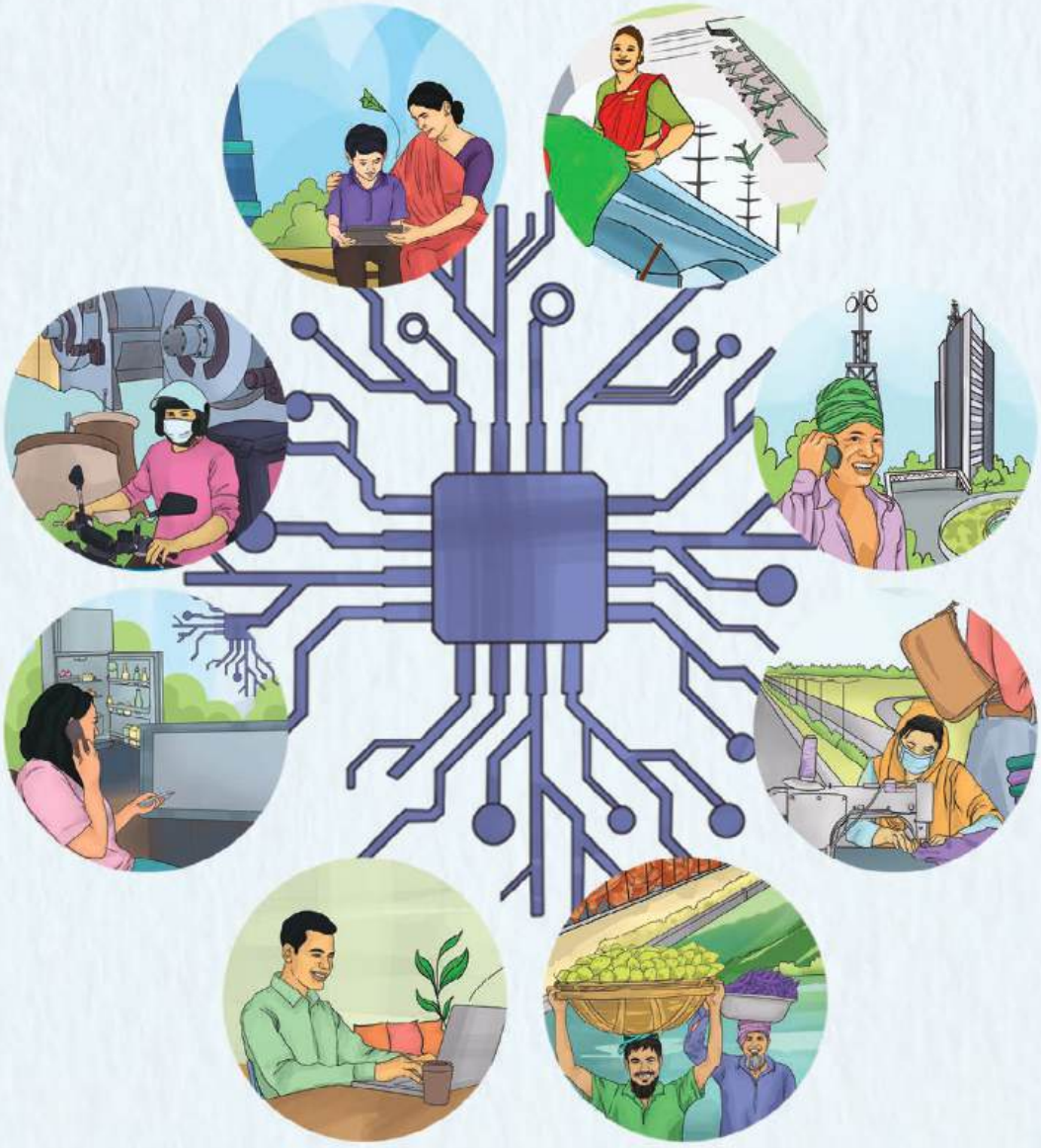
ANNUAL
REPORT
2022

Bangladesh finance
এখনই সময়

CONNECTING POSSIBILITIES



CONNECTING POSSIBILITIES

Bangladesh has experienced a surge in its economy, with exports of garments, pharmaceuticals, and technology services. The people of Bangladesh worked hard to build their country's economy, and with a growing population, there is still much to be done. However, with increased connectivity through technology and global partnerships, the possibilities for Bangladesh's economy are endless. By connecting with the world, the people of Bangladesh can harness their potential and create a brighter future for all.

In our Annual Report for the year 2022, we have endeavored to establish the interconnectivity between various industries and their respective contributions toward advancing the nation's economy.

LETTER OF TRANSMITTAL

To

The Shareholders of Bangladesh Finance Limited,
Bangladesh Bank,
The Registrar of Joint Stock Companies & Firms,
Bangladesh Securities and Exchange Commission,
Dhaka Stock Exchange Limited,
Chittagong Stock Exchange Limited, and
All other Stakeholders

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

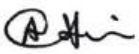
Dear Sir(s):

We are pleased to present before you the Annual Report-2022 together with the Audited Financial Statements (consolidated and solo) as at December 31, 2022 which comprises- Balance Sheet, Profit & Loss Accounts, Cash Flow Statement, Statement of Changes in Shareholders' Equity, and notes to the financial statements for the year ended December 31, 2022 of Bangladesh Finance Limited for your kind information and record.

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

Thanking you,

Yours sincerely,



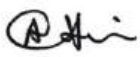
Munshi Abu Naim ACS
Company Secretary

Notice of the 24th Annual General Meeting

Notice is hereby given that the 24th Annual General Meeting (AGM) of Bangladesh Finance Limited will be held on Sunday, **30 April 2023, at 11.00 AM** using **Digital Platform** to transact the following businesses:

1. To receive and adopt the Audited Financial Statements for the year ended on December 31, 2022 together with the Report of the Directors' and the Auditors' thereon;
2. To declare Dividend for the year ended on December 31, 2022;
3. To appoint/re-elect Directors according to the provisions of the Articles of Association of the Company;
4. To approved the appointment of Independent Directors of the Company as per Corporate Governance Code;
5. To appoint Statutory Auditors for the year 2023 and to fix their remuneration;
6. To appoint Compliance Auditor as per Corporate Governance Code for the year 2023 and to fix their remuneration.

By the order of the Board



Munshi Abu Naim ACS
Company Secretary

Dated, Dhaka
April 06, 2023

NOTES:

a) The Record Date: **April 04, 2023**.

b) The shareholders' names appearing in the Members'/Depository Register on Record Date will be eligible to attend and vote in the AGM through Digital Platform and to receive dividend.

c) A Member entitled to attend and vote in the AGM, may appoint a proxy in his stead. Scanned copy of the proxy form, duly stamped shall be mailed to the email at **secy@bd.finance** at least 48 hours before the meeting.

d) As per BSEC Notification No. BSEC/CMRRCD/2006 158/208/Admin/81 dated 20 June 2018, soft copies of the Annual Report 2022 along with the Proxy Form will be sent to the Members' respective email address available with us through CDBL record. The Annual Report will be available in the Company's website at: www.bd.finance.

e) Members are requested to update their particulars including e-mail addresses and bank account information (if require) through their respective Depository Participants.

f) Please follow bangladeshfinance.bdvirtualagm.com for joining in the Digital Platform of the 24th Annual General Meeting of Bangladesh Finance Limited.



শ্রদ্ধার সাথে স্মরণ করছি
বাংলাদেশের শিল্পায়নের রূপকার ও স্বপ্নজয়ী উদ্যোক্তা
আমাদের বড় সাহেব বাংলাদেশ ফাইন্যান্স এর
প্রতিষ্ঠাতা চেয়ারম্যান **আলহাজ্ব**

আনোয়ার হোসেন-স্যারকে

আপনার দেখানো পথে চলেই বাংলাদেশের
অর্থনীতিকে আরো সমৃদ্ধ করার প্রেরণা পাই আমরা

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OUR 2022 INTEGRATED REPORT

GRI 102-4, 5, 10, 12, 13, 45, 46, 48, 49, 52, 53, 54, 56

Our integrated report is the outcome of a groupwide reporting process. Our integrated-thinking approach to decision-making, management and reporting enables us to create and preserve value as we fulfill our purpose to use our financial expertise to do good for individuals, businesses and society.

01 Our Purpose »

Vision

To be the most innovative and popular financial service provider in the country with special focus on creating value for all stakeholders.

Values

How do we think about value creation, preservation and erosion?

Value creation, preservation and erosion are the consequences of how we apply and leverage our capitals as part of our strategy execution and are evident in how these capitals change over time, our financial performance, the outputs and outcomes for all stakeholders. Our value creation and preservation processes are embedded in our purpose, described as part of our business mode, and are integrated into the way we think and make decisions. In our report, we use the icons in the next page to denote value creation, preservation and erosion.

02 Integrated Thinking »

Risk

Determining our materials matters

Opportunities

Short, medium and long-term outlook

Developing our strategy

Financial and Non-Financial targets

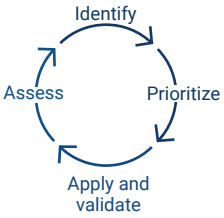
Board and Board Committees

Delivering on our strategy

MANCOM and EMT Committees

How do we consider materiality and our material matters?

We apply the principle of materiality in assessing what information should be included in our integrated report. This report focuses particularly on those issues, opportunities and challenges that impact materially on our six capitals and the company's ability to be a sustainable business that consistently creates, protects and minimizes the erosion of value for all stakeholders. Identifying our material matters is a responsibility and requires input from all business units and departments, an assessment of the risks and opportunities in our operating environment and input and feedback from all our stakeholders. Our material matters influence Bangladesh Finance's strategy, inform the evolution of our business model, our long-term business strategies as well as our short-, medium- and long-term targets.



Identify issues that have the potential to impact our sustainability and create, preserve or erode value for our stakeholders.

Prioritize those with the greatest relevance in our operating context as material matters.

Apply and validate the material matters to inform our strategy, our six capitals and targets.

Assess continually to ensure our strategy remains relevant.

Our Reporting Frameworks Suite

Integrated Reporting	Integrated Reporting Framework of the International Integrated Reporting Council (including Revisions to the framework published in January (2021)
Sustainable Reporting	• GRI standards -In Accordance (Core) • Sustainable Development Goals (SDG) Reporting
Financial Reporting	• International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh • The Financial Act 1993 and amendments thereto • Relevant circulars issued on reporting format by Bangladesh bank • The Companies Act 1994 and amendments thereto • The Income Tax Ordinance 1984 and VAT Act 2012 and amendments thereto • Hoda Vasi Chowdhury & Co., Chartered Accountants
Corporate Governance	• Corporate Governance Code 2018 of The Bangladesh Securities and Exchange Commission (BSEC) • Corporate Governance Guideline of Bangladesh Bank • Listing Regulation, 2015 of Dhaka Stock Exchange • Relevant circulars of Bangladesh Bank , relevant directives of Bangladesh Securities and Exchange Commission • Bangladesh Secretarial Standards (BSS) issued by the Institute of Chartered Secretaries of Bangladesh (ICSB) • Itrat Husain & Associates

03 Integrated Reporting Process

International <IR> Framework

Compiling our report

Reporting standards

Coordinate assurance model

Validating the integrity of the report

Board and MANCOM review

Bangladesh Finance sign off

Approving the integrated report

Board approval

INTEGRATED REPORTING BOUNDARY

PESTEL Analysis	Stakeholder Engagement	Our Strategy	Impact Statement
Page: 104	Page: 18	Page: 14	Page: 218

Financial Reporting Boundary

Non-Financial Reporting Boundary

Bangladesh Finance Limited

- Bangladesh Finance Capital Limited (Marchant Bank)
- Bangladesh Finance Securities Limited (Brokerage House)

04 How to Navigate through This Report

Matters of interest To stakeholders	Where to find it in this report	Page reference
How we bring our vision to life	Our Strategy and Value Creation Model	14 & 30
Our leaders' views	Chairman's Message Interview with our MD & CEO	65 & 70
Delivering on our strategy	Segment Analysis & Business Reports	138-153
How our business is governed and managed	Risk management Corporate governance	298 & 234
Measuring our success	Financial Statement	332- 395

NAVIGATION ICON

Financial Capital	Page No. 187
Manufactured Capital	Page No. 193
Intellectual Capital	Page No. 196
Human Capital	Page No. 202
Social and Relationship Capital	Page No. 207
Natural Capital	Page No. 213

STAKEHOLDERS

- Investors
- Customers
- Employees
- Suppliers & Business Partners
- Community & Environment
- Government & Regulatory Institutions

STRATEGIC PRIORITIES

- Customer Solutions
- Digital Transformation
- Innovative Business
- Organizational Realignment
- Empowered Staff

ABOUT BANGLADESH FINANCE

GRI 102-1, 2, 6,

The Most Trusted Financial Partner of Bangladeshi People

Bangladesh Finance Limited is one of the widely acclaimed Financial Institutions. As we carry the name of Bangladesh, we are looking forward to greater participation in the economic development of Bangladesh introducing all financial products under one roof to meet the customer's economic needs as a competitive market player.



ICSB AWARD

ICAB AWARD

SAFA AWARD

SUSTAINABLE FINANCIAL INSTITUTION 2021

AA CREDIT RATED

1999 INCORPORATION

8,601 TOTAL LENDING CUSTOMER

6,204 TOTAL DEPOSIT CUSTOMER

07 NUMBER OF BRANCH

151 NUMBER OF EMPLOYEE

Vision

To be the most innovative and popular financial services provider in the country with special focus on creating value for all stakeholders.



Mission

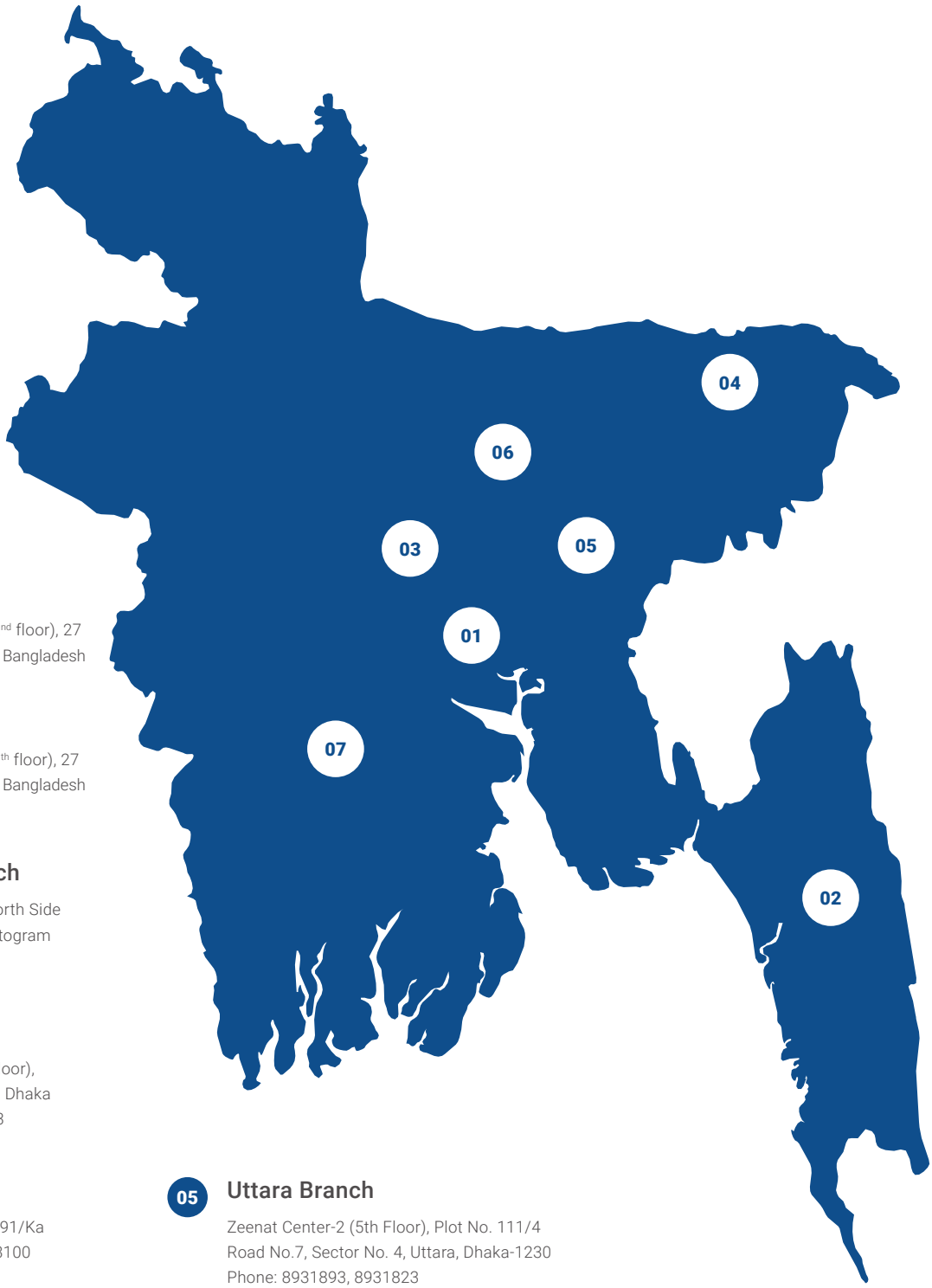
To reach out our financial services to the wider sections of populace as part of our contribution towards inclusive, sustainable and quality growth with trust and confidence.

Our Key Differentiators

- Skilled and loyal workforce
- Diversified portfolio
- Agility in responding to industry trends
- One-stop financial solution provider
- Being a responsible corporate citizen

NATIONAL FOOTPRINT

GRI 102-3,4



01 **Head Office**

Baitul Hossain Building (2nd floor), 27
Dilkusha C/A, Dhaka-1000, Bangladesh
Phone: 02223389146

Principal Branch

Baitul Hossain Building (7th floor), 27
Dilkusha C/A, Dhaka-1000, Bangladesh
Phone: 02223389146

02 **Chattogram Branch**

Aziz Court (19th floor), North Side
88-90, Agrabad C/A, Chattogram
Phone: 02333310234

03 **Bangshal Branch**

Mahmud Tower 19 (7th Floor),
Siddique Bazar, Bangshal, Dhaka
Phone: 9950506, 9513973

04 **Sylhet Branch**

Firoz Center (5th Floor), 891/Ka
Chouhatta, Sylhet Sadar-3100
Phone: 0821713896

05 **Uttara Branch**

Zeenat Center-2 (5th Floor), Plot No. 111/4
Road No.7, Sector No. 4, Uttara, Dhaka-1230
Phone: 8931893, 8931823

06 **Gazipur Branch**

Riaz Tower (4th Floor),
Chandana Chowrasta, Gazipur
Phone: 01674238506

07 **Jashore Branch**

Rashid Center (3rd Floor),
7/A RN Road, Jashore
Phone: 042166913, 042166914

CORPORATE PHILOSOPHY

Our customers, employees and shareholders are equally important to us. We want to achieve strong corporate growth through financial inclusion. With a firm commitment to provide better customer services, we are constantly developing innovative and technologically advanced products and services that satisfy our customers needs. We offer cutting-edge compensation package and good-work environment to our employees. We never forget our shareholders to make them pleased with financial well-being and increase the value their shares. This has given us a path to the growth and progress.

STRATEGIC OBJECTIVES



OUR CORPORATE PRIORITIES

- Managing adverse credit impacts
- Redesign/ enhance the digital experience
- Increase investment in innovation
- Enhance data analytics capabilities to identify customer needs
- Update/ replace components of a legacy operating system
- Invest in and/ or partner with alternative fintech providers
- Cost discipline through end-to-end process streamlining and organizational simplification
- Enhance data analytics capabilities to identify customer needs

BUSINESS ETHICS

102-16

Bangladesh Finance conducts its business in accordance with the law and regulations set by the Central Bank and other regulatory authorities. Bangladesh Finance does not finance in any project, detrimental to the community or country and thus prohibited by the credit policy of the company.

Bangladesh Finance offers quality services to its customers with the principles of warm friendship and mutual support.

To remain compliant in the spirit of law and industry practice.

We strive for excellence through leading-edge research and analysis, through collaboration within the organization and with outside organizations, and through innovation in all aspects of our work.

Bangladesh Finance provides employees with a workplace that offers equal employment opportunities without being hindered in or prevented from doing so by discriminatory practices on a person's race or ethnic origin, religion, age, sex, gender identity or expression, marital status, family status, disability, genetic characteristics or a conviction for which a pardon has been granted or a record suspended.

To continue and increase CSR activities.

OUR STRATEGY

INTEGRATED APPROACH TO STRATEGY FORMULATION AND VALUE CREATION

OUR CONTEXT

- Pestel Analysis
- Stakeholder Engagement
- Competitiveness & Our Responses
- Risk Managment

Material Matters

Out Strategy

Stakeholder's Engagement

Generated through actively managing our resources and relationships, categorized into 6 capitals.

STRATEGY OF BANGLADESH FINANCE



UNDERPINNED BY

- Commitment to Strong ESG Practice
- Operational Excellence

DELIVERED OVER 3 TIME HORIZONS

Short-Term Goals	Mid-Term Goals	Long-Term Goals
Strengthen competitive edge by enhancing digital capabilities, offering multifaceted value propositions, and providing ongoing assistance to clients as they navigate the current hurdles.	Grow total assets- • Increased diversity of revenue streams. • Harnessing Group expertise and specialization to provide customized solutions.	Becoming one of the "Top NBFIs" for all Bangladeshi people with focus on improving financial inclusivity, digital financial product and services and social resilience.

CUSTOMER SOLUTION

Through our strategy we intend to move from a product-centered to a customer-centered method, catering to individual requirements across the customer journey through personalized solutions.

Highlights of 2022

Strategic Initiatives

To align with our goal toward of customer centricity, we launched curated solutions across business verticals. Additionally, we have strengthened our digital services, offering seamless access to services.

Measuring Progress

Key Performance Indicators

- Increased customer retention
- Increase in brand value

Outlook for 2023

Priorities in 2023

- Support customers in transforming business models to capture emerging opportunities.
- Launch of loyalty schemes to enhance value proposition to customers

Resource Allocation

- Customer-service related training
- Leverage customer relationship
- Culture of customer-centricity

Risk and Opportunities in delivering strategy

- Customer's increased trust through digital solution.
- Macro economic turbulences and effect on customer sentiment.

INNOVATIVE BUSINESS

Identify and deepen comprehension of growth segments in the economy and advance customer-centric solutions to increase penetration of these sectors.

Highlights of 2022

Strategic Initiatives

We offer holistic solutions to customers aligned our growth with economic areas focused support to vulnerable customer segments. We also strengthened our portfolio monitoring. Several Women empowered initiatives were undertaken as well.

Measuring Progress

Key Performance Indicators

- 2.47% Growth in loans and advances.
- 3.07% growth in deposits, supporting a diversified funding

Outlook for 2023

Priorities in 2023

- Increase lending to climate positive industry sectors and customers such as renewable energy and sustainable agriculture.

Resource Allocation

- Dedicated team deployed
- Leveraged stakeholders' partnership
- Proactive portfolio monitoring

Risk and Opportunities in delivering strategy

- Policy stimulated to enhance the overall performance
- Macro-economic turbulences

DIGITAL TRANSFORMATION

Leverage digital infrastructure and data to derive better understanding of customer behavior and deliver customer-centric solutions.

Highlights of 2022

Strategic Initiatives

We have pursued company-wide data warehousing, providing richer data insights for decision making and leveraged machine learning to obtain insights on customer behavior.

Measuring Progress

Key Performance Indicators

- 6,969 Transactions conducted through digital platform.
- Increased customer convenience and accessibility.

Resource Allocation

- Investment in digital infrastructure
- Training to develop IT Skills
- Data-driven decision making

Outlook for 2023

Priorities in 2023

- Focusing on group digitalization.
- Increase use of machine learning models.
- Upgrade the core system, risk management module etc.

Risk and Opportunities in delivering strategy

- Rapid advancements in technology.
- Evolving customer needs opening new avenue.
- Increased cyber security threats.
- Risk of system failures.

ORGANIZATIONAL REALIGNMENT

We emphasize on driving cohesive changes in the organizational structure to immensely deliver client-centricity.

Highlights of 2022

Strategic Initiatives

As the Group gradually transitions towards a matrix structure, we focus on catering to strategically important customers. We also offer consolidated view of Group services to corporate customers.

Measuring Progress

Key Performance Indicators

- Deeper customer relationship and higher wallet share.
- Upsurged diversity of earnings profile.

Resource Allocation

- Dedicated group relationship managers
- Customer centricity across the branches
- Inter-departmental collaboration & cohesion

Outlook for 2023

Priorities in 2023

- Revisions to performance management and KPI frameworks.
- Ongoing efforts in evolving profound understanding of key business segments

Risk and Opportunities in delivering strategy

- Nurturing a cohesive and goal-oriented business culture.
- Challenges in realigning the structure.

EMPOWERED STAFF

Build a stirred, inspired and productive team through authorizing employees and nurturing a culture of innovation and customer centricity.

Highlights of 2022

Strategic Initiatives

As we focus on ensuring employees are equipped with the requisite competencies, we continue to deliver training. Meanwhile the Group leveraged its digital capabilities to make work more meaningful, productive and fulfilling.

Measuring Progress

Key Performance Indicators

- 90% employee retention.
- 14% female representation overall.
- 30 Average training hours per employee.

Resource Allocation

- 191mn BDT Payment to employees
- Investment in training and developments
- Customer centric culture

Outlook for 2023

Priorities in 2023

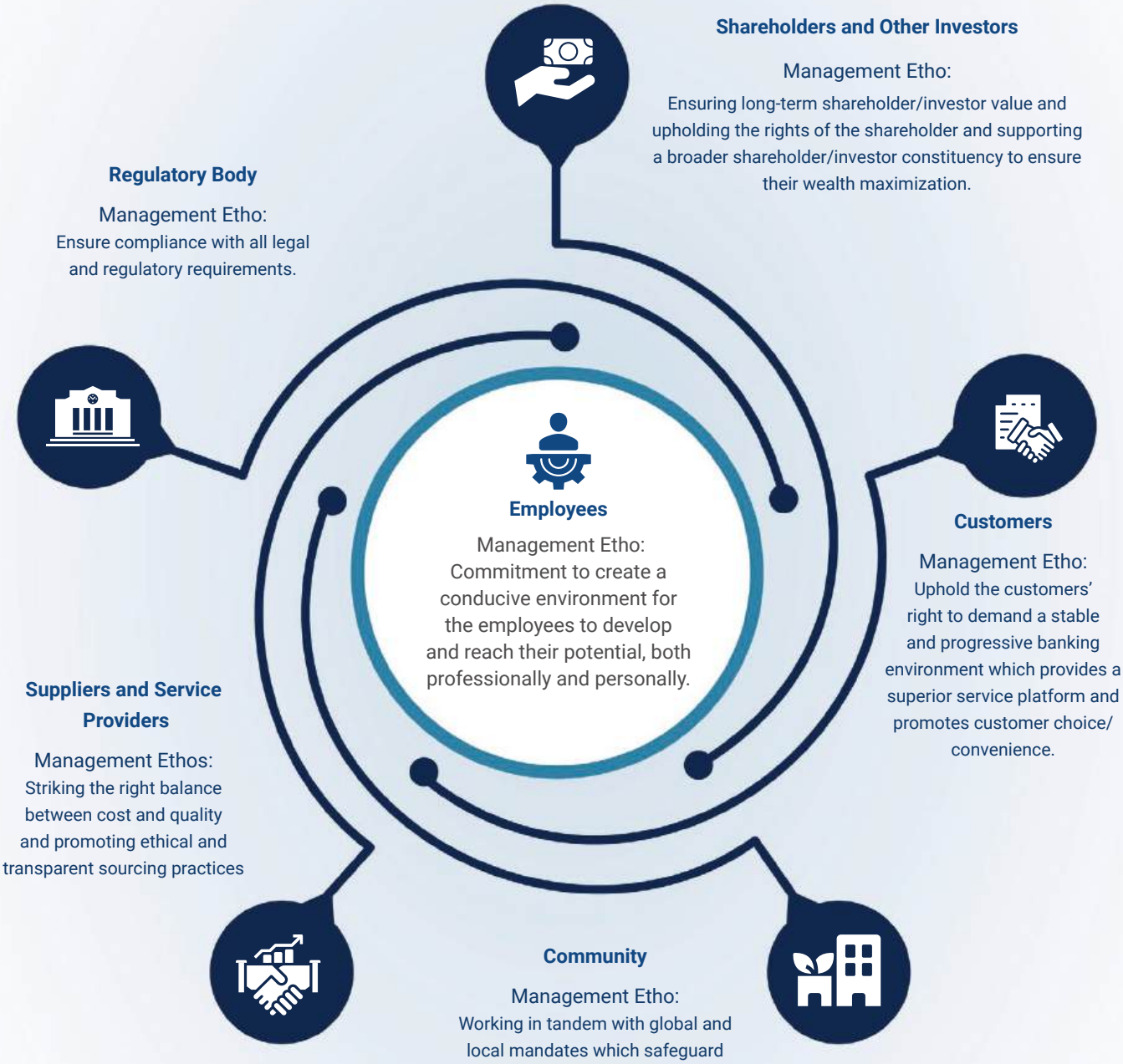
- Competency based talent acquisition.
- Succession planning and establish new pathways of growth and specialization.
- Conduct salary surveys and ensure compensation is market aligned.

Risk and Opportunities in delivering strategy

- Increasing technophile workforce.
- Agility of staff in responding to emerging challenges.
- Challenges in attracting and retaining the right talent.

STAKEHOLDER ENGAGEMENT

102-6, 40, 41, 42, 43, 44





We believe that regularly engaging with our stakeholders helps to draw on their knowledge and insights to inform strategic directions and inspire innovation on our part.

Stakeholders Identification

Being a responsible and inclusive financial solutions provider, we strive to promote sustainable development in our organization. From our vision, mission, purpose, and our code of ethics, we uphold our commitment to act responsibly towards our most valued stakeholders. Our stakeholders are the individuals, groups, and organizations that significantly affect or could be significantly affected by our strategy execution and how we conduct our business activities.

Stakeholders Engagement

We engage with our stakeholders through a decentralized stakeholder engagement approach all the year round and we use various engagement platforms appropriate to the needs of each stakeholder group. We understand that our sustainable growth is dependent on our key stakeholder's perception of the value we create for them. Hence, we value feedback from them about their concerns and perceptions of value engaging with our stakeholders through the following channels:

01	Identify the stakeholder	Identify through internal and external environment analysis	Stakeholder Mapping
02	Segment stakeholder categories into subcategories	Based on daily management criteria	
03	Priorities stakeholder subcategories	According to impact and influence on value creation	
04	Define levels of engagement	Information, consultation, interaction or collaboration	Engagement Model
05	Review channels for engagement	Evaluate existing channels and create new ones	
06	Design the engagement model	The best suited to each stakeholder subcategory	
07	Identify matters relevant to stakeholders	For both Bangladesh Finance Limited and the stakeholder subcategory	List of Relevant Matters, Risks and opportunities
08	Identify risk and opportunities	That help to create value for Bangladesh Finance Limited and its stakeholders	
09	Design action plan	Initiatives in relation to the engagement model and relevant issues	Action Plan
10	Monitor and report	To analyze outcomes and report on performance	Post Review

Shareholders and Other Investors

Management Philosophy

Ensuring long-term shareholder value and upholding the rights of the shareholder and supporting a broader shareholder constituency to ensure their wealth maximization

Matters Relevant to the Stakeholder	Our Strategic Response to Stakeholder	Engagement Mechanism	Engagement Frequency
• Shareholder satisfaction regarding financial Position • Shareholder views on key governance and policy matters • Development of shareholder communication channels • Return on equity • Financial performance	• Ensuring sustainable return on investment • Engaging in greater transparency according to corporate governance code • Maintaining the FI's reputation and credibility • Safeguarding asset quality	General meetings	Annually/ Periodically
		Annual Report	Annually
		Interim Financial Statements	Quarterly
		Disclosures and announcements on DSE & CSE	Periodically
		Corporate website	24 hours 7 days

QUALITY OF RELATIONSHIP: STRONG

9.49% ROE

1.25 BDT EPS

17.41 BDT NAVPS

8,301 MN MARKET CAPITALIZATION

VALUE DELIVERED

Employees

Management Philosophy

Commitment to create a conductive environment for the employees to develop and reach their potential, both professionally and personally

Matters Relevant to the Stakeholder	Our Strategic Response to Stakeholder	Engagement Mechanism	Engagement Frequency
• Ethical employment practices • Career development opportunities • Employee communication and Feedback • Rewards/recognition • Employee well-being • Work-life balance	• Competitive rewards and benefits to attract and retain best talent in the market • Promote greater diversity and inclusion • Develop from within through training and development • Encourage greater engagement and discourage grievance • Performance-based incentives • Maintain high standards of occupational health and safety • Foster a sense of belongingness	Employee forums	Regularly
		Grievance-handling Procedure	Regularly
		Business unit level Meetings	Regularly
		Intranet	24 hours 7 days
		Training	Regularly
		Get-togethers/Events	Regularly
		CSR projects	Regularly

QUALITY OF RELATIONSHIP: STRONG

56
PROMOTIONS

90%
RETENTION RATE

BDT 191 Mn
INVESTMENT IN PERSONNEL

VALUE DELIVERED

Customers

Management Philosophy

Uphold the customers' right to demand a stable and progressive banking environment which provides a superior service platform and promotes customer choice/convenience.

Matters Relevant to the Stakeholder	Our Strategic Response to Stakeholder	Engagement Mechanism	Engagement Frequency
• Customer service • Customer security • Satisfaction on existing products • Brand perception and reputation • Need for innovations and customized solutions • Communication methods • Timely and relevant information on products and services • Customer touch-points	• Effective complaint resolution • Maintain service excellence • Deliver technology-driven solutions • Continuous introduction of innovative products which promote greater customer convenience • Effective marketing communication • Maintaining data security and customer privacy • Better market share	One-on-one feedback from customers	Regularly
		Social media interactions	24 hours 7 days
		Customer complaint handling mechanism	24 hours 7 days
		ATL, BTL and digital Communications	Regularly
		SMS Alerts	24 hours 7 days
		Corporate website	24 hours 7 days
		Call Center	24 hours 7 days

QUALITY OF RELATIONSHIP: STRONG

29.37%
OF LOAN BOOK SME

6,204
NUMBER OF DEPOSIT CUSTOMERS

VALUE DELIVERED

CUSTOMER EDUCATION & FINANCIAL LITERACY PROGRAMMES

8,601
NUMBER OF LOAN CUSTOMERS

Community

Management Philosophy

Working in tandem with global and local mandates which safeguard the environment and promote community empowerment

Matters Relevant to the Stakeholder	Our Strategic Response to Stakeholder	Engagement Mechanism	Engagement Frequency
• Community capacity building • Community empowerment • Social welfare of communities • Environmental degradation • Preservation of local culture	• Socially-responsive transformative CSR model • Transparency and governance • Community engagement • Employee volunteerism • Become a catalyst for change	Ground-level interactions with community leaders by staff	Regularly
		Interactions with social groups and volunteer organizations	Regularly
		Environment grievance handling mechanism	Regularly
		Discussions with Government Organizations	Regularly
		Digital media-based Forums	Regularly
		CSR projects	Regularly

QUALITY OF RELATIONSHIP: GOOD

VALUE DELIVERED

BDT 2.7 MN
SPEND IN SOCIOECONOMIC PROGRAMMES

+59
EXTENDED FINANCE FACILITY FOR NEW ENTREPRENEURS

1,056
VOLUNTEERING HOURS

Suppliers and Service Providers

Management Philosophy

Striking the right balance between cost and quality and promoting ethical and transparent sourcing practices.

Matters Relevant to the Stakeholder	Our Strategic Response to Stakeholder	Engagement Mechanism	Engagement Frequency
• Developing strategic partnerships • Promoting transparent and ethically responsible business practices • Continuous communication with suppliers and service providers • Regular reviews on quality of goods and services	• Engaging in fair and equitable procurement • Supplier risk assessment mechanism • Contractual agreements to promote sustainable procurement • Local sourcing • Maintenance of suppliers and service providers register	Interactions through the purchasing policy	Regularly
		Feedback evaluations	As and when required
		Meetings	As and when required
		Visits to supplier workshop/ offices	Periodically
		Written communications (letters and e-mails)	Regularly
		Reviews and assessments	Regularly

QUALITY OF RELATIONSHIP: GOOD

AROUND **109** SUPPLIERS

APPROX. BDT **77 MN** PAYMENTS TO SUPPLIERS

VALUE DELIVERED

Government & Regulators	Matters Relevant to the Stakeholder	Our Strategic Response to Stakeholder	Engagement Mechanism	Engagement Frequency
Management Philosophy Ensure compliance with all legal and regulatory requirements	• Proper and prompt action on regulatory requirements introduced from time to time • Formulate the FI's policies in line with the broad objectives of the Central Bank	• Compliance with regulations • Rectification actions on supervisory concerns • On-time submission of statutory returns and statutory payments • Response and contribution at meetings/forums and to initiatives of the regulators • Help investors to make better investment decisions	Policy directives/ circulars, guidelines and operating instructions	Regularly
			Meetings and forums	Periodically
			Press releases	Regularly
			Periodic and one-off returns	Periodically
			On-site Off-site supervision	Periodically
			Training programmes	Regularly

QUALITY OF RELATIONSHIP: GOOD



VALUE DELIVERED

CORE VALUES

- Integrity
- Courageous
- Team Work
- Passion for Excellence
- Innovation
- Commitment
- Diversity
- Customer Satisfaction

CODE OF CONDUCT

Our Code of Conduct is driven by the ethical values that we nurture in all our endeavors. In principle, following norms are in grained in us:

- ◊ No deviation from the standardized principle or policy;
- ◊ Acting with integrity & dignity along with ethical standard;
- ◊ Fair and truthful disclosures and thereby remaining transparent;
- ◊ Committed to deliver topnotch hassle-free services to our clientele;
- ◊ Want to remain law abiding corporate citizen.



MATERIALITY

102-46, 47, 103-1, 2, 3

Material topics can possibly impact financial performance and/or position of the group, our social license to operate and our capacity to generate stakeholder value over the short, medium and long-term. Material issues are well informed by the feedback from our stakeholders, changes in the operating landscape bringing opportunities and threats and the Group's strategic priorities. The material issues of the Bank include both internal and external influences, and are also guided by the topics prescribed in the GRI Standards. Since the previous year, the topic boundaries have not altered.

MATERIALITY DETERMINATION IN 2022

The approach used to establish materiality in 2022 is represented below. During the year, we refined and improved the approach by directly engaging the Group's Leadership Team materiality determination, as well as assessing the feedback from customers and employee engagement. The following figure shows how changes in the Group's materiality landscape were caused by process improvement and significant changes to the operational environment:

RECOGNISION OF MATTER

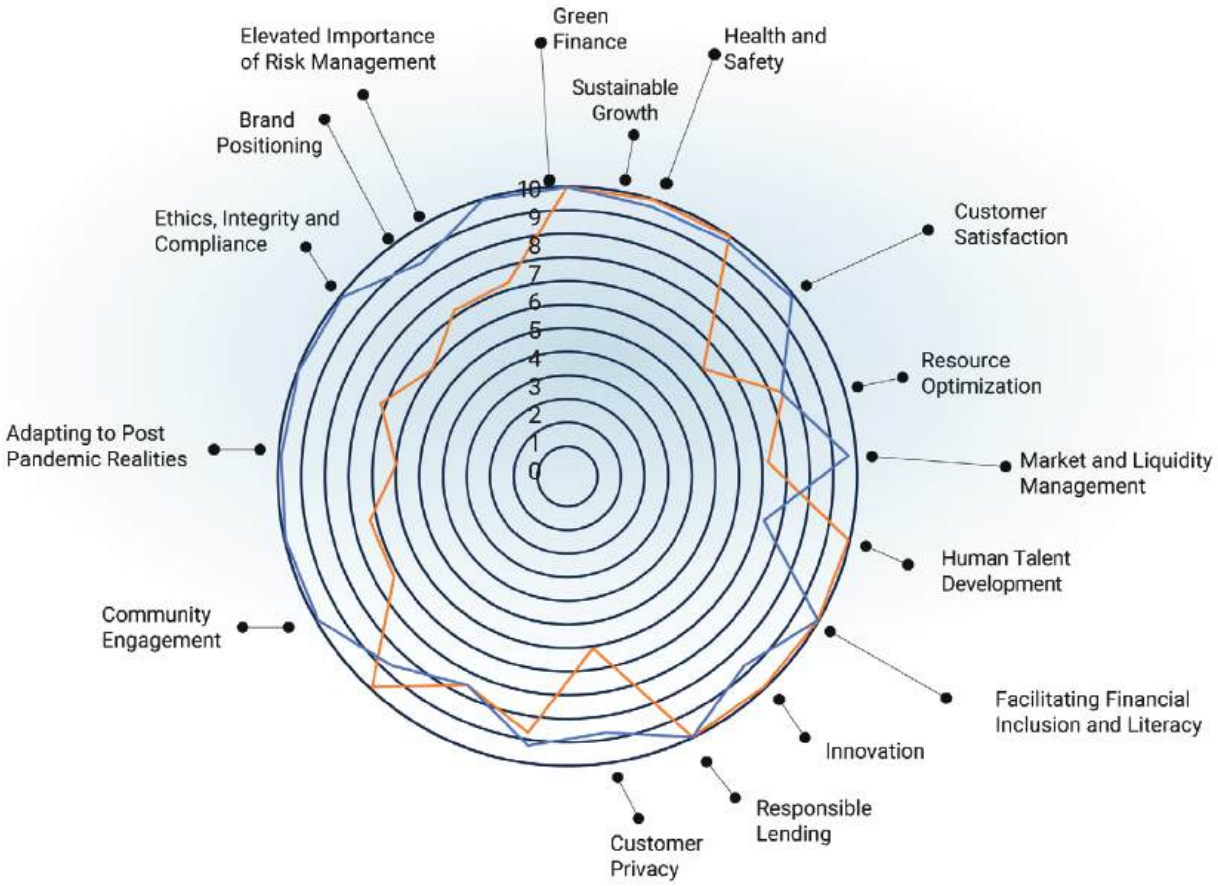
Following stakeholder engagement, opportunities, and risks, issues are discovered and represent the leadership team insights

EVALUATING RELATIVE IMPORTANCE

According to the likelihood and possible effects on the Group, relative relevance is evaluated.

PRIORITISE MATTERS

The impact that each issue will have on stakeholders' decisions as well as the strategy and operations of the Group will determine its priority.



Material topic	Prioritization		Changes in materiality compared to last year	Stakeholder group impacted	Impact to SDGs	Topics Related
	Stakeholder impact	Impact on organisation				
Sustainable Growth	H	H	Significant growth in sustainable business development			Sustainability Highlights
Health and Safety	H	H	Increase in importance given evolving nature of pandemic			Human Capital Human Resource Accounting
Customer Satisfaction	H	H	Achieving sustainable growth through customer satisfaction			Stakeholder Engagement
Resource Optimization	M	H	Managing scarce resources to optimize economic outcomes			Manufactured Capital
Market and Liquidity Management	H	H	New topic reflecting market conditions			Performance Analysis of MANCOM
Human Talent Development	M	H	Combined with other people-related aspects			Human Capital
Facilitating Financial Inclusion and Literacy	H	M	Combined with literacy			Social & Relationship Capital
Innovation	M	H	Increased focus on digital channels with Voyage 2025 aspirations			Manufactured Capital Social & Relationship Capital
Responsible Lending	H	H	Concentration on agricultural and economic development			Social & Relationship Capital
Customer Privacy	H	H	Maintaining high-end security for customer data			Intellectual Capital
Community Engagement	H	M	New topic regarding stakeholder engagement			Stakeholder Engagement
Adapting to Post Pandemic Realities	M	H	New topic given evolving post pandemic and economic dynamic			Economic Outlook World Economic Outlook
Ethics, Integrity and Compliance	H	H	Maintaining compliance with all applicable laws, regulations and standards safeguard our social license to operate			Corporate Governance
Brand Positioning	M	H	New topic reflecting increased competitive intensity			Intellectual Capital
Elevated Importance of Risk Management	M	H	New topic given changes in external dynamics			Risk Management
Green Finance	M	H	To help businesses affected by climate change to adapt and contribute with our capacity as a financial services provider to build a low carbon economy as a participating Financial Institution.			Sustainability Highlights



Priority strategies
Related material themes
SDGs impacted
Allocated capitals

VALUE CREATION MODEL

CAPITAL INPUTS

FINANCIAL CAPITAL 187

- Equity Capital: Tk.1,882 mn (2021: Tk.1,776 mn)
- Customer Deposits: Tk.9,862 mn (2021: Tk. Tk.9,569 mn)
- Borrowings: Tk.2,667 mn (2021: Tk 2,504 mn)
- Liquidity Management Initiative: 6.83%(2021: 6.18%)
- Capital Management: CAR 17.75% (2021: 18.26%)
- Market Capitalization (amount): Tk.8,301mn (2021: Tk. 9,660 mn)

MANUFACTURED CAPITAL 193

- 10 IT systems (2021: 10), which are being modernized as part of our technology journey
- Innovative digital channels for customer acquisition
- Market-leading digital products, services and client value propositions

INTELLECTUAL CAPITAL 196

- Institutionalized knowledge
- Strong corporate brand image and value
- Good governance framework
- Market-leading IT capabilities (Managed Evolution and Digital Fast Lane)
- Effective internal control system
- Ethical business conduct

SOCIAL & RELATIONSHIP CAPITAL 207

- Over (6,963) customers in loans and deposits
- Healthy client relationships
- Over (45+) suppliers
- Transparent procurement policy
- Three-pillar focused CSR framework
- ESG considerations towards sustainable operations
- Promoting UN Sustainable Development Goals
- Compliance with GRI standards

HUMAN CAPITAL 202

- A total of 151 employees (2021: 107), embracing a culture that is:
  - » client-driven and people-centred;
  - » increasingly innovative and competitive; and
  - » strong in compliance and governance
- Reward structures linked to performance
- Experienced and diverse executive team and board
- A transformed workforce

NATURAL CAPITAL 213

- Green lending products
- State-of-the-art core IT systems: Managed Evolution and Digital Fast Lane
- Handling garbage in a responsible manner
- Commitment towards paperless finance
- Four-pillared approach towards environmental stewardship

VALUE TRANSFORMATION

OUR VISION To be the most innovative and popular financial services provider in the country with special focus on creating value for all stakeholders

BUSINESS ACTIVITIES

FUNDING & DEPOSITS	CAPITAL MARKET OPERATION	STRUCTURED FINANCE
Raise funding provide savings and investments products	Focused on more sustainable and profitable securities for its capital market operation	Offer secure, reliable and convenient platforms to facilitate transactions



DRIVEN THROUGH TWO MAIN BUSINESS VERTICALS

STRATEGIC PRIORITIES Customer Solutions | Innovative Business

ASSOCIATED RISKS Regulatory Risk | Strategic Risk

FINANCIAL CAPITAL

- BDT 379 mn Net interest income
- BDT 193 mn Profit generated
- NAV per share up by 16.15 BDT
- BDT 188 mn paid as Dividends
- Earnings per share 1.03
- ROE 6.45% in 2022
- ROA 1.13% in 2022

NATURAL CAPITAL

+ Extended Finance Facility to new Entrepreneurs
+ Extended Finance Facility to Rural Farmers & Introduced Exclusive Apps for Agriculture Finance under green finance
+ 84 women entrepreneurs loan disbursed
+ Digital office approval o 6,021 Nos.

MANUFACTURED CAPITAL

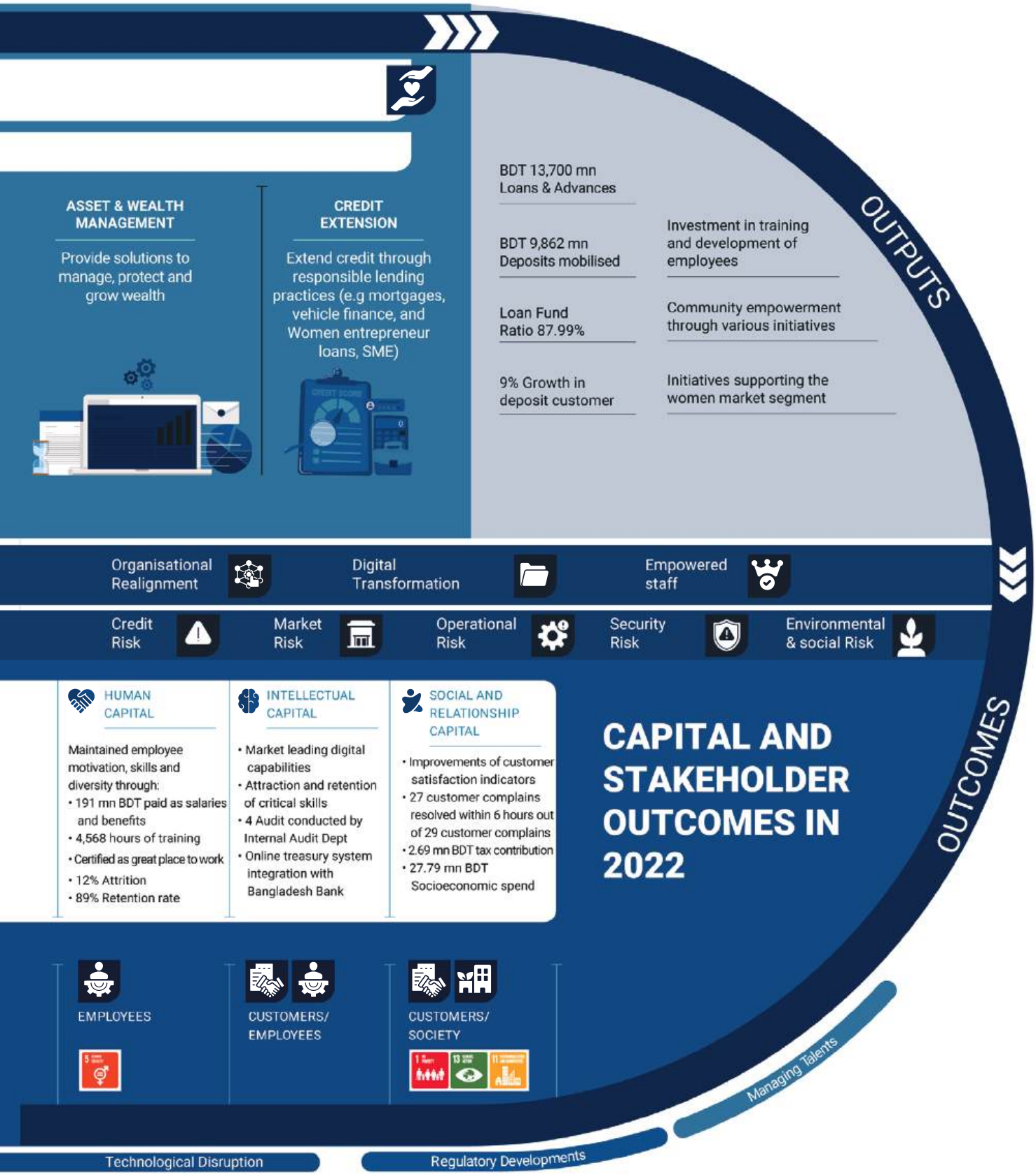
+ 6969 Nos. of payment through digitally
+ Customer on-boarding through e-KYC
+ Value addition Tk.45 mn
+ Digital Partnership Lending solution

Stakeholders Impacted

SHAREHOLDERS | CUSTOMERS | EMPLOYEES

Drivers of Change | **Macro-Economic Trends**

102-40, 42, 43, 44, 46, 47
103-1, 2, 3



AWARDS & RECOGNITIONS

শ্রেষ্ঠত্বের স্বীকৃতি




SAFA
SOUTH ASIAN FEDERATION OF ACCOUNTANTS
Committee for Improvement in Transparency, Accountability & Governance
Best Presented Annual Report Awards, Integrated Reporting Award and
SAARC Anniversary Award for Corporate Governance Disclosures 2020
First Runner Up
Category: Financial Services Sector
Bangladesh Finance Limited
President
Chairman


SECOND
Best Presented Annual Reports:
Financial Services Sector
Bangladesh Finance Ltd.
11 December 2021, Dhaka
First Runner-up
Financial Services Sector
Bangladesh Finance Ltd.
ICSB
ICSB National Award 2020
Bronze Award
ICSB
Bronze Award

FINANCIAL HIGHLIGHTS (SOLO)



GRI 102-7

TOTAL DEPOSITS ▲

2021 - BDT 9,569 mn	2022 - BDT 9,862 mn	+3.07%

LOAN, LEASE & ADVANCES ▲

2021 - BDT 13,369 mm	2022 - BDT 13,700 mn	+2.47%

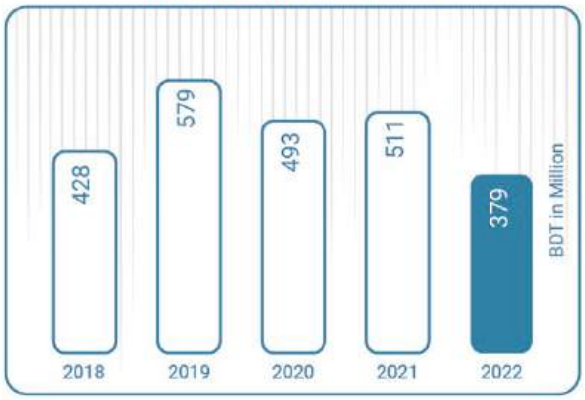
NET INTEREST INCOME ▼

2021 - BDT 511 mm	2022 - BDT 379 mm	-25.93%

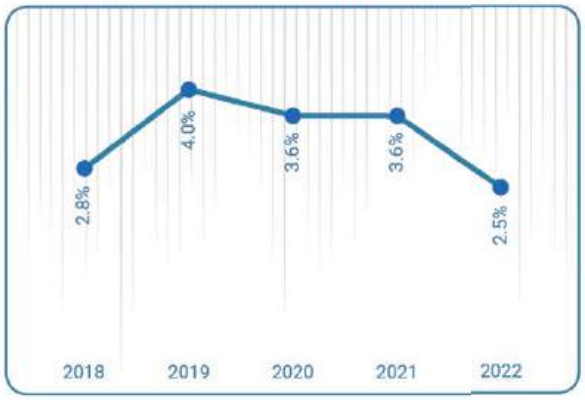
OPERATING INCOME ▼

2021 - BDT 890 mn	2022 - BDT 634 mm	-28.75%

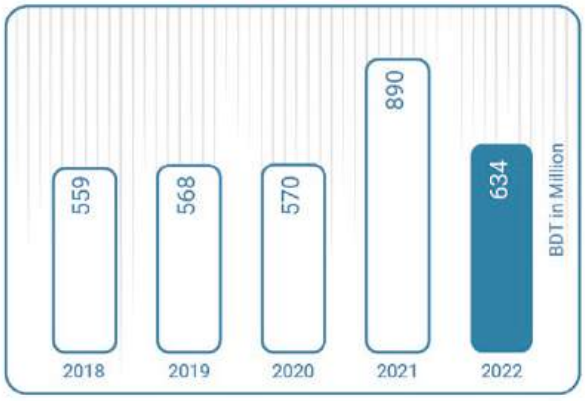
NET INTEREST INCOME



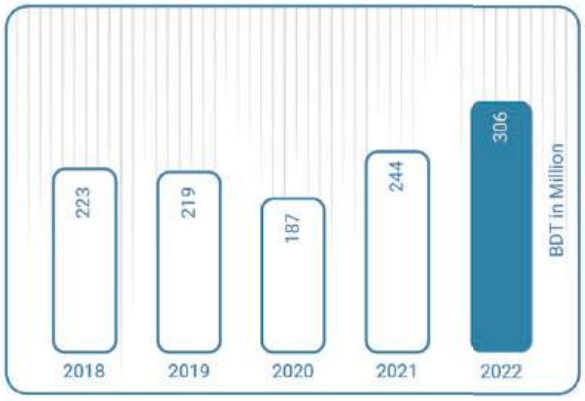
NIM (GROSS MARGIN RATIO) (%)



