

Annual Report 2022



Consolidating strength, Exploring possibilities

At Meridian Finance & Investment Limited, the forward-thinking guides us to consolidate our inner strength and to explore the newer possibilities ahead that lead us towards greater success in the financial industry. Our commitment to assisting our valued customers in realizing the full potential of their venture and steering them in the right direction through our versatile product range to achieve greater progress. It is our continuing commitment that has earned and strengthened the trust of our stakeholders, year after year.



Shaping Stories

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LETTER OF TRANSMITTAL

To
The Shareholders of Meridian Finance & Investment Limited
Bangladesh Bank
The Registrar of Joint Stock Companies & Firms and
All other Stakeholders

Subject: Annual Report for the year ended on December 31, 2022

Dear Sir(s),

We are pleased to present before you the Annual Report 2022 together with the Audited Financial Statements as at and for the year ended December 31, 2022 which comprises Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, and notes to the Financial Statements for the year ended December 31, 2022 of Meridian Finance & Investment Limited for your kind information and record.

We, in our endeavor have tried our best to make fair disclosures on our financial & non-financial matter as part of our reporting for your kind perusal and record.

Thanking you,

Yours sincerely,

Sd/-

Md. Wahid Murad FCA

Company Secretary

Meridian Finance & Investment Limited

NOTICE OF THE AGM

NOTICE OF THE 9TH ANNUAL GENERAL MEETING

Notice is hereby given that the 9th Annual General Meeting of Meridian Finance & Investment Limited to be held on Saturday, September 30, 2023 at 2.00 pm at the corporate head office of the company Silver Tower (Level-6), 52 Gulshan Avenue, Gulshan-1, Dhaka-1212 to transact the following businesses:

- AGMA-09-01 : To confirm the minutes of 8th Annual General Meeting held on July 27, 2022.
- AGMA-09-02 : To receive, consider and adopt the Directors' Report, Auditors' Report and audited Financial Statements for the year ended December 31, 2022.
- AGMA-09-03 : To approve dividend out of the profits for the year ended December 31, 2022.
- AGMA-09-04 : To elect the directors who are retiring in terms of the relevant provision of the Articles of Association of the Company.
- AGMA-09-05 : To appoint Auditors and to fix their remuneration for the year ended December 31, 2023.
- AGMA-09-06 : Name change of Meridian Finance & Investment Limited as Meridian Finance PLC.
- AGMA-09-07 : To transact any other business with the permission of the Chairman.

By the order of the Board

Sd/-

Md. Wahid Murad FCA
Company Secretary

Dated, Dhaka
September 07, 2023

About Meridian Finance

Meridian Finance has emerged as a fast growing multi-product financial institution licensed by Bangladesh Bank and holding a strong and diversified portfolios in Corporate, Consumer, Small & Medium Enterprises (SME) Finance, and Corporate Advisory Services. The company has been maintaining a solid year on year growth adhering to highest ethical standards, corporate governance, sound risk management, liquidity, and regulatory compliance. In quest of sustainable business, the company has been positioning itself to provide enduring value to people, customer, stakeholders and communities.

At Meridian Finance, we always strive to assist our customers to shape and achieve their stories of dream. Be the stories of dream of owning a business or increasing its capacity, giving happiness a new address by owning the home, exploring new landscape with family in your own car, or securing the future of your loved ones through planned investment, we are always with you in your endeavor to bring positive changes in lives.

We constantly think ahead and device our next move in tandem with the changing environment. Meridian Finance learn from the past, operate in the present and continue to plan for the future with the experience and knowledge gained providing precious insight that fuel our sustainable growth. We are expanding our horizon to place our services in the door steps of the customers to empower them to shaping stories.

MERIDIAN FINANCE at a Glance

Meridian Finance & Investment Limited	
Type of Company	Public Limited Company
Type of Business	Financial Institution
Key Business Segments	Small Medium Enterprise (SME) Financing Corporate Financing Consumer Financing including Home Loan and Car Loan/Lease Deposit Schemes
Company Incorporation Number	C-113483/14
Date of Incorporation	January 15, 2014
Bangladesh Bank License Number	DFIM (L)/35
Bangladesh Gazette Number	DFIM(L)/1053/BIBIDH/2015-1135
Number of Branch	04
Address of Corporate Head Office	Silver Tower (Level-6) 52, Gulshan Avenue Gulshan-1, Dhaka-1212
Telephone	+88 09613 445566
Fax	+88 02 883 7822
Email Address	info@meridianfinancebd.com
Web Address	www.meridianfinancebd.com
Auditor	K. M. Hasan & Co. Chartered Accountants
Key Banking Partners	Standard Chartered Bank NRB Bank Limited Mercantile Bank Limited NRB Commercial Bank Limited
Credit Rating Company	Alpha Credit Rating Limited
Income Tax Advisor	Adil & Associates
Legal Advisers	Barrister Chowdhury Mokimuddin K J Ali Barrister Tanjib-ul Alam Barrister Mydul H. Khan

Mission, Vision and Corporate Philosophy





CODE OF CONDUCT

*In accordance with the approved
and agreed Code of Conduct,
Meridian Finance employees shall:*

Act with integrity, competence, dignity and in an ethical manner when dealing with customers, prospects, colleagues, agencies and the public.

Act and encourage others to behave in a professional and ethical manner that will reflect positively on Meridian Finance employees, their profession and on Meridian Finance at large.

Strive to maintain and improve the competence of all in the business.

Use reasonable care and exercise independent professional judgment.

Not restrain others from performing their professional obligations.

Maintain knowledge of and comply with all applicable laws, rules and regulations.

Disclose all conflicts of interest.

Deliver professional services in accordance with Meridian Finance policies and relevant technical and professional standards.

Respect the confidentiality and privacy of customers and people with whom we do business.

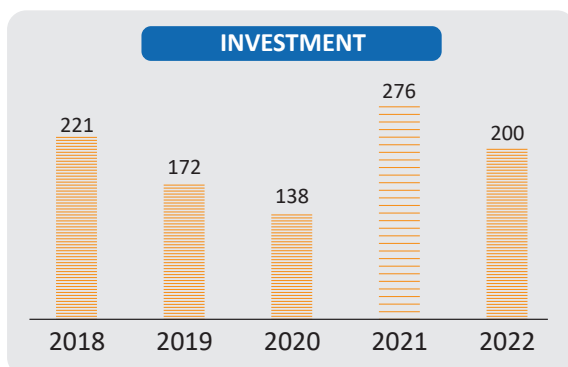
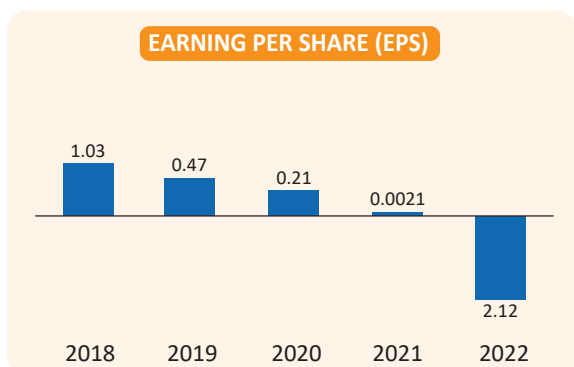
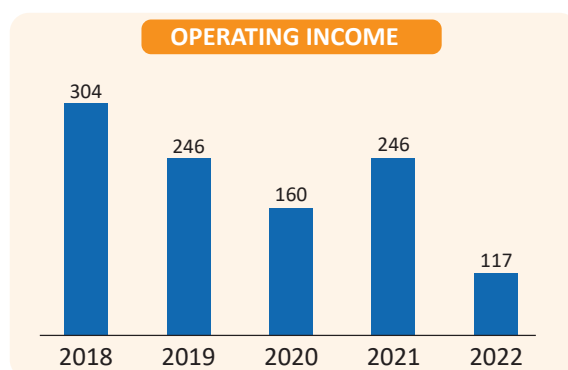
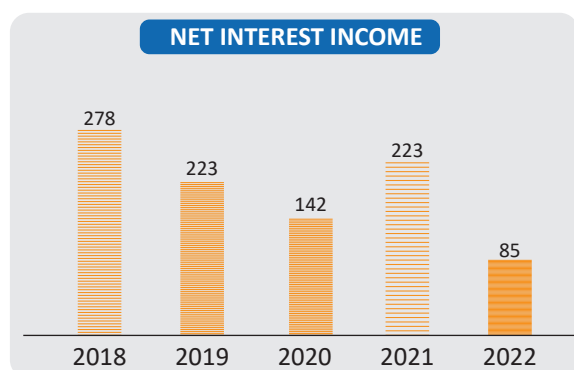
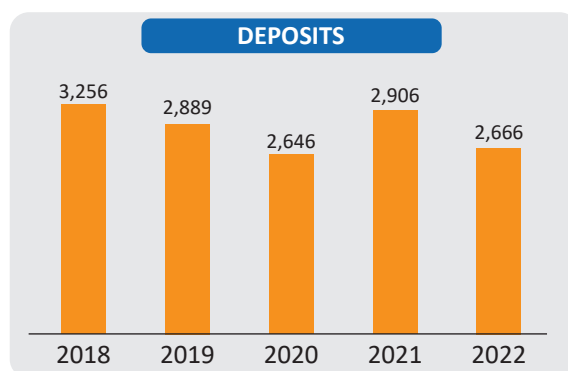
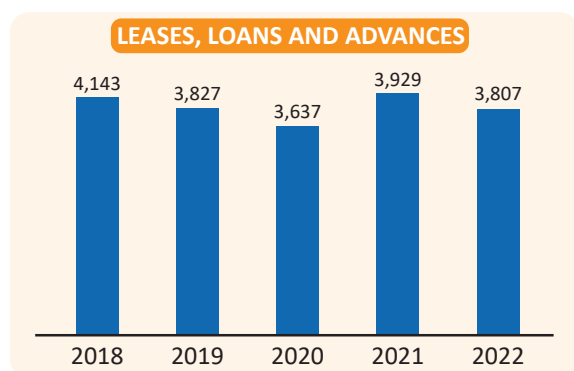
Not engage in any professional conduct involving dishonesty, fraud, deceit or misrepresentation or commit any act that reflects adversely on our honesty, trustworthiness or professional competence.

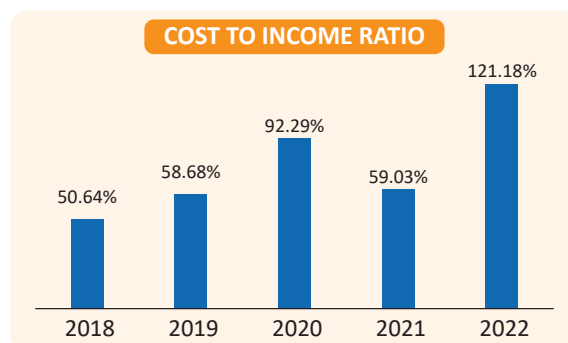
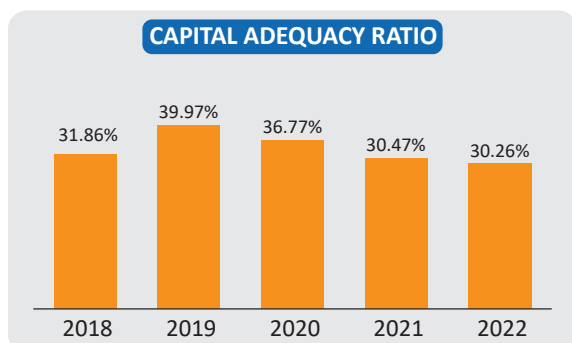
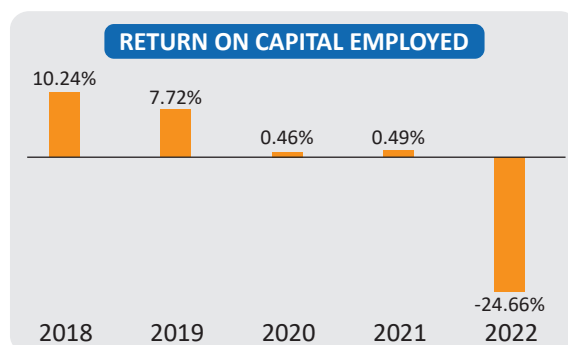
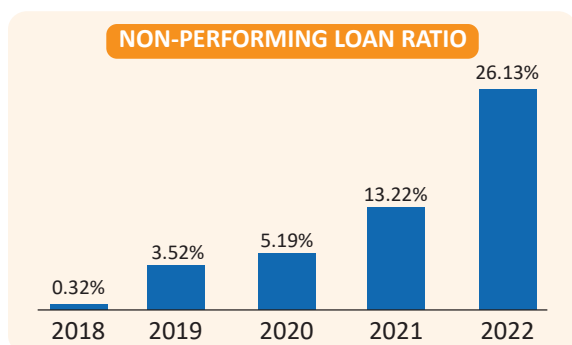
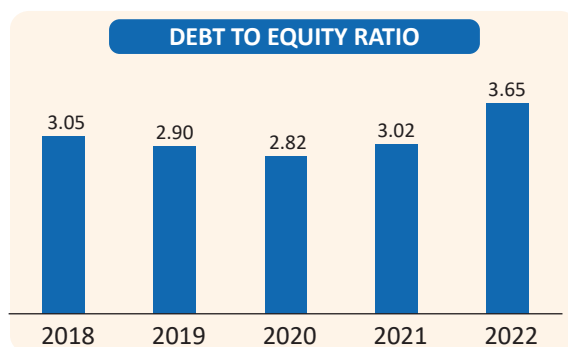
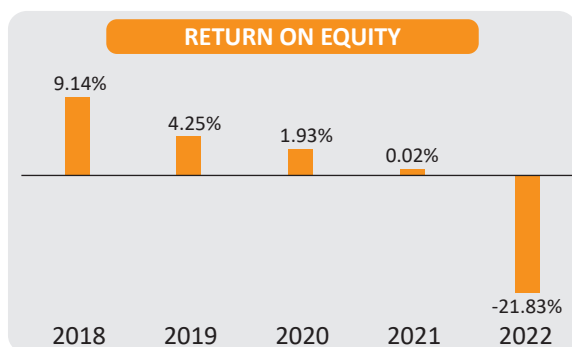
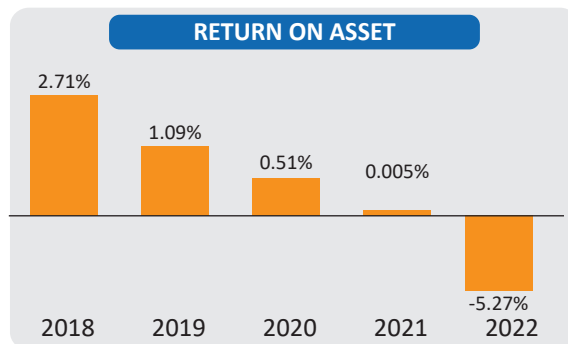
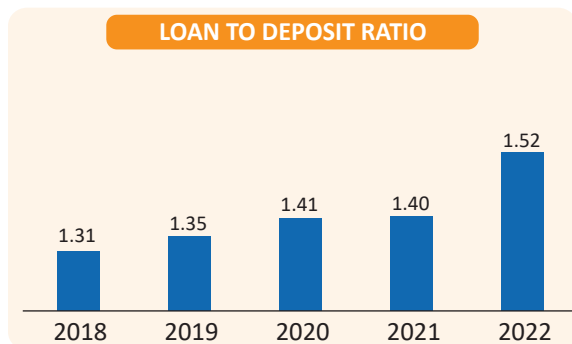
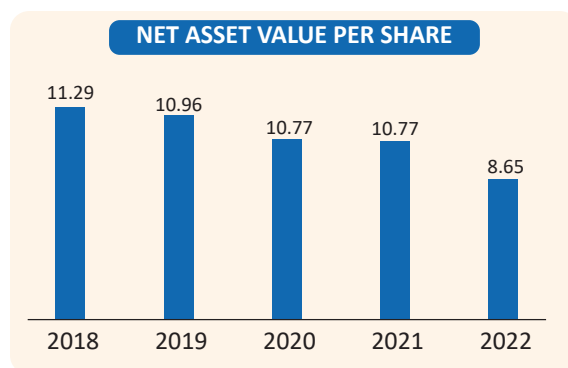
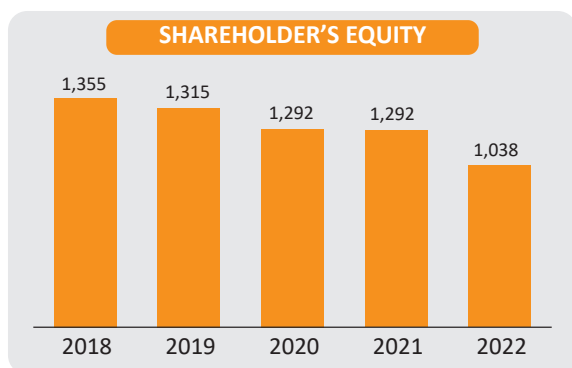
Meridian Finance employees have an obligation to know and understand not only the guidance contained in the Code of Conduct but also the spirit on which it is based.

