and our customers who did not lose their confidence over us in this vulnerable time. Taking inspiration from this confidence we have not only survived this difficult period but have thrived in multiple dimensions. Moreover, we want to show our gratitude towards our management team and employees for displaying outstanding leadership during this period to cope up with the changing environment and show even more sincerity and provide even more effort while working from home. We would also like to show our warmest gratitude towards regulators and valued business partners for their ongoing support and faith in us.

With my best wishes,



Ms. Rokia Afzal Rahman
Chairman

Message from the Managing Director



Dear shareholders & fellow stakeholders,

Assalamu Alaikum,

The COVID-19 pandemic is causing havoc across the global economic and financial sphere, as it emerges as the biggest test for financial systems. The pandemic is damaging economies across the world, including financial markets and institutions in all possible dimensions. For banks and NBFIs in particular, the pandemic generates multifaceted crises, this is likely to be worse in developing economies with poor financial market architecture. The shock from COVID-19 is so intense that we cannot even think of it a year ago. Despite the tremendous effect of lockdown in all business sectors, we have managed to overcome the massive tremor and it is quite visible in our economic growth. In the backdrop of the global economic shutdown caused by pandemics, the economic performance of Bangladesh was comparatively inspiring. While everyone was expecting the negative result in GDP growth in Bangladesh, we have achieved 5.24% growth in GDP that is beyond the expectation of the entire world.

The sudden lockdown severely affected the whole country, especially the low-income earning people. Many of them became helpless mostly those who managed to earn their livelihood by daily basis work. However, we have managed to tackle this intense situation through some bold steps taken by our government. Post lockdown situation has changed rapidly and the government has successfully managed to overcome the effect of the shutdown by recovering the economy. The honorable Prime Minister has taken a timely bold initiative for a big refinancing scheme targeting each segment like corporate, retail and SME, Garments, agriculture, IT, and others. The timely initiative of the stimulus financial package helped to recover the economy largely and to regain its right shape. Aligned with that, Bangladesh Bank has designed an effective package for Banks and NBFIs for the SMEs, Corporate and different segment.

Considering the current crisis, MIDAS FINANCING LTD stood next to the customers who faced challenges due to the COVID-19 outbreak. Stimulus packages were provided to the corporate, SME, agriculture, and service sector. Above the stimulus package, we have focused on our deposit clients and their requirements. Many clients of MIDAS FINANCING LTD were dependent on the interest income that they received every month or quarter. We ensured the disbursement of their interest payment on time. By transferring it to their bank account. To make sure they can maintain their daily expenses smoothly.

We are also very cautious about the employees and their health safety. Since the lockdown began, nearly all financial services companies' employees have been working remotely from their homes. COVID-19 has certainly accelerated the topic of the future of the workplace and what this means for operating models. Initially, we begin to work on every transaction remotely and redesign the IT system in a way so that every function can operate from their home. The core finance system fully functional and operational from the home. We have made the roaster system for the employees so that they can work conveniently by ensuring social distance. We arranged a regular health update system for all employees that helped to know both the physical and mental condition of the employees throughout the pandemic situation.

Bangladesh's banking sector already has a high level of nonperforming loans (NPLs) and the pandemic is likely to worsen the situation. Many banks and financial Institutions basically failed to communicate with their customers that leads to a rise of default. But in this tough situation, we have maintained a close relationship with the customers,

supported them and also managed the highest rate of recovery.

My review will help you to take a closer look on how the Company may challenge 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. 1625.09 million representing an increase of 5.27% from the previous year.
- Facing all the economic challenges, the consolidated net profit after tax became Taka 115.29 million for the year 2020 against Taka 9.16 million for the year 2019, and the consolidated EPS stood at Taka 0.83 for the year 2020 against Taka 0.66 for the year 2019. However, the Board recommended 2.5% Stock and 2.5% cash for the year 2019.
- Non-Performing Loan (NPL) has inreased in 2020. NPL of the company has become 11.39% as of 31 December 2020 while it was 9.92% as of 31 December 2019.
- Capital Adequacy Ratio (CAR) stood at 17.53% at the end of 2020 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 17.40% at the end of 2019.
- MIDAS Investment Limited (MIL), the only subsidiary company of MFL, completed its Fifth 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 2.27 million, net profit after tax, in 2020.
- 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.

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 Core Finance Software (CFS) already installed and implemented, 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 comparative 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 2020. 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 go 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 2020 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

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

Dear Valued Shareholders,
The Board of Directors of MIDAS Financing Ltd. (MFL) has great pleasure to welcome you to the 25th annual general meeting of the company. On behalf of the Board of Directors, I am presenting the Directors' report on the operational and financial activities of your Company together with the audited financial statement for the year ended 31 December 2020.

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, related Notifications, Rules, Regulations and 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 ventured into various other sectors with its financing operations and has been playing a significant role in the economic development of Bangladesh.

The company has diversified its products and is now extending credit facilities like lease financing, term loan, home loan, portfolio loan, etc. to different corporate organizations, small and medium enterprises and individuals. The company offers its services through its 16 (sixteen) offices including branch office 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 2020.

MFL's Consolidated Financial Results and Performance during the year 2020
A comparative statement of the Consolidated Financial Results of the company for the year ended 31 December 2020 and for the year ended 31 December 2019 is given below:

Taka in Crore

Particulars	2020	2019
Net interest income	18.06	22.23
Other operating income	11.15	9.31
Total operating income	29.21	31.54
Total operating expenses	(18.16)	(18.38)
Profit before provisions	11.05	13.16
Provision for loans and investments	(5.44)	0.35
Profit before tax	16.49	12.81
Provision for tax	(4.96)	(3.65)
Net profit after tax	11.53	9.16
Transfer to statutory reserve	(2.25)	(1.94)
Transfer from statutory reserve		
Retained earnings at the beginning	8.58	4.67
Dividend paid (Bonus & Cash)	(6.78)	(3.31)
Proposed bonus share		-
Net Retained Surplus (on consolidated basis)	9.28	8.58
EPS	0.83	0.66

The above statement shows that the financial performance of the company during the year under report compared to that for the previous year has deteriorated. Overall performance of the banking sector during the year 2020 was bleak due to tight liquidity situation and soaring Non Performing Loan (NPL). Liquidity shortage that started about the end of 2019 continued almost all over the year 2020. Total operating income and total operating expenses slightly changed compared to the previous year. Details are provided in the Management Discussion and Analysis included in the annual report.

The quarterly and annual financial performance (consolidated) of the company for the year 2020 stood as under:

The following table presents quarterly information of the company during 2020 along with the annual position:

Taka in Crore

Particulars	Q1 (Jan to Mar)	Q2 (Apr to Jun)	Q 3 (Jul to Sep)	Q 4 (Oct to Dec)	Annual 2020
Interest income	26.30	22.70	21.92	31.26	102.18
Interest expenses	21.05	20.76	20.82	21.49	84.12
Net interest income	**5.25**	**1.94**	**1.10**	**9.77**	**18.06**
Other operating income	3.05	2.07	(0.53)	6.56	11.15
Total operating income	**8.30**	**4.01**	**0.57**	**16.33**	**29.21**
Total operating expenses	4.07	4.05	4.67	5.37	18.16
Profit before provisions	**4.23**	**(0.04)**	**(4.10)**	**10.96**	**11.05**
Provision for loans/ investments	2.17	2.08	(9.98)	0.29	(5.44)
Profit before tax	**2.06**	**(2.12)**	**5.88**	**10.67**	**16.49**
Provision for tax	0.46	0.41	0.69	3.41	4.96
Net profit after tax	**1.60**	**(2.53)**	**5.19**	**7.26**	**11.53**

Unlike the prior years and as expected, the performance of the company varied from quarter to quarter, as is clearly noticeable from the table above. The operating expenses remained almost same over the year. The requirement for provision for loans/investment reduced, resulting in a substantial consolidated net profit after tax of BDT 11.53 the securities market trade volume increased considerably during the year and significant revenue and gains were investment garnered from the past during 3rd quarter.

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 note of the fact that over the last several years MFL has been suffering for its increased NPL, as is the case with most of the Banks and NBFIs operating in the finance 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 the national stock exchanges. Such investment is within the limit prescribed by Bangladesh Bank.

(c) Deposits and borrowings:
Deposits, borrowings from banks and financial institutions and Shareholders' Equity are the main sources of fund of MFL. The Company also avails itself of various low cost funds under Bangladesh Bank refinance scheme and funds from SME Foundation, etc. Appropriate policies have been adopted to keep the cost of fund low.

The table below gives a clear picture of the product-wise / segment-wise performance of the company for the year 2020 compared with 2019:

Taka in Crore

Segments	Portfolio			Income		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Lease	89.65	81.07	10.58%	6.20	2.96	109.46%
Term	751.42	746.55	0.65%	79.35	93.88	(15.48%)
Housing	121.88	124.32	(1.96%)	14.86	16.46	(9.72%)
Investment	26.61	24.55	8.39%	4.50	1.51	198.01%
				Expense		
Deposits	610.86	622.24	(1.83%)	67.55	74.70	(9.57%)

Details of Segment-wise financial position can be seen under Note-7 of the Notes to the Financial Statements.

Subsidiary Operation

MIDAS Financing Ltd. is the owner of 99.9992% of the shares (2,49,99,800 nos. of shares of Taka 10 each) in the equity 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 by BSEC on 06 September 2016 as Merchant Bank. MIL contributed Tk. 2.27 Crore to the income of MFL as profit after tax in 2020 and as against Tk. 0.98 Crore in 2019.

MIDAS Centre

MIDAS Centre, a 13 storied building, adds to the confidence of depositors, clients and shareholders in its 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 have significant influence over the company. The details of contracts and transactions executed with related parties during 2020 are described under Note 39.4 of the Notes to the Financial Statements for the year ended 31 December 2020. 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 the transactions are stated below

Name of the Party	Nature of Relationship	Nature of Transaction	Classification Status	Amount in Tk.	
				2020	2019
MIDAS	Sponsor Shareholder	Term Deposits	N/A	107,339,750	113,900,000
MIDAS Investment Ltd	Subsidiary Company	STL & LTD	Standard	240,019,797	237,829,757
MIDAS Investment Ltd	Subsidiary Company	Term Deposits	N/A	205,000,000	205,000,000
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	246,115,214	224,215,170
Total				803,474,761	785,944,928

Risk and Concerns

The Directors believe that proper risk management is an essential part of the company's business. Identification, evaluation and elimination (or at least minimization) of risks constitute the 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 its risk management framework. 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 its (i) Executive Committee and (ii) Audit Committee as 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. 18 dated October 26, 2011. Nomination and Remuneration Committee could not be constituted due 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. However, development of an internal control system is an ongoing process and it should be responsive to the changes in external and internal operating environment for achieving sustainable growth and creating a long term source of competitive advantages. The Board of Directors is satisfied with the effectiveness of the company's internal control system for the period under review.

Going Concern

Going concern is one of the fundamental assumptions in accounting concept that underlines the preparation of financial statements of companies. Under the going concern concept, it is assumed that a company will continue in operation and that there is neither the intent nor the need to either liquidate it or cease trading. It is the responsibility of the management of a company to determine whether the going concern assumption is appropriate in the preparation of its financial statements. The management of MFL has calculated all the ratios related to the maintenance of regulatory capital and liquidity such as CRAR, CRR & SLR and liquidity profile. All the ratios and results thus calculated reveal that MFL is running well above the level of different parameters set in the respective guidelines of Bangladesh Bank.

Directors' Report

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 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 preparation and presentation of financial statements and any departure there-from has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There is no significant doubt about the Company's ability to continue as a going concern;
- Significant deviations from the last year's operating results of the company have been highlighted and the reasons thereof have been explained under Consolidated Financial Results and Performance;
- There was no extraordinary gain or loss during the year;
- No bonus share or stock dividend has been declared during the year, or shall be declared in future, as interim dividend;

Key Operating and Financial Data

A statement containing the summary of key operating and financial data for the last 5 (Five) years is presented as under

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

Particulars	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20
Loan disbursement	7,347.11	5,133.16	4,719.43	3,010,.31	736.26
Lease, loans & advances	8,771.09	10,099.43	10,052.74	9,297.80	9,413.08
Profit before tax	351.25	254.80	38.16	128.06	164.92
Profit after tax	267.22	217.95	11.57	91.61	115.29
Shareholder's fund	1,154.04	1,440.52	1,452.09	1,543.70	1,625.09
Total deposits	6,656.21	7,742.49	7,263.64	6,037.65	5,925.44
Total balance sheet size	10,396.46	11,817.94	11,851.15	10,971.33	11,184.13
NPL ratio (%)	12.00%	9.92%	12.49%	9.92%	11.39%
Return on equity (average equity)	26.19%	16.80%	0.80%	6.12%	7.28%
Earnings per share (restated)	2.22	1.81	0.09	0.66	0.83
Net assets value per share (restated)	9.60	10.89	10.98	11.11	11.69

Shareholding Pattern

The shareholding pattern as on 31 December 2020 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 an integral part of the community in which it operates, and recognizes that it has responsibilities of providing the highest standards of service and ethical business. MFL in carrying out its business activities keeps its commitments for sustainable development and transparent corporate conduct. MFL prioritizes for promoting a corporate culture that adheres to its business principles as well as generating good and sustainable returns in order to ensure mutual value creation for the company as well as its stakeholders.

The company has 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 quick loan processing for the benefit of small and medium, especially women entrepreneurs.

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

Management's Discussion and Analysis

A Management's Discussion and Analysis signed by the MD with the detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, focusing, among others, 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 the prescribed format was submitted to the Board of Directors of the Company. The Directors place 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 2020 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 submitted 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 accordance with the prescribed format, whether or not the company has complied with the conditions of 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 of conditions of the Corporate Governance Code of the Commission and such a certificate shall be disclosed in the Annual Report. As per condition no. 9(2), the professional who will provide such a 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 2020 and enclosed with this annual report. The Directors recommended that the Shareholders might consider appointing M/s Hawlader Maria & Co., Chartered Accountants, as the Corporate Governance Auditor of the Company for the year ended 31 December 2020 till the 25th AGM of 2021.

Board of Directors, its Meetings and Attendance of Directors therein

The Board of Directors of MFL consists of 09 (Nine) Directors. During the year ended 31 December 2020, 10 (Ten) Board Meetings were held wherein attendance was as follows:

Name of Director	Note Ref.	No. of Meetings	
		Held	Attended
Mr. Mohammed Nasir Uddin Chowdhury (Chairman)		10	10
Ms. Rokia Afzal Rahman (Director)		10	08
Mr. M. Hafiuzuddin Khan (Director)		10	10
Mr. Ali Imam Majumder (Director)		10	10
Mr. Siddiqur Rahman Choudhury (Independent Director)	[Note-1]	10	02
Mr. Abdul Karim (Director)		10	10
Mr. Ghulam Rahman (Independent Director)		10	10
Ms. Nazneen Sultana (Independent Director)	[Note-2]	10	07
Mr. Md. Shamsul Alam (Director)		10	10
Mr. Md. Shahedul Alam (Director)		10	10
Mr. A.K.M. Kamruzzaman, FCMA (Director)	[Note-3]	10	07

Notes

1. Mr. Siddiqur Rahman Choudhury served MFL as an Independent Director for 2 terms of 3 years each from 19.03.2014 to 18.03.2020. Mr. Siddiqur Rahman Choudhury, independent Director of MFL, retired on 19 March 2020.

2. Ms. Nazneen Sultana was appointed in place of Mr. Siddiqur Rahman Choudhury as an Independent Director with effect from 12.05.2020. Mr. Siddiqur Rahman Choudhury retired on 19.03.2020.

3. Mr. A.K.M. Kamruzzaman, FCMA served as a Director Nominated by LankaBangla Investment Limited for a period from 25.07.2019 to 24.11.2020. LankaBangla Investments Limited withdrew its nomination of Mr. A.K.M. Kamruzzaman from the Board of MIDAS Financing Ltd. with effect from November 24, 2020.

Remuneration paid to the Directors

During the year ended 31 December 2020, 10 (Ten) Meetings of the Board, 6 (Six) Meetings of Audit Committee and 4 (Four) 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 (Director)	10	04		14	112,000
Ms. Rokia Afzal Rahman (Chairman)	08	03	05	16	128,000
Mr. M. Hafiuzuddin Khan (Director)	10	04	06	20	160,000
Mr. Ali Imam Majumder (Director)	10			10	80,000
Mr. Siddiqur Rahman Choudhury (Independent Director) [Note-1]	02	01	01	04	32,000
Mr. Abdul Karim (Director)	10			10	80,000
Mr. Ghulam Rahman (Independent Director)	10		06	16	128,000
Ms. Nazneen Sultana (Independent Director) [Note-2]	07			07	56,000
Mr. Md. Shamsul Alam (Director)	10	04	06	20	160,000
Mr. Md. Shahedul Alam (Director)	10			10	80,000
Mr. A.K.M. Kamruzzaman, FCMA (Director) [Note-3]	07			07	56,000

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

1. Mr. Siddiqur Rahman Choudhury served MFL as an Independent Director for 2 terms of 3 years each from 19.03.2014 to 18.03.2020. Mr. Siddiqur Rahman Choudhury, independent Director of MFL, retired on 19 March 2020.

2. Ms. Nazneen Sultana was appointed in place of Mr. Siddiqur Rahman Choudhury as an Independent Director with effect from 12.05.2020. Mr. Siddiqur Rahman Choudhury was retired on 19.03.2020.

3. Mr. A.K.M. Kamruzzaman, FCMA served as a Director Nominated by LankaBangla Investment Limited for a period from 25.07.2019 to 24.11.2020. LankaBangla Investments Limited withdrew its nomination of Mr. A.K.M. Kamruzzaman from the Board of MIDAS Financing Ltd. with effect from November 24, 2020.

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 25th AGM:

1. Mr. M. Hafiuzuddin Khan-Director, Nominated by MIDAS

2. Mr. Mr. Abdul Karim-Director, Nominated by MIDAS

3. Mr. Md. Shahedul 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 25th AGM. A brief profile of each of the retiring directors is provided separately.

Directors' Report

Appointment/ Re-appointment of Auditors

M/s Mafel Haq & Co., Chartered Accountants, were appointed as Auditor of the company in the 22nd AGM and they completed their audit of the accounts of MIDAS Financing Limited for the year 2018 and 2019. As per the Bangladesh Bank vide letter no. DFIM(C) 1054/38/2020-2294 dated- December 27, 2020, M/S, Mahfel Huq & Co, Chartered Accountants could not conduct the audit of the accounts of MFL for the year 2020, as they were delisted from the approved panel of auditors Bangladesh Bank. The Board of Directors of MIDAS Financing Limited in its 323rd Meeting held on February 11, 2021, recommended to appoint M/S. Hoda Vasi Chowdhury & Co., Chartered Accountants as auditor for the year 2020 and in the EGM held on 30th March 2021 they were appointed as Auditor for the Financial Year 2020 at a fee of Taka 1,65,000/-(Taka One Lax Sixty Five thousand) only excluding VAT.

Acknowledgement

The Board of Directors takes this opportunity to record 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 advice extended by them to the company from time to time. Thanks of the Board of Directors are 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 are offer their thanks to the valued shareholders and assure them that efforts will be continued to maximize the shareholders' wealth by further strengthening the governance of the company. The Directors will welcome, and remain ready to listen to, any the constructive criticisms from them and will make appropriate decisions in the greater interest of the company at all times.

For and on behalf of the Board of Directors,



Ms. Rokia Afzal Rahman
Chairman
Dhaka, July 20, 2020

Report on Economic Scenario, Industry Outlook

World economy

The coronavirus (COVID-19), which has emerged as a global pandemic, poses a major risk to the global economy. Protecting lives and allowing health care systems to cope with have required quarantine, isolation, lockdown etc. which in turn have severely limited economic activity. As a result of the pandemic, the global economy is anticipated to contract in a much worse way than during the 2008-2009 financial crises. In the World Economic Outlook (WEO) October 2020, International Monetary Fund (IMF) projected that the global economic growth would contract sharply by 4.4 percent in 2020 downgrading from -3.0 percent projection made in April 2020, WEO. According to IMF, the baseline scenario, which assumes that social distancing will continue into 2021 but will fade over time as vaccine coverage will expand everywhere by the end of 2022. The global economy is projected to grow by 5.2 percent in 2021 as the economic activity normalizes, helped by policy support. In advanced economies, growth is expected to slow to -5.8 percent in 2020. The rapid and widespread impact of COVID-19 and the consequent stagnation of economic activity have led to a slowdown in growth. The economic growth of almost all countries of advanced economies will be negative, most notably: the United States (–4.3%), Germany (–6.0%), France (–9.8%), Italy (–10.6%), and Spain (–12.8%), Japan (–5.3%) and the United Kingdom (–9.8%). In parts of Europe, the outbreak has been as severe as in China's Hubei province. Although essential to contain the virus, lockdowns and restrictions on mobility are extracting a sizable toll on economic activity. Huge population has become unemployed. Adverse confidence effects are likely to further weigh on economic prospects. Among emerging markets and developing economies, all countries face a health crisis, severe external demand shock: tightening in global financial conditions, and a plunge in commodity prices, which will have a severe impact on economic activity in commodity exporters. In addition, oil exporting countries will face problems as the falling of oil prices. Average petroleum spot prices per barrel are projected at US$ 41 in 2020 and US$ 43.8 in 2021, higher than in the April and June forecasts. Oil futures curves indicate that prices are expected to rise thereafter toward US$ 48, some 25 percent below the 2019 average. Nonfuel commodity prices are expected to rise faster than assumed in April and June. Overall, the group of emerging market and developing economies, growth is forecast at -3.3 percent in 2020, 2.1 percentage points weaker than in the projection made by April 2020 WEO. Prospects for China are much stronger than for most other countries in this group, with the economy projected to grow by about 8.2 percent in 2021. Activity normalized faster than expected after most of the country reopened in early April, and second quarter GDP registered a positive surprise on the back of strong policy support and resilient exports.

All emerging market and developing economy regions are expected to contract this year, including notably emerging Asia, where large economies, such as India and Indonesia, continue to try to bring the pandemic under control A combination of factors: continuing spread of the pandemic and overwhelmed health care systems, greater importance of severely affected sectors, such as tourism; and greater dependence on external finance, including remittances. Turning the global economy around in 2021 depends on how quickly the pandemic can be brought under control and build consumer and investor confidence can be built. To this end, countries are implementing various financial and stimulus programs to revive the world economy by improving the health system and providing public health services. Likewise, per capita national income increased to US$ 1,909 in FY2018-19, up by US$ 158 from FY2017-18. The per capita GDP stands US$ 1,970 in FY2019-20, up by US$ 142 from the previous fiscal year, while the per capita national income stood at US$ 2,064, up by US$ 155 in the previous fiscal year.

Macro & micro economic situation of Bangladesh

Bangladesh's economic growth has steadily increased from 6 percent to 8 percent. The global novel Coronavirus (COVID-19) pandemic has adversely affected the economy of Bangladesh. GDP growth in FY2019-20 stood at 5.24 percent, compared to 8.15 percent in the previous fiscal year. The per capita national income reached US$ 2064 in FY2019-2020, up by US$ 155 from the earlier year. In FY2019-20 the inflation rate was slightly higher than the target, 5.65 percent. Export in FY20109-20 stood at US$ 33,674.09 million, down 16.93 percent from the previous fiscal year and imports in FY2019-20 stood at US$ 54,784.70 million, down 8.56 percent over the previous fiscal year. In FY2019-20, the interbank weighted average exchange rate of taka against US$ depreciated by 0.9 percent and stood at 84.60. At the end of 30 June 2020, the foreign exchange reserves reached US$ 36.04 billion. Private sector growth in FY2019-20 is 14.8% which is lower than previous fiscal year. The GDP under Medium-Term Macroeconomic Framework (MTMF) has calculate to grow from 5.2 percent in FY2019-20 to 8.2 percent in FY2020-21 which is expected to be achieved through the implementation of prudent fiscal management, effective application of cautions monetary policy, appropriate management of expenditure, and sound implementation of the reform activities.

