

HARNESSING THE

# SUSTAINABLE

GROWTH OF
CHANGE MAKERS

ANNUAL REPORT **2023**

MIDAS FINANCING PLC
*a real friend of entrepreneurs*



## Harnessing Sustainable Growth of Change Makers

Harnessing sustainable growth among change makers involves fostering an environment where individuals or organizations committed to creating positive social or environmental impact can thrive and expand their influence over time. Here are some key strategies to achieve this

By focusing on these aspects, stakeholders can create an environment where change makers not only thrive in the short term but also contribute to lasting social, environmental, and economic impact over the long term. Sustainable growth ensures that change makers can continue to drive positive change and inspire others to join their efforts.

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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 PLC.,
Chittagong Stock Exchange PLC.,
Zoha Zaman Kabir Rashid & Co., Chartered Accountants and
Howlader Maria & Co., Chartered Accountants.

Dear Sir/Madam
**Annual Report for the year ended December 31, 2023.**

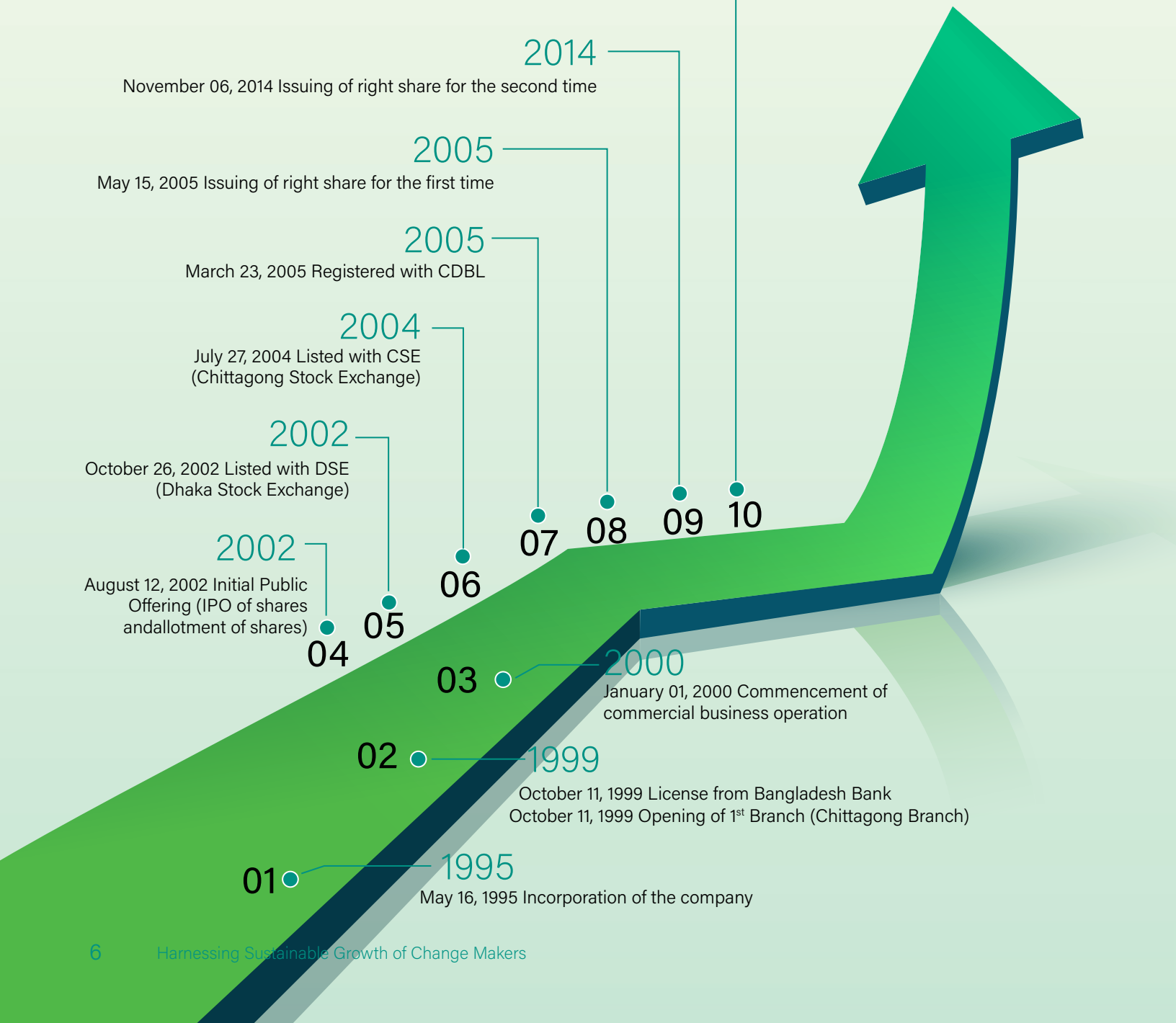
Enclosed please find a copy of the Annual Report along with the audited Financial Statements including Consolidated and Separate Statement of Financial Position as on December 31, 2023, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on December 31, 2023 along with notes thereon of MIDAS Financing PLC and its subsidiary (MIDAS Investments Limited) as well as the Directors' Report of the Company thereon for your kind information and record.

Thank you.
Sincerely yours,

**Tanvir Hasan, FCA**
DMD & Company Secretary

# Key Milestones

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





# About the Company

MIDAS Financing PLC (MFPLC) 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, MFPLC has ventured into various other sectors with its financing operations and has been playing a significant role in the economic development of Bangladesh.

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

# Vision & Mission

## Our Vision

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

## 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.



# Corporate Focus & 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 dividends (If any) on time and disseminate price sensitive information.



# Organizational Strategies

MIDAS Financing PLC (MFPLC) believes that industrialization, employment creation, poverty alleviation and overall economic progress of the country can be better achieved through sustainable development of micro, small and medium enterprises (SMEs). Accordingly, the activities of MFPLC aim at helping establishment of new enterprises as well as expansion of the existing ones in the SME sector. The majority of the MFPLC 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, MFPLC is also fully aware of its obligation and is making unrelenting efforts to safeguard the interest of its shareholders.

## MIDAS Financing PLC 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.
- Ensuring economy in all spheres of operational activities.
- Minimizing the cost of fund.
- Minimizing risk through careful selection of customers and close monitoring of financed projects.

# 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 PLC 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 PLC, 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 PLC** |
| **Legal Form** | : A public limited Company incorporated in Bangladesh on May 16, 1995 under the Companies Act 1994 and licensed as Financial Institution on October 11, 1999 under Financial Institutions Act, 1993. |

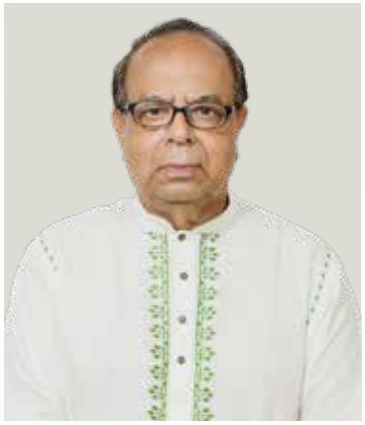



| | |
|---|---|
| **Listing Status** | : Listed with Dhaka Stock Exchange on October 26, 2002 and Chittagong Stock Exchange on July 27, 2004. |
| **Company Registration Number** | : C- 28404 (2250)/95 |
| **Bangladesh Bank License Number** | : FID (L)/22, dated October 11, 1999 |
| **Membership** | : Bangladesh Leasing & Finance Companies Association<br>Bangladesh Association of Publicly Listed Companies |
| **Authorized Capital** | : BDT 2,000,000,000 |
| **Paid-up Capital** | : BDT 1,438,925,070 |
| **No. of Shareholders** | : 5618 |
| **Corporate Office** | : MIDAS Centre (10th & 11th Floor), House # 5<br>Road # 16 (New), 27 (Old), Dhanmondi, Dhaka-1209. |
| **Company Email** | : info@mfplc.com.bd |
| **Company Website** | : www.mfplc.com.bd |
| **No. of Employees** | : 206 |
| **No. of Branches/Booths** | : 15 |

# Board of Directors



Mr. Abdul Karim
Chairman



Mr. Ghulam Rahman
Independent Director



Ms. Nazneen Sultana
Independent Director



Mr. Md. Shamsul Alam
Director

# Executive Committee



Mr. Md. Shamsul Alam
Chairman



Mr. Abdul Karim
Member

# Audit Committee



Ms. Nazneen Sultana
Chairman



Mr. Ghulam Rahman
Member

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

# Products & Services

MIDAS Financing PLC (MFPLC) is open to flourishing new ideas, thinking and nontraditional innovative financing. For faster growth and wealth maximization, customers can get assistance from the company through the following fund and fee-based debt products and services: Through categorizing the products and services by the aforesaid broad generic names, MFPLC 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". MFPLC 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. WorkingCapital 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

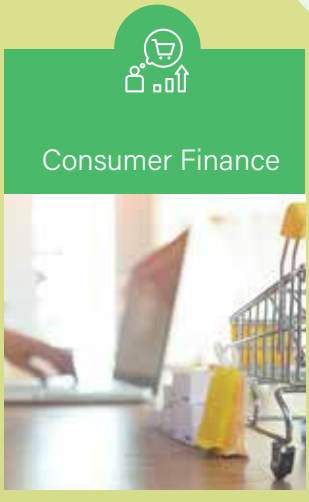
## Deposit Products

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
8. Triple money deposit
9. Monthly deposit scheme
10. Millionaire deposit scheme












# Business Ecosystem



# Board of Directors




01 **Mr. Abdul Karim**
Chairman

02 **Mr. Ghulam Rahman**
Independent Director

03 **Ms. Nazneen Sultana**
Independent Director

04 **Mr. Md. Shahedul Alam**
Director

05 **Mr. Mustafizur Rahman**
Managing Director

# Profiles of the Directors of the Board



Mr. Abdul Karim joined the Board of MIDAS Financing PLC on February 28, 2017 and elected as Chairman of the Board of Directors on August 15, 2024. 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 PLC from May, 1995 to April, 2004.

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

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

**Mr. Abdul Karim**
Chairman
Nominated by MIDAS

# Profiles of the Directors of the Board



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

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

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

**Mr. Ghulam Rahman**
Independent Director

# Profiles of the Directors of the Board



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

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

**Ms. Nazneen Sultana**
Independent Director

# Profiles of the Directors of the Board



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

He is representing the general shareholders group in the Board of MIDAS Financing PLC.

**Mr. Md. Shamsul Alam**
Director
Representing General Shareholders Group

# Profiles of the Top Management Team



**Mr. Mustafizur Rahman**
Managing Director

Mr. Mustafizur Rahman is a seasoned investment banking professional having over 35 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 PLC.

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. Tanvir Hasan, FCA**
Deputy Managing Director & Company Secretary

A seasoned professional Fellow Chartered Accountant having 22 years of proven experience in the field of Finance, Accounts, Company Secretariat and Internal audit & control related job in renowned Local Group of Company like Square Pharmaceuticals Limited and Financial Institutions named Fareast Finance & Investment Limited, CVC Finance Limited in individual transparency and accountability in a cross functional management team.

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

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

# Profiles of the Top Management Team



**Mr. Md. Monirul Islam**
Deputy Managing Director

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

# Profiles of the Top Management Team



**Mr. Abul Kalam Azad**
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 PLC 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. Muhammad Shohidur Rahman**

Deputy General Manager (Chief Risk Officer)

Mr. Shohidur has 19 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 PLC, Mr. Shohidur worked with Union Capital Limited as Branch In-charge of Motijheel Branch for more than 3 years. He started his career with National Housing Finance and Investments Limited as Counselor in February 2004. He worked there for 2 years and thereafter joined International Leasing & Financial Services Limited in April 2006 and worked there for more than 6 years under different capacities. Later on, he served at National Finance Limited for more than 3 years. He has got well rounded experience with expertise in Corporate Finance, SME Finance as well as Branch Management. He attended various trainings/workshops at Bangladesh Bank, BIBM and different training organizations of Bangladesh.

# Profiles of the Top Management Team



**Mr. Mohammad Ashiqur Rahman**
Chief Financial Officer (CFO)

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

# Profiles of the Top Management Team



**Mr. Mohammad Taimur Chowdhury**
In-charge, ICC Department

Mr. Mohammad Taimur Chowdhury joined MIDAS Financing PLC in the year 2014 and contributed a lot to shape up the governance, audit, compliance and internal control system of the organization. He has over 14 years of professional experience at the arena of internal control mechanism, internal audit, reporting and compliance process. Currently he has been appointed as In-Charge of Internal Control and Compliance Department (ICCD). He completed Chartered Accountancy Course (CACC) from a renowned CA Firm in Bangladesh namely, Aziz Halim Khair Choudhury, Chartered Accountants (AHKC) an Exclusive Correspondent Firm of PKF International Limited (PKF) and was engaged there in various audit and assurance assignments with Listed Companies, Financial Institutions, Manufacturing Organizations, Insurance Companies, Banks, NGOs etc. He is currently in professional level and pursuing Chartered Accountancy qualification from the Institute of Chartered Accountants of Bangladesh (ICAB). Mr. Mohammad Taimur Chowdhury completed Bachelor of Business Administration (BBA) and Master of Business Administration (MBA) from reputed Universities in Bangladesh. He attended various training programs, workshops at Bangladesh Bank, BIBM and various training institutions in Bangladesh.

# Committees of the Company

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

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

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

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

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

**Promotion and Selection Committee**
Mr. Mustafizur Rahman
Mr. Tanvir Hasan, FCA
Mr. Md. Monirul Islam
Mr. Md. Asaduzzaman
Ms. Priti Rani Roy

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

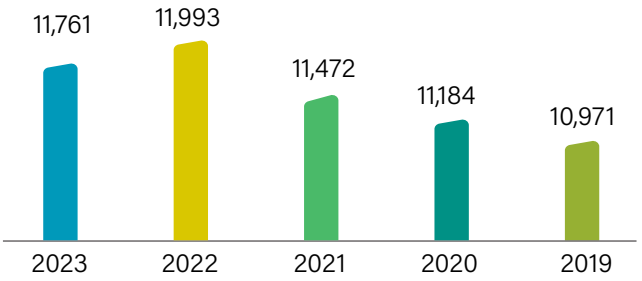
**ICT Security Committee**
Mr. Abu Mirja Md. Sayem
Ms. Neesha Naimeen
Mr. Mohammad Taimur Chowdhury
Ms. Sadia Jahan Nipa
Mr. AKM Wahiduzzaman

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

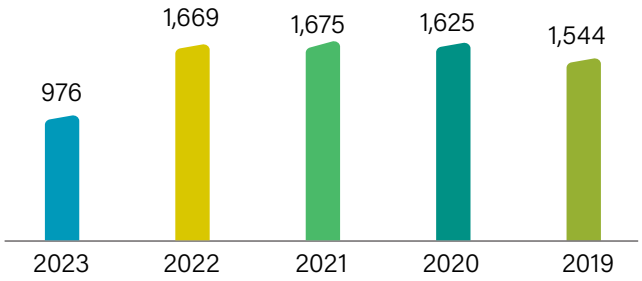
**Risk Management Forum**
Mr. Tanvir Hasan, FCA
Mr. Md. Monirul Islam
Mr. Abul Kalam Azad
Mr. Ahmed Ibne Mazid Khan
Mr. Muhammad Shohidur Rahman
Mr. Md. Enamul Haque Khan
Mr. Shikander Mahmood
Mr. Mohammed Asraful Alam

# Key Financial Highlights

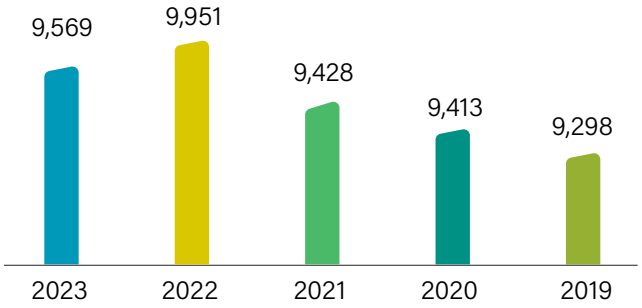
## Total Assets
(Amount in Million Taka)



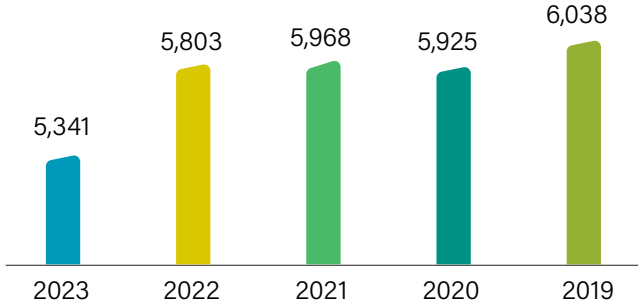

## Shareholders Equity
(Amount in Million Taka)



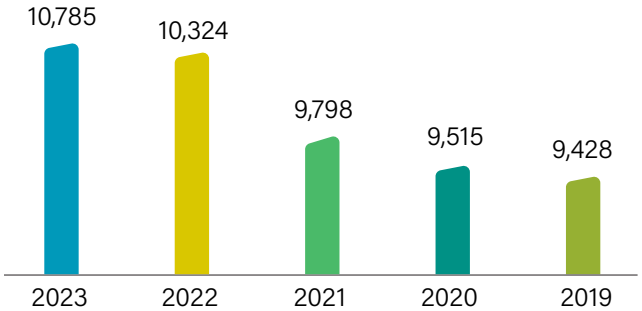

## Loans and Advances
(Amount in Million Taka)



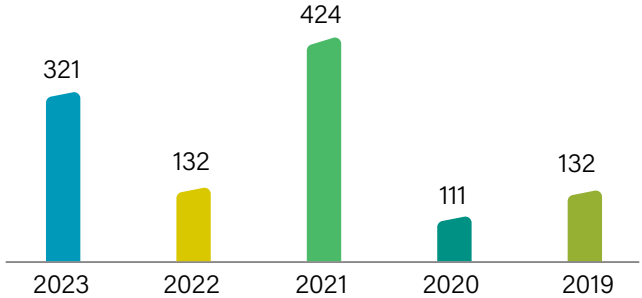

## Total Deposit
(Amount in Million Taka)



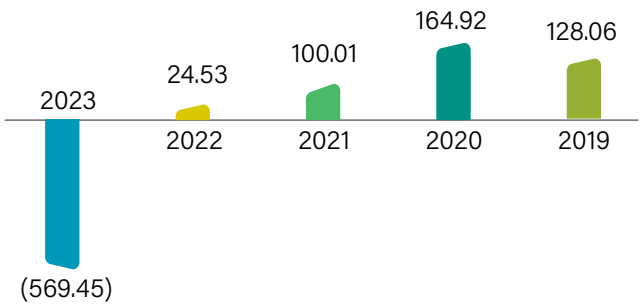

## Total Liabilities
(Amount in Million Taka)



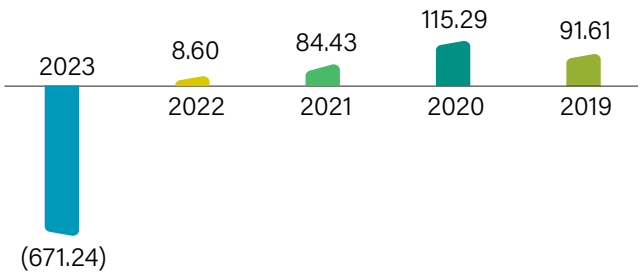

## Operating Profit
(Amount in Million Taka)



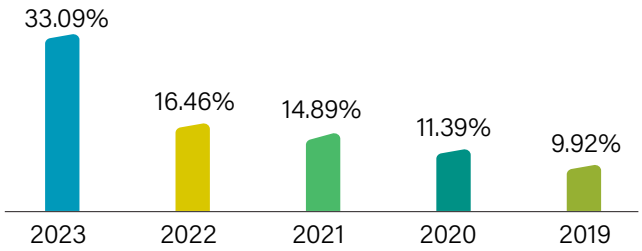
## Profit before Tax
(Amount in Million Taka)



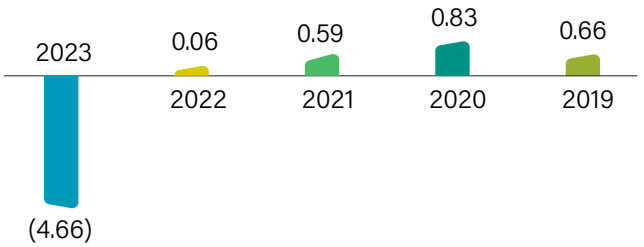

## Profit after Tax
(Amount in Million Taka)



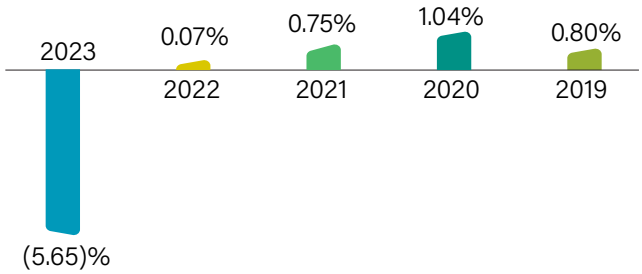

## NPL Ratio (%)



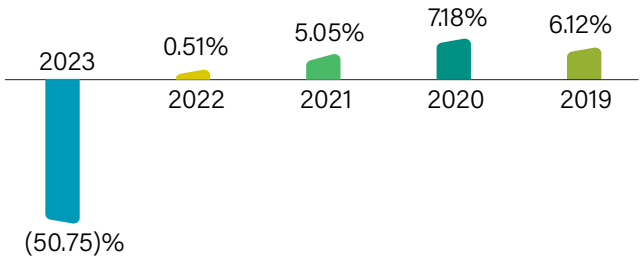

## Earnings Per Share (EPS)



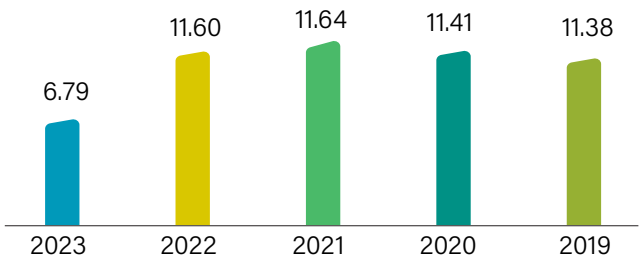

## Return on Assets (%)



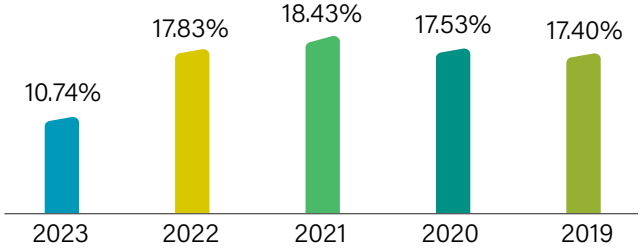

## Return on Equity (%)




## Net Asset Value Per Share (NAV)




## Capital Adequacy Ratio (%)



# Performance Overview

| Business Performance | 2023 | 2022 |
|---|---|---|
| **Contracted** | | |
| Lease finance | 1,028,000 | 158,780,000 |
| Term Finance | 959,477,646 | 2,276,210,082 |
| **Total** | **960,505,646** | **2,434,990,082** |
| **Disbursed** | | |
| Lease finance | - | 156,752,000 |
| Term finance | 225,029,346 | 1,769,030,082 |
| **Total** | **225,029,346** | **1,925,782,082** |
| SED | 82,840,445 | 1,427,836,442 |
| MIDI | 5,550,000 | 95,348,300 |
| Housing | 6,192,310 | 34,210,340 |
| Consumer Credit | - | - |
| Staff Loan | 4,620,000 | 23,578,000 |
| Loan against deposit | 125,826,591 | 188,057,000 |
| **Total** | **225,029,346** | **1,769,030,082** |
| **Ratio** | | |
| NPL (%) | 33.09% | 16.46% |
| Return on assets (%) | (5.65)% | 0.07% |
| Debt equity ratio (%) | 11.05% | 6.19% |
| Return on average equity (%) | (50.75)% | 0.51% |
| Earnings per share | (4.66) | 0.06 |
| Net asset value per share | 6.79 | 11.60 |

# Key Operating and Financial Data

| Particulars | Amount in million except % | | | | |
|---|---|---|---|---|---|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Loan Disbursement | 225.03 | 1,925.78 | 1,135.47 | 674.37 | 3,010.31 |
| Lease, Loans & Advances | 9,568.60 | 9,950.70 | 9,427.74 | 9,413.08 | 9,297.80 |
| Profit before tax | (569.45) | 24.53 | 100.01 | 164.92 | 128.06 |
| Profit after tax | (671.24) | 8.60 | 84.43 | 115.29 | 91.61 |
| Shareholders' Equity | 976.31 | 1,669.13 | 1,674.78 | 1,668.76 | 1,543.70 |
| Total deposit | 5,340.85 | 5,803.43 | 5,968.02 | 5,925.44 | 6,037.65 |
| Total Assets | 11,761.47 | 11,992.94 | 11,471.77 | 11,184.13 | 10,971.48 |
| NPL ratio (%) | 33.09% | 16.46% | 14.89% | 11.39% | 9.92% |
| Return on equity (average equity) | (50.75)% | 0.51% | 5.05% | 7.18% | 6.12% |
| Earnings per share (restated) | (4.66) | 0.06 | 0.59 | 0.83 | 0.66 |
| Net Asset Value Per Share | 6.79 | 11.60 | 11.64 | 11.41 | 11.38 |
| Capital Adequacy Ratio (%) | 10.74% | 17.83% | 18.43% | 17.53% | 17.40% |

# Message from the Chairman's Desk



"Reflecting on the past year, it is clear that 2023 presented unprecedented challenges for our company and the broader financial sector. Global geopolitical uncertainties and trade conflicts exerted significant pressure on our national economy, and the financial sector faced substantial strain. Despite these hurdles, our commitment to our core values and strategic objectives has remained unwavering."

Bismillahir Rahmanir Rahim

As-salamu alaikum,

Distinguished Shareholders/ Honorable members of Board of Directors and Valued stakeholders of MIDAS FINANACING PLC.

It is with great honor and pleasure that I address you at the 28th Annual General Meeting of MIDAS Financing PLC on behalf of the Board of Directors and the entire team, I am delighted to present the Annual Report for the year ending December 31, 2023. This occasion allows us to reflect on the past year, acknowledge our challenges.

Reflecting on the past year, it is clear that 2023 presented unprecedented challenges for our company and the broader financial sector. Global geopolitical uncertainties and trade conflicts exerted significant pressure on our national economy, and the financial sector faced substantial strain. Despite these hurdles, our commitment to our core values and strategic objectives has remained unwavering. We have faced substantial challenges, including a continued lack of trust and confidence in the NBFI sector, and the poor performance of our subsidiaries due to the continuous bearish behavior of the stock market. These factors contributed to a consolidated profit after tax of Taka (67.12) crore for the year ended December 31, 2023, a sharp decline from Taka 0.86 crore in the previous year. This decrease underscores the difficult financial environment we have been navigating.

Our total assets stood at Taka 9,568.60 million, reflecting a slight decline of 3.84% compared to Taka 9,950.70 million in 2022. This emphasizes the need for a robust strategy to stabilize and improve our financial standing. As we move forward, it is imperative that we focus on sustainable growth and recovery. The Board and Management are fully committed to exploring every possible avenue to enhance our financial performance, with a strong emphasis on recovering loans and improving all parameters of the company.

In response to these challenges, we must focus on sustainable growth and recovery. The Board and Management are acutely aware that complacency is not an option. We must embark on a strong drive to recover loans, explore every possible avenue to enhance our financial performance, and implement a robust strategy to address non-performing loans and operational inefficiencies. The road ahead will undoubtedly be demanding, and it is essential that we, as Management, the Board, and Shareholders, work together to navigate these challenges and improve all parameters of the company.

I extend my sincere gratitude to our dedicated employees, loyal clients, and supportive shareholders. Your trust and commitment are critical to our progress. We are also deeply appreciative of the guidance and support from our regulators, including Bangladesh Bank and the Bangladesh Securities and Exchange Commission, as well as the continued supervision from the Stock Exchanges.

I am confident that with our collective efforts, we will overcome these challenges and achieve our shared goals. I look forward to your active participation and valuable inputs at this meeting, which will undoubtedly contribute to Midas Financing PLC's improvement in the coming days.

Thank you for your continued support and partnership.

Sincerely,



**Abdul Karim**
Chairman

# Message from the Managing Director



"Digital transformation remains a key focus for MIDAS Financing PLC We are committed to driving technological advancements in our operations, supported by our in-house software development team. Our goal is to set a new industry standard for the digitalization and modernization of financial services, ensuring that we remain at the forefront of innovation."

Dear Shareholders,

As we reflect on the financial performance of MIDAS Financing PLC for the year ending December 2023, I am pleased to present a summary of our key achievements and the challenges we have encountered.

The year 2023 has been particularly demanding for our company and the broader financial sector. We faced a persistent erosion of trust in the Non-Banking Financial Institutions (NBFI) Sector, Compounded by global geopolitical tensions and ongoing economic uncertainties. Despite the hurdles, our commitment to resilience and growth has guided us through these turbulent times.

The year 2023 has been marked by significant trials, but also by resilience and commitment to excellence. Our Lease, Loans, and Advances portfolio saw a slight contraction of 3.84%, bringing the total portfolio to Tk. 9,568.60 million, down from Tk. 9,950.70 million in December 2022. This comes after a 5.55% growth in the previous year. Despite this decrease, we maintained a strong Capital Adequacy Ratio of 10.74%, which is above the regulatory requirement of 10% for Non-Banking Financial Institutions (NBFIs). Our Reserve & Surplus position remains at Tk. (462.61) million, though Earnings Per Share (EPS) recorded a decrease, standing at Tk. (4.66) during 2023. The Net Asset Value (NAV) per share is Tk. 6.79.

The Non-Banking Financial Institution (NBFI) sector has faced immense challenges since 2019, with significant irregularities and financial scams eroding the confidence of depositors and shareholders alike. In 2023, MIDAS Financing PLC like many other NBFIs, continued to navigate through these challenges, including a lack of depositor trust, an increasing rate of Non-Performing Loans (NPL), and the poor performance of the stock market. Our NPL ratio rose to 33.09% as of December 31, 2023, compared to 16.46% in the previous year, reflecting the ongoing difficulties in the financial sector. Additionally, our Average Cost of Fund increased to 10.85%, up from 7.92% in the prior year, due to rising interest rates on borrowings.

In light of these challenges, we have set clear strategies and priorities for the coming year. Our focus will be on reducing the amount of existing classified loans, improving the quality of our assets portfolio, increasing interest-earning assets, reducing operational expenses, and enhancing the efficiency and productivity of our resources. We will also emphasize regular monitoring of existing loans to prevent further deterioration of our loan and lease accounts.

Digital transformation remains a key focus for MIDAS Financing PLC We are committed to driving technological advancements in our operations, supported by our in-house software development team. Our goal is to set a new industry standard for the digitalization and modernization of financial services, ensuring that we remain at the forefront of innovation.

I extend my sincere gratitude to our dedicated team, whose unwavering efforts have been instrumental in our achievements. I also thank our customers, shareholders, depositors, borrowers, and all stakeholders for their continued trust and support. Together, I am confident that we will overcome the challenges ahead and achieve our goals.

May Allah bless us,

Thanks and Regards,



**Mustafizur Rahman**
Managing Director

# Directors' Report to the Shareholders

*The Directors of MIDAS Financing PLC (MFPLC) have pleasure in presenting their Annual Report along with the audited financial statements for the year ended on December 31, 2023 to the honorable shareholders of the Company.*

This Report has been prepared in keeping with the provisions of the Companies Act 1994, the Finance Company Act 2023, the Dhaka Stock Exchange (Listing) Regulations 2015, the Chittagong Stock Exchange (Listing) Regulations 2015, related Notifications, Rules, Regulations, Codes and Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, as applicable to MFPLC. Disclosures and explanations have been made herein in order to ensure compliance, transparency and good governance practices.

## Industry outlook

A report titled "Report on Economic Scenario, Industry Outlook and Possible Future Developments in the Industry" has been incorporated in this annual report at page: 59

## Segment-wise Performance

### (a) Lease, Loans and Advances

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

### (b) Investments

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

### (c) Deposits and borrowings

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

The segment-wise or product-wise performance of the Company for the year ended on December 31, 2023 is stated below:

Taka in crore

| Segments | Portfolio | | | Income | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | % Increase (Decrease) | 2023 | 2022 | % Increase (Decrease) |
| Lease | 88.20 | 93.38 | (5.55%) | 11.68 | 6.24 | 87% |
| Term | 769.57 | 810.28 | (5.02%) | 100.74 | 72.88 | 38% |
| Housing | 95.21 | 106.52 | (10.62)% | 12.40 | 12.33 | 1% |
| Investment | 24.14 | 23.69 | 1.90% | 0.59 | 1.10 | (46%) |
| Portfolio | | | | Expense | | |
| Deposits | 532.27 | 598.81 | (11.11)% | 77.08 | 68.70 | 12% |

Details of Segment-wise financial position can be seen under Note-7 of the Notes to the Financial Statements at page: 113

## Financial Performance and Results

A comparative statement of the Consolidated Financial Results of the company for the year ended on December 31, 2023 and for the year ended December 31, 2022 is provided in the table below:

| Particulars | 2023 (Taka in crore) | 2022 (Taka in crore) |
|---|---|---|
| Net interest income | 50.95 | 26.02 |
| Other operating income | 4.05 | 8.56 |
| Total operating income | 55.00 | 34.58 |
| Total operating expenses | 22.86 | 21.35 |
| Profit before provisions | 32.15 | 13.24 |
| Provision for loans and investments | 89.09 | 10.78 |
| Profit before tax | (56.95) | 2.45 |

| | | |
|---|---|---|
| Provision for tax | 10.18 | 1.59 |
| Net profit after tax | (67.12) | 0.86 |
| Transfer to statutory reserve | - | 0.24 |
| Transfer from statutory reserve | - | - |
| Retained earnings at the beginning | 8.71 | 10.94 |
| Dividend paid (Bonus & Cash) | 2.16 | 2.85 |
| Proposed bonus share | - | - |
| Net Retained Surplus (on consolidated basis) | (60.57) | 8.71 |
| EPS (Restated) | (4.66) | 0.06 |

## Quarterly and annual financial performance:

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

Taka in crore

| Particulars | Q1 (Jan-March) | Q2 (Apr-Jun) | Q3 (Jul-Sep) | Q4 (Oct-Dec) | 2023 |
|---|---|---|---|---|---|
| Interest income | 11.63 | 17.89 | 18.39 | 80.50 | 127.95 |
| Interest on deposits & borrowings, etc. | 25.56 | 17.18 | 19.25 | 15.01 | 77.00 |
| Net interest income | (13.93) | 0.71 | (0.86) | 65.04 | 50.95 |
| Other operating Income | 2.55 | 1.64 | 2.01 | (2.15) | 4.05 |
| Total operating income | (11.39) | 2.35 | 1.15 | 62.89 | 55.00 |
| Total operating expenses | 5.18 | 6.70 | 5.51 | 5.47 | 22.86 |
| Profit before provision | (16.57) | (4.34) | (4.36) | 57.42 | 32.15 |
| Provision for loans/investment | 9.17 | 11.71 | 7.30 | 60.91 | 89.09 |
| Total profit before tax | (25.73) | (16.06) | (11.66) | (3.49) | (56.95) |
| Provision for tax | 0.54 | 0.44 | 0.54 | 8.65 | 10.18 |
| Net profit after tax | (26.27) | (16.50) | (12.21) | (12.14) | (67.12) |

Obviously the net financial performance during the year compared to that for the previous year has deteriorated. Total operating income increased by 59% of that of the last year and total operating expenses also increased slightly due to high inflation from the previous year. Details are described in the Management's discussion and analysis included in this annual report.

Unlike the prior years and as apprehended, the quarterly performance of the company was unsteady in nature. The operating expenses remained almost the same over the year but the increased requirement for provision for loans/ investment resulted in the undesired consolidated net loss of BDT (67.12) crore.

## Declaration of dividend

The Board of Directors has recommended no dividend for the financial year ended on December 31, 2023. The Board has also advised the Management to take necessary steps to overcome the present financial situation of the Company.

## Operation of Subsidiaries

MIDAS Financing PLC is the owner of 99.9996% of the shares (2,49,99,900 in number shares of Taka 10 each) in the equity of MIDAS Investment Limited (MIL). MIL is a private Limited Company, incorporated on April 09, 2012 (bearing Registration No C-100772/12) under the Companies Act 1994 and licensed by BSEC on September 06, 2016 as Merchant Bank.

## MIDAS Centre

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

## Related Party Transactions

As per IAS 24 "Related Party Disclosure", related parties are those who have the control, joint control or have significant influence over the company. The details of contracts and transactions executed with related parties during 2023 are described under Note 39.4 of the Notes to the Financial Statements for the year ended on December 31, 2023. 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 credentials and do not involve more than normal risk.

During the year, MFPLC carried out a number of transactions with related parties in the ordinary course of its business. Details of transactions are summarized below:

| Name of the related party | Relationship | Nature of Transaction | Classification Status | Amount in BDT | |
|---|---|---|---|---|---|
| | | | | 2023 | 2,022 |
| MIDAS | Sponsor shareholder | Term deposits | N/A | 80,000,000 | 80,000,000 |
| MIDAS Investment Ltd. | Subsidiary | STL & LTD | Standard | 29,844,871 | 228,875,922 |
| MIDAS Investment Ltd. | Subsidiary | Term deposits | N/A | - | 205,000,000 |
| LankaBangla Securities Ltd. | Shareholder | Investment (un-listed) | N/A | - | 5,000,000 |
| LankaBangla Securities Ltd. | Shareholder | Maintainance of investment (Share) portfolio through BO A/C | N/A | 223,820,883 | 214,923,874 |
| **Total** | | | | **333,665,754** | **733,799,796** |

## Risk and Concerns

The Directors believe that proper risk management is an essential part of the Company's business. Identification, evaluation and elimination and where unaviodable minimization of risks constitute the core of risk management system. Accordingly, different committees, sub-committees, departments and units are in place to manage various risks associated with staffing, operation, finance, credit, liquidity, market, etc. MFPLC 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 furnished separately.

