

**AUDITORS' REPORT  
AND  
FINANCIAL STATEMENTS  
OF**

**MIDAS FINANCING LIMITED  
& IT'S SUBSIDIARY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**AZIZ HALIM KHAIR CHOUDHURY  
CHARTERED ACCOUNTANTS**

**Phulbari House, House 25, Road 1, Sector 9**

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## **AZIZ HALIM KHAIR CHOUDHURY**

**CHARTERED ACCOUNTANTS**

**EXCLUSIVE CORRESPONDENT FIRM OF PKF INTERNATIONAL**

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### **Independent Auditors' Report to the Shareholders of MIDAS Financing Limited and its Subsidiary**

#### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of MIDAS Financing Limited (the 'Group') and its subsidiary as well as the separate financial statements of MIDAS Financing Limited (the 'Company'), which comprise the consolidated and separate Balance Sheets for the year ended 31 December 2017 and the Consolidated and the separate Profit and Loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements and Internal Controls**

Management is responsible for the preparation of the consolidated financial statements of the Group and also the separate financial statements of the Company that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank, Bangladesh Securities and Exchange rules 1987, 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Company based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and the separate financial statements of the Company. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Company, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements of the Group and the separate financial statements of the Company that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements of the Group and the separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company for the year ended December 31, 2017 and of the consolidated and the separate financial performance and cash flows of the Company for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the applicable sections of the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

### **Emphasis of Matter**

We draw attention to the following matters though our opinion is not qualified in respect of the same:

We draw attention to Note 16 & 17(a) to the financial statements for the years 2017 and 2016 which describe that the group has transferred an amount of Taka 40.00 million this year and 120.00 million last year to retained earnings from statutory reserve account, which if not been transferred, the balance in retained earnings/(loss) account would have been Taka (2.40) million instead of existing Taka 157.60 million.

### **Report on Other Legal and Regulatory Requirements**

**We also report that:**

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) financial statements of a subsidiary company, MIDAS Investment Limited, have been audited by Mahfel Huq & Co. Chartered Accountants and have been properly reflected in the consolidated financial statements and issued unqualified reports;
- (c) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books and proper



returns adequate for the purposes of our audit have been received from branches not visited by us;

- (d) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and profit and loss account of the Company together with annexed note from 1 to 38 dealt with by the report are in agreement with the books of account and returns, so far as it appeared from our examination on a test basis;
- (e) the expenditure incurred during the year were for the purposes of the business of the Company;
- (f) the Company has complied with relevant laws pertaining to capital and reserves and found satisfactory except as stated above.
- (g) the consolidated financial statements of the Group and the separate financial statements of the Company have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanations required by us have been received and found satisfactory; and
- (k) we have reviewed over 80% of the risk weighted assets of the Company and we have spent over 1630 person hours for this audit.

Dhaka  
April 15, 2018

*Dr. Jamshed S.A. Choudhury*  
Aziz Halim Khair Choudhury  
Chartered Accountants

**MIDAS Financing Limited and its subsidiary**  
**Consolidated Balance Sheet**  
 As at December 31, 2017



Particulars	Note	Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		<b>195,587,763</b>	<b>150,450,172</b>
Cash in hand	3(a)	14,749,782	10,881,991
Balance with Bangladesh Bank and its agent	3(b)	180,837,981	139,568,181
<b>Balance with other banks and financial institutions</b>		<b>314,624,699</b>	<b>474,416,305</b>
Inside Bangladesh	4(a)	314,624,699	474,416,305
Outside Bangladesh		-	-
<b>Money at call and short notice</b>	5	-	-
<b>Investments</b>		<b>346,801,198</b>	<b>266,064,975</b>
Government		-	-
Others	6(a)	346,801,198	266,064,975
<b>Lease, loans and advances</b>	7(a)	<b>10,099,435,603</b>	<b>8,771,092,786</b>
<b>Fixed assets including land, building, furniture and fixtures</b>	8(a)	<b>499,654,700</b>	<b>512,586,301</b>
<b>Other assets</b>	9(a)	<b>281,069,208</b>	<b>169,146,822</b>
<b>Non-banking assets</b>	10	<b>80,765,467</b>	<b>52,700,000</b>
<b>Total Assets</b>		<b>11,817,938,638</b>	<b>10,396,457,360</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11(a)	<b>1,394,821,193</b>	<b>1,336,884,759</b>
<b>Deposits and other accounts</b>		<b>7,742,485,146</b>	<b>6,656,210,874</b>
Term deposits	12(a)	7,725,037,322	6,637,383,599
Other deposits	12(b)	17,447,824	18,827,275
<b>Other liabilities</b>	13(a)	<b>1,240,111,777</b>	<b>1,249,316,825</b>
<b>Total Liabilities</b>		<b>10,377,418,116</b>	<b>9,242,412,458</b>
<b>Capital/Shareholders' equity</b>		<b>1,440,518,429</b>	<b>1,154,042,735</b>
Paid-up capital	14.2	1,202,686,760	1,202,686,760
General reserve	15	-	-
Statutory reserve	16	80,227,958	61,072,846
Retained earnings	17(a)	157,603,711	(109,716,871)
<b>Non-controlling interest</b>		<b>2,093</b>	<b>2,167</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>11,817,938,638</b>	<b>10,396,457,360</b>
<b>CONSOLIDATED OFF - BALANCE SHEET ITEMS</b>			
<b>OFF - BALANCE SHEET EXPOSURES</b>			
<b>Contingent liabilities</b>	18.1		
Acceptances and endorsements		-	-
Letters of guarantee		200,000,000	75,000,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
		<b>200,000,000</b>	<b>75,000,000</b>
<b>Other commitments</b>	18.2		
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		1,364,618,248	1,105,598,190
Claims against the bank not acknowledged as debts		-	-
<b>Total</b>		<b>1,364,618,248</b>	<b>1,105,598,190</b>
<b>TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES</b>		<b>1,564,618,248</b>	<b>1,180,598,190</b>
<b>Net Assets Value (NAV) Per Share</b>		<b>11.98</b>	<b>9.60</b>

The annexed notes 1 to 38 form an integral part of this consolidated financial statements.

Chairman

Director

Director

Managing Director

Company Secretary

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

*Dr. Jamshed S.A. Choudhury*  
 Aziz Halim Khair Choudhury  
 Chartered Accountants

Dhaka,  
 April 15, 2018

**MIDAS Financing Limited and its subsidiary**  
**Consolidated Profit and Loss Account**  
**For the year ended December 31, 2017**



Particulars	Note	Amount in Taka	
		Jan 01, 2017 to Dec 31, 2017	July 01, 2015 to Dec 31, 2016
Interest income	20(a)	1,072,106,375	1,228,754,324
Less : Interest on deposits & borrowings, etc.	21(a)	772,373,827	867,171,632
<b>Net interest income</b>		<b>299,732,548</b>	<b>361,582,692</b>
Income from Investment	22(a)	79,251,782	70,479,319
Commission, exchange and brokerage		1,000,000	375,000
Other operating income	23(a)	82,682,327	151,361,022
<b>Total operating income</b>		<b>462,666,657</b>	<b>583,798,033</b>
Salary and allowances	24(a)	109,045,336	162,397,008
Rent, taxes, insurances, electricity, etc.	25(a)	12,504,238	29,764,653
Legal expenses	26(a)	7,989,702	10,051,965
Postage, stamp, telecommunication, etc.	27(a)	2,968,414	5,744,579
Stationery, printing, advertisements, etc.	28(a)	3,272,981	6,007,076
Managing Director's salary and benefits	29	6,343,996	9,675,414
Directors' fees and expenses	30(a)	1,920,550	2,549,324
Auditors' fees		162,278	263,916
Depreciation and repair of company's assets	31(a)	19,844,926	36,383,117
Other expenses	32(a)	8,392,513	11,669,993
<b>Total operating expenses</b>		<b>172,444,935</b>	<b>274,507,045</b>
<b>Profit before Provision</b>		<b>290,221,722</b>	<b>309,290,988</b>
General provisions	33(a)	22,751,405	16,837,885
Specific provisions	33(b)	32,731,579	(110,512,893)
Provisions for diminution in value of investments	33 (c)	8,391,559	8,818,561
Other provisions	33(f)	(28,452,369)	42,892,533
<b>Total Provision</b>		<b>35,422,174</b>	<b>(41,963,914)</b>
<b>Total profit before tax</b>		<b>254,799,548</b>	<b>351,254,902</b>
Current tax	33(d)	40,808,125	80,709,023
Deferred tax	33(e)	(3,962,690)	3,327,632
		<b>36,845,435</b>	<b>84,036,655</b>
<b>Net profit after tax</b>		<b>217,954,113</b>	<b>267,218,247</b>
<b>Attributable to</b>			
Shareholders of the Company		217,953,967	267,218,043
Non-controlling interest		146	204
		<b>217,954,113</b>	<b>267,218,247</b>
<b>Appropriations to</b>			
General reserve	15	-	-
Statutory reserve	16	45,450,766	55,830,012
		<b>45,450,766</b>	<b>55,830,012</b>
<b>Retained surplus</b>		<b>172,503,201</b>	<b>211,388,234</b>
<b>Earnings Per Share (EPS)</b>	34(a)	<b>1.81</b>	<b>2.22</b>

The annexed notes 1 to 38 form an integral part of this consolidated financial statements.

Chairman  
Director  
Director

Managing Director

Company Secretary

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

*Dr. Faruked S.A. Choudhury*

Dhaka,  
April 15, 2018

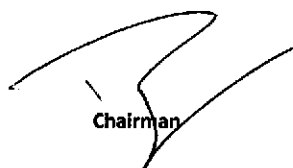
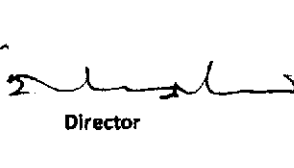
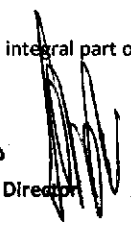

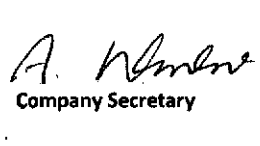
Aziz Halim Khair Choudhury  
Chartered Accountants

**MIDAS Financing Limited and its subsidiary**  
**Consolidated Cash Flow Statement**  
**For the year ended December 31, 2017**



Particulars	Note	Amount in Taka	
		Jan 01, 2017 to Dec 31, 2017	July 01, 2015 to Dec 31, 2016
<b>Cash Flow from Operating Activities</b>			
Interest received		1,035,084,327	1,219,321,069
Interest paid		(694,372,488)	(725,432,417)
Dividend and capital gain received		7,706,502	13,688,940
Fees & commission received		1,000,000	375,000
Recoveries of loans previously written off		10,696,999	22,026,195
Cash payments to employees		(115,389,332)	(172,072,422)
Cash payments to suppliers		(3,272,981)	(6,007,076)
Income tax paid		(50,521,917)	(74,018,312)
Received from other operating activities		153,734,107	208,151,101
Payments for other operating activities		(36,187,866)	(71,190,493)
<b>Operating profit before changes in operating assets &amp; liabilities</b>		<b>308,477,351</b>	<b>414,841,586</b>
<b>Changes in operating assets and liabilities</b>			
Purchases/Sale of trading securities		(80,736,223)	(19,719,699)
Loans and lease finance to customers		(1,444,825,398)	(3,839,312,562)
Other assets		20,267,622	(33,881,576)
Deposits from Banks & Individuals		1,086,274,272	3,471,180,192
Other liabilities		(57,878,317)	50,280,552
<b>Sub Total</b>		<b>(476,898,045)</b>	<b>(371,453,093)</b>
<b>A) Net Cash from Operating Activities</b>		<b>(168,420,694)</b>	<b>43,388,492</b>
<b>Cash flow from Investing Activities</b>			
Sales proceeds of fixed assets		493,400	-
Purchases of Property, Plant & Equipments		(4,663,155)	(7,042,377)
<b>B) Net Cash from Investing Activities</b>		<b>(4,169,755)</b>	<b>(7,042,377)</b>
<b>Cash flow from Financing Activities</b>			
Increase/(decrease) of borrowings		57,936,434	285,481,196
<b>C) Net Cash from Financing Activities</b>		<b>57,936,434</b>	<b>285,481,196</b>
<b>D) Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>		<b>(114,654,015)</b>	<b>321,827,311</b>
<b>E) Cash and cash equivalents at the beginning of the year</b>		<b>624,866,477</b>	<b>303,039,166</b>
<b>F) Cash and cash equivalents at the end of the year (D+E)</b>		<b>510,212,462</b>	<b>624,866,477</b>
<b>Net operating cash flow per share (NOCFPS)</b>		<b>(1.40)</b>	<b>0.36</b>
<b>Cash and cash equivalents at end of the year</b>			
Cash in hand (Including foreign currencies)	3(a)	14,749,782	10,881,991
Balance with Bangladesh Bank and its agent Bank (s)	3(b)	180,837,981	139,568,181
Balance with other banks and financial institutions	4(a)	314,624,699	474,416,305
		<b>510,212,462</b>	<b>624,866,477</b>

