

**Bangladesh Finance Limited**

**Consolidated and separate  
Financial Statements**

**as at and for the year ended December 31, 2022**

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BANGLADESH FINANCE LIMITED  
Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion

We have audited the consolidated financial statements of Bangladesh Finance Limited and its subsidiaries (the “Group”) as well as the separate financial statements of Bangladesh Finance Limited (the “Company”) which comprise the consolidated and separate balance sheets as at 31 December 2022 and the consolidated and separate profit and loss accounts, the consolidated and separate statements of changes in equity and the consolidated and separate cash flow statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

#### Basis for Opinion

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

#### Key Audit Matters

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

Description of key audit matters	Our response to key audit matters
<b>Measurement of provision for leases, loans and advances</b>	
<p>The process for estimating the provision for leases, loans and advances portfolio associated with credit risk is significant and complex. For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>As at 31 December 2022, the Group and the Company reported total gross loans, advances and leases of BDT 14,006,177,275 and BDT 13,699,677,770 respectively (31 December 2021: BDT 13,692,260,576 and BDT 13,369,102,273) and provision for loans and advances of BDT 652,965,739 (31 December 2021: BDT 622,009,045).</p> <p>We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> <li>• Completeness and timing of recognition of loss events in accordance with criteria set out in FID Circular no 08, dated 03 August 2002, FID Circular no 03, dated 03 May 2006, FID Circular no 03 dated 29 April 2013 and DFIM Circular no-04, dated 26 July 2021; and</li> <li>• For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flow; provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</li> </ul>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators; and</li> <li>• Reviewed quarterly Classification of Loans (CL).</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;</li> <li>• Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and</li> <li>• Finally compared the amount of loan provision and loan classification disclosed in the financial statements with the quick summary report prepared by Bangladesh Bank.</li> </ul> <p>We have selected samples to check compliance of above Bangladesh Bank instructions. However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by Management in assessing recoverability of interest income may be different than the actual situation in future.</p>



<p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	
<p>See note no 6 &amp; 6(a) and 12.1 to the financial statements.</p>	
<p><b>Revenue recognition</b></p>	
<p>The Company reported total revenue of BDT 1,375,748,865 and the Group, as a whole, reported total revenue of BDT 1,448,388,080 from lease finance, term finance, loans &amp; advances, fees and related activities for the year ended 31 December 2022.</p> <p>Revenue is recognized when the performance obligation is satisfied by transferring goods or services to a customer, either at a point in time or over time. Goods or services are “transferred” when the customer obtains control of it.</p> <p>The application of revenue recognition accounting standards is complex and involves a number of key judgments and estimates, including those applied on revenue arrangements with multiple elements and those contracts where there is existence of principal and agent relationship. Due to the estimates and judgment involved in the application of the revenue recognition accounting standards and the degree of complexity of IT systems and processes used, we have considered this mater as a key audit mater.</p>	<p>Our audit approach included a combination of controls testing, data analytics and substantive procedures covering the following:</p> <ul style="list-style-type: none"> <li>• We understood the significant revenue processes including performance of an end to end walkthrough of the revenue assurance process and identifying the relevant controls (including IT systems, interfaces and reports);</li> <li>• We tested the design and operating electiveness of the relevant controls;</li> <li>• We involved our internal IT specialists to test IT general controls, system interfaces, data/information reporting and application specific controls surrounding relevant revenue systems;</li> <li>• We reviewed significant new contracts and regulatory determinations, the accounting treatments opted and testing the related revenues recognized during the period;</li> <li>• We performed data analysis and analytical reviews of significant revenue streams;</li> <li>• We reviewed key reconciliations performed by the revenue assurance team;</li> <li>• We performed specific procedures to test the accuracy and completeness of adjustments relating to multiple element arrangements and grossing up certain revenue and costs; and</li> </ul>



	<ul style="list-style-type: none"> <li>We performed procedures to ensure that the revenue recognition criteria adopted by each group entity for all major revenue streams is appropriate and in line with the Group's accounting policies.</li> </ul> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting statements and Bangladesh Bank guidelines.</p>
<p>See note no 19 &amp; 19 (a) to the financial statements.</p>	
<p><b>IT Systems and Controls</b></p>	
<p>We focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p>	<p>We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting.</p> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting statements and Bangladesh Bank guidelines.</p> <p>We tested the Company's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

### **Other Information**

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

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and other regulatory authorities.

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

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

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

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

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

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

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

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



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report that:

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

- ii. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- iii. the consolidated and separate balance sheet and consolidated and separate profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- iv. the expenditures incurred were for the purpose of the Group's and the Company's business for the period;
- v. the financial statements of the Group and the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- vi. adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- vii. the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- viii. the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- ix. statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- x. taxes and other duties were collected to be and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- xi. nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- xii. proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- xiii. based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- xiv. the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;



- xv. we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 980 person hours for the audit of the books and accounts of the Company;
- xvi. the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense; and
- xvii. all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.



**Sk Md Tarikul Islam, FCA**  
Partner  
Membership no. 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants  
DVC: 2303211238AS460130

Dhaka, 13 March 2023

**Bangladesh Finance Limited**  
**Consolidated Balance Sheet**  
**As at 31 December 2022**

	Note	31-Dec-22 BDT	31-Dec-21 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
Cash in hand	3.a	86,910	65,671
Balance with Bangladesh Bank		117,732,419	99,339,362
		<b>117,819,328</b>	<b>99,405,032</b>
<b>Balance with other Banks and Financial Institutions</b>			
Inside Bangladesh	4.a	1,575,248,414	1,461,962,742
Outside Bangladesh		-	-
		<b>1,575,248,414</b>	<b>1,461,962,742</b>
<b>Money at call and short notice</b>			
		-	-
<b>Investment in Securities</b>			
Government	5.a	-	-
Others		1,135,630,606	986,924,968
		<b>1,135,630,606</b>	<b>986,924,968</b>
<b>Lease, Loans and Advances</b>			
In Bangladesh	6.a	14,006,177,275	13,692,260,576
Outside Bangladesh		-	-
		<b>14,006,177,275</b>	<b>13,692,260,576</b>
<b>Fixed Assets including Premises, Furniture and Fixtures</b>			
	7.a	624,786,962	544,164,726
<b>Other Assets</b>			
	8.a	1,458,874,259	1,476,309,585
<b>Non Banking Assets</b>			
	9	213,121,062	212,121,062
<b>Total Assets</b>		<b>19,131,657,906</b>	<b>18,473,148,693</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Financing (Borrowings) from other Banks, Financial Institutions and Agents</b>	10.a	3,145,399,810	2,847,469,634
<b>Deposits and other Accounts</b>	11.a	9,797,346,225	9,568,977,690
<b>Other Liabilities</b>	12.a	2,406,773,783	2,404,165,328
<b>Total Liabilities</b>		<b>15,349,519,818</b>	<b>14,820,612,652</b>
<b>Capital/ Shareholders' Equity</b>			
Share Capital	13.2	1,882,362,670	1,775,813,840
Statutory Reserve	14	501,151,365	462,463,192
General Reserve	15	-	-
Capital Reserve	16.1	33,744,750	33,744,750
Revaluation Surplus on Land and Building	7.b	409,095,980	410,500,364
Retained Earnings	16.a	450,851,610	465,217,517
<b>Total Shareholders' Equity</b>		<b>3,277,206,374</b>	<b>3,147,739,663</b>
<b>Non Controlling Interest</b>	16.b	504,931,713	504,796,379
<b>Total Liabilities and Shareholders' Equity</b>		<b>19,131,657,906</b>	<b>18,473,148,693</b>



**Bangladesh Finance Limited**  
Consolidated Balance Sheet  
As at 31 December 2022

	Note	31-Dec-22 BDT	31-Dec-21 BDT
<b>OFF BALANCE SHEET EXPOSURES</b>			
<b>CONTINGENT LIABILITIES</b>			
Acceptances and Endorsements		-	-
Letters of Guarantee	17	200,000,000	350,000,000
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
<b>Total</b>		<b>200,000,000</b>	<b>350,000,000</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>350,000,000</b>
<b>Net Asset Value (NAV) per share</b>	45.a	17.41	16.72

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



Munshi Abu Naim ACS  
Company Secretary



Md. Kyser Hamid  
Managing Director & CEO



Md. Rokonzaman, FCA  
Director



Manwar Hossain  
Chairman



Sk Md Tarikul Islam, FCA  
Partner  
Membership no: 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants  
DVC: 2303211238AS460130

Dhaka, 13 March 2023

**Bangladesh Finance Limited  
Consolidated Profit and Loss Account  
For the year ended 31 December 2022**

	Note	31-Dec-22 BDT	31-Dec-21 BDT
Interest Income	19.a	1,448,388,080	1,550,793,897
Less: Interest paid on Deposits and Borrowings etc.	20.a	1,029,369,151	1,001,290,841
<b>Net Interest Income</b>		<b>419,018,929</b>	<b>549,503,057</b>
Income from Investment	21.a	310,537,666	429,775,392
Commission, Exchange and Brokerage	21.b	109,703,195	123,715,554
Other Operating Income	22.a	58,296,612	33,175,872
		<b>478,537,473</b>	<b>586,666,818</b>
<b>Total Operating Income</b>		<b>897,556,402</b>	<b>1,136,169,874</b>
Salaries and Allowances	23.a	223,390,003	165,613,203
Rent, Taxes, Insurances, Electricity etc.	24.a	9,290,476	8,320,917
Legal and Professional Fees	25.a	7,594,486	5,170,224
Postage, Stamps, Telecommunication etc.	26.a	5,143,351	4,227,197
Stationery, Printings, Advertisements etc.	27.a	17,059,841	16,158,268
Managing Director's Salary and Allowances	28	7,700,000	7,700,000
Directors' Fees	29.a	1,892,000	1,701,600
Audit Fees	29.b	662,528	827,250
Depreciation and Repairs of Assets	30.a	60,233,662	50,591,653
Other Expenses	31.a	46,371,849	37,072,652
<b>Total Operating Expenses</b>		<b>379,338,195</b>	<b>297,382,964</b>
<b>Profit before Provision</b>		<b>518,218,207</b>	<b>838,786,910</b>
Specific Provisions for Classified Investment	32	94,478,810	(61,521,325)
General Provisions for Unclassified Investment	32	40,500,000	190,000,000
Special Provisions for Unclassified Investment		(1,677,503)	84,101,885
Provisions for Other Receivables	32	20,000,000	30,000,000
Provisions for Off-Balance Sheet exposures		(1,500,000)	3,500,000
Provisions for Investment in Securities and Margin Loan	32.a	53,032,641	69,274,817
<b>Total Provision</b>		<b>204,833,948</b>	<b>315,355,377</b>
<b>Total Profit before Provisions for Taxation</b>		<b>313,384,259</b>	<b>523,431,533</b>
Current Tax Expenses	12.4.a	70,014,521	240,167,064
Deferred Tax Expenses/(benefit)	12.5.b	(61,355,852)	(40,530,800)
		<b>8,658,669</b>	<b>199,636,265</b>
<b>Net Profit after Taxation</b>		<b>304,725,590</b>	<b>323,795,268</b>
<b>Attributable to</b>		<b>304,725,590</b>	<b>323,795,268</b>
Shareholder of the Company		236,015,541	255,844,440
Non-controlling Interest		68,710,048	67,950,828
<b>Net Profit available for distribution</b>		<b>236,015,541</b>	<b>255,844,440</b>



**Bangladesh Finance Limited  
Consolidated Profit and Loss Account  
For the year ended 31 December 2022**

	Note	31-Dec-22 BDT	31-Dec-21 BDT
<b>Appropriations</b>			
Statutory Reserve	14	38,688,172	53,638,611
General Reserve	15	-	-
Retained Earnings		197,327,369	202,205,829
		<b>236,015,541</b>	<b>255,844,440</b>
<b>Basic Earnings Per Share</b>	33a	<b>1.25</b>	<b>1.36</b>

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



**Munshi Abu Naim ACS  
Company Secretary**



**Md. Kyser Hamid  
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Director**



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Membership no: 1238  
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Dhaka, 13 March 2023

**Bangladesh Finance Limited  
Consolidated Cash Flow Statement  
For the year ended 31 December 2022**

	31-Dec-22 BDT	31-Dec-21 BDT
<b>Cash Flows from Operating Activities</b>		
Interest received	1,537,134,517	1,680,837,261
Interest paid	(1,042,380,171)	(1,010,158,377)
Dividend received	103,852,403	22,522,821
Fees and Commission received	158,864,557	193,885,390
Cash Payments to Employees	(231,090,003)	(173,313,203)
Cash Payments to Suppliers	(17,843,398)	(16,980,464)
Income Tax Paid	(105,717,358)	(188,385,685)
Received from other Operating activities	239,620,915	367,026,342
Payments for other Operating activities	(131,932,508)	(69,339,536)
<b>Cash generated from operating activities before changes in Operating Assets and Liabilities</b>	<b>510,508,955</b>	<b>806,094,549</b>
<b>Changes in Operating Assets and Liabilities</b>		
Purchases/Sale of Trading Securities	(148,705,638)	(191,228,887)
Loans and Lease Finance to Customers	(313,916,699)	(819,041,457)
Other Assets	109,033,327	147,709,043
Deposits	228,368,535	952,535,248
Other Liabilities	(261,563,920)	273,134,039
<b>Sub Total</b>	<b>(386,784,394)</b>	<b>363,107,986</b>
<b>A) Net Cash flows from Operating Activities</b>	<b>123,724,561</b>	<b>1,169,202,535</b>
<b>Cash flows from Investing Activities</b>		
Purchase/sale of non trading securities	-	-
Proceeds from Sale of fixed assets	781,694	3,239,520
(Purchase)/disposal of fixed assets including right-of-use assets	(86,812,843)	(33,964,351)
<b>B) Net Cash flows from Investing Activities</b>	<b>(86,031,149)</b>	<b>(30,724,831)</b>
<b>Cash flows from Financing Activities</b>		
Increase/(decrease) of borrowings	297,930,176	(216,583,303)
Payment for lease liabilities	(28,800,077)	(28,069,701)
Dividend Paid	(175,123,544)	(336,678,522)
<b>C) Net Cash flows from Financing Activities</b>	<b>94,006,555</b>	<b>(581,331,527)</b>
<b>D) Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>131,699,967</b>	<b>557,146,177</b>
<b>E) Cash and Cash Equivalents at the beginning of the period</b>	<b>1,561,367,775</b>	<b>1,004,221,597</b>
<b>F) Cash and Cash Equivalents at the end of the period(D+E)</b>	<b>1,693,067,742</b>	<b>1,561,367,775</b>
<b>Net Operating Cash Flows per share (NOCFPS)</b>	<b>0.66</b>	<b>6.21</b>

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



Munshi Abu Naim ACS  
Company Secretary



Md. Kyser Hamid  
Managing Director & CEO



Md. Rokonzaman, FCA  
Director



Manwar Hossain  
Chairman



Sk Md Tarikul Islam, FCA  
Partner

Membership no: 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants  
DVC: 2303211238AS460130

Dhaka, 13 March 2023



**Bangladesh Finance Limited**  
Consolidated Statement of Changes in Shareholders' Equity  
For the year ended 31 December 2022

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 2022</b>	1,775,813,840	462,463,192	-	33,744,750	410,500,364	465,217,517	3,147,739,664	504,796,379	3,652,536,042
<b>Changes during the year 2022</b>									
6% Stock Dividend - 2021	106,548,830	-	-	-	-	(106,548,830)	(106,548,830)	-	(106,548,830)
6% Cash Dividend - 2021	-	-	-	-	-	-	-	-	(68,574,714)
Interim Cash Dividend - 2022	-	-	-	-	-	236,015,541	236,015,541	68,710,048	304,725,590
Profit/(Loss) for the year	-	-	-	-	(1,404,384)	1,404,384	-	-	-
Revaluation Surplus	-	38,688,172	-	-	(38,688,172)	-	-	-	-
Transfer to statutory reserve	-	38,688,172	-	-	(1,404,384)	(14,365,908)	129,466,711	135,334	129,602,045
<b>Balance as at 31 December 2022</b>	1,882,362,670	501,151,365	-	33,744,750	409,095,980	450,851,610	3,277,206,374	504,931,713	3,782,138,088
<b>Balance as at 01 January 2021</b>	1,675,296,080	408,824,581	-	33,744,750	411,904,748	462,642,825	2,992,412,984	505,476,702	3,497,889,686
<b>Changes during the year 2021</b>									
6% Stock Dividend - 2020	100,517,760	-	-	-	-	(100,517,760)	(100,517,760)	-	(100,517,760)
6% Cash Dividend - 2020	-	-	-	-	-	-	-	-	(68,631,152)
Interim Cash Dividend - 2021	-	-	-	-	-	255,844,440	255,844,440	67,950,828	323,795,268
Profit/(Loss) for the year	-	-	-	-	(1,404,384)	1,404,384	-	-	-
Revaluation Surplus	-	53,638,611	-	-	(53,638,611)	-	-	-	-
Transfer to statutory reserve	-	53,638,611	-	-	(1,404,384)	(53,638,611)	155,326,680	(680,323)	154,646,357
<b>Balance as at 31 December 2021</b>	1,775,813,840	462,463,192	-	33,744,750	410,500,364	465,217,517	3,147,739,664	504,796,379	3,652,536,042