## Internal Control and Compliance

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

## Going Concern

Going concern is one of the fundamental assumptions in accounting practices and underlines the preparation of financial statements of companies. Under the going concern concept, it is assumed that a company will continue in operation and that there is neither the intent nor the need to 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 MFPLC 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 worked out reveal that MFPLC is running well above the level of different parameters set by the respective guidelines of Bangladesh Bank.

## Financial Reporting Framework and Disclosures

The Directors are pleased to confirm the following-

- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements of the Company;
- The accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in 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;
- No bonus share or stock dividend has been declared during the year, or shall be declared in future, as interim dividend.

### Board Meetings and Attendance of Directors therein

The Board of Directors of MFPLC met 13 (thirteen) times during the financial year ended on December 31, 2023. Other than the Directors, the CS, CFO and Head of ICC of the Company were in attendance in all the Board meetings. The presence of the Directors in the Board Meetings during the reporting year and in the last Annual General Meeting is shown in the table below:

| Name | Status with the Board | No. of Board Meetings | | Presence in the last AGM (held on 22.11.2023) |
|---|---|---|---|---|
| | | Held | Attended | |
| Mr. Ali Imam Majumder | Chairman | 13 | 13 | Yes |
| Mr. Mohammed Nasir Uddin Chowdhury | Director | 13 | 13 | Yes |
| Mr. Ghulam Rahman | Independent Director | 13 | 13 | Yes |
| Mr. Abdul Karim | Director | 13 | 13 | Yes |
| Mr. M. Hafiuzuddin Khan | Director | 13 | 9 | No |
| Ms. Nazneen Sultana | Independent Director | 13 | 13 | Yes |
| Mr. Md. Shamsul Alam | Director | 13 | 13 | Yes |
| Mr. Md. Shahedul Alam | Director | 13 | 11 | Yes |

**Note:**

- Leave of absence was granted to the Directors who could not attend the meetings.
- Ms. Rokia Afzal Rahman also attended one meeting of Board of Directors during the financial year (on 29.01.2023) as Chairman of the Company.
- Mr. Ali Imam Majumder was elected as Chairman of the Company on April 2023.
- Mr. Abdul Karim was unanimously elected as Chairman of the Board of Directors of MIDAS Financing PLC on August 15, 2024.

### Remuneration paid to the Directors

The Directors of MIDAS Financing PLC do not receive any facilities other than Board meeting and Committee meeting attendance fees. Each Director was paid Tk. 8,000/- (Taka Eight Thousands only) for attending a meeting of the Board or Committee and total fees paid to the Directors of the Company amount to BDT 9,76,000 excluding VAT during the reporting financial year. A statement of the fees paid to the Directors including Independent Directors is provided below:

| Name of Director | No. of Meetings Attended | | | | Fees Paid (Tk.) |
|---|---|---|---|---|---|
| | BM | ECM | ACM | Total | |
| Mr. Ali Imam Majumder | 13 | 0 | 02 | 15 | 120,000 |
| Mr. Mohammed Nasir Uddin Chowdhury | 13 | 0 | 03 | 16 | 128,000 |
| Mr. Ghulam Rahman | 13 | N/A | 04 | 17 | 136,000 |
| Mr. Abdul Karim | 13 | N/A | 05 | 18 | 144,000 |
| Mr. M. Hafiuzuddin Khan | 09 | 0 | N/A | 09 | 72,000 |
| Ms. Nazneen Sultana | 13 | N/A | 05 | 18 | 144,000 |
| Mr. Md. Shamsul Alam | 13 | 0 | N/A | 13 | 104,000 |
| Mr. Md. Shahedul Alam | 11 | N/A | 04 | 15 | 120,000 |

**Note:**

- BM denotes Board Meeting, ECM denotes Executive Committee Meeting and ACM denotes Audit Committee Meeting.
- Remuneration paid to the Directors for attending meetings are exclusive of VAT.
- Mr. Ali Imam Majumder attended the Executive Committee on May 2023 and Mr. Mohammed Nasir Uddin Chowdhury attended the Audit Committee on May 2023 in place of Mr. Ali Imam Majumder.
- Ms. Rokia Afzal Rahman also attended one meeting of Board of Directors during the financial year (on 29.01.2023) as Chairman of the Company.

### Retirement and Re-election of Directors

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

Accordingly, the following Director will retire by rotation from the Board in the 28th AGM:

1. Mr. Md. Shamsul Alam - Director, elected by General Shareholders' Group

Brief profiles of the Director who is going to retire are disclosed at page: 22 The interest of the retiring Director in different entities are also disclosed at page: 134

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

A statement containing the summary of the key operating and financial data of the preceding 5 (five) years have been presented at page: 33

### Pattern of Shareholding

A report on the pattern of shareholding as on December 31, 2023 has been shown in Annexure-D at page: 56

### Corporate Social Responsibility (CSR)

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

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

As a continuation of its innovative initiatives, MFPLC organized a National Dialogue for Women Entrepreneurs on 02 November 2019 at MIDAS Convention Centre to acknowledge the achievement of women entrepreneurs and encourage them to make their mark as new entrepreneurs in the corporate sector.

### Management's Discussion and Analysis

Management's Discussion and Analysis signed by the Managing Director of the Company presenting a detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on the issues prescribed under condition no. 1(5)(xxv) of the Corporate Governance Code has been presented at page: 64.

### Certification by MD and CFO

As per condition no. 1(5) (xxvi) of the Corporate Governance Code, a Declaration by the Managing Director (MD) and the Chief Financial Officer (CFO) in prescribed format has been submitted to the Board of Directors of the Company, which is appears at in Annexure-A at page: 44.

### Appointment/ Re-appointment of Statutory Auditors

Zoha Zaman Kabir Rashid & Co., Chartered Accountants was appointed as the Statutory Auditors of the Company in the last Annual General Meeting .They have completed the audit of the annual accounts of the Company for the reporting financial year ended on December 31, 2023 and will retire at the conclusion of the 28th Annual General Meeting.

Zoha Zaman Kabir Rashid & Co., Chartered Accountants has been holding the office of Statutory Auditors of the company for last three consecutive financial years. Therefore, the MFPLC requires to appoint new Statutory Auditors for the upcoming financial year. After scrutinizing the firms' profile and necessary expertise and on proposal of the Audit Committee, the Board of Directors recommends to appoint Islam Aftab Kamrul & Co., Chartered Accountants as the Statutory Auditors of the Company for the financial year to be ended on December 31, 2024, subject to approval by the shareholders at the ensuing AGM at a remuneration of Taka 2,00,000 (Two Lakh only) exclusive of VAT applicable as per the provisions of Law.

### Status of Compliance with Corporate Governance Code

As per condition no. 9(3) and 1(5)(xxvii) of the Corporate Governance Code, the Directors of the Company are required to prepare a statement, in the prescribed format, on whether the Company has complied with the conditions of the Corporate Governance Code or not and to disclose the same in the Directors' Report. Accordingly, a Statement on the Status of Compliance of the Corporate Governance Code issued by BSEC has been incorporated in Annexure-C at page: 46.

As per conditions 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 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 to provide such certificate shall be appointed by the shareholders in the Annual General Meeting. Accordingly, M/s Howlader Maria & Co., Chartered Accountants was appointed as the Corporate Governance Compliance Auditors in the last Annual General Meeting. A Certificate submitted by M/s Howlader Maria & Co., Chartered

Accountants, for the year ended December 31, 2023 is enclosed in Annexure-B at page: 45.

Considering the conditions stated in the Corporate Governance Code with regard to necessary expertise, the Board recommends to appoint M/s Howlader Maria & Co., Chartered Accountants, as the Corporate Governance Compliance Auditors of the Company for the financial year to be ended on December 31, 2024, subject to approval of the shareholders in the ensuing AGM at a remuneration of Taka 27,500 (Twenty seven thousand five hundred only) exclusive of VAT applicable as per the provisions of Law.

## Acknowledgement

The Board of Directors takes this opportunity to express its sincere appreciation of 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 extends its gratitude to Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange PLC. (DSE), Chittagong Stock Exchange PLC. (CSE), Registrar of Joint Stock Companies and Firms, National Board of Revenue (NBR) and other regulatory bodies for the co-operation, assistance, valuable guidance and advices received from them by the Company from time to time. Appreciation of the Board of Directors is also offered to the senior management and members of the staff at all levels of the Company for their hard work, loyalty, sincerity and dedication.

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

For and on behalf of the Board of Directors,



Abdul Karim
Chairman

## ANNEXURE LIST

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

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

# MIDAS Financing PLC
## Declaration by MD and CFO

Date: September 30, 2024

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

**Subject: Declaration on Financial Statements for the year ended on December 31, 2023.**

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

1. The Financial Statements of MIDAS Financing PLC for the year ended on December 31, 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

In this regard, we also certify that: -

(i) We have reviewed the financial statements for the year ended on December 31, 2023 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

**Mohammad Ashiqur Rahman**
Chief Financial Officer

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

## Certificate on Compliance of Corporate Governance Code

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

We have examined the compliance status to the Corporate Governance Code by MIDAS Financing PLC for the year ended on 31 December 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission.
(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
(d) The governance of the Company is satisfactory.

**Howlader Maria & Co.,**
*Chartered Accountants*

**Dated, Dhaka**
14 October 2024

**Maria Howlader FCA**
Enrollment No: 1063
Managing Partner

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

## Checklist on compliance of Corporate Governance Code

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

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

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

| Condition No. | Title | Compliance Status (Put √ in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not complied | |
| 1(5) (v) | A discussion on continuity of any extraordinary activities and their implications (gain or loss); | √ | | |
| 1(5) (vi) | A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions; | √ | | |
| 1(5) (vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments; | | | N/A |
| 1(5) (viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.; | | | N/A |
| 1(5) (ix) | An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements; | √ | | |
| 1(5) (x) | A statement of remuneration paid to the directors including independent directors; | √ | | |
| 1(5) (xi) | A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity; | √ | | |
| 1(5) (xii) | A statement that proper books of account of the issuer company have been maintained; | √ | | |
| 1(5) (xiii) | A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment; | √ | | |
| 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 | √ | | |
| 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); | √ | | |

| Condition No. | Title | Compliance Status (Put √ in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not complied | |
| 1(5) (xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details); | √ | | |
| 1(5) (xxiii)(c) | Executives; and | √ | | |
| 1(5) (xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); | √ | | |
| **1(5) (xxiv)** | In case of the appointment or re-appointment of a Director a disclosure on the following information to the Shareholders: | | | |
| 1(5) (xxiv) (a) | a brief resume of the Director; | √ | | |
| 1(5) (xxiv)(b) | Nature of his/her expertise in specific functional areas; and | √ | | |
| 1(5) (xxiv)(c) | Names of companies in which the person also holds the directorship and the membership of committees of the board. | √ | | |
| **1(5) (xxv)** | A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on: | | | |
| 1(5) (xxv) (a) | accounting policies and estimation for preparation of financial statements; | √ | | |
| 1(5) (xxv)(b) | changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; | √ | | |
| 1(5) (xxv)(c) | comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; | √ | | |
| 1(5) (xxv)(d) | compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; | √ | | |
| 1(5) (xxv)(e) | briefly explain the financial and economic scenario of the country and the globe; | √ | | |
| 1(5) (xxv)(f) | risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and | √ | | |
| 1(5) (xxv)(g) | future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM; | √ | | |
| 1(5) (xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and | √ | | |
| 1(5) (xxvii) | The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C. | √ | | |
| **1(6)** | Meetings of the Board of Directors: | | | |
| | The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. | √ | | |
| **1(7)** | Code of Conduct for the Chairperson, other Board members and Chief Executive Officer: | | | |
| 1(7) (a) | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company; | | | Please refer to the note given below: |
| 1.7. (b) | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency. | | | Do |

| Condition No. | Title | Compliance Status (Put √ in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not complied | |
| Note: As explained in the note under condition 6, since no NRC was formed, code of conduct for the chairperson of the Board, other members and company remain pending. | | | | |
| **2.** | Governance of Board of Directors of Subsidiary Company: | | | |
| 2 (a) | Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company. | √ | | |
| 2 (b) | At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company. | √ | | |
| 2 (c) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company. | √ | | |
| 2 (d) | The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also. | √ | | |
| 2 (e) | The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company. | √ | | |
| **3.** | Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS): | | | |
| **3 (1)** | Appointment: | | | |
| 3 (1) (a) | The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC); | √ | | |
| 3 (1) (b) | The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals; | √ | | |
| 3 (1) (c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time; | √ | | |
| 3 (1) (d) | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS; | √ | | |
| 3 (1) (e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s). | √ | | |
| **3(2)** | Requirement to attend Board of Directors' Meetings: | | | |
| | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board. | √ | | |
| **3(3)** | Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO): | | | |
| 3(3) (a) | The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: | | | |
| 3(3) (a) (i) | these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and | √ | | |
| 3(3) (a) (ii) | these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws; | √ | | |
| 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: | | | |

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

| Condition No. | Title | Compliance Status (Put √ in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not complied | |
| **5(5)** | Role of Audit Committee: | | | |
| | The audit committee shall:- | | | |
| 5(5) (a) | Oversee the financial reporting process; | √ | | |
| 5(5) (b) | Monitor choice of accounting policies and principles. | √ | | |
| 5(5) (c) | Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report; | √ | | |
| 5(5) (d) | Oversee hiring and performance of external auditors. | √ | | |
| 5(5) (e) | Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | √ | | |
| 5(5) (f) | Review along with the management, the annual financial statements before submission to the Board for approval; | √ | | |
| 5(5) (g) | Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval. | √ | | |
| 5(5) (h) | Review the adequacy of internal audit function. | √ | | |
| 5(5) (i) | Review the Management's Discussion and Analysis before disclosing in the Annual Report; | √ | | |
| 5(5) (j) | review statement of all related party transactions submitted by the management; | √ | | |
| 5(5) (k) | Review Management Letters or Letter of Internal Control weakness issued by statutory auditors. | √ | | |
| 5(5) (l) | Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and | √ | | |
| 5(5) (m) | Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: | | | N/A |
| **5(6)** | Reporting of the Audit Committee: | | | |
| **5(6)(a)** | Reporting to the Board of Directors | | | |
| 5(6)(a) (i) | The Audit Committee shall report on its activities to the Board of Directors. | √ | | |
| **5(6)(a) (ii)** | The Audit Committee shall immediately report to the Board of Directors on the following findings, if any: | | | |
| 5(6)(a)(ii) (a) | Report on conflicts of Interests. | | | N/A |
| 5(6)(a)(ii)(b) | Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; | | | N/A |
| 5(6)(a)(ii)(c) | Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and | | | N/A |
| 5(6)(a)(ii) (d) | Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately; | | | N/A |
| 5(6)(b) | Reporting to the Authorities:<br>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 |

| Condition No. | Title | Compliance Status (Put √ in the appropriate column) | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not complied | |
| **5(7)** | Reporting to the Shareholders and General Investors:-<br>Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company. | | | N/A |
| **6.** | Nomination and Remuneration Committee (NRC): | As per DFIM Circular number 18 dated October 26, 2011 and subsequent letter ref. no. DFIM(P)1052/27/2021-2436, dated November 04, 2021 of Bangladesh Bank, no Financial Institutions are eligible to comply with conditions for formation of Nomination and Remuneration Committee in accordance with the Corporate Governance Code, 2018 issued by BSEC. It is conflicting with the directives of the Bangladesh Bank. | | |
| **6(1)** | Responsibility to the Board of Directors: | | | |
| 6 (1)(a) | The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board; | | | |
| 6 (1)(b) | The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive; | | | |
| 6 (1)(c) | The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b). | | | |
| **6(2)** | Constitution of the NRC: | | | |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director; | | | |
| 6(2)(b) | All members of the Committee shall be non-executive directors; | | | |
| 6(2)(c) | Members of the Committee shall be nominated and appointed by the Board; | | | |
| 6(2)(d) | The Board shall have authority to remove and appoint any member of the Committee; | | | |
| 6(2)(e) | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee; | | | |
| 6(2)(f) | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee; | | | |
| 6(2)(g) | The company secretary shall act as the secretary of the Committee; | | | |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | | | |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company. | | | |
| **6(3)** | Chairperson of the NRC: | | | |
| 6(3)(a) | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | | | |
| 6(3)(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes | | | |

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

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

Annexure-D

# The Pattern of Shareholding

as on December 31, 2023

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

## Shareholding Composition

as on December 31, 2023

| Sponsors and Directors | Institute | Foreign | General Public |
|---|---|---|---|
| 40.676% | 26.401% | 0.422% | 32.501% |

# Report on Shareholding of MIDAS Financing PLC
as on December 31, 2023

| Sl. No. | Name | Status | No. of Shares | % of Shareholding |
|---|---|---|---|---|
| 1 | MIDAS | Sponsor | 43,238,534 | 30.049 |
| 2 | LankaBangla Finance Limited | Director (Represented by Mr. Mohammed Nasir Uddin Chowdhury) | 8,172,780 | 5.680 |
| 3 | LankaBangla Investment Limited | Shareholder | 19,142,807 | 13.304 |
| 4 | LankaBangla Securities Limited | Shareholder | 13,360,833 | 9.285 |
| 5 | Mr. Ali Imam Majumder | Chairman (Nominated by MIDAS) | 0 | 0.000 |
| 6 | Ms. Rokia Afzal Rahman | Sponsor | 447,906 | 0.311 |
| 7 | Mr. Mohammed Ikramullah | Sponsor | 77,481 | 0.054 |
| 8 | Engineers & Consultants BD. Ltd. | Sponsor | 707,489 | 0.492 |
| 9 | Mr. M. Hafizuddin Khan | Director (Nominated by MIDAS) | 0 | 0.000 |
| 10 | Mr. Abdul Karim | Director (Nominated by MIDAS) | 0 | 0.000 |
| 11 | Mr. Md. Shamsul Alam | Director | 2,878,634 | 2.001 |
| 12 | Mr. Md. Shahedul Alam | Director | 2,882,568 | 2.003 |
| 13 | Mr. Ghulam Rahman | Independent Director | 124,367 | 0.086 |
| 14 | Ms. Nazneen Sultana | Independent Director | 0 | 0.000 |
| 15 | Institutions (excluding LankaBangla Investment Ltd. and LankaBangla Securities Ltd.) | | 5,485,274 | 3.812 |
| 16 | Foreign | | 607,419 | 0.422 |
| 17 | Public | | 46,766,415 | 32.501 |
| **Total** | | | **143,892,507** | **100.000** |

# Summary
as on December 31, 2023

| Sl. No. | Name of Shareholders | No. of Shares | % of Shareholding | Remarks |
|---|---|---|---|---|
| 1 | MIDAS | 43,238,534 | 30.049 | |
| 2 | LankaBangla | 40,676,420 | 28.269 | LankaBangla Finance Limited, LankaBangla Investment Limited and LankaBangla Securities Limited. |
| 3 | Sponsor and Directors | 7,118,445 | 4.947 | Other than MIDAS and LankaBangla Finance |
| 4 | Institutions | 5,485,274 | 3.812 | Other than LankaBangla Investment Limited and LankaBangla Securities Limited. |
| 5 | Foreigner | 607,419 | 0.422 | |
| 6 | Public | 46,766,415 | 32.501 | |
| **Total** | | **143,892,507** | **100.000** | |

# Report on Economic Scenario: World and Bangladesh

## Global Economy

Global economy has been experiencing a turmoil of price hike and output fall due to the unprecedented followed by the war in Ukraine. International organizations revised their forecasts for economic growth prospects and inflation. As per the United Nations (UN) publication 'World Economic Situation and Prospect 2023', the global economy grew by 3 percent in 2022, and is expected to grow by 1.9 percent in 2023 and 2.7 percent in 2024. In the World Bank's Global Economic Prospect, January 2023, global economic growth is projected 1.7 and 2.7 percent in 2023 and 2024 respectively, while growth was estimated 2.9 percent in 2022. Sluggish growth rates between advanced economies and emerging and developing economies will remain divergent. Growth in advanced economies is expected to decline from 2.5 percent in 2022 to 0.5 percent in 2023 and 1.6 percent in 2024. In emerging and developing economies, however, growth is expected to remain 3.4 percent in 2023 same as in 2022 and 4.1 percent in 2024. The report projected that global growth is to be slow during 2023 to its third lowest pace in last three decades whereas the other two were in 2009 and 2020 global recessions. Investment growth in emerging market and developing economies is projected to remain below its average growth rate of last two decades. It is also predicted that any further shock may push the global economy into recession. Small countries are more vulnerable to such shocks than other countries. In the World Economic Outlook (WEO) April 2023, International Monetary Fund (IMF) projected that the global economy will grow by 2.8 percent in 2023 and 3.0 percent 2024. The projections for 2023 and 2024 are 0.1 percentage points lower than in the January 2023 WEO update. Global growth is forecast to decline to about 3.3 percent over the medium term beyond 2023. Advanced economies are expected to grow by 1.3 percent in 2023.



The United States is expected to grow by 1.6 percent, the United Kingdom -0.3 percent, Germany -0.1 percent, France 0.7 percent, Japan 1.3 percent, and Canada 1.5 percent in 2023. These projections vary from negative

0.1 percent to negative 0.5 percent. The emerging market and developing economies are forecast to grow by 3.9 percent in 2023, 0.1 percentage points lower than the forecast made in the WEO January 2023 update. India is expected to grow by 5.9 percent, highest in the group, is 0.2 percentage point lower than the January 2023 update. Growth forecast for China is also kept same 5.2 percent as in January 2023 update. Slowing down of growing prospects for India will have a strong negative impact for the rest of the members in the group while unchanged forecast for China may bring a balance. Emerging and developing Asia is expected to grow by 5.3 percent in 2023, same as in the January update. Russian economy is forecast to grow by 0.7 percent in 2023, while Ukraine is expected to shrink by 3 percent due to the Russian invasion of Ukraine and associated consequences including sanctions. It can be noted from the outlook Emerging and Developing Asia has the highest growth prospect of 5.3 percent in 2023 while the European Union has the lowest growth prospect of 0.7 percent only.

## Global Inflation



The inflation rates in the United States and some emerging and developing economies continue to rise. In most cases, inflation in these countries is extreme due to demand-supply mismatch and increase in commodity prices during the period of pandemic. The Russia-Ukraine war has fueled global inflation. Central bank policies in many countries around the world, including the US Federal Reserve (Fed), have increased interest rates several times to control inflation. This move by the Fed caused the US dollar to appreciate. As a result, the negative impact on the current account balance of various countries continues to increase causing in the increase of the inflationary pressures in import-dependent economies. The global inflation rates

have been declining since mid-2022. Commodity prices including energy are decreasing. Central banks initiative on increasing interest rate has contributed to lower inflation. Global inflation is estimated at 8.8 percent in 2022 (annual average), which will decrease to 6.6 percent in 2023 and 4.5 percent in 2024. However, this rate of inflation is higher than the pre-pandemic inflation rate.

## Macroeconomic Situation: Bangladesh Perspective



Bangladesh's economy has recovered from the economic damage caused by the impact of ongoing Russia-Ukraine crisis, although the recent slowdown in the global economy has adversely affected the country's economic growth.

As per provisional estimate of BBS, per capita GDP and per capita national income stood at US$ 2,657 and US$ 2,765 respectively in FY 2022-23 compared to US$ 2,687 and US$ 2,793 respectively in the previous fiscal year. The per capita national income in dollar terms has declined slightly in FY 2022-23 due to the appreciation of US dollar. However, the per capita national income in terms of Taka increased by about 30 thousand and stood at Tk. 2,70,414.

Provisionally, the consumption expenditure as a percentage of GDP in FY 2022-23 decreased to 73.98 percent from 74.78 percent of the previous fiscal year. At the same time, total investment reached to 31.25 percent of GDP, with public investment and private investment accounting for 7.61 percent and 23.64 percent of GDP, respectively. The Medium Term Macroeconomic Framework (MTMF) envisaged the GDP growth to pick up to 8.0 percent in FY 2025-26. On a point-to-point basis, inflation stood at 9.24 percent in April 2023, as against 6.29 percent in April 2022. In order to keep inflation at a tolerable level, the government has taken various measures under fiscal and monetary policy. The coverage of the OMS has increased and 'Family Cards' have been issued to nearly 1 crore poor people so that they can buy essential commodities at low cost. Besides, reduction of duty on import of essential goods and increase of central bank policy interest rate etc. are significant. The revised revenue mobilization target was set at Tk. 4,33,000 crore in FY 2022-23, which is 9.68 percent of GDP. Of them, revenue receipt from NBR sources was marked at Tk. 3,70,000 crore (8.27% of GDP), tax revenue from non- NBR sources at Tk. 18,000 crore (0.40% of GDP) and non-tax revenue at Tk. 45,000 crore (1.00% of GDP). As per provisional data from iBAS++, total revenue mobilization up to February 2023 stood at Tk. 2,36,035 crore, up by 0.92 percent of the same period of previous fiscal year, achieving 55.49 percent of the target. During this period, NBR collected revenue of Tk. 1,96,039.95 crore, which is 52.98 percent of the target and 8.92 percent higher than the previous fiscal year.

The FY 2022-23 monetary policy has been formulated in order to discourage unproductive financial flows to tame the demand-side pressures without circumventing the required flow of funds to the productive sectors easing supply-side conditions and supporting the country's long-term growth aspirations. Thus, the formulation of a contractionary cautious monetary and credit programed for FY 2022-23 is expected to support the economic recovery process in the coming days as well as mitigate inflationary and exchange rate pressures.

The recent trends in weighted average lending and deposit rates show upward movement. The weighted average lending rate showed some constancy and reached to 7.09 percent at the end of June 2022 from 7.10 percent of end February 2022. After that it increased consistently and stood at 7.27 percent at the end of February 2023. At the same time, the weighted average deposit rate although declined a little and stood at 3.97 percent of end June 2022 from 4.02 percent of end February 2022, later it increased much and reached to 4.31 percent at end of February 2023. In enhancement of the market-based interest rate, increasing the policy rate several times by Bangladesh Bank and reduction of excess liquidity in the banking system have played significant role.

The IMF's World Economic Outlook January 2023 has projected that the world trade volume of goods and services to slow down from 5.4 percent in 2022 to 2.4 percent in 2023 before rising to 3.4 percent in 2024. However, Bangladesh's export growth is on a positive trend.

## Industry Outlook

Economy of Bangladesh is now on the way of developed country. Non-Bank Financial Institution (NBFI) is major contributor partner in this road. NBFIs provide multiple alternatives to transform an economy's savings into capital investment. The NBFIs are dependent on banks and customer deposits for their funds. (35) NBFIs, three (3) are government-owned, thirteen (13) are joint ventures with foreign participation, and the remaining nineteen (19) are privately-owned companies. As of 30 June 2023, the total number of NBFIs branches was 274. 5 (five) new branches were opened, and 2(two) were closed during FY23. Among the branches. 80 are set up in the district of Dhaka and the rest 194 are located in 36 districts across the country.

### Trends in Structure of NBFIs

| Period | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|
| No. of NBFIs | 34 | 34 | 34 | 35 | 35 | 35 | 35 |
| Government owned | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Joint-venture | 12 | 12 | 12 | 13 | 13 | 13 | 13 |
| Private | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| Total branches | 254 | 262 | 273 | 276 | 277 | 271 | 274 |

* As on 30 June 2023. * As on 30 June 2023. Source: Department of Financial Institutions and Markets, BB.

The total deposits of the NBFIs at the end of December 2022 decreased by 0.15 percent to BDT 443.55 billion (51.62 percent of their total liabilities) from BDT 444.20 billion (53.91 percent of their total liabilities) at the end of December 2021. However, at the end of June 2023, the total deposits of NBFIs stood at BDT 477.22 billion, showing an increase of 7.59 percent as compared to December 2022. NBFIs are investing in different sectors of the economy, but their investments are mostly concentrated in the industrial sector. Sector-wise compositions of NBFIs' investment at the end of June 2023 were: trade and commerce 15.30 percent, industry 45.43 percent, agriculture 2.28 percent, housing 18.44 percent, financial corporation's 6.61 percent, service 6.74 percent, consumer finance 3.52 percent and others 1.60 percent.

NBFIs are allowed to invest in the capital market up to 25 percent of their paid-up capital and reserve as per Section 26 (1) of the Finance Company Act, 2023. As of 30 June 2023, NBFIs' total investment in the capital market stood at BDT 48.80 billion, which accounted for 4.90 percent of the total assets of all NBFIs (as per DFIM Circular No. 3, dated 15 February 2022).

Like banks, the performance of NBFIs is also evaluated through the CAMELS rating which involves analysis and evaluation of the six crucial indicators. The six indicators used in the rating system are capital adequacy, asset quality, management efficiency, earnings, liquidity and sensitivity to market risk. The capital adequacy ratio focuses on the total amount of a NBFI's capital which is vital in reducing the risk of its insolvency and enhances the shock absorption capacity. It helps the NBFIs to absorb possible losses due to credit, market and operational risks that an NBFI might be exposed to during its normal course of business. NBFIs in Bangladesh have been instructed under the Basel II accord to maintain capital adequacy ratio (CAR) of not less than 10.0 percent of total risk weighted assets (RWA) with at least 5.0 percent in core capital. Non-performing loan (NPL) ratio is an indicator of asset quality. This is the ratio of gross non-performing loan/lease to total loan/lease. At the end of June 2023, the NPL for NBFIs was 27.65 percent. In the total asset composition of all NBFIs, the amount of loans/lease was 72.38 percent as of the end of June 2023. The sensitivity to market risk reflects the degree of changes in asset-liability position, earnings and capital in response to the changes in interest rates or equity prices. Vulnerability of the NBFIs in a stressed situation emanated from either an interest rate or equity price shock or both. When evaluating this sensitivity component, emphasis should be given to management's ability to identify, measure, and control market risk through the implementation of effective core risk management system. For many NBFIs, the primary source of market risk arises from non-trading positions and their sensitivity to changes in interest rates.

### Sector-wise Economic Progress

In response to ongoing Russia-Ukraine war, the Government has adopted short, medium, and long-term action plans to maintain food security for the people of the country by continuing the expansion in agricultural productivity. The target of food production in FY 2022-23, is 484.98 lakh metric ton (MT). In FY 2021-22 total food production was 458.96 lakh MT. In FY 2021-22, the amount of food grains distributed to the public sector was 30.77 lakh MT. In the current FY 2022-23, till February 2023, the quantity of food grains distribution was 19.36 lakh MT. The amount of subsidy in agriculture has increased to Tk. 16,000 crore. Up to February 2023, Tk. 12,660.78 crore has released to provide subsidy on fertilizer and other agricultural activities. The disbursement of agricultural credit is gradually increasing. In FY 2021-22, the amount of credit disbursed to the agricultural sector was 28,834.21 crore. In the current FY 2022-23, the target of disbursement of credit to the agricultural sector is Tk. 30,911.00 crore. Of this, Tk. 21,066.51 crore has been disbursed up to February 2023, which is 68.15 percent of the target. The production of fish in FY 2021-22 stood at 47.59 lakh MT. In the previous fiscal year, fish production was 46.21 lakh MT. In the current fiscal year FY 2022-23, the target of fish production has been set at 47.81 lakh MT. According to the Quantum Index of Industrial Production of BBS, the production index of large and medium manufacturing industries increased by 7.42 percent in the first quarter of FY 2022-23 (July-September, 2022) compared to the index of the same period of the previous fiscal year. Banks and NBFIs have disbursed a total loan of Tk. 2,20,489.37crore to 11,24,193 SME entrepreneurs in the country's small and medium industries i.e. SME sector till December, 2022. During the same period, 1,47,102 SME women entrepreneurs have disbursed a loan of Tk. 10,355.80 crore for financing and the development of SMEs sector. In the past years, with the aim of encouraging the expansion of medium and small industries in addition to large industries, the amount of industrial loans distributed in the country is continuously increasing as a result of the continuous efforts of the government to distribute industrial loans and other cooperation through banks and financial institutions. In the first two quarters of FY 2022-23 (July-December, 2022), the disbursement of industrial loans stood at Tk. 2,80,935.39 crore.The installed capacity of power generation of the country reached to 26,700 megawatts, including captive and renewable energy (up to January 2023). The maximum generation so far was 14,782

MW on 16 April, 2022. Per capita generation including captive and renewable energy has reached to 609 kWh in FY 2021-22. Construction of Rooppur nuclear power plant with 2400 MW capacity in 2 units is in progress to meet the growing electricity demand of the country. The target is to complete construction of the 1st (1,200 MW) and 2nd (1,200 MW) units by 2024 and 2025 respectively. On the other hand, total number of transmission lines has been increased to 14,547 circuit kilometers in total till January 2023. The Government has taken a number of steps to improve the distribution system. As a result, the power distribution line has now been stood at 6,29,000 km and the number of subscribers has been increased to 44.5 million up to January 2023.

Natural gas met almost 59 percent of the country's total commercial use of energy. Up to December, 2022, 28 gas fields have been discovered in the country. According to the latest estimate, total Gas Initial in Place (GIIP) is 40.23 trillion cubic feet (TCF), out of which 28.62 TCF is recoverable (proven and probable). From 1960 to December 2022, total 19.94 TCF gas was produced leaving 8.68 TCF recoverable. At present, the fuel oil storage capacity of the country is about 13.69 lakh metric tonnes. The government has set up two floating LNG terminals in the Bay of Bengal near Maheshkhali in Cox's Bazar to import liquefied natural gas (LNG) to meet the growing energy demand of the country.

With the aim of building a smooth and integrated communication system with the southern part of the country, the 6.15 km long Padma bridge built with the own funding of the Bangladesh government. The Honourable Prime Minister inaugurated the bridge on 25 June 2022 and the bridge was open to traffic from 26 June 2022. Besides, the Honourable Prime Minister inaugurated the Metrorail on 28 December, 2022 and since 29 December, 2022 Metrorail is operating regularly on the Uttara-Agargaon section.

The development efforts to build a developed and integrated communication and transport infrastructure are going on. The total length of highways in the country is 22,476 km as of February 2023. Parallel to the roads, development projects like bus rapid transit (BRT), Dhaka Elevated Express way, Bangabandhu Tunnel at Karnaphuli and some other mega-projects are being implemented which are contributing to GDP growth of the country. At present, about 3101 km long network of railway lines connects almost all of the important places including 43 districts of the country. Several measures have already been undertaken for the development and maintenance of navigability of different river routes, ensuring safe movement of watercrafts, development of inland river ports, creating infrastructure facilities to carry container goods in inland waterways etc. As the national flagship carrier, Biman Bangladesh Airlines Limited is operating 7 national and 21 international flights in different routes.

The recently published Human Development Report, 2022/2023 by UNDP, Bangladesh ranked 129th out of 191 countries. In the previous HDI report of 2020, Bangladesh ranked 133rd out of 189 countries. Bangladesh moved four notches up in the 2022/2023. In FY 2022-23, about 23.88 percent of the total budget has been allocated for the sectors related to human resource development such as education and technology, health and family welfare, women and children, social welfare, youth and sports development, culture, labour and employment. These include the establishment of Special Economic Zones, incentive packages for investors and creation of special authorities for investment facilitation. Bangladesh Investment Development Authority (BIDA) launched online one stop service portal on 24th February 2019 with the aim of providing more than 150 services of various service providers through one stop service portal. At present BIDA has signed Memorandum of Understanding (MoU) with 43 companies under which 63 services are being provided by 23 companies. During January- September in 2022, the amount of FDI was US$ 2,659.29 million. A total 763 projects were registered in FY 2022-23 (July-February period) under joint venture investment (local and foreign) and the amount involved with the proposal was Tk. 7,56,836 million. Total 452 business institutions are ongoing with production in the existing 8 EPZs of the country. Additional 93 industries are in to the process of As of February 2023, the amount of cumulative investment in the EPZs is US$ 6,296.24 million. In the first 8 months of FY 2022-23, the amount of actual investment stands at US$ 255.81 million achieving 77.52 percent of the annual target (US$ 330). As of February 2023, 4,86,304 Bangladeshis have been employed in the industrial establishments of EPZs under BEPZA. This is mentionable that 66 percent of Bangladeshi citizens working in EPZ are women, which is playing an important role in women's empowerment. By this time, the location and the land for 97 economic zones have been approved, 68 will be public and 29 will be private. Under public-private partnership modality, 78 projects are approved in principle covering 10 sectors.

The Government of Bangladesh has formulated the Bangladesh Climate Change Strategy and Action Plan (BCCSAP), 2009, which is currently being updated, emphasizing national capacity to address climate change risks. An updated BCCSAP has already been drafted which will be finalized soon. Moreover, the government has submitted the National Adaptation Plan of Bangladesh 2023-2050 or National Adaptation Plan of Bangladesh (NAP) 2023-2050 to the UNFCCC Secretariat on October 31, 2022, with the aim of implementing adaptation activities related to climate change under the UNFCCC. The vision of the National Adaptation Plan 2023- 2050 is to build a climate resilient nation by implementing effective adaptation policies capable of spurring sustainable economic growth while building strong societies that support ecosystem conservation. From FY 2009-10 to FY 2021-22, a total allocation of Tk. 3,919 crore has been provided to Climate Change Trust Fund. So far 851 (government-790, private-61) projects have been undertaken to deal with climate change risks. Out of this, 527 projects were completed. Although

these projects have been implemented in pilot form in the initial stage, the local people are enjoying the benefits socially.

### Agriculture Sector

According to the provisional estimate of BBS, the growth of agriculture sector stood at 2.61 percent in FY 2022-23, which was 3.05 percent in previous fiscal year. During this period among the 4 sub-sectors of broad agriculture sector the growth rate of crops and horticulture and fishing has decreased while the growth rate of animal farming and forest and related services has increased compared to previous fiscal year. The food-grain production target (rice, wheat and maize) in FY 2022-23 has been set at



484.98 lakh metric tonnes (MT), which was 458.96 lakh MT in previous fiscal year. Rice production target in FY 2022-23 is 415.69 (Aus 36.90, Aman 163.45 and Boro 215.34) lakh MT. Besides, wheat production and maize production target in FY 2022-23 has been set at 11.60 lakh MT and 57.68 lakh MT.

According to the estimate of the Department of Fisheries (DoF), the total fish production in FY 2022-23 is expected to be 47.81 lakh MT (inland fish production 40.75 lakh MT and marine fish production 7.06 lakh MT), which was 47.59 lakh MT (inland fish production 40.53 lakh MT and marine fish production 7.06 lakh MT) in previous fiscal year.