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

 Chairman
  Director
  Director
  Managing Director
  Company Secretary

Dhaka,  
April 15, 2018



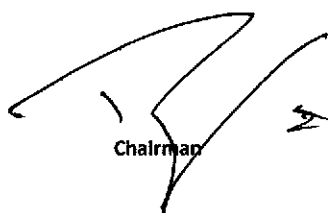
**MIDAS Financing Limited and its subsidiary**  
**Consolidated Statement of Changes in Equity**  
For the year ended December 31, 2017



Amount in Taka

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total	Non Controlling Interest	Total
Balance as at January 1, 2017	1,202,686,760	61,072,846	(109,716,871)	1,154,042,735	2,167	1,154,044,902
Prior year adjustments	-	13,704,346	54,817,381	68,521,727	-	68,521,727
Restated balance as at January 01, 2017	1,202,686,760	74,777,192	(54,899,490)	1,222,564,462	2,167	1,222,566,629
Items involved in changes in equity						
Profit/(Loss) for the period	-	-	217,953,967	217,953,967	146	217,954,113
Transfer from statutory reserve	-	(40,000,000)	40,000,000	-	-	-
Transfer to statutory reserve	-	45,450,766	(45,450,766)	-	-	-
Dividend	-	-	-	-	(220)	(220)
Balance as at December 31, 2017	1,202,686,760	80,227,958	157,603,711	1,440,518,429	2,093	1,440,520,522
Balance as at December 31, 2016	1,202,686,760	61,072,846	(109,716,871)	1,154,042,735	2,167	1,154,044,902

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

  
Chairman

  
Director

  
Director

  
Managing Director

  
Company Secretary

Dhaka,  
April 15, 2018





# MIDAS Financing Limited

## Balance Sheet

As at December 31, 2017



Particulars	Note	Amount in Taka	
		Dec 31, 2017	Dec 31, 2016
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		<b>195,582,326</b>	<b>150,440,172</b>
Cash in hand	3.1	14,744,345	10,871,991
Balance with Bangladesh Bank and its agent	3.2	180,837,981	139,568,181
<b>Balance with other banks and financial institutions</b>		<b>303,631,994</b>	<b>474,016,469</b>
Inside Bangladesh	4.1	303,631,994	474,016,469
Outside Bangladesh		-	-
<b>Money at call and short notice</b>	5	-	-
<b>Investments</b>		<b>273,725,149</b>	<b>227,173,029</b>
Government		-	-
Others	6	273,725,149	227,173,029
<b>Lease, loans and advances</b>	7	<b>10,315,899,131</b>	<b>8,958,918,638</b>
<b>Fixed assets including land, building, furniture and fixtures</b>	8	<b>303,926,690</b>	<b>312,181,249</b>
<b>Other assets</b>	9	<b>473,240,221</b>	<b>379,883,130</b>
<b>Non-banking assets</b>	10	<b>80,765,467</b>	<b>52,700,000</b>
<b>Total Assets</b>		<b>11,946,770,978</b>	<b>10,555,312,686</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11	<b>1,394,821,193</b>	<b>1,336,884,759</b>
<b>Deposits and other accounts</b>		<b>7,947,485,146</b>	<b>6,874,287,259</b>
Term deposits	12.1	7,930,037,322	6,855,459,984
Other deposits		17,447,824	18,827,275
<b>Other liabilities</b>	13	<b>1,172,279,060</b>	<b>1,207,730,646</b>
<b>Total Liabilities</b>		<b>10,514,585,399</b>	<b>9,418,902,664</b>
<b>Capital/Shareholders' equity</b>		<b>1,432,185,579</b>	<b>1,136,410,022</b>
Paid-up capital	14.2	1,202,686,760	1,202,686,760
General reserve	15	-	-
Statutory reserve	16	80,227,958	61,072,846
Retained earnings	17	149,270,861	(127,349,584)
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>11,946,770,978</b>	<b>10,555,312,686</b>
<b>OFF- BALANCE SHEET ITEMS</b>			
<b>OFF - BALANCE SHEET EXPOSURES</b>			
<b>Contingent liabilities</b>	18.1		
Acceptances and endorsements		-	-
Letters of guarantee		200,000,000	75,000,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
		<b>200,000,000</b>	<b>75,000,000</b>
<b>Other commitments</b>	18.2		
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		1,364,618,248	1,105,598,190
Claims against the Bank not acknowledged as debts		-	-
		<b>1,364,618,248</b>	<b>1,105,598,190</b>
<b>TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES</b>		<b>1,564,618,248</b>	<b>1,180,598,190</b>
<b>Net Assets Value (NAV) Per Share</b>		<b>11.91</b>	<b>9.45</b>

The annexed notes 1 to 38 form an integral part of this financial statements.

Chairman

Director

Director

Managing Director

Company Secretary

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

Dhaka,  
April 15, 2018

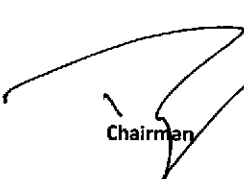
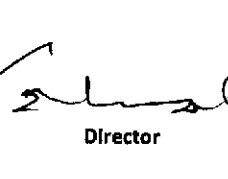

Dr. Jamshed S.A. Choudhury  
Aziz Halim Khair Choudhury  
Chartered Accountants

**MIDAS Financing Limited**  
**Profit and Loss Account**  
For the year ended December 31, 2017



Particulars	Note	Amount in Taka	
		Jan 01, 2017 to Dec 31, 2017	July 01, 2015 to Dec 31, 2016
Interest income	20	1,097,907,498	1,259,338,401
Less : Interest on deposits & borrowings, etc.	21	791,915,607	900,983,286
<b>Net interest income</b>		<b>305,991,891</b>	<b>358,355,115</b>
Income from Investment	22	92,560,500	106,457,255
Commission, exchange and brokerage		1,000,000	375,000
Other operating income	23	53,093,140	108,931,272
<b>Total operating income</b>		<b>452,645,532</b>	<b>574,118,642</b>
Salary and allowances	24	106,126,368	158,896,346
Rent, taxes, insurances, electricity, etc.	25	9,786,946	27,703,790
Legal expenses	26	7,917,252	9,759,613
Postage, stamp, telecommunication, etc.	27	2,932,541	5,744,395
Stationery, printing, advertisements, etc.	28	3,050,971	5,928,031
Managing Director's salary and benefits	29	6,343,996	9,675,414
Directors' fees and expenses	30	1,765,005	2,411,824
Auditors' fees		127,778	221,111
Depreciation and repair of company's assets	31	14,311,392	28,586,825
Other expenses	32	7,557,752	11,453,613
<b>Total operating expenses</b>		<b>159,920,002</b>	<b>260,380,962</b>
<b>Profit before Provision</b>		<b>292,725,529</b>	<b>313,737,680</b>
General provisions		22,751,405	16,837,885
Specific provisions		32,731,579	(110,512,893)
Provisions for diminution in value of investments		3,926,204	9,694,904
Other provisions		(28,452,369)	41,218,293
<b>Total Provision</b>	33	<b>30,956,819</b>	<b>(42,761,811)</b>
<b>Profit before tax</b>		<b>261,768,710</b>	<b>356,499,491</b>
Current tax		38,455,551	74,114,935
Deferred tax		(3,940,671)	3,234,498
<b>Net profit after taxation</b>		<b>34,514,880</b>	<b>77,349,433</b>
<b>Appropriations to</b>		<b>227,253,830</b>	<b>279,150,058</b>
General reserve	15	-	-
Statutory reserve	16	45,450,766	55,830,012
<b>Retained surplus</b>		<b>45,450,766</b>	<b>55,830,012</b>
<b>Earnings Per Share (EPS)</b>	34	<b>1.89</b>	<b>2.32</b>

The annexed notes 1 to 38 form an integral part of this financial statements.

 Chairman  
 Director  
 Director

 Managing Director

 Company Secretary

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

Dhaka,  
April 15, 2018

  
Aziz Halim Khair Choudhury  
Chartered Accountants

**MIDAS Financing Limited**  
**Cash Flow Statement**  
For the year ended December 31, 2017



Particulars	Note	Amount in Taka	
		Jan 01, 2017 to Dec 31, 2017	July 01, 2015 to Dec 31, 2016
<b>Cash Flow from Operating Activities</b>			
Interest received		1,060,885,450	1,249,905,147
Interest paid		(713,914,268)	(759,244,071)
Dividend received		19,575,497	49,667,176
Fees & commission received		1,000,000	375,000
Recoveries of loans previously written off		10,696,999	22,026,195
Cash payments to employees		(112,470,364)	(168,571,760)
Cash payments to suppliers		(3,050,971)	(5,928,031)
Income tax paid		(36,096,751)	(65,244,811)
Received from other operating activities		110,584,863	165,721,351
Payments for other operating activities		(32,128,025)	(68,270,845)
<b>Operating profit before changes in operating assets &amp; liabilities</b>		<b>305,082,430</b>	<b>420,435,351</b>
<b>Changes in Operating Assets and Liabilities</b>			
Purchases/Sale of trading securities		(46,552,120)	(19,221,855)
Loans and lease finance to customers		(1,473,463,074)	(3,850,899,776)
Other assets		24,407,750	(35,721,407)
Deposits from banks & individuals		1,073,197,887	3,471,749,575
Other liabilities		(62,328,946)	55,643,710
<b>Sub Total</b>		<b>(484,738,503)</b>	<b>(378,449,753)</b>
<b>A) Net Cash from Operating Activities</b>		<b>(179,656,072)</b>	<b>41,985,598</b>
<b>Cash flow from Investing Activities</b>			
Sales proceeds of fixed assets		493,400	-
Purchases of Property, Plant & Equipments		(4,016,083)	(6,035,572)
<b>B) Net Cash from Investing Activities</b>		<b>(3,522,683)</b>	<b>(6,035,572)</b>
<b>Cash flow from Financing Activities</b>			
Increase/(decrease) of borrowings		57,936,434	285,481,197
<b>C) Net Cash from Financing Activities</b>		<b>57,936,434</b>	<b>285,481,197</b>
<b>D) Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>		<b>(125,242,321)</b>	<b>321,431,224</b>
<b>E) Cash and cash equivalents at the beginning of the year</b>		<b>624,456,641</b>	<b>303,025,417</b>
<b>F) Cash and cash equivalents at the end of the year (D+E)</b>		<b>499,214,320</b>	<b>624,456,641</b>
<b>Net operating cash flow per share (NOCFPS)</b>		<b>(1.49)</b>	<b>0.35</b>
<b>Cash and cash equivalents at end of the year</b>			
Cash in hand (Including foreign currencies)	3.1	14,744,345	10,871,991
Balance with Bangladesh Bank and its agent Bank (s)	3.2	180,837,981	139,568,181
Balance with other banks and financial institutions	4	303,631,994	474,016,468
		<b>499,214,320</b>	<b>624,456,641</b>

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

Chairman

Director

Director

Managing Director

Company Secretary

Dhaka,  
April 15, 2018




**MIDAS Financing Limited**  
**Statement of Changes in Equity**  
For the year ended December 31, 2017

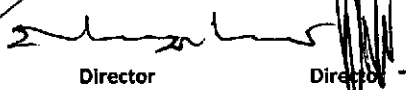


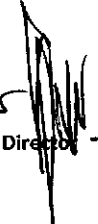
Amount in Taka

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total
Balance as at January 1, 2017	1,202,686,760	61,072,846	(127,349,584)	1,136,410,022
Prior year adjustments	-	13,704,346	54,817,381	68,521,727
Restated balance as at January 01, 2017	1,202,686,760	74,777,192	(72,532,203)	1,204,931,749
Items Involved in changes in equity				
Profit/(Loss) for the period	-	-	227,253,830	227,253,830
Transfer from statutory reserve	-	(40,000,000)	40,000,000	-
Transfer to statutory reserve	-	45,450,766	(45,450,766)	-
Balance as at December 31, 2017	1,202,686,760	80,227,958	149,270,861	1,432,185,579
Balance as at December 31, 2016	1,202,686,760	61,072,846	(127,349,584)	1,136,410,022

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

  
Chairman

  
Director

  
Director

  
Managing Director

  
Company Secretary

Dhaka,  
April 15, 2018



**MIDAS Financing Limited**  
**Liquidity Statement**  
As at December 31, 2017



Amount in Taka

Particulars	Not more than 1 month term	01-03 Months term	03-12 Months term	01-05 Years term	Above 05 years term	Total
<b>Assets</b>						
Cash in hand	14,744,345	-	-	-	-	14,744,345
Balance with Bangladesh Bank and its agent	180,837,981	-	-	-	-	180,837,981
Balance with other banks and financial institutions	43,631,994	95,000,000	165,000,000	-	-	303,631,994
Money at call and short notice	-	-	-	-	-	-
Investments	12,557,785	55,254,254	87,904,495	95,439,165	22,569,450	273,725,149
Lease, loans and advances	900,951,346	648,085,461	1,804,194,519	4,720,218,556	2,242,449,249	10,315,899,131
Fixed assets including land, building, furniture and fixtures	1,022,553	2,045,107	9,202,981	64,420,869	227,235,179	303,926,690
Other assets	115,932,192	7,522,633	8,177,171	69,962,549	271,645,676	473,240,221
Non-banking assets	28,267,913	28,267,913	24,229,641	-	-	80,765,467
<b>Total Assets (i)</b>	<b>1,297,946,110</b>	<b>836,175,368</b>	<b>2,098,708,807</b>	<b>4,950,041,139</b>	<b>2,763,899,554</b>	<b>11,946,770,978</b>
<b>Liabilities</b>						
Borrowings from other banks, financial institutions and agents	237,925,350	96,372,179	117,108,558	943,415,106	-	1,394,821,193
Deposits and other accounts	545,630,181	532,025,310	1,596,075,930	3,884,978,749	1,388,774,976	7,947,485,146
Other liabilities	428,601,979	86,380,366	259,141,099	210,967,847	187,187,768	1,172,279,060
<b>Total Liabilities (ii)</b>	<b>1,212,157,510</b>	<b>714,777,855</b>	<b>1,972,325,587</b>	<b>5,039,361,702</b>	<b>1,575,962,744</b>	<b>10,514,585,399</b>
<b>Net Liquidity Gap (i-ii)</b>	<b>85,788,600</b>	<b>121,397,513</b>	<b>126,383,220</b>	<b>(89,320,563)</b>	<b>1,187,936,810</b>	<b>1,432,185,579</b>