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

  
Munshi Abu Naim ACS  
Company Secretary

  
Md. Kyser Hossain  
Managing Director & CEO

  
Md. Rokouzzaman, FCA  
Director

  
Manwar Hossain  
Chairman

Dhaka, 13 March 2023

**Hoda Vasi  
Chowdhury & Co**

Sk Md Tarikul Islam, FCA  
Partner  
Membership no: 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants  
DVC: 2303211238AS460130

**Bangladesh Finance Limited**  
**Balance Sheet**  
**As at 31 December 2022**

	Note	31-Dec-22 BDT	31-Dec-21 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3		
Cash in hand		39,605	12,728
Balance with Bangladesh Bank		117,732,419	99,339,362
		<b>117,772,023</b>	<b>99,352,089</b>
<b>Balance with other Banks and Financial Institutions</b>	4		
Inside Bangladesh		1,143,319,843	991,348,494
Outside Bangladesh		-	-
		<b>1,143,319,843</b>	<b>991,348,494</b>
<b>Money at call and short notice</b>		-	-
<b>Investment in Securities</b>	5		
Government		-	-
Others		419,002,129	252,783,007
		<b>419,002,129</b>	<b>252,783,007</b>
<b>Lease, Loans and Advances</b>	6		
In Bangladesh		13,699,677,770	13,369,102,273
Outside Bangladesh		-	-
		<b>13,699,677,770</b>	<b>13,369,102,273</b>
<b>Fixed Assets including Premises, Furniture and Fixtures</b>	7	568,330,764	522,840,980
<b>Other Assets</b>	8	1,245,030,892	1,269,245,300
<b>Non Banking Assets</b>	9	213,121,062	212,121,062
<b>Total Assets</b>		<b>17,406,254,484</b>	<b>16,716,793,205</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Financing (Borrowings) from other Banks financial Institutions and Agents</b>	10	2,666,627,723	2,503,520,111
<b>Deposits and other Accounts</b>	11	9,862,346,225	9,568,977,690
<b>Term Deposits</b>		9,792,981,240	9,384,771,903
<b>Other Deposits</b>		58,342,957	166,954,836
<b>Advance Rent and Installments</b>		11,022,028	17,250,951
<b>Bills Payable</b>		-	-
<b>Other Liabilities</b>	12	1,836,330,969	1,690,237,869
<b>Total Liabilities</b>		<b>14,365,304,918</b>	<b>13,762,735,671</b>
<b>Capital/Shareholders' Equity</b>			
Share Capital	13.2	1,882,362,670	1,775,813,840
Statutory Reserve	14	501,151,365	462,463,192
General Reserve	15	-	-
Revaluation Surplus on Land and Building	7.1	409,095,980	410,500,364
Retained earnings	16	248,339,553	305,280,139
<b>Total Shareholders' Equity</b>		<b>3,040,949,568</b>	<b>2,954,057,535</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>17,406,254,484</b>	<b>16,716,793,205</b>



**Bangladesh Finance Limited  
Balance Sheet  
As at 31 December 2022**

	Note	31-Dec-22 BDT	31-Dec-21 BDT
<b>OFF BALANCE SHEET EXPOSURES</b>			
<b>CONTINGENT LIABILITIES</b>			
Acceptances and Endorsements		-	-
Letters of Guarantee	17	200,000,000	350,000,000
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
<b>Total</b>		<b>200,000,000</b>	<b>350,000,000</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>350,000,000</b>
<b>Net Asset Value (NAV) per share</b>	45	<b>16.15</b>	<b>15.69</b>

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



**Munshi Abu Naim ACS  
Company Secretary**



**Md. Kyser Hamid  
Managing Director & CEO**



**Md. Rokonuzzaman, FCA  
Director**



**Manwar Hossain  
Chairman**



**Sk Md Tarikul Islam, FCA  
Partner**

Dhaka, 13 March 2023

Membership no: 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants  
DVC: 2303211238AS460130


**Bangladesh Finance Limited**  
**Profit and Loss Account**  
**For the year ended 31 December 2022**

	Note	31-Dec-22 BDT	31-Dec-21 BDT
Interest Income	19	1,375,748,865	1,496,584,215
Less: Interest paid on Deposits and Borrowings etc.	20	997,213,975	985,563,791
<b>Net Interest Income</b>		<b>378,534,890</b>	<b>511,020,425</b>
Income from Investment in securities	21	194,704,906	344,794,929
Commission, Exchange and Brokerage		2,035,833	5,009,666
Other Operating Income	22	59,118,807	29,525,396
		<b>255,859,546</b>	<b>379,329,991</b>
<b>Total Operating Income</b>		<b>634,394,436</b>	<b>890,350,415</b>
Salaries and Allowances	23	183,038,412	133,450,828
Rent, Taxes, Insurances, Electricity etc.	24	6,296,795	6,762,975
Legal and Professional Fees	25	3,744,813	4,369,598
Postage, Stamps, Telecommunication etc.	26	4,001,465	3,405,001
Stationery, Printings, Advertisements etc.	27	15,333,850	15,518,334
Managing Director's Salary and Allowances	28	7,700,000	7,700,000
Directors' Fees	29	1,443,200	1,135,200
Audit Fees		461,278	424,750
Depreciation and Repairs of NBF's Assets	30	44,716,896	38,666,174
Other Expenses	31	39,726,395	32,593,488
<b>Total Operating Expenses</b>		<b>306,463,104</b>	<b>244,026,348</b>
<b>Profit before Provision</b>		<b>327,931,332</b>	<b>646,324,067</b>
Specific provisions for Classified Investment		94,478,810	(61,521,325)
General provisions for Unclassified Investment		40,500,000	190,000,000
Special provisions for Unclassified Investment		(1,677,503)	84,101,885
Provisions for other Receivables		20,000,000	30,000,000
Provisions for Off-Balance Sheet exposures		(1,500,000)	3,500,000
Provisions for Investment in Securities		(20,000,000)	(2,825,968)
<b>Total Provision</b>	32	<b>131,801,307</b>	<b>243,254,592</b>
<b>Total Profit before Provisions for Taxation</b>		<b>196,130,025</b>	<b>403,069,475</b>
Deferred Tax Expenses/(benefit)	12.5.1	(19,552,012)	(34,693,930)
Current Tax Expenses	12.4	22,241,174	169,570,348
		<b>2,689,162</b>	<b>134,876,418</b>
<b>Net Profit after Taxation</b>		<b>193,440,862</b>	<b>268,193,057</b>
<b>Appropriations</b>			
Statutory Reserve	14	38,688,172	53,638,611
General Reserve	15	-	-
Retained Earnings		154,752,690	214,554,445
		<b>193,440,862</b>	<b>268,193,057</b>
<b>Basic Earnings Per Share</b>	33	<b>1.03</b>	<b>1.42</b>


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

  
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Md. Kyser Hamid  
Managing Director & CEO

  
Manwar Hossain  
Chairman

  
Sk Md Tarikul Islam, FCA  
Partner

Membership no: 1238  
Hoda Vasi Chowdhury & Co  
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DVC: 2303211238AS460130

Dhaka, 13 March 2023

**Bangladesh Finance Limited**  
Cash Flow Statement  
For the year ended 31 December 2022

	Note	31-Dec-22 BDT	31-Dec-21 BDT
<b>Cash Flows from Operating Activities</b>			
Interest received	34	1,464,979,237	1,626,627,579
Interest paid	35	(1,010,224,994)	(994,431,327)
Dividend received		95,872,934	298,417,989
Fees and Commission received		2,035,833	5,009,666
Cash Payments to Employees		(190,738,412)	(141,150,828)
Cash Payments to Suppliers		(15,333,850)	(15,518,334)
Income Tax Paid		(78,331,318)	(146,168,233)
Received from other Operating activities	36	132,125,884	74,077,615
Payments for other Operating activities	37	(68,408,959)	(61,532,908)
<b>Cash generated from operating activities before changes in Operating Assets and Liabilities</b>		<b>331,976,354</b>	<b>645,331,219</b>
<b>Changes in Operating Assets and Liabilities</b>			
Purchases/Sale of Trading Securities		(166,219,122)	(48,627,042)
Loans and Lease Finance to Customers		(330,575,497)	(525,363,688)
Other Assets	38	73,080,076	135,081,164
Deposits		293,368,535	952,535,248
Other Liabilities	39	9,925,889	(78,202,363)
<b>Sub Total</b>		<b>(120,420,119)</b>	<b>435,423,318</b>
<b>A) Net Cash from Operating Activities</b>		<b>211,556,235</b>	<b>1,080,754,537</b>
<b>Cash flows from Investing Activities</b>			
Purchase/sale of non trading securities		-	-
Proceeds from Sale of fixed assets		781,694	1,824,721
(Purchase)/disposal of fixed assets including right-of-use assets		(79,858,319)	(24,290,278)
<b>B) Net Cash from Investing Activities</b>		<b>(79,076,625)</b>	<b>(22,465,557)</b>
<b>Cash flows from Financing Activities</b>			
Increase/(decrease) of borrowings		163,107,611	(447,058,964)
Payment for lease liabilities		(18,647,109)	(18,963,802)
Dividend Paid		(106,548,830)	(268,047,373)
<b>C) Net Cash from Financing Activities</b>		<b>37,911,673</b>	<b>(734,070,139)</b>
<b>D) Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>170,391,283</b>	<b>324,218,841</b>
<b>E) Cash and cash equivalents at the beginning of the period</b>		<b>1,090,700,584</b>	<b>766,481,742</b>
<b>F) Cash and cash equivalents at the end of the period (D+E)</b>	40	<b>1,261,091,867</b>	<b>1,090,700,584</b>
<b>Net Operating Cash Flow per share</b>	46	<b>1.12</b>	<b>5.74</b>

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



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Managing Director & CEO



Manwar Hossain  
Chairman



Sk Md Tarikul Islam, FCA  
Partner  
Membership no: 1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants  
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Dhaka, 13 March 2023



**Bangladesh Finance Limited**  
Statement of Changes in Shareholders' Equity  
For the year ended 31 December 2022

Particular	Share capital BDT	Statutory reserve BDT	General reserve BDT	Revaluation Surplus BDT	Retained earnings BDT	Total BDT
<b>Balance as at 01 January 2022</b>	<b>1,775,813,840</b>	<b>462,463,192</b>	<b>-</b>	<b>410,500,364</b>	<b>305,280,139</b>	<b>2,954,057,535</b>
<b>Changes during the year 2022</b>						
6% Stock Dividend - 2021	106,548,830	-	-	-	(106,548,830)	(106,548,830)
6% Cash Dividend - 2021	-	-	-	-	193,440,862	193,440,862
Profit/(Loss) for the year	-	-	-	(1,404,384)	1,404,384	-
Transfer to retained earnings	-	38,688,172	-	-	(38,688,172)	-
Transfer to statutory reserve	-	38,688,172	-	(1,404,384)	(56,940,587)	86,892,032
<b>Balance as at 31 December 2022</b>	<b>1,882,362,670</b>	<b>501,151,365</b>	<b>-</b>	<b>409,095,980</b>	<b>248,339,552</b>	<b>3,040,949,568</b>
<b>Balance as at 01 January 2021</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>Changes during the year 2021</b>						
6% Stock Dividend - 2020	100,517,760	-	-	-	(100,517,760)	-
6% Cash Dividend - 2020	-	-	-	-	(100,517,765)	(100,517,765)
Profit/(Loss) for the year	-	-	-	-	268,193,057	268,193,057
Transfer to Retained Earnings	-	-	-	(1,404,384)	1,404,384	-
Transfer to statutory reserve	-	53,638,611	-	-	(53,638,611)	-
<b>Balance as at 31 December 2021</b>	<b>1,775,813,840</b>	<b>462,463,192</b>	<b>-</b>	<b>410,500,364</b>	<b>305,280,139</b>	<b>2,954,057,535</b>

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



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**Hoda Vasi  
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Dhaka, 13 March 2023

**Bangladesh Finance Limited**

**Liquidity Statement**

**Assets and Liabilities Maturities Analysis**

As at 31 December 2022

Particulars	Up to 01 Month BDT	01-03 Months BDT	03-12 Months BDT	01-05 Years BDT	Above 05 years BDT	Total BDT
<b>Assets</b>						
Cash in hand	39,605	-	-	-	-	39,605
Balance with Bangladesh Bank	117,732,419	-	-	-	-	117,732,419
Balance with other banks and financial institutions	61,130,026	-	1,082,189,818	-	-	1,143,319,843
Money at Call and Short Notice	-	-	-	-	-	-
Investment in securities	289,002,129	-	-	130,000,000	-	419,002,129
Investment (Loans and Advances)	523,159,643	1,664,598,866	1,938,447,453	7,324,235,009	2,249,236,799	13,699,677,770
Fixed Assets including premises, furniture and fixtures etc.	-	-	-	269,511,133	298,819,631	568,330,764
Other Assets	4,971,301	69,519,867	243,360,971	56,502,798	870,675,955	1,245,030,892
Non-banking Assets	-	-	-	213,121,062	-	213,121,062
<b>Total Assets (i)</b>	<b>996,035,123</b>	<b>1,734,118,733</b>	<b>3,263,998,242</b>	<b>7,993,370,001</b>	<b>3,418,732,385</b>	<b>17,406,254,484</b>
<b>Liabilities</b>						
Borrowing from other banks, financial institutions and agents	146,685,927	208,822,228	1,183,479,538	1,127,640,030	-	2,666,627,723
Deposits and other accounts	493,117,311	1,282,105,009	1,479,351,934	5,128,420,037	1,479,351,934	9,862,346,225
Provision and other liabilities	39,365,585	19,349,894	141,013,410	654,640,832	981,961,249	1,836,330,969
<b>Total Liabilities (ii)</b>	<b>679,168,823</b>	<b>1,510,277,131</b>	<b>2,803,844,882</b>	<b>6,910,700,899</b>	<b>2,461,313,182</b>	<b>14,365,304,918</b>
<b>Net Liquidity Gap (i-ii)</b>	<b>316,866,300</b>	<b>223,841,602</b>	<b>460,153,360</b>	<b>1,082,669,102</b>	<b>957,419,202</b>	<b>3,040,949,567</b>



Munshi Abu Naim ACS  
Company Secretary



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Dhaka, 13 March 2023

**Bangladesh Finance Limited**  
**Notes to the consolidated and separate financial statements**  
**As at and for the year ended 31 December 2022**

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

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

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

**1.2 Principal activities and nature of operation**

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

**1.3 Islamic Wing**

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

**1.4 Subsidiary companies**

**1.4.1 Bangladesh Finance Securities Limited**

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

**1.4.2 Bangladesh Finance Capital Limited**

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



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

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

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

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

**2.1.1 Basis of consolidation of operations of subsidiaries**

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

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

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

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

**2.2 Components of the financial statements**

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

- a) Consolidated and Separate Balance Sheet as at December 31, 2022;
- b) Consolidated and Separate Profit and Loss Account for the year ended December 31, 2022;
- c) Consolidated and Separate Statement of Cash Flows for the year ended December 31, 2022;
- d) Consolidated and Separate Statement of Changes in Equity for the year ended December 31, 2022;
- e) Liquidity Statement as at December 31, 2022; and
- f) Notes to the Consolidated and Separate Financial Statements as at and for the year ended December 31, 2022.

**2.3 Basis of measurement**

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

**2.4 Going concern basis of accounting**

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

**2.5 Use of estimates and judgments**

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

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

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

**2.6 Cash flow statement**

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

**2.7 Reporting period**

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

**2.8 Functional and presentation currency**

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

**2.9 Liquidity statement**

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

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

**2.10 Statement of compliance**

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as Financial Institutions (FIs). The 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 DFIM Circular no. 04 dated 26 July 2021, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances.