### Industry Sector

Due to the coronavirus pandemic, industrial production declined sharply in FY 2019-20. During the period, growth in the industrial sector slowed to 3.61 percent from 11.63 percent in the previous fiscal year. However, in FY 2020-21, the industrial sector has turned around and the growth of this sector has stood at 10.29 percent. But due to the Russia-Ukraine crisis, the growth of the industrial sector again declined to 9.86 percent in FY 2021-22. As per provisional estimate, the growth in the industrial sector will stand at 8.18 percent in FY 2022-23. In FY 2021-22, the growth in the mining and quarrying sector of broad industry sector contracted by 1.12 percent from 6.49 percent compared to the previous fiscal year. Growth in this sector is provisionally estimated to be 5.74 percent in the current fiscal year. Growth in the manufacturing sector has decreased from 11.59 percent in FY 2020-21 to 11.41 percent in FY 2021-22. According to provisional estimate, the growth of this sector has declined to 9.23 percent in FY 2022-23. Among them, growth in large scale industries will be 8.46 percent, growth in small, medium and micro scale industries will be 9.73 percent and growth in cottage industries will be 10.69 percent. According to the 'Index of Industrial Production of Manufacturing on Large Scale' (Base Year: 2015-16), the average general index of industrial production (large scale manufacturing) increased by 0.25 percent to 189.26 point during July October of FY 2022-23 over that of FY 2021-22. During the period, the growth in the indices for garments, textile and leather and leather product are (-)1.28 percent, 8.00 percent and 59.16 percent respectively. In addition, according to the 'Index of Industrial Production of Manufacturing on SMME Scale' (Base Year: 2015-16), the average general index of industrial production (Small, Medium and Micro manufacturing) increased by 8.27 percent to 196.90 point during July-October of FY 2022-23 over that of FY 2021-22. During the period, the growth in the indices for garments, textile and leather and leather product are 22.70 percent, (-) 1.73 percent and 11.24 percent respectively. Among the sectors of broad industry sector, the growth rate of 'electricity, gas steam and air conditioner' will be 4.54 percent in the current fiscal year, but the growth of this sector was 6.15 percent in the previous fiscal year. On the other hand, the growth rate of the construction sector in FY 2021-22 increased to 8.71 percent from 8.08 percent in FY 2020-21. It is estimated that the growth of this sector will be decreased and it will be 6.41 percent in the current fiscal year.

### Credit Growth

The private sector credit growth dropped in January due to a liquidity shortage, weakened loan disbursement capacity by banks and prevailing economic challenges. According to Bangladesh Bank data, the private sector credit growth dropped to 9.95 per cent in January against 10.2 per cent in December. It was 9.9 per cent in November and 10.09 in October 2023.The central bank in its monetary policy statement lowered private sector credit growth target to 10 per cent in January-June for the financial year 2023-24 from the previous target of 11 per cent. The BB in its monetary policy said that this subdued growth might be attributed to reduced interest from private sector investors, stemming from higher borrowing costs, ongoing global and domestic economic uncertainties, liquidity constraints within the banking sector and the pursuit of a contractionary monetary policy. The BB also continued foreign currency sales, which functioned as automatic quantitative tightening measures in the money market, significantly absorbing liquidity from the system, it said. Bankers said the financial sector was struggling with a host of issues, including a liquidity shortage in the banking sector, sluggish deposit growth, a rise in non-performing loans and heightened cash withdrawals by clients. As a result, many banks are facing cash crises and have sought assistance from the central bank and larger banks to meet their day-to-day cash needs, they said. Economic challenges such as high inflation, foreign exchange volatility, a dollar shortage and an energy crisis have reduced business activities and made businesses reluctant to seek bank loans, bankers said. The government and the Bangladesh Bank have also strengthened monitoring and imposed restrictions on imports, which curbed business

operations and thus reduced demand for credit, they said. In addition, deposit growth was poor while banks' non-performing loans soared during the reporting period, which made it difficult for the banks to disburse much loans, they said. Over the past 31 months, the central bank sold approximately $30 billion from its reserves, with $9 billion allocated to banks in July-January of the current financial year 2023-24, $13.5 billion in FY23, and $7.62 billion in FY22. The exchange rate reached Tk 110 from Tk 90 against the US dollar within a year. The private sector credit growth was 8.35 per cent in FY 2020-21, 13.66 per cent in FY 2021-22 and 10.57 per cent in FY 2022-23.

### Economic Growth

The economy grew by 6.94 percent in FY 2020-21 and 7.10 percent in FY 2021-22. To remain a bit conservative considering the global sluggish economic condition GDP growth rate is expected to be 6.03 percent in FY 2022-23, 1.07 percentage point lower than the previous fiscal year. Medium-term forecasts for GDP growth rates are 7.5 percent in FY 2023-24, 7.8 percent in FY 2024-25 and 8.0 percent in FY 2025-26. According to the final estimate, the volume of GDP at current market prices reached Tk. 39,71,716.4 crore in FY 2021-22, which was Tk. 35,30,184.8 crore in FY 2020-21. In nominal term GDP growth rate was 12.51 percent. GDP is provisionally estimated by BBS Tk. 44,39,273 crore in FY 2022-23, Tk. 4,67,557 crore higher than previous fiscal year. Per capita GDP is estimated to be US$ 2,657 in FY 2022-23 which is lower than previous fiscal year resulted from Taka depreciation. Medium-term GDP forecasts are Tk. 50,06,782 crore in FY 2023-24, Tk. 56,29,691 crore in FY 2024-25, and Tk. 63,41,391 crore in FY 2025-26. As per the final estimate, per capita GDP in FY 2021-22 was US$ 2,687, US$ 225 up from the previous fiscal year. Per capita gross national income increased to US$ 2,793 in FY 2021-22, US$ 202 up from FY 202021. The per capita gross national income is provisionally estimated to US$ 2,765 in FY 202223, US$ 28 lower than previous fiscal year. The amount remains lower than the previous year due to Taka depreciation.

### Capita Market

In DSE, total number of listed securities has increased from 625 in June 2022 to 654 in March, 31, 2023. Total Market Capitalization of all listed securities increased from Tk. 5,17,781.69 crore in June 2022 to Tk. 7,62,366.31 crore in Mach, 31, 2023. DSE Broad Index has decreased from 6,376.94 points in June 2022 to 6,206.79 points in March 2023. In CSE, total number of listed securities increased from 376 in June 2022 to 630 on March 31, 2023. Total Market Capitalization of all listed securities increased from Tk. 4,33,369.31 crore in June 2022, to Tk. 7,48,233.56 crore on March 31, 2023. CSE Broad Index has decreased from 18,727.51 points in June 2022 to 18,288.34 points in March 2023.

### Exports

In FY 2021-22 total export earnings increased by 29.1 percent to US$ 52.47 billion over the previous fiscal year. During July to February of FY 2022-23 export earnings stood at US$ 37.08 billion, which is 9.56 percent higher than the export earnings of the same period in the previous fiscal year. During this period, commodity-wise growth of export earnings shows that export earnings from many of the products have increased compared to the last fiscal year while few of the products experienced negative growth. The government initiatives to facilitate exports are enhanced during COVID-19. Export incentives are extended to new products. Exports receipts are estimated to be 54.2 billion in FY 2022-23.

### Imports

The total import payments in FY 2021-22 stood at US$ 89.34 billion, 44.24 percent higher than the previous fiscal year. Up to February of FY 2022- 23, total import payments stood US$ 52.71 billion, 10.31 percent lower than the same period of the previous fiscal year. Import payments is estimated to be around US$ 75.1 billion in FY 2022-23.

### Overseas Employment and Remittance

Overseas employment significantly increased to 9,88,910 in FY 2021-22 and reached 8,43,365 by March 2023. In FY 2020-21, Bangladeshi expatriates' remittance stood at US$ 24.78 billion which was significantly higher (36.10%) than the previous fiscal year. During 2022-23 financial year remittance earned reached at US$ 21.03 billion, 15.11 percent lower than previous fiscal year. By the end of March of FY 2022-23 remittance earnings recorded is US$ 16.03 billion. The major portion of remittance has been received from Middle East countries. During July to March 2023 the highest amount of remittance earned from Kingdom of Saudi Arabia followed by the USA, UAE, the UK, Qatar, Kuwait, Malaysia, Italy and so on.

### Foreign Exchange Reserve

Foreign exchange reserve of Bangladesh reached a record height of US$ 48 billion on 24 August 2021 largely due to huge inward remittances and export earnings. However, due to the high import bill resulted from global excessive price hike the volume of foreign exchange reserve decreased by about US$ 8 billion since July August 2022. The foreign exchange reserve stood at US$ 30.18 billion on 17 May 2023.

### Exchange Rate

Bangladeshi currency Taka experienced an overall 13.65 percent depreciation against US dollar in July-April FY 2022-23 compared to that of the FY 2021-22. The weighted average interbank rate stood at Taka 106.15 per US$ on 17 April 2023, which was Taka 86.03 per US$ on 18 April 2022.

### Savings and Investment

During FY 2021-22, domestic savings decreased to 25.22 percent of GDP, 0.12 percent lower than the previous year. Likewise, national savings as percent of GDP decreased to 29.35 percent in FY 2021-22 percent, 1.44 percent lower than the FY 2020-21. Gross domestic savings is provisionally estimated to be 26.02 percent of GDP in FY 2022-23, 0.8 percent higher than previous fiscal year. Gross national savings is estimated to be 30.22 percent of GDP, 0.87 percent higher than the previous fiscal year. The contribution of investment to GDP increased to 32.05 percent in FY 2021-22, 1.03 percent higher than the previous fiscal year. Of 32.05 percent contribution to GDP, private investment is 24.52 percent while public investment is 7.53 percent. Both private and public investment as a percentage of GDP have slightly increased compared to the previous fiscal year. Investment is estimated to be 31.25 percent of GDP of which private investment is 23.64 percent and public investment is 7.61 percent in FY 2022-23. Overall investment is 0.8 percent lower than last fiscal year.

# Management's Discussion and Analysis

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

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

The financial statements have been prepared on a going concern basis and accrual method under historical cost convention and therefore did not take into consideration of the effect of inflation. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the DFIM circular no. 11 dated 23rd December 2009 in conformity with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Finance Company Act 2023, 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 2023 no accounting policies had been changed. The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in the future periods. During the reporting period the company did not change any basis of estimation.

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

The financial year 2023 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. MFPLC fared moderate performance in 2023 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 2023 the company's interest income (as per consolidated financial statement), mostly from lease, loans and advances, increased by 37.46% i.e. BDT 34.87 crore from the last year. Lease, loan and advances portfolio stood at Taka 956.86 crore as of 31 Dec 2023 as against Taka 995.07 crore as of 31 Dec 2022. Although, portfolio decreased by Taka 38.21 crore.

### Interest Expense

Company's interest expense on deposit and borrowing increased by 14.81% (BDT 9.94 crore) in 2023 compared to previous year. Deposit portfolio stood at Taka 532.27 crore as of 31 Dec 2023 as against Taka 578.31 crore as of 31 Dec 2022. Deposit portfolio decreased by Taka 46.04 crore. Borrowings from other banks, financial institutions and agents stood at Taka 238.22 crore as of 31 Dec 2023 as against Taka 265.77 crore as of 31 Dec 2022. Borrowings from other banks, financial institutions and agents decreased by Taka 27.55 crore. Bank and FI industry faced a sudden shortage of liquid funds in 2023 which forced banks and FIs to collect deposit and fund at higher rate. But Bangladesh Bank has circulated to decrease the deposit rate. As a result, the average cost of fund of the company 10.85% in 2023, which was 7.92% in 2022.

Income from investment and other operating income:
In the year 2023 Capital Market of Bangladesh was not in a favorable position from the previous year. In 2023, Investment income of the company decreased by Taka 0.47 crore, reflecting 34.58% regression compare to last year capital market. Moreover, provision for diminution in value of investment has growth by Taka 1.17 crore in 2023. Other operating income, decreased by 56.11% i.e., BDT 4.04 Crore from the last year.

### Operating expenses

The company's operating expense increased at 7.07% compared to last year. Total operating expenses increased by Taka 1.51 crore from last year where maximum contribution came from Salary and allowances. MFPLC's growth in salary and allowances was 6.63%.

### Net Operating Profit

Due to Increase interest income, Lower borrowing cost and higher income from investment the company's operating profit increased significantly compared to last year. Company's net operating profit increased by 142.88% which was Taka 18.91 crore.

### Provision for loans and investments

The company made provision for lease, loans and advances along with investments as per the guideline/ instruction of Bangladesh Bank. Due to decrease of loan portfolio the company's general provisions and specific provisions

increased. The capital market was not potential in 2023, the company's provision against investment in share market increased significantly. But, in totaling the company's provision in this head increased by 89.09 crore.

### Profit after Tax

Eventually, the profit after tax of the company stood at Taka (67.12) crore due to the factors mentioned above. As a result, our earnings per share (EPS) in 2023 decreased to Taka (4.66) from 0.06 of last year 2022.

### 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 2023 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 2023 but reduced the overall credit growth of the industry. Like most other Financial Institutions the company also unable to maintain credit growth at expected level. In this circumstances Lease, loan and advances portfolio stood at Taka 956.86 crore as of 31 Dec 2023 .As a result Lease, loan and advances portfolio in 2023 decreased to Taka 38.21 crore from last year.

### Non-performing loan (NPL)

Over the years MFL is trying to bring down its NPL at a tolerable limit. In 2019 the company was able to decrease its NPL at 9.92% from 12.49% of 2018. But, in line with the industry, NPL of the company increased again to 11.39% at the end of December 2020. At the end of December 2022, NPL of the company again increased to 16.46% compared to 14.89% in the preceding year. However, the company is trying to reduce its NPL by ensuring rigorous monitoring, disbursement of quality portfolio and increasing asset quality. But due to bad classification of some loan accounts as per inspection of Bangladesh Bank FIID based on QJ basis, NPL of the Company increased to 33.09% at the end of December 2023.

### 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 2023, capital adequacy ratio of the company (consolidated) stood at 10.74% compared to 17.83% in the preceding year.

| Capital adequacy - As per BASEL-II | 2023 | 2022 |
|---|---|---|
| a) Core Capital (Tier-I) | | |
| Paid-up capital | 1,438,925,070 | 1,438,925,070 |
| Statutory reserve | 143,091,535 | 143,091,535 |
| Retained earnings | (605,704,855) | 87,114,825 |
| | **976,311,750** | **1,669,131,430** |
| b) Supplementary Capital (Tier-II) | | |
| General provision | 111,952,708 | 111,959,297 |
| c) Total eligible capital (a + b) | 1,088,264,458 | 1,781,090,727 |
| d) Risk Weighted Assets (RWA) | 10,131,189,841 | 9,986,726,128 |
| e) Capital Adequacy Ratio (%) (c/d) | 10.74% | 17.83% |

### Cash Flow Analysis

Amount in crore

| Particulars | 2023 | 2022 |
|---|---|---|
| A. Cash flow from operating activities | 47.24 | (55.33) |
| B. Cash flow from investing activities | (0.36) | 0.02 |
| C. Cash flow from financing activities | (29.70) | 59.27 |
| D. Net increase in cash & cash equivalents (A+B+C) | 17.18 | 3.96 |
| E. Cash and cash equivalents at the beginning of the year | 69.66 | 65.70 |
| F. Cash and cash equivalents at the end of the year | 86.84 | 69.66 |

### Cash Flow from Operating Activities

Cash generated from operating activities before changes in operating assets and liabilities increased by 910.91% in 2023 which was Tk. 30.62 crore compared to previous year. Net cash flow from operating activities increased due to remarkable positive growth in Loans and lease finance, other assets and other liabilities 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 repaid a good amount of term loan during this year to reduce its Bank borrowing. During the year 2023 the company's net borrowing was recorded Taka (27.55) core as against Taka 60.70 crore of last year.

### Overall scenario

The cash and cash equivalent balance of the company decreased to Taka 1.57 crore at the end of 2023 compared to Taka 9.74 crore of 2022.

## (d) Comparative financial performances with the peer industry

### Finance Industry

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

This sector passed a very challenging year 2023 amid liquidity crisis at the beginning and at the year end. Record private sector credit growth and sluggish deposit growth at the end of 2023 created shortage of money flow in the banking sector. To check any possible liquidity pressure on the market Bangladesh Bank slashed Bank's existing AD ratio rate. As a result, business for banking industry became tough and most of the Banks and Financial Institutions reduced fresh disbursement. Considering the liquidity pressure in money market and stakeholder's necessity Bangladesh bank reduced CRR by 1 percentage, extended timeframe for maintaining new AD ratio. All these initiatives eased tight liquidity situation in the middle of the year but increased cost of fund of Banks and FIs. Frustratingly, liquidity situation tightened against the end of the year.
Soaring Non-performing Loan (NPL) has been treated as number one problem in banking sector, which pushed down overall financial health of Banks gradually.

Non-performing loans in the country's banking sector shot up by Taka 25,000 crore in 2023. According to Bangladesh Bank data, defaulted loans surged to Taka 145,633 crore at the end of December 2023 from Taka 120,656 crore at the end of December 2022 and Taka 103,273 crore in the same period in 2021 due to a relaxed loan classification policy taken by the Bangladesh Bank.

The ratio of default loans to outstanding loans and advances stood at 9.00 per cent last year in contrast to 8.23 per cent in 2022, according to the central bank data.

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

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

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

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

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

Company is planning to continue its operation with a steady outlook. Considering the market condition, MFL planned its budget for the year 2023 with a projection of disbursement of Taka 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. MFPLC is committed to ensure the highest standards of governance designed to protect the interest of all relevant stakeholders.

## Governance practices and reporting framework

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

- Corporate Governance Code (Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018) imposed by Bangladesh Securities and Exchange Commission (BSEC);
- The Companies Act 1994;
- Finance Company Act 2023;
- Listing requirement and regulations imposed by Dhaka Stock Exchange PLC. and Chittagong Stock Exchange PLC.;
- Various rules, regulations, guidelines, notifications, policies, etc. issued from time to time by the regulatory authorities;
- Laws of the Land;
- Company's internal standards of code of conducts, ethics and compliance.

As per the provisions of Articles of Association of MFPLC, the Board of Directors holds periodic meetings to resolve policy, issues and strategies to achieve the organizational goal. The Board sets Vision, Mission and Objective of the Company as per guidelines of Bangladesh Bank and all other regulatory authorities. The Vision of MFPLC 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'. MFPLC regularly submit accurate and periodic documents including financial statements to the Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC., Chittagong Stock Exchange PLC., National Board of Revenue, Registrar of Joint Stock Companies and Firms and other relevant regulatory authorities and the Board of MFPLC is committed to establish good corporate governance and to devote towards achieving excellence in its governance.

Main features of governance of MFPLC are summarized below:

## Composition of Board of Directors

As on December 31, 2023, the Board of Directors of MFPLC consisting of 8 (Eight) Directors of which 2 (two) are Independent Directors. Diversity in constitution of the Board is ensured taking into consideration age, gender, experience, ethnicity, educational background, etc. The Directors exercises their power collectively while remain liable for discharging responsibilities individually.

The Board of Directors of MIDAS Financing PLC as on December 31, 2023 is as follows:

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

### Independent Director(s)

MFPLC 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, MFPLC complies with the conditions related to selection, qualification and appointment of Independent Directors. The Board of MFPLC has included 2 (two) Independent Directors to ensure appointment of at least one-fifth of the total numbers of members of the Board.

### Qualification of Independent Directors

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

### Separation of Roles of Chairman and Managing Director

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

### The Directors' Report to shareholders

The statements or disclosures specified in the Corporate Governance Code included in the Directors' Report to shareholders is prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994) and duly approved by the Board of Directors in its meeting held on September 30, 2024. Directors' Report for the year 2023 has been presented at page: 38

### Meetings of the Board of Directors

13 (Thirteen) meetings of the Board of Directors were held during the year ended on December 31, 2023. Attendance of each Directors at the Board meetings and at the last Annual General Meeting (AGM) for the year under review is stated at page: 41

### Governance of Subsidiary Company

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

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

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

### Board of Directors' Committee

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

(i) Executive Committee and
(ii) Audit Committee

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

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

### Executive Committee

As on December 31, 2023 the Executive Committee is comprised of 4 (four) members. The Chairman of the Committee is Mr. Mohammed Nasir Uddin Chowdhury. He was duly appointed by the Board as the Chairman of the Committee. Other members are Mr. Ali Imam Majumder, Mr. M. Hafizuddin Khan and Mr. Md. Shamsul Alam. The Company Secretary of the Company acts as the Secretary to the Executive Committee.

### Audit Committee

As on December 31, 2023 the Audit Committee is composed of 5 (five) Directors. The Board appointed Mr. Ghulam Rahman, one of the Independent Directors of the Company as the Chairman of the Committee. Other members of the Committee are Mr. Abdul Karim, Mr. Mohammed Nasir Uddin Chowdhury, Mr. Shahedul Alam and Ms. Nazneen Sultana. The Company Secretary serves as the Secretary to the Audit Committee. Report on activities carried out by the Audit Committee during the year is disclosed at page: 70

### Maintaining a website by the Company

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

### Redressal of Investor Grievances

Shareholders of MFPLC can lodge their complaints through the designated email id info@mfl.com.bd. The designated email id is also displayed on the Company's website. An investor may make a written complaint through fax of the company on (+88) 02 41021298.

Alternatively, investors can send their complaints to-
Share Department
MIDAS Financing PLC
MIDAS Center (10th & 11th Floor)
House # 05, Road # 16 (New) 27 (old), Dhanmondi, Dhaka-1209

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

### Communication with shareholders

We give a lot of importance to the participation of shareholders in the AGM and also try to ensure their presence in this meeting to notify them about how their company is performing. This is because we follow the opinion that regular and transparent communication can help our shareholders feel connected to the company. Prior to the AGM, shareholders are given 21 days notice to ensure full attendance from the shareholders. The same notice is also sent to the exchanges and Commission. Any resolutions containing price sensitive information send to the exchanges within two hours from the decision taken in compliance with the Listing Regulations. To ensure active participation of the shareholders, MFPLC delivers the Annual Report at least 2 weeks prior to the AGM. Shareholders are also offered the chance to freely ask the Board regarding the operations and prospects of the Company at the AGM.

### Dividend Distribution Policy

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

### Unpaid or Unclaimed Dividend

Pursuant to the Directive No. BSEC/CMRRCD/2021-386/03, dated January 14, 2021 of Bangladesh Securities and Exchange Commission (BSEC) and the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021, we have transferred Tk. 6,82,570.87 (Taka Six Lac Eighty Two Thousand Five Hundred Seventy and Eighty Seven Paisa ) to the Capital Market Stabilization Fund (CMSF) against Unclaimed or Undistributed or Unsettled Cash Dividend of MIDAS Financing PLC, which remain unpaid or unclaimed or unsettled or undistributed for a period of 3 (three) years from the date of declaration or approval or record date or date of subscription or refund, as the case may be. Amounts remaining as unpaid or unclaimed dividend is Tk. 5,435,380.46. MIDAS Financing PLC have also transferred 66,079 no. of shares to the Capital Market Stabilization Fund (CMSF), which were remained in the Suspense BO Account of the Company as unclaimed or undistributed or unsettled stock dividend or bonus shares or un-allotted right shares for a period of 3 (three) years from the date of declaration or approval or record date or date of subscription or refund, as the case may be.

### Appointment of External or Statutory Auditors

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

Zoha Zaman Kabir Rashid & Co., Chartered Accountants was appointed as the Statutory Auditors of the Company in the last Annual General Meeting. They have completed the audit for the reporting financial year ended on December 31, 2023 and will retire at the conclusion of the 28th Annual General Meeting.

Zoha Zaman Kabir Rashid & Co., Chartered Accountants has been holding the office of Statutory Auditors of the company for last three consecutive financial years. Therefore, the company requires to appoint new Statutory Auditors for the upcoming financial year. After scrutinizing the firms' profile and necessary expertise and on proposal of the Audit Committee, the Board of Directors recommends to appoint Islam Aftab Kamrul & Co., Chartered Accountants as the Statutory Auditors of the Company for the financial year to be ended on December 31, 2024, subject to approval by the shareholders at the ensuing AGM at a remuneration of Taka 2,00,000 (Two Lakh only) exclusive of VAT applicable as per the provisions of Law.

### Status on compliance of Corporate Governance

A Statement on the status on compliance of Corporate Governance in prescribed format has been prepared for the year ended December 31, 2023 and disclosed at page: 46.

### Appointment of Compliance Auditors

A Certificate regarding Compliance on Corporate Governance for the year ended December 31, 2023 has been obtained from M/s Howlader Maria & Co., Chartered Accountants. The Board has also recommended to appoint M/s Howlader Maria & Co., Chartered Accountants, as the Corporate Governance Compliance Auditors of the Company for the financial year to be ended on December 31, 2024, subject to approval by the shareholders in the ensuing AGM at a remuneration of Taka 27,500 (Twenty seven thousand five hundred only) exclusive of VAT applicable as per the provisions of Law.

### Reporting and Disclosures

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

# Report on the Activities of Audit Committee

## Introduction

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

## Constitution and Composition

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

As on December 31, 2023 the Audit Committee consists of 5 (five) members of which 2 (two) are Independent Directors. The members of the Committee are financially literate and have adequate knowledge and relevant experience to carry out the responsibilities of the Committee. The Committee is chaired by Mr. Ghulam Rahman, one of the Independent Directors of the Company. The Company Secretary, Mr. Tanvir Hasan, FCA acted as the Secretary of the Committee and attended all the meetings of the Committee.

The members of the Audit Committee as on December 31, 2023 are as follows:

| Name | Status with the Committee | Status with the Board |
|---|---|---|
| Mr. Ghulam Rahman | Chairman | Independent Director |
| Mr. Abdul Karim | Member | Director |
| Mr. Mohammed Nasir Uddin Chowdhury | Member | Director |
| Ms. Nazneen Sultana | Member | Independent Director |
| Mr. Md. Shahedul Alam | Member | Director |

## Scope of Work of the Audit Committee

The scope of work of the Audit Committee of MFPLC 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.. As per the TOR, the scope of work of the Audit Committee includes, but not limited to,

**Overseeing-**

(a) Internal Control System of the Company
(b) Risk Management Process of the Company
(c) Financial Reporting of the Company
(d) Activities of Internal Control and Compliance (ICC) department of the Company
(e) Hiring and Performance of the External Auditors
(f) Compliance with Regulatory Requirements
(g) And reviewing management letter issued by auditor, inspection report of Bangladesh Bank, etc.

## Meetings of the Committee

5 (five) meetings of the Committee were held during the financial year ended on December 31, 2023. Attendance in each meeting by the members of the Committee is summarized below:

| Name | Audit Committee meetings held | Audit Committee meetings attended |
|---|---|---|
| Mr. Ghulam Rahman | 5 | 4 |
| Mr. Abdul Karim | 5 | 5 |
| Mr. Ali Imam Majumder | 5 | 2 |
| Ms. Nazneen Sultana | 5 | 5 |
| Mr. Md. Shahedul Alam | 5 | 4 |
| Mr. Mohammed Nasiruddin Chowdhury | 5 | 3 |

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

All the meetings of the Committee were presided over by the Chairman of the Committee. The Managing Director of the Company attended the meetings on invitation. As the Secretary of the Committee Mr. Tanvir Hasan, FCA, Company Secretary, also attended all the meetings.

The proceedings of the meetings are duly recorded and minutes are regularly placed before the Board of Directors.

## Activities of the Committee

In order to discharge the duties and responsibilities of the Audit Committee during the financial ended on December 31, 2023 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 2023;
- held meeting with the external auditors for review of the annual financial statements before submission to the Board for approval/ adoption;
- performed overseeing hiring and performance of external auditors and the determination of audit fees;
- reviewed the Management Letter issued by statutory auditors;
- reviewed the processes for identification, recording, evaluation and management of all significant risks throughout the Company and the existing risk management procedures for ensuring an effective internal checking system;
- monitored the procedures made by the management for building a suitable management information system (MIS) including computerization system and its application;
- reviewed the financial statements and investments of the subsidiary Company;
- reviewed the non-performing loan of the Company and recommended corrective measures;
- Recommended to focus on SME and Women entrepreneur financing and to form dedicated desk for women entrepreneurs.

## Reporting

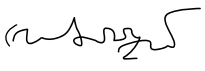
The Audit Committee reports on its activities to the Board. The minutes of the Committee were regularly placed before the Board. Pursuant to Condition No. 5(7) of the Corporate Governance Code imposed by BSEC, the Committee has prepared this report for publication in the Annual Report 2023 of MIDAS Financing PLC, which was duly approved by the Board of Directors on September 30, 2024.

The Audit Committee did not find any conflict of interest or any fraud, irregularity or material defect in the Internal Control System. There are no infringement of laws, rules and regulations also. The Committee is of the view that the risks associated with the business of the Company are adequately controlled.

## Acknowledgment

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

On behalf of the Committee



**Ghulam Rahman**
Chairman

# Risk management




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

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

## Risk Factors and Its Management

For a financial institution risk is the vital part of its daily life. Identification, measurement, management perception about those risks, their control and or countermeasures works as the life line of the institution. Most of the times only credit risk is considered as risk to be evaluated at the time of lending decision. Except credit risk there are also some other risks aligning in financial business sector. The major risks that are encountered by MIDAS Financing PLC 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 PLC The goal of credit risk management is to maximize an MIDAS Financing PLC's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. MIDAS Financing PLC 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 PLC's liquidity risk in a timely manner. To properly identify the sources, management should understand both existing as well as future risk that the MIDAS Financing PLC 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 PLC 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 PLC 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 PLC minimizes this risk through portfolio diversification as per investment policy of the MIDAS Financing PLC and Investment Division manages the entire portfolio of the company.

### Equity Price Risk Management Process

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

### Operational Risk

Operational Risk is the risk of financial losses related to breakdown in internal control and corporate governance. Such breakdown can be the result of human error, inadequate or failed internal processes and technical systems, fraud, or from any other adverse external events. Of all the risks, operational risk may be the most devastating and at the same time, the most difficult to anticipate. Its appearance can result in sudden and dramatic reductions in the value of MIDAS Financing PLC 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 PLC and expose it to significant losses.

### Operational Risk Management

MIDAS Financing PLC 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 PLC's operational deficiencies;
(g) Increase management foresight;
(h) Optimize business performance; and
(i) Reduce the cost and complexity of operational risk process.

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

### Operational Risk Management Process

MIDAS Financing PLC 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 PLC 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 PLC as well as exposure to other risks. Once the market risk appetite is determined, MIDAS Financing PLC 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. MIDAS Financing PLC 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 PLC 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 PLC 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 PLC will appoint proper personnel and arrange training, if necessary. MIDAS Financing PLC will maintain effective processes for customer identification;

Management will develop a control mechanism for high-risk areas, products, services, and customers. MIDAS Financing PLC will also take necessary steps immediately against suspicious activity or substantive violations of law; and the compliance and controls system of MIDAS Financing PLC will promptly adapt to the changes in international lists regarding AML issues.

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

### Money Laundering Risk Management

MIDAS Financing PLC 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 PLC provides speech who has extensive training on AML. To protect terrorist fund entrance, responsible person of MIDAS Financing PLC screen the UN criminal list first before recording in to our organization. In this way, MFPLC ensured the captioned function in line with BB directives. MIDAS Financing PLC 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 PLC 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 PLC 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 PLC 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 PLC by having a strict monitoring system maintains its interest rate risk at moderate levels despite volatility in rates in the market. The Treasury Division is maintaining monthly overall-weighted average cost of funds at low levels throughout as depicted.

### Interest Rate Risk Management Process

MFPLC developed and implemented effective and comprehensive procedures and information systems to manage and control interest rate risk in accordance with its interest rate risk policies. These procedures are appropriate to the size and complexity of MFPLC's interest rate risk taking activities.

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

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

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

### Asset-liability Mismatch

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

### Asset-liability Mismatch Management Process

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

# Disclosures under Pillar III– CapitalAdequacy Market Discipline as on December 2023

## 1. Scope of Application

### Qualitative Disclosures

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

▶ **MIDAS Financing PLC**

(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 PLC is the owner of 99.9992% of shares (2,49,99,800 nos. of shares of Tk. 10 each) of MIDAS Investment Limited (MIL) which is fully consolidated.

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

Not Applicable.

### Quantitative Disclosures

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

Not Applicable.

## 2) Capital Structure

### Qualitative Disclosures

(a) Summary information on terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier-I or Tier-II.

As per the guidelines of Bangladesh Bank, Tier-I and Tier-II Capital of the Company consists of as per following:

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

### Quantitative Disclosures

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

Figures in BDT Crore

| Particulars | Solo | Consolidated |
|---|---|---|
| Paid up capital | 143.89 | 143.89 |
| Non-repayable share premium account | | |
| Statutory reserve | 14.31 | 14.31 |
| General Reserve & other reserve | | |
| Retained earning | (61.58) | (60.57) |
| Dividend equalization account | | |
| Total Tier-I capital | 96.62 | 97.63 |
| (c) The total amount of Tier-II capital | 11.01 | 11.20 |
| (d) Other deductions from capital | - | - |
| (e) Total eligible capital | 107.62 | 108.83 |

## 3) Capital Adequacy

### Qualitative Disclosures

A summary discussion of MFPLC'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 | 880.41 | 895.62 |
| (b) Capital requirement for Market Risk | 33.58 | 46.34 |
| (c) Capital requirement for Operational Risk | 67.11 | 71.15 |

Total and Tier I capital ratio

| Particulars | Solo | Consolidated |
|---|---|---|
| CAR on Total capital basis (%) | 10.97 | 10.74 |
| CAR on Tier 1 capital basis (%) | 9.85 | 9.64 |

## 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

| 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 MFPLC:**

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

#### ▶ Credit Approval Process

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

### ▶ Credit Quality and Portfolio Management

MFPLC 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 MFPLC's total return. Central Bank's instructions are strictly followed in determining Single Borrower/Large Loan limit. Significant concentration of credit in terms of group/sector or geographical location is carefully avoided to minimize risk.

### ▶ Early Warning System

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

### ▶ Methods used to measure Credit Risk

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

### Quantitative Disclosures

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

Figures in BDT Crore

| Particulars | Solo | Consolidated |
|---|---|---|
| Lease receivable | 87.99 | 87.99 |
| Term finance | 764.99 | 764.92 |
| Housing finance | 94.96 | 94.96 |
| Staff Loan | 3.96 | 3.96 |
| Consumer credit | 0.00 | 0.00 |
| Interest receivable | 5.04 | 5.04 |
| Total | 956.94 | 956.87 |

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

Figures in BDT Crore

| Area | Solo | Consolidated |
|---|---|---|
| Dhaka | 655.83 | 655.75 |
| Chattogram | 221.74 | 221.74 |
| Khulna | 23.55 | 23.55 |
| Rajshahi | 55.82 | 55.82 |
| Total | 956.94 | 956.86 |

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

| Particulars | Figures in BDT Crore |
|---|---|
| Trade and Commerce | 163.43 |
| Industry | |
| A) Garments and Knitwear | 68.45 |
| B) Textile | 120.64 |
| C) Food Production and Processing Ind. | 70.52 |
| D) Plastic Industry | 27.20 |
| E) Leather and Leather-Goods | 3.75 |
| F) Iron, Steel and Engineering | 55.88 |
| G) Pharmaceuticals and Chemicals | 16.29 |
| H) Cement and Allied Industry | 0.67 |
| I) Paper, Printing and Packaging | 18.74 |
| J) Glass , Glassware & Ceramic | 11.65 |
| K) Ship Manufacturing Industry | 49.24 |
| L) Electronics and Electrical Products | 4.30 |
| M) Power, Gas, Water & Sanitary Service | 0.10 |
| N) Telecommunication /Information Technology | 1.64 |
| Industry Total | 449.07 |
| Agriculture | 12.19 |
| Housing | 95.21 |
| Others | |
| A) Merchant Banking | 38.30 |
| B) Others | 176.17 |
| Others Total | 214.47 |
| Grand Total | 934.37 |

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

| Particulars | Figures in BDT Crore |
|---|---|
| Repayable on demand | 15.95 |
| Not more than 3 months | 5.13 |
| Over 3 months but not more than 1 year | 122.09 |
| Over 1 year but not more than 5 years | 358.71 |
| Over 5 years | 455.06 |
| Total | 956.94 |

#### (f) By major industry or counterparty type

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

| Particulars | % |
|---|---|
| Gross non-performing assets (NPA) | 316.59% |
| NPAs to gross loans and advances (in %) | 33.09% |

ii) General and Specific provisions

| Particulars | Figures in BDT Crore |
|---|---|
| Provision on unclassified loans and advances | 17.59 |
| Provision on classified loans and advances | 117.02 |
| Provision for off balance sheet exposures | 0.00 |
| Total | 134.61 |

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

(g) Gross Non Performing Assets (NPAs)

Movement of Non-Performing Assets (NPAs)

| Particulars | Figures in BDT Crore |
|---|---|
| Opening Balance | 166.98 |
| Additions | 149.67 |
| Reductions | 0 |
| Closing Balance | 316.65 |

Movement of Specific Provisions for NPAs

| Particulars | Figures in BDT Crore |
|---|---|
| Opening Balance | 55.47 |
| Provisions charged during the period | 61.55 |
| Write-off | - |
| Written-back of excess provisions | - |
| Closing Balance | 117.02 |

## 5) Equities: Banking book positions

Qualitative Disclosures

a) The general qualitative disclosure requirement with respect to equity risk, including:

Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;

Investment in equity securities are broadly categorized into two parts:

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

ii) Unquoted Securities that are valued at cost price.

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

Quantitative Disclosures

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

Figures in BDT Crore

| Particulars | Solo | Consolidated |
|---|---|---|
| Quoted shares (Market price) | 16.79 | 23.17 |
| Quoted shares (Cost price) | 22.38 | 30.63 |
| Unquoted shares | 1.76 | 2.76 |
| Total unrealized gains (Losses) | (5.59) | (7.45) |
| Total latent revaluation gains (Losses) | - | - |
| Any amounts of the above included in Tier 2 Capital | - | - |
| Total | 18.55 | 25.94 |

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 20.93 crore. Capital requirement is 10% of the said value which stands at BDT 2.09 crore.

General Risk – Market value of investment in equities is BDT 20.09 crore. Capital requirement is 10% of the said value which stands at BDT 2.09 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. MFPLC measures the interest rate risk by calculating maturity gap between Risk Sensitive Assets (RSA) and Risk Sensitive Liabilities (RSL) i.e. a positive maturity gap affect company's profitability positively with the increment of interest rate and negative maturity gap affects company's profitability adversely with the increment of interest rate.