Report on Economic Scenario, Industry Outlook

FI industry outlook

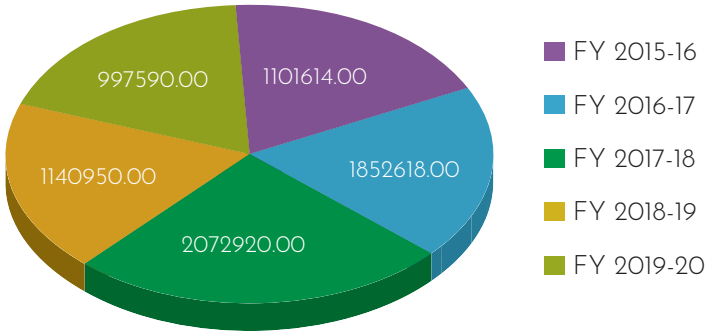
Financial Institutions (FI's) have been playing a crucial role by providing additional financial services that cannot be usually provided by the banks. The NBFIs, with more multifaceted products and services have taken their place in the competitive financial market to satisfy the changing demands of the customers. NBFIs also play an important role in the capital market as well as in real estate sector of Bangladesh. The authority of granting licenses to NBFIs and their regulations and control are vested in Bangladesh Bank by the Financial Institution Act, 1993. Under the Act, Financial Institution Regulation 1994 was issued with the approval of the government. Besides, there are prudential regulations and guidelines for NBFIs issued by BB under section 18 (Chha) of FI Act 1993. At present, there are 35 NBFIs operating in Bangladesh (including Peoples Leasing & Financial Services Limited, which is under liquidation). Bangladesh Bank has issued license to a new financial institution named 'Strategic Finance and Investment Limited' in the year 2020.

Among the NBFIs, three are government-owned, 13 are joint ventures with foreign participation, and the rest 19 are private- sector companies. Total asset of NBFIs at the end of June 2020 was BDT 860.33 billion, which was BDT 871.50 billion at the end of 2019. NBFIs are investing in different sectors of the economy, NBFIs' investment at the end of June 2020 was as follows: industry 46.45 percent, real estate 19.41 percent, margin loan 2.22 percent, trade and commerce 13.84 percent, merchant banking 3.34 percent, agriculture 2.30 percent and others 12.44 percent. NBFIs are allowed to invest in the capital market up to 25 percent of their paid up capital, At the end of December 2019, all NBFIs' total investment in capital market was BDT 18.83 billion compared to BDT 17.74 billion in December 2018. Total deposits of the NBFIs at the end of December 2019 went down to BDT 451.93 billion (60.00 percent of total liabilities) from BDT 466.26 billion (63.03 percent of total liabilities) at the end of 2018 showing an overall decrease of 3.07 percent. At the end of June 2020, total deposit of NBFIs stood at BDT 441.17 billion. Total liability of the industry increased to BDT 753.12 billion at the end of December 2019 from BDT 739.69 billion that of December 2018. At the end of June 2020, total liability and equity stood at BDT 768.71 billion and BDT 91.62 billion respectively. FIs play a significant role for the development of bond market through issuing different types of Bonds. By taking NOC from the Department of Financial Institutions and Markets (DFIM) of BB. NBFIs in Bangladesh have been instructed under the Basel III Accord to maintain Capital Adequacy Ratio (CAR) of not less than 10.0 percent with at least 5.0 percent in core capital. Like elsewhere across the globe, the COVID-19 pandemic has brought uncertainties in financial and economic sector in Bangladesh. Bangladesh Bank has taken several policy measures to mitigate the impacts of COVID-19 on financial institutions and their clients. Some of those policies are: keeping classification status of loan/lease/advance unchanged from January to September 2020, lowering the Cash Reserve Requirement (CRR) from 2.5 percent to 1.5 percent on bi-weekly basis and from 2.0 percent to 1.0 percent on daily basis, restructuring and revolving loan renewal facilities on easy terms and conditions. Moreover, Bangladesh Bank facilitates interest rate subsidy and refinance scheme for pandemic affected clients of Financial Institutions and Banks under the government stimulus packages for lending working capital in industries and service sector, and CMSME (Cottage, Micro, Small, and Medium Enterprises) sector.

Private sector credit growth

The private sector is one of the driving forces of the country's economy. Along with the government, the private sector has been playing an important role in the expansion of industry, expansion of export sector and creation of employment. Now, the government is implementing different development projects under Public-Private Partnership (PPP) model along with individual projects under government and private sector. In FY2018-19 the investment proposal for 1,368 private projects were of Tk. 11,40,950 million. On the other hand, in the first eight months of FY2019-20 (till February 2020), the proposal stood at Tk. 9,97,590 million for 764 private projects. In 2019 (January-December), the total foreign investment inflow stood at US$ 2,873.9 million, compared to US$ 3,613.3 million in 2018. Private sector is also working for bringing 100 percent populations under electricity coverage by 2021. In the first seven months of FY2019-20 (up to January 2020), a total of 41,848 million kilowatt-hours of electricity was produced, out of which 37.92 percent had been generated by private sectors. In FY2019-20, the total investment of GDP was 31.75 percent, out of which 23.63 percent was from private sector. The government is mainly executing the public investment including the infrastructure sectors through the Annual Development Program (ADP).

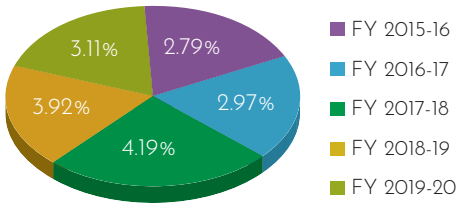
Figure In Million BDT



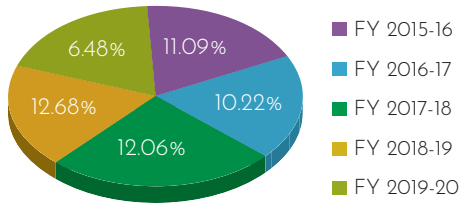
Sectoral exposure

According to the provisional estimate of BBS, the growth of agriculture sector has slowed to 3.11 percent in the FY2019-20, from 3.92 percent in FY2018-19. During the same period, industry sector grew by 6.48 percent, which was 12.68 percent in the previous fiscal year. The service sector grew by 5.32 percent in FY2019-20 compared to 6.78 percent in the previous fiscal year. Within the broad agriculture sector, the growth rate of agriculture and forestry sector decelerated from 3.15 percent to 2.08 percent in FY2019-20. In addition, growth in fishing sector slowed slightly to 6.10 percent from 6.21 percent of previous fiscal year. The contribution of the broad agricultural sector to the GDP stood at 13.35 percent in FY2019-20 against 13.65 percent in the previous fiscal year. Of the 4 sectors of the broad industrial sector, growth in the manufacturing (large and medium scale and small scale) has slowed down significantly. According to provisional estimate, the growth of large and medium enterprises and small scale industries in GDP stood at 5.47 and 7.78 percent respectively in FY2019-20, compared to 14.84 percent and 10.95 percent in the previous fiscal year. The growth of the construction sector stood at 9.06 percent as compared to 10.25 percent over the previous fiscal year. Overall, the contribution of the broad industry sector stood at 35.36 percent in FY2019-20, as compared to 35.00 percent in the previous fiscal year. Among the broad service sector, wholesale and retail trade; hotels and restaurants; transport, storage and communication; financial intermediations; real estate and renting and business activities; health and social works etc. have decelerated significantly (about 1 to 3.1 percent) compared to FY2018-19. The contribution of broad service sector to the GDP stood at 51.30 percent in FY2019-20, which was 51.35 percent in the previous fiscal year.

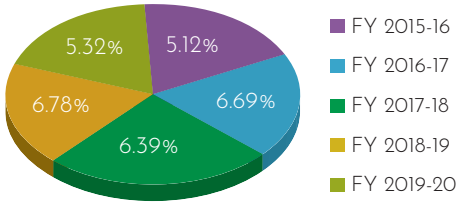
Agriculture Sector



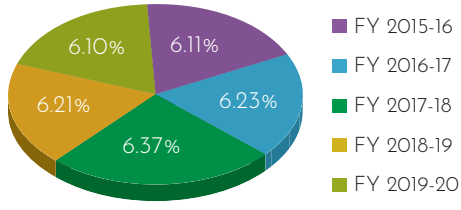
Industry Sector



Service Sector



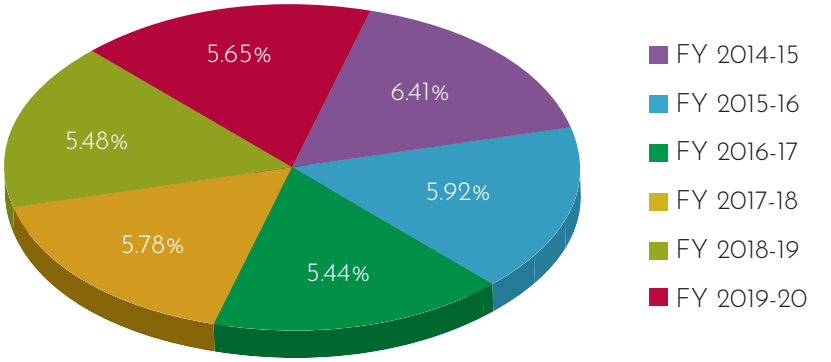
Fishing Sector



Report on Economic Scenario, Industry Outlook

Inflation

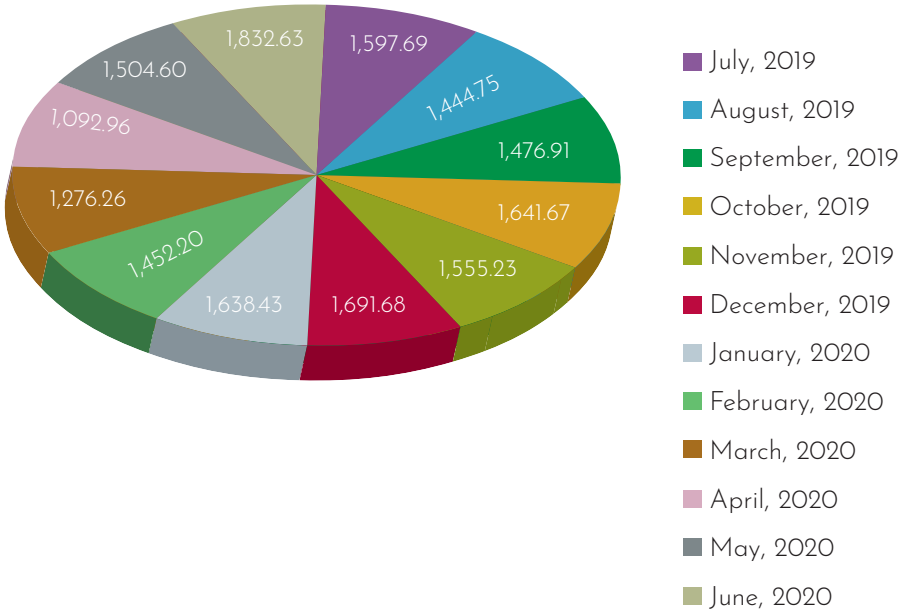
The average inflation in the country was at 5.65 percent in the last FY2019-20. According to the data revealed by Bangladesh Bureau of Statistics (BBS) the last 12 months average inflation rate was recorded at 0.17 percent points higher from that of 5.48 percent in FY2018-19. Point to point inflation rate was also dropped to 5.29 percent in December 2020, which was 5.75 percent in December 2019. Stable commodity market both in home and abroad, good agricultural production, prudent macroeconomic management and normal flow of supply of goods in the backdrop of political stability kept inflating in control.



Remittance

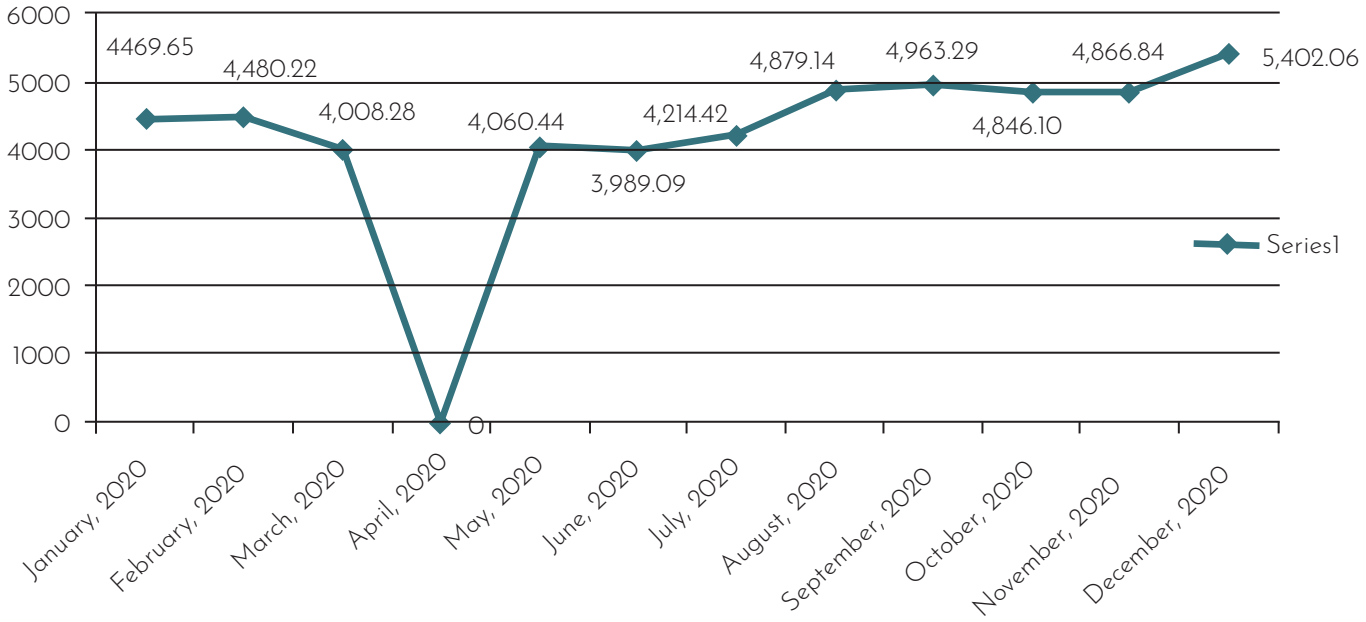
Unfavorable condition around the world employments is prevailing due to the global pandemic. In the first nine months of FY2019-20 (July-March, 2020), the country's labor force exports stood at 5.31 lakh people, which is 2.73 percent more than the same period of the previous fiscal year. From April 2020 to June 2020, manpower exports were closed. In FY2018-19, remittance inflows increased by 9.60 percent over the previous fiscal year to US$ 16,419.63 million. In FY2019-20, remittance inflows stood at US$ 18,205.01 million, an increase of 10.87 percent over the previous fiscal year. From FY2020-21 first 6 month of this fiscal year Bangladesh remittance inflows include more US$ 12,944.75 million which is significant.

Figure In Million US Dollar



Capital market

Volatility has been observed in the price index of the Dhaka Stock Exchange (DSE) since the beginning of FY2019-20. In addition, trading was closed in April and May 2020 due to the novel Coronavirus pandemic. The DSE Broad Index (DSEX) decreased by 26.42 percent from 5,421.62 points at the end of June 2019 to 3,989.09 points at the end of June 2020. The number of listed securities (including mutual funds and debenture) of Dhaka Stock Exchange (DSE) stood at 589 in June 2020. Total market capitalization of all listed securities was Tk. 3,99,816.40 crore in June 2019, which decreased to Tk. 3,11,967.00 crore in June 2020, representing an increase of to 21.97 percent. At end-June 2020, the market capitalization stood at BDT 3,119.7 billion, which was 0.1 percent lower than BDT 3,122.3 billion at end March 2020.



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 presenta tion 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 2020 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 2020 has been challenging one with an operating environment, tight liquidity situation, constrained margins and rate volatility both deposits and loans rate. The company has ended the year with a result that was not up to the mark.

MFL fared moderate performance in 2020 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 2020 the company's interest income (as per consolidated financial statement), mostly from lease, loans and advances, decreased by 9.30% i.e. BDT 10.48 crore from the last year which was almost same as 2019. Lease, loan and advances portfolio stood at Taka 941.31 crore as of 31 Dec 2020 as against Taka 929.78 crore as of 31 Dec 2019. Although, portfolio growth by Taka 11.53 crore.

Interest Expense:
Company's interest expense on deposit and borrowing decreased by 6.98% (BDT 6.30 crore) in 2020 compared to previous year. Deposit portfolio stood at Taka 590.36 crore as of 31 Dec 2020 as against Taka 601.73 crore as of 31 Dec 2019. Deposit portfolio reduce by Taka 11.38 crore. Borrowings from other banks, financial institutions and agents stood at Taka 202.41 crore as of 31 Dec 2020 as against Taka 188.90 crore as of 31 Dec 2019. Borrowings from other banks, financial institutions and agents increase by Taka 13.51 crore. Bank and FI industry faced a sudden shortage of liquid funds in 2020 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 2020 compared to 10.34% in the previous year.

Income from investment and other operating income:
The year 2020 was a very difficult year for the capital market of Bangladesh. In 2019, Investment income of the company growth by Taka 2.81 crore, reflecting 1991.99% growth compare to last year capital market. Moreover, provision for diminution in value of investment has de growth by Taka 13.84 crore in 2020. Other operating income, decreased by 9.96% i.e., BDT 0.91 Crore from the last year.

Operating expenses:
The company was able to retain operating expense at 1.22% reduce compared to last year. Total operating expenses decreased by Taka 0.22 crore from last year where maximum contribution came from Salary and allowances. MFL's growth in salary and allowances was 3.04%.

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 decreased by Taka 2.10 crore which 15.99% reduce.

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 2020 the company's provision against investment in share market decreased significantly. In totaling the company's provision in this head decreased by 5.44 crore.

Profit after Tax:
Eventually, the profit after tax of the company increased significantly and stood at Taka 11.53 crore due to the factors mentioned above. As a result, our earnings per share (EPS) in 2020 increased to Taka 0.83 from 0.66 of last year 2019.

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 2020 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 2020 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. Lease, loan and advances portfolio stood at Taka 941.31 crore as of 31 Dec 2020 as against Taka 929.78 crore as of 31 Dec 2019.

Non-performing loan (NPL):
Over the years MFL is trying to bring down its NPL at a tolerable limit. In 2019 the company was able to decrease its NPL at 9.92% from 12.49% of 2018. But, in line with the industry, NPL of the company increased again to 11.39% at the end of December 2020. 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 2020, capital adequacy ratio of the company (consolidated) stood at 17.53% compared to 17.40% in the preceding year.

Capital adequacy - As per BASEL-II	2020	2019
a) Core Capital (Tier-I)		
Paid-up capital	1,389,930,040	1,356,029,310
Statutory reserve	124,338,385	101,829,235
Retained earnings	110,824,677	85,846,598
	1,625,093,102	**1,543,705,143**
b) Supplementary Capital (Tier-II)		
General provision	74,346,499	72,971,889
c) Total eligible capital (a + b)	**1,699,439,601**	**1,616,677,032**
d) Risk Weighted Assets (RWA)	**9,696,104,700**	**9,293,569,950**
e) Capital Adequacy Ratio (%) (c/d)	**17.53%**	**17.40%**

Management Discussion and Analysis

Cash Flow Analysis

Particulars	2020	2019
A. Cash flow from operating activities	(6.76)	(25.91)
B. Cash flow from investing activities	(0.08)	(0.16)
C. Cash flow from financing activities	10.12	17.93
D. Net increase in cash and cash equivalents (A+B+C)	3.28	(8.14)
E. Cash and cash equivalent at the beginning of the year	44.58	52.73
F. Cash and cash equivalent at the end of the year	47.87	44.58

Cash Flow from Operating Activities
Cash generated from operating activities before changes in operating assets and liabilities decreased by 73.95% in 2020 which was Tk. 19.16 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 2020 the company's net borrowing was recorded Taka 10.12 core as against Taka 17.93 crore of last year.

Overall scenario
The cash and cash equivalent balance of the company increase to Taka 47.87 crore at the end of 2020 compared to Taka 44.59 crore of 2019.

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 2020 amid liquidity crisis at the beginning and at the year end. Record private sector credit growth and sluggish deposit growth at the end of 2020 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 8.10 percent of the total outstanding loans as of 31 December 2020 from 10.30 percent as of 31 December 2019.

(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 2021 with a projection of disbursement of Taka 400 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 9 (Nine) 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. 18 dated 26.10.2011 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 2020.

Corporate Governance Audit

A Certificate regarding Corporate Governance and Compliance with the Corporate Governance Code for the year ended 31 December 2020 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 2020 and to continue till conclusion of the 25th AGM.

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

During the year 2020, Mr. Siddiqur Rahman Choudhury 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, inspection report of Bangladesh Bank, etc.

Meetings of the Committee

During the year 2020 six 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	6	6
Ms. Rokia Afzal Rahman	6	5
Mr. M. Hafizuddin Khan	6	6
Mr. Md. Shamsul Alam	6	6
Mr.Siddiqur Rahman Choudhury	6	1

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 2020 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 2020
- held meeting with the external auditors for review of the annual financial statements before submission to the Board for approval/ adoption
- performed overseeing hiring and performance of external auditors and the determination of audit fees
- reviewed the Management Letter issued by statutory auditors
- reviewed the processes for identification, recording, evaluation and management of all significant risks throughout the Company and the existing risk management procedures for ensuring an effective internal checking system
- monitored the procedures made by the management for building a suitable management information system (MIS) including computerization system and its application
- reviewed the financial statements and investments of the subsidiary company
- reviewed the non-performing loan of the company and recommended corrective measures
- Recommended to focus on SME and Women entrepreneur financing and to form dedicated desk for women entrepreneurs.

Reporting

The Audit Committee reports on its activities to the Board. The minutes of the Committee were regularly placed before the Board. Pursuant to Condition No. 5(7) of the Corporate Governance Code, 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 Financin g Limited

(Certification of compliance of corporate governance)



Howlader Maria & Co.
Chartered Accountants

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 2020. 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: May 03, 2021

Maria Howlader FCA
Proprietor
Howlader Maria & Co.
Chartered Accountants

Compliance Status on BSEC Notification on Corporate Governance

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

The Bangladesh Securities and Exchange Commission (BSEC) issued a Corporate Governance (CG) Code in 2018 which is being followed on 'Comply' basis. Status of compliance by MIDAS Financing Limited with the said CG code issued by BSEC through Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under the Section 2CC of the Securities and Exchange Ordinance, 1969 is as follows:

(Report under Condition No. 9.00)

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

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)	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)	**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 6, since on NRC was formed code of conduct for the chairperson of the Board, other members and company remain 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.	✓		

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:**			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.			Please refer to the note given under Condition number 6
5.	**Audit Committee:**			
5(1)	**Responsibility to the Board of Directors:**			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	**Constitution of the Audit Committee:**			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		

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**: The audit committee shall			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		

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;		The company communicated with Bangladesh Bank vide letter MFL/01/2021/641 regarding this matter. Awaiting instructions from Bangladesh Bank is pending.	
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	Meeting Held	Attended
1	Ms. Rokia Afzal Rahman (Chairman)[Note-1]	10	08
2	Mr. M. Hafiuzuddin Khan (Director)	10	10
3	Mr. Ali Imam Majumder (Director)	10	10
4	Mr. Siddiqur Rahman Choudhury (Independent Director)[Note-2]	10	02
5	Mr. Abdul Karim (Director)	10	10
6	Mr. Mohammed Nasir Uddin Chowdhury (Director)	10	10
7	Mr. Ghulam Rahman (Independent Director)	10	10
8	Ms. Nazneen Sultana (Independent Director)[Note-3]	10	07
9	Mr. Md. Shamsul Alam (Director)	10	10
10	Mr. Md. Shahedul Alam (Director)	10	10
11	Mr. A.K.M. Kamruzzaman, FCMA (Director) [Note-4]	10	07

Notes:

1. Ms. Roka Afzal Rahman was elected as chairman of the Board with effect from 1st April 2021.
2. Mr. Siddiqur Rahman Choudhury served MFL as an Independent Director for 2 terms of 3 years each from 19.03.2014 to 18.03.2020. Mr. Siddiqur Rahman Choudhury, independent Director of MFL, retired on 19 March 2020.
3. Ms. Nazneen Sultana was appointed in place of Mr. Siddiqur Rahman Choudhury as an Independent Director with effect from 12.05.2020. Mr. Siddiqur Rahman Choudhury was retired on 19.03.2020.
4. Mr. A.K.M. Kamruzzaman, FCMA served as a Director Nominated by LankaBangla Investment Limited for a period from 25.07.2019 to 24.11.2020. LankaBangla Investments Limited withdrew its nomination of Mr. A.K.M. Kamruzzaman from the Board of MIDAS Financing Ltd. with effect from November 24, 2020.