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



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

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

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

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

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

**vi) Recognition of interest in suspense**

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

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

**vii) Non-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) Presentation of intangible asset**

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

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

**xii) Off-balance sheet items**

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

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

**xiii) Measurement of deferred tax assets**

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

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

**2.11 Significant accounting policies**

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

**2.11.1 Comparative Information**

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

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

**2.11.2 Bangladesh Finance as a lessee**

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

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



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

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

**Bangladesh Finance as a lessor**

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

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

**2.11.3 Accounting for term finance and other finances**

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

**2.11.4 Loans, Advances and Provision**

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

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

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

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

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

<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%



Unclassified loans and advances-Brokerage	2%
Special mention account	5%
Off-Balance sheet exposure	1%
<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.02 dated 01 April 2019 and DFIM circular no. 08 dated 07 June 2022. No loans and advances are written off without prior approval of the Board of Directors in compliance with the said circulars. At each reporting period end, the 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. 02 dated 01 April 2019. The Company takes necessary legal measures against default borrowers for recovery against written off loans and advances as per relevant BB guidelines and Artha Rin Adalat Act-2003. Legal cost incurred against those borrowers are initially charged to the profit and loss account of Bangladesh Finance.

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

**2.11.5 Recognition of fixed asset and Depreciation**

**i) Recognition and measurement**

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

**ii) Subsequent expenditure on fixed assets**

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

**iii) Depreciation**

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

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

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

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

#### **2.11.6 Intangible Assets**

##### **i) Components**

The main item included in intangible asset is software.

##### **ii) Basis of recognition**

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

##### **iii) Subsequent expenditure**

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

##### **iv) Amortization**

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

#### **2.11.7 Impairment of assets**

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

#### **2.11.8 Significant accounting policies - IFRS 16: Leases**

##### **2.11.8.1 Impacts on financial statements**

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

<b>Particulars</b>	<b>Amount</b>
Depreciation charge for right-of-use assets	18,088,382
Interest expense on lease liabilities	2,681,824
Total cash out flow for lease	18,647,109
Addition to right-of-use assets	39,251,468
Carrying amount of right-of-use assets at the end of the year	43,522,598

##### **2.11.9 Cash and Cash Equivalents**

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



**2.11.10 Investments in Securities**

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

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

**a. Investment in quoted securities:**

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

**b. Investment in un-quoted securities:**

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

**2.11.11 Statutory reserve**

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

**2.11.12 General Reserve**

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

**2.11.13 Retirement Benefit**

**(a) Provident Fund**

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

**(b) Gratuity**

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

**(c) Other employees benefit obligation**

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

**2.11.14 Income Tax**

**i) Current tax**

Provision for current income tax has been made @ 37.50% as prescribed in the Finance Act 2022 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.

**2.11.15 Accrued expenses and other payables**

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



**2.11.16 Revenue recognition**

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

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

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

**2.11.17 Lease income**

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

**2.11.18 Income from Term Finance**

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

**2.11.19 Fees base income, etc.**

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

**2.11.20 Dividend income**

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

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

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

**2.12 Borrowing Costs**

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

**2.13 Interest Suspense Account**

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

**2.14 Litigation**

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

**2.15 Proposed dividend**

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

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

**2.16 Earnings Per Share (EPS)**

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

**Basic Earnings**

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

**Weighted average number of Ordinary Shares outstanding during the period**

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

**Basic earnings per share**

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

**Diluted Earnings Per Share**

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

**2.17 Contingent liabilities and contingent assets**

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

**2.18 Risk and uncertainty for use of estimates (Provisions)**

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

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

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

**2.19 BASEL II & its implementation**

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



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

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

<b>Name of the IASs</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 2.10).



	31-Dec-22 BDT	31-Dec-21 BDT
<b>3 Cash</b>		
Cash in hand (Notes - 3.1)	39,605	12,728
Balance with Bangladesh Bank (Notes - 3.2)	117,732,419	99,339,362
	<b>117,772,023</b>	<b>99,352,089</b>
<b>3.a Cash in hand (Consolidated)</b>		
Bangladesh Finance	39,605	12,728
Bangladesh Finance Securities Limited	33,980	46,181
Bangladesh Finance Capital Limited	13,325	6,762
	<b>86,910</b>	<b>65,671</b>
<b>3.1 Cash in hand (including foreign currencies)</b>		
In local currency	39,605	12,728
In foreign currency	-	-
	<b>39,605</b>	<b>12,728</b>
<b>3.2 Balance with Bangladesh Bank (including foreign currencies)</b>		
In local currency	117,732,419	99,339,362
In foreign currency	-	-
	<b>117,732,419</b>	<b>99,339,362</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	100,394,413	92,481,961
Actual Reserve held with Bangladesh Bank (local currency)	118,355,500	99,304,152
<b>Surplus</b>	<b>17,961,087</b>	<b>6,822,192</b>
<b>3.5 Statutory Liquidity Requirement (SLR): 5% (including 1.5% CRR) of Average Demand and Time Liabilities</b>		
Required Reserve	430,596,579	498,393,067
Actual Reserve held (Note - 3.6)	539,136,369	602,988,415
<b>Surplus</b>	<b>108,539,791</b>	<b>104,595,347</b>
<b>3.6 Held for Statutory Liquidity Requirement</b>		
Cash in hand	39,605	12,728
Balance with Bangladesh Bank	117,732,419	99,339,362
Balance with other bank and Financial Institutions (Note - 4)*	1,143,319,843	991,348,494
	<b>1,261,091,867</b>	<b>1,090,700,584</b>
<b>*Balance with other bank and Financial Institutions</b>	<b>1,143,319,843</b>	<b>991,348,494</b>
Unencumbered	421,364,346	503,636,325
Encumbered	721,955,498	487,712,169
Unencumbered balance*	421,364,346	503,636,325
Encumbered balance	-	-
Balance with Bangladesh Bank	117,732,419	99,339,362
Cash in hand	39,605	12,728
<b>Total eligible balance for SLR</b>	<b>539,136,369</b>	<b>602,988,415</b>
*As per Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank Circular Letter No. 27 dated 23 August 2021, unencumbered balance with other Bank/Financial Institute would qualify for SLR.		
<b>4 Balance with other Banks and Financial Institutions</b>		
Inside Bangladesh (Note - 4.1)	1,143,319,843	991,348,494
Outside Bangladesh (Note - 4.2)	-	-
	<b>1,143,319,843</b>	<b>991,348,494</b>
<b>4.a Balance with other Banks and Financial Institutions (Consolidated)</b>		
Bangladesh Finance	1,143,319,843	991,348,494
Bangladesh Finance Securities Limited	410,157,223	405,698,996
Bangladesh Finance Capital Limited	86,771,347	64,915,252
	1,640,248,414	1,461,962,742
Less: Inter-company transactions	65,000,000	-
	<b>1,575,248,414</b>	<b>1,461,962,742</b>

	31-Dec-22 BDT	31-Dec-21 BDT
<b>4.1 Inside Bangladesh</b>		
<b>Current Account</b>		
Commercial Bank of Ceylon	2,670,622	-
Midland Bank Limited	78,932	1,648
NCC Bank Ltd	456,096	2,393,138
Prime Bank Limited	856,086	7,043
Shahjalal Bank Limited	10,031,113	47,500
Social Islami Bank Limited	41,926	2,023,731
Standard Chartered Bank	155,335	4,381,795
The City Bank Limited	1,041,180	-
	<b>15,331,289</b>	<b>8,854,855</b>
<b>STD Account</b>		
Bank Asia Limited	1,519,650	16,705
BRAC Bank Limited	609,177	375,051
Dutch Bangla Bank Limited	611,447	21,486,541
EXIM Bank Limited (Islamic)	5,641,128	-
Islami Bank BD Ltd.	1,318,765	3,800,608
Jamuna Bank Limited	56,231	26,024
Mutual Trust Bank Limited	2,063,416	62,765,831
Mutual Trust Bank Limited (Islamic)	1,377,351	-
Rupali Bank Limited	735	-
Southeast Bank Limited	7,404,190	15,519,254
Southeast Bank Limited (Islamic)	5,512,413	-
Standard Bank Limited	-	8,474
Standard Chartered Bank	356,084	2,562,510
The City Bank Limited	1,742,288	40,032,300
The City Bank Limited (Islamic)	17,070,092	-
United Commercial Bank Limited	515,772	725,896
	<b>45,798,736</b>	<b>147,319,195</b>
<b>FDR with Banks</b>	<b>621,955,498</b>	<b>387,712,169</b>
<b>FDR with NBFIs</b>	<b>460,234,320</b>	<b>447,462,276</b>
<b>Total Balance with other Banks and Financial Institutions</b>	<b>1,143,319,843</b>	<b>991,348,494</b>
<b>FDR with Banks</b>		
BASIC Bank Ltd.	151,673,709	139,153,015
Exim Bank Ltd. (Islamic)	10,000,000	-
NRB Commercial Bank	124,673,646	119,081,262
Rupali Bank Ltd.	200,000,000	-
South Bangla Agriculture And Commerce Bank Ltd	135,608,144	129,477,892
	<b>621,955,498</b>	<b>387,712,169</b>
<b>FDR with NBFIs</b>		
CVC Finance Limited	100,000,000	100,000,000
Industrial and Infrastructure Development Finance Company Ltd.	100,000,000	100,000,000
International Leasing & Financial Service Ltd*	260,234,320	247,462,276
	<b>460,234,320</b>	<b>447,462,276</b>

\*Bangladesh Finance Limited made investment in Term Deposits with International Leasing & Financial Services Ltd. (ILFSL) of Tk. 200,000,000 on 3 and 6 months auto renewable terms which were placed in the year of 2017 and 2018 with the objectives of ensuring continuous flow of earnings.

Due to financial troubles, the honourable High Court (HC) has reconstructed the board of directors of the International Leasing and Financial Services Limited (ILFSL) to run its usual businesses and to protect the interest of the common shareholders and depositors. The newly appointed directors will work towards collecting the defaulted Loan for the ILFSL. They will also make an effort to improve the overall health of the non-banking financial institution.

We are in constant communication /correspondence with ILFSL management and they have made firm commitment to us to repay the amount. The management of Bangladesh Finance Limited reasonably believes that there is still no significant risk in realization of the investment made with ILFSL following intervention of High Court and restructuring of their board. However, as accounting prudent measure, accrued interest was transferred to interest suspense account and provision has been made on the Principal amount of the investment commencing from 2019 and the cumulative provision as of 31 December 2022 stood at Tk. 90,000,000.

Management will continue making provision to cover the full amount of investment over the years in phases and with that end in view to make provision @15% in next year and @ 20% during 2nd and 3rd year if the present situation of recoverability still exists.

	31-Dec-22 BDT	31-Dec-21 BDT	
<b>4.2 Outside Bangladesh</b>			
Cash at Foreign Bank	-	-	
<b>Total Cash at Bank (Bangladesh &amp; Foreign)</b>	<b>1,143,319,843</b>	<b>991,348,494</b>	
<b>4.3 Maturity-wise groupings of balance with other banks and FI's</b>			
On Demand	15,331,289	8,854,855	
Not more than 3 months	45,798,736	147,319,195	
More than 3 months but less than 1 year	1,082,189,818	835,174,445	
More than 1 year but less than 5 years	-	-	
More than 5 years	-	-	
	<b>1,143,319,843</b>	<b>991,348,494</b>	
<b>5 Investment in Securities</b>			
i) Government	-	-	
ii) Others	419,002,129	252,783,007	
	<b>419,002,129</b>	<b>252,783,007</b>	
<b>5.a Investment in Securities (Consolidated)</b>			
Bangladesh Finance	419,002,129	252,783,007	
Bangladesh Finance Securities Limited	360,979,349	353,801,526	
Bangladesh Finance Capital Limited	475,649,127	380,340,436	
	1,255,630,606	986,924,968	
Less: Inter-company transactions	120,000,000	-	
	<b>1,135,630,606</b>	<b>986,924,968</b>	
<b>5.i Investment in Securities-Government</b>	-	-	
<b>5.ii Investment in Securities-Others</b>			
Investment in shares (quoted) (Note - 5.1)	289,002,129	242,783,007	
Investment in shares (un-quoted) (Note - 5.2)	10,000,000	10,000,000	
Investment in preference shares (Note - 5.3)	120,000,000	-	
	<b>419,002,129</b>	<b>252,783,007</b>	
<b>Maturity-wise Grouping of Investment in Securities:</b>			
On demand	289,002,129	242,783,007	
Not more than 3 months	-	-	
More than 3 months but less than 1 year	-	-	
More than 1 year but less than 5 years	130,000,000	10,000,000	
More than 5 years	-	-	
	<b>419,002,129</b>	<b>252,783,007</b>	
<b>5.1 Quoted Shares</b>			
Segments	Cost Price 2022	Market Price 2022	Cost Price 2021
Bank	-	-	212,857
Cement	16,967,958	13,413,600	66,764,888
Engineering	231,881,871	235,940,180	76,235,299
Food & Allied	-	-	5,900,595
Insurance	154,035	434,556	21,142,061
Miscellaneous	16,975,130	11,560,000	15,485,379
Pharmaceuticals & Chemicals	23,023,135	14,327,600	57,041,928
	<b>289,002,129</b>	<b>275,675,936</b>	<b>242,783,007</b>
<b>5.2 Unquoted Shares</b>			
Segments	Cost Price 2022	Market Price 2022	Cost Price 2021
Miscellaneous	10,000,000	-	10,000,000
	<b>10,000,000</b>	<b>-</b>	<b>10,000,000</b>
	<b>299,002,129</b>	<b>275,675,936</b>	<b>252,783,007</b>

Bangladesh Finance has provided provision for investment in securities Tk. 25,000,000 (note # 12.2) as against requirement of Tk. 23,326,193 (difference between cost and market price netting of unrealized loss/gain) and surplus provision stands at Tk. 1,673,807.