### Quantitative Disclosures

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

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

Figures in BDT Crore

| Particulars | Maturity wise Distribution of Assets-Liabilities | | | | |
|---|---|---|---|---|---|
| | 1 to 30/31 day (One month) | Over 1 month to 2 months | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year |
| A. Total Rate Sensitive Liabilities (A) | 64.68 | 62.56 | 71.56 | 138.75 | 208.73 |
| B. Total Rate Sensitive Assets (B) | 103.82 | 80.43 | 62.05 | 127.95 | 133.71 |
| C. Mismatch | 39.15 | 17.87 | -9.51 | -10.81 | -75.03 |
| D. Cumulative Mismatch | 39.15 | 57.02 | 47.50 | 36.70 | -38.33 |
| E. Mismatch (%) | 60.52% | 28.56% | -13.29% | -7.79% | -35.94% |

| Interest Rate Risk | | | |
|---|---|---|---|
| Magnitude of Shock | Minor | Moderate | Major |
| | 2% | 4% | 6% |
| Change in the Value of Bond Portfolio (BDT in Crore) | 0.00 | 0.00 | 0.00 |
| Net Interest Income (BDT in Crore) | -0.77 | -1.53 | -2.30 |
| Revised Regulatory Capital (BDT in Crore) | 196.40 | 195.63 | 194.86 |
| Risk Weighted Assets (BDT in Crore) | 978.04 | 978.04 | 978.04 |
| Revised CAR (%) | 20.08% | 20.00% | 19.92% |

## 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, MFPLC 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
MFPLC minimizes the equity risks by portfolio diversification as per investment policy of the Company. The entire portfolio is managed by MIDAS Financing PLC

### Quantitative Disclosures
The capital requirements for Market Risk:

Figures in BDT Crore

| Particulars | Solo | Consolidated |
|---|---|---|
| Interest rate risk | | |
| Equity position risk | 33.58 | 46.34 |
| Foreign Exchange Position and Commodity risk (if any) | | |

## 8) Operational Risk
### Qualitative disclosure

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

### Performance gap of executives and staff:
MFPLC'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 MFPLC family. We aim to foster a sense of pride in working for MFPLC and to be the employer of choice. As such there exists no performance gap in MFPLC.

### Potential external events:
No such potential external event exists to raise operational risk of MFPLC at the time of reporting.

### Policies and Procedure for mitigating operational risk:
MFPLC 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. MFPLC 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 | 67.11 | 71.15 |

# Highlights as Required by Bangladesh Bank

## MIDAS Financing PLC and its subsidiary

As on December 31, 2023

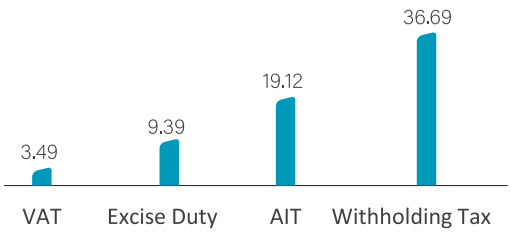
| SL. | Particulars | BDT/% | Solo | | Consolidated | |
|---|---|---|---|---|---|---|
| | | | 2023 | 2022 | 2023 | 2022 |
| 1 | Paid-up capital | BDT | 1,438,925,070 | 1,438,925,070 | 1,438,925,070 | 1,438,925,070 |
| 2 | Total capital | BDT | 966,195,469 | 1,663,607,702 | 976,311,750 | 1,669,131,430 |
| 3 | Capital surplus | BDT | 438,925,070 | 438,925,070 | 438,925,070 | 438,925,070 |
| 4 | Total assets | BDT | 11,613,063,993 | 12,038,147,528 | 11,761,467,718 | 11,992,940,338 |
| 5 | Total deposits | BDT | 5,340,852,788 | 6,008,428,198 | 5,340,852,788 | 5,803,428,198 |
| 6 | Total lease, loans and advances | BDT | 9,569,388,138 | 10,146,585,760 | 9,568,604,497 | 9,950,695,848 |
| 7 | Total contingent liabilities and commitments | BDT | - | - | - | - |
| 8 | Credit deposit ratio | % | 179.17% | 168.87% | 179.16% | 171.46% |
| 9 | Percentage of classified loan against total loans | % | 33.09% | 16.46% | 33.09% | 16.46% |
| 10 | Net profit after taxation | BDT | (675,828,358) | 11,883,110 | (671,236,742) | 8,600,680 |
| 11 | Classified lease, loans and advances | BDT | 3,166,468,150 | 1,669,843,902 | 3,166,468,150 | 1,669,843,902 |
| 12 | Provisions kept against classified loans | BDT | 1,170,206,007 | 554,708,285 | 1,170,206,007 | 554,708,285 |
| 13 | Provision surplus/(deficit) against classified loan | BDT | (138,848,688) | 0 | (138,848,688) | 0 |
| 14 | Cost of fund | % | 10.85% | 7.92% | 10.85% | 7.92% |
| 15 | Interest earnings assets | BDT | 9,205,793,220 | 9,664,208,151 | 9,639,845,709 | 9,929,470,932 |
| 16 | Non-interest earnings assets | BDT | 2,407,270,773 | 2,373,939,377 | 2,121,622,009 | 2,063,469,405 |
| 17 | Return on investment in shares (ROI) | % | 2.48% | 4.60% | 2.69% | 4.14% |
| 18 | Return on assets (ROA) | % | -5.71% | 0.10% | -5.65% | 0.07% |
| 19 | Income from investment | BDT | 5,928,568 | 10,963,752 | 8,959,229 | 13,695,355 |
| 20 | Earnings per share (Restated) | BDT | (4.70) | 0.08 | (4.66) | 0.06 |
| 21 | Operating profit per share (Restated) | BDT | 2.11 | 0.82 | 2.23 | 0.92 |
| 22 | Price earning ratio (Restated) | Times | (2.73) | 156.21 | (2.74) | 215.82 |
| 23 | Market price per share | BDT | 12.80 | 12.90 | 12.80 | 12.90 |
| 24 | Net assets value (NAV) per share(Restated) | BDT | 6.71 | 11.56 | 6.79 | 11.60 |

## Government Ex-chequer Statement

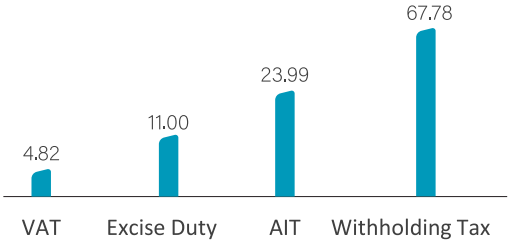
for the year ended 31 December 2023

| Particulars | 2023 | | 2022 | |
|---|---|---|---|---|
| | Amount in Taka | Amount in Million | Amount in Taka | Amount in Million |
| VAT | 3,488,766 | 3.49 | 4,824,142 | 4.82 |
| Excise Duty | 9,392,105 | 9.39 | 11,003,946 | 11.00 |
| AIT | 19,120,014 | 19.12 | 23,987,264 | 23.99 |
| Withholding Tax | 36,688,152 | 36.69 | 67,781,052 | 67.78 |
| **Total** | **68,689,038** | **68.69** | **107,596,404** | **107.60** |

2023




2022



# Value Added Statement

## for the year ended 31 December 2023

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 | 2023 | | 2022 | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| Operational income | 1,286,995,662 | | 1,006,878,117 | |
| Less: Cost of service rendered | 808,231,029 | | 723,422,429 | |
| Total Operating Expenses | 212,981,810 | | 201,453,827 | |
| Profit paid on deposits, Borrowing etc. | 770,843,839 | | 686,952,910 | |
| Less: Salaries & Allowances | 145,848,416 | | 139,319,876 | |
| Managing Director's Salary & Allowances | 9,732,000 | | 10,083,889 | |
| Depreciation on Fixed Assets | 20,014,204 | | 15,580,543 | |
| **Value added by operating activities** | **478,764,633** | **(119)** | **283,455,687** | **149** |
| Less: Provision for doubtful accounts & future losses | 882,170,550 | (219) | 93,019,764 | 49 |
| **Total Value Added** | **(403,405,917)** | **100** | **190,435,924** | **100** |

**Value Distributed To:**

| Particulars | 2023 | | 2022 | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| **Provider to Capital:** Shareholders as Dividend | 21,583,876 | (5) | 28,493,558 | 15 |
| **Employees:** As Salaries and other benefits | 155,580,416 | (39) | 149,403,765 | 78 |
| **Government:** Corporate Tax | 96,827,821 | (24) | 13,568,506 | 7 |
| **To Expansion and growth:** Expansion and growth | (677,398,030) | 168 | (1,029,905) | (1) |
| **Total Distribution** | **(403,405,917)** | | **190,435,924** | |

# Market Value Added Statement

## for the year ended 31 December 2023

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

| Particulars | 2023 | 2022 |
|---|---|---|
| Face value per share | 10.00 | 10.00 |
| Market Value per Share | 10.80 | 12.90 |
| Number of Shares outstanding | 143,892,507 | 143,892,507 |
| Total market capitalization | 1,554,039,076 | 1,856,213,340 |
| Book value of paid up capital | 1,438,925,070 | 1,438,925,070 |
| **Market Value Addition** | **115,114,006** | **417,288,270** |

# Economic Value Added Statement

## for the year ended 31 December 2023

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

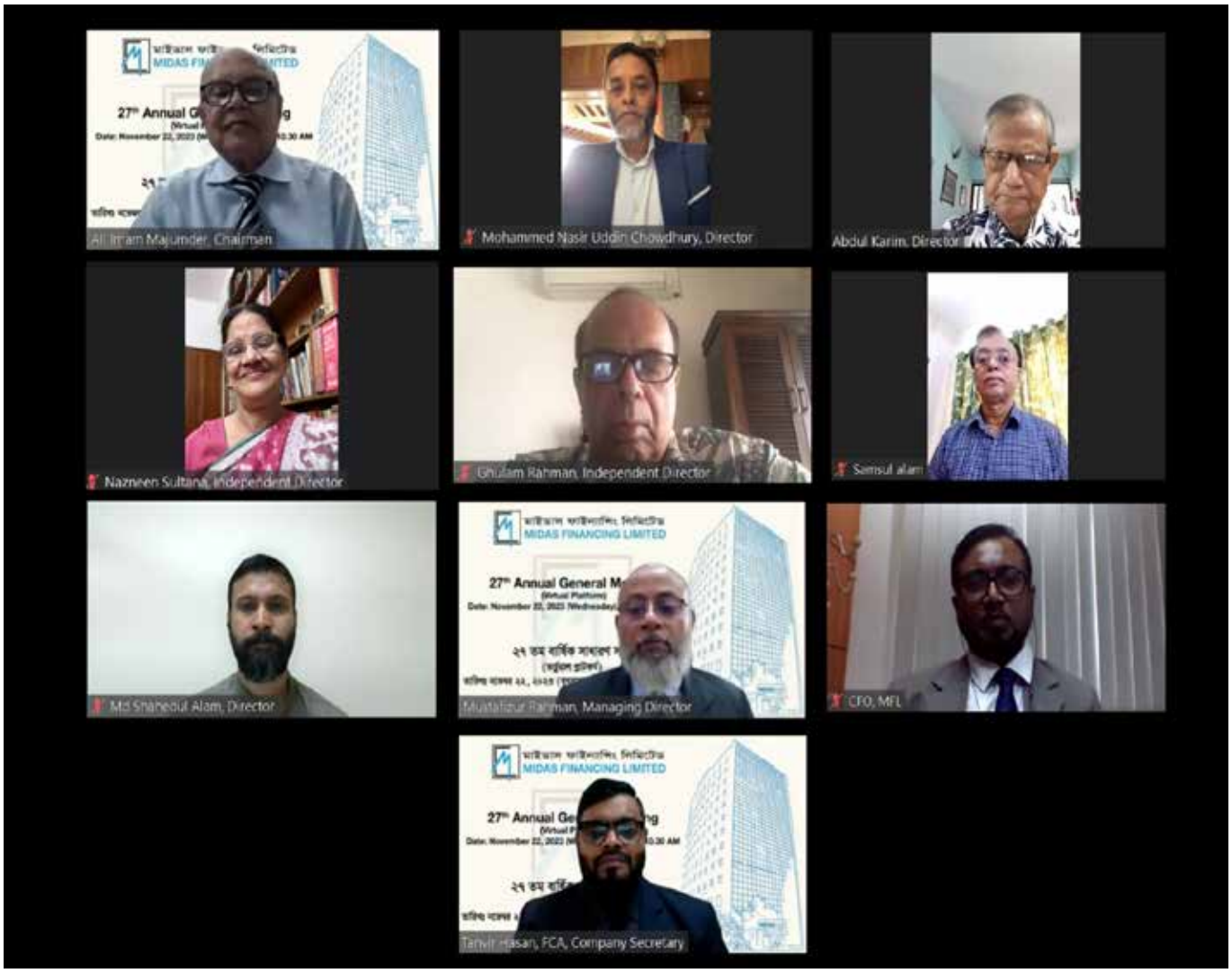
The aim of EVA is to provide management with a measure of their success in increasing shareholder's wealth: a better measure than profit of how much the company had made for shareholders.

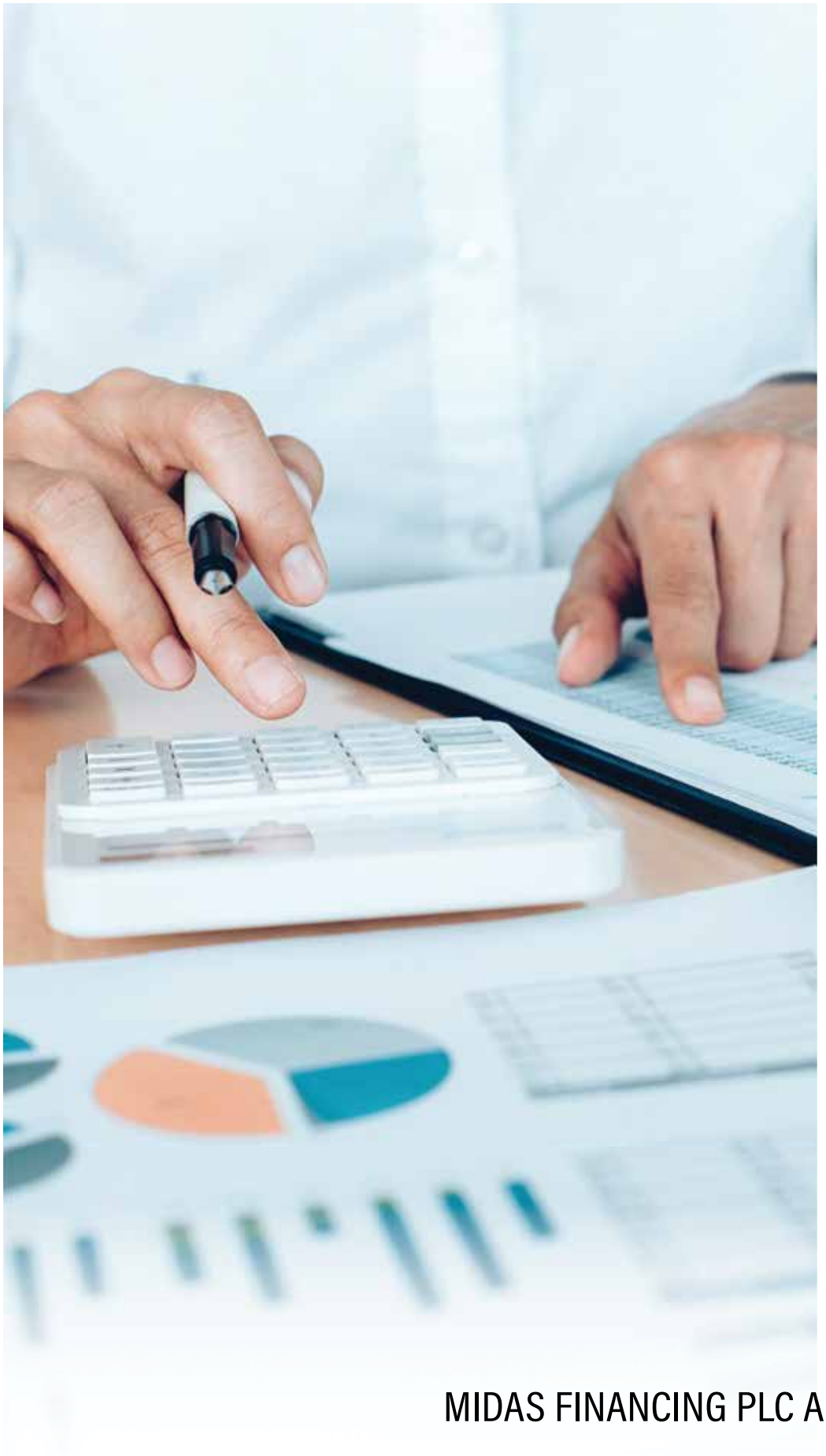
**EVA has been calculated by the following formula:**

**EVA = Net Operating Profit - Taxes - Cost of Capital**

| Particulars | 2023 | 2022 |
|---|---|---|
| Net Operating Profit | 303,170,013.21 | 118,471,379.41 |
| Less: Provision for taxes | 96,827,821.07 | 13,568,505.68 |
| Net operating profit after tax (NOPAT) | 206,342,192.14 | 104,902,873.73 |
| **Charges for capital** | | |
| Capital employed | 2,312,290,465.90 | 2,342,157,338.84 |
| Cost of equity (%)* | 13.20% | 10.95% |
| **Economic Value added** | **305,222,341.50** | **256,466,228.60** |
| **Capital employed as on December, 31** | | |
| Shareholder's equity | 966,195,468.98 | 1,663,607,702.23 |
| Accumulated provision for doubtful accounts and future losses | 1,346,094,996.92 | 678,549,636.61 |
| Average shareholder's equity** | 2,312,290,465.90 | 2,342,157,338.84 |

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


Ali Imam Majumder, Chairman
Mohammed Nasir Uddin Chowdhury, Director
Abdul Karim, Director
Nazneen Sultana, Independent Director
Ghulam Rahman, Independent Director
Samsul alam
Md Shahedul Alam, Director
MIDAS FINANCING LIMITED
Mustafizur Rahman, Managing Director
CFO, MFL
MIDAS FINANCING LIMITED
Tanvir Hasan, FCA, Company Secretary



# FINANCIAL

STATEMENTS OF
MIDAS FINANCING PLC AND ITS SUBSIDIARY



Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
জোহা জামান কবির রশীদ এ্যান্ড কোং
চার্টার্ড একাউন্টেন্টস

# Independent Auditor's Report
# To the shareholders of MIDAS Financing PLC
# Report on the audit of the consolidated and separate financial statements

### Opinion

We have audited the consolidated financial statements of MIDAS Financing PLC and its subsidiaries as well as the separate financial statements of MIDAS Financing PLC, which comprise the consolidated and separate balance sheet as at 31 December 2023 and the consolidated and separate profit and loss accounts, the consolidated and separate statement of changes in equity and the consolidated and separate cash flow statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies other explanatory information disclosed in notes 1 to 41.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company and the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), where practicable and comply with Finance Company Act 2023, the Securities and Exchanges Rules 1987, the Companies Act 1994 along with the rules & regulations issued by Bangladesh Bank and applicable rules & regulations.

### Basis for Opinion

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

### Matter of Emphasis

- The company has presented unclaimed dividend payable under the head other liabilities Unclaimed Dividend is Tk. 5,435,380. This contradicts with the circular issued by Bangladesh Securities Exchange and Commission on 14 January 2021, notification no. BSEC/CMRRC/2021-386/03 which requires an unclaimed dividend to be presented as a separate line item.
- MIDAS Financing PLC has lease, loan and advances amounting to BDT 956.94 crore in which classified loan is of BDT 316.65 crore and unclassified loan is of BDT 640.29 crore. As per the requirements of the Bangladesh Bank total shortfall provision against twenty individual lease, loan and advances is BDT 24.28 crore & other provision is BDT 5.99 crore. In this regard, the entity has appealed for availing deferral facility to DFIM of Bangladesh Bank. Bangladesh Bank has issued a letter reference no. DFIM(C)1054/41/2023-2191 dated 22 June 2023 to adjust the shortfall of provision in the next five (05) years from 2022.

### Key audit matters

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

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

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

EST. 1982

Zoha Zaman Kabir Rashid & Co., a partnership firm registered in Bangladesh and a member firm of MSI Global Alliance, a leading international association of independent legal and accounting firms.
Corporate office: House 6/B, Road 32, Level 7 & 8, Gulshan 1, Dhaka 1212, Bangladesh.
Tax office: Rupayan Karim Tower, 80, Kakrail, Level 7, Suite # 7A, Dhaka 1000, Bangladesh.
T: +8809609-008260, E: info@zzkrca.com, W: www.zzkrca.com

msi Global Alliance

| Description of key audit matters | Our response to key audit matters |
|---|---|
| **Risk** | **Our response to the risk** |
| **Provision for diminution in value of investment in share** | |
| At the year-end of 2023 group investments comprise of marketable ordinary shares of BDT 333,854,799 (2022: BDT 331,724,147) and it represents 2.83% of total assets. Provision for diminution in value of investment of BDT 63882357 (2022: BDT 52,182,357).<br>This was an area for our audit and significant audit effort was directed.<br><br>Invested in quoted shares and unquoted shares are valued at cost. However, the company made provision for diminution in value of investment as per FID circular no 08, dated 03 August 2002.<br><br>We focused on this area because of the significance of the investments in the financial statements, and departure from the recognition and presentation criteria of IFRS 9, IFRS 7 & IAS 32 to comply the above circular of Bangladesh Bank for determining the valuation methodology and presentation to be applied by the management of the company. | Our audit approach was a combination of test of internal control and substantive procedures.<br><br>▪ We obtained sufficient audit evidence to conclude that the inputs and methodologies used for the valuation of the investments are within a reasonable range and that valuation policies were consistently applied by the management of the company.<br><br>▪ We assessed the design and operating effectiveness of the Group's key controls supporting the identification, measurement and oversight of valuation risk of financial assets.<br><br>▪ We tested the calculations of provision for diminution in value of investment and checked the presentation and disclosure of investment in compliance with FID circular no. 8 dated 3 August 2002. |
| See note no 6 & 13.2 to the financial statements | |
| **Its 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.<br><br>We tested IT general controls (logical access, changes management and aspect of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.<br><br>We tested the company's periodic review of access rights and reviewed request of changes to systems for appropriate approval and authorization.<br><br>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. |
| **Term Deposit** | |
| Term Deposit of the group BDT 5,322,727,446 which is decreased by 11.11% from the last year.<br><br>Significant judgment is required for Term Deposit, which has a vice-versa relation with interest income on interest expense on deposits. | We have tested operating effectiveness of key controls on the following:<br><br>▪ Tested the deposit attraction policy and procedure.<br><br>▪ Identification of reinvestment rate of with the combination of deposit receiving rate.<br><br>▪ Tested the investment maturities ladder compile with deposit tenure.<br><br>▪ Conducted analysis for understanding industry practice on deposit interest rate compare to inflation rate.<br><br>▪ Tested penalty practice on early settlement of deposit.<br><br>▪ Finally assess the reinvest appropriateness in against of the receiving deposit. |
| See note no. 12.1 to the financial statement | |

| Description of key audit matters | Our response to key audit matters |
|---|---|
| **Measurement of provision for Lease, loans and advances** | |
| The process for estimating the provision for loans, advances and portfolio associated with credit risk is significant and complex.<br><br>For the analysis of large exposure on a stand-alone basis, provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.<br><br>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.<br><br>As at 31 December 2023 the Group reported total gross Lease, loans and advances of BDT 9,569,388,138 (2022: BDT 10,146,585,760) and provision for lease, loans and advances was of BDT 1,346,094,997 (2022: BDT 678,549,637)<br><br>We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:<br>▪ 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;<br>▪ 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;<br>▪ Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates. | We tested the design and operating effectiveness of key controls focusing on the following:<br>▪ Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process;<br>▪ Identification of loss events, including early warning and default warning indicators;<br>▪ Reviewed quarterly classification of loans (CL);<br><br>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:<br>▪ Reviewed the adequacy of the companies general and specific provisions;<br>▪ Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information;<br>▪ Assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines, and<br>▪ Finally compared the amount of loan provision and loan classification disclosed in the financial statements with the quick summary report prepared by Bangladesh Bank |
| See note no 7 & 13 to the financial statements | |
| **Measurement of deferred tax liabilities** | |
| The Company reports net deferred tax liabilities (DTL) amounted to BDT 2,768,099 as at 31st December 2023. (2022: BDT 8,193123). Deferred tax income accounted for during the year 2023 BDT 5,425,025. (Whereas Deferred tax expense accounted for the year (2022: BDT 1,344,630)<br><br>Significant judgment is required in relation to deferred tax assets/liabilities as their recoverability is dependent on forecasts of future profitability over a number of years. | We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Groups future taxable income.<br>▪ We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.<br>▪ We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTAs.<br>▪ Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax. |
| See note no 13.4 to the financial statements | |

**Reporting on other information**

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

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

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

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

**Responsibilities of management and those charged with governance for the consolidated and separate financial statements and internal controls**

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Company in accordance with IFRSs as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of Consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Finance Company Act, 2023 and the Bangladesh Bank guidelines require the Management to ensure effective internal audit, internal control and risk management functions of the Company. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Groups and the Company's ability to continue as a going concern. If we conclude that a material uncertainly exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

**Report on other legal and regulatory requirements**

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 1987, the Finance Company Act, 2023 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 Finance Company Act, 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;

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

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

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

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

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

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

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

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

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

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

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

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

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

Dated, Dhaka
30 September 2024

**Md. Iqbal Hossain FCA**
Senior Partner
Enrolment no.: 596 (ICAB)
**Zoha Zaman Kabir Rashid & Co.**
Chartered Accountants
DVC: 2410010596AS115478

# MIDAS Financing PLC AND ITS SUBSIDIARY

## Consolidated Balance Sheet

As at December 31, 2023

| Particulars | Notes | 31 Dec. 2023 Taka | 31 Dec. 2022 Taka |
|---|---|---|---|
| **PROPERTY AND ASSETS** | | | |
| **Cash** | | **81,707,580** | **97,377,501** |
| Cash in hand (Including foreign currency) | 3(a) | 149,239 | 318,472 |
| Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency) | 3(b) | 81,558,341 | 97,059,029 |
| **Balance with other banks and financial institutions** | | **786,703,961** | **599,240,952** |
| Inside Bangladesh | 4(a) | 786,703,961 | 599,240,952 |
| Outside Bangladesh | | - | - |
| **Money at call and short notice** | 5 | - | - |
| **Investments** | | **333,854,799** | **331,724,147** |
| Government | | - | - |
| Others | 6(a) | 333,854,799 | 331,724,147 |
| **Lease, loans and advances** | 7(a) | **9,568,604,497** | **9,950,695,848** |
| **Fixed assets including land, building, furniture and fixtures** | 8(a) | **157,661,496** | **169,717,022** |
| **Investment property-Building** | 8.1.(a) | **260,799,489** | **269,250,171** |
| **Other assets** | 9(a) | **476,984,906** | **479,783,706** |
| **Non-banking assets** | 10 | **95,150,990** | **95,150,990** |
| **TOTAL ASSETS** | | **11,761,467,718** | **11,992,940,338** |
| **LIABILITIES AND CAPITAL** | | | |
| **Liabilities** | | | |
| **Borrowings from other banks, financial institutions and agents** | 11(a) | **2,382,215,469** | **2,657,667,147** |
| **Deposits and other accounts** | | **5,340,852,788** | **5,803,428,198** |
| Term deposits | 12(a) | 5,322,727,446 | 5,783,140,293 |
| Other deposits | 12(b) | 18,125,343 | 20,287,906 |
| **Other liabilities** | 13(a) | **3,062,086,600** | **1,862,711,511** |
| **Total liabilities** | | **10,785,154,857** | **10,323,806,857** |
| **Capital/Shareholders' equity** | | **976,311,750** | **1,669,131,430** |
| Paid-up capital | 14.2 | 1,438,925,070 | 1,438,925,070 |
| General reserve | 15 | - | - |
| Statutory reserve | 16 | 143,091,535 | 143,091,535 |
| Retained earnings | 17(a) | (605,704,855) | 87,114,824 |
| **Non-controlling interest** | | **1,111** | **2,051** |
| **TOTAL LIABILITIES & SHAREHOLDERS' EQUITY** | | **11,761,467,718** | **11,992,940,338** |
| **CONSOLIDATED OFF - BALANCE SHEET ITEMS** | | | |
| **Contingent liabilities** | 18.1 | | |
| Acceptances and endorsements | | - | - |
| Letters of guarantee | | - | - |
| Irrevocable letters of credit | | - | - |
| Bills for collection | | - | - |
| **Total** | | **-** | **-** |
| **Other commitments** | 18.2 | | |
| Documentary credits and short term trade related transactions | | - | - |
| Forward assets purchased and forward deposits placed | | - | - |
| Undrawn note issuance and revolving underwriting facilities | | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | | - | - |
| Claims against the bank not acknowledged as debts | | - | - |
| **Total** | | - | - |
| **TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES** | | **-** | **-** |
| **Net assets value (NAV) per share (Restated)** | 35(a) | **6.79** | **11.60** |

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

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

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

Place: Dhaka
Dated: 30 September 2024

**Md. Iqbal Hossain FCA**
Senior Partner
Enrolment no.: 596 (ICAB)
**Zoha Zaman Kabir Rashid & Co.**
Chartered Accountants
DVC: 2410010596AS115478

# MIDAS Financing PLC AND ITS SUBSIDIARY

## Consolidated Profit and Loss Account

For the year ended 31 December 2023

| Particulars | Notes | 31 Dec. 2023 Taka | 31 Dec. 2022 Taka |
|---|---|---|---|
| Interest income | 20(a) | 1,279,516,780 | 930,852,209 |
| Interest on deposits & borrowings, etc. | 21(a) | 770,020,119 | 670,666,407 |
| **Net interest income** | | **509,496,661** | **260,185,802** |
| Income from investment | 22(a) | 8,959,229 | 13,695,355 |
| Commission, exchange and brokerage | | - | - |
| Other operating income | 23(a) | 31,578,428 | 71,950,357 |
| **Total operating income** | | **550,034,318** | **345,831,514** |
| Salary and allowances | 24(a) | 153,678,002 | 144,126,062 |
| Rent, taxes, insurances, electricity, etc. | 25(a) | 18,077,944 | 14,759,421 |
| Legal expenses | 26(a) | 5,242,244 | 5,779,562 |
| Postage, stamp, telecommunication, etc. | 27(a) | 4,581,330 | 3,510,179 |
| Stationery, printing, advertisements, etc. | 28(a) | 2,986,538 | 3,059,739 |
| Managing Director's salary and benefits | 29 | 9,732,000 | 10,083,889 |
| Directors' fees and expenses | 30(a) | 1,156,623 | 1,360,700 |
| Auditors' fees | | 247,250 | 268,333 |
| Depreciation and repair of company's assets | 31(a) | 26,205,945 | 21,688,764 |
| Other expenses | 32(a) | 6,669,638 | 8,842,956 |
| **Total operating expenses** | | **228,577,515** | **213,479,605** |
| **Profit before provision** | | **321,456,803** | **132,351,909** |
| General provisions | 33(a) | 52,047,638 | 28,648,991 |
| Specific provisions | 33(b) | 615,497,723 | (5,083,999) |
| Diminution in value of investments | 33(c) | 15,207,315 | 52,896,350 |
| Other provisions | 33(f) | 208,155,390 | 32,357,574 |
| Provision for off balance sheet exposures | 33 (g) | - | (1,000,000) |
| **Total provision** | | **890,908,065** | **107,818,916** |
| **Total profit before tax** | | **(569,451,262)** | **24,532,993** |
| Current tax | 33(d) | 108,362,377 | 18,519,584 |
| Deferred tax | 33(e) | (6,576,896) | (2,587,271) |
| | | **101,785,481** | **15,932,313** |
| **Net profit after tax** | | **(671,236,742)** | **8,600,680** |
| **Attributable to** | | | |
| Shareholders of the Company | | (671,235,802) | 8,600,706 |
| Non-controlling interest | | (940) | (26) |
| | | **(671,236,742)** | **8,600,680** |
| **Appropriations to** | | | |
| General reserve | 15 | - | - |
| Statutory reserve | 16 | - | 2,376,622 |
| | | **-** | **2,376,622** |
| **Retained surplus** | | **(671,235,802)** | **6,224,084** |
| **Earnings per Share (EPS) (Restated)** | **34(a)** | **(4.66)** | **0.06** |

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

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

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

Place: Dhaka
Dated: 30 September 2024

**Md. Iqbal Hossain FCA**
Senior Partner
Enrolment no.: 596 (ICAB)
**Zoha Zaman Kabir Rashid & Co.**
Chartered Accountants
DVC: 2410010596AS115478

# MIDAS Financing PLC AND ITS SUBSIDIARY

## Consolidated Statement of Cash Flows

For the year ended 31 December 2023

| Particulars | | Notes | 31 Dec. 2023 Taka | 31 Dec. 2022 Taka |
|---|---|---|---|---|
| **A)** | **Cash flow from operating activities** | | | |
| | Interest received | 38(a) | 1,271,466,735 | 917,576,852 |
| | Interest paid | 39(a) | (733,253,237) | (706,411,976) |
| | Dividend received | | 7,424,534 | (9,718,292) |
| | Fees & commission received | | - | - |
| | Recoveries of loans previously written off | | (9,553,379) | (14,821,039) |
| | Cash payments to employees | | (163,410,002) | (154,209,951) |
| | Cash payments to suppliers | | (2,986,538) | (3,059,739) |
| | Income tax paid | | (21,303,416) | (28,590,009) |
| | Received from other operating activities | 40(a) | 28,820,040 | 69,120,097 |
| | Payments for other operating activities | | (37,337,025) | (36,265,922) |
| | **Operating profit before changes in operating assets & liabilities** | | **339,867,712** | **33,620,022** |
| | **Changes in operating assets and liabilities** | | | |
| | Purchases/sale of trading securities | | (2,130,652) | (1,656,342) |
| | Loans and lease finance to customers | | 382,091,351 | (490,294,718) |
| | Other assets | 42(a) | 8,440,894 | 79,289,585 |
| | Deposits from banks & individuals | | (462,575,410) | (164,596,317) |
| | Other liabilities | 43(a) | 206,716,797 | (9,641,971) |
| | **Sub Total** | | **132,542,979** | **(586,899,763)** |
| | **Net cash from operating activities** | | **472,410,690** | **(553,279,741)** |
| **B)** | **Cash flow from investing activities** | | | |
| | Sales proceeds of fixed assets | | 110,000 | 17,161,698 |
| | Purchases of fixed assets | | (3,692,048) | (16,960,847) |
| | **Net cash from investing activities** | | **(3,582,048)** | **200,851** |
| **C)** | **Cash flow from financing activities** | | | |
| | Increase/(decrease) of borrowings | | (275,451,679) | 606,971,277 |
| | Dividend paid | | (21,583,876) | (14,246,779) |
| | Net cash from financing activities | | **(297,035,555)** | **592,724,498** |
| **D)** | **Net increase/(decrease) in cash & cash equivalents (A+B+C)** | | **171,793,087** | **39,645,608** |
| **E)** | **Effects of exchange rate changes on cash & cash equivalents** | | - | - |
| **F)** | **Cash and cash equivalents at the beginning of the year** | | **696,618,453** | **656,972,845** |
| **G)** | **Cash and cash equivalents at the end of the period (D+E+F)*** | 44(a) | **868,411,541** | **696,618,453** |
| | **Cash and cash equivalents at the end of the period** | | | |
| | Cash in hand (including foreign currency) | 3(a) | 149,239 | 318,472 |
| | Balance with Bangladesh Bank and its agent bank (s) (including foreign currency) | 3(b) | 81,558,341 | 97,059,029 |
| | Balance with other banks and financial institutions | 4(a) | 786,703,961 | 599,240,952 |
| | **Total** | | **868,411,541** | **696,618,453** |
| **Net operating cash flow per share (NOCFPS) (Restated)** | | 36(a) | **3.28** | **(3.85)** |

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

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

Place: Dhaka
Dated: 30 September 2024

**Md. Iqbal Hossain FCA**
Senior Partner
Enrolment no.: 596 (ICAB)
**Zoha Zaman Kabir Rashid & Co.**
Chartered Accountants
DVC: 2410010596AS115478

## MIDAS Financing PLC AND ITS SUBSIDIARY

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

| Particulars | Attributable to equity holders of the company | | | | Non-Controlling Interest Taka | Total Equity Taka |
|---|---|---|---|---|---|---|
| | Paid-up Capital Taka | Statutory Reserve Taka | Retained Earnings Taka | Total Taka | | |
| **Balance as at January 1, 2023** | **1,438,925,070** | **143,091,535** | **87,114,824** | **1,669,131,430** | **2,051** | **1,669,133,481** |
| Stock dividend for 2022 | - | | - | - | - | - |
| Cash dividend for 2022 | | | (21,583,876) | (21,583,876) | - | (21,583,876) |
| **Restated balance** | **1,438,925,070** | **143,091,535** | **65,530,948** | **1,647,547,554** | **2,051** | **1,647,549,605** |
| Items involves in changes in equity | | | | | | |
| Profit/(loss) for the period | - | - | (671,235,802) | (671,235,802) | (940) | (671,236,742) |
| Transfer to statutory reserve | - | - | - | - | - | - |
| **Net change** | **-** | **-** | **(671,235,803)** | **(671,235,802)** | **(940)** | **(671,236,742)** |
| **Balance as at December 31, 2023** | **1,438,925,070** | **143,091,535** | **(605,704,855)** | **976,311,750** | **1,111** | **976,312,861** |

## MIDAS Financing PLC AND ITS SUBSIDIARY

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

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

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

Place: Dhaka
Dated: 30 September 2024

**Md. Iqbal Hossain FCA**
Senior Partner
Enrolment no.: 596 (ICAB)
**Zoha Zaman Kabir Rashid & Co.**
Chartered Accountants
DVC: 2410010596AS115478