Compliance of Section 1.5(xxiii)

The Pattern of Shareholding

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

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

Compliance Report on BSEC's Notification

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

Name	Designation	Number of shares	Amount (Taka)	Shares Held
Ms. Rokia A. Rahman [Note-1]	Chairman, Sponsor & Nominated by MIDAS	433,403	4,334,030	0.312%
Mr. Ali Imam Majumder	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%
Mr. Mohammed Nasir Uddin Chowdhury	Nominated by LankaBangla Finance Limited	7,894,500	78,945,000	5.680%
Md. Shamsul Alam	Representative of General Shareholders Group.	2,780,622	27,806,220	2.001%
Mr. Md. Shahedul Alam	Representative of General Shareholders Group.	3,131,125	31,311,250	2.253%
Mr. Siddiqur Rahman Choudhury [Note-2]	Independent Director	0	0	0.000%
Mr. Ghulam Rahman	Independent Director	120,133	1,201,330	0.086%
Ms. Nazneen Sultana [Note-3]	Independent Director	0	0	0.000%
Mr. A.K.M. Kamruzzaman, FCMA [Note-4]	Nominated by LankaBangla Investments Limited	18,491,000	184,910,000	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	850	8,500	0.000%
Mr. Tanvir Hasan	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. Monirul Islam	GM, Business development	0	0	0.000%
Mr. Abul Kalam Azad	DGM, SAMLAD	0	0	0.000%
Mr. Shameem Ahmed	AGM, Admin, HR & EM	0	0	0.000%
Mr. Muhammad Shohidur Rahman	AGM, Head of CRM	0	0	0.000%
Mr. S K Monirul Alam	AGM, Incharge of Khulna Branch	5,271	52,710	0.003%

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

Name	Designation	Number of shares	Amount (Taka)	Shares Held
MIDAS	Sponsor	41,766,274	417,662,740	30.049%
LANKABANGLA INVESTMENTS LTD.	Company	18,491,000	184,910,000	13.304%

Notes:

1. Ms. Roka Afzal Rahman was elected as chairman of the Board with effect from 1st April 2021.
2. Mr. Siddiqur Rahman Choudhury served MFL as an Independent Director for 2 terms of 3 years each from 19.03.2014 to 18.03.2020. Mr. Siddiqur Rahman Choudhury, independent Director of MFL, retired on 19 March 2020.
3. Ms. Nazneen Sultana was appointed in place of Mr. Siddiqur Rahman Choudhury as an Independent Director with effect from 12.05.2020. Mr. Siddiqur Rahman Choudhury was retired on 19.03.2020.
4. Mr. A.K.M. Kamruzzaman, FCMA served as a Director Nominated by LankaBangla Investment Limited for a period from 25.07.2019 to 24.11.2020. LankaBangla Investments Limited withdrew its nomination of Mr. A.K.M. Kamruzzaman from the Board of MIDAS Financing Limited with effect from November 24, 2020.

Declaration by CEO and CFO on Financial Statements

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

Date: 02 August, 2021

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 2020.

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 2020 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, 2020 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 managements 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 frame work within the organization for managing company's different kind of risks. It has an effective risk management system in the right place to identify measure and manage these risks at a tolerable limit in order to ensure quality of its asset, business opportunities and our creative ventures. The mixture of the following elements builds the risk management structures successfully.

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

Risk Factors and Its Management

For a financial institution risk is the vital part of its daily life. Identification, measurement, management perception about those risks, their control and or countermeasures works as the life line of the institution. Most of the times only credit risk is considered as risk to be evaluated at the time of lending decision. 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	✓	✓

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 FINANCINGLTD 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.

Risk Management

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 FINANCINGLTD 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 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 2020

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	138.99	138.99
Non-repayable share premium account		
Statutory reserve	12.43	12.43
General Reserve & other reserve		
Retained earning	10.06	11.08
Dividend equalization account		
Total Tier-I capital	**161.88**	**162.50**
(c) The total amount of Tier-II capital	**7.43**	**7.43**
(d) Other deductions from capital	**-**	**-**
(e) Total eligible capital	**169.31**	**169.93**

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	849.37	848.47
(b) Capital requirement for Market Risk	54.13	79.45
(c) Capital requirement for Operational Risk	36.96	41.69

Total and Tier I capital ratio

Particulars	Solo	Consolidated
CAR on Total capital basis (%)	18.00	17.53
CAR on Tier 1 capital basis (%)	17.21	16.76

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
o ensure both speedy service and mitigation of credit risk, the approval process is maintained through a multilayer

Disclosures on Capital adequacy and market discipline under Pillar III

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	80.93	80.93
Term finance	710.11	688.47
Housing finance	113.85	113.85
Staff Loan	2.54	2.54
Consumer credit	0.09	0.09
Interest receivable	55.43	55.43
Total	**962.95**	**941.31**

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

Figures in BDT Crore

Area	Solo	Consolidated
Dhaka	639.92	618.28
Chattogram	232.96	232.96
Khulna	34.61	34.61
Rajshahi	55.46	55.46
Total	**962.95**	**941.31**

(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	8.65
Textile	122.45
Food Production/Processing Industries	81.86
Leather & Leather Goods	3.98
Iron, Steel & Engineering	66.50
Pharmaceuticals and Chemicals	17.60
Telecommunication/Information Technology	0.08
Paper, Printing and Packaging	17.04
Jute & Jute Products	0.30
Ship Manufacturing Industry	32.12
Agriculture	14.16
Real Estate & Housing	121.88
Merchant Banking /Loan against Lien of Securities	7.02
Others	216.80
In-house Employees' Loan	3.27
Cement and Allied Industry	2.22
Plastic Industry	8.03
Electronics and Electric Product	17.01
Glass, Glassware and Ceramic Ind.	0.03
Total	**962.95**

(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	81.07
Not more than 3 months	155.88
Over 3 months but not more than 1 year	374.88
Over 1 year but not more than 5 years	220.57
Over 5 years	130.55
Total	**962.95**

(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)	109.68
NPAs to gross loans and advances (in %)	11.39%

Disclosures on Capital adequacy and market discipline under Pillar III

ii) General and Specific provisions

Particulars	Figures in BDT Crore
Provision on unclassified loans and advances	7.43
Provision on classified loans and advances	28.62
Provision for off balance sheet exposures	-
Total	**36.05**

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	94.46
Additions	15.22
Reductions	-
Closing Balance	**109.68**

Movement of Specific Provisions for NPAs

Particulars	Figures in BDT Crore
Opening Balance	27.02
Provisions released during the period	1.60
Write-off	-
Written-back of excess provisions	-
Closing Balance	**28.62**

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.

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)	27.07	33.73
Quoted shares (Cost price)	24.35	34.01
Unquoted shares	2.26	3.26
Total unrealized gains (Losses)	2.72	(0.28)
Total latent revaluation gains (Losses)	-	-
Any amounts of the above included in Tier 2 Capital	-	-
Total	**26.61**	**37.27**

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 27.07 crore. Capital requirement is 10% of the said value which stands at BDT 2.71 crore.

General Risk – Market value of investment in equities is BDT 27.07 crore. Capital requirement is 10% of the said value which stands at BDT 2.71 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)	91.61	55.22	97.97	146.89	220.61
B. Total Rate Sensitive Assets (B)	49.38	13.75	79.93	149.74	227.84
C. Mismatch	-42.23	-41.47	-18.04	2.84	7.23
D. Cumulative Mismatch	-42.23	-83.70	-101.75	-98.90	-91.67
E. Mismatch (%)	-46.10%	-75.10%	-18.42%	1.94%	3.28%

Disclosures on Capital adequacy and market discipline under Pillar III

Interest Rate Risk			
Magnitude of Shock	Minor	Moderate	Major
	2%	4%	6%
Change in the Value of Bond Portfolio (BDT in Crore)	-	-	-
Net Interest Income (BDT in Crore)	-1.83	-3.67	-5.50
Revised Regulatory Capital (BDT in Crore)	167.49	170.36	168.80
Risk Weighted Assets (BDT in Crore)	940.46	940.46	940.46
Revised CAR (%)	17.81%	17.61%	17.42%

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.

Quantitative Disclosures:
The capital requirements for Market Risk:

Figures in BDT Crore

Particulars	Solo	Consolidated
Interest rate risk		
Equity position risk	54.13	79.45
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	36.96	41.69

Credit Rating information

National Credit Ratings Ltd.

Executive Summary

Surveillance Ratings of MIDAS Financing Limited

Declaration Date	09.08.2021	23.07.2020
Long Term Entity Rating	A (Single A)	A (Single A)
Short Term Entity Rating	ST-2	ST-3
Outlook	Stable	Developing
Expiry Date	08.08.2022	22.07.2021

Performance Highlights

(TK in Million)

Particulars	2020	2019
Total Assets	11,267.35	11,060.98
Total Equity	1,618.84	1,542.70
Paid up capital	1,389.93	1,356.03
Risk weighted Assets (RWA)	9,404.60	9,132.38
Required Capital (10% of RWA)	940.46	913.24
Tier I Capital	1,618.84	1,540.18
Tier II Capital	74.35	72.97
Capital Maintained	1,693.18	1,613.16
Excess Capital Maintained (Required-Maintained)	752.72	699.93
Gross Finance	8,568.03	8,528.03
Non-Performing Loan (NPL)	1,096.84	1,076.07
% of NPL to Gross Finance	11.35	11.20
Provision Required against NPL	360.51	422.79
Provision Maintained against NPL	360.51	422.52
Excess Provision Maintained	-	(0.267)
Total Net Revenue	230.97	244.31
Net Income	112.55	97.05
CAR (%)	18.00	17.66
ROE (%)	7.12	6.50
ROA (%)	1.01	0.84
NIM (%)	2.53	2.59
Asset Yield (%)	11.30	11.30
Cost of Fund (%)	10.30	10.69
Spread (%)	1.00	0.62
Finance / Deposit (%)	157.08	152.48

Strengths

- Good governance
- Experienced, skilled and visionary management
- Properly maintained provisions against loans & advances
- Proper compliance of CAR with regulatory requirement
- Improved profitability in last financial year

Challenges

- Single digit policy for interest rate
- Improving revenue from core business
- High competition especially with banks in financial market
- Liquid fund crisis for onward financing to the borrowers
- Maintaining consistence profitability with goodwill
- Reducing non-performing loan

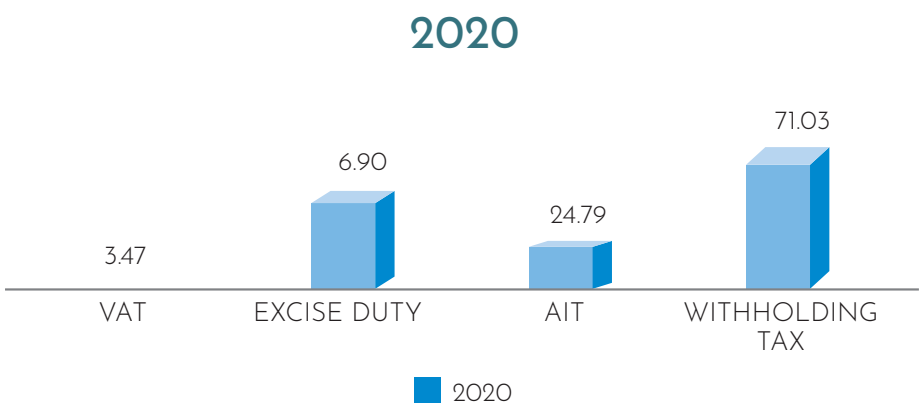
Md. Nurul Hoque
Deputy Managing Director
National Credit Ratings Ltd.

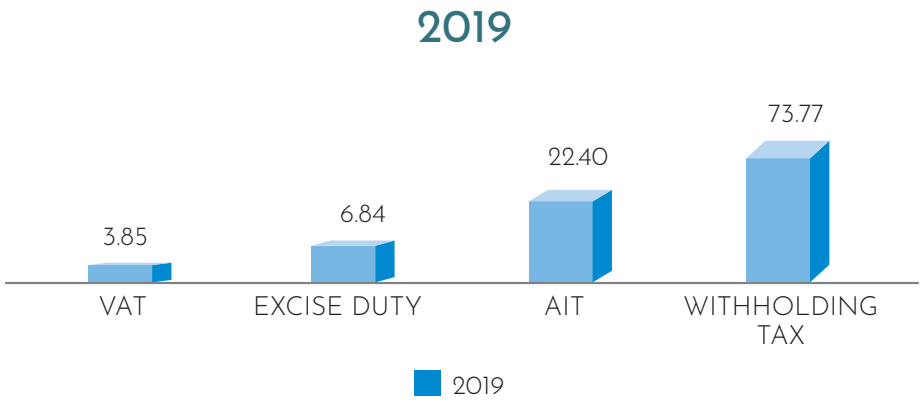
Highlights as Required by Bangladesh Bank
Midas Financing Ltd as on December 31, 2020

SL	Particulars		Solo		Consolidated	
			2020	2019	2020	2019
1	Paid-up capital	BDT	1,389,930,040	1,356,029,310	1,389,930,040	1,356,029,310
2	Total capital	BDT	1,618,836,984	1,540,191,965	1,625,093,102	1,543,705,143
3	Capital surplus	BDT	389,930,040	356,029,310	389,930,040	356,029,310
4	Total assets	BDT	11,267,360,030	11,061,289,371	11,184,125,962	10,971,337,321
5	Total deposits	BDT	6,130,440,880	6,242,647,091	5,925,440,880	6,037,647,091
6	Total lease, loans and advances	BDT	9,629,457,815	9,519,445,210	9,413,080,834	9,297,804,812
7	Total contingent liabilities and commitments	BDT	442,900,000	1,689,250,000	442,900,000	1,689,250,000
8	Credit deposit ratio	%	157.08%	152.49%	158.86%	154.00%
9	Percentage of classified loan against total loans	%	11.39%	9.92%	11.39%	9.92%
10	Net profit after taxation	BDT	112,545,749	96,846,040	115,288,871	91,614,450
11	Classified lease, loans and advances	BDT	1,096,844,549	944,616,907	1,096,844,549	944,616,907
12	Provisions kept against classified loans	BDT	286,161,501	270,154,194	286,161,501	270,154,194
13	Provision surplus/(deficit) against classified loan	BDT	-	(267,077)	-	(267,077)
14	Cost of fund	%	10.30%	10.34%	10.30%	10.34%
15	Interest earnings assets	BDT	8,965,972,802	8,979,632,096	9,230,553,934	9,022,516,199
16	Non-interest earnings assets	BDT	2,301,387,228	2,081,657,274	1,953,572,028	1,948,821,122
17	Return on investment in shares (ROI)	%	17.58%	5.80%	8.10%	0.40%
18	Return on assets (ROA)	%	1.01%	0.84%	1.04%	0.80%
19	Income from investment	BDT	44,956,525	15,051,938	29,561,439	1,413,080
20	Earnings per share (2019:restated)	BDT	0.81	0.70	0.83	0.66
21	Operating profit per share (2019:restated)	BDT	0.77	0.90	0.80	0.97
22	Price earnings ratio (2019:restated)	Times	18.03	35.74	17.60	37.78
23	Market price per share	BDT	14.60	24.90	14.60	24.90
24	Net assets value (NAV) per share(2019:restated)	BDT	11.65	11.08	11.69	11.11

Government Ex-Chequer Statement

Particulars	2020	2019
VAT	3.47	3.85
Excise Duty	6.90	6.84
AIT	24.79	22.40
Withholding Tax	71.03	73.77
Total	106.19	106.86





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	2020		2019	
	Amount	%	Amount	%
Operational income	1,138,610,109		1,219,725,230	
Less: Cost of service rendered	888,515,801		933,744,635	
Total Operating Expenses	168,214,553		183,843,074	
Profit paid on deposits, Borrowing etc.	862,777,843		904,352,304	
Less: Salaries & Allowances	122,699,715		124,033,445	
Managing Director's Salary & Allowances	9,472,000		8,549,290	
Depreciation on Fixed Assets	10,304,880		21,868,008	
Value added by operating activities	250,094,308	**83**	**285,980,595**	**101**
Less: Provision for doubtful accounts & future losses	(**52,795,901**	(17)	3,472,400	**1**
Total Value Added	**302,890,209**	**100**	**282,508,195**	**100**

Value Distributed To

Particulars	2020		2019	
	Amount	%	Amount	%
Provider to Capital: Shareholders as Dividend	-	-	33,900,730	12
Employees: As Salaries and other benefits	132,171,715	44	132,582,735	47
Government: Corporate Tax	47,867,866	60	36,447,204	13
To Expansion and growth: Expansion and growth	122,850,628	40	113,478,256	28
Total Distribution	**302,890,209**	-	**282,508,195**	-

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, 2020 and 2019:

Particulars	2020	2019
Face value per share	10.00	10.00
Market Value per Share	18.40	14.60
Number of Shares outstanding	138,993,004	135,602,931
Total market capitalization	2,557,471,274	1,979,802,793
Book value of paid up capital	1,389,930,040	1,356,029,310
Market Value Addition	**1,167,541,234**	**623,773,483**

24th AGM 2020



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

As at and for the year ended December 31, 2020



Hoda Vasi Chowdhury & Co.
Chartered Accountants

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

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have audited the consolidated financial statements of MIDAS Financing Limited and its subsidiaries (the "Group") as well as the separate financial statements of MIDAS Financing Limited (the "Company") which comprise the consolidated and separate balance sheets as at 31 December 2020 and the consolidated and separate profit and loss accounts, the consolidated and separate statements of changes in equity and the consolidated and separate cash flow statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 financial position of the Group and separate financial statements of the Company as at 31 December 2020 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

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.

Other matters
The financial statements of the company for the year ended 31 December 2019, were audited by the another auditor who expressed am unmodified opinion on those statements on 14 July 2020.

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

Description of key audit matters	Our response to key audit matters

Measurement of Provision for Loans and Advances

The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.

For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value of collateral provided for credit transactions.

For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.

As at 31 December 2020, the Group reported total gross loans, advances and leases of BDT 9,413,080,834 (31 December 2019: BDT 9,297,804,812) and provision for loans and advances of BDT 339,413,404, (31 December 2019: BDT 343,126,083).

We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:

- Completeness and timing of recognition of loss events in accordance with criteria set out in FID Circular no 08, dated 03 August 2002, FID Circular no 03, dated 03 May 2006 and FID Circular no 03 dated 29 April 2013;
- For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows;
- Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.

Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:

- Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;
- Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information;
- Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and
- Finally compared the amount of loan provision and loan classification disclosed in the financial statements with the quick summary report prepared by Bangladesh Bank.

Considering the unprecedented adverse impact on Bangladesh economy due to COVID 19, Bangladesh Bank has instructed NBFIs not to further downgrade any loan/lease/advance from its existing classification applicable as at 1 January 2020. Initially the duration of this moratorium for any further downgrade was up to 30 June 2020 but considering longer adverse impact of COVID 19 this has been further extended to 31 December 2020 vide DFIM Circular Letter no 06 dated 01 November 2020. Accordingly, amount and percentage of classified loan has improved as at 31 December 2020 as compared to 31 December 2019 since no additional classification or further downgrade of classified loans and advances have been recognized during the current period.

The said BB Circular has also instructed to consider all installments payable during the period from 1 January to 31 December 2020 as deferred and reschedule the number of installment and amount from 1 January 2021. As a result, the number of installments unpaid during January to December 2020 shall be added with the revised repayment schedule.

No penal interest or additional fee/charge/commission shall be imposed on these deferred instalments.

We have selected samples to check compliance of above Bangladesh Bank instructions. However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by Management in assessing recoverability of interest income may be different than the actual situation in future.

See note no. 7 to the financial statements

Description of key audit matters	Our response to key audit matters
Impairment assessment of unquoted investments	
In the absence of a quoted price in an active market, the fair value of unquoted share especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.	We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process We tested a sample of investments valuation as at 31 December 2020 and compared our results to the recorded value. Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note no 6 to the financial statements	
IT systems and controls	
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.	We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Company's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our 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 consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Company in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of Consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these Consolidated and separate financial statements, management is responsible for assessing the Groups' and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement 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.