**MIDAS Financing Limited and its subsidiary**  
**Notes to the Consolidated and separate financial statements**  
**As at and for the year ended December 31, 2017**

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

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

MIDAS Financing Limited (MFL) is a Public Company Limited by shares Incorporated on May 16, 1995 under the Companies Act, 1994 and authorized to commence its business operation in Bangladesh as per certificate of commencement of business. The Company obtained license from Bangladesh Bank on October 11, 1999 to operate as a Non Bank Financial Institution under the Financial Institutions Act, 1993. The Company is listed with Dhaka Stock Exchange Ltd. since October 26, 2002 and Chittagong Stock Exchange Ltd. since July 27, 2004 and its shares have been quoted and transacted in stock exchanges in dematerialized form through Central Depository Bangladesh Limited (CDBL) from March 23, 2005. The registered office of the Company is situated at its own premises at MIDAS CENTRE, House # 05, Road # 16 (New)/ 27 (old), Dhanmondi R/A, Dhaka-1209. MIDAS Financing Limited has a subsidiary company named MIDAS Investment Limited (MIL) and MFL holds 99.9992% shares of MIL. MIL was incorporated on 9th April 2012 under the companies Act, 1994 bearing registration number C-100772/12 and operating Merchant Banking Business.

**1.2 Principal activities and nature of operation**

The main activities of the Company include the following:

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

**1.3 Subsidiary Company**

**MIDAS Investment Limited (MIL)**

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

**2. Significant accounting policies**

**2.1 Basis of preparation of the financial statements**

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

**2.2 Prior year adjustment**

During the period, a prior year adjustment was made to retained earnings, tax provision and statutory reserve to accurately reflect the calculation of prior year over due interest receivable, in line with the requirement of Bangladesh Accounting Standards (BAS-8): Accounting Policies, Changes in Accounting Estimates and Errors.

**2.3 Use of estimates and judgments**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

**2.4 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 Bangladesh Financial Reporting Standard 10 "Consolidated Financial Statements". The consolidation of the financial statements have been made after elimination of all material inter-company transactions.

The total profits of the company and its subsidiary are shown in the consolidated profit and loss account with the proportion of profit after tax pertaining to minority shareholders being deducted as "Non controlling interest".



All assets and liabilities of the Company and its subsidiary are shown in the consolidated balance sheet. The interest of minority shareholders of the subsidiary are shown in the consolidated balance sheet under the heading "Non controlling interest".

## 2.5 Risk and uncertainty for use of estimates (Provisions)

The preparation of financial statements in conformity with Bangladesh 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 Bangladesh Accounting Standards (BAS) 37: Provisions, contingent liabilities and contingent assets, provisions are recognized in the following situations:

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

## 2.6 Reporting period

These financial statements cover 12 (Twelve) months period starting from January 01, 2017 to December 31, 2017. The last audited financial statements were presented for a period of 18 (Eighteen) months ending December 31, 2016 as per direction of BSEC to facilitate the adoption of reporting period of January to December in compliance to the requirement of the National Board of Revenue.

## 2.7 Comparative Information

As per section 9(f) of Finance Act 2015 the financial year of MFL has been changed to January-December instead of July-June. On its way to conversion the company prepared its last financial statements for a period of eighteen (18) months from July 2015 to December 2016 and accordingly the financial statements are audited and published. During the year 2017 financial statements of MFL and its subsidiary have been prepared for Twelve (12) months (January to December) and comparative figures have been presented as per last audited financial statements of eighteen (18) months. As a result comparative figures of last year are not entirely comparable with the current years presentation (referred to para 36 of BAS-1).

## 2.8 Functional and presentation currency

These financial statements are presented in Taka, which is the company's functional currency.

## 2.9 Cash flow statement

Cash flow statement can be prepared using either direct method or the indirect method as per BAS 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 BRPD Circular 14, cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.

## 2.10 Accounting for leases

Lease transactions are accounted for as per BAS 17, "Leases". Products leased to customer under agreements that transfer substantially all the risk and rewards associated with ownership, other than legal title, to the customer is regarded as Finance Lease.

## 2.11 Fixed assets (property, plant and equipment) and depreciation

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

2.11.2 Fixed Assets are depreciated based on Reducing Balance and Straight Line Method and rate of depreciation are charged from 2.5% to 30%. Addition to Fixed Assets are depreciated from the month of acquisition for full month irrespective of the date of acquisition of the month of the assets at the applicable rate while no depreciation is charged on any item in the month of disposal.

Assets category	Method	Rate of Depreciation
Land		Nil
Building	Straight Line	2.5%
Office Equipment	Reducing Balance	18%
Computer Equipment	Reducing Balance	18%
Furniture & Fixtures	Reducing Balance	10%
Motor Vehicle	Reducing Balance	20%
Intangible Assets-System & software	Reducing Balance	30%

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

## 2.12 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.



## 2.13 Investments in securities

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

## 2.14 Statutory reserve

NBFIs are required to transfer 20% of the profit to statutory reserve before declaration of dividend as per Financial Institutions Regulations, 1994. MIDAS Financing Limited (MFL) transfers 20% of the post tax profit in compliance with the regulation. During the period, the Company transferred Taka 4 (Four) crore from statutory reserve to retained earnings for the purpose of reduction of negative retained earnings. The said transfer was merely a book transfer and did not affect total equity of the Company. Bangladesh Bank was duly informed about the transfer as per the relevant provision of law.

## 2.15 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. The contributions are invested separately from the Company's assets.

### (b) Gratuity

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

## 2.16 Provision for loans and advances

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

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

Particulars	Rate
<b>General provision on:</b>	
Unclassified loans and advances (SME)	0.25%
Unclassified loans and advances	1%
Special mention account	5%
<b>Specific provision on:</b>	
Substandard loans and advances	20%
Doubtful loans and advances	50%
Bad/loss loans and advances	100%

## 2.17 Income Tax

### 2.17.1 Current tax

Provision for current income tax has been made in accordance with the Income Tax ordinance 1984 and amendment made there to from time to time.

### 2.17.2 Deferred tax

Pursuant to Bangladesh Accounting Standard (BAS) 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.

## 2.18 Revenue recognition

Interest income from loans and other sources is recognized on an accrual basis of accounting. Moment of recognition, amount to be recognized and disclosure requirements of revenue has been made as per BAS 18.

### 2.18.1 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.

### 2.18.2 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.

### 2.18.3 Fees base income

Fees base incomes are taken to income on cash basis.





#### 2.18.4 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.

#### 2.18.5 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.

#### 2.19 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they incur in accordance with BAS 23 "Borrowing Cost".

#### 2.20 Interest suspense account

Accrued interest on lease, term finance, real estate finance, hire purchase agreement duly classified as per relevant Bangladesh Bank BRPD Circular are not recognized as income rather transferred to interest suspense accounts as complied with Bangladesh Bank guidelines. Recovery of overdue credited to interest suspense account is recognized as Income on cash basis.

#### 2.21 Litigation

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

#### 2.22 Earnings per share (EPS)

The Company calculates Earnings Per Share (EPS) in accordance with BAS 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.

#### 2.23 Related party disclosure

As per Bangladesh Accounting Standards (BAS) 24 "Related Party Disclosures", parties are considered to be related if one of the parties 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 related parties. Related party disclosures have been given in Note 37.

#### 2.24 Events after the Reporting Period

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

#### 2.25 Contingent liabilities and contingent assets:

BFRS : There is no concept of off-balance sheet items in any BFRS; 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.

#### 2.26 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 bases:

- 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) Investment are on the basis of their residual maturity terms.
- h) Other long term liabilities on the basis of their maturity terms.
- i) Other liabilities are on the basis of their settlement of terms.



## 2.27 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.

## 2.28 Status of Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

BAS Title	BAS No.	Status
Presentation of Financial Statements	1	Applied*
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant & Equipments	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	N/A
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit plans	26	N/A
Separate Financial Statements	27	Applied
Investments in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Financial Instruments: Presentation	32	Applied*
Earnings per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied*
Investment Property	40	Applied*
Agriculture	41	N/A

BFRS Title	BFRS No.	Status
First-time adoption of International Financial Reporting Standards	1	N/A
Share-Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-Current Assets Held for Sale and Discontinued Operations	5	Applied*
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied*
Operating Segments	8	N/A
Consolidated Financial Statements	10	Applied*
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	Applied*
Fair Value Measurement	13	Applied*
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	N/A

N/A=Not Applicable

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

## 2.29 General

- Figures appearing in these financial statements and notes have been rounded off to the nearest Taka.
- Previous year's figures have been rearranged/restated/reclassified, where necessary, in order to conform to current period's presentation.



Note	Particulars	Ref. Note	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016
<b>3 Cash</b>				
	Cash in hand	3.1	14,744,345	10,871,991
	Balance with Bangladesh Bank and its agent	3.2	180,837,981	139,568,181
			<b>195,582,326</b>	<b>150,440,172</b>
<b>3.1 Cash in hand (Including foreign currencies)</b>				
	In local currency		14,744,345	10,871,991
	In foreign currency		-	-
			<b>14,744,345</b>	<b>10,871,991</b>
<b>3.2 Balance with Bangladesh Bank and its agent (including foreign currencies)</b>				
	In local currency		180,837,981	139,568,181
	In foreign currency		-	-
			<b>180,837,981</b>	<b>139,568,181</b>
<b>3.3 Cash reserve requirement (CRR) and statutory liquidity reserve (SLR)</b>				
Cash Reserve requirement (CRR) and Statutory Liquidity Reserve (SLR) have been calculated and maintained in accordance with the Financial Institutions Act, 1993 and subsequent FID Circular # 06, dated November 06, 2003, FID Circular # 02 dated November 10, 2004.				
The minimum Cash Reserve Requirement on the Company's total term deposits and other deposits (except banks & financial institutions) at the rate of 2.50% has been calculated and maintained with Bangladesh Bank in current account and 5% Statutory Liquidity Reserve, including CRR, on total liabilities has also been maintained in the form of Cash in hand, balance with Bangladesh Bank and other banks and financial institutions, treasury bills, bonds and debentures etc. Both the reserves maintained by the Company are in excess of the statutory requirements as shown below:				
<b>3.4 Cash reserve requirement (CRR)</b>				
	Required reserve		177,857,559	129,425,677
	Actual reserve maintained		180,837,981	139,568,181
	<b>Surplus</b>		<b>2,980,422</b>	<b>10,142,504</b>
<b>3.5 Statutory liquidity reserve (SLR)</b>				
	Required reserve (including CRR)		376,998,687	275,958,734
	Actual reserve held (including CRR)	3.6	499,214,320	624,456,641
	<b>Surplus</b>		<b>122,215,633</b>	<b>348,497,907</b>
<b>3.6 Actual reserve held (including CRR)</b>				
	Cash in hand	3.1	14,744,345	10,871,991
	Balance with Bangladesh Bank	3.2	180,837,981	139,568,181
	Balance with other bank and financial institutions	4	303,631,994	474,016,469
			<b>499,214,320</b>	<b>624,456,641</b>
<b>3(a) Consolidated cash</b>				
	<b>Cash in hand</b>			
	MIDAS Financing Ltd.	3.1	14,744,345	10,871,991
	MIDAS Investment Ltd.		5,437	10,000
			<b>14,749,782</b>	<b>10,881,991</b>
<b>3(b) Balance with Bangladesh Bank and its agents</b>				
	MIDAS Financing Ltd.	3.2	180,837,981	139,568,181
	MIDAS Investment Ltd.		-	-
			<b>180,837,981</b>	<b>139,568,181</b>
			<b>195,587,763</b>	<b>150,450,172</b>