# MIDAS Financing PLC
# Balance Sheet
As at December 31, 2023

| Particulars | Notes | 31 Dec. 2023 Taka | 31 Dec. 2022 Taka |
|---|---|---|---|
| **PROPERTY AND ASSETS** | | | |
| **Cash** | | **81,705,978** | **97,370,544** |
| Cash in hand (Including foreign currency) | 3.1 | 147,637 | 311,515 |
| Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency) | 3.2 | 81,558,341 | 97,059,029 |
| **Balance with other banks and financial institutions** | | **775,325,674** | **582,522,738** |
| Inside Bangladesh | 4.1 | 775,325,674 | 582,522,738 |
| Outside Bangladesh | | - | - |
| **Money at call and short notice** | 5 | - | - |
| **Investments** | | **241,376,499** | **236,880,653** |
| Government | | - | - |
| Others | 6 | 241,376,499 | 236,880,653 |
| **Lease, loans and advances** | 7 | **9,569,388,138** | **10,146,585,760** |
| **Fixed assets including land, building, furniture and fixtures** | 8 | **122,067,301** | **134,001,400** |
| **Investment property-Building** | 8.1 | **127,919,185** | **132,962,680** |
| **Other assets** | 9 | **600,130,228** | **612,672,762** |
| **Non-banking assets** | 10 | **95,150,990** | **95,150,990** |
| **TOTAL ASSETS** | | **11,613,063,993** | **12,038,147,528** |
| **LIABILITIES AND CAPITAL** | | | |
| **Liabilities** | | | |
| **Borrowings from other banks, financial institutions and agents** | 11 | **2,382,215,469** | **2,657,667,147** |
| **Deposits and other accounts** | | **5,340,852,788** | **6,008,428,198** |
| Term deposits | 12.1 | 5,322,727,446 | 5,988,140,293 |
| Other deposits | | 18,125,343 | 20,287,906 |
| **Other liabilities** | 13 | **2,923,800,268** | **1,708,444,480** |
| **Total liabilities** | | **10,646,868,525** | **10,374,539,826** |
| **Capital/Shareholders' equity** | | **966,195,469** | **1,663,607,702** |
| Paid-up capital | 14.2 | 1,438,925,070 | 1,438,925,070 |
| General reserve | 15 | - | - |
| Statutory reserve | 16 | 143,091,535 | 143,091,535 |
| Retained earnings | 17 | (615,821,136) | 81,591,098 |
| **TOTAL LIABILITIES & SHAREHOLDERS' EQUITY** | | **11,613,063,993** | **12,038,147,528** |
| **OFF - BALANCE SHEET ITEMS** | | | |
| **Contingent liabilities** | 18.1 | | |
| Acceptances and endorsements | | - | - |
| Letters of guarantee | | - | - |
| Irrevocable letters of credit | | - | - |
| Bills for collection | | - | - |
| **Total** | | **-** | **-** |
| **Other commitments** | 18.2 | | |
| Documentary credits and short term trade related transactions | | - | - |
| Forward assets purchased and forward deposits placed | | - | - |
| Undrawn note issuance and revolving underwriting facilities | | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | | - | - |
| Claims against the Bank not acknowledged as debts | | - | - |
| **Total** | | - | - |
| **TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES** | | - | - |
| **Net assets value (NAV) per share (Restated)** | **35** | **6.71** | **11.56** |

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

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

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

Place: Dhaka
Dated: 30 September 2024

**Md. Iqbal Hossain FCA**
Senior Partner
Enrolment no.: 596 (ICAB)
**Zoha Zaman Kabir Rashid & Co.**
Chartered Accountants
DVC: 2410010596AS115478

# MIDAS Financing PLC
## Profit and Loss Account
For the year ended 31 December 2023

| Particulars | Notes | 31 Dec. 2023 Taka | 31 Dec. 2022 Taka |
|---|---|---|---|
| Interest income | 20 | 1,278,223,461 | 952,652,613 |
| Interest on deposits & borrowings, etc. | 21 | 770,843,839 | 686,952,910 |
| **Net interest income** | | **507,379,622** | **265,699,703** |
| Income from investment | 22 | 5,928,568 | 10,963,752 |
| Commission, exchange and brokerage | | - | - |
| Other operating income | 23 | 2,843,634 | 43,261,751 |
| **Total operating income** | | **516,151,824** | **319,925,207** |
| Salary and allowances | 24 | 145,848,416 | 139,319,876 |
| Rent, taxes, insurances, electricity, etc. | 25 | 15,976,149 | 13,451,905 |
| Legal expenses | 26 | 5,066,944 | 5,722,062 |
| Postage, stamp, telecommunication, etc. | 27 | 4,381,484 | 3,354,919 |
| Stationery, printing, advertisements, etc. | 28 | 2,913,031 | 2,992,537 |
| Managing Director's salary and benefits | 29 | 9,732,000 | 10,083,889 |
| Directors' fees and expenses | 30 | 1,082,400 | 1,223,200 |
| Auditors' fees | | 189,750 | 210,833 |
| Depreciation and repair of company's assets | 31 | 21,759,341 | 17,599,137 |
| Other expenses | 32 | 6,032,295 | 7,495,469 |
| **Total operating expenses** | | **212,981,810** | **201,453,827** |
| **Profit before provision** | | **303,170,013** | **118,471,379** |
| General provisions | 33 | 52,047,638 | 28,648,991 |
| Specific provisions | 33 | 615,497,723 | (5,083,999) |
| Diminution in value of investments | 33 | 11,700,000 | 44,146,134 |
| Other provisions | 33 | 202,925,190 | 26,308,638 |
| Provision for off balance sheet exposures | 33 | - | (1,000,000) |
| **Total provision** | | **882,170,550** | **93,019,764** |
| **Profit before tax** | | **(579,000,537)** | **25,451,616** |
| Current tax | 33(d) | 102,252,846 | 14,913,136 |
| Deferred tax | 33(e) | (5,425,025) | (1,344,630) |
| | | **96,827,821** | **13,568,506** |
| **Net profit after taxation** | | **(675,828,358)** | **11,883,110** |
| **Appropriations to** | | | |
| General reserve | 15 | - | - |
| Statutory reserve | 16 | - | 2,376,622 |
| | | **-** | **2,376,622** |
| **Retained surplus** | | **(675,828,358)** | **9,506,488** |
| **Earnings per Share (EPS) (Restated)** | 34 | **(4.70)** | **0.08** |

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

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

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

Place: Dhaka
Dated: 30 September 2024

**Md. Iqbal Hossain FCA**
Senior Partner
Enrolment no.: 596 (ICAB)
**Zoha Zaman Kabir Rashid & Co.**
Chartered Accountants
DVC: 2410010596AS115478

# MIDAS Financing PLC
## Statement of Cash Flows
For the year ended 31 December 2023

| Particulars | | Notes | 31 Dec. 2023 Taka | 31 Dec. 2022 Taka |
|---|---|---|---|---|
| **A)** | **Cash flow from operating activities** | | | |
| | Interest received | | 1,270,173,417 | 939,377,257 |
| | Interest paid | | (738,885,320) | (727,506,842) |
| | Dividend received | | 5,930,815 | (12,863,937) |
| | Fees & commission received | | - | - |
| | Recoveries of loans previously written off | | (9,553,379) | (14,821,039) |
| | Cash payments to employees | | (155,580,416) | (149,403,765) |
| | Cash payments to suppliers | | (2,913,031) | (2,992,537) |
| | Income tax paid | | (19,120,014) | (23,987,264) |
| | Received from other operating activities | | 2,841,386 | 47,089,601 |
| | Payments for other operating activities | | (34,284,409) | (33,213,306) |
| | **Operating profit before changes in operating assets & liabilities** | | **318,609,049** | **21,678,168** |
| | **Changes in operating assets and liabilities** | | | |
| | Purchases/sale of trading securities | | (4,495,845) | 3,058,229 |
| | Loans and lease finance to customers | | 577,197,623 | (481,665,049) |
| | Other assets | | 10,159,374 | 79,692,101 |
| | Deposits from banks & individuals | | (667,575,410) | (164,596,317) |
| | Other liabilities | | 243,208,968 | (15,854,338) |
| | **Sub total** | | **158,494,709** | **(579,365,373)** |
| | **Net cash from operating activities** | | **477,103,758** | **(557,687,205)** |
| **B)** | **Cash flow from investing activities** | | | |
| | Sales proceeds of fixed assets | | 110,000 | 17,161,698 |
| | Purchases of fixed assets | | (3,039,834) | (16,960,847) |
| | **Net cash from investing activities** | | **(2,929,834)** | **200,851** |
| **C)** | **Cash flow from financing activities** | | | |
| | Increase/(decrease) of borrowings | | (275,451,679) | 606,971,277 |
| | Dividend paid | | (21,583,876) | (14,246,779) |
| | **Net cash from financing activities** | | **(297,035,555)** | **592,724,498** |
| **D)** | **Net increase/(decrease) in cash & cash equivalents (A+B+C)** | | **177,138,370** | **35,238,145** |
| **E)** | **Effects of exchange rate changes on cash & cash equivalents** | | - | - |
| **F)** | **Cash and cash equivalents at the beginning of the year** | | **679,893,282** | **644,655,137** |
| **G)** | **Cash and cash equivalents at the end of the period (D+E+F)*** | | **857,031,652** | **679,893,282** |
| | *** Cash and cash equivalents at the end of the period** | | | |
| | Cash in hand (including foreign currency) | 3.1 | 147,637 | 311,515 |
| | Balance with Bangladesh Bank and its agent bank (s) (including foreign currency) | 3.2 | 81,558,341 | 97,059,029 |
| | Balance with other banks and financial institutions | 4 | 775,325,674 | 582,522,738 |
| | **Total** | | **857,031,652** | **679,893,282** |
| **Net operating cash flow per share (NOCFPS) (Restated)** | | 36 | **3.32** | **(3.88)** |

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

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

Place: Dhaka
Dated: 30 September 2024

**Md. Iqbal Hossain FCA**
Senior Partner
Enrolment no.: 596 (ICAB)
**Zoha Zaman Kabir Rashid & Co.**
Chartered Accountants
DVC: 2410010596AS115478

# MIDAS FINANCING PLC
## Statement of Changes in Equity
For the year ended 31 December 2023

| Particulars | Attributable to equity holders of the company | | | |
|---|---|---|---|---|
| | Paid-up Capital Taka | Statutory Reserve Taka | Retained Earnings Taka | Total Taka |
| **Balance as at January 1, 2023** | **1,438,925,070** | **143,091,535** | **81,591,098** | **1,663,607,702** |
| Stock dividend for 2022 | - | - | - | - |
| Cash dividend for 2022 | - | - | (21,583,876) | (21,583,876) |
| **Restated balance** | **1,438,925,070** | **143,091,535** | **60,007,222** | **1,642,023,826** |
| Items involves in changes in equity | | | | |
| Profit/(loss) for the period | - | - | (675,828,358) | (675,828,358) |
| Transfer to statutory reserve | - | - | - | - |
| **Balance as at December 31, 2023** | **1,438,925,070** | **143,091,535** | **(615,821,136)** | **966,195,469** |

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

| Particulars | Attributable to equity holders of the company | | | |
|---|---|---|---|---|
| | Paid-up Capital Taka | Statutory Reserve Taka | Retained Earnings Taka | Total Taka |
| **Balance as at January 1, 2022** | **1,424,678,291** | **140,714,913** | **100,578,169** | **1,665,971,372** |
| Stock dividend for 2021 | 14,246,779 | - | (14,246,779) | - |
| Cash dividend for 2021 | - | - | (14,246,779) | (14,246,779) |
| **Restated balance** | **1,438,925,070** | **140,714,913** | **72,084,610** | **1,651,724,592** |
| Items involves in changes in equity | | | | |
| Profit/(loss) for the period | - | - | 11,883,110 | 11,883,110 |
| Transfer to statutory reserve | - | 2,376,622 | (2,376,622) | - |
| **Balance as at December 31, 2022** | **1,438,925,070** | **143,091,535** | **81,591,098** | **1,663,607,702** |

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

Place: Dhaka
Dated: 30 September 2024

**Md. Iqbal Hossain FCA**
Senior Partner
Enrolment no.: 596 (ICAB)
**Zoha Zaman Kabir Rashid & Co.**
Chartered Accountants
DVC: 2410010596AS115478

# MIDAS FINANCING PLC
## Liquidity Statements
As at December 31, 2023

Amount in Taka

| Particulars | Not more than 1 month term | 01-03 Months term | 03-12 Months term | 01-05 Years term | Avobe 05 years term | Total |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash in hand (Including foreign currency) | 147,637 | - | - | - | - | 147,637 |
| Balance with Bangladesh Bank and its agent bank(s) | 81,558,341 | - | - | - | - | 81,558,341 |
| Balance with other banks and financial institutions | 379,976,965 | 148,000,000 | 247,348,709 | - | - | 775,325,674 |
| Money at call and short notice | - | - | - | - | - | - |
| Investments | 22,380,705 | 44,761,410 | 89,522,820 | 67,142,115 | 17,569,450 | 241,376,499 |
| Lease, loans and advances | 159,497,607 | 51,307,465 | 1,220,901,995 | 3,587,073,810 | 4,550,607,261 | 9,569,388,138 |
| Fixed assets including land, building, furniture and fixtures | 1,247,559 | 2,495,118 | 11,228,031 | 78,596,218 | 28,500,375 | 122,067,301 |
| Building (Investment property) | - | 1,260,874 | 3,782,621 | 25,217,477 | 97,658,213 | 127,919,185 |
| Other assets | 66,700,049 | 10,506,375 | 3,269,316 | 216,149,401 | 303,505,087 | 600,130,228 |
| Non-banking assets | - | - | 95,150,990 | - | - | 95,150,990 |
| **Total Assets (i)** | **711,508,863** | **258,331,242** | **1,671,204,482** | **3,974,179,020** | **4,997,840,386** | **11,613,063,993** |
| **Liabilities** | | | | | | |
| Borrowings from other banks, financial institutions and agents | - | 641,471,783 | 672,682,401 | 1,068,061,284 | - | 2,382,215,469 |
| Deposits and other accounts | 53,230,561 | 1,436,774,078 | 2,802,060,667 | 1,016,224,037 | 32,563,445 | 5,340,852,788 |
| Provision and other liabilities | 389,363,795 | 532,231,659 | 963,085,860 | 887,052,765 | 152,066,188 | 2,923,800,268 |
| **Total Liabilities (ii)** | **442,594,356** | **2,610,477,521** | **4,437,828,928** | **2,971,338,086** | **184,629,633** | **10,646,868,525** |
| **Net Liquidity Gap (i-ii)** | **268,914,507** | **(2,352,146,279)** | **(2,766,624,446)** | **1,002,840,933** | **4,813,210,753** | **966,195,468** |

# MIDAS Financing PLC and Its Subsidiary

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

As at and for the year ended December 31, 2023

**1. Legal status and nature of the company**

**1.1 Domicile, legal form and country of incorporation**

MIDAS Financing PLC (MFPLC) 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 Finance Company Act, 2023. 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 PLC has a subsidiary company named MIDAS Investment Limited (MIL) and MFPLC 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 PLC 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 Finance Company Act, 2023 and Bangladesh Bank DFIM Circular No. 11 dated 23 December 2009 in conformity with International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS), the Companies Act, 1994, the Securities & Exchange Rules 1987, the listing of DSE & CSE regulations and other laws & regulations applicable in Bangladesh.

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

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

**2.2 Basis of measurement**

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

# MIDAS Financing PLC and Its Subsidiary

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

As at and for the year ended December 31, 2023

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

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

**2.4 Significant accounting policies**

Same disclosed accounting policies and methods of computation have been followed in these Financial Statements as were applied in the preparation of the financial statements of MIDAS Financing PLC as at and for the year ended 31 December 2023.

**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".

# MIDAS Financing PLC and Its Subsidiary

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

As at and for the year ended December 31, 2023

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 2023;

b) Profit and Loss Account for the year ended 31 December 2023;

c) Statement of Cash Flows for the year ended 31 December 2023;

d) Statement of Changes in Equity for the year ended 31 December 2023;

e) Liquidity Statement for the year ended 31 December 2023;

f) Notes to the Financial Statements for the year ended 31 December 2023.

**2.11 Directors' responsibility statement**

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

**2.12 Reporting period**

These financial statements have been prepared for the period from January 01, 2023 to December 31, 2023.

**2.13 Date of authorization**

The Board of directors has authorized this financial statements on September 30, 2024

**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 PLC 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, MFPLC 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 MFPLC, Under IFRS 16, MFPLC recognises right-of-use assets and lease liabilities for all leases.

# MIDAS Financing PLC and Its Subsidiary

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

As at and for the year ended December 31, 2023

**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 MFPLC '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**

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

The MFPLC 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**

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

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

**2.18.1 i) Recognition and measurement**

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

2.18.2 ii) Subsequent expenditure on Fixed assets

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

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

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

**2.18.3 Investment Property**

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

**2.19 Intangible assets and amortisation of intangible assets**

**Recognition & Measurement**

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

Amortisation

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

Subsequent expenditure

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

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

# MIDAS Financing PLC and Its Subsidiary

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

As at and for the year ended December 31, 2023

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

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

**2.26 Income Tax**

**2.26.1 Current tax**

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

**2.26.2 Deferred tax**

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

**2.27 Revenue recognition**

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

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

# MIDAS Financing PLC and Its Subsidiary

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

As at and for the year ended December 31, 2023

**2.27.1 Lease income**

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

**2.27.2 Income from term finance**

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

**2.27.3 Fees base income**

Fees base incomes are taken into income on cash basis.

**2.27.4 Dividend income**

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

**2.27.5 Rental income**

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

**2.27.6 Gain/(Loss) on sale of securities**

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

**2.28 Borrowing costs**

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of fund.

The Company capitalized borrowing costs that is directly attributable to the acquisition, construction or production of qualifying asset. Other borrowing costs are recognized as an expense as per IAS 23 "Borrowing Cost"

**2.29 Interest suspense account**

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

**2.30 Write-off**

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

**2.31 Litigation**

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

**2.32 Earnings per share (EPS)**

The Company calculates Earnings Per Share (EPS) in accordance with IAS 33: Earnings Per Share, which has been shown on the face of profit and loss account, and the computation of EPS is stated in Note 34. The compnay issued 1,424,678 nos shares during the year against the stock dividend declared for the year 2021. As a result, total number of share outstanding as of 31 December 2023 was 143,892,507 nos. Therefore, the EPS of 2022 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.

# MIDAS Financing PLC and Its Subsidiary

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

As at and for the year ended December 31, 2023

**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 MFPLC.

**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, MFPLC applied following IAS and IFRS:

# MIDAS Financing PLC and Its Subsidiary

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

As at and for the year ended December 31, 2023

| 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 PLC and Its Subsidiary

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

As at and for the year ended December 31, 2023

| Notes | Particulars | Ref. Notes | Amount in BDT | |
|---|---|---|---|---|
| | | | 31 Dec. 2023 | 31 Dec. 2022 |
| **3** | **Cash** | | | |
| | Cash in hand (including foreign currency) | 3.1 | 147,637 | 311,515 |
| | Balance with Bangladesh Bank and its agent bank(s) (including foreign currency) | 3.2 | 81,558,341 | 97,059,029 |
| | **Total** | | **81,705,978** | **97,370,544** |
| **3.1** | **Cash in hand (including foreign currency)** | | | |
| | In local currency | | 147,637 | 311,515 |
| | In foreign currency | | - | - |
| | **Total** | | **147,637** | **311,515** |
| **3.2** | **Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)** | | | |
| | In local currency | | 81,558,341 | 97,059,029 |
| | In foreign currency | | - | - |
| | **Total** | | **81,558,341** | **97,059,029** |

**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 Finance Company Act, 2023 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 | | 76,676,319 | 87,285,288 |
| | Actual reserve maintained | 3.2 | 81,558,341 | 97,059,029 |
| | **Surplus** | | **4,882,021** | **9,773,741** |
| **3.5** | **Statutory liquidity reserve (SLR)** | | | |
| | Required reserve (including CRR) | | 277,201,851 | 316,435,438 |
| | Actual reserve held (including CRR) | 3.6 | 857,031,652 | 679,893,282 |
| | **Surplus** | | **579,829,801** | **363,457,844** |
| **3.6** | **Actual reserve held (including CRR)** | | | |
| | Cash in hand (including foreign currency) | 3.1 | 147,637 | 311,515 |
| | Balance with Bangladesh Bank and its agent bank(s) (including foreign currency) | 3.2 | 81,558,341 | 97,059,029 |
| | Balance with other banks and financial institutions | 4 | 775,325,674 | 582,522,738 |
| | **Total** | | **857,031,652** | **679,893,282** |
| **3(a)** | **Consolidated cash** | | | |
| | **Consolidated cash in hand (including foreign currency)** | | | |
| | MIDAS Financing PLC | 3.1 | 147,637 | 311,515 |
| | MIDAS Investment Ltd. | | 1,602 | 6,957 |
| | **Total** | | **149,239** | **318,472** |
| **3(b)** | **Consolidated Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)** | | | |
| | MIDAS Financing PLC | 3.2 | 81,558,341 | 97,059,029 |
| | MIDAS Investment Ltd. | | - | - |
| | **Total** | | **81,558,341** | **97,059,029** |
| **4** | **Balance with other banks and financial institutions** | | | |
| | Inside Bangladesh | 4.1 | 775,325,674 | 582,522,738 |
| | Outside Bangladesh | | - | - |
| | **Total** | | **775,325,674** | **582,522,738** |

| Notes | Particulars | Ref. Notes | Amount in BDT 31 Dec. 2023 | 31 Dec. 2022 |
|---|---|---|---|---|
| 4.1 | **Inside Bangladesh** | | | |
| A. | **STD accounts** | | | |
| | Standard Bank Ltd. | | 345,661,011 | 123,340,007 |
| | United Commercial Bank Ltd. | | 5,360,580 | 15,837,974 |
| | IFIC Bank Ltd. | | 142,203 | 176,444 |
| | Janata Bank Ltd. | | - | - |
| | Mercantile Bank Ltd. | | 8,367,326 | 3,037,258 |
| | Uttara Bank Ltd. | | 182 | 520 |
| | Agrani Bank Ltd. | | 99,216 | 559,213 |
| | AB Bank Ltd. | | 189,894 | 111,310 |
| | Dutch Bangla Bank Ltd. | | 395,703 | 2,542,407 |
| | One Bank Ltd. | | 373,045 | 296,355 |
| | The Premier Bank Ltd. | | 1,299,854 | 1,226,075 |
| | Pubali Bank Ltd. | | 1,917,647 | 1,970,352 |
| | Bangladesh Development Bank Ltd. | | 5,192 | 6,112 |
| | The City Bank | | 9,436 | 11,684 |
| | Jamuna Bank Ltd | | 13,362,445 | 10,656,961 |
| | Mutual Trust Bank Ltd. | | 2,003,748 | 23,128 |
| | Modhumoti Bank Ltd. | | (1,221) | (531) |
| | Bangladesh Krishi Bank | | 5,914 | 35,052 |
| | **Total A** | | **379,192,174** | **159,830,322** |
| B. | **Current accounts** | | | |
| | United Commercial Bank Ltd. | | 703,015 | 235,709 |
| | Agrani Bank Ltd. | | 81,776 | 107,998 |
| | **Total B** | | **784,791** | **343,706** |
| C. | **Term deposits** | | | |
| | United Commercial Bank Ltd. | | 55,000,000 | 55,000,000 |
| | Jamuna Bank Ltd. | | 50,000,000 | 50,000,000 |
| | Standard Bank Ltd. | | 53,000,000 | 90,000,000 |
| | The City Bank Ltd | | 50,000,000 | 50,000,000 |
| | Bangladesh Industrial Finance and Investment Company Ltd. | | 22,348,709 | 22,348,709 |
| | Exim Bank Ltd. | | 40,000,000 | 60,000,000 |
| | Agrani Bank Limited | | 45,000,000 | 45,000,000 |
| | Mutual Trust Bank Ltd. | | 10,000,000 | - |
| | Dhaka Bank Ltd. | | 20,000,000 | - |
| | Uttara Bank Ltd. | | 50,000,000 | 50,000,000 |
| | **Total C** | | **395,348,709** | **422,348,709** |
| | **Total (A+B+C)** | | **775,325,674** | **582,522,738** |
| 4.2 | **Maturity grouping of balance with other banks and financial institutions** | | | |
| | On demand | | 379,976,965 | 160,174,029 |
| | Not more than 3 months | | 148,000,000 | 205,000,000 |
| | More than 3 months but less than 1 year | | 247,348,709 | 217,348,709 |
| | More than 1 year but less than 5 years | | - | - |
| | More than 5 years | | - | - |
| | Total | | 775,325,674 | 582,522,738 |
| 4(a) | **Consolidated balance with other banks and financial institutions** | | | |
| | **Inside Bangladesh** | | | |
| | MIDAS Financing PLC | 4.1 | 775,325,674 | 582,522,738 |
| | MIDAS Investment Ltd. | | 11,378,287 | 221,718,215 |
| | Adjustment for consolidation | | - | (205,000,000) |
| | | | **786,703,961** | **599,240,952** |
| | **Outside Bangladesh** | | | |
| | MIDAS Financing PLC | | - | - |
| | MIDAS Investment Ltd. | | - | - |
| | | | - | - |
| | **Total** | | **786,703,961** | **599,240,952** |
| 5 | **Money at call and short notice** | | **-** | **-** |

| Notes | Particulars | Ref. Notes | Amount in BDT 31 Dec. 2023 | 31 Dec. 2022 |
|---|---|---|---|---|
| 6 | **Investment** | | | |
| | **a) Government securities** | | - | - |
| | **b) Other investments** | | | |
| | Investment in listed securities | 6.1 | 223,807,049 | 214,311,203 |
| | Investment in unlisted securities | 6.2 | 17,569,450 | 22,569,450 |
| | **Total** | | **241,376,499** | **236,880,653** |

**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 | 632444 | 6,779,834 | 8,334,612 | 8,334,612 |
| Mutual Fund | 300000 | 2,820,000 | 3,062,640 | 3,062,640 |
| Textile | 526387 | 11,392,449 | 23,921,504 | 14,425,670 |
| Pharmaceutical and Chemicals | 972000 | 146,894,400 | 188,488,293 | 188,488,282 |
| | | **167,886,683** | **223,807,049** | **214,311,204** |

| | | No. of Share | | |
|---|---|---|---|---|
| 6.2 | **Investment in unlisted securities** | | | |
| | Central Depository Bangladesh Ltd. | 571,181 | 4,569,450 | 4,569,450 |
| | Financial Excellence Ltd. | 300,000 | 3,000,000 | 3,000,000 |
| | Lankabangla Securities Ltd. | - | - | 5,000,000 |
| | Bangladesh Ventures Ltd. | 1,100,000 | 10,000,000 | 10,000,000 |
| | **Total** | | **17,569,450** | **22,569,450** |
| 6.3 | **Maturity grouping of investment** | | | |
| | On demand | | 22,380,705 | 21,431,120 |
| | Not more than 3 months | | 44,761,410 | 42,862,241 |
| | More than 3 months but less than 1 year | | 89,522,820 | 85,724,481 |
| | More than 1 year but less than 5 years | | 67,142,115 | 64,293,361 |
| | More than 5 years | | 17,569,450 | 22,569,450 |
| | **Total** | | **241,376,499** | **236,880,653** |
| 6(a) | **Consolidated investment** | | | |
| | **a) Government securities** | | | |
| | MIDAS Financing PLC | | - | - |
| | MIDAS Investment Ltd. | | - | - |
| | | | **-** | **-** |
| | **b) Other investment** | | | |
| | **MIDAS Financing PLC** | | | |
| | Investment in listed securities | 6.1 | 223,807,049 | 214,311,203 |
| | Investment in unlisted securities | 6.2 | 17,569,450 | 22,569,450 |
| | | | **241,376,499** | **236,880,653** |
| | **MIDAS Investment Ltd.** | | | |
| | Investment in listed securities | | 82,478,300 | 84,843,493 |
| | Investment in unlisted securities | | 10,000,000 | 10,000,000 |
| | | | **92,478,300** | **94,843,493** |
| | **Total** | | **333,854,799** | **331,724,147** |
| 7 | **Lease, loans and advances** | | | |
| a) | **Inside Bangladesh** | | | |
| | Lease receivable | 7.a.i | 879,874,018 | 931,417,198 |
| | Term finance | 7.a.ii | 7,649,934,267 | 8,052,721,451 |
| | Housing finance | 7.a.iii | 949,551,077 | 1,062,014,550 |
| | Staff loan | 7.a.iv | 39,591,065 | 44,651,522 |
| | Consumer credit | 7.a.v | 22,327 | 110,770 |
| | Interest receivable | 7.a.vi | 50,415,383 | 55,670,269 |
| | | | **9,569,388,138** | **10,146,585,760** |
| b) | **Outside Bangladesh** | | - | - |
| | **Total (a+b)** | | **9,569,388,138** | **10,146,585,760** |

| Notes | Particulars | Ref. Notes | Amount in BDT | |
|---|---|---|---|---|
| | | | 31 Dec. 2023 | 31 Dec. 2022 |
| **7.a.i** | **Lease receivable** | | | |
| | Opening balance | | 931,417,198 | 895,952,304 |
| | Add: Addition during the year | | - | 156,752,000 |
| | | | **931,417,198** | **1,052,704,304** |
| | Less: Realization during the year | | 51,543,179 | 121,287,107 |
| | Less: Write off | | - | - |
| | **Closing balance** | | **879,874,018** | **931,417,198** |
| **7.a.ii** | **Term finance** | | | |
| | Opening balance | | 8,052,721,451 | 7,429,240,701 |
| | Add: Addition during the year | | 214,217,036 | 1,711,241,742 |
| | | | **8,266,938,487** | **9,140,482,444** |
| | Less: Realization during the year | | 617,004,220 | 1,059,847,974 |
| | Less: Write off | | - | 27,913,019 |
| | **Closing balance** | | **7,649,934,267** | **8,052,721,451** |
| **7.a.iii** | **Housing finance** | | | |
| | Opening balance | | 1,062,014,550 | 1,241,250,613 |
| | Add: Addition during the year | | 6,192,310 | 34,210,340 |
| | | | **1,068,206,860** | **1,275,460,953** |
| | Less: Realization during the year | | 118,655,783 | 213,446,403 |
| | **Closing balance** | | **949,551,077** | **1,062,014,550** |
| **7.a.iv** | **Staff loan** | | | |
| | Opening balance | | 44,651,522 | 29,478,806 |
| | Add: Addition during the year | | 4,620,000 | 23,578,000 |
| | | | **49,271,522** | **53,056,806** |
| | Less: Realization during the year | | 9,680,457 | 8,405,284 |
| | **Closing balance** | | **39,591,065** | **44,651,522** |
| **7.a.v** | **Consumer credit** | | | |
| | Opening balance | | 110,770 | 342,919 |
| | Add: Addition during the year | | - | - |
| | | | **110,770** | **342,919** |
| | Less: Realization during the year | | 88,443 | 232,149 |
| | Less: Write off | | - | - |
| | **Closing balance** | | **22,327** | **110,770** |
| **7.a.vi** | **Interest receivable** | | | |
| | Lease finance | | 2,125,859 | 2,416,387 |
| | Term finance | | 45,721,288 | 50,070,076 |
| | Housing finance | | 2,531,531 | 3,143,409 |
| | Consumer credit | | - | 30 |
| | Staff loan | | 36,705 | 40,367 |
| | **Total** | | **50,415,383** | **55,670,269** |
| **7.1** | **Residual maturity grouping of lease, loans and advances** | | | |
| | Receivable on demand | | 159,497,607 | 55,239,426 |
| | Not more than 3 months | | 51,307,465 | 2,514,481,097 |
| | Over 3 months but not more than 1 year | | 1,220,901,995 | 4,024,383,451 |
| | Over 1 year but not more than 5 years | | 3,587,073,810 | 2,447,869,746 |
| | Over 5 years | | 4,550,607,261 | 1,104,612,040 |
| | **Total** | | **9,569,388,138** | **10,146,585,760** |

| Notes | Particulars | Ref. Notes | Amount in BDT 31 Dec. 2023 | 31 Dec. 2022 |
|---|---|---|---|---|
| 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 | | 39,627,770 | 44,691,889 |
| | Lease, loans and advances to customer groups | | 9,529,760,368 | 10,101,893,871 |
| | **Total** | | **9,569,388,138** | **10,146,585,760** |
| 7.3 | **Investments allowed to group exceeding 15% of NBFI's total capital** | | | |
| | Total capital of the company | | 966,195,469 | 1,663,607,702 |
| | 15% of company's total capital | | 144,929,320 | 249,541,155 |
| | Total outstanding amount to such customers at end of the year | | 2,284,584,835 | 2,344,134,379 |
| | Number of such types of customers | | 6 | 6 |
| | Amount of classified lease, loans and advances thereon | | - | - |

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

| Particulars | Composition 31 Dec. 2023 | 31 Dec. 2022 | | |
|---|---|---|---|---|
| Agriculture | 1.27% | 1.29% | 121,937,561 | 130,414,448 |
| Cement and Allied Industry | 0.07% | 0.09% | 6,690,992 | 8,994,857 |
| Electronics and Electric products | 0.45% | 0.52% | 43,040,170 | 52,700,625 |
| Food Production / Processing Industries | 7.37% | 8.69% | 705,156,672 | 882,077,574 |
| Garments and Knitwear | 7.15% | 6.62% | 684,488,775 | 671,221,553 |
| Glass, Glassware and Ceramic Ind. | 1.22% | 0.99% | 116,478,129 | 100,604,740 |
| Iron, Steel & Engineering | 5.84% | 5.28% | 558,811,961 | 535,726,300 |
| In-house Employees' Loan | 2.36% | 0.44% | 225,742,697 | 44,218,108 |
| Leather & Leather Goods | 0.39% | 0.36% | 37,510,781 | 36,515,264 |
| Merchant Banking / LLS | 4.00% | 0.17% | 382,974,857 | 16,882,231 |
| Others | 18.41% | 22.35% | 1,761,652,906 | 2,267,731,396 |
| Pharmaceuticals and Chemicals | 1.70% | 1.62% | 162,860,760 | 164,143,265 |
| Paper, Printing and Packaging | 1.96% | 2.02% | 187,415,434 | 204,968,407 |
| Power, Gas, Water & Sanitary service | 0.01% | 0.01% | 1,034,043 | 942,349 |
| Plastic Industries | 2.84% | 2.83% | 272,007,300 | 286,931,626 |
| Real Estate & Housing | 9.95% | 10.31% | 952,061,089 | 1,045,674,754 |
| Ship Manufacturing Industry | 5.15% | 4.62% | 492,400,515 | 469,129,857 |
| Trade and Commerce | 17.08% | 20.12% | 1,634,324,745 | 2,041,448,595 |
| Textile | 12.61% | 11.47% | 1,206,406,645 | 1,163,558,988 |
| Telecommunication/Information Technology | 0.17% | 0.22% | 16,392,106 | 22,700,824 |
| **Total** | **100.00%** | **100.00%** | **9,569,388,138** | **10,146,585,760** |

7.5 Geographical location-wise lease, loans and advances

| | | | | |
|---|---|---|---|---|
| Chattogram | 23.17% | 23.01% | 2,217,376,991 | 2,335,078,701 |
| Dhaka | 68.53% | 68.63% | 6,558,330,833 | 6,963,919,726 |
| Khulna | 2.46% | 2.91% | 235,473,495 | 295,099,719 |
| Rajshahi | 5.83% | 5.45% | 558,206,820 | 552,487,614 |
| **Total** | **100.00%** | **100.00%** | **9,569,388,138** | **10,146,585,760** |

7.6 **Grouping of lease, loans and advances as per classification rules of Bangladesh Bank**

| | | | | |
|---|---|---|---|---|
| Unclassified | 56.29% | 75.85% | 5,386,776,825 | 7,696,251,387 |
| Special mention account (SMA) | 10.62% | 7.69% | 1,016,143,162 | 780,490,471 |
| Substandard | 0.55% | 2.44% | 52,878,548 | 247,184,382 |
| Doubtful | 18.65% | 1.74% | 1,784,492,685 | 176,892,496 |
| Bad or loss | 13.89% | 12.28% | 1,329,096,917 | 1,245,767,025 |
| **Total** | **100.00%** | **100.00%** | **9,569,388,138** | **10,146,585,760** |

| Notes | Particulars | Ref. Notes | Amount in BDT 31 Dec. 2023 | 31 Dec. 2022 |
|---|---|---|---|---|

**7.7 Particulars of provision for lease, loans and advances**

| | Outstanding | Basis for provision | Rate (%) | | |
|---|---|---|---|---|---|
| **A. General Provision** | | | | | |
| Unclassified | 3,491,632,335 | 3,491,632,335 | 1.00% | 34,916,323 | 44,522,246 |
| Unclassified (SME) | 1,849,267,593 | 1,849,267,593 | 0.25% | 4,623,169 | 3,617,936 |
| Financing to the Subsidiaries and/or Sister Concerns/Brokerage House/Merchant Banks/ Stock Dealers | 45,876,897 | 45,876,897 | 2.00% | 917,538 | 7,556,935 |
| Special mention account | 1,016,143,162 | 996,571,106 | 5.00% | 49,828,555 | 36,212,936 |
| **Total** | | | | **90,285,586** | **91,910,052** |
| **B. Deferrel Provision** | | | | **12,439,750** | **19,934,347** |
| **C. Special Provision ( Reshedule Provision)** | | | | **185,285,594** | **130,512,677** |
| **D. Specific Provision** | | | | | |
| | Outstanding | Basis for provision | Rate (%) | | |
| Substandard | 52,878,548 | 15,545,238 | 20.00% | 3,109,048 | 19,277,532 |
| Doubtful | 1,784,492,685 | 1,340,044,784 | 50.00% | 670,022,392 | 48,669,652 |
| Bad or loss | 1,329,096,917 | 523,801,316 | 100.00% | 523,801,316 | 368,245,377 |
| **Total Specific Provision** | | | | **1,196,932,756** | **436,192,561** |
| **Required provision for lease, loans and advances (A+B+C+D)** | | | | **1,484,943,685** | **678,549,637** |
| **Required provision for Diminution in value of investment** | | | | **63,882,357** | **52,182,357** |
| **Required provision for Rental receivable** | | | | **10,729,284** | **10,729,284** |
| **Required provision for Other Assets** | | | | **230,948,602** | **32,823,412** |
| **Required provision for Off balance sheet exposure** | | | | **-** | **-** |
| **Required provision for FDR** | | | | **21,248,709** | **16,448,709** |
| **Total provision required** | | | | **1,811,752,638** | **790,733,399** |
| **Total provision maintained (Note-13.1, 13.2, 13.7)** | | | | **1,672,903,949** | **790,733,399** |
| **Excess/(short) provision** | | | | **(138,848,688)** | **0** |

