

**Independent Auditor's Report
&
Audited Consolidated and
Separate Financial Statements
of
Bangladesh Finance and Investment Company Limited
and its subsidiaries
As at & for the year ended 31 December 2019**

**Independent Auditors' Report
To the Shareholders of
Bangladesh Finance and Investment Company Limited**

Opinion

We have audited the accompanying consolidated financial statements of **Bangladesh Finance and Investment Company Limited and its subsidiaries** ("the Group"), as well as the financial statements of **Bangladesh Finance and Investment Company Limited** ("the Company") which comprise the Consolidated and Separate Statement of Financial Position as at 31 December 2019, Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income, Consolidated and Separate Statement of Cash Flows, and Consolidated and Separate Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the consolidated financial position of the Group as at 31 December 2019 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Accounting Standard (IAS), International Financial Reporting Standards (IFRSs), and comply with the applicable sections of the Financial Institutions Act, 1993, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable Laws and Regulations.

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 ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter:

Without qualifying our audit opinion, we draw attention to the following matter:

In Note # 4.1 to the Financial Statements the management has elaborately disclosed and clarified the status of the recoverability of investments made in the form of FDRs of Tk. 200,000,000 with International Leasing and Financial Services Limited (ILFSL) in the backdrop of involvement of Bangladesh Bank by appointing Administrator in ILFSL to run its operation and affairs smoothly. The Management has also decided to start making provision from the current year with commitment to do so till full provision is made over the years, if the present situation of recoverability exists.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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. Key audit matters were identified 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. We summarize below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public limited entities, our results from those procedures.

1. Measurement of provision for loans and advances

The Financial Institution's Gross Loans and Advances as at 31 December 2019 amounts to BDT. 13,143,708,954 as against which a provision of BDT. 308,676,985 is kept at 31 December 2019. The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex. The carrying value of loans and advances to financial institution and customers held at cost may be materially misstated if individual or collective loan losses are not appropriately identified and estimated. The measurement of the provision for loans and advances pose significant audit risk.

Our audit procedures to address the risks of material misstatement relating to provision for loans and advances, which was considered to be a significant risk, included:

- Assessed the reasonableness of estimates made by the management in regards to the classification of loans and advances adopting qualitative judgment on the adequacy of provision against loan loss;
- Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process;
- Reviewed quarterly Classification of Loans (CL) in relation to the provision for loans and advances portfolio comprising of the following:
 - Reviewed the adequacy of the companies general and specific provisions;
 - Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information;
 - Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
 - Assessed the recoverability of the forecast cash flows by comparing them to historical performance; and
 - Assessed external collateral valuer's credentials and comparing external valuations to values used in management's assessments.

The Financial Institutions' disclosures of provision for loans and advances are included in Note-12.1 to the Financial Statements.

2. Measurement of deferred tax assets

Deferred Tax Asset as at 31 December 2019 amounts to BDT. 17,205,274 while Deferred Tax Income of BDT. 1,814,417 was charged in the Statement of Profit or Loss and Other Comprehensive Income. The calculation and its disclosures require significant judgment in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.

Our audit procedures to address the risks of material misstatement relating to measurement of deferred tax assets, which was considered to be a significant risk, included:

- Obtained an understanding, evaluated the design and tested the operational effectiveness of the Financial Institution's key controls over the recognition and measurement of DTAs and the assumptions used in estimating Financial Institution's future taxable income.
- Assessed the completeness and accuracy of the data used for the estimations of future taxable income.
- Assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.

The Financial Institutions' disclosures of Deferred Tax Assets are included in Note-8.2 to the Financial Statements.

Information other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the consolidated 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

We also report that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof and found satisfactory;
- 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 balance sheet and the consolidated profit and loss account of the Group and the separate balance sheet and the separate profit and loss account of the Company together with annexed notes from 1 to 46 dealt with by the report are in agreement with the books of account;
- iv. the expenditure incurred was for the purpose of the Group and the Company's business;
- v. the consolidated financial statements of the Group and those of the Company have been drawn up in conformity with the Financial Institution Act 1993 and in accordance with the accounting rules and regulations issued by Bangladesh Bank to the extent applicable to the Company;
- vi. the record submitted by the parent company and the subsidiary companies have been audited and consolidated properly in the financial statements;
- vii. the records and accounts of the branches have been properly maintained and consolidated in the financial statements;
- viii. adequate provisions have been made for leases and advances and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- 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 collected and deposited to Government treasury by the Company as per Government instructions found satisfactory;
- 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 issued by Bangladesh Bank and other regulatory authorities have been complied properly;
- xiii. the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible 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. the consolidated financial statements of the Group and the separate financial statements of the Company conform to the prescribed formats and standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting body of Bangladesh;
- xvi. we have reviewed over 80% of the risk weighted assets of the Group and the Company during the course of our audit and we have spent over 985 person hours for the audit of books and accounts of the Group and the Company; and
- xvii. all other issues which are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dhaka, Bangladesh
Dated: 31 August 2020

Sd/-
J C Biswas FCA
Partner
MABS & J Partners
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Consolidated Balance Sheet
As at 31 December 2019

	Note	31-Dec-19 BDT	31-Dec-18 BDT
PROPERTY AND ASSETS			
Cash			
Cash in hand	3.a	108,565	137,594
Balance with Bangladesh Bank		116,081,415	133,078,089
		116,189,980	133,215,683
Balance with other Banks and Financial Institutions			
Inside Bangladesh	4.a	702,169,072	741,522,615
Outside Bangladesh		-	-
		702,169,072	741,522,615
Money at call and short notice			
		-	-
Investment in Securities			
Government	5.a	-	-
Others		806,269,974	1,092,260,486
		806,269,974	1,092,260,486
Lease, Loans and Advances			
In Bangladesh	6.a	13,366,885,299	13,861,556,468
Outside Bangladesh		-	-
		13,366,885,299	13,861,556,468
Fixed Assets including Premises, Furniture and Fixtures			
	7.a	415,767,051	398,440,699
Other Assets			
	8.a	1,542,986,738	2,279,170,368
Non Banking Assets			
	9	212,121,062	212,121,062
Total Assets		<u>17,162,389,174</u>	<u>18,718,287,380</u>
LIABILITIES AND CAPITAL			
Liabilities			
Financing (Borrowings) from other Banks, Financial Institutions and Agents	10.a	3,329,630,807	3,490,092,798
Deposits and other Accounts	11.a	8,837,068,361	9,579,214,627
Other Liabilities	12.a	1,761,518,851	2,605,434,292
Total Liabilities		<u>13,928,218,020</u>	<u>15,674,741,716</u>
Capital/ Shareholders' Equity			
Share Capital	13.2	1,675,296,080	1,522,996,440
Statutory Reserve	14	363,659,793	320,007,242
General Reserve	15	-	-
Capital Reserve	16.1	33,744,750	33,744,750
Revaluation Surplus on Land & Building	7.b	295,243,020	295,243,020
Retained Earnings	16.a	374,423,402	382,246,789
Total Shareholders' Equity		<u>2,742,367,044</u>	<u>2,554,238,240</u>
Non Controlling Interest			
	16.b	491,804,108	489,307,422
Total Liabilities & Shareholders' Equity		<u>17,162,389,174</u>	<u>18,718,287,380</u>

Bangladesh Finance And Investment Company Limited
Consolidated Balance Sheet
As at 31 December 2019

	Note	31-Dec-19 BDT	31-Dec-18 BDT
OFF BALANCE SHEET EXPOSURES			
CONTINGENT LIABILITIES			
Acceptances and Endorsements		-	-
Letters of Guarantee	17	100,000,000	100,000,000
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Total		100,000,000	100,000,000
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		100,000,000	100,000,000
Total Off-Balance Sheet items including contingent liabilities		100,000,000	100,000,000
Net Asset Value per share (NAV)	45.a	16.37	15.25

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

Sd/-

Company Secretary

Sd/-

Managing Director

Sd/-

Director

Sd/-

Director

Dated, Dhaka
31 August, 2020

Sd/-
J C Biswas FCA
Partner
MABS & J Partners
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Consolidated Profit and Loss Account
For the year ended 31 December 2019

	Note	31-Dec-19 BDT	31-Dec-18 BDT
Interest Income	19.a	1,982,939,177	1,884,639,422
Less: Interest paid on Deposits & Borrowings etc.	20.a	1,400,954,406	1,468,674,631
Net Interest Income		581,984,771	415,964,791
Income from Investment in securities	21.a	(190,580,301)	35,777,530
Commission, Exchange and Brokerage	21.b	67,287,925	79,581,289
Other Operating Income	22.a	161,073,844	106,920,212
		37,781,468	222,279,031
Total Operating Income		619,766,239	638,243,822
Salaries and Allowances	23.a	140,358,802	150,474,746
Rent, Taxes, Insurances, Electricity etc.	24.a	9,515,865	26,912,060
Legal & Professional Fees	25.a	1,682,213	2,403,356
Postage, Stamps, Telecommunication etc.	26.a	4,045,706	3,769,859
Stationery, Printings, Advertisements etc.	27.a	7,586,631	4,354,738
Managing Director's Salary and Allowances	28	7,000,000	6,758,333
Directors' Fees and Conveyance	29.a	1,083,750	1,201,500
Auditors' Fees	29.b	300,556	294,056
Depreciation & Repairs of Assets	30.a	54,013,565	35,671,414
Other Expenses	31.a	59,586,719	59,745,419
Total Operating Expenses		285,173,807	291,585,481
Profit before Provision		334,592,432	346,658,341
Specific provisions for Classified Investment	32	5,802,781	(87,859,475)
General Provisions for Unclassified Investment	32	7,897,219	(28,717,055)
Provisions for Other Receivables	32	19,702,000	(3,289,000)
Provisions for Investment in Securities	32.a	(105,388,985)	49,543,226
Total Provision		(71,986,985)	(70,322,304)
Total Profit before Provisions for Taxation		406,579,417	416,980,645
Deferred Tax Expenses/(benefit)		8,240,687	(1,478,361)
Current Tax Expenses-BD Finance		196,026,591	120,214,449
Current Tax Expenses-BD Securities Ltd.		10,937,615	13,884,766
Current Tax Expenses-BD Capital Holdings Ltd.		749,034	2,406,039
		215,953,928	135,026,893
Net Profit after Taxation		190,625,489	281,953,752
Attributable to		190,625,489	281,953,752
Shareholder of the Company		188,128,804	281,865,472
Non-controlling Interest		2,496,685	88,280
Net Profit available for distribution		188,128,804	281,865,472

Bangladesh Finance And Investment Company Limited

Consolidated Profit and Loss Account For the year ended 31 December 2019

	Note	31-Dec-19 BDT	31-Dec-18 BDT
Appropriations			
Statutory Reserve	14	43,652,551	55,443,659
General Reserve	15	-	-
Retained Earnings		144,476,253	226,421,813
		188,128,804	281,865,472
Earnings Per Share (Re-stated 2018)	33a	1.12	1.68

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

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-

Director

Sd/-

Director

Dated, Dhaka
31 August, 2020

Sd/-
J C Biswas FCA
Partner
MABS & J Partners
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Consolidated Cash Flow Statement
For the year ended 31 December 2019

	31-Dec-19 BDT	31-Dec-18 BDT
Cash Flow from Operating Activities		
Interest received	2,004,287,949	1,842,646,476
Interest paid	(1,505,107,325)	(1,407,754,475)
Dividend received	9,254,366	28,146,262
Fees & Commission received	63,294,313	74,537,950
Cash Payments to Employees	(147,358,802)	(157,182,135)
Cash Payments to Suppliers	(8,564,770)	(5,613,280)
Income Tax Paid	(105,618,867)	(48,076,170)
Received from other Operating activities	(34,856,851)	119,506,604
Payments for other Operating activities	(108,578,866)	(103,367,935)
Cash generated from operating activities before changes in Operating Assets & Liabilities	166,751,148	342,843,297
Changes in Operating Assets and Liabilities		
Purchases/Sale of Trading Securities	285,990,512	31,586,780
Loans and Lease Finance to Customers	494,671,169	351,283,831
Other Assets	(9,039,022)	(3,415,125)
Deposits	(742,146,265)	(612,887,556)
Other Liabilities	(34,267,972)	164,959,077
Sub Total	(4,791,578)	(68,472,993)
A) Net Cash flows from Operating Activities	161,959,569	274,370,304
Cash flows from Investing Activities		
Purchase/sale of non trading securities	-	37,879,317
Proceeds from Sale of fixed assets	-	-
Purchases/sale of Property, Plant & Equipment	(57,876,826)	(9,904,181)
B) Net Cash flows from Investing Activities	(57,876,826)	27,975,136
Cash flows from Financing Activities		
Increase/(decrease) of borrowings	(160,461,990)	(579,865,441)
Share Capital - Right Issue	-	-
Dividend Paid	-	-
C) Net Cash flows from Financing Activities	(160,461,990)	(579,865,441)
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(56,379,247)	(277,520,001)
E) Cash & Cash Equivalents at the beginning of the period	874,738,299	1,152,258,300
F) Cash & Cash Equivalents at the end of the period(D+E)	818,359,052	874,738,299
Net Operating Cash Flows per share (NOCFPS)	46.a 0.97	1.64