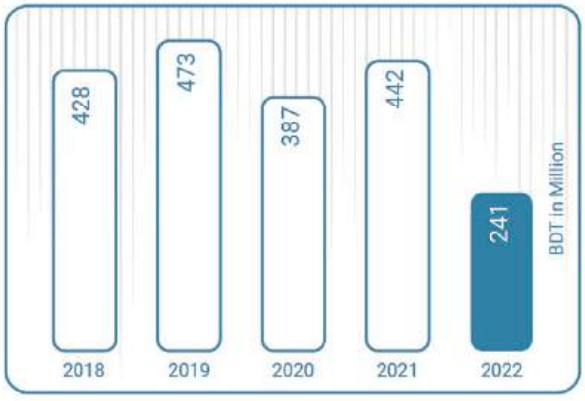
TOTAL OPERAITNG INCOME



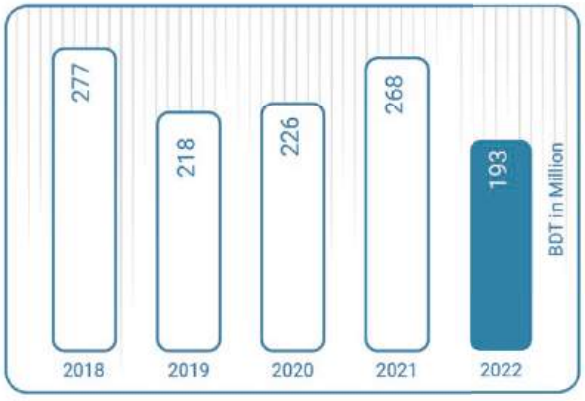
TOTAL OPERATING EXPENSE



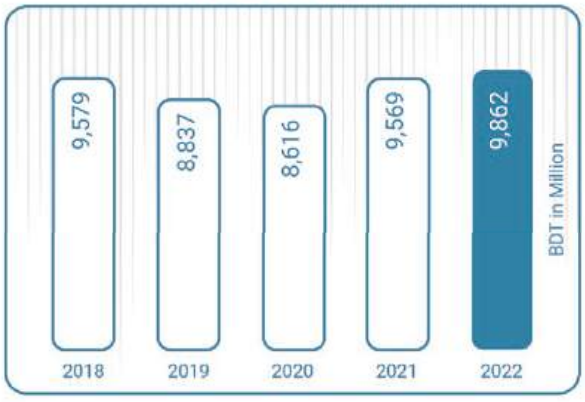
PROFIT BEFORE DEPRECIATION AND TAX



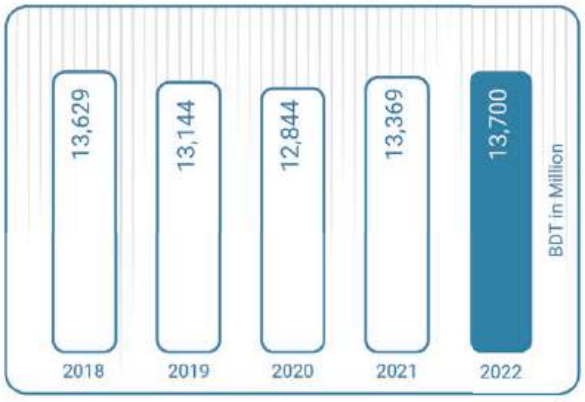
PROFIT AFTER TAX



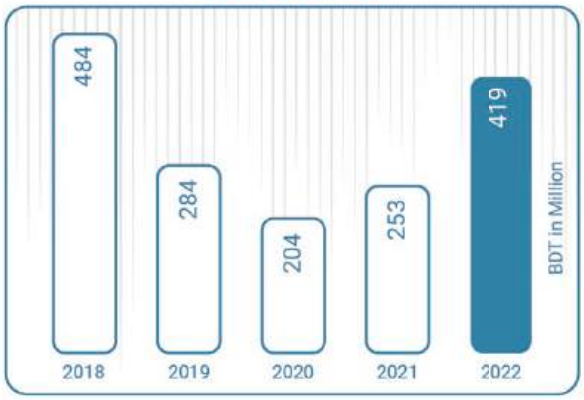
TOTAL DEPOSIT



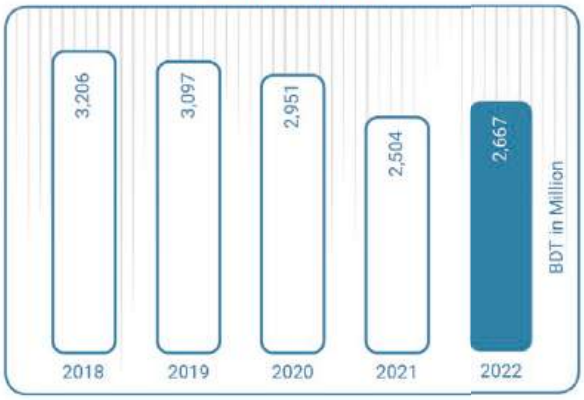
LOAN, LEASE & ADVANCES



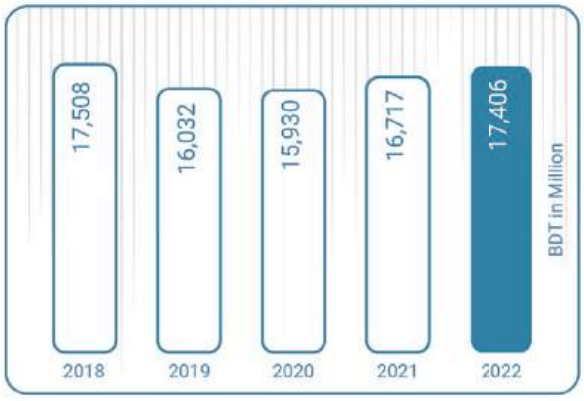
INVESTMENT



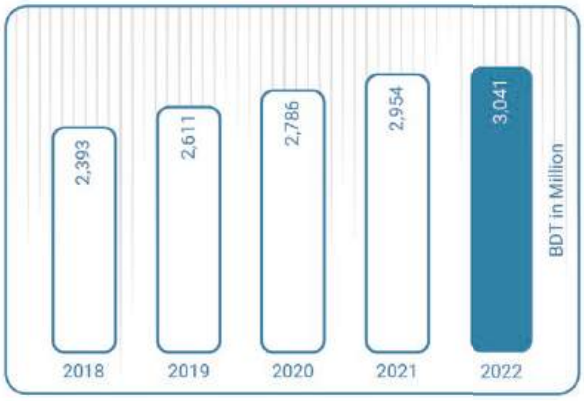
BORROWINGS



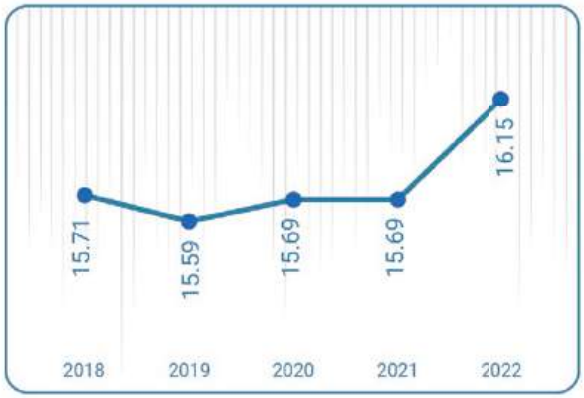
TOTAL ASSET



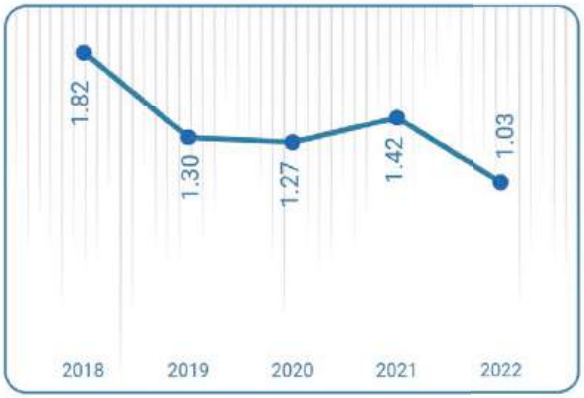
SHAREHOLDER EQUITY



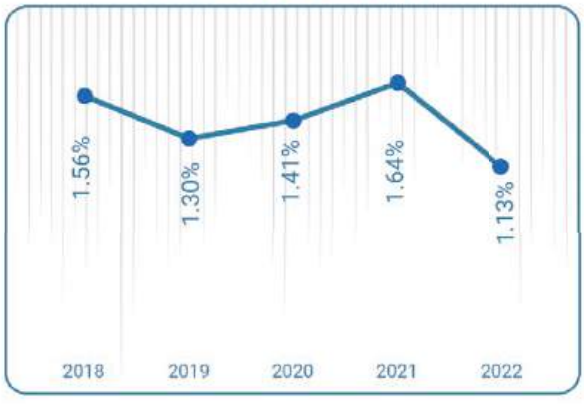
NET ASSET VALUE PER SHARE



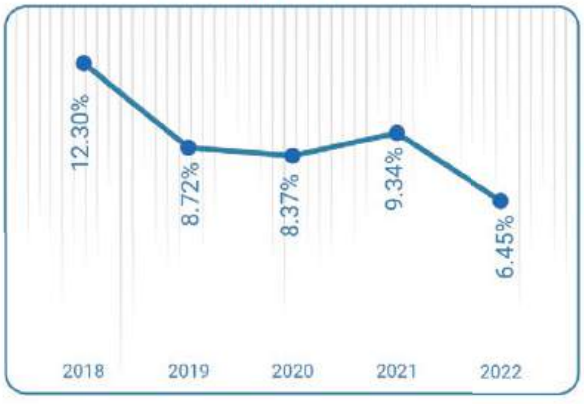
EARNINGS PER SHARE



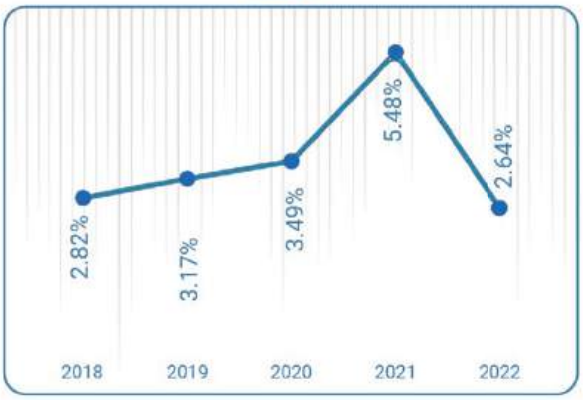
RETURN ON ASSETS



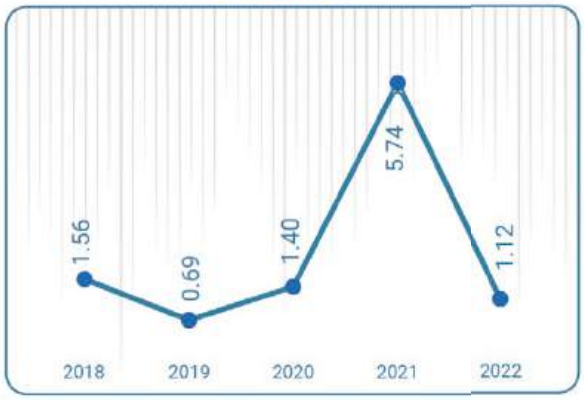
RETURN ON EQUITY



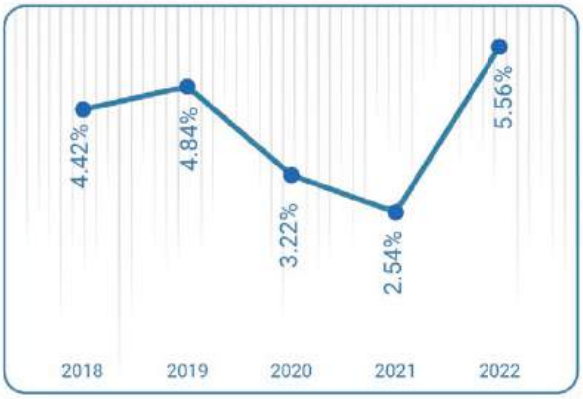
ROCE



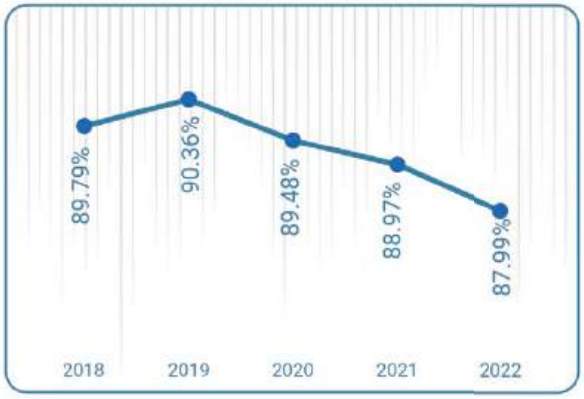
NOCFPS



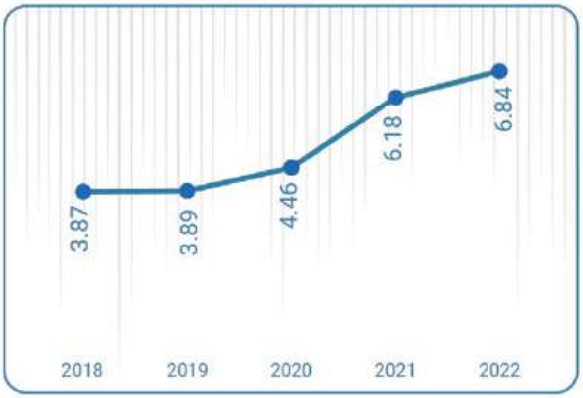
NON-PERFORMING LOAN RATIO



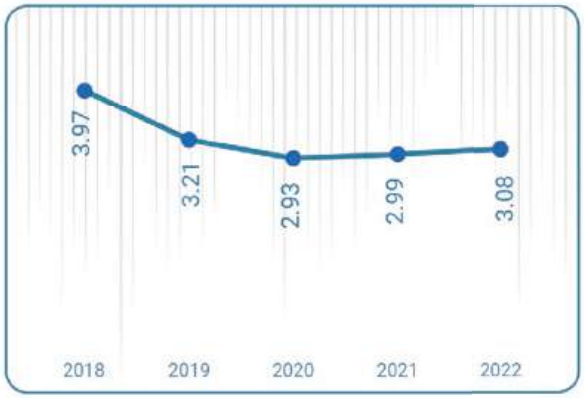
LOAN FUND RATIO



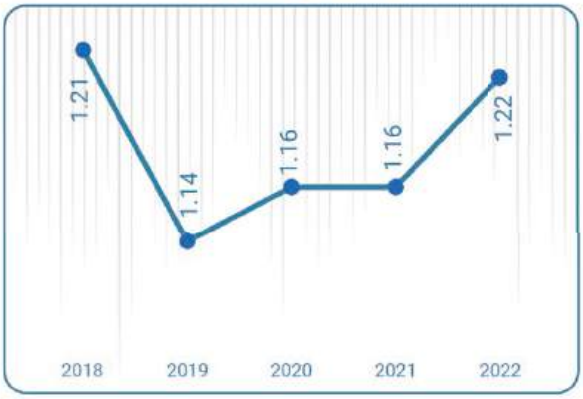
LIQUID ASSETS RATIO



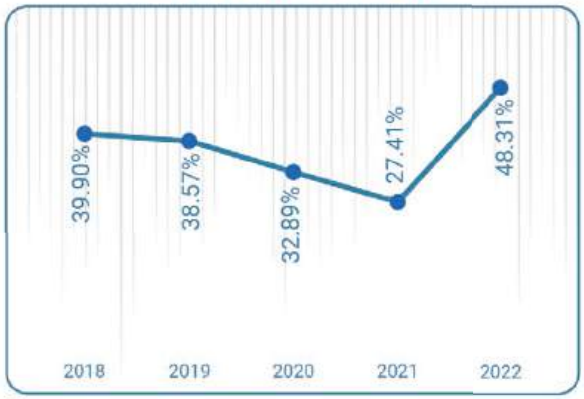
DEBT TO EQUITY RATIO



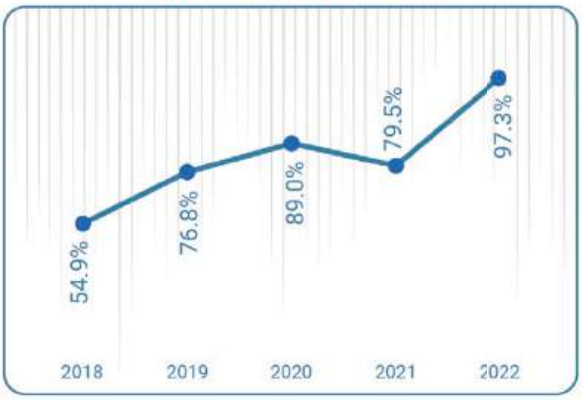
CURRENT RATIO



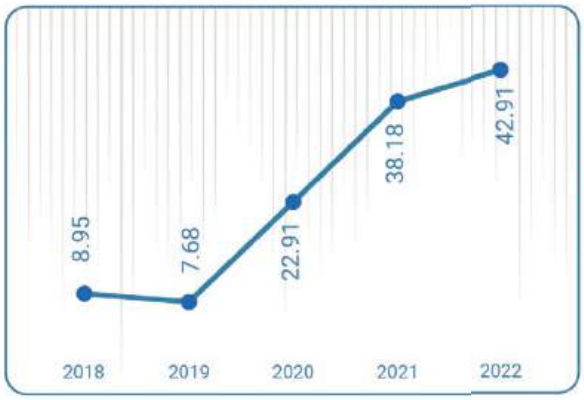
COST TO INCOME RATIO



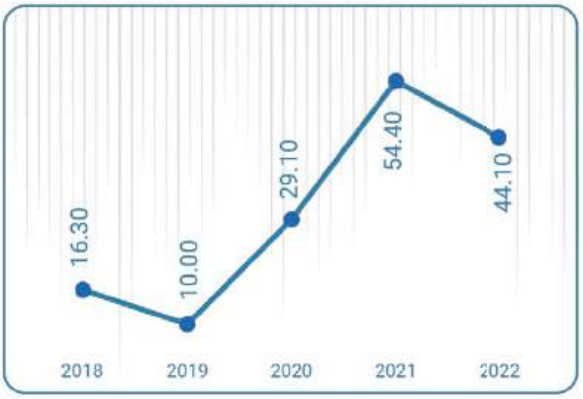
DIVIDEND PAYOUT RATIO



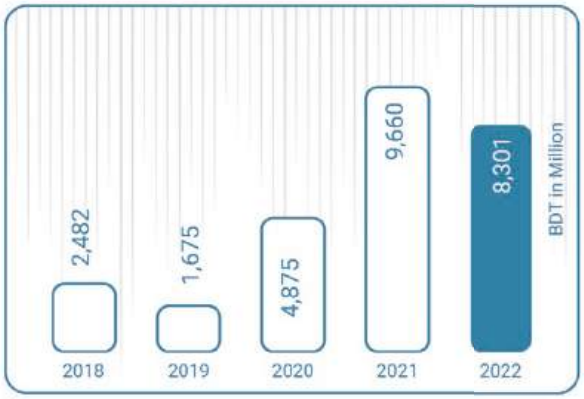
PRICE EARNING RATIO (TIMES)



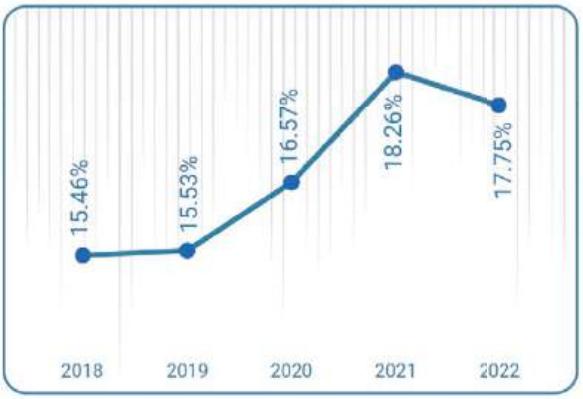
YEAR END MARKET PRICE PER SHARE



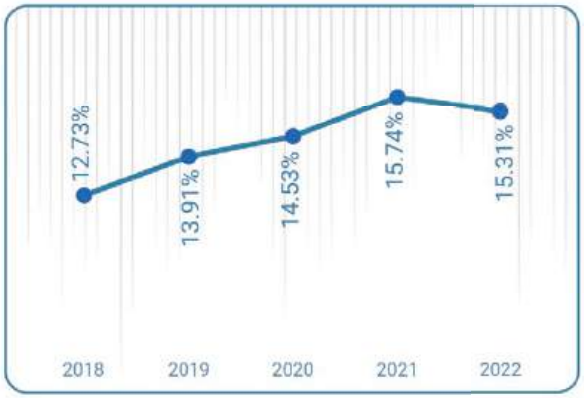
MARKET CAPITALIZATION



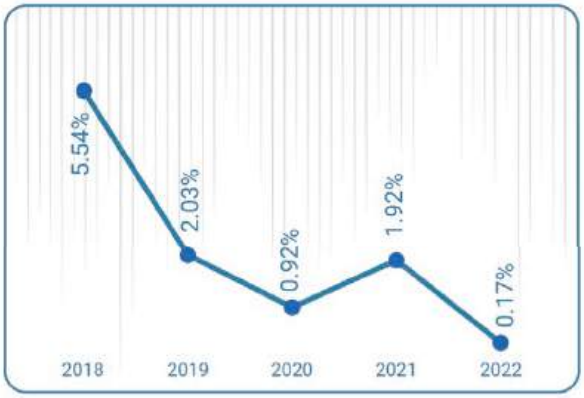
CAPITAL ADEQUACY RATIO



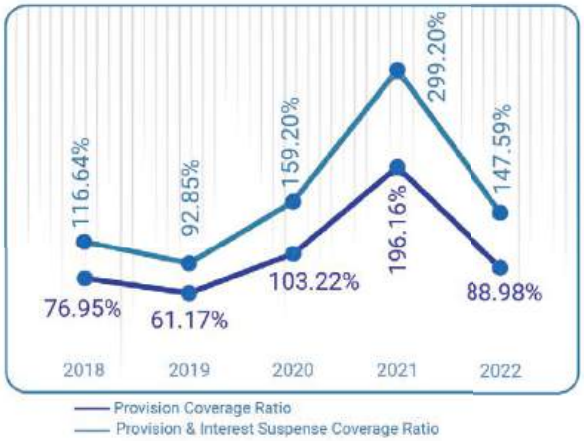
CET1 RATIO



ICGR



PROVISION COVERAGE RATIO



Bangladesh Finance Limited (Solo)

BDT in Million

	2018	2019	2020	2021	2022
PROFITABILITY					
Net Interest Income	428	579	493	511	379
NIM (Gross Profit Ratio)	2.83%	4.02%	3.55%	3.60%	2.53%
Total Operaitng Income	559	568	570	890	634
Total Operating Expense	223	219	187	244	306
Cost/Income Ratio (%)	39.90%	38.57%	32.89%	27.41%	48.31%
Profit Before Provision & Taxes	336	349	382	646	328
Profit Before Depreciation And Taxes	428	473	387	442	241
Profit Before Income Tax	396	423	345	403	196
Income Tax Expense (Net)	119	204	119	135	3
Net Profit After Tax	277	218	226	268	193
Net Profit Margin	14.99%	11.23%	13.61%	17.92%	14.06%
ASSET, LIABILITY & EQUITY					
Borrowings	3,206	3,097	2,951	2,504	2,667
Deposits	9,579	8,837	8,616	9,569	9,862
Loan, Lease & Advances	13,629	13,144	12,844	13,369	13,700
Investment	484	284	204	253	419
Total Assets	17,508	16,032	15,930	16,717	17,406
Loan Fund Ratio	89.79%	90.36%	89.48%	88.97%	87.99%
Loan To Deposit Ratio	142.28%	148.73%	149.06%	139.71%	138.91%
Investment To Asset Ratio	2.77%	1.77%	1.28%	1.51%	2.41%
Advance To Asset Ratio	77.84%	81.98%	80.63%	79.97%	78.71%
Large Loan Ratio	38.20%	43.02%	31.99%	30.77%	36.40%
Total Equity	2,393	2,611	2,786	2,954	3,041
INVESTOR INFORMATION					
Net Asset Value Per Share	15.71	15.59	15.69	15.69	16.15
Market Value Per Share	16.30	10.00	29.10	54.40	44.10
Earnings Per Share	1.82	1.30	1.27	1.42	1.03
Dividend Coverage (Times)	1.82	1.30	1.12	1.26	1.03
Dividend Payout Ratio (%)	54.9%	76.8%	89.0%	79.5%	97.3%
Dividend Per Share	1.00	1.00	1.20	1.20	1.00
Dividend Yield	6.1%	10.0%	4.1%	2.2%	2.27%
Market Capitalization	2,482	1,675	4,875	9,660	8,301
OTHER RATIOS					
Price Earnings Ratio	8.95	7.68	22.91	38.18	42.91
NOCFPS	1.56	0.69	1.40	5.74	1.12
Non-Performing Loan Ratio	4.42%	4.84%	3.22%	2.54%	5.56%
Liquid Assets Ratio	3.87%	3.89%	4.46%	6.18%	6.84%
Current Ratios	1.21	1.14	1.16	1.16	1.20
Debt To Equity Ratio (Leverage Ratio)	3.97	3.21	2.93	2.99	3.08
CREDIT RATING					
Long Term	A+	A+	AA-	AA-	AA
Short Term	ST-2	ST-2	ST-2	ST-2	ST-1
KEY PERFORMANCE INDICATOR					
ROA	1.56%	1.30%	1.41%	1.64%	1.13%
RRWA (Return on Average Risk Weighted Assets)	1.68%	1.31%	1.38%	1.66%	1.13%
ROE	12.30%	8.72%	8.37%	9.34%	6.45%
ROCE	2.82%	3.17%	3.49%	5.48%	2.64%
Capital Adequacy Ratio	15.46%	15.53%	16.57%	18.26%	17.75%
ICGR	5.54%	2.03%	0.92%	1.92%	0.17%
Provision Coverage Ratio	76.95%	61.17%	103.22%	196.16%	88.98%
Provision & Interest Suspense Coverage Ratio	116.34%	92.85%	159.20%	299.62%	147.59%

FINANCIAL HIGHLIGHTS (CONSO)

TOTAL DEPOSITS		▲
2021 - BDT 9,569 mn	2022 - BDT 9,797 mn	+2.39%

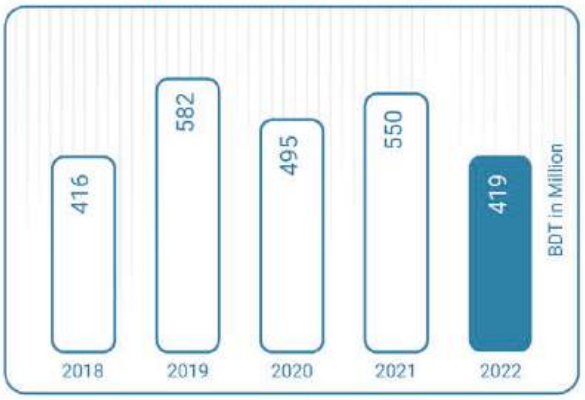
LOAN, LEASE & ADVANCES		▲
2021 - BDT 13,692 mn	2022 - BDT 14,006 mn	+2.29%

NET INTEREST INCOME		▼
2021 - BDT 550 mn	2022 - BDT 419 mn	-23.75%

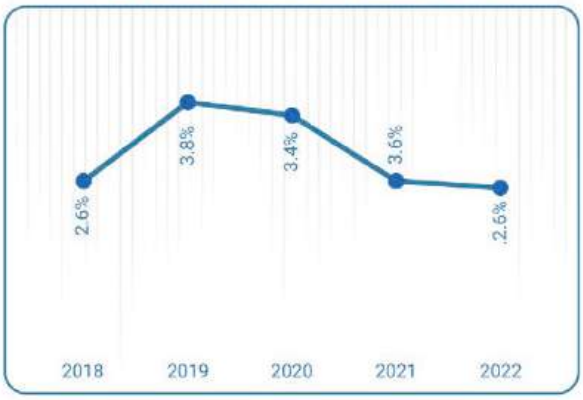
OPERATING INCOME		▼
2021 - BDT 1,136 mn	2022 - BDT 898 mn	-21.00%



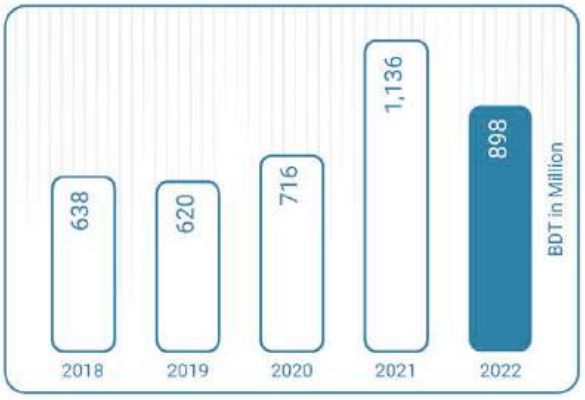
NET INTEREST INCOME



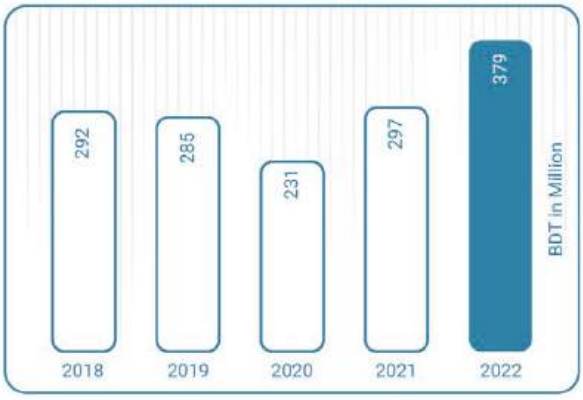
NIM (GROSS MARGIN RATIO) (%)



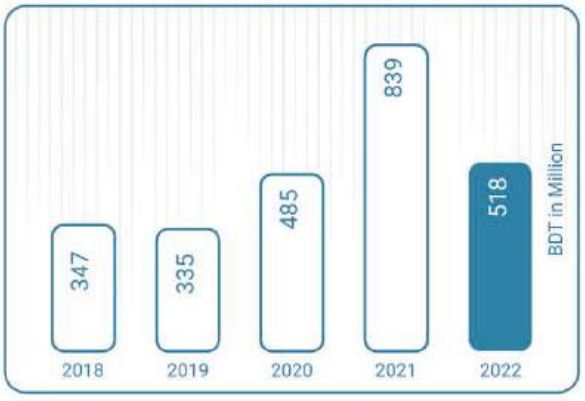
TOTAL OPERAITNG INCOME



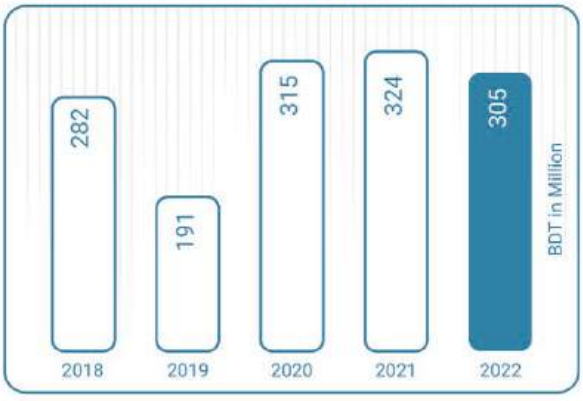
TOTAL OPERATING EXPENSE



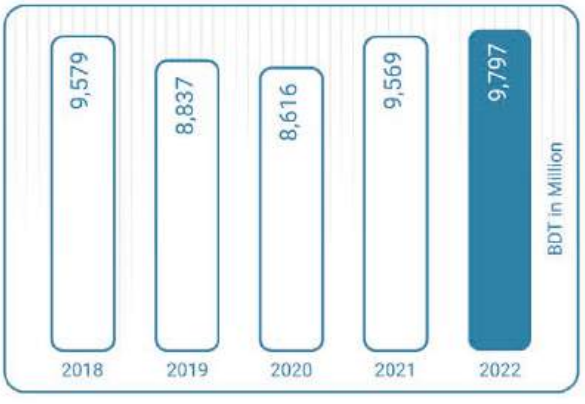
PROFIT BEFORE DEPRECIATION AND TAX



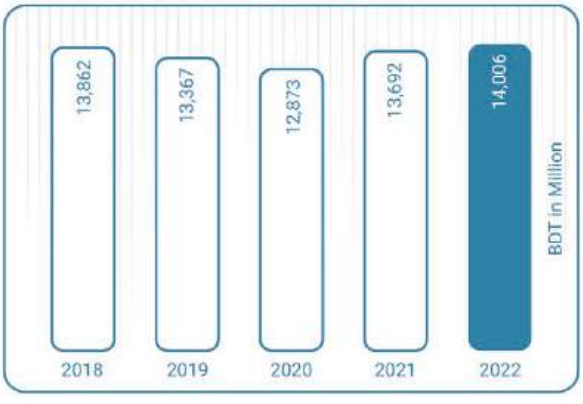
PROFIT AFTER TAX



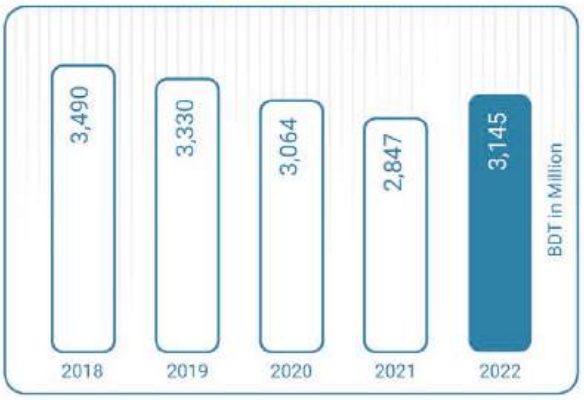
TOTAL DEPOSIT



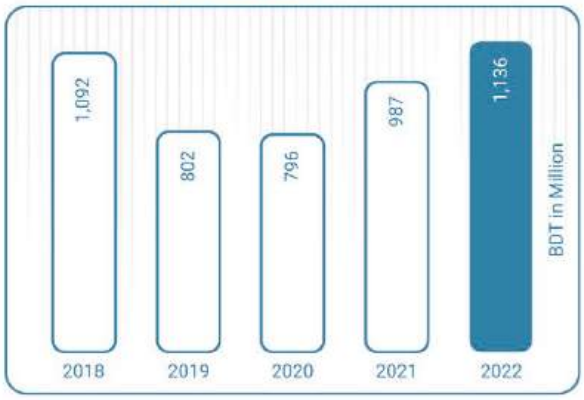
LOAN, LEASE & ADVANCES



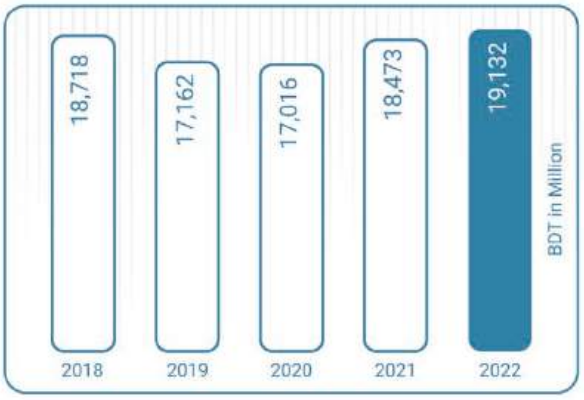
BORROWINGS



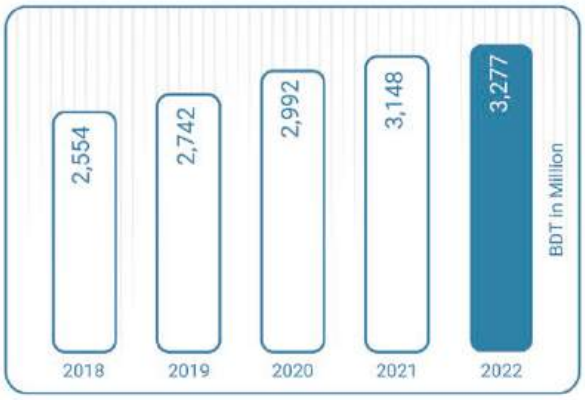
INVESTMENT



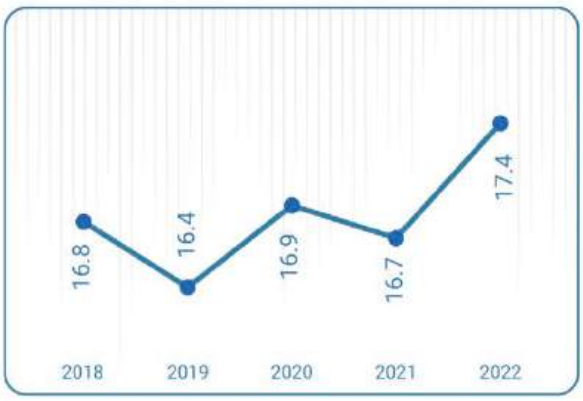
TOTAL ASSET



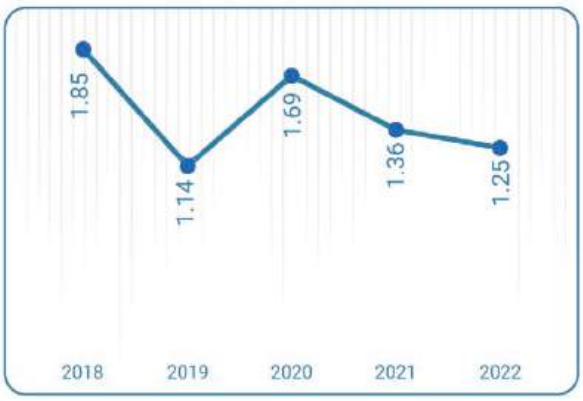
SHAREHOLDERS' EQUITY



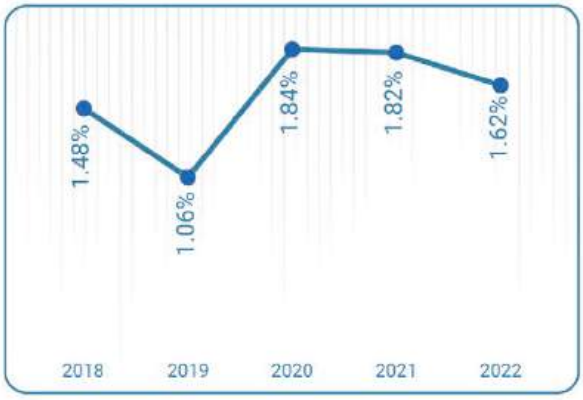
NET ASSET VALUE PER SHARE



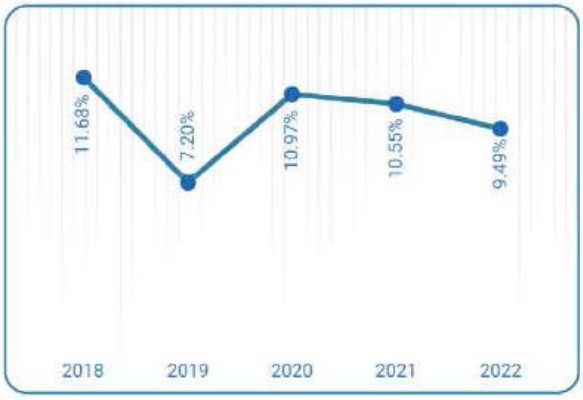
EARNINGS PER SHARE



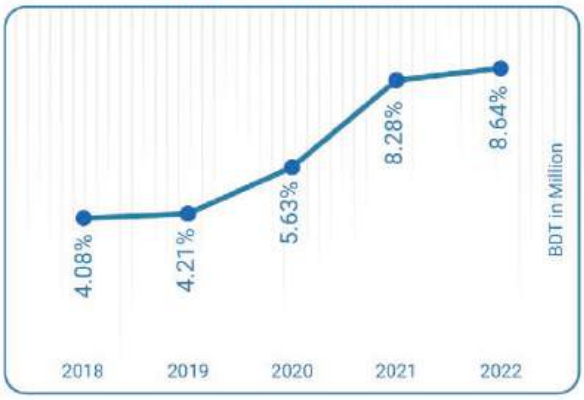
RETURN ON ASSETS



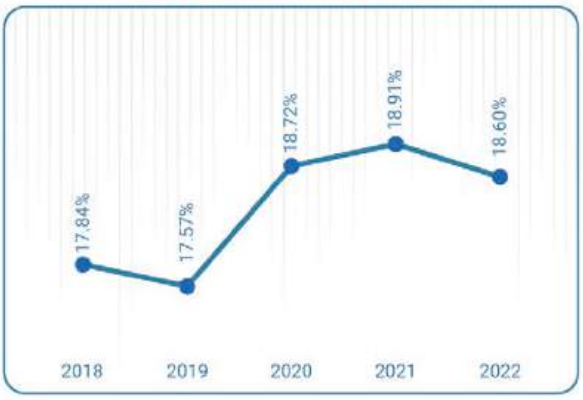
RETURN ON EQUITY



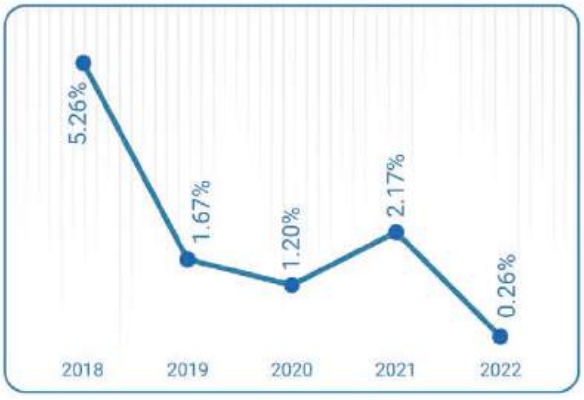
LIQUID ASSETS RATIO



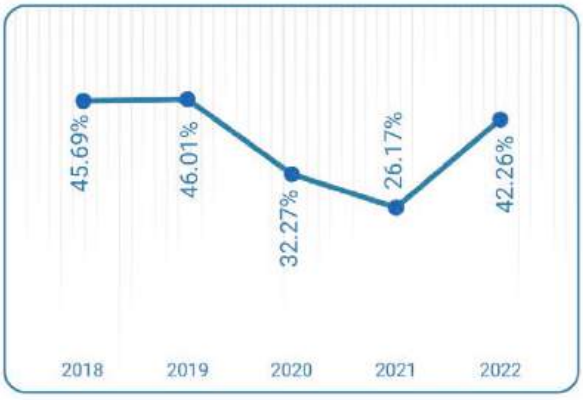
CAPITAL ADEQUACY RATIO



INTERNAL CAPITAL GENARATION RATIO



COST TO INCOME RATIO



এখনই সময়

Bangladesh Finance Limited (Consolidated)

BDT in Million

	2018	2019	2020	2021	2022
PROFITABILITY					
Net Interest Income	416	582	495	550	419
NIM (%)	2.6%	3.8%	3.4%	3.6%	2.6%
Total Operaitng Income	638	620	716	1136	898
Total Operating Expense	292	285	231	297	379
Cost/Income Ratio (%)	45.69%	46.01%	32.27%	26.17%	42.26%
Profit Before Provision & Taxes	347	335	485	839	518
Profit Before Income Tax	417	407	451	523	313
Income Tax Expense (Net)	135	216	137	200	9
Net Profit After Tax	282	191	315	324	305
Net Profit Margin	14.96%	9.61%	18.63%	20.88%	21.04%
ASSET, LIABILITY & EQUITY					
Borrowings	3,490	3,330	3,064	2,847	3,145
Deposits	9,579	8,837	8,616	9,569	9,797
Total Liabilities	15,675	13,928	13,518	14,821	15,350
Loan Lease & Advances	13,862	13,367	12,873	13,692	14,006
Investment	1,092	806	796	987	1,136
Total Assets	18,718	17,162	17,016	18,473	19,132
Total Equity	2,554	2,742	2,992	3,148	3,277
INVESTOR INFORMATION					
Net Asset Value Per Share	16.77	16.37	16.85	16.72	17.41
Earnings Per Share	1.85	1.14	1.69	1.36	1.25
CREDIT RATING					
Long Term	A+	A+	AA-	AA-	AA
Short Term	ST-2	ST-2	ST-2	ST-2	ST-1
KEY PERFORMANCE INDICATOR					
ROA	1.48%	1.06%	1.84%	1.82%	1.62%
RRWA (Return on Average Risk Weighted Assets)	1.57%	1.04%	1.72%	1.66%	1.48%
ROE	11.68%	7.20%	10.97%	10.55%	9.49%
Capital Adequacy Ratio	17.8%	17.6%	18.7%	18.9%	18.6%
ICGR	5.3%	1.7%	1.2%	2.2%	0.26%
Liquid Assets Ratio	4.08%	4.21%	5.63%	8.28%	8.64%

NON-FINANCIAL HIGHLIGHTS

PEOPLE

6,500
Beneficiaries from CSR Programme

273
People Trained under AML-CFT Programme

18
Internship Opportunities Provided



PLANET

IN 8 DECIMAL
Land trees planted through CSR activities

11 CSR
Projects conducted under this year

88 TREES
Saved through digital transactions and digital approval

BDT 873 MN
Financing of sustainaible linkage projects

PROFIT

BDT 1,104 MN
Value distributed to providers of capital

BDT 785 MN
Value distributed to depositors and lenders

BDT 2.86 MN
Value distributed to the community

BDT 2.69 MN
Value distributed to the Government

KEY MILESTONES

MAY 10, 1999
Incorporation of the Company & Commencement of Business

DEC 22, 1999
Obtained License from Bangladesh Bank

FEB 15, 2000
Commercial Operation

JULY 12, 2005
Second Branch opening at Chattogram

JUNE 10, 2007
Initial Public Offering

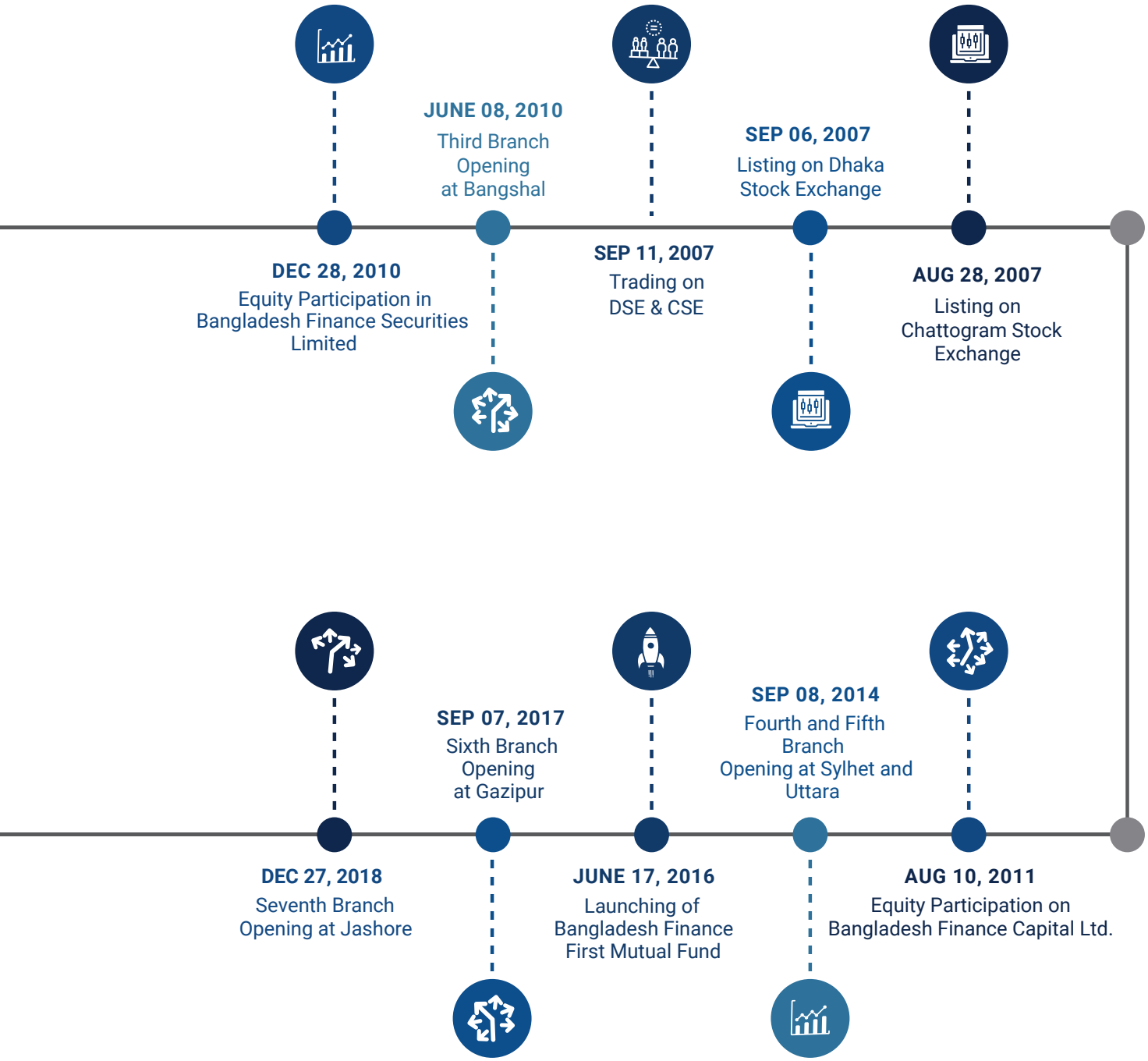
DEC, 2021
ICAB and ICSB Awards on Best Published Annual Report

JULY 28, 2021
Rebranding of Bangladesh Finance

JAN 21, 2021
Achieved AA- Credit rating

NOV 12, 2020
Primary Approval for Opening Islamic Shariah Based Wing

JAN 23, 2020
International Finance Award 2019


DEC 28, 2010
Equity Participation in Bangladesh Finance Securities Limited
JUNE 08, 2010
Third Branch Opening at Bangshal
SEP 11, 2007
Trading on DSE & CSE
SEP 06, 2007
Listing on Dhaka Stock Exchange
AUG 28, 2007
Listing on Chattogram Stock Exchange
DEC 27, 2018
Seventh Branch Opening at Jashore
SEP 07, 2017
Sixth Branch Opening at Gazipur
JUNE 17, 2016
Launching of Bangladesh Finance First Mutual Fund
SEP 08, 2014
Fourth and Fifth Branch Opening at Sylhet and Uttara
AUG 10, 2011
Equity Participation on Bangladesh Finance Capital Ltd.

PRODUCTS AND SERVICES

RETAIL

Bangladesh Finance Provides all kinds of Retail loan facilities including Personal Loan, Home Loan and Auto Loan

SME & SUSTAINABLE FINANCE

Bangladesh Finance provides a wide range of SME and Sustainable products including Agri loan, New entrepreneur Loan, channel financing and green financing facility

CORPORATE

In corporate Loan section, Bangladesh Finance provides products like Lease Finance, Working Capital Finance, Term Loan and Bridge Financing

STRUCTURED FINANCE

Structured Finance Division Offers arrangement of Syndicated loans, Merger & Acquisition, cross border, private & public equity and Fund Raising

ISLAMIC WING

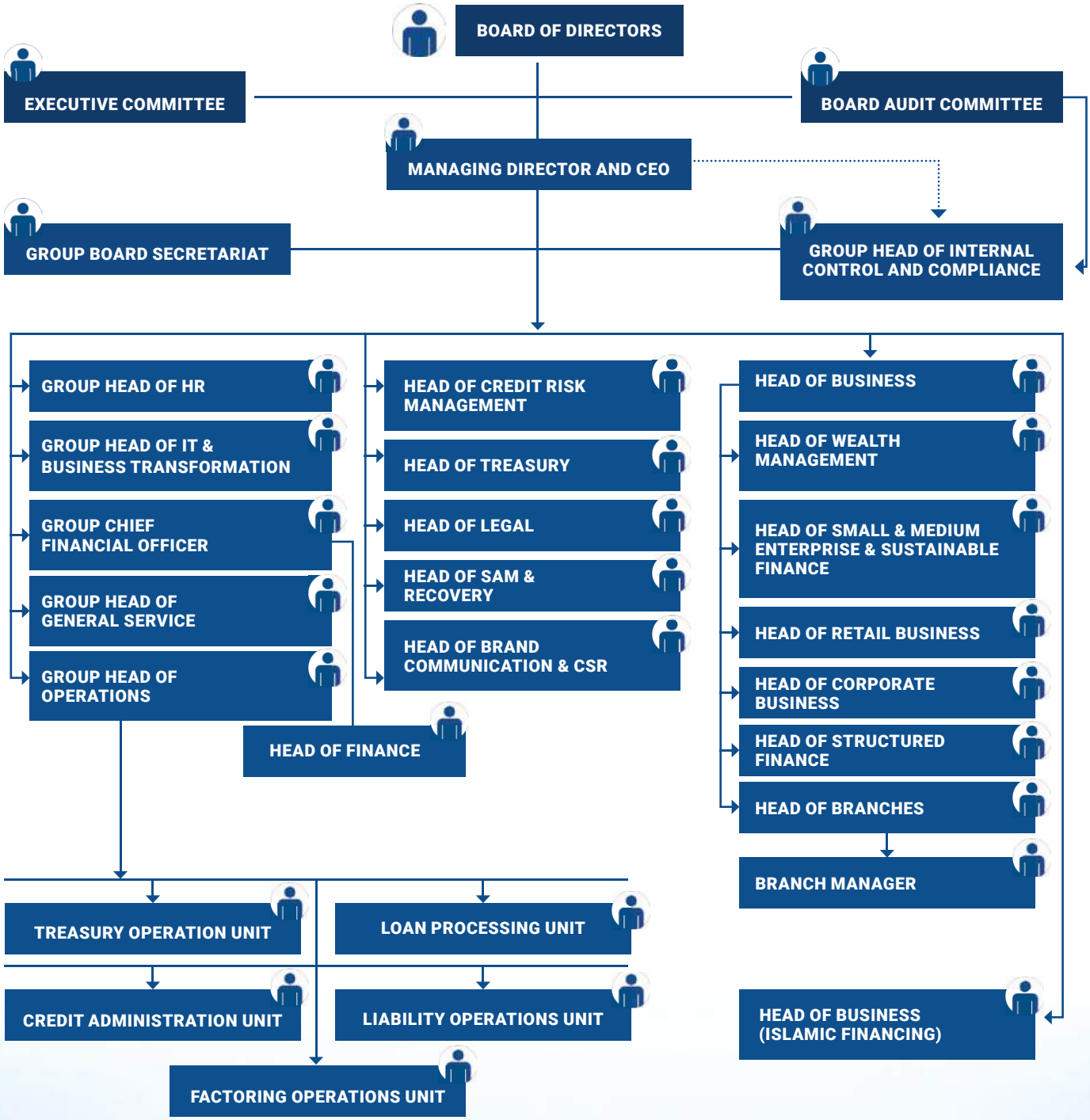
Bangladesh Finance Islamic provides both Islamic Investment and Savings facility

WOMEN BANKING PLATFORM

Bangladesh Finance provides an individual platform for the women entrepreneur called BIJOY where we provide both loan and deposit facility



CORPORATE ORGANOGRAM





DIRECTORS' PROFILE



MR. MANWAR HOSSAIN
CHAIRMAN

As Group Chairman, Mr. Manwar Hossain leads Anwar Group of Industries, a conglomerate with a 180 years' legacy. Largely shaped by his father, the legendary business philanthropist, Al-Hajj Anwar Hossain. Anwar Group is now recognized and the 'Dun and Bradstreet' awarded the most diversified business conglomerate in Bangladesh.

Mr. Manwar Hossain began his business career in the Group in 1994 after completing his BBA and MBA from the University of New Hampshire, USA. Apart from the Anwar Group of Industries, Mr. Hossain is also a Director of Modhumoti Bank Limited. He was also a former Director of Bangladesh Commerce Bank Limited and Vice -chairman of City Bank Limited.

Mr. Manwar Hossain has played a vital role as a Director of the Dhaka Chamber of Commerce & Industry (DCCI). He leads the steel and cement sectors of Bangladesh as the President of the 'Steel Manufacturers of Association of Bangladesh' and Senior Vice President of 'Bangladesh Cement Manufacturers Association (BCMA)'. He is a member of Dhaka Club Limited, North Gulshan Club, Army Golf Club Limited, Kurmitola Golf Club Limited, and American Alumni Association (AAA).



MR. IQBAL UDDIN AHMED
INDEPENDENT DIRECTOR,
VICE-CHAIRMAN

Mr. Iqbal Uddin Ahmed, a veteran banker with 36 years of experience, served as the Managing Director and advisor of renowned institutions including Trust Bank Limited and NRB Bank Limited.

Mr. Ahmed joined Trust Bank Limited on August 03, 2003 and assumed responsibility as the Managing Director from August 07, 2003 and served up to November 02, 2009. In his tenure, he made significant modifications to the bank's financial system and reorganized its corporate structure.

He received his B.COM (Hons) from the University of Dhaka in 1970 and his M.COM (Management) from the same institution in 1971 (examination held in 1973). He completed his HSC from Government Dhaka College in 1967 and his SSC from Tejgaon Polytechnic High School in 1965.

He attended several training programs and seminars in Banking law and practice at home and abroad. He participated in the USAID-sponsored FSRP program and seminar on Credit Analysis in 1994 held at the Citibank School of Banking, New York. In addition, he also took part in Retail Banking seminar in 2002 jointly organized by "Lafartee" UK and the Bank Administration Institute (BAI) USA, held in Singapore focusing on future banking.

He is a widely traveled person and visited many countries like the USA, Canada, China, India, KSA, Italy, Greece, Oman, Malaysia, Thailand, Singapore, the United Arab Emirates and the United Kingdom.

Mr. Ahmed received appreciation for "Managing Core Risk in Banking" Project from Bangladesh Bank in 2003. He also received Gold Medal-2007 from Dhaka Post (an exclusive international weekly). Best Banker Award-2008 from International Islamic University Chittagong. "গুণিজন সম্মাননা" from Dhaka Commerce College in 2014 and Mother Teressa Golden Award Tribute-2015 from Bangladesh Foundation Global Human Rights Organization.



MR. MD. ASADUZZAMAN KHAN

DIRECTOR, CHAIRMAN OF EC AND MEMBER OF AUDIT COMMITTEE

Mr. Md. Asaduzzaman Khan is a professional with more than 46 years of experience with Central Bank, Commercial Bank, Financial Institutions as well as with credit rating agency of the country. As Executive Director of Bangladesh Bank he was in charge of important departments like Banking Regulation and Policy Department (BRPD), Foreign Exchange Inspection Department, Vigilance Department, Department of Banking Inspection, Money Laundering Prevention Department etc. While in central bank, he also served the problem-ridden The Oriental Bank Limited (now ICB Islamic Bank) as Administrator/ Managing Director from July 2006 to March 2008. Retiring from the Central Bank in 2008 he served the Industrial and Infrastructure Development Finance Company (IIDFC), a leading non-bank financial institution, as Managing Director for about 10 years. Currently, Mr. Khan is working as the Chief Executive Officer of CRISL, a leading Credit Rating Agency in the country. He attended many seminars and training programs at home and abroad during his long career in the central bank and financial institutions.



MR. MD. ROKONUZZAMAN FCA

INDEPENDENT DIRECTOR, CHAIRMAN OF AUDIT COMMITTEE

Mr. Rokonuzzaman FCA is serving as Country Managing Director in a German-based multinational company, AMANN Bangladesh Limited. He graduated with a Bachelor of Business Administration (major in Accounting & Information Systems) from the University of Dhaka and qualified as a Chartered Accountant from the Institute of Chartered Accountants of Bangladesh (ICAB). He also qualified as a Chartered Accountant from the world's prestigious Institute - Institute of Chartered Accountants in England & Wales (ICAEW). One of the youngest CEOs working in an MNC in Bangladesh, Mr. Rokonuzzaman is leading AMANN Bangladesh since October 2016. Before his elevation, he held the position of Finance Director & Company Secretary since the inception of the Company in Bangladesh. His dynamic leadership has helped AMANN to position a strong foothold in the Sewing Threads Industry in Bangladesh in a very short period. Mr. Rokonuzzaman has wider experience in working in reputed multinationals and local companies in different capacities. He previously worked for Coats, Robi Axiata, and Pran-RFL Group. He is the Chairman of the Audit Committee of Bangladesh Finance.



MR. MAHTAB UDDIN AHMED
DIRECTOR

Mr. Mahtab Uddin Ahmed is an accomplished executive with 30yr + proven track records in Large MNCs across different industries - Financial, Consumer goods, and Telecommunication. He has 02 decades of the C-suite leadership role in managing operations, budgeting, oversight, P&L, leading multi-million-dollar merger implementation and managing successful dual brands. He is a result-oriented, decisive leader with proven success in new market identification, and strategic positioning for a multi-billion-dollar worth of leading telecommunication firm. Mr. Mahtab passed both Honors and Masters in Accounting from the University of Dhaka with distinction. He is an FCMA (completed CMA from ICMAB in 1992) and CGMA (Certified Global Management Accountant) and got his fellow membership from the Chartered Institute of Management Accountants in 2014.

He is a distinct corporate leader with a stellar reputation built over three decades. After almost two decades of successfully working with Unilever, he joined the telecom sector. He became Robi's CEO, the first in the history of Bangladesh for a local citizen to take the top job of a multinational telecom company.

Currently, he serves the consultancy services- as the Chairman and Advisor of Welink Ventures Ltd. (an HR consultancy firm capable of providing Managed HR services and Payroll management digital solutions) and Founder & MD of BuildCon Consultancies Ltd. (a consultancy company).



MR. FURKAAN MUHAMMAD N HOSSAIN
DIRECTOR, MEMBER OF EXECUTIVE COMMITTEE AND AUDIT COMMITTEE

Mr. Furkaan is playing the role as the Deputy Managing Director of Anwar Cement Ltd. in addition, he is the Director of Anwar Enterprise System Ltd. Anwar Galvanizing Ltd. and associated with other different concerns of Anwar Group of Industries. Mr. Furkaan completed his BBA from the University of British Columbia and completed his Masters in Computer Science from Colorado State University USA. Along with this marvelous identity, Mr. Furkaan is the first grandson of legendary business icon of Bangladesh Late Al-hajj Anwar Hossain.

Mr. Furkaan Muhammad N Hossain is a young entrepreneur having expertise in different fields especially in information and Communication Technology. Besides, he is involved with so many social and community development related voluntary and philanthropic activities.



MR. IMTIYAJ YOUSUF
DIRECTOR

Mr. Imtiyaj Yousuf is a new generation business entrepreneur. As a member of a reputed business-oriented family, Mr. Imtiyaj had the opportunity to observe and understand the business process at an early age. He is the proprietor of Amaya Trading. He is also involved in the automobile business for the last few years.



MR. IHTIAZ YOUSUF
DIRECTOR

Mr. Ihtiaz Yousuf is a young business entrepreneur in the Steel Industry. Mr. Ihtiaz comes from a reputed family with having a business heritage. He has completed his Bachelor of Business Administration (BBA) from the London School of Commerce (UWTSD). He has a passion for gathering knowledge and learning new skills.



MR. YOUSUF AMAN
DIRECTOR, MEMBER OF AUDIT COMMITTEE

Mr. Yousuf Aman holds a B.A. (Hon's) degree in Business with a major in Marketing under the University of West London. He has worked for A S Watson Group, in the United Kingdom. After returning to Bangladesh, Mr. Aman started his career in the renowned textile sector. From the year 2012, he has been a restaurateur. He is now involved with the business activities under various concerns of Anwar Group of Industries.



MS. SHAHNAZ RASHID
DIRECTOR

Ms. Shahnaz Rashid is a graduate and is associated with the business activities of Anwar Group of Industries for a long time. During this time, she has gathered much knowledge about different aspects of successful business operations. She is also involved with various educational and social activities.

*Recently the nomination of Ms. Shahnaz Rashid has been replaced.



MR. MD. KYSER HAMID
MANAGING DIRECTOR & CEO

Md. Kyser Hamid is leading Bangladesh Finance as Managing Director and CEO with 18 years of experience working in Bangladesh's financial services industry. He is widely recognized and highly acclaimed across the financial sector for being the architect of Bangladesh Finance's meteoric rise over the past three years. Under his able leadership Bangladesh Finance already became an AA credit rated organization from just a single A band organization, in the last three years Bangladesh Finance has achieved ICAB Award, ICSB Award, SAFA Award, Most Sustainable Financial Institution Award & many other recognitions. He took the flagship initiative of rebranding the company as Bangladesh Finance in 2021 after twenty two years since its inception and started the Shariah Based Islamic Wing. Collaborating with multiple businesses and serving the rural segment focusing on Fin-tech, Agri-tech & SME was the most successful decision that helped to lift up the face of Bangladesh Finance. He is well-known for transforming BRAC Bank's retail business while serving as the bank's Head of Retail Sales and Regional Distribution. He was instrumental in building a robust customer base and a reliable business model at IDLC Finance & DBH. For both the organization he was the change agent. His strong understanding of business and viable implementation of strategic business initiatives helped the organizations to on board a faster growth.

He played a key role in developing IPDC into a AAA-rated and greatest financial institution in the country while serving as Deputy Managing Director. He has a North South University MBA in Marketing and a University of Dhaka BBA majoring in Accounting and Information Systems degree.





BANGLADESH FINANCE

THE CHAMPION

IN **OVERALL** CATEGORIES OF **SAFA AWARD 2021**
FOR THE BEST PRESENTED ANNUAL REPORT

MANAGEMENT PROFILE



MD. KYSER HAMID

MANAGING DIRECTOR & CEO

Md. Kyser Hamid is leading Bangladesh Finance as Managing Director and CEO with 18 years of experience working in Bangladesh's financial services industry. He is widely recognized and highly acclaimed across the financial sector for being the architect of Bangladesh Finance's meteoric rise over the past three years. Under his able leadership Bangladesh Finance already became an AA credit rated organization from just a single A band organization, in the last three years Bangladesh Finance has achieved ICAB Award, ICSB Award, SAFA Award, Most Sustainable Financial Institution Award & many other recognitions. He took the flagship initiative of rebranding the company as Bangladesh Finance in 2021 after twenty two years since its inception and started the Shariah Based Islamic Wing. Along with all these he played a crucial role in inventing new business opportunities and ensuring sustainable growth. Collaborating with multiple businesses and serving the rural segment focusing on Fin-tech, Agri-tech & SME was the most successful decision that helped to lift up the face of Bangladesh Finance. He is well-known for transforming BRAC Bank's retail business while serving as the bank's Head of Retail Sales and Regional Distribution. During his tenure, Brac Bank enjoyed the massive growth of retail business which contributed a significant portion in the balance sheet. He was instrumental in building a robust customer base and a reliable business model at IDLC Finance & DBH. For both the organization he was the change agent. His strong understanding of business and viable implementation of strategic business initiatives helped the organizations to on board a faster growth.

He played a key role in developing IPDC into a AAA-rated and greatest financial institution in the country while serving as Deputy Managing Director. He has a North South University MBA in Marketing and a University of Dhaka BBA majoring in Accounting and Information Systems degree. In India, Malaysia, and Singapore, he received a wide range of training. He also took part in a number of knowledge-sharing forums and business visits in South Asia, the Middle East, Asia Pacific, UK & USA.

Along with this glorious corporate career Mr. Kyser also contributed to many financial and social welfare entities. Currently he's an Executive Committee Member of Bangladesh Association of Publicly Listed Companies (BAPLC) and key contributor for the interest of publicly listed companies, Standing Committee Member of FBCCI on NBFIs, Vice Chairman of BLFCA (Bangladesh Leasing & Finance Companies Association), a veteran rotary member (PHF) and contributing significantly for the social well-being of the country. He also was a visiting professor and adjunct faculty member for ASA university & BGMEA university for 5 years.



MD. SAJJADUR RAHMAN BHUIYAN

GROUP CHIEF FINANCIAL OFFICER

Mr. Sajjadur Rahman Bhuiyan has about 16 years of experience in Finance and Accounts, Internal Control & Compliance, Planning & Budgeting, and Risk Management in financial institutions. He joined Bangladesh Finance in 2007 and worked in various roles before taking the responsibility of Chief Financial Officer in 2015. He is also the Chief Anti Money Laundering Compliance Officer (CAMLCO) of Bangladesh Finance. Before joining Bangladesh Finance, Mr. Bhuiyan worked with Hoda Vasi Chowdhury & Company (Chartered Accountants) as an Audit supervisor.

His essential expertise includes Financial Reporting and Financial Management, Strategic Planning and Forecasting, Financial & Business Analysis, Control & Compliance, Policy Development, etc. Mr. Bhuiyan obtained his post-graduation degree in Accounting from Dhaka College. He has vast experience in Financial Analysis, Internal Control & Compliance, Tax & VAT, Credit Risk Management, Asset Liability Management, AML/CFT, etc.