**7.8 Particulars of lease, loans and advances**

| | | | |
|---|---|---|---|
| (i) | Debts considered good in respect of which the MFPLC is fully secured | 1,120,931,838 | 1,439,865,743 |
| (ii) | Debts considered good for which the MFPLC holds no other security other than the debtor's personal guarantee; | 39,627,770 | 44,691,889 |
| (iii) | Debts considered good and secured by personal security of one or more parties in addition to the personal security of the debtors; | 8,408,828,530 | 8,662,028,128 |
| | | **9,569,388,138** | **10,146,585,760** |
| (iv) | Amount of classified loan in which no provision has been maintained; | - | - |
| (v) | Debts due by directors or officers of the MFPLC or any of them either severally or jointly with any other person; | 39,627,770 | 44,691,889 |
| (vi) | Debts due by companies or firms in which the directors of the MFPLC are interested as directors, partners or managing agents or in the case of private companies as members (Note 39.4); | - | - |

| Notes | Particulars | Ref. Notes | Amount in BDT 31 Dec. 2023 | 31 Dec. 2022 |
|---|---|---|---|---|
| (vii) | Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the MFPLC or any of them either severally or jointly with any other persons; | | 5,550,000 | 5,550,000 |
| (viii) | Maximum total amount of advances including temporary advances granted during the period to the companies or firms in which the directors of the MFPLC are interested as directors, partners or managing agents or in the case of private companies as members; | | - | - |
| (ix) | Receivable from other NBFI's; | | - | - |
| (x) | Total amount of advance on which profit is not credited; | | 1,329,096,917 | 1,245,767,025 |
| (xi) | Cumulative amount of written off loans and advances: | | | |
| | Opening Balance | | 514,996,324 | 497,152,518 |
| | Add: Amount written off during the year | | - | 32,664,844 |
| | Less: Amount received of during the year | | (9,553,379) | (14,821,039) |
| | Balance of written off loans and advances yet to be recovered | | **505,442,945** | **514,996,324** |
| **7(a)** | **Consolidated lease, loans and advances** | | | |
| | **Inside Bangladesh** | | | |
| | MIDAS Financing PLC | | 9,569,388,138 | 10,146,585,760 |
| | MIDAS Investment Ltd. | | 29,061,230 | 32,986,010 |
| | Adjustment for consolidation | | (29,844,871) | (228,875,922) |
| | | | **9,568,604,497** | **9,950,695,848** |
| | **Outside Bangladesh** | | | |
| | MIDAS Financing PLC | | - | - |
| | MIDAS Investment Ltd. | | - | - |
| | | | - | - |
| | **Total** | | **9,568,604,497** | **9,950,695,848** |
| **8** | **Fixed assets including land, building, furniture and fixtures** | | | |
| | Free hold assets | | 110,982,187 | 118,380,707 |
| | Intangible assets | | 11,085,114 | 15,620,693 |
| | **Total** | | **122,067,301** | **134,001,400** |
| | 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 PLC | 8 | 122,067,301 | 134,001,400 |
| | MIDAS Investment Ltd. | | 35,594,195 | 35,715,622 |
| | **Total** | | **157,661,496** | **169,717,022** |
| | A schedule of consolidated fixed assets including land, building, furniture and fixtures is given in **Annexure-B** | | | |
| **8.1** | **Investment property-Building Annexure-C** | | **127,919,185** | **132,962,680** |
| **8.1.(a)** | **Consolidated Investment Property - Building Annexure-D** | | **260,799,489** | **269,250,171** |

| Notes | Particulars | Ref. Notes | Amount in BDT 31 Dec. 2023 | 31 Dec. 2022 |
|---|---|---|---|---|
| **9** | **Others assets** | | | |
| | Interest receivable on FDR | | 9,602,839 | 11,106,174 |
| | Investment in MIDAS Investment Ltd. | | 249,998,000 | 249,998,000 |
| | Advance against purchase of shares | | 13,834 | 612,670 |
| | Advance income tax | 9.1 | 176,231,957 | 157,111,943 |
| | Advance against expenditure | | 4,460,855 | 3,980,971 |
| | Advance office rent | | 1,450,900 | 1,450,900 |
| | Security deposit | 9.2 | 637,500 | 637,500 |
| | Stamp, stationery etc, in hand | | 931,578 | 635,707 |
| | Asset held for sale | | 8,522,976 | 8,522,976 |
| | Receivable from rental income & others | | 84,264,055 | 94,840,348 |
| | Dividend receivable | | - | 19,999,840 |
| | Advance Against Purchase of Software | | 1,200,000 | 960,000 |
| | Over due interest receivable | | 62,197,317 | 62,197,317 |
| | Receivable Against BB Refinance | | 618,416 | 618,416 |
| | **Total** | | **600,130,228** | **612,672,762** |
| **9.1** | **Advance income tax** | | | |
| | Opening balance | | 157,111,943 | 133,124,679 |
| | Add: Addition during the year | | 19,120,014 | 23,987,264 |
| | | | **176,231,957** | **157,111,943** |
| | Less: Adjustment during the year | | - | - |
| | | | **176,231,957** | **157,111,943** |
| **9.2** | **Security deposit** | | | |
| | Deposits with BTCL | | 9,000 | 9,000 |
| | Deposits with Grameen Phone | | 11,000 | 11,000 |
| | PUNARBHABA Security Service | | 45,000 | 45,000 |
| | DPDC-Security Deposit-MIDAS Centre | | 558,000 | 558,000 |
| | Solar Panel-Hathajari | | 5,000 | 5,000 |
| | Electricity Meter-Feni | | 5,500 | 5,500 |
| | Water bill- Security deposit- Cumilla | | 4,000 | 4,000 |
| | **Total** | | **637,500** | **637,500** |
| **9.3** | **Maturity grouping of other assets** | | | |
| | Receivable on demand | | 66,700,049.01 | 87,097,814 |
| | Not more than 3 months | | 10,506,374.68 | 11,434,865 |
| | Over 3 months but not more than 1 year | | 3,269,316.14 | 3,029,316 |
| | Over 1 year but not more than 5 years | | 216,149,401 | 213,341,684 |
| | Over 5 years | | 303,505,087 | 297,769,083 |
| | **Total** | | **600,130,228** | **612,672,762** |
| **9(a)** | **Consolidated others assets** | | | |
| | MIDAS Financing PLC | 9 | 600,130,228 | 612,672,762 |
| | MIDAS Investment Ltd. | | 126,852,678 | 117,108,944 |
| | Adjustment for consolidation | | (249,998,000) | (249,998,000) |
| | **Total** | | **476,984,906** | **479,783,706** |
| **10** | **Non-banking assets** | | | |
| | Habib Vegitable Product Ltd. | | 67,085,523 | 67,085,523 |
| | Biswas Febrics Ltd. | | 28,065,467 | 28,065,467 |
| | **Total** | | **95,150,990** | **95,150,990** |
| | MIDAS Financing PLC 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 | | 1,895,303,351 | 2,100,672,722 |
| | Unsecured | | 486,912,118 | 556,994,426 |
| | | | **2,382,215,469** | **2,657,667,147** |
| | Inside Bangladesh | 11.1 | 2,382,215,469 | 2,657,667,147 |
| | Outside Bangladesh | | - | - |
| | Total | | 2,382,215,469 | 2,657,667,147 |

| Notes | Particulars | Ref. Notes | Amount in BDT | |
|---|---|---|---|---|
| | | | 31 Dec. 2023 | 31 Dec. 2022 |
| 11.1 | **Inside Bangladesh** | | | |
| | Term loan from other Banks & FIs | 11.2 | 1,710,212,251 | 1,943,370,564 |
| | Refinance against SME loan from Bangladesh Bank | | 12,625,001 | 3,495,834 |
| | Refinance against Housing loan from Bangladesh Bank | | 3,789,557 | 4,780,445 |
| | Refinance against SMEPD loan from Bangladesh Bank | | - | 6,250,000 |
| | Refinance against CMSME loan from Bangladesh Bank | | - | - |
| | Loan from SME foundation | | 1,430,000 | 5,175,000 |
| | Short term loan from Banks & FIs | 11.3 | 654,158,659 | 694,595,305 |
| | Call loan | 11.4 | - | - |
| | **Total** | | **2,382,215,469** | **2,657,667,147** |
| 11.2 | **Term loan from other Banks & FIs** | | | |
| | Agrani Bank Ltd. | | 1,087,868,034 | 1,487,233,851 |
| | Jamuna Bank Ltd. | | 40,865,518 | 49,337,082 |
| | Modhumoti Bank Ltd. | | - | - |
| | Shahjalal Islami Bank Ltd. | | - | - |
| | Bangladesh Krishi Bank | | 581,478,700 | 406,799,631 |
| | **Total** | | **1,710,212,251** | **1,943,370,564** |
| 11.3 | **Short term loan from Banks & FIs** | | | |
| | Standard Bank Ltd. | | - | - |
| | Pubali Bank Ltd. | | 58,745,525 | 60,573,815 |
| | United Commercial Bank Ltd. | | 45,119,595 | 37,401,026 |
| | Jamuna Bank Ltd. | | 49,893,737 | 30,234,098 |
| | The City Bank Ltd. | | 43,616,046 | 43,593,143 |
| | Agrani Bank Ltd | | 410,322,035 | 476,719,332 |
| | Uttara Bank Ltd. | | 46,461,721 | 46,073,891 |
| | **Total** | | **654,158,659** | **694,595,305** |
| 11.4 | **Call loan** | | | |
| | Sonali Bank Ltd. | | - | - |
| | National Credit & Commerce Bank Ltd. | | - | - |
| | **Total** | | **-** | **-** |
| 11.5 | **Maturity grouping of borrowings from other banks, financial institutions and agents** | | | |
| | Repayable on demand | | - | - |
| | Within 1 month | | 134,205,349 | 109,676,834 |
| | Over 1 months but not more than 6 months | | 819,817,182 | 1,087,828,157 |
| | Over 6 months but not more than 1 year | | 360,131,653 | 181,612,153 |
| | Over 1 year but not more than 5 years | | 1,068,061,284 | 1,142,411,071 |
| | Over 5 years | | - | 136,138,932 |
| | **Total** | | **2,382,215,469** | **2,657,667,147** |
| 11(a) | **Consolidated borrowings from other banks, financial institutions and agents** | | | |
| | **Inside Bangladesh** | | | |
| | MIDAS Financing PLC | 11 | 2,382,215,469 | 2,657,667,147 |
| | MIDAS Investment Ltd. | | 29,844,871 | 228,875,922 |
| | Adjustment for consolidation | | (29,844,871) | (228,875,922) |
| | | | **2,382,215,469** | **2,657,667,147** |
| | **Outside Bangladesh** | | | |
| | MIDAS Financing PLC | | - | - |
| | MIDAS Investment Ltd. | | - | - |
| | | | **-** | **-** |
| | **Total** | | **2,382,215,469** | **2,657,667,147** |

| Notes | Particulars | Ref. Notes | Amount in BDT | |
|---|---|---|---|---|
| | | | 31 Dec. 2023 | 31 Dec. 2022 |
| 12 | **Deposits and other accounts** | | | |
| | **Term deposits** | 12.1 | **5,322,727,446** | **5,988,140,293** |
| | **Other Deposits** | | | |
| | Security deposits | | 3,391,998 | 2,361,537 |
| | Advance lease rental | | 14,733,345 | 17,926,369 |
| | | | **18,125,343** | **20,287,906** |
| | **Total** | | **5,340,852,788** | **6,008,428,198** |
| 12.1 | **Term deposits** | | | |
| | General deposits | | 5,222,727,446 | 5,888,140,293 |
| | Deposit from other Banks and Financial institutions | 12.2 | 100,000,000 | 100,000,000 |
| | **Total** | | **5,322,727,446** | **5,988,140,293** |
| 12.2 | **Deposits from other banks and financial institutions** | | | |
| | Agrani Bank Ltd. | | 100,000,000 | 100,000,000 |
| | **Total** | | **100,000,000** | **100,000,000** |
| 12.3 | **Maturity analysis of deposits and other accounts** | | | |
| | Repayable on demand | | 53,230,561 | 63,220,559 |
| | Within 1 month | | 578,975,023 | 568,985,027 |
| | Over 1 months but not more than 6 months | | 1,853,129,100 | 2,153,129,100 |
| | Over 6 months but not more than 1 year | | 1,806,730,622 | 2,106,730,622 |
| | Over 1 year but not more than 5 years | | 1,016,224,037 | 1,086,224,037 |
| | Over 5 years | | 32,563,445 | 30,138,854 |
| | **Total** | | **5,340,852,788** | **6,008,428,198** |
| 12(a) | **Consolidated deposits and other accounts** | | | |
| | **Term deposits** | | | |
| | MIDAS Financing PLC | 12.1 | 5,322,727,446 | 5,988,140,293 |
| | MIDAS Investment Ltd. | | - | - |
| | Adjustment for consolidation | | - | (205,000,000) |
| | | | **5,322,727,446** | **5,783,140,293** |
| 12(b) | **Other deposits** | | | |
| | MIDAS Financing PLC | | 18,125,343 | 20,287,906 |
| | MIDAS Investment Ltd. | | - | - |
| | | | **18,125,343** | **20,287,906** |
| | **Total** | | **5,340,852,788** | **5,803,428,198** |
| 13 | **Other liabilities** | | | |
| | Provision for lease, loans & advances | 13.1 | 1,346,094,997 | 678,549,637 |
| | Provision for investment in securities | 13.2 | 63,882,357 | 52,182,357 |
| | Provision for tax | 13.3 | 313,840,453 | 211,587,607 |
| | Deferred tax liability | 13.4 | 2,768,098 | 8,193,123 |
| | Interest payable on borrowings | | 6,813,638 | 6,786,975 |
| | Interest payable on deposits | | 226,228,957 | 194,297,101 |
| | Advance against installment | | 206,322,548 | 65,639,105 |
| | Advance rent from MIDAS Centre & NGS | | 2,203,020 | 8,802,782 |
| | Payable & provision against expenditure | 13.5 | 62,554,843 | 17,448,547 |
| | Interest suspense | 13.6 | 416,920,190 | 392,182,594 |
| | Provision for rental income & others | 13.7 | 262,926,595 | 60,001,405 |
| | Lease liabilities | | 7,809,192 | 11,430,117 |
| | Unclaimed Dividend | 13.8 | 5,435,380 | 1,343,130 |
| | **Total** | | **2,923,800,268** | **1,708,444,480** |

| Notes | Particulars | Ref. Notes | Amount in BDT 31 Dec. 2023 | 31 Dec. 2022 |
|---|---|---|---|---|
| 13.1 | **Provision for lease, loans & advances** | | | |
| | **(a) General provision on unclassified lease, loans and advances** | | | |
| | Provision held at the beginning of the year | | 123,841,352 | 95,192,361 |
| | Required provision- during the year | 33 | 52,047,638 | 27,463,591 |
| | Required provision - Special General Provision-Covid 19 | | - | (7,368,256) |
| | Required provision - Special Provision | | - | 8,553,656 |
| | **Balance at the end of the year** | | **175,888,990** | **123,841,352** |
| | **(b) Specific provision on classified lease, loans and advances** | | | |
| | Provision held at the beginning of the year | | 554,708,285 | 559,792,284 |
| | Required provision during the year | 33 | 615,497,723 | 42,320,431 |
| | Required provision - Special Provision | | - | (19,491,411) |
| | Less: Write off during the year | | - | (27,913,019) |
| | **Balance at the end of the year** | | **1,170,206,007** | **554,708,285** |
| | **Total provision** | | **1,346,094,997** | **678,549,637** |

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

| | | | |
|---|---|---|---|
| **13.2** | **Provision for investment in securities** | | |
| | Provision held at the beginning of the year | 52,182,357 | 8,036,223 |
| | Required provision during the year | 11,700,000 | 44,146,134 |
| | **Balance at the end of the year** | **63,882,357** | **52,182,357** |
| **13.3** | **Provision for tax** | | |
| | Balance at the beginning of the year | 211,587,607 | 196,674,471 |
| | Provision made during the year | 102,252,846 | 14,913,136 |
| | Adjustment during the year | - | - |
| | **Balance at the end of the year** | **313,840,453** | **211,587,607** |
| | Detail shown in **Annexure-F** | | |
| **13.4** | **Deferred tax liability** | | |
| | Balance at the beginning of the year | 8,193,123 | 9,537,754 |
| | Deferred tax (income)/expenses during the year | (5,425,025) | (1,344,630) |
| | **Balance at the end of the year** | **2,768,099** | **8,193,123** |

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 | 249,986,486 | 266,964,080 |
| Tax base written down value of fixed assets | 242,604,892 | 245,115,752 |
| **Net taxable temporary differences** | **7,381,595** | **21,848,328** |
| Applicable tax rate | 37.50% | 37.50% |
| **Defferred tax liability** | **2,768,098** | **8,193,123** |
| **Deferred tax (income)/expenses during the year** | **(5,425,025)** | **(1,344,630)** |
| Detail shown in **Annexure-G** | | |

| | | | |
|---|---|---|---|
| **13.5** | **Payable & provision against expenditure** | | |
| | Payable to CDBL | 2,436 | 2,436 |
| | Payable against utilities | 1,150,000 | 2,308,181 |
| | Liability for others | 27,210,856 | 1,021,423 |
| | Audit fees | 189,750 | 210,833 |
| | Withholding VAT, Tax & Excise duty | 33,801,432 | 12,151,931 |
| | CIB fees | 40,369 | 1,741,669 |
| | Provision For Wasa | 160,000 | - |
| | Advance Against SME Fair | - | 12,074 |
| | **Total** | **62,554,843** | **17,448,547** |

| Notes | Particulars | Ref. Notes | Amount in BDT 31 Dec. 2023 | 31 Dec. 2022 |
|---|---|---|---|---|
| 13.6 | **Interest suspense** | | | |
| | Lease finance | | 102,378,781 | 110,944,964 |
| | Term finance | | 278,137,993 | 238,838,205 |
| | Consumer credit | | 2,511 | 19,096 |
| | Housing finance | | 36,400,905 | 42,380,329 |
| | **Total** | | **416,920,190** | **392,182,594** |
| 13.7 | **Provision for rental income & others** | | | |
| | Provision for rental income | | 10,729,284 | 10,729,284 |
| | Provision for Others | | 230,948,602 | 32,823,412 |
| | Provision against FDR | | 21,248,709 | 16,448,709 |
| | Provision against Off balance sheet exposure | | - | - |
| | | | **262,926,595** | **60,001,405** |
| | As per regulator's requirement DFIM Letter reference no: DFIM©1054/41/2023-2191 dated 22 June 2023, provision against other assets amounting to BDT 5.9871 have to keep as additional provision within next 5 (five) years from the year 2022. Out of the total amounting to BDT 5.9871 crore, provision BDT 1.19742 crore kept for the year 2023. | | | |
| 13.8 | **Unclaimed dividend** | | | |
| | Aging analysis of unclaimed dividend | | | |
| | Upto 3 years | | 5,435,380 | 1,343,130 |
| | Over 3 years but less than 5 years | | - | - |
| | 5 years and above | | - | - |
| | | | **5,435,380** | **1,343,130** |
| | As a NBFI, MIDAS Financing PLC prepares and presents its financial statements as per DFIM Circular (Ref. No: DFIM Circular no-11) dated December 23, 2009, where unclaimed dividend payable are shown in other liabilities. | | | |
| 13.9 | **Movement of interest suspense account** | | | |
| | Balance at the beginning of the year | | 392,182,594 | 353,518,172 |
| | Add: Net charge during the year | | 5,370,934 | 43,416,246 |
| | Less: Realized during the year | | - | - |
| | Less: Write off during the year | | - | (4,751,825) |
| | **Total** | | **397,553,527** | **392,182,594** |
| 13.10 | **Maturity grouping of other liabilities** | | | |
| | Repayable on demand | | 62,554,843 | 17,448,547 |
| | Within 1 month | | 326,808,952 | 112,183,762 |
| | Over 1 month but not more than 6 months | | 887,052,765 | 552,584,260 |
| | Over 6 months but not more than 1 year | | 608,264,753 | 378,914,921 |
| | Over 1 year but not more than 5 years | | 887,052,765 | 552,584,260 |
| | Over 5 years | | 152,066,188 | 94,728,730 |
| | **Total** | | **2,923,800,268** | **1,708,444,480** |
| 13(a) | **Consolidated other liabilities** | | | |
| | MIDAS Financing PLC | 13 | 2,923,800,268 | 1,708,444,480 |
| | MIDAS Investment Ltd. | | 138,286,332 | 154,267,031 |
| | Adjustment for consolidation | | - | - |
| | **Total** | | 3,062,086,600 | 1,862,711,511 |
| 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 | | 1,438,925,070 | 1,424,678,291 |
| | Add: Bonus share issued | | - | 14,246,779 |
| | **Total at the end of the year** | | **1,438,925,070** | **1,438,925,070** |

| Notes | Particulars | Ref. Notes | Amount in BDT 31 Dec. 2023 | 31 Dec. 2022 |
|---|---|---|---|---|
| **14.3** | **Shareholding position** | | | |
| | Sponsor shareholders group | | 58,529,759 | 454,366,200 |
| | General shareholders group | 14.3.1 | 85,362,748 | 984,558,870 |
| | **Total** | | **143,892,507** | **1,438,925,070** |
| **14.3.1** | **General shareholders group** | | | |
| | Non resident | | 676,509 | 6,480,250 |
| | Companies & institutions | | 37,988,914 | 383,584,860 |
| | General public | | 46,697,325 | 594,493,760 |
| | **Total** | | **85,362,748** | **984,558,870** |

**14.4**

| Classification of shareholders by holding | No. of Shareholders | Percentage of holding shares | No. of shares | No. of shares |
|---|---|---|---|---|
| Less than 500 shares | 1786 | 0.18% | 259,365 | 234,500 |
| 501 to 5,000 shares | 2434 | 3.24% | 4,667,222 | 4,361,454 |
| 5,001 to 10,000 shares | 564 | 2.70% | 3,883,586 | 3,676,449 |
| 10,001 to 20,000 shares | 398 | 3.83% | 5,511,252 | 5,156,383 |
| 20,001 to 30,000 shares | 142 | 2.40% | 3,449,747 | 3,645,240 |
| 30,001 to 40,000 shares | 80 | 1.93% | 2,781,255 | 2,727,685 |
| 40,001 to 50,000 shares | 41 | 1.29% | 1,862,672 | 1,587,587 |
| 50,001 to 1,00,000 shares | 90 | 4.47% | 6,438,156 | 5,514,497 |
| 1,00,001 & above shares | 83 | 79.95% | 115,039,252 | 116,988,712 |
| **Total** | **5618** | **100.00%** | **143,892,507** | **143,892,507** |

**14.5 Year wise details break up of raising paid up capital**

| Year | Declaration | No of shares | Value of shares Per share @ Tk. 10 | Paid up capital (Cumulative) |
|---|---|---|---|---|
| May 16, 1995 | 1st Allotment share | 10,000 | 100,000 | 100,000 |
| 1996-1997 | Allotment share | 5,021,000 | 50,210,000 | 50,310,000 |
| 1999-2000 | Allotment share | 509,000 | 5,090,000 | 55,400,000 |
| 2002-2003 | IPO | 4,460,000 | 44,600,000 | 100,000,000 |
| 2003-2004 | Bonus share | 689,200 | 6,892,000 | 106,892,000 |
| 2004-2005 | Bonus share | 1,068,920 | 10,689,200 | 117,581,200 |
| 2004-2005 | Right share | 11,758,120 | 117,581,200 | 235,162,400 |
| 2005-2006 | Bonus share | 2,351,620 | 23,516,200 | 258,678,600 |
| 2006-2007 | Bonus share | 2,586,790 | 25,867,900 | 284,546,500 |
| 2007-2008 | Bonus share | 2,845,460 | 28,454,600 | 313,001,100 |
| 2008-2009 | Bonus share | 3,912,510 | 39,125,100 | 352,126,200 |
| 2009-2010 | Bonus share | 5,281,890 | 52,818,900 | 404,945,100 |
| 2010-2011 | Bonus share | 14,173,070 | 141,730,700 | 546,675,800 |
| 2011-2012 | Bonus share | 5,466,758 | 54,667,580 | 601,343,380 |
| 2014-2015 | Right share | 60,134,338 | 601,343,380 | 1,202,686,760 |
| 2018 | Bonus share 2017 | 12,026,867 | 120,268,670 | 1,322,955,430 |
| 2019 | Bonus share 2018 | 3,307,388 | 33,073,880 | 1,356,029,310 |
| 2020 | Bonus share 2019 | 3,390,073 | 33,900,730 | 1,389,930,040 |
| 2021 | Bonus share 2020 | 3,474,825 | 34,748,250 | 1,424,678,290 |
| 2022 | Bonus share 2021 | 1,424,678 | 14,246,780 | 1,438,925,070 |
| 2023 | Bonus share 2022 | - | - | 1,438,925,070 |

| Notes | Particulars | Ref. Notes | Amount in BDT 31 Dec. 2023 | 31 Dec. 2022 |
|---|---|---|---|---|
| 14.6 | **Capital adequacy - As per BASEL-II** | | | |
| | **a) Core Capital (Tier-I)** | | | |
| | Paid-up capital | 14.2 | 1,438,925,070 | 1,438,925,070 |
| | Statutory reserve | 16 | 143,091,535 | 143,091,535 |
| | Retained earnings | 17 | (615,821,136) | 81,591,098 |
| | | | **966,195,469** | **1,663,607,702** |
| | **b) Supplementary Capital (Tier-II)** | | | |
| | General provision | 13.1 (a) | 110,050,885 | 111,859,555 |
| | **c) Total eligible capital (a + b)** | | **1,076,246,354** | **1,775,467,258** |
| | **Total assets including off-balance sheet exposures** | | **11,613,063,993** | **12,038,147,528** |
| | **d) Total risk weighted assets (RWA)** | | **9,810,991,185** | **9,804,495,416** |
| | **e) Required capital based on risk weighted assets (10% of d)** | | **981,099,119** | **980,449,542** |
| | **f) Capital surplus/(shortfall) (c-e)** | | **95,147,235** | **795,017,716** |
| | **Capital Adequacy Ratio (%)** | | **10.97** | **18.11** |
| 14.7 | **Consolidated Capital adequacy - As per BASEL-II** | | | |
| | **a) Core Capital (Tier-I)** | | | |
| | Paid-up capital | 14.2 | 1,438,925,070 | 1,438,925,070 |
| | Statutory reserve | 16 | 143,091,535 | 143,091,535 |
| | Retained earnings | 17(a) | (605,704,855) | 87,114,824 |
| | | | **976,311,750** | **1,669,131,430** |
| | **b) Supplementary Capital (Tier-II)** | | | |
| | General provision | 13.1 (a) | 111,952,708 | 111,959,297 |
| | **c) Total eligible capital (a + b)** | | **1,088,264,458** | **1,781,090,727** |
| | **Total assets including off-balance sheet exposures** | | **11,761,467,718** | **11,992,940,338** |
| | **d) Total risk weighted assets (RWA)** | | **10,131,189,841** | **9,986,726,128** |
| | **e) Required capital based on risk weighted assets (10% of d)** | | **1,013,118,984** | **998,672,613** |
| | **f) Capital surplus/(shortfall) (c-e)** | | **75,145,474** | **782,418,114** |
| | Capital Adequacy Ratio (%) | | **10.74** | **17.83** |
| 15 | **General reserve** | | | |
| | Opening balance | | - | - |
| | Add: Addition during the year | | - | - |
| | | | **-** | **-** |
| 16 | **Statutory reserve** | | | |
| | Opening balance | | 143,091,535 | 140,714,913 |
| | Add: Addition during the year | | - | 2,376,622 |
| | **Closing balance** | | **143,091,535** | **143,091,535** |

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

| | | | | |
|---|---|---|---|---|
| 17 | **Retained earnings** | | | |
| | Opening balance | | 81,591,098 | 100,578,168 |
| | Add: Profit after tax | | (675,828,358) | 11,883,110 |
| | Less: Transfer to statutory reserve | | - | (2,376,622) |
| | Less: Issuance of stock dividend | | - | (14,246,779) |
| | Less: Issuance of cash dividend | | (21,583,876) | (14,246,779) |
| | **Closing balance** | | **(615,821,136)** | **81,591,098** |
| 17(a) | **Consolidated retained earnings** | | | |
| | Opening balance | | 87,114,824 | 109,384,298 |
| | Add: Profit after tax | | (671,235,802) | 8,600,706 |
| | Less: Transfer to statutory reserve | | - | (2,376,622) |
| | Less: Issuance of stock dividend | | - | (14,246,779) |
| | Less: Issuance of cash dividend | | (21,583,876) | (14,246,779) |
| | **Closing balance** | | **(605,704,855)** | **87,114,824** |

| Notes | Particulars | Ref. Notes | Amount in BDT | |
|---|---|---|---|---|
| | | | 31 Dec. 2023 | 31 Dec. 2022 |
| **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 | | - | - |
| | Irrevocable letters of credit | | - | - |
| | Bills for collection | | - | - |
| | **Total** | | **-** | **-** |
| **18.2** | **Other commitments** | | | |
| | Documentary credits and short term trade related transactions | | - | - |
| | Forward assets purchased and forward deposits placed | | - | - |
| | Undrawn note issuance and revolving underwriting facilities | | - | - |
| | Undrawn formal standby facilities, credit lines and other commitments | | - | - |
| | Claims against the bank not acknowledged as debts | | - | - |
| | **Total** | | **-** | **-** |

| Notes | Particulars | Ref. Notes | Amount in BDT 2023 | 2022 |
|---|---|---|---|---|
| 19 | **Profit and loss account** | | | |
| | **Income** | | | |
| | Interest income | 20 | 1,278,223,461 | 952,652,613 |
| | Dividend income | 22 | 5,930,815 | 7,135,903 |
| | Commission, exchange and brokerage | | - | 1,100,000 |
| | Gains less losses arising from investment securities | 22 | (2,247) | 3,827,849 |
| | Other operating income | 23 | 2,843,634 | 43,261,751 |
| | | | **1,286,995,662** | **1,007,978,117** |
| | **Expenses** | | | |
| | Interest on deposits & borrowings, etc. | 21 | 770,843,839 | 686,952,910 |
| | Administrative expenses | | 186,935,312 | 178,377,815 |
| | Other operating expenses | 32 | 6,032,295 | 7,495,469 |
| | Depreciation on fixed assets | 31(a) | 20,014,204 | 15,580,543 |
| | | | **983,825,649** | **888,406,737** |
| | **Profit before provision** | | **303,170,013** | **119,571,379** |
| 20 | **Interest income** | | | |
| | Interest on lease, loans & advances | 20.1 | 1,260,702,163 | 931,164,673 |
| | Interest on placement with other Banks & FIs | 20.2 | 17,521,299 | 21,487,942 |
| | **Total** | | **1,278,223,461** | **952,652,613** |
| 20.1 | **Interest on lease, loans & advances** | | | |
| | Interest income on lease finance | | 116,763,540 | 62,446,215 |
| | Interest income on term finance | | 1,007,364,532 | 728,771,064 |
| | Interest on housing finance | | 124,032,498 | 123,263,679 |
| | Interest on consumer credit | | 23,143 | 56,015 |
| | Interest on staff loan | | 2,965,071 | 1,806,662 |
| | Revenue from writeoff collection | | 9,553,379 | 14,821,039 |
| | **Total** | | **1,260,702,163** | **931,164,673** |
| 20.2 | **Interest on placement with other Banks & FIs** | | | |
| | Interest on FDR | | 16,738,499 | 20,326,704 |
| | Interest on STD accounts | | 782,801 | 1,161,238 |
| | **Total** | | **17,521,299** | **21,487,942** |
| 20(a) | **Consolidated interest income** | | | |
| | **Interest on lease, loans & advances** | | | |
| | MIDAS Financing PLC | 20.1 | 1,260,702,163 | 931,164,673 |
| | MIDAS Investment Ltd. | | 5,342,571 | 5,325,798 |
| | Adjustment for consolidation | | (4,049,253) | (27,126,203) |
| | | | **1,261,995,481** | **909,364,267** |
| | **Interest on placement with other Banks & FIs** | | | |
| | MIDAS Financing PLC | 20.2 | 17,521,299 | 21,487,942 |
| | MIDAS Investment Ltd. | | 956,667 | 16,454,667 |
| | Adjustment for consolidation | | (956,667) | (16,454,667) |
| | | | **17,521,299** | **21,487,942** |
| | **Total** | | **1,279,516,780** | **930,852,209** |
| 21 | **Interest on deposits & borrowings, etc.** | | | |
| | Interest paid on deposits | | 566,985,006 | 507,837,672 |
| | Interest paid on borrowings | 21.1 | 203,858,831 | 179,115,237 |
| | **Total** | | **770,843,839** | **686,952,910** |

| Notes | Particulars | Ref. Notes | Amount in BDT 2023 | 2022 |
|---|---|---|---|---|
| 21.1 | **Interest paid on borrowings** | | | |
| | Interest expenses on bank loan | | 197,143,948 | 171,533,221 |
| | Interest expenses on call loan | | - | 1,544,305 |
| | Interest expenses on re-financing loan | | 320,018 | 1,219,250 |
| | Interest expenses- BD Bank SMEDP | | 60,764 | 316,319 |
| | Interest Expenses - Bd Bank CMSME | | - | 37,825 |
| | Interest expenses on lease liabilities | | 908,193 | 1,209,368 |
| | Other financing cost | | 5,425,909 | 3,254,947 |
| | **Total** | | **203,858,831** | **179,115,237** |
| 21(a) | **Consolidated interest on deposits and borrowings, etc.** | | | |
| | **Interest paid on deposits** | | | |
| | MIDAS Financing PLC | | 566,985,006 | 507,837,672 |
| | MIDAS Investment Ltd. | | 132,948 | 168,164 |
| | Adjustment for consolidation | | (956,667) | (16,454,667) |
| | | | **566,161,288** | **491,551,170** |
| | **Interest paid on borrowings** | | | |
| | MIDAS Financing PLC | | 203,858,831 | 179,115,237 |
| | MIDAS Investment Ltd. | | 4,049,253 | 27,126,203 |
| | Adjustment for consolidation | | (4,049,253) | (27,126,203) |
| | | | **203,858,831** | **179,115,237** |
| | **Total** | | **770,020,119** | **670,666,407** |
| 22 | **Income from investment** | | | |
| | Income from investment in shares | | (2,247) | 3,827,849 |
| | Dividend income | | 5,930,815 | 7,135,903 |
| | **Total** | | **5,928,568** | **10,963,752** |
| 22(a) | **Consolidated income from investment** | | | |
| | **Income from investment in shares** | | | |
| | MIDAS Financing PLC | 22 | (2,247) | 3,827,849 |
| | MIDAS Investment Ltd. | | 1,536,942 | (414,042) |
| | | | **1,534,695** | **3,413,807** |
| | **Dividend income** | | | |
| | MIDAS Financing PLC | | 5,930,815 | 7,135,903 |
| | MIDAS Investment Ltd. | | 1,493,719 | 3,145,645 |
| | | | **7,424,534** | **10,281,548** |
| | Less: Dividend from subsidiary | | - | - |
| | **Total** | | **8,959,229** | **13,695,355** |
| 23 | **Other operating income** | | | |
| | Transfer price for leased asset | | - | - |
| | Processing and other fees | | 1,801,394 | 5,719,494 |
| | Sale of application form | | 12,000 | 56,176 |
| | Rental income-MIDAS Centre & Nahar green | | 47,874 | 32,769,644 |
| | Other income | 23.1 | 973,589 | 621,517 |
| | Gain on sale of fixed assets | | 8,776 | 4,094,921 |
| | **Total** | | **2,843,634** | **43,261,751** |

| Notes | Particulars | Ref. Notes | Amount in BDT 2023 | 2022 |
|---|---|---|---|---|
| **23.1** | **Other income** | | | |
| | Notice pay | | 431,446 | 203,253 |
| | News paper & other sales | | 200 | 360 |
| | Miscellaneous income from deposits (Delay fine) | | 459,619 | 413,270 |
| | Miscellaneous income others | | 82,324 | 4,634 |
| | **Total** | | **973,589** | **621,517** |
| **23(a)** | **Consolidated other operating income** | | | |
| | MIDAS Financing PLC | 23 | 2,843,634 | 43,261,751 |
| | MIDAS Investment Ltd. | | 28,734,795 | 28,688,606 |
| | **Total** | | **31,578,428** | **71,950,357** |
| **24** | **Salary and allowances** | | **145,848,416** | **139,319,876** |
| **24(a)** | **Consolidated salary & allowances** | | | |
| | MIDAS Financing PLC | 24 | 145,848,416 | 139,319,876 |
| | MIDAS Investment Ltd. | | 7,829,585 | 4,806,186 |
| | **Total** | | **153,678,002** | **144,126,062** |
| **25** | **Rent, taxes, insurances, electricity, etc.** | | | |
| | Rates & taxes | | 1,943,639 | 1,997,244 |
| | Office rent | | 144,216 | 144,216 |
| | Insurance | | 131,995 | 199,406 |
| | Utilities | | 13,756,299 | 11,111,039 |
| | **Total** | | **15,976,149** | **13,451,905** |
| **25(a)** | **Consolidated rent, taxes, insurance, electricity, etc.** | | | |
| | MIDAS Financing PLC | 25 | 15,976,149 | 13,451,905 |
| | MIDAS Investment Ltd. | | 2,101,795 | 1,307,516 |
| | **Total** | | **18,077,944** | **14,759,421** |
| **26** | **Legal expenses** | | | |
| | Legal/professional fees | | 1,850,649 | 2,214,017 |
| | Other legal expenses/Non judicial stamp | | 3,216,295 | 3,508,045 |
| | **Total** | | **5,066,944** | **5,722,062** |
| **26(a)** | **Consolidated legal expenses** | | | |
| | MIDAS Financing PLC | 26 | 5,066,944 | 5,722,062 |
| | MIDAS Investment Ltd. | | 175,300 | 57,500 |
| | **Total** | | **5,242,244** | **5,779,562** |
| **27** | **Postage, stamp, telecommunication, etc.** | | | |
| | Postage & courier expenses | | 181,035 | 187,959 |
| | Telephone, mobile, fax and internet | | 4,200,449 | 3,166,960 |
| | **Total** | | **4,381,484** | **3,354,919** |
| **27(a)** | **Consolidated postage, stamps, telecommunication, etc.** | | | |
| | MIDAS Financing PLC | 27 | 4,381,484 | 3,354,919 |
| | MIDAS Investment Ltd. | | 199,846 | 155,260 |
| | **Total** | | **4,581,330** | **3,510,179** |