Note	Particulars	Ref. Note	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016
<b>4</b>	<b>Balance with other banks and financial institutions</b>			
	Inside Bangladesh	4.1	303,631,994	474,016,469
	Outside Bangladesh		-	-
			<b>303,631,994</b>	<b>474,016,469</b>
<b>4.1</b>	<b>Inside Bangladesh</b>			
	<b>STD accounts</b>			
	Standard Bank Ltd.		31,767,185	11,062,773
	United Commercial Bank Ltd.		1,320,188	10,164,072
	IFIC Bank Ltd.		64,177	458,164
	Janata Bank Ltd.		6,210	145,602
	Mercantile Bank Ltd.		26,731	25,366
	Uttara Bank Ltd.		46,069	45,755
	Agrani Bank Ltd.		198,751	201,721
	AB Bank Ltd.		972,483	1,518,795
	Dutch Bangla Bank Ltd.		1,178,839	221,894
	Prime Bank Ltd.		1	1
	One Bank Ltd.		900,258	5,046,021
	Premier Bank Ltd.		1,700,126	2,462,687
	Pubali Bank Ltd.		2,228,096	1,396,626
	Jamuna Bank Ltd.		3,199,058	1,241,429
	Shahjalal Islami Bank Ltd.		1,763	2,913
	Mutual Trust Bank Ltd.		22,059	22,651
			<b>43,631,994</b>	<b>34,016,469</b>
	<b>Term deposits</b>			
	United Commercial Bank Ltd.		55,000,000	55,000,000
	Jamuna Bank Ltd.		50,000,000	50,000,000
	Premier Leasing & Finance Ltd.		40,000,000	50,000,000
	Bangladesh Industrial Finance and Investment Company Ltd.		20,000,000	40,000,000
	International Leasing & Financial Services Ltd.		-	50,000,000
	Dutch Bangla Bank Ltd.		45,000,000	45,000,000
	The City Bank Ltd.		50,000,000	50,000,000
	Social Islami Bank Ltd.		-	100,000,000
			<b>260,000,000</b>	<b>440,000,000</b>
			<b>303,631,994</b>	<b>474,016,469</b>
<b>4.2</b>	<b>Maturity grouping of balance with other banks and financial institutions</b>			
	On demand		43,631,994	34,016,469
	Not more than 3 months		95,000,000	90,000,000
	More than 3 months but less than 1 year		165,000,000	350,000,000
	More than 1 year but less than 5 years		-	-
	More than 5 years		-	-
			<b>303,631,994</b>	<b>474,016,469</b>
<b>4(a)</b>	<b>Consolidated balance with other banks and financial institutions</b>			
	<b>Inside Bangladesh</b>			
	MIDAS Financing Ltd.	4.1	303,631,994	474,016,469
	MIDAS Investment Ltd.		215,992,705	218,476,221
	Adjustment for consolidation		(205,000,000)	(218,076,385)
			<b>314,624,699</b>	<b>474,416,305</b>
	<b>Outside Bangladesh</b>			
	MIDAS Financing Ltd.		-	-
	MIDAS Investment Ltd.		-	-
			<b>314,624,699</b>	<b>474,416,305</b>



Note	Particulars	Ref. Note	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016
5	Money at call and short notice		-	-
6	Investment			
	a) Government Securities		-	-
	b) Other Investments			
	Investment in listed securities	6.1	251,155,699	204,603,579
	Investment in unlisted securities	6.2	22,569,450	22,569,450
			<b>273,725,149</b>	<b>227,173,029</b>
6.1	Investment in listed securities (sector wise)			
	Bank		2,751,039	17,106,518
	Financial Institutions		-	4,497,450
	Tannery Industries		16,775,512	-
	Mutual Fund		3,062,640	3,062,640
	Textile		79,668,092	-
	Pharmaceutical and Chemicals		127,669,088	152,478,287
	Fuel and Power		17,440,980	27,373,074
	Cements		1,798,116	-
	Engineering		127,046	85,610
	Information Technology		1,863,186	-
			<b>251,155,699</b>	<b>204,603,579</b>
	Details of listed securities are given below			
	Sector	Number of shares	Market Price Dec 31, 2017	Cost Price
	Bank	100,000	2,640,000	17,106,518
	Financial Institutions	-	-	4,497,450
	Tannery Industries	110,000	16,346,000	-
	Mutual Fund	300,000	2,520,000	3,062,640
	Textile	1,060,000	65,402,000	-
	Pharmaceutical and Chemicals	1,153,000	121,074,400	152,478,287
	Fuel and Power	154,105	16,812,855	27,373,074
	Cements	13,800	2,104,500	-
	Engineering	13,975	967,315	85,610
	Information Technology	47,774	4,667,520	-
			<b>232,534,590</b>	<b>251,155,699</b>
6.2	Investment in unlisted securities	Number of shares		
	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.	88,935	5,000,000	5,000,000
	Bangladesh ventures Ltd.	1,050,000	10,000,000	10,000,000
			<b>22,569,450</b>	<b>22,569,450</b>
6.3	Maturity grouping of investment			
	On demand		12,557,785	10,230,179
	Not more than 3 months		55,254,254	45,012,787
	More than 3 months but less than 1 year		87,904,495	71,611,253
	More than 1 year but less than 5 years		95,439,165	77,749,360
	More than 5 years		22,569,450	22,569,450
			<b>273,725,149</b>	<b>227,173,029</b>
6(a)	Consolidated investment in securities			
	a) Government Securities			
	MIDAS Financing Ltd.		-	-
	MIDAS Investment Ltd.		-	-
			-	-



Note	Particulars	Ref. Note	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016
b) Other Investment				
MIDAS Financing Ltd.				
	Investment in listed securities	6.1	251,155,699	204,603,579
	Investment in unlisted securities	6.2	22,569,450	22,569,450
			<u>273,725,149</u>	<u>227,173,029</u>
MIDAS Investment Ltd.				
	Investment in listed securities		58,362,569	28,891,946
	Investment in unlisted securities		14,713,480	10,000,000
			<u>73,076,049</u>	<u>38,891,946</u>
			<u>346,801,198</u>	<u>266,064,975</u>
7 Lease, Loans and Advances				
a) Inside Bangladesh				
i)	Lease finance		882,777,345	895,918,615
ii)	Term finance		7,703,692,856	6,453,357,896
iii)	Housing finance		1,404,378,728	1,298,418,636
iv)	Staff Loan		27,367,094	21,424,185
v)	Consumer credit		2,816,361	3,150,733
vi)	Interest receivable		294,866,747	286,648,573
	Total loans and lease finance inside Bangladesh		<u>10,315,899,131</u>	<u>8,958,918,638</u>
b) Outside Bangladesh				
			-	-
			-	-
	Total Lease, Loans and Advance (a+b)		<u>10,315,899,131</u>	<u>8,958,918,638</u>
7.a.i Lease finance				
	Opening balance		895,918,615	933,223,078
	Add: Addition during the year		317,900,000	425,250,000
			<u>1,213,818,615</u>	<u>1,358,473,078</u>
	Less: Realization during the year		323,671,786	462,554,463
	Less: Write off		7,369,484	-
	Closing balance		<u>882,777,345</u>	<u>895,918,615</u>
7.a.ii Term finance				
	Opening balance		6,453,357,896	3,270,140,408
	Add: Addition during the year		4,399,451,603	6,061,229,833
			<u>10,852,809,499</u>	<u>9,331,370,241</u>
	Less: Realization during the year		3,040,003,546	2,792,693,409
	Less: Write off		109,113,097	85,318,936
	Closing balance		<u>7,703,692,856</u>	<u>6,453,357,896</u>
7.a.iii Housing finance				
	Opening balance		1,298,418,636	753,295,815
	Add: Addition during the year		402,776,336	842,624,967
			<u>1,701,194,972</u>	<u>1,595,920,782</u>
	Less: Realization during the year		296,816,244	297,502,146
	Closing balance		<u>1,404,378,728</u>	<u>1,298,418,636</u>
7.a.iv Staff loan				
	Opening balance		21,424,185	17,575,597
	Add: Addition during the year		12,147,709	16,745,000
			<u>33,571,894</u>	<u>34,320,597</u>
	Less: Realization during the year		6,204,800	12,896,412
	Closing balance		<u>27,367,094</u>	<u>21,424,185</u>



Note	Particulars	Ref. Note	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016
7.a.v Consumer Credit				
	Opening balance		3,150,733	3,087,158
	Add: Addition during the year		885,000	1,265,000
			<u>4,035,733</u>	<u>4,352,158</u>
	Less: Realization during the year		1,219,372	1,201,425
	Closing balance		<u>2,816,361</u>	<u>3,150,733</u>

**7.a.vi Interest Receivable**

Lease finance	69,171,433	67,671,030
Term finance	182,849,233	189,641,339
Housing finance	36,625,317	23,580,444
Consumer credit	309,680	309,680
Staff Loan	5,911,084	5,446,080
	<b>294,866,747</b>	<b>286,648,573</b>

During the year Tk. 1,933,439.00 against lease finance interest receivable and Tk. 36,598,613.00 against term finance interest receivable have been written off.

**7.1 Residual maturity grouping of lease, loan and advances**

Receivable on demand	900,951,346	761,060,828
Not more than 3 months	648,085,461	683,212,722
Over 3 months but not more than 1 year	1,804,194,519	1,371,440,348
Over 1 year but not more than 5 years	4,720,218,556	4,347,611,170
Over 5 years	2,242,449,249	1,795,593,570
	<b>10,315,899,131</b>	<b>8,958,918,638</b>

**7.2 Investments on the basis of significant concentration**

Lease, loan and advances to the institutions in which Directors have interest	2,813,630	548,474
Lease, loan and advances to Chief Executives and other senior executives	33,278,178	26,870,265
Lease, loan and advances to customer groups	10,279,807,323	8,931,499,899
	<b>10,315,899,131</b>	<b>8,958,918,638</b>

**7.3 Investments allowed to Group exceeding 15% of NBFI's total capital**

Total capital of the company	1,432,185,579	1,136,410,022
15% of company's total capital	214,827,837	170,461,503
Total outstanding amount to such customers at end of the year	1,681,422,572	2,393,456,632
Number of such types of customers	6	11
Amount of Classified Investments thereon	-	-

**7.4 Sector-wise classification of investment**

Sector	As at December 31, 2017		As at December 31, 2016	
	Amount	Composition	Amount	Composition
<b>Trade and Commerce</b>	2,536,501,729	24.59%	1,998,965,949	22.38%
<b>Industry:</b>				
Garments and Knitwear	413,792,055	4.01%	415,606,065	4.65%
Textile	914,693,458	8.87%	964,247,089	10.79%
Food Production/Processing	428,597,235	4.15%	440,340,033	4.93%
Leather & Leather Goods	35,968,920	0.35%	39,240,158	0.44%
Iron, Steel & Engineering	651,643,025	6.32%	105,976,154	1.19%
Pharmaceuticals and Chemicals	144,869,017	1.40%	133,580,414	1.50%
Telecommunication/Information	7,356,290	0.07%	7,975,487	0.09%
Paper, Printing and Packaging	109,940,638	1.07%	54,174,411	0.61%
Jute & Jute Products	6,376,025	0.06%	1,926,757	0.02%
Ship Manufacturing Industry	242,543,527	2.35%	67,446,655	0.76%
Power, Gas, Water & Sanitary	-	0.00%	10,946	0.00%
Transport & Communication	42,334,921	0.41%	77,749,474	0.87%
Agriculture	133,382,187	1.29%	134,960,168	1.51%
Real Estate & Housing	1,441,004,045	13.97%	1,321,999,080	14.80%
Merchant Banking /Loan against	292,867,598	2.84%	250,959,694	2.81%
Others	2,880,750,283	27.93%	2,916,889,839	32.36%
In-house Employees' Loan	33,278,178	0.32%	26,870,265	0.30%
<b>Total</b>	<b>10,315,899,131</b>	<b>100%</b>	<b>8,958,918,638</b>	<b>100.00%</b>



Note	Particulars	Ref. Note	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016

**7.5 Geographical location-wise lease, loans and advances**

Division	As at December 31, 2017		As at 31 December 2016	
	Amount	Composition	Amount	Composition
Dhaka	6,636,328,814	64.33%	5,484,221,638	61.22%
Chittagong	2,645,563,135	25.65%	2,525,553,298	28.19%
Khulna	501,384,634	4.86%	466,770,729	5.21%
Rajshahi	532,622,548	5.16%	482,372,973	5.38%
<b>Total</b>	<b>10,315,899,131</b>	<b>100%</b>	<b>8,958,918,638</b>	<b>100%</b>

**7.6 Grouping of investment as per classification rules of Bangladesh Bank**

Status	As at December 31, 2017		As at 31 December 2016	
	Amount	Composition	Amount	Composition
Unclassified	8,801,117,597	85.32%	7,686,405,338	85.80%
Special mention account (SMA)	491,314,928	4.76%	200,462,365	2.24%
Substandard	136,142,293	1.32%	213,700,343	2.39%
Doubtful	183,095,217	1.77%	169,757,770	1.89%
Bad or loss	704,229,096	6.83%	688,592,822	7.69%
<b>Total</b>	<b>10,315,899,131</b>	<b>100%</b>	<b>8,958,918,638</b>	<b>100.00%</b>