FINANCIAL HIGHLIGHTS

(BDT in Million)

Loan, Lease & Advances	Deposits	Net Interest Income	Profit Before Provision
2022 BDT 3,806.71	2022 BDT 2,665.63	2022 BDT 84.96	2022 BDT -24.81
2021 BDT 3,929.27	2021 BDT 2,906.30	2021 BDT 223.10	2021 BDT 100.92
Increase -3.12%	Increase -8.28%	Increase -61.92%	Increase -124.58%





OUR EXTENSIVE RANGE OF PRODUCTS AND SERVICES

Investment

Corporate Finance

- ▶ Lease Finance
- ▶ Syndicated Finance
- ▶ Loan for Commercial Space
- ▶ Working Capital Finance

SME Finance

- ▶ Arjon (Secured)
- ▶ Duranta (Commercial Vehicle)
- ▶ Durjoy (Secured)
- ▶ Agroduct (Unsecured)
- ▶ Agrojatra (Agro)
- ▶ Suchana (Women Entrepreneur)
- ▶ Boshoti (Commercial Construction)

Consumer Finance

- ▶ Home Loan
- ▶ Car Loan
- ▶ Loan against Deposit

Deposits

Term Deposit Scheme

- ▶ Regular Term Deposit
- ▶ Double Money Deposit
- ▶ Triple Money Deposit

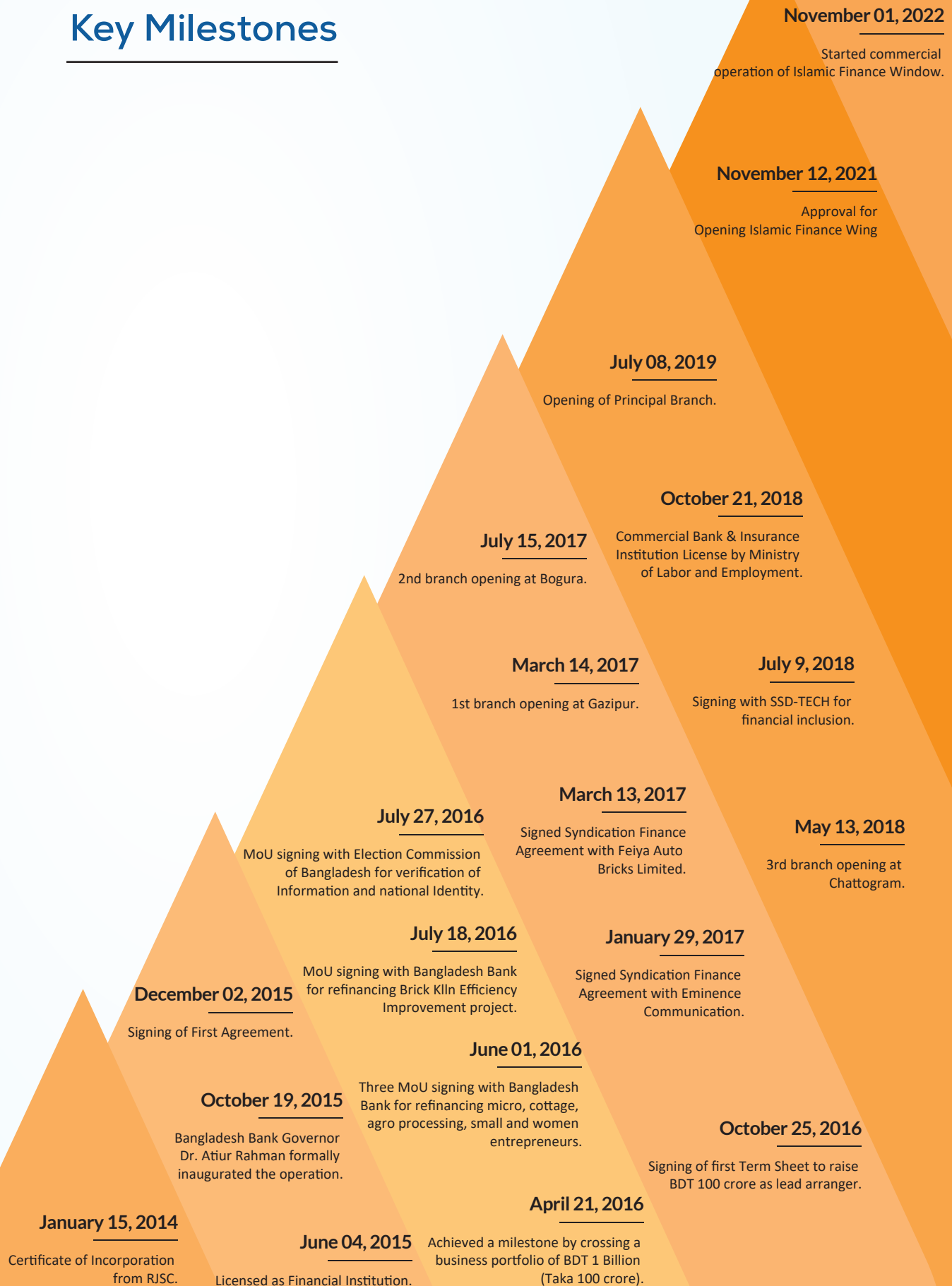
Regular Earner Scheme

- ▶ Monthly Earner Deposit
- ▶ Quarterly Earner Deposit

Money Builder Deposit Scheme

- ▶ Deposit Pension Scheme (DPS)
- ▶ Millionaire Scheme (MS)
- ▶ Millionaire Plus Scheme (MPS)
- ▶ Education Saving Scheme
- ▶ Women's Saving Scheme

Key Milestones



CHAIRMAN'S STATEMENT

Dear Stakeholders,

I am delighted to welcome you all to 9th Annual General Meeting of Meridian Finance and Investment Limited. On behalf of the company's Board of Directors and Management, I am pleased to present the Annual Report and Audited Financial Statements of Meridian Finance and Investment Limited for the year ended December 31, 2022.

On this occasion, I take the opportunity to highlight the global and Bangladesh's economic environment, Meridian Finance's overall performance, strategic priorities for the coming years and future course of action for delivering sustainable success.

The world economy has been suffering in the post COVID-19 era and is yet to be back on long term growth path. Besides, the global economy has witnessed number of hard-to-fix issues. Major among them are the Russia-Ukraine war, rise in cost-of-living crisis due to spiral inflation, and a slowdown in China with its disrupting impact on global supply chains which have presented serious difficulties in 2022. According to IMF, global economic growth dropped to 3.40% in 2022 and is predicted to drop even more to 2.80% in 2023 before a little uptick to 3.0% in 2024. On the other hand, a slowdown in global inflation from 8.70% in 2022 to 7.0% in 2023 is anticipated. Besides, recent stress in global financial markets triggered by collapse of a few global banks has added concerns and fears that the world economy is likely to slow down this year.

Bangladesh's economy has also faced severe impacts from these global challenges. After being affected by prolonged COVID-19 pandemic, Bangladesh economy has started to recover in 2022. The hike in fuel prices in the global market and subsequent rise locally has broken the long-lasting trend of inflation in the country. Despite all odds, in FY22, Bangladesh experienced a 7.10 real GDP growth rate, driven by strong local market and industry growth. Compared to neighboring countries, Bangladesh economy performed better in terms of food production, agricultural and industrial advancement and expansion in small and medium industries.

External shocks and local challenges generated wave of a shocks in the profitability, liquidity, solvency and customer confidence in the banking system of Bangladesh in 2022. During the period, Bangladesh's financial market faced tight liquidity due to increased demand, high inflation and high import costs. This led to uneven lending and deposit rates, a decrease in interest rate spread for Banks & NBFIs and a decrease in domestic credit growth. In response, Bangladesh Bank has taken a cautious approach, tightening interest rates, restricting luxury goods imports and pursuing an accommodative policy stance in monetary and credit programs to support economic growth and contain inflationary and exchange rate.

In view of these stabilize condition both in the national and the international economies and the financial sectors, the year 2022 was very challenging for the Company. The Earnings per Share (EPS) of the Company showed negative in 2022 and a reduced Net Asset Value (NAV) per share. In 2022, the Company faced numerous challenges and focused on growth and support to the clients, staff, suppliers and partners. Although financial results were below last year's,

Company demonstrated effective cost management, risk reduction and navigating through turbulent economic conditions.

During this time, the Company fought tirelessly to put itself on solid ground. The Company has grown its roots deep and strong by focusing on fundamental business principles, maintaining the basics of financial discipline, understanding the pulse of the customers and giving all-encompassing importance to customer satisfaction, excellence in operations, with a continuous focus on growth opportunities and facing challenges with courage, right strategy and hard work.

The Company aims to scale up operations sustainably, focus on sectors protected from economic shocks and increase collection efforts and thus combat economic threats. The goal is to improve profitability, EPS growth and dividend payout. In 2023, the Company must achieve reasonable business growth while controlling operating costs, maintaining good asset quality and providing better customer service. Company aims to establish a loyal customer base by introducing digitalized services in the coming years. The Board and management are working towards these ends.

The Board expresses gratitude to the esteemed shareholders for their trust and support, the management and staff for their sincere efforts and Bangladesh Bank and other regulators for their continuous support and guidance. Sincerely acknowledge Company's management and staff, clients, supporters and well-wishers for their role and highly appreciate their valuable contribution in the growth and development of the company.

Wishing you all the best,

Sd/-

K.M. Aminul Islam

Chairman

NOTE FROM MANAGING DIRECTOR & CEO

Dear Stakeholders,

In 2022, unprecedented economic uncertainty, high oil prices and rising inflation pressures, exacerbated by geopolitical tensions between Russia-Ukraine, further impacted the global financial system, when the global economy was trying to recover from COVID-19 pandemic impact after 2020.

Bangladesh's economy experienced a 7.10% GDP growth rate (actual) in 2022 compare to the 5.47% growth rate in 2021 despite the global economic downturn. But this growth rate was 0.15% lower than previous growth rate of 7.25%. This deficit was mainly due to reduced remittances from migrant workers and a rise in import volume, leading to a declining foreign exchange reserve. Moreover, the dollar's increasing price and declining reserves pose challenges for import based businesses throughout the year. Bangladesh faces less severe impacts, but identifying transmission channels is crucial to maintain high growth and mitigate future financial system shocks.

Non-bank financial institution (NBFI) sector in Bangladesh was struggled with a huge amount of non-performing loans, liquidity crisis and an extreme squeeze in the NBFIs' net interest margin in year 2022. Bangladesh Bank implemented a cap on lending and deposit rates in July 2022. Despite the relaxation in reschedule/restructure and lassification policies, the gross NPL ratio of the FI industry exhibited an upward trend mainly due to its long historical accumulated outstanding of non-performing Bad/Loss loans. Yet the majority of the FIs projected that their recovery rate of leases-loans would improve in the approaching years. However, such improvement might be challenging for the sector mainly due to the slow local and global economic activities.

Meridian Finance and Investment Limited has also faced the country's financial & industry situations. Asset portfolio of the company has been decreased compared to last year as the company was not able to maintain growth due to the liquidity crunch in the market which resulted from lesser deposit mobilisation at the same time managing the encashment pressure. In addition the asset portfolio diminished faster in 2022 due to the shorter tenure of lending portfolio.

Company's non-earning assets have been increased in year 2022 due to non-collection from the legacy distressed loan accounts. This has resulted in the increase of NPL of the company as a result the interest earning of the company reduced as compared to the previous year.

Net Interest and Operating Income of the company decreased 62% and 52% respectively as compared to last year due to the downward trend of lending rate, decrease of asset portfolio and mostly for incremental trend of non-earning assets.

Company was able to reduce its Operating Expenses in the year 2022 and will continue to conduct deep review of all operational expenses and make effective reductions. Company has been gradually reducing dependency on bank deposit and focusing on increasing the public deposit portfolio. In 2022, bank borrowing portfolio was decreased by 10.43% compared to the previous year.

Company has taken strategic plans for next five years where we have cautiously designed our every footsteps and pathways. Fundraising, portfolio diversification, recovery strategy, customer service, smooth digitalized operation and all the elements are included in a roadmap.

As per our strategy, our focus is to increase the SME and retail book and make less concentration to corporate book. As such comparing with the previous year, the large corporate portfolio dependency has declined on the other hand the SME portfolio grew. In 2022, corporate portfolio was reduced by 13% subsequently SME portfolio was increased by 11% as compared to last year.

The liquidity crunch in the financial market affects largely in deposit mobilization of FIs. Growth of deposit base positively impact in loans, leases and advances growth. Despite the effect of international and national financial drawbacks, we have maintained our deposit portfolio in a planned way.

Meridian Finance has been maintaining capital adequacy ratio similar to last year. As CAR is used by regulators to determine financial Institution's competence to run in stress scenarios and the solvency rate of the company, current ratio represents Meridian Finance is capability in these sectors.

As part of our strategy we have maintained a close relationship with the customers and stakeholders. The strong recovery initiative and de-risking of portfolio are the major factors that helped us to attain our short term and long term goals. Meridian Finance is always concerned about the responsibility towards the society. As part of the corporate social responsibility, we have taken a number of initiatives for the marginal population especially education sector.

I express my appreciation and thanks to the Government of the People's Republic of Bangladesh, Governor and other officials of Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), National Board of Revenue and Registrar of Joint Stock Companies and Firms for their continuous support and assistance, guidelines and cooperation provided to us from time to time.

I also express my gratitude to fellow banks and NBFIs for their support and cooperation, customers for their continued trust in our products and services, management and employees for their loyalty, commitment, and hard work. I like to thank the Chairman and Board of Directors for their invaluable guidance and support in overcoming challenges.

We are committed to explore Meridian Finance's maximum potential and optimistic about the future to grow sustainably.