- 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 Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

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

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

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

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

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

Report on other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(xv) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1,500 person hours for the audit of the books and accounts of the Company;

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

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

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

Dhaka, 02 August, 2021
DVC: 2108041512AS365907

Shaikh Hasibur Rahman, FCA
Enrolment no 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

MIDAS Financing Limited and its subsidiary

Consolidated Balance Sheet

As at December 31,2020

Particulars	Notes	Amount in BDT	
		31 December, 2020	31 December, 2019
PROPERTY AND ASSETS			
Cash		88,245,279	161,776,084
Cash in hand (Including foreign currency)	3(a)	287,181	9,293,588
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3(b)	87,958,098	152,482,496
Balance with other banks and financial institutions		390,469,803	284,107,889
Inside Bangladesh	4(a)	390,469,803	284,107,889
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments		372,680,138	357,516,271
Government		-	-
Others	6(a)	372,680,138	357,516,271
Lease, loans and advances	7(a)	9,413,080,836	9,297,804,812
Fixed assets including land, building, furniture and fixtures	8(a)	179,557,400	183,351,233
Investment property-Building	8.1.(a)	286,415,855	295,870,612
Other assets	9(a)	372,911,185	310,144,952
Non-banking assets	10	80,765,467	80,765,467
TOTAL ASSETS		11,184,125,963	10,971,337,321
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	2,024,117,165	1,889,042,214
Deposits and other accounts		5,925,440,881	6,037,647,091
Term deposits	12(a)	5,903,557,201	6,017,354,971
Other deposits	12(b)	21,883,680	20,292,120
Other liabilities	13(a)	1,609,472,735	1,500,940,816
Total liabilities		9,559,030,781	9,427,630,121
Capital/Shareholders' equity		1,625,093,102	1,543,705,143
Paid-up capital	14.2	1,389,930,040	1,356,029,310
General reserve	15	-	-
Statutory reserve	16	124,338,385	101,829,235
Retained earnings	17(a)	110,824,677	85,846,598
Non-controlling interest		2,079	2,057
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		11,184,125,963	10,971,337,321
CONSOLIDATED OFF - BALANCE SHEET ITEMS			
Contingent liabilities	18.1		
Acceptances and endorsements		-	-
Letters of guarantee		-	100,000,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Total		-	100,000,000
Other commitments	18.2		
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		442,900,000	1,589,250,000
Claims against the bank not acknowledged as debts		-	-
Total		442,900,000	1,589,250,000
TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES		442,900,000	1,689,250,000
Net assets value (NAV) per share (2019: restated)	35(a)	11.69	11.11

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

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

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

Dhaka, 02 August, 2021
DVC: 2108041512AS365907

Shaikh Hasibur Rahman, FCA
Enrolment no 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

MIDAS Financing Limited and its subsidiary

Consolidated Profit and Loss Account

For the period ended December 31, 2020

Particulars	Notes	Amount in BDT	
		31 December, 2020	31 December, 2019
Interest income	20(a)	1,021,830,884	1,126,655,706
Interest on deposits & borrowings, etc.	21(a)	841,231,598	904,318,272
Net interest income		**180,599,285**	**222,337,434**
Income from investment	22(a)	29,561,439	1,413,080
Commission, exchange and brokerage		-	600,000
Other operating income	23(a)	81,987,006	91,056,444
Total operating income		**292,147,730**	**315,406,958**
Salary and allowances	24(a)	127,809,441	124,033,445
Rent, taxes, insurances, electricity, etc.	25(a)	8,263,216	4,828,454
Legal expenses	26(a)	1,917,387	7,386,035
Postage, stamp, telecommunication, etc.	27(a)	2,640,450	2,832,117
Stationery, printing, advertisements, etc.	28(a)	1,483,340	2,748,902
Managing Director's salary and benefits	29	9,472,000	8,549,290
Directors' fees and expenses	30(a)	1,275,200	1,569,763
Auditors' fees		211,000	211,000
Depreciation and repair of company's assets	31(a)	22,397,332	23,410,836
Other expenses	32(a)	6,174,830	8,303,062
Total operating expenses		**181,644,196**	**183,872,904**
Profit before provision		**110,503,534**	**131,534,054**
General provisions	33(a)	1,374,610	4,587,200
Specific provisions	33(b)	16,007,307	(57,367,814)
Diminution in value of investments	33(c)	(87,075,137)	51,346,755
Other provisions	33(f)	15,280,924	4,906,259
Total provision		**(54,412,296)**	**3,472,400**
Total profit before tax		**164,915,830**	**128,061,654**
Current tax	33(d)	49,845,624	32,720,754
Deferred tax	33(e)	(218,664)	3,726,450
		49,626,959	**36,447,204**
Net profit after tax		**115,288,871**	**91,614,450**
Attributable to			
Shareholders of the Company		115,288,689	91,614,370
Non-controlling interest		182	80
		115,288,871	**91,614,450**
Appropriations to			
General reserve	15	-	-
Statutory reserve	16	22,509,150	19,369,208
		22,509,150	**19,369,208**
Retained surplus		**92,779,539**	**72,245,162**
Earnings per Share (EPS) (2019: restated)	34(a)	**0.83**	**0.66**

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

Chairman Director Managing Director Chief Financial Officer Company Secretary

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

Dhaka, 02 August, 2021
DVC: 2108041512AS365907

Shaikh Hasibur Rahman, FCA
Enrolment no 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

MIDAS Financing Limited and its subsidiary

Consolidated Statement of Cash Flows

For the period ended December 31, 2020

Particulars	Notes	Amount in BDT	
		31 December, 2020	31 December, 2019
A) Cash flow from operating activities			
Interest received		996,261,183	1,124,025,816
Interest paid		(856,364,468)	(878,340,661)
Dividend received		7,120,552	6,924,357
Fees & commission received		-	600,000
Recoveries of loans previously written off		25,750,615	25,338,726
Cash payments to employees		(137,281,441)	(132,582,735)
Cash payments to suppliers		(1,483,340)	(2,748,902)
Income tax paid		(30,586,610)	(29,446,639)
Received from other operating activities		96,487,863	81,881,507
Payments for other operating activities		(21,848,095)	(31,176,071)
Operating profit before changes in operating assets & liabilities		**78,056,257**	**164,475,397**
Changes in operating assets and liabilities			
Purchases/sale of trading securities		(15,163,867)	58,116,195
Loans and lease finance to customers		(115,276,024)	725,890,178
Other assets		(2,884,874)	27,695,717
Deposits from banks & individuals		(112,206,210)	(1,225,993,472)
Other liabilities		99,966,933	(9,300,319)
Sub Total		**(145,564,041)**	**(423,591,702)**
Net cash from operating activities		**(67,507,784)**	**(259,116,305)**
B) Cash flow from investing activities			
Sales proceeds of fixed assets		14,000	54,900
Purchases of fixed assets		(849,328)	(1,691,420)
Net cash from investing activities		**(835,328)**	**(1,636,520)**
C) Cash flow from financing activities			
Increase/(decrease) of borrowings		135,074,951	179,303,115
Dividend paid		(33,900,730)	
Net cash from financing activities		**101,174,221**	**179,303,115**
D) Net increase/(decrease) in cash & cash equivalents (A+B+C)		**32,831,109**	**(81,449,710)**
E) Effects of exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		**445,883,973**	**527,333,683**
G) Cash and cash equivalents at the end of the period (D+E+F)*		**478,715,082**	**445,883,973**
Cash and cash equivalents at the end of the period			
Cash in hand (including foreign currency)	3(a)	287,181	9,293,588
Balance with Bangladesh Bank and its agent bank (s) (including foreign currency)	3(b)	87,958,098	152,482,496
Balance with other banks and financial institutions	4(a)	390,469,803	284,107,889
Total		**478,715,082**	**445,883,973**
Net operating cash flow per share (NOCFPS) (2019: restated)	36(a)	**(0.49)**	**(1.86)**

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

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

MIDAS Financing Limited and its subsidiary

Consolidated Statement of Changes in Equity

For the period ended December 31, 2020

Particulars	Attributable to equity holders of the company				Non-Controlling Interest	Total Equity
	Paid-up Capital	Statutory Reserve	Retained Earnings	Total		
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at January 1, 2020	1,356,029,310	101,829,235	85,846,598	1,543,705,143	2,057	1,543,707,200
Stock dividend for 2019	33,900,730		(33,900,730)	-	-	-
Cash dividend for 2019			(33,900,730)	(33,900,730)	(160)	-
Restated balance	1,389,930,040	101,829,235	18,045,138	1,509,804,413	1,897	1,543,707,200
Items involves in changes in equity						
Profit/(loss) for the period	-	-	115,288,689	115,288,689	182	115,288,871
Transfer to statutory reserve	-	22,509,150	(22,509,150)	-	-	-
Net change	-	22,509,150	92,779,539	115,288,689	182	115,288,871
Balance as at December 31, 2020	1,389,930,040	124,338,385	110,824,677	1,625,093,102	2,079	1,625,095,181

MIDAS Financing Limited and its subsidiary

Consolidated Statement of Changes in Equity

For the period ended December 31, 2019

Particulars	Attributable to equity holders of the company				Non-Controlling Interest	Total Equity
	Paid-up Capital	Statutory Reserve	Retained Earnings	Total		
	Taka	Taka	Taka	Taka	Taka	Taka
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
Stock dividend for 2018	33,073,880	-	(33,073,880)	-	(120)	(120)
Restated balance	1,356,029,310	82,460,027	13,601,436	1,452,090,773	1,977	1,452,092,750
Items involves in changes in equity						
Profit/(loss) for the period	-	-	91,614,370	91,614,370	80	91,614,450
Transfer to statutory reserve	-	19,369,208	(19,369,208)	-	-	-
Balance as at December 31, 2019	1,356,029,310	101,829,235	85,846,598	1,543,705,143	2,057	1,543,707,200

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

MIDAS Financing Limited

Balance Sheel

As at December 31, 2020

Particulars	Notes	Amount in BDT	
		31 December, 2020	31 December, 2019
PROPERTY AND ASSETS			
Cash		**88,241,842**	**161,775,649**
Cash in hand (Including foreign currency)	3.1	283,744	9,293,153
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3.2	87,958,098	152,482,496
Balance with other banks and financial institutions		**388,931,739**	**280,041,525**
Inside Bangladesh	4.1	388,931,739	280,041,525
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments		**266,095,980**	**245,474,266**
Government		-	-
Others	6	266,095,980	245,474,266
Lease, loans and advances	7	**9,629,457,815**	**9,519,445,210**
Fixed assets including land, building, furniture and fixtures	8	**142,728,817**	**145,467,812**
Investment property-Building	8.1	**143,049,658**	**148,093,147**
Other assets	9	**528,088,712**	**480,226,295**
Non-banking assets	10	**80,765,467**	**80,765,467**
TOTAL ASSETS		**11,267,360,030**	**11,061,289,371**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	**2,024,117,165**	**1,889,042,214**
Deposits and other accounts		**6,130,440,881**	**6,242,647,091**
Term deposits	12.1	6,108,557,201	6,222,354,971
Other deposits		21,883,680	20,292,120
Other liabilities	13	**1,493,965,000**	**1,389,408,101**
Total liabilities		**9,648,523,046**	**9,521,097,406**
Capital/Shareholders' equity		**1,618,836,984**	**1,540,191,965**
Paid-up capital	14.2	1,389,930,040	1,356,029,310
General reserve	15	-	-
Statutory reserve	16	124,338,385	101,829,235
Retained earnings	17	104,568,559	82,333,420
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**11,267,360,030**	**11,061,289,371**
OFF - BALANCE SHEET ITEMS			
Contingent liabilities	18.1		
Acceptances and endorsements		-	-
Letters of guarantee		-	100,000,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Total		-	**100,000,000**
Other commitments	18.2		
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		442,900,000	1,589,250,000
Claims against the Bank not acknowledged as debts		-	-
Total		**442,900,000**	**1,589,250,000**
TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES		**442,900,000**	**1,689,250,000**
Net assets value (NAV) per share (2019: restated)	35	**11.65**	**11.08**

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

Chairman Director Managing Director Chief Financial Officer Company Secretary

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

Dhaka, 02 August, 2021
DVC: 2108041512AS365907

Shaikh Hasibur Rahman, FCA
Enrolment no 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

MIDAS Financing Limited

Profit and Loss Account

For the period ended December 31, 2020

Particulars	Notes	Amount in BDT	
		31 December, 2020	31 December, 2019
Interest income	20	1,048,795,003	1,153,603,559
Interest on deposits & borrowings, etc.	21	862,777,843	924,909,565
Net interest income		**186,017,160**	**228,693,994**
Income from investment	22	44,956,525	15,051,938
Commission, exchange and brokerage		-	600,000
Other operating income	23	44,858,581	51,107,741
Total operating income		**275,832,266**	**295,453,673**
Salary and allowances	24	122,699,715	119,193,333
Rent, taxes, insurances, electricity, etc.	25	7,573,093	4,278,883
Legal expenses	26	1,855,792	7,271,035
Postage, stamp, telecommunication, etc.	27	2,479,766	2,629,441
Stationery, printing, advertisements, etc.	28	1,449,956	2,716,457
Managing Director's salary and benefits	29	9,472,000	8,549,290
Directors' fees and expenses	30	1,179,200	1,451,221
Auditors' fees		165,000	165,000
Depreciation and repair of company's assets	31	16,614,090	17,753,064
Other expenses	32	4,725,940	7,038,938
Total operating expenses		**168,214,553**	**171,046,662**
Profit before provision		**107,617,713**	**124,407,011**
General provisions	33	1,374,610	4,587,200
Specific provisions	33	16,007,307	(57,367,814)
Diminution in value of investments	33	(79,397,550)	40,332,557
Other provisions	33	9,219,732	3,848,709
Total provision		(52,795,901)	(8,599,348)
Profit before tax		160,413,614	133,006,359
Current tax	33(d)	46,550,734	30,904,666
Deferred tax	33(e)	1,317,132	5,255,652
		47,867,866	**36,160,318**
Net profit after taxation		**112,545,749**	**96,846,040**
Appropriations to			
General reserve	15	-	-
Statutory reserve	16	22,509,150	19,369,208
		22,509,150	**19,369,208**
Retained surplus		**90,036,599**	**77,476,832**
Earnings per Share (EPS) (2019: restated)	34	**0.81**	**0.70**

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

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

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

Dhaka, 02 August, 2021
DVC: 2108041512AS365907

Shaikh Hasibur Rahman, FCA
Enrolment no 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

MIDAS Financing Limited
Statement of Cash Flows
For the period ended December 31, 2020

Particulars	Notes	Amount in BDT	
		31 December, 2020	31 December, 2019
A) Cash flow from operating activities			
Interest received		1,023,225,303	1,150,973,669
Interest paid		(872,163,721)	(899,249,805)
Dividend received		4,803,106	5,267,994
Fees & commission received		-	600,000
Recoveries of loans previously written off		25,750,615	25,338,726
Cash payments to employees		(132,171,715)	(127,742,623)
Cash payments to suppliers		(1,449,956)	(2,716,457)
Income tax paid		(24,785,317)	(22,395,708)
Received from other operating activities		65,012,160	45,836,905
Payments for other operating activities		(19,033,669)	(28,849,549)
Operating profit before changes in operating assets & liabilities		**69,186,806**	**147,063,151**
Changes in operating assets and liabilities			
Purchases/sale of trading securities		(20,621,714)	42,643,291
Loans and lease finance to customers		(110,012,605)	740,692,914
Other assets		(3,258,175)	26,549,430
Deposits from banks & individuals		(112,206,210)	(1,225,993,472)
Other liabilities		111,929,411	20,777,526
Sub total		**(134,169,292)**	**(395,330,312)**
Net cash from operating activities		**(64,982,486)**	**(248,267,161)**
B) Cash flow from investing activities			
Sales proceeds of fixed assets		14,000	54,900
Purchases of fixed assets		(849,328)	(1,691,420)
Net cash from investing activities		**(835,328)**	**(1,636,520)**
C) Cash flow from financing activities			
Increase/(decrease) of borrowings		135,074,951	179,303,115
Dividend paid		(33,900,730)	-
Net cash from financing activities		**101,174,221**	**179,303,115**
D) Net increase/(decrease) in cash & cash equivalents (A+B+C)		**35,356,406**	**(70,600,566)**
E) Effects of exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		**441,817,175**	**512,417,740**
G) Cash and cash equivalents at the end of the period (D+E+F)*		**477,173,581**	**441,817,174**
*** Cash and cash equivalents at the end of the period**			
Cash in hand (including foreign currency)	3.1	283,744	9,293,153
Balance with Bangladesh Bank and its agent bank (s) (including foreign currency)	3.2	87,958,098	152,482,496
Balance with other banks and financial institutions	4	388,931,739	280,041,525
Total		**477,173,581**	**441,817,174**
Net operating cash flow per share (NOCFPS) (2019: restated)	36	**(0.47)**	**(1.79)**

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

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

MIDAS Financing Limited
Statement of Changes in Equity
For the period ended December 31, 2020

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka
Balance as at January 1, 2020	**1,356,029,310**	**101,829,235**	**82,333,420**	**1,540,191,965**
Stock dividend for 2019	33,900,730	-	(33,900,730)	-
Cash dividend for 2019	-	-	(33,900,730)	(33,900,730)
Restated balance	**1,389,930,040**	**101,829,235**	**14,531,960**	**1,506,291,235**
Items involves in changes in equity				
Profit/(loss) for the period	-	-	112,545,749	112,545,749
Transfer to statutory reserve	-	22,509,150	(22,509,150)	-
Net change	-	**22,509,150**	**90,036,599**	**112,545,749**
Balance as at December 31, 2020	**1,389,930,040**	**124,338,385**	**104,568,559**	**1,618,836,984**

MIDAS Financing Limited
Statement of Changes in Equity
For the period ended December 31, 2019

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka
Balance as at January 1, 2019	**1,322,955,430**	**82,460,027**	**37,930,468**	**1,443,345,925**
Stock dividend for 2018	33,073,880	-	(33,073,880)	-
Restated balance	**1,356,029,310**	**82,460,027**	**4,856,588**	**1,443,345,925**
Items involves in changes in equity				
Profit/(loss) for the period	-	-	96,846,040	96,846,040
Transfer to statutory reserve	-	19,369,208	(19,369,208)	-
Balance as at December 31, 2019	**1,356,029,310**	**101,829,235**	**82,333,420**	**1,540,191,965**

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

MIDAS Financing Limited
Liquidity Statements
As at December 31, 2020

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)	283,744	-	-	-	-	283,744
Balance with Bangladesh Bank and its agent bank(s)	87,958,098	-	-	-	-	87,958,098
Balance with other banks and financial institutions	161,583,030	35,000,000	192,348,709	-	-	388,931,739
Money at call and short notice	-	-	-	-	-	-
Investments	-	178,398,792	17,702,099	44,362,999	25,632,090	266,095,980
Lease, loans and advances	810,672,204	1,558,834,780	3,748,814,093	2,205,684,123	1,305,452,615	9,629,457,815
Fixed assets including land, building, furniture and fixtures	858,740	1,717,480	7,728,660	54,100,618	78,323,319	142,728,817
Building (Investment property)	-	1,260,872	3,782,617	25,217,447	112,788,722	143,049,658
Other assets	85,285,683	7,206,560	4,574,900	149,142,112	281,879,457	528,088,712
Non-banking assets	-	-	80,765,467	-	-	80,765,467
Total Assets (i)	**1,146,641,499**	**1,782,418,485**	**4,055,716,545**	**2,478,507,299**	**1,804,076,203**	**11,267,360,030**
Liabilities						
Borrowings from other banks, financial institutions and agents	230,446,812	147,464,400	678,440,195	791,049,468	176,716,290	2,024,117,165
Deposits and other accounts	645,078,744	1,334,107,131	3,006,925,246	1,139,679,760	4,650,000	6,130,440,881
Provision and other liabilities	226,341,924	287,429,531	396,542,554	511,147,600	72,503,391	1,493,965,000
Total Liabilities (ii)	**1,101,867,480**	**1,769,001,062**	**4,081,907,995**	**2,441,876,828**	**253,869,681**	**9,648,523,046**
Net Liquidity Gap (i-ii)	**44,774,020**	**13,417,423**	**(26,191,450)**	**36,630,471**	**1,550,206,522**	**1,618,836,984**

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, 2020

1. Legal status and nature of the company

1.1 Domicile, legal form and country of incorporation

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

1.2 Principal activities and nature of operation

The main activities of the Company include the following:

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

1.3 Subsidiary Company

MIDAS Investment Limited (MIL)

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

2 Significant accounting policies

2.1 Basis of preparation of the financial statements

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

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

"The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed in detail in note-2.3 & Annexure-C.
However, this departure with IFRS has been made by following all of the relevant provisions of IAS-1 and the details disclosures are given in note-2.3 & Annexure-C by following the provision of Para 20 of IAS-1 (Presentation of Financial Statements).

2.2 Basis of measurement

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

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

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

2.4 Significant accounting policies

Same disclosed accounting policies and methods of computation have been followed in these Financial Statements as were applied in the preparation of the financial statements of MIDAS Financing Limited as at and for the year ended 31 December 2020.

2.5 Use of estimates and judgments

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

The most critical estimates and judgments are applied to the following:
a. Provision for impairment of loans, leases, investments, income tax and deferred tax.
b. Useful life of depreciable assets.
c. Gratuity.

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

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

Provisions

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

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

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

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

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

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

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

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

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

a. When the Company has an obligation as a result of past events;
b. When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
c. Reliable estimate can be made of the amount of the obligation.

2.10 Components of the financial statements

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

a) Balance Sheet as at 31 December 2020;
b) Profit and Loss Account for the year ended 31 December 2020;
c) Statement of Cash Flows for the year ended 31 December 2020;
d) Statement of Changes in Equity for the year ended 31 December 2020;
e) Liquidity Statement for the year ended 31 December 2020;
f) Notes to the Financial Statements for the year ended 31 December 2020.

2.11 Directors' responsibility statement

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

2.12 Reporting period

These financial statements have been prepared for the period form January 01, 2020 to December 31, 2020.

2.13 Date of authorization

The Board of directors has authorized this financial statements on 02 August, 2021.

2.14 Comparative information

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

2.15 Functional and presentation currency

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

2.16 Statement of cash flows

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

2.17 Leases

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

Changes in significant accounting policies - IFRS 16 Leases

Nature and impact of changes

Definition of a lease

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

As a leasee

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

Leases classified as opertaing lease under IAS 17

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

Leases previously classified as finance lease

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

As a lessor

MFL is not required to make any adjustment on transitions to IFRS for leases in which it acts as a lessor. The MFL follows IFRS 16 which has been effective from 01 January, 2019 for the recognition, measurement, presentation and disclosure of leases.

Accounting policy for IFRS 16: Leases

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

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

2.18.1 i) Recognition and measurement

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

2.18.2 ii) Subsequent expenditure on Fixed assets

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

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

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

2.18.3 Investment Property

"Investment property is held to earn rentals or for capital appreciation or both. Therefore, an investment property generates cash flows largely independently of the other assets held by an entity. This distinguishes investment property from owner occupied property. The production or supply of goods or services (or the use of property for administrative purposes) generates cash flows that are attributable not only to property, but also to other assets used in the production or supply process.

As per IAS 40, an entity may choose either the fair value model or the cost model for all other investment property The Company decided to measure the investment properties in cost value of the property.

2.19 Intangible assets and amortisation of intangible assets

Recognition & Measurement

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

Amortisation

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

Subsequent expenditure

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

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

2.20 On disposal of fixed assets, the written down value are eliminated from sale proceeds and gain or loss on such disposal is reflected in the profit and loss account as per requirement of IAS-16. Depreciation methods, useful lives and residual values, if any are reviewed at the balance sheet date.

2.21 Cash & cash equivalents

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

2.22 Bank loans

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

2.23 Statutory reserve

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

2.24 Employees benefit obligation

(a) Defined contribution plan

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

(b) Gratuity

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

2.25 Provision for loans and advances

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

Particulars	Rate
General provision on:	
Unclassified loans and advances (SME)	0.25%
Unclassified loans and advances (Non SME)	1%
Special mention account (SMA)	5%
Specific provision on:	
Substandard loans and advances (SS)	20%
Doubtful loans and advances (DF)	50%
Bad/loss loans and advances (BL)	100%

2.26 Income Tax

2.26.1 Current tax

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

2.26.2 Deferred tax

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

2.27 Revenue recognition

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

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

2.27.1 Lease income

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

2.27.2 Income from term finance

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

2.27.3 Fees base income

Fees base incomes are taken into income on cash basis.

2.27.4 Dividend income

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

2.27.5 Rental income

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

2.27.6 Gain/(Loss) on sale of securities

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

2.28 Borrowing costs

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

2.29 Interest suspense account

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

2.30 Write-off

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

2.31 Litigation

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

2.32 Earnings per share (EPS)

The Company calculates Earnings Per Share (EPS) in accordance with IAS 33: Earnings Per Share, which has been shown on the face of profit and loss account, and the computation of EPS is stated in Note 34. The compnay issued 3,390,073 nos shares during the year against the stock dividend declared for the year 2019. As a result, total number of share outstanding as of 31 December 2020 was 138,930,040 nos. Therefore, the EPS of 2019 has been restated to conform current year's presentation.

2.33 Related party disclosure

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

2.34 Going Concern

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

2.35 Events after the reporting period

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

2.36 Contingent liabilities and contingent assets

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

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

2.37 Liquidity statement

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

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

2.38 Reclassifications:

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

2.39 BASEL II and its implementation

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

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

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

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	Applied
Agriculture	41	N/A
Name of the IFRS	**IFRS No.**	**Status**
Share Based payment	2	N/A
Business combination	3	N/A
Insurance Contracts	4	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied *
Operating Segments	8	N/A
Consolidated Financial Statements	10	N/A
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied *
Revenue from Contract with Customers	15	Applied *
Leases	16	Applied *

N/A= Not Applicable

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

MIDAS Financing Limited its subsidiary

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

As at and for the year ended December 31, 2020

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).	As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.	In separate Financial Statements, an amount of BDT 1.74 crore has been charged as incremental provision for leases, loans and advances, which includes BDT .14 crore as general provision on good loan for the year 2020. Also, as at 31 December 2020, accumulated provision for leases, loans and advances stand at BDT 36.05 crore.
2	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	Investment in shares falls either under at "fair value through profit/loss (FVTPL)' or "fair value through other comprehensive income (FVTOCI)" where any change in the fair value in case of FVTPL at the year-end is taken to profit of loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income.	As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this year, total market value of all shares of MIDAS Financing Ltd and its subsidiary is higher than the cost price. During the year the company made provision of BDT (8.71) crore for consolidated investment and BDT (7.94) crore for separate investment.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
3	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 "Financial Instruments"	Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	At year end, interest suspense account has increased to BDT 32.50 crore from 25.80 crore resulting increase of BDT 6.70 crore of interest suspense. This amount has been shown as other liabilities in note 13.6
4	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is liquidated asset and not available for use in day to day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.	Financial Statements for 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
5	Measurement of deferred tax asset	IAS 12 "Income Tax"	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against the provision for lease, loans and advances.	During this year there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against the provision for leases, loans and advances.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
6	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements" IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments: Disclosure"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.	Financial Statements for 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
7	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently	As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
8	Current/Non-current distinction	IAS 1 "Presentation of Financial Statement"	As per Para 60 of IAS 1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities	Financial Statements for 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/non-current portion of assets and liabilities can be obtained
9	Off-balance sheet items	IAS 1 "Presentation of Financial Statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements for 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure but there is a disclosure in the financial statements.
10	Impairment of Margin Loan (Loans and receivables	IFRS 9 "Financial Instruments"	Measurement after initial recognition at amortized cost and recording of changes through profit and loss.	As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, provisions for the year 2016 on impairment of principal portion of margin loan shall be kept at 20% on each quarter for the five quarters starting from December 2016.	There is no such impact for this. However, we have been maintaining full provision for unrealized loss (if any) of margin loan in the portfolio.