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

Status	Basis for Provision	Rate	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016
Unclassified	4,364,372,773	1%	43,643,728	36,178,478
Unclassified (SME)	4,436,744,824	0.25%	11,091,862	10,106,065
Special mention account	481,164,750	5%	24,058,238	9,757,879
			<b>78,793,827</b>	<b>56,042,422</b>
Substandard	71,263,290	20%	14,252,658	15,015,634
Doubtful	45,749,729	50%	22,874,865	24,783,942
Bad or loss	285,748,975	100%	285,748,975	366,827,923
			<b>322,876,498</b>	<b>406,627,499</b>
Required provision for lease, loan and advances			<b>401,670,325</b>	<b>462,669,921</b>
Required provision for diminution in value of investment			<b>18,621,109</b>	<b>14,694,904</b>
Total provision required			<b>420,291,434</b>	<b>477,364,825</b>
Total provision maintained			<b>420,291,434</b>	<b>477,364,825</b>
Excess/(short) provision at Dec 31, 2017			<b>0</b>	<b>(0)</b>

**7.8 Particulars of Investments:**

(i) Debts considered good in respect of which the MFL is fully secured	1,826,334,433	1,905,135,241
(ii) Debts considered good for which the MFL holds no other security other than the debtor's personal guarantee;	257,602,134	235,725,703
(iii) Debts considered good and secured by personal security of one or more parties in addition to the personal security of the debtors;	8,231,962,564	6,818,057,694
	<b>10,315,899,131</b>	<b>8,958,918,638</b>
(iv) Amount of classified loan in which no provision has been maintained;	-	-
(v) Debts due by directors or officers of the MFL or any of them either severally or jointly with any other person;	33,278,178	26,870,265
(vi) Debts due by companies or firms in which the directors of the MFL are interested as directors, partners or managing agents or, in the case of private companies as members (Note 37.5);	2,813,630	548,474
(vii) Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the MFL or any of them either severally or jointly with any other persons;	3,000,000	5,000,000
(viii) Maximum total amount of advances including temporary advances granted during the period to the companies or firms in which the directors of the MFL are interested as directors, partners or managing agents or in the case of private companies as members;	-	-
(ix) Receivable from other NBFIs;	-	-



Note	Particulars	Ref. Note	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016
(x)	Total amount of advance on which Profit is not credited;		704,229,096	688,592,822
(xi)	Cumulative amount of written off loans and advances:			
	Opening Balance		308,949,340	212,016,673
	Add: Amount Written off during the year		155,014,633	118,958,862
	Less: Amount received of during the year		10,696,999	22,026,195
	Balance of written off loans and advances yet to be recovered		<u>453,266,974</u>	<u>308,949,340</u>

**7(a) Consolidated lease, loans and advances**

<b>Inside Bangladesh</b>				
MIDAS Financing Ltd.		10,315,899,131	8,958,918,638	
MIDAS Investment Ltd.		5,376,679	-	
Adjustment for Consolidation		(221,840,207)	(187,825,852)	
		<u>10,099,435,603</u>	<u>8,771,092,786</u>	

**Outside Bangladesh**

MIDAS Financing Ltd.		-	-	
MIDAS Investment Ltd.		-	-	
		<u>-</u>	<u>-</u>	
		<u>10,099,435,603</u>	<u>8,771,092,786</u>	

**8 Fixed assets including premises, furniture & fixtures**

Free hold assets		303,361,080	311,373,236	
Intangible assets		565,610	808,013	
		<u>303,926,690</u>	<u>312,181,249</u>	

A schedule of fixed assets including land, building, furniture and fixtures is given in Annexure-A

**8(a) Consolidated fixed assets including premises, furniture & fixtures**

MIDAS Financing Ltd.	8	303,926,690	312,181,249	
MIDAS Investment Ltd.		195,728,010	200,405,052	
		<u>499,654,700</u>	<u>512,586,301</u>	

A schedule of consolidated fixed assets including land, building, furniture and fixtures is given in Annexure-B

**9 Others assets**

Interest receivable on FDR		3,315,793	6,177,345	
Investment in MIDAS Investment Ltd.		249,998,000	249,998,000	
Receivable from MIDAS-Admin. expenses		-	113,098	
Advance against purchase of shares		6,949,271	30,032,275	
Advance income tax	9.1	70,047,252	33,950,500	
Advance against expenditure		36,500	238,508	
Advance office rent		6,307,580	4,894,430	
Security deposit	9.2	633,500	633,500	
Receivable against legal expenses		1,869,591	1,869,592	
Stamp, stationery. etc, in hand		445,054	616,739	
Asset held for sale		11,250,246	39,315,713	
Receivable from rental income & others		9,679,226	12,043,429	
Dividend receivable		14,999,880	-	
Over due interest receivable		97,708,328	-	
		<u>473,240,221</u>	<u>379,883,130</u>	



Note	Particulars	Ref. Note	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016
<b>9.1 Advance income tax</b>				
	Opening Balance		33,950,500	124,537,760
	Add: Addition during the year		36,096,752	53,775,349
			<b>70,047,252</b>	<b>178,313,109</b>
	Adjustment during the year		-	144,362,609
			<b>70,047,252</b>	<b>33,950,500</b>
<b>9.2 Security deposit</b>				
	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
			<b>633,500</b>	<b>633,500</b>
<b>9.3 Maturity grouping of other assets</b>				
	Receivable on demand		115,932,192	11,119,460
	Not more than 3 months		7,522,633	7,653,270
	Over 3 months but not more than 1 year		8,177,171	19,875,073
	Over 1 year but not more than 5 years		69,962,549	80,418,676
	Over 5 years		271,645,676	260,816,650
			<b>473,240,221</b>	<b>379,883,130</b>
<b>9(a) Consolidated others assets</b>				
	MIDAS Financing Ltd.	9	473,240,221	379,883,130
	MIDAS Investment Ltd.		57,826,987	39,261,692
	Adjustment for consolidation		(249,998,000)	(249,998,000)
			<b>281,069,208</b>	<b>169,146,822</b>
<b>10 Non-banking assets</b>			<b>80,765,467</b>	<b>52,700,000</b>
	Habib Vegetable Product Ltd.		52,700,000	52,700,000
	Biswas Febrics Ltd.		28,065,467	-
			<b>80,765,467</b>	<b>52,700,000</b>
MIDAS Financing limited has been awarded absolute ownership on 1 mortgaged property (Land) in the year of 2014-15 through verdict of honorable court under sec. 33(7) of Artha Rin Adalat Ain, 2003. The same asset against loan of Habib Vegetable product Ltd was recorded at Tk. 52,700,000.00 as non-banking assets. In 2017 the Company also get verdict against the loan of Tk. 28,065,467.00 of Biswas Febrics Ltd. This assets was also recorded as non banking assets.				
<b>11 Borrowings from other banks, financial institutions and agents</b>				
	Secured		891,700,679	916,051,408
	Unsecured		503,120,515	420,833,351
			<b>1,394,821,194</b>	<b>1,336,884,759</b>
	In Bangladesh		1,394,821,193	1,336,884,759
	Outside Bangladesh		-	-
			<b>1,394,821,193</b>	<b>1,336,884,759</b>
<b>11.1 In Bangladesh</b>				
	Term loan from other Banks & FIs	11.2	820,127,784	868,315,288
	Refinance against SME loan from Bangladesh Bank		57,925,601	110,338,845
	Refinance against housing loan from Bangladesh Bank		12,105,264	13,700,500
	Loan from SME foundation		25,500,000	9,500,000
	Loan from BYEA		126,820	126,820
	Short term loan from Banks & FIs	11.3	259,035,724	104,903,305
	Call loan	11.4	220,000,000	230,000,000
			<b>1,394,821,193</b>	<b>1,336,884,759</b>



Note	Particulars	Ref. Note	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016
<b>11.2</b>	<b>Term loan from other Banks &amp; FIs</b>			
	Uttara Bank Ltd.		-	385,670,597
	One Bank Ltd.		103,330,772	184,602,047
	Jamuna Bank Ltd.		-	200,000,000
	Midland Bank Ltd.		123,963,233	98,042,644
	The UAE Bangladesh Investment Company Ltd.		50,000,000	-
	Madhumoti Bank Ltd.		144,006,603	-
	National Housing Finance & Investment Ltd.		150,000,000	-
	Shahjalal Islami Bank Ltd.		248,827,176	-
			<b>820,127,784</b>	<b>868,315,288</b>
<b>11.3</b>	<b>Short term loan from Banks &amp; FIs</b>			
	Standard Bank Ltd.		54,150,952	7,788,663
	Bangladesh Development Bank Ltd.		-	15,016
	Pubali Bank Ltd.		32,070,837	(842,553)
	United Commercial Bank Ltd.		24,985,154	35,925,803
	Jamuna Bank Ltd.		61,842,406	11,810,316
	City Bank Ltd.		45,671,122	20,026,799
	Dutch Bangla Bank Ltd.		40,238,847	30,179,261
	Modhumoti Bank Ltd.		76,406	-
			<b>259,035,724</b>	<b>104,903,305</b>
<b>11.4</b>	<b>Call loan</b>			
	Standard Bank Ltd.		50,000,000	40,000,000
	Mutual Trust Bank Ltd.		-	100,000,000
	Sonali Bank Ltd.		170,000,000	90,000,000
			<b>220,000,000</b>	<b>230,000,000</b>
<b>11.5</b>	<b>Maturity grouping of borrowings from other banks, financial institutions and agents</b>			
	Repayable on demand		220,126,820	230,000,000
	Within 1 month		17,798,530	77,413,928
	Over 1 months but not more than 6 months		96,372,179	205,000,432
	Over 6 months but not more than 1 year		117,108,558	385,400,118
	Over 1 year but not more than 5 years		943,415,106	394,561,669
	Over 5 years		-	44,508,612
			<b>1,394,821,193</b>	<b>1,336,884,759</b>
<b>11(a)</b>	<b>Consolidated borrowings from other banks, financial institutions and agents</b>			
	<b>Inside Bangladesh</b>			
	MIDAS Financing Ltd.	11	1,394,821,193	1,336,884,759
	MIDAS Investment Ltd.		221,840,207	187,825,852
	Adjustment for consolidation		(221,840,207)	(187,825,852)
			<b>1,394,821,193</b>	<b>1,336,884,759</b>
	<b>Outside Bangladesh</b>			
	MIDAS Financing Ltd.		-	-
	MIDAS Investment Ltd.		-	-
			<b>1,394,821,193</b>	<b>1,336,884,759</b>
<b>12</b>	<b>Deposits and other accounts</b>			
	Term deposits	12.1	7,930,037,322	6,855,459,984
	Security deposits & earnest money		4,844,268	4,844,268
	Advance lease rental		12,603,556	13,983,007
			17,447,824	18,827,275
			<b>7,947,485,146</b>	<b>6,874,287,259</b>



Note	Particulars	Ref. Note	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016
<b>12.1 Term deposits</b>				
	General deposits		6,870,037,322	5,385,459,984
	Deposit from other Banks and Financial institutions	12.2	1,060,000,000	1,470,000,000
			<b>7,930,037,322</b>	<b>6,855,459,984</b>
<b>12.2 Term Deposits from other banks and financial institutions</b>				
	Shahjalal Islami Bank Ltd.		300,000,000	300,000,000
	Modhumoti Bank Ltd.		200,000,000	-
	Agrani Bank Ltd.		200,000,000	-
	South Bangla Agriculture & Commercial Bank Ltd.		100,000,000	100,000,000
	Mutual Trust Bank Ltd.		-	100,000,000
	National Housing Finance Company Ltd.		100,000,000	150,000,000
	Social Islami Bank Ltd.		-	400,000,000
	National Fiance Ltd.		60,000,000	-
	United Finance Ltd.		-	100,000,000
	LankaBangla Finance Ltd.		100,000,000	250,000,000
	GSP Finance Company (BD) Ltd.		-	70,000,000
			<b>1,060,000,000</b>	<b>1,470,000,000</b>
<b>12.3 Maturity analysis of deposits and other accounts</b>				
	Repayable on demand		19,089,786	25,054,968
	Within 1 month		526,540,395	662,425,914
	Over 1 months but not more than 6 months		401,633,096	3,641,906,313
	Over 6 months but not more than 1 year		1,726,468,144	2,116,704,109
	Over 1 year but not more than 5 years		3,884,978,749	278,949,795
	Over 5 years		1,388,774,976	149,246,160
			<b>7,947,485,146</b>	<b>6,874,287,259</b>
<b>12(a) Consolidated deposits and other accounts</b>				
	<b>Term deposits</b>			
	MIDAS Financing Ltd.	12.1	7,930,037,322	6,855,459,984
	MIDAS Investment Ltd.		-	-
	Adjustment for Consolidation		(205,000,000)	(218,076,385)
			<b>7,725,037,322</b>	<b>6,637,383,599</b>
<b>12(b) Other deposits</b>				
	MIDAS Financing Ltd.		17,447,824	18,827,275
	MIDAS Investment Ltd.		-	-
			<b>17,447,824</b>	<b>18,827,275</b>
			<b>7,742,485,146</b>	<b>6,656,210,874</b>
<b>13 Other liabilities</b>				
	Provision for lease, loans & advances	13.1	401,670,324	462,669,921
	Provision for investment in securities	13.2	18,621,109	14,694,904
	Provision for taxation	13.3	106,482,545	68,026,994
	Provision for deferred tax	13.4	19,863,349	23,804,020
	Interest payable on borrowings		18,914,279	17,872,464
	Interest payable on deposits		353,710,929	276,751,405
	Advance against installment		43,615,104	69,227,381
	Advance rent from MIDAS Centre & NGS		7,264,950	27,975,390
	Payable & provision against expenditure	13.5	9,560,827	7,425,157
	Interest suspense	13.6	179,922,818	198,064,717
	Provision for rental income & others		12,652,826	41,218,293
			<b>1,172,279,060</b>	<b>1,207,730,646</b>



