Bangladesh Finance Limited

Consolidated and Separate Financial Statements

as at and for the year ended December 31, 2023

Independent Auditor's Report
To the Shareholders of Bangladesh Finance Limited.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Bangladesh Finance Limited and its subsidiaries (the "Group") as well as the separate financial statements of Bangladesh Finance Limited (the "Company"), which comprise the consolidated and separate balance sheets as at 31 December 2023 and the consolidated and separate profit and loss accounts, the consolidated and separate statements of changes in equity and the consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and separate financial position of the Company as at 31 December 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

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

Key Audit Matters

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

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Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
With reference to Note 12.1 to the Financial Statements, the process for calculating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex. The Company calculates provision for loans, advances and leases by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, value of eligible collateral as per DFIM Circular No. 04 dated 26 July 2021 and its subsequent amendments. Moreover, non-performing loans have been increasing day by day. NBFIs need to maintain provisions for additional non-performing loans in line with the Bangladesh Bank's guidelines to maintain and improve its assets quality. As the company calculates required provisions manually overall audit risk has also increased. Furthermore, management has incentive to maintain lower provisions for loans and advances to overstate profit. Considering these factors, we have considered measurement of provision for loans, advances and leases as significant risk as well as a key audit matter. According to DFIM Circular Letter No. 33 dated 19 December 2021, NBFIs must keep an extra 2% (percent) special provision for the borrowers who have availed Payment by Deferral (PBD) facilities. The Company has kept a special provision of BDT 82.42 million as of 31 December 2023 to comply with the circular. At the year end of 2023 the Group reported total gross loans, advances and leases of BDT 14,597.24 million (2022: BDT 14,006.17 million) and in 2023 the Company reported total gross loans, advances and leases of BDT 13,813.47 million (2022: BDT 13,699.67 million) whereas at the year end of 2023 the Company reported total provision for loans, advances and leases of BDT 1,632.5 million (2022: BDT 652.96 million). As per letter No-DFIM (C) 1054/15/2021-1687 dated 22/08/2021, the company should disclose	We tested the design and operating effectiveness of key controls focusing on the following: • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Loans (CL). Our substantive procedures in relation to the provision for lease, loans and advances portfolio comprised the following: For confirming the classification of rescheduled lease, loans and advances. we performed the following procedures: • We checked the no. of installment outstanding and compliance with DFIM Circular No. 10 dated 4 September 2022; • Obtained Bangladesh Bank Inspection report on FICL audit for the year ended 2023 and checked either the directions or recommendations thereon, have been addressed by the management or not; • Reviewed the adequacy of the general and specific provisions and loan classification disclosures in the financial statements in line with related Bangladesh Bank guidelines; • Tested the inputs in computation of provision in terms of testing the accuracy of underlying information; • Assessed the methodologies on which the provision amounts based (value of eligible securities, interest suspense), recalculated the provisions for lease, loans and advances; • We checked that adequate disclosure has been provided regarding maintained & required to be maintained provisions and suspended interest

information regarding maintained & required to be maintained provisions and suspended interest against stressed loan/lease accounts and other than stressed loan/lease accounts separately. According to the Quick Summary Report of BB (FICL), the total amount of provision and suspended interest against stressed loan/lease was BDT 842.8 million and BDT 699.33 million against non-stressed loan/lease.	against stressed loan/lease accounts and other than stressed loan/lease accounts separately as per Quick Summary Report of BB (FICL); and • We assessed the appropriateness of presentation and disclosure against relevant accounting standards and Bangladesh Bank guidelines
See note no 12.1 to the financial statements	
Recognition of interest income on loans, advances and leases	
Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income have involved complex IT environments. We identify recognition of interest income from loans, advances and leases as a key audit matter because this is one of the key performance indicators of the Company and therefore there is an inherent risk of fraud and error and overstatement in recognition of interest by management to meet specific targets or expectations. Moreover, Bangladesh Bank has introduced SMART rate by DFIM Circular No. 07 dated 20 June 2023 and subsequent movement by DFIM Circular Letter No. 25 dated 29 November 2023 which has changed several times since inception. For the year ended 2023, Group reported total revenue from loan & advances, leases & related activities of BDT 1,166.74 million (2022: BDT 1,448.38 million) and in 2023 the Company reported total revenue from loan & advances, leases & related activities of BDT 1,085.53 million (2022: BDT 1,375.74 million). However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by Management in assessing recoverability of interest income from classified loans may be different than the actual situation in future.	We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans, advances and leases focusing on the following: • We understood the significant revenue processes including performance of an end-to-end walkthrough of the revenue assurance process and identifying the relevant controls (including systems, interfaces and reports); • We tested the design and operating effectiveness of the relevant controls; • We involved our internal IT specialists to test IT general controls, system interfaces, data/information reporting, and application specific controls surrounding relevant revenue systems; • We performed data analysis and analytical reviews of significant revenue streams; • Reviewing transfer of interests to the income account in line with the Bangladesh Bank's guidelines; • We performed procedures to ensure that the revenue recognition criteria adopted by each group entity for all major revenue streams is appropriate and in line with the Group's accounting policies. We have also performed substantive procedures to check whether interest income is recognized completely and accurately in line with time-to-time movement of the SMART rate published by Bangladesh Bank.

See note no 19 to the financial statements	
IT systems and controls	
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.	We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Company's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit. We performed the Tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms and segregation of incompatible duties relevant to application and database change management.

Other Matter

The financial statements of Bangladesh Finance Limited and its subsidiaries (the "Group") for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on March 13, 2023.

Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 2020, the Finance Company Act, 2023 and the rules and regulations issued by Bangladesh Bank, we also report that:

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

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

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

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

v. the financial statements of the Group and the Company have been drawn up in conformity with the Finance Company Act, 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;

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

vii the financial statements of the Group and 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 to be and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;

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

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

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

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

xv. we have reviewed over 80% of the risk-weighted assets of the Company and we have spent around 2,000 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 all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment Number: CAF-001-129

Ziaur Rahman Zia FCA
Partner
Enrolment No.:1259

DVC:2406261259AS784443

Dhaka, Bangladesh.
Dated: 12 June 2024

Bangladesh Finance Limited
Consolidated Balance Sheet
As at 31 December 2023

	Note	Amount in BDT 31-Dec-23	31-Dec-22
PROPERTY AND ASSETS			
Cash			
Cash in hand	3.a	96,174	86,910
Balance with Bangladesh Bank		117,914,492	117,732,419
		118,010,666	**117,819,328**
Balance with other Banks and Financial Institutions	4.a		
Inside Bangladesh		1,684,175,647	1,575,248,414
Outside Bangladesh		-	-
		1,684,175,647	**1,575,248,414**
Money at call and short notice		-	-
Investment in Securities	5.a		
Government		-	-
Others		1,394,913,648	1,135,630,606
		1,394,913,648	**1,135,630,606**
Lease, Loans and Advances	6.a		
In Bangladesh		14,597,241,179	14,006,177,275
Outside Bangladesh		-	-
		14,597,241,179	**14,006,177,275**
Fixed Assets including Premises, Furniture and Fixtures	7.a	**732,485,219**	**624,786,962**
Other Assets	8.a	**1,510,156,186**	**1,458,874,259**
Non Financial Assets	9	**213,121,062**	**213,121,062**
Total Assets		**20,250,103,607**	**19,131,657,906**
LIABILITIES AND CAPITAL			
Liabilities			
Financing (Borrowings) from other Banks, Financial Institutions and Agents	10.a	**5,171,867,429**	**3,145,399,810**
Deposits and other Accounts	11.a	**8,878,841,364**	**9,797,346,225**
Other Liabilities	12.a	**3,528,703,173**	**2,406,773,783**
Total Liabilities		**17,579,411,966**	**15,349,519,818**
Capital/ Shareholders' Equity			
Share Capital	13.2	1,882,362,670	1,882,362,670
Statutory Reserve	14	501,151,365	501,151,365
General Reserve	15	-	-
Capital Reserve	16.1	98,971,128	33,744,750
Revaluation Surplus on Land and Building	7.b	526,952,914	409,095,980
Retained Earnings	16.a	(839,730,814)	450,851,610
Total Shareholders' Equity		**2,169,707,263**	**3,277,206,374**
Non Controlling Interest	16.b	**500,984,378**	**504,931,713**
Total Liabilities and Shareholders' Equity		**20,250,103,607**	**19,131,657,906**

A. QASEM & CO. CHARTERED ACCOUNTANTS

Bangladesh Finance Limited
Consolidated Balance Sheet
As at 31 December 2023

	Note	Amount in BDT 31-Dec-23	31-Dec-22
OFF BALANCE SHEET EXPOSURES			
CONTINGENT LIABILITIES			
Acceptances and Endorsements		-	-
Letters of Guarantee	17	-	200,000,000
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Total		-	**200,000,000**
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the Bank not acknowledged as debts		-	-
Total		-	-
Total Off-Balance Sheet items including contingent liabilities		-	**200,000,000**
Net Asset Value (NAV) per share	**45.a**	**11.53**	**17.41**

The annexed notes from 1 to 46 and Annexure A, B and C are an integral part of these financial statements

Munshi Abu Naim, FCS
Company Secretary

Md. Kyser Hamid
Managing Director & CEO

Md. Rokonuzzaman, FCA
Director

Md. Asaduzzaman Khan
Director

Iqbal Uddin Ahmed
Director

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129

Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

DVC: 2406261259AS784443

Dhaka, Bangladesh
Dated: 12 June 2024

Bangladesh Finance Limited

Consolidated Profit and Loss Account

For the year ended 31 December 2023

	Note	Amount in BDT 31-Dec-23	31-Dec-22
Interest Income	19.a	1,166,744,018	1,448,388,080
Less: Interest paid on Deposits and Borrowings etc.	20.a	1,081,208,337	1,029,369,151
Net Interest Income		**85,535,680**	**419,018,929**
Income from Investment	21.a	63,899,618	310,537,666
Commission, Exchange and Brokerage	21.b	69,803,262	109,703,195
Other Operating Income	22.a	74,823,954	58,296,612
		208,526,834	**478,537,473**
Total Operating Income		**294,062,515**	**897,556,402**
Salaries and Allowances	23.a	219,978,382	223,390,003
Rent, Taxes, Insurances, Electricity etc.	24.a	11,519,632	9,290,476
Legal and Professional Fees	25.a	2,172,351	7,594,486
Postage, Stamps, Telecommunication etc.	26.a	4,739,689	5,143,351
Stationery, Printings, Advertisements etc.	27.a	15,040,293	17,059,841
Managing Director's Salary and Allowances	28	7,259,083	7,700,000
Directors' Fees	29.a	1,232,000	1,892,000
Audit Fees	29.b	661,250	662,528
Depreciation and Repairs of Assets	30.a	68,519,796	60,233,662
Other Expenses	31.a	28,474,468	46,371,849
Total Operating Expenses		**359,596,945**	**379,338,195**
Profit/(Loss) before Provision		**(65,534,430)**	**518,218,207**
Specific Provisions for Classified Investment	32	601,729,433	94,478,810
General Provisions for Unclassified Investment	32	454,759,508	40,500,000
Special Provisions for Unclassified Investment		-	(1,677,503)
Provisions for Other Receivables	32	(90,000,000)	20,000,000
Provisions for Off-Balance Sheet exposures		(2,000,000)	(1,500,000)
Provisions for Investment in Securities and Margin Loan	32.a	16,402,491	53,032,641
Total Provision		**980,891,432**	**204,833,948**
Total Profit/(Loss) before Provisions for Taxation		**(1,046,425,863)**	**313,384,259**
Current Tax Expenses	12.4.a	27,698,455	70,014,521
Deferred Tax Expenses/(benefit)	12.5.b	(31,652,823)	(61,355,852)
		(3,954,368)	**8,658,669**
Net Profit/(Loss) after Taxation		**(1,042,471,495)**	**304,725,590**
Attributable to		**(1,042,471,495)**	**304,725,590**
Shareholder of the Company		(1,053,816,942)	236,015,541
Non-controlling Interest		11,345,447	68,710,048
Net Profit/(Loss) available for distribution		**(1,053,816,942)**	**236,015,541**

A. QASEM & CO. CHARTERED ACCOUNTANTS DHAKA

Bangladesh Finance Limited

Consolidated Profit and Loss Account
For the year ended 31 December 2023

	Note	Amount in BDT	
		31-Dec-23	31-Dec-22
Appropriations			
Statutory Reserve	14	-	38,688,172
General Reserve	15	-	-
Retained Earnings		(1,053,816,942)	197,327,369
		(1,053,816,942)	**236,015,541**
Basic Earnings Per Share	**33a**	**(5.60)**	**1.25**

The annexed notes from 1 to 46 and Annexure A, B and C are an integral part of these financial statements

Munshi Abu Naim, FCS
Company Secretary

Md. Kyser Hamid
Managing Director & CEO

Md. Rokonuzzaman, FCA
Director

Md. Asaduzzaman Khan
Director

Iqbal Uddin Ahmed
Director

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129

Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

DVC: 2406261259AS784443

Dhaka, Bangladesh
Dated: 12 June 2024

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

Bangladesh Finance Limited
Consolidated Cash Flow Statement
For the year ended 31 December 2023

	Amount in BDT	
	31-Dec-23	**31-Dec-22**
Cash Flows from Operating Activities		
Interest received	1,467,661,438	1,537,134,517
Interest paid	(1,118,139,935)	(1,042,380,171)
Dividend received	12,334,396	103,852,403
Fees and Commission received	106,256,532	158,864,557
Cash Payments to Employees	(227,237,465)	(231,090,003)
Cash Payments to Suppliers	(16,172,395)	(17,843,398)
Income Tax Paid	(189,325,427)	(105,717,358)
Received from other Operating activities	131,979,936	239,620,915
Payments for other Operating activities	(93,695,565)	(131,932,508)
Cash generated from operating activities before changes in Operating Assets and Liabilities	**73,661,516**	**510,508,955**
Changes in Operating Assets and Liabilities		
Purchases/Sale of Trading Securities	(259,283,042)	(148,705,638)
Loans and Lease Finance to Customers	(591,063,904)	(313,916,699)
Other Assets	(3,752,343)	109,033,327
Deposits	(918,504,861)	228,368,535
Net drawdown of Term Loans	565,629,419	(124,963,744)
Net drawdown of Short Term Loans	973,135,097	422,893,920
Other Liabilities	414,296,443	(261,563,920)
Sub Total	**180,456,808**	**(88,854,218)**
A) Net Cash flows from Operating Activities	**254,118,325**	**421,654,737**
Cash flows from Investing Activities		
Purchase/sale of non trading securities	-	-
Proceeds from Sale of fixed assets	1,585,614	781,694
(Purchase)/disposal of fixed assets including right-of-use assets	(18,049,700)	(86,812,843)
B) Net Cash flows from Investing Activities	**(16,464,086)**	**(86,031,149)**
Cash flows from Financing Activities		
Increase/(decrease) of borrowings	7,500,000	-
Payment for lease liabilities	(29,486,837)	(28,800,077)
Dividend Paid	(106,548,830)	(175,123,544)
C) Net Cash flows from Financing Activities	**(128,535,667)**	**(203,923,621)**
D) Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**109,118,571**	**131,699,967**
E) Cash and Cash Equivalents at the beginning of the period	**1,693,067,742**	**1,561,367,775**
F) Cash and Cash Equivalents at the end of the period(D+E)	**1,802,186,313**	**1,693,067,742**
Net Operating Cash Flows per share (NOCFPS)	**1.35**	**2.24**

The annexed notes from 1 to 46 and Annexure A, B and C are an integral part of these financial statements

Munshi Abu Naim, FCS
Company Secretary

Md. Kyser Hamid
Managing Director & CEO

Md. Rokonuzzaman, FCA
Director

Md. Asaduzzaman Khan
Director

Iqbal Uddin Ahmed
Director

Dhaka, Bangladesh
Dated: 12 June 2024

A. QASEM & CO. CHARTERED ACCOUNTANTS DHAKA

Bangladesh Finance Limited

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2023

Amount in BDT

Particulars	Share capital	Statutory reserve	General reserve	Capital reserve	Revaluation Surplus	Retained earnings	Total	Non Controlling Interest	Total Equity
Balance as at 01 January 2023	**1,882,362,670**	**501,151,365**	**-**	**33,744,750**	**409,095,980**	**450,851,610**	**3,277,206,374**	**504,931,713**	**3,782,138,088**
Changes during the year 2023									
10% Cash Dividend - 2022	-	-	-	-	-	(188,236,267)	(188,236,267)	-	(188,236,267)
Interim Cash Dividend - 2022	-	-	-	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	-	-	-	(1,053,816,942)	(1,053,816,942)	11,345,447	(1,042,471,495)
Capital Reserve	-	-	-	65,226,378	-	(49,933,596)	15,292,782	(15,292,782)	-
Revaluation of Land and Building	-	-	-	-	119,261,318	-	119,261,318	-	119,261,318
Transfer to retained earnings	-	-	-	-	(1,404,384)	1,404,384	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
	-	-	-	65,226,378	117,856,934	(1,290,582,421)	(1,107,499,109)	(3,947,335)	(1,111,446,444)
Balance as at 31 December 2023	**1,882,362,670**	**501,151,365**	**-**	**98,971,128**	**526,952,914**	**(839,730,811)**	**2,169,707,265**	**500,984,378**	**2,670,691,644**
Balance as at 01 January 2022	**1,775,813,840**	**462,463,192**	**-**	**33,744,750**	**410,500,364**	**465,217,517**	**3,147,739,664**	**504,796,379**	**3,652,536,042**
Changes during the year 2022									
6% Stock Dividend - 2021	106,548,830	-	-	-	-	(106,548,830)	-	-	-
6% Cash Dividend - 2021	-	-	-	-	-	(106,548,830)	(106,548,830)	-	(106,548,830)
Interim Cash Dividend - 2022								(68,574,714)	(68,574,714)
Profit/(Loss) for the year	-	-	-	-	-	236,015,541	236,015,541	68,710,048	304,725,590
Revaluation Surplus	-	-	-	-	(1,404,384)	1,404,384	-	-	-
Transfer to statutory reserve	-	38,688,172	-	-	-	(38,688,172)	-	-	-
	106,548,830	38,688,172	-	-	(1,404,384)	(14,365,908)	129,466,711	135,334	129,602,045
Balance as at 31 December 2022	**1,882,362,670**	**501,151,365**	**-**	**33,744,750**	**409,095,980**	**450,851,609**	**3,277,206,374**	**504,931,713**	**3,782,138,088**

The annexed notes from 1 to 46 and Annexure A, B and C are an integral part of these financial statements

Munshi Abu Naim, FCS **Company Secretary**	**Md. Kyser Hamid** **Managing Director & CEO**	**Md. Rokonuzzaman, FCA** **Director**	**Md. Asaduzzaman Khan** **Director**	**Iqbal Uddin Ahmed** **Director**

Dhaka, Bangladesh
Dated: 12 June 2024

A. QASEM & CO. CHARTERED ACCOUNTANTS DHAKA

Bangladesh Finance Limited

Balance Sheet

As at 31 December 2023

	Note	Amount in BDT	
		31-Dec-23	31-Dec-22
PROPERTY AND ASSETS			
Cash	3		
Cash in hand		62,312	39,605
Balance with Bangladesh Bank		117,914,492	117,732,419
		117,976,803	**117,772,023**
Balance with other Banks and Financial Institutions	4		
Inside Bangladesh		1,552,240,540	1,143,319,843
Outside Bangladesh		-	-
		1,552,240,540	**1,143,319,843**
Money at call and short notice		-	-
Investment in Securities	5		
Government		-	-
Others		413,086,701	419,002,129
		413,086,701	**419,002,129**
Lease, Loans and Advances	6		
In Bangladesh		13,813,475,620	13,699,677,770
Outside Bangladesh		-	-
		13,813,475,620	**13,699,677,770**
Fixed Assets including Premises, Furniture and Fixtures	7	**685,239,853**	**568,330,764**
Other Assets	8	**1,272,749,747**	**1,245,030,892**
Non Financial Assets	9	**213,121,062**	**213,121,062**
Total Assets		**18,067,890,327**	**17,406,254,484**
LIABILITIES AND CAPITAL			
Liabilities			
Financing (Borrowings) from other Banks financial Institutions and Agents	10	**4,201,441,808**	**2,666,627,723**
Deposits and other Accounts	11	**8,878,841,364**	**9,862,346,225**
Term Deposits		8,711,101,760	9,792,981,240
Other Deposits		150,147,987	58,342,957
Advance Rent and Installments		17,591,617	11,022,028
Bills Payable		-	-
Other Liabilities	12	**3,075,580,126**	**1,836,330,969**
Total Liabilities		**16,155,863,297**	**14,365,304,918**
Capital/Shareholders' Equity			
Share Capital	13.2	1,882,362,670	1,882,362,670
Statutory Reserve	14	501,151,365	501,151,365
General Reserve	15	-	-
Revaluation Surplus on Land and Building	7.1	526,952,914	409,095,980
Retained earnings	16	(998,439,919)	248,339,553
Total Shareholders' Equity		**1,912,027,030**	**3,040,949,568**
Total Liabilities and Shareholders' Equity		**18,067,890,327**	**17,406,254,484**

