

**Independent Auditors' 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 2020**

**Bangladesh Finance And Investment Company Limited**  
**Consolidated Balance Sheet**  
**As at 31 December 2020**

	Note	31-Dec-20 BDT	31-Dec-19 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
Cash in hand	3.a	124,993	108,565
Balance with Bangladesh Bank		74,987,229	116,081,415
		<b>75,112,222</b>	<b>116,189,980</b>
<b>Balance with other Banks and Financial Institutions</b>			
Inside Bangladesh	4.a	929,109,375	702,169,072
Outside Bangladesh		-	-
		<b>929,109,375</b>	<b>702,169,072</b>
<b>Money at call and short notice</b>			
		-	-
<b>Investment in Securities</b>			
Government	5.a	-	-
Others		795,696,082	806,269,974
		<b>795,696,082</b>	<b>806,269,974</b>
<b>Lease, Loans and Advances</b>			
In Bangladesh	6.a	12,873,219,119	13,366,885,299
Outside Bangladesh		-	-
		<b>12,873,219,119</b>	<b>13,366,885,299</b>
<b>Fixed Assets including Premises, Furniture and Fixtures</b>			
	7.a	539,676,931	415,767,051
<b>Other Assets</b>			
	8.a	1,574,594,872	1,525,781,464
<b>Non Banking Assets</b>			
	9	212,121,062	212,121,062
<b>Total Assets</b>		<b><u>16,999,529,663</u></b>	<b><u>17,145,183,899</u></b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Financing (Borrowings) from other Banks, Financial Institutions and Agents</b>			
	10.a	3,064,052,937	3,329,630,807
<b>Deposits and other Accounts</b>			
	11.a	8,616,442,442	8,837,068,361
<b>Other Liabilities</b>			
	12.a	1,821,144,599	1,744,313,577
<b>Total Liabilities</b>		<b><u>13,501,639,978</u></b>	<b><u>13,911,012,746</u></b>
<b>Capital/ Shareholders' Equity</b>			
Share Capital	13.2	1,675,296,080	1,675,296,080
Statutory Reserve	14	408,824,581	363,659,793
General Reserve	15	-	-
Capital Reserve	16.1	33,744,750	33,744,750
Revaluation Surplus on Land & Building	7.b	411,904,748	295,243,020
Retained Earnings	16.a	462,642,825	374,423,402
<b>Total Shareholders' Equity</b>		<b>2,992,412,984</b>	<b>2,742,367,044</b>
<b>Non Controlling Interest</b>			
	16.b	505,476,702	491,804,108
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b><u>16,999,529,663</u></b>	<b><u>17,145,183,899</u></b>

**Bangladesh Finance And Investment Company Limited**  
**Consolidated Balance Sheet**  
**As at 31 December 2020**

	Note	31-Dec-20 BDT	31-Dec-19 BDT
<b>OFF BALANCE SHEET EXPOSURES</b>			
<b>CONTINGENT LIABILITIES</b>			
Acceptances and Endorsements		-	-
Letters of Guarantee	17	200,000,000	100,000,000
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
<b>Total</b>		<b>200,000,000</b>	<b>100,000,000</b>
<b>OTHER COMMITMENTS</b>			
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		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>200,000,000</b>	<b>100,000,000</b>
<b>Net Asset Value per share (NAV)</b>	<b>45.a</b>	<b>17.86</b>	<b>16.37</b>

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

Sd/-  


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**Company Secretary**

Sd/-  


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**Managing Director**

Sd/-  


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**Director**

Sd/-  


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**Director**

Dhaka, 17 February 2021

Sd/-  
**Sk Md Tarikul Islam, FCA**  
Partner  
Membership no: 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

DVC: 2103021238AS534447

**Bangladesh Finance And Investment Company Limited**  
**Consolidated Profit and Loss Account**  
**For the year ended 31 December 2020**

	Note	31-Dec-20 BDT	31-Dec-19 BDT
Interest Income	19.a	1,688,932,839	1,982,939,177
Less: Interest paid on Deposits & Borrowings etc.	20.a	1,193,632,170	1,400,954,406
<b>Net Interest Income</b>		<b>495,300,670</b>	<b>581,984,771</b>
Income from Investment in securities	21.a	131,984,473	(190,580,301)
Commission, Exchange and Brokerage	21.b	71,564,619	67,287,925
Other Operating Income	22.a	38,490,686	161,073,844
		<b>242,039,779</b>	<b>37,781,468</b>
<b>Total Operating Income</b>		<b>737,340,449</b>	<b>619,766,239</b>
Salaries and Allowances	23.a	130,057,917	140,358,802
Rent, Taxes, Insurances, Electricity etc.	24.a	6,344,503	9,515,865
Legal & Professional Fees	25.a	3,125,757	1,682,213
Postage, Stamps, Telecommunication etc.	26.a	3,767,944	4,045,706
Stationery, Printings, Advertisements etc.	27.a	5,133,433	7,586,631
Managing Director's Salary and Allowances	28	4,231,667	7,000,000
Directors' Fees and Conveyance	29.a	1,152,800	1,083,750
Auditors' Fees	29.b	1,062,000	300,556
Depreciation & Repairs of Assets	30.a	53,543,149	54,013,565
Other Expenses	31.a	44,092,357	59,586,719
<b>Total Operating Expenses</b>		<b>252,511,526</b>	<b>285,173,807</b>
<b>Profit before Provision</b>		<b>484,828,922</b>	<b>334,592,432</b>
Specific provisions for Classified Investment	32	45,000,000	5,802,781
General Provisions for Unclassified Investment	32	5,000,000	7,897,219
Provisions for Other Receivables	32	20,000,000	19,702,000
Provisions for Investment in Securities	32.a	(36,300,000)	(105,388,985)
<b>Total Provision</b>		<b>33,700,000</b>	<b>(71,986,985)</b>
<b>Total Profit before Provisions for Taxation</b>		<b>451,128,922</b>	<b>406,579,417</b>
Deferred Tax Expenses/(benefit)-BD Finance		(7,887,782)	8,240,687
Current Tax Expenses-BD Finance		127,305,584	196,026,591
Current Tax Expenses-BD Securities Ltd.		13,341,116	10,937,615
Deferred Tax Expenses/(benefit)-BD Securities		(602,897)	-
Current Tax Expenses-BD Capital Holdings Ltd.		4,386,487	749,034
		<b>136,542,509</b>	<b>215,953,928</b>
<b>Net Profit after Taxation</b>		<b>314,586,414</b>	<b>190,625,489</b>
<b>Attributable to</b>		<b>314,586,414</b>	<b>190,625,489</b>
Shareholder of the Company		300,913,820	188,128,804
Non-controlling Interest		13,672,594	2,496,685
<b>Net Profit available for distribution</b>		<b>300,913,820</b>	<b>188,128,804</b>

**Bangladesh Finance And Investment Company Limited**

**Consolidated Profit and Loss Account  
For the year ended 31 December 2020**

	Note	<u>31-Dec-20</u> <u>BDT</u>	<u>31-Dec-19</u> <u>BDT</u>
<b>Appropriations</b>			
Statutory Reserve	14	45,164,788	43,652,551
General Reserve	15	-	-
Retained Earnings		255,749,031	144,476,253
		<b><u>300,913,820</u></b>	<b><u>188,128,804</u></b>
<b>Earnings Per Share</b>	33a	<b>1.80</b>	<b>1.12</b>

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**

Dhaka, 17 February 2021

Sd/-  
**Sk Md Tarikul Islam, FCA**  
Partner  
Membership no: 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

DVC: 2103021238AS534447

**Bangladesh Finance And Investment Company Limited**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 December 2020**

	<b>31-Dec-20</b> <b>BDT</b>	<b>31-Dec-19</b> <b>BDT</b>
<b>Cash Flow from Operating Activities</b>		
Interest received	1,588,318,216	2,004,287,949
Interest paid	(1,286,680,320)	(1,505,107,325)
Dividend received	12,535,076	9,254,366
Fees & Commission received	69,694,504	63,294,313
Cash Payments to Employees	(134,289,584)	(147,358,802)
Cash Payments to Suppliers	(8,492,727)	(8,564,770)
Income Tax Paid	(217,174,609)	(105,618,867)
Received from other Operating activities	159,723,119	(34,856,851)
Payments for other Operating activities	(67,613,008)	(108,578,866)
<b>Cash generated from operating activities before changes in Operating Assets &amp; Liabilities</b>	<b>116,020,667</b>	<b>166,751,148</b>
<b>Changes in Operating Assets and Liabilities</b>		
Purchases/Sale of Trading Securities	10,573,892	285,990,512
Loans and Lease Finance to Customers	493,666,180	494,671,169
Other Assets	(17,523,094)	(9,039,022)
Deposits	(220,625,919)	(742,146,265)
Other Liabilities	253,361,875	(13,295,677)
<b>Sub Total</b>	<b>519,452,933</b>	<b>16,180,717</b>
<b>A) Net Cash flows from Operating Activities</b>	<b>635,473,600</b>	<b>182,931,865</b>
<b>Cash flows from Investing Activities</b>		
Purchase/sale of non trading securities	-	-
Proceeds from Sale of fixed assets	-	-
Purchases/sale of Property, Plant & Equipment	(157,014,900)	(57,876,826)
<b>B) Net Cash flows from Investing Activities</b>	<b>(157,014,900)</b>	<b>(57,876,826)</b>
<b>Cash flows from Financing Activities</b>		
Increase/(decrease) of borrowings	(265,577,870)	(160,461,990)
Payment for lease liabilities	(27,018,284)	(20,972,295)
Dividend Paid	-	-
<b>C) Net Cash flows from Financing Activities</b>	<b>(292,596,154)</b>	<b>(181,434,285)</b>
<b>D) Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>185,862,546</b>	<b>(56,379,247)</b>
<b>E) Cash &amp; Cash Equivalents at the beginning of the period</b>	<b>818,359,052</b>	<b>874,738,299</b>
<b>F) Cash &amp; Cash Equivalents at the end of the period(D+E)</b>	<b>1,004,221,597</b>	<b>818,359,052</b>
<b>Net Operating Cash Flows per share (NOCFPS)</b>	<b>46.a</b>	<b>3.79</b>
	<b>1.09</b>	

Sd/-  


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**Company Secretary**

Sd/-  


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**Managing Director**

Sd/-  


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**Director**

Sd/-  


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**Director**

Sd/-  
**Sk Md Tarikul Islam, FCA**  
Partner  
Membership no: 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, 17 February 2021

**Bangladesh Finance And Investment Company Limited**  
**Consolidated Statement of Changes in Shareholders' Equity**  
**For the year ended 31 December 2020**

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
<b>Balance as at 01 January 2020</b>	<b>1,675,296,080</b>	<b>363,659,793</b>	-	<b>33,744,750</b>	<b>295,243,020</b>	<b>374,423,401</b>	<b>2,742,367,044</b>	<b>491,804,108</b>	<b>3,234,171,152</b>
<b>Changes during the period 2020</b>									
Issue of Bonus Share	-	-	-	-	-	-	-	-	-
Dividend Payable	-	-	-	-	-	(167,529,608)	(167,529,608)	-	(167,529,608)
Profit/(Loss) for the period	-	-	-	-	-	300,913,820	300,913,820	13,672,594	314,586,414
Revaluation Surplus	-	-	-	-	116,661,728	-	116,661,728	-	116,661,728
Transfer to statutory reserve	-	45,164,788	-	-	-	(45,164,788)	-	-	-
	-	45,164,788	-	-	116,661,728	88,219,423	250,045,940	13,672,594	263,718,534
<b>Balance as at 31 December 2020</b>	<b>1,675,296,080</b>	<b>408,824,581</b>	-	<b>33,744,750</b>	<b>411,904,748</b>	<b>462,642,825</b>	<b>2,992,412,984</b>	<b>505,476,702</b>	<b>3,497,889,686</b>
<b>Balance as at 01 January 2019</b>	<b>1,522,996,440</b>	<b>320,007,242</b>	-	<b>33,744,750</b>	<b>295,243,020</b>	<b>382,246,789</b>	<b>2,554,238,240</b>	<b>489,307,423</b>	<b>3,043,545,663</b>
<b>Changes during the period 2019</b>									
Issue of Bonus Share	152,299,640	-	-	-	-	(152,299,640)	-	-	-
Prior year adjustment	-	-	-	-	-	-	-	-	-
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
<b>Balance as at 31 December 2019</b>	<b>1,675,296,080</b>	<b>363,659,793</b>	-	<b>33,744,750</b>	<b>295,243,020</b>	<b>374,423,401</b>	<b>2,742,367,044</b>	<b>491,804,108</b>	<b>3,234,171,152</b>

Sd/-

Company Secretary

Sd/-

Managing Director

Sd/-

Director

Sd/-

Director

Sd/-

**Sk Md Tarikul Islam, FCA**  
Partner  
Membership no: 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, 17 February 2021