MIDAS Financing Limited its subsidiary

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

As at and for the year ended December 31, 2020

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
11	Complete set of financial statements	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements'' complete set of financial statements are i) statement of financial position, ii)statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) statement of cash flows, iv) statement of changes in equity, v) statement of liquidity, vi) notes, comprising significant accounting policies and other explanatory information.	Financial Statements for 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
12	Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements'' para 54: the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item.	Financial Statements for 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
13	Other comprehensive income	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements'' Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	Financial Statements for 2020 and corresponding year 2019 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.
14	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account	Financial Statements for 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

MIDAS Financing Limited and its subsidiary

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

As at and for the year ended December 31, 2020

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
3	**Cash**			
	Cash in hand (including foreign currency)	3.1	283,744	9,293,153
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	87,958,098	152,482,496
	Total		**88,241,842**	**161,775,649**
3.1	**Cash in hand (including foreign currency)**			
	In local currency		283,744	9,293,153
	In foreign currency		-	-
	Total		**283,744**	**9,293,153**
3.2	**Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)**			
	In local currency		87,958,098	152,482,496
	In foreign currency		-	-
	Total		**87,958,098**	**152,482,496**

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

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

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

3.4	**Cash reserve requirement (CRR)**			
	Required reserve		84,427,873	150,706,970
	Actual reserve maintained	3.2	87,958,098	152,482,496
	Surplus		**3,530,225**	**1,775,526**
3.5	**Statutory liquidity reserve (SLR)**			
	Required reserve (including CRR)		308,630,618	326,514,754
	Actual reserve held (including CRR)	3.6	477,173,581	441,817,174
	Surplus		**168,542,963**	**115,302,420**
3.6	**Actual reserve held (including CRR)**			
	Cash in hand (including foreign currency)	3.1	283,744	9,293,153
	Balance with Bangladesh Bank and its agent bank(s) (including foreign	3.2	87,958,098	152,482,496
	Balance with other banks and financial institutions	4	388,931,739	280,041,525
	Total		**477,173,581**	**441,817,174**
3(a)	**Consolidated cash**			
	Consolidated cash in hand (including foreign currency)			
	MIDAS Financing Ltd.	3.1	283,744	9,293,153
	MIDAS Investment Ltd.		3,437	435
	Total		**287,181**	**9,293,588**
3(b)	**Consolidated** Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)			
	MIDAS Financing Ltd.	3.2	87,958,098	152,482,496
	MIDAS Investment Ltd.		-	-
	Total		**87,958,098**	**152,482,496**
4	**Balance with other banks and financial institutions**			
	Inside Bangladesh	4.1	388,931,739	280,041,525
	Outside Bangladesh		-	-
	Total		**388,931,739**	**280,041,525**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
4.1	**Inside Bangladesh**			
	A. **STD accounts**			
	Standard Bank Ltd.		132,088,457	20,433,575
	United Commercial Bank Ltd.		8,290,915	20,394,167
	IFIC Bank Ltd.		2,453,265	122,832
	Janata Bank Ltd.		1,728	2,799
	Mercantile Bank Ltd.		6,110,780	45,706
	Uttara Bank Ltd.		3,245	4,275
	Agrani Bank Ltd.		-	40
	AB Bank Ltd.		434,859	255,864
	Dutch Bangla Bank Ltd.		603,645	230,670
	One Bank Ltd.		444,420	507,457
	The Premier Bank Ltd.		1,802,830	1,545,512
	Pubali Bank Ltd.		1,253,052	3,792,891
	Bangladesh Development Bank Ltd.		7,377	8,182
	Jamuna Bank Ltd		4,808,011	3,324,868
	Mutual Trust Bank Ltd.		2,017,484	21,046
	Modhumoti Bank Ltd.		57,653	19,748
	Bangladesh Krishi Bank		105,009	488,102
	Total A		**160,482,730**	**51,197,734**
	B. **Current accounts**			
	United Commercial Bank Ltd.		1,075,885	1,495,083
	Agrani Bank Ltd.		24,415	-
	Total B		**1,100,300**	**1,495,083**
	C. **Term deposits**			
	United Commercial Bank Ltd.		55,000,000	55,000,000
	Jamuna Bank Ltd.		50,000,000	50,000,000
	The City Bank Ltd		50,000,000	50,000,000
	Bangladesh Industrial Finance and Investment Company Ltd.		22,348,709	22,348,708
	Uttara Bank Ltd.		50,000,000	50,000,000
	Total C		**227,348,709**	**227,348,708**
	Total (A+B+C)		**388,931,739**	**280,041,525**
4.2	**Maturity grouping of balance with other banks and financial institutions**			
	On demand		161,583,030	52,692,817
	Not more than 3 months		35,000,000	85,000,000
	More than 3 months but less than 1 year		192,348,709	142,348,708
	More than 1 year but less than 5 years		-	-
	More than 5 years		-	-
	Total		**388,931,739**	**280,041,525**
4(a)	**Consolidated balance with other banks and financial institutions**			
	Inside Bangladesh			
	MIDAS Financing Ltd.	4.1	388,931,739	280,041,525
	MIDAS Investment Ltd.		206,538,064	209,066,364
	Adjustment for consolidation		(205,000,000)	(205,000,000)
			390,469,803	**284,107,889**
	Outside Bangladesh			
	MIDAS Financing Ltd.		-	-
	MIDAS Investment Ltd.		-	-
			-	-
	Total		**390,469,803**	**284,107,889**

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, 2020

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
5	Money at call and short notice			-
6	Investment			
	a) Government securities		-	-
	b) Other investments			
	Investment in listed securities	6.1	243,526,530	222,904,816
	Investment in unlisted securities	6.2	22,569,450	22,569,450
	Total		266,095,980	245,474,266

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	563685	10,320,800	11,713,735	5,618,377
Insurance	10879	428,632	108,790	-
Mutual Fund	300000	2,400,000	3,062,640	3,062,640
Textile	294565	6,157,720	16,530,800	82,129,333
Pharmaceutical and Chemicals	1153680	222,755,280	188,750,986	127,299,375
Engineering	39806	10,411,549	9,612,629	4,754,381
Information Technology	310275	9,959,828	11,016,646	3,410
Telecommunication	271254	8,083,369	2,712,540	-
Miscellaneous	1865	147,522	17,764	37,300
Total		270,664,700	243,526,530	222,904,816

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
Not more than 3 months	178,398,792	-
More than 3 months but less than 1 year	17,702,099	6,755,007
More than 1 year but less than 5 years	44,362,999	212,859,891
More than 5 years	25,632,090	25,632,090
Total	266,095,980	245,474,266

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	243,526,530	222,904,816
Investment in unlisted securities	6.2	22,569,450	22,569,450
		266,095,980	245,474,266
MIDAS Investment Ltd.			
Investment in listed securities		96,584,158	102,042,005
Investment in unlisted securities		10,000,000	10,000,000
		106,584,158	112,042,005
Total		372,680,138	357,516,271

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
7	**Lease, loans and advances**			
	a) Inside Bangladesh			
	Lease receivable	7.a.i	809,281,334	749,461,703
	Term finance	7.a.ii	7,101,141,784	7,188,415,673
	Housing finance	7.a.iii	1,138,450,947	1,200,491,926
	Staff loan	7.a.iv	25,373,633	33,141,003
	Consumer credit	7.a.v	943,567	1,381,309
	Interest receivable	7.a.vi	554,266,550	346,553,596
			9,629,457,815	**9,519,445,210**
	b) Outside Bangladesh		-	-
	Total (a+b)		**9,629,457,815**	**9,519,445,210**
7.a.i	**Lease receivable**			
	Opening balance		749,461,704	801,311,517
	Add: Addition during the year		132,100,000	79,958,296
			881,561,704	**881,269,813**
	Less: Realization during the year		72,280,370	129,075,514
	Less: Write off		-	2,732,596
	Closing balance		**809,281,334**	**749,461,703**
	Lease receivable			
	Gross lease receivable		918,918,127	852,851,703
	Less: Unearned lease income		109,636,793	103,390,000
			809,281,334	**749,461,703**
7.a.ii	**Term finance**			
	Opening balance		7,188,415,673	7,751,391,409
	Add: Addition during the year		509,029,385	2,844,491,190
			7,697,445,058	**10,595,882,599**
	Less: Realization during the year		596,303,274	3,385,150,847
	Less: Write off		-	22,316,079
	Closing balance		**7,101,141,784**	**7,188,415,673**
7.a.iii	**Housing finance**			
	Opening balance		1,200,491,926	1,350,262,507
	Add: Addition during the year		29,300,000	71,550,000
			1,229,791,926	**1,421,812,507**
	Less: Realization during the year		91,340,979	221,320,581
	Closing balance		**1,138,450,947**	**1,200,491,926**
7.a.iv	**Staff loan**			
	Opening balance		33,141,003	31,555,030
	Add: Addition during the year		3,595,500	12,989,384
			36,736,503	**44,544,414**
	Less: Realization during the year		11,362,870	11,403,411
	Closing balance		**25,373,633**	**33,141,003**
7.a.v	**Consumer credit**			
	Opening balance		1,381,309	3,401,459
	Add: Addition during the year		350,000	1,320,000
			1,731,309	**4,721,459**
	Less: Realization during the year		787,742	1,208,302
	Less: Write off			2,131,848
	Closing balance		**943,567**	**1,381,309**

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, 2020

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
7.a.vi	**Interest receivable**			
	Lease finance		87,257,464	61,251,283
	Term finance		379,327,153	235,136,782
	Housing finance		80,311,876	42,706,427
	Consumer credit		7,666	-
	Staff loan		7,362,391	7,459,104
	Total		**554,266,550**	**346,553,596**
7.1	**Residual maturity grouping of lease, loans and advances**			
	Receivable on demand		810,672,204	783,826,876
	Not more than 3 months		1,558,834,780	617,666,627
	Over 3 months but not more than 1 year		3,748,814,093	2,896,346,986
	Over 1 year but not more than 5 years		2,205,684,123	3,411,482,689
	Over 5 years		1,305,452,615	1,810,122,032
	Total		**9,629,457,815**	**9,519,445,210**
7.2	**Investments on the basis of significant concentration**			
	Lease, loans and advances to the institutions in which Directors have interest		-	-
	Lease, loans and advances to chief executives and other senior executives		32,736,024	40,600,107
	Lease, loans and advances to customer groups		9,596,721,791	9,478,845,103
	Total		**9,629,457,815**	**9,519,445,210**
7.3	**Investments allowed to group exceeding 15% of NBFI's total capital**			
	Total capital of the company		1,618,836,984	1,540,187,763
	15% of company's total capital		242,825,548	231,028,164
	Total outstanding amount to such customers at end of the year		1,909,988,978	2,329,190,675
	Number of such types of customers		6	8
	Amount of classified lease, loans and advances thereon		-	-

7.4	**Sector-wise classification of lease, loans and advances**	Composition			
		31 Dec. 20	31 Dec. 19		
	Agriculture	1.47%	1.33%	141,587,785	126,789,263
	Cement and Allied Industry	0.23%	0.27%	22,170,119	25,661,677
	Electronics and Electric products	1.77%	1.53%	170,100,782	145,528,292
	Food Production / Processing Industries	8.50%	8.37%	818,571,619	797,090,440
	Garments and Knitwear	0.90%	1.05%	86,475,758	99,641,689
	Glass, Glassware and Ceramic Ind.	0.00%	0.00%	294,049	306,332
	Iron, Steel & Engineering	6.91%	7.21%	664,961,357	686,288,186
	In-house Employees' Loan	0.34%	0.43%	32,736,024	40,600,107
	Jute & Jute Products	0.03%	0.03%	3,032,781	3,330,249
	Leather & Leather Goods	0.41%	0.43%	39,807,018	40,676,317
	Merchant Banking / LLS	0.73%	3.26%	70,236,146	310,429,269
	Others	22.51%	19.46%	2,167,981,329	1,852,340,227
	Pharmaceuticals and Chemicals	1.83%	1.76%	175,965,028	167,274,560
	Paper, Printing and Packaging	1.77%	1.90%	170,382,347	180,394,247
	Plastic Industries	0.83%	0.99%	80,254,109	93,784,408
	Real Estate & Housing	12.66%	13.06%	1,218,762,823	1,243,198,353
	Ship Manufacturing Industry	3.34%	3.04%	321,224,097	289,162,737
	Trade and Commerce	23.05%	22.97%	2,219,563,460	2,187,005,002
	Textile	12.72%	12.91%	1,224,527,614	1,229,120,287
	Telecommunication/Information Technology	0.01%	0.01%	823,570	823,570
	Total	**100.00%**	**100.00%**	**9,629,457,815**	**9,519,445,210**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
7.5	**Geographical location-wise lease, loans and advances**			
		Composition		
		31 Dec. 20 / **31 Dec. 19**		
	Chattogram	24.19% / 25.65%	2,329,555,124	2,245,430,280
	Dhaka	66.45% / 64.33%	6,399,151,881	6,345,243,680
	Khulna	3.59% / 4.86%	346,132,183	375,794,691
	Rajshahi	5.76% / 5.16%	554,618,627	552,976,559
	Total	**100.00% / 100.00%**	**9,629,457,815**	**9,519,445,210**
7.6	**Grouping of lease, loans and advances as per classification rules of Bangladesh Bank**			
		Composition		
		31 Dec. 20 / **31 Dec. 19**		
	Unclassified	84.89% / 85.32%	8,174,728,311	8,089,431,505
	Special mention account (SMA)	3.72% / 4.76%	357,884,955	485,396,798
	Substandard	2.44% / 1.32%	235,309,852	151,552,724
	Doubtful	1.02% / 1.77%	98,388,815	75,783,957
	Bad or loss	7.93% / 6.83%	763,145,882	717,280,226
	Total	**100.00% / 100.00%**	**9,629,457,815**	**9,519,445,210**
7.7	**Particulars of provision for lease, loans and advances**	**Basis for Provision** / **Rate**		
	Unclassified	5,055,080,628 / 1.00%	50,550,806	43,744,298
	Unclassified (SME)	3,119,647,681 / 0.25%	7,799,119	9,287,504
	Special mention account	319,931,244 / 5.00%	15,996,562	20,269,220
			74,346,488	**73,301,022**
	Substandard	135,162,617 / 20.00%	27,032,523	23,367,690
	Doubtful	58,924,566 / 50.00%	29,462,283	28,970,522
	Bad or loss	229,666,706 / 100.00%	229,666,706	217,753,926
			286,161,512	**270,092,138**
	Required provision for lease, loans and advances		**360,508,000**	**343,393,160**
	Required provision for diminution in value of investment		**-**	**79,397,550**
	Total provision required		**360,508,000**	**422,790,710**
	Total provision maintained		**360,508,000**	**422,523,633**
	Excess/(short) provision		-	**(267,077)**
7.8	**Particulars of lease, loans and advances**			
(i)	Debts considered good in respect of which the MFL is fully secured		1,653,072,920	1,618,822,926
(ii)	Debts considered good for which the MFL holds no other security other than the debtor's personal guarantee;		32,736,024	40,600,107
(iii)	Debts considered good and secured by personal security of one or more parties in addition to the personal security of the debtors;		7,943,648,871	7,860,022,177
			9,629,457,815	**9,519,445,210**
(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;		32,736,024	40,600,107
(vi)	Debts due by companies or firms in which the directors of the MFL are interested as directors, partners or managing agents or in the case of private companies as members (Note 39.4);		-	-
(vii)	Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the MFL or any of them either severally or jointly with any other persons;		1,175,000	4,100,000
(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;		763,145,882	717,280,226
(xi)	**Cumulative amount of written off loans and advances:**			
	Opening Balance		517,316,692	510,790,468
	Add: Amount written off during the year			31,864,950
	Less: Amount received of during the year		25,750,615	25,338,726
	Balance of written off loans and advances yet to be recovered		**491,566,077**	**517,316,692**

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, 2020

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
7(a)	**Consolidated lease, loans and advances**			
	Inside Bangladesh			
	MIDAS Financing Ltd.		9,629,457,815	9,519,445,210
	MIDAS Investment Ltd.		23,642,818	16,189,359
	Adjustment for consolidation		(240,019,797)	(237,829,757)
			9,413,080,836	**9,297,804,812**
	Outside Bangladesh			
	MIDAS Financing Ltd.		-	-
	MIDAS Investment Ltd.		-	-
			-	-
	Total		**9,413,080,836**	**9,297,804,812**
8	**Fixed assets including land, building, furniture and fixtures**			
	Free hold assets		142,534,816	145,190,663
	Intangible assets		194,001	277,149
	Total		142,728,817	145,467,812
	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	142,728,817	145,467,812
	MIDAS Investment Ltd.		36,828,582	37,883,422
	Total		**179,557,400**	**183,351,233**
	A schedule of consolidated fixed assets including land, building, furniture and fixtures is given in Annexure-B			
8.1	**Investment property-Building**		**143,049,658**	**148,093,147**
8.1.(a)	**Consolidated Investment Property-Building**		**286,415,855**	**295,870,612**
	Some portion of building (Fixed assets including land, building, furniture and fixtures) of ther company have been re-classified as investment property during the year which is held to earn rental income. Rental income from investment property is Tk. 4,1710,999 shown in note no 23.			
9	**Others assets**			
	Interest receivable on FDR		7,246,702	7,427,616
	Investment in MIDAS Investment Ltd.		249,998,000	249,998,000
	Advance against purchase of shares		2,588,684	1,310,355
	Advance income tax	9.1	104,146,523	79,361,206
	Advance against expenditure		322,440	363,890
	Advance office rent		1,874,900	1,954,900
	Security deposit	9.2	637,500	633,500
	Stamp, stationery etc, in hand		137,260	107,933
	Asset held for sale		8,522,976	11,250,246
	Receivable from rental income & others		67,716,570	49,721,452
	Dividend receivable		19,999,840	14,999,880
	Advance Against Purchase of Software		2,700,000	900,000
	Over due interest receivable		62,197,317	62,197,317
	Total		**528,088,712**	**480,226,295**
9.1	**Advance income tax**			
	Opening balance		79,361,206	56,965,498
	Add: Addition during the year		24,785,317	22,395,708
			104,146,523	**79,361,206**
	Less: Adjustment during the year		-	-
			104,146,523	**79,361,206**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
9.2	**Security deposit**			
	Deposits with BTCL		9,000	9,000
	Deposits with Grameen Phone		11,000	11,000
	PUNARBHABA Security Service		45,000	45,000
	DPDC-Security Deposit-MIDAS Centre		558,000	558,000
	Solar Panel-Hathajari		5,000	5,000
	Electricity Meter-Feni		5,500	5,500
	Water bill- Security deposit- Cumilla		4,000	-
	Total		**637,500**	**633,500**
9.3	**Maturity grouping of other assets**			
	Receivable on demand		85,285,683	79,960,135
	Not more than 3 months		7,206,560	6,446,855
	Over 3 months but not more than 1 year		4,574,900	2,854,900
	Over 1 year but not more than 5 years		149,142,112	116,524,542
	Over 5 years		281,879,457	274,439,863
	Total		**528,088,712**	**480,226,295**
9(a)	**Consolidated others assets**			
	MIDAS Financing Ltd.	9	528,088,712	480,226,295
	MIDAS Investment Ltd.		94,820,473	79,916,657
	Adjustment for consolidation		(249,998,000)	(249,998,000)
	Total		**372,911,185**	**310,144,952**
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		1,404,835,168	1,354,244,939
	Unsecured		619,281,997	534,797,275
			2,024,117,165	**1,889,042,214**
	Inside Bangladesh	11.1	2,024,117,165	1,889,042,214
	Outside Bangladesh		-	-
	Total		**2,024,117,165**	**1,889,042,214**
11.1	**Inside Bangladesh**			
	Term loan from other Banks & FIs	11.2	1,229,008,767	1,279,367,209
	Refinance against SME loan from Bangladesh Bank		44,706,250	72,285,203
	Refinance against Housing loan from Bangladesh Bank		7,397,088	8,887,453
	Refinance against SMEPD loan from Bangladesh Bank		33,660,000	49,980,000
	Refinance against CMSME loan from Bangladesh Bank		5,000,000	-
	Loan from SME foundation		11,200,000	10,337,500
	Short term loan from Banks & FIs	11.3	633,145,060	408,184,849
	Call loan	11.4	60,000,000	60,000,000
	Total		**2,024,117,165**	**1,889,042,214**
11.2	**Term loan from other Banks & FIs**			
	Agrani Bank Ltd.		688,852,788	382,953,959
	One Bank Ltd.		17,521,797	49,614,722
	Midland Bank Ltd.		34,180,182	68,545,936
	The UAE Bangladesh Investment Company Ltd.		19,611,859	57,165,498
	Modhumoti Bank Ltd.		63,213,254	92,336,067
	National Housing Finance & Investment Ltd.		-	55,284,391
	Shahjalal Islami Bank Ltd.		74,110,465	175,492,576
	Bangladesh Krishi Bank		331,518,422	397,974,060
	Total		**1,229,008,767**	**1,279,367,209**