| Notes | Particulars | Ref. Notes | Amount in BDT 2023 | 2022 |
|---|---|---|---|---|
| 28 | **Stationery, printing, advertisements, etc.** | | | |
| | Stationery | | 619,953 | 670,077 |
| | Printing | | 977,151 | 1,013,156 |
| | Advertisement and publicity | | 1,278,208 | 1,295,644 |
| | Signboard and banner | | 37,719 | 13,660 |
| | **Total** | | **2,913,031** | **2,992,537** |
| 28(a) | **Consolidated stationery, printing, advertisements, etc.** | | | |
| | MIDAS Financing PLC | 28 | 2,913,031 | 2,992,537 |
| | MIDAS Investment Ltd. | | 73,507 | 67,202 |
| | **Total** | | **2,986,538** | **3,059,739** |
| 29 | **Managing Director's salary and benefits** | | **9,732,000** | **10,083,889** |
| 30 | **Directors' fees and expenses** | | | |
| | Honorarium for attending meeting (including VAT) | | 1,082,400 | 1,223,200 |
| | Incidental expenses for meeting | | - | - |
| | **Total** | | **1,082,400** | **1,223,200** |
| | Total 13 nos of Board meeting, 5 nos of audit committee meeting and no executive committee (EC) meeting were held during the period of January 01, 2023 to December 31, 2023. Each Director was paid Tk. 8,000 for attending in each meeting. | | | |
| 30(a) | **Consolidated directors' fees and expenses** | | | |
| | MIDAS Financing PLC | 30 | 1,082,400 | 1,223,200 |
| | MIDAS Investment Ltd. | | 74,223 | 137,500 |
| | **Total** | | **1,156,623** | **1,360,700** |
| 31 | **Depreciation and repair of company's assets** | | | |
| | **i) Depreciation of company's assets (Annexure A)** | | | |
| | Building | | 2,680,237 | 2,968,470 |
| | Right of use of assets | | 4,261,696 | 4,768,319 |
| | Office equipment | | 586,821 | 531,880 |
| | Office furniture | | 1,270,372 | 1,197,452 |
| | Motor vehicle | | 250,182 | 250,182 |
| | Intengible asset | | 4,996,829 | 135,566 |
| | Computer equipment | | 924,573 | 685,185 |
| | | | **14,970,709** | **10,537,054** |
| | **ii) Building (Investment property)** | | **5,043,495** | **5,043,489** |
| | **iii) Repair of company's assets** | | | |
| | Office repair and maintenance | | 1,205,727 | 1,449,773 |
| | Car maintenance | | 539,410 | 568,821 |
| | | | **1,745,137** | **2,018,594** |
| | **Total (i+ii+iii)** | | **21,759,341** | **17,599,137** |
| 31(a) | **Consolidated depreciation and repair of company's assets** | | | |
| | **a) Depreciation of company's assets (Annexure B)** | | | |
| | MIDAS Financing PLC | 31(i) | 14,970,709 | 10,537,054 |
| | MIDAS Investment Ltd. | | 773,642 | 547,723 |
| | | | **15,744,351** | **11,084,777** |
| | **b) Building (Investment property)** | | **8,450,682** | **8,538,040** |
| | **c) Repair of company's assets:** | | | |
| | MIDAS Financing PLC | 31(ii) | 1,745,137 | 2,018,594 |
| | MIDAS Investment Ltd. | | 265,775 | 47,353 |
| | | | **2,010,912** | **2,065,947** |
| | **Total (a+b+c)** | | **26,205,945** | **21,688,764** |

| Notes | Particulars | Ref. Notes | Amount in BDT 2023 | 2022 |
|---|---|---|---|---|
| **32** | **Other expenses** | | | |
| | Fuel | | 209,726 | 253,141 |
| | Traveling and conveyance | | 861,643 | 1,282,031 |
| | Public relation and AGM expenses | | 236,250 | 879,371 |
| | News paper & periodicals | | 22,445 | 11,022 |
| | Business promotion & development | | 506,815 | 100,000 |
| | Entertainment | | 1,055,901 | 1,603,277 |
| | Training, seminar & workshop | | 23,873 | 22,250 |
| | Membership fees & subscription | | 1,584,570 | 1,574,126 |
| | Bank charge | | 1,161,106 | 1,262,482 |
| | Share management expenses | | 121,217 | 180,257 |
| | Donation | | - | 40,000 |
| | Miscellaneous expenses | | - | - |
| | Loss on sale of fixed assets | | - | 52,843 |
| | Event management | | 248,749 | 234,669 |
| | **Total** | | **6,032,295** | **7,495,469** |
| **32(a)** | **Consolidated other expenses** | | | |
| | MIDAS Financing PLC | 32 | 6,032,295 | 7,495,469 |
| | MIDAS Investment Ltd. | | 637,344 | 1,347,487 |
| | **Total** | | **6,669,638** | **8,842,956** |
| **33** | **Provision against loans, lease finance & others** | | | |
| | General provisions | 13.1 (a) | 52,047,638 | 28,648,991 |
| | Specific provisions | 13.1 (b) | 615,497,723 | (5,083,999) |
| | Provisions for diminution in value of investments | 13.2 | 11,700,000 | 44,146,134 |
| | Provision for off balance sheet exposures | | - | (1,000,000) |
| | Other provisions | | 202,925,190 | 26,308,638 |
| | **Total** | | **882,170,549** | **93,019,763** |
| **33(a)** | **Consolidated provision against loans, lease finance & others** | | | |
| | **General provisions** | | | |
| | MIDAS Financing PLC | | 52,047,638 | 28,648,991 |
| | MIDAS Investment Ltd. | | - | - |
| | **Total** | | **52,047,638** | **28,648,991** |
| **33(b)** | **Specific provisions** | | | |
| | MIDAS Financing PLC | | 615,497,723 | (5,083,999) |
| | MIDAS Investment Ltd. | | - | - |
| | **Total** | | **615,497,723** | **(5,083,999)** |
| **33(c)** | **Provisions for diminution in value of investments** | | | |
| | MIDAS Financing PLC | | 11,700,000 | 44,146,134 |
| | MIDAS Investment Ltd. | | 3,507,315 | 8,750,217 |
| | **Total** | | **15,207,315** | **52,896,350** |
| **33(d)** | **Current tax** | | | |
| | MIDAS Financing PLC | | 102,252,846 | 14,913,136 |
| | MIDAS Investment Ltd. | | 6,109,531 | 3,606,448 |
| | **Total** | | **108,362,377** | **18,519,584** |
| **33(e)** | **Deferred tax** | | | |
| | MIDAS Financing PLC | | (5,425,025) | (1,344,630) |
| | MIDAS Investment Ltd. | | (1,151,872) | (1,242,641) |
| | **Total** | | **(6,576,896)** | **(2,587,271)** |

| Notes | Particulars | Ref. Notes | Amount in BDT 2023 | 2022 |
|---|---|---|---|---|
| 33(f) | **Other provisions** | | | |
| | MIDAS Financing PLC | | 202,925,190 | 26,308,638 |
| | MIDAS Investment Ltd. | | 5,230,200 | 6,048,936 |
| | **Total** | | **208,155,390** | **32,357,574** |
| 33(g) | **Provision for off balance sheet exposures** | | | |
| | MIDAS Financing PLC | | - | (1,000,000) |
| | MIDAS Investment Ltd. | | - | - |
| | **Total** | | **-** | **(1,000,000)** |
| 34 | **Earnings per share (EPS)** | | | |
| | Net profit after tax (A) | | (675,828,358) | 11,883,110 |
| | Number of ordinary shares outstanding (denominator) (B) | | 143,892,507 | 143,892,507 |
| | **Earnings per share (A/B) (Restated)** | | **(4.70)** | **0.08** |
| 34(a) | **Consolidated earnings per share (EPS)** | | | |
| | Consolidated net profit after tax (A) | | (671,236,742) | 8,600,680 |
| | Number of ordinary shares outstanding (denominator) (B) | | 143,892,507 | 143,892,507 |
| | **Earnings per share (A/B) (Restated)** | | **(4.66)** | **0.06** |
| 35 | **Net assets value (NAV) per share** | | | |
| | Net assets (A) | | 966,195,469 | 1,663,607,702 |
| | Number of ordinary shares outstanding (denominator) (B) | | 143,892,507 | 143,892,507 |
| | **Net assets value (NAV) per share (A/B) (Restated)** | | **6.71** | **11.56** |
| 35(a) | **Consolidated net assets value (NAV) per share** | | | |
| | Net assets (A) | | 976,311,750 | 1,669,131,430 |
| | Number of ordinary shares outstanding (denominator) (B) | | 143,892,507 | 143,892,507 |
| | **Consolidated net assets value (NAV) per share (A/B) (Restated)** | | **6.79** | **11.60** |
| 36 | **Net operating cash flow per share** | | | |
| | Net operating cash flow (A) | | 477,103,758 | (557,687,205) |
| | Number of ordinary shares outstanding (denominator) (B) | | 143,892,507 | 143,892,507 |
| | **Net operating cash flow per share (A/B) (Restated)** | | **3.32** | **(3.88)** |
| 36(a) | **Consolidated net operating cash flow per share** | | | |
| | Net operating cash flow (A) | | 472,410,690 | (553,279,741) |
| | Number of ordinary shares outstanding (denominator) (B) | | 143,892,507 | 143,892,507 |
| | **Consolidated net operating cash flow per share (A/B) (Restated)** | | **3.28** | **(3.85)** |
| 37 | **Reconciliation of net operating cash flow** | | | |
| | **Net profit after tax** | | **(675,828,358)** | **11,883,110** |
| | **Items not involved in cash movement:** | | | |
| | Add: Depreciation | | 20,014,204 | 15,580,543 |
| | Add/(Less): Provision for taxation | | 102,252,846 | 14,913,136 |
| | Add/(Less): Provision for deferred tax | | (5,425,025) | (1,344,630) |
| | Add: Provision for loans and investment | | 679,245,360 | 67,711,125 |
| | Add: Provision for others | | 202,925,190 | 25,308,638 |
| | Add/(Less):Accrued income | | (48,912,049) | (54,124,588) |
| | Add/(Less):Accrued expenses | | (120,026,069) | (51,478,325) |
| | Less: Gain on disposal of fixed assets | | 8,776 | 4,094,921 |
| | Add: Adjustment for ROU lease rent | | (4,261,696) | (2,931,078) |
| | Add: Loss on disposal of fixed assets | | - | 52,843 |
| | **Adjustments to reconcile net profit after tax to net to net cash provided by operating activities** | | **149,993,179** | **29,665,695** |

| Notes | Particulars | Ref. Notes | Amount in BDT 2023 | 2022 |
|---|---|---|---|---|
| | **Changes in operating assets and liabilities** | | | |
| | (Increase)/Decrease in Loans and lease finance to customers | | 577,197,623 | (481,665,049) |
| | (Increase)/Decrease in Purchase/Sale of trading securities | | (4,495,845) | 3,058,229 |
| | Increase/(Decrease) in Deposits from banks & individuals | | (667,575,410) | (164,596,317) |
| | Increase/(Decrease) in Interest suspense | | 24,737,596 | 38,664,422 |
| | (Increase)/Decrease in Income tax | | (19,120,014) | (23,987,264) |
| | Increase/(Decrease) in Payable & accrued expenses | | 45,106,296 | 707,514 |
| | (Increase)/Decrease in Other assets | | 30,159,214 | 59,692,261 |
| | Increase/(Decrease) in Other liabilities | | 341,101,121 | (19,226,698) |
| | **Cash received/(paid) from operating assets and liabilities** | | **327,110,580** | **(587,352,901)** |
| | **Net cash flow from/(used in) operating activites** | | **477,103,758** | **(557,687,205)** |
| 37(a) | **Reconciliation of consolidated net operating cash flow** | | | |
| | **Net profit after tax** | | **(671,236,742)** | **8,600,680** |
| | **Items not involved in cash movement:** | | | |
| | Add: Depreciation | | 24,195,033 | 19,622,817 |
| | Add/(Less): Provision for taxation | | 108,362,377 | 18,519,584 |
| | Add/(Less): Provision for deferred tax | | (6,576,896) | (2,587,271) |
| | Add: Provision for loans and investment | | 682,752,675 | 76,461,342 |
| | Add: Provision for others | | 208,155,390 | 31,357,574 |
| | Add/(Less):Accrued income | | (48,912,049) | (54,124,588) |
| | Add/(Less):Accrued expenses | | (11,191,234) | (35,600,375) |
| | Add: Adjustment for ROU lease rent | | (4,261,696) | (2,931,078) |
| | Less: Gain on disposal of fixed assets | | 8,776 | 4,094,921 |
| | Add: Loss on disposal of fixed assets | | - | 52,843 |
| | **Adjustments to reconcile net profit after tax to net to net cash provided by operating activities** | | **281,295,633** | **63,466,449** |
| | **Changes in operating assets and liabilities** | | | |
| | (Increase)/Decrease in Other assets | | 87,433,496 | 57,274,281 |
| | Increase/(Decrease) in Other liabilities | | 136,398,173 | (28,905,132) |
| | (Increase)/Decrease in Purchase/Sale of trading securities | | (2,130,652) | (1,656,342) |
| | (Increase)/Decrease in Loans and lease finance to customers | | 382,091,351 | (490,294,718) |
| | Increase/(Decrease) in Deposits from banks & individuals | | (462,575,410) | (164,596,317) |
| | (Increase)/Decrease in Income tax | | (21,303,416) | (28,590,009) |
| | Increase/(Decrease) in Interest suspense | | 24,737,596 | 38,664,422 |
| | Increase/(Decrease) in Payable & accrued expenses | | 46,463,921 | 1,357,625 |
| | **Cash received/(paid) from operating assets and liabilities** | | **191,115,057** | **(616,746,190)** |
| | **Net cash flow from/(used in) operating activites** | | **472,410,690** | **(553,279,741)** |

# MIDAS Financing PLC and its subsidiary

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

As at and for the year ended December 31, 2023

**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 University of Dhaka. |
| 2 | Mr. Mohammed Nasiruddin Chowdhury | Director | Member | Masters Degree in Marketing from University of Chittagong. |
| 3 | Mr. Abdul Karim | Director | Member | B.A. (Hons), M.A. in Economics from University of Dhaka. |
| 4 | Ms. Nazneen Sultana | Independent Director | Member | B.Sc. (Hons) and M.Sc. In Physics from University of Dhaka. |
| 5 | Mr. Md. Shahedul Alam | Director | Member | MBA from University of Dhaka. |

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 | 97th Meeting | 15.02.2023 | 5 |
| 2 | 98th Meeting | 27.03.2023 | 5 |
| 3 | 99th Meeting | 26.07.2023 | 4 |
| 4 | 100th Meeting | 08.10.2023 | 5 |
| 5 | 101st Meeting | 15.10.2023 | 4 |

**c) Meeting of Audit Committee**

During the period January 1, 2023 to December 31, 2023, the Audit Committee of the Board conducted 5 (Five) meetings. In those meetings, among others, the committee reviewed/discussed/oversaw the following issues

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

**39 Related party disclosure**

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

# MIDAS Financing PLC and its subsidiary

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

As at and for the year ended December 31, 2023

### 39.1 Name of the Directors and their interest in different entities

| Sl. No. | Name of Directors | Status in MFPLC | Entities where they have interest | Position |
|---|---|---|---|---|
| 1 | Mr. Ali Imam Majumder | Chairman (Nominated by MIDAS) | MIDAS | Director |
| | | | Transparency International - Bangladesh (TIB) | Member of the Audit Committee |
| | | | NIS Suport Project, Phase-2 | Senior Advisor |
| 2 | Mr. Mohammed Nasir Uddin Chowdhury | Director (Nominated by LankaBangla Finance PLC.) | Rajshahi Agro Fisheries Complex Ltd. | Chairman |
| | | | FinExcel Ltd. | Vice Chairman |
| | | | LankaBangla Securities Ltd. | Managing Director |
| | | | Bengal Meat Processing Industry Ltd.. | Director |
| | | | LankaBangla Investment Ltd. | Director |
| | | | BD Venture Ltd. | Director |
| | | | Eastern Cables Ltd. | Director |
| 3 | Mr. Ghulam Rahman | Independent Director | Consumer Associtaion of Bangladesh | President |
| | | | Anjuman Mufidul Islam | Vice President |
| 4 | Mr. Abdul Karim | Director (Nominated by MIDAS) | MIDAS | Director |
| | | | SAP Bangladesh | Treasurer |
| | | | VERC | Chairman |
| 5 | Mr. M. Hafizuddin Khan | Director (Nominated by MIDAS) | MIDAS Investment Limited | Director |
| | | | MIDAS | Director |
| | | | Transparency International - Bangladesh (TIB) | Member of Board of Trustees |
| | | | Anjuman Mufidul Islam | Vice President |
| 6 | Ms. Nazneen Sultana | Independent Director | MIDAS Investment Limited | Chairman |
| 7 | Mr. Md. Shamsul Alam | Director (General Share holder Group) | Arasco Agro Food and Feed Ltd. | Managing Director |
| | | | Arafat Agro Trade | Proprietor |
| 8 | Mr. Md. Shahedul Alam | Director (General Share holder Group) | RADIO VISION | Partner |
| | | | Hay Agro (Pvt) Ltd. | Chairman |
| | | | SBL Capital Managemnt Ltd. | Director |

### 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 | |
|---|---|---|---|---|---|
| | | | | 2023 | 2022 |
| MIDAS | Sponsor shareholder | Term deposits | N/A | 80,000,000 | 80,000,000 |
| MIDAS Investment Ltd | Subsidiary | STL & LTD | Standard | 29,844,871 | 228,875,922 |
| MIDAS Investment Ltd | Subsidiary | Term deposits | N/A | - | 205,000,000 |
| LankaBangla Securities Ltd. | Shareholder | Investment (un-listed) | N/A | - | 5,000,000 |
| LankaBangla Securities Ltd. | Shareholder | Maintainance of investment (Share) portfolio through BO A/C | N/A | 223,820,883 | 214,923,874 |
| **Total** | | | | **333,665,754** | **733,799,796** |

### 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 206 at the end of December 31, 2023 as against 197 in 2022.

**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 371st Meeting held on September 30, 2024 has recommended no dividend for the year ended December 31, 2023. The final approval of the dividend will come during the 28th Annual General Meeting of the company through hybrid system i.e. in combination of physical presence of the shareholders at MIDAS convention center and digital platform as per Bangladesh Securities & Exchange Commission (BSEC) guideline.

Annexure-A

# MIDAS Financing PLC

## Fixed assets including land, building, furniture and fixtures

For the period ended December 31, 2023

Amount in Taka

| Particulars | COST | | | | Rate of Dep | DEPRECIATION/AMORTIZATION | | | | WDV as on December 31, 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as on Jan 1, 2023 | Addition/ transfer during the year | Disposal/ adjustment during the year | Balance as on Dec 31. 2023 | | Balance as on Jan 1, 2023 | Charged for the year | Adjustment/ transfer during the year | Balance as on Dec 31. 2023 | |
| | Taka | Taka | Taka | Taka | | Taka | Taka | Taka | Taka | Taka |
| **I. Free holds assets** | | | | | | | | | | |
| Land | 18,005,518 | - | - | 18,005,518 | - | - | - | - | - | 18,005,518 |
| Building | 107,209,530 | - | - | 107,209,530 | 2.5% | 35,976,832 | 2,680,237 | - | 38,657,069 | 68,552,461 |
| Right of use of assets | 28,758,746 | - | - | 28,758,746 | - | 17,521,691 | 4,261,696 | - | 21,783,387 | 6,975,360 |
| Office equipment | 10,403,574 | 634,744 | 110,000 | 10,928,318 | 18% | 7,882,531 | 586,820 | 106,776 | 8,362,575 | 2,565,743 |
| Furniture & fixtures | 30,486,015 | 1,098,500 | - | 31,584,515 | 10% | 19,674,800 | 1,270,372 | - | 20,945,172 | 10,639,343 |
| Motor vehicle | 8,119,543 | - | - | 8,119,543 | 20% | 7,118,817 | 250,182 | - | 7,368,998 | 750,545 |
| Computer equipment | 15,619,162 | 845,340 | - | 16,464,502 | 18% | 12,046,711 | 924,573 | - | 12,971,284 | 3,493,218 |
| **Sub total** | **218,602,088** | **2,578,584** | **110,000** | **221,070,672** | | **100,221,380** | **9,973,880** | **106,776** | **110,088,484** | **110,982,187** |
| | | | | | | | | | | |
| **II. Intangible assets** | | | | | | | | | | |
| System & software | 16,959,734 | 461,250 | - | 17,420,984 | 30% | 1,339,041 | 4,996,829 | - | 6,335,870 | 11,085,114 |
| **Total as on Dec 31, 2023** | **235,561,822** | **3,039,834** | **110,000** | **238,491,656** | | **101,560,421** | **14,970,708** | **106,776** | **116,424,353** | **122,067,301** |
| | | | | | | | | | | |
| **Total as on Dec 31, 2022** | **237,175,024** | **17,392,182** | **19,005,384** | **235,561,822** | | **96,909,132** | **10,537,054** | **5,885,765** | **101,560,421** | **134,001,400** |

# MIDAS Financing PLC and its subsidiary

## Consolidated Fixed assets including land, building, furniture and fixtures

For the period ended December 31, 2023

**Amount in Taka**

| Particulars | COST | | | | DEPRECIATION/AMORTIZATION | | | | WDV as on December 31, 2023 |
|---|---|---|---|---|---|---|---|---|---|
| | Balance as on Jan 1, 2023 | Addition/ transfer during the year | Disposal/ adjustment during the year | Balance as on Dec 31. 2023 | Balance as on Jan 1, 2023 | Charged for the year | Adjustment/ transfer during the year | Balance as on Dec 31. 2023 | |
| | Taka | Taka | Taka | Taka | Taka | Taka | Taka | Taka | Taka |
| **I. Free holds assets** | | | | | | | | | |
| Land | 35,661,445 | - | - | 35,661,445 | - | - | - | - | 35,661,445 |
| Building | 129,370,868 | - | - | 129,370,868 | 40,494,451 | 3,121,330 | - | 43,615,782 | 85,755,086 |
| Right of use of assets | 28,758,746 | - | - | 28,758,746 | 17,521,692 | 4,261,696 | - | 21,783,388 | 6,975,358 |
| Office equipment | 10,568,851 | 686,344 | 110,000 | 11,145,195 | 8,238,453 | 599,086 | 106,776 | 8,730,764 | 2,414,431 |
| Furniture & fixtures | 31,514,707 | 1,548,614 | - | 33,063,321 | 20,205,110 | 1,522,525 | - | 21,727,635 | 11,335,686 |
| Motor vehicle | 8,119,543 | - | - | 8,119,543 | 7,118,817 | 250,182 | - | 7,368,999 | 750,544 |
| Computer equipment | 16,665,306 | 995,840 | - | 17,661,146 | 13,140,252 | 946,009 | - | 14,086,261 | 3,574,885 |
| **Sub total** | **260,659,466** | **3,230,798** | **110,000** | **263,780,264** | **106,718,775** | **10,700,828** | **106,776** | **117,312,828** | **146,467,437** |
| **II. Intangible assets** | | | | | | | | | |
| System & software | 18,114,734 | 461,250 | - | 18,575,984 | 2,338,404 | 5,043,522 | - | 7,381,925 | 11,194,059 |
| **Total as on Dec 31, 2023** | **278,774,200** | **3,692,048** | **110,000** | **282,356,248** | **109,057,179** | **15,744,349** | **106,776** | **124,694,753** | **157,661,496** |
| **Total as on Dec 31, 2022** | **280,387,402** | **17,392,182** | **19,005,384** | **278,774,200** | **103,858,166** | **11,084,777** | **5,885,765** | **109,057,179** | **169,717,022** |

# MIDAS Financing PLC

## Investment Property

For the period ended December 31, 2023

**Amount in Taka**

| Particulars | COST | | | | Rate of Dep | DEPRECIATION | | | | WDV as on December 31, 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as on Jan 1, 2023 | Addition/ transfer during the year | Disposal/ adjustment during the year | Balance as on Dec 31. 2023 | | Balance as on Jan 1, 2023 | Charged for the year | Adjustment/ transfer during the year | Balance as on Dec 31. 2023 | |
| | Taka | Taka | Taka | Taka | | Taka | Taka | Taka | Taka | Taka |
| Nahar Green | 63,390,907 | - | - | 63,390,907 | 2.5% | 21,611,228 | 1,584,773 | - | 23,196,001 | 40,194,906 |
| MIDAS Centre | 138,348,874 | - | - | 138,348,874 | 2.5% | 47,165,873 | 3,458,722 | - | 50,624,595 | 87,724,279 |
| **Total as on Dec 31, 2023** | **201,739,781** | **-** | **-** | **201,739,781** | | **68,777,101** | **5,043,495** | **-** | **73,820,596** | **127,919,185** |

# MIDAS Financing PLC

## Investment Property

For the period ended December 31, 2022

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

# MIDAS Financing PLC and its subsidiary

## Investment Property

For the period ended December 31, 2023

Amount in Taka

| Particulars | COST | | | | Rate of Dep | DEPRECIATION | | | | WDV as on December 31, 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as on Jan 1, 2023 | Addition/ transfer during the year | Disposal/ adjustment during the year | Balance as on Dec 31. 2023 | | Balance as on Jan 1, 2023 | Charged for the year | Adjustment/ transfer during the year | Balance as on Dec 31. 2023 | |
| | Taka | Taka | Taka | Taka | | Taka | Taka | Taka | Taka | Taka |
| MIDAS Financing PLC | 201,739,781 | - | - | 201,739,781 | 2.5% | 68,777,101 | 5,043,495 | - | 73,820,596 | 127,919,185 |
| MIDAS Investment Ltd. | 176,450,707 | - | - | 176,450,707 | 2.5% | 40,163,216 | 3,407,187 | - | 43,570,403 | 132,880,304 |
| **Total as on Dec 31, 2023** | **378,190,488** | **-** | **-** | **378,190,488** | | **108,940,317** | **8,450,682** | **-** | **117,390,999** | **260,799,489** |

# MIDAS Financing PLC and its subsidiary

## Investment Property

For the period ended December 31, 2022

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

Annexure-E

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

| SL. | Nature of Departure | Title of IAS/IFRS | Treatment of IAS/IFRS | Treatment Adopted as per Bangladesh Bank | Financial or Presentation Effect of the Departure |
|---|---|---|---|---|---|
| 1 | Measurement of provision for leases, loans and advances (financial assets measured at amortized cost) | IFRS 9 "Financial Instruments" | An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired.<br><br>If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to:<br><br>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<br><br>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.<br><br>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 66.75 crore has been charged as incremental provision for leases, loans and advances, which includes BDT 5.20 crore as general provision on good loan for the year 2023. Also, as at 31 December 2023, accumulated provision for leases, loans and advances stands at BDT 134.61 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 1.52 crore for consolidated investment and BDT 1.17 crore for separate investment. |
| 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 41.69 crore from 39.22 crore resulting increase of BDT 2.47 crore of interest suspense. This amount has been shown as other liabilities in note 13.6 |

| 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 |
|---|---|---|---|---|---|
| 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.<br><br>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.<br><br>The templates of financial statements provided detail presentation for statement of cash flows. | Financial Statements for 2023 and corresponding year 2022 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. |
| 6 | Presentation and disclosure of Financial Statements and Financial Instruments | IAS 1 "Presentation of Financial Statements"<br><br>IFRS 9 "Financial Instruments"<br><br>&<br><br>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.<br><br>IAS 1 requires separate line item for intangible assets on the face of statement of financial position.<br><br>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.<br><br>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.<br><br>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.<br><br>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 2023 and corresponding year 2022 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 |
|---|---|---|---|---|---|
| 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 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank. |
| 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 2023 and corresponding year 2022 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 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.<br><br>There is no financial impact for this departure but there is a disclosure in the financial statements. |
| 10 | Impairment of Margin Loan (Loans and receivables | IFRS 9 "Financial Instruments" | Measurement after initial recognition at amortized cost and recording of changes through profit and loss. | As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/ CMRRCD/2009-193/196 dated 28 December 2016, provisions for the year 2016 on impairment of principal portion of margin loan shall be kept at 20% on each quarter for the five quarters starting from December 2016. | There is no such impact for this. However, we have been maintaining full provision for unrealized loss (if any) of margin loan in the portfolio. |

| SL. | Nature of Departure | Title of IAS/IFRS | Treatment of IAS/IFRS | Treatment Adopted as per Bangladesh Bank | Financial or Presentation Effect of the Departure |
|---|---|---|---|---|---|
| 11 | Complete set of financial statements | IAS 1 "Presentation of Financial Statements" | As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are<br>i) statement of financial position,<br>ii) statement of profit or loss and other comprehensive income,<br>iii) statement of changes in equity,<br>iv) statement of cash flows,<br>v) notes, comprising significant accounting policies and other explanatory information and<br>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<br>i) balance sheet,<br>ii) profit and loss account,<br>iii) statement of cash flows,<br>iv) statement of changes in equity,<br>v) statement of liquidity,<br>vi) Notes, comprising significant accounting policies and other explanatory information. | Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.<br>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.<br>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 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.<br>There is no financial impact for this departure in the financial statements. |
| 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.<br>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 2023 and corresponding year 2022 have been prepared as per the guideline and templates issued by Bangladesh Bank.<br>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 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.<br>There is no financial impact for this departure in the financial statements. |

Annexure-F

# MIDAS Financing PLC

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

For the period ended from January 01, 2023 to December 31, 2023

### Assessment year 2024-2025

| | | | Taka |
|---|---|---|---|
| **Net profit/(Loss) as per audited accounts** | | | **(579,000,537)** |
| Less: Capital gain from sale of shares of companies- listed with stock exchange for separate calculation" | | | (2,247) |
| Less: Dividend Income for separate calculation | | | 5,930,815 |
| Less: Rental Income for separate calculation | | | 47,874 |
| | | | **5,976,442** |
| **A= Business Income/(Loss)** | | | **(584,976,979)** |
| **B= Add: Inadmissible expenses/Provision** | | | |
| Provision for doubtful debts | | | 852,170,550 |
| Excess Perquisite | | | - |
| Depreciation on fixed assets for separate calculation | | | 20,014,204 |
| | | | **872,184,754** |
| **C= (A+B)** | | | **287,207,775** |
| **D = Less: Admissible expenses** | | | |
| Depreciation on fixed assets as per 3rd schedule | | | 5,440,695 |
| Bad debts Written off during the year | | | - |
| | | | **5,440,695** |
| **E= Income/(Loss) from Business** | | | **281,767,081** |
| **Calculation of Tax :** | | | |
| 1. Income from Business | 281,767,081 | | |
| Less: Loss carry forwarded from previous year- Annex.-3 | (12,289,439) | | |
| Loss carry forwarded for next year | **269,477,642** | X 37.5% | 101,054,116 |
| 2. Income from House Property - Annex.-2 | **33,512** | X 37.5% | 12,567 |
| 3. Dividend Income | **5,930,815** | X 20% | 1,186,163 |
| 4. Capital Gain from sale of share | - | X 10% | - |
| | **Total Tax Liability** | | **102,252,846** |

# MIDAS Financing PLC

## Deferred Tax Calculation

For the year ended December 31, 2023

| | Carrying Amount in Balance Sheet | Tax Base | Taxable/(deductible) temporary difference |
|---|---|---|---|
| **Written down value of own assets** | **249,986,486** | **242,604,892** | **7,381,595** |
| **Applicable tax rate** | | | **37.50%** |
| Deffered Tax Liabilities/(deferred tax assets) | | | 2,768,098 |
| Deffered Tax maintained in the accounts | | | 8,193,123 |
| **Deffered Tax liabilities/(deferred tax assets) to be maintained** | | | **(5,425,025)** |

**Fixed Assets**

| Particulars | Opening Balance | Addition | Deletion | Not applicable for depreciation allowance | Rate | Depreciation | WDV |
|---|---|---|---|---|---|---|---|
| Land | 18,005,518 | - | - | - | - | - | 18,005,518 |
| Building (Chattogram) | 8,250,189 | | | | 10% | 825,019 | 7,425,170 |
| Building (Bagura) | 2,301,148 | | | | 10% | 230,115 | 2,071,033 |
| Building (2.5 no of floors MC) Own use | 6,467,922 | | - | | 10% | 646,792 | 5,821,130 |
| Building (NG) Rented | 45,185,039 | | | 45,185,039 | 0% | - | 45,185,039 |
| Building (4 no of floors MC) Rented | 135,268,637 | | | 135,268,637 | 0% | - | 135,268,637 |
| Office Equipment | 4,930,492 | 634,744 | 110,000 | - | 10% | 545,524 | 4,909,712 |
| Computer equipment | 1,486,712 | 845,340 | - | - | 30% | 699,616 | 1,632,436 |
| Furniture & Fixtures | 8,396,690 | 1,098,500 | - | - | 10% | 949,519 | 8,545,671 |
| Motor Vehicle | 156,449 | - | - | - | 20% | 31,290 | 125,159 |
| System & software | 14,666,956 | 461,250 | | - | 10% | 1,512,821 | 13,615,385 |
| | **245,115,752** | **3,039,834** | **110,000** | **180,453,676** | | **5,440,695** | **242,604,892** |

# MIDAS Financing PLC and its subsidiary

## Highlight As Required By Bangladesh Bank

As on December 31, 2023

| SL | Particulars | BDT/% | Solo | | Consolidated | |
|---|---|---|---|---|---|---|
| | | | 2023 | 2022 | 2023 | 2022 |
| 1 | Paid-up capital | BDT | 1,438,925,070 | 1,438,925,070 | 1,438,925,070 | 1,438,925,070 |
| 2 | Total capital | BDT | 966,195,469 | 1,663,607,702 | 976,311,750 | 1,669,131,430 |
| 3 | Capital surplus | BDT | 438,925,070 | 438,925,070 | 438,925,070 | 438,925,070 |
| 4 | Total assets | BDT | 11,613,063,993 | 12,038,147,528 | 11,761,467,718 | 11,992,940,338 |
| 5 | Total deposits | BDT | 5,340,852,788 | 6,008,428,198 | 5,340,852,788 | 5,803,428,198 |
| 6 | Total lease, loans and advances | BDT | 9,569,388,138 | 10,146,585,760 | 9,568,604,497 | 9,950,695,848 |
| 7 | Total contingent liabilities and commitments | BDT | - | - | - | - |
| 8 | Credit deposit ratio | % | 179.17% | 168.87% | 179.16% | 171.46% |
| 9 | Percentage of classified loan against total loans | % | 33.09% | 16.46% | 33.09% | 16.46% |
| 10 | Net profit after taxation | BDT | (675,828,358) | 11,883,110 | (671,236,742) | 8,600,680 |
| 11 | Classified lease, loans and advances | BDT | 3,166,468,150 | 1,669,843,902 | 3,166,468,150 | 1,669,843,902 |
| 12 | Provisions kept against classified loans | BDT | 1,170,206,007 | 554,708,285 | 1,170,206,007 | 554,708,285 |
| 13 | Provision surplus/(deficit) against classified loan | BDT | (138,848,688) | - | (138,848,688) | - |
| 14 | Cost of fund | % | 10.85% | 7.92% | 10.85% | 7.92% |
| 15 | Interest earnings assets | BDT | 9,205,793,220 | 9,664,208,151 | 9,639,845,709 | 9,929,470,932 |
| 16 | Non-interest earnings assets | BDT | 2,407,270,773 | 2,373,939,377 | 2,121,622,009 | 2,063,469,405 |
| 17 | Return on investment in shares (ROI) | % | 2.48% | 4.60% | 2.69% | 4.14% |
| 18 | Return on assets (ROA) | % | -5.71% | 0.10% | -5.65% | 0.07% |
| 19 | Income from investment | BDT | 5,928,568 | 10,963,752 | 8,959,229 | 13,695,355 |
| 20 | Earnings per share (Restated) | BDT | (4.70) | 0.08 | (4.66) | 0.06 |
| 21 | Operating profit per share (Restated) | BDT | 2.11 | 0.82 | 2.23 | 0.92 |
| 22 | Price earning ratio (Restated) | Times | (2.73) | 156.21 | (2.74) | 215.82 |
| 23 | Market price per share | BDT | 12.80 | 12.90 | 12.80 | 12.90 |
| 24 | Net assets value (NAV) per share(Restated) | BDT | 6.71 | 11.56 | 6.79 | 11.60 |



# FINANCIAL

STATEMENTS OF
MIDAS INVESTMENT LIMITED

# INDEPENDENT AUDITORS' REPORT

## To the Shareholders of MIDAS INVESTMENT LIMITED

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **MIDAS INVESTMENT LIMITED** which comprises the statement of financial position as at December 31, 2023 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Company as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

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

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

Management is responsible for the preparation of the financial statements that gives a true and fair view in accordance with IFRSs, The Companies Act, 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

**Report on other Legal and Regulatory Requirements**

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

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

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

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

d) Expenditure incurred were solely for the purpose of the company's business.