Note	Particulars	Ref. Note	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016
<b>13.1</b>	<b>Provision for lease, loans &amp; advances</b>			
	(a) General provision on unclassified loans and advances:			
	Provision held at the beginning of the year		56,042,422	39,204,537
	Net charge to profit & loss account	33	22,751,405	16,837,885
	<b>Balance at the end of the year</b>		<b>78,793,827</b>	<b>56,042,422</b>
	(b) Provision on classified loans and advances:			
	Provision held at the beginning of the year		406,627,499	602,459,328
	Net charge to profit & loss account	33	32,731,579	(110,512,893)
	Less: Write off during the year		(116,482,581)	(85,318,936)
	<b>Provision held at the end of the year</b>		<b>322,876,497</b>	<b>406,627,499</b>
	<b>Total provision</b>		<b>401,670,324</b>	<b>462,669,921</b>
<b>13.2</b>	<b>Provision for investment in securities</b>			
	Provision held at the beginning of the year		14,694,904	5,000,000
	Addition/(Adjustment) during the year		3,926,205	9,694,904
	<b>Balance at the end of the year</b>		<b>18,621,109</b>	<b>14,694,904</b>
<b>13.3</b>	<b>Provision for Taxation</b>			
	Balance at the beginning of the year		68,026,994	135,933,957
	Provision made during the year		38,455,551	74,114,935
	Adjustment during the year		-	(142,021,898)
	<b>Balance at the end of the year</b>		<b>106,482,545</b>	<b>68,026,994</b>
<b>13.4</b>	<b>Provision for deferred tax</b>			
	Balance at the beginning of the year		23,804,019	20,569,522
	Provision made during the year		(3,940,670)	3,234,497
	Adjustment during the year		-	-
	<b>Balance at the end of the year</b>		<b>19,863,349</b>	<b>23,804,019</b>

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 Bangladesh Accounting Standard (BAS) 12.

Deferred tax liability is arrived at as follows:

	Carrying amount at Balance Sheet	Tax Base	Taxable temporary difference
	Taka	Taka	Taka
Fixed assets net of depreciation as on Dec 31, 2017	303,926,690	254,268,319	49,658,372
Applicable Tax Rate			0.40
a) Deferred tax liability as on December 31, 2017			19,863,349
b) Deferred tax liability as on December 31, 2016			23,804,019
Deferred tax (income)/expenses accounted for during the year			(3,940,670)

**13.5 Payable & provision against expenditure**

Payable to CDBL	25,151	127,658
Payable against utilities	5,404,000	1,323,914
Liability for others	731,018	909,891
Audit fees	127,778	108,611
Withholding Vat,tax & excise duty	4,922	3,205,651
CIB fees	1,398,366	814,636
Provision against egal & other charges	1,869,592	934,796
	<b>9,560,827</b>	<b>7,425,157</b>

Note	Particulars	Ref. Note	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016
<b>13.6 Interest suspense</b>				
	Income Suspense-Lease		58,005,106	59,799,577
	Income Suspense-Term finance		103,048,050	125,345,613
	Income Suspense-CCS		309,680	309,680
	Income Suspense - Housing		18,559,982	12,609,847
			<u>179,922,818</u>	<u>198,064,717</u>
<b>Movement of Interest suspense account</b>				
	Balance at the beginning of the year		198,064,717	185,734,785
	Add: Transferred to interest suspense during the year		20,390,153	45,969,857
	Less: Interest suspense realized during the year		-	-
			<u>218,454,870</u>	<u>231,704,642</u>
	Less: Write off during the year		38,532,052	33,639,925
			<u>179,922,818</u>	<u>198,064,717</u>
<b>13.7 Maturity grouping of other liabilities</b>				
	Repayable on demand		363,271,756	284,176,562
	Within 1 month		65,330,224	54,539,182
	Over 1 month but not more than 6 months		132,212,694	122,570,732
	Over 6 months but not more than 1 year		213,308,771	271,379,032
	Over 1 year but not more than 5 years		210,967,847	246,294,195
	Over 5 years		187,187,768	228,770,943
			<u>1,172,279,060</u>	<u>1,207,730,646</u>
<b>13(a) Consolidated other liabilities</b>				
	MIDAS Financing Ltd.	13	1,172,279,060	1,207,730,646
	MIDAS Investment Ltd.		67,832,717	41,586,179
	Adjustment for consolidation		-	-
			<u>1,240,111,777</u>	<u>1,249,316,825</u>
<b>14 Capital</b>				
<b>14.1 Authorized Capital</b>				
	200,000,000 ordinary shares of Tk. 10 each		<u>2,000,000,000</u>	<u>2,000,000,000</u>
<b>14.2 Issued, Subscribed and Paid up Capital</b>				
	120,268,676 fully paid ordinary shares of Tk. 10 each subscribed and paid up by the sponsor Shareholders & General Shareholders		<u>1,202,686,760</u>	<u>1,202,686,760</u>
	Sponsor shareholders group		394,585,940	394,585,940
	General shareholders group		808,100,820	808,100,820
			<u>1,202,686,760</u>	<u>1,202,686,760</u>
<b>General shareholders group</b>				
	Non resident		25,864,780	25,655,020
	Companies & Institutions		412,052,580	438,243,550
	General public		370,183,460	344,202,250
			<u>808,100,820</u>	<u>808,100,820</u>



Note	Particulars	Ref. Note	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016

**Classification of shareholders by holding**

	No. of Shareholders	No. of shares	Percentage of holding shares
Less than 500 shares	1,271	193,958	0.16%
501 to 5,000 shares	1,322	2,648,606	2.20%
5,001 to 10,000 shares	222	1,641,518	1.36%
10,001 to 20,000 shares	151	2,209,796	1.84%
20,001 to 30,000 shares	59	1,497,462	1.25%
30,001 to 40,000 shares	38	1,329,056	1.11%
40,001 to 50,000 shares	20	924,807	0.77%
50,001 to 1,00,000 shares	51	3,554,251	2.96%
1,00,001 & above shares	82	106,269,222	88.35%
<b>Total</b>	<b>3,216</b>	<b>120,268,676</b>	<b>100%</b>

**14.3 Capital adequacy - As per BASEL-II**

**a) Core Capital (Tier-I)**

Paid-up capital	14.2	1,202,686,760	1,202,686,760
Statutory reserve	16	80,227,958	61,072,846
Retained earnings	17	149,270,861	(127,349,583)
		<b>1,432,185,579</b>	<b>1,136,410,023</b>

**b) Supplementary Capital (Tier-II)**

General provision	13.1 (a)	<b>78,793,827</b>	<b>56,042,422</b>
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**c) Total eligible capital (a + b)**

<b>1,510,979,406</b>	<b>1,192,452,445</b>
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**Total assets including off-balance sheet exposures**

<b>13,511,389,225</b>	<b>11,735,910,877</b>
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**d) Total risk weighted assets**

<b>9,071,042,207</b>	<b>6,165,078,895</b>
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**e) Required capital based on risk weighted assets (10% of d)**

<b>907,104,221</b>	<b>616,507,890</b>
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**f) Surplus (c-e)**

<b>603,875,185</b>	<b>575,944,555</b>
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**Capital Adequacy Ratio (%)**

<b>16.66</b>	<b>19.34</b>
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Minimum Capital Requirement (10% of RWA and Tk.100 crore whichever is higher).

**15 General reserve**

Opening balance	-	-
Add: Addition during the year	-	-
	<b>-</b>	<b>-</b>

**16 Statutory reserve**

Opening balance	61,072,846	125,242,834
Add: Prior year adjustment	13,704,346	-
Add: Addition during the year	45,450,766	55,830,012
Less: Transfer to retained earning	(40,000,000)	(120,000,000)
Closing balance	<b>80,227,958</b>	<b>61,072,846</b>

NBFIs are required to transfer 20% of the profit to statutory reserve before declaration of dividend as per Financial Institutions Regulations, 1994. MIDAS Financing Limited (MFL) transfer 20% on post tax profit in compliance with the regulation. During the period the Company transferred Taka 4 (Four) crore from statutory reserve to retained earnings for the purpose of reduction of negative retained earnings. The said transfer was merely a book transfer and did not affect total equity of the Company. Bangladesh Bank was duly informed about the transfer as per the relevant provision of Law.



Note	Particulars	Ref. Note	Amount in Taka	
			Dec 31, 2017	Dec 31, 2016
<b>17 Retained Earnings</b>				
	Opening balance		(127,349,584)	(470,669,630)
	Add: Prior year adjustment		54,817,381	-
	Add: Profit after Tax		227,253,830	279,150,058
	Less: Transfer to statutory reserve		(45,450,766)	(55,830,012)
	Add: Transfer from statutory reserve		40,000,000	120,000,000
	<b>Closing balance</b>		<b>149,270,861</b>	<b>(127,349,584)</b>

During the period a prior year adjustment was made to Retained earnings and Statutory reserve for accurate reflection of the calculation of prior year over due interest receivable. The same was done in line with the requirement of Bangladesh Accounting Standards (BAS-8): Accounting Policies, Changes in Accounting Estimates and Errors.

<b>17(a) Consolidated retained earnings</b>				
	Opening balance		(109,716,871)	(441,104,901)
	Add: Prior year adjustment		54,817,381	-
	Add: Profit after Tax		217,953,967	267,218,042
	Less: Transfer to statutory reserve		(45,450,766)	(55,830,012)
	Add: Transfer from statutory reserve		40,000,000	120,000,000
	<b>Closing balance</b>		<b>157,603,711</b>	<b>(109,716,871)</b>

**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	200,000,000	75,000,000
Irrevocable letters of credit	-	-
Bills for collection	-	-
<b>Total</b>	<b>200,000,000</b>	<b>75,000,000</b>

**18.2 Other commitments**

Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	1,364,618,248	1,105,598,190
Claims against the bank not acknowledged as debts	-	-
<b>Total</b>	<b>1,364,618,248</b>	<b>1,105,598,190</b>





Note	Particulars	Ref. Note	Amount in Taka	
			Jan 01, 2017 to Dec 31, 2017	July 01, 2015 to Dec 31, 2016
<b>19</b>	<b>Profit and Loss Account</b>			
	<b>Income</b>			
	Interest income	20	1,097,907,498	1,259,338,401
	Dividend income	22	34,575,377	49,667,176
	Commission, exchange and brokerage		1,000,000	375,000
	Gains less losses arising from investment securities	22	57,985,123	56,790,079
	Other operating income	23	53,093,140	108,931,272
			<b>1,244,561,138</b>	<b>1,475,101,928</b>
	<b>Expenses:</b>			
	Interest on deposits & borrowings, etc.	21	791,915,607	900,983,286
	Administrative expenses		140,091,608	231,317,023
	Other operating expenses	32	7,557,752	11,453,613
	Depreciation on fixed assets	31(a)	12,270,641	17,610,326
			<b>951,835,608</b>	<b>1,161,364,248</b>
			<b>292,725,530</b>	<b>313,737,680</b>
<b>20</b>	<b>Interest income</b>			
	Interest on lease, loans & advances	20.1	1,069,424,802	1,215,426,075
	Interest on placement with other Banks & FIs	20.2	28,482,696	43,912,326
			<b>1,097,907,498</b>	<b>1,259,338,401</b>
<b>20.1</b>	<b>Interest on lease, loans and advances</b>			
	Interest income on lease finance		108,912,655	156,077,174
	Interest income on term finance		772,989,977	833,947,316
	Interest on housing finance		185,632,898	222,392,534
	Interest on consumer credit		200,683	352,554
	Interest on staff loan		1,688,589	2,656,497
			<b>1,069,424,802</b>	<b>1,215,426,075</b>
<b>20.2</b>	<b>Interest on placement with other Banks &amp; FIs</b>			
	Interest on FDR		22,398,685	41,806,437
	Interest on STD accounts		865,149	1,753,807
	Interest Income-Short term Lending		5,218,862	352,082
			<b>28,482,696</b>	<b>43,912,326</b>
<b>20(a)</b>	<b>Consolidated Interest Income</b>			
	<b>Interest on lease, loans and advances</b>			
	MIDAS Financing Ltd.	20.1	1,069,424,802	1,215,426,075
	MIDAS Investment Ltd.		233,795	-
	Adjustment for consolidation		(26,034,918)	(30,584,077)
			<b>1,043,623,679</b>	<b>1,184,841,998</b>
	<b>Interest on placement with other Banks &amp; FIs</b>			
	MIDAS Financing Ltd.	20.2	28,482,696	43,912,326
	MIDAS Investment Ltd.		19,565,710	33,811,654
	Adjustment for consolidation		(19,565,710)	(33,811,654)
			<b>28,482,696</b>	<b>43,912,326</b>
			<b>1,072,106,375</b>	<b>1,228,754,324</b>