MD. RAFIQUL AMIN

GROUP HEAD OF OPERATIONS

Mr. Md. Rafiqul Amin has over 19 years of experience in NBFI. He began his journey with Bangladesh Finance in 2004 in the Accounts & Finance department, played a pivotal role there, and subsequently became Head of FAD.

The homegrown talent of Bangladesh Finance took over the charge of the Operations team in 2019. He has vast expertise in Process Development, Project Implementation (i.e., CBS), Strategic Planning, Credit Administration, Loan Processing, Liability Operation, Channel Financing, Regulatory Compliance. Mr. Amin completed his BBA & MBA in Accounting & Information Systems from the University of Dhaka.



MUNSHI ABU NAIM

GROUP COMPANY SECRETARY

Mr. Munshi Abu Naim has more than 16 years of working experience at home and abroad in different fields like customer service, accounts, auditing, taxation, and secretarial activities. He worked for J Sainsbury's Plc, a reputed public limited company in the United Kingdom, before joining Bangladesh Finance.

Mr. Naim completed his PGD from Anglia Ruskin University, UK and MBA in Accounting and Information System from the University of Dhaka. He is an associate member of the Institute of Chartered Secretaries of Bangladesh (ICSB).



AHASHANUZZAMAN SHUJAN

GROUP HEAD OF HUMAN RESOURCES

Mr. Ahashanuzzaman Shujan has over 13 years of experience in Human Resource Management in different industries. He joined Bangladesh Finance in 2019; before this, he has accomplished multiple positions at renowned companies such as IPDC Finance Limited, JITA Bangladesh, Double-A International Network Co. Ltd, Kenpark Bangladesh Ltd, and Global Strategy Exchange.

Mr. Shujan completed his BBA and MBA in Finance & Banking from the University of Chittagong, completed his PGD in HRM from the Bangladesh Institute of Management. Mr. Shujan has remarkable experience in Performance Management Systems, Employer Branding, Talent Acquisition, HRIS, HRBP, Training & Development, and Policy Process development. He has attended and conducted many training programs, workshops, seminars, and conferences on Human Resource Management in his career.



SUMAN KUMAR KUNDU

CHIEF RISK OFFICER

Mr. Suman Kumar Kundu has over 14 years of experience in Credit Risk Management and Business analysis in financial service-providing industries. He joined Bangladesh Finance in 2016. Before taking over the charge of the Credit Risk Management Division in Bangladesh Finance, he has accomplished his different roles in Alliance Financial Services Limited (AFSL) and Credit Rating Information and Services Limited (CRISL).

Having a sound academic track record, Mr. Kundu completed his BBA and MBA in Finance from the University of Dhaka. He has also completed his LLB, Chartered Financial Analyst (Level – I) and Chartered Secretary (Executive Level – II). He attended many training programs, workshops, seminars, and conferences on Financial Analysis and Credit Risk Management.



MD. JUBRAJ HOSSAIN

HEAD OF TREASURY

Md. Jubraj Hossain joined as Head of Treasury of Bangladesh Finance Ltd in November, 2021. He worked at Delta Brac Housing Finance Corporation Ltd from September, 2010 to November 11, 2021 and also worked at VIPB Asset Management Company Ltd from July, 2009 to August, 2010. Mr. Jubraj has more than 13 years of experience in treasury and investment segment. He worked extensively with Bangladesh Bank, other reputed local and international organizations for ensuring good practice in treasury, fund management and investment. In his new role Mr. Jubraj is leading Bangladesh Finance Ltd's next phase of growth in treasury and fund management segment as the company solidified its position as a compiled and transparent financial institution and achieved tremendous growth.

Mr. Jubraj completed his BBA and MBA with a major in Finance from University of Dhaka. He managed lots of important functional areas covering Treasury function, Portfolio Management, Investment and Risk Management during his long association with DBH. Mr. Jubraj attended various trainings and workshops on Treasury, Bond Market Development, Risk Management, BASEL II and Stress Testing etc. He is a sports lover and his other interest area is traveling.



MD. ANWAR HOSSAIN

HEAD OF SAM & MONITORING

Mr. Md. Anwar Hossain has over 25 years of banking experience with 14 years in the area of Special Asset Management in the financial industry. He joined Bangladesh Finance in 2020. Before taking over the charge of Special Asset Management and Recovery, he has successfully accomplished his roles as head of Special Asset Management in NRB Bank and Head of Recovery Division in Prime Bank Limited.

Having a sound academic track record, Mr. Anwar completed his MA from National University and MBA from Newcastle University. Mr. Anwar is also enrolled as an Advocate and member of Dhaka Bar Association. He attended and conducted many training programs, workshops, seminars, and conferences on Special Asset Management.



MUNSHI MD. ASHFAQUL ALAM

HEAD OF ISLAMIC WING

Mr. Munshi Md. Ashfaqul Alam has more than 16 years of experience in Banking and Financial Institutions. Currently, he is working as a member of the Shariáh Supervisory Committee of Bangladesh Finance Islamic wing and Head of the Islamic Finance Division.

He has an outstanding record of professional excellence in several Banks and Financial Institutions both at home and abroad. His areas of expertise are in Islamic finance, Branch Banking, inward foreign remittance business, correspondent banking, channel development, sales force management, and investment risk management. Mr. Munshi's previous employers include with others Social Islami Bank Ltd., Jamuna Bank Ltd., BRAC Bank Ltd., Asia Exchange Centre LLC.UAE, UAE Exchange Centre LLC. UAE, Atish Dipankar University of Science and Technology and University of Information Technology & Sciences. He has obtained his MBA and BBA both from Department of Accounting & Information Systems- University of Dhaka. Mr. Munshi is a Certified Shariáh Advisor & Auditor (CSAA) from AAOIFI (Accounting & Auditing Organization for Islamic Financial Institutions, Bahrain. He is also a Certified Islamic Banking & Finance Professional (CIBFP) from BIBM (Bangladesh Institute of Bank Management).



AHM NAZMUL HASAN

MANAGING DIRECTOR & CEO
BANGLADESH FINANCE SECURITIES LIMITED

Mr. Hasan is a veteran with an experience of 22 years in the financial industry, during this glorious career he has served the capital market industry for almost 16 years. Before joining Bangladesh Finance Securities Limited as the Managing Director and CEO, Mr. Hasan worked at IDLC Securities Limited as the Head of Operations. He is well-known in Bangladesh's capital market industry for his dynamic leadership. He is highly renowned for his ability to transform organizations through design and implementation, policies and procedures, business process re-engineering, fin-tech, risk management, margin management, product and process development, and so on. Mr. Hasan graduated from Delhi University and earned his MBA from the University of Dhaka.



SUMIT PODDER

MANAGING DIRECTOR & CEO
BANGLADESH FINANCE CAPITAL LIMITED

Mr. Sumit Podder, Managing Director & CEO of Bangladesh Finance Capital Limited, has over 13 years specializes in advising clients on transactions involving Portfolio Management, M&A, capital raising initial public offerings (IPOs), restructuring transactions and debt and equity financings. He has extensive experience advising on a variety of transactions across technology, telecom, Banks & NBFIs, power, industrials, real estate, manufacturing and consumer sectors.

Prior to joining Bangladesh Finance Capital Limited, Mr. Sumit worked in the Head of Structured Finance at Bangladesh Finance Limited. He previously held Head of Corporate Advisory roles at City Bank Capital Limited. He worked at River Stone Capital Limited, Alliance Financial Services Limited, and Alliance Securities and Management Limited.

We Mourn

Mr. Geasuddin Ahmed

Director & Member of Executive Committee
Bangladesh Finance Limited



WE PRAY FOR HIS DEPARTED SOUL

মুদারাবাহ হজস্কিম

Bangladesh finance islamic

বরকতময় সঞ্চয় দিয়ে
সত্যি হোক হজ পালনের স্বপ্ন

আকর্ষণীয় মুনাফা কর্তন অনুপাত | ১-১০ বছর মেয়াদী সঞ্চয় হিসাব | হজ পালনের জন্য One Stop Agency Service প্রদান



Bangladesh finance islamic



মুদারাবাহ্ টিডিআর

বরকতময় আয় আসবে ঘরে

শরিয়াহ্‌ভিত্তিক সঞ্চয়ে

LEADERSHIP TEAM



FRONT ROW (LEFT)

1. MD. SAJJADUR RAHMAN BHUIYAN 2. ANWAR HOSSAIN 3. MD. RAFIQUL AMIN

MIDDLE ROW (LEFT)

1. AHASHANUZZAMAN SHUJAN 2. SUMAN KUMAR KUNDU 3. MUNSHI ABU NAIM 4. MOHAMMAD MASUD RANA

STANDING (LEFT)

1. MD. ASHIKUR RAHMAN 2. MUNSHI MD ASHFAQUL ALAM 3. MD. JUBRAJ HOSSAIN



FRONT ROW (LEFT)

1. SUMIT PODDER 2. MD. KYSER HAMID 3. AHM NAZMUL HASAN

STANDING (LEFT)

1. MOHAMMAD ABU OBAYED 2. MD. EMRAN HOSSAIN 3. AMITAV DEB NATH 4. M. KOHINOOR HOSSAIN 5. FIROZ HASAN SIDDIQUEE

MANWAR HOSSAIN

CHAIRMAN, BANGLADESH FINANCE LIMITED



CHAIRMAN'S MESSAGE

Dear Valued Stakeholders

Assalamualaikum,

I am delighted to welcome you all to the 24th Annual General Meeting of Bangladesh Finance Limited. I am honored to share with you the annual report of Bangladesh Finance Limited and the Audited Financial Statements for the year that concluded on December 31, 2022.

Economic Context

A more significant than anticipated decline in global economic activity is currently taking place, and inflation is at its highest level in many years. The prognosis is adversely impacted by the rising cost of living, tightening financial conditions across the board, Russia's invasion of Ukraine, and the persisting COVID-19 pandemic. From 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023, global growth is anticipated to decline. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. The goal of fiscal policy should be to reduce cost-of-living pressures while keeping a sufficiently restrictive posture in line with monetary policy. Monetary policy should continue its current trajectory to restore price stability. By increasing productivity and relieving supply limitations, structural reforms can help the battle against inflation even more, while multilateral collaboration is essential for advancing the transition to green energy quickly and avoiding fragmentation.

Over a ten-year period, Bangladesh's economy grew strongly, reaching milestones of 7.0 percent in FY 2015–16 and 8.0 percent in FY 2018–19. The COVID-19 pandemic, however, caused the growth rate drop to 3.45% in FY 2019–20. In FY 2020–21, the GDP expanded by 6.94 percent. According to preliminary estimates, the GDP grew by 7.25 percent in FY 2021–22, which is 0.31 percentage more than the prior fiscal year and 0.05 percentage greater than the goal rate.

Prices are rising as a result of increased demand, high energy prices, fuel shortages, and bottlenecks in the production chains that have been brought on by the surge in demand for commodities. Particularly hard-hit are low-income households due to rising food and energy costs. Despite the uncertainties brought on by COVID-19, Bangladesh's economy is expected to grow. A resurgence in manufacturing as export demand picks up, a pickup in construction as public investment picks up speed, and strong service sector growth as the immunization campaign moves on will all contribute to growth in FY22. Rate of Inflation has reached to 8.71% in December 2022 as per the Bangladesh Bank's point to point analysis.

In order to battle the long-term impacts, the government is committed to ensuring the fundamental requirements of the populace as well as the development of human resources through economic reform concentrating on life and livelihoods. The government invested about 24.93 percent of its budget in human resource development in FY 2021–2022 across a variety of sectors, including education and technology, health and family welfare, women and children, social welfare, youth and sports development, culture, labor and employment, and so forth.

> *"Bangladesh Finance maintained the strength of its capital base despite challenging operating conditions during 2022. We continued to implement our strategy to sustain growth, and we reinforced our governance, regulatory compliance, and risk management."*

Bangladesh Finance's Performance

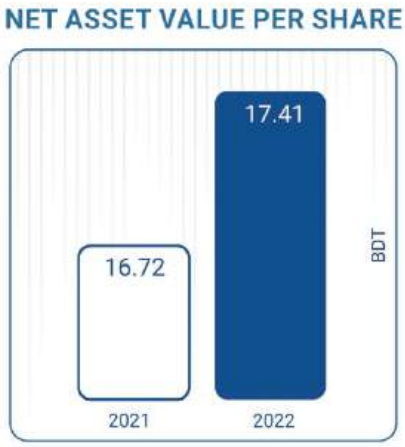
Last year, Bangladesh Finance did quite well, which enabled us to maintain our dominant position in the financial industry. We adhered to our corporate objective to improving customer service and diversifying our product offering. We haven't lost sight of the fact that one of the emphases is on our human capital, which is our greatest asset. We have hired a sizable number of staff members, trained them, and helped keep them on board while making sure they were safe. Bangladesh Finance has seen growth in several categories and launched new financial services to the market, despite the fact that the whole financial and non-bank financial industry is beset by difficulties.

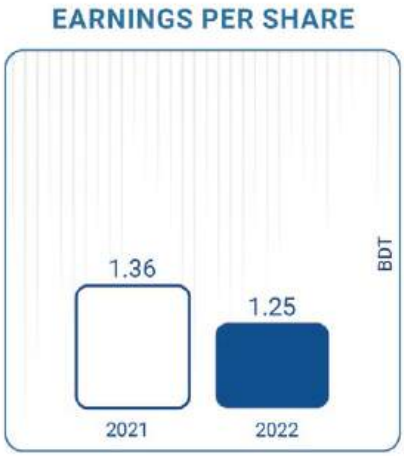
Bangladesh Finance has been maintaining a good ratio of capital adequacy and the rising curve showed the financial strength. As regulators to determine capital adequacy for Financial Institutions to run stress tests and the solvency of the company use CAR, it shows the strong foundation of our company that generates confidence over the industry.

Bangladesh Finance has been able to raise around BDT 100 crore deposit every month from the general customers, especially small retailers, which helped the institution to continue the lending operation and support the economy.

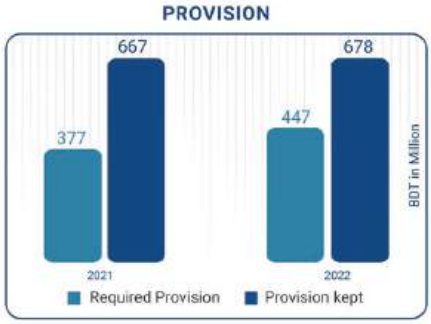
Despite so many odds, Bangladesh Finance attained a decent profit in the industry, as its consolidated operating profit was 518 million BDT in 2022. To address the unforeseen credit risk, Bangladesh Finance has provided incremental provision to mitigate unforeseen loss in the future, resulting which

consolidated net profit after tax reached to BDT 305 million in 2022 compared to BDT 324 million in 2021 and subsequently consolidated EPS has dropped to BDT 1.25 in 2022 from BDT 1.36 in 2021. However, Net asset value per share (NAV) has increased to BDT 17.41 in 2022 from BDT 16.72 in 2021.





2022 was a tough year for all the lenders as loan repayment was not up to the expectation due to the stress on clients' businesses. Following the global recession, the borrowers of Bangladesh as well as Bangladesh Finance, faced a difficult year. For reducing future risks to profitability, Bangladesh Finance is constantly building its provision base. In 2022, we have maintained BDT 678 million provisions where the required provision was BDT 447 million. Moreover, the Capital Adequacy Ratio of Bangladesh Finance group also stands at 18.60% well above the regulatory requirement of 10%.



We are more concerned with digitization, and Bangladesh Finance will keep developing its digital and customer-focused strategies to maximize customer growth while retaining the support of its clientele and delivering services. Together, these will solidify the groundwork for more environmentally friendly company practices in the years to come.

The Board of Directors recommended 10% cash dividend for the year as the Board feels that the cash dividend will enhance the shareholder's confidence towards the company.

Bangladesh Finance Securities Limited, the first subsidiary, started its operation in November 2011 and it has emerged as a premier brokerage house of the country. The second subsidiary, Bangladesh Finance Capital Limited started its operation in October 2013 and by the time established itself as a reputed merchant bank of the country.

Awards and Achievements

2022 is a successful year for us as we have received numerous prestigious awards and recognitions from both local and international bodies. I am delighted to announce that for the first time in the history, Bangladesh Finance has been awarded 'Overall Winner' among the SAARC countries by South Asian Federation of Accountants (SAFA). In addition to this, Bangladesh Finance has been awarded 1st prize (Winner) for Best Presented Annual Report (Financial Service Sector). Alongside these, ICAB (Institute of Chartered Accountants of Bangladesh) awarded Bangladesh Finance for Best Presented Annual Report category and ICSB (Institute of Chartered Secretaries of Bangladesh) has also awarded Bangladesh Finance for Corporate Governance Excellence.

With the overall improvement, Bangladesh Finance's credit ratings have improved, moving up to 'AA' from 'AA-' in the long term and 'ST-1' from 'ST-2' in the short term. The launching of the "Islamic Financing" wing has also unlocked new business opportunities for us.

I, on behalf of the Board, would like to send my warmest gratitude and wholehearted thanks to the shareholders for believing in us and for their continuous trust and support.

I also want to express my gratitude to Bangladesh Finance's management and employees for their earnest efforts and professional approach, both of which have been crucial to the efficient running of the company's overall operations. For their ongoing support and direction, I would like to publicly express my sincere gratitude to Bangladesh Bank, the Bangladesh Securities and Exchange Commission, and the stock exchanges.

Wishing you all the best,



Manwar Hossain
Chairman
Bangladesh Finance Limited

TESTAMENT
TO OUR
DEDICATION

One of the TOP 5

Sustainable Financial Institutions of 2021

According to Bangladesh Bank Sustainability Rating 2021

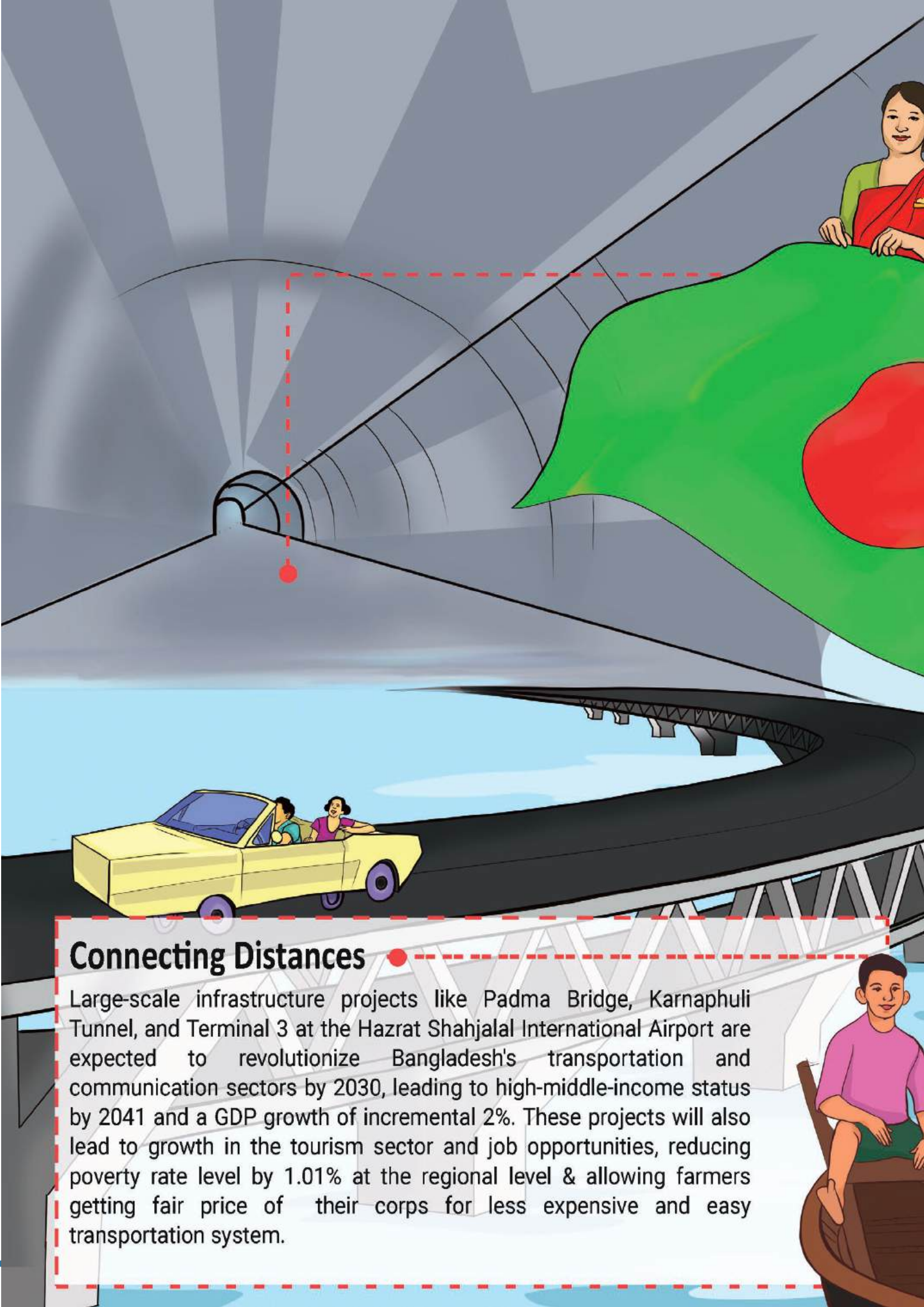
SUSTAINABLE INDICATOR

GREEN REFINANCE

CORPORATE SOCIAL RESPONSIBILITY

CORE BANKING SUSTAINABILITY





Connecting Distances

Large-scale infrastructure projects like Padma Bridge, Karnaphuli Tunnel, and Terminal 3 at the Hazrat Shahjalal International Airport are expected to revolutionize Bangladesh's transportation and communication sectors by 2030, leading to high-middle-income status by 2041 and a GDP growth of incremental 2%. These projects will also lead to growth in the tourism sector and job opportunities, reducing poverty rate level by 1.01% at the regional level & allowing farmers getting fair price of their corps for less expensive and easy transportation system.





GRI 102-14

INTERVIEW WITH OUR MD & CEO

Bangladesh Finance demonstrated resilience in a challenging operating environment, delivering its unique client service, restoring profitable growth and maintaining a strong financial base. Our performance was underpinned by optimal management of our core operations and further progress in implementing the growth strategy.

It's been an extraordinarily difficult year for you as MD & CEO- how do you look back on 2022 through global and country's economic aspects?

The United Nations has said that global economic growth will fall significantly to 1.9% this year due to the food and energy crisis sparked by the war in Ukraine, Covid-19, high inflation and climate change. As per World Economic Situation and Prospects 2023 issued by UN, Average GDP growth is projected to moderate from 5.6% in 2022 to 4.8% in 2023 for South Asia region.

International organizations revised their forecasts for economic growth prospects and inflations. As per the United Nations (UN) publication 'World Economic Situation and Prospect 2022', the global economy grew by 5.5 percent in 2021, the highest growth rate since 1976, after contracting 3.4 percent in 2020. Global economy is expected to grow by 4.0 percent in 2022 and 3.5 percent in 2023.

Bangladesh is now the 35th largest economy in the world, according to a report titled 'The Top Heavy Global Economy', published by 'Visual Capitalist'. Bangladesh and India were the only two South Asian countries considered to be part of the 50 largest economies in this list based on International Monetary Fund (IMF) statistics. Citing IMF statistics, Canadian online publication 'Visual Capitalist' reported this information on December 29. Countries are listed in terms of Gross Domestic Product (GDP). As per the report, Bangladesh is the 35th largest economies in 2022 with a GDP size of US$460.8 billion. Earlier, the rank of Bangladesh was 41st.

Bangladesh economy was growing consistently high over a decade crossing 7.0 percent milestone in FY 2015-16 and 8.0 percent milestone in FY 2018-19. However, the COVID-19 pandemic reduced the growth rate to 3.45 percent in FY 2019-20. The economy grew by 6.94 percent in FY 2020-21. According to the provisional estimates of BBS, the GDP growth stood at 7.25 percent in FY 2021-22, 0.05 percentage point higher than the target rate and 0.31 percentage point higher than the previous fiscal year.

Make comment on the performance and financial aspects of the NBFI Sector-2022?

As of 2022, total 35 licensed non-bank financial institutions (NBFIs) are functioning with network of 308 branches spreading over 37 districts. Among those branches, 174 are set up in Dhaka and the rest 134 are located in 36 districts. As per Bangladesh Bank Report based on December 2022, Total deposits of the NBFIs increased by Tk. 21,672 million or 5.21 percent to Tk. 437,526 million during the Oct-Dec, 2022 as compared to Jul-Sep, 2022. At the same time, NBFIs' total advances increased by Tk.10154 million or 1.47 percent to Tk.703,217 Million during Oct-Dec, 2022 as compared to Jul-Sep, 2022. As of September 2022, Total assets of financial institutions decreased by 1.65 percent and reached to BDT 933.12 billion at end-September 2022 from BDT 948.81 billion at end-June 2022. Total earning assets (i.e., loans, leases, and investment) of FIs constituted 77.47 percent of total assets at end-September 2022. The rest of total assets composed of cash and liquid assets, fixed assets, and other

assets. The liabilities to assets ratio stood at 91.96 percent at end-September 2022 which is 0.72 percentage point lower compared to 92.68 percent at end-June 2022.

Aggregate classified loans and leases stood at BDT 173.27 billion at end- September 2022 from BDT 159.36 billion at end-June 2022. The ratio of classified loans and leases increased to 24.61 percent at end-September 2022 which was 1.62 percentage points higher than that of the previous quarter and 6.99 percentage points higher than that of end-September 2021.

Profitability indicators as measured by Return on Assets (ROA) and Return on Equity (ROE) were negative since March 2021. Return on Assets (ROA) increased to -0.40 percent from -0.54 percent while Return on Equity (ROE) increased to -5.95 percent from -7.41 percent compared to the preceding period. It is noteworthy that ROA and ROE were -0.62 percent and -6.56 percent respectively in September 2021.

The Capital Adequacy Ratio (CAR) and the Tier-1 capital (core capital) ratio of the FIs stood at 10.16 percent and 8.35 percent, respectively. Total Risk-Weighted Assets (RWA) increased from BDT 698.33 billion at end-June 2022 to BDT 708.24 billion at end-September 2022. During the review quarter, the RWA for credit, market, and operational risks were 87.60 percent, 5.76 percent and 6.65 percent of overall RWA of the FIs, respectively.

What about the results for the year-2022? To what extent do they reflect these difficult market conditions?

Clearly, the impact of post-Covid 19 and Russia Ukraine War affected our 2022 financial results. We ended the year with a modest profit. There were definite positives – we made progress on our priorities. Unfortunately, we did not override net profit of 2022 compare to net profit of 2021. We had an increase in written off of some loans and advances. Considering the economic turmoil, we have maintained excess provision and transfer interest to interest suspense account. However, we have maintained a fair EPS and NAV for the year ended 31 December 2022.

As an MD & CEO, it would have been a challenging year, with the need to make tough decisions about staffing, financial management, and strategy in an uncertain and rapidly changing environment. However, it was also an opportunity to demonstrate leadership, resilience, and adaptability, as well as to identify new opportunities for growth and innovation.
Overall, the year 2022 was a reminder of the importance of strong leadership, effective risk management, and resilience in the face of uncertainty and adversity.

As per our strategy, our focus is to increase the SME and retail book and make less concentration to corporate book. According to that we have minimized the corporate portfolio and shifted it to retail and SME base. For this, we have developed a partnership model where we will finance the retail and SMEs related with the big corporate house that will help to build a sustainable lending opportunity as well as a chance to contribute the national balance of economy.

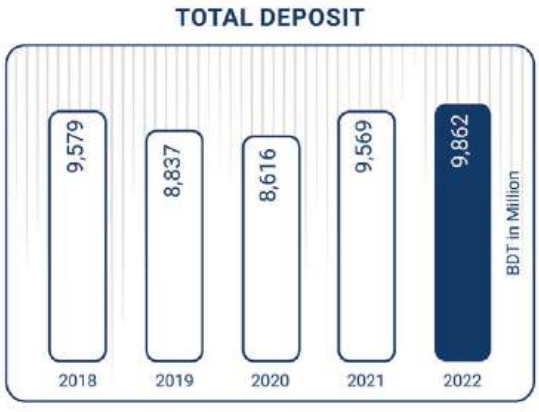
As such comparing with the previous year, the large corporate dependency is declining by increasing the retail and SME portfolios. In 2022, corporate portfolio was reduced by 2.5% subsequently SME and Retail portfolio was increased by 1.5% and 1% respectively.



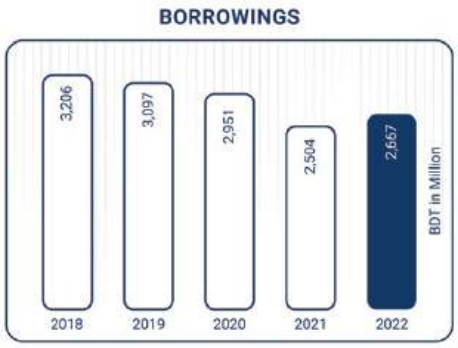
Our loans and leases portfolio increased by 2.4% in 2022 because of the changing concentration in corporate base to SME and retail base.



The liquidity crunch in the financial market affects largely in deposit mobilization of FIs. De-Growth of deposit base thoroughly impact negatively in earnings also. The economic turmoil and reduction of deposit rate affects the financial market in such a way that most of the banks and NBFIs face a tough situation for collecting deposits from customers. However, we have closed our 2022 Balance sheet with 3.07% positive growth of Deposit.



As a part of our strategy, our target is to reduce commercial bank borrowing and increase Bangladesh Bank refinance scheme in our funding mix. Our bank borrowings have increased by 6.5% in 2022 compared to the previous year whereas our refinance from central bank increased by 106% in the year 2022 compared to previous year.





One of those choices, you mention was to refocus SME & Sustainable Finance.

Yes, that's correct! Refocusing SME and sustainable finance can have a significant impact on economic growth and sustainability. Refocusing on SME finance involves providing better access to finance, creating financial instruments that meet their specific needs, and supporting them with technical assistance and capacity building. Sustainable finance refers to financial services and products that support sustainable development goals. This could include investments in renewable energy, green infrastructure, and sustainable agriculture, among others.

For refocusing on SME and sustainable finance, we have taken a special strategy- collaboration model. This model usually lends to large companies. Large companies buy the product and sell it to others. But under the collaboration model, loans are being given directly to entrepreneurs. In this model, we do not need a branch or a separate staff. In this case, we are working with big companies like Akiz Group, which have networks across the country and some NGOs through revenue sharing. It is possible to invest at the marginal level with less manpower. These loans are usually short term i.e. between six to two years. On the other hand, the recovery rate of these loans is 100%. The picture of the last two years says so.

On the other hand, we provide small and medium loans to farmers and consumers at the very marginal level by tying up with various producers and distribution companies. As a result, through our loans, farmers are able to buy tractors and other agricultural machinery in the village. Apart from this, we are providing unsecured loans of Tk 50 lakh to women entrepreneurs very easily at only 4% interest.

With the strategy review, where do you expect future growth to come from?

The sources of future growth will depend on the specific strategy that is adopted. However, there are several areas where we can expect to see significant growth in the coming years, such as:

Our financial institution is characterized by its own business model, risk management framework and governance with transparency and accountability. If you look at the business model, we are providing small and medium credit to the marginal farmers and consumers through integration with various producers and distribution companies. Bangladesh Finance and Supply Line Limited will provide capital to grocery shopkeepers in just one day with the aim of including small entrepreneurs in the progress of sustainable development. Bangladesh Finance has undertaken the target of giving loans of 50 thousand taka to 5 thousand customers. Not only that, through our loans, by establishing liaison with Akij Group, Bangla Mark and Bangla Trucks, construction and agricultural entrepreneurs can do business through tractors and other agricultural machinery and construction parts even in remote areas. Financial capital can be taken through animal services for cow fattening and dairying. We provide unsecured loans of up to Tk 50 lakh in four days at only 4 percent interest to women entrepreneurs very easily. The name of this popular product of Bangladesh Finance is 'Vijay'. As a result, we have focused heavily on SME and re-tail businesses in our business model for future sustainable growth.

In addition, Bangladesh Finance is the only financial institution currently listed in the capital market, which has achieved the distinction of being the first financial institution approved by the Central Bank for conducting Islamic Shariah-based business. Through the Islamic financial wing we will explore business potentiality in the market.

What about Bangladesh Finance's approach to sustainability? Has it been affected by the recent recession took place globally?

During times of economic uncertainty and financial stress, companies may be tempted to prioritize short-term financial goals over longer-term sustainability objectives. This could lead to reduced investment in sustainability initiatives, such as renewable energy, Women Entrepreneurship loans, and social impact programs. However, it's also possible that the pandemic has highlighted the importance of sustainability and resilience, both in terms of environmental sustainability and social equity. As a result, some companies may have doubled down on their sustainability efforts, recognizing the long-term benefits of sustainable practices and products.

It's worth noting that sustainability is becoming an increasingly important factor for investors and consumers, who are looking for companies that prioritize environmental and social responsibility. As a result, companies that are able to demonstrate a strong commitment to sustainability may be better positioned to attract investment and maintain customer loyalty, even during challenging economic conditions.

Overall, it's difficult to say how the recent recession may have specifically impacted Bangladesh Finance's approach to sustainability. However, it's clear that sustainability is becoming an increasingly important consideration for companies in all sectors, and those that prioritize sustainability may be better positioned for long-term success.

What do you expect for the upcoming year 2023? Do you think we can put the current crisis behind us?

It's difficult to predict with certainty what the year 2023 will bring, given the ongoing uncertainty and complexity of the global state. In my opinion, the following challenges we will faces in upcoming year:

Interest rate caps pose a difficult situation for financial institutions for the upcoming year. I think Bangladesh Bank should reconsider this and realistically remove this cap. Because now the country's inflation is over 9 percent. Banks are generally instructed to collect deposits from their customers at a rate higher than inflation. Meanwhile, it is now seen that the banks are giving more than seven percent to the customers. So, it can be said that if at the same time banks and financial institutions collect deposits at seven percent, then it is really a challenge for financial institutions. It appears that many depositors are withdrawing deposits. They're putting it in the bank, or putting it somewhere outside the channel. This has created problems for financial institutions to collect deposits.

To maintain the Non-Performing Loans (NPL) at an expected level will be a challenge for the year 2023. Due to global recession and the higher inflation, the corporates are facing problem.

Diversification of loans and deposit portfolio will help us to overcome the challenges we will face in the year 2023. We are targeting SME sectors with the support of Bangladesh Bank refinance schemes which help us to grow our loan portfolio without focusing much on deposits.

In addition, to increase the amount of customer deposits in the funding mix, create a sales model and relationship base business model for taking regular and small deposits, where we want to come up with a new concept of wealth management. This wealth management concept will work to provide customers with insurance services, capital market trading opportunities and other benefits of the financial sector. In short, we want to bring all the benefits of the money market under one umbrella. I believe we can take Bangladesh Finance to a unique height in the next three-four years with the help of our current Board of Directors.

> *"We are building a strong and consistent track record of delivery against our strategy, and we are well positioned for growth, notwithstanding the more challenging operating environment."*

Financial Sector is expected to fulfil an important role in society. What are your thoughts on this?

I believe that the financial sector does indeed play an important role in society. At its core, the financial sector is responsible for managing the flow of capital within the economy, channeling savings into productive investments and facilitating transactions between individuals, businesses, and governments. In addition, the financial sector has a critical role to play in promoting economic growth and development, by providing access to credit, investment capital, and other financial services that can help individuals and businesses to achieve their goals.

However, with this important role comes a significant responsibility to ensure that financial services are provided in a responsible, ethical, and sustainable manner. This means ensuring that financial services are accessible to all members of society, regardless of their background or circumstances, and that financial products and services are designed to meet the needs of customers rather than maximizing profits at all costs.

Furthermore, the financial sector must also ensure that it operates within the bounds of legal and regulatory frameworks, which are designed to promote stability, fairness, and transparency within the financial system.

Overall, I believe that the financial sector can play a crucial role in advancing social and economic progress, but it must do so in a responsible and sustainable way, which balances the needs of various stakeholders, including customers, shareholders, employees, and society as a whole.

Accelerating the sustainability shift is the strategic theme of the organization. How is Bangladesh Finance contributing to this goal?

As part of our strategic focus on accelerating the sustainability shift, Bangladesh Finance is taking a range of actions to promote sustainability and responsible business practices. Some of the ways that a financial institution like Bangladesh Finance might contribute to the sustainability shift including:

Promoting sustainable investment: Bangladesh Finance is working to promote investment in sustainable projects and businesses, such as renewable energy, sustainable agriculture, and eco-friendly technologies. This could involve developing new financial products and services that support sustainable investment, as well as providing guidance and advice to customers on sustainable investment opportunities.

Engaging with stakeholders: Bangladesh Finance is engaging with a range of stakeholders, including customers, investors, regulators, and civil society organizations, to promote sustainable business practices and ensure that its operations align with stakeholder expectations.

Supporting sustainable communities: We are supporting sustainable development within the communities in which it operates, through initiatives such as providing financial support to local businesses and community projects, supporting education and training programs, and promoting sustainable development practices.

Overall, there are many ways in which a financial institution like Bangladesh Finance can contribute to the sustainability shift, and it's likely that the company is taking a multifaceted approach to promoting sustainability and responsible business practices.

The financial industry is becoming ever more digitalized. What do clients think of this development?

I can't speak for all clients in the financial industry, as opinions on the digitalization of finance may vary depending on a number of factors, such as age, digital literacy, personal preferences, and cultural background.

However, in general, it seems that many clients are increasingly comfortable with digital financial services and expect them to be available from their financial institutions. The rise of digital banking platforms and fintech startups has introduced new levels of convenience, speed, and flexibility to financial services, which can be especially appealing to younger and more tech-savvy clients.

Moreover, the COVID-19 pandemic has accelerated the trend towards digital financial services, as many clients have had to adapt to remote working and social distancing measures.

As a result, we have seen a rapid adoption of digital payment systems, mobile banking apps, and other digital financial tools.

However, it's also important to note that some clients may still prefer more traditional, in-person banking services, especially for more complex transactions or for personalized financial advice. In addition, there are also concerns about the security and privacy of digital financial services, as well as potential issues related to data privacy and cybersecurity.

Overall, the digitalization of the financial industry is a complex and multifaceted trend, and clients' opinions on this development are likely to vary depending on a range of factors. Nevertheless, it's clear that digital financial services are becoming increasingly important and prevalent in today's financial landscape, and financial institutions will need to continue to innovate and adapt to meet the changing needs and preferences of their clients.

It's been 2+ years since you joined in Bangladesh Finance. How is Bangladesh Finance doing in terms of Corporate Governance?



Bangladesh Finance is doing its business with maintaining highest level of integrity, financial transparency and with the support and guidance of the most knowledgeable and experienced Board. The country's top audit firm is working as our external auditor. Qualified Chartered Accountants are working under the Independent Team for Internal Audit. Apart from this, two rating agencies are working on ratings in Bangladesh Finance. On the other hand, we have already contacted a foreign rating agency. Hopefully, Bangladesh Finance will be rated by any foreign rating agency as the first financial institution in the country. For these reasons we have already achieved SAFA, ICB, ICSB and Sustainable Finance Award.

With digitalization, what's the effect on employees?

The digitalization of the financial industry can have both positive and negative effects on employees, depending on the specific circumstances.

On the positive side, digitalization can create new opportunities for employees to learn new skills, work more efficiently, and improve their job satisfaction. For example, digital tools can help automate repetitive tasks, freeing up employees' time to focus on more strategic and creative work. Digital platforms can also enable remote work and collaboration, providing employees with greater flexibility and work-life balance.

Furthermore, digitalization can create new job roles and opportunities for employees with expertise in areas such as data analytics, artificial intelligence, and cybersecurity. As financial institutions adopt new digital technologies and business models, they may need to hire additional staff with specialized skills in these areas.

However, there are also potential negative effects of digitalization on employees. For example, digital tools may lead to job displacement, as some tasks become automated and fewer employees are needed to perform them. This can create job insecurity and reduce employee morale.

In addition, there may be concerns about the impact of digitalization on employees' work-life balance, as the always-on nature of digital technologies can create pressure to work longer hours or be available outside of regular working hours. Moreover, employees may need to invest time and resources to acquire new digital skills and adapt to new digital tools, which can be stressful or challenging for some.

Overall, the effects of digitalization on employees are complex and multifaceted, and depend on a range of factors, such as the specific digital technologies being adopted, the culture and values of the organization, and the skills and preferences of individual employees. Financial institutions will need to carefully consider the potential impacts of digitalization on their employees and take steps to mitigate any negative effects while maximizing the positive benefits.

Can you expand on the Bangladesh Finance's innovation?

Bangladesh Finance can stay ahead of the curve and differentiate itself in a highly competitive marketplace. By developing new products and services that are tailored to the needs of its customers and the broader financial landscape, Bangladesh Finance can position itself for long-term success in the evolving financial landscape. Some of our innovations are highlighted below:

Digital platforms: Bangladesh Finance is investing in digital platforms and technologies to improve the customer experience and streamline internal processes. This includes mobile banking apps, account management tools, onboarding customers through digitally.

Sustainable finance solutions: Bangladesh Finance will developing innovative sustainable finance solutions such as green bonds, sustainability-linked loans, and social impact investment funds to meet the growing demand for socially responsible investing.

Collaborations with fintech companies: Bangladesh Finance continuously collaborating with fintech companies, NGOs, Local group of companies to develop innovative financial products and services.

Industry partnerships: Bangladesh Finance is in a process to initiate strategic partnerships with other financial institutions or industry players to develop new products and services that are mutually beneficial.

Customer-centric innovation: Bangladesh Finance is always focused on developing new products and services that are tailored to the specific needs of its customers, such as customized investment portfolios, personalized financial planning advice, or new digital tools for managing finances.

What dose Bangladesh Finance wants to achieve in the years ahead?

Bangladesh Finance is working with three major goals in mind. This includes moving away from the existing Dhaka-Chittagong-centric investment system to marginalization. Second is green or sustainable financing which could help our position as a leader in sustainable finance and attract customers who are increasingly focused on environmental, social, and governance (ESG) factors. Third is the financing of women entrepreneurs. Highlighting the special role in financing women entrepreneurs, Mr. Hamid said, "We are the first to provide loans up to 50 lakh taka in four days without collateral at only four percent interest" and it has already received a huge response. In addition to these three major goals, we would like to achieve in future:

Business growth: Bangladesh Finance always focused on expanding its customer base, developing new products and services, and increasing its market share in key sectors.

Digital transformation: As digital transformation continues to reshape the financial industry, Bangladesh Finance is investing in new digital platforms, technologies, and processes to improve the customer experience, reduce costs, and increase operational efficiency.

Financial inclusion: We always focused on expanding financial inclusion in underserved communities by developing innovative financial products and services that cater to the needs of low-income customers, women, and other marginalized groups.

Talent development: In order to stay competitive in a rapidly changing industry, Bangladesh Finance may be investing in the development of its employees by providing training, mentorship, and other professional development opportunities.

Overall, financial institutions like Bangladesh Finance aim to achieve a range of objectives that are aligned with their strategic priorities, customer needs, and broader societal goals. By staying focused on these objectives and continually adapting to the changing financial landscape, Bangladesh Finance can position itself for long-term success and achieve its mission of providing value to its customers and stakeholders.

Confidence has remained low since the financial crisis has faced by the world. What is Bangladesh Finance doing to reinforce confidence?

I think by taking the following steps to reinforce confidence, Bangladesh Finance can help to build a stronger and more resilient financial industry that is better able to meet the needs of its customers and stakeholders:

Enhancing transparency: Bangladesh Finance is working to increase transparency by providing clear and comprehensive information about its financial products and services, as well as its business practices and performance. This can help to build trust among customers and stakeholders, and reduce the likelihood of misunderstandings or misconceptions about the institution.

Improving risk management: Bangladesh Finance is continuously focused on strengthening its risk management capabilities, including by identifying and mitigating potential risks and vulnerabilities in its operations and financial products. This can help to ensure the safety and stability of the institution, and reassure customers and stakeholders that their investments and assets are secure.

Emphasizing ethical practices: We are committed to promoting ethical practices and behaviors across its operations and business activities. This could involve implementing rigorous standards and guidelines for employee conduct, developing strong codes of ethics and professional conduct, and establishing clear channels for reporting and addressing ethical concerns.

Investing in customer service: Bangladesh Finance is always investing in customer service and support, including by offering personalized financial advice, providing prompt and responsive service, and implementing effective complaint-handling mechanisms. This can help to build stronger relationships with customers and enhance their confidence in the institution.

Engaging with stakeholders: We actively engaging with stakeholders, including customers, regulators, investors, and the broader community, to ensure that their concerns and perspectives are heard and addressed. This can help to build trust and confidence among these stakeholders, and promote a positive image of the institution.

> ***"We anticipated many of the challenges that presented themselves in 2022 and we were well prepared. We have to accept that the environment in which we operate is constantly evolving. To be both a successful and sustainable financial services provider we need to keep pace with economic, social, environmental, regulatory, technological and industry changes."***

CFO'S STATEMENT ON PERFORMANCE



As a result of the global economic downturn and the war between Russia and Ukraine, 2022 was one of the most difficult years for finance sector. Even though the COVID-19 pandemic had caused a substantial worldwide economic rebound, the conflict in Ukraine delayed that process. We are seeing an increase in global commodity prices and a slowdown in economic activity due to supply chain disruption brought on by war. The financial sector experienced many stressful situations throughout the year.

The government has announced many bail-out packages for different industries/sectors for recovery also. The Central Bank instructed banks and financial institutions to permit restricted classification downgrading with a certain requirement in 2022 also. Bangladesh Bank's decision to cap interest rates for the banking and financial sectors in order to regulate the financial market has had a significant influence on the financial institution's ability to manage its liquidity and maintain growth for the business. The financial sector faced liquidity pressure as deposit growth and loan recovery also declined.

Despite the challenges and adverse situation, Bangladesh Finance secured a 3.07% deposit and 2.47% loan portfolio growth in 2022. Our consolidated profit after tax decreased by 6% due to a decline in interest income for imposing an interest rate capping by the central bank from 1st July 2022. As a part of our strategic planning, we are building provisions against stressed loan/lease accounts to address unforeseen credit risk and our provisions surplus stood at BDT 204 million as of 31 December 2022. We have a provision coverage ratio of 148% which depict the strong financial base of the company. Our consolidated balance sheet size has also increased by 4% compared to last year. Through the process of business expansion to meet the strategic goal, our consolidated operating expenses also increased by 28% mostly for human capital investment. Our cost of funds decreased by 88 bps compared to last year through efficient fund management. We maintained a sound capital adequacy ratio of 17.75% which is way above the regulatory requirement of 10%.

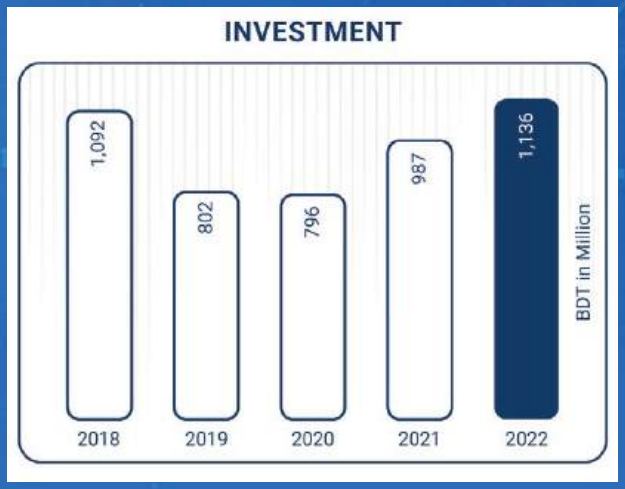
Md. Sajjadur Rahman Bhuiyan
Group Chief Financial Officer
Bangladesh Finance Limited

PERFORMANCE ANALYSIS (CONSO)

GRI 102-7



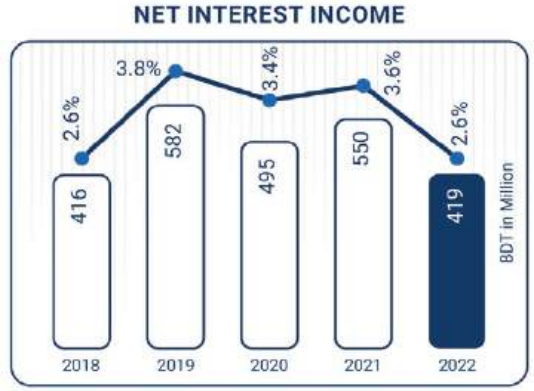
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LOAN LEASE & ADVANCE



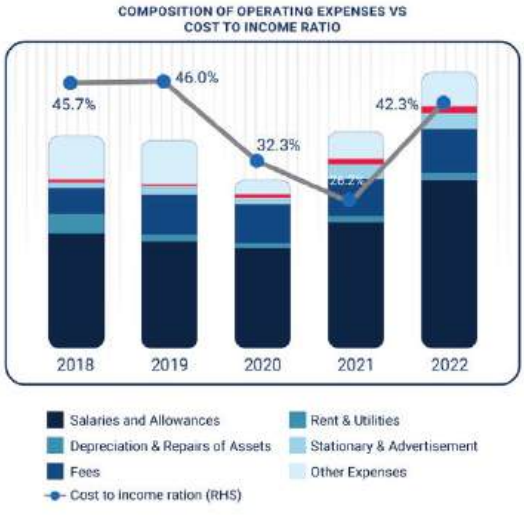
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INVESTMENT

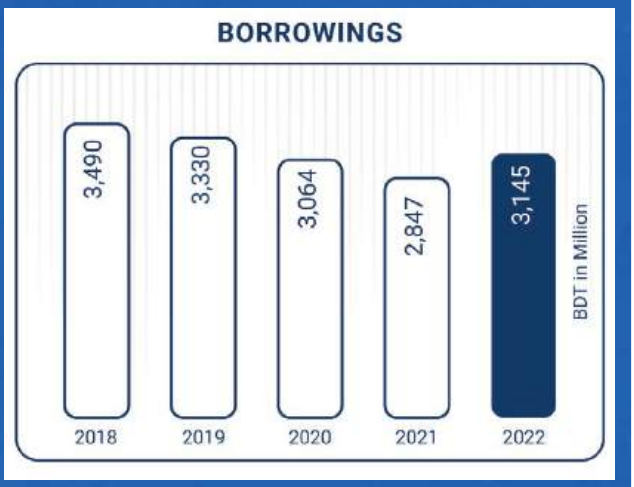


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DEPOSIT



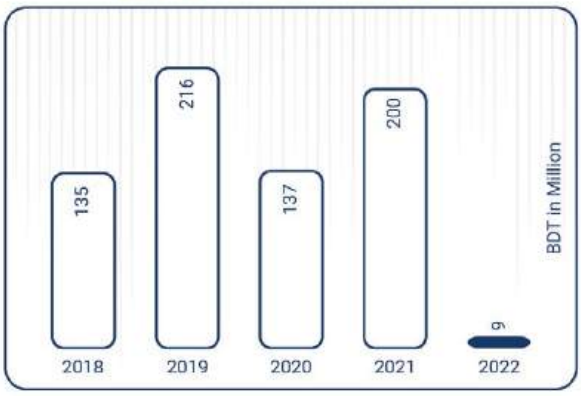


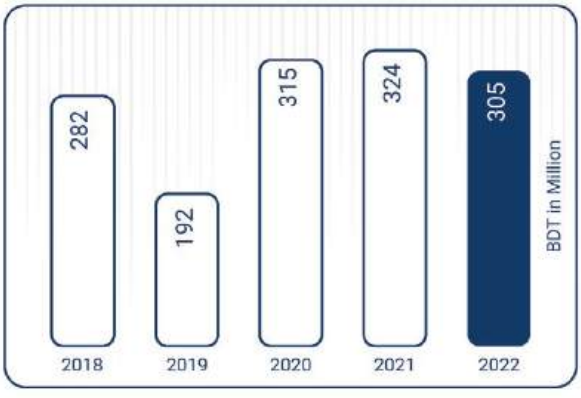




↑ 10%
BORROWINGS







Net Interest Income

Net interest income decreased by 23.75% from 2021 although Leases, Loans and Advances increased by 2.29% despite negative market conditions, associated with the significant interest rate cuts across the market. Net interest margin (NIM) decreased year-on-year from 3.6% to 2.6% as a result of imposing an interest rate cap by the Central Bank from 1st July 2022.

Non-Interest Income

Non-interest income decreased by 18.43% from 2021 as income from investment & securities has decreased substantially since the capital market had a tough ride due to economic challenges resulting from global adversities such as the escalating Russia-Ukraine war and worldwide recessionary forecasts.

Operating Expense

Operating expense increased by 27.56% from 2021 as the major weight, salary & allowance increased by 34.89%. Besides, rent & utilities also increased significantly by 11.65%. The group purposefully continued developing and rolling out innovative digital solutions to improve service efficiency and client experience. Consequently, Cost to Income ratio has increased from 26.17% in 2021 to 42.26% in 2022 as a result of lower net interest and investment income and higher operating expenses.

Return on Equity

Our ROE is the most appropriate measure of our financial performance over time as it combines all of our critical drivers, including earnings growth and capital utilization, into a single metric. Internally we measure our return on equity by return on asset (ROA) & financial leverage as a more direct measure of earnings.





Average Asset

Group average asset increased by 5.96% in 2022 to BDT 18,802 million, from BDT 17,745 million in 2021, mainly due to increase in loan, lease & advances & investment in securities.



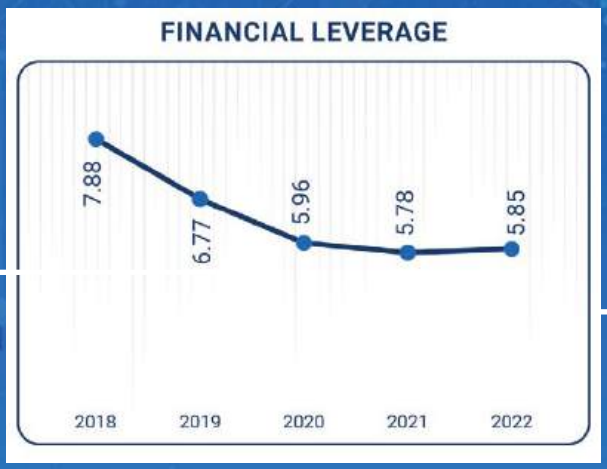
Average Shareholder's Equity

Group average shareholder's equity increased by 4.63% in 2022 to BDT 3,212 million, from BDT 3,070 million in 2021, mainly supported by increase in Paid up Capital through bonus share issue. Besides increased statutory reserve was also a crucial contributor.



Return on Assets

The group's ROA decreased to 1.62% in 2022 from 1.82% in 2021, driven by the decreased net profit after tax (year-on-year basis).



Financial Leverage

The group's financial leverage is the ratio of average asset to average shareholders' equity. Financial leverage measures the value of assets funded with each taka of equity capital. For 2022, financial leverage was 5.85 times, higher than 2021, supported by higher average shareholder's equity.



Return on Equity

Our Return on Equity decreased to 9.49% in 2022 from 10.55% in 2021. The main impact of increased provision from previous year has decreased Net Profit, which impacted significantly. Besides the lower financial leverage also reflects the lower solvency risk of Bangladesh Finance Limited group.

Net Interest Income

What it is: The interest received on lending products that we offer to our clients and investment in debt instruments, less the interest paid on the deposits that our clients place with us and debt funding sourced from other lenders.

Drivers: Number of clients, product offerings and pricing, level of economic and client activity, pricing in commodities and equity capital markets, competition, and market volatility.

Non-Interest Revenue

What it is: Comprises income from investment in securities, fees from commission exchange & brokerage & other operating income.

Drivers: Number of clients, transactional banking volumes and pricing, capital markets activity, trading volumes and market volatility, property-related revenue, and income from unquoted investments.

Operating Expense

What it is: Costs that are incurred to generate future and current revenues.

Drivers: Salaries and Allowances, Rent, Taxes, Insurances, Electricity, Legal & Professional Fees ,Postage, Stamps, Telecommunication, Stationery, Printings, Advertisements, Managing Director's Salary and Allowances, Directors' Fees and Conveyance, Auditors' Fees, Depreciation & Repairs of Assets, Other Expenses.

Provision

What it is: Provisions are created by recording an expense in the Income Statement and then establishing a corresponding liability in the Balance Sheet.

Drivers: Classified Investment, Unclassified Investment, Other Receivables & Investment in Securities.

Taxation

What it is: Includes current tax expense & adjustment with deffered tax expense / benefit.

Drivers: corporate tax rates in the countries in which the group operates, level of profitability of our operations, interest income from certain bonds and treasury bills, dividends on investments that are exempted, and costs that are not tax deductible.

OUR PERFORMANCE

The Income Statement below reflects the revenue generated and costs incurred by our business activities, with material income statement line items explained. A detailed analysis on the group's financial performance and the principal headline earnings drivers for growth in our ROE, is on Dupont Analysis part.

Group Income Statement

For the year ended December 31, 2022

BDT in Million

	YOY(%)	2022	2021
Net Interest Income	**-23.7%**	**419**	**550**
Interest Income	-6.6%	1,448	1,551
Interest Paid	2.8%	1,029	1,001
Non Interest Revenue	**-18.4%**	**479**	**587**
Income from Investment in sec rities	-27.7%	311	430
Commission, Exchange and Brokerage	-11.3%	110	124
Other Operating Income	75.7%	58	33
Total Income	**-21.0%**	**898**	**1,136**
Operating expenses	**32.3%**	**240**	**182**
Salary & Allowance	33.3%	231	173
Other operating expenses	11.7%	9	8
Profit Before Provision & Taxation	**-31.2%**	**657**	**955**
Provision	**-35.0%**	**205**	**315**
Profit Before Taxation	**-29.2%**	**452**	**639**
Tax	**-95.7%**	**9**	**200**
Net Profit After Tax	**0.9%**	**444**	**440**
Attributable to	-5.9%	305	324
Shareholder of the Company	-7.8%	236	256
Non-controlling Interest	1.1%	69	68
Net Profit available for distribution	**-7.8%**	**236**	**256**

OUR RESILIENT BALANCE SHEET

The balance sheet or statement of financial position shows the position of the group's assets, liabilities and equity, and reflects what the group owns, owes and the equity attributable to shareholders. Material line items have been discussed below.

Group Balance Sheet

As at December 31, 2022

BDT in Million

	YOY (%)	2022	2021
PROPERTY AND ASSETS			
Cash	18.5%	118	99
Balance with other Banks and Financial Institutions	7.7%	1,575	1,462
Investment in Securities	15.1%	1,136	987
Lease, Loans and Advances	2.3%	14,006	13,692
Fixed Assets including Premises, Furniture	14.8%	625	544
Other Assets	-1.2%	1,459	1,476
Non-Banking Assets	0.5%	213	212
Total Interest Earning Asset	**2.8%**	**15,581**	**15,154**
Total Non-interest Earning Asset	**7.0%**	**3,550**	**3,319**
Total Assets	**3.56%**	**19,132**	**18,473**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings	10.5%	3,145	2,847
Deposits	2.4%	9,797	9,569
Other Liabilities	0.1%	2,407	2,404
Total Liabilities	**3.6%**	**15,350**	**14,821**
Shareholders' Equity			
Total Shareholder's Equity	**4.1%**	**3,277**	**3,148**
Non-Controlling Interest	0.0%	505	505
Total Liabilities & Shareholders' Equity	**3.6%**	**19,132**	**18,473**

Investment in Securities

What it is: Includes investing in quoted & un-quoted securities.
Drivers: Stock market volatility, expected level of economic activity, GDP growth etc.

Lease, Loan & Advances

What it is: Includes our lending to our clients, corporations & banks.
Drivers: Number of clients, product offerings, competition, level of economic and client activity, repayments, inflation, real income of households & volatility in interest rate.

Non-Interest Earning Asset

What it is: Includes cash, investment in securities, fixed assets, other assets & non-banking assets.
Drivers: Depreciation of asset, investing in new assets to generate revenue, expected level of economic activity, capital market volatility.

Borrowings

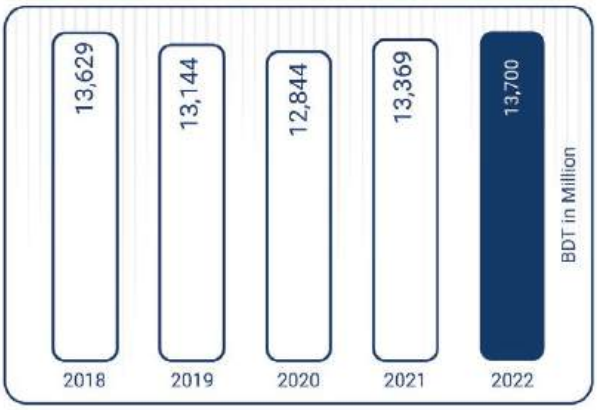
What it is: Includes taking term loan & short term loan from other banks & FI's.
Drivers: Volatility in interest rate, volatility in demand for credit, shortage of capital & increasing business activity.

Deposits

What it is: It reflects our interest paying liabilities like term deposit, scheme deposit & other deposit. Increasing amount of deposit is also preferable as it allows us to give more lease, loan & advances & earn more as a form of spread & contribute to the broader financial system.
Drivers: Shortage of fund, volatility in interest rate, inflation, public spending, economic activity, client demands, transactions etc.