Sd/-

Company Secretary

Sd/-

Managing Director

Sd/-

Director

Sd/-

Director

Dated, Dhaka
31 August, 2020

Sd/-
J C Biswas FCA
Partner
MABS & J Partners
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Consolidated Statement of Changes in Shareholders' Equity
For the year ended 31 December 2019

Particulars	Share capital BDT	Statutory reserve BDT	General reserve BDT	Capital reserve BDT	Revaluation Surplus BDT	Retained earnings BDT	Total BDT	Non Controlling Interest BDT	Total Equity BDT
Balance as at 01 January 2019	1,522,996,442	320,007,242	-	33,744,750	295,243,020	382,246,789	2,554,238,242	489,307,423	3,043,545,663
Changes during the period 2019									
Issue of Bonus Share	152,299,640	-	-	-	-	(152,299,640)	-	-	-
Cash Dividend	-	-	-	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	-	188,128,804	188,128,804	2,496,685	190,625,489
Revaluation Surplus	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	43,652,551	-	-	-	(43,652,551)	-	-	-
	152,299,640	43,652,551	-	-	-	(7,823,387)	188,128,804	2,496,685	190,625,489
Balance as at 31 December 2019	1,675,296,082	363,659,793	-	33,744,750	295,243,020	374,423,401	2,742,367,046	491,804,108	3,234,171,152
Balance as at 01 January 2018	1,384,542,220	264,563,582	-	33,744,750	295,243,020	294,227,574	2,272,321,146	489,180,767	2,761,501,912
Changes during the period 2018									
Issue of Bonus Share	138,454,222	-	-	-	-	(138,454,222)	-	-	-
Prior year adjustment	-	-	-	-	-	51,624	51,624	38,376	90,000
Cash Dividend	-	-	-	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	-	281,865,472	281,865,472	88,280	281,953,752
Revaluation Surplus	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	55,443,659	-	-	-	(55,443,659)	-	-	-
	138,454,222	55,443,659	-	-	-	88,019,215	281,917,096	126,656	282,043,752
Balance as at 31 December 2018	1,522,996,442	320,007,242	-	33,744,750	295,243,020	382,246,789	2,554,238,242	489,307,423	3,043,545,663

Sd/-

Company Secretary

Sd/-

Managing Director

Sd/-

Director

Sd/-

Director

Sd/-

J C Biswas FCA
Partner

MABS & J Partners
Chartered Accountants

Dated, Dhaka
31 August, 2020

Bangladesh Finance And Investment Company Limited
Balance Sheet
As at 31 December 2019

	Note	31-Dec-19 BDT	31-Dec-18 BDT
PROPERTY AND ASSETS			
Cash	3		
Cash in hand		48,063	69,250
Balance with Bangladesh Bank		116,081,415	133,078,089
		116,129,478	133,147,339
Balance with other Banks and Financial Institutions	4		
Inside Bangladesh		608,745,088	658,978,102
Outside Bangladesh		-	-
		608,745,088	658,978,102
Money at call and short notice		-	-
Investment in Securities	5		
Government		-	-
Others		283,611,618	484,232,301
		283,611,618	484,232,301
Lease, Loans and Advances	6		
In Bangladesh		13,143,708,954	13,629,146,338
Outside Bangladesh		-	-
		13,143,708,954	13,629,146,338
Fixed Assets including Premises, Furniture and Fixtures	7	404,671,431	387,901,258
Other Assets	8	1,262,957,914	1,301,788,734
Non Banking Assets	9	212,121,062	212,121,062
Total Assets		16,031,945,543	16,807,315,133
LIABILITIES AND CAPITAL			
Liabilities			
Financing (Borrowings) from other Banks financial Institutions and Agents	10	3,097,255,534	3,205,972,678
Deposits and other Accounts	11	8,837,068,361	9,579,214,627
Term Deposits		8,273,982,765	9,103,947,672
Other Deposits		428,936,445	322,467,052
Advance Rent & Installments		134,149,152	152,799,902
Bills Payable		-	-
Other Liabilities	12	1,486,195,465	1,628,964,402
Total Liabilities		13,420,519,360	14,414,151,707
Capital/Shareholders' Equity			
Share Capital	13.2	1,675,296,080	1,522,996,440
Statutory Reserve	14	363,659,793	320,007,242
General Reserve	15	-	-
Revaluation Surplus on Land & Building	7.1	295,243,020	295,243,020
Retained earnings	16	277,227,289	254,916,724
Total Shareholders' Equity		2,611,426,182	2,393,163,425
Total Liabilities & Shareholders' Equity		16,031,945,543	16,807,315,133

Bangladesh Finance And Investment Company Limited
Balance Sheet
As at 31 December 2019

	Note	31-Dec-19 BDT	31-Dec-18 BDT
OFF BALANCE SHEET EXPOSURES			
CONTINGENT LIABILITIES			
Acceptances and Endorsements		-	-
Letters of Guarantee	17	100,000,000	100,000,000
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Total		100,000,000	100,000,000
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		100,000,000	100,000,000
Net Asset Value per share (NAV)	45	15.59	14.29

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

Sd/-

Company Secretary

Sd/-

Managing Director

Sd/-

Director

Sd/-

Director

Dated, Dhaka
31 August, 2020

Sd/-
J C Biswas FCA
Partner
MABS & J Partners
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Profit and Loss Account
For the year ended 31 December 2019

	Note	31-Dec-19 BDT	31-Dec-18 BDT
Interest Income	19	1,943,814,223	1,848,870,486
Less: Interest paid on Deposits & Borrowings etc.	20	1,365,252,907	1,420,478,171
Net Interest Income		578,561,316	428,392,315
Income from Investment in securities	21	(177,375,645)	19,984,901
Commission, Exchange and Brokerage		486,355	400,000
Other Operating Income	22	165,989,325	110,448,599
		(10,899,965)	130,833,500
Total Operating Income		567,661,351	559,225,815
Salaries and Allowances	23	113,547,836	122,533,824
Rent, Taxes, Insurances, Electricity etc.	24	3,054,455	22,118,363
Legal & Professional Fees	25	1,513,964	1,961,296
Postage, Stamps, Telecommunication etc.	26	2,798,426	2,511,317
Stationery, Printings, Advertisements etc.	27	7,172,695	3,888,654
Managing Director's Salary and Allowances	28	7,000,000	6,758,333
Directors' Fees	29	632,000	960,000
Auditors' Fees		225,000	211,000
Depreciation & Repairs of NBFIs Assets	30	50,569,069	31,737,723
Other Expenses	31	32,457,872	30,456,451
Total Operating Expenses		218,971,317	223,136,962
Profit before Provision		348,690,034	336,088,854
Specific provisions for Classified Investment		5,802,781	(87,859,475)
General provisions for Unclassified Investment		7,897,219	(28,717,055)
Provisions for other Receivables		19,702,000	(3,289,000)
Provisions for Investment in Securities		(107,242,000)	60,000,000
Total Provision	32	(73,840,000)	(59,865,530)
Total Profit before Provisions for Taxation		422,530,034	395,954,384
Deferred Tax Expenses/(benefit)	8.2	8,240,687	(1,478,361)
Current Tax Expenses	12.4	196,026,591	120,214,449
		204,267,278	118,736,088
Net Profit after Taxation		218,262,756	277,218,296
Appropriations			
Statutory Reserve	14	43,652,551	55,443,659
General Reserve	15	-	-
Retained Earnings	16	174,610,205	221,774,636
		218,262,756	277,218,296
Earnings Per Share (Re-stated 2018)	33	1.30	1.65

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

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Managing Director

Sd/-

Director

Sd/-

J C Biswas FCA

Partner

MABS & J Partners
Chartered Accountants

Dated, Dhaka
31 August, 2020

Bangladesh Finance And Investment Company Limited
Cash Flow Statement
For the year ended 31 December 2019

	<u>Note</u>	<u>31-Dec-19</u> <u>BDT</u>	<u>31-Dec-18</u> <u>BDT</u>
Cash Flow from Operating Activities			
Interest received	34	1,964,182,992	1,806,789,324
Interest paid	35	(1,472,020,707)	(1,359,460,319)
Dividend received		3,405,200	16,123,193
Fees & Commission received		486,355	400,000
Cash Payments to Employees		(120,547,836)	(129,292,157)
Cash Payments to Suppliers		(7,172,695)	(3,888,654)
Income Tax Paid		(94,812,833)	(34,191,404)
Received from other Operating activities	36	(14,791,520)	114,310,307
Payments for other Operating activities	37	(54,144,808)	(70,127,906)
Cash generated from operating activities before changes in Operating Assets & Liabilities		204,584,148	340,662,384
Changes in Operating Assets and Liabilities			
Purchases/Sale of Trading Securities		200,620,683	4,023,520
Loans and Lease Finance to Customers		485,437,384	366,224,037
Other Assets	38	(15,161,926)	836,204
Deposits		(742,046,264)	(612,887,556)
Other Liabilities	39	(38,091,605)	139,272,833
Sub Total		(109,241,728)	(102,530,962)
A) Net Cash from Operating Activities		95,342,420	238,131,422
Cash flows from Investing Activities			
Purchase/sale of non trading securities		-	-
Proceeds from Sale of fixed assets		-	-
Purchases/sale of Property, Plant & Equipments		(53,876,151)	(4,057,624)
B) Net Cash from Investing Activities		(53,876,151)	(4,057,624)
Cash flows from Financing Activities			
Increase/(decrease) of borrowings		(108,717,144)	(550,841,925)
Right Share Capital		-	-
Dividend Paid		-	-
C) Net Cash from Financing Activities		(108,717,144)	(550,841,925)
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		(67,250,875)	(316,768,127)
E) Cash and cash equivalents at the beginning of the period		792,125,441	1,108,893,568
F) Cash and cash equivalents at the end of the period (D+E)	40	724,874,566	792,125,441
Net Operating Cash Flow per share	46	0.57	1.42

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

Sd/-

Company Secretary

Sd/-

Managing Director

Sd/-

Director

Sd/-

Director

Dated, Dhaka
31 August, 2020

Sd/-
J C Biswas FCA
Partner
MABS & J Partners
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2019

Particular	Share capital BDT	Statutory reserve BDT	General reserve BDT	Revaluation Surplus BDT	Retained earnings BDT	Total BDT
Balance as at 01 January 2019	1,522,996,440	320,007,242	-	295,243,020	254,916,724	2,393,163,425
Changes during the period 2019						
Issue of Bonus Share	152,299,640	-	-	-	(152,299,640)	-
Profit/(Loss) for the period	-	-	-	-	218,262,756	218,262,756
Transfer to statutory reserve	-	43,652,551	-	-	(43,652,551)	-
Revaluation of Land	-	-	-	-	-	-
	152,299,640	43,652,551	-	-	22,310,565	218,262,756
Balance as at 31 December 2019	1,675,296,080	363,659,793	-	295,243,020	277,227,289	2,611,426,181
Balance as at 01 January 2018	1,384,542,230	264,563,582	-	295,243,020	171,596,299	2,115,945,131
Changes during the period 2018						
Issue of Bonus Share	138,454,210	-	-	-	(138,454,210)	-
Profit/(Loss) for the period	-	-	-	-	277,218,295	277,218,295
Transfer to statutory reserve	-	55,443,659	-	-	(55,443,659)	-
Revaluation of Land	-	-	-	-	-	-
	138,454,210	55,443,659	-	-	83,320,426	277,218,295
Balance as at 31 December 2018	1,522,996,440	320,007,242	-	295,243,020	254,916,725	2,393,163,425

Sd/-

Company Secretary

Sd/-

Managing Director

Sd/-

Director

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Director

Sd/-

J C Biswas FCA
Partner

MABS & J Partners
Chartered Accountants

Dated, Dhaka
31 August, 2020

Bangladesh Finance And Investment Company Limited
Notes to the consolidated and separate financial statements
For the period ended 31 December 2019

1. Legal status and nature of the company

1.1 Domicile, legal form and country of incorporation

Bangladesh Finance and Investment Company Limited (BD Finance) is a Non-Banking Financial Institution engaged in lease, loan and investment financing operation. 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. 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, Chittagong, Sylhet, Gazipur and Jashore. The Company went for Initial Public Offering on 14 June 2007 and its shares were listed in both Dhaka Stock Exchange and Chittagong Stock Exchange on 06 September 2007 & 28 August 2007 respectively .

1.2 Principal activities and nature of operation

The Company provides 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 base finance, home loan, loan against deposit and personal loan to the enterprises, professionals and others.