Wishing you all the best,

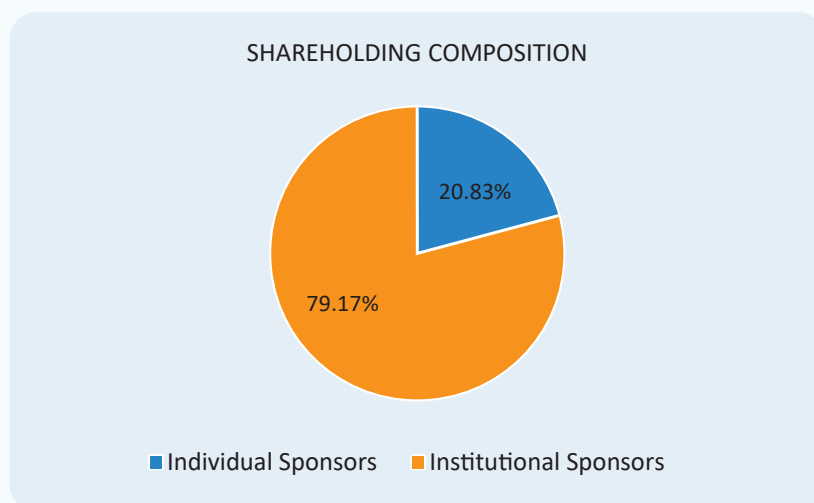
Sd/-

Quazi Nizam Ahmed

Managing Director & CEO

Shareholding Composition

Sponsor Shareholders	Percentage (%)	No. of Shares	Amount in Taka
A. Individual Sponsors			
Mr. K.M. Aminul Islam	4.17%	5,000,000	50,000,000
Ms. Naima Chowdhury	4.17%	5,000,000	50,000,000
Ms. Ruba Ahmed	8.33%	10,000,000	100,000,000
Mr. Mizanur Rahman	4.17%	5,000,000	50,000,000
Sub-total	20.83%	25,000,000	250,000,000
B. Institutional Sponsors			
AG Agro Industries Ltd.	8.33%	10,000,000	100,000,000
M Rahman Steel Mills Ltd.	4.17%	5,000,000	50,000,000
Siam's Superior Ltd.	8.33%	10,000,000	100,000,000
Arunima Apparels Ltd.	8.33%	10,000,000	100,000,000
Matrix Sweaters Ltd.	8.33%	10,000,000	100,000,000
Diganta Sweaters Ltd.	8.33%	10,000,000	100,000,000
Disari Industries (Pvt.) Ltd.	8.33%	10,000,000	100,000,000
Toma Construction & Co. Ltd.	8.33%	10,000,000	100,000,000
Saima Samira Textile Mills Ltd.	8.33%	10,000,000	100,000,000
Omega Sweaters Ltd.	8.33%	10,000,000	100,000,000
Sub-total	79.17%	95,000,000	950,000,000
Total Shareholdings	100.00%	120,000,000	1,200,000,000



BOARD OF DIRECTORS PROFILE



K. M. Aminul Islam Chairman

Mr. Kazi M Aminul Islam joined Bangladesh Civil Service in 1981 and progressed to higher responsibilities in diverse areas of the Government. Mr. Islam was the first Executive Chairman of Bangladesh Investment Development Authority (BIDA) from 2016-2019. He worked as Alternative Executive Director on the Board of Directors of The World Bank in Washington DC for three and half years for the constituency comprising of Bangladesh, Bhutan, India, and Sri Lanka. Also he was a Secretary of Prime Minister's Office in 2009. In course of work for transition to democracy and private sector development, Mr. Islam steered bodies like "Better Business Forum" and "Regulatory Reform Commission" developed a very strong relationship between the business

and Government in Bangladesh.). Mr. Islam played a pivotal role in focusing on investment climate, improving investor's experiences in doing business and emphasizing on the qualitative aspects of investment regime in Bangladesh. He made commendable contribution to the 'ease of doing business' establishing fully functional 'One Stop Service Centre' and initiating various reform activities to make BIDA as one of the best 'Investment Promotion Agency' (IPA) in the world. Mr. Kazi M. Aminul Islam did his Master of Arts in Economics from University of Dhaka and Master's in Economics from Boston University, USA. He also attended Mason School at Harvard University. He had a Graduation Certificate in Environment Management from University of Adelaide, Australia.

Mr. Golam Mostofa Vice-Chairman

Mr. Golam Mostofa is the Managing Director of Omega Sweaters Ltd and nominated Director in the Board of Meridian Finance & Investment Limited. Omega Sweaters Ltd., established in 2000, is one of the 100% export oriented sweater manufacturer and a member of BGMEA. Mr. Mostofa is also actively involved with Welldone Apparel Ltd., MNR Sweaters Ltd and MNR Fashions Ltd. He is the member of Uttara Club Ltd, Army Golf Club, Dhaka Boat Club Ltd., All Community Club Ltd. and Banani Club Ltd. He completed his Masters of Social Science (Sociology) from University of Dhaka.





Mr. Animesh Chandra Mazumder

Vice-Chairman

Mr. Animesh Chandra Mazumder is the nominated Director of Matrix Sweaters Limited in the Board of Meridian Finance & Investment Limited. Mr. Mazumder completed his Master in Commerce major in Accounting. He is WOOLMARK and Global Organic Textile Standard (GOTS) Certified from Germany. Matrix Sweaters Limited (MSL), a flagship company of Labib Group, is the biggest sweater manufacturing company in the country. The other concerns of Labib Group include Starlight Sweaters Ltd, Labib Dyeing Mills Ltd, Sweater Cottage Ltd, Raidha Collections Ltd, Starlight Knitters Ltd, Labib Composite Ltd, Labib Fashions Ltd, Excel Telecom (Pvt) Ltd, Excel Starlight Ltd, and Labib Poultry & Fisheries Ltd.

Ms. Ruba Ahmed

Director

Ms. Ruba Ahmed is an Individual Director in the Board of Meridian Finance and Investment Limited. She did her Bachelor (Honors) and Masters in Management from University of Dhaka. Ms. Ahmed is an experienced business person and a prominent woman entrepreneur. She is the Chairman of Elegant Group which consists of diverse concerns such as Cassiopea Apparels Ltd, Cassiopea Fashion Ltd, Cassiopea Clothing Ltd, Cassiopea Garments Ltd, Elegant Washing Plant Ltd, Elegant Accessories Ltd, Lavender Convenience Store Ltd. and Abinta Kabir Foundation.



Mr. Md. Mizanur Rahman

Director

Mr. Md. Mizanur Rahman is the nominated Director of M Rahman Steel Mills Ltd. in the Board of Meridian Finance & Investment Limited. Mr. Md. Mizanur Rahman is a graduate having profound knowledge on cutting edge technology in steel industry. He is the Director of Ratanpur Steel Re-Rolling Mills Limited, one of the concern of Ratanpur Group. Today Ratanpur Group comprises of many successful ventures such as Ratanpur Steel Re-Rolling Mills Limited, Ratanpur Jute Spinners Limited, Ratanpur Shipping Lines Limited, Ratanpur Ship Re-cycling industries Limited, Ratanpur Shipping Services Limited, Modern Steel Mills Limited, Ratanpur Real Estate Limited, Ratanpur Poultry & Agro Products Limited, and Sapphire Corporations Limited.



Mr. Mahmud Hasan Khan

Director

Mr. Mahmud Hasan Khan is the Managing Director of Rising Group and nominated Director of Arunima Apparels Ltd. in the Board of Meridian Finance & Investment Ltd. He did his Bachelor & Master in Social Science from University of Dhaka. Rising Group is a leading apparel, yarn and knit fabric manufacturer in the country. The group is vertically integrated to provide with one stop solution in Yarn, Dyeing & Finishing, Stitching, Printing, Washing, Packaging, Button & Thread manufacturing. Mr. Khan has more than 20 years of experience in RMG & Textile industry. He served the positions of Director and Vice President of BGMEA in many years. Rising Apparels Ltd received National Export Trophy (Bronze) in 2003-2004. Mr. Khan is the member of Kurmitola Golf Club, Dhaka and Uttara Club respectively.

Ms. Shahnaj Kamal

Director

Ms. Shahnaz Kamal is the nominated Director of Diganta Sweaters Ltd., a leading manufacturers of knit products, in the Board of Meridian Finance & Investment Ltd. She is also the Director of Cosmos Sweaters Ltd., Sweaters Zone Ltd. and Diganta Packaging & Accessories Ltd.



Md. Rezaul Hossain

Director

Mr. Md. Rezaul Hossain is the nominated Director of Disari Industries (Pvt.) Ltd in the Board of Meridian Finance & Investment Limited. Disari Industries (Pvt.) Ltd., is a concern of Gold Star Group which is certified by ISO and OEKO-TEX (Garments) for 100% export Oriented Manufacturer of Quality Garments in Bangladesh. The Gold Star group is the major sponsor of Meghna Bank Ltd., Aysha Memorial Specialized Hospital, Universal Medical College & Hospital and Universal Nursing Institute. Mr. Hossain's outstanding achievement in export sector brought him the "Best Exporter Award" from Mercantile Bank Ltd and Jamuna Bank Ltd. He is the member of BGMEA, BPGMEA, BGAPMEA, BEOGWIOA, Dhaka Chamber of Commerce & Industries and Army Golf Club.



Ms. Rashnat Tarin Rahman

Director

Ms. Rashnat Tarin Rahman is the nominated Director of Toma Construction & Co Ltd. in the Board of Meridian Finance and Investment Ltd. Toma Construction & Co Ltd is the flag ship company of Toma Group, a leading & successful conglomerate comprises of Toma Properties Ltd, Toma Concrete Ltd, Toma Taxi Cab Services, Toma Auto Workshop, Toma LPG Services, Vatican Properties Ltd, Rakib International Ltd, Toma Ready-mix Concrete Ltd, and Dhaka Bricks Ltd. Being a core member, Mrs. Rashnat Tarin Rahman leads business activities to achieve short term and long term goals of the conglomerate. She has always been the key inspirer to uphold corporate values and moral with a strong footing with her profound knowledge and business acumen. She also earned respect

with her social activities for the poor and distress in time of needs through charity and humanitarian welfare for the benefits of underprivileged families of the society. She obtained her Masters in Medical Science (MBBS) from Noakhali Medical College.

Ms. Shamima Nargis

Director

Ms. Shamima Nargis is the nominated Director of Saima Samira Textile Mills Ltd. in the Board of Meridian Finance & Investment Ltd. Saima Samira Textile Mills Ltd. is one of the leading manufacturers of fabrics, home textile, woven and knit products in Bangladesh.



Mr. Shah Md. Shafiqul Ahsan

Director

Mr. Shah Md. Shafiqul Ahsan is the nominated Director of AG Agro Industries Ltd. in the Board of Meridian Finance & Investment Ltd. Mr. Ahsan completed his MBA with Major in HRM. He is the Managing Director of Begumgonj Feed Mill Ltd, a sister concern of Ahsan Group which is one of the leading conglomerates in Bangladesh. Since 1986 the group is operating business in diversified sectors including Readymade Garments (RMG), Trading, Manufacturing, Export & Import, Engineering & Construction, Agro Business, Project Management, Banking, Investment, Housing and Real-Estate.

Management Committee (MANCOM)



Quazi Nizam Ahmed
Managing Director & CEO



Faruk Jamil
Head of Corporate Finance



Muhammad Azharul Islam
Head of Consumer



Md. Wahid Murad FCA
CFO & Company Secretary

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING AND INTERNAL CONTROL

Responsibility for Financial Reporting

Board of Directors is always committed towards self-controlled environment which is reflected by ensuring proper entries in books of accounts for each financial year that gives a true and fair view of the state of affairs of the company and by accepting responsibility for the integrity and objectivity of the financial statements. In preparing financial statements, the Board of Directors ensures the followings:

- Select relevant accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Comply with applicable Financial Reporting Standards;
- Prepare the financial statements on going concern basis.

The considerations set out above are also required to be addressed by the Directors in preparing the financial statements. The Board of Directors confirms that the International Financial Reporting Standard (IFRS) and International Accounting Standards (IAS) have been followed meticulously subject to any material departure due to compliance with Bangladesh Bank being disclosed and explained in the notes to the financial statements. It ensures that the financial statements comply with the sufficient requirement of Companies Act 1994 and Financial Institution Act 1993 and relevant rules & regulations.

Responsibility for Corporate Governance and Internal Control

The Board ensures key decision making and execution within a clear governance framework. A primary task is the governance and oversight of business models which sets out consistent delivery of stakeholder value in an uncertain and challenging environment. The Board of Directors is also responsible for proper establishment and maintenance of an effective internal control system that safeguards shareholders' investments and assets of the company through prevention and detection of fraud and irregularities. The Board ensures that statutory and regulatory requirements are met and responds to changes in the Company's internal and external environment and conditions. The Board is responsible for ensuring that an adequate and effective internal control system exists in the organization and that all executives of the Company are maintaining and monitoring the performance of that system. Moreover, the Audit Committee quarterly reviews the internal control systems and the significant findings. They must ensure that the system operates as intended and is modified appropriately when situations dictate. The Board and management must make sure that the Company's information systems produce pertinent and timely information in a form that enables employees, auditors, regulators, shareholders etc. to get the required data and information.

The Board of Directors, who oversees the internal control system in general, approves and reviews the business strategies and policies that govern the system. They are also responsible for understanding risk limits and setting acceptable ones for the Company's major business activities, establishing organizational control structure, and making sure senior management identifies, measures, monitors, and controls risks and monitors internal control activeness. The Board: (1) discusses periodically the internal control system's effectiveness on management and operations; (2) reviews internal control evaluations conducted by management, internal and external auditors, and inspectors in timely manner; (3) monitors actions of management on auditors' and inspectors' recommendations on internal control and their concerns; (4) periodically reviews the Company's strategy and risk limits. Board and management consider whether a control system's methods, records, and procedures are proper in relation to the Company's:

- Asset size
- Organization and ownership characteristics
- Business activities
- Operational complexity
- Risk profile
- Methods of processing data
- Legal and regulatory requirements

The Board of Directors ensures that management properly considers the risks and control issues of emerging technologies, enhanced information systems, and accounting. These issues include: more users with access to information systems; less segregated duties; a shift from paper to electronic audit trails; a lack of standards and controls for end-user systems; and, more complex contingency planning and recovery planning for information systems. From the above it can be said that: the Board undertakes the overall responsibility of setting acceptable level of risk, ensuring that the senior management committee takes necessary steps to identify, measure, monitor and control these risks, establishing broad business strategy, significant policies and understanding significant risks of the Company. Through establishment of an 'Audit Committee' of the Board and Internal Control Department, the Board of Directors monitors the effectiveness of internal control system. The internal as well as external audit reports are sent to the Board Audit Committee without any intervention of the management and the Board ensures that the management takes immediate and necessary actions as per the recommendations. The Board holds periodic review meetings with the senior management to discuss the effectiveness of the internal control system of the Company and ensures that the management has taken appropriate actions as per the recommendations of the auditors and/or inspectors.

RESPONSIBILITY STATEMENT OF MANAGING DIRECTOR & CEO and CFO

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have a strategic viewpoint of the company and both work towards achieving the Company's mission (the fundamental objective). CEO and CFO broadly represent the Management of the Company and have common perspectives on the overall objective, functions, and reporting.

Responsibilities of the CEO

CEO is the leader of an organization who by his knowledge and wisdom, innovative ideas and charismatic leadership can able to take a Company from the scratch to the market leader. CEO is a visionary leader who can see what is going to happen in near future and can formulate and implement strategies accordingly to reap out the maximum from opportunities. CEO plays the stewardship responsibility by managing the shareholders' funds and is accountable to the board of directors and to the shareholders for effective and efficient uses of their funds.

More specifically, the responsibilities of the CEO are as follows:

- ▶ To lead, in conjunction with the Board, the development, implementation, and monitoring of the Company's vision, plans and strategies.
- ▶ Be responsible for the robust implementation of the Internal Control system by which smooth operations, reliable financial reporting, and compliance with regulations and policies are ensured.
- ▶ Periodically review the Internal Control system to ensure minimum risk exposures and maximum resource security (both tangible and intangible).
- ▶ Ensuring that the financial statements present a true and fair view, the form and substance of the transactions of which represents the Company's state of affairs
- ▶ Ensure implementation of proper Corporate Governance practices to balance the interests of the stakeholders.
- ▶ Justify on the Company's participation in Corporate Social Responsibilities (CSR).

Responsibilities of the CFO

With the ever changing accounting policies and standards to cope up with the versatile business environment, a CFO plays a key role in facilitating the delivery of sustainable value creation and preservation. At Meridian Finance, the CFO is an effective organizational leader and a key member of Senior Management who provides shared leadership and vision to the organization, its employees, and other key stakeholders. A primary responsibility of the CFO is to work as a strategist rather than a tactician to ensure sustainable financial conditions for the company. This is enhanced by facilitation of financial reports.