A. QASEM & CO. CHARTERED ACCOUNTANTS

Bangladesh Finance Limited
Balance Sheet
As at 31 December 2023

	Note	Amount in BDT 31-Dec-23	31-Dec-22
OFF BALANCE SHEET EXPOSURES			
CONTINGENT LIABILITIES			
Acceptances and Endorsements		-	-
Letters of Guarantee	17	-	200,000,000
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Total		-	**200,000,000**
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the Bank not acknowledged as debts		-	-
Total		-	-
Total Off-Balance Sheet items including contingent liabilities		-	**200,000,000**
Net Asset Value (NAV) per share	**45**	**10.16**	**16.15**

The annexed notes from 1 to 46 and Annexure A, B and C are an integral part of these financial statements

Munshi Abu Naim, FCS
Company Secretary

Md. Kyser Hamid
Managing Director & CEO

Md. Rokonuzzaman, FCA
Director

Md. Asaduzzaman Khan
Director

Iqbal Uddin Ahmed
Director

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129

Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

DVC: 2406261259AS784443

Dhaka, Bangladesh
Dated: 12 June 2024

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

Bangladesh Finance Limited
Profit and Loss Account
For the year ended 31 December 2023

	Note	Amount in BDT 31-Dec-23	31-Dec-22
Interest Income	19	1,085,531,857	1,375,748,865
Less: Interest paid on Deposits and Borrowings etc.	20	1,024,159,054	997,213,975
Net Interest Income		**61,372,803**	**378,534,890**
Income from Investment in securities	21	53,584,603	194,704,906
Commission, Exchange and Brokerage		2,364,444	2,035,833
Other Operating Income	22	71,883,207	59,118,807
		127,832,254	**255,859,546**
Total Operating Income		**189,205,057**	**634,394,436**
Salaries and Allowances	23	183,200,166	183,038,412
Rent, Taxes, Insurances, Electricity etc.	24	7,687,936	6,296,795
Legal and Professional Fees	25	1,118,732	3,744,813
Postage, Stamps, Telecommunication etc.	26	3,453,601	4,001,465
Stationery, Printings, Advertisements etc.	27	13,947,909	15,333,850
Managing Director's Salary and Allowances	28	7,259,083	7,700,000
Directors' Fees	29	941,600	1,443,200
Audit Fees		460,000	461,278
Depreciation and Repairs of NBFI's Assets	30	48,486,400	44,716,896
Other Expenses	31	21,372,935	39,726,395
Total Operating Expenses		**287,928,361**	**306,463,104**
Profit/(Loss) before Provision		**(98,723,304)**	**327,931,332**
Specific provisions for Classified Investment		601,729,433	94,478,810
General provisions for Unclassified Investment		454,759,508	40,500,000
Special provisions for Unclassified Investment		-	(1,677,503)
Provisions for investment in FDR		(90,000,000)	20,000,000
Provisions for Off-Balance Sheet exposures		(2,000,000)	(1,500,000)
Provisions for Investment in Securities		5,980,000	(20,000,000)
Total Provision	32	**970,468,941**	**131,801,307**
Total Profit/(Loss) before Provisions for Taxation		**(1,069,192,245)**	**196,130,025**
Deferred Tax Expenses/(benefit)	12.5.1	(18,511,765)	(19,552,012)
Current Tax Expenses	12.4	9,267,109	22,241,174
		(9,244,656)	**2,689,162**
Net Profit/(Loss) after Taxation		**(1,059,947,588)**	**193,440,862**
Appropriations			
Statutory Reserve	14	-	38,688,172
General Reserve	15	-	-
Retained Earnings		(1,059,947,588)	154,752,690
		(1,059,947,588)	**193,440,862**
Basic Earnings Per Share	33	**(5.63)**	**1.03**

The annexed notes from 1 to 46 and Annexure A, B and C are an integral part of these financial statements

Munshi Abu Naim, FCS
Company Secretary

Md. Kyser Hamid
Managing Director & CEO

Md. Rokonuzzaman, FCA
Director

Md. Asaduzzaman Khan
Director

Iqbal Uddin Ahmed
Director

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129

Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

DVC:
2406261259AS784443

Dhaka, Bangladesh
Dated: 12 June 2024

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

Bangladesh Finance Limited
Cash Flow Statement
For the year ended 31 December 2023

	Note	Amount in BDT 31-Dec-23	31-Dec-22
Cash Flows from Operating Activities			
Interest received	34	1,360,898,535	1,464,979,237
Interest paid	35	(1,022,384,046)	(1,010,224,994)
Dividend received		1,688,359	95,872,934
Fees and Commission received		2,364,444	2,035,833
Cash Payments to Employees		(190,459,249)	(190,738,412)
Cash Payments to Suppliers		(13,947,909)	(15,333,850)
Income Tax Paid		(119,534,183)	(78,331,318)
Received from other Operating activities	36	128,006,821	132,125,884
Payments for other Operating activities	37	(49,758,936)	(68,408,959)
Cash generated from operating activities before changes in Operating Assets and Liabilities		**96,873,837**	**331,976,354**
Changes in Operating Assets and Liabilities			
Purchases/Sale of Trading Securities		5,915,428	(166,219,122)
Loans and Lease Finance to Customers		(113,797,850)	(330,575,497)
Other Assets	38	(13,698,701)	73,080,076
Deposits		(983,504,861)	293,368,535
Net drawdown of Term Loans		565,629,419	(124,963,744)
Net drawdown of Short Term Loans		969,184,666	288,071,356
Other Liabilities	39	14,208,475	9,925,889
Sub Total		**443,936,575**	**42,687,492**
A) Net Cash from Operating Activities		**540,810,412**	**374,663,847**
Cash flows from Investing Activities			
Purchase/sale of non trading securities		-	-
Proceeds from Sale of fixed assets		1,708,000	781,694
(Purchase)/disposal of fixed assets including right-of-use assets		(9,007,119)	(79,858,319)
B) Net Cash from Investing Activities		**(7,299,119)**	**(79,076,625)**
Cash flows from Financing Activities			
Increase/(decrease) of borrowings			
Payment for lease liabilities		(17,836,987)	(18,647,109)
Dividend Paid		(106,548,830)	(106,548,830)
C) Net Cash from Financing Activities		**(124,385,817)**	**(125,195,939)**
D) Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**409,125,476**	**170,391,283**
E) Cash and cash equivalents at the beginning of the period		1,261,091,867	1,090,700,584
F) Cash and cash equivalents at the end of the period (D+E)	40	**1,670,217,343**	**1,261,091,867**
Net Operating Cash Flow per share	46	**2.87**	**1.99**

The annexed notes from 1 to 46 and Annexure A, B and C are an integral part of these financial statements

Munshi Abu Naim, FCS
Company Secretary

Md. Kyser Hamid
Managing Director & CEO

Md. Rokonuzzaman, FCA
Director

Md. Asaduzzaman Khan
Director

Iqbal Uddin Ahmed
Director

Dhaka, Bangladesh
Dated: 12 June 2024

A. QASEM & CO. CHARTERED ACCOUNTANTS

Bangladesh Finance Limited

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2023

Amount in BDT

Particular	Share capital	Statutory reserve	General reserve	Revaluation Surplus	Retained earnings	Total
Balance as at 01 January 2023	**1,882,362,670**	**501,151,365**	**-**	**409,095,980**	**248,339,552**	**3,040,949,568**
Changes during the year 2023						
10% Cash Dividend - 2022					(188,236,267)	(188,236,267)
Profit/(Loss) for the year	-	-	-	-	(1,059,947,588)	(1,059,947,588)
Transfer to retained earnings				(1,404,384)	1,404,384	-
Transfer to general reserve	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Revaluation of Land & Building	-	-	-	119,261,318	-	119,261,318
	-	-	-	117,856,934	(1,246,779,471)	(1,128,922,537)
Balance as at Amount in BDT	**1,882,362,670**	**501,151,365**	**-**	**526,952,914**	**(998,439,919)**	**1,912,027,030**
Balance as at 01 January 2022	**1,775,813,840**	**462,463,192**	**-**	**410,500,364**	**305,280,139**	**2,954,057,535**
Changes during the year 2022						
6% Stock Dividend - 2021	106,548,830	-	-	-	(106,548,830)	-
6% Cash Dividend - 2021	-				(106,548,830)	(106,548,830)
Profit/(Loss) for the year	-	-	-	-	193,440,862	193,440,862
Transfer to Retained Earnings				(1,404,384)	1,404,384	-
Transfer to general reserve	-	-	-	-	-	-
Transfer to statutory reserve	-	38,688,172	-	-	(38,688,172)	-
	106,548,830	38,688,172	-	(1,404,384)	(56,940,586)	86,892,032
Balance as at 31 December 2022	**1,882,362,670**	**501,151,365**	**-**	**409,095,980**	**248,339,553**	**3,040,949,568**

The annexed notes from 1 to 46 and Annexure A, B and C are an integral part of these financial statements

Munshi Abu Naim, FCS	Md. Kyser Hamid	Md. Rokonuzzaman, FCA	Md. Asaduzzaman Khan	Iqbal Uddin Ahmed
Company Secretary	Managing Director & CEO	Director	Director	Director

Dhaka, Bangladesh
Dated: 12 June 2024

A. QASEM & CO. CHARTERED ACCOUNTANTS DHAKA

Bangladesh Finance Limited

Liquidity Statement

Assets and Liabilities Maturities Analysis

As at 31 December 2023

Amount in BDT

Particulars	Up to 01 Month	01-03 Months	03-12 Months	01-05 Years	Above 05 years	Total
Assets						
Cash in hand	62,312	-	-	-	-	62,312
Balance with Bangladesh Bank	117,914,492	-	-	-	-	117,914,492
Balance with other banks and financial institutions	85,976,688	-	1,466,263,852	-	-	1,552,240,540
Money at Call and Short Notice	-	-	-	-	-	-
Investment in securities	263,086,701	-	-	150,000,000	-	413,086,701
Investment (Loans and Advances)	529,418,525	1,684,513,489	1,938,447,453	7,411,859,353	2,249,236,799	13,813,475,620
Fixed Assets including premises, furniture and fixtures etc.	-	-	-	386,420,222	298,819,631	685,239,853
Other Assets	14,153,754	88,731,143	233,021,410	66,167,486	870,675,955	1,272,749,747
Non-banking Assets	-	-	-	213,121,062	-	213,121,062
Total Assets (i)	**1,010,612,471**	**1,773,244,632**	**3,637,732,715**	**8,227,568,123**	**3,418,732,385**	**18,067,890,327**
Liabilities						
Borrowing from other banks, financial institutions and agents	186,936,276	434,386,037	1,234,434,896	2,345,684,599	-	4,201,441,808
Deposits and other accounts	443,942,068	1,154,249,377	1,331,826,205	4,616,997,509	1,331,826,205	8,878,841,364
Provision and other liabilities	110,452,087	22,848,377	142,788,418	1,119,796,497	1,679,694,746	3,075,580,126
Total Liabilities (ii)	**741,330,431**	**1,611,483,791**	**2,709,049,518**	**8,082,478,605**	**3,011,520,951**	**16,155,863,297**
Net Liquidity Gap (i-ii)	**269,282,040**	**161,760,841**	**928,683,197**	**145,089,517**	**407,211,434**	**1,912,027,030**

Munshi Abu Naim, FCS
Company Secretary

Md. Kyser Hamid
Managing Director & CEO

Md. Rokonuzzaman, FCA
Director

Md. Asaduzzaman Khan
Director

Iqbal Uddin Ahmed
Director

A. QASEM & CO. CHARTERED ACCOUNTANTS

1 Legal status and nature of the company

1.1 Domicile, legal form and country of incorporation

Bangladesh Finance Limited ("Bangladesh Finance" or "the Company" or "FI") formerly known as "Bangladesh Finance and Investment Company Limited" is a Non-Banking Financial Institution engaged in lease, loan and investment financing operations. The Company having its registered office at Baitul Hossain Building, 27 Dilkusha C/A, Dhaka-1000, Bangladesh, was incorporated in Bangladesh on 10 May 1999 as a Public Limited Company under the Companies Act 1994. The license was issued from Bangladesh Bank on 22 December 1999 under the Financial Institutions Act 1993 which were then replaced by Finance Company Act 2023. The operational activities was started on 15 February 2000 through signing the first lease agreement on that day. Presently the Company is operating through seven branch offices at Dhaka, Chattogram, Sylhet, Gazipur and Jashore including Islamic Wing in six branches. The Company went for Initial Public Offering on 14 June 2007 and its shares were listed in both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 06 September 2007 and 28 August 2007 respectively.

1.2 Principal activities and nature of operation

The Company provides both Conventional and Islamic financial services to customers which includes lease finance for capital machinery to various industries including construction equipment, energy generating equipment, office equipment, medical equipment, transport etc. The Company also provides term finance, short-term finance, syndication finance, working capital finance, SME loan, women entrepreneur loan, factoring of accounts receivables, bill discounting, distributor finance, work order finance, assignment-based finance, home loan, loan against deposit and personal loan to the enterprises, professionals and others.

1.3 Islamic Wing

The Company obtained permission from Bangladesh Bank (the country's central bank) to operate the Islamic Wing vide Bangladesh Bank's letter no. DFIM(L)1053/56/2022-60 dated 04 January 2022. The company commenced operation of this wing from 04 January 2022. The Islamic Wing is governed under the rules and regulations of Bangladesh Bank.

1.4 Subsidiary companies

1.4.1 Bangladesh Finance Securities Limited

Bangladesh Finance Securities Limited, a 57.36% owned subsidiary company of Bangladesh Finance Limited was incorporated on 28 December 2010 as a public limited company under the Companies Act 1994 with authorized share capital of Tk. 500 crore. The main objective of the Bangladesh Finance Securities is to act as a member of stock exchanges, operate the Central Depository System (CDS) and to carry on the business of brokers, jobbers or dealers in stocks, shares, securities, commodities, commercial papers, bonds, obligations, debentures etc.

A. QASEM & CO. CHARTERED ACCOUNTANTS

1.4.2 Bangladesh Finance Capital Limited

Bangladesh Finance Capital Limited, a fully owned (99.972% Share) subsidiary company of Bangladesh Finance Limited was incorporated on 10 August 2011 as a public limited company under The Companies Act 1994 with authorized share capital of Tk. 200 crore. The main objective of the Bangladesh Finance Capital Limited is to carry on the business of Merchant Banking, fund management, managing portfolio investments, financial consultancy services etc.

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation of the financial statements

The financial statements of the Company are prepared up to 31 December each year and are prepared under the historical cost convention and in accordance with the Finance Company Act, 2023 and Bangladesh Bank DFIM circular No. 11 dated 23 December, 2009. International Accounting Standard (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act. 1994, the Securities and Exchange Rules 1987 and other laws and regulations applicable in Bangladesh.

All figures appeared in the Financial Statements are rounded off to the nearest Taka.

2.1.1 Basis of consolidation of operations of subsidiaries

The financial statements of the Company and its subsidiaries, as mentioned in note No. 1.4.1 and 1.4.2 have been consolidated in accordance with International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements". The consolidation of the financial statements have been prepared after eliminating all material inter company balances, income and expenses arising from inter-company transactions.

The total profits of the Company and its subsidiaries are shown in the consolidated profit and loss account with the proportion of profit after taxation pertaining to non-controlling shareholders being deducted as 'Non-controlling Interest'. NCI is measured at subsidiaries' proportionate share of identifiable net assets.

All assets and liabilities of the Company and of its subsidiaries are shown in the consolidated balance sheet. The interest of non-controlling shareholders of the subsidiary are shown separately in the consolidated balance sheet under the heading 'Non-controlling Interest'.

When Bangladesh Finance loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of the equity. Any resulting gain or loss is recognised in the profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2.2 Components of the financial statements

The financial statements comprise of (As per DFIM Circular No. 11, Dated 23 December 2009):
a) Consolidated and Separate Balance Sheet as at December 31, 2023;
b) Consolidated and Separate Profit and Loss Account for the year ended December 31, 2023;
c) Consolidated and Separate Statement of Cash Flows for the year ended December 31, 2023;
d) Consolidated and Separate Statement of Changes in Equity for the year ended December 31, 2023;
e) Liquidity Statement as at December 31, 2023; and
f) Notes to the Consolidated and Separate Financial Statements as at and for the year ended December 31, 2023.

A. QASEM & CO. CHARTERED ACCOUNTANTS

2.3 Basis of measurement

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

2.4 Going concern basis of accounting

These financial statements have been prepared on the basis of assessment of the Companies ability to continue as a going concern. Bangladesh Finance has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Company continued to exhibit a healthy trend for couple of years. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the organization's ability to continue as a going concern.

2.5 Use of estimates and judgments

The preparation of the consolidated financial statements of the Companay and its subsidiaries (together ref. to as Group) and the separate financial statements of the Company in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

- Revaluation of land and building
- Deferred tax assets/liabilities
- Gratuity fund
- Useful life of depreciable assets
- Provision for income tax
- Leases

2.6 Cash flow statement

Cash flow statement has been prepared in accordance with IAS 7: Statement of cash flows and under the guideline of Department of Financial Institution and Management (DFIM) of Bangladesh Bank circular no. 11 dated 23 December 2009. The statement shows the structure of changes in cash and cash equivalents during the financial year.

2.7 Reporting period

These consolidated financial statements of the Group cover 1 (One) calendar year from 01 January to 31 December.

A. QASEM & CO. CHARTERED ACCOUNTANTS

2.8 Functional and presentation currency

These consolidated financial statements are presented in Company's functional currency i.e. in Bangladeshi Taka.

2.9 Liquidity statement

The liquidity statement has been prepared mainly on the basis of remaining maturity grouping of assets and liabilities as at the close of the year as per following bases:

Particulars	Basis of use
Cash, balance with other banks and financial institutions, money at call and short notice, etc.	Stated maturity/observed behavioral trend
Investments	Residual maturity term
Loans and advances	Repayment/maturity schedule and behavioral trend (non-maturity products)
Fixed Assets	Useful Life
Other Assets	Realization/amortization basis
Borrowings from other banks and financial institutions	Maturity/repayment term
Deposits and other accounts	Maturity and behavioral trend (non-maturity products)
Other long term liability	Maturity term
Provision and other liability	Settlement/adjustment schedule basis

2.10 Statement of compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as Financial Institutions (FIs). The Finance Company Act, 2023 requires Non-Banking Financial Institutions to prepare their financial statements under such FRS.

As the FRS is yet to be issued as per the provisions of the FRA, the consolidated and separate financial statements of the Group and the Financial Institution have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and the requirements of the Finance Company Act, 2023 (as amended up to date) , the rules and regulations issued by Bangladesh Bank (BB) time to time, the Companies Act 1994, the Securities and Exchange Rules 1987. In case any requirement of the Finance Company Act, 2023 (as amended up to date), and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Finance Company Act, 2023 (as amended up to date), and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRSs are as follows:

i) Presentation of financial statements:

IFRSs: As per IAS 1 Presentation of financial statements, financial statements shall comprise a statement of financial position as at the end of the period, a statement of profit or loss and other comprehensive income for the period, a statement of changes in equity for the period, a statement of cash flows for the period, notes comprising significant accounting policies and other explanatory information. As per IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.

A. QASEM & CO. CHARTERED ACCOUNTANTS

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by DFIM Circular No. 11, dated 23 December 2009 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications. However, there is no financial impact for this departure in the financial statements.

ii) Investments in Equity Instruments (Shares, Mutual funds, etc.)