	<b>31-Dec-22 BDT</b>	<b>31-Dec-21 BDT</b>
<b>5.3 Investment in preference shares</b>		
Bangladesh Finance Securities Limited	<b>120,000,000</b>	-
	<b>120,000,000</b>	-
<b>6 Lease, Loans and Advances</b>		
<b>a) Inside Bangladesh</b>		
i) Investment in Lease Finance	1,638,495,861	1,321,137,549
ii) Term Finance	9,541,875,098	9,659,016,241
iii) Housing Finance	2,519,306,811	2,388,948,484
<b>Total Loans and Lease inside Bangladesh (i+ii+iii)</b>	<b>13,699,677,770</b>	<b>13,369,102,273</b>
<b>b) Outside Bangladesh</b>	-	-
<b>Total Loans and Lease Finance (a+b)</b>	<b>13,699,677,770</b>	<b>13,369,102,273</b>
<b>6.a Lease, Loans and Advances (Consolidated)</b>		
Bangladesh Finance	13,699,677,770	13,369,102,273
Bangladesh Finance Securities Limited	734,617,644	785,991,507
Bangladesh Finance Capital Limited	57,519,391	174,160,117
	14,491,814,805	14,329,253,897
Less: Inter-company transactions	485,637,530	636,993,321
	<b>14,006,177,275</b>	<b>13,692,260,576</b>
<b>6.1 Maturity wise Classification of Investments: With a residual maturity of</b>		
Receivable on Demand	523,159,643	504,977,991
Not more than 3 months	1,664,598,866	1,606,748,154
Over 3 months but not more than 1 year	1,938,447,453	1,938,447,453
Over 1 year but not more than 5 years	7,324,235,009	7,069,691,876
Over 5 years	2,249,236,799	2,249,236,799
	<b>13,699,677,770</b>	<b>13,369,102,273</b>
<b>6.2 Investments on the basis of significant concentration:</b>		
Investments to allied concern of Directors (Note - 43.5)	485,637,530	636,993,321
Investments to Executives/Officers	65,105,917	47,014,219
Investments to Customer Groups	7,513,803,901	7,115,383,844
Industrial Investment	5,405,969,374	5,383,391,361
Others	229,161,047	186,319,528
	<b>13,699,677,770</b>	<b>13,369,102,273</b>
<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:</b>		
Total outstanding amount to such customers at end of the year	4,986,147,004	4,113,732,629
Number of such types of customers	8	6
Amount of Classified Investments thereon	219,869,440	-
Measures taken for recovery		

6.4 Sector-wise Classification of Investment:

Sector	As at 31 December 2022		As at 31 December 2021	
	Amount	Composition	Amount	Composition
1. Trade & Commerce	2,007,262,561	14.65%	1,857,532,718	13.89%
2. Industry	5,405,969,374	39.46%	5,383,391,361	40.27%
A. Garments & Knitwear	241,536,450	1.76%	253,309,750	1.89%
B. Textiles	1,466,460,993	10.70%	1,342,655,742	10.04%
C. Food Production, Processing & Rice Mills	326,079,401	2.38%	319,256,605	2.39%
D. Jute & Jute products	1,966,551	0.01%	1,507,000	0.01%
E. Plastic & Rubber Industry	18,982,367	0.14%	55,789,939	0.42%
F. Leather & Leather goods	7,867,319	0.06%	12,591,342	0.09%
G. Iron, Steel & Engineering	1,268,225,986	9.26%	1,235,387,698	9.24%
H. Pharmaceuticals & Chemicals	8,222,511	0.06%	150	0.00%
I. Cement & Allied Industry	-	0.00%	-	0.00%
J. Paper, Packaging, Printing, Publishing & Allied Industry	46,622,600	0.34%	136,776,027	1.02%
K. Wood, Furniture & Fixture	-	0.00%	-	0.00%
L. Glass, Glassware & Ceramic Industry	-	0.00%	-	0.00%
M. Ship Manufacturing & Breaking	-	0.00%	-	0.00%
N. Electronics & Electrical Products	440,127,646	3.21%	391,231,398	2.93%
O. Power, Gas, Petroleum, Water & Sanitary	857,294,632	6.26%	939,582,245	7.03%
P. Transport & Aviation	722,582,919	5.27%	695,303,465	5.20%
Q. Others	-	0.00%	-	0.00%
3. Agriculture	635,714,164	4.64%	644,040,008	4.82%
4. Mining & Quarrying	-	0.00%	-	0.00%
5. Housing	2,493,245,395	18.20%	2,425,985,303	18.15%
6. Financial Corporation	2,166,046,421	15.81%	2,288,375,265	17.12%
7. Service	494,390,376	3.61%	388,254,433	2.90%
8. Consumer Finance	267,888,432	1.96%	195,203,657	1.46%
9. Others	229,161,047	1.67%	186,319,528	1.39%
	<b>13,699,677,770</b>	<b>100.00%</b>	<b>13,369,102,273</b>	<b>100.00%</b>

6.5 Geographical Location-wise loans and lease Finance:

Location	As at 31 December 2022		As at 31 December 2021	
	Amount	Composition	Amount	Composition
Dhaka Division	10,759,653,499	78.54%	10,577,445,454	79.12%
Chattogram Division	2,825,813,428	20.63%	2,707,060,691	20.25%
Khulna Division	55,555,573	0.41%	30,535,761	0.23%
Sylhet Division	58,655,270	0.43%	54,060,367	0.40%
	<b>13,699,677,770</b>	<b>100.00%</b>	<b>13,369,102,273</b>	<b>100.00%</b>

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

Particulars	As at 31 December 2022		As at 31 December 2021	
	Amount	Composition	Amount	Composition
<b>Unclassified</b>				
Standard	9,993,419,604	72.95%	12,181,935,889	91.12%
Special Mention Account (SMA)	2,944,310,977	21.49%	847,135,829	6.34%
	<b>12,937,730,581</b>		<b>13,029,071,718</b>	
<b>Classified</b>				
Substandard	333,847,671	2.44%	3,436,164	0.03%
Doubtful	302,329,253	2.21%	521,379	0.00%
Bad and Loss	125,770,266	0.92%	336,073,012	2.51%
	<b>761,947,190</b>		<b>340,030,555</b>	
	<b>13,699,677,770</b>	<b>100.00%</b>	<b>13,369,102,273</b>	<b>100.00%</b>

6.7	Particulars of provision for loans and lease Finance	Status	Rate	Basis for Provision	31-Dec-22	31-Dec-21
					BDT	
					Amount	Amount
					2022	2021
<b>General Provision (for Unclassified portion)</b>						
	Standard Non-SME	1%	5,187,800,189		51,878,002	70,697,096
	Standard-SME	0.25%	3,242,629,147		8,106,573	8,282,406
	Standard-Brokerage	2.00%	1,562,990,268		31,259,805	35,985,279
	Standard-Special*	2.00%	4,121,219,098		82,424,382	84,101,885
	Special Mention Account	5%	2,828,701,661		141,435,083	35,685,196
					<b>315,103,845</b>	<b>234,751,862</b>

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

**Specific Provision**

Substandard	20%	200,709,855	40,141,971	570,553
Doubtful	50%	121,742,366	60,871,183	212,141
Bad or loss	100%	31,105,293	31,105,293	141,573,911
			<b>132,118,447</b>	<b>142,356,604</b>
Required provision for Loans & Lease Finance			447,222,292	377,108,466
Provision for other assets			2,192,352	5,530,000
Total provision required			<b>449,414,644</b>	<b>382,638,466</b>
Total provision maintained {note # 12.1(a), (b), (c) & (d)}			652,965,739	622,009,045
<b>Surplus Provision</b>			<b>203,551,095</b>	<b>239,370,578</b>

Bangladesh Finance has maintained general provision on unclassified investment Tk. 357,077,514 (note # 12.1.b), special provision for unclassified investment Tk. 82,424,382 (note # 12.1.c), specific provision for classified investment Tk. 117,933,843 (note # 12.1.a), provision for other assets Tk. 2,192,352 (note # 12.1.d) respectively where total provision stood at Tk. 652,965,739. However, as per instruction of Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank, Bangladesh Finance is developing provision against stressed accounts. Part of that total new provision of Tk. 154,978,810 is provided this year (note # 12.1.a,b and d) to address unforeseen credit risk, post-pandemic scenario and strengthening capital base.

**6.8 Particulars of Investments:**

(i)	Loans, advances and leases considered good in respect of which the financial institution is fully secured	2,755,491,596	2,470,549,081
(ii)	Loans, advances and leases considered good against which the financial institution holds no security other than the debtors' personal guarantee	3,588,635,980	1,003,572,006
(iii)	Loans, advances and leases considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	7,355,550,194	9,894,981,186
		<b>13,699,677,770</b>	<b>13,369,102,273</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	65,105,917	47,014,219
(vi)	Loans, advances and leases due from companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in case of private companies, as members (Note 43.5).	485,637,530	636,993,321
(vii)	Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the financial institution or any of them either separately or jointly with any other person	32,601,810	38,970,737
(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)	-	-



	31-Dec-22 BDT	31-Dec-21 BDT
(x) Amount of classified loans, advances and leases on which interest has not been charged to the P&L	761,947,190	340,030,555
a) Increase/(decrease) in specific provision	94,478,810	(61,521,325)
Amount of written off loans, advances and leases	-	-
Total amount realized against loans and leases previously written off	3,255,500	2,145,500
b) Amount of provision kept against loans, advances and leases classified as bad/loss at the date of balance sheet	31,105,293	141,573,911
c) Interest credited to Interest Suspense Account	446,576,273	351,784,181
(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	341,669,212	-
	614,196,519	272,527,307
The amount of written off loans, advances and leases for which law suits have been filed	474,831,364	268,641,835
<b>7 Fixed Assets including Premises, Furniture &amp; Fixtures</b>		
<b>A. Cost:</b>		
Opening balance	677,662,264	677,950,481
Addition during the year	79,858,319	24,290,278
Add: Revaluation During the year	-	-
Less: Disposal during the year	35,299,019	24,578,495
<b>Closing balance at cost</b>	<b>722,221,565</b>	<b>677,662,264</b>
<b>B. Depreciation:</b>		
Opening balance	154,821,284	153,575,501
Addition during the year	31,981,883	25,824,278
Less: Adjustment on disposal during the year	32,912,367	24,578,495
<b>Accumulated Depreciation</b>	<b>153,890,800</b>	<b>154,821,284</b>
<b>Carrying value</b>	<b>568,330,764</b>	<b>522,840,980</b>
*Details are given in Annexure-A		
<b>7.a Fixed Assets including Premises, Furniture and Fixtures (Consolidated)</b>		
Bangladesh Finance	568,330,764	522,840,980
Bangladesh Finance Securities Limited- PPE	9,667,318	7,184,450
Bangladesh Finance Securities Limited-ROU	37,816,341	9,171,877
Bangladesh Finance Capital Limited	4,578,858	4,967,419
Bangladesh Finance Capital Limited-ROU	4,393,681	-
	<b>624,786,962</b>	<b>544,164,726</b>
<b>7.1 Revaluation Surplus on Land And Building</b>		
Revalued Amount	481,992,633	481,992,633
Less: Acquisition Value	52,925,188	52,925,188
Less: Deferred Tax Adjustment	17,162,697	17,162,697
Less: Transferred to Retained Earnings	2,808,768	1,404,384
<b>Revaluation Surplus</b>	<b>409,095,980</b>	<b>410,500,364</b>
Note: Bangladesh 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 stood at Tk. 411,904,748 up from Tk. 295,243,020 appreciating by Tk. 116,661,728 after adjustment of Deferred Tax liability. The present balance of revaluation reserve stands at Tk. 409,095,980 after adjustment of depreciation which was transferred to retained earnings.		
<b>7.b Revaluation Reserve (Consolidated)</b>		
Bangladesh Finance	409,095,980	410,500,364
Bangladesh Finance Securities Limited	-	-
Bangladesh Finance Capital Limited	-	-
	<b>409,095,980</b>	<b>410,500,364</b>

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<b>8 Other Assets</b>		
Investment in Subsidiaries (Note: 8.1)	849,930,000	849,930,000
Investment in BD Finance Vanguard Mutual Fund One	20,000,000	20,000,000
Receivables, Advances & Deposits (Note 8.2)*	375,100,892	399,315,300
	<b>1,245,030,892</b>	<b>1,269,245,300</b>
<b>8.a Other Assets (Consolidated)</b>		
Bangladesh Finance	395,100,892	419,315,300
Bangladesh Finance Securities Ltd.	999,420,518	962,348,414
Bangladesh Finance Capital Ltd.	64,463,659	94,645,872
	1,458,985,069	1,476,309,585
Less: Inter-company transactions	110,810	-
	<b>1,458,874,259</b>	<b>1,476,309,585</b>
<b>8.1 Investment In Subsidiaries</b>		
Investment In paid up capital (Bangladesh Finance Capital Limited)	249,930,000	249,930,000
Investment In paid up capital (Bangladesh Finance Securities Limited)	600,000,000	600,000,000
	<b>849,930,000</b>	<b>849,930,000</b>
<b>8.2 Receivables, Advances &amp; Deposits</b>		
<b>a) Other receivables</b>		
Interest on investment in FDR	31,951,017	20,318,919
Receivable Interest on BB Stimulus Package	2,143,650	7,166,303
Receivable Advisory Fees	23,473,000	-
Re-imbursable expenses	4,384,704	5,668,362
Receivable Grace Period Interest	-	1,047,726
Receivable Delinquent Charge	63,830,124	54,014,689
Receivable Penal Interest	82,918,257	49,894,783
Receivable Excise Duty	-	767,370
Receivable against sale of shares	30,255,015	139,402,064
Receivable House Rent	2,835,003	3,335,019
Dividend Receivable	1,570,201	-
Receivable-Others*	4,909,841	68,659
Stock of Stamp	61,460	67,642
	<b>248,332,272</b>	<b>281,751,535</b>
*Prior year figure has been rearranged with Receivable House Rent		
<b>b) Advance, deposits and prepayments</b>		
Advance against Fixed Assets	70,000	-
Advance interest on TDR	8,505,212	-
Prepaid expenses for rebranding	4,599,246	9,198,492
Pre-IPO Placement	38,100,000	38,783,920
Advance others	5,228,340	17,586,278
	<b>56,502,798</b>	<b>65,568,690</b>
<b>c) Deposits with others</b>		
Deposits with BTTB & Mobile	89,200	89,200
Deposits with Baitul Hossain Building	203,814	203,814
Deposit with Land Lord Bangshal Branch	24,700	14,700
Deposit with CDBL	413,241	413,241
Deposit with Sadharan Bima	15,000	15,000
	<b>745,955</b>	<b>735,955</b>
<b>d) Deferred Tax Asset</b>		
Deferred tax assets were recognized in accordance with IAS 12: Income Taxes on the basis of temporary differences between the carrying amount of assets and liabilities in the financial statements and their tax base.		
The calculation of deferred tax assets are given as under:		
<b>Deductible temporary difference</b>		
Building	1,524,778	1,694,197
Furniture & Fixture	11,032,250	11,306,809
Motor Vehicles	11,482,222	-
Machinery & Equipment	3,977,221	4,605,628
Office Renovation	7,327,828	9,755,168
Software	-	519,986
Gratuity provision	27,686,408	22,113,362
Provisions for other Receivables & Off-Balance Sheet exposures	97,530,000	33,500,000
	<b>160,560,707</b>	<b>83,495,151</b>
Tax	37.50%	37.50%
	<b>60,210,265</b>	<b>31,310,682</b>

	31-Dec-22 BDT	31-Dec-21 BDT
Unabsorbed Loss on Sale of Shares	68,096,028	199,484,383
Provisions for investment in securities	25,000,000	-
	<b>93,096,028</b>	<b>199,484,383</b>
Tax	10.00%	10.00%
	<b>9,309,603</b>	<b>19,948,438</b>
<b>Total Deferred tax assets</b>	<b>69,519,868</b>	<b>51,259,119</b>
<u>Movement of deferred tax assets is as follows:</u>		
Balance at the beginning of the year	51,259,119	16,574,527
Credited/(debited) to profit and loss account during the year	18,260,748	34,684,592
Balance at the end of the year	<b>69,519,867</b>	<b>51,259,119</b>
<b>Total Receivables, Advances &amp; Deposits (a+b+c+d)</b>	<b>375,100,892</b>	<b>399,315,299</b>
<b>8.2.a Consolidated Deferred Tax Assets</b>		
Balance at the beginning of the year	57,698,887	17,177,424
Add: Recognized during the year		
Bangladesh Finance	18,260,748	34,684,592
Bangladesh Finance Securities Limited	38,572,655	2,163,020
Bangladesh Finance Capital Limited	3,231,185	3,674,421
	<b>60,064,588</b>	<b>40,522,033</b>
Less: Adjustment during the year	-	571
	<b>117,763,475</b>	<b>57,698,887</b>
<b>8.3 Maturity wise classification of other assets</b>		
Receivable on Demand	4,971,301	3,471,320
Not more than 3 months	69,519,867	51,259,120
Over 3 months but not more than 1 year	243,360,971	278,280,215
Over 1 year but not more than 5 years	56,502,798	65,568,690
Over 5 years	870,675,955	870,665,955
	<b>1,245,030,892</b>	<b>1,269,245,300</b>
<b>9. Non-Financial Assets</b>		
Income Generating	-	-
Non-Income Generating	213,121,062	212,121,062
	<b>213,121,062</b>	<b>212,121,062</b>
Bangladesh Finance was awarded absolute ownership on seven mortgaged property (Land) in the year of 2015 through verdict of honourable court under section 33 (7) of Artha Rin Adalat Ain, 2003. These have been recorded as non-financial assets.		
<b>10. Borrowing from other banks, Financial Institutions and agents</b>		
Secured	353,560,035	324,404,372
Un secured	2,313,067,688	2,179,115,740
	<b>2,666,627,723</b>	<b>2,503,520,111</b>
In Bangladesh	2,666,627,723	2,503,520,111
Outside Bangladesh	-	-
	<b>2,666,627,723</b>	<b>2,503,520,111</b>
<b>10.a Borrowing from other banks, Financial Institutions and agents</b>		
Bangladesh Finance	2,666,627,723	2,503,520,111
Bangladesh Finance Securities Limited	796,157,859	731,056,172
Bangladesh Finance Securities Limited- Preference Shares	120,000,000	-
Bangladesh Finance Capital Limited	165,567,332	156,883,676
Bangladesh Finance Capital Limited- Margin Loan	-	65,760,769
	3,748,352,914	3,457,220,728
Less: Inter-company transactions	602,953,104	609,751,094
	<b>3,145,399,810</b>	<b>2,847,469,634</b>