More specifically, the responsibilities of the CFO are as follows:

- ▶ Preparation of financial statements taking into considerations compliance with Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), requirements of Companies Act 1994, and compliance with the rules and regulations of Securities and Exchange Commission (SEC), Bangladesh Bank, and other regulatory authorities.
- ▶ Ensuring that the financial statements present a true and fair view, the form and substance of the transactions of which represents the Company's state of affairs.
- ▶ Execute discussions with the External Auditors with matters related to audit and other financial reporting issues.
- ▶ Assess the effectiveness of Internal Control over financial reporting and systems at business process level to ensure effective and efficient utilization of appropriated resources.

The CEO and CFO of the Company have discharged their responsibilities with due care by taking into account the EEE (Economy, Effectiveness and Efficiency).

Independent Auditor's Report

To the Shareholders of Meridian Finance and Investment Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meridian Finance and Investment Limited (the "Company"), which comprise the balance sheets as at 31 December 2022 and the profit and loss account, cash flow statement and statements of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of Meridian Finance and Investment Limited give a true and fair view of the financial position of the Company as at 31 December 2022, financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

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

Emphasis of Matter

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

As detailed in note 12.04, Meridian Finance and Investment Ltd. has a provision shortfall against leases, loans and advances for Tk. 10.22 Crore as at 31st December 2022. This has been created in 2021 for Tk. 17.04 Crore for which they obtained permission from Bangladesh Bank through letter no DFIM(C)1054/59/2022-1311 dated May 10, 2022 to adjust within 5 years starting from 2021. Since then Tk. 6.82 Crore has been adjusted through profit and loss account.

Other Information

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note- 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Financial Institutions Act, 1993 and the Bangladesh Bank guidelines require the management to ensure effective internal audit, internal control and risk management functions of the Company. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

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

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) The balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditures incurred were for the purpose of the Company's business for the year;
- (v) The financial statements of the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- (vi) Adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (vii) The financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) The records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- (ix) Statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (x) Taxes and other duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- (xi) Nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xii) Proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;

- (xiii) Based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xiv) The Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- (xv) We have reviewed over 80% of the risk weighted assets of the Company and we have spent around 780 person hours for the audit of the books and accounts of the Company;
- (xvi) The Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xvii) The Company has complied with the 'First Schedule' of Financial Institutions Act, 1993 in preparing these financial statements; and
- (xviii) All other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Place: Dhaka

Date: 07 September 2023

Sd/-

Md. Farhad Husain Suman FCA

Partner (Enrollment no. - 1635)

K. M. HASAN & CO.

Chartered Accountants

DVC No. - 2309071635AS918779

MERIDIAN FINANCE AND INVESTMENT LIMITED

BALANCE SHEET As at 31 December 2022

	Notes	Amount in BDT		
		2022	2021 Restated*	2021
PROPERTY AND ASSETS				
Cash	3			
In hand (including foreign currencies)	3.01	150,000	150,000	150,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	3.02	27,275,586	25,030,692	25,030,692
		27,425,586	25,180,692	25,180,692
Balance with other Banks and Financial Institutions	4			
Inside Bangladesh		311,146,296	380,755,216	380,755,216
Outside Bangladesh		-	-	-
		311,146,296	380,755,216	380,755,216
Money at call and short notice	5	307,183,940	307,183,940	307,183,940
Investments	6			
Government securities		-	-	-
Others investment		199,860,128	275,819,157	275,819,157
		199,860,128	275,819,157	275,819,157
Leases, loans and advances	7			
Loans, cash credit, overdraft and leases etc.		3,806,712,981	3,929,271,174	3,929,271,174
Bills purchased and discounted		-	-	-
		3,806,712,981	3,929,271,174	3,929,271,174
Fixed Assets including Land, Building, Furniture & Fixtures	8	38,649,237	58,411,670	58,411,670
Other assets	9	133,573,642	84,364,557	220,684,557
Non-business assets		-	-	-
TOTAL PROPERTY AND ASSETS		4,824,551,810	5,060,986,406	5,197,306,406
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	10	394,121,637	447,784,501	447,784,501
Deposits & other accounts	11			
Current deposits and other accounts etc.		-	-	-
Bills payable		-	-	-
Saving bank deposit		-	-	-
Term deposits	11.01	2,511,042,623	2,804,600,997	2,804,600,997
Bearer certificate of deposits		-	-	-
Other deposits	11.02	154,590,052	101,702,558	101,702,558
		2,665,632,675	2,906,303,555	2,906,303,555
Other liabilities	12	726,926,080	414,640,269	550,960,269
Total liabilities		3,786,680,392	3,768,728,324	3,905,048,324
Capital/Shareholders' Equity				
Paid up Capital	13	1,200,000,000	1,200,000,000	1,200,000,000
Statutory reserve	14	71,251,616	71,251,616	71,251,616
Retained earnings	15	(233,380,198)	21,006,465	21,006,465
		1,037,871,418	1,292,258,082	1,292,258,082
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,824,551,810	5,060,986,406	5,197,306,406

MERIDIAN FINANCE AND INVESTMENT LIMITED

BALANCE SHEET As at 31 December 2022

	Notes	Amount in BDT		
		2022	2021 Restated*	2021
OFF-BALANCE SHEET ITEMS				
Contingent liabilities		-	-	-
Acceptances and endorsements		-	-	-
Letter of guarantee		-	-	-
Irrevocable letters of credit		-	-	-
Bill for collection		-	-	-
Other contingent liabilities		-	-	-
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		-	-	-
Undisbursed contracted loans and leases		-	-	-
Total off-balance sheet items including contingent liabilities		-	-	-
Net Asset Value (NAV) per share		8.65	10.77	10.77

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

Sd/-	Sd/-	Sd/-	Sd/-
Kazi M Aminul Islam Chairman	Golam Mostofa Director	Quazi Nizam Ahmed Managing Director & CEO	Md. Wahid Murad FCA Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Date: 07 September 2023

Sd/-

Md. Farhad Husain Suman FCA
Partner (Enrollment no. - 1635)
K. M. HASAN & CO.
Chartered Accountants
DVC no. - 2309071635AS918779

MERIDIAN FINANCE AND INVESTMENT LIMITED

Profit and Loss Account For the year ended 31 December 2022

	Notes	Amount in BDT	
		2022	2021
Interest income	16	323,480,245	447,120,325
Interest on deposits and borrowings etc.	17	238,521,106	224,021,547
Net interest income		84,959,139	223,098,778
Income from investment	18	25,522,820	14,728,928
Commission, exchange and brokerage	19	-	-
Other operating income	20	6,652,136	8,529,251
Total operating income		117,134,096	246,356,957
Salary and allowances	21	89,275,637	88,767,031
Rent, taxes, insurance, electricity etc.	22	4,052,043	4,291,285
Legal and professional fees	23	1,118,496	1,066,242
Postage, stamp, telecommunication etc.	24	1,207,716	1,270,292
Stationery, printing, advertisement etc.	25	1,406,192	895,159
Managing director's salary and allowance	26	7,466,000	2,902,500
Directors' fees	27	627,611	802,389
Auditors' fees	28	287,500	264,500
Charges on loan losses		-	-
Depreciation and repair of Company's assets	29	20,521,609	28,301,844
Other expenses	30	15,978,257	16,871,099
Total operating expenses		141,941,061	145,432,341
Profit before provision		(24,806,965)	100,924,616
Provisions for leases, loans & investments	31		
Provision for leases, loans and advances		177,320,991	73,249,883
Provision for diminution in value of investments		14,719,051	(6,361,980)
Other provisions		39,061,890	27,699,428
		231,101,932	94,587,330
Profit before tax and reserve		(255,908,897)	6,337,286
Provision for taxation	32		
Current tax expense/ (income)		4,118,888	8,996,622
Deferred tax expense/ (income)		(5,641,121)	(2,910,147)
		(1,522,233)	6,086,474
Net profit/(loss) after taxation		(254,386,663)	250,811
Appropriations:			
Statutory reserve		-	50,162
Retained earnings		(254,386,663)	200,649
Dividend		-	-
		(254,386,663)	250,811
Earning Per Share (EPS)		(2.12)	0.0021

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

Sd/-
Kazi M Aminul Islam
Chairman

Sd/-
Golam Mostofa
Director

Sd/-
Quazi Nizam Ahmed
Managing Director & CEO

Sd/-
Md. Wahid Murad FCA
Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka

Date: 07 September 2023

Sd/-
Md. Farhad Husain Suman FCA
Partner (Enrollment no. - 1635)
K. M. HASAN & CO.
Chartered Accountants
DVC no. - 2309071635AS918779

MERIDIAN FINANCE AND INVESTMENT LIMITED

Cash Flow Statement For the year ended 31 December 2022

	Amount in BDT	
	2022	2021
A) Cash flows from operating activities		
Interest received	285,402,236	445,909,971
Interest paid	(235,997,151)	(215,497,852)
Dividend received	16,985,213	7,608,993
Fees and commission received	6,652,136	8,529,251
Income from investment	9,856,761	5,837,553
Cash paid to employees (including directors)	(93,007,682)	(93,730,069)
Cash paid to suppliers & Others (including office rent)	(26,843,365)	(27,740,463)
Income taxes paid	(5,051,711)	(4,663,578)
Paid for other operating activities	(15,978,257)	(16,871,099)
Cash generated from operating activities before changes in operating assets and liabilities	(57,981,819)	109,382,707
Increase/ (decrease) in operating assets & liabilities		
Loans and advances to customers	194,572,849	(292,051,692)
Other assets	(1,428,321)	1,012,492
Deposits from customers	(240,670,880)	259,913,875
Other liabilities	5,558,598	(42,541,134)
	(41,967,754)	(73,666,458)
Net cash from operating activities	(99,949,574)	35,716,248
B) Cash flows from investing activities		
Changes in investment in securities	75,959,029	(138,296,945)
Money at call and short notice	-	(36,437,058)
Purchase of property, plant and equipment	(466,877)	(1,324,951)
Net cash used in investing activities	75,492,152	(176,058,955)
C) Cash flows from financing activities		
Receipt of Term Loan, OD and REPO	(42,906,604)	(212,018,486)
Dividend paid	-	-
Net cash used in financing activities	(42,906,604)	(212,018,486)
D) Net increase/ (decrease) in cash & cash equivalents (A+B+C)	(67,364,027)	(352,361,192)
E) Opening cash and cash equivalents	405,935,908	758,297,101
F) Closing cash and cash equivalents (D+E)*	338,571,882	405,935,908
* Closing cash and cash equivalents		
Cash in hand	150,000	150,000
Balance with Bangladesh Bank and its agent bank(s)	27,275,586	25,030,692
Balance with other Banks and Financial Institutions	311,146,296	380,755,216
	338,571,882	405,935,908

Sd/-	Sd/-	Sd/-	Sd/-
Kazi M Aminul Islam Chairman	Golam Mostofa Director	Quazi Nizam Ahmed Managing Director & CEO	Md. Wahid Murad FCA Company Secretary

Place: Dhaka
Date: 07 September 2023

MERIDIAN FINANCE AND INVESTMENT LIMITED

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

Particulars	Amount in BDT			
	Share Capital	Statutory Reserve	Retained Earnings	Total
Balance as on 01 January 2022	1,200,000,000	71,251,616	21,006,465	1,292,258,081
Net profit /(loss) for the year	-	-	(254,386,663)	(254,386,663)
Issue of share capital during the year	-	-	-	-
Appropriation to statutory reserve	-	-	-	-
Cash dividend	-	-	-	-
Balance as on 31 December 2022	1,200,000,000	71,251,616	(233,380,198)	1,037,871,418

For the year ended 31 December 2021

Particulars	Amount in BDT			
	Share Capital	Statutory Reserve	Retained Earnings	Total
Balance as on January 01, 2021	1,200,000,000	71,201,454	20,805,816	1,292,007,270
Net Profit /(Loss) for the year	-	-	250,811	250,811
Issue of share capital during the year	-	-	-	-
Appropriation to statutory reserve	-	50,162	(50,162)	-
Cash Dividend	-	-	-	-
Balance as on 31 December 2021	1,200,000,000	71,251,616	21,006,465	1,292,258,082

Sd/-	Sd/-	Sd/-	Sd/-
Kazi M Aminul Islam Chairman	Golam Mostofa Director	Quazi Nizam Ahmed Managing Director & CEO	Md. Wahid Murad FCA Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Date: 07 September 2023

Sd/-
Md. Farhad Husain Suman FCA
Partner (Enrollment no. - 1635)
K. M. HASAN & CO.
Chartered Accountants
DVC no. - 2309071635AS918779

Meridian Finance and Investment Limited

Liquidity Statement

As at 31 December 2022

Particulars	Amount in BDT				
	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	above 5 years term
Assets					
Cash in hand (including foreign currencies)	150,000	-	-	-	-
Balance with Bangladesh Bank and its agent	3,941,752	-	-	-	23,333,833
Balance with banks and financial institutions	311,146,296	-	-	-	-
Money at call and short notice	-	-	307,183,940	-	-
Investments	6,386,013	19,158,038	46,772,026	127,544,051	-
Leases, Loans and advances	111,190,639	344,753,698	1,087,475,608	1,248,129,141	1,015,163,895
Fixed assets including land, building, furniture and fixtures	-	-	-	38,649,237	-
Other assets	13,357,364	26,714,728	40,072,093	40,072,093	13,357,364
Non-banking assets	-	-	-	-	-
Total Assets	446,172,064	390,626,465	1,481,503,667	1,454,394,522	1,051,855,092
Liabilities					
Borrowing from other banks, financial institutions and agents	86,728,830	45,462,050	87,310,252	116,413,670	58,206,835
Deposits	125,552,131	251,104,262	753,312,787	1,129,969,180	251,104,262
Other accounts	7,729,503	23,188,508	46,377,016	61,836,021	15,459,005
Provision and other liabilities	36,346,304	109,038,912	218,077,824	290,770,432	72,692,608
Total Liabilities	256,356,767	428,793,733	1,105,077,879	1,598,989,303	397,462,710
Net Liquidity Surplus/(Gap)	189,815,297	(38,167,268)	376,425,788	(144,594,781)	654,392,382

MERIDIAN FINANCE AND INVESTMENT LIMITED

Notes to the Financial Statements As at and for the year ended 31 December 2022

1. Legal status and nature of the company

1.1 Domicile, legal form and country of operation

Meridian Finance and Investment Limited (hereinafter referred to as “Meridian Finance” or “MFIL” or “the Company”), a new generation non-banking financial institution, was incorporated in Bangladesh with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-113483/14 dated 15 January 2014 as a Public Limited Company under the Companies Act, 1994 in the name of Meridian Finance and Investment Limited. It started commercial operations in 2015 after obtaining license from Bangladesh Bank under the Financial Institutions Act, 1993. The registered address of the company is situated at Silver Tower (Level-6), 52 Gulshan Avenue, Gulshan-1, Dhaka-1212, Bangladesh.

Consequently the company has acquired the following Licenses and legal approvals:

Sl. No.	Name of License	Registration No.	Date of License	Renewed Up to
1	Certificate of Incorporation	C-113483/14	15-Jan-14	N/A
2	Certificate for Commencement of Business	20470-76	15-Jan-14	N/A
3	Tax Identification Number (TIN)	716572753037	21-Jan-14	N/A
4	Bangladesh Bank License	DFIM(L)/35	4-Jun-15	N/A
5	Trade License	043074/2022	2-Sep-15	2022-2023
6	Business Identification Number (BIN)	001909089-0101	24-Aug-19	N/A

1.2 Company's activities

The activities of the Company include services broadly classified as fee based and fund based services:

Fund based services include lease finance, term finance, home loan, hire purchase, SME loan, car lease, personal loan, factoring, syndication finance, loan against deposit, etc.

2 Basis for preparation and Significant accounting policies

2.1 Statement of compliance

The financial statements of the Company have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement and investment in marketable securities which are stated at market value in accordance with International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, except the circumstances where local regulations differ, and the Companies Act, 1994, the Financial Institutions Act, 1993 and other applicable laws and regulations.

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

The Company has consistently applied the accounting policies to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 01 January 2022 have been considered.