IFRSs: As per requirements of IFRS 9 Financial instruments, all equity investments (shares and mutual funds) are to be measured at fair value with value changes recognized in statement of profit or loss and other comprehensive income for the period, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income (OCI)'. If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it through OCI with only dividend income recognized in profit or loss account.

Bangladesh Bank: As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.

iii) Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)

IFRSs: As per IFRS 9 Financial instruments, Leases, loans and advances shall be recognized and measured at amortized cost (net of any write down for impairment). When any objective evidence of impairment (a loss allowance for expected credit losses) exists for such financial assets, impairment assessment should be undertaken individually or portfolio basis (when assets are not individually significant).

Bangladesh Bank: 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 and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances.

Also, provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.

iv) Other comprehensive income and appropriation of profit

IFRSs: 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 other comprehensive income (OCI) statement. IFRSs do not require appropriation of profit to be shown on the face of the statement of comprehensive income.

Bangladesh Bank: The templates of financial statements issued by Bangladesh Bank do not include other comprehensive income or are the elements of other comprehensive income allowed to be included in a single other comprehensive income (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. Furthermore, the above templates require disclosure of appropriation of profit on the face of profit and loss account.

A. QASEM & CO. CHARTERED ACCOUNTANTS

v) Financial instruments - presentation and disclosure

As per BB guidelines, in certain cases financial instruments are categorized, recognized, measured and presented differently from those prescribed in IFRS 7 Financial instruments - disclosure and IFRS 9: Financial instruments. As such some disclosures and presentation requirements of IFRS 7 and IFRS 9 cannot be fully made in these financial statements.

vi) Recognition of interest in suspense

IFRSs: Leases, Loans and advances to customers are generally classified as non-derivative financial assets measured at amortized cost as per IFRS 9 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is to be recognized in profit and loss account on the same basis on revised carrying amount.

Bangladesh Bank: As per DFIM Circular no. 04 dated 26 July 2021, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments is not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.

vii) Non-financial assets

IFRSs: No indication of non-financial assets is found in any IASs/IFRSs.

Bangladesh Bank: As per Department of Financial Institution and Market (DFIM) of Bangladesh Bank circular no. 11 dated 23 December 2009, there exists a face item named non-banking assets.

viii) Cash flow statement

IFRSs: Cash flow statement can be prepared either in direct method or indirect method. The presentation method is selected to present cash flow information in a manner that is most suitable for the business or industry. Whichever method selected should be applied consistently.

Bangladesh Bank: As per Department of Financial Institution and Market (DFIM) of Bangladesh Bank circular no. 11 dated 23 December 2009, cash flow statement is to be prepared following a mixture of direct and indirect method.

ix) Balance with Bangladesh Bank (cash reserve requirement)

IFRSs: Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day-to-day operations as per IAS 7: Statement of cash flows.

Bangladesh Bank: Balance with Bangladesh Bank should be treated as cash and cash equivalents.

x) Presentation of loans and advance net of provision

IFRSs: Loans and advances shall be presented at amortized cost net of any write down for impairment (expected credit losses that result from all possible default events over the life of the financial instrument).

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Bangladesh Bank: As per DFIM circular no. 11 dated 23 December 2009, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

xi) Presentation of intangible asset

IFRSs: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no regulation for intangible assets.

xii) Off-balance sheet items

IFRSs: No concept of off-balance sheet items in any IFRS/IAS/IFRIC; so, nothing to disclose as off-balance sheet items.

Bangladesh Bank: As per DFIM circular no. 11 dated 23 December 2009, off-balance sheet items i.e. letter of credit (LC), letter of guarantee (LG), acceptance should be disclosed separately on the face of the balance sheet.

xiii) Measurement of deferred tax assets

IFRSs: 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.

Bangladesh Bank: As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against the provision for lease, loans and advances.

2.11 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by group entities except otherwise instructed by Bangladesh Bank as the primary regulator.

2.11.1 Comparative Information

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

Previous year/period figures has been rearranged to conform with the current year/period presentation.

2.11.2 Bangladesh Finance as a lessee

Bangladesh Finance recognizes a right of use asset and a lease liability from the beginning of 2019. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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The-right-of use asset is depreciated using the straight line methods from the commencement date (from the beginning of 2019) to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date (from the beginning of 2019), discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Bangladesh Finance's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Bangladesh Finance 's estimate of the amount expected to be payable under a residual value guarantee, or if Bangladesh Finance changes its assessment of whether it will exercise purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Bangladesh Finance presents right of use assets in Annexure A and lease liabilities in note-12.7 separately.

Bangladesh Finance as a lessor

When Bangladesh Finance acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, Bangladesh Finance makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, Bangladesh Finance considers certain indicators such as whether the lease is for the major part of the economic life of the asset. If an arrangement contains lease and non-lease components, Bangladesh Finance applies IFRS 15 to allocate the consideration in the contract. Bangladesh Finance recognizes lease payments received under operating leases as income over the lease term.

2.11.3 Accounting for term finance and other finances

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

2.11.4 Loans, Advances and Provision

Loans and advances (initial recognition):

Loans and advances comprise of non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. These are recognized at gross amount on the date on which they are originated. The group has not designated any loans and advances upon initial recognition as at fair value through profit and loss account or other comprehensive income.

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After initial recognition, loans, advances and interest receivables are subsequently measured at amortized cost using effective interest rate (EIR) over the relevant periods. The amortized cost of a financial asset is the amount at which the asset is measured at initial recognition less principal repayments, using EIR method. The EIR is the rate that exactly discounts estimated future cash receipts (estimates cash flows considering all contractual terms of the instrument but not future credit losses) during the expected life of the financial instrument.

Provision for investments and advances is an estimate of the losses that may be sustained in the investment portfolio. The provision is based on two principles (1) International Accounting Standards (IAS) 37; Provisions, contingent liabilities and contingent assets, and (2) Bangladesh Bank guidelines.

Bangladesh Finance's methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank Guidelines. Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank DFIM Circular no. 04 dated 26 July 2021. The classification rates are given below:

Particulars	**Rate**
General provision on:	
Unclassified loans and advances-Non-SME	1%
Unclassified loans and advances-SME	0.25%
Unclassified loans and advances-Brokerage	2%
Special mention account	5%
Off-Balance sheet exposure	1%
Specific provision on:	
Substandard loans and advances	20%
Doubtful loans and advances	50%
Bad/loss loans and advances	100%

Loans and advances (written-off):

Loans and advance are written off to the extent that there is no realistic prospect of recovery in the proximate future, classified as bad/ loss and adequate provision are maintained as per DFIM circular no.02 dated 01 April 2019 and DFIM circular no. 08 dated 07 June 2022. No loans and advances are written off without prior approval of the Board of Directors in compliance with the said circulars. At each reporting period end, the NBFI assesses loans and advances to be written off as per organization's own process in compliance with BB guideline. Details of loans and advances written off are given in the note 6.8 (xi) in the financial statements.

Loans and advances (recovery from written off):

The Company puts continuous effort for recovery from written off loans and advances in compliance with DFIM circular no. 02 dated 01 April 2019. The Company takes necessary legal measures against default borrowers for recovery against written off loans and advances as per relevant BB guidelines and Artha Rin Adalat Act-2003. Legal cost incurred against those borrowers are initially charged to the profit and loss account of Bangladesh Finance.

However, recovery including any legal cost against written off loans and advances are recognized in profit and loss account as earned and on settlement basis. Details of recovery are given in note 6.8 (x) in the Financial Statements.

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2.11.5 Recognition of fixed asset and Depreciation

i) Recognition and measurement

Items of fixed assets are stated at cost or revaluation less accumulated depreciation. The cost of the assets is the cost of acquisition or construction together with purchase price and other directly attributable costs for bringing the assets to working conditions for their intended use inclusive of inward freight, duties and non refundable taxes as per International Accounting Standard (IAS) 16: Property, Plant and Equipment.

ii) Subsequent expenditure on fixed assets

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

iii) Depreciation

Depreciation is provided on a new asset for the period in use in the year of purchase. Full month's depreciation has been charged on additions irrespective of date when the related assets are put into use. Depreciation is calculated on the cost of the assets in order to write-off such amounts over the estimated useful life of such assets. Bangladesh Finance followed the Straight-line method of depreciation and annual rates are as under:

Building	10%
Office equipment	25%
Office Renovation	20%
Furniture and fixtures	20%
Motor vehicles	20%
Other assets	20%
Right-of-use Asset	Lease term

The-right-of use asset is depreciated using the straight line methods from the commencement date (from the beginning of 2019) to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Income Statement, which is determined with reference to the net book value of the assets and net sales proceeds.

2.11.6 Intangible Assets

i) Components

The main item included in intangible asset is software.

ii) Basis of recognition

An Intangible Asset shall only be recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably in accordance with IAS 38: Intangible Assets. Accordingly, this asset is stated in the Balance Sheet at cost less accumulated amortization and accumulated impairment losses, if any.

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iii) Subsequent expenditure

Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

iv) Amortization

Intangible asset is amortized on straight line basis at 25% to write off the cost of intangible assets.

2.11.7 Impairment of assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36: Impairment of assets. At the end of each reporting period, Bangladesh Finance and its subsidiaries review the carrying value of financial and non-financial assets (other than investment in subsidiaries) and assess whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, Bangladesh Finance and the subsidiaries make an estimate of the recoverable amount of the asset. The carrying value of the asset is reduced to its recoverable amount if the recoverable amount is less than its carrying amount with associated impairment losses recognized in the profit and loss account. However, impairment of any financial assets is guided by relevant Bangladesh Bank circulars/instructions and IFRS 9.

2.11.8 Significant accounting policies - IFRS 16: Leases

2.11.8.1 Impacts on financial statements

Bangladesh Finance has 9 contracts for renting premises which were classified as operating lease under IAS 17. As per para C5(b) of IFRS 16 Lease, the company has taken the decision to apply IFRS 16 retrospectively with modified approach with the cumulative effect of initially applying the standards recognized at the date of initial application from 01 January 2019.

Particulars	Amount
Depreciation charge for right-of-use assets	17,854,515
Interest expense on lease liabilities	3,610,747
Total cash out flow for lease	17,836,987
Addition to right-of-use assets	1,643,251
Carrying amount of right-of-use assets at the end of the year	27,311,334

2.11.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, term deposits and investment in call loan that are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value.

2.11.10 Investments in Securities

Investments are valued in compliance with FID Circular no .08, dated 03 august, 2002 in lieu of IFRS-9. All investment securities are initially recognized at cost.

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Investment in securities are classified broadly in two categories and accounted for as under:

a. Investment in quoted securities:
These securities are bought and held primarily for the purpose of selling them in near term. These are reported at cost. Adequate provision is made for excess of cost over market value.

b. Investment in un-quoted securities:
Investment in un-quoted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

2.11.11 Statutory reserve

NBFIs are required to transfer 20% of the profit to statutory reserve before declaration of dividend as per Financial Institutions Regulations, 1994. Bangladesh Finance Limited transfers 20% on post tax profit in compliance with the regulation. Since the post-tax profit is negative, Bangladesh Finance didn't transfer any amount to Statutory Reserve this year.

2.11.12 General Reserve

Generally fund from Retained Earnings is transferred to General Reserve once in a year with the consent of the Board of Directors.

2.11.13 Retirement Benefit

(a) Provident Fund

The company operates a contributory provident fund scheme for its permanent employees. The Provident fund is administered by a Board of Trustees and is funded by contribution partly from the employees and partly from the Company at 10% of basic salaries of the employees. The contributions are invested separately from the Company's asset.

(b) Gratuity

The Company operates non-funded gratuity scheme, provision in respect of which is made annually covering all permanent eligible employees. Gratuity fund benefits are given to the staff of Bangladesh Finance in accordance with the Company's service rules. The gratuity is calculated on the basis of eligibility and as per IAS-19 "Employee Benefits" and payable as per the modalities of the rules. Gratuity so calculated are transferred to the Gratuity fund and charged to expenses of the Company.

(c) Other employees benefit obligation

The Company operates group life insurance and hospitalization scheme for its permanent employees.

2.11.14 Income Tax

i) Current tax

Provision for current income tax has been made @ 37.50% as prescribed in the Finance Act 2023 on the accounting Profit made after considering some of the taxable add back income and disallowance of expenditure in compliance with IAS-12.

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ii) Deferred tax

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

2.11.15 Accrued expenses and other payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

2.11.16 Revenue recognition

Revenue is only recognized when it meets the following five steps model framework as per IFRS- 15:
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; and
e) recognize revenue when (or as) the entity satisfies a performance obligation.

Interest income from loans and other sources is recognized on an accrual basis of accounting.

2.11.17 Lease income

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

2.11.18 Income from Term Finance

Interest income on Term Finance is recognized on Accrual Basis. Interest portion of the installments that become receivable is credited to the Profit and Loss Account.

2.11.19 Fees base income, etc.

Fees on services rendered by the company are recognized as and when services are rendered.

2.11.20 Dividend income

Dividend income from shares is recognized when the shareholders' legal rights to receive payments have been established i.e. during the period in which dividend is declared in the Annual General Meeting. Dividend declared but not received is recognized as deemed dividend.

2.11.21 Gain/Loss on Sale of Securities

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

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2.12 Borrowing Costs

Borrowing costs are recognized as expense in the year in which they are incurred unless capitalization is permitted under International Accounting Standard (IAS) 23: "Borrowing Costs".

2.13 Interest Suspense Account

Accrued interest on lease, term finance, real estate finance, hire purchase agreement classified as Special Mentioned Account, Sub-Standard, Doubtful and Bad loan are not recognized as income rather transferred to interest suspense accounts as complied with Bangladesh Bank guidelines. Recovery of overdue credited to interest suspense account is recognized as income on realization basis.

2.14 Litigation

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

2.15 Proposed dividend

Proposed dividend has been shown separately under the shareholders' equity in accordance with International Accounting Standards (IAS)-10 " Events After the Reporting Period".

IAS 1: Presentation of Financial Statements, also requires the dividend proposed after the reporting period but before the financial statements are authorized for issue, be disclosed in the notes to the financial statement. Accordingly, the Company has disclosed the amount of proposed dividend in notes.

2.16 Earnings Per Share (EPS)

The Company calculates Earnings Per Share (EPS) in accordance with IAS 33: Earnings Per Share, which has been shown on the face of Profit and Loss Account, and the computation of EPS is stated in Note 33.

Basic Earnings

This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority or extra ordinary items, the profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted average number of Ordinary Shares outstanding during the period

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the numbers of days the specific shares are outstanding as a proportion of the total number of days in the period.

Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding for the period.

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Diluted Earnings Per Share

No diluted EPS is required to be calculated for the period, as there was no scope for dilution during the period under review.

2.17 Contingent liabilities and contingent assets

The Company does not recognize contingent liability and contingent asset but discloses the existence of contingent liability in the financial statements. A contingent liability is a probable obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of uncertain future events not within the control of the Company or a present obligation that is not recognized because outflow of resources is not likely or obligation cannot be measured reliably.

2.18 Risk and uncertainty for use of estimates (Provisions)

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

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

a. When the Company has an obligation as a result of past events;

b. When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c. Reliable estimate can be made of the amount of the obligation.

2.19 BASEL II & its implementation

To cope with the international best practices and to make the capital more risks sensitive as well as more shock resilient, guidelines on 'Basel Accord for Financial Institutions (BAFI)' have been introduced from January 01, 2011 on test basis by the Bangladesh Bank. At the end of test run period, Basel Accord regime has started and the guidelines namely "Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (CAMD)" have come fully into force from January 01, 2012 with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital, and Disclosure requirement as stated in these guidelines have to be followed by all FIs for the purpose of statutory compliance. As per CAMD guidelines, Financial Institutions should maintain a Capital Adequacy Ratio (CAR) of minimum 10%. In line with CAMD guideline's requirement, Bangladesh Finance has already formed BASEL Implementation Committee to ensure timely implementation of BASEL II accord.

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2.20 Status of compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

In addition to compliance with local regulatory requirements, in preparing the Consolidated Financial Statements and Separate Financial Statements, Bangladesh Finance applied following IASs and IFRSs:

Name of the IASs	IAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	N/A
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyper-inflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied *
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A

Name of the IFRS	IFRS No.	Status
Share Base payment	2	N/A
Business combination	3	N/A
Insurance Contracts	4	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resource	6	N/A
Financial Instruments: Disclosures	7	Applied *
Operating Segments	8	Applied
Financial Instruments	9	Applied *
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied*
Revenue from Contracts with customers	15	Applied
Leases	16	Applied
Insurance Contracts	17	N/A

N/A= Not Applicable

* As the regulatory requirements differ with the standards, relevant disclosures have been made in accordance with Bangladesh Bank's requirements (please see note 2.10 and Annexure-C3).

A. QASEM & CO. CHARTERED ACCOUNTANTS

		Amount in BDT	
		31-Dec-23	31-Dec-22
3	**Cash**		
	Cash in hand (Notes - 3.1)	62,312	39,605
	Balance with Bangladesh Bank (Notes - 3.2)	117,914,492	117,732,419
		117,976,803	**117,772,023**
3.a	**Cash in hand (Consolidated)**		
	Bangladesh Finance	62,312	39,605
	Bangladesh Finance Securities Limited	26,517	33,980
	Bangladesh Finance Capital Limited	7,345	13,325
		96,174	**86,910**
3.1	**Cash in hand (including foreign currencies)**		
	In local currency	62,312	39,605
	In foreign currency	-	-
		62,312	**39,605**
3.2	**Balance with Bangladesh Bank (including foreign currencies)**		
	In local currency	117,914,492	117,732,419
	In foreign currency	-	-
		117,914,492	**117,732,419**

3.3 **Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)**

Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Finance Company Act, 2023 & Financial Institutions Regulations, 1994, FID Circular No. 06, dated November 06, 2003, FID Circular No. 02 dated November 10, 2004, DFIM Circular Letter No. 01, dated January 12, 2017 and DFIM Circular Letter No. 03, dated June 21, 2020.

3.4	**Cash Reserve Ratio (CRR): 1.5% of Average Demand and Time Liabilities**		
	Required Reserve	92,683,774	100,394,413
	Actual Reserve held with Bangladesh Bank **(local currency)**	119,689,292	118,355,500
	Surplus	**27,005,518**	**17,961,087**
3.5	**Statutory Liquidity Requirement (SLR): 5% (including 1.5% CRR) of Average Demand and Time Liabilities**		
	Required Reserve	396,310,368	430,596,579
	Actual Reserve held (Note - 3.6)	580,819,187	539,136,369
	Surplus	**184,508,819**	**108,539,791**
3.6	**Held for Statutory Liquidity Requirement**		
	Cash in hand	62,312	39,605
	Balance with Bangladesh Bank	117,914,492	117,732,419
	Balance with other bank and Financial Institutions (Note - 4)*	1,552,240,540	1,143,319,843
		1,670,217,343	**1,261,091,867**
	*Balance with other bank and Financial Institutions	**1,552,240,540**	**1,143,319,843**
	Unencumbered	462,842,384	421,364,346
	Encumbered	1,089,398,156	721,955,498
	Unencumbered balance*	462,842,384	421,364,346
	Balance with Bangladesh Bank	117,914,492	117,732,419
	Cash in hand	62,312	39,605
	Total eligible balance for SLR	**580,819,187**	**539,136,369**

*As per Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank Circular Letter No. 27 dated 23 August 2021. unencumbered balance with other Bank/Financial Institute would qualify for SLR.