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, 2020

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
11.3	**Short term loan from Banks & FIs**			
	Standard Bank Ltd.		114,497,143	21,340,780
	Pubali Bank Ltd.		58,588,144	15,516,393
	United Commercial Bank Ltd.		46,768,945	5,291,407
	Jamuna Bank Ltd.		36,922,587	4,140,887
	The City Bank Ltd.		44,734,321	45,292,655
	Agrani Bank Ltd		284,233,373	296,449,946
	Uttara Bank Ltd.		47,400,548	20,152,781
	Total		**633,145,060**	**408,184,849**
11.4	**Call loan**			
	Sonali Bank Ltd.		60,000,000	60,000,000
	Total		**60,000,000**	**60,000,000**
11.5	**Maturity grouping of borrowings from other banks, financial institutions and**			
	Repayable on demand		60,000,000	60,000,000
	Within 1 month		170,446,812	69,686,910
	Over 1 months but not more than 6 months		737,321,999	708,445,932
	Over 6 months but not more than 1 year		88,582,596	136,882,596
	Over 1 year but not more than 5 years		791,049,468	758,049,465
	Over 5 years		176,716,290	155,977,311
	Total		**2,024,117,165**	**1,889,042,214**
11(a)	**Consolidated borrowings from other banks, financial institutions and agents**			
	Inside Bangladesh			
	MIDAS Financing Ltd.	11	2,024,117,165	1,889,042,214
	MIDAS Investment Ltd.		240,019,797	237,829,757
	Adjustment for consolidation		(240,019,797)	(237,829,757)
			2,024,117,165	**1,889,042,214**
	Outside Bangladesh			
	MIDAS Financing Ltd.		-	-
	MIDAS Investment Ltd.		-	-
			-	-
	Total		**2,024,117,165**	**1,889,042,214**
12	**Deposits and other accounts**			
	Term deposits	12.1	**6,108,557,201**	**6,222,354,971**
	Other Deposits			
	Security deposits		4,868,217	4,868,217
	Advance lease rental		17,015,463	15,423,903
			21,883,680	**20,292,120**
	Total		**6,130,440,881**	**6,242,647,091**
12.1	**Term deposits**			
	General deposits		6,008,557,201	6,082,354,971
	Deposit from other Banks and Financial institutions	12.2	100,000,000	140,000,000
	Total		**6,108,557,201**	**6,222,354,971**
12.2	**Deposits from other banks and financial institutions**			
	Agrani Bank Ltd.		100,000,000	100,000,000
	National Credit and Commerce Bank Ltd.		-	40,000,000
	Total		**100,000,000**	**140,000,000**
12.3	**Maturity analysis of deposits and other accounts**			
	Repayable on demand		66,132,158	37,734,465
	Within 1 month		578,946,586	663,203,394
	Over 1 months but not more than 6 months		2,223,511,885	730,445,810
	Over 6 months but not more than 1 year		2,117,520,492	1,692,325,861
	Over 1 year but not more than 5 years		1,139,679,760	1,927,343,289
	Over 5 years		4,650,000	1,191,594,272
	Total		**6,130,440,881**	**6,242,647,091**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
12(a)	**Consolidated deposits and other accounts**			
	Term deposits			
	MIDAS Financing Ltd.	12.1	6,108,557,201	6,222,354,971
	MIDAS Investment Ltd.		-	-
	Adjustment for consolidation		(205,000,000)	(205,000,000)
			5,903,557,201	**6,017,354,971**
12(b)	**Other deposits**			
	MIDAS Financing Ltd.		21,883,680	20,292,120
	MIDAS Investment Ltd.		-	-
			21,883,680	**20,292,120**
	Total		**5,925,440,881**	**6,037,647,091**
13	**Other liabilities**			
	Provision for lease, loans & advances	13.1	360,508,001	343,126,083
	Provision for investment in securities	13.2	-	79,397,550
	Provision for tax	13.3	172,101,509	125,550,775
	Deferred tax liability	13.4	25,363,805	24,046,673
	Interest payable on borrowings		23,094,941	23,836,545
	Interest payable on deposits		450,532,983	459,177,257
	Advance against installment		95,775,290	38,932,682
	Advance rent from MIDAS Centre & NGS		684,376	6,239,950
	Payable & provision against expenditure	13.5	6,090,724	6,752,217
	Interest suspense	13.6	325,097,860	258,018,321
	Provision for rental income & others		22,993,997	16,501,535
	Lease liabilities		11,693,776	7,800,776
	Dividend payable		27,737	27,737
	Total		**1,493,965,000**	**1,389,408,101**
13.1	**Provision for lease, loans & advances**			
	(a) General provision on unclassified lease, loans and advances			
	Provision held at the beginning of the year		72,971,889	68,384,689
	Required provision during the year	33	1,374,610	4,587,200
	Balance at the end of the year		**74,346,499**	**72,971,889**
	(b) Specific provision on classified lease, loans and advances			
	Provision held at the beginning of the year		270,154,194	330,544,952
	Required provision during the year	33	16,007,307	(33,210,234)
	Less: Write off during the year		-	(27,180,524)
	Balance at the end of the year		**286,161,501**	**270,154,194**
	Total provision		**360,508,000**	**343,126,083**
13.2	**Provision for investment in securities**			
	Provision held at the beginning of the year		79,397,550	39,064,993
	Required provision during the year		(79,397,550)	40,332,557
	Balance at the end of the year		**-**	**79,397,550**
13.3	**Provision for tax**			
	Balance at the beginning of the year		125,550,775	94,646,109
	Provision made during the year		46,550,734	30,904,666
	Adjustment during the year		-	-
	Balance at the end of the year		**172,101,509**	**125,550,775**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
13.4	**Deferred tax liability**			
	Balance at the beginning of the year		24,046,673	18,791,021
	Deferred tax (income)/expenses during the year		1,317,132	5,255,652
	Balance at the end of the year		**25,363,805**	**24,046,673**
	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		285,778,476	293,698,660
	Tax base written down value of fixed assets		218,141,662	229,574,198
	Net taxable temporary differences		**67,636,814**	**64,124,462**
	Applicable tax rate		37.50%	37.50%
	Defferred tax liability		**25,363,805**	**24,046,673**
	Deferred tax (income)/expenses during the year		**1,317,132**	**5,255,652**
13.5	**Payable & provision against expenditure**			
	Payable to CDBL		2,436	19,027
	Payable against utilities		3,945,947	4,884,649
	Liability for others		319,510	1,460
	Audit fees		165,000	165,000
	Withholding VAT,Tax & Excise duty		(37,537)	17,893
	CIB fees		1,683,294	1,652,114
	Advance Against SME Fair		12,074	12,074
	Total		**6,090,724**	**6,752,217**
13.6	**Interest suspense**			
	Lease finance		105,520,226	81,530,247
	Term finance		187,148,098	156,991,384
	Consumer credit		-	-
	Housing finance		32,429,536	19,496,690
	Total		**325,097,860**	**258,018,321**
13.7	**Movement of interest suspense account**			
	Balance at the beginning of the year		258,018,321	221,188,781
	Add: Net charge during the year		67,079,539	41,513,966
	Less: Realized during the year		-	-
	Less: Write off during the year		-	(4,684,426)
	Total		**325,097,860**	**258,018,321**
13.8	**Maturity grouping of other liabilities**			
	Repayable on demand		158,415,508	139,251,267
	Within 1 month		67,926,417	94,727,968
	Over 1 month but not more than 6 months		479,049,219	141,762,492
	Over 6 months but not more than 1 year		204,922,865	359,253,250
	Over 1 year but not more than 5 years		511,147,600	373,415,229
	Over 5 years		72,503,391	280,997,895
	Total		**1,493,965,000**	**1,389,408,101**
13(a)	**Consolidated other liabilities**			
	MIDAS Financing Ltd.	13	1,493,965,000	1,389,408,101
	MIDAS Investment Ltd.		115,507,735	111,532,715
	Adjustment for consolidation		-	-
	Total		**1,609,472,735**	**1,500,940,816**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
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		1,356,029,310	1,322,955,430
	Add: Bonus share issued		33,900,730	33,073,880
	Total at the end of the year		**1,389,930,040**	**1,356,029,310**
14.3	**Shareholding position**			
	Sponsor shareholders group		438,895,190	430,245,490
	General shareholders group	14.3.1	951,034,850	925,783,820
	Total		**1,389,930,040**	**1,356,029,310**
14.3.1	**General shareholders group**			
	Non resident		14,903,870	24,324,130
	Companies & institutions		474,442,080	464,185,250
	General public		461,688,900	437,274,440
	Total		**951,034,850**	**925,783,820**

14.4 Classification of shareholders by holding	No. of Shareholders	Percentage of holding shares	No. of Shares	No. of Shares
Less than 500 shares	1401	0.13%	185,274	189,070
501 to 5,000 shares	1632	2.37%	3,293,031	3,230,474
5,001 to 10,000 shares	377	1.95%	2,714,433	2,473,095
10,001 to 20,000 shares	248	2.58%	3,589,041	3,510,828
20,001 to 30,000 shares	93	1.66%	2,301,932	2,084,292
30,001 to 40,000 shares	36	0.90%	1,252,661	1,400,086
40,001 to 50,000 shares	36	1.18%	1,642,219	1,518,321
50,001 to 1,00,000 shares	65	3.20%	4,448,425	3,847,675
1,00,001 & above shares	89	86.02%	119,565,988	117,349,090
Total	**3977**	**100.00%**	**138,993,004**	**135,602,931**

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		100,000	100,000
1996-1997	Allotment share	5,021,000	50,210,000	50,310,000
1999-2000	Allotment share	509,000	5,090,000	55,400,000
2002-2003	IPO	4,460,000	44,600,000	100,000,000
2003-2004	Bonus share	689,200	6,892,000	106,892,000
2004-2005	Bonus share	1,068,920	10,689,200	117,581,200
2004-2005	Right share	11,758,120	117,581,200	235,162,400
2005-2006	Bonus share	2,351,620	23,516,200	258,678,600
2006-2007	Bonus share	2,586,790	25,867,900	284,546,500
2007-2008	Bonus share	2,845,460	28,454,600	313,001,100
2008-2009	Bonus share	3,912,510	39,125,100	352,126,200
2009-2010	Bonus share	5,281,890	52,818,900	404,945,100
2010-2011	Bonus share	14,173,070	141,730,700	546,675,800
2011-2012	Bonus share	5,466,758	54,667,580	601,343,380
2014-2015	Right share	60,134,338	601,343,380	1,202,686,760
2018	Bonus share 2017	12,026,867	120,268,670	1,322,955,430
2019	Bonus share 2018	3,307,388	33,073,880	1,356,029,310
2020	Bonus share 2019	3,390,073	33,900,730	1,389,930,040

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

As at and for the year ended December 31, 2020

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
14.6	**Capital adequacy - As per BASEL-II**			
	a) Core Capital (Tier-I)			
	Paid-up capital	14.2	1,389,930,040	1,356,029,310
	Statutory reserve	16	124,338,385	101,829,235
	Retained earnings	17	104,568,559	82,333,420
			1,618,836,984	**1,540,191,965**
	b) Supplementary Capital (Tier-II)			
	General provision	13.1 (a)	74,346,499	72,971,889
	c) Total eligible capital (a + b)		**1,693,183,482**	**1,613,163,853**
	Total assets including off-balance sheet exposures		**11,710,260,030**	**12,750,539,371**
	d) Total risk weighted assets (RWA)		**9,404,602,576**	**9,132,377,156**
	e) Required capital based on risk weighted assets (10% of d)		**940,460,258**	**913,237,716**
	f) Capital surplus/(shortfall) (c-e)		**752,723,225**	**699,926,139**
	Capital Adequacy Ratio (%)		**18.00**	**17.66**
14.7	**Consolidated Capital adequacy - As per BASEL-II**			
	a) Core Capital (Tier-I)			
	Paid-up capital	14.2	1,389,930,040	1,356,029,310
	Statutory reserve	16	124,338,385	101,829,235
	Retained earnings	17(a)	110,824,677	85,846,598
			1,625,093,102	**1,543,705,143**
	b) Supplementary Capital (Tier-II)			
	General provision	13.1 (a)	74,346,499	72,971,889
	c) Total eligible capital (a + b)		**1,699,439,601**	**1,616,677,032**
	Total assets including off-balance sheet exposures		**11,627,025,963**	**12,660,725,022**
	d) Total risk weighted assets (RWA)		**9,696,104,700**	**9,293,569,950**
	e) Required capital based on risk weighted assets (10% of d)		**969,610,470**	**929,356,995**
	f) Capital surplus/(shortfall) (c-e)		**729,829,131**	**687,320,037**
	Capital Adequacy Ratio (%)		**17.53**	**17.40**
15	**General reserve**			
	Opening balance		-	-
	Add: Addition during the year		-	-
			-	-
16	**Statutory reserve**			
	Opening balance		101,829,235	82,460,027
	Add: Addition during the year		22,509,150	19,369,208
	Closing balance		**124,338,385**	**101,829,235**
	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		82,333,420	37,930,468
	Add: Profit after tax		112,545,749	96,846,040
	Less: Transfer to statutory reserve		(22,509,150)	(19,369,208)
	Less: Issuance of stock dividend		(33,900,730)	(33,073,880)
	Less: Issuance of cash dividend		(33,900,730)	-
	Closing balance		**104,568,559**	**82,333,420**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
17(a)	**Consolidated retained earnings**			
	Opening balance		85,846,598	46,675,316
	Add: Profit after tax		115,288,689	91,614,370
	Less: Transfer to statutory reserve		(22,509,150)	(19,369,208)
	Less: Issuance of stock dividend		(33,900,730)	(33,073,880)
	Less: Issuance of cash dividend		(33,900,730)	-
	Closing balance		**110,824,677**	**85,846,598**
18	**Business commitments and contingencies**			
	In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities. No material losses are anticipated as a result of these transactions. These contingent liabilities and business commitments are quantified are below:			
18.1	**Contingent liabilities**			
	Acceptances and endorsements		-	-
	Letters of guarantee		-	100,000,000
	Irrevocable letters of credit		-	-
	Bills for collection		-	-
	Total		-	**100,000,000**
18.2	**Other commitments**			
	Documentary credits and short term trade related transactions		-	-
	Forward assets purchased and forward deposits placed		-	-
	Undrawn note issuance and revolving underwriting facilities		-	-
	Undrawn formal standby facilities, credit lines and other commitments		442,900,000	1,589,250,000
	Claims against the bank not acknowledged as debts		-	-
	Total		**442,900,000**	**1,589,250,000**
19	**Profit and loss account**			
	Income			
	Interest income	20	1,048,795,003	1,153,603,559
	Dividend income	22	24,802,946	20,267,874
	Commission, exchange and brokerage		-	600,000
	Gains less losses arising from investment securities	22	20,153,579	(5,215,936)
	Other operating income	23	44,858,581	51,107,741
			1,138,610,109	**1,220,363,238**
	Expenses			
	Interest on deposits & borrowings, etc.	21	862,777,843	924,909,565
	Administrative expenses		148,140,243	148,174,235
	Other operating expenses	32	4,725,940	7,038,938
	Depreciation on fixed assets	31(a)	15,348,369	15,833,489
			1,030,992,396	**1,095,956,228**
	Profit before provision		**107,617,713**	**124,407,010**
20	**Interest income**			
	Interest on lease, loans & advances	20.1	1,032,830,100	1,132,944,171
	Interest on placement with other Banks & FIs	20.2	15,964,903	20,659,388
	Total		**1,048,795,003**	**1,153,603,559**
20.1	**Interest on lease, loans & advances**			
	Interest income on lease finance		62,036,745	29,603,852
	Interest income on term finance		793,534,577	935,362,825
	Interest on housing finance		148,571,774	164,573,548
	Interest on consumer credit		270,845	278,769
	Interest on staff loan		2,665,544	3,125,178
	Revenue from writeoff collection		25,750,615	-
	Total		**1,032,830,100**	**1,132,944,171**

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, 2020

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
20.2	**Interest on placement with other Banks & FIs**			
	Interest on FDR		14,861,261	19,882,346
	Interest on STD accounts		1,103,642	777,042
	Total		**15,964,903**	**20,659,388**
20(a)	**Consolidated interest income**			
	Interest on lease, loans & advances			
	MIDAS Financing Ltd.	20.1	1,032,830,100	1,132,944,171
	MIDAS Investment Ltd.		4,322,746	4,477,955
	Adjustment for consolidation		(31,286,865)	(31,425,807)
			1,005,865,981	**1,105,996,318**
	Interest on placement with other Banks & FIs			
	MIDAS Financing Ltd.	20.2	15,964,903	20,659,388
	MIDAS Investment Ltd.		21,692,417	20,705,000
	Adjustment for consolidation		(21,692,417)	(20,705,000)
			15,964,903	**20,659,388**
	Total		**1,021,830,884**	**1,126,655,706**
21	**Interest on deposits & borrowings, etc.**			
	Interest paid on deposits		675,455,692	746,956,889
	Interest paid on borrowings	21.1	187,322,150	177,952,676
	Total		**862,777,843**	**924,909,565**
21.1	**Interest paid on borrowings**			
	Interest expenses on bank loan		166,412,826	155,036,526
	Interest expenses on call loan		2,476,875	5,065,000
	Interest expenses on re-financing loan		3,405,288	4,072,904
	Interest expenses- BD Bank SMEDP		1,289,564	2,729,962
	Interest Expenses - Bd Bank CMSME		5,625	-
	Interest expenses on lease liabilities		981,632	861,662
	Other financing cost		12,750,340	10,186,623
	Total		**187,322,150**	**177,952,676**
21(a)	**Consolidated interest on deposits and borrowings, etc.**			
	Interest paid on deposits			
	MIDAS Financing Ltd.		675,455,692	746,956,889
	MIDAS Investment Ltd.		146,173	113,707
	Adjustment for consolidation		(21,692,417)	(20,705,000)
			653,909,448	**726,365,596**
	Interest paid on borrowings			
	MIDAS Financing Ltd.		187,322,150	177,952,676
	MIDAS Investment Ltd.		31,286,865	31,425,807
	Adjustment for consolidation		(31,286,865)	(31,425,807)
			187,322,150	**177,952,676**
	Total		**841,231,598**	**904,318,272**
22	**Income from investment**			
	Income from investment in shares		20,153,579	(5,215,936)
	Dividend income		24,802,946	20,267,874
	Total		**44,956,525**	**15,051,938**
22(a)	**Consolidated income from investment**			
	Income from investment in shares			
	MIDAS Financing Ltd.	22	20,153,579	(5,215,936)
	MIDAS Investment Ltd.		2,287,308	(295,341)
			22,440,887	**(5,511,277)**
	Dividend income			
	MIDAS Financing Ltd.		24,802,946	20,267,874
	MIDAS Investment Ltd.		2,317,446	1,656,363
			27,120,393	**21,924,237**
	Less: Dividend from subsidiary		(19,999,840)	(14,999,880)
	Total		**29,561,439**	**1,413,080**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
23	**Other operating income**			
	Transfer price for leased asset		110,544	97,448
	Processing and other fees		2,453,499	4,977,379
	Sale of application form		69,500	177,400
	Rental income-MIDAS Centre & Nahar green		41,710,999	45,481,797
	Other income	23.1	514,039	348,930
	Gain on sale of fixed assets		-	24,787
	Total		**44,858,581**	**51,107,741**
23.1	**Other income**			
	Notice pay		114,867	65,000
	News paper & other sales		-	7,500
	Miscellaneous income from deposits (Delay fine)		380,890	268,925
	Miscellaneous income others		18,282	7,505
	Total		**514,039**	**348,930**
23(a)	**Consolidated other operating income**			
	MIDAS Financing Ltd.	23	44,858,581	51,107,741
	MIDAS Investment Ltd.		37,128,425	39,948,703
	Total		**81,987,006**	**91,056,444**
24	**Salary and allowances**		**122,699,715**	**119,193,333**
24(a)	**Consolidated salary & allowances**			
	MIDAS Financing Ltd.	24	122,699,715	119,193,333
	MIDAS Investment Ltd.		5,109,726	4,840,112
	Total		**127,809,441**	**124,033,445**
25	**Rent, taxes, insurances, electricity, etc.**			
	Rates & taxes		1,196,471	184,188
	Office rent		450,820	684,328
	Insurance		247,888	123,519
	Utilities		5,677,915	3,286,848
	Total		**7,573,093**	**4,278,883**
25(a)	**Consolidated rent, taxes, insurance, electricity, etc.**			
	MIDAS Financing Ltd.	25	7,573,093	4,278,883
	MIDAS Investment Ltd.		690,123	549,571
	Total		**8,263,216**	**4,828,454**
26	**Legal expenses**			
	Legal/professional fees		1,272,568	3,425,051
	Other legal expenses/Non judicial stamp		583,224	3,845,984
	Total		**1,855,792**	**7,271,035**
26(a)	**Consolidated legal expenses**			
	MIDAS Financing Ltd.	26	1,855,792	7,271,035
	MIDAS Investment Ltd.		61,595	115,000
	Total		**1,917,387**	**7,386,035**
27	**Postage, stamp, telecommunication, etc.**			
	Postage & courier expenses		130,430	159,265
	Telephone, mobile, fax and internet		2,349,336	2,470,176
	Total		**2,479,766**	**2,629,441**

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, 2020

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
27(a)	**Consolidated postage, stamps, telecommunication, etc.**			
	MIDAS Financing Ltd.	27	2,479,766	2,629,441
	MIDAS Investment Ltd.		160,684	202,676
	Total		**2,640,450**	**2,832,117**
28	**Stationery, printing, advertisements, etc.**			
	Stationery		410,027	750,146
	Printing		287,084	560,153
	Advertisement and publicity		740,606	1,257,950
	Signboard and banner		12,239	148,208
	Total		**1,449,956**	**2,716,457**
28(a)	**Consolidated stationery, printing, advertisements, etc.**			
	MIDAS Financing Ltd.	28	1,449,956	2,716,457
	MIDAS Investment Ltd.		33,384	32,445
	Total		**1,483,340**	**2,748,902**
29	**Managing Director's salary and benefits**		**9,472,000**	8,549,290
30	**Directors' fees and expenses**			
	Honorarium for attending meeting (including VAT)		1,179,200	1,398,800
	Incidental expenses for meeting		-	52,421
	Total		**1,179,200**	**1,451,221**
	Total 10 nos of Board meeting, 6 nos of audit committee meeting and 4 executive committee (EC) meeting were held during the period of January 01, 2020 to December 31, 2020. Each Director was paid Tk.8,000 for attending in each meeting.			
30(a)	**Consolidated directors' fees and expenses**			
	MIDAS Financing Ltd.	30	1,179,200	1,451,221
	MIDAS Investment Ltd.		96,000	118,542
	Total		**1,275,200**	**1,569,763**
31	**Depreciation and repair of company's assets**			
	i) Depreciation of company's assets (Annexure A)			
	Building		3,112,575	3,112,584
	Right of use of assets		4,011,447	4,099,726
	Office equipment		677,881	731,018
	Office furniture		1,325,894	1,457,555
	Motor vehicle		390,900	488,634
	Intengible asset		83,148	118,778
	Computer equipment		703,035	781,706
			10,304,880	**10,790,000**
	ii) Building (Investment property)		5,043,489	5,043,489
	iii) Repair of company's assets			
	Office repair and maintenance		987,094	1,641,891
	Car maintenance		278,627	277,684
			1,265,721	**1,919,575**
	Total		**16,614,090**	**17,753,064**
31(a)	**Consolidated depreciation and repair of company's assets**			
	a) Depreciation of company's assets (Annexure B)			
	MIDAS Financing Ltd.	31(i)	10,304,880	10,790,000
	MIDAS Investment Ltd.		1,054,839	1,215,894
			11,359,719	**12,005,894**
	b) Building (Investment property)		**9,454,757**	**9,454,757**
	c) Repair of company's assets:			
	MIDAS Financing Ltd.	31(ii)	1,265,721	1,919,575
	MIDAS Investment Ltd.		317,135	30,610
			1,582,856	**1,950,185**
	Total		**22,397,332**	**23,410,836**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
32	**Other expenses**			
	Fuel		93,972	549,154
	Traveling and conveyance		841,521	1,731,138
	Public relation and AGM expenses		242,000	444,181
	News paper & periodicals		10,410	60,416
	Business promotion & development		50,000	20,700
	Entertainment		1,012,388	785,906
	Training, seminar & workshop		17,250	306,065
	Membership fees & subscription		1,589,132	1,605,253
	Bank charge		782,605	1,033,253
	Share management expenses		39,219	137,882
	Miscellaneous expenses		1,600	92,321
	Loss on sale of fixed assets		45,843	208,001
	Event management		-	64,668
	Total		**4,725,940**	**7,038,938**
32(a)	**Consolidated other expenses**			
	MIDAS Financing Ltd.	32	4,725,940	7,038,938
	MIDAS Investment Ltd.		1,448,890	1,264,124
	Total		**6,174,830**	**8,303,062**
33	**Provision against loans, lease finance & others**			
	General provisions	13.1 (a)	1,374,610	4,587,200
	Specific provisions	13.1 (b)	16,007,307	(57,367,814)
	Provisions for diminution in value of investments	13.2	(79,397,550)	40,332,557
	Other provisions		9,219,732	3,848,709
	Total		**(52,795,901)**	**(8,599,349)**
33(a)	**Consolidated provision against loans, lease finance & others**			
	General provisions			
	MIDAS Financing Ltd.		1,374,610	4,587,200
	MIDAS Investment Ltd.		-	-
	Total		**1,374,610**	**4,587,200**
33(b)	**Specific provisions**			
	MIDAS Financing Ltd.		16,007,307	(57,367,814)
	MIDAS Investment Ltd.		-	-
	Total		**16,007,307**	**(57,367,814)**
33(c)	**Provisions for diminution in value of investments**			
	MIDAS Financing Ltd.		(79,397,550)	40,332,557
	MIDAS Investment Ltd.		(7,677,587)	11,014,198
	Total		**(87,075,137)**	**51,346,755**
33(d)	**Current tax**			
	MIDAS Financing Ltd.		46,550,734	30,904,666
	MIDAS Investment Ltd.		3,294,890	1,816,088
	Total		**49,845,624**	**32,720,754**
33(e)	**Deferred tax**			
	MIDAS Financing Ltd.		1,317,132	5,255,652
	MIDAS Investment Ltd.		(1,535,796)	(1,529,202)
	Total		**(218,664)**	**3,726,450**