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

However, these departures with IFRSs have been made by following all of the relevant provisions of IAS 1 and detail disclosures are given in note 2.3 by following the provision of Para 20 of IAS 1.

2.2 Presentation of financial statements

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

2.3 Disclosure of departure from few requirements of IFRS due to mandatory compliance of Bangladesh Bank's requirements

Sl. No.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	<p>"An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired.</p> <p>If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to:</p> <p>a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or</p> <p>b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)."</p>	As per DFIM circular No. 04, dated 26 July 2021, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.	In Financial Statements, as at 31 December 2022, accumulated provision for leases, loans and advances stand at Taka 399.37 million.

Sl. No.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
2	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 "Financial Instruments"	Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	As at 31 December 2022, in Financial Statements interest suspense account was Taka 190.18 million whereas last year was Taka 94.60. This amount has been shown in other liabilities in note 12.
3	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	<p>Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period.</p> <p>In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.</p>	<p>Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs.</p> <p>The templates of financial statements provided detail presentation for statement of cash flows.</p>	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.

Sl. No.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
4	Measurement of deferred tax asset	IAS 12 "Income Tax"	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against lease, loans and advances.	During this year 2022, there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against leases, loans and advances.
5	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements" IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments: Disclosure"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 7 and IFRS 9 have not been made in the accounts.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.

Sl. No.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
6	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.
7	Previous year error.	IAS- 8 "Accounting Policies, Changes in Accounting Estimates and Errors"	Correction of error (occurred in previous period) in the comparative information presented in the financial statements of current year.	Restated the comparative amounts for the prior period (2021) in which the error occurred which resulted reduction of other assets and other liabilities through note no. 9.01.02 and 12.04 (ii).	As at 31 December, 2022, the other assets in the Balance sheet shows Tk. 133.57 million whereas it was Tk. 220.68 million in 31 December, 2021 (corrected amount Tk. 84.36 million). Again the other liabilities shows Tk.726.93 million which was Tk. 550.96 million in 2021 (corrected amount Tk.414.64 million).
8	Current/ Non-current distinction	IAS-1 "Presentation of Financial Statement"	As per Para 60 of IAS-1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/non-current portion of assets and liabilities can be obtained.

Sl. No.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
9	Off-balance sheet items	IAS 1 "Presentation of Financial Statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	"Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank."
10	Complete set of financial statements	IAS 1 "Presentation of Financial Statements"	"As per IAS 1: ""Presentation of Financial Statements"" complete set of financial statements are i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	"As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) cash flow statement, iv) statement of changes in equity, v) liquidity statement, vi) notes, comprising significant accounting policies and other explanatory information.	"Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

Sl. No.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
11	Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" para 54: the statement of financial position shall include separate line item for intangible assets.	"As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item.	"Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
12	Other comprehensive income	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	"Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	"Financial Statements for 2022 and corresponding year 2021 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.
13	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account.	"Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

2.4 Components of the financial statements

The financial statements comprise of (as per DFIM Circular-11, Dated 23 December 2009):

- a) Balance sheet as at 31 December 2022;
- b) Profit and loss account for the year ended 31 December 2022;
- c) Cash flow statement for the year ended 31 December 2022;
- d) Statement of changes in equity for the year ended 31 December 2022;
- e) Liquidity statement as at 31 December 2022;
- f) Notes to the financial statements as at and for the year ended 31 December 2022.

2.5 Disclosure of departure from few requirements of IFRS due to mandatory compliance of Bangladesh Bank's requirements

Bangladesh Bank is the prime regulatory body for Non-Banking Financial Institutions (NBFIs) in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provisions of IFRS. As such the company has departed from those contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below along with financial impact where applicable:

2.5.1 As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However such general provision cannot satisfy the conditions of provision as per IFRS 9. At the year end the company has recognized an accumulated general provision of Tk. 98.80 million in balance sheet under liabilities.

2.5.1 Bangladesh Bank has issued templates for financial statements vide DFIM Circular-11 dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. As such the company does not prepare the statement of other comprehensive income. However, the company does not have any elements of OCI to be presented.

2.5.2 As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.

2.5.3 As per IAS 7, cash equivalent only include those investments which are for a short tenure like: 3 months. However, as per the aforementioned circular of Bangladesh Bank, Cash equivalent includes all balances kept with other banks and financial institutions irrespective of consideration of tenure. Hence, an investment of FDR for a tenure of 6 months or 1 year is also considered as cash equivalent which is contrary to the requirement of IAS.

2.6 Accounting policy for IFRS 16: Leases

At inception of a contract, Meridian Finance assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Meridian Finance assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

- ▶ Meridian Finance has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- ▶ Meridian Finance has the right to direct the use of the asset. Meridian Finance has the right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, Meridian Finance has the right to direct the use of the asset if either:
 - (i) Meridian Finance has the right to operate the asset; or
 - (ii) Meridian Finance designed the asset in a way that predetermines how and for what purpose it will be used.

The policy is applied to contracts entered into, or changed, on or after 1 January 2019.

Meridian Finance presents right of use assets in Annexure A and lease liabilities in note-10.01.02 separately.

2.7 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest BDT.

2.8 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Provisions and accrued expenses are recognized in the financial statement in line with the International Accounting Standard (IAS)-37: "Provisions, Contingent Liabilities and Contingent Assets" when

- the Company has a legal or constructive obligation as a result of past event.
- it is probable that an outflow of economic benefit will be required to settle the obligation.
- a reliable estimate can be made of the amount of the obligation."

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

- ▶ Provision for impairment of loans, leases and investments
- ▶ Gratuity
- ▶ Useful life of depreciable assets

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

2.9 Going concern

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

2.10 Materiality and aggregation

Each material item as considered by management significant has been presented separately in financial statements. No amount has been set off unless the Company has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

2.11 Directors' responsibility statement

The Board of Directors is responsible for the preparation and presentation of these financial statements.

2.12 Cash flow Statement

The cash flow statement is prepared using the direct method as stipulated in International Accounting Standard (IAS)-7 "Statement of Cash Flows", and in accordance with the instruction of Bangladesh Bank.

2.13 Books of account

The Company maintains its books of account for main business in Electronic Form through soft automation.

2.14 Branch accounting

The Company has four branches, with no overseas branches as on 31 December 2022. Accounts of the branches are maintained at the head office from which these accounts are drawn up.

2.15 Revenue recognition

Revenue is only recognised when it meets the following five steps model framework.

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

Interest income from leases, loans and other sources is recognised on an accrual basis of accounting.

2.15.1 Interest income on leases, loans and advances

Interest income is recognized when interest is accrued. No interest on loan (except mortgage loan) is accounted for as revenue where any portion of capital or interest is in arrears for more than 3 months for the loan tenure of which is within 5 years or in arrears for more than 6 months for the loan tenure of which is more than 5 years. In case of mortgage loan, no interest on loan is accounted for as revenue where any portion of capital or interest is in arrears for more than 9 months. Moreover, the amounts that were previously recognized as revenue in respect of such outstanding loans are also transferred from lease income to interest suspense account. Fees based income and delinquent charges from loan operations are accounted when they arise.

2.15.2 Fees and commission based income

Fees and commission based income arising on services provided by the company are recognized on a cash basis. Commission charged to customers is credited to income at the time of effecting the transactions.

2.15.3 Income from investment

Capital gain or loss on investment in shares

Capital gain or loss arising from the sale of investment in shares is accounted on monthly basis.

Dividend income

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

2.16 Operating expenses

Major component of operating expenses other than salary and allowances are office rent, printing and stationery, postage and stamp, telecommunication, legal and professional fees and other miscellaneous expenses. All expenses are recognized on accrual basis of accounting.

2.16.1 Salary and allowances

Salary and allowances comprise basic salary, house rent, conveyance allowance, festival bonus, leave fare assistance etc. All expenses related to salary and allowances are recognized on accrual basis of accounting.

2.17 Employees' benefit obligation

2.17.1 Provident fund

The Company maintains a contributory employees Provident Fund recognized by National Board of Revenue within the meaning of section 2(52), read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984 for its permanent employees. The Fund is administered by a Board of Trustees and is funded equally by the employer and the employees @ 10% of their basic salary as contribution of the fund. Provident Funds are invested in Fixed Deposit Receipt and to the Government Shanchaypatra and IPO Share. Interest earned from the investments is credited to the members' account on yearly basis.

2.17.2 Gratuity fund

The Company also operates a funded gratuity scheme recognized by National Board of Revenue. Gratuity fund is administered by a Board of Trustees. Employees are entitled to gratuity benefit after completion of minimum four (04) years of service with the Company. The gratuity is calculated on the last basic pay and is payable at the rate of below table:

Completed years of Service	Payment of Gratuity
4 years and above, up to 5 years	1 month of basic for each year of service
5.6 years and above, up to 7 years	1.2 month of basic for each year of service
7.6 years and above, up to 10 years	1.4 month of basic for each year of service
10.6 years and above, up to 15 years	1.5 month of basic for each year of service
15.6 years and above	2 month of basic for each year of service

2.18 Recognition of fixed assets

2.18.1 Assets acquired under own finance

These are recognized initially at cost and subsequently at cost less accumulated depreciation in compliance with the IAS-16, "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any direct cost attributable to bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into use, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the assets, the expenditure is capitalized as an additional cost of the assets.

2.18.2 Depreciation on fixed assets

Depreciation on fixed assets is charged using straight-line method at the following rates starting from the date of acquisition of assets:

Name of Assets	Useful Life (Years)	Rate (%)
Furniture & Fixture	6	16.67%
Office Decoration	6	16.67%
Office Equipment	5	20.00%
IT Equipment	5	20.00%
Motor Vehicle	5	20.00%
Software	2	50.00%

2.18.3 Intangible Assets

Intangible assets comprise the value of computer software, license and product image. Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization and accumulated impairment losses.

2.18.4 Amortization

Amortization is calculated using the straight line method to write down the cost of intangible assets to their estimated useful lives based on the management best estimates of 2 or 5 years.

2.19 Other assets

Other assets include all balance sheet accounts not covered specifically in other areas of the supervisory activity and such accounts may be quite insignificant in the overall financial condition of the company.

2.20 Contingent liabilities and contingent assets

The Company does not recognize any Contingent Asset and Contingent Liability; but discloses the existence of contingent liability in the financial statements. A contingent liability is a probable obligation that arises from the past events and whose existence will be confirmed by the occurrence of uncertain future events beyond the control of the Company or a present obligation that is not recognized because of outflow of resources is not likely or obligation cannot be measured reliably, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.21 Consistency

In accordance with the IFRSs framework for the presentation of financial statements together with IAS 1 and IAS 8, the Company applies the accounting disclosure principles consistently from one period to the next. In case of selecting and applying new accounting policies, changes in accounting policies applied and correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8. We, however, have applied the same accounting and valuation principles in 2022 as in financial statements for 2021.

2.22 Liquidity statement

The Liquidity Statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the period as per following bases:

- a) Balance with other banks and financial institutions, money at call and short notice etc. are on the basis of their term.
- b) Investments are on the basis of their residual maturity term.
- c) Loans and advances are on the basis of their repayment or maturity schedule.
- d) Fixed assets are on the basis of their useful lives.
- e) Other assets are on the basis of their adjustment.
- f) Borrowings from other banks and financial institutions as per their maturity or repayment term.
- g) Deposits and other accounts are on the basis of their maturity period and behavioural past trend.
- h) Other long term liability on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their settlement.

2.23 Borrowing costs

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

2.24 Written off leases, loans and advances

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

Recovery against debts written-off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against or are considered recoverable.

2.25 Cash and cash equivalent

Cash and cash equivalents comprise cash in hand and fixed deposits that are readily convertible to a known amount of cash, and that are not subject to significant risk of change in value.

2.26 Provision for loans and advances

Generally, provision against classified loans and advances is made on the basis of quarter end review by the management and instruction contained in FID Circular No. 08, dated 03 August 2002, FID Circular No. 11, dated 31 October 2005, FID Circular No. 06, dated 20 August 2006, FID circular No. 03, dated 29 April 2013 and DFIM circular No. 04, dated 26 July 2021. However, at the discretion of management, provision against classified loans and advances may be made on monthly basis. The provisions rates are given below:

Particulars	Rates
General Provision on:	
Unclassified of leases, loans and advances except SME	1%
Unclassified of Small and Medium Enterprise (SME)	0.25%
Special Mention Account of leases, loans and advances	5%
Specific Provision on:	
Sub-standard of leases, loans and advances	20%
Doubtful of leases, loans and advances	50%
Bad/loss of leases, loans and advances	100%

2.27 Corporate Tax

a. Current tax

Provision for current income tax is normally made as prescribed in Finance Act 2022 on the profit/(loss) made by the Company considering major taxable allowances and disallowances and the same is understated or overstated to that extent. Any shortfall or excess provision will be duly adjusted after final assessment.

b. Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the statement of financial position date. The impact on the accounts of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS-12 "Income Taxes".

2.28 Term deposits and other deposits accounts

2.28.1 Term Deposits

Term Deposits by customers and banks/NBFI are recognized when the Company enters into contractual provisions of the arrangements with the counterparties, which is generally on trade date, and initially measured at the consideration received.

2.28.2 Other deposits

Other deposits include advance rentals/instalments received from assets clients against leases, loans and advances which will be adjusted at the end of termination/settlement of leases, loans and advances in accordance with terms and conditions mentioned in the sanction letter.

2.29 Provision for liabilities

A provision is recognized in profit and loss account when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.30 Events after the reporting period

Where necessary, all the material events after the reporting period have been considered and appropriate adjustments / disclosures have been made in the financial statements.

2.31 Financial risk management

Meridian Finance always concentrates on delivering high value to its stakeholders through appropriate trade-off between risk and return. A well structured and proactive risk management system is in place within the Company to address risks relating to credit, market, liquidity, operations and anti money laundering. In addition to the industry best practices for assessing, identifying and measuring risks, Meridian Finance also considers guidelines for managing core risks of financial instructions issued by the Country's Central Bank, Bangladesh Bank, vide FID Circular No. 10 dated September 18, 2005 for management of risks and, more recently, DFIM Circular No. 03 dated January 24, 2016.

Credit Risk

To encounter and mitigate credit risk the company employed multilayer approval process, policy for maximum exposure limit of sector or groups, policy for customers' assets maximum exposure limit, mandatory search for credit report from Credit Information Bureau, looking into payment performance of customer before financing, adequate insurance coverage for funded assets, vigorous monitoring and follow up by Special Assets Management Team, strong follow up of compliance of credit policies by Internal Control and Compliance Department (ICCD), taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, etc.

The Credit Evaluation Committee (CEC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The CEC critically reviews projects from risk point of view. An independent Credit Risk Management Department is in place, at Meridian Finance, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high quality credit portfolio and maximize returns from risk assets.

Liquidity Risk

Liquidity requirements are managed on a day-to-day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario, and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements, anticipated funding requirements from operation, current liquidity position, collections from financing, available sources of funds and risks and returns.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and credit spreads will affect the income or the value of financial instruments.

The Asset Liability Committee (ALCO) of the Company regularly meets to assess the changes in interest rate, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk. Meridian Finance has also strong access to money market and credit lines at a competitive rate through good reputation, strong earnings, financial strength and credit rating.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Meridian Finance objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the reputation with overall cost effectiveness and innovation.

The Board of Directors has delegated responsibility for operational risk to Management Committee which is responsible for the development and implementation of controls to address operational risk.

Meridian Finance has also established an internal control & compliance department (ICCD) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk.