4	**Balance with other Banks and Financial Institutions**		
	Inside Bangladesh (Note - 4.1)	1,552,240,540	1,143,319,843
	Outside Bangladesh (Note - 4.2)	-	-
		1,552,240,540	**1,143,319,843**
4.a	**Balance with other Banks and Financial Institutions (Consolidated)**		
	Bangladesh Finance	1,552,240,540	1,143,319,843
	Bangladesh Finance Securities Limited	118,692,638	410,157,223
	Bangladesh Finance Capital Limited	13,242,469	86,771,347
		1,684,175,647	1,640,248,414
	Less: Inter-company transactions	-	65,000,000
		1,684,175,647	**1,575,248,414**

A. QASEM & CO. CHARTERED ACCOUNTANTS

		Amount in BDT	
		31-Dec-23	31-Dec-22
4.1	**Inside Bangladesh**		
	Current Account		
	Commercial Bank of Ceylon	2,863,279	2,670,622
	Midland Bank Limited	97,180	78,932
	NCC Bank Ltd	159,037	456,096
	Prime Bank Limited	469,760	856,086
	Shahjalal Bank Limited	61,633	10,031,113
	Social Islami Bank Limited	3,968,169	41,926
	Standard Chartered Bank	-	155,335
	The City Bank Limited	1,235,579	1,041,180
		8,854,636	**15,331,289**
	STD Account		
	Bank Asia Limited	190,310	1,519,650
	BRAC Bank Limited	3,033,159	609,177
	Citizens Bank PLC	4,087	-
	Dutch Bangla Bank Limited	10,848,696	611,447
	EXIM Bank Limited	3,486,241	-
	EXIM Bank Limited (Islamic)	729,111	5,641,128
	Islami Bank BD Ltd.	544,840	1,318,765
	Jamuna Bank Limited	701,616	56,231
	Mutual Trust Bank Limited	5,947,190	2,063,416
	Mutual Trust Bank Limited (Islamic)	290,795	1,377,351
	Rupali Bank Limited	-	735
	Southeast Bank Limited	13,434,928	7,404,190
	Southeast Bank Limited (Islamic)	1,791,224	5,512,413
	Standard Chartered Bank	-	356,084
	The City Bank Limited	24,211,711	1,742,288
	The City Bank Limited (Islamic)	8,336,705	17,070,092
	United Commercial Bank Limited	3,571,442	515,772
		77,122,052	**45,798,736**
	FDR with Banks	**978,584,376**	**621,955,498**
	FDR with NBFIs	**487,679,476**	**460,234,320**
	Total Balance with other Banks and Financial Institutions	**1,552,240,540**	**1,143,319,843**
	FDR with Banks		
	BASIC Bank Ltd.	159,323,668	151,673,709
	Citizens Bank Ltd.	20,000,000	-
	Exim Bank Ltd. (Islamic)	26,499,074	10,000,000
	NRB Commercial Bank	130,790,386	124,673,646
	Rupali Bank Ltd.	499,800,000	200,000,000
	South Bangla Agriculture And Commerce Bank Ltd	142,171,249	135,608,144
		978,584,376	**621,955,498**
	FDR with NBFIs		
	CVC Finance Limited	110,813,780	100,000,000
	Industrial and Infrastructure Development Finance Company Ltd.	100,000,000	100,000,000
	International Leasing & Financial Service Ltd*	276,865,696	260,234,320
		487,679,476	**460,234,320**

*Bangladesh Finance Limited invested Tk. 200,000,000 in Term Deposits with International Leasing & Financial Services Ltd. (ILFSL) during 2017 and 2018. Due to ILFSL's stressful situation, management did not recognize any interest income from 2020 onwards and transferred Tk. 76,865,696 to the interest suspense account. To provide additional provisions for stressed loans, leases, and advances, the previously accumulated provision of Tk. 90,000,000 was adjusted against the additional provision for Loan, Lease, and Investment.

A. QASEM & CO. CHARTERED ACCOUNTANTS GULSHAN DHAKA

		Amount in BDT	
		31-Dec-23	31-Dec-22
4.2	**Outside Bangladesh**		
	Cash at Foreign Bank	-	-
	Total Cash at Bank (Bangladesh & Foreign)	**1,552,240,540**	**1,143,319,843**
4.3	**Maturity-wise groupings of balance with other banks and FI's**		
	On Demand	8,854,636	15,331,289
	Not more than 3 months	77,122,052	45,798,736
	More than 3 months but less than 1 year	1,466,263,852	1,082,189,818
	More than 1 year but less than 5 years	-	-
	More than 5 years	-	-
		1,552,240,540	**1,143,319,843**
5	**Investment in Securities**		
	i) Government	-	-
	ii) Others	413,086,701	419,002,129
		413,086,701	**419,002,129**
5.a	**Investment in Securities (Consolidated)**		
	Bangladesh Finance	413,086,701	419,002,129
	Bangladesh Finance Securities Limited	393,031,105	360,979,349
	Bangladesh Finance Capital Limited	736,295,842	475,649,127
		1,542,413,648	1,255,630,606
	Less: Inter-company transactions	147,500,000	120,000,000
		1,394,913,648	**1,135,630,606**
5.i.	**Investment in Securities-Government**	-	-
5.ii.	**Investment in Securities-Others**		
	Investment in shares (quoted) (Note - 5.1)	263,086,701	289,002,129
	Investment in shares (un-quoted) (Note - 5.2)	10,000,000	10,000,000
	Investment in preference shares (Note - 5.3)	140,000,000	120,000,000
		413,086,701	**419,002,129**
	Maturity-wise Grouping of Investment in Securities:		
	On demand	263,086,701	289,002,129
	Not more than 3 months	-	-
	More than 3 months but less than 1 year	-	-
	More than 1 year but less than 5 years	150,000,000	130,000,000
	More than 5 years	-	-
		413,086,701	**419,002,129**

5.1 **Quoted Shares**

Segments	Cost Price 2023	Market Price 2023	Cost Price 2022
Bank	-	-	-
Cement			16,967,958
Engineering	19,979,298	18,343,800	231,881,871
Food & Allied	-	-	-
Insurance	203,109,263	197,879,845	154,035
Miscellaneous	16,975,000	11,560,000	16,975,130
Pharmaceuticals & Chemicals	23,023,140	14,327,600	23,023,135
	263,086,701	**242,111,245**	**289,002,129**

5.2 **Unquoted Shares**

Segments	Cost Price 2023	Market Price 2023	Cost Price 2022
Miscellaneous	10,000,000	-	10,000,000
	10,000,000	-	**10,000,000**
	273,086,701	**242,111,245**	**299,002,129**

Bangladesh Finance has provided provision for investment in securities Tk. 30,980,000 (note # 12.2) as against requirement of Tk. 30,975,456 (difference between cost and market price netting of unrealized loss/gain) and surplus provision stands at Tk. 4,544.

A. QASEM & CO. CHARTERED ACCOUNTANTS

		Amount in BDT	
		31-Dec-23	31-Dec-22
5.3	**Investment in preference shares**		
	Bangladesh Finance Securities Limited	120,000,000	120,000,000
	Bangladesh Finance Capital Limited	20,000,000	-
		140,000,000	**120,000,000**
6	**Lease, Loans and Advances**		
a)	**Inside Bangladesh**		
	i) Investment in Lease Finance	1,574,194,127	1,638,495,861
	ii) Term Finance	9,616,198,198	9,541,875,098
	iii) Housing Finance	2,623,083,296	2,519,306,811
	Total Loans and Lease inside Bangladesh (i+ii+iii)	**13,813,475,620**	**13,699,677,770**
b)	**Outside Bangladesh**	-	-
	Total Loans and Lease Finance (a+b)	**13,813,475,620**	**13,699,677,770**
6.a	**Lease, Loans and Advances (Consolidated)**		
	Bangladesh Finance	13,813,475,620	13,699,677,770
	Bangladesh Finance Securities Limited	705,770,362	734,617,644
	Bangladesh Finance Capital Limited	77,995,196	57,519,391
		14,597,241,179	14,491,814,805
	Less: Inter-company transactions	-	485,637,530
		14,597,241,179	**14,006,177,275**
6.1	**Maturity wise Classification of Investments:**		
	With a residual maturity of		
	Receivable on Demand	529,418,525	523,159,643
	Not more than 3 months	1,684,513,489	1,664,598,866
	Over 3 months but not more than 1 year	1,938,447,453	1,938,447,453
	Over 1 year but not more than 5 years	7,411,859,353	7,324,235,009
	Over 5 years	2,249,236,799	2,249,236,799
		13,813,475,620	**13,699,677,770**
6.2	**Investments on the basis of significant concentration:**		
	Investments to allied concern of Directors (Note - 43.5)	-	485,637,530
	Investments to Executives/Officers	53,740,679	65,105,917
	Investments to Customer Groups	7,787,654,686	7,513,803,901
	Industrial Investment	5,506,512,502	5,405,969,374
	Others	465,567,754	229,161,047
		13,813,475,620	**13,699,677,770**
6.3	**Number of client's with amount of outstanding and classified loans, to whom loans and advances sanctioned more than 15% of total capital:**		
	Total outstanding amount to such customers at end of the year	5,350,088,132	4,986,147,004
	Number of such types of customers	8	8
	Amount of Classified Investments thereon	751,607,986	219,869,440
	Measures taken for recovery		

A. QASEM & CO. CHARTERED ACCOUNTANTS

	Amount in BDT	
	31-Dec-23	31-Dec-22

6.4 Sector-wise Classification of Investment:

Sector	As at 31 December 2023		As at 31 December 2022	
	Amount	Composition	Amount	Composition
1. Trade & Commerce	2,233,041,171	16.17%	2,007,262,561	14.65%
2. Industry	5,506,512,502	39.86%	5,405,969,374	39.46%
A. Garments & Knitwear	155,491,085	1.13%	241,536,450	1.76%
B. Textiles	1,656,518,263	11.99%	1,466,460,993	10.70%
C. Food Production, Processing & Rice Mills	330,191,108	2.39%	326,079,401	2.38%
D. Jute & Jute products	1,979	0.00%	1,966,551	0.01%
E. Plastic & Rubber Industry	19,856,744	0.14%	18,982,367	0.14%
F. Leather & Leather goods	7,516,638	0.05%	7,867,319	0.06%
G. Iron, Steel & Engineering	1,331,524,679	9.64%	1,268,225,986	9.26%
H. Pharmaceuticals & Chemicals	6,695,588	0.05%	8,222,511	0.06%
I. Cement & Allied Industry	-	0.00%	-	0.00%
J. Paper, Packaging, Printing, Publishing & Allied Industry	25,705,974	0.19%	46,622,600	0.34%
K. Wood, Furniture & Fixture	-	0.00%	-	0.00%
L. Glass, Glassware & Ceramic Industry	3,379,438	0.02%	-	0.00%
M. Ship Manufacturing & Breaking	-	0.00%	-	0.00%
N. Electronics & Electrical Products	485,395,445	3.51%	440,127,646	3.21%
O. Power, Gas, Petroleum, Water & Sanitary	720,400,046	5.22%	857,294,632	6.26%
P. Transport & Aviation	763,835,515	5.53%	722,582,919	5.27%
Q. Others	-	0.00%	-	0.00%
3. Agriculture	880,282,641	6.37%	635,714,164	4.64%
4. Mining & Quarrying	-	0.00%	-	0.00%
5. Housing	2,605,038,523	18.86%	2,493,245,395	18.20%
6. Financial Corporation	1,300,334,083	9.41%	2,166,046,421	15.81%
7. Service	456,474,017	3.30%	494,390,376	3.61%
8. Consumer Finance	366,224,930	2.65%	267,888,432	1.96%
9. Others	465,567,754	3.37%	229,161,047	1.67%
	13,813,475,620	**100.00%**	**13,699,677,770**	**100.00%**

6.5 Geographical Location-wise loans and lease Finance:

Location	As at 31 December 2023		As at 31 December 2022	
	Amount	Composition	Amount	Composition
Dhaka Division	10,543,151,428	76.33%	10,759,653,499	78.54%
Chattogram Division	3,136,993,213	22.71%	2,825,813,428	20.63%
Khulna Division	74,298,827	0.54%	55,555,573	0.41%
Sylhet Division	59,032,152	0.43%	58,655,270	0.43%
	13,813,475,620	**100.00%**	**13,699,677,770**	**100.00%**

6.6 Grouping of Investment as per Classification Rules of Bangladesh Bank:

Particulars	As at 31 December 2023		As at 31 December 2022	
	Amount	Composition	Amount	Composition
Unclassified				
Standard	9,997,365,927	72.37%	9,993,419,604	72.95%
Special Mention Account (SMA)	2,268,395,787	16.42%	2,944,310,977	21.49%
	12,265,761,714		**12,937,730,581**	
Classified				
Substandard	17,845,582	0.13%	333,847,671	2.44%
Doubtful	776,026,197	5.62%	302,329,253	2.21%
Bad and Loss	753,842,128	5.46%	125,770,266	0.92%
	1,547,713,906		**761,947,190**	
	13,813,475,620	**100.00%**	**13,699,677,770**	**100.00%**

A. QASEM & CO. CHARTERED ACCOUNTANTS DHAKA

			Amount in BDT	
			31-Dec-23	31-Dec-22

6.7 Particulars of provision for loans and lease Finance

Status	Rate	Basis for Provision	Amount 2023	Amount 2022
General Provision (for Unclassified portion)				
Standard Non-SME	1%	6,457,163,959	64,571,640	51,878,002
Standard-SME	0.25%	2,532,548,158	6,331,370	8,106,573
Standard-Brokerage	2.00%	1,007,653,811	20,153,076	31,259,805
Standard-Special*	2.00%	4,121,219,098	82,424,382	82,424,382
Special Mention Account	5%	2,124,054,610	106,202,730	141,435,083
			279,683,199	**315,103,845**

*The amount represents provision against unclassified loan, lease and advances who are enjoying deferral benefits as per Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank circular letter no.33 dated 19 December 2021 and letter no. DFIM(P)1052/27/2022-08 dated 02 January 2022 respectively in addition to regular general provision.

Specific Provision				
Substandard	20%	13,117,875	2,623,575	40,141,971
Doubtful	50%	573,461,900	286,730,950	60,871,183
Bad or loss	100%	421,165,398	421,165,398	31,105,293
			710,519,922	**132,118,447**
Required provision for Loans & Lease Finance			990,203,121	447,222,292
Provision for other assets			1,671,682	2,192,352
Total provision required			**991,874,803**	**449,414,644**
Total provision maintained {note # 12.1(a), (b), (c) & (d)}			1,632,500,000	652,965,739
Additional Provision			**640,625,197**	**203,551,095**

Bangladesh Finance has provided general provision on unclassified investment Tk. 811,837,022 (note # 12.1.b), special provision for unclassified investment Tk. 82,424,382 (note # 12.1.c), specific provision for classified investment Tk. 732,708,596 (note # 12.1.a), and provision for other assets Tk. 5,530,000 (note # 12.1.d). The total provision as of 31 December 2023 stood at Tk. 1,632,500,000. Following the directives of the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank, Bangladesh Finance is developing additional provisions for stressed accounts to address them early, preventing further deterioration and potential defaults. This year, a total new provision of Tk. 966,488,941 has been set aside to mitigate unforeseen credit risks, ensure adequate reserves, and safeguard overall financial health. (note # 12.1.a,b and d) The cumulative provisions for stressed accounts stood at Tk. 843,000,000, while provisions for non-stressed accounts were Tk. 701,545,618.

The details of provision and suspense against Stressed and Non-Stressed Loans and Advances are as follows:

Particulars	Requirement	Maintained
Provision for Unclassified Loans and Advances	109,666,594	111,882,472
Provision for Classified Loans and Advances	350,863,146	350,863,146
Additional Provision against Loans and Advances having Stay Order	190,100,000	190,100,000
Provision against Rescheduled Loans and Advances	48,700,000	48,700,000
Total Provision against Non-Stressed Loans and Advances (A)	**699,329,740**	**701,545,618**
Additional Provision as per the instruction of DFIM	745,600,000	745,600,000
Provision against Rescheduled Loans and Advances	97,200,000	97,400,000
Total Provision against Stressed Loans and Advances (B)	**842,800,000**	**843,000,000**
2% Special Provision (15% deferral Loan/Lease account) (C)	82,424,382	82,424,382
Sub Total (D)=(A+B+C)	**1,624,554,122**	**1,626,970,000**
Provision for Other Assets	1,671,682	5,530,000
Provision against Investment in Shares	30,975,456	30,980,000
Interest Suspense against FDR	-	76,865,696
Interest Suspense against Loan/Lease	646,400,000	646,674,341
Sub Total (E)	**679,047,138**	**760,050,037**
Grand Total (D+E)	**2,303,601,260**	**2,387,020,037**

A. QASEM & CO. CHARTERED ACCOUNTANTS DHAKA

		Amount in BDT	
		31-Dec-23	31-Dec-22
6.8	**Particulars of Investments:**		
(i)	Loans, advances and leases considered good in respect of which the financial institution is fully secured	3,050,629,884	2,755,491,596
(ii)	Loans, advances and leases considered good against which the financial institution holds no security other than the debtors' personal guarantee	3,497,963,598	3,588,635,980
(iii)	Loans, advances and leases considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	7,264,882,138	7,355,550,194
		13,813,475,620	**13,699,677,770**
(iv)	Loans, advances and leases adversely classified; provision not maintained there against	-	-
(v)	Loans, advances and leases due by directors or officers of the financial institution or any of them either separately or jointly with any other persons	53,740,679	65,105,917
(vi)	Loans, advances and leases due from companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in case of private companies, as members (Note 43.5).	-	485,637,530
(vii)	Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the financial institution or any of them either separately or jointly with any other person		32,601,810
(viii)	Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in the case of private companies, as member	-	-
(ix)	Due from other Non-Banking Financial Institutions (NBFIs)	-	-
(x)	Amount of classified loans, advances and leases on which interest has not been charged to the P&L	1,547,713,906	761,947,190
	a) Increase/(decrease) in specific provision	601,729,433	94,478,810
	Amount of written off loans, advances and leases	-	-
	Total amount realized against loans and leases previously written off	16,300,820	3,255,500
	b) Amount of provision kept against loans, advances and leases classified as bad/loss at the date of balance sheet	421,165,398	31,105,293
	c) Interest credited to Interest Suspense Account	723,540,037	446,576,273
(xi)	Cumulative amount of written off loans, advances and leases		
	Balance at the beginning of the year	614,196,519	272,527,307
	Amount written off during the year	-	341,669,212
		614,196,519	614,196,519
	The amount of written off loans, advances and leases for which law suits have been filed	614,196,519	474,831,364

7	**Fixed Assets including Premises, Furniture & Fixtures**		
	A. Cost:		
	Opening balance	722,221,565	677,662,264
	Addition during the year	9,007,119	79,858,319
	Add: Revaluation During the year	147,451,153	-
	Less: Disposal during the year	17,219,289	35,299,019
	Closing balance at cost	**861,460,548**	**722,221,565**
	B. Depreciation:		
	Opening balance	153,890,800	154,821,284
	Addition during the year	33,762,267	31,981,883
	Less: Adjustment on disposal during the year	11,432,373	32,912,367
	Accumulated Depreciation	**176,220,695**	**153,890,800**
	Carrying value	**685,239,853**	**568,330,764**

*Details are given in Annexure-A

A. QASEM & CO. CHARTERED ACCOUNTANTS

		Amount in BDT	
		31-Dec-23	31-Dec-22
7.a	**Fixed Assets including Premises, Furniture and Fixtures (Consolidated)**		
	Bangladesh Finance	685,239,853	568,330,764
	Bangladesh Finance Securities Limited- PPE	15,280,820	9,667,318
	Bangladesh Finance Securities Limited-ROU	26,977,149	37,816,341
	Bangladesh Finance Capital Limited	3,051,235	4,578,858
	Bangladesh Finance Capital Limited-ROU	1,936,162	4,393,681
		732,485,219	**624,786,962**
7.1	**Revaluation Surplus on Land And Building**		
	Revalued Amount	629,443,786	481,992,633
	Less: Acquisition Value	52,925,188	52,925,188
	Less: Deferred Tax Adjustment	45,352,532	17,162,697
	Less: Transferred to Retained Earnings	4,213,152	2,808,768
	Revaluation Surplus	**526,952,914**	**409,095,980**

Note: Bangladesh Finance has got ownership stake to the extent of 50% of a four-storied commercial building situated at 64 Motijheel, Dhaka on the land area measuring 12.76 Decimals. It was acquired way back in the year 2009 at a cost price of Tk. 52,925,188 and has been revalued multiple times. The latest revaluation was conducted in 2023 by M/s. H M Enam & Co. Chartered Accountants having their registered office at House No-151/5, Block-13, Ward-27, Monipuripara, Farmgate, Tejgaon, Dhaka-1215. The present revalued amount stands at Tk. 629,443,786 appreciating from the previous revalued amount Tk. 481,992,633 which was conducted in 2020. As a result of the revaluation, the Revaluation Surplus stands at Tk. 526,952,914 up from Tk. 409,095,980 appreciating by Tk. 117,856,934 after adjustment of Deferred Tax liability.