	31-Dec-22 BDT	31-Dec-21 BDT
<b>10.1 In Bangladesh</b>		
Refinance against SME loan from Bangladesh Bank	159,618,220	66,077,500
Refinance against Housing loan from Bangladesh Bank	285,714	410,714
Refinance against SME loan from JICA	62,524,525	14,430,897
Refinance against BB Stimulus Package	53,051,667	52,911,710
Term Loan from other Banks (Note-10.2)	664,268,059	930,881,107
Short Term Loan from other banks (Note-10.3)	1,183,479,538	1,240,108,182
Short Term Borrowing	452,400,000	73,500,000
Call Loan	91,000,000	125,200,000
	<b>2,666,627,723</b>	<b>2,503,520,111</b>
<b>10.2 Term loan from Other Banks</b>		
Bank Asia Ltd.	-	21,807,161
Basic Bank Ltd.	158,690,160	188,426,907
Jamuna Bank Ltd	91,151,899	130,391,101
Midland Bank Ltd.	103,803,597	120,389,221
Mutual Trust Bank Ltd.	18,516,139	28,554,900
NCC Bank Ltd.	121,224,721	156,961,264
Prime Bank Ltd.	13,898,714	18,840,580
Shahjalal Islami Bank Ltd.	89,872,304	128,813,211
Southeast Bank Ltd.	38,287,924	66,462,973
United Commercial Bank Ltd.	28,822,602	70,233,789
	<b>664,268,059</b>	<b>930,881,107</b>
<b>10.3 Short Term Loan from Other Banks</b>		
Basic Bank Ltd.	127,657,609	119,163,084
Jamuna Bank Ltd.	152,512,407	153,714,795
Mercantile Bank Ltd.	202,805,567	245,486,616
Midland Bank limited	102,229,571	101,979,351
Mutual Trust Bank Ltd.	170,213,397	214,994,070
NRB Commercial Bank Ltd.	93,331,890	93,346,934
Southeast Bank Ltd.	100,000,000	100,000,000
South Bangla Agriculture & Commerce Bank Ltd.	132,570,536	111,894,354
Uttara Bank Ltd.	102,158,561	99,528,980
	<b>1,183,479,538</b>	<b>1,240,108,182</b>
<b>10.4 Maturity wise classification of loan</b>		
Repayable on demand	91,000,000	125,200,000
Within 1 month	55,685,927	45,528,477
Over 1 months but not more than 3 months	208,822,228	170,731,789
Over 3 months but not more than 1 year	1,183,479,538	1,240,108,182
Over 1 year but not more than 5 years	1,127,640,030	921,951,662
Over 5 years	-	-
	<b>2,666,627,723</b>	<b>2,503,520,111</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.		
<b>11. Deposits and Other Accounts:</b>		
Term Deposits (Note - 11.1)	9,548,647,901	9,183,929,859
Scheme Deposits (Note - 11.2)	244,333,339	200,842,044
Other Deposits (Note - 11.3)	58,342,957	166,954,836
Advance Rent and Instalments (Note - 11.4)	11,022,028	17,250,951
	<b>9,862,346,225</b>	<b>9,568,977,690</b>
<b>11.a Deposits and Other Accounts (Consolidated)</b>		
Bangladesh Finance	9,862,346,225	9,568,977,690
Bangladesh Finance Securities Limited	-	-
Bangladesh Finance Capital Limited	-	-
	9,862,346,225	9,568,977,690
Less: Inter-company transactions	65,000,000	-
	<b>9,797,346,225</b>	<b>9,568,977,690</b>
<b>11.1 Term Deposits</b>		
General Deposits	6,452,647,901	5,967,929,859
Deposit from Other Banks and FI's (Note - 11.5)	3,096,000,000	3,216,000,000
	<b>9,548,647,901</b>	<b>9,183,929,859</b>
<b>11.2 Scheme Deposits</b>		
General Deposits	244,333,339	200,842,044
Deposit from Other Banks and FI's	-	-
	<b>244,333,339</b>	<b>200,842,044</b>

	31-Dec-22 BDT	31-Dec-21 BDT
<b>11.3 Other Deposits</b>		
Loan and Lease deposits	14,365,024	19,238,945
Security deposits	272,670	272,670
Loan deposits	-	-
Sundry Creditors	43,705,263	147,443,221
	<b>58,342,957</b>	<b>166,954,836</b>
<b>11.4 Advance Rent and Instalments</b>		
Advance Lease Rent	2,602,716	5,802,996
Advance Term Instalments	8,419,312	11,447,955
	<b>11,022,028</b>	<b>17,250,951</b>
<b>11.5 Term Deposits from other bank and FI's</b>		
Term Deposits from Banks	2,852,000,000	2,952,000,000
Term Deposits from NBFIs	244,000,000	264,000,000
	<b>3,096,000,000</b>	<b>3,216,000,000</b>
<b>Term Deposits from Banks</b>		
Agrani Bank Ltd.	900,000,000	900,000,000
Janata Bank Ltd.	550,000,000	550,000,000
Midland Bank Ltd	-	89,000,000
Modhumoti Bank Ltd	327,000,000	328,000,000
National Credit And Commerce Bank Ltd.	-	40,000,000
NRB Bank Ltd.	-	30,000,000
Sonali Bank Ltd.	185,000,000	195,000,000
South Bangla Agriculture And Commerce Bank Ltd	200,000,000	200,000,000
The City Bank Ltd.	690,000,000	620,000,000
	<b>2,852,000,000</b>	<b>2,952,000,000</b>
<b>Term Deposits from NBFIs</b>		
Industrial and Infrastructure Development Finance Company Ltd. (IIDFC)	100,000,000	-
Infrastructure Development Company Limited (IDCOL)	144,000,000	214,000,000
IPDC Finance Limited	-	50,000,000
	<b>244,000,000</b>	<b>264,000,000</b>
<b>11.6 Maturity wise classification of Deposits</b>		
Repayable on demand	-	-
Within 1 month	493,117,311	478,448,884
Over 1 months but not more than 3 months	1,282,105,009	1,243,967,100
Over 3 months but not more than 1 year	1,479,351,934	1,435,346,653
Over 1 year but not more than 5 years	5,128,420,037	4,975,868,399
Over 5 year to 10 years	1,479,351,934	1,435,346,653
Over 10 years	-	-
	<b>9,862,346,225</b>	<b>9,568,977,690</b>
<b>12. Other Liabilities</b>		
Provision for Loans and Lease Finance (Note - 12.1 )	652,965,739	622,009,045
Provisions for Investment in Securities (Note - 12.2)	25,000,000	45,000,000
Provisions for Off-Balance Sheet Exposures	2,000,000	3,500,000
Interest Suspense (Note - 12.3)	446,576,273	351,784,181
Penal Income in Suspense (Note - 12.9)	146,731,018	103,909,472
Provision for Taxation (Note - 12.4)	175,496,889	231,587,033
Deferred Tax (Note - 12.5)	17,398,671	18,689,935
Interest payable on Borrowing and Deposits (Note - 12.6)	141,013,410	154,024,430
Payable & Provision against expenditure (Note - 12.7)	175,872,682	123,840,844
Advance Rent Received	7,762,500	-
Profit Equalization Reserve (Islamic)	5,078,149	-
Advance Excise Duty Received	8,651,935	7,642,690
Gratuity Fund (Note - 12.8)	27,686,408	22,113,362
Unclaimed/undistributed Dividend	4,097,295	6,136,878
	<b>1,836,330,969</b>	<b>1,690,237,869</b>
<b>12.a Other Liabilities (Consolidated)</b>		
Bangladesh Finance	1,836,330,969	1,690,237,869
Bangladesh Finance Securities Limited	452,593,464	603,695,930
Bangladesh Finance Capital Limited	120,644,585	137,473,755
	2,409,569,019	2,431,407,554
Less: Inter-company transactions	2,795,236	27,242,227
	<b>2,406,773,783</b>	<b>2,404,165,328</b>

	31-Dec-22 BDT	31-Dec-21 BDT
<b>12.1 Provision for Investment:</b>		
<b>(a) Provision on Classified Investment:</b>		
Provision held at the beginning of the year	145,799,645	206,569,471
Provision adjustment for Loan/Lease written off during the year	(123,454,612)	-
Recovery against Loan/Lease previously written off	1,110,000	751,500
Net charge to Profit & Loss Account (Note - 32)	94,478,810	(61,521,325)
<b>Provision held at the end of the year</b>	<b>117,933,843</b>	<b>145,799,646</b>
<b>(b) General Provision on Unclassified Investment:</b>		
Provision held at the beginning of the year	316,577,514	126,577,514
Net charge to Profit & Loss Account (Note - 32)	40,500,000	190,000,000
<b>Balance at the end of the year</b>	<b>357,077,514</b>	<b>316,577,514</b>
<b>(c) Special General Provision on Unclassified Investment:</b>		
Provision held at the beginning of the year	84,101,885	-
*Net charge to Profit & Loss Account (Note - 32)	(1,677,503)	84,101,885
<b>Balance at the end of the year</b>	<b>82,424,382</b>	<b>84,101,885</b>
*Provision no longer required for settlement of loan/lease account during the period		
<b>(d) Provision on Other Receivables:</b>		
Provision held at the beginning of the year	75,530,000	45,530,000
Net charge to Profit & Loss Account (Note - 32)	20,000,000	30,000,000
<b>Balance at the end of the year</b>	<b>95,530,000</b>	<b>75,530,000</b>
<b>Total Provision for Investments</b>	<b>652,965,739</b>	<b>622,009,045</b>
<b>12.2 Provision for Investment in Securities:</b>		
Provision held at the beginning of the year	45,000,000	47,825,968
Addition/(Adjustment) during the year (note - 32)	(20,000,000)	(2,825,968)
<b>Balance at the end of the year</b>	<b>25,000,000</b>	<b>45,000,000</b>
<b>12.3 Interest Suspense Account:</b>		
Balance at the beginning of the year	351,784,181	231,326,523
Amount transferred to suspense account during the year	128,057,312	120,457,658
Interest Suspense adjustment for loan/lease written-off during the year	(33,265,220)	-
Amount recovered from suspense account during the year	-	-
<b>Balance at the end of the year</b>	<b>446,576,273</b>	<b>351,784,181</b>
As per instruction of Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank, Bangladesh Finance is developing interest suspense against stressed accounts. Part of that Tk. 128,057,312 was transferred to interest suspense account this year to address unforeseen credit risk and post pandemic scenario.		
<b>12.4 Provision for Taxation</b>		
<b>Provision</b>		
Balance at the beginning of the year	1,379,029,891	1,209,459,543
Less: Adjustment during the year	-	-
	1,379,029,891	1,209,459,543
Add: Provision made during the year	22,241,174	169,570,348
	1,401,271,065	1,379,029,891
Settlement of previous year's tax liability	-	-
<b>Balance at the end of the year</b>	<b>1,401,271,065</b>	<b>1,379,029,891</b>
<b>Advance tax</b>		
Balance at the beginning of the year	1,147,442,858	1,001,274,625
Add: Payment made during the year		
Under sections 64 and 74 of ITO, 1984	53,104,000	85,279,186
Deduction at source	25,227,318	60,889,047
	1,225,774,176	1,147,442,858
Less: Adjustment during the year	-	-
<b>Balance at the end of the year</b>	<b>1,225,774,176</b>	<b>1,147,442,858</b>
<b>Net balance at the end of the year</b>	<b>175,496,889</b>	<b>231,587,033</b>



	31-Dec-22 BDT	31-Dec-21 BDT
<b>Average effective tax rate</b>		
The average effective tax rate is calculated below as per International Accounting Standard (IAS) 12: "Income Taxes".		
Tax expenses (A)	2,689,162	134,876,418
Accounting profit before tax (B)	196,130,025	403,069,475
<b>Average effective tax rate (A÷B)</b>	<b>1.37%</b>	<b>33.46%</b>

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

The average effective tax rate decreased significantly compared to the previous year owing to loan/lease written-off during the year and realized capital gain against investment in shares having reduced tax rate.

	2022	
	%	Taka
Profit before income tax as per profit or loss account		196,130,025
Income tax as per applicable tax rate	37.50%	73,548,759
Net inadmissible expenses	-17.68%	(34,671,287)
Tax exempted income	0.00%	-
Tax savings from reduced tax rates (on dividend income)	-8.69%	(17,052,549)
Tax savings from reduced tax rates (for gain on sale of securities)	0.00%	-
Effect of deferred tax	-9.97%	(19,552,012)
<b>Total income tax expenses</b>	<b>1.37%</b>	<b>2,689,162</b>

	2021	
	%	Taka
Profit before income tax as per profit or loss account		403,069,475
Income tax as per applicable tax rate	37.50%	151,151,053
Net inadmissible expenses	17.53%	70,642,443
Tax exempted income	0.00%	-
Tax savings from reduced tax rates (on dividend income)	-12.96%	(52,223,148)
Tax savings from reduced tax rates (for gain on sale of securities)	0.00%	-
Effect of deferred tax	-8.61%	(34,693,930)
<b>Total income tax expenses</b>	<b>33.46%</b>	<b>134,876,418</b>

**12.4.a Consolidated Provision for Current Tax**

Balance at the beginning of the year	1,594,232,110	1,357,647,617
Add: Provision made during the year		
Bangladesh Finance	22,241,174	169,570,348
Bangladesh Finance Securities Limited	39,543,812	46,885,677
Bangladesh Finance Capital Limited	8,229,535	23,711,039
	<b>70,014,521</b>	<b>240,167,064</b>
Less: Adjustment during the year	-	3,582,572
	<b>1,664,246,631</b>	<b>1,594,232,110</b>

**12.5 Deferred Tax Liabilities**

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

The calculation of deferred tax liabilities are given as under:

**Taxable temporary difference**

Revaluation surplus	420,859,886	427,663,061
Tax	4%	4%
	<b>16,834,395</b>	<b>17,106,522</b>
Right-of-use Assets	3,068,435	4,023,120
System & Software	(1,563,698)	-
Motor vehicles	-	199,316
	1,504,737	4,222,436
Tax	37.50%	37.50%
	<b>564,276</b>	<b>1,583,413</b>
<b>Total deferred tax liabilities</b>	<b>17,398,671</b>	<b>18,689,935</b>

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

Balance at the beginning of the year	18,689,935	18,699,273
Adjustment for Revaluation Reserve	-	-
Credited/(debited) to profit and loss account during the year	(1,291,264)	(9,337)
<b>Balance at the end of the year</b>	<b>17,398,671</b>	<b>18,689,935</b>

	31-Dec-22 BDT	31-Dec-21 BDT
<b>12.5.1 Adjustment of Deferred Tax</b>		
Deferred Tax Assets (Note 8.2d)	(18,260,748)	(34,684,592)
Deferred Tax Liabilities (Note 12.5)	(1,291,264)	(9,337)
<b>Net Charged to profit and loss account</b>	<b>(19,552,012)</b>	<b>(34,693,930)</b>
<b>12.5.a Consolidated Deferred Tax Liabilities</b>		
Balance at the beginning of the year	18,689,935	18,699,273
Add: Recognized during the year		
Bangladesh Finance	(1,291,264)	(9,337)
Bangladesh Finance Securities Limited	-	-
Bangladesh Finance Capital Limited	-	-
	<b>(1,291,264)</b>	<b>(9,337)</b>
Less: Adjustment during the year	-	-
	<b>17,398,671</b>	<b>18,689,935</b>
<b>12.5.b Adjustment of Consolidated Deferred Tax</b>		
Deferred Tax Assets (Note 8.2.a)	(60,064,588)	(40,521,462)
Deferred Tax Liabilities (Note 12.5.a)	(1,291,264)	(9,337)
<b>Net Charged to profit and loss account</b>	<b>(61,355,852)</b>	<b>(40,530,800)</b>
<b>12.6 Interest payable on Borrowing and Deposits</b>		
Interest payable on TDR and other deposits	108,668,093	120,147,828
Interest payable on Term and Short Term Loan	19,598,258	23,040,435
Interest Payable on Bank Overdraft	8,775,000	9,165,000
Interest payable on Refinancing loan from BB (SME)	1,275,465	419,550
Interest payable on Refinancing loan from BB (Housing)	21,810	12,751
Interest payable on Refinancing loan from JICA	1,874,928	1,058,799
Interest payable on BB Stimulus Package	752,392	75,360
Interest Payable on Call loan	47,464	36,517
Interest payable on Security Deposit	-	68,190
<b>Balance at the end of the year</b>	<b>141,013,410</b>	<b>154,024,430</b>
<b>12.7 Payable &amp; Provision against expenditure</b>		
Advance transfer price	3,001	3,001
Payable others	43,991,717	29,717,106
Payable to BD Finance Foundation	36,805,618	50,309,988
Liability for Lease Rent	40,454,163	18,872,978
Withholding Excise Duty	19,349,894	17,509,413
Withholding Tax	31,722,240	6,110,481
Withholding VAT	3,546,049	1,317,877
<b>Balance at the end of the year</b>	<b>175,872,682</b>	<b>123,840,844</b>
<b>12.8 Gratuity Fund</b>		
Opening balance	22,113,362	21,019,661
Add: Provision during the year	6,726,537	2,705,620
Less: Payment during the year	(1,153,491)	(1,611,919)
Closing balance	<b>27,686,408</b>	<b>22,113,362</b>
<b>12.9 Penal Income in Suspense</b>		
Delinquent Interest Suspense	63,784,362	54,014,689
Penal Interest Suspense	82,946,657	49,894,783
	<b>146,731,018</b>	<b>103,909,472</b>
<p>The amount represents accrued delinquent/penal interest for late rental/instalment payments that were transferred to a suspense account due to the uncertainty of recovery and will be added to income when recovered.</p>		
<b>12.10 Maturity wise classification of other liabilities</b>		
Repayable on demand	4,097,295	6,136,878
Within 1 month	35,268,289	7,428,358
Over 1 months but not more than 3 months	19,349,894	17,509,413
Over 3 months but not more than 1 year	141,013,410	154,024,430
Over 1 year but not more than 5 years	654,640,832	602,055,516
Over 5 years	981,961,249	903,083,274
<b>Balance at the end of the year</b>	<b>1,836,330,969</b>	<b>1,690,237,869</b>