DVC:2103021238AS534447

**Bangladesh Finance And Investment Company Limited**  
**Balance Sheet**  
**As at 31 December 2020**

	<b>Note</b>	<b>31-Dec-20 BDT</b>	<b>31-Dec-19 BDT</b>
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	<b>3</b>		
Cash in hand		54,898	48,063
Balance with Bangladesh Bank		74,987,229	116,081,415
		<b>75,042,127</b>	<b>116,129,478</b>
<b>Balance with other Banks and Financial Institutions</b>	<b>4</b>		
Inside Bangladesh		691,439,615	608,745,088
Outside Bangladesh		-	-
		<b>691,439,615</b>	<b>608,745,088</b>
<b>Money at call and short notice</b>		-	-
<b>Investment in Securities</b>	<b>5</b>		
Government		-	-
Others		204,155,965	283,611,618
		<b>204,155,965</b>	<b>283,611,618</b>
<b>Lease, Loans and Advances</b>	<b>6</b>		
In Bangladesh		12,843,738,585	13,143,708,954
Outside Bangladesh		-	-
		<b>12,843,738,585</b>	<b>13,143,708,954</b>
<b>Fixed Assets including Premises, Furniture and Fixtures</b>	<b>7</b>	<b>524,374,980</b>	<b>404,671,431</b>
<b>Other Assets</b>	<b>8</b>	<b>1,362,653,050</b>	<b>1,245,752,640</b>
<b>Non Banking Assets</b>	<b>9</b>	<b>212,121,062</b>	<b>212,121,062</b>
<b>Total Assets</b>		<b>15,913,525,383</b>	<b>16,014,740,269</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Financing (Borrowings) from other Banks financial Institutions and Agents</b>	<b>10</b>	<b>2,950,579,075</b>	<b>3,097,255,534</b>
<b>Deposits and other Accounts</b>	<b>11</b>	<b>8,616,442,442</b>	<b>8,837,068,361</b>
Term Deposits		8,025,492,483	8,273,982,765
Other Deposits		481,592,434	428,936,445
Advance Rent & Installments		109,357,524	134,149,152
Bills Payable		-	-
<b>Other Liabilities</b>	<b>12</b>	<b>1,560,121,621</b>	<b>1,468,990,191</b>
<b>Total Liabilities</b>		<b>13,127,143,138</b>	<b>13,403,314,086</b>
<b>Capital/Shareholders' Equity</b>			
Share Capital	<b>13.2</b>	1,675,296,080	1,675,296,080
Statutory Reserve	<b>14</b>	408,824,581	363,659,793
General Reserve	<b>15</b>	-	-
Revaluation Surplus on Land & Building	<b>7.1</b>	411,904,748	295,243,020
Retained earnings	<b>16</b>	290,356,834	277,227,289
<b>Total Shareholders' Equity</b>		<b>2,786,382,243</b>	<b>2,611,426,182</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>15,913,525,383</b>	<b>16,014,740,269</b>



**Bangladesh Finance And Investment Company Limited**  
**Balance Sheet**  
**As at 31 December 2020**

	Note	31-Dec-20 BDT	31-Dec-19 BDT
<b>OFF BALANCE SHEET EXPOSURES</b>			
<b>CONTINGENT LIABILITIES</b>			
Acceptances and Endorsements		-	-
Letters of Guarantee	17	200,000,000	100,000,000
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
<b>Total</b>		<b>200,000,000</b>	<b>100,000,000</b>
<b>OTHER COMMITMENTS</b>			
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		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>200,000,000</b>	<b>100,000,000</b>
<b>Net Asset Value per share (NAV)</b>	<b>45</b>	<b>16.63</b>	<b>15.59</b>

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

Sd/-  


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**Company Secretary**

Sd/-  


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**Managing Director**

Sd/-  


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**Director**

Sd/-  


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**Director**

Dhaka, 17 February 2021

Sd/-  
**Sk Md Tarikul Islam, FCA**  
Partner  
Membership no: 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

DVC: 2103021238AS534447

**Bangladesh Finance And Investment Company Limited**  
**Profit and Loss Account**  
**For the year ended 31 December 2020**

	Note	31-Dec-20 BDT	31-Dec-19 BDT
Interest Income	19	1,659,542,072	1,943,814,223
Less: Interest paid on Deposits & Borrowings etc.	20	1,166,184,163	1,365,252,907
<b>Net Interest Income</b>		<b>493,357,909</b>	<b>578,561,316</b>
Income from Investment in securities	21	38,060,717	(177,375,645)
Commission, Exchange and Brokerage		1,000,000	486,355
Other Operating Income	22	37,180,018	165,989,325
		<b>76,240,735</b>	<b>(10,899,965)</b>
<b>Total Operating Income</b>		<b>569,598,644</b>	<b>567,661,351</b>
Salaries and Allowances	23	105,304,976	113,547,836
Rent, Taxes, Insurances, Electricity etc.	24	5,605,253	3,054,455
Legal & Professional Fees	25	2,361,271	1,513,964
Postage, Stamps, Telecommunication etc.	26	2,596,699	2,798,426
Stationery, Printings, Advertisements etc.	27	4,853,709	7,172,695
Managing Director's Salary and Allowances	28	4,231,667	7,000,000
Directors' Fees	29	904,800	632,000
Auditors' Fees		659,500	225,000
Depreciation & Repairs of NBFIs Assets	30	41,598,960	50,569,069
Other Expenses	31	19,240,065	32,457,872
<b>Total Operating Expenses</b>		<b>187,356,900</b>	<b>218,971,317</b>
<b>Profit before Provision</b>		<b>382,241,744</b>	<b>348,690,034</b>
Specific provisions for Classified Investment		45,000,000	5,802,781
General provisions for Unclassified Investment		5,000,000	7,897,219
Provisions for other Receivables		20,000,000	19,702,000
Provisions for Investment in Securities		(33,000,000)	(107,242,000)
<b>Total Provision</b>	32	<b>37,000,000</b>	<b>(73,840,000)</b>
<b>Total Profit before Provisions for Taxation</b>		<b>345,241,744</b>	<b>422,530,034</b>
Deferred Tax Expenses/(benefit)	8.2	(7,887,782)	8,240,687
Current Tax Expenses	12.4	127,305,584	196,026,591
		<b>119,417,802</b>	<b>204,267,278</b>
<b>Net Profit after Taxation</b>		<b>225,823,942</b>	<b>218,262,756</b>
<b>Appropriations</b>			
Statutory Reserve	14	45,164,788	43,652,551
General Reserve	15	-	-
Retained Earnings	16	180,659,153	174,610,205
		<b>225,823,942</b>	<b>218,262,756</b>
<b>Earnings Per Share</b>	33	<b>1.35</b>	<b>1.30</b>

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

Sd/-  


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**Company Secretary**

Sd/-  


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**Managing Director**

Sd/-  


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**Director**

Sd/-  


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**Director**

Dhaka, 17 February 2021

Sd/-  
**Sk Md Tarikul Islam, FCA**  
Partner  
Membership no: 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

**Bangladesh Finance And Investment Company Limited**  
**Cash Flow Statement**  
**For the year ended 31 December 2020**

	<u>Note</u>	<u>31-Dec-20</u> <u>BDT</u>	<u>31-Dec-19</u> <u>BDT</u>
<b>Cash Flow from Operating Activities</b>			
Interest received	34	1,559,141,545	1,964,182,992
Interest paid	35	(1,259,319,166)	(1,472,020,707)
Dividend received		4,349,743	3,405,200
Fees & Commission received		1,000,000	486,355
Cash Payments to Employees		(109,536,643)	(120,547,836)
Cash Payments to Suppliers		(4,853,709)	(7,172,695)
Income Tax Paid		(205,346,120)	(94,812,833)
Received from other Operating activities	36	70,890,992	(14,791,520)
Payments for other Operating activities	37	(43,008,850)	(54,144,808)
<b>Cash generated from operating activities before changes in Operating Assets &amp; Liabilities</b>		<b>13,317,791</b>	<b>204,584,148</b>
<b>Changes in Operating Assets and Liabilities</b>			
Purchases/Sale of Trading Securities		79,455,653	200,620,683
Loans and Lease Finance to Customers		299,970,368	485,437,384
Other Assets	38	13,119,365	(15,161,926)
Deposits		(220,625,919)	(742,046,264)
Other Liabilities	39	49,865,499	(17,119,310)
<b>Sub Total</b>		<b>221,784,966</b>	<b>(88,269,433)</b>
<b>A) Net Cash from Operating Activities</b>		<b>235,102,757</b>	<b>116,314,715</b>
<b>Cash flows from Investing Activities</b>			
Purchase/sale of non trading securities		-	-
Proceeds from Sale of fixed assets		-	-
Purchases/sale of Property, Plant & Equipments		(28,138,613)	(53,876,151)
<b>B) Net Cash from Investing Activities</b>		<b>(28,138,613)</b>	<b>(53,876,151)</b>
<b>Cash flows from Financing Activities</b>			
Increase/(decrease) of borrowings		(146,676,458)	(108,717,144)
Payment for lease liabilities		(18,680,509)	(20,972,295)
Dividend Paid		-	-
<b>C) Net Cash from Financing Activities</b>		<b>(165,356,967)</b>	<b>(129,689,439)</b>
<b>D) Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>41,607,177</b>	<b>(67,250,875)</b>
<b>E) Cash and cash equivalents at the beginning of the period</b>		<b>724,874,566</b>	<b>792,125,441</b>
<b>F) Cash and cash equivalents at the end of the period (D+E)</b>	40	<b>766,481,743</b>	<b>724,874,566</b>
<b>Net Operating Cash Flow per share</b>	46	<b>1.40</b>	<b>0.69</b>

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

Sd/-  


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**Company Secretary**

Sd/-  


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Sd/-  


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**Director**

Sd/-  


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**Director**

Dhaka, 17 February 2021

Sd/-  
**Sk Md Tarikul Islam, FCA**  
Partner  
Membership no: 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

DVC: 2103021238AS534447

**Bangladesh Finance And Investment Company Limited**  
**Statement of Changes in Shareholders' Equity**  
**For the year ended 31 December 2020**

Particular	Share capital BDT	Statutory reserve BDT	General reserve BDT	Revaluation Surplus BDT	Retained earnings BDT	Total BDT
<b>Balance as at 01 January 2020</b>	<b>1,675,296,080</b>	<b>363,659,793</b>	<b>-</b>	<b>295,243,020</b>	<b>277,227,289</b>	<b>2,611,426,182</b>
<b>Changes during the period 2020</b>						
Issue of Bonus Share	-	-	-	-	-	-
Dividend Payable	-	-	-	-	(167,529,608)	(167,529,608)
Profit/(Loss) for the period	-	-	-	-	225,823,942	225,823,942
Transfer to statutory reserve	-	45,164,788	-	-	(45,164,788)	-
Revaluation of Land & Building	-	-	-	116,661,728	-	116,661,728
	-	45,164,788	-	116,661,728	13,129,545	174,956,061
<b>Balance as at 31 December 2020</b>	<b>1,675,296,080</b>	<b>408,824,581</b>	<b>-</b>	<b>411,904,748</b>	<b>290,356,834</b>	<b>2,786,382,243</b>
<b>Balance as at 01 January 2019</b>	<b>1,522,996,440</b>	<b>320,007,242</b>	<b>-</b>	<b>295,243,020</b>	<b>254,916,724</b>	<b>2,393,163,425</b>
<b>Changes during the period 2019</b>						
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
<b>Balance as at 31 December 2019</b>	<b>1,675,296,080</b>	<b>363,659,793</b>	<b>-</b>	<b>295,243,020</b>	<b>277,227,289</b>	<b>2,611,426,181</b>

Sd/-

Company Secretary

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Managing Director

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**Sk Md Tarikul Islam, FCA**  
Partner  
Membership no: 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, 17 February 2021

DVC: 2103021238AS534447

**Bangladesh Finance And Investment Company Limited**  
**Liquidity Statement**  
**Assets and Liabilities Maturities Analysis**  
**As at 31 December 2020**

Particulars	Up to 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
	BDT	BDT	BDT	BDT	BDT	BDT
<b>Assets</b>						
Cash in hand	54,898	-	-	-	-	54,898
Balance with Bangladesh Bank	74,987,229	-	-	-	-	74,987,229
Balance with other banks and financial institutions	93,285,887	-	598,153,728	-	-	691,439,615
Money at Call and Short Notice	-	-	-	-	-	-
Investment in securities	194,155,965	-	-	10,000,000	-	204,155,965
Investment (Loans and Advances)	436,671,880	1,389,410,528	2,678,488,079	6,113,406,324	2,225,761,774	12,843,738,585
Fixed Assets including premises, furniture and fixtures etc.	-	-	-	225,555,349	298,819,631	524,374,980
Other Assets	8,136,984	-	292,546,969	126,316,383	935,652,714	1,362,653,050
Non-banking Assets	-	-	-	212,121,062	-	212,121,062
<b>Total Assets (i)</b>	<b>807,292,843</b>	<b>1,389,410,528</b>	<b>3,569,188,775</b>	<b>6,687,399,117</b>	<b>3,460,234,119</b>	<b>15,913,525,383</b>
<b>Liabilities</b>						
Financing (Borrowing) from other banks, financial institutions and agents	175,069,980	233,887,426	1,278,629,569	1,262,992,100	-	2,950,579,075
Deposits and other accounts	430,822,122	1,033,973,093	1,464,795,215	4,394,385,645	1,292,466,366	8,616,442,442
Provision and other liabilities	175,924,848	13,479,718	162,891,966	483,130,036	724,695,054	1,560,121,621
<b>Total Liabilities (ii)</b>	<b>781,816,950</b>	<b>1,281,340,237</b>	<b>2,906,316,750</b>	<b>6,140,507,781</b>	<b>2,017,161,420</b>	<b>13,127,143,138</b>
<b>Net Liquidity Gap (i-ii)</b>	<b>25,475,893</b>	<b>108,070,291</b>	<b>662,872,026</b>	<b>546,891,336</b>	<b>1,443,072,699</b>	<b>2,786,382,245</b>

Sd/-  
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**Company Secretary**

Sd/-  
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**Managing Director**

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\_\_\_\_\_  
**Director**

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\_\_\_\_\_  
**Director**

Sd/-  
**Sk Md Tarikul Islam, FCA**  
Partner  
Membership no: 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, 17 February 2021

**Bangladesh Finance And Investment Company Limited**  
**Notes to the consolidated and separate financial statements**  
**As at and for the period ended 31 December 2020**

**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" or "the Company") 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, Chattogram, 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 (DSE) and Chittagong Stock Exchange (CSE) 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 based 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 ("BD Securities"), 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 the Companies Act 1994 with authorized share capital of Tk. 500 crore. The main objective of the BD Securities is to act as a member of stock exchanges, operate the Central Depository System (CDS) and to carry on the business of brokers, jobbers or dealers in stocks, shares, securities, commodities, commercial papers, bonds, obligations, debentures etc.

**1.3.2 BD Finance Capital Holdings Limited**

BD Finance Capital Holdings Limited ("BD Capital"), 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 The Companies Act 1994 with authorized share capital of Tk. 200 crore. The main objective of the BD Capital is to carry on the business of Merchant Banking, fund management, managing portfolio investments, financial consultancy services etc.