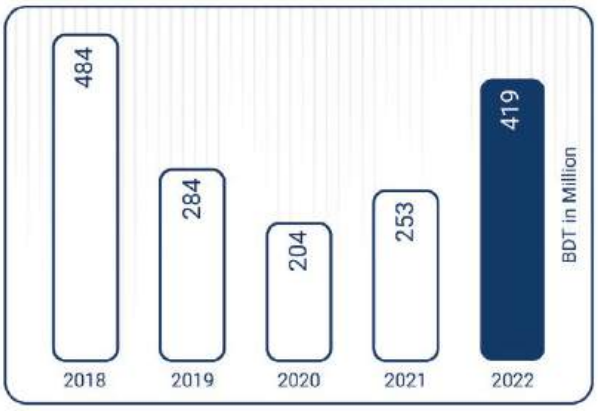
PERFORMANCE ANALYSIS (SOLO)

LOAN, LEASE & ADVANCES



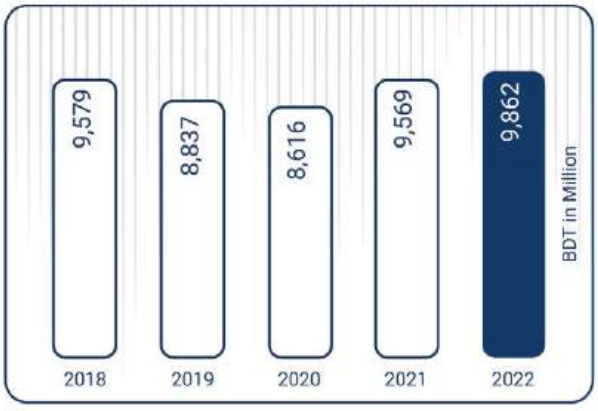
↑ 2%
LOAN LEASE & ADVANCE

INVESTMENT



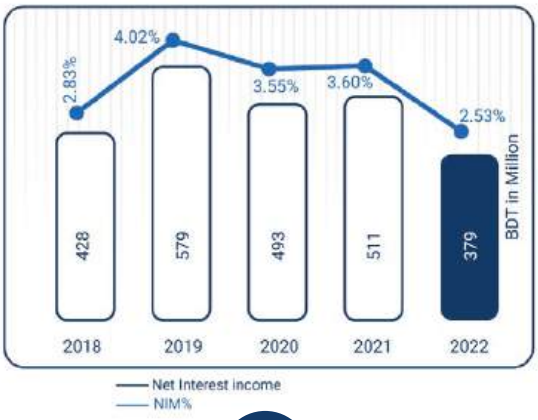
↑ 66%
INVESTMENT

TOTAL DEPOSIT



↑ 3%
DEPOSIT

NET INTEREST INCOME



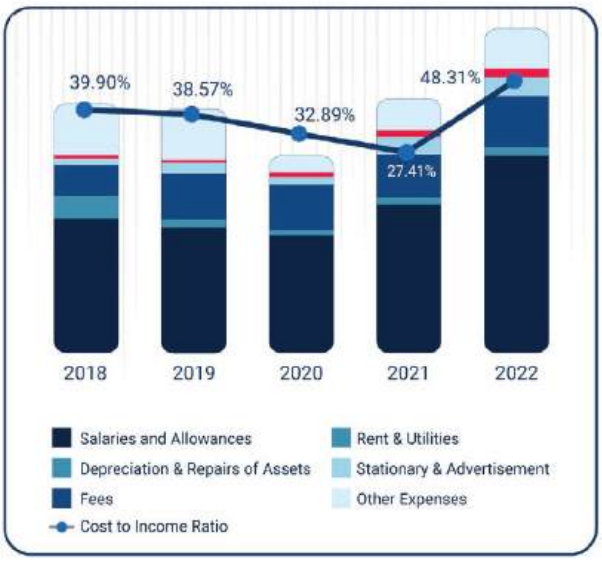
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NON INTEREST REVENUE

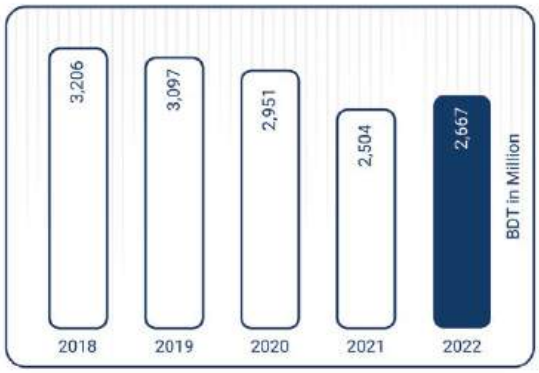


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COMPOSITION OF OPERATING EXPENSES VS COST TO INCOME RATIO



BORROWINGS



↑ 7%
BORROWINGS

Net Interest Income

Net interest income decreased to 25.93% from 2021 though loan, lease & advances increased by 2.47% despite negative market condition, associated with the significant interest rate cuts across our markets. Net interest margin (NIM) decreased year-on-year from 3.6% to 2.5%

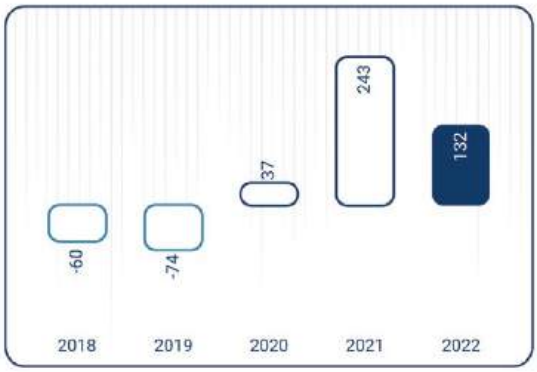
Non-Interest Income

Non-interest income decreased by 32.55% from 2021 as income from investment & securities has decreased substantially since the capital market had a tough ride due to economic challenges resulting from global adversities such as the escalating Russia-Ukraine war and worldwide recessionary forecasts.

Operating Expense

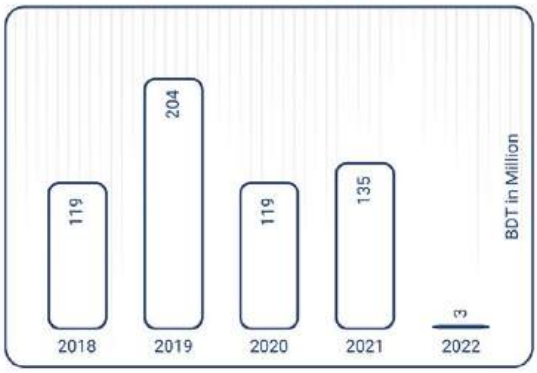
Operating expense increased by 25.59% from 2021 as the major weight, salary & allowance increased by 37.16%. Besides, repair and depreciation of assets also increased significantly by 15.65%. Bangladesh Finance purposefully continued developing and rolling out innovative digital solutions to improve service efficiency and client experience. Consequently, cost to income ratio has increased from 27.41% to 48.31%

PROVISION



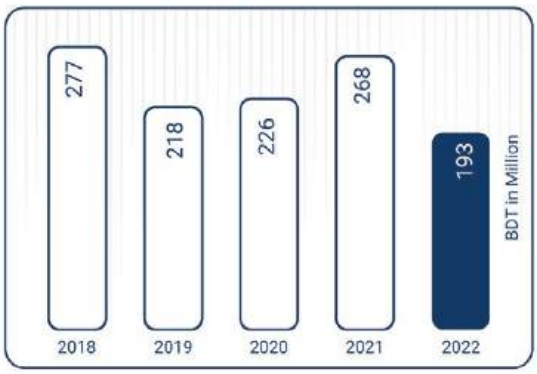
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NET INCOME TAX EXPENSE



=

PROFIT AFTER TAX



Return on Equity

Our ROE is the most appropriate measure of our financial performance over time as it combines all of our critical drivers, including earnings growth and capital utilization, into a single metric. Internally we measure our return on equity by Return on Asset (ROA) & financial leverage as a more direct measure of earnings.





Average Asset

Bangladesh Finance's average asset Increased by 4.53% in 2022 to BDT 17,062 million, from BDT 16,323 million in 2021, mainly due to increase in loan, lease & advances & investment in securities.



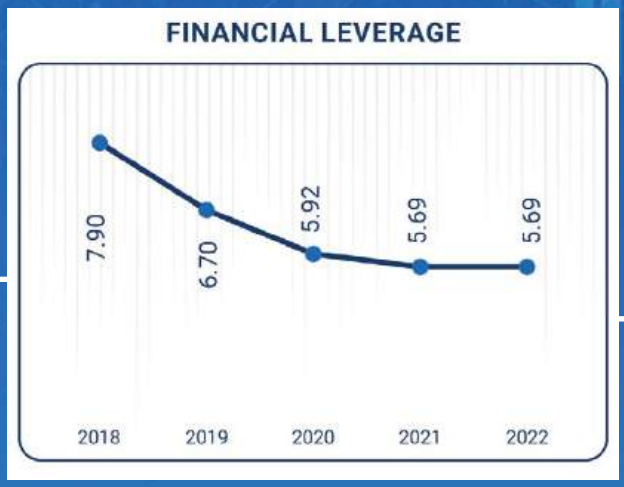
Average Shareholder's Equity

Average shareholder's equity increased by 2.95% in 2022 to BDT 3,041 million, from BDT 2,954 million in 2021, mainly supported by increase in paid up capital through bonus share issue. Besides increased statutory reserve was also a crucial contributor.



Return on Assets

The company's ROA decreased to 1.13% in 2022 from 1.64% in 2021, driven by the decreased net profit after tax (year-on-year basis)



Financial Leverage

The group's financial leverage is the ratio of average asset to average shareholders' equity. Financial leverage measures the value of assets funded with each taka of equity capital. For 2022, financial leverage was 5.69 times, eqaul to 2021.



Return on Equity

Our Return on Equity decreased to 6.45% in 2022 from 9.34% in 2021. The main impact of increased provision from previous year has decreased Net Profit, which impacted significantly. Besides the lower financial leverage also reflects the lower solvency risk of Bangladesh Finance Limited.

OUR PERFORMANCE

The income statement below reflects the revenue generated and costs incurred by our business activities, with material income statement line items explained. A detailed analysis on the financial performance, and the principal headline earnings drivers for growth in our ROE, is on Dupont analysis part.

Net Interest Income

What it is: The interest received on lending products that we offer to our clients and investment in debt instruments, less the interest paid on the deposits that our clients place with us and debt funding sourced from other lenders.

Drivers: Number of clients, product offerings and pricing, level of economic and client activity, pricing in commodities and equity capital markets, competition, and market volatility.

Non-Interest Revenue

What it is: Comprises income from investment in securities, fees from commission exchange & brokerage & other operating income.

Drivers: Number of clients, transactional banking volumes and pricing, capital markets activity, trading volumes and market volatility, property-related revenue, and income from unquoted investments.

Operating Expense

What it is: Costs that are incurred to generate future and current revenues.

Drivers: Salaries and Allowances, Rent, Taxes, Insurances, Electricity, Legal & Professional Fees ,Postage, Stamps, Telecommunication, Stationery, Printings, Advertisements, Managing Director's Salary and Allowances, Directors' Fees and Conveyance, Auditors' Fees, Depreciation & Repairs of Assets, Other Expenses.

Provision

What it is: Provisions are created by recording an expense in the income statement and then establishing a corresponding liability in the balance sheet.

Drivers: Classified Investment, Unclassified Investment, Other Receivables & Investment in Securities.

Taxation

What it is: Includes current tax expense & adjustment with deffered tax expense / benefit.

Drivers: Corporate tax rates in the countries in which the group operates, level of profitability of our operations, interest income from certain bonds and treasury bills, dividends on investments that are exempt, and costs that are not tax deductible.

Income Statement of Bangladesh Finance Ltd.
For the year ended December 31, 2022

BDT in Million

	YOY(%)	2022	2021
Net Interest Income	**-25.9%**	**379**	**511**
Interest Income	-8.1%	1,376	1,497
Interest Paid	1.2%	997	986
Non Interest Revenue	**-32.5%**	**256**	**379**
Income from Investment in Securities	-43.5%	195	345
Commission, Exchange and Brokerage	-59.4%	2	5
Other Operating Income	100.2%	59	30
Total Income	**-28.7%**	**634**	**890**
Operating Expenses	**33.2%**	**197**	**148**
Salary & Allowance	35.1%	191	141
Other Operating Expenses	-6.9%	6	7
Profit Before Provision & Taxation	**-41.1%**	**437**	**742**
Provision	**-45.8%**	**132**	**243**
Profit Before Taxation	**-38.8%**	**306**	**499**
Tax	**-98.0%**	**3**	**135**
Net Profit after Tax	**-16.9%**	**303**	**364**
Appropriations	**-27.9%**	**193**	**268**
Statutory Reserve	-27.9%	39	54
Retained Earnings	-27.9%	155	215

OUR RESILIENT BALANCE SHEET

The balance sheet or statement of financial position shows the position of the group's assets, liabilities and equity, and reflects what the group owns, owes and the equity attributable to shareholders. Material line items have been discussed below.

Balance Sheet of Bangladesh Finance Ltd.
As at December 31, 2022

BDT in Million

	YOY (%)	2022	2021
PROPERTY AND ASSETS			
Cash	18.5%	118	99
Balance with other Banks and Financial Institutions	15.3%	1,143	991
Investment in Securities	65.8%	419	253
Lease, Loans and Advances	2.5%	13,700	13,369
Fixed Assets including Premises, Furniture	8.7%	568	523
Other Assets	-1.9%	1,245	1,269
Non-Banking Assets	0.5%	213	212
Total Interest Earning Asset	**3.4%**	**14,843**	**14,360**
Total Non-interest Earning Asset	**8.8%**	**2,563**	**2,356**
Total Assets	**4.1%**	**17,406**	**16,717**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings	6.5%	2,667	2,504
Deposits	3.1%	9,862	9,569
Other Liabilities	8.6%	1,836	1,690
Total Liabilities	**4.4%**	**14,365**	**13,763**
Shareholders' Equity			
Total Shareholder's Equity	**2.9%**	**3,041**	**2,954**
Total Liabilities & Shareholders' Equity	**4.1%**	**17,406**	**16,717**

Investment in Securities

What it is: Includes investing in quoted & unquoted securities.
Drivers: Stock market volatility, expected level of economic activity, GDP growth etc.

Lease, Loan & Advances

What it is: Includes our lending to our clients, corporations & banks.
Drivers: Number of clients, product offerings, competition, level of economic and client activity, repayments, inflation, real income of households & volatility in interest rate.

Non-Interest Earning Asset

What it is: Includes cash, investment in securities, fixed assets, other assets & non-banking assets.
Drivers: Depreciation of asset, investing in new assets to generate revenue, expected level of economic activity, capital market volatility.

Borrowings

What it is: Includes taking term loan & short term loan from other banks & FI's.
Drivers: Volatility in interest rate, volatility in demand for credit, shortage of capital & increasing business activity.

Deposits

What it is: It reflects our interest paying liabilities like term deposit, scheme deposit & other deposit. Increasing amount of deposit is also preferable as it allows us to give more lease, loan & advances & earn more as a form of spread & contribute to the broader financial system.
Drivers: Shortage of fund, volatility in interest rate, inflation, public spending, economic activity, client demands, transactions etc.

Industry-wise Market Shares

BDT in Million

Particulars	Industry	Bangladesh Finance	% of Industry
Deposit	437,526	9,862	2.25%
Loans & Advances	703,217	13,700	1.95%



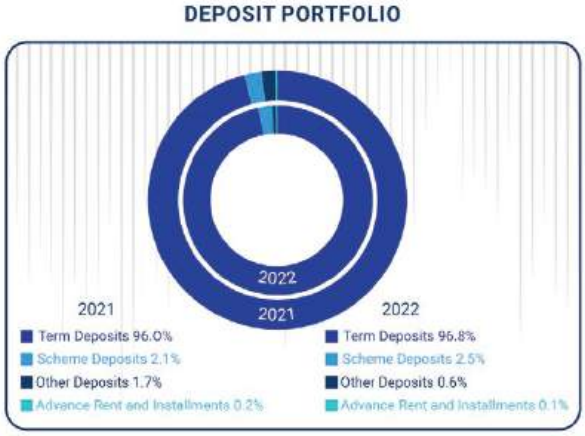


Typically, the prime contributor for total asset of Bangladesh Finance is loan-lease & advances. However due to conservative disbursement, Leases, Loans and Advances portfolio increased by 2.47% to BDT 13,700 million from BDT 13,369 in 2022.
Term loan concentrates 69.65% in the loan portfolio and stood at BDT 9,542 million in 2022 accounted for the majority portion. Subsequently housing finance was 18.39%, lease finance was 11.96%. In 2022 housing finance stood at BDT 2,519 million and lease finance stood at BDT 1,638 miilion.



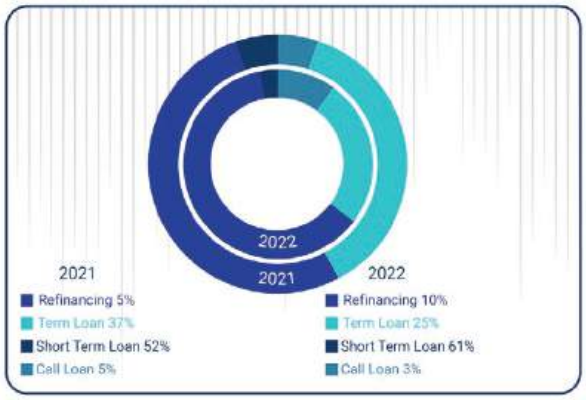
Investment in Securities

The investment portfolio of the Bangladesh Finance stood to BDT 419 million from 253 million in 2022, which is 65.76% percent higher than that of preceding year. This rise in investment is due to new investment in preference share and capital market exposure was mainly due to realize maximum return in the context of present market situation.



Total depository portfolio of Bangladesh Finance increased by 3.07% from 2021 to 2022 & stood at BDT 9,862 million. This growth is facilitated by extended branch network, newly launched depository scheme & expected service provided to customers as well as special initiatives carried out for mobilization of cost free and low-cost deposits during the year. The biggest contribution in the depository portfolio came from term deposit which constitutes 96.8% of total deposit besides scheme deposit, advance rent & installments & other deposits are comprised of 2.5%, 0.1%, 0.6% respectively.

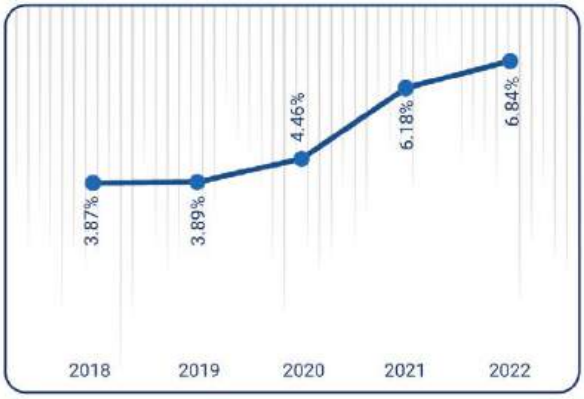
BORROWING MIX



With the aim of minimizing our weighted average cost of funding and reducing our maturity gaps, we maintained the right funding blend between deposits and borrowings. At the end of 2022, bank borrowing stood at BDT 2,667 million and that depicts 6.52% increase. Short term loan represents 61% of the total borrowing mix of Bangladesh Finance Limited. Term loan, call loan & refinancing represents 25%, 3% & 10% of total borrowing mix respectively.

LIQUID ASSET RATIO

In general, Bangladesh Bank has determined liquid asset requirement in various form. The eligible range of asset varies, but in general it includes cash in hand, balance with Bangladesh Bank, balance with other bank & FIs. Liquid asset ratio provides an indication of liquidity available to meet the expected & unexpected demand for cash. At the end of 2022, liquid asset ratio of Bangladesh Finance stood at 6.83% which portrays an increase of 0.65% growth from previous year



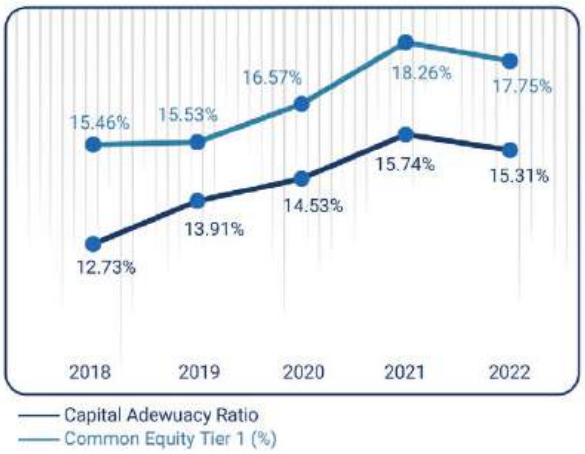
SOURCES OF EQUITY

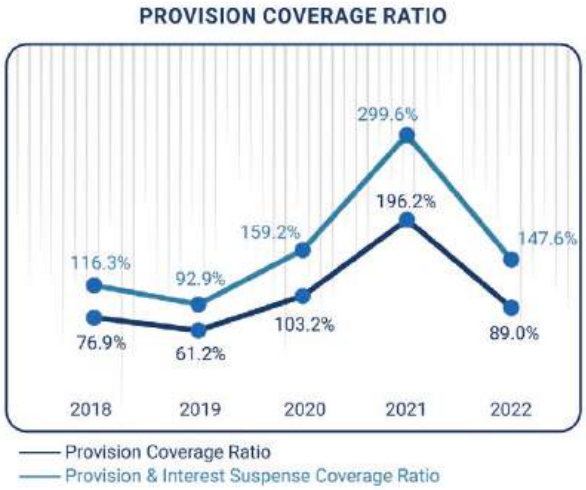


Total equity capital of Bangladesh Finance Limited increased by 2.94% & stood at 3,041 million at the end of 2022. Increase of total equity capital was mainly impacted by statutory reserve, revaluation surplus & retained earnings. As of 2022, share capital constitutes 62% of total equity capital accompanied by statutory reserve 16%, revaluation surplus 13% and retained earnings 8%.

CAPITAL ADEQUACY

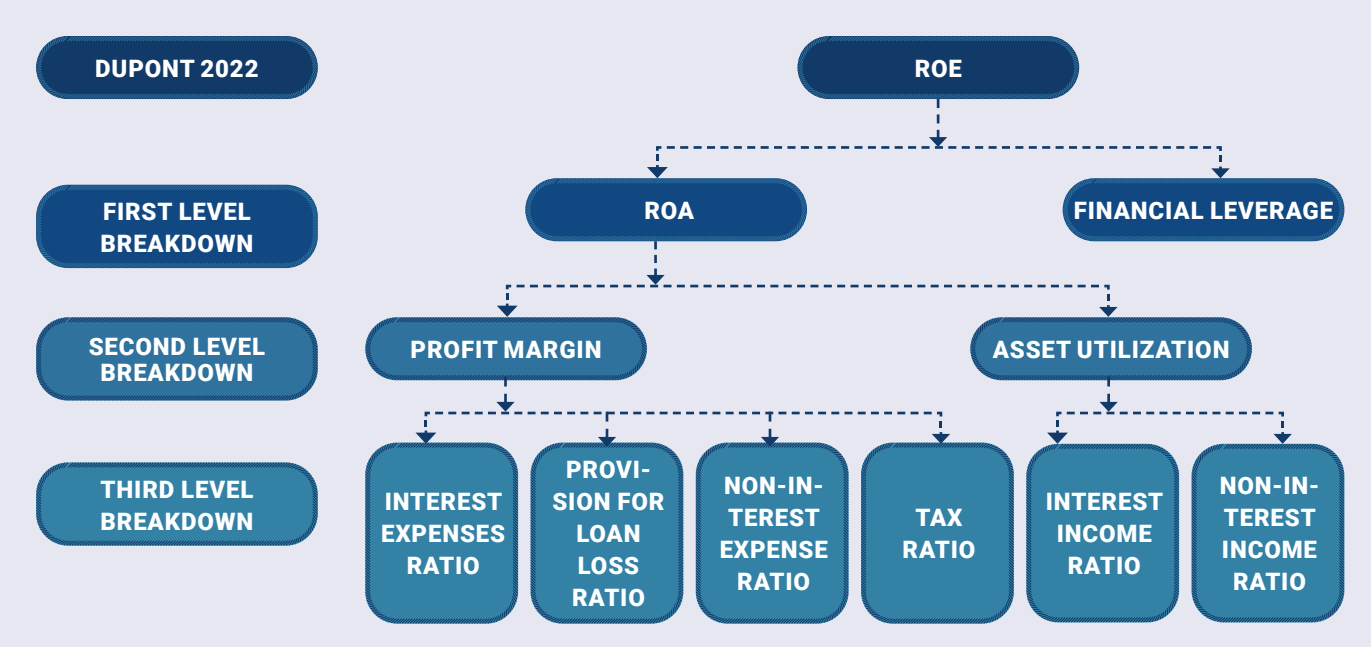
The minimum capital adequacy ratio (CAR) for the FIs is 10% as per the Basel II standard. Capital adequacy ratio (CAR) of the year 2022 was 17.75%. From last five years, Bangladesh Finance Limited is meeting the industry threshold & that represents our ability to absorb reasonable amount of loss. On top of that common equity tier 1 ratio of Bangladesh Finance is also facing an consistent trend which represents our ability to soak up loss without discontinuing trade.





Financial institutions set an amount of fund aside to recover when potential loan gets classified. Provision coverage ratio indicates the ability of financial institutions to pull through against non-performing loans. A high PCR can be beneficial to FIs to buffer themselves against losses if the NPAs start increasing faster. Provision and Interest suspense coverage ratio of Bangladesh Finance stood at 147.6%. This excess provision coverage of Bangladesh Finance depicts the resilience against classified loan.

DUPONT ANALYSIS



DUPONT (CONSOLIDATED)							
SL	RATIO	DESCRIPTION	2018	2019	2020	2021	2022
1	NET INTEREST INCOME	% OF AVERAGE ASSET	2.19%	3.24%	2.90%	3.10%	2.23%
2	NON INTEREST INCOME	% OF AVERAGE ASSET	1.17%	0.21%	1.29%	3.31%	2.55%
3	OPERATING INCOME	% OF AVERAGE ASSET	3.36%	3.45%	4.19%	6.40%	4.77%
4	OPERATING EXPENSES	% OF AVERAGE ASSET	1.53%	1.59%	1.35%	1.68%	2.02%
5	COST/INCOME	% OF OPERATING INCOME	45.7%	46.0%	32.3%	26.2%	42.3%
6	OPERATING PROFIT (PBT&P)	% OF AVERAGE ASSET	1.8%	1.9%	2.8%	4.7%	2.8%
7	PROVISIONS	% OF AVERAGE ASSET	-0.37%	-0.40%	0.20%	1.78%	1.09%
8	PROFIT BEFORE TAX(PBT)	% OF AVERAGE ASSET	2.2%	2.3%	2.6%	2.9%	1.7%

9	TAX RATIO	% OF PBT	32.4%	53.1%	30.3%	38.1%	2.8%
10	PROFIT MARGIN RATIO	% OF TOTAL OPERATING INCOME	44.2%	30.8%	43.9%	28.5%	34.0%
11	ROA	% OF AVG ASSET	1.48%	1.06%	1.84%	1.82%	1.62%
12	FINANCIAL LEVERAGE	AVG ASSET / AVG EQUITY	7.88	6.77	5.96	5.78	5.85
13	ROE	(ROA * EQUITY MULTIPLIER)	11.68%	7.20%	10.97%	10.55%	9.49%

DuPont analysis breaks down the ROE into three level and this break down provides a convenient and systematic method to identify strength and weakness of FI's profitability. Generally, stockholders of FIs expect a higher ROE. However, an increase in ROE can simply result from an increase in financial leverage or from an increase in ROA. Identifying the source of increasing ROE is critical. An increase of ROE due to increase in financial leverage indicates towards increasing solvency risk. In the last five years, ROE in Bangladesh Finance Group has been fluctuating. At the end of 2022, the ROE of Bangladesh Finance Group stood at 9.49% and the financial leverage is going up to 5.85 times however ROA is facing a minor decrease in 2022. The group's ROA reached to 1.62% at the end of 2022.

DUPONT (SOLO)							
SL	**RATIO**	**DESCRIPTION**	**2018**	**2019**	**2020**	**2021**	**2022**
1	INTEREST INCOME RATIO	% OF AVERAGE ASSET	2.41%	3.45%	3.09%	3.13%	2.22%
2	NONINTEREST INCOME RATIO	% OF AVERAGE ASSET	0.73%	-0.06%	0.48%	2.32%	1.50%
3	OPERATING INCOME	% OF AVERAGE ASSET	3.14%	3.38%	3.56%	5.45%	3.72%
4	OPERATING EXPENSES	% OF AVERAGE ASSET	1.25%	1.31%	1.17%	1.49%	1.80%
5	COST/INCOME	% OF OPERATING INCOME	39.90%	38.57%	32.89%	27.41%	48.31%
6	OPERATING PROFIT (PBT&P)	% OF AVERAGE ASSET	1.89%	2.08%	2.39%	3.96%	1.92%
7	PROVISIONS	% OF AVERAGE ASSET	-0.34%	-0.44%	0.23%	1.49%	0.77%
8	PROFIT BEFORE TAX(PBT)	% OF AVERAGE ASSET	2.22%	2.52%	2.16%	2.47%	1.15%
9	TAX RATIO	% OF PBT	30.4%	46.4%	36.9%	42.1%	11.3%
10	PROFIT MARGIN RATIO	% OF TOTAL OPERATING INCOME	49.6%	38.4%	39.6%	30.1%	30.5%
11	ROA	(PROFIT MARGIN*OPERATING INCOME)	1.56%	1.30%	1.41%	1.64%	1.13%
12	FINANCIAL LEVERAGE	AVG ASSET / AVG EQUITY	7.90	6.70	5.92	5.69	5.69
13	ROE	(ROA * EQUITY MULTIPLIER)	12.30%	8.72%	8.37%	9.34%	6.45%

DuPont analysis breaks down the ROE into three level and this break down provides a convenient and systematic method to identify strength and weakness of FI's profitability. Generally, stockholders of FIs expect a higher ROE. However, an increase in ROE can simply result from an increase in financial leverage or from an increase in ROA. Identifying the source of increasing ROE is critical. An increase in ROE due to increase in financial leverage indicates towards increasing solvency risk. In the last five years, ROE of Bangladesh Finance Limited has been fluctuating. At the end of 2022, the ROE of Bangladesh Finance stood at 6.45% and the financial leverage is unchanged to 5.69 times however ROA is facing a minor decrease in 2022. The company's ROA reached to 1.13% at the end of 2022.

HORIZONTAL ANALYSIS
CONSOLIDATED BALANCE SHEET

PARTICULARS	2022	2021	2020	2019	2018
PROPERTY & ASSET					
Cash	**18.52%**	**32.34%**	**-35.35%**	**-12.78%**	**100.00%**
Cash in hand	32.34%	-47.46%	15.13%	-21.10%	100.00%
Balance with Bangladesh Bank	18.52%	32.48%	-35.40%	-12.77%	100.00%
Balance with Other Banks and Financial Institutions	**7.75%**	**57.35%**	**32.32%**	**-5.31%**	**100.00%**
Inside Bangladesh	7.75%	57.35%	32.32%	-5.31%	100.00%
Outside Bangladesh	0.00%	0.00%	0.00%	0.00%	0.00%
Money at call and short notice	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Investment in Securities	**15.07%**	**24.03%**	**-1.31%**	**-26.18%**	**100.00%**
Government	-	-	-	-	-
Others	15.07%	24.03%	-1.31%	-26.18%	100.00%
Lease, Loans and Advances	**2.29%**	**6.36%**	**-3.69%**	**-3.57%**	**100.00%**
In Bangladesh	2.29%	6.36%	-3.69%	-3.57%	100.00%
Outside Bangladesh	-	-	-	-	-
Fixed Assets including Premises, Furniture and Fixtures	**14.82%**	**0.83%**	**29.80%**	**4.35%**	**100.00%**
Other Assets	**-1.18%**	**-6.24%**	**2.05%**	**-32.30%**	**100.00%**
Non-Banking Assets	**0.47%**	**0.00%**	**0.00%**	**0.00%**	**100.00%**
Total Assets	**3.56%**	**8.67%**	**-0.95%**	**-8.31%**	**100.00%**
LIABILITIES & CAPITAL					
Liabilities					
Financing (Borrowings) from other Banks, Financial Institutions and Agents	**10.46%**	**-7.07%**	**-7.98%**	**-4.60%**	**100.00%**
Deposits and other Accounts	**2.39%**	**11.05%**	**-2.50%**	**-7.75%**	**100.00%**
Term Deposits	3.26%	29.67%	-1.19%	-11.08%	100.00%
Scheme Deposit	21.65%	-78.70%	-14.74%	6.11%	100.00%
Other Deposits	-65.05%	-65.33%	12.28%	33.02%	100.00%
Advance Rent & Installments	-36.11%	-84.23%	-18.48%	-12.21%	100.00%
Bills Payable	0.00%	0.00%	0.00%	0.00%	0.00%
Other Liabilities	**0.11%**	**32.01%**	**3.38%**	**-32.39%**	**100.00%**
Total Liabilities	**3.57%**	**9.77%**	**-3.06%**	**-11.14%**	**100.00%**
Capital/ Shareholders' Equity					
Share Capital	6.00%	6.00%	0.00%	10.00%	100.00%
Statutory Reserve	8.37%	13.12%	12.42%	13.64%	100.00%
General Reserve	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Reserve	0.00%	0.00%	0.00%	0.00%	100.00%
Revaluation Surplus on Land & Building	-0.34%	-0.34%	39.51%	0.00%	100.00%
Retained Earnings	-3.09%	0.56%	23.56%	-2.05%	100.00%
Total Shareholders' Equity	**4.11%**	**5.19%**	**9.12%**	**7.37%**	**100.00%**
Non-Controlling Interest	**0.03%**	**-0.13%**	**2.78%**	**0.51%**	**100.00%**
Total Liabilities & Shareholders' Equity	**3.56%**	**8.67%**	**-0.95%**	**-8.31%**	**100.00%**
Net Asset Value Per Share	**4.11%**	**-0.76%**	**2.94%**	**-2.39%**	**100.00%**

HORIZONTAL ANALYSIS
CONSOLIDATED PROFIT & LOSS

PARTICULARS	2022	2021	2020	2019	2018
Interest Income	-6.60%	-8.18%	-14.83%	5.22%	100.00%
Less: Interest Paid on Deposits & Borrowings etc.	2.80%	-16.11%	-14.80%	-4.61%	100.00%
Net Interest Income	**-23.75%**	**10.94%**	**-14.89%**	**39.91%**	**100.00%**
Income from Investment in Securities	-27.74%	225.63%	-169.25%	-632.68%	100.00%
Commission, Exchange and Brokerage	-11.33%	72.87%	6.36%	-15.45%	100.00%
Other Operating Income	75.72%	-13.81%	-76.10%	50.65%	100.00%
Non-Interest Income	**-18.43%**	**142.38%**	**540.63%**	**-83.00%**	**100.00%**
Total Operating Income	**-21.00%**	**54.09%**	**18.97%**	**-2.90%**	**100.00%**
Salaries and Allowances	34.89%	27.34%	-7.34%	-6.72%	100.00%
Rent, Taxes, Insurances, Electricity etc.	11.65%	31.15%	-33.33%	-64.64%	100.00%
Legal & Professional Fees	46.89%	65.41%	85.81%	-30.01%	100.00%
Postage, Stamps, Telecommunication etc.	21.67%	12.19%	-6.87%	7.32%	100.00%
Stationery, Printings, Advertisements etc.	5.58%	214.77%	-32.34%	74.22%	100.00%
Managing Director's Salary and Allowances	0.00%	81.96%	-39.55%	3.58%	100.00%
Directors' Fees and Conveyance	11.19%	47.61%	6.37%	-9.80%	100.00%
Auditors' Fees	-19.91%	-22.10%	253.35%	2.21%	100.00%
Depreciation & Repairs of Assets	19.06%	-5.51%	-0.87%	51.42%	100.00%
Other Expenses	25.08%	-15.92%	-26.00%	-0.27%	100.00%
Total Operating Expenses	**27.56%**	**17.77%**	**-11.45%**	**-2.20%**	**100.00%**
Profit before Provision	**-38.22%**	**73.01%**	**44.90%**	**-3.48%**	**100.00%**
Specific Provisions for Classified Investment	-253.57%	-236.71%	675.49%	-106.60%	100.00%
General Provisions for Unclassified Investment	-78.68%	3700.00%	-36.69%	-127.50%	100.00%
Special Provisions for Unclassified Investment	-101.99%	0.00%	0.00%	0.00%	100.00%
Provisions for Other Receivables	-33.33%	50.00%	1.51%	-699.03%	100.00%
Provision for Off- Balance Sheet exposures	-142.86%	0.00%	0.00%	0.00%	100.00%
Provisions for Investment in Securities	-23.45%	-290.84%	-65.56%	-312.72%	100.00%
Total Provision	**-35.05%**	**835.77%**	**-146.81%**	**2.37%**	**100.00%**
Total Profit before Provisions for Taxation	**-40.13%**	**16.03%**	**10.96%**	**-2.49%**	**100.00%**
Deferred Tax Expenses/(benefit)	-43.64%	339.84%	-195.72%	-657.42%	100.00%
Current Tax Expenses-Bangladesh Finance	-86.88%	33.20%	-35.06%	63.06%	100.00%
Current Tax Expenses-Bangladesh Finance Securities	-15.66%	251.44%	21.97%	-21.23%	100.00%
Deferred Tax Expenses/(benefit)-Bangladesh Finance Securities	1683.28%	258.77%	100.00%	0.00%	0.00%
Deferred Tax Expenses/(benefit)-Bangladesh Finance Capital	-12.05%	0.00%	0.00%	0.00%	0.00%
Current Tax Expenses-Bangladesh Finance Capital	-65.29%	440.55%	485.62%	-68.87%	100.00%
Net Tax Expense	**-95.66%**	**46.21%**	**-36.77%**	**59.93%**	**100.00%**
Net Profit after Taxation	**-5.89%**	**2.93%**	**65.03%**	**-32.39%**	**100.00%**
Earnings Per Share	**-7.75%**	**-19.58%**	**50.50%**	**-39.32%**	**100.00%**

HORIZONTAL ANALYSIS
SOLO BALANCE SHEET

PARTICULARS	2022	2021	2020	2019	2018
PROPERTY AND ASSETS					
Cash	**18.54%**	**32.40%**	**-35.38%**	**-12.78%**	**100.00%**
Cash In Hand	211.17%	-76.82%	14.22%	-30.60%	100.00%
Balance with Bangladesh Bank	18.52%	32.48%	-35.40%	-12.77%	100.00%
Balance with Other Banks and Financial Institutions	**15.33%**	**43.37%**	**13.58%**	**-7.62%**	**100.00%**
Inside Bangladesh	15.33%	43.37%	13.58%	-7.62%	100.00%
Outside Bangladesh	0.00%	0.00%	0.00%	0.00%	0.00%
Money at Call and Short Notice	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Investment in Securities	**65.76%**	**23.82%**	**-28.02%**	**-41.43%**	**100.00%**
Government	-	-	-	-	-
Others	65.76%	23.82%	-28.02%	-41.43%	100.00%
Lease, Loans and Advances	**2.47%**	**4.09%**	**-2.28%**	**-3.56%**	**100.00%**
In Bangladesh	2.47%	4.09%	-2.28%	-3.56%	100.00%
Outside Bangladesh	-	-	-	-	-
Fixed Assets Including Premises, Furniture and Fixtures	**8.70%**	**-0.29%**	**29.58%**	**4.32%**	**100.00%**
Other Assets	**-1.91%**	**-6.85%**	**9.38%**	**-37.80%**	**100.00%**
Non-Banking Assets	**0.47%**	**0.00%**	**0.00%**	**0.00%**	**100.00%**
Total Assets	**4.12%**	**5.05%**	**-0.63%**	**-8.53%**	**100.00%**
LIABILITIES AND CAPITAL					
Liabilities					
Financing (Borrowings) from Other Banks, Financial Institutions & Agents	**6.52%**	**-15.15%**	**-4.74%**	**-3.39%**	**100.00%**
Deposits and Other Accounts	**3.07%**	**11.05%**	**-2.50%**	**-7.75%**	**100.00%**
Term Deposits	4.35%	16.94%	-3.00%	-9.12%	100.00%
Other Deposits	-65.05%	-65.33%	12.28%	33.02%	100.00%
Advance Rent & Installments	-36.11%	-84.23%	-18.48%	-12.21%	100.00%
Bills Payable	-	-	-	-	-
Other Liabilities	**8.64%**	**8.34%**	**6.20%**	**-36.96%**	**100.00%**
Total Liabilities	**4.38%**	**4.84%**	**-2.06%**	**-11.33%**	**100.00%**
Capital/ Shareholders' Equity					
Share Capital	6.00%	6.00%	0.00%	10.00%	100.00%
Statutory Reserve	8.37%	13.12%	12.42%	13.64%	100.00%
General Reserve	0.00%	0.00%	0.00%	0.00%	0.00%
Revaluation Surplus on Land & Building	-0.34%	-0.34%	39.51%	0.00%	100.00%
Retained Earnings	-18.65%	5.14%	4.74%	8.75%	100.00%
Total Shareholders' Equity	**2.94%**	**6.02%**	**6.70%**	**9.12%**	**100.00%**
Total Liabilities & Shareholders' Equity	**4.12%**	**5.05%**	**-0.63%**	**-8.53%**	**100.00%**
Net Asset Value Per Share (NAV)	**2.94%**	**0.02%**	**0.66%**	**-0.80%**	**100.00%**

HORIZONTAL ANALYSIS
SOLO PROFIT & LOSS

PARTICULARS	2022	2021	2020	2019	2018
Interest Income	-8.07%	-9.82%	-14.62%	5.14%	100.00%
Less: Interest Paid on Deposits & Borrowings etc.	1.18%	-15.49%	-14.58%	-3.89%	100.00%
Net Interest Income	**-25.93%**	**3.58%**	**-14.73%**	**35.05%**	**100.00%**
Income from Investment in Securities	-43.53%	805.91%	-121.46%	-987.55%	100.00%
Commission, Exchange and Brokerage	-59.36%	400.97%	105.61%	21.59%	100.00%
Other Operating Income	100.23%	-20.59%	-77.60%	50.29%	100.00%
Non-Interest Income	**-32.55%**	**397.54%**	**-799.46%**	**-108.33%**	**100.00%**
Total Operating Income	**-28.75%**	**56.31%**	**0.34%**	**1.51%**	**100.00%**
Salaries and Allowances	37.16%	26.73%	-7.26%	-7.33%	100.00%
Rent, Taxes, Insurances, Electricity etc.	-6.89%	20.65%	83.51%	-86.19%	100.00%
Legal & Professional Fees	-14.30%	85.05%	55.97%	-22.81%	100.00%
Postage, Stamps, Telecommunication etc.	17.52%	31.13%	-7.21%	11.43%	100.00%
Stationery, Printings, Advertisements etc.	-1.19%	219.72%	-32.33%	84.45%	100.00%
Managing Director's Salary and Allowances	0.00%	81.96%	-39.55%	3.58%	100.00%
Directors' Fees and Conveyance	27.13%	25.46%	43.16%	-34.17%	100.00%
Auditors' Fees	8.60%	-35.60%	193.11%	6.64%	100.00%
Depreciation & Repairs of Assets	15.65%	-7.05%	-17.74%	59.33%	100.00%
Other Expenses	21.88%	69.40%	-40.72%	6.57%	100.00%
Total Operating Expenses	**25.59%**	**30.25%**	**-14.44%**	**-1.87%**	**100.00%**
Profit before Provision	**-49.26%**	**69.09%**	**9.62%**	**3.75%**	**100.00%**
Specific Provisions for Classified Investment	-253.57%	-236.71%	675.49%	-106.60%	100.00%
General Provisions for Unclassified Investment	-78.68%	3700.00%	-36.69%	-127.50%	100.00%
Special Provisions for Unclassified Investment	100.00%	100.00%	0.00%	0.00%	0.00%
Provisions for Other Receivables	-33.33%	50.00%	1.51%	-699.03%	100.00%
Provisions for Off-Balance Sheet exposures	100.00%	100.00%	0.00%	0.00%	0.00%
Provisions for Investment in Securities	607.72%	-91.44%	-69.23%	-278.74%	100.00%
Total Provision	**-45.82%**	**557.44%**	**-150.11%**	**23.34%**	**100.00%**
Total Profit before Provisions for Taxation	**-51.34%**	**16.75%**	**-18.29%**	**6.71%**	**100.00%**
Deferred Tax Expenses/(Benefit)	-43.64%	339.84%	-195.72%	-657.42%	100.00%
Current Tax Expenses	-86.88%	33.20%	-35.06%	63.06%	100.00%
Net Tax Expense	**-98.01%**	**12.94%**	**-41.54%**	**72.03%**	**100.00%**
Net Profit after Taxation	**-27.87%**	**18.76%**	**3.46%**	**-21.27%**	**100.00%**
Earnings Per Share	**-27.87%**	**12.19%**	**-2.52%**	**-28.42%**	**100.00%**

VERTICAL ANALYSIS
CONSOLIDATED BALANCE SHEET

PARTICULARS	2022	2021	2020	2019	2018
PROPERTY & ASSET					
Cash	**0.62%**	**0.54%**	**0.44%**	**0.68%**	**0.71%**
Cash in Hand	0.00%	0.00%	0.00%	0.00%	0.00%
Balance with Bangladesh Bank	0.62%	0.54%	0.44%	0.68%	0.71%
Balance eith Other Banks and Financial Institutions	**8.23%**	**7.91%**	**5.47%**	**4.09%**	**3.96%**
Inside Bangladesh	8.23%	7.91%	5.47%	4.09%	3.96%
Outside Bangladesh					
Money at Call and Short Notice	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Investment in Securities	**5.94%**	**5.34%**	**4.68%**	**4.70%**	**5.84%**
Government					
Others	5.94%	5.34%	4.68%	4.70%	5.84%
Lease, Loans and Advances	**73.21%**	**74.12%**	**75.73%**	**77.88%**	**74.05%**
In Bangladesh	73.21%	74.12%	75.73%	77.88%	74.05%
Outside Bangladesh	-	-	-	-	-
Fixed Assets Including Premises, Furniture and Fixtures	**3.27%**	**2.95%**	**3.17%**	**2.42%**	**2.13%**
Other Assets	**7.63%**	**7.99%**	**9.26%**	**8.99%**	**12.18%**
Non-Banking Assets	**1.11%**	**1.15%**	**1.25%**	**1.24%**	**1.13%**
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
LIABILITIES AND CAPITAL					
Liabilities					
Financing (Borrowings) from Other Banks, Financial Institutions and Agents	**16.44%**	**15.41%**	**18.02%**	**19.40%**	**18.65%**
Deposits and Other Accounts	**51.21%**	**51.80%**	**50.69%**	**51.49%**	**51.18%**
Term Deposits	49.57%	49.72%	41.66%	41.77%	43.07%
Scheme Deposit	1.28%	1.09%	5.55%	6.44%	5.57%
Other Deposits	0.30%	0.90%	2.83%	2.50%	1.72%
Advance Rent & Installments	0.06%	0.09%	0.64%	0.78%	0.82%
Bills Payable	0.00%	0.00%	0.00%	0.00%	0.00%
Other Liabilities	**12.58%**	**13.01%**	**10.71%**	**10.26%**	**13.92%**
Total Liabilities	**80.23%**	**80.23%**	**79.42%**	**81.16%**	**83.74%**
Capital/Shareholders' Equity					
Share Capital	9.84%	9.61%	9.85%	9.76%	8.14%
Statutory Reserve	2.62%	2.50%	2.40%	2.12%	1.71%
General Reserve	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Reserve	0.18%	0.18%	0.20%	0.20%	0.18%
Revaluation Surplus on Land & Building	2.14%	2.22%	2.42%	1.72%	1.58%
Retained Earnings	2.36%	2.52%	2.72%	2.18%	2.04%
Total Shareholders' Equity	**17.13%**	**17.04%**	**17.60%**	**15.98%**	**13.65%**
Non-Controlling Interest	**2.64%**	**2.73%**	**2.97%**	**2.87%**	**2.61%**
Total Liabilities & Shareholders' Equity	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

VERTICAL ANALYSIS
CONSOLIDATED PROFIT & LOSS

PARTICULARS	2022	2021	2020	2019	2018
Interest Income	161.37%	136.49%	229.06%	319.95%	295.29%
Less: Interest Paid on Deposits & Borrowings etc.	114.69%	88.13%	161.88%	226.05%	230.11%
Net Interest Income	**46.68%**	**48.36%**	**67.17%**	**93.90%**	**65.17%**
Income from Investment in securities	34.60%	37.83%	17.90%	-30.75%	5.61%
Commission, Exchange and Brokerage	12.22%	10.89%	9.71%	10.86%	12.47%
Other Operating Income	6.50%	2.92%	5.22%	25.99%	16.75%
Non-Interest Income	**53.32%**	**51.64%**	**32.83%**	**6.10%**	**34.83%**
Total Operating Income	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Salaries and Allowances	24.89%	14.58%	17.64%	22.65%	23.58%
Rent, Taxes, Insurances, Electricity etc.	1.04%	0.73%	0.86%	1.54%	4.22%
Legal & Professional Fees	0.85%	0.46%	0.42%	0.27%	0.38%
Postage, Stamps, Telecommunication etc.	0.57%	0.37%	0.51%	0.65%	0.59%
Stationery, Printings, Advertisements etc.	1.90%	1.42%	0.70%	1.22%	0.68%
Managing Director's Salary and Allowances	0.86%	0.68%	0.57%	1.13%	1.06%
Directors' Fees and Conveyance	0.21%	0.15%	0.16%	0.17%	0.19%
Auditors' Fees	0.07%	0.07%	0.14%	0.05%	0.05%
Depreciation & Repairs of Assets	6.71%	4.45%	7.26%	8.72%	5.59%
Other Expenses	5.17%	3.26%	5.98%	9.61%	9.36%
Total Operating Expenses	**42.26%**	**26.17%**	**34.25%**	**46.01%**	**45.69%**
Profit before Provision	**57.74%**	**73.83%**	**65.75%**	**53.99%**	**54.31%**
Specific Provisions for Classified Investment	10.53%	-5.41%	6.10%	0.94%	-13.77%
General Provisions for Unclassified Investment	4.51%	16.72%	0.68%	1.27%	-4.50%
Special Provisions for Unclassified Investment	-0.19%	7.40%	0.00%	0.00%	0.00%
Provisions for Other Receivables	2.23%	2.64%	2.71%	3.18%	-0.52%
Provisions for Off-Balance Sheet exposures	-0.17%	0.31%	0.00%	0.00%	0.00%
Provisions for Investment in Securities	5.91%	6.10%	-4.92%	-17.00%	7.76%
Total Provision	**22.82%**	**27.76%**	**4.57%**	**-11.62%**	**-11.02%**
Total Profit before Provisions for Taxation	**34.92%**	**46.07%**	**61.18%**	**65.60%**	**65.33%**
Deferred Tax Expenses/(benefit)	-2.18%	-3.05%	-1.07%	1.33%	-0.23%
Current Tax Expenses-Bangladesh Finance	2.48%	14.92%	17.27%	31.63%	18.84%
Current Tax Expenses-Bangladesh Finance Securities	4.41%	4.13%	1.81%	1.76%	2.18%
Deferred Tax Expenses/(benefit)-Bangladesh Finance Securities	-4.30%	-0.19%	0.00%	0.00%	0.00%
Deferred Tax Expenses/(benefit)-Bangladesh Finance Capital	-0.36%	-0.32%	0.00%	0.00%	0.00%
Current Tax Expenses-Bangladesh Finance Capital	0.92%	2.09%	0.59%	0.12%	0.38%
Net Tax Expense	**0.96%**	**17.57%**	**18.52%**	**34.84%**	**21.16%**
Net Profit after Taxation	**33.95%**	**28.50%**	**42.67%**	**30.76%**	**44.18%**

VERTICAL ANALYSIS
SOLO BALANCE SHEET

PARTICULARS	2022	2021	2020	2019	2018
PROPERTY AND ASSETS					
Cash	**0.68%**	**0.59%**	**0.47%**	**0.73%**	**0.76%**
Cash in Hand	0.00%	0.00%	0.00%	0.00%	0.00%
Balance with Bangladesh Bank	0.68%	0.59%	0.47%	0.72%	0.76%
Balance with Other Banks and Financial Institutions	**6.57%**	**5.93%**	**4.34%**	**3.80%**	**3.76%**
Inside Bangladesh	6.57%	5.93%	4.34%	3.80%	3.76%
Outside Bangladesh	0.00%	0.00%	0.00%	0.00%	0.00%
Money at Call and Short Notice	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Investment in Securities	**2.41%**	**1.51%**	**1.28%**	**1.77%**	**2.77%**
Government	-	-	-	-	-
Others	2.41%	1.51%	1.28%	1.77%	2.77%
Lease, Loans and Advances	**78.71%**	**79.97%**	**80.71%**	**82.07%**	**77.84%**
In Bangladesh	78.71%	79.97%	80.71%	82.07%	77.84%
Outside Bangladesh	-	-	-	-	-
Fixed Assets Including Premises, Furniture and Fixtures	**3.27%**	**3.13%**	**3.30%**	**2.53%**	**2.22%**
Other Assets	**7.15%**	**7.59%**	**8.56%**	**7.78%**	**11.44%**
Non-Banking Assets	**1.22%**	**1.27%**	**1.33%**	**1.32%**	**1.21%**
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
LIABILITIES AND CAPITAL					
Liabilities					
Financing (Borrowings) from Other Banks, Financial Institutions and Agents	**15.32%**	**14.98%**	**18.54%**	**19.34%**	**18.31%**
Deposits and Other Accounts	**56.66%**	**57.24%**	**54.15%**	**55.18%**	**54.71%**
Term Deposits	56.26%	56.14%	50.43%	51.66%	52.00%
Other Deposits	0.34%	1.00%	3.03%	2.68%	1.84%
Advance Rent & Installments	0.06%	0.10%	0.69%	0.84%	0.87%
Bills Payable					
Other Liabilities	**10.55%**	**10.11%**	**9.80%**	**9.17%**	**13.31%**
Total Liabilities	**82.53%**	**82.33%**	**82.49%**	**83.69%**	**86.33%**
Capital/ Shareholders' Equity					
Share Capital	10.81%	10.62%	10.53%	10.46%	8.70%
Statutory Reserve	2.88%	2.77%	2.57%	2.27%	1.83%
General Reserve	0.00%	0.00%	0.00%	0.00%	0.00%
Revaluation Surplus on Land & Building	2.35%	2.46%	2.59%	1.84%	1.69%
Retained Earnings	1.43%	1.83%	1.82%	1.73%	1.46%
Total Shareholders' Equity	**17.47%**	**17.67%**	**17.51%**	**16.31%**	**13.67%**
Total Liabilities & Shareholders' Equity	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

VERTICAL ANALYSIS
SOLO PROFIT & LOSS

PARTICULARS	2022	2021	2020	2019	2018
Interest Income	216.86%	168.09%	291.35%	342.42%	330.61%
Less: Interest Paid on Deposits & Borrowings etc.	157.19%	110.69%	204.74%	240.50%	254.01%
Net Interest Income	**59.67%**	**57.40%**	**86.62%**	**101.92%**	**76.60%**
Income from Investment in securities	30.69%	38.73%	6.68%	-31.25%	3.57%
Commission, Exchange and Brokerage	0.32%	0.56%	0.18%	0.09%	0.07%
Other Operating Income	9.32%	3.32%	6.53%	29.24%	19.75%
Non-Interest Income	**40.33%**	**42.60%**	**13.38%**	**-1.92%**	**23.40%**
Total Operating Income	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Salaries and Allowances	28.85%	14.99%	18.49%	20.00%	21.91%
Rent, Taxes, Insurances, Electricity etc.	0.99%	0.76%	0.98%	0.54%	3.96%
Legal & Professional Fees	0.59%	0.49%	0.41%	0.27%	0.35%
Postage, Stamps, Telecommunication etc.	0.63%	0.38%	0.46%	0.49%	0.45%
Stationery, Printings, Advertisements etc.	2.42%	1.74%	0.85%	1.26%	0.70%
Managing Director's Salary and Allowances	1.21%	0.86%	0.74%	1.23%	1.21%
Directors' Fees and Conveyance	0.23%	0.13%	0.16%	0.11%	0.17%
Auditors' Fees	0.07%	0.05%	0.12%	0.04%	0.04%
Depreciation & Repairs of Assets	7.05%	4.34%	7.30%	8.91%	5.68%
Other Expenses	6.26%	3.66%	3.38%	5.72%	5.45%
Total Operating Expenses	**48.31%**	**27.41%**	**32.89%**	**38.57%**	**39.90%**
Profit before Provision	**51.69%**	**72.59%**	**67.11%**	**61.43%**	**60.10%**
Specific Provisions for Classified Investment	14.89%	-6.91%	7.90%	1.02%	-15.71%
General Provisions for Unclassified Investment	6.38%	21.34%	0.88%	1.39%	-5.14%
Special Provisions for Unclassified Investment	-0.26%	9.45%	0.00%	0.00%	0.00%
Provisions for Other Receivables	3.15%	3.37%	3.51%	3.47%	-0.59%
Provisions for Off-Balance Sheet exposures	-0.24%	0.39%	0.00%	0.00%	0.00%
Provisions for Investment in Securities	-3.15%	-0.32%	-5.79%	-18.89%	10.73%
Total Provision	**20.78%**	**27.32%**	**6.50%**	**-13.01%**	**-10.71%**
Total Profit before Provisions for Taxation	**30.92%**	**45.27%**	**60.61%**	**74.43%**	**70.80%**
Deferred Tax Expenses/(benefit)	-3.08%	-3.90%	-1.38%	1.45%	-0.26%
Current Tax Expenses	3.51%	19.05%	22.35%	34.53%	21.50%
Net Tax Expense	**0.42%**	**12.94%**	**20.97%**	**35.98%**	**21.23%**
Net Profit after Taxation	**30.49%**	**30.12%**	**39.65%**	**38.45%**	**49.57%**

Bangladesh finance



এখনই সময়

নির্ভরতার

ক্ষুদ্র ক্ষুদ্র সঞ্চয়েই হোক

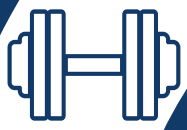
সুরক্ষিত ভবিষ্যৎ

SWOT ANALYSIS

Being a chaperon for 23 years with an endless series of success, Bangladesh Finance Limited has empowered itself as a go-to financial solution for the people of Bangladesh. To gauge the company's internal and external environment and to distinguish its key strengths, weaknesses, opportunities and threats, SWOT framework has been employed. With that, Bangladesh Finance Limited intends to build a better comprehension of its current position in the market to assist in decision-making, formulate effective strategies, and eradicate any potential challenges. Ultimately, Bangladesh Finance Limited is continuously enhancing its competitive position and accomplishing its strategic goals through the utilization of SWOT framework.

STRENGTHS

- 23 years of heritage along with serving more than 40 thousand people in Bangladesh.
- A well-capitalized financial solution with diversification through ingenious credit and savings facilities, corporate advisory and structured finance services.
- Leveraging high creditworthiness and financial stability with a bestowed credit rating of "AA" in Long Term and ST-1 in Short Term.
- Remarkable practice of corporate transparency, accountability in financial reporting and adherence to high standards of corporate governance.
- Enriched productivity subsidized by pool of competent human resources, employee engagement and robust training.
- Successful minimization of loan defaults and delinquencies resulting in negligible non-performing loan ratio in comparison with the general industry.
- Augmented value creation complying with environmental concerns by virtue of robust sustainable business framework.
- Continuous implementation of user-friendly cutting-edge technologies with adaptable infrastructure.
- Capital adequacy ratio higher than the minimum requirement indicating sufficient capital reserve and sound solvency.



WEAKNESSES

- Limited geographical presence outside major urban areas.
- Higher cost of capital as a result of constrained access to funding.
- Lack of cohesive plan to implement in-house automation technology.
- Dependence on the local economy, industry culture necessitating additional R & D to introduce new prospects of earning.



2022

OPPORTUNITIES

- Intensifying the financial inclusion and literacy through serving the large underserved market in the age of marginalized profit.
- Expanding into different geographic regions through targeted marketing and product innovation to meet evolving customer needs.
- Positive economic recovery as evidenced by Bangladesh's rising GDP and per capita income opens new doors for retail and consumer sector.
- Transforming to digitalization with upsurged mobile and internet penetration to enrich the customer experience and efficacy.
- Emergence of middle-income class and upsurge of purchasing power magnify the prospects.
- Curtailed deposit rates by the commercial banks as a result of the excess liquidity could be a strategy for lowering cost of capital.
- Volatility of the stock market along with a decline in property value create strong preference to invest in fixed income deposit schemes.

THREATS

- Rigorous competitive actions undertaken by growing non-bank financial institutions.
- Escalated liquidity risk due to potential regulatory changes and restrictions from Government.
- Intense competition from banks appearing in corporate-lending and consumer-financing.
- Overexposure to cyber security threats along with advent of FinTech disruption.
- Induced economic and political turmoil disrupting the flow of foreign trade in Bangladesh.
- Turbulent foreign exchange market resulting from erratic fluctuation of exchange rate.

PESTEL ANALYSIS



POLITICAL LANDSCAPE

Influencing Factors	Monetary policy, fiscal policy, tax policy, labor laws, tariffs, political stability, annual budget, regulatory climate etc.
Impact on Client	Limited access to credit, disruption, unemployment, adversely impacted revenue.

IMPACT ON THE INDUSTRY

- Stability in government policies can be beneficial for the overall growth of the financial industry.
- Arbitrary changes in regulations and policies may have an adverse impact on the industry.
- Bottom line of LFCs can be unpleasantly impacted by the VAT increase on financial services from 15% to 18% beginning on January 1, 2022.
- Future uncertainty may intensify as a result of political instability brought on by the public's shrinking faith.

OPPORTUNITIES

Bangladesh is emerging to influence the future of Asia being on the center of trade. In recent years, the government has initiated investing in a number of large-scale projects, which in turns subsidize resources for numerous investors. Bangladesh Finance Ltd. engages in direct interactions with regulatory agencies through number of associations, promoting and supportive policy settings that advance regional and national goals along with positive socioeconomic outcomes.

STRATEGIC RESPONSE

Bangladesh Finance Ltd. plans to monitor and scrutinize the government policies and regulations on a frequent manner to modify their offerings and internal guidelines accordingly. Such as disbursing more long-term loans to tackle to short term political instability.

PURPOSE-DRIVEN ORGANIZATION

DEGREE OF IMPACT

ASSOCIATED RISKS

HIGH
MODERATE

ECONOMIC LANDSCAPE

Influencing Factors	GDP growth rate, interest rate, inflation, trade surplus/deficit, income leve, exchange rate.
Impact on Client	Limited access to credit, disruption, unemployment, adversely impacted revenue

IMPACT ON THE INDUSTRY

- The COVID-19 pandemic had a substantial detrimental effect on Bangladesh's economy slowing consumption, consumer income, and economic growth.
- The sector demonstrates rising demand for private sector lending, which coincides with an increasing GDP growth rate.
- Lower demand for deposit products may possibly result from higher inflation, affecting consumer's purchase behavior.
- This in turns may create substantial impact on market liquidity as well as cost of funds for the FIs.