	31-Dec-22 BDT	31-Dec-21 BDT
<b>13. Capital</b>		
<b>13.1 Authorized Capital:</b> 600,000,000 ordinary shares of Tk. 10 each	<b>6,000,000,000</b>	<b>6,000,000,000</b>
<b>13.2 Issued, Subscribed and Paid up Capital:</b> 188,236,267 fully paid ordinary shares of Tk. 10 each subscribed and paid up by the sponsor Shareholders & General Shareholders	<b>1,882,362,670</b>	<b>1,775,813,840</b>
Sponsor Shareholders Group	587,274,010	548,425,820
General Shareholders Group	1,295,088,660	1,227,388,020
	<b>1,882,362,670</b>	<b>1,775,813,840</b>
<b>General Shareholders Group:</b>		
General Public (Individuals)	1,063,817,270	905,248,770
Institutions	230,968,870	321,851,720
Unit fund	-	-
Investors Account	302,520	287,530
Mutual Fund	-	-
	<b>1,295,088,660</b>	<b>1,227,388,020</b>

Classification of Shareholders by holding:	No. of Shareholders	No. of Shares	Percentage of Share Holding
Less than 500 shares	4,285	675,167	0.36%
501 to 5,000 shares	3,109	5,282,714	2.81%
5,001 to 10,000 shares	417	2,964,008	1.57%
10,001 to 20,000 shares	270	3,775,984	2.01%
20,001 to 30,000 shares	110	2,687,116	1.43%
30,001 to 40,000 shares	43	1,510,889	0.80%
40,001 to 50,000 shares	36	1,642,219	0.87%
50,001 to 1,00,000 shares	72	5,253,344	2.79%
1,00,001 to 10,00,000 shares	116	33,692,239	17.90%
10,00,001 to 99,99,999 shares	38	130,752,587	69.46%
<b>Total</b>	<b>8,496</b>	<b>188,236,267</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
2020	Bonus Share	10,051,776	100,517,760	1,775,813,840
2021	Bonus Share	10,654,883	106,548,830	1,882,362,670



**31-Dec-22**      **31-Dec-21**  
**BDT**              **BDT**

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

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

The Surplus eligible capital of the company on solo and consolidated basis at the close of business on 31 December 2022 were Taka 1,332,567,693 and Taka 1,772,828,772 respectively.

Details are as follows:

	Bangladesh Finance		Bangladesh Finance Group	
	31-Dec-2022 Taka	31-Dec-2021 Taka	31-Dec-2022 Taka	31-Dec-2021 Taka
<b>a) Core Capital (Tier -I):</b>				
i) Paid-up Capital	1,882,362,670	1,775,813,840	1,882,362,670	1,775,813,840
ii) Statutory Reserve (Note # 14)	501,151,365	462,463,192	501,151,365	462,463,192
iii) General Reserve (Note # 15)	-	-	-	-
iv) Retained Earnings (Note # 16)	248,339,553	305,280,139	450,851,610	465,217,517
v) Minority interest (Note # 16.b)	-	-	504,931,713	504,796,379
vi) Others (If any approved by Bangladesh Bank)	-	-	33,744,750	33,744,750
	<b>2,631,853,588</b>	<b>2,543,557,171</b>	<b>3,373,042,108</b>	<b>3,242,035,678</b>
<b>b) Supplementary Capital (Tier-II):</b>	<b>419,381,402</b>	<b>407,207,109</b>	<b>462,371,037</b>	<b>449,238,714</b>
i) General Provision (Unclassified loans up to specified limit+SMA+Off Balance sheet exposures) (Note 12.1(b))*	214,833,412	201,956,927	257,823,047	243,988,532
ii) Assets Revaluation Reserves up to 50%	204,547,990	205,250,182	204,547,990	205,250,182
iii) Revaluation Reserves for Securities up to 45%	-	-	-	-
iv) Revaluation reserve for Equity Instruments up to 10%	-	-	-	-
v) All others preference Shares	-	-	-	-
vi) Others (If any approved by Bangladesh Bank)	-	-	-	-
<b>c) Total eligible capital (a + b)</b>	<b>3,051,234,990</b>	<b>2,950,764,280</b>	<b>3,835,413,144</b>	<b>3,691,274,392</b>
<b>Total Assets Including off-balance sheet exposer</b>	17,606,254,484	17,066,793,205	19,131,657,906	18,473,148,693
<b>D) Total risk weighted Assets</b>	17,186,672,971	16,156,554,189	20,625,843,726	19,519,082,585
<b>E) Required Capital Based on risk weighted Assets (10% of D)</b>	1,718,667,297	1,615,655,419	2,062,584,373	1,951,908,259
<b>F) Surplus (C-E)</b>	1,332,567,693	1,335,108,862	1,772,828,772	1,739,366,134
Capital adequacy Ratio (%)	17.75%	18.26%	18.60%	18.91%

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

**14. Statutory Reserve**

Opening balance  
Add: Addition during the period

462,463,192	408,824,581
38,688,172	53,638,611
<b>501,151,365</b>	<b>462,463,192</b>

	31-Dec-22 BDT	31-Dec-21 BDT
<b>15. General Reserve</b>		
Opening balance	-	-
Add: Transfer from Retained Earning	-	-
Less: Distribution During the period	-	-
	-	-
<b>16. Retained Earnings</b>		
Opening balance	305,280,139	290,356,834
Add: Profit After Tax during the period	193,440,862	268,193,057
Add: Adjustment of Revaluation of Building	1,404,385	1,404,384
Less: Transfer to Statutory Reserve	(38,688,172)	(53,638,611)
Less: Cash Dividend	(106,548,830)	(100,517,765)
Less: Issue of Bonus Shares	(106,548,830)	(100,517,760)
	<b>248,339,553</b>	<b>305,280,139</b>
<b>16.a Retained Earnings (Consolidated)</b>		
Bangladesh Finance	248,339,553	305,280,139
Bangladesh Finance Securities Limited	111,791,050	111,501,517
Bangladesh Finance Capital Limited	138,427,471	96,006,990
Adjustment for Non-controlling Interest	(47,706,463)	(47,571,129)
	<b>450,851,610</b>	<b>465,217,517</b>
<b>16.b Non Controlling Interest (Consolidated)</b>		
<b>Bangladesh Finance Securities</b>		
Paid up Capital	457,150,000	457,150,000
Retained Profit/(Loss)	47,667,704	47,544,247
	<b>504,817,704</b>	<b>504,694,247</b>
<b>Bangladesh Finance Capital.</b>		
Paid up Capital	75,250	75,250
Retained Profit/(Loss)	38,760	26,882
	<b>114,010</b>	<b>102,132</b>
	<b>504,931,713</b>	<b>504,796,379</b>
<b>16.1 Capital Reserve</b>		
Stock Dividend from BD Finance Securities Limited	15,000,000	15,000,000
Stock Dividend from BD Finance Capital Holdings Limited	18,744,750	18,744,750
	<b>33,744,750</b>	<b>33,744,750</b>
In the year 2014, a capital reserve was established to offset interim Stock Dividends received from subsidiaries.		
<b>17. Letters of Guarantees</b>		
Letters of guarantee	200,000,000	350,000,000
Less: Margin	-	-
	<b>200,000,000</b>	<b>350,000,000</b>

	31-Dec-22 BDT	31-Dec-21 BDT
<b>18. Profit and Loss Account</b>		
<b>Income</b>		
Interest, discount and similar income (Note - 19)	1,375,748,865	1,496,584,215
Dividend income (Note - 21)	97,443,135	298,417,989
Commission, Exchange and Brokerage	2,035,833	5,009,666
Gains/(loss) arising from investment in securities (Note - 21)	97,261,771	46,376,941
Other operating income (Note - 22)	59,118,807	29,525,396
	<b>1,631,608,410</b>	<b>1,875,914,206</b>
<b>Expenses:</b>		
Interest paid on Deposits & Borrowing (Note - 20)	997,213,975	985,563,791
Administrative expenses	222,019,813	172,766,687
Other operating expenses (Note - 31)	39,726,395	32,593,488
Depreciation on Fixed assets {Note-30(a)+30(b)+Note-30(c)}	44,716,896	38,666,174
	<b>1,303,677,078</b>	<b>1,229,590,139</b>
<b>Income over expenditure</b>	<b>327,931,332</b>	<b>646,324,067</b>
<b>19. Interest income</b>		
Interest income on Loans & Lease Finance (Note - 19.1)	1,319,600,002	1,466,677,353
Interest on placement with other Banks & FIs (Note - 19.2)	56,148,863	29,906,862
	<b>1,375,748,865</b>	<b>1,496,584,215</b>
<b>19.a Interest Income (Consolidated)</b>		
Bangladesh Finance	1,375,748,865	1,496,584,215
Bangladesh Finance Securities Limited	102,585,021	97,370,646
Bangladesh Finance Capital Limited	16,228,153	10,834,017
	1,494,562,039	1,604,788,878
Less: Inter-company transactions	46,173,959	53,994,981
	<b>1,448,388,080</b>	<b>1,550,793,897</b>
<b>19.1 Interest on Loans &amp; Lease Finance</b>		
Interest income on lease finance	195,181,978	157,526,831
Interest income on term finance	955,038,103	1,029,421,185
Interest on housing finance	169,379,921	279,729,337
	<b>1,319,600,002</b>	<b>1,466,677,353</b>
<b>19.1.1 Interest on Loans &amp; Lease Finance</b>		
Gross Interest Income on Loans & Lease Finance	1,447,657,314	1,587,135,011
Less: Interest Income transferred to Interest Suspense Account	(128,057,312)	(120,457,658)
Add: Interest Income transferred from Interest Suspense Account	-	-
	<b>1,319,600,002</b>	<b>1,466,677,353</b>
<p>As per instruction of Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank, Bangladesh Finance is developing interest suspense against stressed accounts. Part of that Tk. 128,057,312 was transferred to interest suspense account this year to address unforeseen credit risk and post pandemic scenario.</p>		
<b>19.2 Interest on placement with other banks &amp; FIS</b>		
Interest on FDR	54,915,211	28,986,988
Interest on STD accounts	1,233,652	919,875
Interest on fund placements	-	-
	<b>56,148,863</b>	<b>29,906,862</b>
<b>20. Interest paid on deposits &amp; borrowing</b>		
Interest paid on deposits	784,737,832	738,546,895
Interest paid on borrowings (Note - 20.1)	209,794,319	242,124,781
Interest on lease liabilities	2,681,824	4,892,115
	<b>997,213,975</b>	<b>985,563,791</b>
<b>20.a Interest Expenses (Consolidated)</b>		
Bangladesh Finance	997,213,975	985,563,791
Bangladesh Finance Securities Limited	66,540,258	68,602,675
Bangladesh Finance Capital Limited	11,788,877	1,119,356
	1,075,543,110	1,055,285,822
Less: Inter-company transactions	46,173,959	53,994,981
	<b>1,029,369,151</b>	<b>1,001,290,841</b>



	31-Dec-22 BDT	31-Dec-21 BDT
<b>20.1 Interest paid on borrowing</b>		
Interest Expenses on Term and Short Term Loan	110,017,961	131,529,692
Interest Expenses on SOD Loan	87,375,153	97,256,603
Interest Expenses on Call Loan	6,111,545	6,807,939
Interest Expenses on Margin Loan	-	744,440
Interest Expenses on Re-financing loan	6,289,660	5,786,107
	<b>209,794,319</b>	<b>242,124,781</b>
<b>21. Income from Investment in Securities</b>		
Gain/(Loss) from Investment in Shares	97,261,771	46,376,941
Dividend Income	97,443,135	298,417,989
	<b>194,704,906</b>	<b>344,794,929</b>
<b>21.a Income from Investment (Consolidated)</b>		
Bangladesh Finance	194,704,906	344,794,929
Bangladesh Finance Securities Limited	130,886,296	155,051,579
Bangladesh Finance Capital Limited	77,194,250	223,682,732
	402,785,452	723,529,240
Less: Inter-company transactions	92,247,786	293,753,849
	<b>310,537,666</b>	<b>429,775,392</b>
<b>21.b Commission, Exchange and Brokerage (Consolidated)</b>		
Bangladesh Finance	2,035,833	5,009,666
Bangladesh Finance Securities Limited	106,227,503	115,191,242
Bangladesh Finance Capital Limited	3,693,772	6,898,534
	111,957,108	127,099,443
Less: Inter-company transactions	2,253,913	3,383,889
	<b>109,703,195</b>	<b>123,715,554</b>
<b>22. Other Operating Income:</b>		
Penal Interest	17,798,316	8,088,280
Loan Settlement & Others	427,978	157,468
Contact point verification (CPV)	84,903	269,150
Ledger management (LM)	39,500	104,000
Transfer Price	34,000	189,000
Processing fees	4,299,655	2,064,782
Legal & Documentation charge	1,022,261	488,245
Advisory fees	20,770,000	2,000,000
Office Rent (64 Motijheel)	13,860,500	14,339,750
Other Income (Note-22.1)	781,694	1,824,721
	<b>59,118,807</b>	<b>29,525,396</b>
<b>22.a Other Operating Income (Consolidated)</b>		
Bangladesh Finance	59,118,807	29,525,396
Bangladesh Finance Securities Limited	-	1,282,784
Bangladesh Finance Capital Limited	192,805	2,367,692
	59,311,612	33,175,872
Less: Inter-company transactions	1,015,000	-
	<b>58,296,612</b>	<b>33,175,872</b>
<b>22.1 Other Income</b>		
Gain/(loss) on sale of fixed assets	781,694	1,824,721
Miscellaneous income	-	-
	<b>781,694</b>	<b>1,824,721</b>
<b>23. Salary &amp; Allowances</b>		
Basic Salary	76,594,997	57,562,541
Allowances	62,447,631	46,721,912
Bonus	25,136,917	19,180,254
Retirement benefits and gratuity	6,726,537	2,705,620
Earned Leave Encashment	690,367	1,111,691
Employer's Contribution to Provident fund	6,536,128	4,168,386
Wages	4,905,835	2,000,424
	<b>183,038,412</b>	<b>133,450,828</b>
<b>23.a Salary &amp; Allowances (Consolidated)</b>		
Bangladesh Finance	183,038,412	133,450,828
Bangladesh Finance Securities Limited	28,110,986	22,047,243
Bangladesh Finance Capital Limited	12,240,605	10,115,132
	<b>223,390,003</b>	<b>165,613,203</b>