**2. Basis of preparation and significant accounting policies**

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

The financial statements of the Company are made up to 31 December each year and are prepared under the historical cost convention and in accordance with the Financial Institutions Act, 1993 and Bangladesh Bank DFIM circular No. 11 dated 23 December, 2009. International Accounting Standard (IAS's) and International Financial Reporting Standards (IFRS's) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act. 1994, the Securities and Exchange Rules 1987 and other laws and regulations applicable in Bangladesh.

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

### **2.1.1 Basis of consolidation of operations of 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 Components of the financial statements**

The financial statements comprise of (As per DFIM Circular No. 11, Dated 23 December 2009):

- a) Consolidated and Separate Balance Sheet as at December 31, 2020;
- b) Consolidated and Separate Profit and Loss Account for the year ended December 31, 2020;
- c) Consolidated and Separate Statement of Cash Flows for the year ended December 31, 2020;
- d) Consolidated and Separate Statement of Changes in Equity for the year ended December 31, 2020;
- e) Liquidity Statement as at December 31, 2020; and
- f) Notes to the Consolidated and Separate Financial Statements as at and for the year ended December 31, 2020.

### **2.3 Basis of measurement**

These 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-2.12.1).

### **2.4 Going concern basis of accounting**

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

### **2.5 Use of estimates and judgments**

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

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

- Revaluation of land and Building
- Deferred tax assets/liabilities
- Gratuity fund
- Useful life of depreciable assets

## 2.6 Basis of consolidation

Subsidiaries (investees) are entities controlled by the parent (the Financial Institution). Control exists when the FI has the power over the subsidiaries that gives right to direct relevant activities, exposure, or rights, to variable returns from its involvement with the subsidiaries, and the ability to use its power over the subsidiaries to affect the amount of the FI's returns.

The consolidated financial statements incorporate the financial statements of the FI and its subsidiary companies from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and the investments held by the parent (the Financial Institution) are eliminated against the corresponding share capital of group entities (subsidiaries) in the consolidated financial statements.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

## 2.7 Cash flow statement

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

## 2.8 Reporting period

These financial statements of the Parent (BD Finance), and its subsidiaries cover 1 (One) calendar year from 01 January to 31 December.

## 2.9 Functional and presentation currency

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

## 2.10 Liquidity statement

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

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



## 2.11 Statement of compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as Financial Institutions (FIs). The Financial Institutions Act, 1993 was amended to require Non-Banking Financial Institutions to prepare their financial statements under such FRS.

As the FRS is yet to be issued as per the provisions of the FRA, the consolidated and separate financial statements of the Group and the Financial Institution have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and the requirements of the Financial Institutions Act, 1993 (as amended up to date), the rules and regulations issued by Bangladesh Bank (BB) time to time, the Companies Act 1994, the Securities and Exchange Rules 1987. In case any requirement of the Financial Institutions Act, 1993 (as amended up to date), and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Financial Institutions Act, 1993 (as amended up to date), and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRSs are as follows:

### **i) Presentation of financial statements:**

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

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

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

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

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

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

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

Bangladesh Bank: As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances.

**iv) Other comprehensive income and appropriation of profit**

**IFRSs:** As per IAS 1 Presentation of financial statements, other comprehensive income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income (OCI) statement. IFRSs do not require appropriation of profit to be shown on the face of the statement of comprehensive income.

**Bangladesh Bank:** The templates of financial statements issued by Bangladesh Bank do not include other comprehensive income or are the elements of other comprehensive income allowed to be included in a single other comprehensive income (OCI) statement. As such the Financial Institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity. Furthermore, the above templates require disclosure of appropriation of profit on the face of profit and loss account.

**v) Financial instruments - presentation and disclosure**

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

**vi) Recognition of interest in suspense**

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

**Bangladesh Bank:** As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments is not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.

**vii) Non-banking assets**

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

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

**viii) Cash flow statement**

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

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

**ix) Balance with Bangladesh Bank (cash reserve requirement)**

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

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

**x) Presentation of loans and advance net of provision**

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

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

**xi) Recognition of interest in suspense**

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

**Bangladesh Bank:** As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is classified, interest income from such investments is not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest suspense account, which is presented as liability in the balance sheet.

**xii) Presentation of intangible asset**

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

**Bangladesh Bank:** There is no regulation for intangible assets.

**xiii) Off-balance sheet items**

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

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

**xiv) Measurement of deferred tax assets**

**IFRSs:** A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

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

**2.12 Significant accounting policies**

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

**2.12.1 Changes in significant accounting policies - IFRS 16: Leases**

**2.12.1.1 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 recognizes 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 modified approach with the cumulative effect of initially applying the standards recognized at the date of initial application from 01 January 2019.

<b>Particulars</b>	<b>Amount</b>
Depreciation charge for right-of-use assets	17,392,555
Interest expense on lease liabilities	2,040,211
Total cash out flow for lease	18,680,509
Addition to right-of-use assets	10,857,412
Carrying amount of right-of-use assets at the end of the year	26,793,571

#### **2.12.2 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.

#### **2.12.3 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 2.12.1.1.

**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 used.

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

**BD Finance as a lessee**

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

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 amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in 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 recognizes lease payments received under operating leases as income over the lease term.

#### 2.12.4 Accounting for term finance and other finances

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

#### 2.12.5 Loans, Advances and Provision

##### **Loans and advances (initial recognition):**

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

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

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

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:

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

**Loans and advances (written-off):**

Loans and advance are written off to the extent that there is no realistic prospect of recovery in the proximate future, classified as bad/ loss and adequate provision are maintained as per DFIM circular no. 03 dated 8 April 2015 and FID Circular 03, 15 March 2007. No loans and advances are written off without prior approval of the Board of Directors in compliance with the said circulars. At each reporting period end, the NBFBI assesses loans and advances to be written off as per organization's own process in compliance with BB guideline. Details of loans and advances written off are given in the note 6.8 (xi) in the financial statements.

**Loans and advances (recovery from written off):**

The Company puts continuous effort for recovery from written off loans and advances in compliance with DFIM circular no. 03 dated 8 April 2015 and FID Circular 03 dated 15 March 2007. The Company takes necessary legal measures against default borrowers for recovery against written off loans and advances as per relevant BB guidelines and Artha Rin Adalat Act-2003. Legal cost incurred against those borrowers are initially charged to the profit and loss account of BD Finance.

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

**2.12.6 Recognition of fixed asset and Depreciation****i) Recognition and measurement**

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

**ii) Subsequent expenditure on fixed assets**

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

**iii) Depreciation**

Depreciation is provided on a new asset for the period in use in the year of purchase. Full month's depreciation has been charged on additions irrespective of date when the related assets are put into use. Depreciation is calculated on the cost of the assets in order to write-off such amounts over the estimated useful life of such assets. 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

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

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

### **2.12.7 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.

### **2.12.8 Impairment of assets**

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

### **2.12.9 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.

### **2.12.10 Investments in Securities**

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

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



#### **2.12.11 Statutory reserve**

NBFIs are required to transfer 20% of the profit to statutory reserve before declaration of dividend as per Financial Institutions Regulations, 1994. Bangladesh Finance And Investment Company Limited (BD Finance) transfers 20% on post tax profit in compliance with the regulation.

#### **2.12.12 General Reserve**

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

#### **2.12.13 Retirement Benefit**

##### **(a) Provident Fund**

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

##### **(b) Gratuity**

The Company operates unfunded gratuity scheme, provision in respect of which is made annually covering all permanent eligible employees. The employees, gratuity fund is considered as retirement benefit

Gratuity fund benefits 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 transferred to the Gratuity fund and charged to expenses of the Company.

##### **(c) Other employees benefit obligation**

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

#### **2.12.14 Income Tax**

##### **i) Current tax**

Provision for current income tax has been made @ 37.50% as prescribed in the Finance Act 2020 on the accounting Profit made after considering some of the taxable add back income and disallowance of expenditure in compliance with IAS-12.

##### **ii) Deferred tax**

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

#### **2.12.15 Accrued expenses and other payables**

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

#### **2.12.16 Revenue recognition**

Revenue is only recognized when it meets the following five steps model framework as per IFRS- 15:

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

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

**2.12.17 Lease income**

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

**2.12.18 Income from Term Finance**

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

**2.12.19 Fees base income, etc.**

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

**2.12.20 Dividend income**

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

**2.12.21 Gain/Loss on Sale of Securities**

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

**2.13 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".

**2.14 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.

**2.15 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.

**2.16 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.

**2.17 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.

### **2.18 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.

### **2.19 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.

### **2.20 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.

## 2.21 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:

<b>Name of the IAS</b>	<b>IAS No.</b>	<b>Status</b>
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

<b>Name of the IFRS</b>	<b>IFRS No.</b>	<b>Status</b>
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 2.11).

	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>BDT</b>	<b>BDT</b>
<b>3 Cash</b>		
Cash in hand (Notes - 3.1)	54,898	48,063
Balance with Bangladesh Bank (Notes - 3.2)	74,987,229	116,081,415
	<b>75,042,127</b>	<b>116,129,478</b>
<b>3.a Cash in Hand (Consolidated)</b>		
BD Finance	54,898	48,063
BD Finance Securities Limited	46,160	46,107
BD Finance Capital Holdings Limited	23,935	14,395
	<b>124,993</b>	<b>108,565</b>
<b>3.1 Cash In hand (including foreign currencies)</b>		
In local currency	54,898	48,063
In foreign currency	-	-
	<b>54,898</b>	<b>48,063</b>
<b>3.2 Balance with Bangladesh Bank (including foreign currencies)</b>		
In local currency	74,987,229	116,081,415
In foreign currency	-	-
	<b>74,987,229</b>	<b>116,081,415</b>
<b>3.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)</b>		
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 and DFIM Circular # 03 dated June 21, 2020 respectively.		
<b>3.4 Cash Reserve Ratio (CRR): 1.5% of Average Demand and Time Liabilities</b>		
Required Reserve	66,600,598	113,212,801
Actual Reserve held with Bangladesh Bank (local currency)	76,630,429	115,460,907
<b>Surplus</b>	<b>10,029,831</b>	<b>2,248,106</b>
<b>3.5 Statutory Liquidity Requirement (SLR): 5% (including 1.5% CRR) of Average Demand and Time Liabilities</b>		
Required Reserve	607,486,146	618,814,209
Actual Reserve held (Note - 3.6)	766,481,742	724,874,566
<b>Surplus</b>	<b>158,995,596</b>	<b>106,060,357</b>
<b>3.6 Held for Statutory Liquidity Requirement</b>		
Cash in hand	54,898	48,063
Balance with Bangladesh Bank	74,987,229	116,081,415
Balance with other bank and Financial Institutions (Note - 4)	691,439,615	608,745,088
	<b>766,481,742</b>	<b>724,874,566</b>
<b>4 Balance with other Banks and Financial Institutions</b>		
Inside Bangladesh (Note - 4.1)	691,439,615	608,745,088
Outside Bangladesh (Note - 4.2)	-	-
	<b>691,439,615</b>	<b>608,745,088</b>
<b>4.a Balance with other Banks and Financial Institutions (Consolidated)</b>		
BD Finance	691,439,615	608,745,088
BD Finance Securities Limited	168,576,526	74,406,928
BD Finance Capital Holdings Limited.	69,093,234	19,017,055
	<b>929,109,375</b>	<b>702,169,072</b>

#### 4.1 Inside Bangladesh

##### Current Account

Dhaka Bank Limited	1,411	2,101
Midland Bank Limited	1,841	3,750
NCC Bank Ltd	415,747	729,472
NRB Bank Ltd.	4,055	5,435
Prime Bank Limited	201,276	3,100,965
Social Islami Bank Limited	50,857	9,837,197
Standard Chartered Bank	3,449,070	2,230,694
	<b>4,124,981</b>	<b>15,909,613</b>

##### STD Account

Bank Asia Limited	248,671	50,766
BRAC Bank Limited	2,301,771	24,394
Dutch Bangla Bank Limited	4,969,381	1,956,365
Islami Bank BD Ltd.	24,217	12,688,064
Jamuna Bank Limited	2,855	8,049
Modhumoti Bank Limited	2,281	3,353
Mutual Trust Bank Limited	43,595,493	7,981,079
NRB Commercial Bank Limited	234,647	262,381
Southeast Bank Limited	30,454,456	20,630,229
The City Bank Limited	7,308,326	1,300,912
United Commercial Bank Limited	18,807	11,140
	<b>89,160,907</b>	<b>44,916,732</b>

##### FDR with Banks

**368,057,208**      **347,918,744**

##### FDR with NBFIs

**230,096,520**      **200,000,000**

##### Total Balance with other Banks and Financial Institutions

**691,439,615**      **608,745,088**

FDR with the Company represents investment in 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 of 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 some payment in December 2020 also which indicates positive approach and intention of ILFSL towards investors' funds. 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 Principal amount of the investment in the year 2019 and 2020.

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% in next year, @15% during 2nd and 3rd year and @ 20% during 4th and 5th year if the present situation of recoverability still exists. The cumulative provision as of 31 December 2020 stood at Tk. 40,000,000.