1.3 Subsidiary companies

1.3.1 BD Finance Securities Limited

BD Finance Securities Limited, a 57.36% owned subsidiary company of Bangladesh Finance And Investment Company Limited was incorporated on 28 December 2010 as a public limited company under Companies Act 1994 with authorized share capital of Tk. 500 crore. The main objective of the Company 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.

1.3.2 BD Finance Capital Holdings Limited

BD Finance Capital Holdings Limited, a fully owned (99.972% Share) subsidiary company of Bangladesh Finance And Investment Company Limited was incorporated on 10 August 2011 as a public limited company under Companies Act 1994 with authorized share capital of Tk. 200 crore. The main objective of the Company 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 company are made up to 31 December each year and are prepared under the historical cost convention and in accordance with the Financial Institution Act 1993 and Bangladesh Bank Circular DFIM circular No. 11 dated 23 December, 2009. International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act. 1994, the Securities & Exchange Rules 1987 and other laws & 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 subsidiary

The financial statements of the Company and its subsidiaries, as mentioned in note No. 1.3.1 & 1.3.2 have been consolidated in accordance with International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements". The consolidation of the financial statements have been made 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'.

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'.

2.2 Basis of measurement

This financial statements have been prepared based on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) 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 (except IFRS 16: Leases, see note-2.11).

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

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Non-Banking Financial Institutions (NBFI) in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of IAS and IFRS. As such the Company has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of Bangladesh Bank.

Bangladesh Bank has issued templates for financial statements which shall 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 be included in the Single Comprehensive Income (SCI) Statement. As such the company does not prepare the other comprehensive income statement.

As per Bangladesh Bank guidelines financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As such some disclosures and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.

2.4 Significant accounting policies

Same disclosed accounting policies and methods of computation have been followed in these Financial Statements as were applied in the preparation of the financial statements of BD Finance as at and for the year ended 31 December 2018, except for those related to IFRS 16: "Leases", which is effective from 1 January 2019.

2.4.1 Changes in significant accounting policies - IFRS 16 Leases

2.4.1.1 Nature and impact of changes

Definition of a lease

Previously, BD Finance determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 (if any). Under IFRS 16, BD Finance assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 2.11. On transition to IFRS 16, BD Finance evaluated all types of contracts to assess whether a contract is or contains, a lease at the date of initial application.

As a Lessee

As a lessee, BD Finance previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to BD Finance. Under IFRS 16, BD Finance recognises right-of-use assets and lease liabilities for all leases.

(i) Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at BD Finance's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments (if any).

(ii) Leases previously classified as finance leases

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

As a lessor

BD Finance is not required to make any adjustments on transitions to IFRS 16 for leases in which it acts as a lessor.

Impacts on financial statements

BD 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 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	19,491,383
Interest expense on lease liabilities	2,873,160
Total cash out flow for lease	24,924,489
Addition to right-of-use assets	46,304,994
Carrying amount of right-of-use assets at the end of the year	44,840,450

2.5 Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2.6 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.

2.7 Reporting period

These financial statements cover from 01 January 2019 to 31 December 2019

2.8 Functional and presentation currency

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

2.9 Cash flow statements

Paragraph 102 of IAS 1 presentation of financial statements requires that a cash flow statements are to be prepared as it provides information about cash flows of the enterprise which is useful in providing users of financial statements with a basis to asses the ability of the enterprise to generate cash and cash equivalents and the needs of the enterprise to utilize those cash flows.

Cash flow statements has been prepared under the Direct method, classified by Operating, Investing and Financing activities as prescribed in paragraph 10 and 18 (a) of IAS 7 Statement of Cash Flows and in accordance with the instruction of Bangladesh Bank.

2.10 Statement of Changes in Equity

The Statement of changes in Equity reflects information about the increase or decrease in net assets or wealth.

2.11 Accounting policy for IFRS 16: Leases

BD Finance has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 as Operating Lease. The details impact of changes in the financial statements has been disclosed in Note 2.4.1.1.

Policy applicable from 1 January 2019

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

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

- BD Finance has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

- BD Finance has the right to direct the use of the asset. BD Finance has the right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, BD Finance has the right to direct the use of the asset if either:

- (i) BD Finance has the right to operate the asset; or
- (ii) BD Finance designed the asset in a way that predetermines how and for what purpose it will be

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

BD Finance as a lessee

BD Finance recognises 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.

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, BD Finance 's incremental borrowing rate. The lease liability is measured at amortised 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 BD Finance 's estimate of the amount expected to be payable under a residual value guarantee, or if BD 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.

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

BD Finance as a lessor

When BD 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, BD 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, BD 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, BD Finance applies IFRS 15 to allocate the consideration in the contract. BD Finance recognises lease payments received under operating leases as income over the lease term.

2.12 Accounting for term finance & other finances

Books of accounts for term finance operation are maintained based on the accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for short-term finance, and 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.

2.13 Recognition of Property, Plant and Equipment and Depreciation

2.13.1 i) Property, plant and equipment are stated at cost less accumulated depreciation. The cost of the assets is the cost of acquisition or construction together with purchase price and other directly attributable costs for bringing the assets to working conditions for their intended use 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.

2.13.2 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. BD 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

2.13.3 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.

2.14 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.

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.

2.15 Cash & 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.

2.16 Investments in Securities

Investments are valued in compliance with FID Circular no .08, dated 03 august, 2002 in lieu of IAS-39. All investment securities are initially recognized at cost.

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

2.17 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 And Investment Company Limited (BD Finance) transfers 20% on post tax profit in compliance with the regulation.

2.18 General Reserve

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

2.19 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

Gratuity fund benefit are given to the staff of BD 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 transfer to the Gratuity fund and charged to expenses of the Company.

(c) Other employees benefit obligation

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

2.20 Provision for investments and advances

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

BD 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 FID Circular no. 06 dated 20 August 2006. 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%
Special mention account	5%
Specific provision on:	
Substandard loans and advances	20%
Doubtful loans and advances	50%
Bad/loss loans and advances	100%

2.21 Income Tax**2.21.1 Current tax**

Provision for current income tax has been made @ 37.50% as prescribed in the Finance Act 2019 on the accounting Profit made after considering some of the taxable add back income and disallowance of expenditure in compliance with IAS-12.

2.21.2 Deferred tax

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

2.22 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.

2.23 Revenue recognition

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

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

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

2.23.1 Lease income

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

2.23.2 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.

2.22.3 Fees base income, etc.

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

2.23.4 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.

2.23.5 Gain/Loss on Sale of Securities

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

2.24 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".

2.25 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.

2.26 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.

2.27 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 .

2.28 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.

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.

2.29 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.

2.30 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.

2.31 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, BD Finance has already formed BASEL Implementation Committee to ensure timely implementation of BASEL II accord.

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

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

Name of the IAS	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
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 2.3).

		31-Dec-19 BDT	31-Dec-18 BDT
3 Cash			
Cash in hand	(Notes :3.1)	48,063	69,250
Balance with Bangladesh Bank	(Notes : 3.2)	116,081,415	133,078,089
		116,129,478	133,147,339
3.a Cash in Hand (Consolidated)			
BD Finance		48,063	69,250
BD Finance Securities Limited		46,107	60,728
BD Finance Capital Holdings Limited		14,395	7,616
		108,565	137,594
3.1 Cash In hand (including foreign currencies)			
In local currency		48,063	69,250
In foreign currency		-	-
		48,063	69,250
3.2 Balance with Bangladesh Bank (including foreign currencies)			
In local currency		116,081,415	133,078,089
In foreign currency		-	-
		116,081,415	133,078,089
3.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)			
Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the 5th schedule of the Financial Institutions Act, 1993 and subsequent FID Circular # 06, dated November 06, 2003, FID Circular # 02 dated November 10, 2004 respectively.			
3.4 Cash Reserve Ratio (CRR): 2.5% of Average Demand and Time Liabilities			
Required Reserve		113,212,801	125,923,043
Actual Reserve held with Bangladesh Bank (local currency)		115,460,907	134,296,617
Surplus		2,248,106	8,373,574
3.5 Statutory Liquidity Ratio (SLR): 5% (including 2.5% CRR) of Average Demand and Time Liabilities			
Required Reserve		618,814,209	677,117,187
Actual Reserve held (Note- 3.6)		724,874,566	792,125,441
Surplus		106,060,357	115,008,255
3.6 Held for Statutory Liquidity Ratio			
Cash in hand		48,063	69,250
Balance with Bangladesh Bank		116,081,415	133,078,089
Balance with other bank and Financial Institutions	(Note-4)	608,745,088	658,978,102
		724,874,566	792,125,441
4 Balance with other Banks and Financial Institutions			
Inside Bangladesh (Note - 4.1)		608,745,088	658,978,102
Outside Bangladesh (Note - 4.2)		-	-
		608,745,088	658,978,102
4.a Balance with other Banks and Financial Institutions (Consolidated)			
BD Finance		608,745,088	658,978,102
BD Finance Securities Limited		74,406,928	53,362,536
BD Finance Capital Holdings Limited.		19,017,055	29,181,977
		702,169,072	741,522,615
4.1 Inside Bangladesh			
Current Account			
Dhaka Bank Limited		2,101	2,791
Midland Bank Limited		3,750	466
NCC Bank Ltd		729,472	45,286,489
NRB Bank Ltd.		5,435	6,010
Prime Bank Limited		3,100,965	2,104,950
Social Islami Bank Limited		9,837,197	2,138,033
Standard Chartered Bank		2,230,694	-
		15,909,613	49,538,738

	31-Dec-19	31-Dec-18
	BDT	BDT
STD Account		
Bank Asia Limited	50,766	25,030,685
BRAC Bank Limited	24,394	62,102
Dutch Bangla Bank Limited	1,956,365	489,266
Islami Bank BD Ltd.	12,688,064	27,705
Jamuna Bank Limited	8,049	4,360
Modhumoti Bank Limited	3,353	3,876
Mutual Trust Bank Limited	7,981,079	21,388,444
NRB Commercial Bank Limited	262,381	232,267
Southeast Bank Limited	20,630,229	22,057,632
The City Bank Limited	1,300,912	1,966,644
United Commercial Bank Limited	11,140	6,827,885
	44,916,732	78,090,866
FDR with Banks	347,918,744	331,348,497
FDR with NBFIs	200,000,000	200,000,000
Total Balance with other Banks and Financial Institutions	608,745,088	658,978,102

FDR with NBFIs represents investment in short term deposits with International Leasing & Financial Services Ltd. (ILFSL) of Tk. 200,000,000 on 3 and 6 months auto renewable terms made in years 2017 and 2018 with the objectives of ensuring continuous flow of earnings. Due to the recent financial troubles, Bangladesh Bank has appointed Administrator to take over the operation of ILFSL and ensure safeguard of assets so that the investors' funds remain secured.

ILFSL continued to pay interest fully up to December 2018. Although irregular, they continued to pay and paid 50% of the interest for the year 2019. We have received interest in February 2020 also which indicates positive approach and intention of ILFSL towards investors' funds. They ILFSL explained their situation to us that they could continue to pay interest had there not been Pandemic situation which appears to us as convincing.

We are in constant communication /correspondence with ILFSL management and they have made firm commitment to us to repay the amount. Bangladesh Bank has already taken necessary measure to overcome their stressed situation.

Considering the recent trends and efforts of ILFSL to continue paying interest, the appointment of Administrator by Bangladesh Bank and involvement of Bangladesh Bank in taking care of the affairs of ILFSL for the interest of the investors, the management of Bangladesh Finance And Investment Company Limited reasonably believes that there is still no significant risk in realization of the investment made with ILFSL. However, as accounting prudent measure, 10% provision has been made on the total value of the investment in this year.

Management has also decided to continue making provision to cover the full amount of investment over the years in phases and with that end in view to make provision @10% during next two years, @15% during 4th and 5th year and @ 20% during 6th and 7th year if the present situation of recoverability exists.