	31-Dec-22 BDT	31-Dec-21 BDT
<b>24. Rent, Taxes, Insurance, Electricity etc.</b>		
Rent, Rates & Taxes*	2,789,610	2,824,854
Insurance	304,065	734,201
Electricity & Lighting, WASA, Gas etc.	3,203,119	3,203,920
	<b>6,296,795</b>	<b>6,762,975</b>
*The figure represents VAT paid to the Government Exchequer on Office Rent, which was treated separately under IFRS 16.		
<b>24.a Rent, Taxes, Insurance, Electricity etc.(Consolidated)</b>		
Bangladesh Finance	6,296,795	6,762,975
Bangladesh Finance Securities Limited	2,267,205	1,006,812
Bangladesh Finance Capital Limited	726,476	551,130
	<b>9,290,476</b>	<b>8,320,917</b>
<b>25. Legal &amp; Professional Fees</b>		
Legal Fees & Charge	3,744,813	4,369,598
Other Legal Expenses	-	-
	<b>3,744,813</b>	<b>4,369,598</b>
<b>25.a Legal &amp; Professional Fees (Consolidated)</b>		
Bangladesh Finance	3,744,813	4,369,598
Bangladesh Finance Securities Limited	4,475,753	800,626
Bangladesh Finance Capital Limited	388,920	-
	8,609,486	5,170,224
Less: Inter-company transactions	1,015,000	-
	<b>7,594,486</b>	<b>5,170,224</b>
<b>26. Postage, Stamps, Telecommunication etc.</b>		
Stamp & Court Fees	933,470	316,350
Internet expenses	1,607,428	1,525,078
Postage & Courier Expenses	90,002	120,028
Telephone & Fax Expenses	82,853	117,942
Mobile Expenses	1,287,713	1,325,603
	<b>4,001,465</b>	<b>3,405,001</b>
<b>26.a Postage, Stamps, Telecommunication (Consolidated)</b>		
Bangladesh Finance	4,001,465	3,405,001
Bangladesh Finance Securities Limited	1,139,184	822,196
Bangladesh Finance Capital Limited	2,702	-
	<b>5,143,351</b>	<b>4,227,197</b>
<b>27. Stationery, Printing, Advertisements etc.</b>		
Stationery-Toner & Cartridge	40,537	96,790
Stationery Expenses	632,618	377,557
Printing Expenses	2,153,537	1,833,587
Advertisement and Publicity	12,507,157	13,210,400
	<b>15,333,850</b>	<b>15,518,334</b>
<b>27.a Stationery, Printing, Advertisements etc.(Consolidated)</b>		
Bangladesh Finance	15,333,850	15,518,334
Bangladesh Finance Securities Limited	1,370,365	543,735
Bangladesh Finance Capital Limited	355,627	96,200
	<b>17,059,841</b>	<b>16,158,268</b>
<b>28. Managing Director's Salary and Allowances</b>		
Basic Salary	3,300,000	3,300,000
Allowances	3,300,000	3,300,000
Bonus	1,100,000	1,100,000
	<b>7,700,000</b>	<b>7,700,000</b>
<b>29. Directors' Fees</b>		
Honorarium for attending meeting	1,443,200	1,135,200
Incidental expenses for attending meeting	-	-
	<b>1,443,200</b>	<b>1,135,200</b>

Total 13 Board meetings, 1 Executive Committee meeting and 5 Audit Committee meetings were held during the period from 1st January 2022 to 31 December 2022. Each Director was paid Tk. 8,000 for attending in the meeting as per Bangladesh Bank DFIM Circular No. 13 Dated 30 November, 2015

	31-Dec-22 BDT	31-Dec-21 BDT
<b>29.a Directors' Fees (Consolidated)</b>		
Bangladesh Finance	1,443,200	1,135,200
Bangladesh Finance Securities Limited	272,800	416,800
Bangladesh Finance Capital Limited	176,000	149,600
	<b>1,892,000</b>	<b>1,701,600</b>
<b>29.b Audit Fees (Consolidated)</b>		
Bangladesh Finance	461,278	424,750
Bangladesh Finance Securities Limited	115,000	230,000
Bangladesh Finance Capital Limited	86,250	172,500
	<b>662,528</b>	<b>827,250</b>
<b>30. Depreciation and Repair of Assets</b>		
<b>a) Depreciation of Assets</b>		
Building	1,404,385	1,404,384
Furniture & Fixtures	1,107,487	954,600
Office Equipment	3,680,441	3,016,177
Motor Vehicles	5,419,734	2,258,572
System & Software	856,251	3,401,171
Office Renovation	1,425,205	862,493
Right-of-use Asset	18,088,382	13,926,881
	<b>31,981,883</b>	<b>25,824,278</b>
<b>b) Amortization Expenses</b>	-	-
<b>c) Repair of Assets</b>		
Office Equipment	613,999	478,882
Office Furniture & Fixtures	2,670	45,777
Motor Vehicles	12,118,344	12,317,237
	<b>12,735,013</b>	<b>12,841,896</b>
	<b>44,716,896</b>	<b>38,666,174</b>
<b>30.a Depreciation and Repair of Assets (Consolidated)</b>		
Bangladesh Finance	44,716,896	38,666,174
Bangladesh Finance Securities Limited	3,234,531	2,669,196
Bangladesh Finance Securities Limited Right-of-use Asset	8,364,201	5,939,967
Bangladesh Finance Capital Limited Right-of-use Asset	2,292,348	2,333,234
Bangladesh Finance Capital Limited	1,625,686	983,082
	<b>60,233,662</b>	<b>50,591,653</b>
<b>31. Other Expenses</b>		
Petrol, Oil, Lubricants, CNG & others	5,765,762	3,085,149
Entertainment	5,690,562	5,653,028
Donation, Fees and Subscription	3,425,358	6,421,726
Traveling and Conveyance	3,390,032	2,617,312
Training Expenses	66,889	112,564
Registration & Renewal Expenses	540,665	1,074,071
Papers & Periodicals	51,152	28,761
Office Maintenance	2,605,815	1,691,972
Office Supplies	2,917,230	4,582,962
Software Maintenance & other IT enabled services	4,655,480	2,837,692
Uniform & Liveries	130,206	93,122
Bank Charges & Excise Duty	2,661,772	1,947,209
Business development & Promotion	4,430	16,237
Security Service-Outsourcing	1,619,626	1,607,252
AGM & Meeting expenses	640,000	366,377
Profit equalization Fund (Islamic Wing)	5,078,149	-
Miscellaneous Expenses	483,265	458,054
	<b>39,726,395</b>	<b>32,593,488</b>
<b>31.a Other Expenses (Consolidated)</b>		
Bangladesh Finance	39,726,395	32,593,488
Bangladesh Finance Securities Limited	6,692,708	6,300,657
Bangladesh Finance Capital Limited	2,206,659	1,562,396
	48,625,762	40,456,540
Less: Inter-company transactions	2,253,913	3,383,889
	<b>46,371,849</b>	<b>37,072,652</b>



	31-Dec-22 BDT	31-Dec-21 BDT
<b>32. Provision against loans, lease finance &amp; Others</b>		
Provision on classified loans {Note-12.1(a)}	94,478,810	(61,521,325)
General provision on unclassified Loans & Advances {Note-12.1(b)}	40,500,000	190,000,000
Special provision on unclassified Loans & Advances {Note-12.1(c)}	(1,677,503)	84,101,885
Provision for Off-Balance Sheet Exposures	(1,500,000)	3,500,000
Provision on other receivables {Note-12.1(d)}	20,000,000	30,000,000
Provisions on Investment in Securities (Note - 12.2)	(20,000,000)	(2,825,968)
	<b>131,801,307</b>	<b>243,254,592</b>
<b>32.a Provision on Investment in Securities and Margin Loan (Consolidated)</b>		
Bangladesh Finance - Investment in Securities	(20,000,000)	(2,825,968)
Bangladesh Finance Securities Limited- Investment in Securities	50,155,609	-
Bangladesh Finance Securities Limited - Margin Loan	4,877,032	55,559,184
Bangladesh Finance Capital Limited - Margin Loan	-	1,741,601
Bangladesh Finance Capital Limited - Investment in Securities	18,000,000	14,800,000
	<b>53,032,641</b>	<b>69,274,817</b>
<b>33. Earnings Per Share (EPS)</b>		
The calculation of basic earnings per share based on profit of the Company attributable to ordinary shareholders and weighted average number of ordinary shares outstanding is as follows:		
Calculation of Earnings Per Share (Note - 2.16)		
Net Profit after Tax	193,440,862	268,193,057
<b>Weighted average number of Ordinary Shares outstanding (Denominator)</b>		
Opening ordinary shares outstanding	177,581,384	167,529,608
Impact of bonus share issue (2020)	-	10,051,776
Impact of bonus share issue (2021)	10,654,883	10,654,883
Weighted average number of Ordinary Shares outstanding (Denominator)	<b>188,236,267</b>	<b>188,236,267</b>
<b>Basic Earnings Per Share (Taka)</b>	<b>1.03</b>	<b>1.42</b>
<b>Reason for changes in Basic Earnings Per Share (EPS):</b>		
To address the unforeseen credit risk following the impact of Covid-19, the Company's financial performance declined compared to the same period of the previous year for providing additional interest suspense and provisions against stressed loans, leases and advances as a conservative strategy and decrease in income from investment in securities and dividend income from subsidiaries.		
<b>Diluted Earnings Per Share</b>		
As there was no indication for dilution of shares, no diluted EPS was required to be calculated for the year ended 31 December 2022.		
<b>33.a Earnings Per Share (EPS) (Consolidated)</b>		
The calculation of basic earnings per share based on profit of the Company attributable to ordinary shareholders and weighted average number of ordinary shares outstanding is as follows:		
Calculation of Earnings Per Share (Note - 2.16)		
Net Profit after Tax	236,015,541	255,844,440
Weighted average number of Ordinary Shares outstanding (Denominator) Note-33	188,236,267	188,236,267
<b>Basic Earnings Per Share</b>	<b>1.25</b>	<b>1.36</b>
<b>Reason for changes in Earnings Per Share (EPS) (Consolidated)</b>		
To address the unforeseen credit risk following the impact of Covid-19, the Group's financial performance declined compared to the previous year for providing additional interest suspense and provisions against stressed loans, leases and advances as a conservative strategy and decrease in income from investment in securities.		
<b>34. Interest received</b>		
Interest received (Note-19)	1,375,748,865	1,496,584,215
Add: Opening interest Receivable on FDR	20,318,919	10,642,614
Less: Closing interest receivable on FDR	(31,951,017)	(20,318,919)
Add: Closing interest suspense account	446,576,273	351,784,181
Less: Opening Interest Suspense Account	(351,784,181)	(231,326,523)
Add: Opening Receivable Interest on BB Stimulus Package	7,166,303	-
Less: Closing Receivable Interest on BB Stimulus Package	(2,143,650)	(7,166,303)
Add: Opening Receivable of Grace Period Interest	1,047,726	27,476,039
Less: Closing Receivable Grace Period Interest	-	(1,047,726)
	<b>1,464,979,237</b>	<b>1,626,627,579</b>

	31-Dec-22 BDT	31-Dec-21 BDT
<b>35. Interest Paid on Deposits &amp; Borrowings</b>		
Interest Paid on Deposits & Borrowings (Note-20)	997,213,975	985,563,791
Add: Opening interest payable on deposit & borrowings	154,024,430	162,891,966
Less: Closing interest payable on deposit & borrowings	(141,013,410)	(154,024,430)
	<b>1,010,224,994</b>	<b>994,431,327</b>
<b>36. Cash Received from other Operating activities</b>		
Income from investment in shares (Note 21)	97,261,771	46,376,941
Other operating income (except gain/(loss) on sales of fixed assets)	34,864,113	27,700,675
	<b>132,125,884</b>	<b>74,077,615</b>
<b>37. Cash Payments for other Operating activities</b>		
Rent, Taxes, Insurance, Lighting etc.	6,296,795	6,762,975
Legal & Professional Fees	3,744,813	4,369,598
Postage, Stamp, Telegram & Telephone	4,001,465	3,405,001
Directors' Fee & Expenses	1,443,200	1,135,200
Auditors' Fee	461,278	424,750
Repair, Maintenance of NBFIs Assets	12,735,013	12,841,896
Other Expenses	39,726,395	32,593,488
	<b>68,408,959</b>	<b>61,532,908</b>
<b>38. Cash Increase/ Decrease in Other Assets</b>		
Re-imbursable Expenses	4,384,704	5,668,362
Receivable Others	4,909,841	68,659
Receivable Excise Duty	-	767,370
Receivable penal and delinquent charges	146,748,380	103,909,472
Receivable against sale of shares	30,255,015	139,402,064
Investment In Subsidiaries	849,930,000	849,930,000
Investment in BD Finance Vanguard Mutual Fund One	20,000,000	20,000,000
Receivable House Rent	2,835,003	3,335,019
Advance against expenditure {Note-8.2(c)}	56,502,798	65,568,690
Deposits {with other organization Note-8.2(d)}	745,955	735,955
Stock of Stamp	61,460	67,642
	<b>1,116,373,157</b>	<b>1,189,453,232</b>
<b>Cash (Increase)/ Decrease in Other Assets</b>	<b>73,080,076</b>	<b>135,081,164</b>
<b>39. Cash Increase/ (Decrease) in Other Liabilities</b>		
Payable & Provision against expenditure	73,561,829	123,840,844
Penal income in suspense	146,731,018	103,909,472
Advance Rent (against 64 Motijheel)	7,762,500	-
Advance Excise Duty	8,651,935	7,642,690
Profit Equalization Fund	5,078,149	-
Gratuity Fund	27,686,408	22,113,362
Dividend payable	4,097,295	6,136,878
	<b>273,569,134</b>	<b>263,643,246</b>
<b>Cash Increase/ (Decrease) in Other Liabilities</b>	<b>9,925,889</b>	<b>(78,202,363)</b>
<b>40. Cash and Cash Equivalents</b>		
Cash in Hand	39,605	12,728
Balance with Bangladesh Bank	117,732,419	99,339,362
Balance with Other Banks & Financial Institutions	1,143,319,843	991,348,494
	<b>1,261,091,867</b>	<b>1,090,700,584</b>
<b>41. Number of Employees</b>		
The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk.36,000 or above were 154 (In the year 2021 it was 123).		

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BDT**

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**42. Audit Committee**

**a) Particulars of Audit Committee**

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

Name	Status with Bangladesh Finance	Status with the Committee	Educational Qualification
Mr. Md. Rokonzaman, FCA	Independent Director	Chairman	BBA (DU), FCA
Mr. Iqbal U. Ahmed	Independent Director	Member	B. Com (Hons), M. Com (Mgmt.) DU
Mr. Md. Asaduzzaman Khan	Director	Member	MA (Eco.) DU, MA (Banking & Finance), UK
Mr. Yousuf Aman	Director	Member	B.A. (Hon's), UK
Mr. Furkaan Muhammad N Hossain	Director	Member	B. Sc. (Robotics Engineering) Colorado State University, USA

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

**b) Meeting of Audit Committee**

During 1 January to 31 December 2022, the Audit Committee of the Board conducted 05 meetings in which among others, the following issues were discussed:-

- i) Regular review of the Internal and External (including Bangladesh Bank) Inspection & Audit Report with a view to implementing the suggestion of Internal and External Auditors in respect of Internal Control structure and techniques.
- ii) Minimize expenditure in all operational activities where possible.
- iii) Reviewing the Accounting procedure with a view to ascertain that the International Financial Reporting Standard (IFRS) has been applied in maintaining books and records of the company.

**c) Internal Control:**

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

- i) Audit & Inspection division of the company carried out Internal Audit with a view to enrich the compliance culture and full control on the exertion of the Bangladesh Finance's operations. The division directly report simultaneously to the Board Audit Committee;
- ii) Regular monitoring has been done for the effectiveness of the quality control policies and procedures with the effect to evaluate the application of internal Control System and Internal Audit Policy, Policy for financial risk, existing rules and regulation; and
- iii) To establish Planning, Organizing and Supervising culture and monitoring of Audit and Inspection of the Branches and different divisions of Head Office and surprise inspection of the Branches.