<b>4.2 Outside Bangladesh</b>			
Cash at Foreign Bank		-	-
<b>Total Cash at Bank (Bangladesh &amp; Foreign)</b>		<b>691,439,615</b>	<b>608,745,088</b>
<b>4.3 Maturity-wise groupings of balance with other banks and FI's</b>			
On Demand	4,124,981	15,909,613	
Not more than 3 months	89,160,907	44,916,732	
More than 3 months but less than 1 year	598,153,728	547,918,744	
More than 1 year but less than 5 years	-	-	
More than 5 years	-	-	
	<b>691,439,615</b>	<b>608,745,088</b>	
<b>5 Investment in Securities</b>			
i) Government	-	-	
ii) Others	204,155,965	283,611,618	
	<b>204,155,965</b>	<b>283,611,618</b>	
<b>5.a Investment in Securities (Consolidated)</b>			
BD Finance	204,155,965	283,611,618	
BD Finance Securities Limited	255,666,917	246,676,938	
BD Finance Capital Holdings Limited	335,873,200	275,981,418	
	<b>795,696,082</b>	<b>806,269,974</b>	
<b>5.ii. Investment in Securities-Others</b>			
Investment in shares (quoted) (Note - 5.1)	194,155,965	273,611,618	
Investment in shares (un-quoted) (Note - 5.2)	10,000,000	10,000,000	
	<b>204,155,965</b>	<b>283,611,618</b>	
<b>Maturity-wise Grouping of Investment in Securities:</b>			
On demand	194,155,965	273,611,618	
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	-	-	
	<b>204,155,965</b>	<b>283,611,618</b>	
<b>5.1 Quoted Shares</b>			
	<b>Cost Price 2020</b>	<b>Market Price 2020</b>	<b>Cost Price 2019</b>
ADN Telecom Limited (ADNTEL)	-	-	569,040
Coppertech Industries Limited (COPPERTECH)	-	-	47,410
Eastland Insurance Company Ltd. (EASTLAND)	5,302,000	3,649,708	5,302,000
Esquire Knit Composite Limited (ESQUIRENIT)	-	-	940,050
Genex Infosys Limited (GENEXIL)	-	-	3,409
Meghna Life Insurance Co. Ltd. (MEGHNALIFE)	5,923,427	5,942,163	-
New Line Clothings Limited (NEWLIN)	-	-	40,023
One Bank Limited (ONEBANKLTD)	17,287,500	8,829,334	17,287,430
Padma Islami Life Insurance Limited (PADMALIFE)	21,142,061	5,909,884	22,718,804
Runner Automobiles Limited (RUNNER AUTO)	-	-	540,450
Robi Axiata Limited (ROBI)	2,712,530	8,083,339	-
Sea Pearl Beach Resort & Spa Limited (SEAPEARL)	17,764	147,522	37,300
Silco Pharmaceuticals Limited (SILCOPHL)	-	-	39,783
SK Trims & Industries Limited (SKTRIMS)	77,029,339	95,234,047	167,242,107
S. S. Steel Limited (SSSTEEL)	-	-	3,064
Summit Power Limited (SUMITPOWER)	23,496,919	14,536,658	23,496,919
The City Bank Ltd. (CITYBANK)	600	372	600
United Finance Limited (UNITEDFIN)	35,343,229	11,177,692	35,343,229
Zeal Bangla Sugar Mills Ltd. (ZEALBANGLA)	5,900,595	4,311,452	-
	<b>194,155,965</b>	<b>157,824,189</b>	<b>273,611,618</b>

## 5.2 Unquoted Shares

Name of the Institution	Cost Price 2020	Market Price 2020	Cost Price 2019
GMG Airlines Limited.	10,000,000	-	10,000,000
	<b>10,000,000</b>	-	<b>10,000,000</b>
	<b>204,155,965</b>	<b>157,824,189</b>	<b>283,611,618</b>

## 6 Lease, Loans and Advances

### a) Inside Bangladesh

Investment in Lease Finance		
Gross lease rental receivable	1,665,954,548	1,840,993,004
<b>Less: Unearned interest income</b>	<b>306,709,943</b>	<b>399,411,841</b>
i) Net Investment in Lease Finance	1,359,244,606	1,441,581,163
ii) Term Finance	9,140,653,048	9,703,369,519
iii) House Building Finance	2,343,840,932	1,998,758,271
<b>Total Loans and Lease inside Bangladesh (i+ii+iii)</b>	<b>12,843,738,585</b>	<b>13,143,708,954</b>

### b) Outside Bangladesh

	-	-
<b>Total Loans and Lease Finance (a+b)</b>	<b>12,843,738,585</b>	<b>13,143,708,954</b>

### 6.a Lease, Loans and Advances (Consolidated)

BD Finance	12,843,738,585	13,143,708,954
BD Finance Securities Limited	635,667,567	591,579,565
BD Finance Capital Holdings Limited.	24,452,864	14,432,783
Loan to BD Finance Securities Limited	(523,133,617)	(381,669,369)
Loan to BD Finance Capital Holdings Limited.	(107,506,280)	(1,166,634)
	<b>12,873,219,119</b>	<b>13,366,885,299</b>

### 6.1 Maturity wise Classification of Investments:

#### With a residual maturity of

Receivable on Demand	436,671,880	398,867,539
Not more than 3 months	1,389,410,528	1,435,923,139
Over 3 months but not more than 1 year	2,678,488,079	2,717,988,023
Over 1 year but not more than 5 years	6,113,406,324	6,142,560,093
Over 5 years	2,225,761,774	2,448,370,161
	<b>12,843,738,585</b>	<b>13,143,708,954</b>

### 6.2 Investments on the basis of significant concentration:

Investments to allied concern of Directors (Note - 43.5)	630,581,286	382,777,391
Investments to Executives/Officers	15,813,770	34,010,995
Investments to Customer Groups	7,028,546,923	7,857,953,384
Industrial Investment	4,339,874,945	4,225,851,695
Others	828,921,660	643,115,488
	<b>12,843,738,585</b>	<b>13,143,708,954</b>

### 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	4,108,287,139	5,654,514,086
Number of such types of customers	7	12
Amount of Classified Investments thereon	-	-
Measures taken for recovery		



6.4 Sector-wise Classification of Investment:

Sector	As at 31 December 2020		As at 31 December 2019	
	Amount	Composition	Amount	Composition
Agriculture	540,397,085	4.21%	131,573,642	1.00%
Cement/Clinker & Allied Industries	-	0.00%	-	0.00%
Chemical & Pharmaceuticals	-	0.00%	-	0.00%
Electronics and Electrical Products	449,396,284	3.50%	385,372,721	2.93%
Financial Institutions	-	0.00%	-	0.00%
Food Production/Processing Ind.	178,397,249	1.39%	166,379,654	1.27%
Garments	458,155,118	3.57%	308,286,060	2.35%
Glass & Ceramic Industries	-	0.00%	43,478	0.00%
Iron, Steel & Engineering	998,418,004	7.77%	681,834,376	5.19%
Jute & Jute Allied Industries	-	0.00%	-	0.00%
Merchant Banking	1,249,693,523	9.73%	1,492,287,300	11.35%
Others	828,921,660	6.45%	643,115,488	4.89%
Paper, Printing and Packaging	148,225,654	1.15%	119,028,039	0.91%
Plastic Industries	14,114,380	0.11%	7,517,944	0.06%
Power, Gas, Water and Sanitary	877,565,645	6.83%	1,744,194,274	13.27%
Real Estate & Housing	2,325,176,769	18.10%	2,161,330,997	16.44%
Service Industries	-	0.00%	-	0.00%
Ship & Ship Mfg. Industries	-	0.00%	-	0.00%
SME	2,698,030,682	21.01%	2,924,328,160	22.25%
Telecom./Information Technology	150,989,038	1.18%	146,694,906	1.12%
Textile	973,612,772	7.58%	920,342,799	7.00%
Trading	575,789,533	4.48%	450,611,808	3.43%
Transport & Communication	376,855,189	2.93%	860,767,306	6.55%
	<b>12,843,738,585</b>	<b>100.00%</b>	<b>13,143,708,954</b>	<b>100.00%</b>

6.5 Geographical Location-wise loans and lease Finance:

Location	As at 31 December 2020		As at 31 December 2019	
	Amount	Composition	Amount	Composition
Dhaka Division	9,962,121,789	77.56%	10,532,613,276	80.13%
Chattogram Division	2,820,307,817	21.96%	2,563,195,521	19.50%
Khulna Division	17,797,738	0.14%	1,132,812	0.01%
Sylhet Division	43,511,241	0.34%	46,767,345	0.36%
	<b>12,843,738,585</b>	<b>100.00%</b>	<b>13,143,708,954</b>	<b>100.00%</b>

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

Particulars	As at 31 December 2020		As at 31 December 2019	
	Amount	Composition	Amount	Composition
<b>Unclassified</b>				
Standard	11,848,360,118	92.25%	12,062,326,692	91.77%
Special Mention Account (SMA)	582,181,152	4.53%	444,653,233	3.38%
	<b>12,430,541,269</b>		<b>12,506,979,925</b>	
<b>Classified</b>				
Substandard	378,192	0.00%	140,675,787	1.07%
Doubtful	17,354,438	0.14%	17,725,994	0.13%
Bad and Loss	395,464,686	3.08%	478,327,247	3.64%
	<b>413,197,316</b>		<b>636,729,029</b>	
	<b>12,843,738,585</b>	<b>100.00%</b>	<b>13,143,708,954</b>	<b>100.00%</b>

6.7 Particulars of provision for Loans and lease Finance

Status	Rate	Basis for Provision	Amount	Amount
			2020	2019
<b>General Provision (for Unclassified portion)</b>				
Standard Non-SME	1%	9,454,149,078	94,541,491	95,281,355
Standard-SME	0.25%	2,394,211,039	5,985,528	6,335,478
Special Mention Account	5%	456,449,310	22,822,466	19,049,867
			<b>123,349,484</b>	<b>120,666,700</b>
<b>Specific Provision</b>				
Substandard	20%	89,146	17,829	25,216,778
Doubtful	50%	4,100,348	2,050,174	1,749,189
Bad or loss	100%	111,566,857	111,566,857	134,329,529
			<b>113,634,860</b>	<b>161,295,496</b>
Required provision for Loans & Lease Finance			236,984,344	281,962,196
Required provision for Other Receivables			45,530,000	25,529,000
Total provision required			<b>282,514,344</b>	<b>307,491,196</b>
Total provision maintained {note # 12.1(a), (b) & (c)}			378,676,985	308,676,985
<b>Surplus Provision</b>			<b>96,162,640</b>	<b>1,185,788</b>

BD Finance has maintained provision on unclassified investment amounting to Tk. 126,577,514 (note # 12.1.b) for classified Loan & Lease Finance Tk. 206,569,471 (note # 12.1.a) and for other receivables Tk. 45,530,000 (note # 12.1.c) totaling Tk. 378,676,985. Surplus provision against unclassified loan/lease is Tk. 3,228,030.

6.8 Particulars of Investments:

(i) Loans, advances and leases considered good in respect of which the financial institution is fully secured	1,378,076,477	1,497,674,313
(ii) Loans, advances and leases considered good against which the financial institution holds no security other than the debtors' personal guarantee	1,083,271,464	2,504,603,996
(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	10,382,390,644	9,141,430,644
	<b>12,843,738,585</b>	<b>13,143,708,954</b>
(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	15,813,770	34,010,995

(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).	630,581,286	382,777,391
(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	4,795,806	10,767,933
(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	995,378,468	1,081,382,262
a) Increase/(decrease) in specific provision	45,000,000	5,802,781
Amount of written off loans, advances and leases	-	-
Total amount realized against loans and leases previously written off	1,394,000	1,394,000
b) Amount of provision kept against loans, advances and leases classified as bad/loss at the date of balance sheet	111,566,857	134,329,529
c) Interest credited to Interest Suspense Account	231,326,523	201,707,276
(xi) Cumulative amount of written off loans, advances and leases		
Balance at the beginning of the year	272,527,307	272,527,307
Amount written off during the year	-	-
	272,527,307	272,527,307
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	536,278,698	484,002,090
Addition during the year	21,654,583	53,876,152
<b>Add:</b> Revaluation During the year	121,522,633	-
<b>Less:</b> Disposal during the year	1,505,433	1,599,544
<b>Closing balance at cost</b>	<b>677,950,481</b>	<b>536,278,698</b>

### B. Depreciation:

Opening balance	131,607,266	96,100,833
Addition during the year	29,957,398	37,105,978
<b>Less:</b> Adjustment on disposal during the year	7,989,163	1,599,544
<b>Accumulated Depreciation</b>	<b>153,575,501</b>	<b>131,607,266</b>
<b>Carrying value</b>	<b>524,374,980</b>	<b>404,671,431</b>

\*Details are given in Annexure-A

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

BD Finance	524,374,980	404,671,431
BD Finance Securities Limited - PPE	10,724,258	8,011,346
BD Finance Securities Limited - Intangible Assets	-	-
BD Finance Capital Holdings Limited.	4,577,693	3,084,274
	<b>539,676,931</b>	<b>415,767,051</b>

## 7.1 Revaluation Surplus on Land And Building

Revalued Amount	481,992,633	360,470,000
Less: Acquisition Value	52,925,188	52,925,188
Less: Deferred Tax Adjustment	17,162,697	12,301,792
<b>Revaluation Surplus</b>	<b>411,904,748</b>	<b>295,243,020</b>

**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. 52,925,188 and for the first time it was revalued on 2010 for Tk. 191,148,790, 2nd time in 2013 for Tk. 302,598,790, 3rd time on 2016 for Tk. 360,470,000 and 4th time on 2020 for Tk. 481,992,633. The last revaluation was conducted by M/s. M I Chowdhury & Co. (Chartered Accountants) having their registered office at House No-21, Tejkunipara, Farmgate, Tejgaon, Dhaka-1215. As a result of revaluation, the Revaluation Surplus stands at Tk. 411,904,748 up from Tk. 295,243,020 appreciating by Tk. 116,661,728 after adjustment of Deferred Tax liability.