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, 2020

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
33(f)	**Other provisions**			
	MIDAS Financing Ltd.		9,219,732	3,848,709
	MIDAS Investment Ltd.		6,061,192	1,057,550
	Total		**15,280,924**	**4,906,259**
34	**Earnings per share (EPS)**			
	Net profit after tax (A)		112,545,749	96,846,040
	Number of ordinary shares outstanding (denominator) (B)		138,993,004	138,993,004
	Earnings per share (A/B) (2019:restated)		**0.81**	**0.70**
34(a)	**Consolidated earnings per share (EPS)**			
	Consolidated net profit after tax (A)		115,288,871	91,614,450
	Number of ordinary shares outstanding (denominator) (B)		138,993,004	138,993,004
	Earnings per share (A/B) (2019:restated)		**0.83**	**0.66**
35	**Net assets value (NAV) per share**			
	Net assets (A)		1,618,836,984	1,540,191,965
	Number of ordinary shares outstanding (denominator) (B)		138,993,004	138,993,004
	Net assets value (NAV) per share (A/B) (2019:restated)		**11.65**	**11.08**
35(a)	**Consolidated net assets value (NAV) per share**			
	Net assets (A)		1,625,093,102	1,543,705,143
	Number of ordinary shares outstanding (denominator) (B)		138,993,004	138,993,004
	Consolidated net assets value (NAV) per share (A/B) (2019:restated)		**11.69**	**11.11**
36	**Net operating cash flow per share**			
	Net operating cash flow (A)		(64,982,486)	(248,267,161)
	Number of ordinary shares outstanding (denominator) (B)		138,993,004	138,993,004
	Net operating cash flow per share (A/B) (2019:restated)		**(0.47)**	**(1.79)**
36(a)	**Consolidated net operating cash flow per share**			
	Net operating cash flow (A)		(67,507,784)	(259,116,305)
	Number of ordinary shares outstanding (denominator) (B)		138,993,004	138,993,004
	Consolidated net operating cash flow per share (A/B) (2019:restated)		**(0.49)**	**(1.86)**
37	**Reconciliation of net operating cash flow**			
	Net profit after tax		**112,545,749**	**96,846,040**
	Items not involved in cash movement:			
	Add: Depreciation		15,348,369	15,833,489
	Add/(Less): Provision for taxation		46,550,734	30,904,666
	Add/(Less): Provision for deferred tax		1,317,132	5,255,652
	Add: Provision for loans and investment		(62,015,633)	11,709,522
	Add: Provision for others		9,219,732	3,848,709
	Add/(Less):Accrued income		(22,814,164)	8,729,360
	Add/(Less):Accrued expenses		(9,385,878)	24,798,098
	Add: Adjustment for ROU lease rent		(2,797,912)	-
	Add: Loss on disposal of fixed assets		45,843	208,001
	Adjustments to reconcile net profit after tax to net to net cash provided by operating activities		**88,013,974**	**198,133,538**
	Changes in operating assets and liabilities			
	(Increase)/Decrease in Loans and lease finance to customers		(110,012,605)	740,681,710
	(Increase)/Decrease in Purchase/Sale of trading securities		(20,621,714)	42,643,291
	Increase/(Decrease) in Deposits from banks & individuals		(112,206,210)	(1,225,993,472)
	Increase/(Decrease) in Interest suspense		67,079,539	36,829,540
	(Increase)/Decrease in Income tax		(24,785,317)	(22,395,708)
	Increase/(Decrease) in Payable & accrued expenses		(661,493)	(656,617)
	(Increase)/Decrease in Other assets		(262,937)	5,233,493
	Increase/(Decrease) in Other liabilities		48,474,276	(22,742,935)
	Cash received/(paid) from operating assets and liabilities		**(152,996,460)**	**(446,400,698)**
	Net cash flow from/(used in) operating activites		**(64,982,486)**	**(248,267,161)**

Notes	Particulars	Ref. Notes	Amount in BDT	
			31 December, 2020	31 December, 2019
37(a)	**Reconciliation of consolidated net operating cash flow**			
	Net profit after tax		**115,288,871**	**91,614,450**
	Items not involved in cash movement:			
	Add: Depreciation		20,814,476	21,460,651
	Add/(Less): Provision for taxation		49,845,624	32,720,754
	Add/(Less): Provision for deferred tax		(218,664)	3,726,450
	Add: Provision for loans and investment		(69,693,220)	27,629,980
	Add: Provision for others		15,280,924	-
	Add/(Less):Accrued income		(29,997,689)	2,345,637
	Add/(Less):Accrued expenses		(11,260,059)	25,115,950
	Add: Adjustment for ROU lease rent		(2,797,912)	-
	Less: Gain on disposal of fixed assets		-	-
	Add: Loss on disposal of fixed assets		45,843	208,001
	Adjustments to reconcile net profit after tax to net to net cash provided by operating activities		**87,308,194**	**204,821,874**
	Changes in operating assets and liabilities			
	(Increase)/Decrease in Other assets		(2,181,935)	6,074,036
	Increase/(Decrease) in Other liabilities		56,036,237	(25,547,064)
	(Increase)/Decrease in Purchase/Sale of trading securities		(15,163,867)	58,116,195
	(Increase)/Decrease in Loans and lease finance to customers		(115,276,024)	725,896,237
	Increase/(Decrease) in Deposits from banks & individuals		(112,206,210)	(1,225,993,472)
	(Increase)/Decrease in Income tax		(30,586,610)	(29,446,639)
	Increase/(Decrease) in Interest suspense		66,986,081	36,829,540
	Increase/(Decrease) in Payable & accrued expenses		(2,423,650)	(9,867,011)
	Cash received/(paid) from operating assets and liabilities		**(154,815,978)**	**(463,938,179)**
	Net cash flow from/(used in) operating activites		**(67,507,784)**	**(259,116,305)**

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 Afzal 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. Md. Shamsul Alam	Director	Member	B Com (Hons) and M.A. in Accounting From D.U.
5	Mr. Siddiqur Rahman Choudhury*	Independent Director	Member	B.Sc. (Hons), M.Sc. (D.U.) Diploma in Public Financial Management (University of Connecticut, USA)

* Mr. Siddiqur Rahman Choudhury retired from the post of independent director on March 19,2020.

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	81st Meeting	28.01.2020	5
2	82nd Meeting	14.07.2020	4
3	83rd Meeting	24.08.2020	4
4	84th Meeting	29.09.2020	4
5	85th Meeting	22.10.2020	3
6	86th Meeting	25.11.2020	4

c) Meeting of Audit Committee

During the period January 1, 2020 to December 31, 2020, the Audit Committee of the Board conducted 6 (Six) meetings. In those meetings, among others, the committee reviewed/discussed/oversaw the following issues

i) Annual internal audit plan and compliance process;

ii) Adequacy of internal audit function;

iii) Company's internal administrative policy;

iv) Quarterly loan, lease classification and recovery position;

v) Financial reporting process and choice of accounting policies and principles;

vi) Annual financial statements along with annual report of the Company;

vii) Quarterly and half-yearly financial statements of the Company;

viii) Internal and External (including Bangladesh Bank) Inspection & Audit Reports and management letter issued by statutory auditor;

ix) Internal control systems and procedures;

x) Financial statements of subsidiary company;

xi) Compliance of legal and regulatory requirements.

39 Related party disclosure

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

39.1 Name of the Directors and their interest in different entities

Sl. No.	Name of Directors	Status in MFL	Entities where they have interest	Position
1	Ms. Rokia Afzal Rahman	Chairman (Nominated by MIDAS)	R.R. Cold Storage Ltd. Mediaworld Ltd. Arlinks Ltd. Aris Holdings Ltd. Mediastar Ltd. Imaan Cold Storage Ltd. ABC Radio Bangladesh Lamps Ltd. Marico Bangladesh Ltd. MIDAS BRAC Banchte Shekha, Jashore Presidency University	Chairman & MD Chairman Chairman Chairman Director Director Director Independent Director Independent Director Director Governing Body Member Chairperson Member of Board of Trustees
2	Mr. Mohammed Nasir Uddin Chowdhury	Director (Nominated by LankaBangla Finance Ltd.)	Rajshahi Agro Fisheries Complex Ltd. FinExcel Ltd. LankaBangla Securities Ltd. Bengal Meat Processing Industry Ltd.. LankaBangla Investment Ltd. BD Venture Ltd. Eastern Cables Ltd.	Chairman Vice Chairman Managing Director Director Director Director Director
3	Mr. Abdul Karim	Director (Nominated by MIDAS)	MIDAS SEP Bangladesh VERC	Director Treasurer Treasurer
4	Mr. M. Hafizuddin Khan	Director (Nominated by MIDAS)	MIDAS Investment Limited MIDAS Transparency International - Bangladesh (TIB) Anjuman Mufidul Islam	Director Director Member of Board of Trustees Vice President
5	Mr. Ali Imam Majumder	Director (Nominated by MIDAS)	MIDAS Transparency International - Bangladesh (TIB) NIS Suport 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 Hay Agro (Pvt) Ltd. SBL Capital Managemnt Ltd.	Partner Chairman Director
10	Mr. A.K.M Kamruzzaman**	Director (Nominated by LankaBangla Investment Ltd.)	LankaBangla Investment Ltd	Head of operation
11	Ms. Nazneen Sultana***	Independent Director		

* Mr. Siddiqur Rahman Choudhury retired from the post of independent director on March 19,2020
** LankaBangla Investment Ltd withdrew its nomination of Mr. A.K.M Kamruzzaman with effect from November 24, 2020.
*** Ms. Nazneen was appointed as independent director with effect from May 12, 2020.

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

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

39.4 Related party transactions

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

Name of the related party	Relationship	Transaction nature	Classification Status	Amount in BDT	
				2020	2019
MIDAS	Sponsor shareholder	Term deposits	N/A	107,339,750	113,900,000
MIDAS Investment Ltd	Subsidiary	STL & LTD	Standard	240,019,797	237,829,757
MIDAS Investment Ltd	Subsidiary	Term deposits	N/A	205,000,000	205,000,000
LankaBangla Securities Ltd.	Shareholder	Investment (un-listed)	N/A	5,000,000	5,000,000
LankaBangla Securities Ltd.	Shareholder	Maintainance of investment	N/A	246,115,214	224,215,171
Total				803,474,761	785,944,928

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 193 at the end of December 31, 2020 as against 200 in 2019.

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 330th Board Meeting held on August 02, 2021 has recommended to the shareholders @2.5% (percent) Stock Dividend and @2.5% (percent) Cash Dividend for the year ended December 31, 2020 as per approval from Bangladesh Bank through letter # DFIM (C) 1054/41/2021-1447 dated July 15, 2021. The final approval of the dividend will come during the 25th Annual General Meeting of the company through digital platform as per Bangladesh Securities & Exchange Commission (BSEC) guideline.

MIDAS Financing Limited

Fixed assets including land, building, furniture and fixtures

For the period ended December 31, 2020

ANNEXURE-A

Amount in Taka

Particulars	COST				Rate of Dep	DEPRECIATION/AMORTIZATION				WDV as on December 31, 2020
	Balance as on Jan 1, 2020	Addition/ transfer during the year	Disposal/ adjustment during the year	Balance as on Dec 31. 2020		Balance as on Jan 1, 2020	Charged for the year	Adjustment/ transfer during the year	Balance as on Dec 31. 2020	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
I. Free holds assets										
Land	19,505,978	-	-	19,505,978		-	-	-	-	19,505,978
Building	124,503,139	-	-	124,503,139	2.5%	32,534,826	3,112,575	-	35,647,401	88,855,738
Right of use of assets	15,244,830	6,776,400	-	22,021,230		4,099,726	4,011,447		8,111,173	13,910,057
Office equipment	10,508,318	-	323,960	10,184,358	18%	6,714,466	677,881	264,117	7,128,230	3,056,128
Furniture & fixtures	29,257,048	138,463	-	29,395,511	10%	16,058,583	1,325,894	-	17,384,477	12,011,034
Motor vehicle	8,119,543	-	-	8,119,543	20%	6,165,008	390,900	-	6,555,908	1,563,635
Computer equipment	13,686,983	710,865	-	14,397,848	18%	10,062,567	703,035	-	10,765,602	3,632,246
Sub total	**220,825,839**	**7,625,728**	**323,960**	**228,127,607**		**75,635,176**	**10,221,732**	**264,117**	**85,592,790**	**142,534,816**
II. Intangible assets	-			-						
System & software	1,339,275	-	-	1,339,275	30%	1,062,126	83,148	-	1,145,274	194,001
Total as on Dec 31, 2020	**222,165,114**	**7,625,728**	**323,960**	**229,466,882**		**76,697,302**	**10,304,880**	**264,117**	**86,738,064**	**142,728,817**
Total as on Dec 31, 2019	**206,731,032**	**16,936,250**	**1,502,168**	**222,165,114**		**67,171,355**	**10,790,001**	**1,264,054**	**76,697,302**	**145,467,812**

MIDAS Financing Limited and its subsidiary

Consolidated Fixed assets including land, building, furniture and fixtures

For the period ended December 31, 2020

ANNEXURE-B

Amount in Taka

Particulars	COST				DEPRECIATION/AMORTIZATION				WDV as on December 31, 2020
	Balance as on Jan 1, 2020	Addition/ transfer during the year	Disposal/ adjustment during the year	Balance as on Dec 31. 2020	Balance as on Jan 1, 2020	Charged for the year	Adjustment/ transfer during the year	Balance as on Dec 31. 2020	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
I. Free holds assets									
Land	37,161,905	-	-	37,161,905	-	-	-	-	37,161,905
Building	146,664,477	-	-	146,664,477	35,582,007	3,666,608	-	39,248,614	107,415,862
Right of use of assets	15,244,830	6,776,400		22,021,230	4,099,726	4,011,447		8,111,174	13,910,056
Office equipment	10,651,663	-	323,960	10,327,703	6,957,151	758,200	264,117	7,451,234	2,876,469
Furniture & fixtures	30,285,740	138,463	-	30,424,203	16,477,428	1,399,880	-	17,877,308	12,546,895
Motor vehicle	8,119,543	-	-	8,119,543	6,165,008	390,900	-	6,555,908	1,563,635
Computer equipment	14,702,167	710,865	-	15,413,032	11,139,045	703,035	-	11,842,080	3,570,952
Sub total	**262,830,325**	**7,625,728**	**323,960**	**270,132,093**	**80,420,366**	**10,930,070**	**264,117**	**91,086,319**	**179,045,773**
II. Intangible assets									
System & software	2,494,275	-	-	2,494,275	1,553,001	429,648	-	1,982,649	511,626
Total as on Dec 31, 2020	**265,324,600**	**7,625,728**	**323,960**	**272,626,368**	**81,973,366**	**11,359,718**	**264,117**	**93,068,968**	**179,557,400**
Total as on Dec 31, 2019	**249,890,518**	**16,936,250**	**1,502,168**	**265,324,600**	**71,231,525**	**12,005,895**	**1,264,054**	**81,973,367**	**183,351,233**

MIDAS Financing Limited

Investment Property

For the period ended December 31, 2020

ANNEXURE-C

Amount in Taka

Particulars	COST				Rate of Dep	DEPRECIATION				WDV as on December 31, 2020
	Balance as on Jan 1, 2020	Addition/ transfer during the year	Disposal/ adjustment during the year	Balance as on Dec 31. 2020		Balance as on Jan 1, 2020	Charged for the year	Adjustment/ transfer during the year	Balance as on Dec 31. 2020	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
Nahar Green	63,390,907	-	-	63,390,907	2.5%	16,856,909	1,584,773	-	18,441,682	44,949,225
MIDAS Centre	138,348,874	-	-	138,348,874	2.5%	36,789,725	3,458,716	-	40,248,441	98,100,433
Total as on Dec 31, 2020	201,739,781	-	-	201,739,781		53,646,634	5,043,489	-	58,690,123	143,049,658

MIDAS Financing Limited

Investment Property

For the period ended December 31, 2019

Particulars	COST				Rate of Dep	DEPRECIATION				WDV as on December 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	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
Nahar Green	63,390,907	-	-	63,390,907	2.5%	15,272,136	1,584,773	-	16,856,909	46,533,998
MIDAS Centre	138,348,874	-	-	138,348,874	2.5%	33,331,009	3,458,716	-	36,789,725	101,559,149
Total as on Dec 31, 2019	201,739,781	-	-	201,739,781		48,603,145	5,043,489	-	53,646,634	148,093,147

MIDAS Financing Limited and its subsidiary

Investment Property

For the period ended December 31, 2020

ANNEXURE-D

Amount in Taka

Particulars	COST				Rate of Dep	DEPRECIATION				WDV as on December 31, 2020
	Balance as on Jan 1, 2020	Addition/ transfer during the year	Disposal/ adjustment during the year	Balance as on Dec 31. 2020		Balance as on Jan 1, 2020	Charged for the year	Adjustment/ transfer during the year	Balance as on Dec 31. 2020	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
MIDAS Financing Ltd.	201,739,781	-	-	201,739,781	2.5%	53,646,634	5,043,489	-	58,690,123	143,049,658
MIDAS Investment Ltd.	176,450,707	-	-	176,450,707	2.5%	28,673,242	4,411,268	-	33,084,510	143,366,197
Total as on Dec 31, 2020	**378,190,488**	-	-	**378,190,488**		**82,319,876**	**9,454,757**	-	**91,774,633**	**286,415,855**

MIDAS Financing Limited and its subsidiary

Investment Property

For the period ended December 31, 2019

Particulars	COST				Rate of Dep	DEPRECIATION				WDV as on December 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	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
MIDAS Financing Ltd.	201,739,781	-	-	201,739,781	2.5%	48,603,145	5,043,489	-	53,646,634	148,093,147
MIDAS Investment Ltd.	176,450,707	-	-	176,450,707	2.5%	24,261,974	4,411,268	-	28,673,242	147,777,465
Total as on Dec 31, 2019	**378,190,488**	-	-	**378,190,488**		**72,865,119**	**9,454,757**	-	**82,319,876**	**295,870,612**

Highlight as required by Bangladesh Bank

MIDAS Financing Ltd. and its subsidiary

As on December 31, 2020

SL	Particulars		Solo		Consolidated	
			2020	2019	2020	2019
1	Paid-up capital	BDT	1,389,930,040	1,356,029,310	1,389,930,040	1,356,029,310
2	Total capital	BDT	1,618,836,984	1,540,191,965	1,625,093,102	1,543,705,143
3	Capital surplus	BDT	389,930,040	356,029,310	389,930,040	356,029,310
4	Total assets	BDT	11,267,360,030	11,061,289,371	11,184,125,963	10,971,337,321
5	Total deposits	BDT	6,130,440,881	6,242,647,091	5,925,440,881	6,037,647,091
6	Total lease, loans and advances	BDT	9,629,457,815	9,519,445,210	9,413,080,836	9,297,804,812
7	Total contingent liabilities and commitments	BDT	442,900,000	1,689,250,000	442,900,000	1,689,250,000
8	Credit deposit ratio	%	157.08%	152.49%	158.86%	154.00%
9	Percentage of classified loan against total loans	%	11.39%	9.92%	11.39%	9.92%
10	Net profit after taxation	BDT	112,545,749	96,846,040	115,288,871	91,614,450
11	Classified lease, loans and advances	BDT	1,096,844,549	944,616,907	1,096,844,549	944,616,907
12	Provisions kept against classified loans	BDT	286,161,501	270,154,194	286,161,501	270,154,194
13	Provision surplus/(deficit) against classified loan	BDT	-	(267,077)	-	(267,077)
14	Cost of fund	%	10.30%	10.34%	10.30%	10.34%
15	Interest earnings assets	BDT	8,965,972,802	8,979,632,096	9,230,553,935	9,318,386,812
16	Non-interest earnings assets	BDT	2,301,387,228	2,081,657,274	1,953,572,028	1,652,950,510
17	Return on investment in shares (ROI)	%	17.58%	5.80%	8.10%	0.40%
18	Return on assets (ROA)	%	1.01%	0.84%	1.04%	0.80%
19	Income from investment	BDT	44,956,525	15,051,938	29,561,439	1,413,080
20	Earnings per share (2019:restated)	BDT	0.81	0.70	0.83	0.66
21	Operating profit per share (2019:restated)	BDT	0.77	0.90	0.80	0.97
22	Price earning ratio (2019:restated)	Times	22.72	20.95	22.18	22.15
23	Market price per share	BDT	18.40	14.60	18.40	14.60
24	Net assets value (NAV) per share(2019:restated)	BDT	11.65	11.08	11.69	11.11

Auditor's Report and Audited Financial Statements of MIDAS Investment Limited

As at and for the year ended December 31, 2020



HUDA HOSSAIN & CO.
CHARTERED ACCOUNTANTS

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, 2020 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
31 May, 2021.

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

MIDAS INVESTMENT LIMITED
Statement of Financial Position
As at 31st December, 2020

Particulars	Notes	Amount in Taka	
		31 December, 2020	31 December, 2019
ASSETS			
Non-current Assets			
Property, plant and equipment	3	36,510,957	37,219,296
Building (Investment Property)	3.1	143,366,197	147,777,465
Intangible Assets	3.2	317,625	664,125
Long-term investment	4	205,000,000	205,000,000
Total non-current assets		**385,194,780**	**390,660,886**
Current Assets			
Cash and bank balance	5	1,541,501	4,066,799
Advance income tax		55,763,573	49,962,280
Investment in Securities	6	106,584,158	112,042,005
Margin Loan to portfolio investors		23,642,818	16,189,359
Rental income receivable	7	35,250,228	27,310,198
Other assets	8	3,806,674	2,644,178
Total current assets		**226,588,952**	**212,214,819**
Total Assets		**611,783,731**	**602,875,705**
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	9	250,000,000	250,000,000
Retained earnings	10	6,256,196	3,513,234
Total Equity		**256,256,196**	**253,513,234**
Liabilities			
Non-current Liabilities			
Term Loan	11	191,980,187	185,329,757
Current Liabilities			
Short Term Loan	11.1	48,039,610	52,500,000
Liability against expenses	12	46,000	46,000
Provision for taxation	13	41,416,203	38,121,313
Other liabilities	14	74,045,535	73,365,402
Total Current Liabilities		**163,547,348**	**164,032,714**
Total Liabilities		**355,527,535**	**349,362,471**
Total Equity and Liabilities		**611,783,731**	**602,875,705**

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

As per report of date annexed

(Md. Shamsul Huda, FCA)
HUDA HOSSAIN & CO.
Chartered Accountants
DVC-2105310488AS259847

Dated, Dhaka;
31 May, 2021.

MIDAS INVESTMENT LIMITED
Statement of Profit or Loss and other Comprehensive Income
For the period ended 31st December, 2020

Particulars	Notes	Amount in Taka	
		1st January 2020 to 31 December, 2020	31 December, 2019 1st January 2019 to
Operating Income	15	4,322,746	4,477,955
Income from investment in securities	16	4,604,753	1,361,022
Less: Operating Expenses	15.1	(6,730,041)	(7,567,535)
Operating Income		**2,197,458**	**(1,728,558)**
Other income	17	34,117,846	36,681,724
Total other Income		**36,315,304**	**34,953,166**
Administrative Expenses			
Salary and allowances		5,109,726	4,840,112
Utilities expenses		415,122	408,497
Bank charges & excise duty		79,615	74,125
Legal and professional fees		61,595	115,000
Audit Fee		46,000	46,000
Regulatory fees and charges	18	275,000	141,073
Printing & Stationary	19	33,384	32,445
Postage, stamp and telecommunication	20	160,684	202,676
Directors fees	24	96,000	118,542
Depreciation	22	5,466,107	5,627,162
Other expenses	23	1,686,410	1,220,609
Total administrative expenses		**13,429,643**	**12,826,241**
Profit before provision		**22,885,661**	**22,126,924**
Provision for investment in share & Other	24	(7,677,587)	11,014,198
Provision for Rental receivable		6,061,192	1,057,550
Profit before taxation		**24,502,056**	**10,055,176**
Tax expenses:			
Current tax		3,294,890	1,816,088
Deffered Tax		(1,535,796)	(1,529,202)
		1,759,094	**286,886**
Profit for the period		**22,742,962**	**9,768,290**
Earnings Per Share (Taka)	25	**0.91**	**0.39**

Chairman | Director | Chief Executive Officer | Company Secretary

As per report of date annexed

(Md. Shamsul Huda, FCA)
HUDA HOSSAIN & CO.
Chartered Accountants
DVC-2105310488AS259847

Dated, Dhaka;
31 May, 2021.