4.2 Outside Bangladesh

Cash at Foreign Bank

Total Cash at Bank (Bangladesh & Foreign)

-	-
608,745,088	658,978,102

4.3 Maturity-wise groupings of balance with other banks and FI's

On Demand

Not more than 3 months

More than 3 months but less than 1 year

More than 1 year but less than 5 years

More than 5 years

15,909,613	49,538,738
44,916,732	78,090,866
547,918,744	531,348,497
-	-
-	-
608,745,088	658,978,102

5 Investment in Securities

i) Government

ii) Others

-	-
283,611,618	484,232,301
283,611,618	484,232,301

	31-Dec-19 BDT	31-Dec-18 BDT
5.a Investment in Securities (Consolidated)		
BD Finance	283,611,618	484,232,301
BD Finance Securities Limited	246,676,938	220,098,773
BD Finance Capital Holdings Limited	275,981,418	387,929,412
	806,269,974	1,092,260,486
5.ii. Investment in Securities-Others		
Investment in shares (quoted)	273,611,618	474,232,301
Investment in shares (un-quoted)	10,000,000	10,000,000
	283,611,618	484,232,301
Maturity-wise Grouping of Investment in Securities:		
On demand	273,611,618	474,232,301
Not more than 3 months	-	-
More than 3 months but less than 1 year	-	-
More than 1 year but less than 5 years	10,000,000	10,000,000
More than 5 years	-	-
	283,611,618	484,232,301

5.1 Quoted Shares

Name of the Institution	Cost Price 2019	Market Price 2019	Cost Price 2018
ADN Telecom Limited (ADNTEL)	569,040	512,136	-
Aman Cotton Fibrous Limited (ACFL)	-	-	313,840
Apex Tannery Limited (APEXTANRY)	-	-	265,700
Bashundhara Paper Mills Limited (BPML)	-	-	939,604
BRAC Bank Ltd. (BRACBANK)	-	-	3,627,205
City General Insurance Co. Ltd. (CITYGENINS)	-	-	12,073,100
Coppertech Industries Limited (COPPERTECH)	47,410	116,983	-
Eastland Insurance Company Ltd. (EASTLAND)	5,302,000	2,522,361	5,302,002
Esquire Knit Composite Limited (ESQUIRENIT)	940,050	591,187	-
Fortune Shoes Limited (FORTUNE)	-	-	335,102
Fu Wang Food Ltd. (FUWANGFOOD)	-	-	605,087
Genex Infosys Limited (GENEXIL)	3,409	26,421	-
GSP Finance Company (Bangladesh) Limited (GSPFINANC)	-	-	459,826
Indo-Bangla Pharmaceuticals Limited (IBP)	-	-	2,673
Intraco Refueling Station Limited (INTRACO)	-	-	2,534
Jamuna Oil Company Limited (JAMUNAOIL)	-	-	8,757,707
Kattali Textile Limited (KTL)	-	-	100,640
LafargeHolcim Bangladesh Limited (LHBL)	-	-	185,004,854
M.L. Dyeing Limited (MLDYEING)	-	-	35,242
National Tubes Limited (NTLTUBES)	-	-	51,033
New Line Clothings Limited (NEWLIN)	40,023	63,374	-
Northern General Insurance Company Ltd. (NORTHRNINS)	-	-	63,172,649
One Bank Limited (ONEBANKLTD)	17,287,430	8,170,908	17,287,508
Padma Islami Life Insurance Limited (PADMALIFE)	22,718,804	5,390,294	99,152,599
Runner Automobiles Limited (RUNNER AUTO)	540,450	450,177	-
Sea Pearl Beach Resort & Spa Limited (SEAPEARL)	37,300	161,731	-
Silva Pharmaceuticals Limited (SILVAPH)	-	-	91,940
Silco Pharmaceuticals Limited (SILCOPHL)	39,783	132,593	-
SK Trims & Industries Limited (SKTRIMS)	167,242,107	160,149,758	16,231,232
S. S. Steel Limited (SSSTEEL)	3,064	7,583	134,910
Summit Power Limited (SUMITPOWER)	23,496,919	13,565,056	23,497,316
The City Bank Ltd. (CITYBANK)	600	317	991,255
United Finance Limited (UNITEDFIN)	35,343,229	10,925,088	35,343,238
VFS Thread Dyeing Limited (VFSTD)	-	-	38,385
Western Marine Shipyard Limited (WMSHIPYARD)	-	-	415,121
	273,611,618	202,787,983	474,232,301

		31-Dec-19 BDT	31-Dec-18 BDT
5.2	Unquoted Shares		
	Name of the Institution	Cost Price 2019	Market Price 2019
		Cost Price 2018	
	GMG Airlines Limited.	10,000,000	-
		-	10,000,000
		10,000,000	10,000,000
		283,611,618	202,787,983
		484,232,301	
6	Lease, Loans and Advances		
	a) Inside Bangladesh		
	Investment in Lease Finance		
	Gross lease rental receivable	1,840,993,004	2,168,077,107
	Less: Unearned interest income	399,411,841	449,948,128
	i) Net Investment in Lease Finance	1,441,581,163	1,718,128,979
	ii) Term Finance	9,703,369,519	9,933,558,042
	iii) House Building Finance	1,998,758,271	1,977,459,317
	Total Loans and Lease inside Bangladesh (i+ii+iii)	13,143,708,954	13,629,146,338
	b) Outside Bangladesh	-	-
	Total Loans and Lease Finance (a+b)	13,143,708,954	13,629,146,338
6.a	Lease, Loans and Advances (Consolidated)		
	BD Finance	13,143,708,954	13,629,146,338
	BD Finance Securities Limited	591,579,565	629,752,506
	BD Finance Capital Holdings Limited.	14,432,783	22,038,078
	Loan to BD Finance Securities Limited	(381,669,369)	(335,623,107)
	Loan to BD Finance Capital Holdings Limited.	(1,166,634)	(83,757,347)
		13,366,885,299	13,861,556,468
6.1	Maturity wise Classification of Investments:		
	With a residual maturity of		
	Receivable on Demand	398,867,539	895,944,800
	Not more than 3 months	1,435,923,139	2,687,834,400
	Over 3 months but not more than 1 year	2,717,988,023	2,170,570,244
	Over 1 year but not more than 5 years	6,142,560,093	5,375,668,800
	Over 5 years	2,448,370,161	2,499,128,093
		13,143,708,954	13,629,146,338
6.2	Investments on the basis of significant concentration:		
	Investments to allied concern of Directors (Note: 43.5)	382,777,391	469,665,539
	Investments to Executives/Officers	34,010,995	35,408,032
	Investments to Customer Groups	7,857,953,384	8,281,253,070
	Industrial Investment	4,225,851,695	4,153,405,552
	Others	643,115,488	689,414,145
		13,143,708,954	13,629,146,338
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	5,654,514,086	5,206,945,676
	Number of such types of customers	12	11
	Amount of Classified Investments thereon	-	-
	Measures taken for recovery		

6.4 Sector-wise Classification of Investment:

Sector	As at 31 December 2019		As at 31 December 2018	
	Amount	Composition	Amount	Composition
	Agriculture	131,573,642	1.00%	155,403,870
Cement/Clinker & Allied Industries	-	0.00%	-	0.00%
Chemical & Pharmaceuticals	-	0.00%	91,711,425	0.67%
Electronics and Electrical Products	385,372,721	2.93%	253,931,216	1.86%
Financial Institutions	-	0.00%	-	0.00%
Food Production/Processing Ind.	166,379,654	1.27%	176,317,310	1.29%
Garments	308,286,060	2.35%	227,378,999	1.67%
Glass & Ceramic Industries	43,478	0.00%	493,099	0.00%
Iron, Steel & Engineering	681,834,376	5.19%	617,121,818	4.53%
Jute & Jute Allied Industries	-	0.00%	-	0.00%
Merchant Banking	1,492,287,300	11.35%	1,371,249,296	10.06%
Others	643,115,488	4.89%	689,414,145	5.06%
Paper, Printing and Packaging	119,028,039	0.91%	2,523,315	0.02%
Plastic Industries	7,517,944	0.06%	-	0.00%
Power, Gas, Water and Sanitary	1,744,194,274	13.27%	1,765,645,305	12.95%
Real Estate & Housing	2,161,330,997	16.44%	1,955,796,984	14.35%
Service Industries	-	0.00%	-	0.00%
Ship & Ship Mfg. Industries	-	0.00%	-	0.00%
SME	2,924,328,160	22.25%	3,913,091,516	28.71%
Telecom./Information Technology	146,694,906	1.12%	178,003,106	1.31%
Textile	920,342,799	7.00%	939,300,405	6.89%
Trading	450,611,808	3.43%	340,712,420	2.50%
Transport & Communication	860,767,306	6.55%	951,052,111	6.98%
	13,143,708,954	100.00%	13,629,146,338	100.00%

6.5 Geographical Location-wise loans and lease Finance:

Location	As at 31 December 2019		As at 31 December 2018	
	Amount	Composition	Amount	Composition
Dhaka Division	10,532,613,276	80.13%	11,004,502,274	80.74%
Chattogram Division	2,563,195,520	19.50%	2,548,631,930	18.70%
Khulna Division	1,132,812	0.01%	-	0.00%
Sylhet Division	46,767,345	0.36%	76,012,134	0.56%
	13,143,708,954	100.00%	13,629,146,338	100.00%

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

Particulars	As at 31 December 2019		As at 31 December 2018	
	Amount	Composition	Amount	Composition
Unclassified				
Standard	12,062,326,692	91.77%	12,789,952,514	93.84%
Special Mention Account (SMA)	444,653,233	3.38%	237,165,450	1.74%
	12,506,979,925		13,027,117,964	
Classified				
Substandard	140,675,787	1.07%	116,993,635	0.86%
Doubtful	17,725,994	0.13%	27,867,060	0.20%
Bad and Loss	478,327,247	3.64%	457,167,679	3.35%
	636,729,029		602,028,374	
	13,143,708,954	100.00%	13,629,146,338	100.00%

6.7 Particulars of provision for Loans and lease Finance			31-Dec-19	31-Dec-18
			BDT	BDT
Status	Rate	Basis for Provision	Amount 2019	Amount 2018
General Provision (for Unclassified portion)				
Standard Non-SME	1%	9,528,135,503	95,281,355	95,017,441
Standard-SME	0.25%	2,534,191,189	6,335,478	8,220,521
Special Mention Account	5%	380,997,338	19,049,867	9,942,333
			120,666,700	113,180,295
Specific Provision				
Substandard	20%	126,083,888	25,216,778	14,287,502
Doubtful	50%	3,498,379	1,749,189	5,548,289
Bad or loss	100%	134,329,529	134,329,529	134,940,899
			161,295,496	154,776,690
Required provision for Loans & Lease Finance			281,962,196	267,956,985
Required provision for Other Receivables			25,529,000	5,828,000
Total provision required			307,491,196	273,784,985
Total provision maintained {note # 12.1(a), (b) & (c)}			308,676,985	275,174,985
Surplus Provision			1,185,788	1,390,000

BD Finance has maintained provision on unclassified investment amounting to Tk. 121,577,514 (note # 12.1.b) and for classified Loan & Lease Finance Tk. 161,569,471 (note # 12.1.a) totaling Tk. 308,676,985. Surplus provision against unclassified loan/lease is Tk. 910,814.

6.8 Particulars of Investments:

(i) Loans, advances and leases considered good in respect of which the financial institution is fully secured	1,497,674,313	2,500,053,006
(ii) Loans, advances and leases considered good against which the financial institution holds no security other than the debtors' personal guarantee	2,504,603,996	712,838,977
(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	9,141,430,644	10,416,254,355
	13,143,708,954	13,629,146,338
(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	34,010,995	19,329,166
(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).	382,777,391	469,665,539
(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	10,767,933	18,557,890
(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	1,081,382,262	839,193,824
a) Increase/(decrease) in specific provision	5,802,781	(87,859,475)
Amount of written off loans, advances and leases	-	20,008,866
Total amount realised against loans and leases previously written off	1,394,000	1,294,000
b) Amount of provision kept against loans, advances and leases classified as bad/loss at the date of balance sheet	134,329,529	134,940,899

	31-Dec-19 BDT	31-Dec-18 BDT
c) Interest credited to Interest Suspense Account	201,707,276	237,145,672
(xi) Cumulative amount of written off loans, advances and leases		
Balance at the beginning of the year	272,527,307	252,518,441
Amount written off during the year	-	20,008,866
	<u>272,527,307</u>	<u>272,527,307</u>
The amount of written off loans, advances and leases for which law suits have been filed	268,641,835	268,641,835

7 Fixed Assets including Premises, Furniture & Fixtures

A. Cost:

Opening balance	484,002,090	479,944,466
Addition during the year	52,276,607	4,057,624
Less: Disposal during the year	-	-
Closing balance at cost	536,278,697	484,002,090

B. Depreciation:

Opening balance	96,100,833	76,272,588
Addition during the year	37,105,978	19,828,244
Less: Adjustment on disposal during the year	1,599,544	-
Accumulated Depreciation	131,607,266	96,100,833
Carrying value	404,671,431	387,901,258

*Details are given in Annexure-A

7.a Fixed Assets including Premises, Furniture and Fixtures (Consolidated)

BD Finance	404,671,431	387,901,258
BD Finance Securities Limited - PPE	8,011,346	10,410,208
BD Finance Securities Limited - Intangible Assets	-	-
BD Finance Capital Holdings Limited.	3,084,274	129,233
	<u>415,767,051</u>	<u>398,440,699</u>

7.1 Revaluation Surplus on Land And Building

Revalued Amount	360,470,000	360,470,000
Less: Acquisition Value	52,925,188	52,925,188
Less: Deferred Tax Adjustment	12,301,792	12,301,792
Revaluation Surplus	295,243,020	295,243,020

Note: BD Finance has got ownership stake to the extent of 50% of a four-storied commercial building situated at prime location of 64 Motijheel, Dhaka on the land area measuring 12.76 Decimals. It was acquired way back in the year 2009 at cost price of Tk. Tk. 52,925,188 and for the first time it was revalued on December 31, 2010 for Tk. 191,148,790. Afterward in the year of 2013 it was revalued for Tk. 302,598,790. The earlier revaluation in two phases was conducted by Axis Resources Limited having its registered office at Property Heights (1st Floor) 12, R.K. Mission Road, Dhaka. It was again revalued on December 2016 for Tk. 360,470,000. The last revaluation was conducted by M/s. Emerging Resources Ltd. having their registered office at Valentine Palace, Road 96, House 4/A, 2nd Floor, Gulshan-2, Dhaka. As a result of revaluation, the Revaluation Surplus stands at Tk. 295,243,020 up from Tk. 239,686,658 appreciating by Tk. 55,556,362 after adjustment of Deferred Tax liability. It is noteworthy that, the valuation report was also counter certified by M/s. MARHK & CO. (Chartered Accountants).