Note	Particulars	Ref. Note	Amount in Taka	
			Jan 01, 2017 to Dec 31, 2017	July 01, 2015 to Dec 31, 2016
<b>21</b>	<b>Interest on deposits and borrowings, etc.</b>			
	Interest paid on deposits		681,635,074	744,226,725
	Interest paid on borrowings	21.1	110,280,533	156,756,561
			<b>791,915,607</b>	<b>900,983,286</b>
<b>21.1</b>	<b>Interest paid on borrowings</b>			
	Interest Expenses on Bank Loan		93,367,179	111,025,986
	Interest Expenses on Call Loan		10,283,750	29,971,431
	Interest Expenses on Re-financing loan		3,750,780	13,935,300
	Borrowing Cost		2,878,824	1,823,844
			<b>110,280,533</b>	<b>156,756,561</b>
<b>21(a)</b>	<b>Consolidated interest on deposit and borrowing, etc.</b>			
	<b>Interest paid on deposits</b>			
	MIDAS Financing Ltd.		681,635,074	744,226,725
	MIDAS Investment Ltd.		23,930	-
	Adjustment for consolidation		(19,565,710)	(33,811,654)
			<b>662,093,294</b>	<b>710,415,071</b>
	<b>Interest paid on borrowings</b>			
	MIDAS Financing Ltd.		110,280,533	156,756,561
	MIDAS Investment Ltd.		26,034,918	30,584,078
	Adjustment for consolidation		(26,034,918)	(30,584,078)
			<b>110,280,533</b>	<b>156,756,561</b>
			<b>772,373,827</b>	<b>867,171,632</b>
<b>22</b>	<b>Income from Investment</b>			
	Income from investment in shares		57,985,123	56,790,079
	Dividend income		34,575,377	49,667,176
			<b>92,560,500</b>	<b>106,457,255</b>
<b>22(a)</b>	<b>Consolidated income from Investment</b>			
	<b>Income from Investment in shares</b>			
	MIDAS Financing Ltd.	22	57,985,123	56,790,079
	MIDAS Investment Ltd.		13,560,057	(96,557)
			<b>71,545,180</b>	<b>56,693,522</b>
	<b>Dividend income</b>			
	MIDAS Financing Ltd.		34,575,377	49,667,176
	MIDAS Investment Ltd.		631,005	1,618,321
			<b>35,206,382</b>	<b>51,285,497</b>
	Dividend from subsidiary		(27,499,780)	(37,499,700)
			<b>79,251,782</b>	<b>70,479,319</b>
<b>23</b>	<b>Other operating Income</b>			
	Transfer price for leased asset		342,977	565,908
	Processing and other fees		10,418,010	19,243,752
	Sale of application form		953,775	1,791,068
	Rental income-MIDAS centre & Nahar green		40,451,687	86,001,601
	Other income	23.1	492,578	1,328,943
	Gain on sale of fixed assets		434,113	-
			<b>53,093,140</b>	<b>108,931,272</b>



Note	Particulars	Ref. Note	Amount in Taka	
			Jan 01, 2017 to Dec 31, 2017	July 01, 2015 to Dec 31, 2016
<b>23.1</b>	<b>Other income</b>			
	Notice pay		129,500	797,345
	News paper & other sales		3,500	16,200
	Miscellaneous income from deposits		296,237	248,142
	Miscellaneous income others		63,341	267,256
			<b>492,578</b>	<b>1,328,943</b>
<b>23(a)</b>	<b>Consolidated other operating income</b>			
	MIDAS Financing Ltd.	23	53,093,140	108,931,272
	MIDAS Investment Ltd.		29,589,187	42,429,750
			<b>82,682,327</b>	<b>151,361,022</b>
<b>24</b>	<b>Salary and allowances</b>		<b>106,126,368</b>	<b>158,896,346</b>
<b>24(a)</b>	<b>Consolidated salary &amp; allowances</b>			
	MIDAS Financing Ltd.	24	106,126,368	158,896,346
	MIDAS Investment Ltd.		2,918,968	3,500,662
			<b>109,045,336</b>	<b>162,397,008</b>
<b>25</b>	<b>Rent, taxes, Insurances, electricity, etc.</b>			
	Rates & taxes		1,703,224	3,695,732
	Office rent		4,510,911	6,300,417
	Insurance		255,852	466,899
	Utilities		3,316,959	17,240,742
			<b>9,786,946</b>	<b>27,703,790</b>
<b>25(a)</b>	<b>Consolidated rent, taxes, insurance, electricity, etc.</b>			
	MIDAS Financing Ltd.	25	9,786,946	27,703,790
	MIDAS Investment Ltd.		2,717,292	2,060,863
			<b>12,504,238</b>	<b>29,764,653</b>
<b>26</b>	<b>Legal expenses</b>			
	Legal/professional fees		3,531,065	4,973,625
	Other legal expenses		4,386,187	4,785,988
			<b>7,917,252</b>	<b>9,759,613</b>
<b>26(a)</b>	<b>Consolidated legal expenses</b>			
	MIDAS Financing Ltd.	26	7,917,252	9,759,613
	MIDAS Investment Ltd.		72,450	292,352
			<b>7,989,702</b>	<b>10,051,965</b>
<b>27</b>	<b>Postage, stamp, telecommunication, etc.</b>			
	Postage & courier expenses		195,674	323,108
	Telephone, mobile, fax and internet		2,736,867	5,421,287
			<b>2,932,541</b>	<b>5,744,395</b>
<b>27(a)</b>	<b>Consolidated postage, stamps, telecommunication, etc.</b>			
	MIDAS Financing Ltd.	27	2,932,541	5,744,395
	MIDAS Investment Ltd.		35,873	184
			<b>2,968,414</b>	<b>5,744,579</b>



Note	Particulars	Ref. Note	Amount in Taka	
			Jan 01, 2017 to Dec 31, 2017	July 01, 2015 to Dec 31, 2016
<b>28</b>	<b>Stationery, printing, advertisements, etc.</b>			
	Stationary		760,674	1,715,748
	Printing		1,004,698	2,081,322
	Advertisement and publicity		1,229,983	1,991,525
	Signboard and banner		55,616	139,436
			<b>3,050,971</b>	<b>5,928,031</b>
<b>28(a)</b>	<b>Consolidated stationery, printing, advertisements, etc.</b>			
	MIDAS Financing Ltd.	28	3,050,971	5,928,031
	MIDAS Investment Ltd.		222,010	79,045
			<b>3,272,981</b>	<b>6,007,076</b>
<b>29</b>	<b>Managing Director's salary and benefits</b>		<b>6,343,996</b>	<b>9,675,414</b>
<b>30</b>	<b>Directors' fees and expenses</b>			
	Honorarium for attending meeting		1,674,400	2,258,117
	Incidental expenses for attending meeting		90,605	153,707
			<b>1,765,005</b>	<b>2,411,824</b>
	Total 13 nos of Board Meeting, 4 nos of Audit Committee Meeting and 13 nos of Executive Committee (EC) Meeting were held during the period of January 01, 2017 to December 31, 2017. Each Director was paid Tk.8,000 for attending in each meeting.			
<b>30(a)</b>	<b>Consolidated directors' fees and expenses</b>			
	MIDAS Financing Ltd.		1,765,005	2,411,824
	MIDAS Investment Ltd.		155,545	137,500
			<b>1,920,550</b>	<b>2,549,324</b>
<b>31</b>	<b>Depreciation and repair of company's assets</b>			
	<b>i) Depreciation of company's assets (Annexure A)</b>			
	Building		8,156,074	11,440,081
	Office equipment		691,793	1,339,058
	Office furniture		1,750,910	2,319,845
	Motor vehicle		402,093	507,906
	Intangible asset		242,403	531,262
	Computer equipment		1,027,367	1,472,174
			<b>12,270,641</b>	<b>17,610,326</b>
	<b>ii) Repair of company's assets</b>			
	Office repair and maintenance		1,381,127	9,969,622
	Car maintenance		659,624	1,006,877
			<b>2,040,751</b>	<b>10,976,499</b>
			<b>14,311,392</b>	<b>28,586,825</b>



Note	Particulars	Ref. Note	Amount in Taka	
			Jan 01, 2017 to Dec 31, 2017	July 01, 2015 to Dec 31, 2016
<b>31(a)</b>	<b>Consolidated depreciation and repair of company's assets</b>			
	<b>a) Depreciation of company's assets (Annexure B)</b>			
	MIDAS Financing Ltd.	31(i)	12,270,641	17,610,326
	MIDAS Investment Ltd.		5,324,114	7,643,977
			<b>17,594,755</b>	<b>25,254,303</b>
	<b>b) Repair of company's assets</b>			
	MIDAS Financing Ltd.	31(ii)	2,040,751	10,976,499
	MIDAS Investment Ltd.		209,420	152,315
			<b>2,250,171</b>	<b>11,128,814</b>
			<b>19,844,926</b>	<b>36,383,117</b>
<b>32</b>	<b>Other expenses</b>			
	Fuel		998,771	1,606,606
	Traveling and conveyance		1,427,767	3,189,182
	Public relation and AGM expenses		801,783	345,808
	News paper & periodicals		59,753	83,007
	Business promotion & development		-	80,340
	Entertainment		945,968	1,415,530
	Training, seminar & w/shop		504,909	810,675
	Membership fees & subscription		1,353,574	858,200
	Bank charge		881,910	1,038,223
	Share management expenses		36,575	1,506,222
	Miscellaneous expenses		350,384	519,820
	Loss on sale of fixed assets		196,359	-
			<b>7,557,752</b>	<b>11,453,613</b>
<b>32(a)</b>	<b>Consolidated other expenses</b>			
	MIDAS Financing Ltd.	32	7,557,752	11,453,613
	MIDAS Investment Ltd.		834,761	216,380
			<b>8,392,513</b>	<b>11,669,993</b>
<b>33</b>	<b>Provision against lease, loans, advances and others</b>			
	General provisions	13.1 (a)	22,751,405	16,837,885
	Specific provisions	13.1 (b)	32,731,579	(110,512,893)
	Provisions for diminution in value of investments	13.2	3,926,204	9,694,904
	Other provisions		(28,452,369)	41,218,293
			<b>30,956,819</b>	<b>(42,761,811)</b>
<b>33(a)</b>	<b>Consolidated provision against loans, lease finance &amp; others</b>			
	<b>General provisions</b>			
	MIDAS Financing Ltd.		22,751,405	16,837,885
	MIDAS Investment Ltd.		-	-
			<b>22,751,405</b>	<b>16,837,885</b>
<b>33(b)</b>	<b>Specific provisions</b>			
	MIDAS Financing Ltd.		32,731,579	(110,512,893)
	MIDAS Investment Ltd.		-	-
			<b>32,731,579</b>	<b>(110,512,893)</b>



Note	Particulars	Ref. Note	Amount in Taka	
			Jan 01, 2017 to Dec 31, 2017	July 01, 2015 to Dec 31, 2016
<b>33(c)</b>	<b>Provisions for diminution in value of investments</b>			
	MIDAS Financing Ltd.		3,926,204	9,694,904
	MIDAS Investment Ltd.		4,465,355	(876,343)
			<u>8,391,559</u>	<u>8,818,561</u>
<b>33(d)</b>	<b>Current tax</b>			
	MIDAS Financing Ltd.		38,455,551	74,114,935
	MIDAS Investment Ltd.		2,352,574	6,594,088
			<u>40,808,125</u>	<u>80,709,023</u>
<b>33(e)</b>	<b>Deferred tax</b>			
	MIDAS Financing Ltd.		(3,940,671)	3,234,498
	MIDAS Investment Ltd.		(22,019)	93,134
			<u>(3,962,690)</u>	<u>3,327,632</u>
<b>33(f)</b>	<b>Other provisions</b>			
	MIDAS Financing Ltd.		(28,452,369)	41,218,293
	MIDAS Investment Ltd.		-	1,674,240
			<u>(28,452,369)</u>	<u>42,892,533</u>
<b>34</b>	<b>Earnings per share (EPS)</b>			
	Net profit after taxation		227,253,830	279,150,058
	Number of ordinary shares outstanding (Denominator)		120,268,676	120,268,676
	Earnings Per Share		<u>1.89</u>	<u>2.32</u>
<b>34(a)</b>	<b>Consolidated Earnings per share (EPS)</b>			
	Consolidated net profit		217,954,113	267,218,246
	Number of ordinary shares outstanding (Denominator)		120,268,676	120,268,676
	Earnings per share		<u>1.81</u>	<u>2.22</u>
<b>35</b>	<b>Number of Employees</b>			
	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 195 (In the year 2017 it was 205).			



### 36 Audit Committee

#### a) Particulars of audit committee

The audit Committee of the Board of Directors is consists of the following 4 (four) members of the Board:

Name	Educational Qualification	Status with MFL	Status with the Committee
Mr. Ali Imam Majumder	M. Sc in Mathematics	Independent Director	Chairman
Ms. Rokla A. Rahman	Graduation in Banking from Karachi, Pakistan.	Chairman	Member
Mr. Siddiquir Rahman Choudhury	B.Sc (Hons), M.Sc (D.U) Diploma in Public Financial Management (University of Connecticut, USA)	Independent Director	Member
Mr.M. Hafizuddin Khan	B.A (Hons) and M.A. in Political Science from D.U.	Director	Member
Mr. Md. Ikramullah*	B.Sc. Engg.(Elect), M.S.(Telecom Engineering)	Director	Member

\*MIDAS withdrew its nomination of Mr. Md. Ikramullah with effect from December 28, 2017.