OPPORTUNITIES

Since Bangladesh's as well as global economy are sustaining economic reformation after COVID-19, investment and economic growth will heighten. Through strategic investments, Bangladesh Finance Limited can rip the advantage of such economic expansion and inaugurate itself as a prominent player in the sector. Also, increasing spread in FI sector directs toward higher interest income of Bangladesh Finance Limited.

STRATEGIC RESPONSE

Bangladesh Finance Limited aims to intensely diversify its portfolio and investments to diminish the impact of economic fluctuations. Another measurement to consider is strengthening the credit-risk management team to deal with changing markets risk.

STRONG GROWTH PROSPECTS

DEGREE OF IMPACT

ASSOCIATED RISKS

HIGH
MODERATE

SOCIAL LANDSCAPE

Influencing Factors	Cultural influence, standard of living, equal employment, literacy rate, population demography etc.
Impact on Client	Better quality of life, increased awareness & financial literacy, heightened bargaining power.

IMPACT ON THE INDUSTRY

- Improved social standards and quality of life are the result of rising GDP and per capita income driven by economic advancement in Bangladesh.
- The needs of consumers do, however, vary depending on where they are geographically located, as evidenced by the rising demand towards ecofriendly sustainable products.
- Income inequality and debatable per capita income still indicates towards the dynamism of Bangladesh's social structure.
- Digitalization and urbanization draw in more clients to meet the financing demands.

OPPORTUNITIES

53% adult in Bangladesh is still outside the reach of financial services representing the under saturation of the financial industry. Bangladesh Finance intends to grab this portion as an opportunity to capture the financially excluded market. By maintaining a strong capital base, liquidity position and steady profitability level while adhering to regulatory requirements, Bangladesh Finance is able to maintain its reputation for reliability among customers and general public.

STRATEGIC RESPONSE

Bangladesh Finance Limited designs effective market research to better comprehend the evolving customer needs and preferences to tailor their offerings accordingly. It emphasizes on building customer awareness and trust while embedding sustainability and CSR into its business model.

GROWING CLIENT BASE

DEGREE OF IMPACT

ASSOCIATED RISKS

HIGH
MODERATE

TECHNOLOGICAL LANDSCAPE

Influencing Factors	Automation, cyber security, fintech, crypto currency, digital banking, telecommunication.
Impact on Client	Spontaneous experiences, real-time individualized interactions, seamless service anywhere

IMPACT ON THE INDUSTRY

- Adaption of Fintech is revolutionizing conventional financial products and service delivery.
- Govt. initiatives in Digital Bangladesh is immensely transforming the financial sector.
- Financial institutions can appraise the viability of investments, improve customer convenience, and operate more efficiently due to cashless transactions, big data, machine learning, artificial intelligence.
- However, Bangladesh has lower than 40% technology penetration rate, which require careful consideration immediately.

OPPORTUNITIES

Bangladesh Finance is rapidly digitizing, and as a result, it will be able to offer customers with complete automated financial services. Thus, it is expecting the prospect to minimize transaction costs as a result of suboptimality. Services and reporting would continue uninterrupted due to its adaption of remote access facilities and digitized account opening system.

STRATEGIC RESPONSE

To provide clients with improved value propositions, Bangladesh Finance strives to move fundamentally toward a sound digital eco financing through task automation along with product digitization. It aims update IT security systems to eradicate the risk of cyber threats.

DIGITIZATION OF BANGLADESH FINANCE LTD.

DEGREE OF IMPACT

ASSOCIATED RISKS

HIGH
MODERATE

ENVIRONMENTAL LANDSCAPE

Influencing Factors	Carbon footprint, SDGs, renewable energy, green banking, climate change, eco system
Impact on Client	Adaptation of business behavior, commitment to SDGs, responsibility in climate actions.

IMPACT ON THE INDUSTRY

- Bangladesh is extremely susceptible to the environmental deterioration brought on by climate change.
- The financial sector is mandated to invest in green practices, with a higher priority placed on environmental compliance.
- According to Bangladesh Bank data, green loans amounted of BDT 829 mn was distributed in FY22.
- To promote sustainability, the government may commence giving tax rebate to industries that operate sustainably.

OPPORTUNITIES

Bangladesh Finance Limited strictly emphasizes on reducing paper usage, waste, energy consumption and carbon footprint. The company's document management system along with other strategic approaches save at least 14,800 A4 sheets per month. It has participated with Regulatory Bank as a participant in the refinance scheme for Green Product. It has been astoundingly consistent among the top 5 FIs in sustainability ratings of Bangladesh Bank..

STRATEGIC RESPONSE

Bangladesh Finance Limited intends to be known as a model environmental steward. Hence, it integrates sustainability into the core business strategy in order to avoid contributing to adverse social and environmental impacts at any level across the business.

GREEN FINANCIAL INSTITUTION

DEGREE OF IMPACT

ASSOCIATED RISKS

HIGH
MODERATE

LEGAL LANDSCAPE

Influencing Factors	Regulatory requirements, customer privacy law, employment rules, money laundering.
Impact on Client	Costly processes to ensure regulatory compliance, Protection of intellectual property.

IMPACT ON THE INDUSTRY

- To prevent corporate failures and discrepancies, regulatory measures are being reinforced in the industry.
- In order to resurrect the post-pandemic economy, Bangladesh Bank has been actively providing the necessary policy support.
- The main objective of the policies is to provide Banks and FIs with low-cost funding.
- Due to the rising usage of e-commerce in this industry, there are stringent compliance laws to prevent money laundering, and online payment fraud.

OPPORTUNITIES

Bangladesh Finance Limited seeks to assist its clients manage their regulatory and compliance risk profiles by utilizing its understanding of various laws, regulations, and legislation in different nations. The risks associated with legal factors can be eliminated by close monitoring and reporting to the Board by the compliance unit on the company's adherence to different regulatory standards.

STRATEGIC RESPONSE

Bangladesh Finance Limited ensures strict verification of documents to comply with all applicable laws, regulations, and industry standards. Along with securing departmental compliance, it aims to confirm that every employee is informed and equipped to identify and report suspicious actions.

STRONG ETHICAL CULTURE

DEGREE OF IMPACT

ASSOCIATED RISKS

COMPETITIVENESS AND OUR RESPONSES:

At Bangladesh Finance, we remain mindful of our operating environment that is characterized by a high degree of competitive intensity. Yet, we are also focused on growing the share of the market in the true spirit of financial inclusion, as nearly half of Bangladesh remains outside of the formal banking territory. Thus, onboarding the SME customers, women entrepreneurs, small shopkeepers, agro-based industries are our main focus. We fulfill our objectives through key thrusts, including:

- Digital innovation
- Personalized solutions
- Superlative customer experiences
- Service excellence

As a financial institution with a longstanding heritage, we are focused on operating our business efficiently, managing risk prudently and delivering value to our clients and stakeholders. Thus, though the competitive intensity is high, our key competitive differentiators enable us to carve a niche and hence ensure sustainable growth.

THREAT OF NEW ENTRANTS

Factors influencing Threat of New Entrants

» The threat of new entrants in the financial sector is relatively low on account of enormous upfront capital requirements being a deterrent to new players
» This threat is contingent on regulators' decision to award new FI licenses
» However, established FIs in other countries could enforce greater competitive intensity if regulator permits them to operate in Bangladesh

Our Response and Strategy formulation

» Entering the market and competing on the same scale is not easy for a new FI. New entrant/s would have to establish a significant brand identity and delivery channel
» We are relentlessly focusing on tech and digital banking to maintain our competitive lead
» As a FI with a customer-first philosophy, we believe our continuous focus on excellence will help prevent any competitive pressures from new entrants.

THREAT OF SUBSTITUTE PRODUCTS

Factors influencing Threat of Substitute Products

» Threat of substitutes is negligible in the context of Bangladesh, as there is no direct replacement of credit/ deposit products in the economy
» However, suppliers accepting payments from customers in EMI (equated monthly installments), as a means of financing is a rising threat
» FinTech/digital first entities, although operating on a limited scale in the country, may represent a threat in the future

Our Response and Strategy formulation

» We focus on innovation on digitization of products and services that enable us to stave-off any substitute threats
» With our proven financing solutions, we ensure that our customers enjoy a diverse choice of financing options that meet their specific needs, thus ensuring another front to counter the risk of substitution

LOW — MODERATE

RIVALRY AMONG COMPETITORS

Factors influencing Rivalry among Competitors

» Competition in the domestic banking industry is very high, with 61 scheduled banks, 5 non-scheduled banks and 34 financial institutions (FIs) competing for share of a highly concentrated industry
» Non-differentiated products and services among competitors, insignificant brand loyalty of customers and high exit barriers induce greater competitive intensity

Our Response and Strategy formulation

» We focus on financial inclusion and empowerment as a means to onboard customers that are unbanked or underserved
» We offer the most favorable rates on our deposit products with personalized service
» We foster enhanced customer trust through our strong and dependable governance practices
» We demonstrate empathetic, speedy and sensitive customer service and prompt grievance resolution that only helps build customer confidence

Factors influencing Bargaining Power of Supplier

- Depositors comprise the primary source of fund providers and hence they are a major supplier group for the industry
- The threat from individual depositors is higher, similar to their bargaining power
- Major corporate customers and high net-worth individuals have influence on account of their typically more sizeable deposits
- Suppliers of goods and services have very low bargaining power, but large IT service/infrastructure providers exercise a higher power because of their size

BARGAINNING POWER OF SUPPLIER

Our Response and Strategy formulation

- We offer the most attractive interest rates on deposits, strengthened by our ability to draw low-cost funds through our superior credit ratings
- We offer a wide range of fixed deposit products across varying maturities that meet the myriad financial and socio-economic needs of our deposit-holders
- We manage bargaining power of goods and services suppliers through best practices in terms of our procurement policy

HIGH



Factors influencing Bargaining Power of Buyer

- Large corporates and high net-worth individuals can exert influence on us
- Low switching costs enforces higher competitive intensity
- Location-agnostic services (alternative delivery channels, digital channels, etc.) can help sway customer decisions

BARGINNING POWER OF BUYER

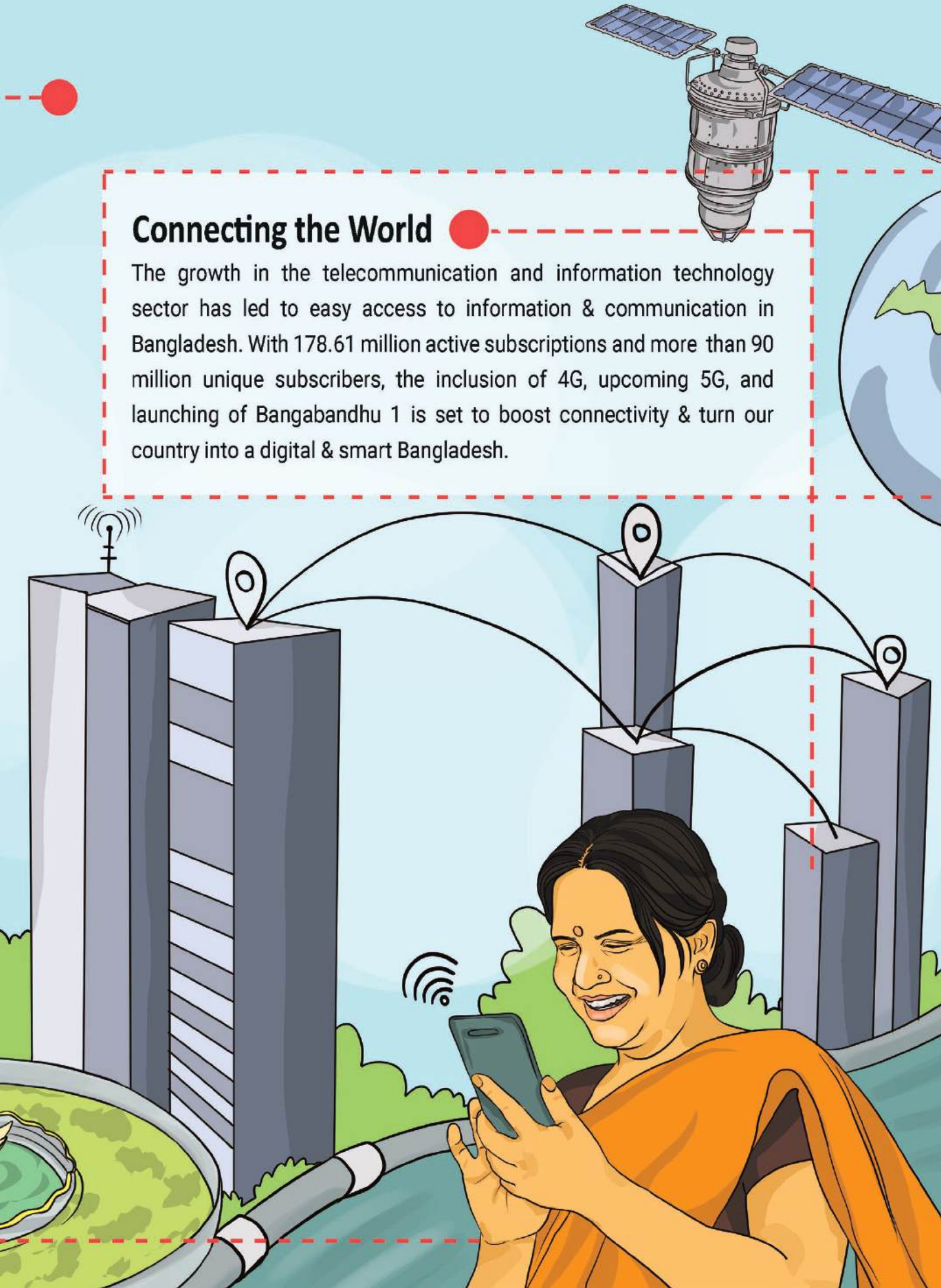
Our Response and Strategy formulation

- We focus on service as key differentiator. While it may be easy to copy a product, it is impossible to replicate service
- We offer amongst the industry's lowest loan TAT (turnaround time) to eligible borrowers
- Our digital product ensure banking at the fingertips.
- We focus on developing best-fit personalized product offerings that meet precise customer needs and expectations



Connecting the World

The growth in the telecommunication and information technology sector has led to easy access to information & communication in Bangladesh. With 178.61 million active subscriptions and more than 90 million unique subscribers, the inclusion of 4G, upcoming 5G, and launching of Bangabandhu 1 is set to boost connectivity & turn our country into a digital & smart Bangladesh.



DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders

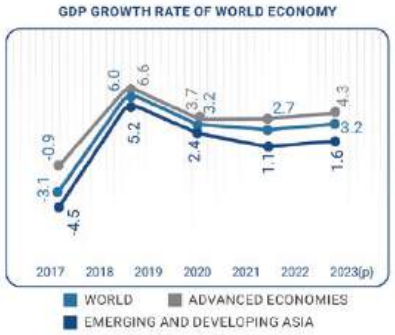
The Board of Directors of Bangladesh Finance Limited is pleased to welcome you to the 24th Annual General Meeting (AGM) of the company and present before you the Annual Report along with the Audited Standalone and Consolidated Financial Statements for the year ended December 31, 2022. The report includes a brief elaboration on the review of the business and its financial performance, as well as the underlying forces that have had an influence on them. This report has been prepared in compliance with section 184 of the Companies Act 1994, Financial Institutions Act 1993 and the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank and other regulatory authorities.

Global Economy

The global economy is experiencing a number of turbulent challenges. Inflation higher than seen in several decades, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. By introducing a flexible monetary policy that delivered unprecedented support during the pandemic is cooling demand as policy makers aim to lower inflation back to target. But a growing share of economies is in a growth slowdown or outright contraction. The global economy's future health rests critically on the successful calibration of monetary policy, the course of the war in Ukraine, and the possibility of further pandemic-related supply-side disruptions.

Global GDP Growth

Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic and reflects significant slowdowns for the largest economies: a US GDP contraction in the first half of 2022, a euro area contraction in the second half of 2022, and prolonged COVID-19 outbreaks and lockdowns in China with a growing property sector crisis. About a third of the world economy faces two consecutive quarters of negative growth.



Global Inflation

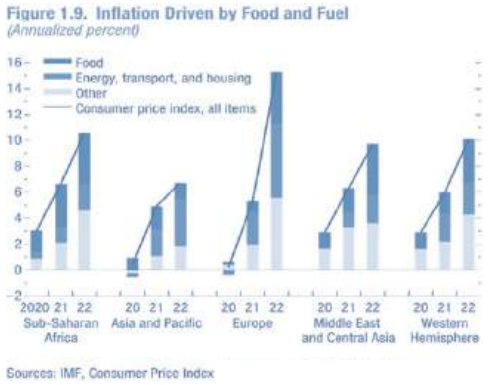


Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. In early 2022, the Russian invasion of Ukraine's effect on global oil prices, natural gas, fertilizer, and food prices further exacerbated the situation. The effect of sanctions on the Russian economy caused annual inflation in Russia to rise to 17.89%, its highest since 2002. Higher gasoline prices were a major contributor to inflation as oil producers saw record profits. Debate arose over whether inflationary pressures were transitory or persistent. Central banks responded by aggressively increasing interest rates. U.S. inflation surge to product shortages resulting from the global supply-chain problems, itself largely caused by the COVID-19 pandemic. In November 2021 inflation in the United States was 14.9% for durable goods, compared to 10.7% for consumable goods and 3.8% for services. Similar situations occurred in several other major economies. The supply chain stresses increased prices for commodities and transportation, which are cost inputs for finished goods. Eurozone inflation hit 9.1% and 10% in August and September, respectively.

According to IMF's World Economic Outlook OCT 2022, Global inflation is forecasted to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

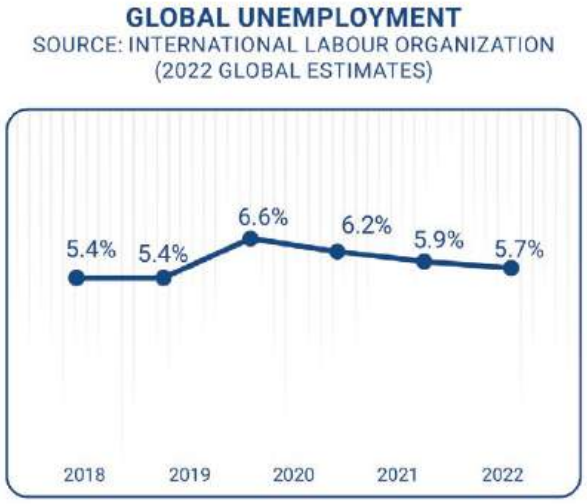
Global Commodity Market

Throughout 2022, the market was observed as a devastating situation. Russia's attack on Ukraine caused most commodities to peak in the first three months of 2022. However, for much of the rest of the year, synchronized interest rate hikes by central banks to deal with inflation and a slowing Chinese economy caused by the Covid-19 zero policy to combat new cases put downward pressure on commodity prices. Some notable price movement following the war in Ukraine was international benchmark Brent crude oil surge to $139 per barrel in early March on talks of the US plans to ban imports of Russian oil. Natural gas in Europe rose to a record high of €345 megawatts/hour in March. Wheat reached an all-time high of $13.6 per bushel as the Russia-Ukraine war disrupted deliveries from the main Black Sea ports. On the precious metals front, the conflict in Ukraine briefly elevated gold's status as a safe haven. The price of gold reached $2,000 an ounce in March 2022, but fell short of the all-time high of $2,075 per ounce set in August 2020. Most analysts expect central banks to continue their tightening cycle in the first half of 2023 to combat inflation, before easing the pace of their rate hike or reducing the rate in the second half. On 8 December, Fitch Solutions estimated global gross domestic product (GDP) to slow to 2% in 2023, from 3.1% in 2023. Developed markets will be hit hard, with a painful recession in the eurozone as well as a light and short recession in the US. Amid such a clouded global backdrop, physical as well as speculative demand for commodities will be capped. The World Bank suggested Brent could drop to $92 in 2023 and $80 in 2024, from $100 in 2022. Fitch Solutions' commodity price forecast expected Brent to average $95/barrel in 2023 and $88 in 2024, easing from an average of $101.7 in 2022. It suggested WTI could average $93/bbl in 2023 and $87 in 2024, dropping from $94.33 in 2022. JP Morgan Chase & Co. forecast brent crude oil to average around the $90/barrel level in 2023.



Global Unemployment

The unemployment rate in the was stable in September 2022, at 4.9%, slightly above its lowest point since the start of the 2001 (4.8%) recorded in July 2022. This rate was 0.4 percentage point below its pre-pandemic level. The number of unemployed workers in the OECD decreased slightly, to 33 million. The OECD unemployment rate was broadly stable in September for both women and men, at 5.1% and 4.6% respectively, as well as for workers aged 25 and above. However, the unemployment rate for younger workers slightly increased over the last two months, reaching 10.8% in September. In the euro area, the unemployment rate decreased slightly, by 0.1 percentage point, to 6.6% in September reaching its lowest level since the start of the series in 1990. The unemployment rate was stable or decreased in 80% of euro area countries, with the largest declines observed in Austria, France, Greece and Lithuania. Outside Europe, the unemployment rate fell in Canada, Mexico and the United States and was broadly stable in Japan. By contrast, it increased in Israel and Korea. In October 2022, the unemployment rate was stable at 5.2% in Canada while it increased to 3.7% in the United States from 3.5% in September. The total global number of unemployed youths should fall to 73 million in 2022, according to the UN Survey. The reasons behind were many dropped out of the labor force, or failed to enter it altogether, due to the difficulty of finding a job during Covid-19 lockdowns and while businesses were closing due to the pandemic. The global unemployment rate is projected to remain above its 2019 level until at least 2023. Labor market recovery will remain weak through 2023. Employment losses and a drop in labor income characterized 2021 as they had the year before. Low- and lower-middle-income countries have fared the worst. Moreover, people who already faced a disadvantage in the labor market, such as women, youth, the elderly, and migrant workers – have experienced higher employment losses than other groups.



World Economic Outlook 2023

Global growth is projected to fall from an estimated 3.4 percent in 2022 to 2.9 percent in 2023, then rise to 3.1 percent in 2024. The forecast for 2023 is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook (WEO) but below the historical (2000–19) average of 3.8 percent. The rise in central bank rates to fight inflation and Russia's war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall from 8.8 percent in 2022 to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic (2017–19) levels of about 3.5 percent.

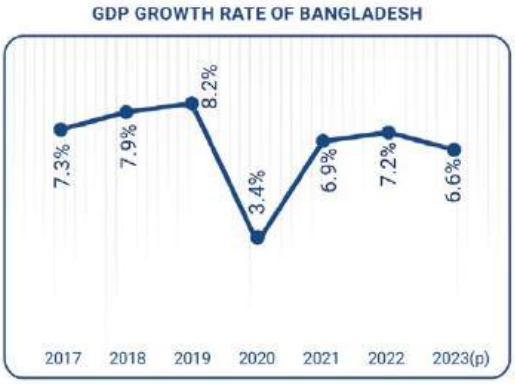
The balance of risks remains tilted to the downside, but adverse risks have moderated since the October 2022 WEO. On the upside, a stronger boost from pent-up demand in numerous economies or a faster fall in inflation is plausible. On the downside, severe health outcomes in China could hold back the recovery, Russia's war in Ukraine could escalate, and tighter global financing costs could worsen debt distress. Financial markets could also suddenly reprice in response to adverse inflation news, while further geopolitical fragmentation could hamper economic progress.

In most economies, amid the cost-of-living crisis, the priority remains achieving sustained disinflation. With tighter monetary conditions and lower growth potentially affecting financial and debt stability, it is necessary to deploy macroprudential tools and strengthen debt restructuring frameworks. Accelerating COVID-19 vaccinations in China would safeguard the recovery, with positive cross-border spillovers. Fiscal support should be better targeted at those most affected by elevated food and energy prices, and broad-based fiscal relief measures should be withdrawn. Stronger multilateral cooperation is essential to preserve the gains from the rules-based multilateral system and to mitigate climate change by limiting emissions and raising green investment.

Economy of Bangladesh

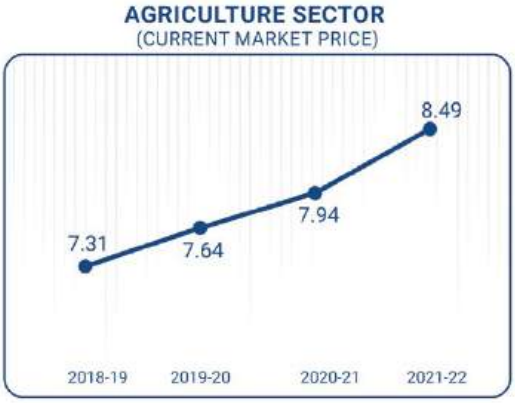
While the global economy was recovering strongly from the COVID-19 pandemic, the war in Ukraine posed a setback to the ongoing recovery. A rise in the global commodity prices and sluggish economic activities by war induced supply chain disruption is being observed. Sluggish growth rates between advanced economies and emerging and developing economies will be divergent. Growth in advanced economies is expected to decline from 5 percent in 2021 to 3.8 percent in 2022 and 2.3 percent in 2023.

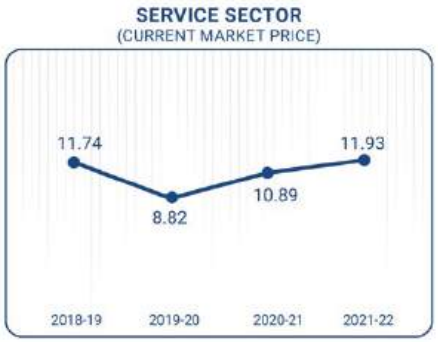
However, Bangladesh's economy was growing consistently high over a decade crossing 7.0 percent milestone in FY 2015-16 and 8.0 percent milestone in FY 2018-19. However, the COVID-19 pandemic reduced the growth rate to 3.4 percent in FY 2019-20. The economy grew by 6.94 percent in FY 2020-21. According to the BBS, the GDP growth stood at 7.2 percent in FY 2021-22, and it is estimated that the GDP will grow at a rate of 6.6% in FY 2022-2023.

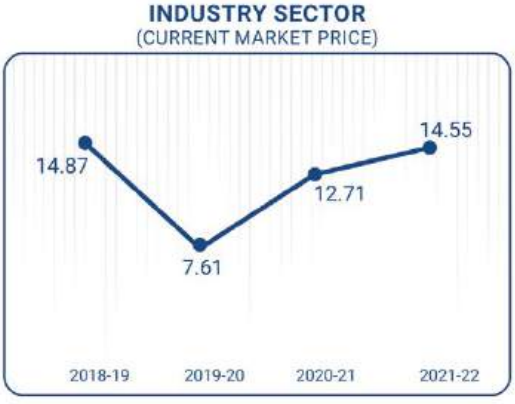


Sector Wise Economic Progress

In FY 2021-22, the growth of the agricultural sector has been 8.49 percent. whereas the industry and service sector appreciated with a growth rate of 14.55 and 11.93 percent correspondingly. The contribution of the broad service sector, such as; wholesale and retail trade; hotels and restaurants; transport, storage, and communication; financial intermediations; real estate, renting, business activities, etc., to the GDP stood at 53.07% in FY 2021-22. Among service sector utmost contribution came from wholesale & retail trade sector in FY 2021-22.







Budget at a Glance for FY 2022-23

Bangladesh has presented the largest budget of its history in its 51th year of sustaining as a sovereign nation. The size of the proposed budget for the FY 2022-23 is TK. 6,78,064 crore which is a 12.03% higher from the previous FY. In this period, we are going to have a deficit of Tk. 2,45,064 crore which is 5.50% of the total GDP and the highest deficit budget in the history of Bangladesh.



Remittance

The flow of inward remittances is observed to be dropped by 16.20 percent in September 2022. However, according to the monthly economic trend published by Bangladesh Bank, inward remittance of Bangladesh experienced an upsurge of 10.40 percent in Dec-22, accounting for 1,700 million USD. Although, higher gap between formal banking channel exchange rate of the US dollar against the local currency and kerb market has encouraged illegal hundi activities in recent past, the remittance data evident an eradicated effect of such activities.



Foreign Direct Investment

Despite economic growth in Bangladesh over the past decades, Foreign Direct Investment (FDI) has been facing a declining trend in Bangladesh. According to the Bangladesh Bank's statistics, the inflow of FDI stood at USD 3,889 million in the FY-19, recording the highest amidst the previous 4 years. However, it started to decline in FY-2020 and accounted for 2,179 million USD in the recent FY-22. The government is taking promotional activities like investment summits & roadshows to attract foreign investors however foreign investors are expecting to have more ease of doing business & a stable economic climate.



Foreign Exchange Reserve

A foreign exchange reserve displays a nation's backup fund which, can be used during a turmoil economic situation. Foreign exchange reserve stood at USD 36,476 million in the Sep-22 quarter which, was USD 41,827 million in Jun-22. Hence, a decline of 12.79 percent can be observed over the mentioned quarters. The underlying causes behind such decline are pressure from various dimensions like unabated dollar price appreciation & costlier imports.



Inflation

Inflation in Bangladesh has been facing a swelling growth in the first two quarter of FY-22 as price of food & non-food items are showing upward movement. In the June-22 quarter, point to point inflation was 7.56% & in quarter Dec-22 inflation increased to 8.71%. Both the point to point & 12-month average inflation depicted a significant increase in FY-22 compared to the previous years. In Dec-22 point to point inflation stood at 7.70%, increase 2.16% from the previous quarter.



Export

After dealing with the negative effects of the COVID-19 epidemic, Bangladesh's foreign trade has begun to improve. Total export earnings fell 17.1% to USD 32,832 million in FY 20 compared to the previous fiscal year. However, export earnings started to show an increasing trend from FY 21. In FY 22, export earnings totaled USD 49,245 million, representing a 30% increase over the previous fiscal year. During this time period, commodity-wise growth in export earnings demonstrates that export earnings



from practically all items have increased in comparison to the previous fiscal year. The government has taken several steps including providing cash incentives to encourage exporters.

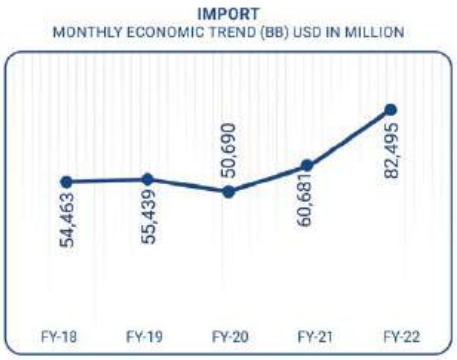
Import

Total import payments for FY-21 were USD 60,681 million, which upsurged to 82,495 million USD in FY-22 with a growth rate of 35.95%. Such an increase in import payment resulted in a negative balance of payments situation for FY-22. In accordance with FY-22, 25.60 percent of the total imported commodities arrived from China, while India was the second largest source of import, grabbing 18.10 percent of our total import.

Capital Market Overview

Turnover of the Dhaka Stock Exchange (DSE) increased almost two-fold in September-2022 compared to the previous quarter. This massive increase of in turnover is caused by enthusiastic investors after a slight decline trend in the market. The principal index (DSEX) of DSE stood at 6,513 points which is an increase of 2.13% from previous Jun-22 quarter. The higher DSE index also indices the growing confidence of investors. DSE30 index also portrayed a positive trend point over the quarters of march, June and September-22.

Market capitalization of the Dhaka Stock Exchange is observed to be increasing gradually since FY2020. As of FY-22, market capitalization of Dhaka Stock Exchange (DSE) stood at BDT 5,177 billion which illustrates a 0.68% increase in comparison with FY 2021.







Economic Outlook of Bangladesh 2023

Bangladesh has a strong track record of economic growth and poverty alleviation. Over the last decade, it has been one of the world's fastest-growing economies, owing to a demographic dividend, robust ready-made garment (RMG) exports, and stable macroeconomic conditions.

Looking ahead, solid economic growth momentum is expected to continue with growing internal and external demand, improving the COVID-19 situation, and rising business confidence. However, headwinds to this growth and inflation outlook could emerge from a number of factors, such as the unfavorable outcomes of the Russia-Ukraine war, the continuation of soaring global commodity and energy prices, and sustained widening current account deficits with the depreciation pressure on exchange rate.

Since Russia and Ukraine are critical suppliers of several commodities, such as wheat, maize, sunflower oil, corn, fertilizers, and rare earth minerals, including oil, gas, and metals, supply disruptions in these commodities may escalate their prices in the global markets. Given the escalated global commodity prices, the government's fuel and fertilizer subsidies will increase substantially, creating pressure on fiscal management. The pass-through of soaring global commodity prices and the exchange rate depreciation could impair domestic price stability through import channels. Apart from containing inflation at tolerable levels, keeping import payments manageable and maintaining stability in the foreign exchange markets would be a critical challenge for the economy.

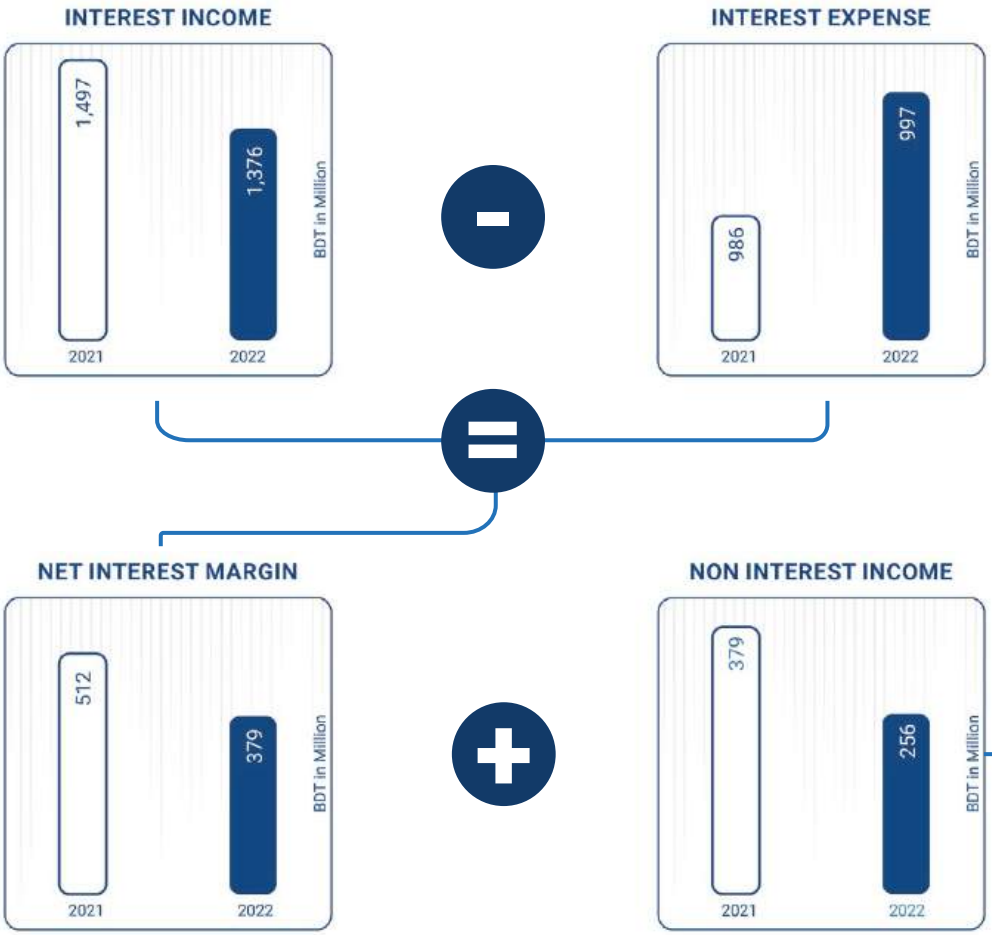
Given the shallow trade linkage of Bangladesh with Russia and Ukraine, the direct adverse impact of the war is expected to be limited. However, if the war lingers and propagates in neighboring European countries, which happen to be the major destinations of Bangladesh's exports and sources of remittance, the effects of the war could be non-trivial. In addition, the climate and environment-related vulnerabilities, like the recent sudden floods in the North and Northeastern part of the country, could have some headwinds on the country's overall price stability and growth prospect.

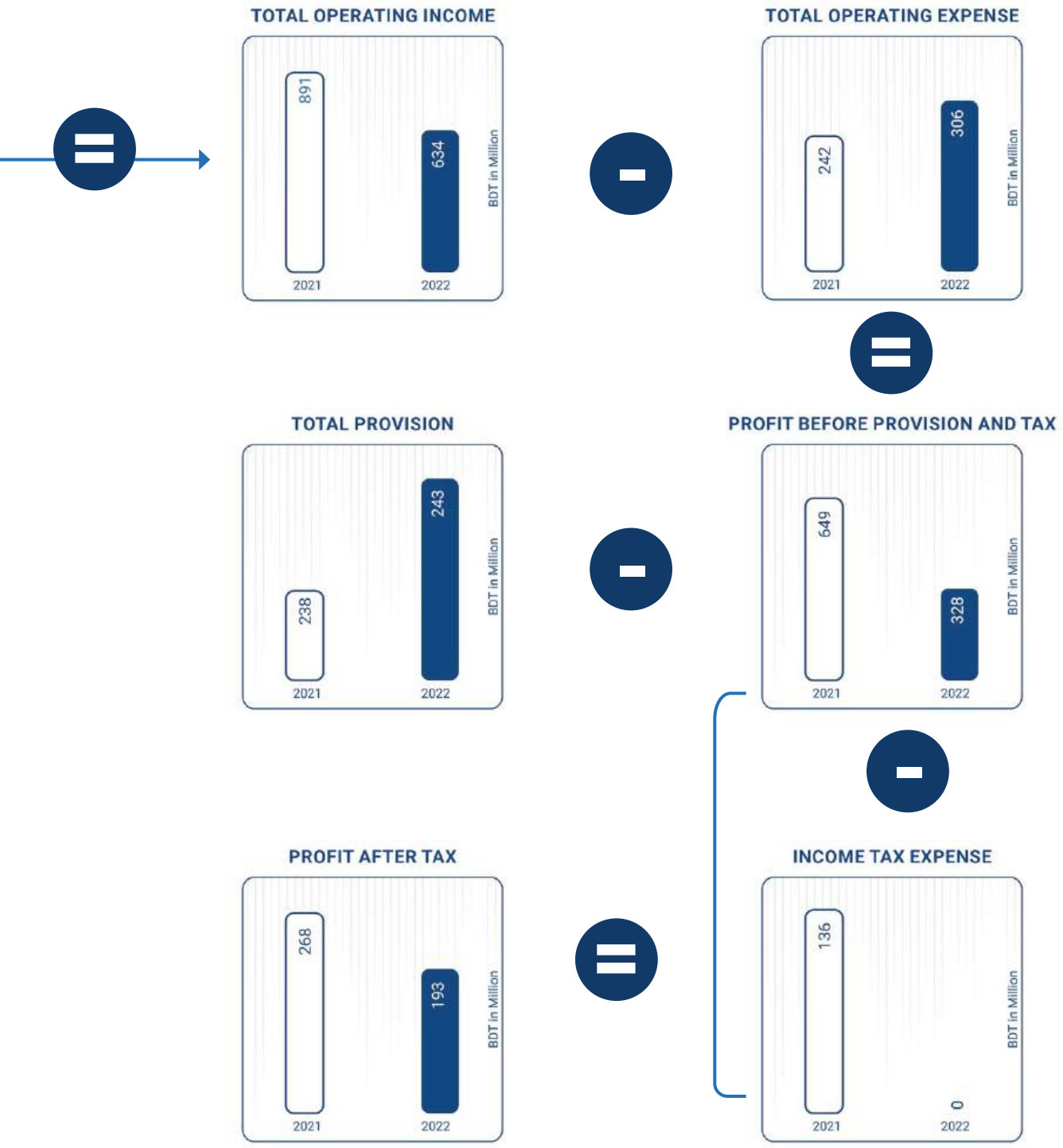
Performance of Bangladesh Finance in 2022

Bangladesh Finance has a strategy to improve its business portfolio by scouting good quality assets and to maintain a sustainable growth. The financial industry has been facing massive challenges since 2018. Severe liquidity crisis, reputational issue and growing non-performing loans still remains as the big concern for the industry. Keeping that in mind, Bangladesh Finance concentrated more on refinance schemes of Bangladesh Bank to grow its loan portfolio. The investment portfolio in lease and loan finance slightly increased to TK. 13,700 million in 2022 from TK. 12,369 million in 2021.



In addition to increasing the portfolio in the year 2022, Bangladesh finance improved its investment mix by reducing corporate investment and concentrating more on retail and CMSME segment. Operational performance of Bangladesh Finance compared to last year is summarized below:





The interest income decreased to BDT 1,376 million in 2022 from BDT 1,497 million in 2021 representing a negative growth of 8.1%. However, interest expenses increased to the tune of 1.2% due to liquidity crisis, inflationary adjustment and unstable money market. Overall net interest income showed a negative growth of 26%. The operating income stood at BDT 634 million in 2022 from BDT 891 million in 2021. The net profit after tax decreased to BDT 193 million in 2022 from BDT 268 million in 2021 registering a negative growth of 27.9% due to decreased other income and investment income.

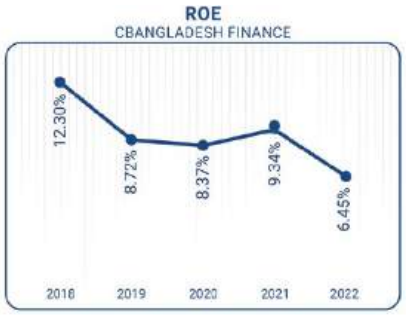
Net Asset Value Per Share

There is an increase in Net Asset Value Per Share, in 2021 the Net Asset Value Per Share was BDT 15.69, which has increased to 16.15 in 2022. There is a 2.9% increase in Net Asset Value Per Share in 2022. The term Net Asset Value Per Share refers to the total value of a fund's investments divided by the number of shares outstanding. It indicates the price at which shares in that fund can be bought and sold.



Return on Equity

There is a decrease in Return on Equity (ROE) in the year 2022. The ROE has decreased to 6.45% in 2022 from 9.34% in 2022. Return on Equity is measured by dividing net income by shareholder's equity. We consider ROE as a measure of the profitability of a company in relation to stockholder's equity.



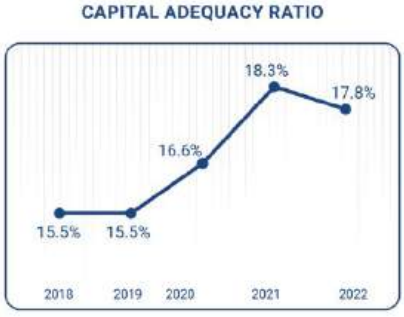
Earnings Per Share (EPS)

Earnings Per Share, or EPS gauges how much profit a company has generated. It is the portion of a company's profit that is allocated to each outstanding share of its common stock. EPS is calculated by dividing a company's total earnings by its outstanding shares. The Earnings Per Share has decreased to 1.03 in 2022 from 1.42 in 2021. The earnings decreased sharply due to lower of investment income from capital market operation, decreased interest income.



Capital Adequacy Ratio

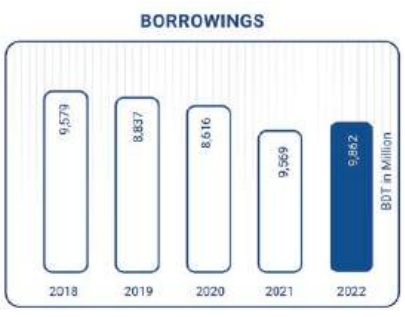
The minimum paid-up capital of the Financial Institution (FI) shall be Taka 100 crore; provided that the sum of paid-up capital and reserves shall not be less than the minimum capital requirement (10% at present) under the Risk-Based Assets of the company, criteria determined by the Bangladesh Bank. Bangladesh Finance has maintained capital at 17.8% rate in 2022 which was 18.3% in the year 2021.



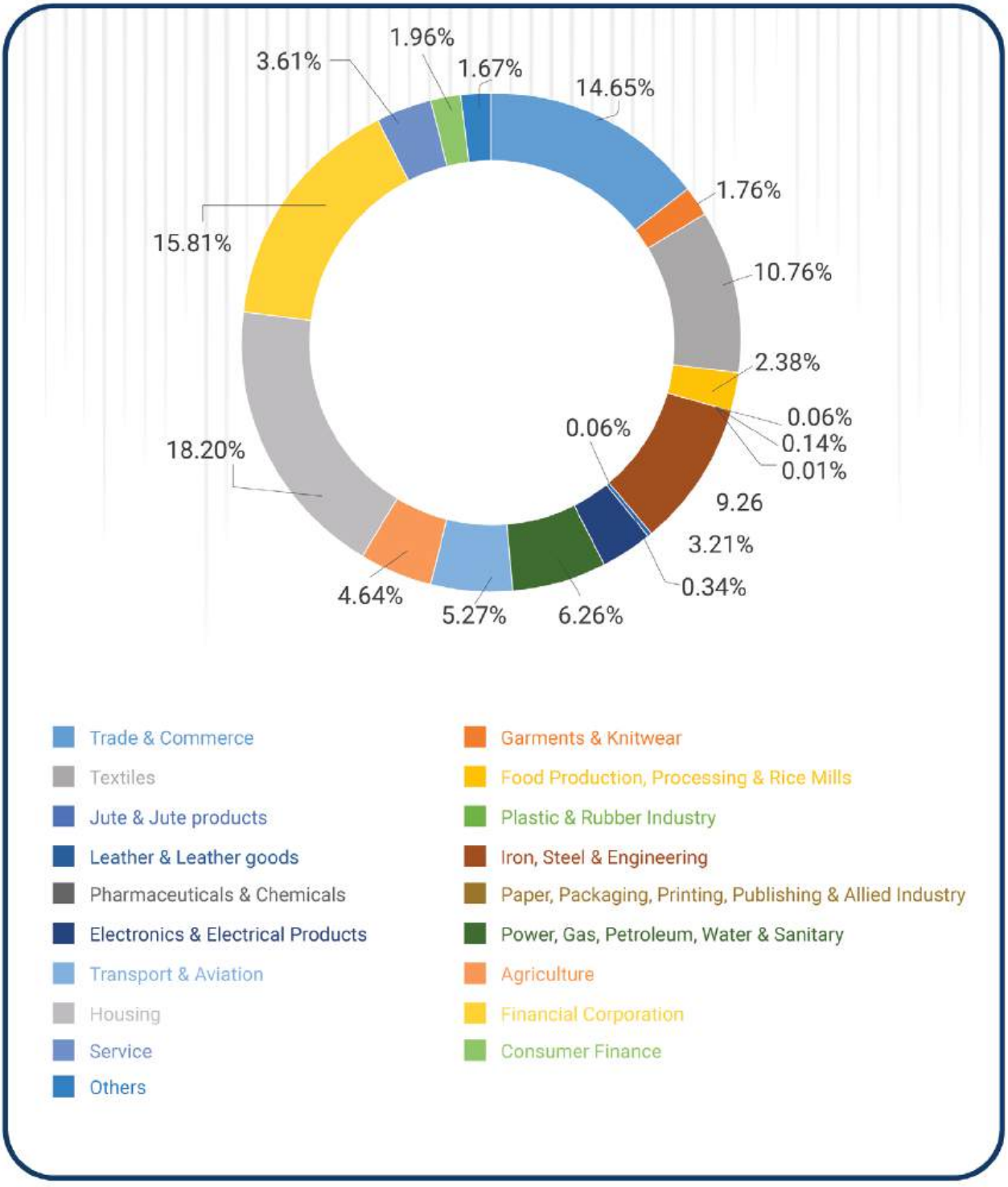
Deposit and Bank Borrowing

Total deposits increased by 3.1% in the year 2022 compared to previous year. Again, the dependency on bank borrowing increased by 6.5% in the year 2022. At the end of the year 2022 total deposit base of Bangladesh Finance stood at TK. 9,862 million from TK. 9,569 million in 2021.





SECTOR WISE CLASSIFICATION OF INVESTMENT 2022



Internal Control

The system of internal control is sound in design and has been effectively implemented and monitored within the organization. To further improve the internal control and monitoring system Bangladesh Finance has enriched its management information system.

Internal Control Over Financial Reporting

As well as complying with the Code, the Group has adopted the best practice recommendations for risk management, internal control and related financial and business reporting and the Company's internal control framework operates in line with the recommendations set out by the regulatory bodies.

Risk Management

Taking on credit exposure is a defining element of our business, and risk management of lending activities is a major challenge. Our risk management practices are currently undergoing a significant transformation, entailing a greater emphasis on the systematic analysis and assessment of the quality of the lease/loans and the development of qualitative and quantitative parameters to reduce internal and external risks.

Bangladesh Finance follows a standard credit policy which has been designed considering all kinds of related risks. The company has formed several committees (e.g. Credit Committee, Risk Management Forum, Internal Control and Compliance, Anti-Money Laundering/Central Compliance Unit) to deal with the various risk issues in the best possible way. The members of the mentioned committees meet on a regular basis to minimize and manage the risk. The Board continuously assess the risks faced by the organization and updates policies to maintain the balance between risk and growth. While the Board sets the policies, management is responsible for implementing those policies throughout the organization. The risk management issue has been discussed in detail in the chapter named "Risk Analysis and Management" of this report.

Directors' Rotation and Re-appointment

As per Articles 121, 126 and 127 of the Articles of Association of the Company which comply with the pertinent company law of the country, one-third of the Board of Directors (Excluding Managing Director and Independent Directors) shall retire by rotation. The following Directors shall retire from the office by rotation at the 24th Annual General Meeting:

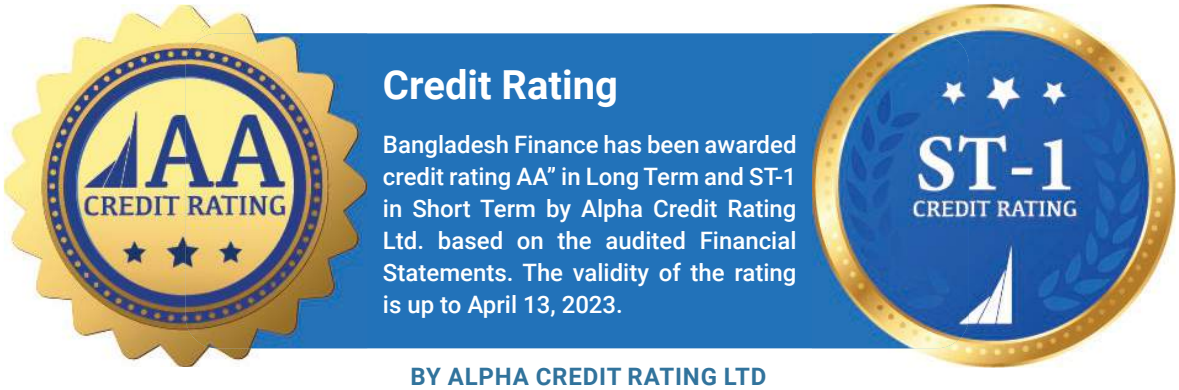
Mr. Md. Asaduzzaman Khan
(Nominated by Khaled Iron and Steels Ltd.)

Mr. Imtiyaj Yousuf
(Shareholding Director)

As per Article 128 of the Articles of Association of Bangladesh Finance, the Directors who retire by rotation, are eligible for reelection. Furthermore, Anwar Ispat Ltd. has recently changed their nomination to the Board of Bangladesh Finance Ltd. The Brief Resume and other information of the Directors as per clause 1.5 (xxiv) of the Corporate Governance Code of BSEC as on June 03 2018 are depicted in the directors' profile. The names of the companies in which the person also holds the directorship are shown on note no: 43.1 of the Financial Statements. It is noteworthy that, all the reappointment and new appointment of Directors are duly approved by the Bangladesh Bank which will be placed in the 24th AGM for final approval from the shareholders.

Appointment of Independent Director

The Independent Directors were duly appointed according to the Corporate Governance Code as prescribed by Bangladesh Securities and Exchange Commission (BSEC). The Board of Directors reappointed Mr. Md. Rokonuzzaman FCA as the independent director of Bangladesh Finance on its 256th Board meeting held on 21 June 2022. Again, Mr. Iqbal Uddin Ahmed also reappointed as another independent director in the 263rd Board meeting held on 29 November 2022. Both the appointment of the directors is duly approved by the Bangladesh Securities and Exchange Commission and Bangladesh Bank.



Quarterly Operating Results

Bangladesh Finance registered a slight decreasing growth in loans and advances in 4th Quarter over 1st, 2nd and 3rd Quarters (QoQ) respectively and an increasing the trend on Year over Year (YoY) basis. Deposit was grown over 4th Quarter over 2nd and 3rd Quarters (QoQ) in spite of the unhealthy competition to the tight money market and liquidity crisis and global economic slowdown. Revenue increase in QoQ basis in Q3'22 and Q4'22 with huddle recovery from outstanding loans, reduction of deposit rate, dividend income from subsidiaries and cost reduction strategy. Operating profit and net profit also increased in Q4'22 compared to quarters of 2022. However, overall net profit after tax decreased due to interest rate capping and depression in liquidity market.

Quarterly Operating Results

Particulars	Q2'22	Q1'22
Loan & Advances	**13,956**	**13,724**
Growth (%)-QoQ	1.69%	2.65%
Growth (%)-YoY	4.39%	2.65%
Deposit & Other Accounts	**10,275**	**10,458**
Growth (%)-QoQ	-1.75%	9.29%
Growth (%)-YoY	7.37%	9.29%
Revenue	**296**	**133**
Growth (%)-QoQ	121.62%	-85.02%
Growth (%)-YoY	-66.80%	-85.02%
Operating Profit	**166**	**76**
Growth (%)-QoQ	117.92%	-88.22%
Growth (%)-YoY	-74.33%	-88.22%
Profit After Tax	71	34
Growth (%)-QoQ	108.09%	-87.36%
Growth (%)-YoY	-73.70%	-87.36%
Cost to Income Ratio	43.88%	42.92%
Growth (%)-QoQ	2.22%	56.61%
Growth (%)-YoY	60.09%	56.61%
Classified Loan Ratio (%)	3.24%	3.23%
Growth (%)-QoQ	0.31%	27.17%
Growth (%)-YoY	27.56%	27.17%

Quarterly Operating Results

Particulars	Q4'22	Q3'22
Loan & Advances	**13,700**	**14,043**
Growth (%)-QoQ	-2.45%	0.62%
Growth (%)-YoY	2.47%	5.04%
Deposit & Other Accounts	**9,862**	**9,185**
Growth (%)-QoQ	7.38%	-10.61%
Growth (%)-YoY	3.07%	-4.02%
Revenue	634	395
Growth (%)-QoQ	60.56%	33.69%
Growth (%)-YoY	-28.75%	-55.62%
Operating Profit	328	190
Growth (%)-QoQ	72.30%	14.74%
Growth (%)-YoY	-49.26%	-70.55%
Profit After Tax	192	75
Growth (%)-QoQ	154.94%	6.63%
Growth (%)-YoY	-28.51%	-71.96%
Cost to Income Ratio	48.31%	51.83%
Growth (%)-QoQ	-6.80%	18.13%
Growth (%)-YoY	76.26%	89.11%
Classified Loan Ratio (%)	5.56%	3.08%
Growth (%)-QoQ	80.52%	-4.94%
Growth (%)-YoY	118.90%	21.26%

- Loans and advances balance decrease due to collections of loans in Q4.
- Deposit and other accounts increase due to Deposit collection from customers in Q4.
- Revenue growth in Q4 due to dividend income from subsidiaries which increases operating income and profit after tax as well.
- Cost to income decreases in Q4 due to revenue growth and lower growth of expenses but increases compared to last year due to incremental new hiring, slight increase in operating cost due to inflation adjustment.

Credit Rating

Bangladesh Finance has achieved the credit rating 'AA' (double A) in long term and ST-1 in short term. This credit rating reflects the company's strong capacity to meet its financial obligations ensuring high safety for depositors and investors.

Extra-Ordinary Gain or Loss

During the year 2022, Bangladesh Finance realized gain/loss of 97.26 million (solo) and 297.36 million (consolidated) respectively from the investment in shares from the capital market.

Statement of Directors on Financial Reporting Framework

The directors are responsible for the governance of the company and as part of preparation and presentation of the financial statements. We, the directors confirm compliance with the financial reporting framework in line with the Corporate Governance Code issued by Bangladesh Securities & Exchange Commission in the following matters:

- The financial statements prepared by the management present fairly its state of affairs, the result of its operation, cash flow and statement of changes in shareholders' equity;
- Proper books of accounts of the company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable & prudent judgment;
- The International Accounting Standards (IAS) or applicable International Financial Reporting Standards (IFRS), as applied in Bangladesh, have been followed in preparation of the financial statements any departure there from has been adequately disclosed;
- Internal Control System is sound in design and has been effectively implemented & monitored;
- There is no significant doubt upon the ability of the company to continue as a going concern.
- Although there are some quarterly deviations due to the change in funding cost, at the year-end there are no significant deviations from the last year's operating results.

We (Board of Directors) also hereby confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, profit or loss of the company;
- Adequate disclosures have been provided for the users of financial statements to understand the impact of financial information, other events and conditions on the entity's financial position and financial performance.
- Reasonable effort has been made to safeguard company's assets and to detect/prevent any fraud or irregularities.
- The minority shareholders have been protected from abusive actions by, or in the interest of, controlling
- Shareholders acting either directly or indirectly and have effective means of redress.

Related Party Transactions

In the normal course of business, Bangladesh Finance has entered into very few transactions with related parties during the year 2022. Disclosure of all related party transactions including nature and basis of such transactions have been furnished in Financial Statements, note no. 43.

Key Operating and Financial Data

Key operating & financial data over the last five years as per requirement of BSEC Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 are presented in Annexure-III to this report. Highlights of overall operations of the company as per DFIM Circular No. 11 dated December 23, 2009 are also been presented on Annexure-C of Financial Statements.

Dividend

The Board of Directors proposed 10% cash dividend for the year 2022. Considering the overall situation of the financial sector of the country, the Board believe that the cash dividend will give a confidence to the investors about the strength of the company. The Board also states that in line with the corporate governance code prescribed by BSEC, no bonus shares or stock dividend was declared as interim dividend during the year 2022.

Shareholding Pattern

According to the CDBL report, there were 8496 registered ordinary shareholders as on December 31, 2022. The shareholding pattern of the company as on December 31, 2022 is disclosed as per new Corporate Governance Code of BSEC in Annexure-I of this Directors' Report.

Meetings Attendance & Remuneration

During the year 2022 a total of 13 (Thirteen) Board Meetings, 1 (One) Executive Committee Meeting & 5 (Five) Audit Committee meetings were held. The detail of meeting attendance by the Directors along with remuneration paid to them are disclosed in Annexure- II of this Directors' Report.

Going Concern

Going Concern is one of the fundamental accounting concepts that determine the basis of preparation of the financial statement. According to going concern concept, an entity deems to have perpetual succession; i.e. to be continued in operation for foreseeable future. The management of an entity is responsible to assess the entity's ability to continue as a going concern company before preparing the financial statement. The assessment is pertinent as it is required/guided by the International Accounting Standard, Companies Act, Listing Rules of concern issue and Corporate Governance Code of BSEC.

The management of Bangladesh Finance has made an annual assessment of the company on the ability as going concern based on the accounting period ended on 31 December 2022 by making appropriate inquiries including review of budget as well as future outcomes of external and internal risks associated with the business. Considering the following major indicators, the management of Bangladesh Finance has come to the decision that preparation of financial statement of Bangladesh Finance for the year 2022 on going concern assumption is appropriate:

Indicating Factors	Response/Status of the Company
Dependency on Bank Borrowing	As on 31 December 2022, the bank borrowing of Bangladesh Finance is Taka 2,666.63 million against Term and Scheme deposit of Taka 9,862.35 million. Again, the bank borrowing is 18.56% of total liabilities which indicates that the company has no significant dependency on bank borrowings.
Equity Base	Bangladesh Finance has a good equity base which stands at Taka 3,040.95 million as of December 31, 2022 compared to Taka 2,954.06 million in the same period of previous year.
Interest Coverage Ratio	As of December 31, 2022, interest coverage ratio of Bangladesh Finance stands at 2.56 times (EBIT/Interest Expense-Borrowing) which indicates a good capacity of serving debt.
Credibility in payment of loan obligations and encashment of deposit	Bangladesh Finance has strong credibility in terms of payment of its obligations to lenders. The payment history of the company is smooth towards both the lenders and depositors.
Renew of borrowing facility	At the end of year 2022, total borrowing from other banks and financial institutions becomes Taka 2,666.63 million. Based on our relationship, reputation and past experience, it can be said that a major part of the debt would be renewed further.
Faith and confidence of depositors towards the company	Bangladesh Finance has good relationship with the depositors and good track record in settling its obligation towards its depositors. The confidence and continues support from the depositors helped the company to maintain a good amount of deposit consistently.
Financial Ratios	Most of the key financial ratios of the company are favorable. The key operating and financial ratios have given in Financial Highlight.

Non-Performing Loan (NPL)	The company has an excellent track record for improvement of non-performing loan. As of 31 December 2022, the NPL stands at 5.56% whereas the industry average is two-digit figure.
Payment of Dividend	Bangladesh Finance has been paying dividend consistently to its shareholders over the years. The balance sheet as on 31 December 2022 is also supportive to continue the trend of its dividend payment.
Working Environment and Employee Satisfaction	The employees of Bangladesh Finance enjoy a good working environment. They dedicatedly work for the company and the company care for them by providing benefits and recognition.
Ability to Meet Operational Expenses	Bangladesh Finance has not faced difficulties in paying its day-to day operational expenses. It has a culture to pay the vendors on time.
Off-balance Sheet Liability	Bangladesh Finance has limited amount of off-balance sheet liability which is not material compared to the financial strength of the company.
Maintenance of Capital Adequacy Ratio (CAR)	Bangladesh Finance has been maintaining the required CAR consistently as per the instruction of Bangladesh Bank (DFIM Circular Number 14, dated December 28, 2011). As of December 31, 2022, the CAR stands at 17.80% against the required rate of 10.00%.
Change in Government Policy	The management of Bangladesh Finance does not anticipate any significant changes in legislation or government policy, which may materially affect the business of the Company.