7.b	**Revaluation Reserve (Consolidated)**		
	Bangladesh Finance	526,952,914	409,095,980
	Bangladesh Finance Securities Limited	-	-
	Bangladesh Finance Capital Limited	-	-
		526,952,914	**409,095,980**
8	**Other Assets**		
	Investment in Subsidiaries (Note: 8.1)	849,930,000	849,930,000
	Investment in BD Finance Vanguard Mutual Fund One	20,000,000	20,000,000
	Receivables, Advances & Deposits (Note 8.2)*	402,819,747	375,100,892
		1,272,749,747	**1,245,030,892**
8.a	**Other Assets (Consolidated)**		
	Bangladesh Finance	422,819,747	395,100,892
	Bangladesh Finance Securities Ltd.	997,593,308	999,420,518
	Bangladesh Finance Capital Ltd.	101,878,090	64,463,659
		1,522,291,146	1,458,985,069
	Less: Inter-company transactions	12,134,959	110,810
		1,510,156,186	**1,458,874,259**
8.1	**Investment In Subsidiaries**		
	Investment In paid up capital (Bangladesh Finance Capital Limited)	249,930,000	249,930,000
	Investment In paid up capital (Bangladesh Finance Securities Limited)	600,000,000	600,000,000
		849,930,000	**849,930,000**
8.2	**Receivables, Advances & Deposits**		
	a) Other receivables		
	Interest on investment in FDR	32,042,723	31,951,017
	Receivable Interest on BB Stimulus Package	3,649,031	2,143,650
	Receivable Advisory Fees	3,473,000	23,473,000
	Re-imbursable expenses	3,343,364	4,384,704
	Receivable Delinquent Charge	78,361,243	63,830,124
	Receivable Penal Interest	93,585,117	82,918,257
	Receivable against sale of shares	949,937	30,255,015
	Receivable House Rent	1,982,167	2,835,003
	Dividend Receivable	15,634,829	1,570,201
	Receivable-Others	14,093,994	4,909,841
	Stock of Stamp	59,760	61,460
		247,175,164	**248,332,272**

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	Amount in BDT	
	31-Dec-23	31-Dec-22
b) Advance, deposits and prepayments		
Advance against Fixed Assets	-	70,000
Advance interest on TDR	25,967,030	8,505,212
Prepaid expenses for rebranding	-	4,599,246
Pre-IPO Placement	38,717,250	38,100,000
Advance others	1,483,206	5,228,340
	66,167,486	**56,502,798**
c) Deposits with others		
Deposits with BTTB & Mobile	89,200	89,200
Deposits with Baitul Hossain Building	203,814	203,814
Deposit with Land Lord Bangshal Branch	24,700	24,700
Deposit with CDBL	413,241	413,241
Deposit with Sadharan Bima	15,000	15,000
	745,955	**745,955**

d) Deferred Tax Asset

Deferred tax assets were recognized in accordance with IAS 12: Income Taxes on the basis of temporary differences between the carrying amount of assets and liabilities in the financial statements and their tax base.

The calculation of deferred tax assets are given as under:

Deductible temporary difference		
Building	1,372,300	1,524,778
Furniture & Fixture	10,617,358	11,032,250
Motor Vehicles	-	11,482,222
Machinery & Equipment	5,106,224	3,977,221
Office Renovation	8,066,234	7,327,828
Software	321,432	-
Gratuity provision	26,900,997	27,686,408
Unabsorbed Business Loss	162,809,992	-
Provisions for other Receivables & Off-Balance Sheet exposures	5,530,000	97,530,000
	220,724,537	**160,560,707**
Tax	37.50%	37.50%
	82,771,701	**60,210,265**
Unabsorbed Loss on Sale of Shares	30,264,413	68,096,028
Provisions for investment in securities	29,330,000	25,000,000
	59,594,413	**93,096,028**
Tax	10.00%	10.00%
	5,959,441	**9,309,603**
Total Deferred tax assets	**88,731,143**	**69,519,867**
Movement of deferred tax assets is as follows:		
Balance at the beginning of the year	69,519,866	51,259,119
Credited/(debited) to profit and loss account during the year	19,211,277	18,260,748
Balance at the end of the year	**88,731,143**	**69,519,866**
Total Receivables, Advances & Deposits (a+b+c+d)	**402,819,747**	**375,100,891**

8.2.a Consolidated Deferred Tax Assets

Balance at the beginning of the year	117,763,475	57,698,887
Add: Recognized during the year		
Bangladesh Finance	19,211,277	18,260,748
Bangladesh Finance Securities Limited	3,810,600	38,572,655
Bangladesh Finance Capital Limited	9,330,455	3,231,185
	32,352,332	**60,064,588**
Less: Adjustment during the year	-	-
	150,115,807	**117,763,475**

8.3 Maturity wise classification of other assets

Receivable on Demand	14,153,754	4,971,301
Not more than 3 months	88,731,143	69,519,867
Over 3 months but not more than 1 year	233,021,410	243,360,971
Over 1 year but not more than 5 years	66,167,486	56,502,798
Over 5 years	870,675,955	870,675,955
	1,272,749,747	**1,245,030,892**

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		Amount in BDT	
		31-Dec-23	31-Dec-22
9.	**Non-Financial Assets**		
	Income Generating	-	-
	Non-Income Generating	213,121,062	213,121,062
		213,121,062	**213,121,062**

Bangladesh Finance was awarded absolute ownership on seven mortgaged property (Land) in the year of 2015 through verdict of honourable court under section 33 (7) of Artha Rin Adalat Ain, 2003. These have been recorded as non-financial assets.

10.	**Borrowing from other banks, Financial Institutions and agents**		
	Secured	399,173,626	353,560,035
	Un secured	3,802,268,182	2,313,067,688
		4,201,441,808	**2,666,627,723**
	In Bangladesh	4,201,441,808	2,666,627,723
	Outside Bangladesh	-	-
		4,201,441,808	**2,666,627,723**
10.a	**Borrowing from other banks, Financial Institutions and agents**		
	Bangladesh Finance	4,201,441,808	2,666,627,723
	Bangladesh Finance Securities Limited	587,154,317	796,157,859
	Bangladesh Finance Securities Limited- Preference Shares	124,750,000	120,000,000
	Bangladesh Finance Capital Limited	162,747,942	165,567,332
	Bangladesh Finance Capital Limited- Preference Shares	27,500,000	-
	Bangladesh Finance Capital Limited- Margin Loan	215,773,363	-
		5,319,367,429	3,748,352,914
	Less: Inter-company transactions	147,500,000	602,953,104
		5,171,867,429	**3,145,399,810**
10.1	**In Bangladesh**		
	Refinance against SME loan from Bangladesh Bank	760,830,009	159,618,220
	Refinance against Housing loan from Bangladesh Bank	142,857	285,714
	Refinance against SME loan from JICA	45,269,411	62,524,525
	Refinance against BB Stimulus Package	101,901,667	53,051,667
	Term Loan from other Banks (Note-10.2)	597,233,659	664,268,059
	Short Term Loan from other banks (Note-10.3)	1,234,434,896	1,183,479,538
	Short Term Borrowing	1,287,800,000	452,400,000
	Margin Loan	102,729,308	-
	Call Loan	71,100,000	91,000,000
		4,201,441,808	**2,666,627,723**
10.2	**Term loan from Other Banks**		
	Basic Bank Ltd.	119,920,518	158,690,160
	Jamuna Bank Ltd	45,853,192	91,151,899
	Midland Bank Ltd.	85,704,767	103,803,597
	Mutual Trust Bank Ltd.	7,591,991	18,516,139
	NCC Bank Ltd.	80,014,643	121,224,721
	Prime Bank Ltd.	8,668,006	13,898,714
	Shahjalal Islami Bank Ltd.	232,244,263	89,872,304
	Southeast Bank Ltd.	17,236,280	38,287,924
	United Commercial Bank Ltd.	-	28,822,602
		597,233,659	**664,268,059**
10.3	**Short Term Loan from Other Banks**		
	Basic Bank Ltd.	137,865,609	127,657,609
	Jamuna Bank Ltd.	154,487,902	152,512,407
	Mercantile Bank Ltd.	201,507,499	202,805,567
	Midland Bank limited	102,635,738	102,229,571
	Mutual Trust Bank Ltd.	174,185,591	170,213,397
	NRB Commercial Bank Ltd.	123,505,938	93,331,890
	Southeast Bank Ltd.	100,000,000	100,000,000
	South Bangla Agriculture & Commerce Bank Ltd.	137,802,079	132,570,536
	Uttara Bank Ltd.	102,444,540	102,158,561
		1,234,434,896	**1,183,479,538**

A. QASEM & CO. CHARTERED ACCOUNTANTS

		Amount in BDT	
		31-Dec-23	31-Dec-22
10.4	**Maturity wise classification of loan**		
	Repayable on demand	71,100,000	91,000,000
	Within 1 month	115,836,276	55,685,927
	Over 1 months but not more than 3 months	434,386,037	208,822,228
	Over 3 months but not more than 1 year	1,234,434,896	1,183,479,538
	Over 1 year but not more than 5 years	2,345,684,599	1,127,640,030
	Over 5 years	-	-
		4,201,441,808	**2,666,627,723**

Notes: Loans are secured by way of first charge on all fixed and floating assets of the company, ranking pari passu among all the lenders. The period of the loans are ranging from three to five years term.

11.	**Deposits and Other Accounts:**		
	Term Deposits (Note - 11.1)	8,484,228,249	9,548,647,901
	Scheme Deposits (Note - 11.2)	226,873,511	244,333,339
	Other Deposits (Note - 11.3)	150,147,987	58,342,957
	Advance Rent and Instalments (Note - 11.4)	17,591,617	11,022,028
		8,878,841,364	**9,862,346,225**
11.a	**Deposits and Other Accounts (Consolidated)**		
	Bangladesh Finance	8,878,841,364	9,862,346,225
	Bangladesh Finance Securities Limited	-	-
	Bangladesh Finance Capital Limited	-	-
		8,878,841,364	9,862,346,225
	Less: Inter-company transactions	-	65,000,000
		8,878,841,364	**9,797,346,225**
11.1	**Term Deposits**		
	General Deposits	6,254,228,249	6,452,647,901
	Deposit from Other Banks and FI's (Note - 11.5)	2,230,000,000	3,096,000,000
		8,484,228,249	**9,548,647,901**
11.2	**Scheme Deposits**		
	General Deposits	226,873,511	244,333,339
	Deposit from Other Banks and FI's	-	-
		226,873,511	**244,333,339**
11.3	**Other Deposits**		
	Loan and Lease deposits	813,045	14,365,024
	Security deposits	244,170	272,670
	Sundry Creditors	149,090,772	43,705,263
		150,147,987	**58,342,957**
11.4	**Advance Rent and Instalments**		
	Advance Lease Rent	5,107,797	2,602,716
	Advance Term Instalments	12,483,820	8,419,312
		17,591,617	**11,022,028**
11.5	**Term Deposits from other bank and FI's**		
	Term Deposits from Banks	2,130,000,000	2,852,000,000
	Term Deposits from NBFIs	100,000,000	244,000,000
		2,230,000,000	**3,096,000,000**
	Term Deposits from Banks		
	Agrani Bank Ltd.	900,000,000	900,000,000
	Janata Bank Ltd.	550,000,000	550,000,000
	Modhumoti Bank Ltd	302,000,000	327,000,000
	Sonali Bank Ltd.	178,000,000	185,000,000
	South Bangla Agriculture And Commerce Bank Ltd	200,000,000	200,000,000
	The City Bank Ltd.	-	690,000,000
		2,130,000,000	**2,852,000,000**
	Term Deposits from NBFIs		
	Industrial and Infrastructure Development Finance Company Ltd. (IIDFC)	100,000,000	100,000,000
	Infrastructure Development Company Limited (IDCOL)	-	144,000,000
		100,000,000	**244,000,000**

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		Amount in BDT	
		31-Dec-23	31-Dec-22
11.6	**Maturity wise classification of Deposits**		
	Repayable on demand	-	-
	Within 1 month	443,942,068	493,117,311
	Over 1 months but not more than 3 months	1,154,249,377	1,282,105,009
	Over 3 months but not more than 1 year	1,331,826,205	1,479,351,934
	Over 1 year but not more than 5 years	4,616,997,509	5,128,420,037
	Over 5 year to 10 years	1,331,826,205	1,479,351,934
	Over 10 years	-	-
		8,878,841,364	**9,862,346,225**
12.	**Other Liabilities**		
	Provision for Loans and Lease Finance (Note - 12.1)	1,632,500,000	652,965,739
	Provisions for Investment in Securities (Note - 12.2)	30,980,000	25,000,000
	Provisions for Off-Balance Sheet Exposures	-	2,000,000
	Interest Suspense (Note - 12.3)	723,540,037	446,576,273
	Penal Income in Suspense (Note - 12.9)	171,946,360	146,731,018
	Provision for Taxation (Note - 12.4)	65,229,815	175,496,889
	Deferred Tax (Note - 12.5)	46,288,016	17,398,671
	Interest payable on Borrowing and Deposits (Note - 12.6)	142,788,418	141,013,410
	Payable & Provision against expenditure (Note - 12.7)	215,389,736	175,872,682
	Advance Rent Received	7,212,143	7,762,500
	Profit Equalization Reserve (Islamic)	-	5,078,149
	Advance Excise Duty Received	7,702,596	8,651,935
	Gratuity Fund (Note - 12.8)	26,900,997	27,686,408
	Unclaimed/undistributed Dividend	5,102,008	4,097,295
		3,075,580,126	**1,836,330,969**
12.a	**Other Liabilities (Consolidated)**		
	Bangladesh Finance	3,075,580,126	1,836,330,969
	Bangladesh Finance Securities Limited	334,913,012	452,593,464
	Bangladesh Finance Capital Limited	130,344,995	120,644,585
		3,540,838,132	2,409,569,019
	Less: Inter-company transactions	12,134,959	2,795,236
		3,528,703,173	**2,406,773,783**
12.1	**Provision for Investment:**		
	(a) Provision on Classified Investment:		
	Provision held at the beginning of the year	117,933,843	145,799,645
	Provision adjustment for Loan/Lease written off during the year	-	(123,454,612)
	Recovery against Loan/Lease previously written off	13,045,320	1,110,000
	Net charge to Profit & Loss Account (Note - 32)	601,729,433	94,478,810
	Provision held at the end of the year	**732,708,596**	**117,933,843**
	(b) General Provision on Unclassified Investment:		
	Provision held at the beginning of the year	357,077,514	316,577,514
	Net charge to Profit & Loss Account (Note - 32)	454,759,508	40,500,000
	Balance at the end of the year	**811,837,022**	**357,077,514**
	(c) Special General Provision on Unclassified Investment:		
	Provision held at the beginning of the year	82,424,382	84,101,885
	*Net charge to Profit & Loss Account (Note - 32)	-	(1,677,503)
	Balance at the end of the year	**82,424,382**	**82,424,382**
	*Provision no longer required for settlement of loan/lease account during the period		
	(d) Provision on Other Assets:		
	Provision held at the beginning of the year	95,530,000	75,530,000
	Net charge to Profit & Loss Account (Note - 32)	(90,000,000)	20,000,000
	Balance at the end of the year	**5,530,000**	**95,530,000**
	Total Provision for Investments	**1,632,500,000**	**652,965,739**

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		Amount in BDT	
		31-Dec-23	31-Dec-22
12.2	**Provision for Investment in Securities:**		
	Provision held at the beginning of the year	25,000,000	45,000,000
	Addition/(Adjustment) during the year (note - 32)	5,980,000	(20,000,000)
	Balance at the end of the year	**30,980,000**	**25,000,000**
12.3	**Interest Suspense Account:**		
	Balance at the beginning of the year	446,576,273	351,784,181
	Amount transferred to suspense account during the year	276,963,764	128,057,312
	Interest Suspense adjustment for loan/lease written-off during the year	-	(33,265,220)
	Amount recovered from suspense account during the year	-	-
	Balance at the end of the year	**723,540,037**	**446,576,273**

As per instruction of Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank, Bangladesh Finance is developing interest suspense against stressed accounts. Part of that Tk. 276,963,764 was transferred to interest suspense account this year to address unforeseen credit risk, ensure adequate reserves, and safeguard overall financial health. Total Interest Suspense includes Tk. 76,865,696 against interest receivable on FDR of International Leasing and Financial Services Ltd.

12.4	**Provision for Taxation**		
	Provision		
	Balance at the beginning of the year	1,401,271,065	1,379,029,891
	Less: Adjustment during the year	-	-
		1,401,271,065	1,379,029,891
	Add: Provision made during the year	9,267,109	22,241,174
		1,410,538,174	1,401,271,065
	Settlement of previous year's tax liability	-	-
	Balance at the end of the year	**1,410,538,174**	**1,401,271,065**
	Advance tax		
	Balance at the beginning of the year	1,225,774,176	1,147,442,858
	Add: Payment made during the year		
	Under sections 154 and 173 of ITA, 2023	104,790,753	53,104,000
	Deduction at source	14,743,430	25,227,318
		1,345,308,359	**1,225,774,176**
	Less: Adjustment during the year	-	-
	Balance at the end of the year	**1,345,308,359**	**1,225,774,176**
	Net balance at the end of the year	**65,229,815**	**175,496,889**

Average effective tax rate

The average effective tax rate is calculated below as per International Accounting Standard (IAS) 12: "Income Taxes".

Tax expenses (A)	(9,244,656)	2,689,162
Accounting profit before tax (B)	(1,069,192,245)	196,130,025
Average effective tax rate (A÷B)	**0.86%**	**1.37%**

Reason for changes in Average effective tax rate:

The average effective tax rate decreased owing to negative profit for providing additional provision and suspense against stressed loans and advances.

Reconciliation of effective tax rate	2023	
	%	Taka
Profit before income tax as per profit or loss account		(1,069,192,245)
Income tax as per applicable tax rate	37.50%	-
Net inadmissible expenses		
Tax exempted income		
Tax savings from reduced tax rates (on dividend income)		
Tax savings from reduced tax rates (for gain on sale of securities)		
Effect of deferred tax		
Total income tax expenses	**0.86%**	**(9,244,656)**

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		Amount in BDT	
		31-Dec-23	31-Dec-22
	Reconciliation of effective tax rate	**2022**	
		%	**Taka**
	Profit before income tax as per profit or loss account		196,130,025
	Income tax as per applicable tax rate	37.50%	73,548,759
	Net inadmissible expenses	-17.47%	(34,255,037)
	Tax exempted income	0.00%	-
	Tax savings from reduced tax rates (on dividend income)	-8.69%	(17,052,549)
	Tax savings from reduced tax rates (for gain on sale of securities)	0.00%	-
	Effect of deferred tax	-9.97%	(19,552,012)
	Total income tax expenses	**1.37%**	**2,689,162**
12.4.a	**Consolidated Provision for Current Tax**		
	Balance at the beginning of the year	1,664,246,632	1,594,232,110
	Add: Provision made during the year		
	Bangladesh Finance	9,267,109	22,241,174
	Bangladesh Finance Securities Limited	16,963,744	39,543,812
	Bangladesh Finance Capital Limited	1,467,602	8,229,535
		27,698,455	**70,014,521**
	Less: Adjustment during the year	-	-
		1,691,945,087	**1,664,246,632**
12.5	**Deferred Tax Liabilities**		
	Deferred tax liabilities were recognized in accordance with IAS 12: Income Taxes on the basis of temporary differences between the carrying amount of assets and liabilities in the financial statements and their tax base.		
	The calculation of deferred tax liabilities are given as under:		
	Taxable temporary difference		
	Revaluation surplus	566,906,655	420,859,886
	Tax	8%	4%
		45,352,532	**16,834,395**
	Right-of-use Assets	161,083	3,068,435
	System & Software	-	(1,563,698)
	Motor vehicles	2,333,541	-
		2,494,624	1,504,737
	Tax	37.50%	37.50%
		935,484	**564,276**
	Total deferred tax liabilities	**46,288,016**	**17,398,671**
	Movement of deferred tax liabilities is as follows		
	Balance at the beginning of the year	17,398,671	18,689,935
	Adjustment for Revaluation Reserve	28,189,835	-
	Credited/(debited) to profit and loss account during the year	699,510	(1,291,264)
	Balance at the end of the year	**46,288,016**	**17,398,671**
12.5.1	**Adjustment of Deferred Tax**		
	Deferred Tax Assets (Note 8.2d)	(19,211,277)	(18,260,748)
	Deferred Tax Liabilities (Note 12.5)	699,510	(1,291,264)
	Net Charged to profit and loss account	**(18,511,767)**	**(19,552,012)**
12.5.a	**Consolidated Deferred Tax Liabilities**		
	Balance at the beginning of the year	17,398,671	18,689,935
	Add: Recognized during the year		
	Bangladesh Finance	699,510	(1,291,264)
	Bangladesh Finance Securities Limited	-	-
	Bangladesh Finance Capital Limited	-	-
		699,510	**(1,291,264)**
	Less: Adjustment during the year	-	-
		18,098,181	**17,398,671**
12.5.b	**Adjustment of Consolidated Deferred Tax**		
	Deferred Tax Assets (Note 8.2.a)	(32,352,332)	(60,064,588)
	Deferred Tax Liabilities (Note 12.5.a)	699,510	(1,291,264)
	Net Charged to profit and loss account	**(31,652,823)**	**(61,355,852)**

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		Amount in BDT	
		31-Dec-23	31-Dec-22
12.6	**Interest payable on Borrowing and Deposits**		
	Interest payable on TDR and other deposits	103,485,611	108,668,093
	Interest payable on Term and Short Term Loan	19,934,906	19,598,258
	Interest Payable on Bank Overdraft	10,700,694	8,775,000
	Interest payable on Refinancing loan from BB (SME)	4,706,182	1,275,465
	Interest payable on Refinancing loan from BB (Housing)	57,209	21,810
	Interest payable on Refinancing loan from JICA	2,364,183	1,874,928
	Interest payable on BB Stimulus Package	1,467,764	752,392
	Interest Payable on Call loan	71,868	47,464
	Interest payable on Security Deposit	-	-
	Balance at the end of the year	**142,788,418**	**141,013,410**
12.7	**Payable & Provision against expenditure**		
	Advance transfer price	3,001	3,001
	Payable others	24,953,208	43,991,717
	Payable to BD Finance Foundation	35,084,821	36,805,618
	Liability for Lease Rent	27,150,250	40,454,163
	Withholding Excise Duty	22,848,377	19,349,894
	Withholding Tax	100,848,766	31,722,240
	Withholding VAT	4,501,312	3,546,049
	Balance at the end of the year	**215,389,736**	**175,872,682**
12.8	**Gratuity Fund**		
	Opening balance	27,686,408	22,113,362
	Add: Provision during the year	4,535,151	6,726,537
	Less: Payment during the year	(5,320,562)	(1,153,491)
	Closing balance	**26,900,997**	**27,686,408**
12.9	**Penal Income in Suspense**		
	Delinquent Interest Suspense	78,361,243	63,784,362
	Penal Interest Suspense	93,585,117	82,946,657
		171,946,360	**146,731,018**

The amount represents accrued delinquent/penal interest for late rental/instalment payments that were transferred to a suspense account due to the uncertainty of recovery and will be added to income when recovered.