MIDAS INVESTMENT LIMITED
Statement of Cash Flow
As at 31st December, 2020

Particulars	Amount in Taka	
	1st January 2020 to 31 December, 2020	1st January, 2019 to 31 December, 2019
A) Cash flows from Operating Activities		
Fees & Commission Received	4,322,746	4,477,955
Interest received from TDR	21,692,417	20,705,000
Interest paid against borrowing	(33,161,045)	(33,046,895)
Profit/(Loss) from share investment	4,604,753	1,361,022
Cash payment to employees	(5,109,726)	(4,840,112)
Cash Payment for Others expenses	(3,005,871)	(2,403,564)
Income Tax Paid	(5,801,293)	(7,050,931)
Received from other Income	29,188,395	36,339,943
Operating profit before changes in Operating Assets & Liabilities:	**12,730,376**	**15,542,418**
Changes in Operating Assets and Liabilities		
Purchase / Sale of Trading Securities	5,457,847	15,472,904
Other Assets	373,301	1,146,287
Other liabilities	(823,402)	(5,077,845)
Sub Total	**5,007,746**	**11,541,346**
Net cash flow from operating activities (Total of "A"):	**17,738,122**	**27,083,764**
B) Cash flows from Investing Activitives		
Increase in Margin loan to Investors	(7,453,459)	(1,376,285)
Net Cash flows by investing activities (Total of "B"):	**(7,453,459)**	(1,376,285)
C) Cash flows From Financing Activities		
Dividend paid	(15,000,000)	(25,000,000)
Increase/(decrease) of borrowings	2,190,040	(11,556,623)
Net Cash flow by Financing Activities (Total of "C"):	**(12,809,960)**	**(36,556,623)**
D) Net Increase/ (Decrease) in cash & cash equivalents (A+B+C)	**(2,525,297)**	**(10,849,144)**
E) Opening cash and cash-equivalents	**4,066,799**	**14,915,943**
F) Closing cash cash-equivalents (D+E)*	**1,541,501**	**4,066,799**
*** Closing cash and cash-equivalents**		
Cash in hand	3,437	435
Cash at bank	1,538,064	4,066,364
Total:	**1,541,501**	**4,066,799**

Chairman | Director | Chief Executive Officer | Company Secretary

MIDAS INVESTMENT LIMITED
Statement of Changes in Shareholders' Equity
As at 31st December, 2020

Amount in Taka

Particulars	Share Capital	Reserve	Retained Earnings	Total
Balance as at January 01, 2020	250,000,000	-	3,513,234	253,513,234
Profit for the period	-	-	22,742,962	22,742,962
Interim Dividend for the year 2020	-	-	(20,000,000)	(20,000,000)
Balance as at 31 December, 2020	**250,000,000**	-	**6,256,196**	**256,256,196**
Balance as at 31 December, 2019	**250,000,000**	-	**3,513,234**	**253,513,234**

Chairman | Director | Chief Executive Officer | Company Secretary

As per report of date annexed

(Md. Shamsul Huda, FCA)
HUDA HOSSAIN & CO.
Chartered Accountants
DVC-2105310488AS259847

Dated, Dhaka;
31 May, 2021.

1.00 Company and it's activities

1.01 Corporate information

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.

1.02 Company's Activities

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

2.00 Significant Accounting Policies

2.01 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 except for cash flow statement. In preparation of these financial statements the company followed respective provisions of The Companies Act 1994,The Securities and Exchange Rules, 1987 and Bangladesh Accounting Standard (BAS) and/or Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

2.02 Basis of Preparation and Presentation of Financial Statements

The financial statements have been prepared and the disclosure have been made in accordance with the requirements of Bangladesh Accounting Standards (BAS) , Securities and Exchange Rules, 1987 and other applicable laws and regulations. No adjustment has been made for inflationary factor affecting the financial statements.

2.03 Use of estimates and judgment

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

2.04 Cash flow statement

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

2.05 Cash and cash equivalents

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

2.06 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

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 BAS-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%
IT System and Software	30%

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.

2.07 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.

2.08 Revenue Recognition (BAS 18," Revenue")

"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 Bangladesh Accounting Standard (BAS) 18, ""Revenue"", Revenue unless otherwise mentioned or otherwise guided by the separate BAS/BFRS.

2.09 Financial instruments

Non-derivative financial instruments comprise investments in shares and TDR/FDR, trade receivables, cash and cash equivalents, margin loans, share capital and interest -bearing borrowings.

2.10 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.

2.11 Provision on investment

"As per requirements of BAS 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 BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

2.12 Income and expenditures

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

2.13 Employee benefits

The Company Maintains a defined contributory Provident Fund for its employees. Both the employees and MIDAS Investment Limited makes equal contribution to the Fund.

2.14 Borrowing cost

All borrowing costs are recognized as expenses in the period in which they incurred in accordance with benchmark treatment of Bangladesh Accounting Standard, BAS-23, "Borrowing Costs".

2.15 Taxation

Tax expense comprises current and deferred tax.

2.15.1 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.

2.15.2 Deferred tax

The Company accounts for deferred tax as per Bangladesh Accounting Standard (BAS) 12 "Income Taxes". Deferred tax is provided using the balance sheet method for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the balance sheet date is used to determine deferred tax. However it is mentioned that Rental income of the assets included in a Fixed Assets Assess under sec 25, of "Income Tax Ordinance 1984" thus there is no temporary difference between the tax base of assets and their carrying value for financial reporting purposes.

2.16 Reporting period

Since inception MIDAS Investment Limited had maintained its reporting period from July to June in line with reporting period of Parent company, MIDAS Financing Limited. As per section 9(F) of Finance Act 2015 , MIDAS Finaning Limited was required to change its reporting period from July-June to January- December. Further, Finance Act 2016 required to change the reporting period of subsidiary in line with the Parent company.Therefore, Financial year of MIDAS Investment Limited was also changed.

2.17 Reporting Currency and level of Precision

The financial statements are expressed in Bangladeshi Taka Currency and rounded off to the nearest integer.

2.18 Earnings Per Share (EPS)

The Company calculates Earnings per share (EPS) in accordance with Bangladesh Accounting Standards (BAS) 33, "Earnings Per Share" which is shown in the face of the Profit and loss Account and disclosures have been given in note 25.

2.19 Reconciliation of inter-company account

Accounts with regard to inter-company are reconciled regularly and there are no material differences which may affect the financial statements significantly.

2.20 Related party disclosure

As per Bangladesh Accounting Standards (BAS) 24 "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 26.

2.21 Offsetting

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

2.22 Contingencies

Contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

2.23 Uniform accounting policies

The financial statements of MIDAS FINANCING LIMITED and MIDAS Investment Limited have been prepared in accordance with uniform policies of accounting.

2.24 Proposed dividend

Proposed dividend has not been recognised as a liability in the balance sheet in accordance with Bangladesh Accounting Standards (BAS) 10 "Events After the Balance Sheet Date".

2.25 Events after the balance sheet date

All material events occurring after the balance sheet date has been considered and where necessary, adjusted for or disclosed in note 29.

Notes	Particulars	Amount in Taka	
		31 December, 2020	31 December, 2019
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**	**42,004,485**
	Less: Accumulated Depriciation	5,493,528	4,785,189
	Written down value (WDV)	**36,510,957**	**37,219,296**
3.01	**Building (Investment Property)**	176,450,707	176,450,707
	Less: Accumulated Depriciation	33,084,510	28,673,242
	Written down value (WDV)	**143,366,197**	**147,777,465**
3.02	**Intangible Assets**		
	IT Software & System	1,155,000	1,155,000
	Less: Accumulated amortization	837,375	490,875
	Written down value (WDV)	**317,625**	**664,125**
	* 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	3,437	435
	Pubali Bank Ltd.(A/C No.3781101014557)	-	363
	Standard Bank Ltd.(A/C No.01433006114)	2,404	200,261
	Mercantile Bank- SND A/C(110213123408135))	150,426	222,866
	Mercantile Bank Ltd.(CD A/C No.110211122407841)	1,384,513	3,642,299
	Mercantile Bank A/C- PIAA(A/C No.110213332701419)	721	-
	Bank Alfalah Ltd.(A/C No.0701-22044144)	-	575
		1,541,501	**4,066,799**
6	**Investment in Securities**		
	Investments in listed securities(6.1)	96,584,158	102,042,005
	Investments in non- listed securities(6.2)	10,000,000	10,000,000
		106,584,158	**112,042,005**
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
		10,000,000	**10,000,000**

MIDAS INVESTMENT LIMITED
Notes to the Financial Statements
For the year ended 31st December, 2020

Notes	Particulars	Amount in Taka	
		31 December, 2020	31 December, 2019
7.	**Rental income receivable**		
	Office space	32,609,423	25,091,973
	Garage space	255,000	219,000
	Service charge	2,385,805	1,999,225
		35,250,228	**27,310,198**

Rental income receivable

Sl	Name of Tenant	Taka	Taka
01	Brandwin Group of companies Ltd.	28,517,038	22,864,258
02	Esperto Health Care	4,154,960	4,154,960
03	AGEC	285,600	165,000
04	Secured Link BD- 3rd Floor	-	125,980
05	Rental income receivable-SELISE 8th Floor	1,792,350	-
06	Rental Income Receivable (Office Space) TIB	500,280	-
	Total	**35,250,228**	**27,310,198**

8.	**Other assets**		
	Advance against purchase of shares	492,781	109,578
	Refundable Security Deposit-CDBL	200,000	200,000
	Advance to Others	28,000	6,000
	Deferred Tax Assets	3,019,952	1,484,156
	Receivable from panel Broker -CBL	65,940	-
	Employee loan	-	844,444
		3,806,674	**2,644,178**
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	31 December,2020	31 December 2019
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**

Notes	Particulars	Amount in Taka	
		31 December, 2020	31 December, 2019
10.	**Retained Earnings**		
	Opening balance	3,513,234	8,744,944
	Add: Net profit after taxation	22,742,962	9,768,290
	Less: Dividend paid	(20,000,000)	(15,000,000)
		6,256,196	**3,513,234**
11	**Long term loan**		
	Opening balance	185,329,757	189,386,380
	Add: Addition during the period	7,000,000	-
		192,329,757	**189,386,380**
	Less: Adjustment during the period	(349,570)	(4,056,623)
		191,980,187	**185,329,757**
11.1	**Short Term Loan(STL)**		
	Opening balance	52,500,000	60,000,000
	Add: Addition during the period	-	2,500,000
	Less: deduction during the period	(4,460,390)	(10,000,000)
		48,039,610	**52,500,000**
12	**Liability Against Expenses**		
	Laibilities for audit fees	46,000	46,000
		46,000	**46,000**
13	**Provision for taxation**		
	Balance at the beginning of the period	38,121,313	36,305,225
	Add: Addition during the period	3,294,890	1,816,088
		41,416,203	**38,121,313**
		41,416,203	**38,121,313**
14	**Other liabilities**		
	Withholding AIT & VAT payable	5,867	10,017
	Advance from Secure Link Services BD Ltd.	379,000	379,000
	Refundable security money(14.3)	5,333,000	6,583,700
	Provision for investment in share (14.1)	29,985,865	38,663,452
	Payable to Clients	543,218	1,984,566
	Payable to Panel Broker	49,263	743,040
	Service charge payable to MFL	4,323,215	2,578,920
	Interest expense payable(Do- 2921)	1,570,862	3,534,922
	Interest expense payable(MFL-STL)	365,544	275,664
	Dividend Payable	20,000,000	15,000,000
	Provision for Rental Income & Other Investment(14.4)	9,792,982	2,731,790
	Other Accrued expenses	1,696,718	880,330
		74,045,535	**73,365,402**

Notes	Particulars	Amount in Taka	
		31 December, 2020	31 December, 2019
14.1	**Provision for investment in share**		
	Balance at the Beginning of the period	38,663,452	27,649,254
	Add: Addition/(adjustment) during the period	(8,677,587)	11,014,198
		29,985,865	**38,663,452**
14.2	**Deferred Tax Liability/(Asset)**		
	Opening balance	(1,484,156)	45,046
	Deferred tax (income)/expenses accounted for during the year	1,535,796	(1,529,202)
		(3,019,952)	**(1,484,156)**
	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	180,194,780	185,660,887
	Tax base written down value	188,247,985	189,618,636
	Net taxable differences	(8,053,206)	(3,957,749)
	Applicable tax rate	**37.50%**	**37.50%**
	Deferred tax Assets at the end of the period	**(3,019,952)**	**(1,484,156)**
	Deferred tax assets at the beginning of the year	(1,484,156)	45,046
	Deferred tax (income)/expenses accounted for during the period	**(1,535,796)**	**(1,529,202)**
14.3	**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
		5,333,000	**6,583,700**
14.4	**Provision for Rental Income & other Investment**		
	Rental provision for Esperto	2,505,232	1,674,240
	Rental provision for Brandwin	6,287,750	1,057,550
	Provision for Investment -Arian Chemical Ltd.	1,000,000	-
		9,792,982	**2,731,790**
		1st January, 2020 to 31 December, 2020	**1st January, 2019 to 31 December, 2019**
15	**Operating Income**		
	Brokerage Commission	1,352,241	1,072,263
	Management Fee	-	62,796
	Margin Interest income	2,909,504	3,295,396
	BO Account Renewal Fee	37,000	36,500
	BO Account Opening Fee	24,000	11,000
		4,322,746	**4,477,955**

Notes	Particulars	Amount in Taka	
		1st January, 2020 to 31 December, 2020	1st January, 2019 to 31 December, 2019
15.1	**Operating Expenses**		
	CDBL Share Maintenance charges	102,772	106,007
	Interest expenses	6,583,869	7,453,828
	BO Account charges	43,400	7,700
		6,730,041	**7,567,535**
16	**Income from Investment in securities:**		
	Dividend Income	2,317,446	1,656,363
	Profit /(loss) on sale of Securities	2,287,308	(295,341)
	Total amount	**4,604,753**	**1,361,022**
17	**Other income:**		
	Rental income-Office space	36,460,823	39,692,124
	Rental income-Garage space	228,000	210,000
	Interest Income on staff Loan	428,612	34,465
	Bank interest income	10,990	12,114
	Net Interest Income (Note-17.1)	(3,010,578)	(3,266,979)
		34,117,846	**36,681,724**
17.1	**Net Interest Income**		
	Interest income on TDR (DO-2921)	21,692,417	20,705,000
	Less: Interest expenses on LTD(DO-2921)	(24,702,995)	(23,971,979)
	Net Interest Income	**(3,010,578)**	**(3,266,979)**
18	**Regulatory fees and charges:**		
	Bidding Fee-DSE	19,000	15,000
	RJSC Expenses	6,000	5,773
	Govt. Duty, VAT & License Fee	-	20,300
	Membership & subscription-BMBA	100,000	100,000
	Licence Renewal fee-BSEC	150,000	-
		275,000	**141,073**
19	**Printing & Stationeries**		
	Printing expenses	1,800	3,750
	Office supplies	31,584	28,695
		33,384	**32,445**
20	**Telecommunication, Postage, Stamp**		
	Mobile and Tnt Bill	31,769	44,516
	Networking charges	124,000	153,500
	Stamp	4,915	4,660
		160,684	**202,676**
21	**Directors Fees and expenses**		
	Directors Fees	96,000	103,750
	Others expenses-Board meeting	-	14,792
		96,000	**118,542**

MIDAS INVESTMENT LIMITED
Notes to the Financial Statements
For the year ended 31st December, 2020

Notes	Particulars	Amount in Taka	
		1st January, 2020 to 31 December, 2020	1st January, 2019 to 31 December, 2019
22	**Depreciation & Amortization**		
	Depreciation on Property,plant & equipment	708,339	869,394
	Depreciation on (Investment Property)	4,411,268	4,411,268
	Amortization on Intangible Assets	346,500	346,500
		5,466,107	**5,627,162**
23	**Other expenses**		
	News paper & periodical expenses	2,800	2,900
	Repair & Maintenance	317,135	30,610
	Travelling & Conveyance	13,203	6,877
	Entertainment expenses	33,483	26,858
	Advertisement expenses	4,485	-
	Training expenses	-	10,895
	City Corporation-Holding tax	957,634	957,633
	Dis & cable charges	3,600	3,900
	Software maintenance charges	143,000	156,559
	Miscellaneous expenses	211,070	24,377
		1,686,410	**1,220,609**
24	**Provision for Investment in share-listed**	(8,677,587)	11,014,198
	provision for Inv. in share-placement share(Arian Chemical Ltd.)	1,000,000	-
		(7,677,587)	**11,014,198**
25	**Earnings Per Share (Taka)**		
	a. Net profit after tax (Taka)	22,742,962	9,768,290
	b. No. of ordinary share outstanding	25,000,000	25,000,000
	Earnings Per Share (a/b)	**0.91**	**0.39**
25.1	**Non-controlling interest(taka)**		
	200 ordinary shares* EPS	**182**	**78**
	Interest of MFL		
	24,999,800 ordinary shares* EPS	**22,742,780**	**9,768,212**

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.

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	2020	2019
1	MIDAS Financing Limited	Parent	Deposit	205,000,000	205,000,000
2	MIDAS Financing Limited	Parent	Interest expenses	24,702,995	23,971,979
3	MIDAS Financing Limited	Parent	Loan	191,980,187	185,329,757
4	MIDAS Financing Limited	Parent	STL	48,039,610	52,500,000

Contingencies and commitment

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

Capital expenditure Commitment

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.

MIDAS INVESTMENT LIMITED

Property, Plant and Equipment

As at 31st December, 2020

Annexure-A

Amount in Taka

Particulars	COST				Rate	DEPRECIATION / AMORTIZATION				Written down value as at 31.12.2020
	Balance as at 01.01.2020	Addition during the period	Disposal/ Adjustment during the period	Balance as at 31.12.2020		Balance as at 01.01.2020	Charged during the period	Disposal/ Adjustment during the period	Balance as at 31.12.2020	
1. Free holds Assets:										
Land	17,655,927	-	-	17,655,927		-	-	-	-	17,655,927
Building (Own use)	22,161,338	-	-	22,161,338	2.5%	3,047,181	554,033	-	3,601,214	18,560,124
Furniture & fixtures	493,237		-	493,237	15%	291,150	73,986	-	365,136	128,101
Office decoration	535,455	-	-	535,455	15%	288,332	80,318	-	368,650	166,805
Office equipment	143,345		-	143,345	20%	143,344	1.00	-	143,345	-
Computer & accessories	1,015,183		-	1,015,183	33%	1,015,182	1.00	-	1,015,183	-
Sub Total :	**42,004,485**	-	-	**42,004,485**		**4,785,189**	**708,339**	-	**5,493,528**	**36,510,957**
02. Building (Investment Property)										
Building (Investment Property)	176,450,707	-		176,450,707	2.5%	28,673,242	4,411,268		33,084,510	143,366,197
Sub Total:	**176,450,707**	-	-	**176,450,707**		**28,673,242**	**4,411,268**	-	**33,084,510**	**143,366,197**
03. Intangible Assets:										
IT System & Software	1,155,000.00		-	1,155,000	30%	490,875.00	346,500	-	837,375	317,625
Sub Total :	**1,155,000.00**	-		**1,155,000**			**346,500**		**837,375**	**317,625**
Total as at 31st December 2020	**219,610,192**	-		**219,610,192**		**33,458,431**	**5,466,107**		**39,415,413**	**180,194,780**

MIDAS FINANCING LIMITED

House-05, Road-16 (New), Dhanmondi, Dhaka-1209.

Notice of the 25th Annual General Meeting

Notice is hereby given that the 25th Annual General Meeting of MIDAS Financing Limited will be held on Monday, September 20, 2021 at 10.00 a.m. The AGM will be held by using digital platform through the link: https://midasfinancing.bdvirtualagm.com to transact the following business:

1. To receive, 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, 2020 together with the Auditors' Report thereon.
2. To declare dividend for the year ended on December 31, 2020 as recommended by the Board of Directors.
3. To elect/re-elect Directors.
4. To appoint Statutory Auditors until conclusion of next AGM and to fix their remuneration.
5. To appoint Corporate Governance Compliance Auditors for the year to be ended on December 31, 2021, in compliance with the requirements under the Corporate Governance Code imposed by BSEC and to fix their remuneration.
6. To transact any other business with the permission of the Chair.

Date: August 26, 2021

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., Wednesday, August 25, 2021 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).

ii) In view of the Order (SEC/SRMRC/04-231/25 dated July 08, 2020) of Bangladesh Securities and Exchange Commission (BSEC), the AGM of the Company will be conducted through digital platform. Therefore, the shareholders are requested to attend the 25th AGM through online live portal to avoid serious health risk due to pandemic COVID-19 Coronavirus crisis. The Detailed procedures for joining and participation will be communicated to the Shareholder's email ID in due course and it would also be available at the Company's website: www.mfl.com.bd

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 2020 of the Company will be sent to the shareholders' respective e-mail addresses. However, interested shareholders may collect hard copy of the Annual Report-2020 from the Company's share office by submitting a written request. The Annual Report-2020 will be also available in the Company's official website: www.mfl.com.bd

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

MIDAS Financing Limited

Registered Office: House: 5, Road: 16 (New) 27 (Old)
Dhanmondi, Dhaka 1209

PROXY FORM

I/We.....of.....
..... being a shareholder of MIDAS Financing Limited and entitled to vote, hereby appoint Mr. /Mrs./Miss ..... as my/ our proxy to join and vote for me/us and on my/ our behalf at the 25th Annual General Meeting of the Company to be held on Monday, September 20, 2021 at 10:00 a.m. on a Digital platform or at any adjournment thereof or at any ballot to be taken in consequence hereof

Signed this..... Signature of proxy ..... day of 2021

Revenue Stamp
of Tk. 20/-

Signature of Shareholder

BO ID: | | | | | | | | | | | | | | | | |

No. of Shares held.....

Note:

1) This form of proxy, duly completed and signed must be deposited at least 72 hours before the meeting at the Company's registered office. Proxy is invalid if not signed and stamped as explained above.

2) Signature of Shareholder must be in accordance with Specimen Signature recorded with the Company

MIDAS Financing Limited

Registered Office: House: 5, Road: 16 (New) 27 (Old)
Dhanmondi, Dhaka 1209

ATTENDANCE SLIP

I hereby record my joining at 25th Annual General Meeting of the Company tobe held on Monday September 20, 2021 at 10:00 a.m. on a Digital platform.

Name of the Member/Proxy .....

BO ID: | | | | | | | | | | | | | | | | |

Signature of Shareholder.....Signature of proxy .....

No. of Shares held ..... Date .....

N.B.: Shareholder attending meeting in person or Proxy are requested to complete the Attendance Slip and Send the same is a registered post/email (info@mfl.com.bd) to the registred office of the company.

Branches/Booths of MFL

Chattogram
Excel SM Tower (1st Floor)
62, Zakir Hossain Road
East Nasirabad, Khulshi, Chattogram
Phone: 01971 818 808, 031-632417

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

Bagura
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
35 Haji Mohsin Road (1st Foor)
Chandpur-3600
Phone: 0841-66059, 01970 451 675

Narsingdi
SK Tower (2nd floor)
House: 04, Road: 10, Anaudi Road 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
Sikder Plaza, Court Road-144, (3rd Floor)
Bank Potti, Brahmanbaria
Phone: 01816 109 773, 01973 279 157

Jashore
Sardar Plaza (1st Floor)
135 M. K . Road, Jashore
Phone: 01729 097 092, 01979 097 092



MIDAS FINANCING LIMITED
a real friend of entrepreneurs

MIDAS Centre (10th & 11th Floor)
House: 05, Road: 16 (new), 27(old)
Dhanmondi, Dhaka-1209, Bangladesh
Tel: 02-9102205, 9102208, 09611221055
Fax: 880-2-8142085
e-mail: info@mfl.com.bd
www.mfl.com.bd

Paper Rhyme