Money Laundering and Terrorist Financing Risk

To mitigate the risks, Meridian Finance, while adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU), put in place a strict compliance program consisting of the following components:

- a) Development and implementation of internal policies, procedures and controls to identify and report instances of money laundering and terrorism financing;
- b) Independent audit function including internal and external audit function to test the programs;
- c) Ongoing employee training programs

2.32 Prior year adjustment

Erroneously, the Company recorded two material errors in the financial statements for the year ended 2021 in booking "deferred provision against leases, loans & advances" under the head of "Other assets" Taka 136, 320, 000 and in "specific provision" under the head of "Other liabilities" Taka 136, 320, 000. Consequently, the other assets and other liabilities for the year ended 31 December 2021 were overstated by Taka 136,320,000. However, in the subsequent year 2022, the errors have been identified and restated by the Company by restating retrospectively the comparative amounts for the year ended 31 December 2021 as per the guideline of International Accounting Standard IAS 8: "Accounting policies, Changes in Accounting Estimates and Errors" as instructed by Bangladesh Bank vide letter no. DFIM(S)/1055/30/2023-2825 dated on 20 August 2023. The disclosures related to the above restatements have been properly addressed separately on the notes to the financial statements of the financial statements of 2022 (Notes no: 9.01.02 and 12.04 (ii)).

Summary of the rectifications are as follows:

Particulars	As per restated balance of 2021 (Tk)	As per audited financial statements of 2021 (Tk)	Adjustments (Tk)	Net effect on restatement
Other Assets	84,364,557	220,684,557	(136,320,000)	Taka 136,320,000 has been excluded from Other assets and Other liabilities.
Other Liabilities	414,640,269	550,960,269	(136,320,000)	
Net balance			-	

2.33 Comparative figures

Comparative information has been disclosed in respect of the period ended 31 December 2022 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements. Figures of the period 2021 have been restated and rearranged whenever considered necessary to ensure comparability with the current period.

2.34 General Notes

- (i) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- (ii) Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.

		Amount in BDT	
		2022	2021
3.00 Cash in hand			
In hand (including foreign currencies) (Note-3.01)		150,000	150,000
Balance with Bangladesh Bank and its agent (including foreign currencies) (Note-3.02)		27,275,586	25,030,692
		27,425,586	25,180,692
3.01 In hand (including foreign currencies)			
Local currency		150,000	150,000
Foreign currency		-	-
		150,000	150,000
3.02 Balance with Bangladesh Bank and its agent (including foreign currencies)			
Local currency		27,275,586	25,030,692
Foreign currency		-	-
		27,275,586	25,030,692
3.03 Cash reserve requirement (CRR) and statutory liquidity reserve (SLR)			
Cash reserve requirement (CRR) and statutory liquidity reserve (SLR) have been calculated and maintained in accordance with Financial Institution Act, 1993 & Financial Institution Regulations, 1994 and FID Circular No. 06, dated November 06, 2003, FID Circular No. 02, dated November 10, 2004, FID Circular No. 01, dated January 12, 2017 and DFIM Circular No. 03, dated June 21, 2020.			
Cash reserve requirement (CRR) has been calculated at the rate of 1.5% on total term deposits which is preserved in current account maintained with Bangladesh Bank. Total term deposit means term or fixed deposit, security deposit against lease/loan and other term deposit, received from individuals and institutions (except Bank & financial Institutions).			
Statutory liquidity reserve (SLR) has been calculated at the rate of 5.0% on total liabilities, including CRR of 1.5% on total term deposit. SLR maintained in liquid assets in the form of cash in hand (notes & coin in Taka), balance with Bangladesh Bank and other banks and financial institutions, unencumbered treasury bill and treasury bond and any other assets approved by government circular issued by gazette or Bangladesh Bank.			
a) Cash reserve requirement (CRR)			
Required reserve		23,333,833	23,562,062
Actual reserve maintained		26,492,329	25,724,546
Surplus / (deficit)		3,158,496	2,162,485
b) Statutory liquidity reserve (SLR)			
Required reserve (including CRR)		80,606,874	87,672,582
Actual reserve maintained (including CRR)		318,511,234	260,628,173
Surplus / (deficit)		237,904,360	172,955,591
4.00 Balance with other Banks and Financial Institutions			
Inside of Bangladesh			
Local currency			
Non interest bearing current account (Note - 4.01)		955,464	54,253
Interest bearing short term deposit account (Note - 4.02)		310,190,832	380,700,963
		311,146,296	380,755,216
4.01 Non interest bearing current account			
BASIC Bank Limited		1	3,412
Mercantile Bank Limited		21,228	46,077
Mutual Trust Bank Limited		934,235	4,764
		955,464	54,253

4.02 Interest bearing short term deposit account

Mercantile Bank Limited
 NRB Bank Limited
 NRB Commercial Bank Limited
 Standard Chartered Bank
 Brac Bank Limited
 Shahjalal Islami Bank Limited

Amount in BDT	
2022	2021
594,205	1,909,550
279,178,120	368,193,509
4,308,200	5,298,839
10,757,344	3,499,912
4,780,134	1,298,455
10,572,830	500,697
310,190,832	380,700,963

4.03 Maturity grouping of balance with other banks and financial institutions

Up to 1 month
 Over 1 month but not more than 3 months
 Over 3 months but not more than 6 months
 Over 6 months but not more than 1 year
 Over 1 year but not more than 5 years
 Over 5 years

311,146,296	264,081,157
-	116,674,059
-	-
-	-
-	-
-	-
311,146,296	380,755,216

5.00 Money at call and short notice

Short term placement

307,183,940	307,183,940
307,183,940	307,183,940

6.00 Investment**Government securities****Other investments**

Investment in marketable securities (Note-6.01)
 Investment in mutual fund
 Investment in preference shares

-	-
63,860,128	86,425,218
-	-
136,000,000	189,393,939
199,860,128	275,819,157

6.01 Investment in marketable securities

Details of marketable securities as at 31 December 2022 are given below:

Business segments	Cost Price	Market Price
Bank	4,670,548	3,243,426
Cement	8,275,101	5,241,744
Engineering	2,082,758	1,433,414
Financial institutions	15,922,307	9,988,919
Food & allied	9,104,691	6,935,299
Insurance	5,808,099	3,643,116
Pharmaceuticals & chemicals	4,719,890	3,400,000
Telecommunication	12,338,034	8,555,010
Textile	938,700	719,670
	63,860,128	43,160,598

7.00 Leases, loans and advances**Corporate finance**

Lease finance

Loan finance

Syndicated loan finance

Consumer finance

House finance

Car lease

Loan against deposit

Personal loan - employee

SME finance

Lease finance, SMALL

Loan finance, SMALL

Lease finance, MID

Loan finance, MID

Amount in BDT	
2022	2021
107,181,200	184,583,513
1,615,128,926	2,173,251,344
348,625,010	319,654,434
2,070,935,137	2,677,489,291
753,358,906	677,628,911
23,714,265	40,961,999
33,968,467	14,820,797
264,921	259,339
811,306,559	733,671,046
100,595,017	123,993,248
273,447,187	216,322,257
32,739,980	39,724,747
517,689,101	138,070,584
924,471,285	518,110,837
3,806,712,981	3,929,271,174
-	-
455,944,337	873,928,125
1,087,475,608	1,477,775,442
1,248,129,141	428,597,068
1,015,163,895	1,148,970,538
3,806,712,981	3,929,271,174
2,125,777,232	3,341,873,606
686,318,965	68,130,086
2,812,096,197	3,410,003,692
299,492,722	6,895,459
141,150,925	2,086,074
553,973,137	510,285,949
994,616,784	519,267,482
3,806,712,981	3,929,271,174

7.01 Maturity wise grouping

On demand

Not more than 3 months

More than 03 month to 01 year

More than 01 Year to 05 years

More than 05 years

7.02 Classification wise leases, loans and advances/ investments**Unclassified**

Standard

Special mention account (SMA)

Classified

Sub-standard

Doubtful

Bad/loss

		Amount in BDT	
		2022	2021
7.03	Leases, loans and advances on the basis of significant concentration		
	Trade and Commerce	681,713,783	666,047,901
	Industry:	1,989,936,871	2,060,341,503
	Garments and Knitwear	307,566,603	360,251,694
	Textile	76,084,018	144,765,883
	Jute and Jute-Products	19,602,286	17,769,027
	Food Production and Processing Industry	343,959,680	278,919,970
	Plastic Industry	54,300,524	52,143,447
	Leather and Leather-Goods	197,773,047	194,863,960
	Iron, Steel and Engineering	25,640,254	27,518,929
	Pharmaceuticals and Chemicals	106,954,854	60,348,321
	Cement and Allied Industry	417,900,329	391,856,147
	Telecommunication and Information Technology	26,420,958	65,737,281
	Paper, Printing and Packaging	16,673,846	23,810,848
	Glass, Glassware and Ceramic Industry	-	-
	Ship Breaking/Manufacturing Industry	168,175,071	154,202,252
	Electronics and Electrical Products	156,153,148	71,815,022
	Power, Gas, Water and Sanitary Service	-	-
	Transport and Aviation	72,732,254	216,338,722
	Agriculture	575,150	40,944,426
	Housing	779,415,305	654,454,247
	Others	355,071,872	507,483,097
	A) Merchant Banking	-	-
	B) Margin Loan	-	-
	C) Others	355,071,872	507,483,097
	Total	3,806,712,981	3,929,271,174
7.04	Leases, loans and advances- geographical location wise		
	Dhaka	2,637,929,077	2,942,072,980
	Chattogram	317,878,110	279,987,523
	Khulna	279,651,839	279,568,541
	Rangpur	168,511,193	108,468,681
	Rajshahi	402,742,762	319,173,449
	Sylhet	-	-
		3,806,712,981	3,929,271,174
7.05	Particulars of leases, loans and advance		
	i) Loans, advances and leases considered good in respect of which the Bank/ FI is fully secured.	761,960,570	648,987,854
	ii) Loans, advances and leases considered good for which the Bank/FI holds no other security than the debtor's personal security.	2,211,801,514	1,936,424,396
	iii) Loans, advances and leases considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors.	832,685,977	1,343,599,585
	iv) Loan adversely classified; for which no provision is created.	-	-
	v) Classified Leases, loans and advances against which no provision has been made	-	-
	vi) Leases, loans and advances due by Directors, Officers of the Company or any of them either separately or jointly with any other persons	264,921	259,339
	vii) Leases, loans and advances due from Companies or firms in which the Directors have interest as Directors, Partners or managing agents Companies, as members.	-	-

	Amount in BDT	
	2022	2021
viii) Maximum total amount of advances, including temporary advances made at any time during the year to directors and managers or officers of the Bank/ FI or any of them either severally or jointly with any other persons.	-	-
ix) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank/ FI have interests as directors, partners or managing agents or, in case of private companies as members.	-	-
x) Due from other Bank and Financial Institution companies	-	-
	3,806,712,981	3,929,271,174
xi) Information in respect of classified loans, advances and leases:		
a) Classified lease, loans and advances on which interest has not been charged	994,616,784	519,267,482
b) Increase/(decrease) of specific provision against classified lease/loan	110,971,316	63,238,696
c) Amount of loan written off	39,865,933	7,922,334
d) Amount realised against loan previously written off	-	-
e) Provision kept against loans classified as bad/loss on the date of preparing the balance sheet	155,086,547	95,777,310
f) Interest credited to Interest Suspense account	727,548	8,732,879
xii) Written off lease, loans and advances		
Opening Balance	7,992,334	7,922,334
Written off during the year	31,943,599	-
Received off during the year	-	-
Balance of written off loans and advances yet to be recovered	39,865,933	7,922,334
The amount of written off loans, advances and leases for which law suits have been filed	39,865,933	7,922,334
8.00 Fixed assets including land, building, furniture and fixtures		
Furniture & fixture	722,842	1,569,090
Office decoration	2,561,155	5,380,971
Office equipment	358,156	901,741
IT equipments	1,367,213	1,961,356
Motor vehicle	-	-
Systems & software	-	49,709
Software	-	3,081,923
Right of use of assets	33,639,871	45,466,880
	38,649,237	58,411,670
Details are given in annexure - A		
9.00 Other assets		
<u>Non income generating assets</u>		
Advances, deposits and prepayments (Note-9.01)	56,406,968	51,562,411
Deferred tax asset (Note-9.02)	11,488,950	5,847,829
<u>Income generating assets</u>		
Interest and other receivables (Note-9.03)	64,849,943	26,771,934
Receivable with securities (Note-9.04)	827,781	182,384
	133,573,642	84,364,557

9.01 Advances, deposits and prepayments

Advance office rent
Advance to suppliers & others
Advance Income Tax (Note-9.01.01)
Security deposit
Provident fund receivable
Dividend receivable
Sundry receivable
Receivable from client
Advance for IPO investment
Advance to Insurance Company
Receivable from others
Deferred provision against leases, loans & advances (Note-9.01.02)

Amount in BDT	
2022	2021
1,332,411	2,027,951
261,180	235,929
42,968,613	37,916,902
3,016,250	3,016,250
-	53,517
2,229,779	3,548,932
1,950,652	70,587
2,826,104	3,394,130
-	683,930
170,113	125,467
1,651,866	629,990
-	-
56,406,968	51,562,411
37,916,902	36,533,362
5,051,711	4,663,578
42,968,613	41,196,940
-	(3,280,038)
42,968,613	37,916,902

9.01.01 Advance income tax

Opening balance
Addition during the year
Adjusted during the year

*Advance income tax represents the amount of income tax deducted at source (TDS) on the interest of bank balance, FDR, dividend income and paid to tax office in four installments.

9.01.02 Deferred provision against leases, loans & advances

Opening balance
Less: Adjustment during the year
Less: previous year error

-	170,400,000
-	(34,080,000)
-	(136,320,000)
-	-

*An erroneous overstatement identified in the audited financial statements of 2021 for Tk. 136.32 million in "Specific provision". The error have been restated as per the International Accounting Standard (IAS)- 8: "Accounting policies, Changes in Accounting Estimates and Errors" as instructed by the Bangladesh Bank vide letter no. DFIM(S)/1055/30/2023-2825 dated 20 August 2023. Details are shown in note no. 2.32.

9.02 Deferred tax

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

Particulars	Accounting Base Carrying Amount	Tax Base Carrying Amount	(Taxable)/Deductible temporary difference
Deferred tax asset is arrived at as follows:			
Fixed assets net of depreciation as on 31 December 2022			
Furniture and fixture	722,842	4,130,722	3,407,879
Office decoration	2,561,155	12,823,872	10,262,717
Office equipment	358,156	6,473,095	6,114,939
IT equipments	1,367,213	1,881,990	514,777
Motor vehicle	-	1,456,053	1,456,053
Systems & software	-	74,118	74,118
Software	-	471,209	471,209
Taxable temporary difference (A)	5,009,366	27,311,058	22,301,692
Lease liability			40,060,554
Right of use of assets			(33,639,871)
Taxable temporary difference (C)			28,722,375
Deferred tax asset at 31 December 2022 @ 40%			11,488,950
Deferred tax asset at 31 December 2021 @ 40%			5,847,829

9.03 Interest and other receivables

Interest receivables - fixed deposit receipt
Interest receivables - short term placement

9.04 Receivable with securities

Receivable with IDLC Securities Limited
Receivable with LankaBangla Securities Limited
Receivable with NRBC Bank Securities Limited

10.00 Borrowings from other banks and financial institutions

Inside Bangladesh (Note-10.01)
Outside Bangladesh

10.01 Inside Bangladesh

Secured by FDR

Bank overdraft - Woori Bank

Unsecured

Short term loan - Marchantile Bank Limited
Long term loan (Note-10.01.01)
Call loan- Sonali Bank Limited
Lease liability (Note-10.01.02)

10.01.01 Long term loan

From Bangladesh Bank and its agents Bank

Bangladesh Bank (under Re-Finance)- Agriculture
Bangladesh Bank (under Re-Finance)- Auto Bricks
Bangladesh Bank (under Re-Finance)- SMEDP2
Bangladesh Bank (under Re-Finance)- Others

From other than Bangladesh Bank and its agents Bank

BASIC Bank Limited

10.01.02 Lease Liability

Lease liabilities derived from present value of all rental payments for corporate head office and four branches.
When measuring lease liabilities, Meridian Finance discounted lease payments using its borrowing rate.