7.b Revaluation Reserve (Consolidated)

BD Finance	295,243,020	295,243,020
BD Finance Securities Limited	-	-
BD Finance Capital Holdings Limited	-	-
	<u>295,243,020</u>	<u>295,243,020</u>

8 Other Assets

Investment in Subsidiaries (Note: 8.1)	849,930,000	849,930,000
Investment in BD Finance Vanguard Mutual Fund One	185,000,000	200,000,000
Receivables, Advances & Deposits (Note 8.2)	228,027,914	251,858,734
	<u>1,262,957,914</u>	<u>1,301,788,734</u>

	31-Dec-19 BDT	31-Dec-18 BDT
8.a Other Assets (Consolidated)		
BD Finance	413,027,914	1,152,974,406
BD Finance Securities Limited	1,083,242,532	1,083,965,309
BD Finance Capital Holdings Limited adjustment	(287,928)	(6,706,152)
BD Finance Capital Holdings Limited	47,004,220	48,936,805
	1,542,986,738	2,279,170,368
8.1 Investment In Subsidiaries		
Investment In paid up capital (BD Finance Capital Holdings Limited)	249,930,000	249,930,000
Investment In paid up capital (BD 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	16,896,890	11,892,138
Re-imbursable expenses	5,745,470	5,827,863
Receivable Grace Period Interest	26,851,345	2,507,535
Receivable Delinquent Charge	41,556,635	4,085,009
Receivable Penal Interest	70,757,578	193,384,931
Receivable Excise Duty	770,370	770,370
Receivable-Others	6,157,035	2,897,650
Stock of Stamp	92,380	76,754
	168,827,704	221,442,249
b) Deferred Tax Asset		
Deferred tax assets have been reconigned in accordance with the provision of IAS 12: Income Taxes based on temporary differences arising due to difference in the carrying amount of the assets and liabilities in the financial statements and its tax base. Calculation of deferred tax assets is as follows:		
Deductible temporary difference		
Gratuity provision	21,890,854	22,507,743
Fixed assets excluding land & ROU	23,989,876	18,534,540
	45,880,730	41,042,283
Tax	37.50%	37.50%
Deferred tax assets	17,205,274	15,390,857
Movement of deferred tax assets is as follows		
Balance at the beginning of the period	15,390,857	13,912,495
Credited/(debited) to profit and loss account during the period	1,814,417	1,478,361
Balance at the end of the period	17,205,274	15,390,857
c) Advance, deposits and prepayments		
Advance Office Rent	-	3,411,728
Advance against salary	33,580	52,838
Advance others	40,838,642	10,038,348
	40,872,222	13,502,914
d) 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	414,700	814,700
Deposit with CDDBL	400,000	400,000
Deposit with Sadharan Bima	15,000	15,000
	1,122,714	1,522,714
Other Assets (a+b+c+d)	228,027,914	251,858,734
8.3 Maturity wise classification of other assets		
Receivable on Demand	6,249,415	21,442,249
Not more than 3 months	17,205,274	95,475,160
Over 3 months but not more than 1 year	162,578,289	119,915,697
Over 1 year but not more than 5 years	40,872,222	13,502,914
Over 5 years	1,036,052,714	1,051,452,714
	1,262,957,914	1,301,788,734

	31-Dec-19 BDT	31-Dec-18 BDT
9. Non-Banking Assets		
Income Generating	-	-
Non-Income Generating	212,121,062	212,121,062
	212,121,062	212,121,062
BD Finance has been 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 at Taka 212,121,062 as non-banking assets.		
10. Borrowing from other banks, Financial Institutions and agents		
Secured	315,137,385	229,569,500
Un secured	2,782,118,149	2,976,403,178
	3,097,255,534	3,205,972,678
In Bangladesh	3,097,255,534	3,205,972,678
Outside Bangladesh	-	-
	3,097,255,534	3,205,972,678
10.a Borrowing from other banks, Financial Institutions and agents		
BD Finance	3,097,255,534	3,205,972,678
BD Finance Securities Limited	232,375,274	284,120,120
BD Finance Capital Holdings Limited	-	-
	3,329,630,807	3,490,092,798
10.1 In Bangladesh		
Refinance against SME loan from Bangladesh Bank	19,018,422	21,786,651
Refinance against Housing loan from Bangladesh Bank	614,338	857,197
Refinance against SME loan from JICA	75,369,266	100,856,465
Term Loan from other Banks (Note-10.2)	1,315,985,958	1,578,770,947
Short Term Loan from other banks (Note-10.3)	1,231,167,550	941,701,418
Short Term Borrowing	290,800,000	282,000,000
Call Loan	164,300,000	280,000,000
	3,097,255,534	3,205,972,678
10.2 Term loan from Other Banks		
Bank Asia Ltd.	65,878,682	69,511,053
Basic Bank Ltd.	191,828,443	194,895,171
Jamuna Bank Ltd.	180,071,822	216,007,726
Midland Bank Ltd.	141,832,965	167,490,063
Mutual Trust Bank Ltd.	48,331,486	115,390,903
NCC Bank Ltd.	195,926,862	220,334,488
Prime Bank Ltd.	22,954,852	38,158,020
Shahjalal Islami Bank Ltd.	157,076,586	189,269,777
Social Islami Bank Ltd.	111,951,270	140,784,853
Southeast Bank Ltd.	78,968,121	97,263,754
Standard Bank Ltd.	10,380,019	50,789,766
United Commercial Bank Ltd.	110,784,850	78,875,374
	1,315,985,958	1,578,770,947
10.3 Short Term Loan from Other Banks		
Basic Bank Ltd.	120,481,884	115,213,982
Jamuna Bank Ltd.	155,011,777	97,587,097
Mercantile Bank Ltd.	206,137,003	73,668,100
Midland Bank limited	107,178,907	100,377,408
Mutual Trust Bank Ltd.	98,088,084	88,653,764
NRB Commercial Bank Ltd.	96,567,417	25,701,754
Southeast Bank Ltd.	103,930,289	282,000
South Bangla Agriculture & Commerce Bank Ltd.	111,923,254	101,566,759
Standard Bank Limited	133,273,149	154,077,123
United Commercial Bank Ltd.	-	81,744,424
Uttara Bank Ltd.	98,575,787	102,829,007
	1,231,167,550	941,701,418

	31-Dec-19	31-Dec-18
	BDT	BDT
10.4 Maturity wise classification of loan		
Repayable on demand	164,300,000	280,000,000
Within 1 month	68,071,519	79,370,850
Over 1 months but not more than 3 months	255,268,198	297,640,689
Over 3 months but not more than 1 year	1,231,167,550	941,701,418
Over 1 year but not more than 5 years	1,378,448,267	1,607,259,721
Over 5 years	-	-
	3,097,255,534	3,205,972,678

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)	7,168,260,473	8,061,922,000
Scheme Deposits (Note-11.2)	1,105,722,291	1,042,025,672
Other Deposits (Note-11.3)	428,936,445	322,467,052
Advance Rent and Installments	134,149,152	152,799,902
	8,837,068,361	9,579,214,627

11.a Deposits and Other Accounts (Consolidated)

BD Finance	8,837,068,361	9,579,214,627
BD Finance Securities Limited	-	-
BD Finance Capital Holdings Limited	-	-
	8,837,068,361	9,579,214,627

11.1 Term Deposits

General Deposits	3,292,317,368	3,981,922,000
Deposit from Other Banks and FI's (Note-11.4)	3,875,943,105	4,080,000,000
	7,168,260,473	8,061,922,000

11.2 Scheme Deposits

General Deposits	1,105,722,291	1,042,025,672
Deposit from Other Banks and FI's	-	-
	1,105,722,291	1,042,025,672

11.3 Other Deposits

Lease deposits	26,070,187	27,126,910
Security deposits	244,170	244,170
Loan deposits	-	-
Sundry Creditors	402,622,088	295,095,972
	428,936,445	322,467,052

11.4 Term Deposits from other bank and FI's

Term Deposits from Banks	3,410,000,000	3,620,000,000
Term Deposits from NBFIs	465,943,105	460,000,000
	3,875,943,105	4,080,000,000

Term Deposits from Banks

AB Bank Limited	50,000,000	-
Agrani Bank Ltd.	700,000,000	700,000,000
Janata Bank Ltd.	550,000,000	550,000,000
Midland Bank Ltd	120,000,000	90,000,000
Modhumoti Bank Ltd	360,000,000	450,000,000
Mutual Trust Bank Ltd	-	50,000,000
National Credit And Commerce Bank Ltd.	100,000,000	100,000,000
NRB Bank Ltd.	50,000,000	250,000,000
NRB Commercial Bank	80,000,000	100,000,000
Rupali Bank Ltd.	400,000,000	400,000,000
Sonali Bank Ltd.	200,000,000	230,000,000
South Bangla Agriculture And Commerce Bank Ltd	200,000,000	200,000,000
The City Bank Ltd.	600,000,000	500,000,000
	3,410,000,000	3,620,000,000

Term Deposits from NBFIs

Bangladesh Infrastructure Finance Fund Limited (BIFFL)	85,943,105	80,000,000
Infrastructure Development Company Limited	380,000,000	380,000,000
	465,943,105	460,000,000

	31-Dec-19 BDT	31-Dec-18 BDT
11.5 Term and Other Deposits		
General Deposits	4,826,976,104	5,346,414,725
Deposit from Other Banks and Financial Institutions	3,875,943,105	4,080,000,000
	8,702,919,209	9,426,414,725
11.6 Advance Rent and Installments		
Advance Lease Rent	24,009,542	26,290,371
Advance Term Installments	110,139,609	126,509,531
	134,149,152	152,799,902
11.7 Maturity wise classification of Deposits		
Repayable on demand	-	-
Within 1 month	441,853,418	322,467,052
Over 1 months but not more than 3 months	1,060,448,203	971,537,367
Over 3 months but not more than 1 year	1,502,301,621	2,135,975,725
Over 1 year but not more than 5 years	4,506,904,864	5,043,573,072
Over 5 year to 10 years	1,325,560,254	1,105,661,410
Over 10 years	-	-
	8,837,068,361	9,579,214,627
12. Other Liabilities		
Provision for Loans and Lease Finance (Note 12.1)	308,676,985	275,174,985
Provisions for Investment in Securities (Note 12.2)	80,825,968	188,067,968
Interest Suspense (Note 12.3)	201,707,276	237,145,672
Provision for Taxation (Note 12.4)	286,225,454	185,011,696
Deferred Tax (Note 12.5)	22,356,897	12,301,792
Interest payable on Borrowing and Deposits (Note 12.6)	256,026,969	362,794,768
Payable & Provision against expenditure (Note 12.7)	286,873,367	319,479,370
Advance Rent Received	7,406,250	11,981,250
Advance Excise Duty Received	9,229,750	9,518,500
Gratuity Fund	21,890,854	22,507,743
Dividend payable	4,975,696	4,980,659
	1,486,195,465	1,628,964,402
12.a Other Liabilities (Consolidated)		
BD Finance	1,486,195,465	2,330,080,074
BD Finance Securities Limited	236,419,583	224,611,498
BD Finance Capital Holdings Limited	38,904,122	51,487,844
BD Finance Capital Holdings Limited - Adjustment	(319)	(745,124)
	1,761,518,851	2,605,434,292
12.1 Provision for Investment:		
(a) Provision on Classified Investment:		
Provision held at the beginning of the period	155,666,690	257,324,557
Provision adjustment for Loan/Lease written off during the year	-	(14,688,393)
Recovery against Loan/Lease previously written off	100,000	890,000
Net charge to Profit & Loss Account (Note - 32)	5,802,781	(87,859,475)
Provision held at the end of the period	161,569,471	155,666,690
(b) General Provision on Unclassified Investment:		
Provision held at the beginning of the period	113,680,295	142,397,350
Net charge to Profit & Loss Account (Note - 32)	7,897,219	(28,717,055)
Balance at the end of the period	121,577,514	113,680,295
(c) Provision on Other Receivables:		
Provision held at the beginning of the period	5,828,000	9,117,000
Net charge to Profit & Loss Account (Note - 32)	19,702,000	(3,289,000)
Balance at the end of the period	25,530,000	5,828,000
Total Provision for Investments	308,676,985	275,174,985
12.2 Provision for Investment in Securities:		
Provision held at the beginning of the period	188,067,968	128,067,968
Addition/(Adjustment) during the year (note-32)	(107,242,000)	60,000,000
Balance at the end of the period	80,825,968	188,067,968