**7.b Revaluation Reserve (Consolidated)**

BD Finance	411,904,748	295,243,020
BD Finance Securities Limited	-	-
BD Finance Capital Holdings Limited	-	-
	<b>411,904,748</b>	<b>295,243,020</b>

**8 Other Assets**

Investment in Subsidiaries (Note: 8.1)	849,930,000	849,930,000
Investment in BD Finance Vanguard Mutual Fund One	85,000,000	185,000,000
Receivables, Advances & Deposits (Note 8.2)*	427,723,050	210,822,640
	<b>1,362,653,050</b>	<b>1,245,752,640</b>

**8.a Other Assets (Consolidated)**

BD Finance	512,723,050	395,822,640
BD Finance Securities Limited	959,474,022	1,083,242,532
BD Finance Capital Holdings Limited adjustment	-	(287,928)
BD Finance Capital Holdings Limited	102,397,800	47,004,220
	<b>1,574,594,872</b>	<b>1,525,781,464</b>

**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
	<b>849,930,000</b>	<b>849,930,000</b>

**8.2 Receivables, Advances & Deposits**

**a) Other receivables**

Interest on investment in FDR	10,642,614	16,896,890
Re-imbursable expenses	5,694,375	5,745,470
Receivable Grace Period Interest	27,476,039	26,851,345
Receivable Delinquent Charge	72,950,652	41,556,635
Receivable Penal Interest	175,012,919	70,757,578
Receivable Excise Duty	770,370	770,370
Receivable-Others	8,068,624	6,157,035
Stock of Stamp	68,360	92,380
	<b>300,683,953</b>	<b>168,827,704</b>

**b) Advance, deposits and prepayments**

Advance Office Rent	-	-
Advance against salary	23,580	33,580
Advance others	126,292,749	40,838,642
	<b>126,316,383</b>	<b>40,872,222</b>

**c) Deposits with others**

Deposits with BTTB & Mobile	89,200	89,200
Deposits with Baitul Hossain Building	203,814	203,814
Deposit with Land Lord Bangshal Branch	14,700	414,700
Deposit with CDBL	400,000	400,000
Deposit with Sadharan Bima	15,000	15,000
	<b>722,714</b>	<b>1,122,714</b>
<b>Total Receivables, Advances &amp; Deposits (a+b+c)</b>	<b>427,723,050</b>	<b>210,822,640</b>

\* Deferred Tax Assets have been rearranged and net off with Deferred Tax Liabilities which is presented in Note 12.5 of the Financial Statements to confirm with current year's presentation.

**8.3 Maturity wise classification of other assets**

Receivable on Demand	8,136,984	6,249,415
Not more than 3 months	-	17,205,274
Over 3 months but not more than 1 year	292,546,969	162,578,289
Over 1 year but not more than 5 years	126,316,383	40,872,222
Over 5 years	935,652,714	1,036,052,714
	<b>1,362,653,050</b>	<b>1,262,957,914</b>

**9. Non-Banking Assets**

Income Generating	-	-
Non-Income Generating	212,121,062	212,121,062
	<b>212,121,062</b>	<b>212,121,062</b>

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	291,959,139	315,137,385
Un secured	2,658,619,936	2,782,118,149
	<b>2,950,579,075</b>	<b>3,097,255,534</b>

In Bangladesh	2,950,579,075	3,097,255,534
Outside Bangladesh	-	-
	<b>2,950,579,075</b>	<b>3,097,255,534</b>

**10.a Borrowing from other banks, Financial Institutions and agents**

BD Finance	2,950,579,075	3,097,255,534
BD Finance Securities Limited	113,473,862	232,375,274
BD Finance Capital Holdings Limited	-	-
	<b>3,064,052,937</b>	<b>3,329,630,807</b>

**10.1 In Bangladesh**

Refinance against SME loan from Bangladesh Bank	18,024,255	19,018,422
Refinance against Housing loan from Bangladesh Bank	446,479	614,338
Refinance against SME loan from JICA	37,535,320	75,369,266
Refinance against BB Stimulus Package	25,000,000	-
Term Loan from other Banks (Note-10.2)	1,285,243,453	1,315,985,958
Short Term Loan from other banks (Note-10.3)	1,278,629,569	1,231,167,550
Short Term Borrowing	193,000,000	290,800,000
Call Loan	112,700,000	164,300,000
	<b>2,950,579,075</b>	<b>3,097,255,534</b>

**10.2 Term loan from Other Banks**

Bank Asia Ltd.	58,532,921	65,878,682
Basic Bank Ltd.	206,560,770	191,828,443
Jamuna Bank Ltd	168,334,052	180,071,822
Midland Bank Ltd.	135,755,326	141,832,965
Mutual Trust Bank Ltd.	37,547,349	48,331,486
NCC Bank Ltd.	193,584,499	195,926,862
Prime Bank Ltd.	22,818,976	22,954,852
Shahjalal Islami Bank Ltd.	157,076,586	157,076,586
Social Islami Bank Ltd.	117,163,857	111,951,270
Southeast Bank Ltd.	79,371,400	78,968,121
Standard Bank Ltd.	-	10,380,019
United Commercial Bank Ltd.	108,497,717	110,784,850
	<b>1,285,243,453</b>	<b>1,315,985,958</b>

**10.3 Short Term Loan from Other Banks**

Basic Bank Ltd.	119,175,343	120,481,884
Jamuna Bank Ltd.	153,502,865	155,011,777
Mercantile Bank Ltd.	176,602,940	206,137,003
Midland Bank limited	100,432,926	107,178,907
Mutual Trust Bank Ltd.	214,594,469	98,088,084
NRB Commercial Bank Ltd.	60,491,558	96,567,417
Southeast Bank Ltd.	111,039,444	103,930,289
South Bangla Agriculture & Commerce Bank Ltd.	112,292,239	111,923,254
Standard Bank Limited	140,996,180	133,273,149
Uttara Bank Ltd.	89,501,606	98,575,787
	<b>1,278,629,569</b>	<b>1,231,167,550</b>

**10.4 Maturity wise classification of loan**

Repayable on demand	112,700,000	164,300,000
Within 1 month	62,369,980	68,071,519
Over 1 months but not more than 3 months	233,887,426	255,268,198
Over 3 months but not more than 1 year	1,278,629,569	1,231,167,550
Over 1 year but not more than 5 years	1,262,992,100	1,378,448,267
Over 5 years	-	-
	<b>2,950,579,075</b>	<b>3,097,255,534</b>

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)	7,082,758,521	7,168,260,473
Scheme Deposits (Note - 11.2)	942,733,962	1,105,722,291
Other Deposits (Note - 11.3)	481,592,434	428,936,445
Advance Rent and Installments (Note - 11.4)	109,357,524	134,149,152
	<b>8,616,442,442</b>	<b>8,837,068,361</b>

**11.a Deposits and Other Accounts (Consolidated)**

BD Finance	8,616,442,442	8,837,068,361
BD Finance Securities Limited	-	-
BD Finance Capital Holdings Limited	-	-
	<b>8,616,442,442</b>	<b>8,837,068,361</b>

**11.1 Term Deposits**

General Deposits	3,667,852,102	3,292,317,368
Deposit from Other Banks and FI's (Note - 11.5)	3,414,906,419	3,875,943,105
	<b>7,082,758,521</b>	<b>7,168,260,473</b>

**11.2 Scheme Deposits**

General Deposits	942,733,962	1,105,722,291
Deposit from Other Banks and FI's	-	-
	<b>942,733,962</b>	<b>1,105,722,291</b>

<b>11.3 Other Deposits</b>		
Lease deposits	25,884,729	26,070,187
Security deposits	272,670	244,170
Sundry Creditors	455,435,035	402,622,088
	<b>481,592,434</b>	<b>428,936,445</b>
<b>11.4 Advance Rent and Installments</b>		
Advance Lease Rent	9,733,976	24,009,542
Advance Term Installments	99,623,548	110,139,609
	<b>109,357,524</b>	<b>134,149,152</b>
<b>11.5 Term Deposits from other bank and FI's</b>		
Term Deposits from Banks	3,002,000,000	3,410,000,000
Term Deposits from NBFIs	412,906,419	465,943,105
	<b>3,414,906,419</b>	<b>3,875,943,105</b>
<b>Term Deposits from Banks</b>		
AB Bank Limited	-	50,000,000
Agrani Bank Ltd.	900,000,000	700,000,000
Janata Bank Ltd.	550,000,000	550,000,000
Midland Bank Ltd	115,000,000	120,000,000
Modhumoti Bank Ltd	360,000,000	360,000,000
National Credit And Commerce Bank Ltd.	47,000,000	100,000,000
NRB Bank Ltd.	50,000,000	50,000,000
NRB Commercial Bank	80,000,000	80,000,000
Rupali Bank Ltd.	-	400,000,000
Sonali Bank Ltd.	200,000,000	200,000,000
South Bangla Agriculture And Commerce Bank Ltd	200,000,000	200,000,000
The City Bank Ltd.	500,000,000	600,000,000
	<b>3,002,000,000</b>	<b>3,410,000,000</b>
<b>Term Deposits from NBFIs</b>		
Bangladesh Infrastructure Finance Fund Limited (BIFFL)	48,400,000	85,943,105
Infrastructure Development Company Limited (IDCOL)	314,506,419	380,000,000
IPDC Finance Limited	50,000,000	-
	<b>412,906,419</b>	<b>465,943,105</b>
<b>11.6 Maturity wise classification of Deposits</b>		
Repayable on demand	-	-
Within 1 month	430,822,122	441,853,418
Over 1 months but not more than 3 months	1,033,973,093	1,060,448,203
Over 3 months but not more than 1 year	1,464,795,215	1,502,301,621
Over 1 year but not more than 5 years	4,394,385,645	4,506,904,864
Over 5 year to 10 years	1,292,466,366	1,325,560,254
Over 10 years	-	-
	<b>8,616,442,442</b>	<b>8,837,068,361</b>

<b>12. Other Liabilities</b>		
Provision for Loans and Lease Finance (Note - 12.1 )	378,676,985	308,676,985
Provisions for Investment in Securities (Note - 12.2)	47,825,968	80,825,968
Interest Suspense (Note - 12.3)	231,326,523	201,707,276
Provision for Taxation (Note - 12.4)	208,184,918	286,225,454
Deferred Tax (Note - 12.5)	2,124,746	5,151,623
Interest payable on Borrowing and Deposits (Note - 12.6)	162,891,966	256,026,969
Payable & Provision against expenditure (Note - 12.7)	324,103,650	286,873,367
Advance Rent Received	2,831,250	7,406,250
Advance Excise Duty Received	8,630,650	9,229,750
Gratuity Fund (Note - 12.8)	21,019,661	21,890,854
Dividend payable	172,505,304	4,975,696
	<b>1,560,121,621</b>	<b>1,468,990,191</b>
<b>12.a Other Liabilities (Consolidated)</b>		
BD Finance	1,560,121,621	1,468,990,191
BD Finance Securities Limited	208,347,941	236,419,583
BD Finance Capital Holdings Limited	52,714,513	38,904,122
BD Finance Capital Holdings Limited - Adjustment	(39,477)	(319)
	<b>1,821,144,599</b>	<b>1,744,313,577</b>
<b>12.1 Provision for Investment:</b>		
<b>(a) Provision on Classified Investment:</b>		
Provision held at the beginning of the year	161,569,471	155,666,690
Provision adjustment for Loan/Lease written off during the year	-	-
Recovery against Loan/Lease previously written off	-	100,000
Net charge to Profit & Loss Account (Note - 32)	45,000,000	5,802,781
<b>Provision held at the end of the year</b>	<b>206,569,471</b>	<b>161,569,471</b>
<b>(b) General Provision on Unclassified Investment:</b>		
Provision held at the beginning of the year	121,577,514	113,680,295
Net charge to Profit & Loss Account (Note - 32)	5,000,000	7,897,219
Balance at the end of the year	<b>126,577,514</b>	<b>121,577,514</b>
<b>(c) Provision on Other Receivables:</b>		
Provision held at the beginning of the year	25,530,000	5,828,000
Net charge to Profit & Loss Account (Note - 32)	20,000,000	19,702,000
Balance at the end of the year	<b>45,530,000</b>	<b>25,530,000</b>
<b>Total Provision for Investments</b>	<b>378,676,985</b>	<b>308,676,985</b>
<b>12.2 Provision for Investment in Securities:</b>		
Provision held at the beginning of the year	80,825,968	188,067,968
Addition/(Adjustment) during the year (note - 32)	(33,000,000)	(107,242,000)
<b>Balance at the end of the year</b>	<b>47,825,968</b>	<b>80,825,968</b>
<b>12.3 Interest Suspense Account:</b>		
Balance at the beginning of the year	201,707,276	237,145,672
Amount transferred to suspense account during the year	29,619,247	(35,438,395)
Amount recovered from suspense account during the year	-	-
<b>Balance at the end of the year</b>	<b>231,326,523</b>	<b>201,707,276</b>
<b>12.4 Provision for Taxation</b>		
<b>Provision</b>		
Balance at the beginning of the year	1,082,153,959	886,127,368
Less: Adjustment during the year	-	-
	1,082,153,959	886,127,368
Add: Provision made during the year	127,305,584	196,026,591
	1,209,459,543	1,082,153,959
Settlement of previous year's tax liability	-	-
<b>Balance at the end of the year</b>	<b>1,209,459,543</b>	<b>1,082,153,959</b>



**Advance tax**

Balance at the beginning of the year	795,928,505	701,115,672
Add: Payment made during the year	197,067,774	90,257,237
Under sections 64 and 74 of ITO, 1984	8,278,346	4,555,596
Deduction at source	<b>1,001,274,625</b>	<b>795,928,505</b>
Less: Adjustment during the year	-	-
<b>Balance at the end of the year</b>	<b>1,001,274,625</b>	<b>795,928,505</b>
<b>Net balance at the end of the year</b>	<b>208,184,918</b>	<b>286,225,454</b>

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

Tax expenses (A)	119,417,802	204,267,278
Accounting profit before tax (B)	345,241,744	422,530,034
<b>Average effective tax rate (A÷B)</b>	<b>34.59%</b>	<b>48.34%</b>

**Reason for changes in Average effective tax rate:**

Average effective tax rate decreased compared to previous year due to realized gain against investment in shares as against loss in previous year which was considered separately from business profit having reduced tax rate.