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43. Related Party Disclosures:

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

Name of the Directors of Bangladesh Finance	Firms/Companies related to the Director	Nature and Value of interest in the firm/companies
Mr. Manwar Hossain Chairman	Anwar Landmark Limited. Anwar Galvanizing Limited. Anwar Jute Spinning Mills Limited Anwar Cement Limited. Anwar Ispat Limited. AG Automobiles Limited. A One Polymer Limited. Hossain Dyeing & Printing Mills Limited. 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. 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 Limited.	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 Capital Holdings 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. Furkan Muhammad N Hossain Director	Nil	Nil
Mr. Md. Kyser Hamid Managing Director & CEO	BD Finance Securities Ltd. BD Finance Capital Holdings Ltd.	Director Director

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

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

43.4 Lending Policies to related parties:

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):

Name of the parties	Related By	Nature of transaction	Amount in Tk.	Status
i) Bangladesh Finance Securities Limited	Common Director	Short Term Finance	485,637,530	Standard
ii) Bangladesh Finance Capital Limited	Common Director	Short Term Finance	-	Standard
			<u>485,637,530</u>	

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**Investment in Preference Shares**

Name of the parties	Related By	Nature of transaction	Amount in Tk.	Status
i) Bangladesh Finance Securities Limited	Common Director	Investment	120,000,000	
ii) Bangladesh Finance Capital Limited	Common Director	Investment	-	
			<b>120,000,000</b>	

**Deposit from Directors and their related concern**

Name of the parties	Related By	Nature of transaction	Amount in Taka	No. of accounts
Bangladesh Finance Capital	Common Director	Term Deposit	65,000,000	1
Manwar Hossain	Chairman	Term Deposit	4,820,864	7
Manwar Hossain, Hossain Mehmud & Hossain Khaled	Chairman	Term Deposit	87,177,378	9
Anwar Ispat Limited	Common Director	Term Deposit	67,040,868	13
Anwar Jute Spinning Mills Ltd.	Common Director	Term Deposit	39,138,502	7
Anwar Landmark	Common Director	Term Deposit	96,793,073	12
Mehmud Industries (Pvt) Ltd.	Common Director	Term Deposit	10,361,985	6
AG Automobiles Ltd.	Common Director	Term Deposit	6,352,053	5
Anwar Cement Ltd.	Common Director	Term Deposit	11,661,184	10
Anwar Cement Sheet Ltd.	Common Director	Term Deposit	22,780,958	5
Anwar Galvanizing Ltd.	Common Director	Term Deposit	4,585,370	4
Hossain Dyeing & Printing Mills Ltd.	Common Director	Term Deposit	11,282,229	5
Anwar Silk Mills Ltd.	Common Director	Term Deposit	6,961,682	4
A- One Polymer Ltd.	Common Director	Term Deposit	1,690,832	2
Mrs. Shahnaz Rashid	Director	Term Deposit	10,000,000	3
Mr. Md. Rokonzaman, FCA	Independent Director	Mudaraba Term Deposit	317,850	2
Ihtiaz Yousuf	Director	Term Deposit	119,085,415	15
Imtiyaj Yousuf	Director	Term Deposit	34,989,297	6
Mr. Md. Kyser Hamid	Managing Director & CEO	Mudaraba Term Deposit	130,228	2
<b>Total</b>			<b>600,169,768</b>	<b>118</b>

**44. Events after the Reporting Period**

The Board of Directors of Bangladesh Finance in their 265<sup>th</sup> meeting held on 13 March, 2023 has recommended 10% Cash Dividend for the year ended 31 December 2022.

	<u>31-Dec-22</u> BDT	<u>31-Dec-21</u> BDT
<b>45. Net asset value (NAV) per share</b>		
Net asset	3,040,949,568	2,954,057,535
Number of outstanding shares	188,236,267	188,236,267
Net asset value (NAV) per share	16.15	15.69
<b>45.a Net asset value (NAV) per share (Consolidated)</b>		
Net asset	3,277,206,374	3,147,739,663
Number of outstanding shares	188,236,267	188,236,267
Net asset value (NAV) per share	17.41	16.72
<b>46. Net operating cash flows per share (NOCPs)</b>		
Net operating cash flows	211,556,235	1,080,754,537
Number of outstanding shares	188,236,267	188,236,267
Net operating cash flows per share (NOCPs)	1.12	5.74

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

Net Operating Cash Flows Per Share decreased due to a decrease in interest income, dividend income and increase in borrowing compared to the same period of the previous year.

<b>46.a Net operating cash flows per share (NOCPs) (Consolidated)</b>		
Net operating cash flows	123,724,561	1,169,202,535
Number of outstanding shares	188,236,267	188,236,267
Net operating cash flows per share (NOCPs)	0.66	6.21

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

The consolidated Net Operating Cash Flows Per Share decreased due to a decrease in interest income, income from investment in securities and increase in borrowing compared to the same period of the previous year.



Munshi Abu Naim ACS  
Company Secretary



Md. Kyser Hamid  
Managing Director & CEO



Md. Rokonzaman, FCA  
Director



Manwar Hossain  
Chairman



ANNEXURE-A

Bangladesh Finance Limited  
Fixed Asset Schedule  
as at 31 December 2022

*Figures in BDT*

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 2022
	Balance as on 1 January 2022	Revaluation Surplus	Addition during the year	Disposal/ Transfer during the period		Balance at 31 December 2022	Balance as on 1 January 2022	Transfer/ Adjustment during the year	Charged for the year	
Land	462,550,000	-	-	-	462,550,000	-	-	-	-	462,550,000
Building	19,442,633	-	-	-	19,442,633	10%	-	1,404,385	8,207,559	11,235,074
Furniture & Fixture	22,629,031	-	1,573,208	253,800	23,948,439	20%	253,800	1,107,487	20,845,987	3,102,452
Office Equipment	36,496,287	-	6,892,741	2,023,477	41,365,551	25%	2,023,477	3,680,441	30,424,429	10,941,122
Office Renovation	24,635,201	-	3,411,840	1,284,669	26,762,372	20%	1,222,312	1,425,205	21,240,384	5,521,988
Motor Vehicle	45,735,811	-	25,279,062	2,902,014	68,112,859	20%	1,114,306	5,419,734	39,301,163	28,811,696
Other Assets	182,667	-	-	-	182,667	20%	-	-	182,667	-
System and Software	19,876,250	-	3,450,000	-	23,326,250	25%	-	856,251	20,680,417	2,645,833
ROU-Asset for Lease Rent	46,114,384	-	39,251,468	28,835,059	56,530,794	-	28,298,472	18,088,382	13,008,195	43,522,598
	<b>677,662,264</b>	<b>-</b>	<b>79,858,319</b>	<b>35,299,019</b>	<b>722,221,565</b>		<b>32,912,367</b>	<b>31,981,883</b>	<b>153,890,800</b>	<b>568,330,764</b>

Fixed Asset Schedule  
as at 31 December 2021

*Figures in BDT*

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 2021
	Balance as on 1 January 2021	Revaluation Surplus	Addition during the year	Disposal/ Transfer during the period		Balance as on 1 January 2021	Transfer/ Adjustment during the year	Charged for the year	Balance as at 31 December 2021	
Land	462,550,000	-	-	-	462,550,000	-	-	-	-	462,550,000
Building	19,442,633	-	-	-	19,442,633	10%	-	1,404,384	6,803,174	12,639,459
Furniture & Fixture	30,433,102	-	1,665,484	-	32,098,586	20%	-	954,600	29,151,986	2,946,600
Office Equipment	33,211,814	-	4,360,195	991,722	36,580,287	25%	991,722	3,016,177	28,947,242	7,633,045
Office Renovation	12,488,955	-	2,592,691	-	15,081,646	20%	-	862,493	11,698,028	3,383,618
Motor Vehicle	44,067,198	-	5,642,500	3,973,887	45,735,811	20%	3,973,887	2,258,572	34,995,735	10,740,076
Other Assets	182,667	-	-	-	182,667	20%	-	-	182,667	-
System and Software	19,876,250	-	-	-	19,876,250	25%	-	3,401,171	19,824,166	52,084
ROU-Asset for Lease Rent	55,697,862	-	10,029,408	19,612,886	46,114,384	-	19,612,886	13,926,881	23,218,286	22,896,098
	<b>677,950,482</b>	<b>-</b>	<b>24,290,278</b>	<b>24,578,495</b>	<b>677,662,264</b>		<b>24,578,495</b>	<b>25,824,278</b>	<b>154,821,284</b>	<b>522,840,980</b>

**ANNEXURE-B1**

**Bangladesh Finance Limited**  
**Reconciliation of Net Profit with Cash Flows**  
from Operating Activities

	<b>Bangladesh Finance</b>	
	<b>31-Dec-22</b>	<b>31-Dec-21</b>
	Taka	Taka
<b>Net profit after tax</b>	<b>193,440,862</b>	<b>268,193,057</b>
<b>Items not involved in cash movement:</b>		
Add: Depreciation/amortization	31,981,883	25,824,278
Add: Provision for loans and investments	131,801,307	243,254,592
Add: Provision for taxation	2,689,162	134,876,418
Add/(Less): Accrued expenses	52,031,838	26,492,330
Add/(Less): Accrued income	(72,943,814)	153,639,805
Increase/(Decrease) in Employee gratuity	5,573,046	1,093,701
Increase/(Decrease) in Deferred tax (Liability)	(1,291,264)	(9,337)
<b>Adjustments to reconcile net profit after tax to net cash provided by operating activities</b>	<b>343,283,021</b>	<b>853,364,844</b>
<b>Increase/(decrease) in operating assets and liabilities</b>		
(Increase)/Decrease in Trading Securities	(166,219,122)	(48,627,042)
(Increase)/Decrease in Loans & advances	(330,575,497)	(525,363,688)
(Increase)/Decrease in Other assets	97,158,221	(91,590,785)
Increase/(Decrease) in Other Liabilities	(28,908,677)	(24,985,928)
Increase/(Decrease) in Term & other deposits	293,368,535	952,535,248
Increase/(Decrease) in Payable and accrued expenses	(13,011,020)	(8,867,536)
(Increase)/Decrease in Income tax	(78,331,318)	(146,168,233)
Increase/(Decrease) in Interest suspense	94,792,092	120,457,658
	<b>(131,726,786)</b>	<b>227,389,693</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>211,556,235</b>	<b>1,080,754,537</b>

**Bangladesh Finance Limited**  
**Reconciliation of Net Profit with Cash Flows**  
from Operating Activities

	<b>Bangladesh Finance Group</b>	
	<b>31-Dec-22</b>	<b>31-Dec-21</b>
	Taka	Taka
<b>Net profit after tax</b>	<b>304,725,590</b>	<b>323,795,268</b>
<b>Items not involved in cash movement:</b>		
Add: Depreciation/amortization	47,498,649	29,476,556
Add: Provision for loans and investments	204,833,948	315,355,377
Add: Provision for taxation	8,658,669	199,636,265
Add/(Less): Accrued expenses	58,314,478	99,699,263
Add/(Less): Accrued income	(73,335,619)	160,806,108
Increase/(Decrease) in Employee gratuity	7,367,101	3,396,450
Increase/(Decrease) in Deferred tax (Liability)	(1,291,264)	(9,337)
<b>Adjustments to reconcile net profit after tax to net cash provided by operating activities</b>	<b>556,771,551</b>	<b>1,132,155,950</b>
<b>Increase/(decrease) in operating assets and liabilities</b>		
(Increase)/Decrease in Trading Securities	(148,705,638)	(191,228,887)
(Increase)/Decrease in Loans & advances	(313,916,699)	(819,041,457)
(Increase)/Decrease in Other assets	32,748,026	(2,239,098)
Increase/(Decrease) in Other Liabilities	(201,011,777)	165,412,136
Increase/(Decrease) in Term & other deposits	228,368,535	952,535,248
Increase/(Decrease) in Payable and accrued expenses	(18,478,661)	(4,045,902)
(Increase)/Decrease in Income tax	(106,842,869)	(184,803,113)
Increase/(Decrease) in Interest suspense	94,792,092	120,457,658
	<b>(433,046,990)</b>	<b>37,046,585</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>123,724,561</b>	<b>1,169,202,535</b>



**Bangladesh Finance Limited**  
**Highlights on the overall activities of the Company**  
as at and for the periods 2022 and 2021

<b>Sl. No.</b>	<b>Particulars</b>	<b>2022</b>	<b>2021</b>
1	Paid up Capital	1,882,362,670	1,775,813,840
2	Total Shareholders' Equity	3,040,949,568	2,954,057,535
3	Capital Surplus/(Deficit)	1,332,567,693	1,335,108,862
4	Total Assets	17,406,254,484	16,716,793,205
5	Total Deposit	9,862,346,225	9,568,977,690
6	Total Loans/Lease Finance	13,699,677,770	13,369,102,273
7	Total Contingent Liabilities and Commitment	200,000,000	350,000,000
8	Investment Deposit Ratio (%)	138.91%	139.71%
9	Percentage of Classified Loan against total Loans and Advances	5.56%	2.54%
10	Profit after Tax and Provision	193,440,862	268,193,057
11	Amount of Classified Investment	761,947,190	340,030,555
12	Provisions kept against Classified Investment	213,463,843	221,329,646
13	Provisions surplus	203,551,095	239,370,578
14	Cost of Fund	8.01%	8.89%
15	Interest Earning Assets	15,246,668,453	14,604,378,920
16	Non-Profit Earning Assets	2,159,586,031	2,112,414,285
17	Return on Investment in Securities (ROI)	57.97%	150.92%
18	Return on Assets (ROA)	1.13%	1.64%
19	Income from Investment in Securities	194,704,906	344,794,929
20	Earnings Per Share (Re-stated 2021)	1.03	1.42
21	Price Earning Ratio (Times)	42.91	36.02
22	Book value per share (Per 10 Tk.)	16.15	15.69

**ANNEXURE-C1**

**Bangladesh Finance Limited  
Balance Sheet (Islamic Wing)  
As at 31 December 2022**

	<u>31-Dec-22</u> <u>Taka</u>	<u>31-Dec-21</u> <u>Taka</u>
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>		
Cash in hand	-	-
Balance with Bangladesh Bank	9,234,500	-
	<b>9,234,500</b>	-
<b>Balance with other Banks and Financial Institutions</b>		
Inside Bangladesh	39,600,983	-
Outside Bangladesh	-	-
	<b>39,600,983</b>	-
<b>Placement with banks &amp; other financial institutions</b>	-	-
<b>Investments in Shares &amp; Securities</b>		
Government	-	-
Others	-	-
	-	-
<b>Investments</b>		
General Investments etc.	178,613,936	-
Bills Purchased & Discounted	-	-
	<b>178,613,936</b>	-
<b>Fixed Assets including Premises, Furniture and Fixtures</b>	<b>4,083,250</b>	-
<b>Other Assets</b>	<b>616,024</b>	-
<b>Non Banking Assets</b>	-	-
<b>Total Assets</b>	<b>232,148,693</b>	-
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Placement from banks &amp; other financial institutions</b>	-	-
<b>Deposits and other Accounts</b>	<b>219,362,750</b>	-
Mudaraba Term Deposits	186,457,692	-
Mudarabah Scheme Deposits	32,905,059	-
Other Mudaraba Deposits	-	-
Al-Wadeeah Current and Other Deposit Accounts	-	-
Bills payable	-	-
<b>Other Liabilities</b>	<b>12,358,094</b>	-
<b>Total Liabilities</b>	<b>231,720,844</b>	-
<b>Capital/ Shareholders' Equity</b>		
Paid-up Capital	-	-
Statutory Reserve	-	-
Other Reserve	-	-
Retained Earnings	427,849	-
<b>Total Shareholders' Equity</b>	<b>427,849</b>	-
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>232,148,693</b>	-

**Bangladesh Finance Limited  
Profit and Loss Account (Islamic Wing)  
For the year ended 31 December 2022**

	31-Dec-22 <u>Taka</u>	31-Dec-21 <u>Taka</u>
Investment Income	15,372,731	-
Profit Paid on Deposits	13,430,574	-
<b>Net Interest Income</b>	<b>1,942,157</b>	-
Income from Investment in Shares & Securities	10,402,339	-
Commission, Exchange and Brokerage	-	-
Other Operating Income	566,468	-
	<b>10,968,807</b>	-
<b>Total Operating Income</b>	<b>12,910,964</b>	-
Salaries and Allowances	4,205,738	-
Rent, Taxes, Insurances, Electricity etc.	-	-
Legal Expenses	-	-
Postage, Stamps and Telecommunication etc.	744,339	-
Stationery, Printings and Advertisements etc.	455,395	-
Chief Executive's Salary & Fees	-	-
Shari'ah Supervisory Committee's Fees & Expenses	193,600	-
Auditors' Fees	-	-
Charges on Investment Losses	-	-
Depreciation and Repairs to Bank's Assets	661,750	-
Zakat Expenses	-	-
Other Expenses	6,222,293	-
<b>Total Operating Expenses</b>	<b>12,483,115</b>	-
<b>Profit/(Loss) before Provision</b>	<b>427,849</b>	-