12.3 Interest Suspense Account:

Balance at the beginning of the period
Amount transferred to suspense account during the period
Amount recovered from suspense account during the period
Balance at the end of the period

31-Dec-19 BDT	31-Dec-18 BDT
237,145,672	200,383,099
(35,438,395)	36,762,573
-	-
201,707,276	237,145,672

12.4 Provision for Taxation

Provision

Balance at the beginning of the period
Less: Adjustment during the period

886,127,368	765,912,919
-	-
886,127,368	765,912,919
196,026,591	120,214,449
1,082,153,959	886,127,368
-	-
1,082,153,959	886,127,368

Add: Provision made during the period

Settlement of previous year's tax liability

Balance at the end of the period

Advance tax

Balance at the beginning of the period
Add: Payment made during the period
Under sections 64 and 74 of ITO, 1984
Deduction at source

701,115,672	666,924,268
90,257,237	23,674,182
4,555,596	10,517,222
795,928,505	701,115,672
-	-
795,928,505	701,115,672
286,225,454	185,011,696

Less: Adjustment during the year

Balance at the end of the period

Net balance at the end of the period

Average effective tax rate

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

Tax expenses (A)	204,267,278	118,736,088
Accounting profit before tax (B)	422,530,034	395,954,384
Average effective tax rate (A÷B)	48.34%	29.99%

Reason for changes in Average effective tax rate:

Average effective tax rate increased compared to previous year due to realized losses against investment in shares during the period under review which was considered separately from business profit having reduced tax rate as well as written off Loan/Lease in previous year.

Reconciliation of effective tax rate

Profit before income tax as per profit or loss account
Income tax as per applicable tax rate
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

2019	
%	Taka
	422,530,034
37.50%	158,448,763
10.91%	46,088,349
0.00%	-
-0.15%	(645,910)
0.00%	-
1.95%	8,240,687
48.34%	204,267,278

Reconciliation of effective tax rate

Profit before income tax as per profit or loss account
Income tax as per applicable tax rate
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

2018	
%	Taka
	395,954,384
37.50%	148,482,894
-6.05%	(23,948,745)
0.00%	-
-0.73%	(2,871,559)
-0.37%	(1,448,141)
-0.37%	(1,478,361)
29.99%	118,736,088

	31-Dec-19	31-Dec-18
	BDT	BDT
12.5 Deferred Tax		
Deferred tax liabilities have been reconigned in accordance with the provision of IAS 12: Income Taxes based on temporary differences arising due to difference in the carrying amount of the assets and liabilities in the financial statements and its tax base. Calculation of deferred tax liability is as follows:		
Deductible temporary difference		
Revaluation surplus	307,544,812	307,544,812
Tax	4%	4%
	12,301,792	12,301,792
Right-of-use Assets	26,813,611	-
Tax	37.50%	-
	10,055,104	-
Total deferred tax liabilities	22,356,897	12,301,792
Movement of deferred tax liabilities is as follows		
Balance at the beginning of the period	12,301,792	12,301,792
Adjustment during the period	10,055,105	-
Balance at the end of the period	22,356,897	12,301,792
12.6 Interest payable on Borrowing and Deposits		
Interest payable on TDR and other deposits	191,889,779	306,920,170
Interest payable on Term Loan	62,952,586	55,478,383
Interest payable on Refinancing loan from BB (SME)	144,410	152,079
Interest payable on Refinancing loan from BB (Housing)	10,754	12,033
Interest payable on Refinancing loan from JICA	911,047	(30,530)
Interest Payable on Call loan	50,203	194,444
Interest payable on Security Deposit	68,190	68,190
Balance at the end of the period	256,026,969	362,794,768
12.7 Payable & Provision against expenditure		
Advance transfer price	3,001	3,001
Payable others	151,119,420	238,146,512
Payable to BD Finance Foundation	50,309,988	39,475,885
Liability for Lease Rent	20,863,263	-
Withholding Excise Duty	10,170,097	9,358,194
Withholding Tax	53,531,465	31,498,222
Withholding VAT	876,132	997,555
Balance at the end of the period	286,873,367	319,479,370
12.8 Maturity wise classification of other liabilities		
Repayable on demand	4,975,696	4,980,659
Within 1 month	54,407,597	32,495,778
Over 1 months but not more than 3 months	10,170,097	9,358,194
Over 3 months but not more than 1 year	256,026,969	362,794,768
Over 1 year but not more than 5 years	464,246,042	487,734,001
Over 5 years	696,369,064	731,601,002
Balance at the end of the period	1,486,195,465	1,628,964,402
13. Capital		
13.1 Authorized Capital:		
200,000,000 ordinary shares of Tk. 10 each	2,000,000,000	2,000,000,000
13.2 Issued, Subscribed and Paid up Capital:		
167,529,608 fully paid ordinary shares of Tk. 10 each subscribed and paid up by the sponsor Shareholders & General Shareholders	1,675,296,080	1,522,996,440
Sponsor Shareholders Group	507,948,960	466,317,280
General Shareholders Group	1,167,347,120	1,056,679,160
	1,675,296,080	1,522,996,440

	31-Dec-19 BDT	31-Dec-18 BDT
General Shareholders Group:		
General Public (Individuals)	926,571,130	843,101,840
Financial Institutions	239,912,080	213,329,460
Unit fund	-	-
Investors Account	863,910	247,860
Mutual Fund	-	-
	1,167,347,120	1,056,679,160

Classification of Shareholders by holding:	No. of Shareholders	No. of Shares	Percentage of Share Holding
Less than 500 shares	5,451	865,010	0.52%
501 to 5,000 shares	4,577	8,333,616	4.97%
5,001 to 10,000 shares	774	5,591,209	3.34%
10,001 to 20,000 shares	469	6,679,770	3.99%
20,001 to 30,000 shares	158	4,002,400	2.39%
30,001 to 40,000 shares	93	3,258,276	1.94%
40,001 to 50,000 shares	49	2,245,819	1.34%
50,001 to 1,00,000 shares	90	6,204,387	3.70%
1,00,001 to 10,00,000 shares	118	31,155,455	18.60%
10,00,001 to 99,99,999 shares	36	99,193,666	59.21%
Total	11,815	167,529,608	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

13.3 Capital under Capital Adequacy and Market Discipline (CAMD)

As per the section 4 (GHA) of the Financial institutions rule, 1994 and subsequently updated vide 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 solo and consolidated at the close of business on 31 December 2019 were Taka 920,704,684 and Taka 1,381,941,437 respectively.

Details are as follows:

			31-Dec-19 BDT	31-Dec-18 BDT
	BD Finance		BD Finance Group	
	31.12.2019 Taka	31.12.2018 Taka	31.12.2019 Taka	31.12.2018 Taka
a) Core Capital (Tier -I):				
i) Paid-up Capital	1,675,296,080	1,522,996,440	1,675,296,080	1,522,996,440
ii) Statutory Reserve (Note # 14)	363,659,793	320,007,242	363,659,793	320,007,242
iii) General Reserve (Note # 15)	-	-	-	-
iv) Retained Earnings (Note # 16)	277,227,289	254,916,724	374,423,402	382,246,789
v) Minority interest (Note # 16.b)	-	-	491,804,108	489,307,422
vi) Others (If any approved by Bangladesh Bank)	-	-	33,744,750	33,744,750
	2,316,183,162	2,097,920,405	2,938,928,132	2,748,302,643
b) Supplementary Capital (Tier-II):	269,199,024	449,369,773	269,199,024	449,369,773
i) General Provision (Unclassified loans up to specified limit + SMA-Off Balance sheet exposer) {Note 12.1(b)}*	121,577,514	113,680,295	121,577,514	113,680,295
ii) Assets Revaluation Reserves up to 50%	147,621,510	147,621,510	147,621,510	147,621,510
iii) Revaluation Reserves for Securities up to 45%	-	-	-	-
iv) All others preference Shares	-	-	-	-
v) Others (If any approved by Bangladesh Bank)	-	188,067,968	-	188,067,968
c) Total eligible capital (a +b)	2,585,382,186	2,547,290,178	3,208,127,156	3,197,672,416
Total Assets Including off-balance sheet exposer	16,131,945,543	17,608,430,806	17,162,389,174	18,718,287,380
D) Total risk weighted Assets	16,646,775,015	16,473,942,255	18,261,857,192	17,923,981,840
E) Required Capital Based on risk weighted Assets (10% of D)	1,664,677,502	1,647,394,226	1,826,185,719	1,792,398,184
F) Surplus (C-E)	920,704,684	899,895,953	1,381,941,437	1,405,274,232
Capital adequacy Ratio (%)	15.53%	15.46%	17.57%	17.84%
* Limited to 1.25% of RWA as per CAMD guideline.				

14. Statutory Reserve

Opening balance	320,007,242	264,563,582
Add: Addition during the period	43,652,551	55,443,659
	363,659,793	320,007,242

15. General Reserve

Opening balance	-	-
Add: Transfer from Retained Earning	-	-
Less: Distribution During the period	-	-
	-	-

16. Retained Earnings

Opening balance	254,916,724	171,596,309
Add: Profit After Tax during the period	218,262,756	277,218,296
Less: Transfer to Statutory Reserve	(43,652,551)	(55,443,659)
Less: Issue of Bonus Shares	(152,299,640)	(138,454,222)
	277,227,289	254,916,724

	31-Dec-19	31-Dec-18
	BDT	BDT
16.a Retained Earnings (Consolidated)		
BD Finance	277,227,289	254,916,724
BD Finance Securities Limited	81,061,581	75,184,307
BD Finance Capital Holdings Limited	50,713,390	84,227,930
Adjustment for Minority Interest	(34,578,858)	(32,082,172)
	374,423,402	382,246,789
16.b Non Controlling Interest (Consolidated)		
BD Finance Securities Limited		
Paid up Capital	457,150,000	457,150,000
Retained Profit/(Loss)	34,564,658	32,058,589
	491,714,658	489,208,589
BD Finance Capital Holdings Limited.		
Paid up Capital	75,250	75,250
Retained Profit/(Loss)	14,200	23,584
	89,450	98,834
	491,804,108	489,307,422
16.1 Capital Reserve		
Stock Dividend from BD Finance Securities Ltd.	15,000,000	15,000,000
Stock Dividend from Capital Holdings Ltd.	18,744,750	18,744,750
	33,744,750	33,744,750
Capital reserve created for interim Stock Dividend received from the Subsidiary companies in the year 2014.		
17. Letters of Guarantees		
Letters of guarantee	100,000,000	100,000,000
Less: Margin	-	-
	100,000,000	100,000,000