**Reconciliation of effective tax rate**

	<b>2020</b>	
	<b>%</b>	<b>Taka</b>
Profit before income tax as per profit or loss account		345,241,744
Income tax as per applicable tax rate	37.50%	129,465,654
Net inadmissible expenses	-0.39%	(1,348,865)
Tax exempted income	0.00%	-
Tax savings from reduced tax rates (on dividend income)	-0.23%	(811,205)
Tax savings from reduced tax rates (for gain on sale of securities)	0.00%	-
Effect of deferred tax	-2.28%	(7,887,782)
<b>Total income tax expenses</b>	<b>34.59%</b>	<b>119,417,802</b>

**Reconciliation of effective tax rate**

	<b>2019</b>	
	<b>%</b>	<b>Taka</b>
Profit before income tax as per profit or loss account		422,530,034
Income tax as per applicable tax rate	37.50%	158,448,763
Net inadmissible expenses	9.05%	38,223,738
Tax exempted income	0.00%	-
Tax savings from reduced tax rates (on dividend income)	-0.15%	(645,910)
Tax savings from reduced tax rates (for gain on sale of securities)	0.00%	-
Effect of deferred tax	1.95%	8,240,687
<b>Total income tax expenses</b>	<b>48.34%</b>	<b>204,267,278</b>

**12.5 Deferred Tax****a) Deferred Tax Liabilities**

Deferred tax liabilities have been recognized 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	429,067,445	307,544,812
Tax	4%	4%
	<b>17,162,698</b>	<b>12,301,792</b>
Right-of-use Assets	4,097,534	26,813,611
Tax	37.50%	37.50%
	<b>1,536,575</b>	<b>10,055,104</b>
<b>Total deferred tax liabilities</b>	<b>18,699,273</b>	<b>22,356,897</b>

**Movement of deferred tax liabilities is as follows**

Balance at the beginning of the year	22,356,897	12,301,792
Adjustment during the year	(3,657,624)	10,055,105
<b>Balance at the end of the year</b>	<b>18,699,273</b>	<b>22,356,897</b>

**b) Deferred Tax Asset\***

Deferred tax assets have been recognized 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	21,019,661	21,890,854
Fixed assets excluding land & ROU	23,179,077	23,989,876
	<b>44,198,738</b>	<b>45,880,730</b>
Tax	37.50%	37.50%
<b>Deferred tax assets</b>	<b>16,574,527</b>	<b>17,205,274</b>

Movement of deferred tax assets is as follows

Balance at the beginning of the year	17,205,274	15,390,857
Credited/(debited) to profit and loss account during the year	(630,747)	1,814,417
<b>Balance at the end of the year</b>	<b>16,574,527</b>	<b>17,205,274</b>

**Net Deferred Tax Liabilities (a-b)**

**2,124,746**                      **5,151,623**

\* Deferred Tax Assets have been rearranged and net off with Deferred Tax Liabilities which was previously presented in Note 8.2 of the Financial Statements to confirm with current year's presentation.

**12.6 Interest payable on Borrowing and Deposits**

Interest payable on TDR and other deposits	111,798,789	191,889,779
Interest payable on Term Loan	50,001,912	62,952,586
Interest payable on Refinancing loan from BB (SME)	58,379	144,410
Interest payable on Refinancing loan from BB (Housing)	11,246	10,754
Interest payable on Refinancing loan from JICA	815,973	911,047
Interest payable on BB Stimulus Package	75,000	-
Interest Payable on Call loan	62,476	50,203
Interest payable on Security Deposit	68,190	68,190
<b>Balance at the end of the year</b>	<b>162,891,966</b>	<b>256,026,969</b>

**12.7 Payable & Provision against expenditure**

Advance transfer price	3,001	3,001
Payable others	234,195,363	151,119,420
Payable to BD Finance Foundation	50,309,988	50,309,988
Liability for Lease Rent	22,696,037	20,863,263
Withholding Excise Duty	13,479,718	10,170,097
Withholding Tax	3,021,590	53,531,465
Withholding VAT	397,954	876,132
<b>Balance at the end of the year</b>	<b>324,103,650</b>	<b>286,873,367</b>

**12.8 Gratuity Fund**

Opening balance	21,890,854	22,507,743
Add: Provision during the year	3,200,216	2,757,888
Less: Payment during the year	(4,071,409)	(3,374,777)
<b>Closing balance</b>	<b>21,019,661</b>	<b>21,890,854</b>

**12.9 Maturity wise classification of other liabilities**

Repayable on demand	172,505,304	4,975,696
Within 1 month	3,419,543	54,407,597
Over 1 months but not more than 3 months	13,479,718	10,170,097
Over 3 months but not more than 1 year	162,891,966	256,026,969
Over 1 year but not more than 5 years	483,130,036	464,246,042
Over 5 years	724,695,054	696,369,064
<b>Balance at the end of the year</b>	<b>1,560,121,621</b>	<b>1,468,990,191</b>

**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 &amp; General Shareholders

**1,675,296,080**      **1,675,296,080**

Sponsor Shareholders Group

507,948,960      507,948,960

General Shareholders Group

1,167,347,120      1,167,347,120

**1,675,296,080**      **1,675,296,080****General Shareholders Group:**

General Public (Individuals)

761,319,560      926,571,130

Institutions

405,464,090      239,912,080

Unit fund

-      -

Investors Account

563,470      863,910

Mutual Fund

-      -

**1,167,347,120**      **1,167,347,120**

Classification of Shareholders by holding:	No. of Shareholders	No. of Shares	Percentage of Share Holding
Less than 500 shares	4,770	705,795	0.42%
501 to 5,000 shares	3,293	5,920,108	3.53%
5,001 to 10,000 shares	495	3,753,237	2.24%
10,001 to 20,000 shares	260	3,916,617	2.34%
20,001 to 30,000 shares	99	2,468,295	1.47%
30,001 to 40,000 shares	73	2,578,397	1.54%
40,001 to 50,000 shares	51	2,350,878	1.40%
50,001 to 1,00,000 shares	93	6,977,295	4.16%
1,00,001 to 10,00,000 shares	121	35,293,848	21.07%
10,00,001 to 99,99,999 shares	36	103,565,138	61.82%
<b>Total</b>	<b>9,291</b>	<b>167,529,608</b>	<b>100.00%</b>

Year	Declaration	No of Shares	Value of Shares	Cumulative value of shares
1999	Sponsored Share	500,000	5,000,000	5,000,000
1999	Allotment Share	4,500,000	45,000,000	50,000,000
2003	Bonus Share	500,000	5,000,000	55,000,000
2003	Right Share	1,000,000	10,000,000	65,000,000
2004	Right Share	7,506,000	75,060,000	140,060,000
2004	Bonus Share	780,000	7,800,000	147,860,000
2005	Right Share	4,201,800	42,018,000	189,878,000
2005	Bonus Share	1,478,600	14,786,000	204,664,000
2006	Bonus Share	2,865,290	28,652,900	233,316,900
2007	IPO	7,000,000	70,000,000	303,316,900
2008	Bonus Share	3,033,160	30,331,600	333,648,500
2009	Bonus Share	3,336,480	33,364,800	367,013,300

2010	Bonus Share	7,340,260	73,402,600	440,415,900
2011	Bonus Share	9,689,149	96,891,490	537,307,390
2012	Bonus Share	5,373,073	53,730,730	591,038,120
2013	Bonus Share	5,910,380	59,103,810	650,141,930
2013	Right Share	39,008,515	390,085,150	1,040,227,080
2014	Bonus Share	10,402,270	104,022,700	1,144,249,780
2015	Bonus Share	11,442,497	114,424,970	1,258,674,750
2016	Bonus Share	12,586,747	125,867,470	1,384,542,220
2017	Bonus Share	13,845,422	138,454,220	1,522,996,440
2018	Bonus Share	15,229,964	152,299,640	1,675,296,080
2019		-	-	1,675,296,080

### 13.3 Capital under Capital Adequacy and Market Discipline (CAMD)

As per the section 4 (GHA) of the Financial Institutions Rule, 1994 and subsequent DFIM circular no. 05, dated July 24, 2011, the minimum paid-up capital of the Financial Institution (FI) shall be Taka 100 crore; provided that the sum of paid-up capital and reserves shall not be less than the minimum capital required under the Risk-Based Assets of the company, criteria determined by the Bangladesh Bank.

The Surplus eligible capital of the company solo and consolidated at the close of business on 31 December 2020 were Taka 1,072,988,834 and Taka 1,592,329,107 respectively.

Details are as follows:

	BD Finance		BD Finance Group	
	31.12.2020 Taka	31.12.2019 Taka	31.12.2020 Taka	31.12.2019 Taka
<b>a) Core Capital (Tier-I):</b>				
i) Paid-up Capital	1,675,296,080	1,675,296,080	1,675,296,080	1,675,296,080
ii) Statutory Reserve (Note # 14)	408,824,581	363,659,793	408,824,581	363,659,793
iii) General Reserve (Note # 15)	-	-	-	-
iv) Retained Earnings (Note # 16)	290,356,834	277,227,289	462,642,825	374,423,402
v) Minority interest (Note # 16.b)	-	-	505,476,702	491,804,108
vi) Others (If any approved by Bangladesh Bank)	-	-	33,744,750	33,744,750
	<b>2,374,477,495</b>	<b>2,316,183,162</b>	<b>3,085,984,938</b>	<b>2,938,928,132</b>
<b>b) Supplementary Capital (Tier-II):</b>	<b>332,529,888</b>	<b>269,199,024</b>	<b>332,529,888</b>	<b>269,199,024</b>
i) General Provision (Unclassified loans up to specified limit + SMA-Off Balance sheet exposuers) {Note 12.1(b)}*	126,577,514	121,577,514	126,577,514	121,577,514
ii) Assets Revaluation Reserves up to 50%	205,952,374	147,621,510	205,952,374	147,621,510
iii) Revaluation Reserves for Securities up to 45%	-	-	-	-
iv) All others preference Shares	-	-	-	-
v) Others (If any approved by Bangladesh Bank)	-	-	-	-
<b>c) Total eligible capital (a +b)</b>	<b>2,707,007,383</b>	<b>2,585,382,186</b>	<b>3,418,514,826</b>	<b>3,208,127,156</b>

<b>Total Assets Including off-balance sheet exposer</b>	16,113,525,383	16,131,945,543	16,999,529,663	17,162,389,174
<b>D) Total risk weighted Assets</b>	16,340,185,496	16,646,775,015	18,261,857,192	18,261,857,192
<b>E) Required Capital Based on risk weighted Assets (10% of D)</b>	1,634,018,550	1,664,677,502	1,826,185,719	1,826,185,719
<b>F) Surplus (C-E)</b>	1,072,988,834	920,704,684	1,592,329,107	1,381,941,437
Capital adequacy Ratio (%)	16.57%	15.53%	18.72%	17.57%

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

<b>14. Statutory Reserve</b>				
Opening balance			363,659,793	320,007,242
<b>Add:</b> Addition during the period			45,164,788	43,652,551
			<b>408,824,581</b>	<b>363,659,793</b>
<b>15. General Reserve</b>				
Opening balance			-	-
<b>Add:</b> Transfer from Retained Earning			-	-
<b>Less:</b> Distribution During the period			-	-
			-	-
<b>16. Retained Earnings</b>				
Opening balance			277,227,289	254,916,724
Add: Profit After Tax during the period			225,823,942	218,262,756
Less: Transfer to Statutory Reserve			(45,164,788)	(43,652,551)
Less: Dividend Payable			(167,529,608)	-
Less: Issue of Bonus Shares			-	(152,299,640)
			<b>290,356,834</b>	<b>277,227,289</b>
<b>16.a Retained Earnings (Consolidated)</b>				
BD Finance			290,356,834	277,227,289
BD Finance Securities Limited			113,089,509	81,061,581
BD Finance Capital Holdings Limited			107,447,934	50,713,390
Adjustment for Minority Interest			(48,251,452)	(34,578,858)
			<b>462,642,825</b>	<b>374,423,402</b>
<b>16.b Non Controlling Interest (Consolidated)</b>				
<b>BD Finance Securities Limited</b>				
Paid up Capital			457,150,000	457,150,000
Retained Profit/(Loss)			48,221,367	34,564,658
			<b>505,371,367</b>	<b>491,714,658</b>
<b>BD Finance Capital Holdings Limited.</b>				
Paid up Capital			75,250	75,250
Retained Profit/(Loss)			30,085	14,200
			<b>105,335</b>	<b>89,450</b>
			<b>505,476,702</b>	<b>491,804,108</b>
<b>16.1 Capital Reserve</b>				
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
			<b>33,744,750</b>	<b>33,744,750</b>

Capital reserve created for interim Stock Dividend received from the Subsidiary companies in the year 2014.