12.10	**Maturity wise classification of other liabilities**		
	Repayable on demand	5,102,008	4,097,295
	Within 1 month	105,350,079	35,268,289
	Over 1 months but not more than 3 months	22,848,377	19,349,894
	Over 3 months but not more than 1 year	142,788,418	141,013,410
	Over 1 year but not more than 5 years	1,119,796,497	654,640,832
	Over 5 years	1,679,694,746	981,961,249
	Balance at the end of the year	**3,075,580,126**	**1,836,330,969**

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		Amount in BDT	
		31-Dec-23	31-Dec-22
13.	**Capital**		
13.1	**Authorized Capital:**		
	600,000,000 ordinary shares of Tk. 10 each	**6,000,000,000**	**6,000,000,000**
13.2	**Issued, Subscribed and Paid up Capital:**		
	188,236,267 fully paid ordinary shares of Tk. 10 each subscribed and paid up by the sponsor Shareholders & General Shareholders	**1,882,362,670**	**1,882,362,670**
	Sponsor Shareholders Group	587,274,010	587,274,010
	General Shareholders Group	1,295,088,660	1,295,088,660
		1,882,362,670	**1,882,362,670**
	General Shareholders Group:		
	General Public (Individuals)	1,012,374,580	1,063,817,270
	Institutions	282,405,220	230,968,870
	Unit fund	-	-
	Investors Account	308,860	302,520
	Mutual Fund	-	-
		1,295,088,660	**1,295,088,660**

Classification of Shareholders by holding:	No. of Shareholders	No. of Shares	Percentage of Share Holding
Less than 500 shares	4,316	675,111	0.36%
501 to 5,000 shares	3,114	5,284,024	2.81%
5,001 to 10,000 shares	415	2,952,672	1.57%
10,001 to 20,000 shares	262	3,623,851	1.93%
20,001 to 30,000 shares	106	2,589,128	1.38%
30,001 to 40,000 shares	43	1,508,784	0.80%
40,001 to 50,000 shares	34	1,540,637	0.82%
50,001 to 1,00,000 shares	75	5,411,906	2.88%
1,00,001 to 10,00,000 shares	114	33,307,466	17.69%
10,00,001 to 99,99,999 shares	38	131,342,688	69.78%
Total	**8,517**	**188,236,267**	**100.00%**

Year	Declaration	No of Shares	Value of Shares	Cumulative value of shares
1999	Sponsored Share	500,000	5,000,000	5,000,000
1999	Allotment Share	4,500,000	45,000,000	50,000,000
2003	Bonus Share	500,000	5,000,000	55,000,000
2003	Right Share	1,000,000	10,000,000	65,000,000
2004	Right Share	7,506,000	75,060,000	140,060,000
2004	Bonus Share	780,000	7,800,000	147,860,000
2005	Right Share	4,201,800	42,018,000	189,878,000
2005	Bonus Share	1,478,600	14,786,000	204,664,000
2006	Bonus Share	2,865,290	28,652,900	233,316,900
2007	IPO	7,000,000	70,000,000	303,316,900
2008	Bonus Share	3,033,160	30,331,600	333,648,500
2009	Bonus Share	3,336,480	33,364,800	367,013,300
2010	Bonus Share	7,340,260	73,402,600	440,415,900
2011	Bonus Share	9,689,149	96,891,490	537,307,390
2012	Bonus Share	5,373,073	53,730,730	591,038,120
2013	Bonus Share	5,910,380	59,103,810	650,141,930
2013	Right Share	39,008,515	390,085,150	1,040,227,080
2014	Bonus Share	10,402,270	104,022,700	1,144,249,780
2015	Bonus Share	11,442,497	114,424,970	1,258,674,750
2016	Bonus Share	12,586,747	125,867,470	1,384,542,220
2017	Bonus Share	13,845,422	138,454,220	1,522,996,440
2018	Bonus Share	15,229,964	152,299,640	1,675,296,080
2019	-	-	-	1,675,296,080
2020	Bonus Share	10,051,776	100,517,760	1,775,813,840
2021	Bonus Share	10,654,883	106,548,830	1,882,362,670
2022	-	-	-	1,882,362,670

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	Amount in BDT	
	31-Dec-23	31-Dec-22

13.3 Capital under Capital Adequacy and Market Discipline (CAMD)

As per the section 4 (GHA) of the Financial Institutions Rule, 1994 and subsequent DFIM circular no. 05, 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 required under the Risk-Based Assets of the company, criteria determined by the Bangladesh Bank.

The Surplus eligible capital of the company on solo and consolidated basis at the close of business on 31 December 2023 were Taka 118,965,499 and Taka 506,655,538 respectively.

Details are as follows:

	Bangladesh Finance		Bangladesh Finance Group	
	31-Dec-2023 Taka	31-Dec-2022 Taka	31-Dec-2023 Taka	31-Dec-2022 Taka
a) Core Capital (Tier -I):				
i) Paid-up Capital	1,882,362,670	1,882,362,670	1,882,362,670	1,882,362,670
ii) Statutory Reserve (Note # 14)	501,151,365	501,151,365	501,151,365	501,151,365
iii) General Reserve (Note # 15)	-	-	-	-
iv) Retained Earnings (Note # 16)	(998,439,919)	248,339,553	(839,730,814)	450,851,610
v) Minority interest (Note # 16.b)	-	-	500,984,378	504,931,713
vi) Others (If any approved by Bangladesh Bank)	-	-	98,971,128	33,744,750
	1,385,074,116	**2,631,853,588**	**2,143,738,727**	**3,373,042,108**
b) Supplementary Capital (Tier-II):	**481,988,610**	**419,381,402**	**534,984,978**	**462,371,037**
i) General Provision (Unclassified loans up to specified limit+SMA+Off Balance sheet exposures) {Note 12.1(b)}*	218,512,153	214,833,412	271,508,521	257,823,047
ii) Assets Revaluation Reserves up to 50%	263,476,457	204,547,990	263,476,457	204,547,990
iii) Revaluation Reserves for Securities up to 45%	-	-	-	-
iv) Revaluation reserve for Equity Instruments up to 10%	-	-	-	-
v) All others preference Shares	-	-	-	-
vi) Others (If any approved by Bangladesh Bank)	-	-	-	-
c) Total eligible capital (a +b)	**1,867,062,727**	**3,051,234,990**	**2,678,723,705**	**3,835,413,144**
Total Assets Including off-balance sheet exposer	18,067,890,327	17,606,254,484	20,250,103,607	19,131,657,906
D) Total risk weighted Assets	17,480,972,279	17,186,672,971	21,720,681,666	20,625,843,726
E) Required Capital Based on risk weighted Assets (10% of D)	1,748,097,228	1,718,667,297	2,172,068,167	2,062,584,373
F) Surplus (C-E)	118,965,499	1,332,567,693	506,655,538	1,772,828,772
Capital adequacy Ratio (%)	10.68%	17.75%	12.33%	18.60%

* Limited to 1.25% of RWA as per CAMD guideline.

14. Statutory Reserve		
Opening balance	501,151,365	462,463,192
Add: Addition during the period	-	38,688,172
	501,151,365	**501,151,365**

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		Amount in BDT	
		31-Dec-23	31-Dec-22
15.	**General Reserve**		
	Opening balance	-	-
	Add: Transfer from Retained Earning	-	-
	Less: Distribution During the period	-	-
		-	-
16.	**Retained Earnings**		
	Opening balance	248,339,553	305,280,139
	Add: Profit After Tax during the period	(1,059,947,588)	193,440,862
	Add: Adjustment of Revaluation of Building	1,404,384	1,404,385
	Less: Transfer to Statutory Reserve	-	(38,688,172)
	Less: Cash Dividend	(188,236,267)	(106,548,830)
	Less: Issue of Bonus Shares	-	(106,548,830)
		(998,439,919)	**248,339,553**
16.a	**Retained Earnings (Consolidated)**		
	Bangladesh Finance	(998,439,919)	248,339,553
	Bangladesh Finance Securities Limited	102,558,991	111,791,050
	Bangladesh Finance Capital Limited	99,909,242	138,427,471
	Adjustment for Non-controlling Interest	(43,759,128)	(47,706,463)
		(839,730,814)	**450,851,610**
16.b	**Non Controlling Interest (Consolidated)**		
	Bangladesh Finance Securities		
	Paid up Capital	457,150,000	457,150,000
	Retained Profit/(Loss)	43,731,154	47,667,704
		500,881,154	**504,817,704**
	Bangladesh Finance Capital.		
	Paid up Capital	75,250	75,250
	Retained Profit/(Loss)	27,975	38,760
		103,225	**114,010**
		500,984,378	**504,931,713**
16.1	**Capital Reserve**		
	Bangladesh Finance Limited*	33,744,750	33,744,750
	Bangladesh Finance Capital	29,380,798	-
	Bangladesh Finance Securities	35,845,580	-
		98,971,128	**33,744,750**

*In the year 2014, a capital reserve was established to offset interim Stock Dividends received from subsidiaries.

17.	**Letters of Guarantees**		
	Letters of guarantee	-	200,000,000
	Less: Margin	-	-
		-	**200,000,000**

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		Amount in BDT	
		31-Dec-23	31-Dec-22
18.	**Profit and Loss Account**		
	Income		
	Interest, discount and similar income (Note - 19)	1,085,531,857	1,375,748,865
	Dividend income (Note - 21)	15,752,988	97,443,135
	Commission, Exchange and Brokerage	2,364,444	2,035,833
	Gains/(loss) arising from investment in securities (Note - 21)	37,831,615	97,261,771
	Other operating income (Note - 22)	71,883,207	59,118,807
		1,213,364,110	**1,631,608,410**
	Expenses:		
	Interest paid on Deposits & Borrowing (Note - 20)	1,024,159,054	997,213,975
	Administrative expenses	218,069,026	222,019,813
	Other operating expenses (Note - 31)	21,372,935	39,726,395
	Depreciation on Fixed assets {Note-30(a)+30(b)+Note-30(c)}	48,486,400	44,716,896
		1,312,087,414	**1,303,677,078**
	Income over expenditure	**(98,723,304)**	**327,931,332**
19.	**Interest income**		
	Interest income on Loans & Lease Finance (Note - 19.1)	1,019,141,172	1,319,600,002
	Interest on placement with other Banks & FIs (Note - 19.2)	66,390,685	56,148,863
		1,085,531,857	**1,375,748,865**
19.a	**Interest Income (Consolidated)**		
	Bangladesh Finance	1,085,531,857	1,375,748,865
	Bangladesh Finance Securities Limited	94,930,846	102,585,021
	Bangladesh Finance Capital Limited	11,930,728	16,228,153
		1,192,393,431	1,494,562,039
	Less: Inter-company transactions	25,649,413	46,173,959
		1,166,744,018	**1,448,388,080**
19.1	**Interest on Loans & Lease Finance**		
	Interest income on lease finance	123,752,033	195,181,978
	Interest income on term finance	529,172,006	955,038,103
	Interest on housing finance	366,217,133	169,379,921
		1,019,141,172	**1,319,600,002**
19.1.1	**Interest on Loans & Lease Finance**		
	Gross Interest Income on Loans & Lease Finance	1,296,104,936	1,447,657,314
	Less: Interest Income transferred to Interest Suspense Account	(276,963,764)	(128,057,312)
	Add: Interest Income transferred from Interest Suspense Account	-	-
		1,019,141,172	**1,319,600,002**

As per instruction of Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank, Bangladesh Finance is developing interest suspense against stressed accounts. Part of that Tk. 276,963,764 was transferred to interest suspense account this year to address unforseen credit risk, ensure adequate reserves, and safeguard overall financial health.

19.2	**Interest on placement with other banks & FIS**		
	Interest on FDR	64,796,184	54,915,211
	Interest on STD accounts	1,594,501	1,233,652
	Interest on fund placements	-	-
		66,390,685	**56,148,863**
20.	**Interest paid on deposits & borrowing**		
	Interest paid on deposits	745,313,524	784,737,832
	Interest paid on borrowings (Note - 20.1)	275,234,783	209,794,319
	Interest on lease liabilities	3,610,747	2,681,824
		1,024,159,054	**997,213,975**
20.a	**Interest Expenses (Consolidated)**		
	Bangladesh Finance	1,024,159,054	997,213,975
	Bangladesh Finance Securities Limited	64,107,511	66,540,258
	Bangladesh Finance Capital Limited	31,648,378	11,788,877
		1,119,914,943	1,075,543,110
	Less: Inter-company transactions	38,706,606	46,173,959
		1,081,208,337	**1,029,369,151**

A. QASEM & CO. CHARTERED ACCOUNTANTS DHAKA

		Amount in BDT	
		31-Dec-23	31-Dec-22
20.1	**Interest paid on borrowing**		
	Interest Expenses on Term and Short Term Loan	139,412,310	110,017,961
	Interest Expenses on SOD Loan	108,197,181	87,375,153
	Interest Expenses on Call Loan	6,874,825	6,111,545
	Interest Expenses on Margin Loan	6,947,800	-
	Interest Expenses on Re-financing loan	13,802,667	6,289,660
		275,234,783	**209,794,319**
21.	**Income from Investment in Securities**		
	Gain/(Loss) from Investment in Shares	37,831,615	97,261,771
	Dividend Income	15,752,988	97,443,135
		53,584,603	**194,704,906**
21.a	**Income from Investment (Consolidated)**		
	Bangladesh Finance	53,584,603	194,704,906
	Bangladesh Finance Securities Limited	7,192,877	130,886,296
	Bangladesh Finance Capital Limited	16,179,331	77,194,250
		76,956,811	402,785,452
	Less: Inter-company transactions	13,057,193	92,247,786
		63,899,618	**310,537,666**
21.b	**Commission, Exchange and Brokerage (Consolidated)**		
	Bangladesh Finance	2,364,444	2,035,833
	Bangladesh Finance Securities Limited	65,743,415	106,227,503
	Bangladesh Finance Capital Limited	4,059,847	3,693,772
		72,167,706	111,957,108
	Less: Inter-company transactions	2,364,444	2,253,913
		69,803,262	**109,703,195**
22.	**Other Operating Income:**		
	Penal Interest	41,497,207	17,798,316
	Loan Settlement & Others	-	427,978
	Contact point verification (CPV)	71,162	84,903
	Ledger management (LM)	14,500	39,500
	Transfer Price	31,500	34,000
	Processing fees	3,509,608	4,299,655
	Legal & Documentation charge	4,597,384	1,022,261
	Advisory fees	-	20,770,000
	Office Rent (64 Motijheel)	13,810,500	13,860,500
	Other Income (Note-22.1)	8,351,346	781,694
		71,883,207	**59,118,807**
22.a	**Other Operating Income (Consolidated)**		
	Bangladesh Finance	71,883,207	59,118,807
	Bangladesh Finance Securities Limited	-	-
	Bangladesh Finance Capital Limited	2,940,747	192,805
		74,823,954	59,311,612
	Less: Inter-company transactions	-	1,015,000
		74,823,954	**58,296,612**
22.1	**Other Income**		
	Gain/(loss) on sale of fixed assets	1,708,000	781,694
	Forfeiture amount from Provident Fund	6,643,346	-
	Miscellaneous income	-	-
		8,351,346	**781,694**
23.	**Salary & Allowances**		
	Basic Salary	80,817,172	76,594,997
	Allowances	70,415,490	62,447,631
	Bonus	12,477,861	25,136,917
	Retirement benefits and gratuity	4,535,151	6,726,537
	Earned Leave Encashment	2,469,585	690,367
	Employer's Contribution to Provident fund	6,628,113	6,536,128
	Wages	5,856,794	4,905,835
		183,200,166	**183,038,412**
23.a	**Salary & Allowances (Consolidated)**		
	Bangladesh Finance	183,200,166	183,038,412
	Bangladesh Finance Securities Limited	27,552,708	28,110,986
	Bangladesh Finance Capital Limited	9,225,508	12,240,605
		219,978,382	**223,390,003**

A. QASEM & CO. CHARTERED ACCOUNTANTS

		Amount in BDT	
		31-Dec-23	31-Dec-22
24.	**Rent, Taxes, Insurance, Electricity etc.**		
	Rent, Rates & Taxes*	3,006,528	2,789,610
	Insurance	1,175	304,065
	Electricity & Lighting, WASA, Gas etc.	4,680,233	3,203,119
		7,687,936	**6,296,795**

*The figure represents VAT paid to the Government Exchequer on Office Rent, which was treated separately under IFRS 16.

24.1	**Disclosure related to rent, rate and taxes:**		
	Actual rent expenses (inclusive of VAT)	23,098,309	23,008,830
	Less: Reclassification of rent expenses (as per IFRS 16: Leases)	20,091,781	20,219,220
	Rent expenses as reported	**3,006,528**	**2,789,610**

In addition to the above mentioned change in rent expense, implementation of IFRS 16 has resulted in charging of depreciation against Right-of-use asset as disclosed in Annexure A and of Interest expense on lease rent, as disclosed in Note 20.