	31-Dec-19	31-Dec-18
	BDT	BDT
18. Profit and Loss Account		
Income		
Interest, discount and similar income (Note-19)	1,943,814,223	1,848,870,486
Dividend income {Note-21}	3,405,200	16,123,193
Commission, Exchange and Brokerage	486,355	400,000
Gains/(loss) arising from investment in securities {Note-21}	(180,780,845)	3,861,708
Other operating income (Note-22)	165,989,325	110,448,599
	1,932,914,258	1,979,703,986
Expenses:		
Interest paid on Deposits & Borrowing (Note-20)	1,365,252,907	1,420,478,171
Administrative expenses	135,944,376	160,942,787
Other operating expenses (Note-31)	32,457,872	30,456,451
Depreciation on Fixed assets {Note-30(a)+30(b)+Note-30(c)}	50,569,069	31,737,723
	1,584,224,224	1,643,615,132
Income over expenditure	348,690,034	336,088,854
19. Interest income		
Interest income on Loans & Lease Finance (Note-19.1)	1,909,225,903	1,785,448,142
Interest on placement with other Banks & FIS (Note-19.2)	34,588,321	63,422,344
	1,943,814,223	1,848,870,486
19.a Interest Income (Consolidated)		
BD Finance	1,943,814,223	1,848,870,486
BD Finance Securities Limited	91,228,259	87,667,346
BD Finance Capital Holdings Limited	3,242,604	3,143,281
BD Finance Securities Limited-Adjustment	(51,621,261)	(43,036,899)
BD Finance Capital Holdings Limited.-Adjustment	(3,724,648)	(12,004,792)
	1,982,939,177	1,884,639,422
19.1 Interest on Loans & Lease Finance		
Interest income on lease finance	169,740,634	260,503,808
Interest income on term finance	1,545,229,549	1,274,009,952
Interest on housing finance	194,255,719	250,934,382
	1,909,225,903	1,785,448,142
19.2 Interest on placement with other banks & FIS		
Interest on FDR	33,690,252	62,662,326
Interest on STD accounts	898,069	760,018
Interest on fund placements	-	-
	34,588,321	63,422,344
20. Interest paid on deposits & borrowing		
Interest paid on deposits	973,854,887	982,534,847
Interest paid on borrowings (Note-20.1)	388,524,860	437,943,324
Interest on lease liabilities	2,873,160	-
	1,365,252,907	1,420,478,171
20.a Interest Expenses (Consolidated)		
BD Finance	1,365,252,907	1,420,478,171
BD Finance Securities Limited	35,701,499	48,196,460
BD Finance Capital Holdings Limited	-	-
	1,400,954,406	1,468,674,631
20.1 Interest paid on borrowing		
Interest Expenses on Term Loan	225,191,823	273,159,008
Interest Expenses on SOD Loan	149,014,441	145,026,295
Interest Expenses on Call Loan	8,615,789	12,995,764
Interest Expenses on Re-financing loan	5,702,807	6,762,257
	388,524,860	437,943,324
21. Income from Investment in Securities		
Gain/(Loss) from Investment in Shares	(180,780,845)	3,861,708
Dividend Income	3,405,200	16,123,193
	(177,375,645)	19,984,901

	31-Dec-19	31-Dec-18
	BDT	BDT
21.a Income from Investment in Securities (Consolidated)		
BD Finance	(177,375,645)	19,984,901
BD Finance Securities Limited	9,520,188	2,412,259
BD Finance Capital Holdings Limited	(22,724,844)	13,380,370
	(190,580,301)	35,777,530
21.b Commission, Exchange and Brokerage (Consolidated)		
BD Finance	486,355	400,000
BD Finance Securities Limited	63,207,958	74,537,950
BD Finance Capital Holdings Limited	3,993,612	5,043,339
BD Finance Securities Limited-Adjustment	(400,000)	(400,000)
	67,287,925	79,581,289
22. Other Operating Income:		
Penal Interest	146,992,251	81,176,008
Loan Settlement & Others	3,130,741	11,050,798
Contact point verification (CPV)	965,851	1,132,287
Ledger management (LM)	242,500	311,500
Transfer Price	61,000	370,430
Processing fees	325,200	3,079,272
Legal & Documentation charge	1,044,504	790,868
Office Rent (64 Motijheel)	13,059,500	12,225,000
Other Income (Note-22.1)	167,778	312,436
	165,989,325	110,448,599
22.a Other Operating Income (Consolidated)		
BD Finance	165,989,325	110,448,599
BD Finance Securities Limited	292,540	(48,607)
BD Finance Capital Holdings Limited	210,829	268,020
BD Finance Securities Limited-Adjustment	(3,597,250)	(3,030,200)
BD Finance Capital Holdings Limited-Adjustment	(1,821,600)	(717,600)
	161,073,844	106,920,212
22.1 Other Income		
Gain/(loss) on sale of fixed assets	14,001	-
Miscellaneous income	153,777	312,436
	167,778	312,436
23. Salary & Allowances		
Basic Salary	49,964,645	51,512,103
Allowances	48,351,065	46,063,536
Bonus	8,428,224	18,915,205
Earned Leave Encashment	2,014,611	1,251,249
BD Finance's Contribution to Provident fund	3,890,282	3,973,056
Wages	899,009	818,676
	113,547,836	122,533,824
23.a Salary & Allowances (Consolidated)		
BD Finance	113,547,836	122,533,824
BD Finance Securities Limited	19,347,306	20,564,332
BD Finance Capital Holdings Limited	7,463,660	7,376,590
	140,358,802	150,474,746
24. Rent, Taxes, Insurance, Electricity etc.		
Rent, Rates & Taxes	-	19,228,041
Insurance	531,779	542,498
Electricity & Lighting, WASA, Gas etc.	2,522,677	2,347,824
	3,054,455	22,118,363
24.a Rent, Taxes, Insurance, Electricity etc.(Consolidated)		
BD Finance	3,054,455	22,118,363
BD Finance Securities Limited	7,913,367	6,752,628
BD Finance Capital Holdings Limited	3,966,893	1,788,869
BD Finance Securities Limited-Adjustment	(3,597,250)	(3,030,200)
BD Finance Capital Holdings Limited-Adjustment	(1,821,600)	(717,600)
	9,515,865	26,912,060

	31-Dec-19 BDT	31-Dec-18 BDT
25. Legal & Professional Fees		
Legal Fees & Charge	1,513,964	1,961,296
Other Legal Expenses	-	-
	1,513,964	1,961,296
25.a Legal & Professional Fees (Consolidated)		
BD Finance	1,513,964	1,961,296
BD Finance Securities Limited	156,749	413,310
BD Finance Capital Holdings Limited	11,500	28,750
	1,682,213	2,403,356
26. Postage, Stamps, Telecommunication etc.		
Stamp & Court Fees	294,276	481,354
Internet expenses	1,156,782	876,200
Postage & Courier Expenses	49,879	32,526
Telephone & Fax Expenses	201,590	185,175
Mobile Expenses	1,095,899	936,062
	2,798,426	2,511,317
26.a Postage, Stamps, Telecommunication (Consolidated)		
BD Finance	2,798,426	2,511,317
BD Finance Securities Limited	1,039,546	1,062,075
BD Finance Capital Holdings Limited	207,734	196,467
	4,045,706	3,769,859
27. Stationery, Printing, Advertisements etc.		
Stationary-Toner & Cartridge	237,425	269,153
Stationary Expenses	464,685	467,143
Printing Expenses	2,070,549	1,436,776
Advertisement and Publicity	4,400,036	1,715,582
	7,172,695	3,888,654
27.a Stationery, Printing, Advertisements etc.(Consolidated)		
BD Finance	7,172,695	3,888,654
BD Finance Securities Limited	352,529	318,642
BD Finance Capital Holdings Limited	61,407	147,442
	7,586,631	4,354,738
28. Managing Director's Salary and Allowances		
Basic Salary	3,000,000	2,966,667
Allowances	3,500,000	3,291,667
Bonus	500,000	500,000
	7,000,000	6,758,333
29. Directors' Fees		
Honorarium for attending meeting	632,000	960,000
Incidental expenses for attending meeting	-	-
	632,000	960,000
Total 8 nos. of Board Meeting 2 nos. of Executive Committee and 4 nos. of Audit Committee Meeting were held during the period ended on 31 December 2019. 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)		
BD Finance	632,000	960,000
BD Finance Securities Limited	339,750	161,000
BD Finance Capital Holdings Limited	112,000	80,500
	1,083,750	1,201,500
29.b Audit Fees (Consolidated)		
BD Finance	225,000	211,000
BD Finance Securities Limited	50,000	57,500
BD Finance Capital Holdings Limited	25,556	25,556
	300,556	294,056

	31-Dec-19	31-Dec-18
	BDT	BDT
30. Depreciation and Repair of Assets		
a) Depreciation of Assets		
Building	539,871	539,880
Furniture & Fixtures	2,665,821	3,900,615
Office Equipment	3,312,303	4,058,429
Motor Vehicles	5,253,275	5,656,395
Right-of-use Asset	19,491,383	-
	31,262,653	14,155,319
b) Amortization Expenses		
System & Software	4,514,063	4,461,979
Office Renovation	1,329,262	1,210,946
	5,843,325	5,672,925
c) Repair of Assets		
Office Equipment	980,092	600,486
Office Furniture & Fixtures	25,661	83,812
Motor Vehicles	12,457,338	11,225,181
	13,463,091	11,909,479
	50,569,069	31,737,723
30.a Depreciation and Repair of Assets (Consolidated)		
BD Finance	50,569,069	31,737,723
BD Finance Securities Limited	2,500,987	2,829,973
BD Finance Capital Holdings Limited	943,509	1,103,718
	54,013,565	35,671,414
31. Other Expenses		
Petrol, Oil, Lubricants, CNG & others	3,481,025	2,898,668
Entertainment	3,203,708	1,941,036
Donation and Subscription	2,919,233	2,648,181
Donation to BD Finance Foundation	10,834,103	10,152,676
Traveling and Conveyance	1,734,077	1,152,225
Training Expenses	189,613	449,205
Retirement benefits and gratuity	2,757,888	4,396,728
Registration & Renewal Expenses	1,054,138	599,150
Papers & Periodicals	49,755	75,143
Office Maintenance	484,399	979,308
Office Supplies	883,903	368,705
Software Maintenance & other IT enabled services	1,560,000	1,560,000
Uniform & Liveries	112,124	196,030
Bank Charges & Excise Duty	1,365,046	1,443,156
Business development & Promotion	52,431	16,560
Security Service-Outsourcing	1,507,074	1,164,776
AGM & Meeting expenses	183,570	360,670
Miscellaneous Expenses	85,786	54,235
	32,457,872	30,456,451
Previous year's figure under Office Maintenance have been re-arranged with Software Maintenance & Other IT enabled services		
31.a Other Expenses (Consolidated)		
BD Finance	32,457,872	30,456,451
BD Finance Securities Limited-DSE charges	24,109,124	26,455,420
BD Finance Securities Limited	2,048,922	1,688,656
BD Finance Capital Holdings Limited	970,801	1,144,891
	59,586,719	59,745,419
32. Provision against loans, lease finance & Others		
Provision on classified loans {Note-12.1(a)}	5,802,781	(87,859,475)
Provision on unclassified Loans & Advances {Note-12.1(b)}	7,897,219	(28,717,055)
Provision on other receivables {Note-12.1(c)}	19,702,000	(3,289,000)
Provisions on Investment in Securities (Note - 12.2)	(107,242,000)	60,000,000
	(73,840,000)	(59,865,530)

	31-Dec-19	31-Dec-18
	BDT	BDT
32.a Provision on Investment in Securities (Consolidated)		
BD Finance	(107,242,000)	60,000,000
BD Finance Securities Limited	1,853,015	(1,456,774)
BD Finance Capital Holdings Limited	-	(9,000,000)
	(105,388,985)	49,543,226
33. Earnings Per Share (EPS)		
Calculation of Earning Per Share (Note - 2.27):		
Net Profit after Tax	218,262,756	277,218,296
Number of Ordinary Shares outstanding (Denominator)	167,529,608	167,529,608
Earnings Per Share (Re-stated 2018)	1.30	1.65
Reason for changes in Earnings Per Share (EPS):		
Due to realized losses from Investment in Shares and increased provision against Loan/Lease, the financial performance of the company decreased compared to previous year.		
33.a Earnings Per Share (EPS) (Consolidated)		
Calculation of Earning Per Share (Note - 2.27):		
Net Profit after Tax	188,128,804	281,865,472
Number of Ordinary Shares outstanding (Denominator)	167,529,608	167,529,608
Earnings Per Share (Re-stated 2018)	1.12	1.68
Reason for changes in Earnings Per Share (EPS) (Consolidated):		
Due to realized losses from Investment in Shares and increased provision against Loan/Lease, the consolidated financial performance of the company decreased compared to previous year.		
34. Interest received		
Interest received (Note-19)	1,943,814,223	1,848,870,486
Add: Opening interest Receivable on TDR	11,892,138	15,323,705
Less: Closing interest receivable on TDR	(16,896,890)	(11,892,138)
Add: Opening Receivable of Delinquent Charges & Penal Interest	197,469,940	112,245,324
Less: Closing Receivable of Delinquent Charges & Penal Interest	(112,314,214)	(197,469,940)
Add: Closing interest suspense account	201,707,276	237,145,672
Less: Opening Interest Suspense Account	(237,145,672)	(200,383,099)
Add: Opening Receivable of Grace Period Interest	2,507,535	5,456,849
Less: Closing Receivable Grace Period Interest	(26,851,345)	(2,507,535)
	1,964,182,992	1,806,789,324
35. Interest Paid on Deposits & Borrowings		
Interest Paid on Deposits & Borrowings (Note-20)	1,365,252,907	1,420,478,171
Add: Opening interest payable on deposit & borrowings	362,794,768	301,776,917
Less: Closing interest payable on deposit & borrowings	(256,026,969)	(362,794,768)
	1,472,020,707	1,359,460,319
36. Cash Received from other Operating activities		
Income from investment in shares (Note 21)	(180,780,845)	3,861,708
Other operating income (except gain/(loss) on sales of fixed assets) (Note 22)	165,989,325	110,448,599
	(14,791,520)	114,310,307
37. Cash Payments for other Operating activities		
Rent, Taxes, Insurance, Lighting etc.	3,054,455	22,118,363
Legal & Professional Fees	1,513,964	1,961,296
Postage, Stamp, Telegram & Telephone	2,798,426	2,511,317
Directors' Fee & Expenses	632,000	960,000
Auditors' Fee	225,000	211,000
Repair, Maintenance of NBFIs Assets	13,463,091	11,909,479
Other Expenses	32,457,872	30,456,451
	54,144,808	70,127,906