<b>17. Letters of Guarantees</b>		
Letters of guarantee	200,000,000	100,000,000
Less: Margin	-	-
	<b>200,000,000</b>	<b>100,000,000</b>
<b>18. Profit and Loss Account</b>		
<b>Income</b>		
Interest, discount and similar income (Note - 19)	1,659,542,072	1,943,814,223
Dividend income (Note - 21)	4,349,743	3,405,200
Commission, Exchange and Brokerage	1,000,000	486,355
Gains/(loss) arising from investment in securities (Note - 21)	33,710,974	(180,780,845)
Other operating income (Note - 22)	37,180,018	165,989,325
	<b>1,735,782,807</b>	<b>1,932,914,258</b>
<b>Expenses:</b>		
Interest paid on Deposits & Borrowing (Note - 20)	1,166,184,163	1,365,252,907
Administrative expenses	126,517,875	135,944,376
Other operating expenses (Note - 31)	19,240,065	32,457,872
Depreciation on Fixed assets {Note-30(a)+30(b)+Note-30(c)}	41,598,960	50,569,069
	<b>1,353,541,063</b>	<b>1,584,224,224</b>
<b>Income over expenditure</b>	<b>382,241,744</b>	<b>348,690,034</b>
<b>19. Interest income</b>		
Interest income on Loans & Lease Finance (Note - 19.1)	1,630,441,321	1,909,225,903
Interest on placement with other Banks & Fis (Note - 19.2)	29,100,751	34,588,321
	<b>1,659,542,072</b>	<b>1,943,814,223</b>
<b>19.a Interest Income (Consolidated)</b>		
BD Finance	1,659,542,072	1,943,814,223
BD Finance Securities Limited	80,430,527	91,228,259
BD Finance Capital Holdings Limited	3,484,515	3,242,604
BD Finance Securities Limited-Adjustment	(53,928,935)	(51,621,261)
BD Finance Capital Holdings Limited.-Adjustment	(595,340)	(3,724,648)
	<b>1,688,932,839</b>	<b>1,982,939,177</b>
<b>19.1 Interest on Loans &amp; Lease Finance</b>		
Interest income on lease finance	154,664,004	169,740,634
Interest income on term finance	1,174,287,504	1,545,229,549
Interest on housing finance	301,489,813	194,255,719
	<b>1,630,441,321</b>	<b>1,909,225,903</b>
<b>19.2 Interest on placement with other banks &amp; FIS</b>		
Interest on FDR	26,112,192	33,690,252
Interest on STD accounts	2,988,559	898,069
Interest on fund placements	-	-
	<b>29,100,751</b>	<b>34,588,321</b>
<b>20. Interest paid on deposits &amp; borrowing</b>		
Interest paid on deposits	873,216,597	973,854,887
Interest paid on borrowings (Note - 20.1)	290,927,356	388,524,860
Interest on lease liabilities	2,040,211	2,873,160
	<b>1,166,184,163</b>	<b>1,365,252,907</b>
<b>20.a Interest Expenses (Consolidated)</b>		
BD Finance	1,166,184,163	1,365,252,907
BD Finance Securities Limited	27,146,830	35,701,499
BD Finance Capital Holdings Limited	301,176	-
	<b>1,193,632,170</b>	<b>1,400,954,406</b>

<b>20.1 Interest paid on borrowing</b>		
Interest Expenses on Term Loan	167,006,873	225,191,823
Interest Expenses on SOD Loan	114,550,060	149,014,441
Interest Expenses on Call Loan	5,637,824	8,615,789
Interest Expenses on Re-financing loan	3,732,598	5,702,807
	<b>290,927,356</b>	<b>388,524,860</b>
<b>21. Income from Investment in Securities</b>		
Gain/(Loss) from Investment in Shares	33,710,974	(180,780,845)
Dividend Income	4,349,743	3,405,200
	<b>38,060,717</b>	<b>(177,375,645)</b>
<b>21.a Income from Investment in Securities (Consolidated)</b>		
BD Finance	38,060,717	(177,375,645)
BD Finance Securities Limited	27,166,604	9,520,188
BD Finance Capital Holdings Limited	66,757,152	(22,724,844)
	<b>131,984,473</b>	<b>(190,580,301)</b>
<b>21.b Commission, Exchange and Brokerage (Consolidated)</b>		
BD Finance	1,000,000	486,355
BD Finance Securities Limited	69,094,504	63,207,958
BD Finance Capital Holdings Limited	1,870,116	3,993,612
Less: Adjustment of BD Finance Securities Limited	(400,000)	(400,000)
	<b>71,564,619</b>	<b>67,287,925</b>
<b>22. Other Operating Income:</b>		
Penal Interest	16,131,014	146,992,251
Loan Settlement & Others	5,704,873	3,130,741
Contact point verification (CPV)	425,695	965,851
Ledger management (LM)	152,500	242,500
Transfer Price	68,001	61,000
Processing fees	688,313	325,200
Legal & Documentation charge	833,373	1,044,504
Office Rent (64 Motijheel)	13,137,000	13,059,500
Other Income (Note-22.1)	39,250	167,778
	<b>37,180,018</b>	<b>165,989,325</b>
<b>22.a Other Operating Income (Consolidated)</b>		
BD Finance	37,180,018	165,989,325
BD Finance Securities Limited	131,691	292,540
BD Finance Capital Holdings Limited	1,178,978	210,829
Less: Adjustment of BD Finance Securities Limited	-	(3,597,250)
Less: Adjustment of BD Finance Capital Holdings Limited	-	(1,821,600)
	<b>38,490,686</b>	<b>161,073,844</b>
<b>22.1 Other Income</b>		
Gain/(loss) on sale of fixed assets	39,250	14,001
Miscellaneous income	-	153,777
	<b>39,250</b>	<b>167,778</b>
<b>23. Salary &amp; Allowances</b>		
Basic Salary	48,431,477	49,964,645
Allowances	42,594,484	48,351,065
Bonus	8,004,821	8,428,224
Earned Leave Encashment	1,087,500	2,014,611
Employer's Contribution to Provident fund	3,911,723	3,890,282
Wages	1,274,972	899,009
	<b>105,304,976</b>	<b>113,547,836</b>

<b>23.a Salary &amp; Allowances (Consolidated)</b>		
BD Finance	105,304,976	113,547,836
BD Finance Securities Limited	16,003,952	19,347,306
BD Finance Capital Holdings Limited	8,748,989	7,463,660
	<b>130,057,917</b>	<b>140,358,802</b>
<b>24. Rent, Taxes, Insurance, Electricity etc.</b>		
Rent, Rates & Taxes	2,802,076	-
Insurance	640,623	531,779
Electricity & Lighting, WASA, Gas etc.	2,162,554	2,522,677
	<b>5,605,253</b>	<b>3,054,455</b>
The amount represents VAT paid to Govt. Exchequer against Office Rent which was separately considered under IFRS 16 in current year.		
<b>24.a Rent, Taxes, Insurance, Electricity etc.(Consolidated)</b>		
BD Finance	5,605,253	3,054,455
BD Finance Securities Limited	471,187	7,913,367
BD Finance Capital Holdings Limited	268,063	3,966,893
BD Finance Securities Limited-Adjustment	-	(3,597,250)
BD Finance Capital Holdings Limited-Adjustment	-	(1,821,600)
	<b>6,344,503</b>	<b>9,515,865</b>
<b>25. Legal &amp; Professional Fees</b>		
Legal Fees & Charge	2,361,271	1,513,964
Other Legal Expenses	-	-
	<b>2,361,271</b>	<b>1,513,964</b>
<b>25.a Legal &amp; Professional Fees (Consolidated)</b>		
BD Finance	2,361,271	1,513,964
BD Finance Securities Limited	764,486	156,749
BD Finance Capital Holdings Limited	-	11,500
	<b>3,125,757</b>	<b>1,682,213</b>
<b>26. Postage, Stamps, Telecommunication etc.</b>		
Stamp & Court Fees	250,742	294,276
Internet expenses	1,143,908	1,156,782
Postage & Courier Expenses	45,457	49,879
Telephone & Fax Expenses	126,935	201,590
Mobile Expenses	1,029,657	1,095,899
	<b>2,596,699</b>	<b>2,798,426</b>
<b>26.a Postage, Stamps, Telecommunication (Consolidated)</b>		
BD Finance	2,596,699	2,798,426
BD Finance Securities Limited	976,405	1,039,546
BD Finance Capital Holdings Limited	194,839	207,734
	<b>3,767,944</b>	<b>4,045,706</b>
<b>27. Stationery, Printing, Advertisements etc.</b>		
Stationery-Toner & Cartridge	139,521	237,425
Stationery Expenses	430,914	464,685
Printing Expenses	832,639	2,070,549
Advertisement and Publicity	3,450,635	4,400,036
	<b>4,853,709</b>	<b>7,172,695</b>
<b>27.a Stationery, Printing, Advertisements etc.(Consolidated)</b>		
BD Finance	4,853,709	7,172,695
BD Finance Securities Limited	223,549	352,529
BD Finance Capital Holdings Limited	56,175	61,407
	<b>5,133,433</b>	<b>7,586,631</b>



<b>28. Managing Director's Salary and Allowances</b>		
Basic Salary	1,840,833	3,000,000
Allowances	2,390,833	3,500,000
Bonus	-	500,000
	<b>4,231,667</b>	<b>7,000,000</b>
<b>29. Directors' Fees</b>		
Honorarium for attending meeting	904,800	632,000
Incidental expenses for attending meeting	-	-
	<b>904,800</b>	<b>632,000</b>
Total 8 numbers of Board Meeting, 2 numbers of Executive Committee and 4 nos. of Audit Committee Meeting were held during the period from 1st January 2020 to 31 December 2020. Each Director was paid Tk. 8,000 for attending in the meeting as per Bangladesh Bank DFIM Circular No. 13 Dated 30 November, 2015		
<b>29.a Directors' Fees (Consolidated)</b>		
BD Finance	904,800	632,000
BD Finance Securities Limited	128,000	339,750
BD Finance Capital Holdings Limited	120,000	112,000
	<b>1,152,800</b>	<b>1,083,750</b>
<b>29.b Audit Fees (Consolidated)</b>		
BD Finance	659,500	225,000
BD Finance Securities Limited	230,000	50,000
BD Finance Capital Holdings Limited	172,500	25,556
	<b>1,062,000</b>	<b>300,556</b>
<b>30. Depreciation and Repair of Assets</b>		
<b>a) Depreciation of Assets</b>		
Building	-	539,871
Furniture & Fixtures	1,732,535	2,665,821
Office Equipment	2,803,706	3,312,303
Motor Vehicles	2,165,858	5,253,275
System & Software	4,548,211	4,514,063
Office Renovation	1,314,833	1,329,262
Right-of-use Asset	17,392,555	19,491,383
	<b>29,957,698</b>	<b>37,105,978</b>
<b>b) Repair of Assets</b>		
Office Equipment	545,277	980,092
Office Furniture & Fixtures	74,529	25,661
Motor Vehicles	11,021,456	12,457,338
	<b>11,641,262</b>	<b>13,463,091</b>
	<b>41,598,960</b>	<b>50,569,069</b>
<b>30.a Depreciation and Repair of Assets (Consolidated)</b>		
BD Finance	41,598,960	50,569,069
BD Finance Securities Limited	2,307,507	2,500,987
BD Securities Right-of-use Asset	6,251,522	-
BD Capital Right-of-use Asset	2,545,345	-
BD Finance Capital Holdings Limited	839,815	943,509
	<b>53,543,149</b>	<b>54,013,565</b>
<b>31. Other Expenses</b>		
Petrol, Oil, Lubricants, CNG & others	2,059,955	3,481,025
Entertainment	2,015,566	3,203,708
Donation and Subscription	2,014,921	2,919,233
Donation to BD Finance Foundation*	-	10,834,103
Traveling and Conveyance	1,178,801	1,734,077
Training Expenses	2,500	189,613
Retirement benefits and gratuity	3,200,216	2,757,888
Registration & Renewal Expenses	1,178,849	1,054,138

Papers & Periodicals	26,864	49,755
Office Maintenance	787,761	484,399
Office Supplies	1,113,450	883,903
Software Maintenance & other IT enabled services	2,052,193	1,560,000
Uniform & Liveries	167,401	112,124
Bank Charges & Excise Duty	1,344,008	1,365,046
Business development & Promotion	2,150	52,431
Security Service-Outsourcing	1,563,697	1,507,074
AGM & Meeting expenses	420,250	183,570
Miscellaneous Expenses	111,484	85,786
	<b>19,240,065</b>	<b>32,457,872</b>

\*The Board of Directors of BD Finance further decided to make donation to BD Finance Foundation @ 2.50% of Profit before Tax only after utilization of existing fund against different CSR activities.

**31.a Other Expenses (Consolidated)**

BD Finance	19,240,065	32,457,872
BD Finance Securities Limited-DSE charges	21,537,689	24,109,124
BD Finance Securities Limited	1,687,117	2,048,922
BD Finance Capital Holdings Limited	1,627,486	970,801
	<b>44,092,357</b>	<b>59,586,719</b>

**32. Provision against loans, lease finance & Others**

Provision on classified loans {Note-12.1(a)}	45,000,000	5,802,781
Provision on unclassified Loans & Advances {Note-12.1(b)}	5,000,000	7,897,219
Provision on other receivables {Note-12.1(c)}	20,000,000	19,702,000
Provisions on Investment in Securities (Note - 12.2)	(33,000,000)	(107,242,000)
	<b>37,000,000</b>	<b>(73,840,000)</b>

**32.a Provision on Investment in Securities (Consolidated)**

BD Finance	(33,000,000)	(107,242,000)
BD Finance Securities Limited	-	1,853,015
BD Finance Capital Holdings Limited	(3,300,000)	-
	<b>(36,300,000)</b>	<b>(105,388,985)</b>

**33. Earnings Per Share (EPS)**

Calculation of Earnings Per Share (Note - 2.17)		
Net Profit after Tax	225,823,942	218,262,756
Number of Ordinary Shares outstanding (Denominator)	167,529,608	167,529,608
<b>Earnings Per Share</b>	<b>1.35</b>	<b>1.30</b>

Reason for changes in Earnings Per Share (EPS):

The financial performance of the Company increased compared to previous year due to decline of operating cost and realized gain from investment in securities as against realized loss on previous year.

**33.a Earnings Per Share (EPS) (Consolidated)**

Calculation of Earnings Per Share (Note - 2.17)		
Net Profit after Tax	300,913,820	188,128,804
Number of Ordinary Shares outstanding (Denominator)	167,529,608	167,529,608
<b>Earnings Per Share</b>	<b>1.80</b>	<b>1.12</b>

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

The financial performance of the Group increased compared to previous year due to decline of operating cost and realized gain from investment in securities as against realized loss on previous year.