24.a	**Rent, Taxes, Insurance, Electricity etc.(Consolidated)**		
	Bangladesh Finance	7,687,936	6,296,795
	Bangladesh Finance Securities Limited	3,270,841	2,267,205
	Bangladesh Finance Capital Limited	560,856	726,476
		11,519,632	**9,290,476**
25.	**Legal & Professional Fees**		
	Legal Fees & Charge	1,118,732	3,744,813
	Other Legal Expenses	-	-
		1,118,732	**3,744,813**
25.a	**Legal & Professional Fees (Consolidated)**		
	Bangladesh Finance	1,118,732	3,744,813
	Bangladesh Finance Securities Limited	951,676	4,475,753
	Bangladesh Finance Capital Limited	101,943	388,920
		2,172,351	8,609,486
	Less: Inter-company transactions		1,015,000
		2,172,351	**7,594,486**
26.	**Postage, Stamps, Telecommunication etc.**		
	Stamp & Court Fees	745,535	933,470
	Internet expenses	1,405,932	1,607,428
	Postage & Courier Expenses	95,545	90,002
	Telephone & Fax Expenses	67,828	82,853
	Mobile Expenses	1,138,761	1,287,713
		3,453,601	**4,001,465**
26.a	**Postage, Stamps, Telecommunication (Consolidated)**		
	Bangladesh Finance	3,453,601	4,001,465
	Bangladesh Finance Securities Limited	1,271,309	1,139,184
	Bangladesh Finance Capital Limited	14,780	2,702
		4,739,689	**5,143,351**
27.	**Stationery, Printing, Advertisements etc.**		
	Stationary-Toner & Cartridge	24,200	40,537
	Stationary Expenses	368,789	632,618
	Printing Expenses	2,240,327	2,153,537
	Advertisement and Publicity	11,314,593	12,507,157
		13,947,909	**15,333,850**
27.a	**Stationery, Printing, Advertisements etc.(Consolidated)**		
	Bangladesh Finance	13,947,909	15,333,850
	Bangladesh Finance Securities Limited	953,178	1,370,365
	Bangladesh Finance Capital Limited	139,206	355,627
		15,040,293	**17,059,841**
28.	**Managing Director's Salary and Allowances**		
	Basic Salary	3,409,083	3,300,000
	Allowances	3,300,000	3,300,000
	Bonus	550,000	1,100,000
		7,259,083	**7,700,000**

A. QASEM & CO. CHARTERED ACCOUNTANTS

		Amount in BDT	
		31-Dec-23	31-Dec-22
29.	**Directors' Fees**		
	Honorarium for attending meeting	941,600	1,443,200
	Incidental expenses for attending meeting	-	-
		941,600	**1,443,200**

Total 11 nos. of Board meetings, No Executive Committee meeting and 04 Audit Committee meetings were held during the period from 1st January 2023 to 31 December 2023. Each Director was paid Tk. 8,000 for attending in the meeting as per Bangladesh Bank DFIM Circular No. 13 Dated 30 November, 2015

29.a	**Directors' Fees (Consolidated)**		
	Bangladesh Finance	941,600	1,443,200
	Bangladesh Finance Securities Limited	158,400	272,800
	Bangladesh Finance Capital Limited	132,000	176,000
		1,232,000	**1,892,000**
29.b	**Audit Fees (Consolidated)**		
	Bangladesh Finance	460,000	461,278
	Bangladesh Finance Securities Limited	115,000	115,000
	Bangladesh Finance Capital Limited	86,250	86,250
		661,250	**662,528**
30.	**Depreciation and Repair of Assets**		
	a) Depreciation of Assets		
	Building	1,404,384	1,404,385
	Furniture & Fixtures	1,019,958	1,107,487
	Office Equipment	4,245,504	3,680,441
	Motor Vehicles	6,870,195	5,419,734
	System & Software	862,500	856,251
	Office Renovation	1,505,211	1,425,205
	Right-of-use Asset	17,854,515	18,088,382
		33,762,267	**31,981,883**
	b) Amortization Expenses	-	-
	c) Repair of Assets		
	Office Equipment	166,005	613,999
	Office Furniture & Fixtures	21,510	2,670
	Motor Vehicles	14,536,618	12,118,344
		14,724,133	**12,735,013**
		48,486,400	**44,716,896**
30.a	**Depreciation and Repair of Assets (Consolidated)**		
	Bangladesh Finance	48,486,400	44,716,896
	Bangladesh Finance Securities Limited	5,026,066	3,234,531
	Bangladesh Finance Securities Limited Right-of-use Asset	11,305,187	8,364,201
	Bangladesh Finance Capital Limited Right-of-use Asset	2,108,021	2,292,348
	Bangladesh Finance Capital Limited	1,594,123	1,625,686
		68,519,796	**60,233,662**
31.	**Other Expenses**		
	Petrol, Oil, Lubricants, CNG & others	2,809,024	5,765,762
	Entertainment	5,151,338	5,690,562
	Donation, Fees and Subscription	2,854,909	3,425,358
	Traveling and Conveyance	1,565,685	3,390,032
	Training Expenses	115,126	66,889
	Registration & Renewal Expenses	642,765	540,665
	Papers & Periodicals	54,230	51,152
	Office Maintenance	2,273,046	2,605,815
	Office Supplies	2,038,082	2,917,230
	Software Maintenance & other IT enabled services	3,573,748	4,655,480
	Uniform & Liveries	108,503	130,206
	Bank Charges & Excise Duty	3,237,556	2,661,772
	Business development & Promotion	-	4,430
	Security Service-Outsourcing	1,786,152	1,619,626
	AGM & Meeting expenses	200,000	640,000
	Profit equalization Fund (Islamic Wing)	(5,078,149)	5,078,149
	Miscellaneous Expenses	40,920	483,265
		21,372,935	**39,726,395**

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		Amount in BDT	
		31-Dec-23	31-Dec-22
31.a	**Other Expenses (Consolidated)**		
	Bangladesh Finance	21,372,935	39,726,395
	Bangladesh Finance Securities Limited	7,566,107	6,692,708
	Bangladesh Finance Capital Limited	1,899,871	2,206,659
		30,838,913	48,625,762
	Less: Inter-company transactions	2,364,445	2,253,913
		28,474,468	**46,371,849**
32.	**Provision against loans, lease finance & Others**		
	Provision on classified loans {Note-12.1(a)}	601,729,433	94,478,810
	General provision on unclassified Loans & Advances {Note-12.1(b)}	454,759,508	40,500,000
	Special provision on unclassified Loans & Advances {Note-12.1(c)}	-	(1,677,503)
	Provision for Off-Balance Sheet Exposures	(2,000,000)	(1,500,000)
	Provision on other receivables {Note-12.1(d)}	(90,000,000)	20,000,000
	Provisions on Investment in Securities (Note - 12.2)	5,980,000	(20,000,000)
		970,468,941	**131,801,307**
32.a	**Provision on Investment in Securities and Margin Loan (Consolidated)**		
	Bangladesh Finance - Investment in Securities	5,980,000	(20,000,000)
	Bangladesh Finance Securities Limited- Investment in Securities	-	50,155,609
	Bangladesh Finance Securities Limited - Margin Loan	5,822,491	4,877,032
	Bangladesh Finance Capital Limited - Margin Loan	-	-
	Bangladesh Finance Capital Limited - Investment in Securities	4,600,000	18,000,000
		16,402,491	**53,032,641**
33.	**Earnings Per Share (EPS)**		
	The calculation of basic earnings per share based on profit of the Company attributable to ordinary shareholders and weighted average number of ordinary shares outstanding is as follows:		
	Calculation of Earnings Per Share (Note - 2.16)		
	Net Profit after Tax	(1,059,947,588)	193,440,862
	Weighted average number of Ordinary Shares outstanding (Denominator)		
	Opening ordinary shares outstanding	177,581,384	177,581,384
	Impact of bonus share issue (2020)	-	-
	Impact of bonus share issue (2021)	10,654,883	10,654,883
	Weighted average number of Ordinary Shares outstanding (Denominator)	**188,236,267**	**188,236,267**
	Basic Earnings Per Share (Taka)	**(5.63)**	**1.03**

Reason for changes in Basic Earnings Per Share (EPS):

The Company's financial performance declined compared to the previous year due to the allocation of additional interest suspenses and provisions against stressed loans, leases, and advances. These measures were taken to mitigate unforeseen credit risks, address potential losses early, prevent further deterioration and defaults, ensure adequate reserves, and safeguard overall financial health. Additionally, there was a decrease in income from investments in securities and dividend income from subsidiaries.

Diluted Earnings Per Share

As there was no indication for dilution of shares, no diluted EPS was required to be calculated for the year ended 31 December 2023.

33.a	**Earnings Per Share (EPS) (Consolidated)**		
	The calculation of basic earnings per share based on profit of the Company attributable to ordinary shareholders and weighted average number of ordinary shares outstanding is as follows:		
	Calculation of Earnings Per Share (Note - 2.16)		
	Net Profit after Tax	(1,053,816,942)	236,015,541
	Weighted average number of Ordinary Shares outstanding (Denominator) Note-33	188,236,267	188,236,267
	Basic Earnings Per Share	**(5.60)**	**1.25**

Reason for changes in Earnings Per Share (EPS) (Consolidated)

The Company's financial performance declined compared to the previous year due to the allocation of additional interest suspense and provisions against stressed loans, leases, and advances. These measures were taken to mitigate unforeseen credit risks, address potential losses early, prevent further deterioration and defaults, ensure adequate reserves, and safeguard overall financial health. Furthermore, there was a reduction in fees and commissions and a substantial decline in income from investments in securities.

A. QASEM & CO. CHARTERED ACCOUNTANTS GULSHAN DHAKA

		Amount in BDT	
		31-Dec-23	31-Dec-22
34.	**Interest received**		
	Interest received (Note-19)	1,085,531,857	1,375,748,865
	Add: Opening interest Receivable on FDR	31,951,017	20,318,919
	Less: Closing interest receivable on FDR	(32,042,723)	(31,951,017)
	Add: Closing interest suspense account	723,540,037	446,576,273
	Less: Opening Interest Suspense Account	(446,576,273)	(351,784,181)
	Add: Opening Receivable Interest on BB Stimulus Package	2,143,650	7,166,303
	Less: Closing Receivable Interest on BB Stimulus Package	(3,649,031)	(2,143,650)
	Add: Opening Receivable of Grace Period Interest	-	1,047,726
	Less: Closing Receivable Grace Period Interest	-	-
		1,360,898,535	**1,464,979,237**
35.	**Interest Paid on Deposits & Borrowings**		
	Interest Paid on Deposits & Borrowings (Note-20)	1,024,159,054	997,213,975
	Add: Opening interest payable on deposit & borrowings	141,013,410	154,024,430
	Less: Closing interest payable on deposit & borrowings	(142,788,418)	(141,013,410)
		1,022,384,046	**1,010,224,994**
36.	**Cash Received from other Operating activities**		
	Income from investment in shares (Note 21)	37,831,615	97,261,771
	Other operating income (except gain/(loss) on sales of fixed assets)	90,175,207	34,864,113
		128,006,821	**132,125,884**
37.	**Cash Payments for other Operating activities**		
	Rent, Taxes, Insurance, Lighting etc.	7,687,936	6,296,795
	Legal & Professional Fees	1,118,732	3,744,813
	Postage, Stamp, Telegram & Telephone	3,453,601	4,001,465
	Directors' Fee & Expenses	941,600	1,443,200
	Auditors' Fee	460,000	461,278
	Repair, Maintenance of NBFI's Assets	14,724,133	12,735,013
	Other Expenses	21,372,935	39,726,395
		49,758,936	**68,408,959**
38.	**Cash Increase/ Decrease in Other Assets**		
	Re-imbursable Expenses	3,343,364	4,384,704
	Receivable Others	14,093,994	4,909,841
	Receivable Excise Duty	-	-
	Receivable penal and delinquent charges	171,946,360	146,748,380
	Receivable against sale of shares	949,937	30,255,015
	Investment In Subsidiaries	849,930,000	849,930,000
	Investment in BD Finance Vanguard Mutual Fund One	20,000,000	20,000,000
	Receivable House Rent	2,835,003	2,835,003
	Advance against expenditure {Note-8.2(c)}	66,167,486	56,502,798
	Deposits {with other organization Note-8.2(d)}	745,955	745,955
	Stock of Stamp	59,760	61,460
		1,130,071,858	**1,116,373,157**
	Cash (Increase)/ Decrease in Other Assets	**(13,698,701)**	**73,080,076**
39.	**Cash Increase/ (Decrease) in Other Liabilities**		
	Payable & Provision against expenditure	68,913,505	73,561,829
	Penal income in suspense	171,946,360	146,731,018
	Advance Rent (against 64 Motijheel)	7,212,143	7,762,500
	Advance Excise Duty	7,702,596	8,651,935
	Profit Equalization Fund	-	5,078,149
	Gratuity Fund	26,900,997	27,686,408
	Dividend payable	5,102,008	4,097,295
		287,777,609	**273,569,134**
	Cash Increase/ (Decrease) in Other Liabilities	**14,208,475**	**9,925,889**

A. QASEM & CO. CHARTERED ACCOUNTANTS

		Amount in BDT	
		31-Dec-23	31-Dec-22
40.	**Cash and Cash Equivalents**		
	Cash in Hand	62,312	39,605
	Balance with Bangladesh Bank	117,914,492	117,732,419
	Balance with Other Banks & Financial Institutions	1,552,240,540	1,143,319,843
		1,670,217,343	**1,261,091,867**

41. Number of Employees

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk. 36,000 or above were 146 (In the year 2022 it was 154).

42. Audit Committee

a) Particulars of Audit Committee

Pursuant to the Condition no 3 of the notifications no SEC/CMRRCD/2006-158/Admin/02-08 dated 20 February, 2006 of Securities Exchange Commission the Board of Director's of Bangladesh Finance formed a Five members Audit Committee named "Board Audit Committee".

Name	Status with Bangladesh Finance	Status with the Committee	Educational Qualification
Mr. Md. Rokonuzzaman, FCA	Independent Director	Chairman	BBA (DU), FCA
Mr. Iqbal U. Ahmed	Independent Director	Member	B. Com (Hons), M. Com (Mgmt.) DU
Mr. Md. Asaduzzaman Khan	Director	Member	MA (Eco.) DU, MA (Banking & Finance), UK
Mr. Furkaan Muhammad N Hossain	Director	Member	B. Sc. (Robotics Engineering) Colorado State University, USA
Ms. Fatema Begum	Director	Member	MA (DU), MS Adelaide University of South Australia

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

b) Meeting of Audit Committee

During 1 January to 31 December 2023, the Audit Committee of the Board conducted 04 meetings in which among others, the following issues were discussed:-

i) Regular review of the Internal and External (including Bangladesh Bank) Inspection & Audit Report with a view to implementing the suggestion of Internal and External Auditors in respect of Internal Control structure and techniques.

ii) Minimize expenditure in all operational activities where possible.

iii) Reviewing the Accounting procedure with a view to ascertain that the International Financial Reporting Standard (IFRS) has been applied in maintaining books and records of the company.

c) Internal Control:

The following steps have been taken for implementation of Internal Control Procedure of the company :

i) Audit & Inspection division of the company carried out Internal Audit with a view to enrich the compliance culture and full control on the exertion of the Bangladesh Finance's operations. The division directly report simultaneously to the Board Audit Committee;

ii) Regular monitoring has been done for the effectiveness of the quality control policies and procedures with the effect to evaluate the application of internal Control System and Internal Audit Policy, Policy for financial risk, existing rules and regulation; and

iii) To establish Planning, Organizing and Supervising culture and monitoring of Audit and Inspection of the Branches and different divisions of Head Office and surprise inspection of the Branches.

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	Amount in BDT	
	31-Dec-23	31-Dec-22

43. Related Party Disclosures:

43.1 Name of the Directors and their interest in different entities:

Name of the Directors of Bangladesh Finance	Firms/Companies related to the Director	Nature and Value of interest in the firm/companies
Mr. Manwar Hossain Chairman	Anwar Landmark Limited. Anwar Galvanizing Limited. Anwar Ispat Limited. Anwar Cement Limited. Anwar Cement Sheet Limited. A One Polymer Limited. Hossain Dyeing & Printing Mills Mehmud Industries (Pvt.) Limited. Anwar Silk Mills Limited Anwar Printex Limited A One Printex Limited. Anwar Jute Spinning Mills Limited. Modhumoti Bank Limited. AG Automobiles Limited. AG Motors Limited	Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Director Chairman Chairman
Mr. Iqbal U. Ahmed Vice Chairman & Independent Director	Bangladesh Finance Securities Ltd. Bangladesh Finance Capital Ltd.	Chairman Chairman
Mr. Md. Asaduzzaman Khan Director	ICB Capital Management Credit Rating Information and Services Limited (CRISL)	Director Chief Executive Officer
Mr. Md. Mahtab Uddin Ahmed Director	Welink Ventures Ltd. BuildCon Consultancies Ltd.	Chairman Managing Director
Ms. Fatema Begum Director	Nil	Nil
Mr. Imtiyaj Yousuf Director	OMEGA MOTORS IMTIYAJ STEEL Precious Steel Corporation	Proprietor Proprietor Proprietor
Mr. Ihtiaz Yousuf Director	Nil	Nil
Mr. Md. Rokonuzzaman, FCA Independent Director	Amann Bangladesh Limited	Managing Director
Mr. Furkaan Muhammad N Hossain Director	Nil	Nil
Mr. Md. Kyser Hamid Managing Director & CEO	Bangladesh Finance Securities Ltd. Bangladesh Finance Capital Ltd.	Director Director

43.2 Significant Contracts where Bangladesh Finance is a party and wherein Directors have interest: Nil

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

43.4 Lending Policies to related parties:

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

43.5 Investment (Lease, Loan and Advances) to Directors and their related Concern (Note-6.2):

	Name of the parties	Related By	Nature of transaction	Amount in Tk.	Remarks
i)	Bangladesh Finance Securities Limited	Common Director	Short Term Finance	-	Fully Settled
ii)	Bangladesh Finance Capital Limited	Common Director	Short Term Finance	-	Fully Settled
				-	

A. QASEM & CO. CHARTERED ACCOUNTANTS

		Amount in BDT	
		31-Dec-23	31-Dec-22

Investment in Preference Shares

	Name of the parties	Related By	Nature of transaction	Amount in Tk.	Status
i)	Bangladesh Finance Securities Limited	Common Director	Investment	120,000,000	
ii)	Bangladesh Finance Capital Limited	Common Director	Investment	20,000,000	
				140,000,000	

Deposit from Directors and their related concern

Name of the parties	Related By	Nature of transaction	Amount in Taka	No. of accounts
Manwar Hossain	Chairman	Term Deposit	13,932,794	11
Manwar Hossain, Hossain Mehmud & Ho	Chairman	Term Deposit	97,935,825	11
Anwar Ispat Limited	Common Director	Term Deposit	200,677,657	18
Anwar Jute Spinning Mills Ltd.	Common Director	Term Deposit	47,773,155	11
Anwar Landmark	Common Director	Term Deposit	104,653,728	14
Mehmud Industries (Pvt) Ltd.	Common Director	Term Deposit	17,764,080	8
AG Automobiles Ltd.	Common Director	Term Deposit	6,698,156	5
Anwar Cement Ltd.	Common Director	Term Deposit	13,004,897	11
Anwar Cement Sheet Ltd.	Common Director	Term Deposit	35,530,820	8
Anwar Galvanizing Ltd.	Common Director	Term Deposit	4,842,229	4
Hossain Dyeing & Printing Mills Ltd.	Common Director	Term Deposit	15,867,980	8
Anwar Silk Mills Ltd.	Common Director	Term Deposit	12,109,672	6
A- One Polymer Ltd.	Common Director	Term Deposit	1,785,599	2
Mrs. Shahnaz Rashid	Director	Term Deposit	10,000,000	3
Ihtiaz Yousuf	Director	Term Deposit	128,466,751	15
Imtiyaj Yousuf	Director	Term Deposit	38,116,481	6
Mr. Md. Kyser Hamid	Managing Director & CEO	Mudaraba Term Depos	186,951	1
Furkaan Muhammad N Hossain	Director	Mudaraba Term Depos	312,486	1
Total			**749,659,259**	**143**

44. Events after the Reporting Period

The Board of Directors of Bangladesh Finance in their 277th meeting held on 12 June, 2024 has recommended No Dividend for the year ended 31 December 2023.

Reason for No Dividend for the year 2023

The Board of Directors did not recommend a dividend this year due to the allocation of additional provisions and suspense against stressed loans, leases, and advances. This is a Road to Safety strategy aims to recognize potential credit risk early, ensuring adequate reserves, and safeguard the company's overall financial health.