The members of the Board Audit Committee are all having good exposure in the NBF's business. They are all playing active role in the Board Meeting.

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

Sl.	Meeting No	Date of Meetings	No of Attendances
1	67th Meeting	07.05.2017	4
2	68th Meeting	27.07.2017	5
3	69th Meeting	26.10.2017	4
4	70th Meeting	31.12.2017	4

#### c) Meeting of Audit Committee

During the period January 1, 2017 to December 31, 2017, the Audit Committee of the Board conducted 4 (Four) meetings. In those meetings, among others, the committee reviewed/discussed the following issues:

- i) Audit plan for the year;
- ii) Company's Internal Administrative Policy;
- iii) Quarterly loan, lease classification and recovery position;
- iv) Financial statements and Annual Report of the Company;
- v) Quarterly and Half-yearly financial statements of the Company;
- vi) Internal and External (including Bangladesh Bank) Inspection & Audit Reports;
- vii) Internal control systems and procedures;
- viii) Financial statements of subsidiary company;
- ix) Compliance of legal and regulatory requirements.



37 Related Party Disclosures:

37.1 Name of the Directors and their interest in different entities

Name of Directors	Status with MFL	Entities where they have Interest	Position
Ms. Rokia A. Rahman	Chairman (Nominated by MIDAS)	R.R. Cold Storage Ltd.	Chairman & MD
		Mediaworld Ltd.	Chairman
		Arlinks Ltd.	Chairman
		Mediastar Ltd.	Director
		Aris Holdings Ltd.	Chairman
		Imaan Cold Storage Ltd.	Director
		ABC Radio	Director
		Bangladesh Lamps Ltd.	Independent Director
		Grameen Phone Ltd.	Independent Director
		Marico Bangladesh Ltd.	Independent Director
		MIDAS	Director
		BRAC	Governing Body Member
		Banchte Shekha, Jessore	Chairperson
		Grameen Telecom Trust	Board Member
		Transparency International - Bangladesh (TIB)	Member of Board of Trustees
Mr. Abdul Karim	Director (Nominated by MIDAS)	Presidency University	Member of Board of Trustees
		MIDAS	Director
		SEP Bangladesh	Treasurer
Mr. M. Hafizuddin Khan	Director (Nominated by MIDAS)	VERC	Treasurer
		MIDAS	Director
Ms. Parveen Mahmud*	Director (Nominated by MIDAS)	Shasha Denims Ltd.	Chairman
		Shasha Textiles Ltd.	Chairman
		Shasha Spinning Ltd.	Chairman
		Shasha Apparels Ltd.	Chairman
		Shasha Millners & Textiles Ltd.	Board Member
		Shasha Construction Ltd.	Board Member
		Saburo Indigo Ltd.	Chairman
		Linde Bangladesh Ltd.	Board Member, Chairman-Audit Committee
		BRAC	Association Member & Audit Committee Member
		BRAC International	Board Member, Chairman-Audit Committee
		Campaign for Popular Education (CAMPE)	Board Member & Audit Committee Member
		Palli Karma Sahayak Foundation (PKSF)	Board Member
		Under Privileged Children Education Program (UCEP) Bangladesh	Association Member
		Manusher Jonno Foundation (MJF)	Board Member
		MIDAS	Chairman
		Rangpur Dinajpur Rural Services (RDRS) - Bangladesh	Board Member
		Ghashful	Board Member
		Grameen Phone Ltd.	Board Member
		Grameen Telecom Trust	Managing Director
		Grameen Capital Management Ltd.	Board Member
		Grameen Danone Foods Ltd.	Board Member
		Grameen Krishi Foundation	Board Member
		Grameen Fisheries and Livestock Ltd.	Board Member
		Grameen Health Care Services Ltd.	Board Member
		Grameen Fabrics & Fashions Ltd.	Board Member
		Grameen Knitwear Ltd.	Board Member
		Grameen Distribution Ltd.	Board Member
		Grameen Shamgori Ltd.	Board Member
		Grameen Samajik Byabsha Ltd.	Board Member



Mr. Mohammed Nasir Uddin Chowdhury	Director (Nominated by LankaBangla Finance Ltd.)	LankaBangla Securities Ltd.	Managing Director
		LankaBangla Investment Ltd.	Director
		BD Venture Ltd.	Director
		Bengal Meat Ltd.	Director
		Eastern Cables Ltd.	Director
		FinExcel Ltd.	Vice Chairman
Mr. S.M. Azad Hossain	Director (General Share holder Group)	Nur-Nahar Spinning Mills Ltd.	Executive Director
Mr. Md. Shamsul Alam	Director (General Share holder Group)	Intech Online Ltd.	Director
		Arafat Agro Trade	Proprietor
Mr. Md. Shahedul Alam	Director (General Share holder Group)	RADIO VISION	Partner
		Hay Agro (Pvt) Ltd.	Chairman
		SBL Capital Managemnt Ltd.	Director
Mr. Ali Imam Majumder	Independent Director	MIDAS Investment Ltd.	Director
Mr. Siddiquir Rahman Choudhury	Independent Director	Social Marketing Company Ltd.	Chairman
		SMC Enterprise Ltd.	Chairman

\*MIDAS withdrew its nomination of Mr. Md. Ikramullah and nominated Ms. Parveen Mahmud as representative Director.  
Ms. Parveen Mahmud was appointed as Director with effect from December 28, 2017.

37.2 Significant Contracts where MFL is a party and wherein Directors have interest: Nil

37.3 Shares issued to Directors & Executives without consideration or issued at discount: Nil

37.4 Lending Policies to related parties:

Lending to related parties is effected as per requirements of 4th Schedule Section 14 of the Financial Institutions Act, 1993

37.5 Investment (Lease, Loans and Advances) to Directors and related Concern, (Note-7.2):

Sl.	Name of the Party	Related By	Nature of Investment	Amount in Tk.	Status
i)	Ms. Rokia Afzal Rahman	Sponsor shareholder	Auto loan	2,813,630	Standard
ii)	MIDAS Investment Ltd	Subsidiary company	STL & LTD	221,840,207	Standard
				224,653,837	

38 Events After The Balance Sheet Date:

There is no material adjusting or non adjusting events after the balance sheet date.

38.1 Proposed Dividend

The Board of Directors in its 289th Board Meeting held on April 15, 2018 has recommended to the shareholders @ 10% (percent) Stock Dividend for the year ended December 31, 2017. This will be considered for approval of shareholders at 22nd Annual General Meeting (AGM) of the Company.



**MIDAS Financing Limited**

Fixed assets including land, building, furniture and fixtures

For the year ended December 31, 2017



**ANNEXURE-A**

Amount in Taka

Particulars	C O S T				Rate of Dep	D E P R E C I A T I O N / A M O R T I Z A T I O N				
	Balance as on Jan 1, 2017	Addition/transfer during the period	Disposal/adjustment during the year	Balance as on Dec 31, 2017		Balance as on Jan 1, 2017	Charged for the period	Adjustment/Transfer during the Year	Balance as on Dec 31, 2017	Written down value as on Dec 31, 2017
<b>I. Free holds assets</b>										
Land	19,505,978	-	-	19,505,978		-	-	-	-	19,505,978
Building	326,242,920	-	-	326,242,920	2.5%	61,713,240	8,156,074	-	69,869,314	256,373,606
Office equipment	9,258,554	841,854	427,000	9,673,408	18%	5,683,013	691,793	282,530	6,092,276	3,581,132
Furniture & fixtures	28,277,335	964,830	24,500	29,217,665	10%	11,385,974	1,750,910	12,010	13,124,874	16,092,791
Motor vehicle	8,498,105	2,165,663	2,544,225	8,119,543	20%	7,192,060	402,093	2,527,338	5,066,815	3,052,728
Computer equipment	14,482,370	362,648	499,966	14,345,052	18%	8,917,740	1,027,367	354,901	9,590,206	4,754,846
<b>Sub Total</b>	<b>406,265,262</b>	<b>4,334,995</b>	<b>3,495,691</b>	<b>407,104,566</b>		<b>94,892,027</b>	<b>12,028,238</b>	<b>3,176,779</b>	<b>103,743,486</b>	<b>303,361,080</b>
<b>II. Intangible assets</b>										
System & software	1,339,275	-	-	1,339,275	30%	531,262	242,403	-	773,665	565,610
<b>Total as on Dec 31, 2017</b>	<b>407,604,537</b>	<b>4,334,995</b>	<b>3,495,691</b>	<b>408,443,841</b>		<b>95,423,289</b>	<b>12,270,642</b>	<b>3,176,779</b>	<b>104,517,152</b>	<b>303,926,690</b>
<b>Total as on Dec,31 2016</b>	<b>401,568,966</b>	<b>6,035,572</b>	<b>-</b>	<b>407,604,538</b>		<b>77,812,963</b>	<b>17,610,326</b>	<b>-</b>	<b>95,423,289</b>	<b>312,181,249</b>



**MIDAS Financing Limited and its subsidiary**  
**Consolidated Fixed assets including land, building, furniture and fixtures**  
**For the year ended December 31, 2017**

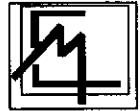


**ANNEXURE-B**  
**Amount in Taka**

Particulars	C O S T				D E P R E C I A T I O N / A M O R T I Z A T I O N				Written down value as on Dec 31, 2017
	Balance as on Jan 1, 2017	Addition/transfer during the period	Disposal/adjustment during the year	Balance as on Dec 31, 2017	Balance as on Jan 1, 2017	Charged for the period	Adjustment/Transfer during the Year	Balance as on Dec 31, 2017	
<b>I. Free holds assets</b>									
Land	37,161,905	-	-	37,161,905	-	-	-	-	37,161,905
Building	524,854,965	-	-	524,854,965	78,537,760	13,121,375	-	91,659,135	433,195,830
Office equipment	9,372,474	871,279	427,000	9,816,753	5,707,401	715,558	282,530	6,140,429	3,676,324
Furniture & fixtures	29,153,686	1,105,874	24,500	30,235,060	11,512,914	1,894,843	12,010	13,395,747	16,839,313
Motor vehicle	8,498,105	2,165,663	2,544,225	8,119,543	7,192,060	402,093	2,527,338	5,066,815	3,052,728
Computer equipment	14,999,549	839,253	499,966	15,338,836	9,312,262	1,218,482	354,901	10,175,843	5,162,992
<b>Sub Total</b>	<b>624,040,684</b>	<b>4,982,069</b>	<b>3,495,691</b>	<b>625,527,062</b>	<b>112,262,397</b>	<b>17,352,352</b>	<b>3,176,779</b>	<b>126,437,970</b>	<b>499,089,091</b>
<b>II. Intangible assets</b>									
System & software	1,339,275	-	-	1,339,275	531,262	242,403	-	773,665	565,610
<b>Total as on Dec 31, 2017</b>	<b>625,379,959</b>	<b>4,982,069</b>	<b>3,495,691</b>	<b>626,866,337</b>	<b>112,793,659</b>	<b>17,594,756</b>	<b>3,176,779</b>	<b>127,211,636</b>	<b>499,654,700</b>
<b>Total as on Dec 31, 2016</b>	<b>618,337,583</b>	<b>7,042,376</b>	<b>-</b>	<b>625,379,959</b>	<b>87,539,356</b>	<b>25,254,303</b>	<b>-</b>	<b>112,793,659</b>	<b>512,586,301</b>



**MIDAS Financing Limited**  
Highlight as required by Bangladesh Bank



SL #	PARTICULARS	As at and for the year ended on Dec 31, 2017	As at and for 18 month ended on Dec 31, 2016 (as per last audited report)
1	Paid up capital	1,202,686,760	1,202,686,760
2	Total capital	1,432,185,579	1,136,410,022
3	Capital surplus where as required capital 100 crore	202,686,760	202,686,760
4	Total assets	11,946,770,980	10,555,312,686
5	Total deposit	7,947,485,146	6,874,287,259
6	Total lease, loans and advances	10,315,899,131	8,958,918,638
7	Total contingent liabilities and commitments	1,564,618,248	1,180,598,190
8	Loans to deposit ratio(total loan/total deposit)	129.80%	130.33%
9	Percentage of classified loan against total loans	9.92%	12.00%
10	Profit after tax and provision	227,253,830	279,150,058
11	Classified lease, loans and advances during the year	1,023,466,606	1,072,050,935
12	Provisions kept against classified lease, loans and advances	322,876,497	406,627,499
13	Provision surplus/(deficit) against classified lease, loans and advances	-	-
14	Cost of fund	9.16%	9.36%
15	Interest earning assets	10,619,531,125	9,432,935,107
16	Non-interest earning assets	1,327,239,855	1,122,377,579
17	Return on investment (ROI)	11.39%	11.33%
18	Return on assets (ROA)	2.02%	2.64%
19	Income from investment	92,560,500	106,457,255
20	Earnings per share	1.89	2.32
21	Operating profit per share	2.43	2.96
22	Price earning ratio (Times)	23.66	8.05
23	Net assets value per share	11.91	9.45