10.02 Maturity grouping of borrowings from other banks, financial institutions & agents

Payable on demand
Up to 1 month
Over 1 months but within 3 month
Over 3 months but within 1 year
Over 1 year but within 5 years
Over 5 years

Amount in BDT	
2022	2021
-	-
64,849,943	26,771,934
64,849,943	26,771,934
710,223	63,926
116,263	116,713
1,295	1,745
827,781	182,384
394,121,637	447,784,501
-	-
394,121,637	447,784,501
(12,537)	(36,229)
28,000,000	40,000,000
250,973,620	274,103,916
75,100,000	82,900,000
40,060,554	50,816,814
394,121,637	447,784,501
-	637,500
125,382,251	145,392,341
4,270,200	17,563,933
96,279,875	53,287,500
225,932,326	216,881,274
25,041,294	57,222,641
25,041,294	57,222,641
250,973,620	274,103,916
75,100,000	82,900,000
11,628,830	32,231,164
45,462,050	32,447,382
87,310,252	127,061,959
116,413,670	173,143,996
58,206,835	-
394,121,637	447,784,501

		Amount in BDT	
		2022	2021
11.00	Deposits and other accounts		
	Term deposits (Note-11.01)	2,511,042,623	2,804,600,997
	Other deposits (Note-11.02)	154,590,052	101,702,558
		2,665,632,675	2,906,303,555
11.01	Term deposits		
	Short term deposit (Note-11.01.01)	2,020,022,068	2,432,546,019
	Long term deposit (Note-11.01.02)	600,000	-
	Double money deposit (Note-11.01.03)	189,416,646	137,119,360
	Triple money deposit - individual	37,258,269	32,073,804
	Monthly earner deposit - individual	112,182,880	80,925,449
	Quarterly earner deposit	80,250,000	73,850,000
	Millionaire scheme (Note-11.01.04)	23,438,360	13,800,263
	Insured millionaire scheme - individual	21,784,380	15,869,473
	Deposit pension scheme - individual	15,661,450	10,692,127
	Insured deposit pension scheme - individual	10,428,570	7,724,502
		2,511,042,623	2,804,600,997
11.01.01	Short term deposit		
	Short term deposit - Bank & NBF	1,151,000,000	1,285,000,000
	Short term deposit - corporate	338,690,640	710,319,589
	Short term deposit - individual	530,331,428	437,226,430
		2,020,022,068	2,432,546,019
11.01.02	Long term deposit		
	Long term deposit - corporate	-	-
	Long term deposit - individual	600,000	-
		600,000	-
11.01.03	Double money deposit		
	Double money deposit - corporate	46,647,369	41,860,569
	Double money deposit - individual	142,769,276	95,258,791
		189,416,646	137,119,360
11.01.04	Millionaire scheme		
	Millionaire scheme - corporate	379,118	298,866
	Millionaire scheme - individual	23,059,242	13,501,397
		23,438,360	13,800,263
11.02	Other deposits		
	Interest bearing security deposit (Note-11.02.01)	107,173,922	56,668,922
	Non-interest bearing security deposit (Note-11.02.02)	47,416,130	45,033,636
		154,590,052	101,702,558
11.02.01	Interest Bearing Security Deposit		
	Lease deposit, SMALL	650,000	650,000
	Loan deposit, SMALL	7,649,795	7,649,795
	Loan deposit, MID	8,500,000	8,500,000
	Loan deposit, Corporate	3,037,137	3,037,137
	Cash deposit	87,336,990	36,831,990
		107,173,922	56,668,922
11.02.02	Non-interest bearing security deposit		
	Lease deposit, SMALL	3,829,980	4,314,216
	Loan deposit, SMALL	433,496	1,049,811
	Lease deposit, MID	3,351,945	3,096,316
	Loan deposit, MID	7,148,893	9,566,100
	Lease deposit, Corporate	4,968,504	5,072,019
	Loan deposit, Corporate	26,630,659	20,663,658
	Car lease deposit	991,970	1,271,516
	House Finance Deposit	60,683	-
		47,416,130	45,033,636

11.03 Group-wise break -up of term deposits

Amount in BDT	
2022	2021
Bank & FI	1,151,000,000
Insurance	69,916,663
Other institutions	353,850,863
Individuals	936,275,097
2,511,042,623	2,804,600,997

11.04 Maturity analysis of Term deposits

Payable on demand	-	-
Up to 1 month	125,552,131	356,764,759
Over 1 month but within 3 month	251,104,262	1,149,669,338
Over 3 months but within 1 year	753,312,787	1,047,171,431
Over 1 year but within 5 year	1,129,969,180	201,624,382
Over 5 years	251,104,262	49,371,087
2,511,042,623	2,804,600,997	

12.00 Other liabilities

Withholding tax payable	3,179,523	2,901,234
Withholding VAT payable	319,746	556,408
Excise duty	427,900	480,450
Interest payable- (Note - 12.01)	69,560,130	67,036,175
Audit fee payable	287,500	264,500
Payable to suppliers	470,651	428,716
Payable for insurance	170,948	146,141
Gratuity fund payable	9,392,747	5,054,277
Leave Encashment Payable	1,914,744	-
Welfare fund payable	-	30,420
Payable to Employee	398,435	272,976
Sundry creditors	1,721,502	3,604,589
Other payable	16,084,036	21,712,264
Provision for current tax (12.02)	18,395,449	14,276,561
Salary payable	-	-
Interest suspense account (Note-12.03)	190,175,141	94,603,995
Provision for doubtful accounts and future losses (Note-12.04)	414,427,630	203,271,561
726,926,080	414,640,269	

12.01 Interest payable

Short term deposit (Note-12.01.01)	46,159,965	45,408,691
Long term deposit (Note-12.01.02)	3,500	-
Double money deposit (Note-12.01.03)	12,648,010	8,105,020
Monthly earner deposit - individual	358,783	618,008
Quarterly earner deposit	628,721	900,695
Annual earner deposit - individual	-	-
Triple money deposit - individual	2,659,812	1,103,470
Millionaire scheme (Note-12.01.04)	155,427	120,085
Insured millionaire scheme - individual	71,852	49,942
Deposit pension scheme - individual	119,804	87,304
Unsecured borrowing (Note-12.01.05)	2,333,784	8,317,809
Interest bearing cash deposit	4,420,471	2,325,150
69,560,130	67,036,175	

		Amount in BDT	
		2022	2021
12.01.01 Short term deposit			
Short term deposit - Bank & NBFI		15,384,694	12,833,264
Short term deposit - corporate		10,367,310	17,729,049
Short term deposit - individual		20,407,961	14,846,378
		46,159,965	45,408,691
12.01.02 Long term deposit			
Long term deposit - corporate		-	-
Long term deposit - individual		3,500	-
		3,500	-
12.01.03 Double money deposit			
Double money deposit - corporate		4,360,934	1,990,733
Double money deposit - individual		8,287,076	6,114,287
		12,648,010	8,105,020
12.01.04 Millionaire scheme			
Millionaire scheme - corporate		5,717	4,675
Millionaire scheme - individual		149,710	115,410
		155,427	120,085
12.01.05 Unsecured Borrowing			
Call borrowing		78,229	72,537
Short Term Borrowing		63,333	50,000
Bangladesh Bank refinancing		2,192,221	8,195,271
		2,333,784	8,317,809
12.02 Provision for current tax			
Opening balance		14,276,561	8,559,978
Provision during the year		4,118,888	14,223,083
		18,395,449	22,783,061
Adjusted during the year		-	(8,506,500)
		18,395,449	14,276,561
12.03 Interest suspense account			
Opening balance		94,603,995	72,451,770
Add: Transferred to interest suspense account during the year		108,296,430	30,885,104
Less: Recovered from interest suspense account during the year		(727,548)	(8,732,879)
Less: Written off during the year		(11,997,736)	-
		190,175,141	94,603,995
12.04 Provision for doubtful accounts and future losses			
General provision (Note-12.04(i))		98,803,177	32,453,502
Special general provision for COVID-19		10,160,440	10,160,440
Specific provision (Note-12.04(ii))*		188,162,378	97,136,923
Provision for diminutions in value of investments		20,699,529	5,980,480
		317,825,523	145,731,345
Other provisions		96,602,106	57,540,216
		414,427,630	203,271,561
*There is a provision shortfall against lease, loans & advances for Taka 10.22 crore for the year ended 31 December 2022. Meridian Finance has obtained permission from Bangladesh Bank vide letter no. DFIM(C)1054/59/2022-1311 dated May 10, 2022 for adjustment of provision shortfall Taka 17.04 crore within five (05) years started from 2021. Details are as follows:			
Provision shortfall against lease, loans & advances:			
Opening Balance		136,320,000	170,400,000
Less: Adjustment during the year		34,080,000	34,080,000
Closing balance		102,240,000	136,320,000
12.04 (i) Product wise break up of general provision			
Corporate finance (12.04.01)		80,833,041	20,850,111
Consumer finance (12.04.02)		15,464,326	7,275,518
SME finance (12.04.03)		2,505,810	4,327,873
		98,803,177	32,453,502

		Amount in BDT	
		2022	2021
12.04.01 Corporate finance			
Lease finance		1,227,360	1,783,077
Loan finance		69,734,449	15,823,996
Syndicated loan finance		9,871,232	3,243,037
		80,833,041	20,850,111
12.04.02 Consumer finance			
House finance		14,867,141	6,622,977
Car lease		254,859	498,830
Loan against deposit		339,677	151,117
Personal loan - employee		2,649	2,593
		15,464,326	7,275,518
12.04.03 SME finance			
Lease finance, SMALL		911,837	261,784
Loan finance, SMALL		825,906	1,404,986
Lease finance, MID		81,850	128,586
Loan finance, MID		686,216	2,532,518
		2,505,810	4,327,873
12.04 (ii) Specific provision			
Opening balance		97,136,923	33,898,228
Less: Fully provided debt written off during the year		(19,945,862)	-
Add: Amount realised from written off clients		-	-
Add: Addition during the year		76,891,316	165,478,696
Add: Adjustment of provision shortfall		34,080,000	34,080,000
Less: Adjustment of error for overstatement (Note- 9.01.02)*		-	(136,320,000)
Closing balance		188,162,378	97,136,923

*An erroneous overstatement identified in the audited financial statements of 2021 for Tk. 136.32 million in "Specific provision". The error have been restated as per the International Accounting Standard (IAS)- 8: "Accounting policies, Changes in Accounting Estimates and Errors" as instructed by the Bangladesh Bank vide letter no. DFIM(S)/1055/30/2023-2825 dated 20 August 2023. Details are shown in note no. 2.32.

13.00 Share Capital			
Authorized			
200,000,000 ordinary shares of BDT 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up			
120,000,000 ordinary shares of BDT 10 each		1,200,000,000	1,200,000,000

Details of shares holding position are as under:

Sponsor Shareholders:

	Percentage (%)	No. of Shares		
A. Individual Sponsors				
Mr. K.M. Aminul Islam	4.167	5,000,000	50,000,000	50,000,000
Ms. Naima Chowdhury	4.167	5,000,000	50,000,000	50,000,000
Ms. Ruba Ahmed	8.333	10,000,000	100,000,000	100,000,000
Mr. Mizanur Rahman	4.167	5,000,000	50,000,000	50,000,000
	20.83	25,000,000	250,000,000	250,000,000

	Percentage	No. of	Amount in BDT	
	(%)	Shares	2022	2021
B. Institutional Sponsors				
AG Agro Industries Ltd.	8.333	10,000,000	100,000,000	100,000,000
M Rahman Steel Mills Ltd.	4.167	5,000,000	50,000,000	50,000,000
Siam’s Superior Ltd.	8.333	10,000,000	100,000,000	100,000,000
Arunima Apparels Ltd.	8.333	10,000,000	100,000,000	100,000,000
Matrix Sweaters Ltd.	8.333	10,000,000	100,000,000	100,000,000
Diganta Sweaters Ltd.	8.333	10,000,000	100,000,000	100,000,000
Disari Industries (Pvt.) Ltd.	8.333	10,000,000	100,000,000	100,000,000
Toma Construction & Co. Ltd.	8.333	10,000,000	100,000,000	100,000,000
Saima Samira Textile Mills Ltd.	8.333	10,000,000	100,000,000	100,000,000
Omega Sweaters Ltd.	8.333	10,000,000	100,000,000	100,000,000
	79.17	95,000,000	950,000,000	950,000,000
Total Shareholdings	100.000	120,000,000	1,200,000,000	1,200,000,000

13.01 Capital adequacy ratio (CAR)

As per section 4(GHA) of the Financial Institution Rule 1994 and subsequently updated vide DFIM Circular No. 5, dated July 24, 2011, the minimum paid up capital of the Financial Institution (FI) shall be Taka 100 crore; Provided that the sum of paid up capital and reserves shall not be less than the minimum capital determined by the Bangladesh Bank under the Risk-Based Assets of the company. The excess eligible capital of the company at the close of business on 31 December 2022 were Taka 4.84 crore.

	Amount in BDT	
	2022	2021
Core capital (Tier-1)		
Paid-up capital (Note-13)	1,200,000,000	1,200,000,000
Share premium	-	-
Statutory reserves (Note-14)	71,251,616	71,251,616
General reserves	-	-
Dividend equalization reserves	-	-
Retained earnings (Note-15)	(233,380,198)	21,006,465
Non-controlling interest	-	-
Provision shortfall	(102,240,000)	(136,320,000)
Sub-Total	935,631,418	1,155,938,082
Supplementary capital (Tier -II)		
General provision (Unclassified loans up to specified limit + SMA + Off Balance Sheet exposure)	98,803,177	42,613,942
Assets revaluation reserves up to 50%	-	-
Revaluation reserve for securities up to 45%	-	-
All others preference shares	-	-
Others (if any other item approved by Bangladesh Bank)	-	-
Sub-Total	98,803,177	42,613,942
A) Total capital	1,034,434,595	1,198,552,024
Total assets including off -balance sheet exposures	4,824,551,810	5,197,306,406
B) Total risk weighted assets	3,418,270,317	3,932,942,692
C) Required capital based on risk weighted assets (10% on B)	341,827,032	393,294,269
D) Surplus (A-C)	692,607,563	805,257,755
E) Capital adequacy ratio (%)	30.26%	30.47%
F) Core capital to RWA (%)	27.37%	29.39%
G) Supplementary capital to RWA (%)	2.89%	1.08%

		Amount in BDT	
		2022	2021
14.00 Statutory reserve			
Opening balance	71,251,616	71,201,454	
Add: Transferred from profit	-	50,162	
Closing balance	71,251,616	71,251,616	
15.00 Retained earnings			
Opening balance	21,006,465	20,805,816	
Add: profit/(loss) for the period	(254,386,663)	250,811	
Less: appropriation to statutory reserve	-	(50,162)	
Less: cash dividend	-	-	
Closing balance	(233,380,198)	21,006,465	
16.00 Interest income			
Corporate finance	18,862,346	28,100,411	
Lease finance	154,794,792	188,145,601	
Loan finance	2,655,360	29,971,949	
Syndicated loan finance	176,312,498	246,217,961	
Consumer finance			
House finance	60,199,812	65,115,161	
Car lease	3,736,999	8,223,052	
Loan against deposit	2,659,648	1,019,271	
Personal loan - employee	19,897	31,910	
	66,616,356	74,389,394	
SME finance			
Lease finance, SMALL	9,435,125	14,844,094	
Loan finance, SMALL	19,638,681	12,162,105	
Lease finance, MID	4,303,959	6,569,544	
Loan finance, MID	-1,999,362	25,499,394	
	31,378,402	59,075,137	
Treasury			
Fixed deposit accounts	-	8,514,583	
Short notice deposit accounts	10,241,691	20,371,647	
Short term placement	38,931,298	38,551,603	
	49,172,989	67,437,833	
	323,480,245	447,120,325	
17.00 Interest expenses on deposits and borrowings			
Interest on term deposit (Note-17.01)	210,650,437	187,037,311	
Interest bearing security deposit	3,380,935	1,643,630	
Secured bank overdraft	-	228,457	
Unsecured borrowing (Note- 17.02)	20,114,702	30,908,193	
Interest on right of use of asset	4,375,032	4,203,957	
	238,521,106	224,021,547	