Review of Subsidiaries Performance

Bangladesh Finance has mainly two subsidiaries:

1. Bangladesh Finance Securities Limited (BD Securities)
2. Bangladesh Finance Capital Limited (BD Capital)

Bangladesh Finance Securities Limited (BD Securities)

The First subsidiary (56.34%) of Bangladesh Finance is BD Securities that offers full-fledged international standard brokerage service for retail and institutional clients. It started its operation in November 2011. It also has seats on Dhaka Stock Exchange Limited. BD securities has managed to come out as a strong market player in the sector within a short period of time. The total investment portfolio size of Bangladesh Finance securities stood at Tk. 360.98 million at the end of the year 2022. While the total asset is Tk. 2,550.26 million. Earnings Per Share (EPS) is Tk.1.50, which is 0.77% higher than that of 2021.

Bangladesh Finance Capital Limited (BD Capital)

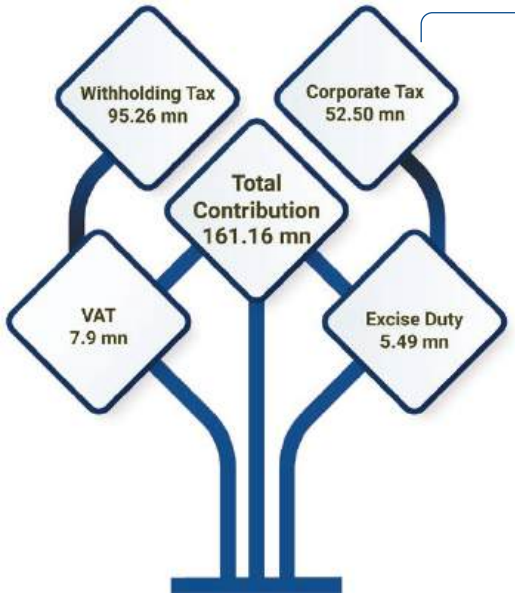
Bangladesh Finance Capital Limited, known as BD Capital is a 99.972% subsidiary of Bangladesh Finance. It started its operation from February 26, 2012 as a full-fledged Merchant Bank. Portfolio management, issue management, underwriting of securities and advisory services are the main activities of the company. BD Capital has achieved a sustainable growth in the Merchant Banking Industry within a short time period. It indicates a further potential growth of the company in the near future. The total Asset of BD Capital stood at Tk. 693.39 million at the end of the year 2022.As per Articles 121, 126 and 127 of the Articles of Association of the Company which complying with the pertinent company law of the country, one-third of the Board of Directors (Excluding Managing Director and Independent Directors) shall retire by rotation. The following Directors shall retire from the office by rotation at the 24th Annual General Meeting.

Contribution to the Society & Environment

As a corporate citizen, Bangladesh Finance always considers to contribute towards the society and environment. Bangladesh finance is focusing in CMSME sector with a view to support the small entrepreneurs who play an important role in the economy of the country. Bangladesh Finance is engaged with various social and environmental initiatives as part of its CSR activities.

Insider Trading

The members of the Board of Bangladesh Finance as well as its sum-committees, or its senior management and their family members did not involve in any insider trading and did not violate the provision with regard to insider trading.



Contribution to National Economy

Bangladesh Finance contributes to the national economy mainly through contribution to the national exchequer, as well as through financing in productive enterprises and creating employment thereby. Bangladesh Finance has been playing a good role over the last two decades by financing various successful projects in the private sector of the country. As a direct contribution to the national economy, Bangladesh Finance deposited a total amount of BDT 161.16 million during the year 2022 in the form of corporate tax, withholding tax, excise duty and VAT to the national exchequer.

Management's Discussion and Analysis

A detailed discussion and analysis of financials, as delivered by the MD & CEO in line with the Corporate Governance Code, is appended in this annual report.

Declaration by the CEO and CFO

A declaration by the Managing Director & CEO and the Chief Financial Officer, as prescribed in the Corporate Governance Code has been appended as Annexure-A to the corporate governance report.

Statutory Auditor

Hoda Vasi Chowdhury & Co., Chartered Accountants are the current statutory Auditors of Bangladesh Finance who (the audit firm) were appointed in the 23rd Annual General Meeting held on March 31, 2022 for the year 2022 until 24th Annual General Meeting. On the basis of the proposal of the Board Audit Committee, the Board recommends A. Qasem & Co., Chartered Accountants to be appointed as the statutory auditor of the company for the year 2023 at a remuneration of BDT 300,000.00 only (excluding VAT) up-to the 25th Annual General Meeting.

Compliance Auditor

Itrat Husain & Associates, Chartered Secretaries in practice are the current compliance auditor of Bangladesh Finance who (the audit firm) were appointed in the 23rd Annual General Meeting held on March 31, 2022 for the year 2022 until 24th Annual General Meeting. On the basis of the proposal, the Board recommends Itrat Husain & Associates, Chartered Secretaries in practice to be reappointed as the compliance auditor of the company for the year 2023 at a remuneration of BDT 75,000.00 only (excluding VAT) up-to the 25th Annual General Meeting.

Status of Compliance on Corporate Governance

Status of the compliance of conditions of Corporate Governance Code imposed by Bangladesh Securities and Exchange Commission under Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03 2018 along with a certificate from a compliance auditor in practice has been enclosed as page no. ... to the Corporate Governance Section. We also appended a statement of compliance with the good governance guidelines issued by Bangladesh Bank as additional Disclosure in the Corporate Governance Section.

Outlook 2023

The year 2023 will be the year of 'recovery from economic recession' for Bangladesh Finance Limited. The high level of non-performing loans in the banking and financial institutions sector in Bangladesh has been an area of concern. With the economic recession, the risk profile of the borrower has deteriorated across the world – and Bangladesh is no exception. With lending cap policy that take away the ability to cover the risk to the full extent created an ill-timed double whammy. At the same time, high inflation and liquidity crisis will give extra challenges for the business community and the savers people.

Our top most challenges in 2023 shall be to maintain quality asset portfolio, to reduce the amount of classified loans, to increase retail and SME business both in Deposit and Loans & Advances segment, and to avail low-cost refinance scheme so that the cost of fund could be reduced and the desired reduction in lending rate can be achieved. Our strategies next year will include: exploiting the growing rural deposit basket by strengthening the Sales team, cross Selling of different products and services including retail to corporate customers will get the top most focus next year. In our loan portfolio, we will remodel the concentration of segment wise loans & focus on good rated business, SME and retail businesses, and increase fee-based income through our 'Structured Finance' department. New emerging sectors like ICT Sector, Energy & Power Sector, Health care sector, Light Engineering, Tourism Industry, Ceramic Sector, to be more emphasized. Special attention will be given to expand SME credit portfolio to achieve relatively higher yields and also to reduce adverse effects of large volume defaults. Existing thrust sectors like agro based industries, leather, frozen food, textile industry to be more focused. Agri-business sectors like sugar, edible oil, wheat, rice, maze, pulses, peas, Food & Beverage to be more focused. In addition, we are going to explore new business avenues for ensuring wide range of customer services through establishing a new wing in the name of 'Islamic Financing Wing'.

Acknowledgement

The Board of Directors expresses heartfelt appreciation and gratitude to the valued clients, lenders, depositors, bankers & business associates for their support and cooperation. The Board also expresses its gratitude to Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, National Board of Revenue, Registrar Joint Stock Companies & Firms and other regulatory bodies for their assistance and guidance. Our sincere appreciation goes to the employees of the company for their loyalty, efforts and dedication. Finally, the Board of Directors thank the respected shareholders for their confidence on the Board and Management and assures them that the process of strengthening and developing of the company will continue in coming days to optimize the wealth of the stakeholders.

For and on behalf of the Board of Directors,



Manwar Hossain
Chairman
Bangladesh Finance Limited

ANNEXURE-I

PATTERN OF SHAREHOLDINGS AS ON DECEMBER 31, 2022 AS REQUIRED BY THE CORPORATE GOVERNANCE CODE ISSUED BY BSEC:

	Status (Sponsor/ Promoter/Director/ Nominated Director/ Independent Director/ Depositor Director etc.)	No. of Securities Held as on End of the Month	% of Total No. of Paid-up Securities as on End of the Month
		31.12.2022	31.12.2022
A. Parent/ Subsidiary/ Associated Companies		Nil	
B. Directors, Sponsors, CEO, Company Secretary, CFO, Head of Internal Control and Compliance and their spouse and minor children			
ANWAR STEEL MILLS LTD.		9,004,232	4.78%
MR. FURKAAN MUHAMMAD N HOSSAIN (Nominated by Anwar Steel Mills Ltd)	Director	Nil	-
ANWAR ISPAT LTD		14,223,130	7.56%
MRS. SHAHNAZ RASHID (Nominated by Anwar Ispat Ltd)	Director	Nil	-
HOSSAIN DYEING & PRINTING MILLS LTD.		7,857,468	4.17%
MR. MANWAR HOSSAIN (Nominated by Hossain Dyeing & Printing Mills Ltd)	Director	1,219,240	0.64%
KHALED IRON & STEELS MILLS LTD.	Director	3,797,998	2.02%
MR. MD. ASADUZZAMAN KHAN (Nominated by Khaled Iron & Steel Mills Ltd)	Director	Nil	0.00%
ANWAR SILK MILLS LTD.		3,805,265	2.02%
MR. YOUSUF AMAN (Nominated By Anwar Silk Mills Ltd)	Director	Nil	-
MEHMUD INDUSTRIES (PVT.) LTD.	Director	7,125,828	3.79%
MR. IHTIAZ YOUSUF (Nominated by Mehmud Industries (PVT.) Ltd)	Director	Nil	-
Mr. Imtiyaj Yousuf	Director	8,189,251	4.35%
Mr. Abdur Rashid Salam	Sponsor	1,363,052	0.72%

	Status (Sponsor/ Promoter/Director/ Nominated Director/ Independent Director/ Depositor Director etc.)	No. of Securities Held as on End of the Month	% of Total No. of Paid-up Securities as on End of the Month
		31.12.2022	31.12.2022
Mr. Chowdhury Monwar Ahmed Siddiqui	Sponsor	1,729,356	0.92%
Mr. Ihteshamur Rahman	Sponsor	402,260	0.21%
Mr. Chowdhury Erteza Ahmed Siddiqui	Sponsor	10,321	0.01%
Mr. Md. Rokonuzzaman, FCA	Independent Director (Non-shareholding)	Nil	-
Mr. Iqbal U. Ahmed	Independent Director (Non-shareholding)	Nil	-
Mr. Md. Kyser Hamid	Managing Director & CEO	Nil	-
Mr. Md. Sajjadur Rahman Bhuiyan, his spouse and minor child	CFO	Nil	
Mr. Munshi Abu Naim, his spouse and minor child	Company Secretary	Nil	
Mr. Firoz Hasan Siddiquee, his spouse and minor child	Head of Internal Control & Compliance	Nil	
Sub-Total		**58,727,401**	**31.19%**
C. Executive (Top five person other than CEO, CFO, CS, HICC)			
Mr. Md. Anwar Hossain	Executive Vice President	Nil	-
Mr. Mohammed Jahir Uddin	Senior Vice President	Nil	-
Mr. Mohammad Abu Obayed	Vice President	Nil	-
Mr. Amitav Debnath	Vice President	Nil	-
Mr. Munshi Md. Ashfaqul Alam	Vice President	Nil	-
D. Shareholders holding 10% of more voting right	-	Nil	-

ANNEXURE-II

Name of Directors	Designation	Board of Directors Meeting			EC Meeting			AC Meeting			Total Remuneration paid for the year 2022
		Attend Ratio	Attendance as percent of total meeting held	Remuneration Paid for attending the meeting	Attend Ratio	Attendance as percent of total meeting held	Remuneration Paid for attending the meeting	Attend Ratio	Attendance as percent of total meeting held	Remuneration Paid for attending the meeting	
Mr. Manwar Hossain (Nominated by Hossain Dyeing & Printing Mills Ltd)	Chairman	11/13	85	88,000							96,000
Mr. Iqbal U. Ahmed	Vice-chairman, Independent Director	13/13	100	104,000	1/1	100	8,000	5/5	100	40,000	144,000
Mr. Md. Rokonuzzaman FCA	Independent Director	10/13	77	80,000				5/5	100	40,000	128,000
Mr. Furkaan Muhammad N Hossain (Nominated by Anwar Steel Mills Ltd.)	Director	6/13	38	48,000	1/1	100	8,000	2/5	40	16,000	136,000
Mr. Geasuddin Ahmed	Director	5/5	100	40,000	1/1	100	8,000				96,000
Mr. Md. Asaduzzaman Khan (Nominated by Khaled Iron & Steel Mills Ltd)	Director	13/13	100	104,000	1/1	100	8,000	5/5	100	40,000	144,000
Mrs. Shahnaz Rashid (Nominated by Anwar Ispat Ltd.)	Director	13/13	100	104,000							80,000
Mr. Yousuf Aman (Nominated by Anwar Silk Mills Ltd)	Director	12/13	92	96,000				5/5	100	40,000	112,000

Mr. Imtiyaj Yousuf	Director	11/13	85	88,000								80,000
Mr. Ihtiaz Yousuf (Nominated by Mehmud Industries (Pvt) Ltd.)	Director	13/13	100	104,000								80,000
Mr. Md. Kyser Hamid	MD & CEO	10/10	100		3/3	100						
Total Remuneration Paid				**856,000**			**32,000**			**176,000**		**1,064,000**

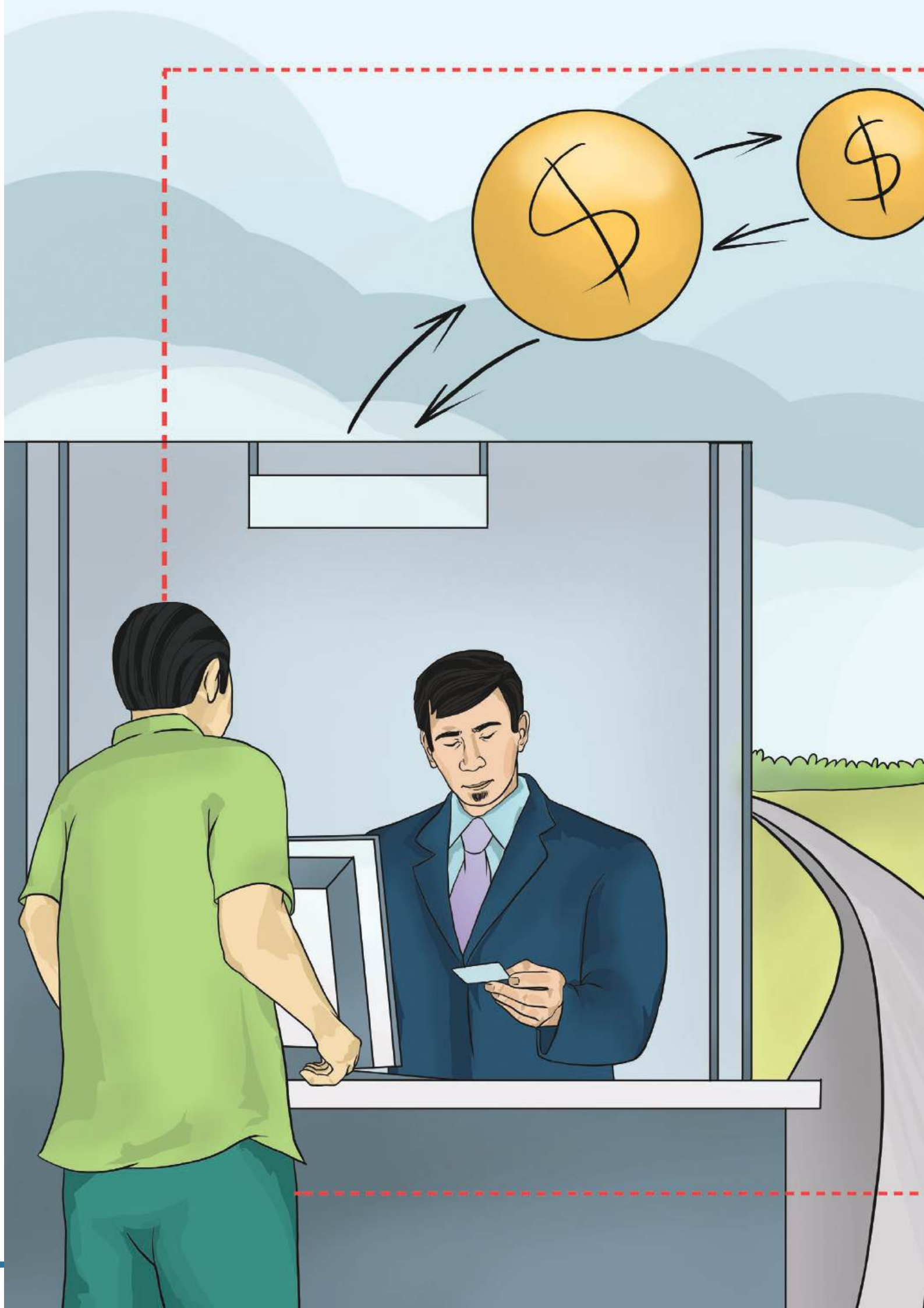
Shariah Supervisory Committee				
Name of Directors	**Designation**	**Attend Ratio**	**Attend (%)**	**Remuneration**
Prof. Dr. Giash Uddin Talukder	Chairman	3/5	60	24,000
Md. Abdul Awwal Sarker	Member	5/5	100	40,000
Dr. Zubair Muhammad Ehsanul Haque, CSAA	Member	5/5	100	40,000
Dr. Md. Ruhul Amin Rabbani	Member	5/5	100	40,000
Md. Kyser Hamid	Member	5/5	100	-
Total Remuneration for 2022				**144,000**

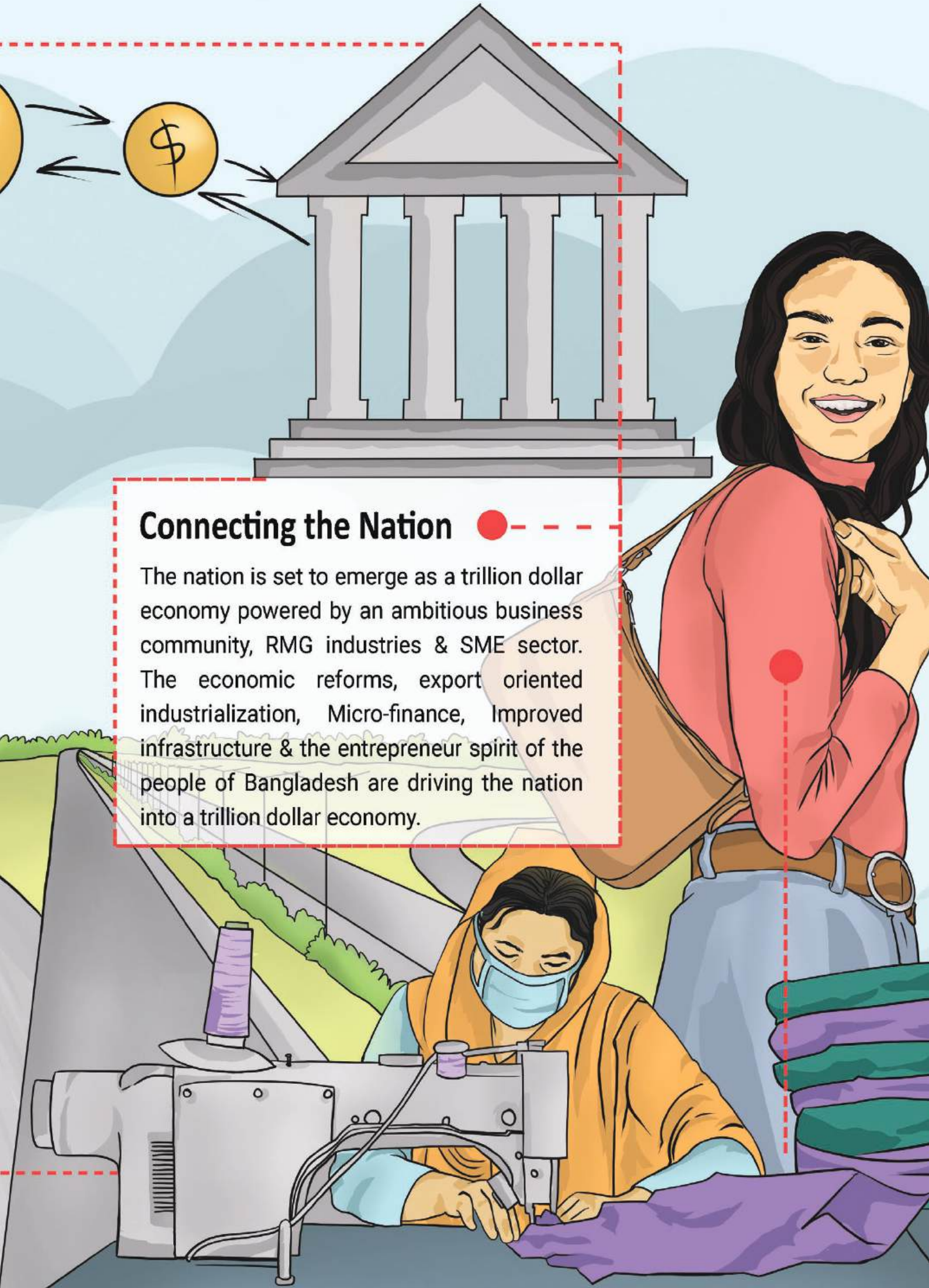
ANNEXURE III

Five Year's Financial Performance Highlights

	2018	2019	2020	2021	2022
BALANCE SHEET MATRIX					
Authorized Capital	2,000.00	2,000.00	2,000.00	6,000.00	6,000.00
Paid-up Capital	1,523.00	1,675.30	1,675.30	1,775.81	1,882.36
Shareholders' Equity/Net Worth	2,554.24	2,742.37	2,992.41	3,147.74	3,277.21
Deposits	9,579.21	8,837.06	8,616.44	9568.98	9,797.35
Loans, Leases and Advances	13,861.56	13,366.89	12,873.22	13,692.26	14,006.18
Investments	1092.26	806.27	796.00	986.92	1,135.63
Fixed Assets	398.44	415.77	540.00	544.16	624.79
Total Assets	18,718.29	17,162.39	17,016.10	18,473.15	19,131.66
Interest Earning Assets	13,861.56	13,366.89	14,671.54	16,231.70	16,717.06
Non-Interest Earnings Assets	4,856.73	3,795.50	2,344.57	2,241.45	2,414.60
INCOME STATEMENT MATRIX					
Interest Income	1884.64	1982.94	1688.93	1550.79	1,448.39
Interest Expenses	1468.67	1400.95	1193.63	1001.29	1,029.37
Net Interest Income	415.96	581.98	495.30	549.50	419.02
Non-Interest Income	222.28	37.78	220.50	586.57	478.54
Profit before Provision and Tax	346.66	334.59	484.83	838.79	518.22
Provision for Loans and Advances & Other Provision	(70.32)	(71.99)	33.70	315.36	204.83
Profit Before Taxation	416.98	406.58	451.13	523.43	313.38
Net Profit After Tax	281.95	190.63	314.59	323.80	304.73
CAPITAL MEASURES					
Total Risk Weighted Assets (RWA)	17,923.98	18,261.86	18,261.86	19,519.08	20,625.84
Tier-1 Capital	2,748.30	2,938.93	3,085.98	3,242.04	3,373.04
Tier-2 Capital	449.37	269.20	332.53	449.24	462.37
Total Capital/Regulatory Capital	3,197.67	3,208.13	3,418.51	3,691.27	3,835.41
Capital Surplus/ (Deficit)	899.90	920.70	1,592.33	1,739.37	1,772.83
Tier-1 Capital to RWA	15.33%	16.09%	16.90%	16.61%	16.35%
Tier-2 Capital to RWA	2.51%	1.47%	1.82%	2.30%	2.24%
Capital Adequacy Ratio (CAR)	17.84%	17.57%	18.72%	18.91%	18.60%
CREDIT QUALITY					
Non-performing Loans (NPLs)	602.03	636.73	413.20	340.03	762
Provision for Unclassified Loan	113.68	121.58	123.35	234.75	315.10

	2018	2019	2020	2021	2022
Provision for classified Loan	155.67	161.57	113.64	142.36	132.12
NPLs to total Loans and Advances	4.42%	4.84%	3.22%	2.54%	5.56%
INVESTORS INFORMATION					
Market price Per Share	16.30	10.00	29.10	54.40	44.10
No. of Shares Outstanding (Million)	152.30	167.53	167.53	177.58	188.24
Earnings per Share (BDT)	1.85	1.12	1.69	1.44	1.25
Dividend					
Cash	0%	10%	6%	6%	10%
Stock	10%	0%	6%	6%	0%
Dividend Payout Ratio	54.02%	87.88%	63.90%	78.58%	116.8%
Market Capitalization	2,482.48	1,675.30	4,875.11	9,660.4	8,301.2
Net Asset Value per Share	16.77	16.37	16.85	16.72	17.41
OPERATING PROFIT RATIO					
Net Interest Margin (NIM)	2.83%	4.02%	3.57%	3.60%	2.53%
Cost of Deposit	10.44%	11.52%	10.87%	8.65%	7.99%
Spread	3.53%	3.24%	2.78%	3.09%	2.72%
Return on Average Assets	148.50%	1.06%	1.41%	1.64%	1.13%
Return on Average Equity	11.68%	7.20%	10.97%	10.55%	1.13%
PERFORMANCE RATIO					
Profit per Employee	1.29	0.86	1.56	1.64	1.28
Salary Exp. to total Operating Exp.	51.61%	49.22%	59.53%	58.28%	58.89%
Cost to Income /Efficiency Ratio	45.69%	46.01%	32.27%	26.17%	42.26%
OTHER INFORMATION					
No. of Branches	7	7	7	7	7
No. of Employees	218	221	202	197	202
Credit Rating					
Long Term	A+	A+	AA-	AA-	AA
Short Term	ST-2	ST-2	ST-2	ST-2	ST-1
Capital Adequacy Ratio	17.84%	17.57%	18.72%	18.91%	18.60%





Connecting the Nation

The nation is set to emerge as a trillion dollar economy powered by an ambitious business community, RMG industries & SME sector. The economic reforms, export oriented industrialization, Micro-finance, Improved infrastructure & the entrepreneur spirit of the people of Bangladesh are driving the nation into a trillion dollar economy.

SEGMENT ANALYSIS

BDT in mn

SEGMENT'S PROFIT & LOSS					31 DEC, 2022	
SEGMENTS	**CORPORATE**	**RETAIL**	**SME**	**CAPITAL MARKET**	**OTHERS**	**TOTAL**
Interest Income	685	247	388	-	56	1,376
Interest Expense	518	186	293	-	-	997
Net Interets Income	**167**	**60**	**95**	**-**	**56**	**379**
Income from Investment in Securities	-	-	-	97	97	195
Commision, Exchange & Brokerage	-	-	-	-	2	2
Other Oprating Income	-	-	-	-	59	59
Total Operating Income	**167**	**60**	**95**	**97**	**215**	**634**
Operating Expense	-	-	-	-	-	306
Profit before Provision & Taxation	-	-	-	-	-	328
Provision	-	-	-	-	-	132
Tax	-	-	-	-	-	3
Net Profit after Taxation	**-**	**-**	**-**	**-**	**-**	**193**

BDT in mn

SEGMENT'S ASSET & LIABILITY					31 DEC, 2022	
SEGMENTS	**CORPORATE**	**RETAIL**	**SME**	**CAPITAL MARKET**	**OTHERS**	**TOTAL**
Asset						
Cash	-	-	-	-	118	**118**
Balance with Banks & FIs	-	-	-	-	1,143	**1,143**
Investment in Securities	-	-	-	299	120	**419**
Lease, Loan & Advances	7,116	2,559	4,024	-	-	**13,700**
Fixed Asset	-	-	-	-	568	**568**
Other Assets	-	-	-		1,245	**1,245**
Non Banking Asset	-	-	-	-	213	**213**
Total Asset	**7,116**	**2,559**	**4,024**	**299**	**3,408**	**17,406**
Liability						
Financing (Borrowing)	-	-	-	-	2,667	**2,667**
Deposits	3,096	6,697	-	-	69	**9,862**
Other Liabilities	-	-	-	-	1,836	**1,836**
Total Liabilities	**3,096**	**6,697**	**-**	**-**	**4,572**	**14,365**
Equity						
Shareholder's Equity	-	-	-	-	3,041	3,041
Total Liability & Shareholder's Equity	**-**	**-**	**-**	**-**	**-**	**17,406**

CORPORATE SEGMENT

Bangladesh Finance is concentrating on relatively small ticket size corporate lending rather than big amounts to minimize the risk factors. Agro, Construction, ICT, Power, Home textiles and Readymade Garments etc. sectors are prospective and already proven to Bangladesh Finance. Focusing towards more concentration on existing client base who have high creditworthiness and proven track record with us. Importance on our strong corporate relationship to retain the customer through providing the intense competitive operating landscape rather than focusing only on revenue generated from lending activities.

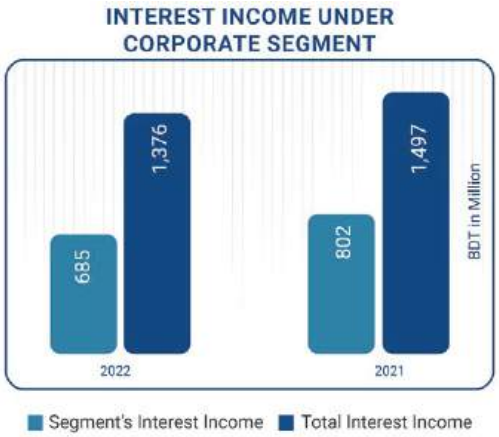


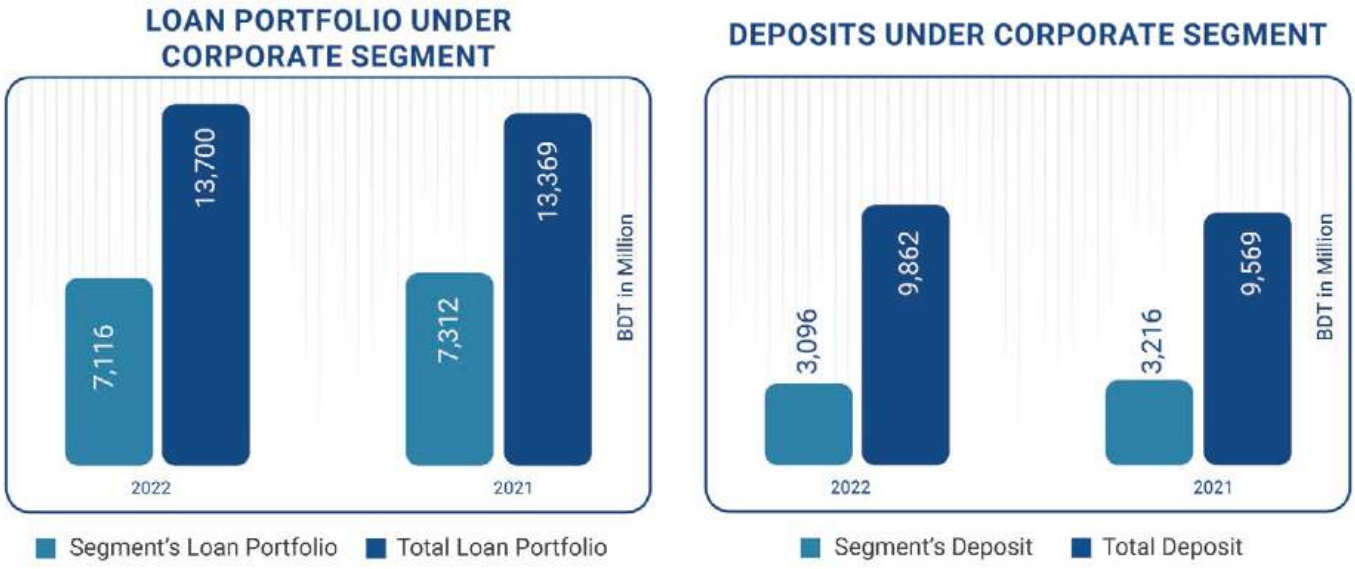


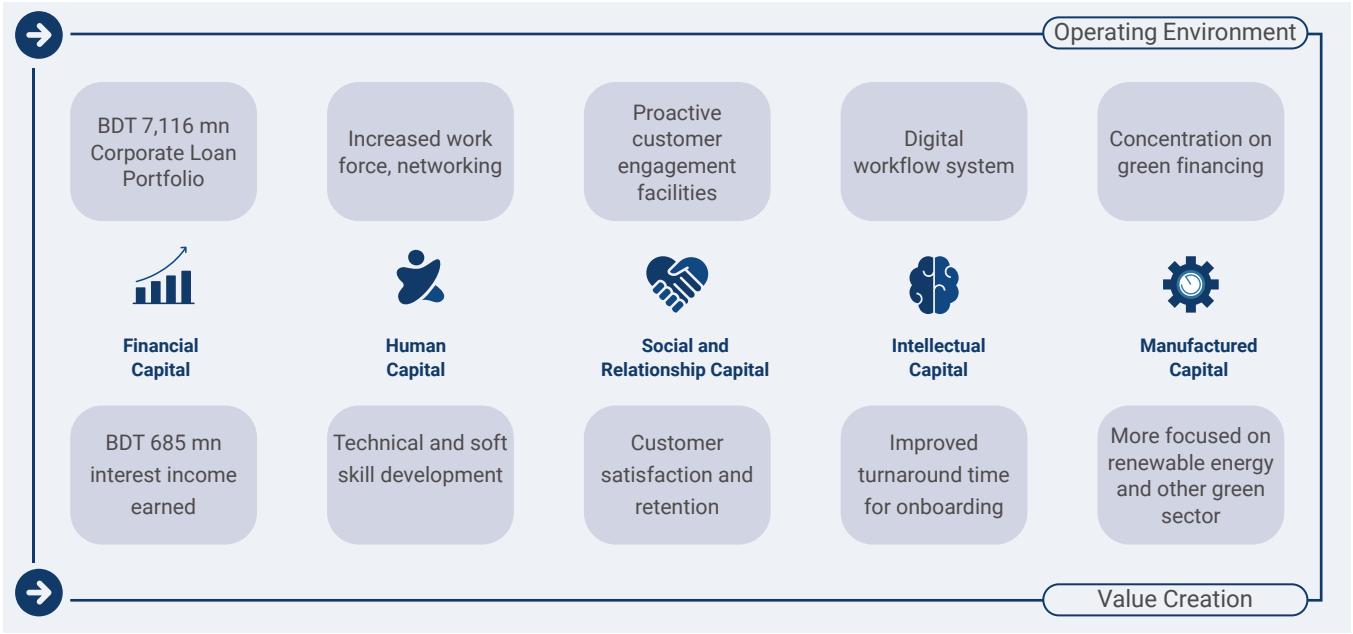
GDP growth, inflation rate, interest rates, exchange rates, and other macroeconomic factors	The legal and regulatory environment	The level of competition in the industry
Client engagement and customized solution for the clients.	Offering competitive and innovative products and services.	Focusing on creating an unique value proposition.
Interest Income of BDT 685 mn	BDT 7,116 mn of Loan Portfolio	BDT 3,096 mn of Deposits
Digitalization of Financial Services	Dynamic customer-centric solutions	Expansion of Customer Base by offering convenient and accessible financial services
Short term challenges likely to prevail, although medium term outlook remains promising	Innovation for digital financial services, customized financing solutions	Preserving portfolio quality by strengthening loan monitoring

Strategy and Performance Review

In the year 2022, we have gone through strong loan monitoring rather than aggressive lending. Total corporate loan portfolio concentration reduced as per the strategic goal & stood at BDT 7,116 million at the end of 2022 which is a 2.67% decrease from the previous year. Corporate loan lease & advances consist 51.94% of the total loan, lease & advances. Deposit from the corporate segment stood at BDT 3,096 million at the end of 2022 which embodies 31.39% of the total deposit. The corporate segment is the largest contributor of interest income. At the end of the year 2022, Bangladesh Finance had a gross interest income of BDT 685 million.







Product Strategy

Bangladesh Finance is relentlessly working to develop customized lending products that meet the specific needs of different types of businesses. It has a strategy to enhance its digital lending capabilities to provide a seamless and more convenient borrowing experience for customers. This includes developing an online loan application process, offering digital loan disbursements, and providing digital tools to manage and track loan accounts by offering personalized financing solutions, the company tries to differentiate itself from competitors and provide added value to customers. The FI is also developing sustainable financing options that support environmentally and socially responsible projects and businesses. This includes financing options for renewable energy projects, sustainable agriculture, and socially responsible businesses.

Outlook

The global economy is expected to recover in 2023 as the impact of the pandemic subsides. This is expected to create new opportunities for corporate lending as businesses look to invest and grow. The regulatory environment for the financial sector is expected to remain stringent in 2023. Bangladesh Finance needs to ensure compliance with regulatory requirements and maintain robust risk management practices to mitigate credit risk. The corporate lending industry is constantly evolving, with new trends and technologies emerging. Bangladesh Finance needs to stay abreast of industry trends and adapt its lending strategies accordingly to remain competitive and relevant in the market. While economic and political stability will be a key determinant of industry growth in 2023, we are optimistic that the cautiously accommodative monetary policy stance adopted by the Central Bank will present opportunities for credit portfolio growth, particularly over the medium term. Over the short-term, however, conditions are likely to remain subdued with persistent pressure on portfolio quality, earnings and profitability, in addition to the obligations in fulfilling Basel II requirements. Emphasis for 2023 would be on automation of routine activities to reduce operating costs, improve profitability and preserve portfolio quality. With digital transformation a priority in Bangladesh Finance's agenda, challenges could also arise in realigning the existing skill sets of the talent pool by upskilling and recruiting the right talent for long-term retention and progression.

নতুন উদ্যোক্তা ঋণ

Bangladesh finance
এখনই সময়

সাফল্য অর্জনের এখনই সময়

- জামানতবিহীন ঋণ
- প্রয়োজনে প্রশিক্ষণ প্রদান
- ৪ কর্ম দিবসে ঋণ অনুমোদন



SME SEGMENT

Bangladesh Finance aspires to become a financial institution focused on CMSME financing. We maintained a high level of customer engagement with our CMSME clientele, facilitated through business visits, customer forums and seminars. Engagements also conducted through collaboration with industry forums, chambers and other regional bodies which was an effective platform to pursue new businesses. We have also focused on strengthening our delivery efficiency and customer service by upskilling SME Team through targeted training programs. We have launched "Bijoy" product during the year for empowering women entrepreneurs.

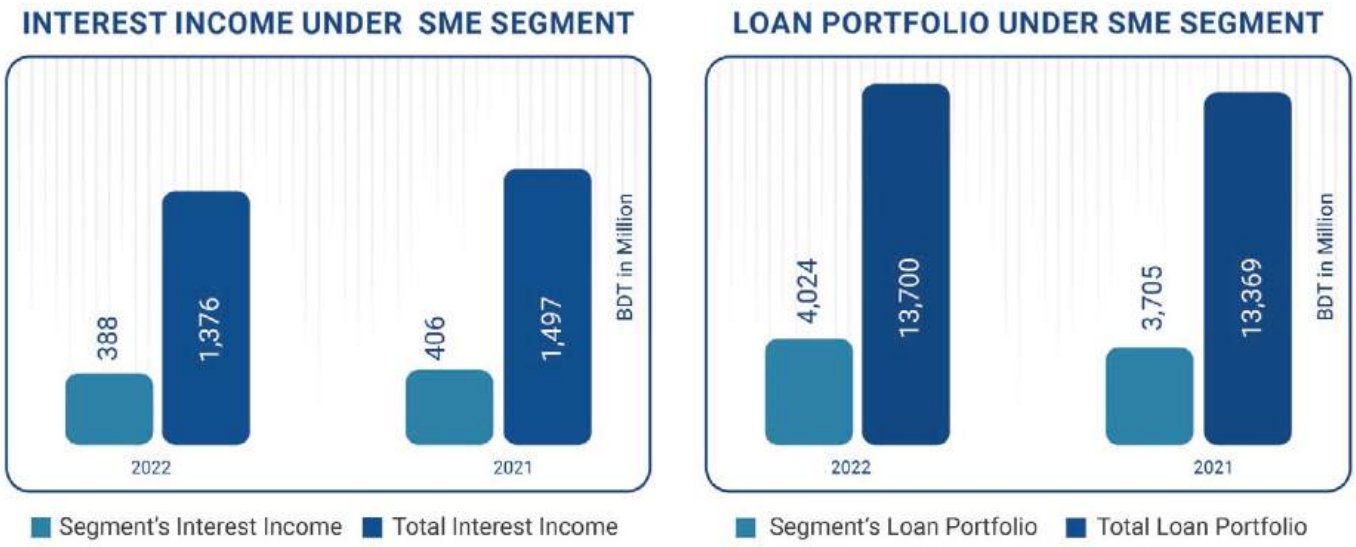


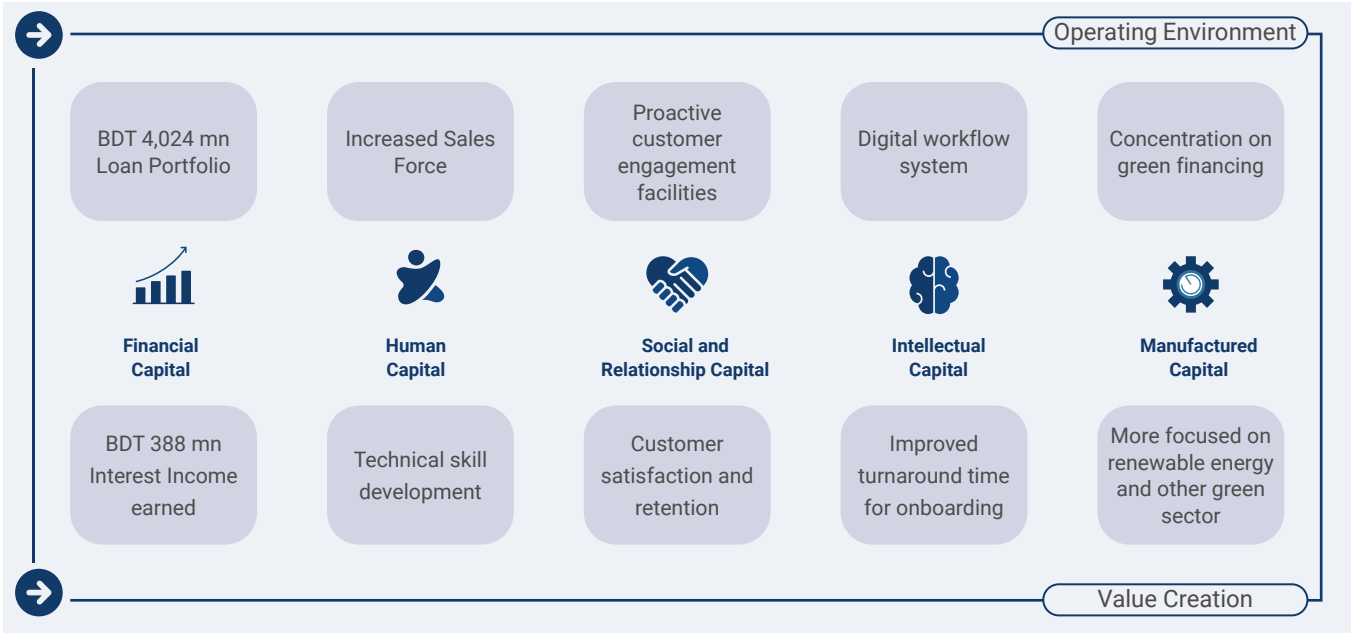


Operating Environment	The outbreak of the coronavirus has adversely affected the CMSME businesses	The Central Bank set interest rate caps and other debt relief measures	Customers lose trust in some banks and financial institutions as a result of financial scams and scandals
Strategy	Come out of the trends and started working on different Collaboration models by making customized products for different segments	Emphasis on digital financing and use of the digital platform to cover funding facilities for 64 districts through collaboration Model instead of Branch Human Led Business	Reduce TAT of CMSME Loan to provide better customer service and SME friendly Sustainable Organization
Performance	Interest Income of BDT 388 mn	BDT 4,024 mn of Loan Portfolio	+8.63% growth in Loan Book
Risk & Opportunity	Opportunity to improve customer engagement through customized financial products and digital solutions	Emphasis on Rural and NGO Linkage Micro Financing to diversify credit risk	Ensuring company & customers safety by providing Insurance coverage both for Business and Owners
Way Forward	Despite the fact that there will certainly be short-term obstacles, but the long-term view is still positive	Focus on diversified CMSME portfolio targeted growth with conserving credit quality	To be the most innovative and SME Friendly financial service provider

Strategy and Performance Review

In 2022, we widened the scope of our operations by providing capital for existing businesses and expansion of business. The optimum use of low-cost credit lines of Bangladesh Bank's refinance schemes such as Women entrepreneur refinance scheme, New entrepreneur refinance scheme, CMSME 25000 Crore Refinance Scheme, JICA Refinance Scheme, etc. enabled Bangladesh Finance to disburse funds at attractive rates. Bangladesh Finance emphasis on Digital Financing to the rural customers by using different digital financing platform and collaboration business model within a very short period. By using these digital financing facilities, the unbanked and backward CMSME's can change their fate. We have also focused on NGO linkage funding with different cluster-based finance both by our own branch network and collaboration business model with different digital finance partners to provide greater assistance to society. At the end of year 2022, loan-lease & advances for SME segment mounted at BDT 4,024 million which depicts 8.63% increase from previous year. This snowballing SME portfolio resulted in an increased gross interest income of BDT 388 million.





Product Strategy

CMSMEs are the backbone of any economy, reducing economic inequality and assisting in the fight against poverty. Bangladesh Finance has come out of the trends and started working on different models by making customized products for different segments. Bangladesh Finance started off with SME & Sustainable finance and is today one of the market's most creative providers of financial services to small businesses in Bangladesh. A selective growth strategy enabled us to achieve the industry best absolute portfolio growth in CMSME Finance throughout the year. While we continued to offer a range of exciting products and credit criteria were tightened to ensure the preservation of portfolio quality.

Outlook

We are optimistic that the expansionary monetary and fiscal policy stance adopted by the Government will create opportunities for CMSME credit expansion. Emphasis for 2022 would be on improve profitability and preserve portfolio quality through digital collaboration financing and cluster-based business model. In a view of above, we will create more partnerships and digital collaboration CMSME financing models to reach rural customers through digital business transformation. Our vision is to be the most CMSME Friendly financial institutions and in line with that we have shaped our portfolio and till now CMSME holds 29.37% of our total portfolio and it will be 40% by the upcoming year. There may be difficulties in upgrading the workforce pool's existing skill sets and hiring the best Relationship Managers for long-term retention and advancement.

RETAIL SEGMENT

For the last 23 years, Bangladesh Finance has been blessed with a strong base of asset clients with whom Bangladesh Finance grows every day. Market competitive interest rates and the quickest sanction policy helped our asset clients to fulfill their requirements. Initiatives to design new products were a kind of solution to strengthen the retail portfolio for 2022. In that year, Bangladesh Finance launched Personal Loan for Salaried and Professional segments and continued lending Affordable Home Loan facility, Doctor's Loan and Auto Loan facility on partnership model basis which was launched in the previous year. Management of Bangladesh Finance has taken initiatives to increase the existing Retail Credit portfolio from Tk. 2,559 million in 2022 to Tk. 3,960 million in 2023 which is 54.75% increase in the coming year through initiating its new product line.



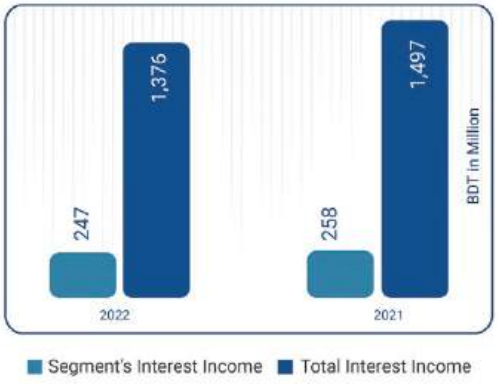


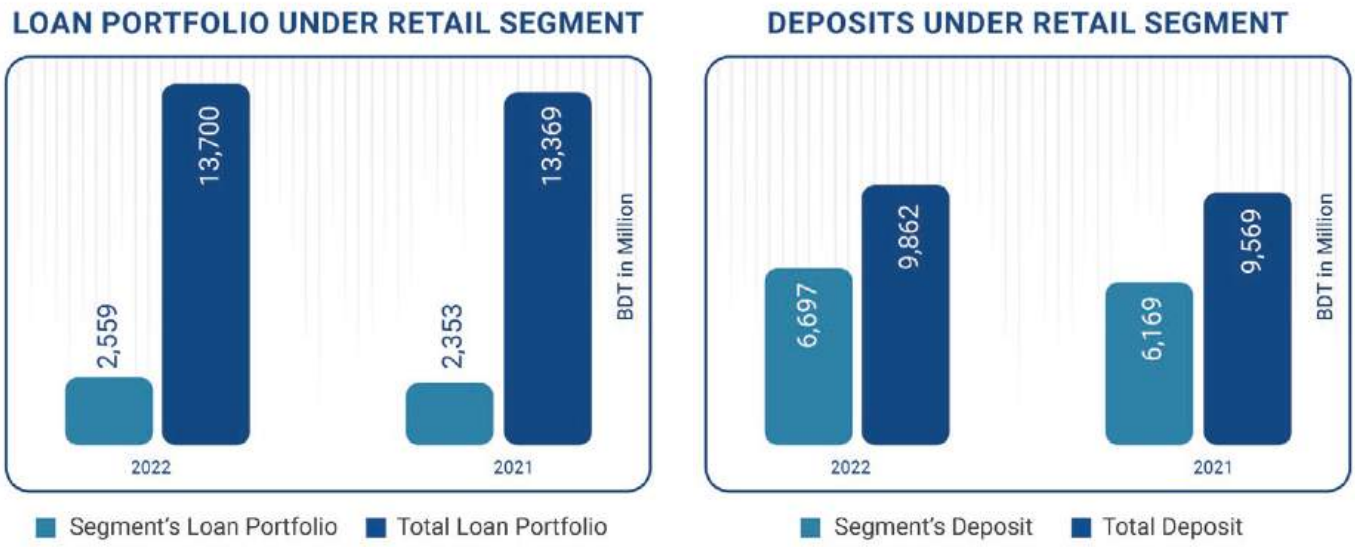
Operates in a dynamic and constantly evolving environment	Product innovation; the quality, variety, and pricing of its products and services; and market penetration.	Economic conditions of the country including inflation, interest rates, and economic growth
Expanding into new markets	Improvement of customer experience offering personalized services	Diversification of product portfolio with special focus on financing
Interest Income of BDT 247 mn	+8.76% growth in Loan Portfolio	+8.56% growth in Deposits
Increase in demand for digital lending products.	Competitive interest rates and flexible repayment	Focus on healthcare financing to meet the growing demand for medical loans
Customized services and serving the middle-income group	Enhance digital lending capabilities to provide a seamless and convenient borrowing experience	Tailored loan products that meet the specific needs of its customers

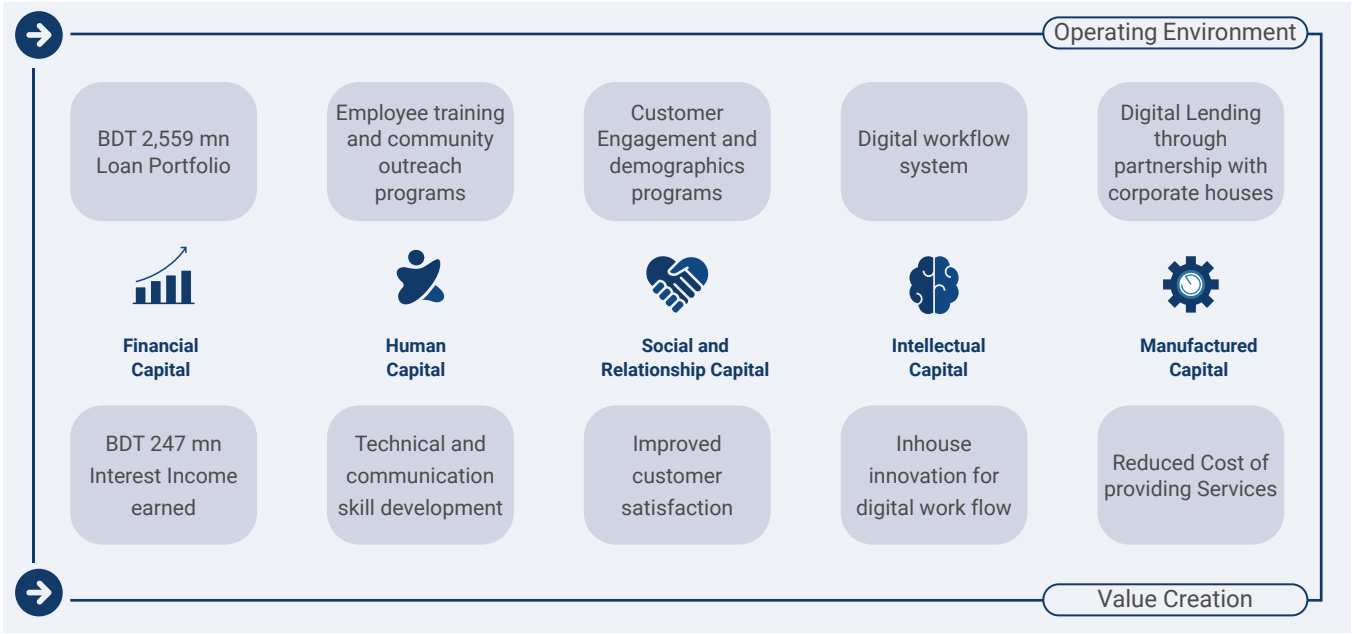
Strategy and Performance Review

In 2022, priority programs were undertaken for facilitating specialized services for retail customers along with an enhanced focus on regularizing the early-stage irregular accounts. This was achieved through close monitoring, follow-up of stressed accounts and continuous engagements with clients. At the end of 2022, the loan portfolio for the Retail segment stood at BDT 2,559 million & deposit stood at BDT 6,697 million. This year retail segment generated a gross interest income of BDT 247 million. The retail segment entitled for 17.95% of total interest income of Bangladesh Finance this year.

INTEREST INCOME UNDER RETAIL SEGMENT







Product Strategy

Management of Bangladesh Finance has taken several initiatives to increase the Retail Credit portfolio by 54.75% increase in the coming year. The Management of Bangladesh Finance has given special emphasis on diversification of product portfolio with special focus on financing through the Affordable Home Loan to the lower middle income group including Teachers, Govt. Employees, small businessmen etc. This kind of selective strategy will enable us to achieve the industry best absolute portfolio growth in retail business throughout the year. Improvement of customer experience including offering personalized services such as Advance against Salary will be given preference in the coming year. Management will focus on developing innovative products that will differentiate them from competitors. Innovation can come in the form of new product features, improved functionality, or enhanced design. While we continue to offer a range of exciting offers, on the other hand, credit criteria will be tightened to ensure the preservation of portfolio quality.The Management converges on providing our retail customers with customized services and serving the middle-income group.

Outlook

Bangladesh's retail market has been growing steadily, with a compound annual growth rate (CAGR) of around 6.8% over the past few years. The growth is primarily driven by an increase in consumer spending, a rise in disposable income, and the rapid expansion of the middle class. However, the ongoing COVID-19 pandemic has had an impact on the retail sector, resulting in a shift in consumer behaviour and preferences. In 2023, the retail business in Bangladesh is expected to continue its growth trajectory. As the economy continues to recover from the pandemic, consumer spending is expected to increase further, providing opportunities for retailers to expand their customer base and improve sales. Moreover, the growing popularity of e-commerce and online shopping platforms are expected to drive growth in the retail industry, and retailers who are adapting to these changes will have a competitive advantage. However, the retail sector in Bangladesh is highly competitive, with a large number of small and medium-sized retailers operating in the market. Additionally, retailers who focus on improving their operational efficiency, reducing costs, and enhancing the customer experience will have a better chance of succeeding in the highly competitive market.

ISLAMIC FINANCING WING

Bangladesh Finance Limited is the first non-bank financial institution in the country to start wing based Islamic financing activities in the year 2022. On January 04, 2022, after receiving the final approval from Bangladesh Bank, the Islamic wing started operations simultaneously in 06 branches of Bangladesh Finance from the very next day of receiving approval on January 05, 2022.

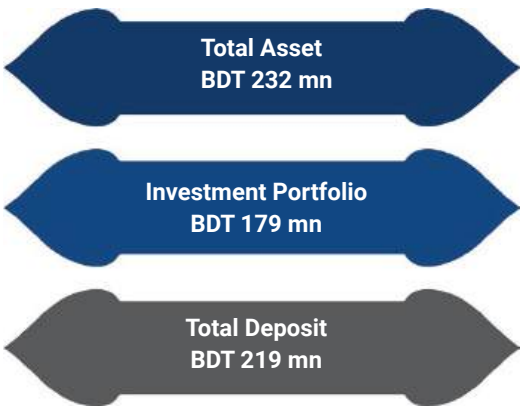




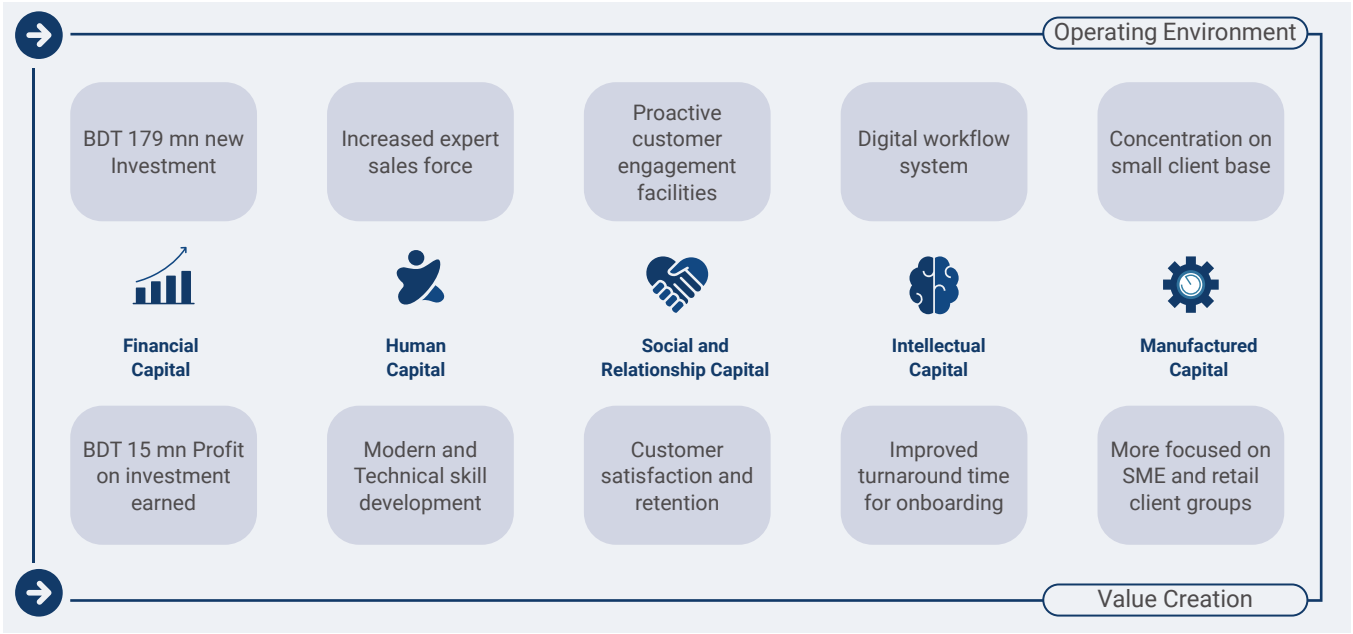
Growing Islamic Banking demand in the market	Liquidity crunch in financial industry	Have a congenial atmosphere to enhance the Islamic business
Assisting customers through personalized Shari'ah compliant financial solutions	Enhancing omnichannel delivery propositions	Investing in technology to enhance swift and reliable customer service
Operating Profit of BDT 0.43 mn	+BDT 179 mn of Investment Portfolio	+BDT 219 mn Deposit collection
Opportunity to strengthen customer relationships through financial packages and digital solutions	Maintaining a sound portfolio for both asset and liability	Ensuring safety of employees and customers
Short term challenges likely to prevail, although medium term outlook remains promising	Focus on targeted growth and preserving finance quality	Dynamic customer-centric solutions

Strategy and Performance Review

In 2022, the Islamic wing started its journey and inaugurated its operations simultaneously in 6 branches of Bangladesh Finance across the country. At the end of 2022, the Investment portfolio of the Islamic wing stood at BDT 179 million & deposit stood at BDT 219 million. Out of this, Islamic wing a generated gross investment income of BDT 15 million and profit paid on deposit was BDT 13 million which made a net investment income of BDT 2 million. In addition, The Islamic wing generated BDT 10 million income from securities. After deducting operating expenses, the wing generated an operating profit of BDT 0.43 million in the year ended 2022.







Product Strategy

Bangladesh Finance has already formulated several Product Program Guidelines (PPG) including Shari'ah Manual for both asset and liability operations. We designed various Deposit products following Mudaraba principles; among which Mudarabah TDR, Mudarabah Profit Earners Scheme, Mudarabah Cash Waqf Scheme, Mudarabah Monthly DPS, Mudarabah Hajj Scheme, Mudarabah Umrah Scheme, Mudarabah Retirement Plan and Barakah SME Deposit Scheme are worth mentioning. We have been financing in agriculture, women entrepreneurs, business extension, working capital, construction work, auto finance, home finance, hajj & umrah finance and personal finance etc. for the sustainable socio-economic development of the country through Shariah Compliant investment modes. In terms of investment or financing, Bangladesh Finance is following Bai' Murabaha, Bai' Muazzal and Hire Purchase under Shirkatul Melk (HPSM) modes of financing. Under these modes of financing, we offer all sorts of Shari'ah compliant Retail, CMSME and Corporate financing facilities to the customer.

Outlook

To keep pace with the changes in business dynamics we have a keen eye on providing fintech-based retail financing solutions for our valued clients. Fintech and the banking industry are hugely interdependent in many cases. Banking operations without fintech are becoming unimaginable day by day. Therefore, Bangladesh Finance is working tirelessly to provide fintech-based innovative services. Bangladesh Finance has a system of providing services from any part of the country by facilitating app-based services. We are working towards financial inclusion by providing financial services at the grass root level as a part of such an initiative. Bangladesh Finance Islamic is providing services on a priority basis for retail deposit customer inclusion and small investment recipients. Based on the general people's trust, the confidence of customers and the Islamic financial structure of Bangladesh Finance; we believe that this standard of service will quickly take it to unique heights by achieving the satisfaction of the customers.