A. QASEM & CO. DHAKA. CHARTERED ACCOUNTANTS

		Amount in BDT	
		31-Dec-23	31-Dec-22
45.	**Net asset value (NAV) per share**		
	Net asset	1,912,027,030	3,040,949,568
	Number of outstanding shares	188,236,267	188,236,267
	Net asset value (NAV) per share	10.16	16.15
45.a	**Net asset value (NAV) per share (Consolidated)**		
	Net asset	2,169,707,263	3,277,206,374
	Number of outstanding shares	188,236,267	188,236,267
	Net asset value (NAV) per share	11.53	17.41

Reason for changes in Net asset value (NAV) per share (Consolidated):

The Consolidated Net Asset Value (NAV) per share declined compared to the previous year due to the allocation of additional interest suspense and provisions for stressed loans, leases, and advances, which adversely affected the company's net worth. These measures were taken to mitigate unforeseen credit risks, address potential losses early, prevent further deterioration and defaults, maintain adequate reserves, and protect the company's overall financial health.

46.	**Net operating cash flows per share (NOCPS)**		
	Net operating cash flows	540,810,412	374,663,847
	Number of outstanding shares	188,236,267	188,236,267
	Net operating cash flows per share (NOCPS)	2.87	1.99
46.a	**Net operating cash flows per share (NOCPS) (Consolidated)**		
	Net operating cash flows	254,118,325	421,654,737
	Number of outstanding shares	188,236,267	188,236,267
	Net operating cash flows per share (NOCPS)	1.35	2.24

Reason for changes in Net Operating Cash Flows Per Share (NOCFPS):

Net Operating Cash Flows Per Share increased due to conservative disbursement against loans, leases and advances as well as an increase in borrowing of both term and short-term loans compared to the previous year.

Reason for changes in Net Operating Cash Flows Per Share (NOCFPS) (Consolidated):

The consolidated Net Operating Cash Flows Per Share decreased due to a reduction in interest income, lower income from investments in securities, increased payment of income tax liabilities, and higher investments in securities compared to the previous year.

Munshi Abu Naim, FCS
Company Secretary

Md. Kyser Hamid
Managing Director & CEO

Md. Rokonuzzaman, FCA
Director

Md. Asaduzzaman Khan
Director

Iqbal Uddin Ahmed
Director

A. QASEM & CO. CHARTERED ACCOUNTANTS GULSHAN DHAKA

ANNEXURE-A

Bangladesh Finance Limited
Fixed Asset Schedule
As at 31 December 2023

Amount in BDT

Particulars	COST					Rate of Depreciation	DEPRECIATION				Written down value at Amount in BDT
	Balance as on 1 January 2023	Revaluation Surplus	Addition during the year	Disposal/ Transfer during the period	Balance at 31 December 2023		Balance as on 1 January 2023	Transfer/ Adjustment during the year	Charged for the year	Balance as at 31 December 2023	
Land	462,550,000	143,550,000	-	-	606,100,000	-	-	-	-	-	606,100,000
Building	19,442,633	3,901,153	-	-	23,343,786	10%	8,207,559	-	1,404,384	9,611,943	13,731,843
Furniture & Fixture	23,948,439	-	147,218	44,100	24,051,557	20%	20,845,987	44,100	1,019,958	21,821,845	2,229,712
Office Equipment	41,365,551	-	1,590,674	264,426	42,691,799	25%	30,424,429	78,286	4,245,504	34,591,646	8,100,153
Office Renovation	26,762,372	-	725,976	590,775	26,897,573	20%	21,240,384	-	1,505,211	22,745,595	4,151,978
Motor Vehicle	68,112,859	-	4,900,000	15,006,000	58,006,859	20%	39,301,163	9,995,999	6,870,195	36,175,359	21,831,500
Other Assets	182,667	-	-	-	182,667	20%	182,667	-	-	182,667	-
System and Software	23,326,250	-	-	-	23,326,250	25%	20,680,417	-	862,500	21,542,917	1,783,333
ROU-Asset for Lease Rent	56,530,794	-	1,643,251	1,313,988	56,860,057		13,008,195	1,313,988	17,854,515	29,548,723	27,311,334
	722,221,565	**147,451,153**	**9,007,119**	**17,219,289**	**861,460,548**		**153,890,800**	**11,432,373**	**33,762,267**	**176,220,695**	**685,239,853**

Fixed Asset Schedule
As at 31 December 2022

Amount in BDT

Particulars	COST					Rate of Depreciation	DEPRECIATION				Written down value at 31 December 2022
	Balance as on 1 January 2022	Revaluation Surplus	Addition during the year	Disposal/ Transfer during the period	Balance at 31 December 2022		Balance as on 1 January 2022	Transfer/ Adjustment during the year	Charged for the year	Balance as at 31 December 2022	
Land	462,550,000		-	-	462,550,000	-	-	-	-	-	462,550,000
Building	19,442,633		-	-	19,442,633	10%	6,803,174	-	1,404,385	8,207,559	11,235,074
Furniture & Fixture	22,629,031		1,573,208	253,800	23,948,439	20%	19,992,300	253,800	1,107,487	20,845,987	3,102,452
Office Equipment	36,496,287		6,892,741	2,023,477	41,365,551	25%	28,767,465	2,023,477	3,680,441	30,424,429	10,941,122
Office Renovation	24,635,201		3,411,840	1,284,669	26,762,372	20%	21,037,491	1,222,312	1,425,205	21,240,384	5,521,988
Motor Vehicle	45,735,811		25,279,062	2,902,014	68,112,859	20%	34,995,735	1,114,306	5,419,734	39,301,163	28,811,696
Other Assets	182,667		-	-	182,667	20%	182,667	-	-	182,667	-
System and Software	19,876,250		3,450,000	-	23,326,250	25%	19,824,166	-	856,251	20,680,417	2,645,833
ROU-Asset for Lease Rent	46,114,384		39,251,468	28,835,059	56,530,794		23,218,286	28,298,472	18,088,382	13,008,195	43,522,598
	677,662,265	-	**79,858,319**	**35,299,019**	**722,221,565**		**154,821,284**	**32,912,367**	**31,981,883**	**153,890,800**	**568,330,764**

A. QASEM & CO. CHARTERED ACCOUNTANTS

ANNEXURE-B1

Bangladesh Finance Limited

Reconciliation of Net Profit with Cash Flows

from Operating Activities

	Amount in BDT	
	31-Dec-23	31-Dec-22
Net profit after tax	**(1,059,947,588)**	**193,440,862**
Items not involved in cash movement:		
Add: Depreciation/amortization	33,762,267	31,981,883
Add: Provision for loans and investments	970,468,941	131,801,307
Add: Provision for taxation	(9,244,656)	2,689,162
Add/(Less): Accrued expenses	39,517,054	52,031,838
Add/(Less): Accrued income	(20,006,858)	(72,943,814)
Increase/(Decrease) in Employee gratuity	(785,411)	5,573,046
Increase/(Decrease) in Deferred tax (Liability)	28,889,345	(1,291,264)
Adjustments to reconcile net profit after tax to net cash provided by operating activities	**(17,346,906)**	**343,283,021**
Increase/(decrease) in operating assets and liabilities		
(Increase)/Decrease in Trading Securities	5,915,428	(166,219,122)
(Increase)/Decrease in Loans & advances	(113,797,850)	(330,575,497)
(Increase)/Decrease in Other assets	(7,711,999)	97,158,221
Increase/(Decrease) in Other Liabilities	(36,762,074)	(28,908,677)
Increase/(Decrease) in Term & other deposits	(983,504,861)	293,368,535
Increase/(Decrease) in Term & Short term loans	1,534,814,085	163,107,611
Increase/(Decrease) in Payable and accrued expenses	1,775,008	(13,011,020)
(Increase)/Decrease in Income tax	(119,534,183)	(78,331,318)
Increase/(Decrease) in Interest suspense	276,963,764	94,792,092
	558,157,319	**31,380,825**
Net cash flows from/(used in) operating activities	**540,810,412**	**374,663,847**

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

ANNEXURE-B2

Bangladesh Finance Limited

Reconciliation of Net Profit with Cash Flows

from Operating Activities

	Amount in BDT	
	31-Dec-23	31-Dec-22
Net profit after tax	**(1,042,471,495)**	**304,725,590**
Items not involved in cash movement:		
Add: Depreciation/amortization	53,795,663	47,498,649
Add: Provision for loans and investments	980,891,432	204,833,948
Add: Provision for taxation	(3,954,368)	8,658,669
Add/(Less): Accrued expenses	45,288,264	58,314,478
Add/(Less): Accrued income	(23,738,505)	(73,335,619)
Increase/(Decrease) in Employee gratuity	(253,787)	7,367,101
Increase/(Decrease) in Deferred tax (Liability)	25,535,759	(1,291,264)
Adjustments to reconcile net profit after tax to net cash provided by operating activities	**35,092,963**	**556,771,551**
Increase/(decrease) in operating assets and liabilities		
(Increase)/Decrease in Trading Securities	(259,283,042)	(148,705,638)
(Increase)/Decrease in Loans & advances	(591,063,904)	(313,916,699)
(Increase)/Decrease in Other assets	(1,606,959)	32,748,026
Increase/(Decrease) in Other Liabilities	334,287,089	(201,011,777)
Increase/(Decrease) in Term & other deposits	(918,504,861)	228,368,535
Increase/(Decrease) in Term & Short term loans	1,538,764,516	297,930,176
Increase/(Decrease) in Payable and accrued expenses	786,244	(18,478,661)
(Increase)/Decrease in Income tax	(161,317,486)	(106,842,869)
Increase/(Decrease) in Interest suspense	276,963,764	94,792,092
	219,025,362	**(135,116,814)**
Net cash flows from/(used in) operating activities	**254,118,325**	**421,654,737**

A. QASEM & CO. CHARTERED ACCOUNTANTS

ANNEXURE-C

Bangladesh Finance Limited

Highlights on the overall activities of the Company

as at and for the periods 2023 and 2022

Sl. No.	Particulars	2023	2022
1	Paid up Capital	1,882,362,670	1,882,362,670
2	Total Shareholders' Equity	1,912,027,030	3,040,949,568
3	Capital Surplus/(Deficit)	118,965,499	1,332,567,693
4	Total Assets	18,067,890,327	17,406,254,484
5	Total Deposit	8,878,841,364	9,862,346,225
6	Total Loans/Lease Finance	13,813,475,620	13,699,677,770
7	Total Contingent Liabilities and Commitment	-	200,000,000
8	Investment Deposit Ratio (%)	155.58%	138.91%
9	Percentage of Classified Loan against total Loans and Advances	11.20%	5.56%
10	Profit after Tax and Provision	(1,059,947,588)	193,440,862
11	Amount of Classified Investment	1,547,713,906	761,947,190
12	Provisions kept against Classified Investment	738,238,596	213,463,843
13	Provisions surplus	640,625,197	203,551,095
14	Cost of Fund	8.29%	8.01%
15	Interest Earning Assets	15,769,948,226	15,246,668,453
16	Non-Profit Earning Assets	2,297,942,101	2,159,586,031
17	Return on Investment in Securities (ROI)	12.88%	57.97%
18	Return on Assets (ROA)	-5.98%	1.13%
19	Income from Investment in Securities	53,584,603	194,704,906
20	Earnings Per Share	(5.63)	1.03
21	Price Earning Ratio (Times)	(7.83)	42.91
22	Book value per share (Per 10 Tk.)	10.16	16.15

A. QASEM & CO. CHARTERED ACCOUNTANTS

ANNEXURE-C1

Bangladesh Finance Limited

Balance Sheet (Islamic Wing)

As at 31 December 2023

	Note	Amount in BDT 31-Dec-23	31-Dec-22
PROPERTY AND ASSETS			
Cash			
Cash in hand		-	-
Balance with Bangladesh Bank		16,734,500	9,234,500
		16,734,500	**9,234,500**
Balance with other Banks and Financial Institutions			
Inside Bangladesh		37,646,908	39,600,983
Outside Bangladesh		-	-
		37,646,908	**39,600,983**
Placement with banks & other financial institutions		-	-
Investments in Shares & Securities			
Government		-	-
Others		19,979,298	-
		19,979,298	-
Investments			
General Investments etc.		269,571,069	178,613,936
Bills Purchased & Discounted		-	-
		269,571,069	**178,613,936**
Fixed Assets including Premises, Furniture and Fixtures		**6,183,586**	**4,083,250**
Other Assets		**1,109,485**	**616,024**
Non Banking Assets		-	-
Total Assets		**351,224,846**	**232,148,693**
LIABILITIES AND CAPITAL			
Liabilities			
Placement from banks & other financial institutions		-	-
Deposits and other Accounts		**334,277,588**	**219,362,750**
Mudaraba Term Deposits		221,220,133	186,457,692
Mudarabah Scheme Deposits		113,057,455	32,905,059
Other Mudaraba Deposits		-	-
Al-Wadeeah Current and Other Deposit Accounts		-	-
Bills payable		-	-
Other Liabilities		**16,448,691**	**12,358,094**
Total Liabilities		**350,726,279**	**231,720,844**
Capital/ Shareholders' Equity			
Paid-up Capital		-	-
Statutory Reserve		-	-
Other Reserve		-	-
Retained Earnings		498,567	427,849
Total Shareholders' Equity		**498,567**	**427,849**
Total Liabilities & Shareholders' Equity		**351,224,846**	**232,148,693**

A. QASEM & CO. CHARTERED ACCOUNTANTS

ANNEXURE-C2

Bangladesh Finance Limited

Profit and Loss Account (Islamic Wing)

For the year ended 31 December 2023

	Note	Amount in BDT	
		31-Dec-23	31-Dec-22
Investment Income		22,023,402	15,372,731
Profit Paid on Deposits		21,630,969	13,430,574
Net Interest Income		**392,433**	**1,942,157**
Income from Investment in Shares & Securities		496,250	10,402,339
Commission, Exchange and Brokerage		-	-
Other Operating Income		1,339,134	566,468
		1,835,384	**10,968,807**
Total Operating Income		**2,227,818**	**12,910,964**
Salaries and Allowances		3,158,819	4,205,738
Rent, Taxes, Insurances, Electricity etc.		-	-
Legal Expenses		-	-
Postage, Stamps and Telecommunication etc.		226,800	744,339
Stationery, Printings and Advertisements etc.		743,942	455,395
Chief Executive's Salary & Fees		-	-
Shari'ah Supervisory Committee's Fees & Expenses		70,400	193,600
Auditors' Fees		-	-
Charges on Investment Losses		-	-
Depreciation and Repairs to Bank's Assets		1,246,850	661,750
Zakat Expenses		-	-
Other Expenses		(4,939,711)	6,222,293
Total Operating Expenses		**507,100**	**12,483,115**
Profit/(Loss) before Provision		**1,720,718**	**427,849**

A. QASEM & CO. CHARTERED ACCOUNTANTS

Annexure-C3: Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with 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	Complete set of financial statements	IAS 1 "Presentation of Financial Statements"	As per IAS 1: 'Presentaion of Financial Statements' complete set of financial statements are i) statement of fincancial postion, 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 explanotory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No.11 dated 23 Decemeber 2009, complete set of financial statements are i) balance sheet ii) profit and loss account iii) statement of cash flows iv) statement of changes in equity v) statement of liquidity vi) notes, comprising significant accounting policies and other explanatory information.	Financial statements for 2023 and corresponding period of 2022 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	Presentation and Disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Finacnial Statements" IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments Disclosure"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.	Financial Statements for 2023 and corresponding period of 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.

A. QASEM & CO. CHARTERED ACCOUNTANTS

Annexure-C3: Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with 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
3	Other Comprehensive income	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements"other comprehesive 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.	Finanical Statements for 2023 and corresponding period of 2022 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is non financial impact for this departure in the financial statements.
4	Intangible Asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1: 'Presentaion of Financial Statements' PARA 54: the statements of financial postion shall include separate line item for intangible assets.	As per DFIM Circular No.11 dated 23 Decemeber 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 2023 and corresponding period of 2022 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 statement.
5	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 blance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements for 2023 and corresponding period of 2022 have been prepared as per guideline (DFIM Circular No. 11,dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure but there is a disclosure in the financial statements.
6	Current/Non-Current Distinction	IAS 1 "Presentation of Financial Statement"	As per Para 60 of IAS 1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No.11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities.	Financial Statements for 2023 and corresponding period of 2022 have been prepared as per guideline (DFIM Circular No. 11,dated 23 December 2009) of Bangladesh Bank.
7	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash flows"	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM circular No. 11, dated 23 December 2009, Cash Flow Statement has been guided by Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for 2023 and corresponding period of 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.



Annexure-C3: Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with 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
8	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	Cash equivalent is short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day-to-day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.	Financial Statements for 2023 and corresponding period of 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
9	Measurment of deffered tax asset	IAS 12 "Income Tax"	A deffered tax asset shall be recognized for all deductible temporarily differeences 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 deffered tax asset can be recognised for any deductible temporary difference against the provision for lease, loans and advances.	During the year there is no impact in the financial statements due to this departure as the company did not consider any deductible temporary difference against the provision for leases, loans and advances.
10	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	As per requirements of IFRS 9 Financial instruments, all equity investments (shares and mutual funds) are to be measured at fair value with value changes recognized in statement of profit or loss and other comprehensive income for the period, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income (OCI)'. If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it through OCI with only dividend income recognized in profit or loss account.	As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this period, total market value of all shares of Bangladesh Finance Limited & its subsidiaries is less than the cost price. As on December 31, 2023 there was BDT 263.68 million unrealised loss on consolidated investment in marketable securities and BDT 30.98 million unrealised loss on investment by Bangladesh Finance Ltd. in marketable securities.
11	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).	According to DFIM Circular No. 04, dated July 26, 2021, a general provision ranging from 0.25% to 5% has to be maintained for different categories of unclassified loans (good/standard loans and Special Mention Accounts (SMA)), regardless of any objective evidence of impairment on leases, loans, and advances. Additionally, provisions for substandard investments, doubtful investments, and bad losses has to be provided at 20%, 50%, and 100% respectively, based on the duration of the overdue period.	In separate Financial Statements, an amount of BDT 1,056.49 million has been charged as incremental provision for leases, loans and advances, which includes charged of BDT 454.76 million as general provision for the period ended December 31, 2023. Also, as at 31 December 2023, accumulated provision for leases, loans and advances stands at BDT 1,632.50 million. In consolidated Financial Statements, the incremental provision amount is BDT 1,062.31 million which includes provision for margin loan BDT 5.82 million. Also, as at 31 December 2023, accumulated provision for leases, loans and advances stands at BDT 1,763.59 million.

A. QASEM & CO. CHARTERED ACCOUNTANTS

Annexure-C3: Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with 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
12	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 DFIM Circular No. 04, dated July 26, 2021, any loan/lease or investment account classified as "Special Mention Account (SMA)", "Substandard", or "Doubtful", the accrued interest on these investments should not be recognized as income. Instead, the accrued interest must be credited to a liability account, such as an interest suspense account.	At the year end, in separate Financial Statements interest suspense account has increased to BDT 723.54 million from BDT 446.58 million resulting in increase of BDT 276.96 million of interest suspense. This amount has been shown in other liabilities in note 12.3
13	Impairment of Margin Loan (Loans and receivables	IFRS 9 "Financial Instruments"	Measurement after initial recognition at amortized cost and recording of changes through profit and loss.	As per Bangladesh Securities and Exchange Commission (BSEC) Directives No. BSEC/CMRRCD/2009-193/196 dated 28 December 2016, BSEC/CMRRCD/2009-193/203 dated 28 December 2017, BSEC/SRI/NE/2020/605 and 606 dated 28 December 2022, and BSEC/SRI/NE/2023/840 dated 22 October 2023, provisions for impairment of principal portion of margin loan shall be kept at 20% on each quarter for the five quarters starting from December 2016 which is extended up to 30 June 2024.	We have provided phased manner provisions for unrealized loss of margin loan portfolio. At the year-end, the cumulative provision stands at BDT 123.52 million as against BDT 130.13 million which is 95% of total required provision.
14	Disclosure of Presentation of Profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no.11 dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account.	Financial Statements for 2023 and corresponding period of 2022 have been prepared as per guideline (DFIM Circular No. 11 , dated 23 December 2009) of Bangladesh Bank. There is no finacnial impact for this departure in the financial statements.
15	Non-financial assets	N/A	No indication of non-financial assets is found in any IASs/IFRSs.	As per Department of Financial Institution and Market (DFIM) of Bangladesh Bank circular no. 11 dated 23 December 2009, there exists a face item named non-banking assets.	At the year end, in separate Financial Statements non-banking assets amounting to BDT 213.12 million has shown under separate line item under property and assets in note 9. There is no finacnial impact for this departure in the financial statements.

A. QASEM & CO. CHARTERED ACCOUNTANTS GULSHAN DHAKA