		Amount in BDT	
		2022	2021
17.01	Interest on term deposit		
	Short term deposit (Note-17.01.01)	166,503,192	156,912,604
	Long Term Deposit (Note-17.01.02)	3,500	-
	Monthly earner deposit - Individual	7,553,458	5,140,119
	Quarterly earner deposit	5,997,989	7,259,546
	Double money deposit (Note-17.01.03)	19,978,977	10,989,503
	Triple money deposit - Individual	5,165,686	3,670,034
	Millionaire scheme (Note-17.01.04)	1,571,473	1,216,312
	Insured millionaire scheme - Individual	1,974,164	1,039,877
	Deposit pension scheme-Individual	949,226	161,721
	Insured deposit pension scheme-Individual	952,773	647,594
		210,650,437	187,037,311
17.01.01	Short term deposit		
	Short term deposit - Bank & NBFi	95,462,876	82,896,901
	Short term deposit - Corporate	31,834,794	34,375,469
	Short term deposit - Individual	39,205,522	39,640,234
		166,503,192	156,912,604
17.01.02	Long term deposit		
	Long term deposit - Corporate	-	-
	Long term deposit - Individual	3,500	-
		3,500	-
17.01.03	Double money deposit		
	Double money deposit - Corporate	7,157,001	1,358,351
	Double money deposit - Individual	12,821,976	9,631,152
		19,978,977	10,989,503
17.02.04	Millionaire scheme		
	Millionaire scheme - Corporate	81,294	61,142
	Millionaire scheme - Individual	1,490,179	1,155,171
		1,571,473	1,216,312
17.02	Unsecured borrowing		
	Call borrowing	4,578,856	4,548,104
	Unsecured short term borrowing	2,870,889	7,159,583
	Bangladesh Bank refinancing	9,106,626	8,966,636
	Long term loan	3,558,332	10,233,869
		20,114,702	30,908,193
18.00	Income from investment		
	Capital gain on sale of marketable securities	9,856,761	5,837,553
	Dividend income (Note-18.01)	15,666,060	8,891,375
		25,522,820	14,728,928
18.01	Dividend income		
	Dividend income - Marketable securities	1,767,751	2,461,204
	Dividend income - Preference share	13,898,309	6,430,171
		15,666,060	8,891,375
19.00	Commission, exchange and brokerage income	-	-
20.00	Other operational income		
	Fees and documentations (Note-20.01)	6,333,177	8,340,442
	Income against forfeited A/C of provident fund	31,631	81,398
	Income against forfeited A/C of provident fund	287,329	107,411
	Miscellaneous income	6,652,136	8,529,251

		Amount in BDT	
		2022	2021
20.01 Fees and documentations			
	<u>Corporate finance</u>		
	Lease finance	55,225	190,606
	Loan finance	849,030	2,205,783
		904,255	2,396,389
	<u>Consumer finance</u>		
	House finance	4,150,744	4,655,897
	Car lease	57,569	210,842
	Personal Loan	2,073	80
		4,210,386	4,866,819
	<u>SME finance</u>		
	Lease finance, SMALL	100,958	273,278
	Loan finance, SMALL	723,006	509,721
	Lease finance, MID	27,413	66,197
	Loan finance, MID	367,158	228,038
		1,218,536	1,077,234
		6,333,177	8,340,442
21.00 Salary and allowances			
	Salary and allowances	71,296,303	73,579,985
	Provident fund contribution	3,056,398	3,304,033
	Gratuity fund	6,525,294	4,087,471
	Leave Encashment	2,520,263	522,478
	Festival bonus	5,877,379	7,273,064
		89,275,637	88,767,031
22.00 Rent, taxes, insurance, electricity etc.			
	Office rent	-	-
	Insurance	33,335	46,964
	Utilities	4,018,708	4,244,321
		4,052,043	4,291,285
23.00 Legal and professional fees		1,118,496	1,066,242
24.00 Postage, stamp, telecommunication etc.			
	Postage and courier	44,934	36,407
	Stamp charges	1,635	650
	Telephone bill	1,161,147	1,233,235
		1,207,716	1,270,292
25.00 Stationery, printing, advertisement			
	Printing and stationery	939,738	572,331
	Advertisement	466,454	322,828
		1,406,192	895,159
26.00 Managing director's salary and allowance			
	Basic salary	3,000,000	1,250,000
	Allowances	3,666,000	1,527,500
	Bonus	500,000	-
	Provident fund contribution	300,000	125,000
		7,466,000	2,902,500
27.00 Directors' fees		627,611	802,389
28.00 Auditors' fees		287,500	264,500

		Amount in BDT	
		2022	2021
29.00 Depreciation and repair of Company's assets			
Repairs and maintenance		335,675	4,318,194
Depreciation & amortization		20,185,934	23,983,650
		20,521,609	28,301,844
30.00 Other expenses			
Training		148,674	18,013
Renewal & Registration fees		731,016	511,961
Employee Engagement Program		292,568	221,847
Conveyance		1,086,009	916,397
Travelling		1,543,198	1,533,228
Business Development Expense		360,867	123,703
Business Documentation Expense		88,400	-
Internet and e-mail		669,200	617,756
Computer accessories		116,441	582,455
Fuel expense		386,849	229,733
Vehicle maintenance/Registration		3,373,299	4,959,688
Office maintenance		2,401,312	2,711,168
Entertainment		296,032	201,329
Bank charges		129,948	129,084
CSR expense		210,000	264,000
Excise duty		119,150	319,500
CDBL fee		5,988	12,984
Branding		442,672	176,386
Security Guard Services		1,100,520	1,131,664
Recruitment Expenses		36,000	56,475
NID Verification fee		6,562	7,551
Marketing Expense		2,365,030	2,086,092
Meeting expense		61,476	33,835
Books and periodicals		7,045	4,300
Loss on Disposal of Fixed Asset		-	21,950
		15,978,257	16,871,099
31.00 Provisions for leases, loans & investments			
Provision for leases, loans and advances		177,320,991	73,249,883
General provision		66,349,675	(149,255)
Specific provision for COVID-19		-	10,160,440
Specific provision		110,971,316	63,238,698
Provision for diminution in value of investments		14,719,051	(6,361,980)
Other provisions		39,061,890	27,699,428
		231,101,932	94,587,330
32.00 Provision for taxation			
Current tax expense/ (income) (Note-32.01)		4,118,888	8,996,622
Deferred tax expense/ (income) (Note - 32.02)		(5,641,121)	(2,910,147)
		(1,522,233)	6,086,474
32.01 Current tax expense/ (income)			
Current tax expense/ (income) for the year		4,118,888	14,223,083
Revised tax expense/ (income) for previous year (Note - 32.01.01)		-	(5,226,462)
		4,118,888	8,996,622
32.01.01 Revised tax expense/ (income) for 2021			
Tax provisions made		-	8,506,500
Assessed tax		-	3,280,038
Revised tax expense/ (income)		-	(5,226,462)

32.02 Deferred tax expense / (income)

Particulars	31 December 2022	31 December 2021	Tax Expense/ (Income)
Deferred tax liability	-	-	-
Deferred tax assets	11,488,950	5,847,829	(5,641,121)
Deferred tax expense/ (income)			(5,641,121)

33.00 Related party transactions

Details of transactions with related parties and balances during were as follows:

Sl No.	Name of the Related Party	Transaction nature	Relationship	Balance as at 01 Jan 2022	Addition during the year	Adjustment during the year	Balance as at 31 Dec 2022
1	Disari Industries (Pvt) Ltd.	Term deposit	Shareholder	3,430,400	-	3,430,400	-
2	Omega Sweaters Ltd.	Term deposit	Shareholder	11,001,293	792,093	-	11,793,386
3	Diganta Sweaters Ltd.	Term deposit	Shareholder	139,755,899	-	139,755,899	-
4	Toma Construction & Co. Ltd.	Term deposit	Shareholder	21,481,617	6,401,997	-	27,883,614
5	Kazi M Aminul Islam	Term deposit	Shareholder	9,083,334	-	9,083,334	-
6	Naima Chowdhury	Term deposit	Shareholder	12,110,436	899,200	-	13,009,636
7	Cosmos Sweaters Ltd.	Term deposit	Director Concern	69,806,356	-	69,806,356	-
8	Sweaters Zone Ltd.	Term deposit	Director Concern	69,740,269	-	-	69,740,269
9	Meridian Finance & Investment Limited Employees' Provident Fund	Term deposit	PF Fund of Meridian Finance & Investment Limited	16,749,964	1,879,342	-	18,629,305
Total				353,159,568	9,972,631	222,075,989	141,056,210

34.00 Employees' details

No. of employee received BDT 6,000 per month
No. of employee received more than BDT 6,000 per month

2022	2021
-	-
108	117
108	117

35.00 Disclosure of Audit Committee

A. Particulars of audit committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with the Bangladesh Bank's DFIM circular # 13, dated: October 26, 2011.

The Audit Committee of the Board of Directors consisted of the following members of the Board:

Name	Status at the Company	Status at the Committee
Ms. Shahnaj Kamal	Director (Representative of Diganta Sweaters Ltd.)	Chairman
Mr. Golam Mostofa	Director (Representative of Omega Sweaters Ltd.)	Member
Ms. Rashnat Tarin Rahman	Director (Representative of Toma Construction & Co. Ltd.)	Member
Ms. Shamima Nargis	Director (Representative of Saima Samira Textile Mills Ltd.)	Member

B. Meeting held by the committee during the year by date

Meeting No.	Held on
25th Meeting	30 March 2022
26th Meeting	28 June 2022
27th Meeting	28 September 2022
28th Meeting	28 December 2022

36.00 Events after the Reporting Period

A) The board of directors in its meeting held on 07 September 2023 approved the financial statements and authorized the same for issue.

B) The board of directors in its 83rd Meeting held on 07 September, 2023 recommended no dividend based on financial performance for the year ended 31 December 2022. This will be considered for approval by the shareholders at the 9th Annual General Meeting (AGM) to be held on 30 September, 2023.

C) No other adjusting event had been occurred till date of signing the financial statements which recognize adjustment under **IAS -10 "Events the after Reporting Period"**.

Sd/-	Sd/-	Sd/-	Sd/-
<u>Kazi M Aminul Islam</u>	<u>Golam Mostofa</u>	<u>Quazi Nizam Ahmed</u>	<u>Md. Wahid Murad FCA</u>
Chairman	Director	Managing Director & CEO	Company Secretary

Meridian Finance and Investment Limited

Schedule of Fixed Assets including land, building, furniture and fixtures

As at 31 December 2022

Amount in BDT

Particulars	COST			DEPRECIATION					Written down value as at 31.12.2022
	Balance as at 01.01.2022	Addition during the year	Adjustment / disposal the year	Balance as at 31.12.2022	Rate (%)	Balance as at 01.01.2022	Charged during the year	Adjustment / disposal the year	
Freehold assets									
Furniture & fixture	7,980,877	28,039	-	8,008,916	16.67	6,411,786	874,287	-	7,286,073
Office decoration	24,048,103	18,920	143,250	23,923,773	16.67	18,667,132	2,795,367	99,881	21,362,618
Office equipment	7,006,074	25,659	3,159,897	3,871,836	20.00	6,104,333	569,237	3,159,890	3,513,680
IT equipments	11,671,932	394,259	-	12,066,191	20.00	9,710,576	988,402	-	10,698,978
Motor vehicle	6,943,000	-	-	6,943,000	20.00	6,943,000	-	-	6,943,000
	57,649,985	466,877	3,303,147	54,813,715		47,836,827	5,227,293	3,259,771	49,804,349
Intangible assets									
Systems & software	1,089,023	-	-	1,089,023	20.00	1,039,314	49,709	-	1,089,023
Software	6,163,845	-	-	6,163,845	50.00	3,081,923	3,081,923	-	6,163,845
	7,252,868	-	-	7,252,868		4,121,236	3,131,631	-	7,252,868
Lease Hold Assets									
Right of use of assets	65,902,071	-	-	65,902,071	-	20,435,191	11,827,009	-	32,262,200
Total as at 31 December 2022	130,804,924	466,877	3,303,147	127,968,654		72,393,254	20,185,934	3,259,771	89,319,417
Total as at 31 December 2021	106,540,254	35,404,933	(11,140,264)	130,804,924		54,259,474	23,983,650	(5,849,871)	72,393,254
									58,411,670

MERIDIAN FINANCE AND INVESTMENT LIMITED

Financial highlights As at 31 December 2022

Sl No.	Key Indicators	Amount in BDT (Million)	
		2022	2021
1	Paid-up capital	1,200.00	1,200.00
2	Total eligible capital	1,034.43	1,198.55
3	Capital surplus	692.61	805.26
4	Total assets	4,824.55	5,060.99
5	Total deposits	2,665.63	2,906.30
6	Total loans, advances and leases	3,806.71	3,929.27
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	1.43	1.40
9	Percentage of classified loans against total loan & advance	26.13%	13.22%
10	Profit after tax and provision	(254.39)	0.25
11	Amount of classified loans during current year	994.62	519.27
12	Provisions kept against classified loans	188.16	97.14
13	Provision surplus/(shortfall) against classified loan	(102.24)	(136.32)
14	Cost of fund	7.56%	7.71%
15	Interest earnings assets	4,560.24	4,806.70
16	Non-interest earnings assets	264.31	254.29
17	Return on investment (ROI)	-24.59%	0.02%
18	Return on assets (ROA)	-5.27%	0.005%
19	Income from investment	25.52	14.73
20	Earnings Per Share (EPS)	(2.12)	0.0021
21	Net income per share	0.71	1.86
22	Market price per share	N/A	N/A
23	Price Earnings (P/E) ratio	N/A	N/A

Note

Note

Meridian Finance and Investment Limited

Silver Tower, Level 6, 52 Gulshan Avenue
Gulshan 1, Dhaka 1212, Bangladesh

Affix revenue
stamp of
Tk. 20.00

Proxy Form

I of
..... being a member of Meridian Finance & Investment Limited here by appoint Mr. / Ms. of
..... failing (him / her)
..... of
..... as my proxy
to attend and vote for me and on my behalf at the 9th Annual General Meeting of the company to be held on Saturday, September 30, 2023 at 2:00 pm and at any adjournment thereof.

Signed this day of 2023

Detail of proxy	Detail of member
Signature	Signature
Name:	Name:
Folio Number (If any) :	Folio Number :

Notes:

1. Proxy form duly completed must be deposited at the registered office of the company 48 hours before the time appointed for the meeting.
2. Signature of the member should agree with the specimen signature registered with the company.



Attendance Slip

Detail of proxy	Detail of member
Signature	Signature
Name:	Name:
Folio Number (If any) :	Folio Number :

I/we hereby record my presence at 9th Annual General Meeting of Meridian Finance & Investment Limited on Saturday, September 30, 2023 at 2:00 pm at 52 Gulshan Avenue, Dhaka, Bangladesh.

Corporate Head Office

Silver Tower, (L-6),
52 Gulshan Avenue
Gulshan – 1, Dhaka – 1212
Tel: 16659, +88 09613 445566,
Fax: +88 02 8837820-21
Email: info@meridianfinancebd.com

Principal Branch

Silver Tower, (L-9),
52 Gulshan Avenue
Gulshan – 1, Dhaka – 1212
Tel: 16659, +88 09613 445566,
Email: info@meridianfinancebd.com

Gazipur Branch

MAS Square, 3rd floor,
Outpara Chandon Chourasta,
Gazipur
Tel: 16659, +88 09613 445566,
Email: info@meridianfinancebd.com

Bogura Branch

739/A, Rabu Tower, 2nd floor,
Borogola, Bogura.
Tel: 16659, +88 09613 445566,
Email: info@meridianfinancebd.com

Chattogram Branch

Suraiya Mansion,
Holding No. 30, 5th Floor,
Agrabad C/A, Chattogram.
Tel: 16659, +88 09613 445566,
Email: info@meridianfinancebd.com

**Our
Branches**

Call Us
16659



Corporate
Head Office

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