STRUCTURED FINANCE

Bangladesh Finance Limited acts as Arranger, Financial Advisor and Issue Manager to corporates; financial institutions and public sector enterprises, helping them raise both local and cross border debt and equity financing. Offerings range from arranging Syndicated loans and Bonds to Export Credit / Multilateral backed Debts and Cross Border Debt & Private Equity. In addition, acts as Advisors for Mergers and Acquisitions, Project Finance and Financing Strategy to help businesses achieve their goals.

We provide access to investment opportunities in the rapidly expanding economy of Bangladesh. Through its extensive local relationship network and insight, Bangladesh Finance is able to identify opportunities in the private as well as public markets for Fixed income and Equities. Our propositions range from Fixed Income Trading to Capital Guaranteed portfolios and Private Placements for both Debt and Equities. We bring in-depth local understanding and global standards for our discerning international and local investors.





Operating Environment	Sharp contraction in economic activity	Liquidity crunch in financial industry	Negative news regarding Banking sector
Strategy	Supporting customers with highly tailored financial solution	Enhance and improve debt securities market	Better relationship with regulators and investor for smooth deal closing
Performance	Secured Initial Public Offer and Rights share deal	Secured Foreign Equity and Debt Fund deal	Secured trustee registration for bond and alternative investment fund
Risk & Opportunity	Opportunity to on board customer through high level of service and diversified corporate solution	Providing alternative fund solution with longer term to reduce target company financial stress	Delay in deal closing due to market liquidity crisis
Way Forward	Issuance and raising of foreign fund for eligible clients for long term low cost fund.	Increased focus on advisory service and maintain client relation	Improvement of banking and customer relationship with treasury & wealth management department to secure investment in different type of investment products

TREASURY & FUND MANAGEMENT

The Banking sector of Bangladesh went through a roller coaster ride this year. While the economy was recovering strongly from the COVID-19 pandemic, the war in Ukraine posed a setback to the ongoing recovery. The dollar crisis started in the country in March this year the Money market was tight due to various factors, including the Bangladesh Bank's high dollar sales, rising inflationary pressure and cash outflow in the aftermath of lending frauds. We remained vigilant and upbeat with the market changes during the year. Despite facing lots of challenges in the market, Treasury was able to make a significant contribution to the company's profitability, risk mitigation and liquidity management in the year and was able to generate a positive return for the stakeholders.

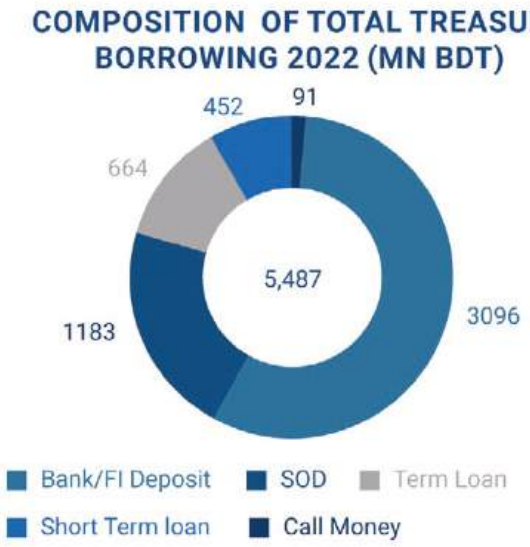


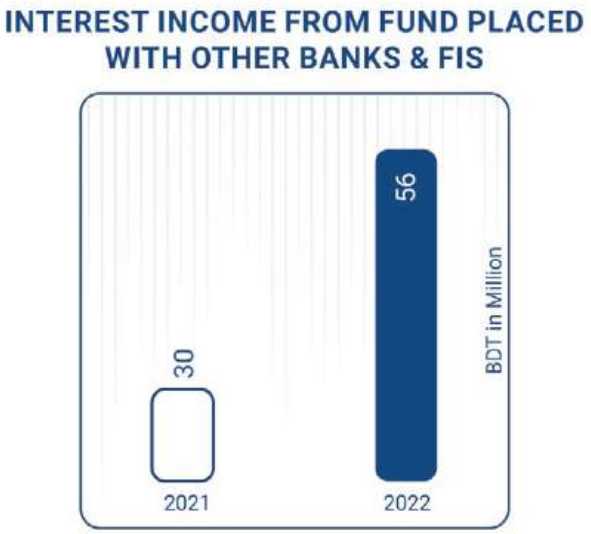
Tight liquidity situation raised the interest rate in the money market	Ceiling on interest rate	Exchange rate volatility
Maintained the surplus liquidity and a steady revenue generation	Maintained Asset-Liability position (ALM) swiftly to conserve a healthy balance sheet to generate a noticeable amount of revenue	Efficient management of fund mobilization through effective asset-liability pricing
Maintaining liquidity and a steady revenue generation	Treasury portfolio of BDT 5,487 mn	Bank/NBFI deposits of BDT 3,096 mn
Money market may face tighter liquidity condition due to foreign exchange volatility induced economic disruptions.	Maintaining optimum mix of core funds and bank borrowing	Maintaining a strong position in the money market
Ensure appropriate fund mobilization through effective asset-liability pricing.	Digitization of treasury products and services.	Ensure profitability in both Islamic and conventional treasury

Strategy and Performance Review

Money market condition in the year 2022 was tight due to foreign exchange volatility-induced economic disruptions. The prime challenge of the year 2022 was managing the surplus liquidity and maintaining a steady revenue generation. We were able to conserve the liquidity condition of the company prudently in compliance with the regulator's requirement and were able to generate good income from the money market. Treasury borrowing portfolio reached BDT 5487 mn with more than 56% share of the bank deposit portfolio. Interest income from funds placed with other Banks & FIS reached to BDT 56 mn. During the year, with a view to cost minimization as the key objective, the treasury wing focused on sourcing stable funds and term deposits from the public to replace the interbank funds and also accessed funds from the overnight market to reduce the overall cost of fund and enhance treasury income.







Outlook

The year 2023 may remain a turbulent time for the financial industry of Bangladesh. Facilitating the opening of letters of credit, needed to accelerate the economic growth, would be particularly difficult amid a drastic fall in reserves. If reserves continue to decline and the price of the dollar keeps increasing, businesses, except for exporters, will fall into trouble. In 2023, the banking industry may face the challenge of mobilising deposits – which we have already witnessed in the latter part of 2022. Such a tight liquidity condition in the banking sector will tighten profit opportunities. Continuous monitoring of asset liability management along with future investment opportunities will help us in maintaining favourable results for our company throughout the year.

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WEALTH MANAGEMENT DEPARTMENT

Bangladesh Finance is concentrating on relatively small but long-term retail and SME deposits rather than big amounts from corporates to minimize high cost, rate sensitive and toxic funds. Self-employed, Salaried and entrepreneurs are the focus group in terms of individual retails depositors. Deposits from Agro, Pharmaceuticals, Construction, ICT, Power, Home textiles and Readymade Garments etc. from SME sectors are prioritized for Bangladesh Finance in terms of sustainability. Focus towards emphasising more on service excellence and retention through relationship management for the existing client base who have with us is a priority. Ensuring smooth operations to provide client services through a sales force from Head Office, Branches, Sales offices, Portfolio managers, Priority team and Call Centre.

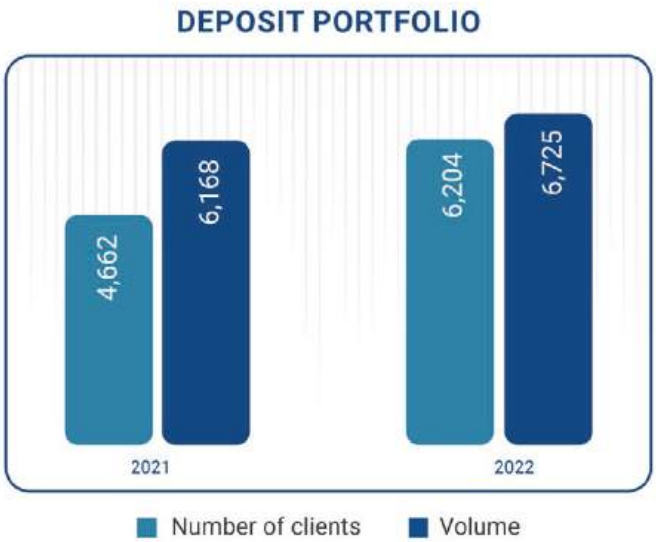




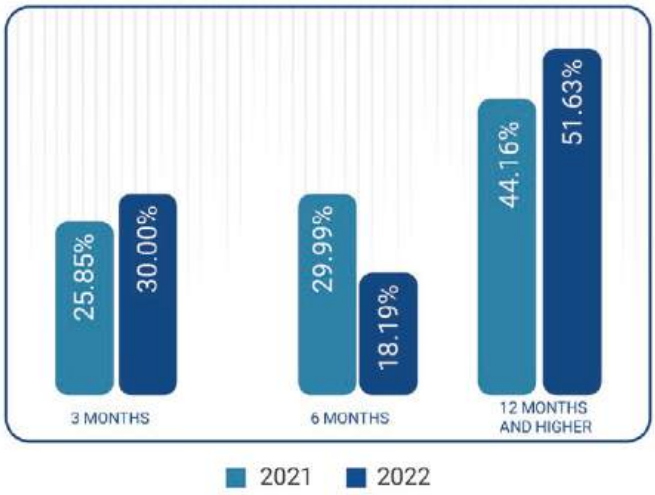
Operating Environment	Sharp contraction in economic activity following the outbreak of the pandemic	Interest rate ceilings implemented by Central Bank of Bangladesh	Increase in expenditure and inflation resulting a decrease in surplus fund
Strategy	Supporting customers through timely and personalized services	Enhancing omnichannel delivery propositions	Investing in technology and human resource to enhance customer service
Performance	Deposit Portfolio of BDT 6,697 million	Increase in total number of customers by 33%	Decrease in cost of deposit by 10%
Risk & Opportunity	Opportunity to strengthen customer relationships through relationship management and digital solutions	Preserving portfolio quality	Ensuring safety of employees and customers
Way Forward	Short term challenges likely to prevail, although medium term outlook remains promising	Focus on targeted growth, digital delivery, and ensuring service quality	Dynamic customer-centric solutions

Strategy and Performance Review

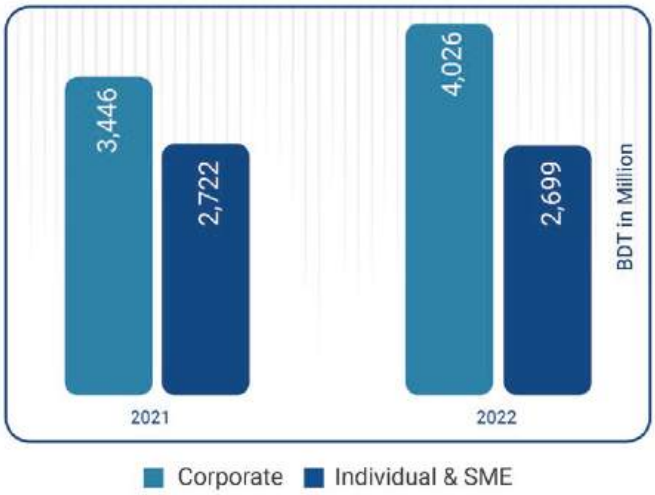
In the year 2022, we have increased deposit portfolio focusing on small deposits and retention of existing depositors. Total deposits from corporates with higher volume reduced as per the strategic goal to decrease portfolio risk. Concentration of individual and SME depositors have increased in the portfolio as per strategic goal for the year & stood at BDT 3,094 million, an increase of 2% from 2021. Deposits from Metro branches stood at BDT 5,378 million, an increase of 14% and non-metro branches stood at BDT 1,319 million. At the end of year 2022, Bangladesh Finance had a portfolio of BDT 6,697 million, an increase of 9% from 2021.



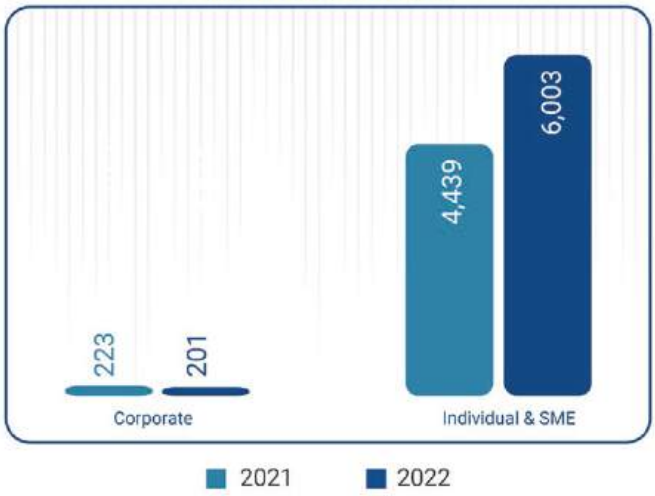
DEPOSIT PORTFOLIO



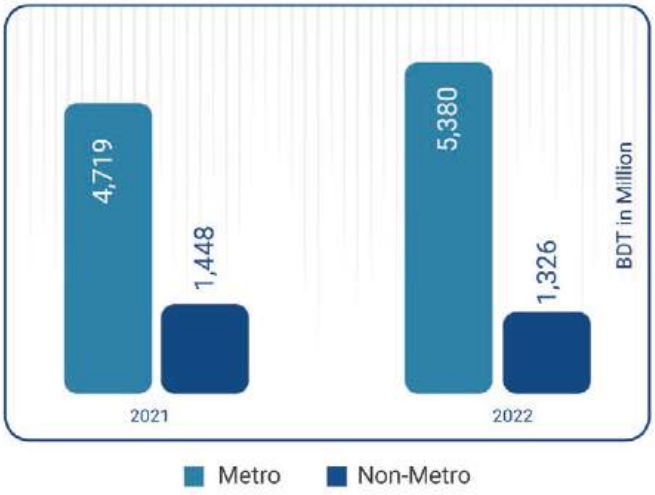
RETAIL AND SME VS CORPORATE PORTFOLIO VOLUME



RETAIL AND SME VS CORPORATE PORTFOLIO NUMBER OF CLIENTS



METRO AND NON-METRO BRANCH PORTFOLIO



Operating Environment

Deposit Portfolio of BDT 6,697 million	Increased sales force	Proactive relationship management	Digital workflow system through e-KYC	Retail and SME concentration
Financial Capital	**Human Capital**	**Social and Relationship Capital**	**Intellectual Capital**	**Manufactured Capital**
Quality portfolio with higher concentration of small and diversified clients	Technical skill development	Customer satisfaction and retention	Improved turnaround time for onboarding	Increased number of small savers, sticky deposits

Value Creation

Product Strategy

A proactive and relationship-based approach has enabled us to achieve portfolio growth despite an adverse economic condition that has hindered the overall growth of the industry. We have run internal campaigns named Eidee, Odommo, Bondhon, Barakh etc. throughout the whole year resulting in active participation of not only the sales force but also other support functions and implemented campaigns named Uddom, Ahlan etc. in the coming year. This has been a representation of the strength of our human resource. We have always focused on offering products to our customers according to their needs and requirements. We focus on client centric products and campaigns. However, our aim is to develop more products with innovative service channels for the customers. The focus is on bringing more convenience for availing financial services by the self-employed, salaried, women and entrepreneurs who have been the key segments in the current market scenario.

Call Centre

Call centre has been playing a pivotal role in telesales marketing and client sourcing. It will focus on generating positive business leads through communication and promoting products to the clients in the coming year. In 2022, the FI received 12 complaints, a decrease from 29 in 2021, which from customers of various branches and all the problems were solved successfully through proper investigation and remedial action. Those problems were solved within same day. Call Centre operates in two shifts from 8:00 am to 2:00 PM and 2:00 PM to 8:00 PM. Social Medial quarries are also attended by call centre

PARTICULARS	COUNT
Total inbound call	1128
Total outbound call	10248
Total call	11376

SOCIAL MEDIA QUERY	
Bangladesh Finance page	1506
Bangladesh Finance Islamic page	626
Total	2132

PARTICULARS	COUNT
Total number of leads	315
Successfully closed	20
Leads distributed (Deposit)	220
Leads distributed (Asset)	95

PARTICULARS	VOLUME
No. of new account	210
Total volume of deposit	188 crore
Blue SIP/MDS	55

PARTICULARS	COUNT
Total number of new appointment	210
New customer call	9180
Follow up call	782

Outlook

It is highly anticipated that economic constrains will persist resulting in adverse investment scenario in 2023. We are optimistic that despite of these constraints, we can achieve organizational goals through proactive management of customer relationship. We are considering this adverse economic and industrial scenario as an opportunity. Our focus will be to increase deposit portfolio quality even more through an increased inclusion of small sticky deposits from Self-employed professional, salaried personnel, women savers, entrepreneurs and small & medium enterprises. An emphasis for 2023 would be on the automation of routine activities to reduce operating costs, improve profitability and preserve portfolio quality. With digital transformation a priority, we are aiming to improve our service channels and offer more products to clients. We want to introduce more client segments to our portfolio for reducing the overall associated risk.

OPERATIONS DEPARTMENT

Bangladesh Finance is concentrating relatively more on retail deposits rather than on Bank borrowings and also on SME & Retail Financing rather than Corporate Lending. To cope with this initiative, Operations Department is focusing more on digital platforms for providing smooth client service. The department is ensuring centralized client services in all branches by which cross branch clients can take services from any branch. All operational activities are controlled and monitored by the central team.



Operating Environment	Continued all services regarding deposit & asset through Digital platform during pandemic and after pandemic period	Ensure smooth and prompt service	Comply to policy & regulations of regulatory authorities
Strategy	Ensure excellent client service by reducing service time	Focus on digital tools to provide various client service	Set-up control points for smooth & error free transactions
Performance	Processed remarkable number of new deposit accounts compared to 2021 Started operations of Islamic Finance	Serving deposit accounts through Interest and Principal Payment Implemented deferral of 2021 for Covid affected customers	Maintained incremental accounts with same manpower Implemented portfolio-wise rate reduction as per Bangladesh Bank Circular
Risk & Opportunity	Explored new Digital Platforms for client service	Ensured services, even working from home	Uninterrupted services helped acquire new customer base
Way Forward	Establish one point service center	Priority on paperless operation	Service automation

Strategy and Performance Review

The Number of retail deposit customers has increased remarkably in the year 2022 compared to 2021. During the year, new deposit accounts were on boarded through eKYC. The length of service queue has been reduced through automated service procedures. Besides, Bangladesh Finance has started operations of Islamic Finance. Operations Department implemented it in CBS just after getting license from Bangladesh Bank. Operations have also implemented deferral of 2021 to ensure smooth repayment of covid affected customers. Operations Department is also setting-up control points with increasing financing in retails and SMEs for smooth and faster customer service.

Operational Strategy

Bangladesh Finance Operations is full-fledged Centralized Operation, i.e. From CIF, Loan/Deposit account opening to Loan/Deposit account settlement is executed in CBS by Operations. It is also the custodian of all loan Security related documents. Operations Department has emphasized in reduction of TAT (Turn Around Time) in all asset & liability-related activities to ensure excellent and faster customer service. Technologies have been employed to streamline operational activities. Customer on-boarding has been started through e-KYC for deposit mobilisation. Control Point has been established for smooth & error free Operation.

Outlook

Operations Department is committed to ensure better customer services through automation. In this connection, a digital platform will be implemented for on-boarding customers. The operations department is archiving all loan related documents so that every stakeholder easily gets required information. Charge documents of all loans and advances will be automated. Automated loan documents deferral follow-up and monitoring system will be established for minimizing credit risk. Paperless Operations will be prioritised. Operations Department will ensure that clients from different branches can take services from any branch.

CREDIT RISK MANAGEMENT DEPARTMENT

Credit Risk Management is a process of how a financial institution measures, manages, and monitors its exposures to achieve a desired return on its capital. Effective management of Credit Risk requires the establishment of an appropriate credit risk culture. Credit Risk Management at Bangladesh Finance has siphoned the broader challenge into components to better measure and assess the risks and to provide adequate mitigation measures. The Credit Risk Management Department of Bangladesh Finance is accountable for the assessment of Credit Risks along with all other risks which arise from the lending activities of the FI. The credit assessment in Bangladesh Finance has been designed in a manner to better identify, measure and mitigate financial and non-financial risk. With the aid of the robust framework established at Bangladesh Finance, the FI addresses numerous issues starting from Credit Risk to Social and Environmental Risk. The Credit Risk Management Department ensures the practice of proper credit/investment culture across Bangladesh Finance's lending activities. It also provides the essential independent assessment of credit and business risks which ensure strong asset quality. The Credit Risk Management Departmentof Bangladesh Finance Limited operated within its sound and well-defined credit granting criteria with a clear indication of the company's target market and a thorough understanding of its borrowers or counterparties, as well as the purpose and structure of the credit and its source of repayment. The Department possesses an awareness of the need to identify, measure, monitor and control credit risks as well as the determination that they hold adequate capital against these risks and that they are adequately compensated for risks incurred.

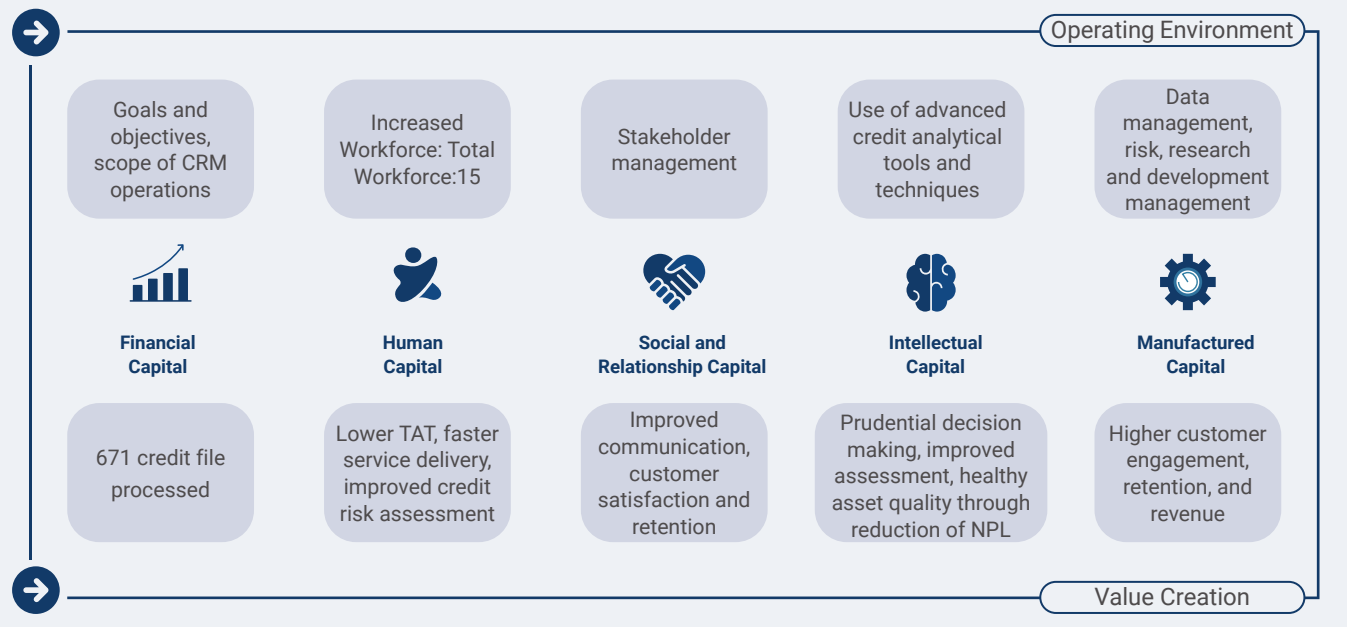


Operated within its sound and well-defined credit granting criteria	Rising curve of non-performing loan in the industry	Oversight of credit policies, procedures and controls relating to all credit risks
Digitalization of credit risk assessment processes through online loan origination System	Targeted risk-based pricing and faster client service without sacrifice in risk levels	Maximize risk-adjusted rate of return by maintaining credit risk exposure
671 credit files processed	482 proposals approved	BDT 5,111 mn loan file approved
Innovative digital solutions backed by integrated credit processes	Preserving portfolio quality by early-identification strategies	Collaboration with stakeholders to respond effectively
Focus more on CMSME and Retail segment from corporate concentration	Focus on targeted growth, digital delivery and preserving credit quality	Dynamic customer-centric solutions

Strategy and Performance Review

As a part of our strategic roadmap, we have shifted our focus more on CMSME and Retail segment from corporate concentration with a view to de-risking our asset portfolio. From now on we need to manage a large number of clients in the asset portfolio, which will minimize credit concentration risk. Since the approval, the volume of business has increased significantly and the capacity of management has also been strengthened. Considering the business strategy, the Board of Director has empowered management for approving credit proposals up to a greater limit. We have also focused on strengthening our delivery efficiency and customer service by upskilling SME Team through targeted training programs.

In the year 2022, total 482 nos. credit proposals have been approved amounting BDT 5,111 million funded facilities for new sanction, renewal, enhancement, rescheduling and restructuring through the Credit Risk Management Department of Bangladesh Finance Limited.



Departmental Strategy

Credit risk management is a critical function of the FI. As an FI, managing credit risk is crucial to maintain a healthy loan portfolio, preventing non-performing loans (NPLs), and protecting the institution's financial health. Bangladesh Finance manages credit risk through processes and policies relating to the pre-sanction and post sanction stages of credit approval and other portfolio management internal processes. External and internal pressures are requiring financial institutions to re-evaluate the cost efficiency and sustainability of their risk management models and processes. Therefore, Bangladesh Finance has more focused to digitize the CRM Department of their credit risk processes through online loan origination System to meet investor expectations. Digital transformation in credit risk management brings greater transparency in risk profiles and offers huge potential to improve credit risk management. It is likely to result in more transparency of risk assessment. With a firmer grip on risk, the FI may expand its business, through more targeted risk-based pricing, faster client service without sacrifices in risk levels and more effective management of existing portfolios. Our strategy will be maintaining a diversified portfolio as per regulatory guidelines by prudentially managing the risk of the asset portfolio in terms of concentration to any industry, sector or individual customer.

Outlook

In 2023, we can expect Bangladesh Finance to continue to prioritize credit risk management activities. The government and regulators will likely focus on reducing NPLs and improving credit quality by enforcing stricter regulations and implementing more effective risk management practices. Additionally, there may be more efforts to promote financial literacy and encourage responsible borrowing and lending practices.The management of Bangladesh Finance prioritizes growing its credit portfolio in CMSME and Retail Segment by diversifying and focusing on geographical dispersion as well as maintaining the current portfolio of Corporate Credit. We are expanding our business on a geographical basis. Besides Dhaka & Chittagong zone, we are expanding our business and operation to Gazipur, Jashore, Hobigonj and Sylhet. Under this circumstance, we are operating our credit risk management activities from different branches of Bangladesh Finance. However, credit approval decision is being taken centrally. As a part of our strategic roadmap, we have shifted our focus more on CMSME and Retail segment from corporate concentration with a view to de-risking our asset portfolio. However, we need to manage a large number of clients in the asset portfolio, which will minimize credit concentration risk. Since the approval, the volume of business has increased significantly and the capacity of management has also been strengthened. Considering the business strategy, the Board of Directors has empowered management for approving credit proposal up to a greater limit. We have also focused on strengthening our delivery efficiency and customer service by upskilling SME Team through targeted training programs.

হোম লোন

Bangladesh finance
এখনই সময়

শখের পেইন্টিং সাজবে এখন নিজের বাড়িতে

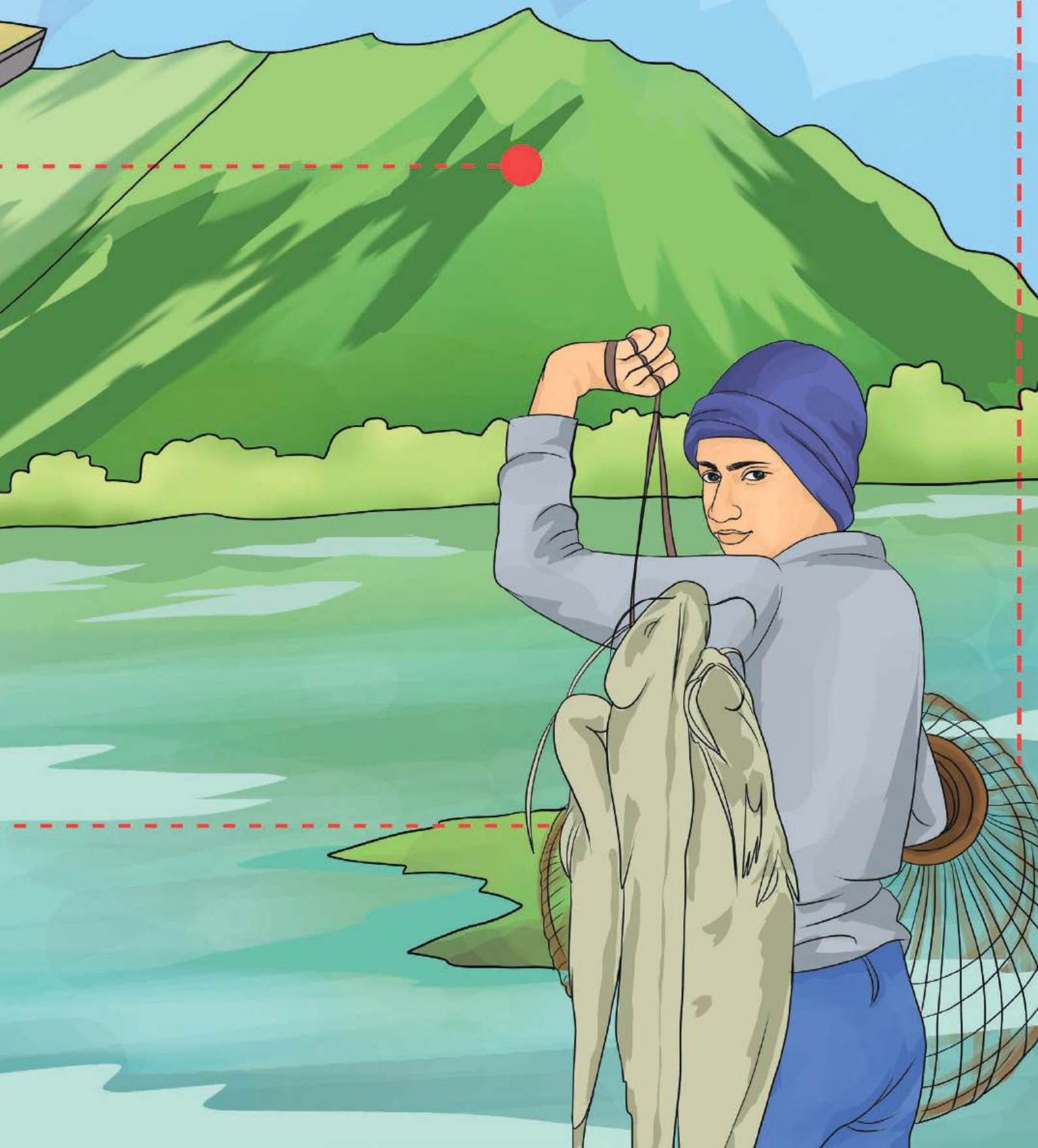
- ৮০% হোম লোন
- সহজ কিস্তিতে ঋণ পরিশোধ
- পরিশোধের মেয়াদ ২৫ বছর





Connecting the Earth

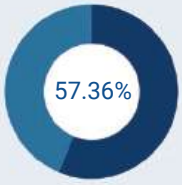
Bangladesh is a predominantly agro-based country with crops, livestock, fisheries, and forest products accounting for about 12.5% of its total GDP and employing around 40% of its population. The country produces various agricultural products, including rice, wheat, corn, legumes, fruits, vegetables, meat, fish, seafood, and dairy products.



SUBSIDIARY OVERVIEW

Bangladesh finance

Bangladesh finance capital | Bangladesh finance securities

Subsidiaries	Bangladesh Finance Securities Limited	Bangladesh Finance Capital Limited
Year of Incorporation	November, 2011	August, 2011
Ownership		
Paid up Capital	BDT 1,072 million	BDT 269 million
Principal Activities	Providing ultimate brokerage service for the people of Bangladesh.	Providing ultimate capital market solution to individuals & corporations.
Status of the Company	Quoted/Unquoted	Quoted/Unquoted

Bangladesh Finance Securities Limited	
Financial Highlights	BDT in million
Revenue	273
Profit Before Tax*	162
Profit After Tax	161
Total Assets	2,553
ROE (%)	13.61%

Bangladesh Finance Capital Limited	
Financial Highlights	BDT in million
Revenue	86
Profit Before Tax*	47
Profit After Tax	42
Total Assets	693
Roe (%)	10.99%

BANGLADESH FINANCE SECURITIES LIMITED

Overview

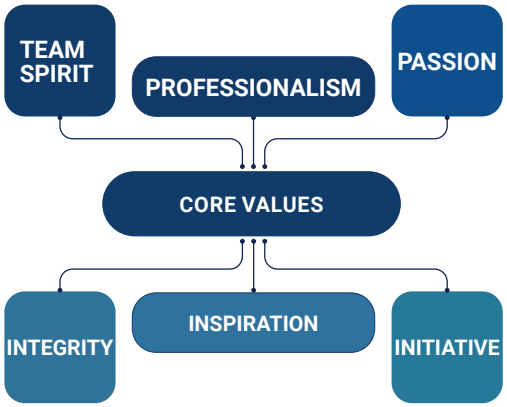
Bangladesh Finance Securities Ltd is a subsidiary of Bangladesh Finance providing brokerage services to its clients with a membership of the Dhaka Stock Exchange Ltd. Bangladesh Finance Securities commenced its operation in November 2011 and within a short span of time the company has emerged as one of the leading brokerage houses of the country holding an average of 1.69% market share of DSE trade volume. During the year 2022, Dealer Position 3rd and Broker Position 21st. The Company has a strong team of highly skilled and experienced professionals to achieve its ultimate objectives.

Key Strengths

- Exceptional quality and professionalism in its service offering to clients
- An experienced and dedicated senior management team
- A trained and professional team
- A competent equity market research unit
- Online Trading Facility from anywhere

Strategic Objectives

- Create synergy by combining quality and balanced portfolio
- Offering a wide range of services to our clients
- Maximize corporate value through sustained growth
- Strengthening our position in stock market operation



IPO

It is no longer an "Inept Process Offline" rather it has become "Instant Purchase Online". Investment in IPO was never as easy as it is now with Bangladesh Finance Securities Limited.

CTA Investors can buy or sell securities by providing the capital needed to fund the transaction without relying on the use of margin. Cash Trading is achieved by using a cash account, which is a type of brokerage account that requires the investor to pay for securities within one day from when the purchase is made.

MTA

Investors have the option of trading with margin loan. Margin trading account allows investors to buy more stock than they would be able to normally. This is different from a regular cash account, in which investor trade using the money in the account. The margin loan and interest rate will differ as per management decision. The margin account may be part of your standard account opening agreement or may be a completely separate agreement.

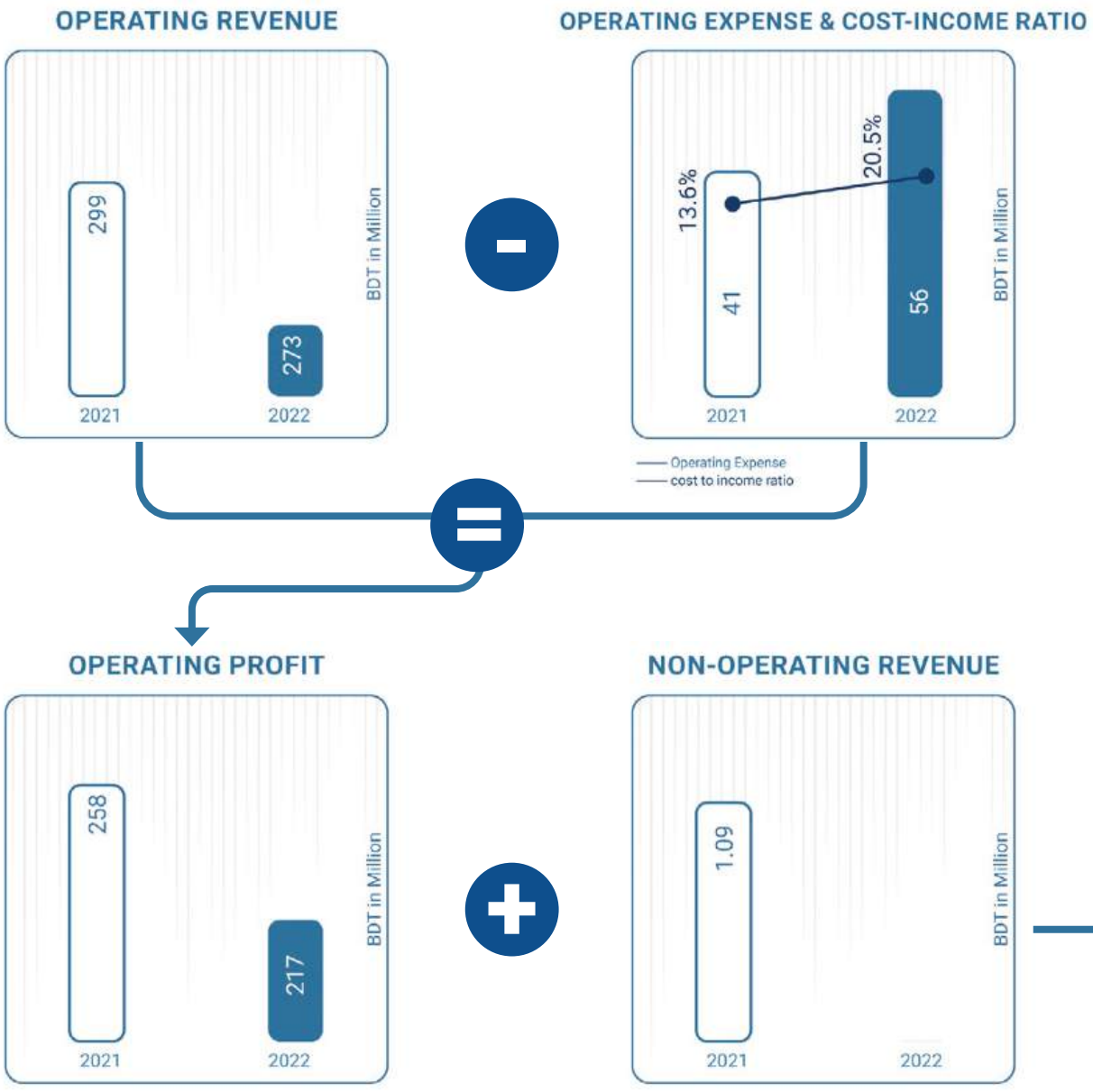
Key Milestone

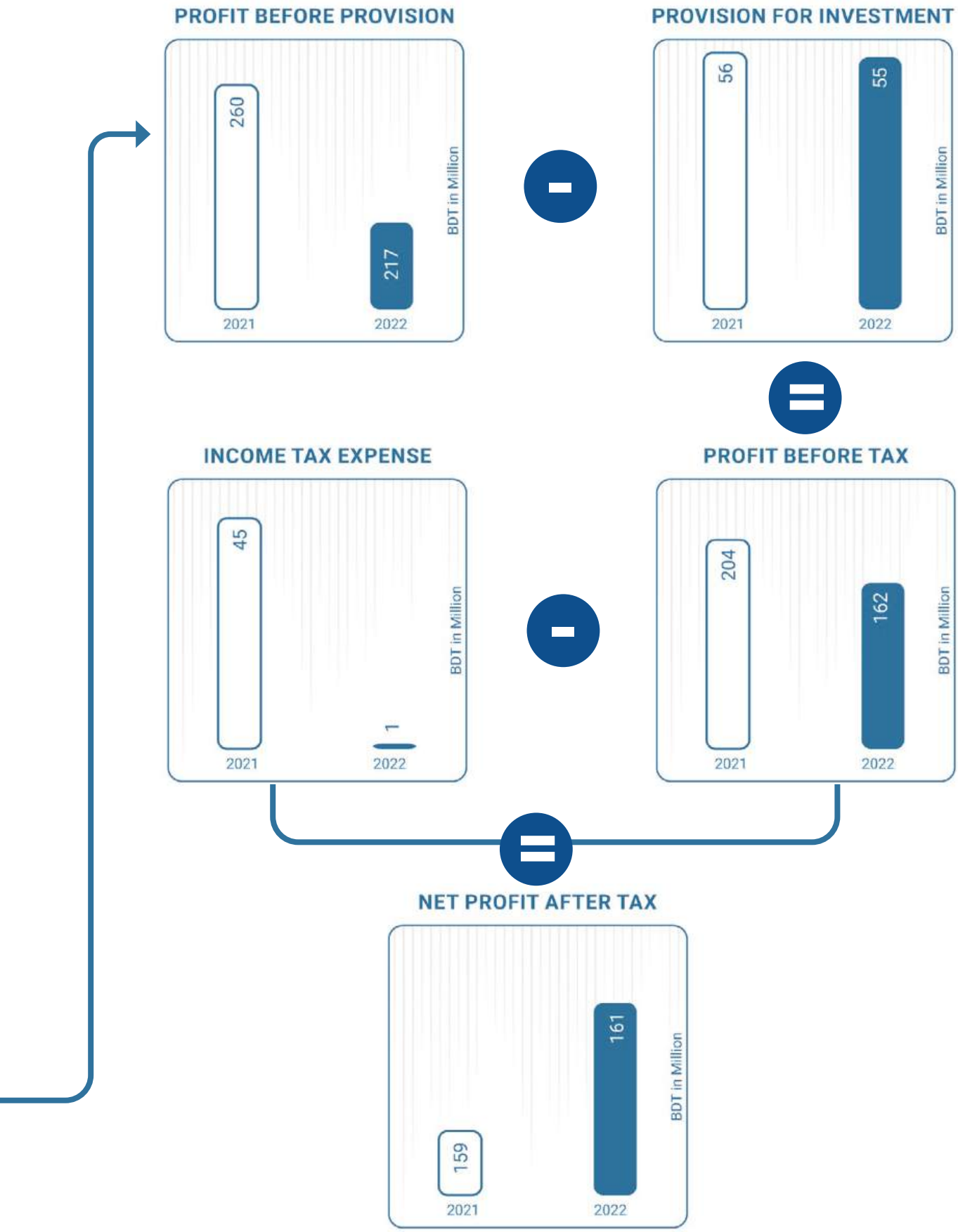


Operational Performance

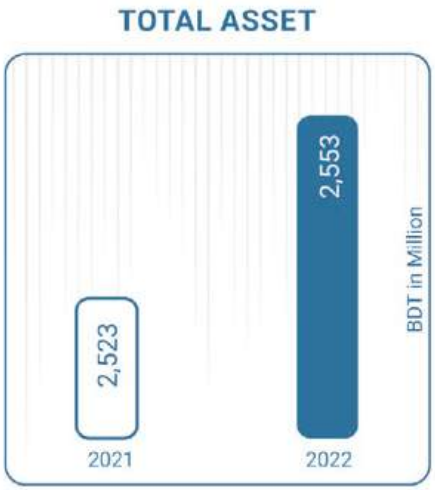
BFSL's operational revenue declined by 8.7% during the year of economic worries, and a global recessionary outlook. At the end of December 2022 DSEX, the prime Index of Dhaka Stock Exchange saw a sharp fall of 8.1% and the market turnover decline by 62.5%. Consequently, the total revenue of the company stood at BDT 273.16 million, which was reported BDT 299.2 million in 2021. During the year 2022, our brokerage commission income stood at BDT 184.19 million against BDT 153.93 million in 2021. Even in the adverse situation in the Bangladesh Capital Market, the company managed to post a growth of 20.44% in its major revenue stream. It was a difficult year for the capital market due to bearish capital market condition which resulted drastic fall of price indices and turnover in both bourses. In 2022, overall market return was (8.1%) while BFSL investment return was 36%.

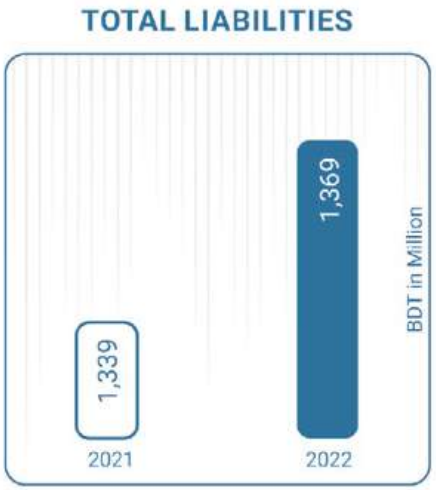
From the beginning of the year 2022, the economic hardship brought on by the global economic recession. However, BFSL gone all-out to maintain the impetus. Notwithstanding the predominant susceptibilities in the market, Bangladesh Finance Securities was able to make after-tax net profit of BDT 161.12 million and Earnings per Share of BDT 1.50.

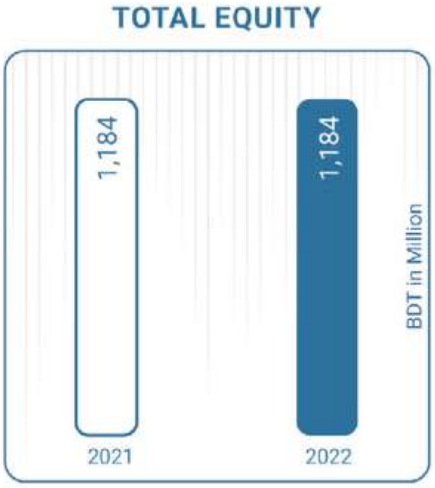


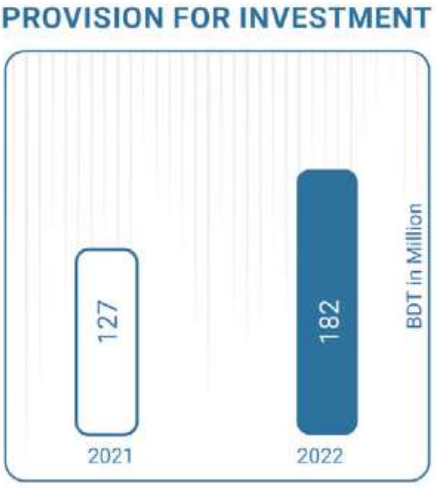

PROFIT BEFORE PROVISION
260
217
2021
2022
BDT in Million
PROVISION FOR INVESTMENT
56
55
2021
2022
BDT in Million
INCOME TAX EXPENSE
45
1
2021
2022
BDT in Million
PROFIT BEFORE TAX
204
162
2021
2022
BDT in Million
NET PROFIT AFTER TAX
159
161
2021
2022
BDT in Million

KEY PERFORMANCE INDICATORS





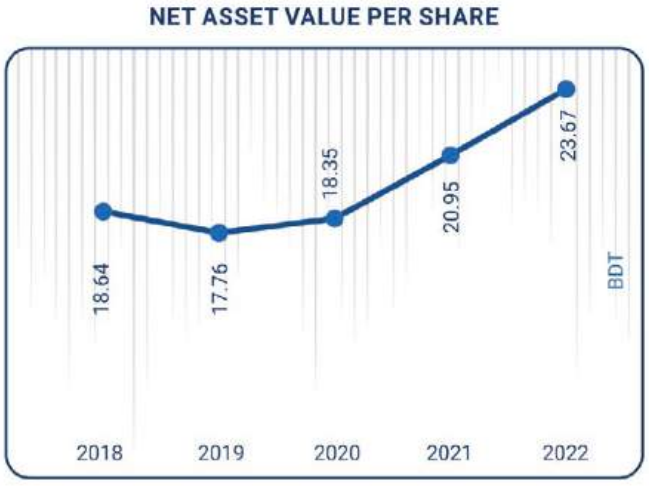












(BDT in Million)

FINANCIAL SUMMARY OF BANGLADESH FINANCE SECURITIES LTD.

Particulars	2018	2019	2020	2021	2022
Operating Revenue	46.78	52.55	73.99	299.2	273.16
Operating Expenses	34.15	33.89	29.23	40.77	56.04
Net Profit After Tax	0.2	5.8	32.02	159.23	161.12
Provision Against Investment & Margin Loan	1.46	1.85	0	55.56	55.03
Total Asset	1,998.39	1,904.39	1,967.29	2,245.76	2,537.85
Return on Equity (ROE)	0.00%	0.01%	2.74%	13.53%	13.61%
Return on Asset (ROA)	0.0%	0.3%	1.6%	7.1%	6.3%
EPS (Tk.)	0.00	0.05	0.30	1.49	1.50
Net Asset Value Per Share (NAV)	18.64	17.76	18.35	20.95	23.67

BANGLADESH FINANCE CAPITAL LIMITED

Overview

Bangladesh Finance Capital Limited is a full-fledged Merchant Banker licensed by Bangladesh Securities and Exchange Commission (BSEC) on February 26, 2012. Bangladesh Finance Capital is a 99.97% owned subsidiary of Bangladesh Finance Limited and is a Depository Participant with Central Depository Bangladesh Limited (CDBL). We are catering to individual Investors, Corporate and NRB clients. Bangladesh Finance Capital started its journey on August 19, 2013 with Authorized Capital of BDT 200 crore and Paid up Capital of BDT 26.87 crore. The organization is run by a team of professionals under leadership of highly experienced and leading personalities of this field.

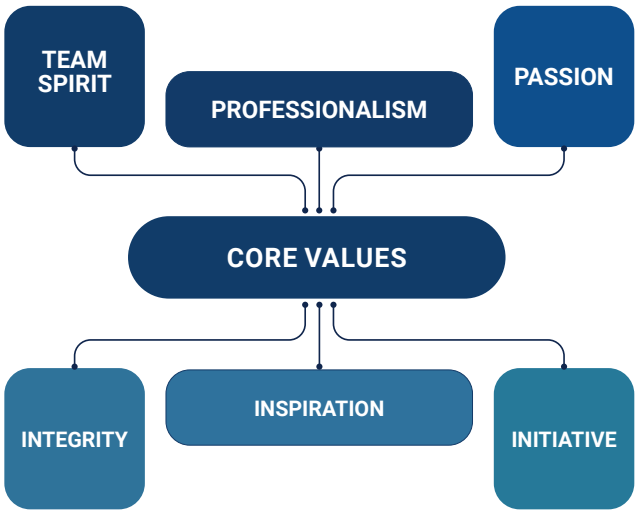
Strategic Objectives

- Create synergy by combining quality and balanced portfolio.
- Offering a wide range of services to our clients
- Maximize corporate value through sustained growth
- Strengthening our position in stock market operation

Corporate Advisory Services

Bangladesh Finance Capital provides a full range of advisory services under one umbrella

- Long Term Debt & Equity Financing
- Financial Modelling
- Financial Restructuring
- Sell Side and Buy Side Advisor



Key Milestone



Investment Banking Services

Expert issue management team of Bangladesh Finance Capital offers institutional clients full spectrum of initial Public Offering (IPO), RPO & Right Offer Document (ROD), underwriting and Merger & Acquisition solutions. Debt and Equity capital management service is also an important function of Bangladesh Finance Capital. Through this service, Bangladesh Finance Capital issues bond on behalf of companies directly to public or different institutions.

Bangladesh Finance Capital negotiates on behalf of companies intending to raise capital from high-net-worth individuals. Bangladesh Finance Capital is capable of providing large private placement as a result of strong backward linkage.

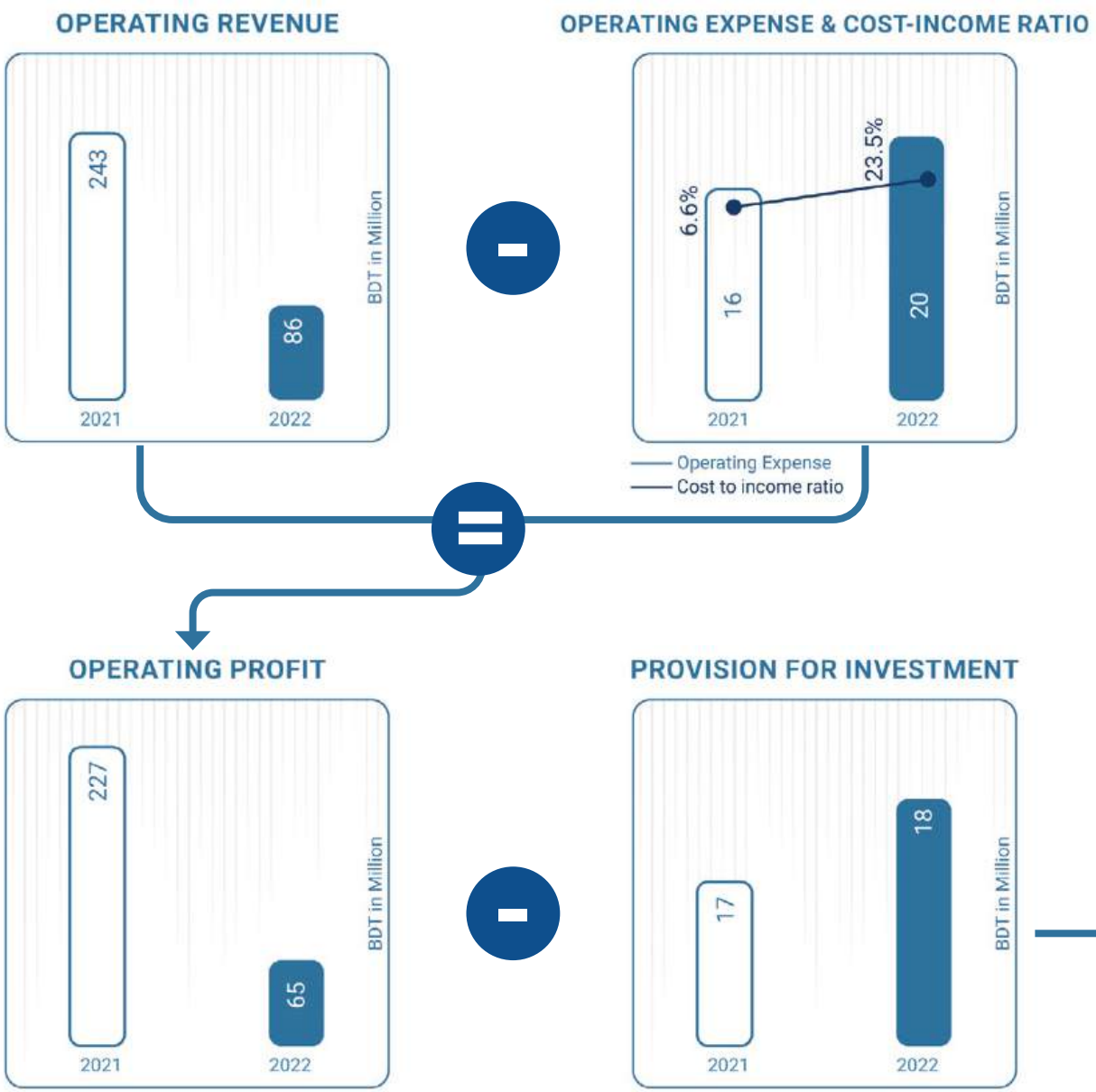
Portfolio Management Services

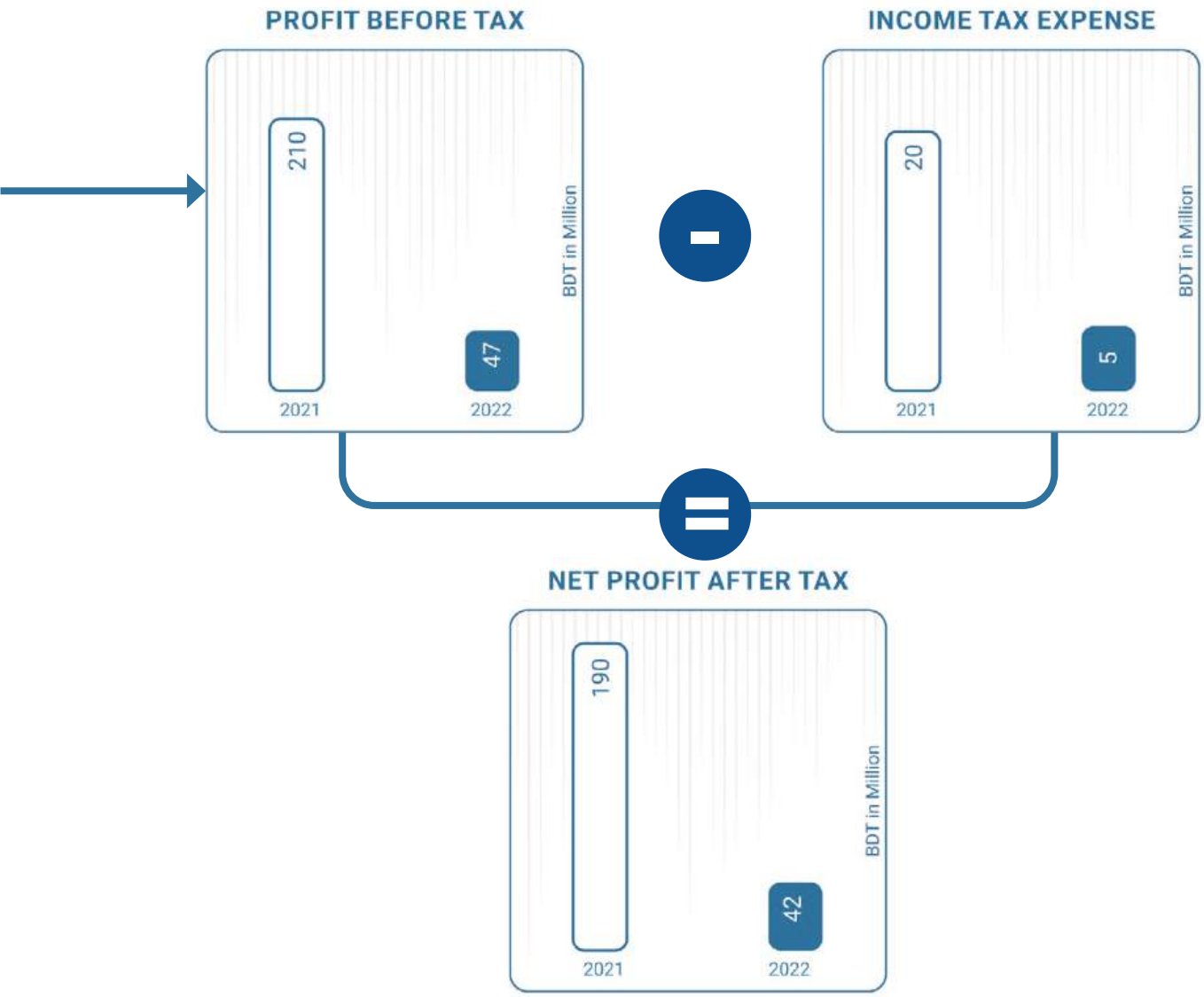
Expert & highly skilled portfolio management team & capital market research team of Bangladesh Finance Capital offers different products aiming to serve all group of investors:

- Investors' Discretionary Accounts (IDA)
- Management Discretionary Accounts (MDA)
- Non-Margin Investor's Discretionary Account (NM-IDA).
- Profit-Loss Sharing Account (PLSA)
- Non-Resident Investor's Taka Account (NITA)
- SIP (Systematic Investment Plan)
- Shariah Portfolio Management

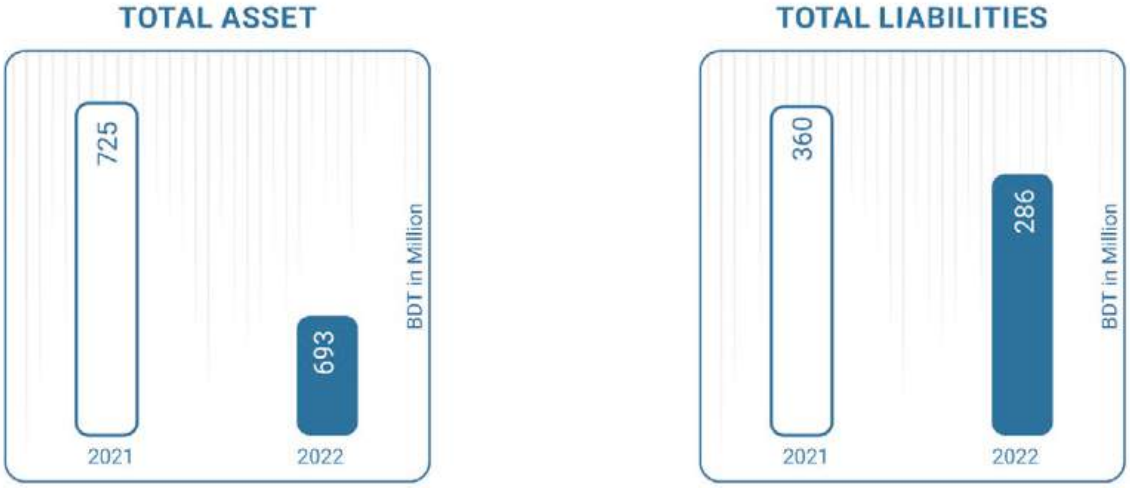
Operational Performance

The company attained a total operating income of BDT 85.52 million, which is a momentous fall from BDT 242.66 million reported in 2021. Consequently, the company registered an outstanding profit after tax of BDT 42.42 million, representative of a negative growth of 77.69%, year-on-year. Nevertheless, the company's operating expenses rose by 25.92% from the same period of the previous year. During the year 2022, our net interest income stood at BDT 3.96 million compared to BDT 9.71 million in 2021. At the same time income from settlement transaction fees and management fees have decreased by 54.45%, due to lower participation of the house investors. As a result of the adverse situation in the Bangladesh Capital Market, the Company's total portfolio operational income has declined by 53.94%. In the year 2022, the capital market was in a struggling situation and BFCL strived to maintain the momentum. Despite the prevailing vulnerabilities, Bangladesh Finance Capital was able to make an after-tax net profit of BDT 42.42 million and Earnings Per Share of BDT 1.58. However, expecting the earnings growth will be sustained riding on efficient management and diversified product & services.