<b>34. Interest received</b>		
Interest received (Note-19)	1,659,542,072	1,943,814,223
<b>Add:</b> Opening interest Receivable on TDR	16,896,890	11,892,138
<b>Less:</b> Closing interest receivable on TDR	(10,642,614)	(16,896,890)
<b>Add:</b> Opening Receivable of Delinquent Charges & Penal Interest	112,314,214	197,469,940
<b>Less:</b> Closing Receivable of Delinquent Charges & Penal Interest	(247,963,571)	(112,314,214)
<b>Add:</b> Closing interest suspense account	231,326,523	201,707,276
<b>Less:</b> Opening Interest Suspense Account	(201,707,276)	(237,145,672)
<b>Add:</b> Opening Receivable of Grace Period Interest	26,851,345	2,507,535
<b>Less:</b> Closing Receivable Grace Period Interest	(27,476,039)	(26,851,345)
	<b>1,559,141,545</b>	<b>1,964,182,992</b>
<b>35. Interest Paid on Deposits &amp; Borrowings</b>		
Interest Paid on Deposits & Borrowings (Note-20)	1,166,184,163	1,365,252,907
<b>Add:</b> Opening interest payable on deposit & borrowings	256,026,969	362,794,768
<b>Less:</b> Closing interest payable on deposit & borrowings	(162,891,966)	(256,026,969)
	<b>1,259,319,166</b>	<b>1,472,020,707</b>
<b>36. Cash Received from other Operating activities</b>		
Income from investment in shares (Note 21)	33,710,974	(180,780,845)
Other operating income (except gain/(loss) on sales of fixed assets) (Note 22)	37,180,018	165,989,325
	<b>70,890,992</b>	<b>(14,791,520)</b>
<b>37. Cash Payments for other Operating activities</b>		
Rent, Taxes, Insurance, Lighting etc.	5,605,253	3,054,455
Legal & Professional Fees	2,361,271	1,513,964
Postage, Stamp, Telegram & Telephone	2,596,699	2,798,426
Directors' Fee & Expenses	904,800	632,000
Auditors' Fee	659,500	225,000
Repair, Maintenance of NBF's Assets	11,641,262	13,463,091
Other Expenses	19,240,065	32,457,872
	<b>43,008,850</b>	<b>54,144,808</b>
<b>38. Cash Increase/ Decrease in Other Assets</b>		
Re-imbursable Expenses	5,694,375	5,745,470
Receivable Others	8,068,624	6,157,035
Receivable Excise Duty	770,370	770,370
Investment In Subsidiaries	849,930,000	849,930,000
Investment in BD Finance Vanguard Mutual Fund One	85,000,000	185,000,000
Advance against expenditure {Note-8.2(c)}	126,316,383	40,872,222
Deposits {with other organization Note-8.2(d)}	722,714	1,122,714
Stock of Stamp	68,360	92,380
	<b>1,076,570,826</b>	<b>1,089,690,191</b>
<b>Cash (Increase)/ Decrease in Other Assets</b>	<b>13,119,365</b>	<b>16,287,119</b>
<b>39. Cash Increase/ (Decrease) in Other Liabilities</b>		
Payable others	363,756,454	307,845,662
Advance Rent (against 64 Motijheel)	2,831,250	7,406,250
Advance Excise Duty	8,630,650	9,229,750
Gratuity Fund	21,019,661	21,890,854
Dividend payable	4,975,696	4,975,696
	<b>401,213,711</b>	<b>351,348,212</b>
<b>Cash Increase/ (Decrease) in Other Liabilities</b>	<b>49,865,499</b>	<b>139,272,833</b>

**40. Cash and Cash Equivalents**

Cash in Hand	54,898	48,063
Balance with Bangladesh Bank & Sonali Bank Limited	74,987,229	116,081,415
Balance with Other Banks & Financial Institutions	691,439,615	608,745,088
	<b>766,481,742</b>	<b>724,874,566</b>

**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 2019 it was 120).

**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. Rokonzaman, FCA	Independent Director	Chairman	BBA (DU), FCA
Mr. Iqbal U. Ahmed	Independent Director	Member	B. Com (Hons), M. Com (Mgmt) DU
Mr. Golam Hafiz Ahmed	Director	Member	MSS (Economics)
Mr. Md. Asaduzzaman Khan	Director	Member	MA (Eco.) DU, MA (Banking & Finance), UK
Mr. Yousuf Aman	Director	Member	B.A. (Hon's), UK

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 2020, 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:**

<b>Name of the Directors of BD Finance</b>	<b>Firms/Companies related to the Director</b>	<b>Nature and Value of interest in the firm/companies</b>
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. Hossain Dyeing & Printing Mills Mehmud Industries (Pvt.) Limited. Anwar Cement Sheet Limited. Modhumoti Bank Limited. Anwar Silk Mills Limited AG Motors Limited	Director Director Director Director Director Director Director Director Director Director Director Director
Mr. Iqbal U. Ahmed Vice Chairman & Independent Director	BD Finance Securities Ltd.	Director
Mr. Md. Asaduzzaman Khan Director	ICB Capital Management	Director
Mr. Golam Hafiz Ahmed Director	Nil	Nil
Mr. Geasuddin Ahmed Director	Dhaka Complex (Pvt) Limited.	Director
Mrs. Shahnaz Rashid Director	Mehmud Industries Pvt. Ltd. Anwar Cement Limited. AG Automobiles Limited. Anwar Galvanizing Limited. Hossain Dyeing & Printing Mills	Director Director Director Director Director
Mr. Imtiyaj Yousuf Director	OMEGA MOTORS IMTIYAJ STEEL Precious Steel Corporation	Proprietor Proprietor Proprietor
Mr. Yousuf Aman Director	BD Finance Securities Ltd. AG Motors Limited AG Automobiles Limited.	Director Director Director
Mr. Ihtiaz Yousuf Director	Nil	Nil
Mr. Md. Rokonuzzaman, FCA Independent Director	Amann Bangladesh Limited BD Finance Capital Holdings Ltd.	Managing Director Director
Mr. Md. Kyser Hamid Managing Director & CEO	BD Finance Securities Ltd. BD Finance Capital Holdings Ltd.	Director Director

**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):**

	<b>Related By</b>	<b>Nature of transaction</b>	<b>Amount in Tk.</b>	<b>Status</b>	
i)	BD Finance Securities Limited.	Common Director	Short Term Finance	523,075,006	Standard
ii)	BD Finance Capital Holdings Limited.	Common Director	Short Term Finance	107,506,280	Standard
			<u><b>630,581,286</b></u>		

**44. Events after the Reporting Period**

The Board of Directors of BD Finance in their meeting held on 17 February 2021 has recommended @ 12% Dividend (6% Cash and 6% Stock) for the year ended 31 December 2020.

**45. Net asset value (NAV) per share**

Net asset	2,786,382,243	2,611,426,182
Number of outstanding shares	167,529,608	167,529,608
Net asset value (NAV) per share	16.63	15.59

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

Net asset	2,992,412,984	2,742,367,044
Number of outstanding shares	167,529,608	167,529,608
Net asset value (NAV) per share	17.86	16.37

**46. Net operating cash flows per share (NOCPS)**

Net operating cash flows	235,102,757	116,314,715
Number of outstanding shares	167,529,608	167,529,608
Net operating cash flows per share (NOCPS)	1.40	0.69

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

Net Operating Cash Flows Per Share increased due to conservative disbursement and inflow of deposit compared to previous year.

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

Net operating cash flows	635,473,600	182,931,865
Number of outstanding shares	167,529,608	167,529,608
Net operating cash flows per share (NOCPS)	3.79	1.09

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

Net Operating Cash Flows Per Share increased due to conservative disbursement and inflow of deposit compared to previous year.

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 2020**

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 2020
	Balance as on 1 January 2020	Revaluation Surplus	Addition during the year	Disposal/ Transfer during the period	Balance at 31 December 2020		Balance as on 1 January 2020	Transfer/ Adjustment during the year	Charged for the year	Balance at 31 December 2020	
Land	355,071,210	107,478,790	-	-	462,550,000	-	-	-	-	-	462,550,000
Building	5,398,790	14,043,843	-	-	19,442,633	10%	5,398,790	-	-	5,398,790	14,043,843
Furniture & Fixture	30,983,213		612,775	1,162,886	30,433,102	20%	27,615,337	1,150,486	1,732,535	28,197,386	2,235,716
Office Equipment	29,917,589		3,636,772	342,547	33,211,814	25%	24,442,955	323,574	2,803,406	26,922,787	6,289,027
Office Renovation	12,114,155		374,800	-	12,488,955	20%	9,520,702	-	1,314,833	10,835,535	1,653,420
Motor Vehicle	37,894,373		6,172,825	-	44,067,198	20%	34,545,192	-	2,165,858	36,711,050	7,356,148
Other Assets	182,667		-	-	182,667	20%	182,667	-	-	182,667	-
System and Software	19,876,250		-	-	19,876,250	25%	11,874,784	-	4,548,211	16,422,995	3,453,255
ROU-Asset for Lease Rent	44,840,450		10,857,412	-	55,697,862		18,026,839	6,515,103	17,392,555	28,904,291	26,793,571
<b>31 December 2020</b>	<b>536,278,698</b>	<b>121,522,633</b>	<b>21,654,584</b>	<b>1,505,433</b>	<b>677,950,481</b>		<b>131,607,266</b>	<b>7,989,163</b>	<b>29,957,398</b>	<b>153,575,501</b>	<b>524,374,980</b>
<b>31 December 2019</b>	<b>484,002,090</b>	<b>-</b>	<b>53,876,152</b>	<b>1,599,544</b>	<b>536,278,697</b>		<b>96,100,833</b>	<b>1,599,544</b>	<b>37,105,978</b>	<b>131,607,266</b>	<b>404,671,431</b>

**Reconciliation of Net Profit with Cash Flows**  
from Operating Activities

	<b>BD Finance</b>	
	<b>2020</b>	<b>2019</b>
	Taka	Taka
<b>Net profit after tax</b>	<b>225,823,942</b>	<b>218,262,756</b>
<b>Items not involved in cash movement:</b>		
Add: Depreciation/amortization	29,957,698	37,105,978
Add: Provision for loans and investments	37,000,000	(73,840,000)
Add: Provision for taxation	119,417,802	204,267,278
Add/(Less): Accrued expenses	37,230,284	(32,606,003)
Add/(Less): Accrued income	(130,019,775)	55,807,164
Increase/(Decrease) in Employee gratuity	(871,193)	(616,889)
Increase/(Decrease) in Deferred tax (Liability)	(3,026,877)	10,055,105
<b>Adjustments to reconcile net profit after tax to net cash provided by operating activities</b>	<b>315,511,881</b>	<b>418,435,388</b>
<b>Increase/(decrease) in operating assets and liabilities</b>		
(Increase)/Decrease in Trading Securities	79,455,653	200,620,683
(Increase)/Decrease in Loans & advances	299,970,368	485,437,384
(Increase)/Decrease in Other assets	13,119,365	(15,161,926)
Increase/(Decrease) in Other Liabilities	16,533,286	6,148,479
Increase/(Decrease) in Term & other deposits	(220,625,919)	(742,146,265)
Increase/(Decrease) in Payable and accrued expenses	(93,135,003)	(106,767,799)
(Increase)/Decrease in Income tax	(205,346,120)	(94,812,833)
Increase/(Decrease) in Interest suspense	29,619,247	(35,438,395)
	<b>(80,409,124)</b>	<b>(302,120,673)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>235,102,757</b>	<b>116,314,715</b>



**Reconciliation of Net Profit with Cash Flows**  
from Operating Activities

	<b>BD Finance Group</b>	
	<b>2020</b>	<b>2019</b>
	Taka	Taka
<b>Net profit after tax</b>	<b>314,586,414</b>	<b>190,625,489</b>
<b>Items not involved in cash movement:</b>		
Add: Depreciation/amortization	33,105,020	40,550,474
Add: Provision for loans and investments	33,700,000	(71,986,985)
Add: Provision for taxation	136,542,509	215,953,928
Add/(Less): Accrued expenses	38,900,716	(37,058,447)
Add/(Less): Accrued income	(130,019,775)	55,807,164
Increase/(Decrease) in Employee gratuity	(871,193)	(616,889)
Increase/(Decrease) in Deferred tax (Liability)	(3,026,877)	10,055,105
<b>Adjustments to reconcile net profit after tax to net cash provided by operating activities</b>	<b>422,916,814</b>	<b>403,329,837</b>
<b>Increase/(decrease) in operating assets and liabilities</b>		
(Increase)/Decrease in Trading Securities	10,573,892	285,990,512
(Increase)/Decrease in Loans & advances	493,666,180	494,671,169
(Increase)/Decrease in Other assets	13,119,365	(7,143,573)
Increase/(Decrease) in Other Liabilities	201,815,997	9,199,032
Increase/(Decrease) in Term & other deposits	(220,625,919)	(742,146,265)
Increase/(Decrease) in Payable and accrued expenses	(97,657,393)	(118,890,846)
(Increase)/Decrease in Income tax	(217,954,582)	(106,639,605)
Increase/(Decrease) in Interest suspense	29,619,247	(35,438,395)
	<b>212,556,786</b>	<b>(220,397,972)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>635,473,600</b>	<b>182,931,865</b>

**ANNEXURE-C**

**Highlights on the overall activities of the Company**  
as at and for the periods 2020 and 2019

<b>Sl. No.</b>	<b>Particulars</b>	<b>2020</b>	<b>2019</b>
1	Paid up Capital	1,675,296,080	1,675,296,080
2	Total Shareholders' Equity	2,786,382,243	2,611,426,182
3	Capital Surplus/(Deficit)	1,072,988,834	920,704,684
4	Total Assets	15,913,525,383	16,031,945,543
5	Total Deposit	8,616,442,442	8,837,068,361
6	Total Loans/Lease Finance	12,843,738,585	13,143,708,954
7	Total Contingent Liabilities and Commitment	200,000,000	100,000,000
8	Investment Deposit Ratio (%)	149.06%	148.73%
9	Percentage of Classified Investment against total Investments	3.22%	4.84%
10	Profit after Tax and Provision	225,823,942	218,262,756
11	Amount of Classified Investment	413,197,316	636,729,029
12	Provisions kept against Classified Investment	252,099,471	187,099,471
13	Provisions surplus	96,162,640	1,185,788
14	Cost of Fund	10.87%	11.51%
15	Interest Earning Assets	13,531,053,220	13,736,544,429
16	Non-Profit Earning Assets	2,103,274,072	1,895,660,019
17	Return on Investment in Securities (ROI)	15.61%	-46.20%
18	Return on Assets (ROA)	1.41%	1.33%
19	Income from Investment in Securities	38,060,717	(177,375,645)
20	Earnings Per Share	1.35	1.30
21	Price Earning Ratio (Times)	21.59	7.68
22	Book value per share (Per 10 Tk.)	16.63	15.59