Date : 08 May, 2024
Place : Dhaka

Fouzia Haque, FCA
Partner
**FAMES & R**
Chartered Accountants
DVC # : 2405081032AS135002

# MIDAS INVESTMENT LIMITED

## Statement of Financial Position

### As at December 31, 2023

| Particulars | Note | Amount in BDT | |
|---|---|---|---|
| | | December 31, 2023 | December 31, 2022 |
| **ASSET** | | | |
| **Non-current Assets** | | | |
| Property, Plant and Equipment | 3 | 35,485,252 | 35,559,987 |
| Building (Investments Properties) | 4 | 132,880,304 | 136,287,491 |
| Intangible Assets | 5 | 108,943 | 155,636 |
| Long Term Investments | 6 | - | 205,000,000 |
| **Total Non Current Asset** | | **168,474,499** | **377,003,114** |
| **Current Asset** | | | |
| Cash and Cash Equivalents | 7 | 11,379,889 | 16,725,172 |
| Investment in Securities | 8 | 92,478,300 | 94,843,493 |
| Margin Loan to Client | 9 | 29,061,230 | 32,986,010 |
| Rental Income Receivable | 10 | 49,028,338 | 44,338,358 |
| Advance Income Tax | 11 | 68,613,239 | 66,429,837 |
| Deferred Tax | 12 | 6,529,479 | 5,377,608 |
| Other Assets | 13 | 2,681,622 | 963,141 |
| **Total Current Asset** | | **259,772,097** | **261,663,619** |
| **Total Assets** | | **428,246,596** | **638,666,732** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity Attributable to Owners** | | | |
| Share Capital | 14 | 250,000,000 | 250,000,000 |
| Retained Earnings | 15 | 10,115,408 | 5,523,795 |
| **Total Equity** | | **260,115,408** | **255,523,795** |
| **Liabilities** | | | |
| **Non current Liabilities** | | | |
| Long Term Loan | 16 | - | 191,252,591 |
| **Current Liabilities** | | | |
| Short Term Loan | 17 | 29,844,871 | 37,623,331 |
| Provision for Taxation | 18 | 59,078,607 | 52,969,075 |
| Other Liabilities | 19 | 79,207,709 | 101,297,940 |
| **Total Current Liabilities** | | **168,131,186** | **191,890,346** |
| **Total Liabilities** | | **168,131,186** | **383,142,937** |
| **Total Equity and Liabilities** | | **428,246,596** | **638,666,732** |

Annexed notes form integral part of these Financial Statements

Chairman | Director | Chief Executive Officer | Company Secretary

Signed as per our report of even date annexed

Date : 08 May, 2024
Place : Dhaka

Fouzia Haque, FCA
Partner
**FAMES & R**
Chartered Accountants
DVC # : 2405081032AS135002

MIDAS INVESTMENT LIMITED

# Statement of Profit or Loss and Other Comprehensive Income

## For the year ended December 31, 2023

| Particulars | Note | Amount in Taka | |
|---|---|---|---|
| | | January to December 2023 | January to December 2022 |
| Operating income | 20 | 5,342,571 | 5,325,798 |
| Income from Investments in securities | 21 | 3,030,661 | 2,731,602 |
| Operating Expenses | 22 | (4,182,201) | (5,043,179) |
| **Operating income** | | **4,191,031** | **3,014,220** |
| Other Income | 23 | 29,691,461 | 22,892,084 |
| **Total Income** | | **33,882,492** | **25,906,305** |
| **Administrative Expenses** | | | |
| Salary & allowances | | 7,829,585 | 4,806,186 |
| Utility expenses | | 760,525 | 558,516 |
| Bank charges & excise duty | | 424,649 | 85,407 |
| Legal & Professional Fee | | 175,300 | 57,500 |
| Audit Fee | | 57,500 | 57,500 |
| Regulatory fees and charges | 24 | 1,341,270 | 749,000 |
| Printing & Stationary | 25 | 73,507 | 67,202 |
| Postage, stamp and telecommunication | 26 | 199,846 | 155,260 |
| Directors fees | 27 | 74,223 | 137,500 |
| Training | | 5,000 | 2,812 |
| Other expenses | 28 | 473,470 | 1,306,621 |
| Depreciation | 29 | 4,180,829 | 4,042,274 |
| **Total administrative expenses** | | **15,595,704** | **12,025,778** |
| **Profit before provision** | | **18,286,788** | **13,880,527** |
| Provision for investment in shares & Others | 30 | 3,507,315 | 8,750,217 |
| Provision for Rental receivable | | 5,230,200 | 6,048,936 |
| **Profit before taxation** | | **9,549,273** | **(918,626)** |
| **Tax expenses** | | | |
| Current tax | | 6,109,531 | 3,606,448 |
| Deferred Tax | | (1,151,872) | (1,242,641) |
| | | **4,957,660** | **2,363,807** |
| **Profit for the period** | | **4,591,614** | **(3,282,433)** |
| **Earning Per Share** | **31** | **0.18** | **(0.13)** |

Annexed notes form integral part of these Financial Statements

Chairman | Director | Chief Executive Officer | Company Secretary

Signed as per our report of even date annexed

Date : 08 May, 2024
Place : Dhaka

Fouzia Haque, FCA
Partner
**FAMES & R**
Chartered Accountants
DVC # : 2405081032AS135002

## MIDAS INVESTMENT LIMITED

# Statement of Changes in Equity

## For the year ended December 31, 2023

| Particulars | Share capital | Retained earnings | Total equity |
|---|---|---|---|
| Balance as at January 01, 2023 | 250,000,000 | 5,523,795 | 255,523,795 |
| Net Profit for the year | - | 4,591,614 | 4,591,614 |
| Cash dividend paid | - | - | - |
| **Balance as at December 31, 2023** | **250,000,000** | **10,115,408** | **260,115,408** |
| Balance as at January 01, 2022 | 250,000,000 | 8,806,228 | 258,806,228 |
| Net Profit for the year | - | (3,282,433) | (3,282,433) |
| Cash dividend paid | - | - | - |
| **Balance as at December 31, 2022** | **250,000,000** | **5,523,795** | **255,523,795** |

Chairman | Director | Chief Executive Officer | Company Secretary

Date : 08 May, 2024
Place : Dhaka

MIDAS INVESTMENT LIMITED

# Statement of cash Flow

## For the year ended December 31, 2023

| Particulars | Amount in Taka | |
|---|---|---|
| | January to December 2023 | January to December 2022 |
| **Cash flows from Operating Activities** | | |
| Fees & Commission received | 5,342,571 | 5,325,798 |
| Profit/(Loss) from investment in share | 3,030,661 | 2,731,602 |
| Interest received from TDR | 956,667 | 15,029,667 |
| Interest paid against borrowing | (13,341,025) | (23,296,700) |
| Cash payment to employees | (7,829,585) | (4,806,186) |
| Cash Payment for Others expenses | (3,660,737) | (3,227,671) |
| Income Tax Paid | (2,183,402) | (4,602,745) |
| Received from other Income | 24,044,815 | 25,430,501 |
| **Sub Total** | **6,359,964** | **12,584,266** |
| **Changes in Operating Assets and Liabilities** | | |
| Purchase / Sale of Trading Securities | 2,365,193 | (4,714,571) |
| Purchase / Sale of Non Curent Asset | (652,214) | - |
| Other Assets | (1,718,481) | (402,516) |
| Other liabilities | (21,593,474) | 5,569,954 |
| **Sub Total** | **(21,598,975)** | **452,867** |
| **Net cash flow from operating activities** | **(15,239,011)** | **13,037,133** |
| | | |
| **Cash flows from Investing Activities** | | |
| Decrease/(increase) in investment in FDR | 205,000,000 | - |
| Decrease/(increase) in investment in Margin loan | 3,924,779 | (1,359,609) |
| **Net Cash flows by investing activities** | **208,924,779** | **(1,359,609)** |
| | | |
| **Cash flows From Financing Activities** | | |
| Increase/(decrease) of borrowings | (199,031,051) | (7,270,061) |
| **Net Cash flow by Financing Activities** | **(199,031,051)** | **(7,270,061)** |
| | | |
| **Net Increase/ (Decrease) in cash & cash equivalents** | **(5,345,283)** | **4,407,463** |
| **Opening cash and cash-equivalents** | **16,725,172** | **12,317,708** |
| **Closing cash cash-equivalents (D+E)*** | **11,379,889** | **16,725,171** |
| | | |
| **Closing cash and cash-equivalents** | | |
| Cash in hand | 1,602 | 6,957 |
| Cash at bank | 11,378,287 | 16,718,215 |
| **Total:** | **11,379,889** | **16,725,171** |
| **Cash flow per share** | **(0.21)** | **0.18** |

Chairman | Director | Chief Executive Officer | Company Secretary

Date : 08 May, 2024
Place : Dhaka

# MIDAS INVESTMENT LIMITED
# Notes to the financial statements
## For the year ended December 31, 2023

**1.00 Company and it's activities:**

**1.01 Corporate information**

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

**1.02 Company's Activities**

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

**2.00 Significant Accounting Policies:**

**2.01 Basis of Preparation and Presentation of Financial Statements**

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

**2.02 Statement of compliance**

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

**2.03 Components of the Financial Statements**

The Financial Statements comprises the followings:
(a) Statement of Financial Position;
(b) Statement of Profit or Loss and Comprehensive Income;
(c) Statement of Changes in Equity;
(d) Statement of Cash Flows and
(e) Notes to the financial statements.

**2.04 Application of Standards**

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

**IASs:**

IAS-1 Presentation of Financial Statements;
IAS-7 Statement of Cash Flows;
IAS-8 Accounting Policies, Changes in Acounting Estimates and Errors;
IAS-10 Events after the Balance Sheet Date;
IAS-12 Income Taxes;
IAS-16 Property, Plant and Equipment;
IAS-19 Employee Benefits;
IAS-21 The Effects of Changes in Foreign Exchange Rates;
IAS-24 Related Party Disclosures;
IAS-33 Earnings per Share;
IAS-34 Interim Financial Reporting;
IAS-36 Impairment of Assets;
IAS-38 Intangible Assets;
IAS-39 Financial Instrument: Recognition and Measurement;
IAS-40 Investment Property

**IFRSs:**
IFRS-1 First-time Adoption of International Financial Reporting Standards;
IFRS-7 Financial Instrument: Disclosure;
IFRS-8 Operating Segments;
IFRS-9 Financial Instrument;
IFRS-13 Fair Value Measurement;
IFRS-15 Revenue from Contracts with Customers;

**2.05 Going Concern**

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

**2.06 Reporting Period**

The financial period of the company covers 12 (Twelve) months from January 01, 2023 to December 31, 2023

**2.07 Use of estimates and judgment**

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

**2.08 Cash flow statement**

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

**2.09 Cash and cash equivalents**

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

**2.10 Property plant & Equipment:**

**Initial Recognition and measurement**

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of IAS-16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc.

**Subsequent expenditure**

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

**Depreciation**

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

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

**Disposal**
On disposal of Property,Plant and Equipment the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Profit or Loss and Other Comprehensive Income, which is determined with reference to the net book value of the assets and net sale proceeds.Depreciation charged on dispoal assets for upto the date of assets disposal.

**2.11 Impairment of Assets**
The carrying amount of the companies assets are reviewed at each balance sheet date whenever there is any indication of impairment. If any such indication exist, the assets recoverable amounts are estimated. An impairment loss is recognized whenever the carrying amount of the assets or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the Profit and Loss Account.

**2.12 Revenue Recognition**
In accordance with the provisions of the IFRS-15: "Revenue from Contracts with Customers"; revenue from contracts with customers represents the amount that reflects the considerations to which entity expects to be entitled in exchange for goods supplied and service provided to customers during the year. Revenue from contracts with customers is recognized in the statement of profit or loss and other comprehensive income when the performance obligation (supply of promised goods and services) is satisfied. Performance obligation is satisfied at a point in time when customer obtains the control of goods and services. Revenue has been recognized at the time of invoice made for the services rendered by the company.

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

**2.14 Financial assets at fair value through profit or loss**
The financial asset is classified at fair value through profit or loss if it is classified as held for trading is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets are measured at fair value through profit or loss, and changes therein are recognised in profit or loss. Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available for sale.

**2.15 Provision on investment**
As per requirements of IAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

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

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

**2.18 Borrowing cost**
Interest and other cost incurred in the Company in connection with the borrowing of fund are recognized as expenses in the periodin which they are incurred unless such borrowings cost related to acquisition/construction of assets in progress that are required to capitalized as per IAS-23: Borrowing Cost.

**2.19 Taxation**
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. MIDAS INVESTMENT LIMITED is Full fledge Merchant Bank.. As per the Income Tax Ordinance, 1984, provision for tax has been made at the existing rate of 37.5% in respect of business income.

Current tax
Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereto from time to time.

Deferred tax
Deferred tax has been recognized in accordance with the provision of IAS 12: Income Taxes, based on the deductible or taxable temporary difference between the carrying amount of assets/liabilities and its tax base. Deferred tax asset or liability is the amount of income tax recoverable or payable in the future periods recognized in the current period. Deferred tax asset or liability does not create a legal recoverability or liability from or to tax authority. Related deferred tax income/expense is recognized as well in the statement of comprehensive income. Deferred tax assets and liabilities are offsetted if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

**2.20 Earnings Per Share (EPS)**
This represents earnings for the period attributable to the ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit for the period has been considered as fully attributable to ordinary shareholders. Basic earnings per share has been calculated by dividing the net profit or loss by the weighted average number of ordinary shares outstanding during the year. Computation of weighted average number of ordinary shares are required as number of shares outstanding has been changed during the year.

**2.21 Reconciliation of Inter-Company account**
Accounts with regard to inter-company are reconciled regularly and there are no material differences which may affect the financial statements significantly.

**2.22 Related party disclosure**
As per International Accounting Standards (IAS) 24 "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 33.

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

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

**2.25 Uniform accounting policies**
The financial statements of MIDAS Financing PLC and MIDAS Investment Limited have been prepared in accordance with uniform policies of accounting.

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

**2.27 General:**
i) Figures appearing in these Financial Statements have been rounded off to the nearest integer.
ii) Prior year's figures have been shown to ensure comparability with the current year.
iii) Bracket figures are denote negative.

| Note | Particulars | | Amount in Taka | |
|---|---|---|---|---|
| | | | December 31, 2023 | December 31, 2022 |
| 3 | **Property, plant and equipment** | | | |
| | Opening blance | | 42,057,377 | 42,057,377 |
| | Addition during the year | | 652,214 | - |
| | Closing blance | | **42,709,591** | **42,057,377** |
| | **Accumulated Deprection** | | | |
| | Opening blance | | 6,497,391 | 6,016,369 |
| | Addition during the year | | 726,948 | 481,022 |
| | Closing blance | | **7,224,339** | **6,497,391** |
| | **Written down value (WDV)** | | **35,485,252** | **35,559,987** |
| | Details has been shown in the Annexure - A (Property, Plant and Equipment). | | | |
| 4 | **Building (Investment Property)** | | | |
| | Building (Investment Property) at cost | | 176,450,707 | 176,450,707 |
| | Less: Accumulated Depreciation | | 43,570,403 | 40,163,216 |
| | **Written down value (WDV)** | | **132,880,304** | **136,287,491** |
| 5 | **Intangible Assets** | | | |
| | IT Software & System at cost | | 1,155,000 | 1,155,000 |
| | Less: Accumulated amortization | | 1,046,057 | 999,364 |
| | **Written down value (WDV)** | | **108,943** | **155,636** |
| 6 | **Long-term investments -TDR with MFL** | | | |
| | Balance at the beginning of the period | | 205,000,000 | 205,000,000 |
| | Addition during the period | | 956,667 | - |
| | Adjustment during the period | | (205,956,667) | - |
| | | | **-** | **205,000,000** |
| 7 | **Cash and Cash Equlvalents** | | | |
| | Cash in hand | | 1,602 | 6,957 |
| | Cash at bank (Note:7.01) | | 11,378,287 | 16,718,215 |
| | **Balance** | | **11,379,889** | **16,725,172** |
| 7.01 | **Cash at bank** | | | |
| | Standard Bank Ltd. | (CD A/C No. 01433006114) | 22,640 | 333,956 |
| | Mercantile Bank Ltd. | (SND A/C No. 110213123408135) | 2,678,571 | 4,011,373 |
| | Mercantile Bank Ltd. | (CD A/C No. 110211122407841) | 8,676,939 | 12,372,886 |
| | Jamuna Bank Ltd. | SND A/C No.: 1201000110816 | 137 | - |
| | **Balance** | | **11,378,287** | **16,718,215** |
| 8 | **Investment in Securities** | | | |
| | Investments in listed securities | 8.1 | 82,478,300 | 84,843,493 |
| | Investments in non- listed securities | 8.2 | 10,000,000 | 10,000,000 |
| | | | **92,478,300** | **94,843,493** |

**8.1 Investments in listed securities:**

| Particulars | Cost Value | Market Value | Unrealized Gain/(Loss) |
|---|---|---|---|
| Miscellaneous | 20,764,393 | 16,961,400 | (3,802,993) |
| Engineering | 18,447,716 | 14,166,648 | (4,281,068) |
| Fuel & Power | 11,936,361 | 8,809,260 | (3,127,101) |
| Bank | 7,905,013 | 6,954,850 | (950,163) |
| Pharmaceuticals | 7,701,692 | 4,358,100 | (3,343,592) |
| Cement | 4,127,055 | 3,465,000 | (662,055) |
| Textile | 3,339,000 | 2,336,200 | (1,002,800) |
| Information Technology | 3,123,276 | 2,298,941 | (824,335) |
| Ceramics | 2,372,013 | 2,365,000 | (7,013) |
| Insurance | 1,686,703 | 1,345,000 | (341,703) |
| Mutual Fund | 751,650 | 520,000 | (231,650) |
| Chemical | 323,460 | 249,091 | (74,370) |
| **Total amount** | **82,478,300** | **63,829,489** | **(18,648,842)** |

The above represent investment in different listed shares/securities. The investment shows at cost in the Statement of Financial Position. Provision for unrealized loss have been recognized in the statement of Comprehensive Income.

| Note | Particulars | Amount in Taka | |
|---|---|---|---|
| | | December 31, 2023 | December 31, 2022 |
| 8.2 | **Investments in non- listed securities** | | |
| | Arian Chemicals Ltd. | 10,000,000 | 10,000,000 |
| | **Balance** | **10,000,000** | **10,000,000** |
| 9 | **Margin Loan to Client** | | |
| | Margin loan provided to clients for portfolio investment | **29,061,230** | **32,986,010** |
| 10 | **Rental income receivable** | | |
| | Office space | 45,119,793 | 40,846,393 |
| | Garage space | 363,000 | 333,000 |
| | Service charge | 3,545,545 | 3,158,965 |
| | | **49,028,338** | **44,338,358** |
| | **Tenant wise details of the rental income receivable** | | |
| | **Name of Tenant** | **Taka** | |
| | Brandwin Group of companies Ltd. | 44,475,378 | 39,822,598 |
| | Esperto Health Care | 4,154,960 | 4,154,960 |
| | AGEC | 360,600 | 317,400 |
| | MOAR Space- 3rd Floor South side | - | 6,000 |
| | Lanka Bangla Securities Ltd. | 37,400 | 37,400 |
| | **Total** | **49,028,338** | **44,338,358** |
| 11 | **Advance Income Tax** | | |
| | Balance at the beginning of the period | 66,429,837 | 61,684,592 |
| | Add: Addition during the period | 2,183,402 | 4,745,245 |
| | | **68,613,239** | **66,429,837** |
| 12 | **Deferred Tax** | | |
| | Opening balance | (5,377,608) | (4,134,967) |
| | Add: Addition / adjustment during the period | (1,151,872) | (1,242,641) |
| | | **(6,529,479)** | **(5,377,608)** |
| | Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets & its tax base in accordance with the provision of IAS-12. | | |
| | **Computation of deferred tax** | | |
| | Accounting written down value | 168,474,499 | 172,003,114 |
| | Tax base written down value | 185,886,444 | 186,343,401 |
| | temporary differences | (17,411,945) | (14,340,287) |
| | Applicable tax rate | 37.50% | 37.50% |
| | Deferred tax Assets at the end of the period | (6,529,479) | (5,377,608) |
| | Deferred tax assets at the beginning of the year | (5,377,608) | (4,134,967) |
| | Deferred tax (income)/expenses accounted for during the period | **(1,151,872)** | **(1,242,641)** |
| 13 | **Other assets** | | |
| | Advance for IPO (SICL) | 680,000 | - |
| | Advance against purchase of shares | 201,780 | 543,641 |
| | Refundable Security Deposit-CDBL | 200,000 | 200,000 |
| | Advance to Others | 59,498 | 219,500 |
| | Receivable from panel brokers-LBSL | 419,401 | - |
| | Interest Receivable on Margin Loan Receivable | 1,120,944 | - |
| | | **2,681,622** | **963,141** |
| 14 | **Authorised Capital** | | |
| | 100,000,000 ordinary shares of Tk.10/- each | **1,000,000,000** | **1,000,000,000** |
| | **Issued, subscribed and paid up capital** | | |
| | 25,000,000 Ordinary shares of Tk. 10/- each fully paid up. | **250,000,000** | **250,000,000** |

| Note | Particulars | | | Amount in Taka | |
|---|---|---|---|---|---|
| | | | | December 31, 2023 | December 31, 2022 |

**Details are as follows:**

| Sl # | Name of Shareholders | No. of Shares | % of Shareholding | December 31, 2023 | December 31, 2022 |
|---|---|---|---|---|---|
| 1. | MIDAS Financing PLC | 24,999,900 | 99.9996% | 249,999,000 | 249,998,000 |
| 2. | Mr. Bazlur Rahman Khan | 100 | 0.0004% | 1,000 | 1,000 |
| 3 | Mr. Md. Fazlul Hoque | - | - | - | 1,000 |
| | **Total** | **25,000,000** | **100%** | **250,000,000** | **250,000,000** |

| | | | | |
|---|---|---|---|---|
| **15** | **Retained Earnings** | | | |
| | Opening balance | | 5,523,795 | 8,806,228 |
| | Add: Net profit after taxation | | 4,591,614 | (3,282,433) |
| | Less: Dividend declared | | - | - |
| | | | **10,115,408** | **5,523,795** |
| **16** | **Long term loan** | | | |
| | Opening balance | | 191,252,591 | 191,590,830 |
| | Add: Addition during the period | | 9,540,510 | - |
| | | | **200,793,101** | **191,590,830** |
| | Less: Adjustment during the period | | (200,793,101) | (338,239) |
| | | | **-** | **191,252,591** |
| **17** | **Short Term Loan(STL)** | | | |
| | Opening balance | | 37,623,331 | 44,555,153 |
| | Less: Adjustment during the period | | (7,778,460) | (6,931,822) |
| | | | **29,844,871** | **37,623,331** |
| **18** | **Provision for taxation** | | | |
| | Balance at the beginning of the period | | 52,969,075 | 49,362,627 |
| | Add: Addition during the period | | 6,109,531 | 3,606,448 |
| | | | **59,078,606** | **52,969,075** |
| **19** | **Other liabilities** | | | |
| | Withholding Tax & VAT payable | | 51,277 | 47,141 |
| | **Provision for investment in shares** | **19.1** | 18,648,840 | 18,771,442 |
| | **Provision for Margin Loan - Negative Equity** | **19.2** | 7,015,903 | 4,385,987 |
| | **Provision for Rental Income & other Investment** | **19.3** | 29,261,610 | 23,031,410 |
| | **Refundable security money** | **19.4** | 5,363,000 | 4,226,000 |
| | Audit Fee payable | | 57,500 | 57,500 |
| | Clients payable | | 6,205,509 | 10,570,200 |
| | Service charge payable to MFL | | 10,122,685 | 7,973,813 |
| | Interest expense payable (Do- 2921) | | - | 9,205,041 |
| | Interest expense payable (MFL-STL) | | - | 86,731 |
| | Dividend Payable | | - | 20,000,000 |
| | Other Accrued expenses | | 2,481,384 | 2,942,675 |
| | | | **79,207,709** | **101,297,940** |
| **19.1** | **Provision for investment in shares** | | | |
| | Opening balance | | 18,771,442 | 14,310,619 |
| | Addition/(adjustment) during the period | | (122,602) | 4,460,823 |
| | | | **18,648,840** | **18,771,442** |
| **19.2** | **Provision for Margin Loan - Negative Equity** | | | |
| | Opening balance | | 4,385,987 | 963,792 |
| | Addition/(adjustment) during the period | | 2,629,916 | 3,422,195 |
| | | | **7,015,903** | **4,385,987** |
| **19.3** | **Provision for Rental Income & other Investment** | | | |
| | Rental provision for Esperto | | 4,154,960 | 4,154,960 |
| | Rental provision for Brandwin | | 21,106,650 | 15,876,450 |
| | Investment in Placement Share in Arian Chemical | | 4,000,000 | 3,000,000 |
| | | | **29,261,610** | **23,031,410** |
| **19.4** | **Refundable Security money** | | | |
| | Security Deposit - TIB | | 2,856,000 | 2,856,000 |
| | Security Deposit - Brandwin Group Ltd. | | 758,000 | 758,000 |
| | Security Deposit-Eduko Singapore Pte. Ltd. | | 612,000 | 612,000 |
| | Security Deposit-SELISE-SS | | 1,137,000 | - |
| | | | **5,363,000** | **4,226,000** |

| Note | Particulars | | Amount in Taka December 31, 2023 | December 31, 2022 |
|---|---|---|---|---|
| **20** | **Operating Income** | | | |
| | Brokerage Commission | | 729,406 | 1,208,593 |
| | Margin Interest income | | 4,522,716 | 4,035,225 |
| | Yearly BO A/C Maintenance Fee | | 86,000 | 77,500 |
| | BO Account Opening Fee | | 4,000 | 3,000 |
| | IPO Application Fee | | 450 | 1,480 |
| | | | **5,342,571** | **5,325,798** |
| **21** | **Income from Investment in securities:** | | | |
| | Dividend Income | | 1,493,719 | 3,145,645 |
| | Profit /( loss) on sale of Securities | | 1,536,942 | (414,042) |
| | | | **3,030,661** | **2,731,602** |
| **22** | **Operating Expenses** | | | |
| | CDBL Share Maintenance charges | | 132,948 | 165,714 |
| | Interest expenses | | 4,049,253 | 4,875,015 |
| | BO Account charges (opening & renewal) | | - | 2,450 |
| | | | **4,182,201** | **5,043,179** |
| **23** | **Other income** | | | |
| | Rental income-Office space | | 28,529,528 | 28,516,746 |
| | Rental income-Garage space | | 174,000 | 153,000 |
| | Bank interest income- SND A/C | | 21,567 | 11,985 |
| | Other Income | | 9,699 | 6,875 |
| | Net Interest Income | **23.1** | 956,667 | (5,796,521) |
| | | | **29,691,461** | **22,892,084** |
| **23.1** | **Net Interest Income** | | | |
| | Interest income on TDR (D0-2921) | | 956,667 | 16,454,667 |
| | Less: Interest expenses on LTD (D0-2921) | | - | (22,251,188) |
| | **Net Interest Income** | | **956,667** | **(5,796,521)** |
| **24** | **Regulatory fees and charges:** | | | |
| | Holding Tax Expense | | 957,634 | - |
| | License & Renewal Expenses | | 377,636 | 730,000 |
| | Bidding Fee for IPO application-DSE | | 6,000 | 19,000 |
| | | | **1,341,270** | **749,000** |
| **25** | **Printing & Stationeries** | | | |
| | Printing expenses | | - | 16,484 |
| | Office supplies | | 73,507 | 50,718 |
| | | | **73,507** | **67,202** |
| **26** | **Postage, stamp and telecommunication** | | | |
| | Mobile and TnT Bill | | 79,846 | 51,908 |
| | Networking charges | | 120,000 | 100,000 |
| | Stamp | | - | 3,352 |
| | | | **199,846** | **155,260** |
| **27** | **Directors Fees and expenses** | | | |
| | Directors Fees and expenses | | 74,223 | 137,500 |
| | | | **74,223** | **137,500** |
| **28** | **Other expenses** | | | |
| | News Paper & Periodicals | | - | 860 |
| | Repair & Maintenance | | 265,775 | 47,353 |
| | Advertisement Expenses | | - | 28,350 |
| | Travelling & Conveyance | | 11,350 | 13,680 |
| | Entertainment expenses | | 38,620 | 50,869 |
| | Dish and Cable Charge | | 2,100 | 1,500 |
| | Software maintenance charges | | 155,625 | 151,050 |
| | Rent / Rates & Taxes (including Holding Tax) | | - | 980,189 |
| | Business Promotion & Development | | - | 32,770 |
| | | | **473,470** | **1,306,621** |

| Note | Particulars | Amount in Taka | |
|---|---|---|---|
| | | December 31, 2023 | December 31, 2022 |
| 29 | **Depreciation Expenses** | | |
| | Depreciation - Property Plant & Equipment | 726,949 | 481,022 |
| | Depreciation - Investment Property | 3,407,188 | 3,494,551 |
| | Amortization - Intangible Assets | 46,693 | 66,701 |
| | | **4,180,829** | **4,042,274** |
| 30 | **Provision for Investments and Others** | | |
| | Provision for Investment in Securities | 877,398 | 5,460,823 |
| | Provision for Margin Loan - Negative Equity | 2,629,916 | 3,289,394 |
| | | **3,507,315** | **8,750,217** |
| 31 | **Earnings Per Share (Taka)** | | |
| | a. Net profit after tax (Taka) | 4,591,614 | (3,282,433) |
| | b. No. of ordinary share outstanding | 25,000,000 | 25,000,000 |
| | **Earnings Per Share (a/b)** | **0.18** | **(0.13)** |
| 32 | **Non-controlling interest (taka)** | | |
| | 100 ordinary shares* EPS | **18** | **(26)** |
| | **Interest of MFL** | | |
| | 24,999,800 ordinary shares* EPS | **4,591,595** | **(3,282,407)** |

**33 Related parties and transection with it**

MIDAS Financing PLC (MFL) holds 99.9996% share of MIDAS Investment Limited, As a result MFL is the controlling party of the company.

**Related party transaction**

During the period, the Company carried some transactions with related party in the normal course of business. The name of the related party and nature of these transactions have been set out in accordance with the provisions of IAS 24-Related Party Disclosures.

| Name of the party | Relation with the entity | Name / Nature of transaction | 2023 | 2022 |
|---|---|---|---|---|
| MIDAS Financing PLC | Parent | Deposit | - | - |
| MIDAS Financing PLC | Parent | Interest Income | 956,667 | 167,454,667 |
| MIDAS Financing PLC | Parent | Loan | - | - |
| MIDAS Financing PLC | Parent | STL | 29,844,871 | 37,623,331 |
| MIDAS Financing PLC | Parent | Interest expenses | 4,049,253 | 27,126,203 |

MIDAS INVESTMENT LIMITED

# Property, Plant and Equipment

As at 31 December 2023

| Particulars | COST | | | | | DEPRECIATION / AMORTIZATION | | | | Written Down Value as at |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 01.01.2023 | Addition during the period | Disposal/ Adj. during the period | Balance as at 31.12.2023 | Rate % | Balance as at 01.01.2023 | Addition during the period | Disposal/ Adj. during the period | Balance as at 31.12.2023 | 31.12.2023 |
| **1. Free holds Assets:** | | | | | | | | | | |
| Land | 17,655,927 | - | - | 17,655,927 | | - | - | - | - | 17,655,927 |
| Building (Own use) | 22,161,338 | - | - | 22,161,338 | 2.5% | 4,517,620 | 441,093 | - | 4,958,713 | 17,202,626 |
| Furniture & fixtures | 493,237 | 253,862 | - | 747,099 | 15% | 383,627 | 102,372 | - | 485,999 | 261,099 |
| Office decoration | 535,455 | 196,252 | - | 731,707 | 15% | 412,659 | 149,781 | - | 562,440 | 169,267 |
| Office equipment | 165,277 | 51,600 | - | 216,877 | 20% | 151,240 | 12,266 | - | 163,506 | 53,371 |
| Computer & accessories | 1,046,143 | 150,500 | - | 1,196,643 | 33% | 1,032,245 | 21,436 | - | 1,053,681 | 142,962 |
| **Sub Total** | **42,057,377** | **652,214** | **-** | **42,709,591** | | **6,497,391** | **726,948** | **-** | **7,224,339** | **35,485,252** |
| **2. Building (Investment Property):** | | | | | | | | | | |
| Building (Investment Property) | 176,450,707 | - | - | 176,450,707 | 2.5% | 40,163,216 | 3,407,187 | - | 43,570,403 | 132,880,304 |
| **Sub Total** | **176,450,707** | **-** | **-** | **176,450,707** | | **40,163,216** | **3,407,187** | **-** | **43,570,403** | **132,880,304** |
| **3. Intangible Assets:** | | | | | | | | | | |
| IT System & Software | 1,155,000 | - | - | 1,155,000 | 30% | 999,364 | 46,693 | - | 1,046,057 | 108,943 |
| **Sub Total** | **1,155,000** | **-** | **-** | **1,155,000** | | **999,364** | **46,693** | **-** | **1,046,057** | **108,943** |
| **Total As at 31 December 2023** | **219,663,084** | **652,214** | **-** | **220,315,298** | | **47,659,971** | **4,180,829** | **-** | **51,840,800** | **168,474,499** |
| **Total as on 31 December 2022** | **219,663,084** | | **-** | **219,663,084** | | **43,617,697** | **4,042,274** | | **47,659,971** | **172,003,114** |

MIDAS FINANCING PLC
MIDAS Center (10th & 11th Floor)
House-05, Road-16 (New) 27 (Old)
Dhanmondi, Dhaka-1209.

# NOTICE OF THE 28th ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of MIDAS Financing PLC will be held on Thursday, November 14, 2024 at 10.30 a.m. through Hybrid System i.e. combination of physical presence of the shareholders at MIDAS Convention Center, MIDAS Center (12th Floor), House-05, Road-16 (New) 27 (Old), Dhanmondi, Dhaka-1209 and attendance by using the digital platform through the link: https://agmbd.live/midasfinancing 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, 2023 together with the Auditors' Report thereon.
2. To declare dividend for the year ended on December 31, 2023 as recommended by the Board of Directors.
3. To elect/re-elect Directors.
4. To consider and approve the appointment of the Independent Director.
5. To appoint Statutory Auditors for the year to be ended on December 31, 2024 until conclusion of next Annual General Meeting to fix their remuneration.
6. To appoint Corporate Governance Compliance Auditors for the year to be ended on December 31, 2024 and to fix their remuneration.
7. To transact any other business with the permission of the Chair.

By order of the Board

Date: October 23, 2024

(Tanvir Hasan, FCA)
DMD & Company Secretary

**Notes:**

i) The shareholders whose names appear on the Members/Depository Register on the Record Date i.e., Tuesday, October 22, 2024 shall be eligible to attend the AGM of the Company.

ii) The Board of Directors has recommended no Dividend for the year ended on December 31, 2023.

iii) The Detailed procedures for joining and participation will be communicated to the Shareholder's email ID in due course and it would also be available at the Company's website: www.mfl.com.bd

iv) The Members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the Shareholders need to click on the link or scan the QR code and provide their 16-digit Beneficial Owner (BO) ID number/Folio number, name of the respective shareholder, number of shares held on record date and other credential as proof of their identity.

v) A member eligible to attend the Annual General Meeting (AGM) may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, duly filled, signed and stamped at BDT 20 must be sent at the Registered Office of the Company or through email at info@mfl.com.bd at least 72 hours before commencement of the AGM.

vi) The softcopy of the Annual Report 2023 of the Company will be sent to the shareholders' respective e-mail addresses available in their Beneficiary Owners (BO) accounts maintained with the depository. The Hon'ble shareholders are requested to update their email addresses through their respective Depository Participants (DP). However, interested shareholders may collect hard copy of the Annual Report 2023 from the Company's share office by submitting a written request. The Annual Report 2023 will be also available in the Company's official website: www.mfl.com.bd

To get the link of the AGM scan the QR code

**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 PLC

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

## PROXY FORM

I/We.....of.....being a shareholder of MIDAS Financing PLC and entitled to vote, hereby appoint Mr. /Ms ..... as my/ our proxy to attend and vote for me/us and on my/ our behalf at the 28th Annual General Meeting of the Company to be held on Thursday, November 14, 2024 at 10:30 a.m. through Hybrid System i.e. combination of physical presence of the shareholders at MIDAS Convention Center, MIDAS Center (12th Floor), House-05, Road-16 (New) 27 (Old), Dhanmondi, Dhaka-1209 and attendance by using the digital platform or at any adjournment thereof.

Signed this.....day of ……..…….2024

Signature of proxy ……

Signature of Shareholder……..

| Revenue Stamp of Tk. 20/ |
|---|

BO ID:

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | |

No. of Shares held on Record date (October 22, 2024) .....

**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 PLC

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


## ATTENDANCE SLIP

I hereby record my attendance at the 28th Annual General Meeting of the Company to be held on Thursday, November 14, 2024 at 10:30 a.m. through Hybrid System i.e. combination of physical presence of the shareholders at MIDAS Convention Center, MIDAS Center (12th Floor), House-05, Road-16 (New) 27 (Old), Dhanmondi, Dhaka-1209 and attendance by using the digital platform.

Name of the Member/Proxy .....

BO ID:

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | |

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

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

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

# Branches/ Booths of MFL

### Chattagram
Excel SM Tower (1st Floor)
62, Zakir Hossain Road
East Nasirabad, Khulshi, Chattagram
Phone: 01971 818 808, 031-632 417

### Khulna
Fatema Tower (2nd Floor)
2-A, KDA Avenue, Khulna- 9100
Phone: 02 477 721 857, 01971 896 844

### Bagura
Jamil Shopping Center (3rd Floor), Borogola
Bagura Rangpur Road, Sadar, Bagura
Phone: 02 589 903 561, 02 589 903 566, 01974 096 092

### Narayanganj
81/C B.B Rood (2nd Floor)
2 No. Rail Gate, Narayanganj
Phone: 01985 551 932, 01971 928 308

### Cumilla
Salam Builders Mansion (2nd Floor)
Mogoltuli, Cumilla
Phone: 01973 116 447, 081-69 117

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

### Gazipur
KS Tower (2nd Floor)
Chandana Chowrasta, Gazipur
Phone: 01970 450 482

### Sitakunda
Nibir Biponi Bitan (1st Floor)
Sitakunda, Chattogram
Phone: 01978 488 460, 02 334 456 342

### Islampur
Nurul Haque Tower (2nd Floor)
21 Patoatuly Road, Dhaka-1100
Phone: 02-951 1390, 01973 111 308, 01985 551 906

### Chandpur
35 Haji Mohsin Road (1st Floor)
Chandpur- 3600
Phone: 02 334 486 059, 01970 451 675

### Narsingdi
SK Tower (2nd floor)
House 04, Road: 10, Anaudi Road Narsingdi
Phone: 9446 808, 01979 303 463

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

### Hathazari
SA Shopping Complex (2nd Floor)
Hathazari, Chattogram
Phone: 01713 279 158, 01973 279 158

### Brahmanbaria
Sikder Plaza, Court Road - 144, (3rd Floor)
Bank Potti, Brahmanbaria
Phone: 01816 109 773, 01973 279 157, 02 334 429 144

### Jashore
Sardar Plaza (1st Floor)
135 M. K. Road, Jashore
Phone: 01718 445 935




MIDAS FINANCING PLC
*a real friend of entrepreneurs*

**MIDAS Center**(10th & 11th Floor)
House: 05, Road: 16(new), 27(old)
Dhanmondi, Dhaka-1209, Bangladesh
Tel: 02-9102205, 9102208, 09611221055
E-mail: info@mfl.com.bd
www.mfl.com.bd

Paper Rhyme