	31-Dec-19 BDT	31-Dec-18 BDT
38. Cash Increase/ Decrease in Other Assets		
Re-imbursable Expenses	5,745,470	5,827,863
Receivable Others	6,157,035	2,897,650
Receivable Excise Duty	770,370	770,370
Investment In Subsidiaries	849,930,000	849,930,000
Investment in BD Finance Vanguard Mutual Fund One	185,000,000	200,000,000
Advance against expenditure {Note-8.2(c)}	40,872,222	13,502,914
Deposits {with other organization Note-8.2(d)}	1,122,714	1,522,714
Stock of Stamp	92,380	76,754
	1,089,690,191	1,074,528,265
Cash (Increase)/ Decrease in Other Assets	(15,161,926)	16,287,119
39. Cash Increase/ (Decrease) in Other Liabilities		
Payable others	286,873,367	319,479,370
Advance Rent (against 64 Motijheel)	7,406,250	11,981,250
Advance Excise Duty	9,229,750	9,518,500
Gratuity Fund	21,890,854	22,507,743
Dividend payable	4,975,696	4,980,659
	330,375,917	368,467,522
Cash Increase/ (Decrease) in Other Liabilities	(38,091,605)	139,272,833
40. Cash and Cash Equivalents		
Cash in Hand	48,063	69,250
Balance with Bangladesh Bank & Sonali Bank Limited	116,081,415	133,078,089
Balance with Other Banks & Financial Institutions	608,745,088	658,978,102
	724,874,566	792,125,441
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 120 (In the year 2018 it was 128).		
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 BD Finance formed a Five members Audit Committee named "Board Audit Committee".		

Name	Status with BD Finance	Status with the Committee	Educational Qualification
Mr. Md. Rokonuzzaman, FCA	Independent Director	Chairman	BBA (DU), FCA
Mr. Md. Abul Quasem	Independent Director	Member	M.S.S (Econ)
Mr. Md. Asaduzzaman Khan	Director	Member	MA (Eco.) DU, MA (Banking & Finance), UK
Mr. Golam Hafiz Ahmed	Director	Member	MSS (Economics)

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

b) Meeting of Audit Committee

During 1 January to 31 December 2019, 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 BD Finance's operations. The division directly report simultaneously to the Board Audit Committee, and

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.

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.

43. Related Party Disclosures:

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

Name of the Directors of BD 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 Jute Spinning Mills Limited. Anwar Cement Limited. Anwar Ispat Limited. AG Automobiles Limited. A One Polymer Limited. BD Finance Capital Holdings BD Finance Securities Limited. Hossain Dyeing & Printing Mills Mehmud Industries (Pvt.) Limited. Anwar Cement Sheet Limited. Modhumoti Bank Limited.	Director Director Director Director Director Director Director Director Director Director Director Director
Mr. Md. Asaduzzaman Khan Director	Nil	Nil
Mr. Golam Hafiz Ahmed Director	Nil	Nil
Mr. Geasuddin Ahmed Director	BD Finance Securities Limited. Dhaka Complex (Pvt) Limited. Momota Enterprise	Director Director Proprietor
Mrs. Shahnaz Rashid Director	Anwar Cement Limited. AG Automobiles Limited. Anwar Galvanizing Limited. Hossain Dyeing & Printing Mills	Director Director Director Director
Mr. Imtiyaj Yousuf Director	OMEGA MOTORS Precious Steel Corporation	Proprietor Proprietor
Mr. Yousuf Aman Director	Nil	Nil
Mr. Ihtiaz Yousuf Director	Nil	Nil
Mr. Md. Abul Quasem Independent Director	BD Finance Securities Ltd.	Director
Mr. Md. Rokonuzzaman, FCA Independent Director	Amann Bangladesh Limited BD Finance Securities Ltd.	Managing Director Director
Mr. Tarik Morshed Managing Director & CEO	Nil	Nil

	<u>31-Dec-19</u> <u>BDT</u>	<u>31-Dec-18</u> <u>BDT</u>
43.2 Significant Contracts where BD 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:

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

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

	Related By	Nature of transaction	Amount in Tk.	Status
i)	BD Finance Securities Limited. Common Director	Short Term Finance	381,610,757	Standard
ii)	BD Finance Capital Holdings Limited. Common Director	Short Term Finance	1,166,634	Standard
			<u><u>382,777,391</u></u>	

44. Events after the Reporting Period

The Board of Directors of BD Finance has recommended 12% Cash Dividend for the year 2019.

45. Net asset value (NAV) per share

Net asset	2,611,426,182	2,393,163,425
Number of outstanding shares	167,529,608	167,529,608
Net asset value (NAV) per share (Restated-2018)	15.59	14.29

45.a Net asset value (NAV) per share (Consolidated)

Net asset	2,742,367,044	2,554,238,240
Number of outstanding shares	167,529,608	167,529,608
Net asset value (NAV) per share (Restated-2018)	16.37	15.25

46. Net operating cash flows per share (NOCPs)

Net operating cash flows	95,342,420	238,131,422
Number of outstanding shares	167,529,608	167,529,608
Net operating cash flows per share (NOCPs) (Restated-2018)	0.57	1.42

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

Net Operating Cash Flows Per Share decreased compared to previous year due to reduction in inflow of deposit and realized losses against investment in shares.

46.a Net operating cash flows per share (NOCPs) (Consolidated)

Net operating cash flows	161,959,569	274,370,304
Number of outstanding shares	167,529,608	167,529,608
Net operating cash flows per share (NOCPs) (Restated-2018)	0.97	1.64

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

Net Operating Cash Flows Per Share decreased compared to previous year due to reduction in inflow of deposit and realized losses against investment in shares.

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Bangladesh Finance And Investment Company Limited
Fixed Asset Schedule
For the year ended 31 December 2019

Particulars	C O S T					Rate of Depreciation	D E P R E C I A T I O N				Written Down Value at 31 December 2019
	Balance as on 1 January 2019	Revaluation Surplus	Addition during the year	Disposal/ Transfer during the period	Balance at 31 December 2019		Balance as on 1 January 2019	Transfer/ Adjustment during the year	Charged for the year	Balance at 31 December 2019	
Land	355,071,210		-	-	355,071,210	-	-	-	-	-	355,071,210
Building	5,398,790		-	-	5,398,790	10%	4,858,919	-	539,871	5,398,790	-
Furniture & Fixture	29,397,011		1,586,202	-	30,983,213	20%	24,949,516	-	2,665,821	27,615,337	3,367,876
Office Equipment	26,946,279		3,106,310	135,000	29,917,589	25%	21,265,652	135,000	3,312,304	24,442,955	5,474,634
Office Renovation	11,075,468		1,038,687	-	12,114,155	20%	8,191,440	-	1,329,262	9,520,702	2,593,453
Motor Vehicle	36,054,414		1,839,959	-	37,894,373	20%	29,291,917	-	5,253,275	34,545,192	3,349,181
Other Assets	182,667		-	-	182,667	20%	182,667	-	-	182,667	-
System and Software	19,876,250		-	-	19,876,250		7,360,721	-	4,514,063	11,874,784	8,001,466
ROU-Asset for Lease Rent	-	-	46,304,994	1,464,544	44,840,450		-	1,464,544	19,491,383	18,026,839	26,813,611
31 December 2019	484,002,090	-	53,876,152	1,599,544	536,278,697		96,100,833	1,599,544	37,105,978	131,607,266	404,671,431
31 December 2018	479,944,466	-	4,057,624	-	484,002,090		76,272,588	-	19,828,244	96,100,833	387,901,257

Reconciliation of Net Profit with Cash Flows
from Operating Activities

	BD Finance	
	2019	2018
	Taka	Taka
Net profit after tax	218,262,756	277,218,296
Items not involved in cash movement:		
Add: Depreciation/amortization	37,105,978	19,828,244
Add: Provision for loans and investments	(73,840,000)	(59,865,530)
Add: Provision for taxation	204,267,278	118,736,088
Add/(Less): Accrued expenses	(32,606,003)	133,080,492
Add/(Less): Accrued income	55,807,164	(78,843,734)
Increase/(Decrease) in Employee gratuity	(616,889)	3,853,094
Increase/(Decrease) in Deferred tax (Liability)	10,055,105	-
Adjustments to reconcile net profit after tax to net cash provided by operating activities	418,435,388	414,006,949
Increase/(decrease) in operating assets and liabilities		
(Increase)/Decrease in Trading Securities	200,620,683	4,023,520
(Increase)/Decrease in Loans & advances	485,437,384	366,224,037
(Increase)/Decrease in Other assets	(15,161,926)	836,205
Increase/(Decrease) in Other Liabilities	(14,823,817)	2,339,247
Increase/(Decrease) in Term & other deposits	(742,146,265)	(612,887,556)
Increase/(Decrease) in Payable and accrued expenses	(106,767,799)	61,017,852
(Increase)/Decrease in Income tax	(94,812,833)	(34,191,404)
Increase/(Decrease) in Interest suspense	(35,438,395)	36,762,573
	(323,092,968)	(175,875,527)
Net cash flows from/(used in) operating activities	95,342,420	238,131,422

Reconciliation of Net Profit with Cash Flows
from Operating Activities

	BD Finance Group	
	2019	2018
	Taka	Taka
Net profit after tax	190,625,489	281,953,752
Items not involved in cash movement:		
Add: Depreciation/amortization	40,550,474	23,761,935
Add: Provision for loans and investments	(71,986,985)	(70,322,304)
Add: Provision for taxation	215,953,928	135,026,893
Add/(Less): Accrued expenses	(37,058,447)	135,314,521
Add/(Less): Accrued income	55,807,164	(78,843,734)
Increase/(Decrease) in Employee gratuity	(616,889)	3,853,094
Increase/(Decrease) in Deferred tax (Liability)	10,055,105	-
Adjustments to reconcile net profit after tax to net cash provided by operating activities	403,329,837	430,744,157
Increase/(decrease) in operating assets and liabilities		
(Increase)/Decrease in Trading Securities	285,990,512	31,586,780
(Increase)/Decrease in Loans & advances	494,671,169	351,283,831
(Increase)/Decrease in Other assets	(7,143,573)	32,157,846
Increase/(Decrease) in Other Liabilities	(11,773,264)	(3,705,480)
Increase/(Decrease) in Term & other deposits	(742,146,265)	(612,887,556)
Increase/(Decrease) in Payable and accrued expenses	(118,890,846)	63,681,391
(Increase)/Decrease in Income tax	(106,639,605)	(55,253,237)
Increase/(Decrease) in Interest suspense	(35,438,395)	36,762,573
	(241,370,268)	(156,373,852)
Net cash flows from/(used in) operating activities	161,959,569	274,370,304

Highlights on the overall activities of the Company
as at and for the periods 2019 and 2018

Sl. No.	Particulars	2019	2018
1	Paid up Capital	1,675,296,080	1,522,996,440
2	Total Shareholders' Equity	2,611,426,182	2,393,163,425
3	Capital Surplus/(Deficit)	920,704,684	899,895,953
4	Total Assets	16,031,945,543	16,807,315,133
5	Total Deposit	8,837,068,361	9,579,214,627
6	Total Loans/Lease Finance	13,143,708,954	13,629,146,338
7	Total Contingent Liabilities and Commitment	100,000,000	100,000,000
8	Investment Deposit Ratio (%)	148.73%	142.28%
9	Percentage of Classified Investment against total Investments	4.84%	4.42%
10	Profit after Tax and Provision	218,262,756	277,218,296
11	Amount of Classified Investment	636,729,029	602,028,374
12	Provisions kept against Classified Investment	187,099,471	161,494,690
13	Provisions surplus	1,185,788	1,390,000
14	Cost of Fund	11.51%	10.79%
15	Interest Earning Assets	13,736,544,429	14,238,585,702
16	Non-Profit Earning Assets	1,895,660,019	2,652,465,464
17	Return on Investment in Securities (ROI)	-46.20%	4.11%
18	Return on Assets (ROA)	1.33%	1.56%
19	Income from Investment in Securities	(177,375,645)	19,984,901
20	Earnings Per Share (Re-stated 2018)	1.30	1.65
21	Price Earning Ratio (Times)	7.68	8.95
22	Book value per share (Per 10 Tk.)	15.59	14.29