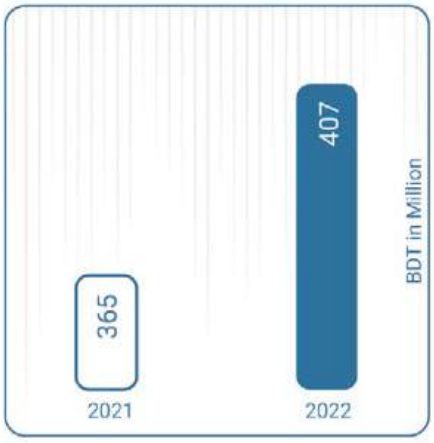




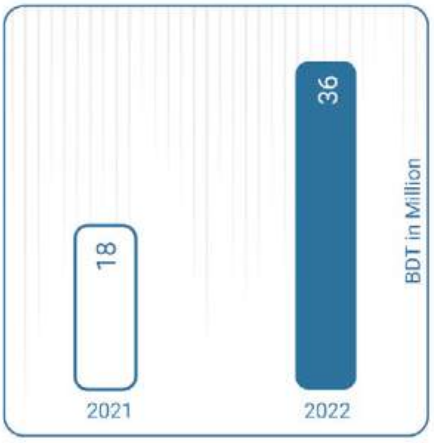
KEY PERFORMANCE INDICATORS



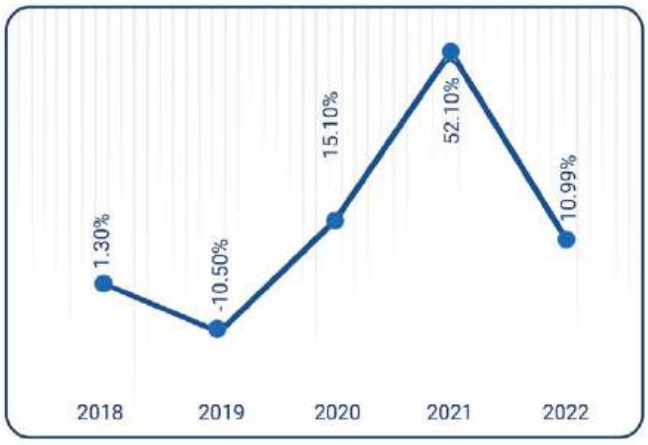
TOTAL EQUITY



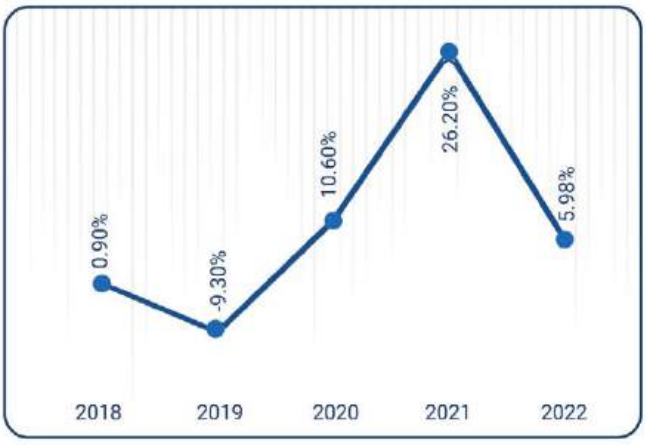
PROVISION FOR INVESTMENT



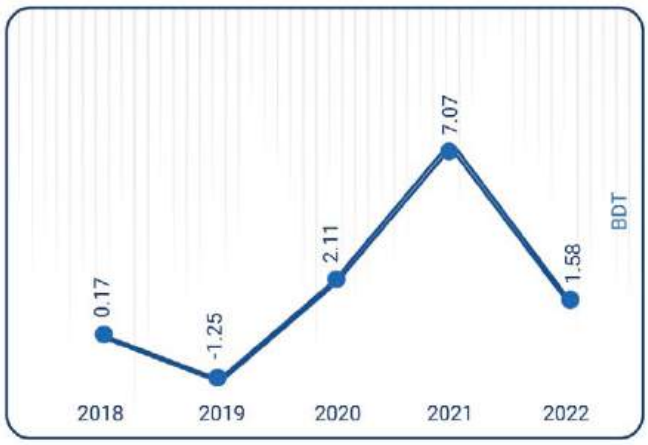
RETURN ON EQUITY



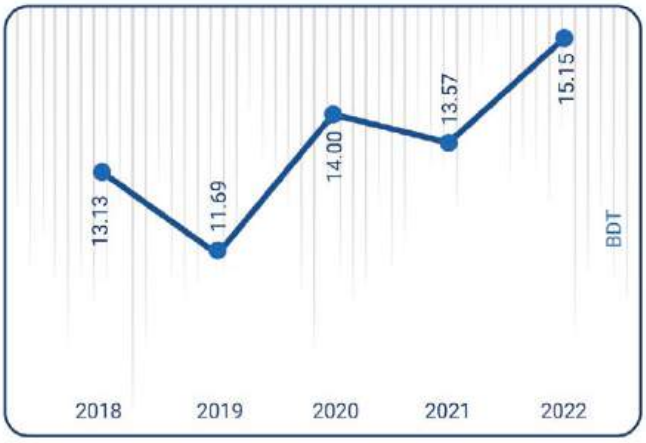
RETURN ON ASSET



EARNINGS PER SHARE



NET ASSET VALUE PER SHARE



(BDT in Million)

FINANCIAL SUMMARY OF BANGLADESH FINANCE CAPITAL LTD.

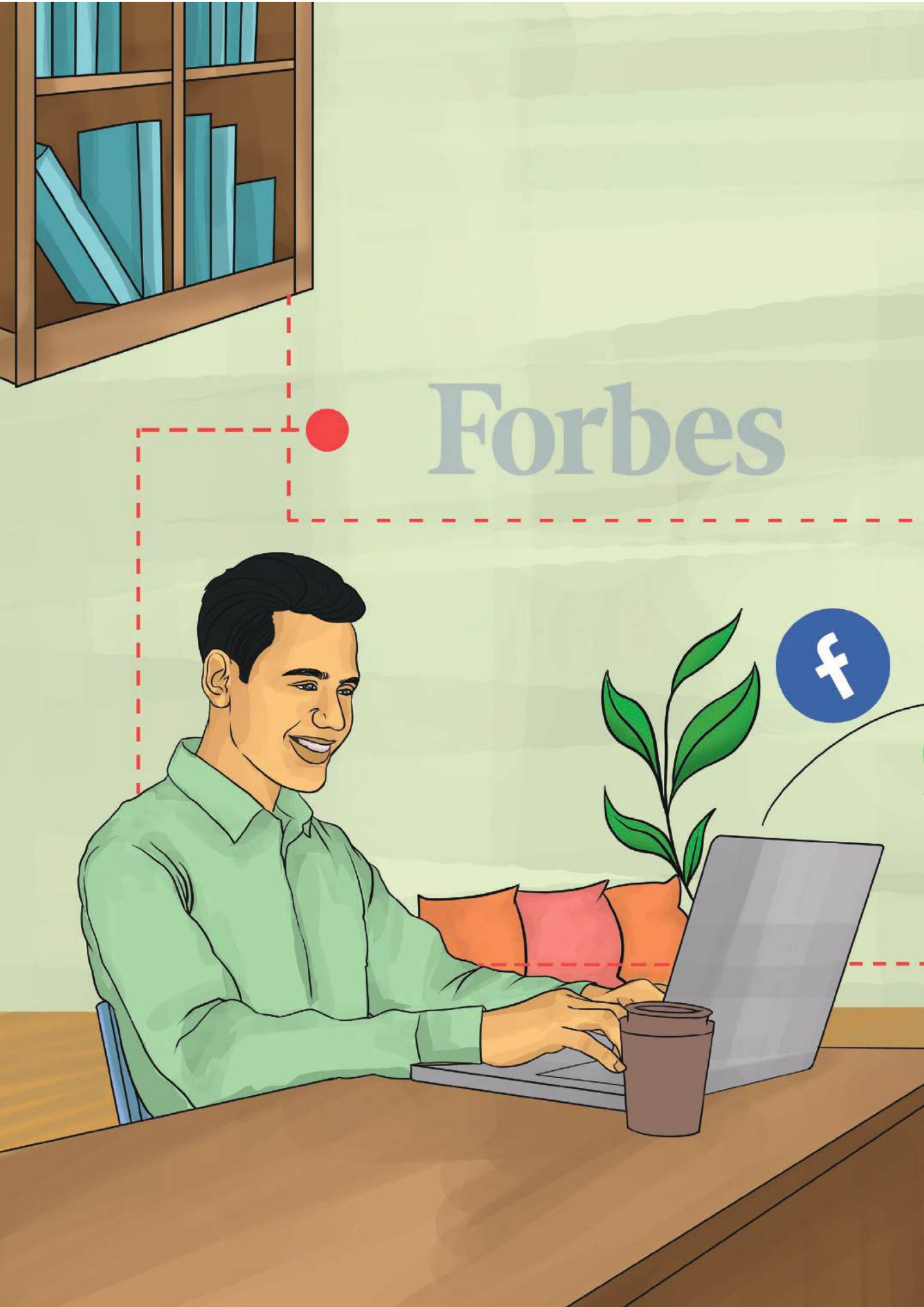
Particulars	2018	2019	2020	2021	2022
Operating Revenue	9.83	-19.00	72.70	242.66	85.52
Operating Expenses	11.89	13.76	14.57	15.96	20.10
Net Profit After Tax	4.53	-33.51	56.73	190.12	42.42
Provision Against Investment & Margin Loan	6.5	6.5	3.2	19.74	37.74
Total Asset	488.22	359.53	536.42	724.88	693.39
Return on Equity (ROE)	1.3%	-10.5%	15.1%	52.1%	10.9%
Return on Asset (ROA)	0.9%	-9.3%	10.6%	26.2%	5.9%
EPS (Tk.)	0.17	-1.25	2.11	7.07	1.58
Net Asset Value Per Share (NAV)	13.13	11.89	14.00	13.57	15.15

BLUE SIP

Bangladesh finance capital
এখনই সময়

নিয়মিত বাংলাদেশ ফাইন্যান্স SIP-তে বিনিয়োগে স্বপ্নপূরণ হোক খুব সহজে




Forbes

Connecting the Youth Power

Bangladesh is the second-largest supplier of online freelancers in the world with an upward surge in this industry. In Bangladesh, there are over more than 1,500 software and IT-related businesses registered, and ICT exports are thought to be worth more than $1 billion. In 2022, Forbes "30 under 30" list featured seven young people from Bangladesh. The Bangladesh Start-up Ecosystem has expanded significantly, generating 1.5 million job possibilities and raising D12 over USD 800 million in capital.



SUSTAINABILITY HIGHLIGHTS

102-40

For Our Customers

Disbursed

BDT 199 Mn

finance to micro-SMEs in Bangladesh.

BDT 36.05 Mn

extended financial facility for new women entrepreneurs, which accounts for **59** women entrepreneurs.

For Our People

15% of our total workforce are women

Our Sustainability Learning Programes saw the participation of a total of **80** unique learners

For Our Communities

BDT 2.78 Mn

financed for Socio-economic spend, which incorporates 11 CSR projects, 9 CSR events and more than 6500 beneficiaries.

84 customers under Women Entrepreneurship Loans

Benefitted **Over 10,000** households across Bangladesh through our financial services and community programmes

For Our Environment

About **BDT 782.5 Mn** financing for renewable and clean energy loans has been provided.

About **BDT 46.81 Mn** financing for digital partnership and lending solution.

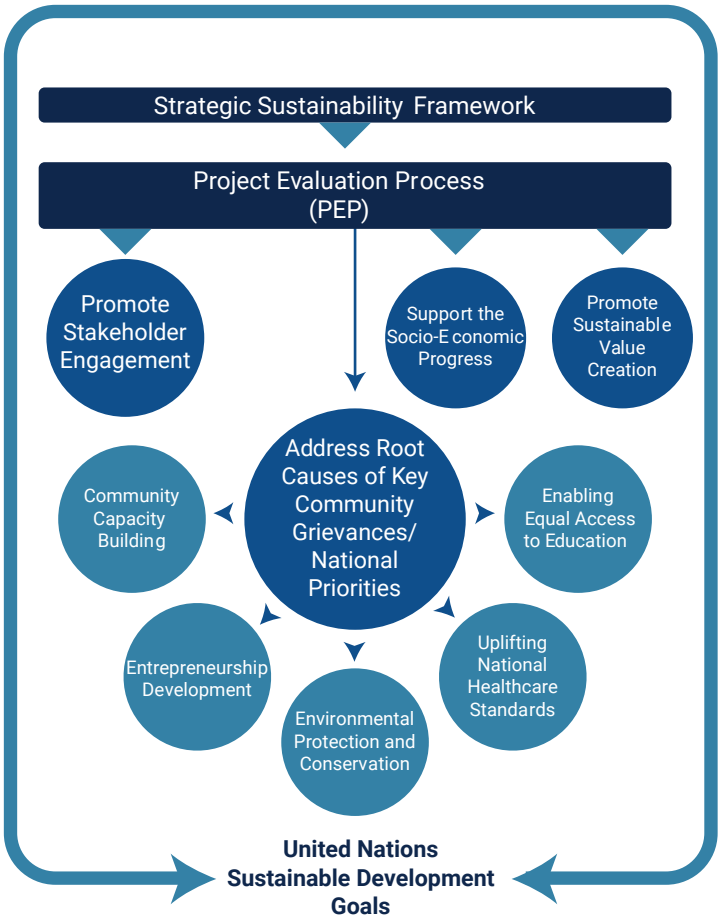
About **BDT 453 Mn** financing for sustainability related loans and green loans has been provided.

OUR APPROACH TOWARDS SUSTAINABILITY

GRI 103-2, 3

Strategic Sustainability Framework provides a structured approach to sustainability that ensures company's long-term success while considering social, economic, and environmental impacts and creates a platform to ensure the Bangladesh Finance's ESG architecture is continuously evolving in order to safeguard the wellbeing of communities and the environment, now and in the future.

We serve	We Focus
Economic Sustainability Produce strong financial results consistently to ensure long term financial stability and continuity of business operations	• Good Governance • Ethical Business practice • Digital Leadership • Market Share • Productivity and Efficiency
Social Sustainability Deliver solutions to help eliminate persistent socio-economic inequalities	• Socially Responsible Products and Services • Equal Employment Opportunity • Financial Inclusion
Environmental Sustainability Lead by example in the adoption of eco-friendly best practices for the Banking sector	• Digital Solutions • Paperless Operations • Green Lending • Environmental CSR Projects





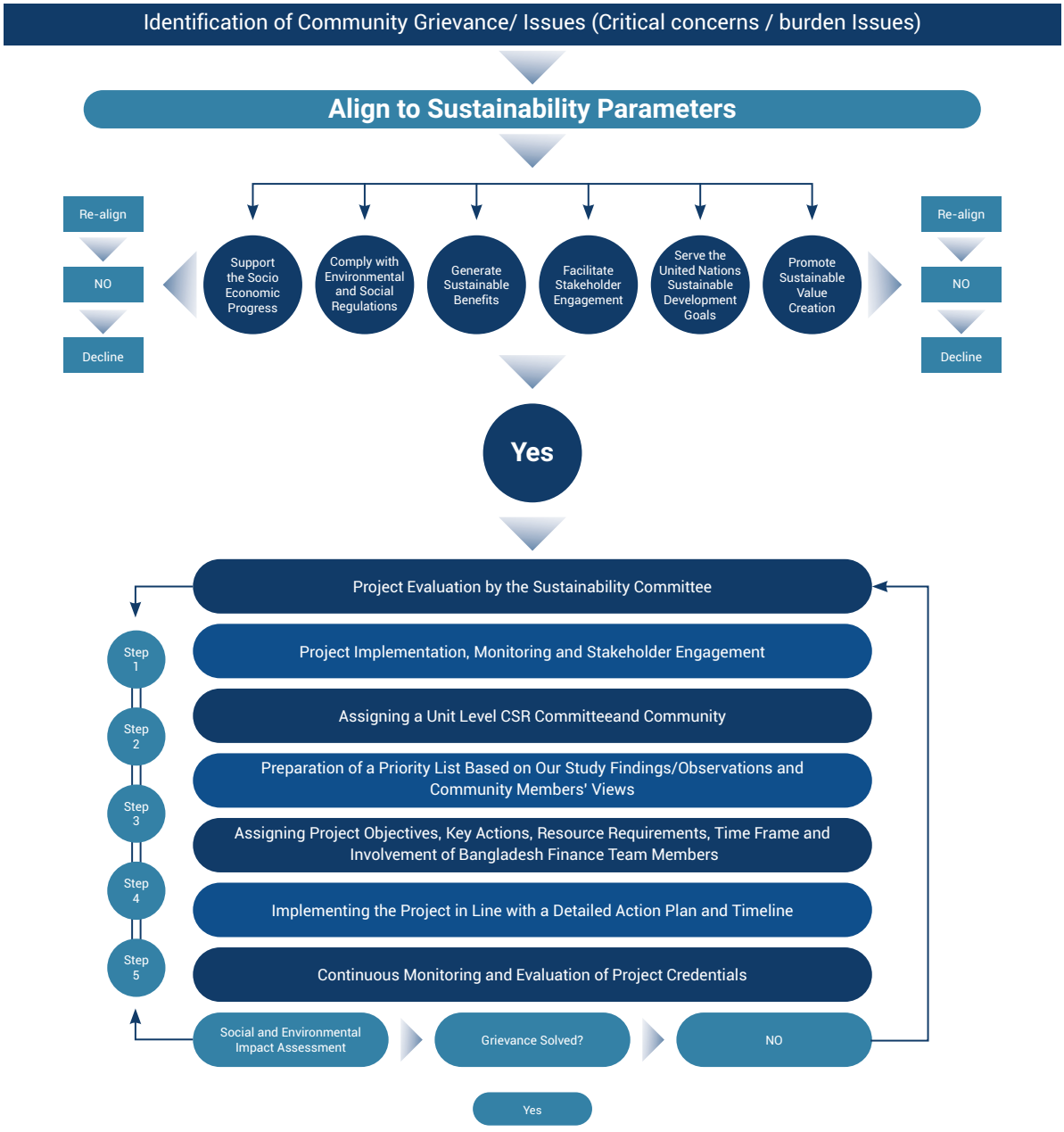
Strategic Sustainability Framework

Bangladesh Finance has repeatedly expressed its commitment to assisting in the national sustainability drive as one of Bangladesh's top NBFI. In order to analyze its total performance in terms of the triple bottom line, Bangladesh Finance has continued to reform its approach by viewing its operations through a 360 lens. By doing so, it goes beyond profit to take into account the actual business impact on people and the environment as well. To ensure that the pursuit of profit does not come at the expense of the environment or society at large, Bangladesh Finance has created a Strategic Sustainability Framework.

Sustainability Governance

With the deployment of a top-down governance strategy, the operational effectiveness of the Strategic Sustainability Framework is assured. While making decisions on the company's sustainability priorities, the Board remains ultimate decision-making authority. The Board has assigned power to the CSR Committee, which is headed by the Managing Director, to monitor all sustainability and CSR-related concerns. Under the guidance of the CSR Committee, the department gets involved in planning, implementing and monitoring of sustainability initiatives. As part of this process, each project is put through a comprehensive Project Evaluation Process to determine its capacity to achieve the stated objectives of CSR Model, which is developed through the CSR policy and CSR procedure of Bangladesh Finance. Continuous and ongoing training and awareness remain as one of the key pillars of our overall approach to sustainability governance.

Project Evaluation Process



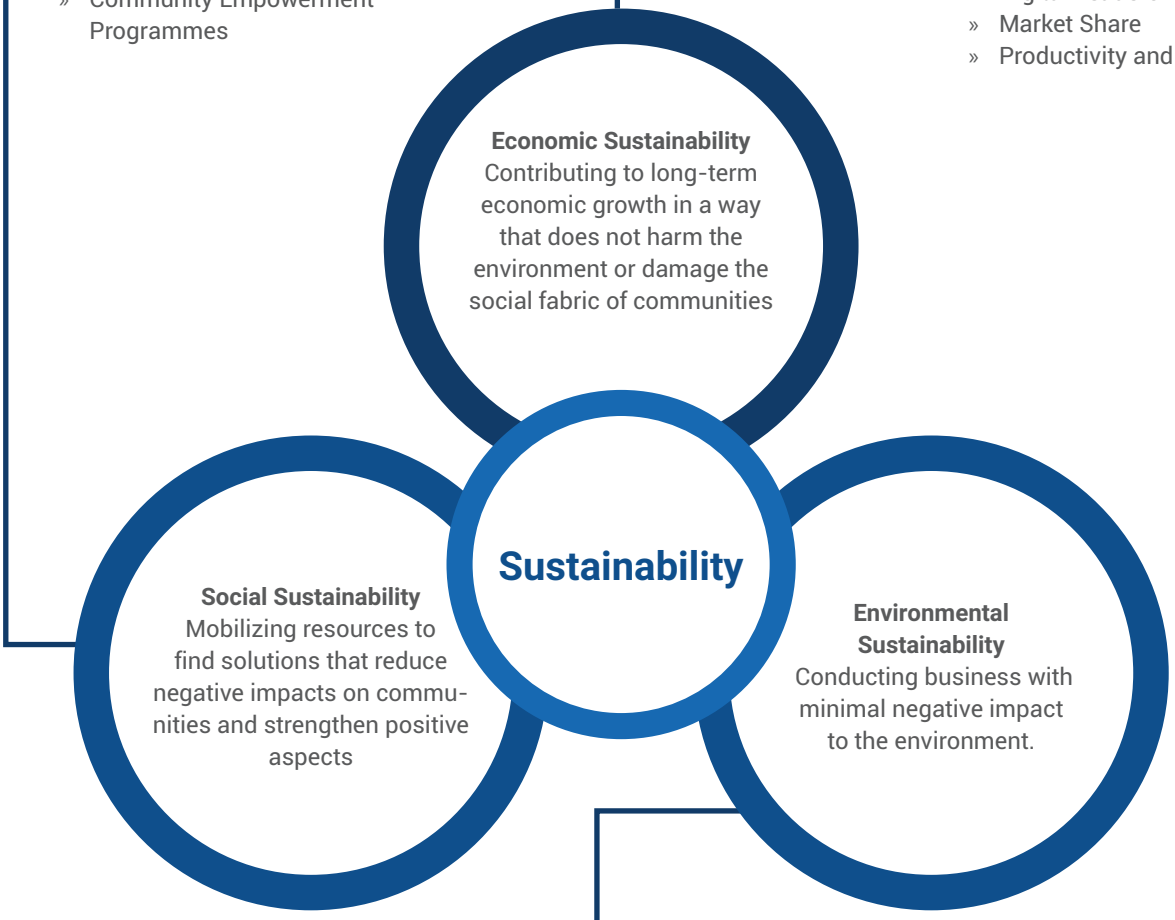
Three Pillars of Sustainability

We Focus on

- Socially Responsible Products and Services
- Equal Employment Opportunity
- Financial Inclusion
- Community Empowerment Programmes

We Focus on

- Good Governance
- Ethical Business Principles
- Digital Leadership
- Market Share
- Productivity and Efficiency



We Focus on

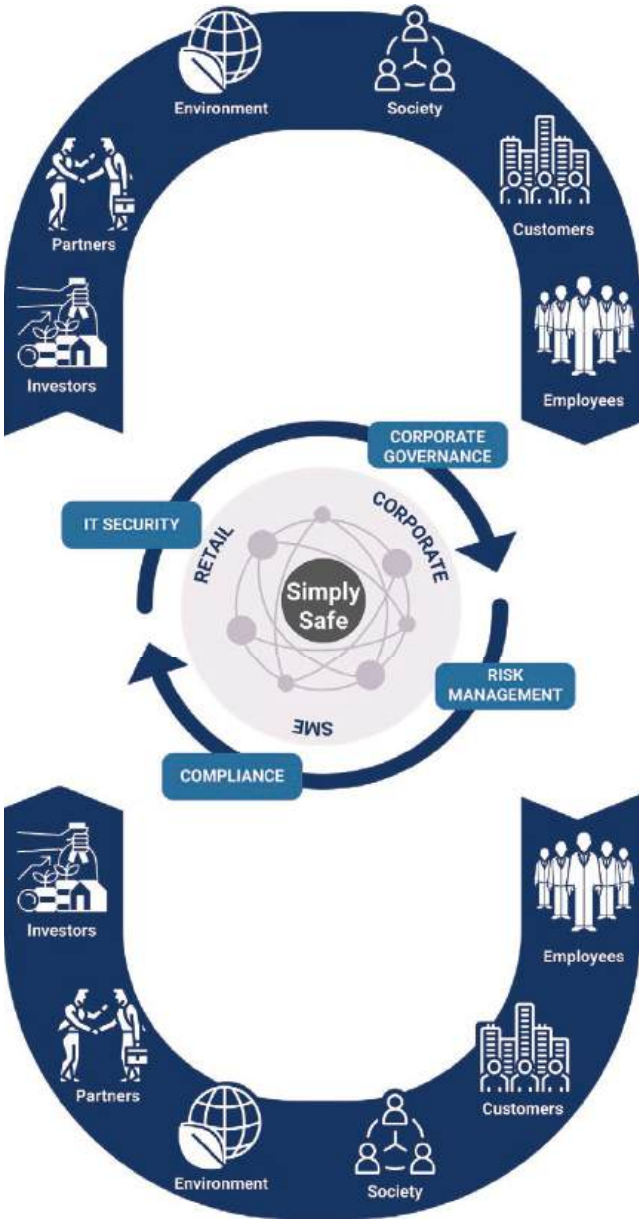
- Digital Solutions
- Paperless Operations
- Green Lending
- Environmental CSR Projects

We Create Value for

Investors	Customers	Employees	Suppliers & Business Partners	Community & Environment	Government & Regulatory Institutions

CREATING VALUE – ACHIEVING SUSTAINABLE DEVELOPMENT

GRI 102-16



Description

	Investors: Institutional and private investors and shareholders, who invest in Bangladesh Finance Ltd.
	Partners: Innovative partners such as digital healthcare providers, digital agency, insurance companies, hospital, big corporate conglomerates.
	Environment: The environment that we influence through our business decisions and activities.
	Society: The communities in which we operate in Bangladesh, and the society of each division in which our branches are located.
	Customers: Retail, Corporate and SME customers at whole Bangladesh.
	Employees: Bangladesh Finance employees in all branches.

Commitment

	Employees: Greater well-being
	Customers: Increased customer satisfaction
	Society: Valued member of society
	Environment: Climate protection
	Partners: Responsible and successful co-operation
	Investors: Attractive, reliable and responsible investment

Maintaining alignment between our sustainability strategy and business operations and larger social goals depends critically on creating value for our stakeholders. We frequently communicate with our stakeholders through a range of methods in order to comprehend and address their issues. These ongoing dialogues provide critical input for the formation of Bangladesh Finance's Sustainability Plan, policies and programs.



EMPLOYEES

Commitment: Greater wellbeing

Engagement Channels & Resources	Areas of Interest	How we Respond
• Modern and future-oriented working models • Employee engagement programmes • Competitive basic salaries, fair pay, variable remuneration • A culture of equality, integrity and curiosity. • Employee engagement and feedback surveys	• Providing a positive and supportive workplace • Enabling a work environment that successfully balances personal and professional needs • Provision of training and career progression opportunities • Ensuring employees are empowered to deliver to the best of their abilities	• Human Capital • Benefits offered to employees • Diversity, equity and Inclusion • Employee Well-being programs



CUSTOMERS

Commitment: Increased Customer Satisfaction

Engagement Channels & Resources	Areas of Interest	How we Respond
• Physical branches. • Digital collections for loans and deposits • Bangladesh Finance's social media platforms • Customer satisfaction • e-KYC system for creating accounts	• Providing faster and more convenient service • Meeting customers' expectations for personalized financial advice and financial solutions • Providing fair pricing and terms Shariah-compliant products and services and islamic banking facilities for individuals and SMEs	• Risk Management • Islamic Finance • Customer Experience • Customer Satisfaction



PARTNERS

Commitment: Responsible and Successful Cooperation

Engagement Channels & Resources	Areas of Interest	How we Respond
• Partnerships with different organizations to ensure facilities for the customers and stakeholders • Technological innovation • Collaboration with insurance company to ensure security of the customers • Collaboration with Digital health care service provider. • Using the channel/outlets of the partner	• Absorbing technological innovation through partners assistance • Embedded insurance facility in long term deposit or loan products • Spread service throughout the country by using channels and outlets of its partners • Promoting cultural diversity	• Stakeholder relationship • Manufactured Capital • Divisional Overview • Social and Relationship Capital

ENVIRONMENT

Commitment: Climate Protection

Engagement Channels & Resources	Areas of Interest	How we Respond
• Involvement in green financing • Increased socially responsible investment (sri) • Micro enterprising financing to ensure higher financial inclusion • Increased demand for renewable energies	• Reducing the carbon footprint of business activities • Educating staff about relevant topics • Conserving resources by reducing water consumption, energy consumption and waste • Promoting renewable energies • Combating climate change	• Natural capital • Our socio-economic impact • Esg in focus • Approach toward sustainability

INVESTORS

Commitment: Attractive, Reliable and Responsible Investment

Engagement Channels & Resources	Areas of Interest	How we Respond
• Conference calls and briefings on financial performance • Annual general meeting • Annual and sustainability reports • Transparent communication with all capital market stakeholders	• Ensuring return on investment • Embed sustainability considerations into business practices (such as responsible lending) • Staying ahead of emerging competition in the industry • Ensuring moral business conduct	• Corporate culture and code of conduct • Risk management • Business ethics • MD & CEO's statement on performance

SOCIETY

Commitment: Valued Member of Society

Engagement Channels & Resources	Areas of Interest	How we Respond
• Corporate social responsibility activities with a focus on environmental, social and education projects • Promotion and support of volunteer work (social, environmental, political) • Strong compliance as a core element of corporate governance (e.g., code of conduct) • Responsible investment policy	• Ensuring knowledge transfer • Ensuring a solid and trust-based relationship between private and public sector • Maintaining a strong community with a sense of solidarity • Enabling communities to improve their infrastructure • Investing in industries that are significant for society. • Promoting cultural diversity	• Corporate social responsibility • ESG in focus • Environmental initiatives • Business ethics • Our socio-economic impact

ENVIRONMENTAL INITIATIVES

103-1, 103-2, 103-3

Our efforts to control our environmental footprint focus on lowering our carbon emissions, increasing our energy effectiveness, and minimizing the amount of water and other resources we use. We try to measure and track our environmental impact across our market to identify and prioritize areas for improvement.

Managing the environment is a group-wide effort that requires participation from stakeholders across all of our business divisions. To promote green thinking, we regularly engage our employees on the importance of sustainable office practices through regular communications. By promoting employee-driven solutions, such as competitions to develop ideas for energy savings, we aimed to promote a shared environmental consciousness. Other behavioral changes we encourage throughout the year range from promoting the turning off of computers, water coolers and other electrical appliances to ensuring awareness of responsible recycling practices.

103-1, 103-2, 103-3, 305-1

CARBON EMISSIONS

For saving money, time & CO_2 Bangladesh Finance implemented Video Conferencing System between Head Office and branches in order to attend meetings. Also, Bangladesh Finance has provided numerous virtual trainings to the employees using ZOOM and Microsoft Teams platform which contributed to reduced emissions of greenhouse gas.

As part of our commitment to our green economy, Bangladesh Finance has signed participation agreements with Bangladesh Bank under refinance scheme for lending in sustainable finance.

WATER CONSUMPTION

Bangladesh Finance is very much conscious about the efficient use of water. Major consumption of water is for drinking purposes. We are also uncompromising about ensuring pure and safe drinking water for its employees and visitors. Hence, every branch and corporate office are supplied with especially Reverse osmosis purifier. The management team takes special care so that wastage of water is minimum.

Ensuring efficient use of water

103-1, 103-2, 103-3, 302-1

ENERGY CONSUMPTION

Bangladesh Finance has worked toward more energy efficient operations throughout its branch networks, reducing costs and drastically reducing its emissions, consumption, and waste in the process.

- More than 40% electricity is saved every year using the daylight inside corporate office
- Energy savings bulbs being used in the office
- E-mail has been focused of both internal and external communications with an aim to reduce the paper consumption thereby reducing deforestation

Consumed
215,118 units
of electricity in 2022

103-1, 103-2, 103-3, 305-1, 305-2, 305-3

PAPER CONSUMPTION

The Company's e-mail system, core system modules and document management system among others, facilitate users to view documents online and limit the need of printing hard copies as practically possible. Hence, at least 14,800 A4 sheets are saved per month.

Saved approximately
880,000 Paper Sheets
for the year 2022

Aligned SDGs



Our Response

Our sustainability strategy sets out a clear plan to grow social value and wellbeing and includes clear metrics against which we will measure our performance. We promote ethical working practices through our supplier Code of Conduct.

We want to be known as a model environmental steward. Through the environmental initiatives that we chose to invest in, we strive to elevate our status among our competitors and the broader industry. For that we tend to concentrate on activities and initiatives that create a positive impact on the environment while eradicating the negative impact.



Refinance Scheme

Bangladesh Finance has signed an agreement with Bangladesh Bank as a participant under Refinance Scheme for practicing Green Initiatives through engaging in Women Entrepreneur, SME Lending and Sustainable Linkage Projects.



Sustainable Finance Unit

In view of making Bangladesh Finance more green, Sustainable Finance Unit has restructured and included more members to promote green initiatives within the organization.



Green Banking Initiatives

In 2022, Bangladesh Finance Disbursed BDT 782.5 mn for sustainable linkage projects. Besides, Bangladesh Finance has provided several trainings on Green to employees and all of the trainings are held online for cost efficiency.



Reducing Adverse Impact

Bangladesh Finance has made it a practise of not to support businesses that are linked to health hazards, and all of its offices have been kept smoke-free. We incorporated environmental and climate change risk as part of the existing credit risk methodology prescribed to assess borrowers.

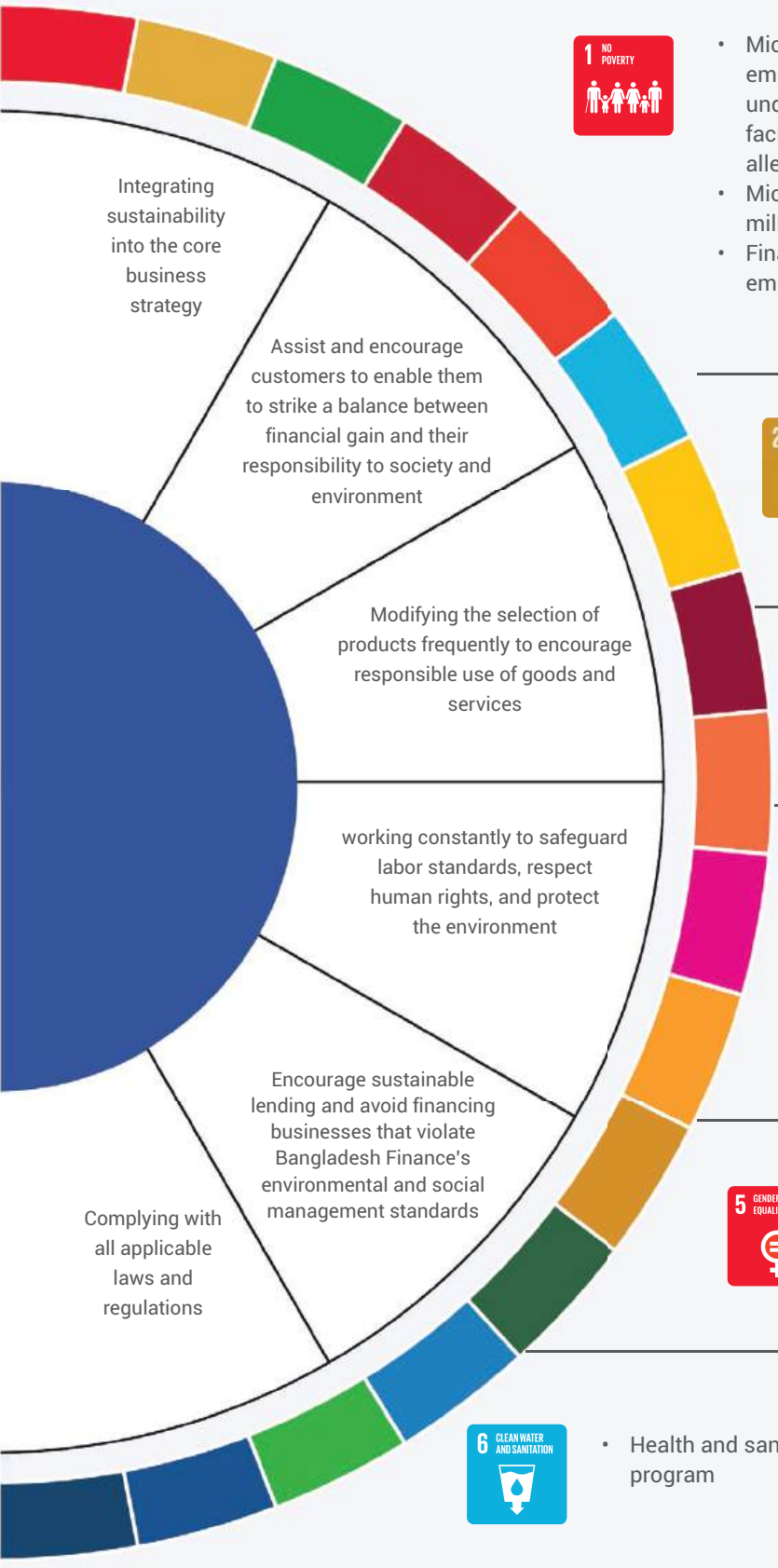
ঘর
AFFORDABLE
HOME LOAN

Bangladesh finance
এখনই সময়



যত্ন দিয়ে পূরণ হোক
আপন বাড়ির স্বপ্ন

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT



1 NO POVERTY

- Microfinancing/ NGO facilities empowering the country's most underprivileged communities, facilitating job creation and poverty alleviation.
- Microfinancing/NGO lending: BDT 70 million
- Financial inclusion & women empowerment project

2 ZERO HUNGER

- Loan to women entrepreneur(s) to upgrade their economic condition
- Loan to farmers for cattle farming in village areas

3 GOOD HEALTH AND WELL-BEING

- Establishment of HDU (High Dependency Unit) at Dhaka National Medical Collage

4 QUALITY EDUCATION

- Knowledge sharing and capacity building sessions for customers
- Sessions conducted: 04
- Invested in SPANDAN-B, an USA based NGO working with the education and healthcare facility to unprivileged people.

5 GENDER EQUALITY

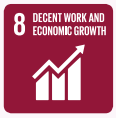
- Unique work environment demonstrating commitment to support the empowerment of women

6 CLEAN WATER AND SANITATION

- Health and sanitation awareness program



- Establishment of energy efficient branches



- Internship opportunities for undergraduates.
- Attractive remuneration and opportunities for employees to develop skill and career in a dynamic and safe working environment
- Number of permanent employees: 151
- Retention rate: 89%



- SME lending support expansion of small businesses and inclusive industrialization
- SME lending



- Equal opportunities for all employees and strive to create a diverse and inclusive workplace
- Female representation rate: 15%



- Structured housing loan solutions for customers.



- Year-on-year reduction in paper waste attributed to increased digitalization.
- Wide range of products and services catering to a range of non banking needs also enhancing convenience at affordable prices.



- Conversion of one branch to solar system for sustainable energy



- Funding to eco-friendly agri-based sector to save water and natural eco-system



- Invest in emission management and energy management projects at the Head Office and branch network.
- Inclusive industrialization
- SME lending



- Corporate governance frameworks embody the highest standards of accountability, integrity, and transparency, anti-corruption and whistleblowing policies are also in place.



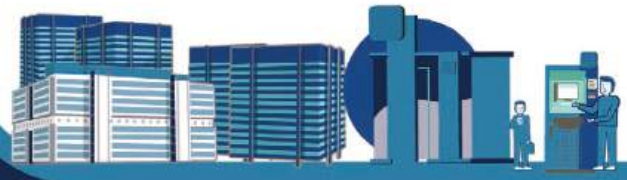
- The refinancing unit partners with the government and multilateral agencies to channel credit lines to end-users.
- Refinance disbursements: BDT 272 million

CAPITALS' SUMMARY

To us, creating value means achieving long-term sustainable results. It generates recurring net income that is greater than the cost of allocated capital, which remunerates our investors while also reflecting business risks. We allocate a wide range of capital in our business, which that are related to raise funds and offer products and services, to achieve our goals as an organization and provide differentiation, while also increasing our own capitals. We present below a brief description of the capitals that are most relevant to our value creation model

Financial Capital:
Composed of available and allocated financial resources to businesses, our own or third parties, obtained in the form of financial products and services.





Manufactured Capital:
Composed of the equipment and physical facilities, such as applications (e-KYC) and technological advancements used in the provision of products and services, and business management.

Intellectual Capital:
Composed of the reputation obtained by our brand, our intellectual property and by the ability to develop new technologies, products and services that generate competitive advantages for the continuity of business.





Human Capital:
Composed of our employees and their skills, experiences, motivations to innovate and develop better products and services, in an ethical and responsible way, by means of meritocracy, leadership and cooperation.

Social and Relationship Capital:
Composed of the ethical and transparent relationship with our investors, customers, employees, the government, regulatory agencies, and suppliers– essential for maintaining business and our social license. This reflects the ability to share value and enhance individual and collective well-being.





Nature Capital:
Composed of renewable and non-renewable environmental resources, consumed or affected for the prosperity of business. We are particularly talking about air, water, soil, biodiversity and etc.

FINANCIAL CAPITAL

The financial capital is undoubtedly one of the most significant capitals in the financial sector. By means of the financial capital, FIs are able to perform financial intermediation, raising and accumulate funds in the market and granting loans to customers and society, attributing interest rates that remunerate business risks and their providers of financial capital.

AA
Credit Rating

BDT 17.41
NAV

161mn
Paid to government as Taxes

305mn
Highest NPAT

9.49%
ROE



Origin of Financial Capital BDT in million

Liabilities	2020	2021	2022
Financing (Borrowings) from other Banks	3,064	2,847	3,145
Deposits	8,616	9,659	9,797
Other Liabilities	1,838	2,404	2,407
Total Liabilities	13,518	14,821	15,350
Total Equity	2,992	3,148	3,277
Non-controlling Interest	505	505	505
Total Liabilities and Equity	**17,016**	**18,473**	**19,132**

Allocation of Financial Capital BDT in million

Assets	2020	2021	2022
Cash	75	99	118
Balance with other Banks and Financial Institutions	929	1,462	1,575
Investments	796	987	1,136
Lease, Loans and Advances	12,873	13,692	14,006
Fixed Assets	540	544	625
Other Assets	1,591	1,476	1,459
Non-Banking Assets	212	212	213
Total Assets	**17,016**	**18,473**	**19,132**

Creating sustainable stakeholders' value has always been the fundamental goal of managing our financial capital while efficiently utilizing our funds obtained through shareholder investments and borrowings. Our debt metrics have been further strengthened, and the company's ability to manage its total cost of capital makes a significant contribution to the sustainability and its ability to fund expansion of its distributable income.

Value for Investor
Generating attractive return on shareholder funds and ensuring certainty of return on capital invested.

Value for Company
Accomplish financial excellence and generate year-on-year improvements in all key financial indicators.

Value for Customer
Leveraging data and emerging technology while enhancing customer service and satisfaction.

Related Stakeholders Concerns

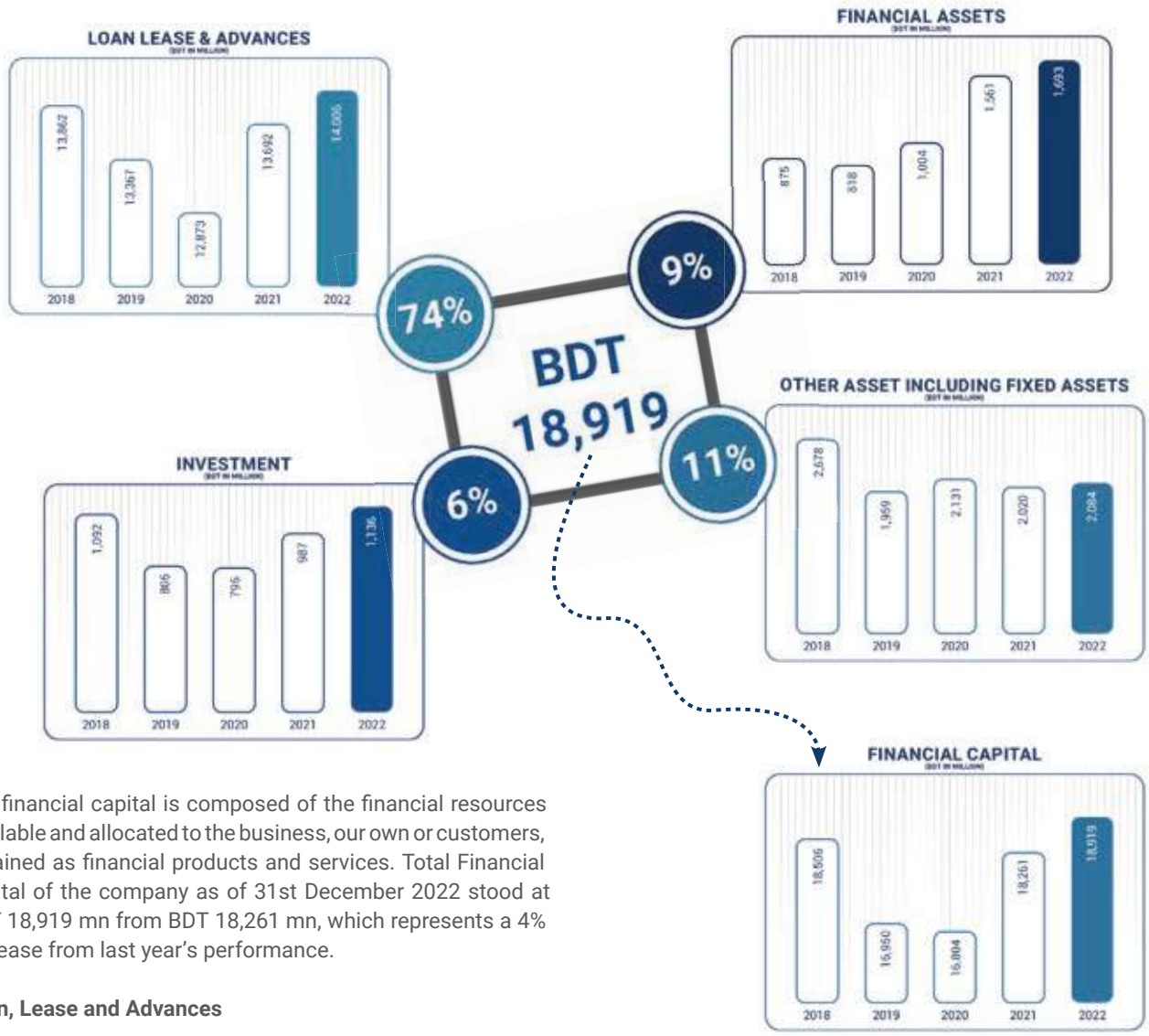
SDGs Impacted

Related Strategic Imperatives:

- Pursuing sustainable growth exposures prudently, aligned to risk appetite
- Augmenting customer experience
- Achieving execution excellence
- Promoting efficient resource use

Our Financial Capital is Made of Four Operations:

Despite the disruptions caused by the post pandemic and current economic situations creating a challenging business environment underpinned by high uncertainty, Bangladesh Finance Group navigated the year with resilience and closed it with a secured business momentum by delivering a net profit after tax of BDT 305 mn in fiscal year 2022.



Our financial capital is composed of the financial resources available and allocated to the business, our own or customers, obtained as financial products and services. Total Financial capital of the company as of 31st December 2022 stood at BDT 18,919 mn from BDT 18,261 mn, which represents a 4% increase from last year's performance.

Loan, Lease and Advances

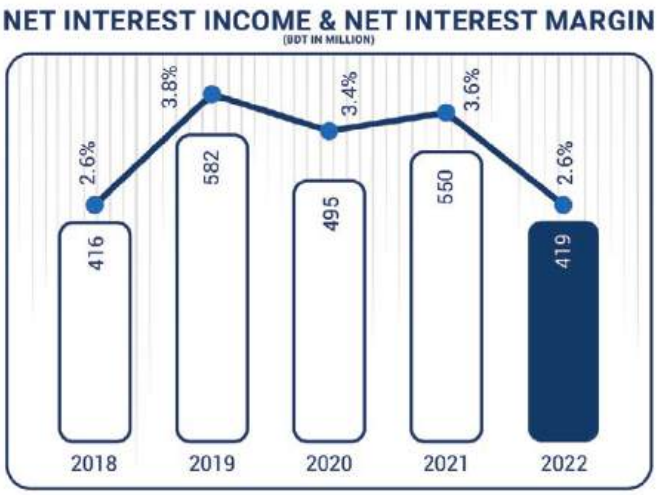
Total loan, lease and advance portfolio of the company as of 31st December 2022 stood at BDT 14,006 mn in comparison to BDT 13,692 mn as at 31st December 2021. This portfolio which represents 73% of financial capital of the company and term loan accounted for the highest (68.13%) in the loan portfolio and stood at BDT 9,542 mn in 2022. Subsequently house building finance (17.99%), lease finance (11.70%) accounted for the majority portion. In 2022, house building finance stood at BDT 2,519 mn and lease finance stood at BDT 1,638 mn.

Investment

The investment mix comprise of completely capital market investment amounted to BDT 1,136 mn as of 31 December 2022. The Company's investment recorded a significant growth of 15.07% compared to the last year. Despite of post pandemic and recent economic disruptions the trend of investment in capital market has improved by the end of year 2022.

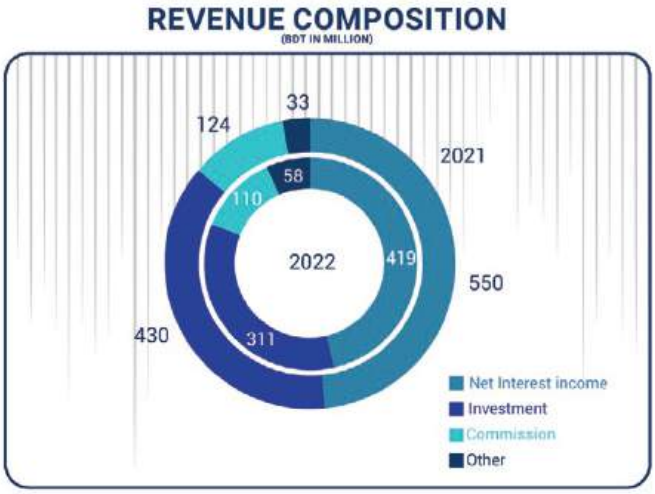
Financial Assets & Other Assets

Total financial assets of the company as of 31st December 2022 stood at BDT 1,693 mn in comparison to BDT 1,561 mn as at 31st December 2021, which represents a growth of 9% from previous year's performance. This portfolio consists of cash (BDT 118 mn) and balance with other bank and financial institutions (BDT 1,575 mn). Other assets as of 31st December 2022 stood at BDT 2,084 mn which is an increase of 11% from last year from BDT 2,020 mn.



Net Interest Income

Despite the loan portfolio increasing by 2.29%, the company's interest income of BDT 1,448 mn was relatively less in comparison to the previous year. This was predominantly attributable to the changed concentration of business, and the impact of interest rates concessions and moratoriums granted on loan interest servicing - phenomena experienced across the industry due to the recent economic recession. Total interest-earning assets evidenced an increment of 3.56% from 2021. Interest income experienced a significant decline of 6.60% due to the interest rate cap and building interest suspense for the non-performing loan. Interest expenses also recorded a sharp increase of 2.80% during the year as funding costs gradually increased in line with interest rate trends. Resultantly, the company's net interest margin (NIM) stood at 2.6% compared to last year, amounting to BDT 419 mn.



The company's total operating income stood at BDT 898 mn, mainly contributed by net interest income of 47%, investment of 35%, commission of 12%. Interest Income decreased by 6.60 % and interest expenses increased by 2.80% respectively, over the previous year.



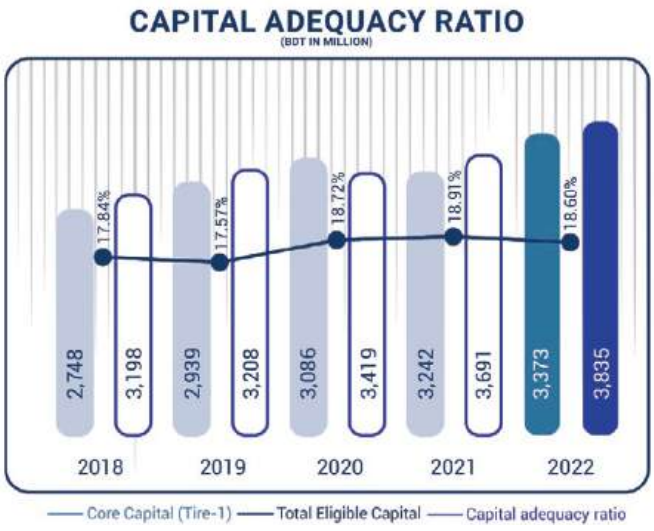
Operating Expenses

Operating expenses mainly comprising of salaries and allowances, depreciation & repairs and other operating expenses, increased by 27.56% from BDT 297 mn to BDT 379 mn in 2022. Through the process of business expansion to meet the strategic goal, our operating expenses increased. However, total operating income stood at BDT 898 mn resulting an effect to cost to income ratio of 42.30% in the financial year 2022.

Capital and Liquidity

As of 31st December 2022, total equity comprising of share capital, retained earnings and other reserves, revaluation surplus amounted to BDT 3,277 mn up by 4.1% over the last year. The share capital of the Company increased to BDT 1,882 mn due to disbursement of bonus share.

Our Tier-I and Total eligible capital ratio of 16.4% and 18.6% respectively are well ahead of the capital adequacy requirements and are a reflection of a balanced financial position.



Economic Value Added (EVA)

GRI 201-1

Financial value generated through the effective use of financial capital is distributed or shared with key stakeholders of the Company after retaining the required portion for its future growth. Yet, on account of the increased impairment charges, and reduction in income growth with the impact of post pandemic the Company's economic value distribution had exceeded the economic value generated.

Particulars	2022 BDT in million	2021 BDT in million
Direct economic value generated Interest Income	1,375.75	1,496.58
Fees and commission income	2.04	5.01
Other operating income	253.82	374.32
Economic value generated	**1,631.61**	**1,875.91**
Economic value distributed **To providers of capital**	**1,103.76**	**1,086.08**
Dividend to equity holders	106.55	100.52
Interest to borrowings	212.48	247.02
Interest to deposit holders	784.74	738.55
To Employees	**190.74**	**141.15**
Salaries and other benefits	190.74	141.15
To Government	**2.69**	**134.88**
Income tax expenses	2.69	134.88
To Community	**2.86**	**9.60**
CSR and donation	2.86	9.60
Operating cost	**247.53**	**346.13**
Depreciation and amortization	44.72	38.67
Impairment charges for loans and receivables and other losses	131.80	243.25
Other operating expenses	71.01	64.21
Economic value distributed	**1,547.58**	**1,717.84**
Economic value retained	**84.03**	**158.07**

BDT in million

Particulars	2022	2021
Tier 1 Capital	3,373	3,242
Total eligible capital	3,835	3,691
Total risk weighted assets amount	20,626	19,519
Tier 1 capital ratio	16.35%	16.61%
Capital adequacy ratio	18.60%	18.91%

Indicators	2022	2021
Return on Asset (%)	1.62%	1.82%
Return on Equity (%)	9.49%	10.55%
Earnings Per Share (BDT)	1.25	1.36
Net Assets Value Per Share (BDT)	17.41	16.72

Market Value Added (MVA)

Market value added statement reflects the Company's performance evaluated by the market through the share price of the company. This statement shows the difference between the market value of a company and the capital contributed by investors. In other words, it is the sum of all capital claims held against the company plus the market value of debt and equity. The higher MVA is the better indication. A high MVA indicates the company has created substantial wealth for the shareholders. A negative MVA means that the value of management's actions and investments are less than the value of the capital contributed to the company by the capital market (or that wealth and value have been destroyed). The following statement shows how the MVA has been calculated for the year ended December 31, 2022 and 2021:

BDT in million

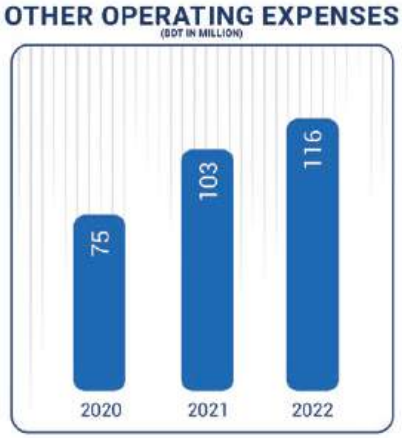
Value Added	2022	2021
Market capitalization/ market value of equity	8,301.22	9,660.43
Less: Book Value of Shares Outstanding	1,882.36	1,775.81
Market value added	6,418.86	7,884.61

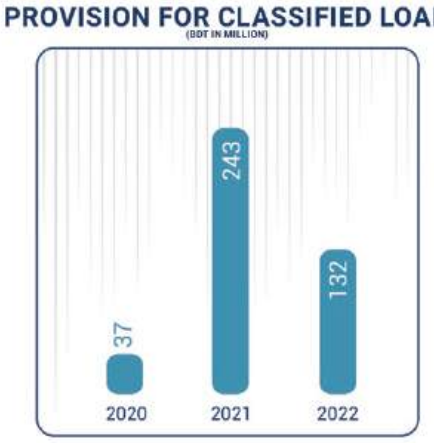
Value for Stakeholders

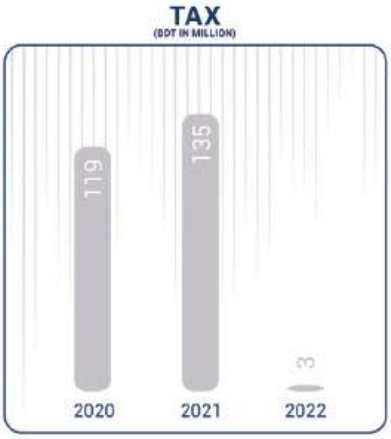
Bangladesh Finance Ltd. continues to play an important role in society and in the economy. We remain committed to delivering on our purpose of using our financial expertise to do good and to contribute to the well-being and growth of the societies in which we operate by creating value to our employees, clients, shareholders, regulators and society. In 2022, profitability and returns were not our primary focus as we supported our stakeholders during difficult times.

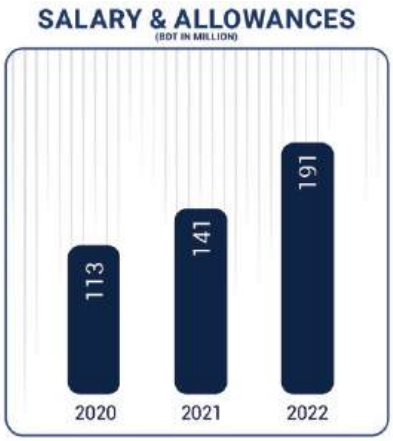
(BDT in Million)

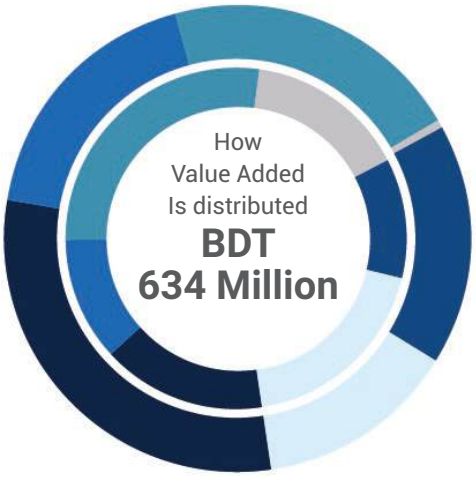
Interest Income	-	Interest Paid	+	Non-Interest Income	=	Value Added (Total Operating Income)
1,376		997		256		634

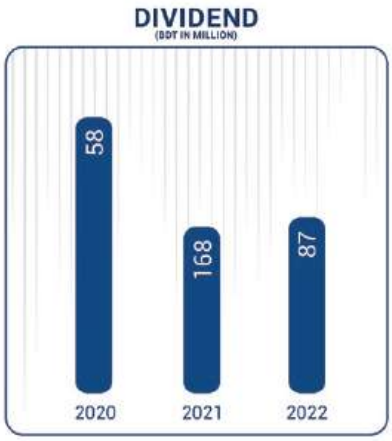


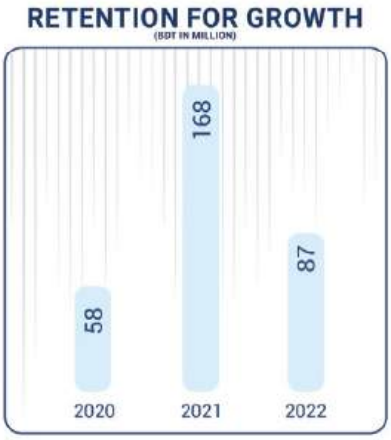














RELATIONSHIP BETWEEN CAPITALS

GRI 203-1

Trade-off between capitals of Financial Capital

	FINANCIAL CAPITAL			HUMAN CAPITAL			INTELLECTUAL CAPITAL			MANUFACTURED CAPITAL			SOCIAL AND RELATIONSHIP CAPITAL			NATURAL CAPITAL		
	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L
INVESTMENT IN DIGITAL & PHYSICAL INFRASTRUCTURE	▼	▲	▲	–	▲	▼	▲	▲	▲	–	▲	▲						
BRAND-ENHANCING ACTIVITIES	▼	▼▲	▼▲										▲	▲	▲			
INVESTMENT IN TRAINING & DEVELOPMENT	▲	▲	▲	–	▲	▲												
CORPORATE SOCIAL RESPONSIBILITY PROJECT	▲	▼▲	▼▲										▲	▲	▲			
DIGITAL PRESENCE	▼	▲	▲	–	▲	▲	–	▲	▲				▲	–	–			

S- Short Term **M-** Medium Term **L-** Long Term ▲ Increase ▼ Decrease – Neutral

MANUFACTURED CAPITAL

The manufactured capital of Bangladesh Finance Ltd. consists of our reach, IT infrastructure, and other property, plant, and equipment used in our operation. The management of manufactured capital is crucial to the organization's growth due to its direct impact on productivity, client satisfaction, profitability, and progress.

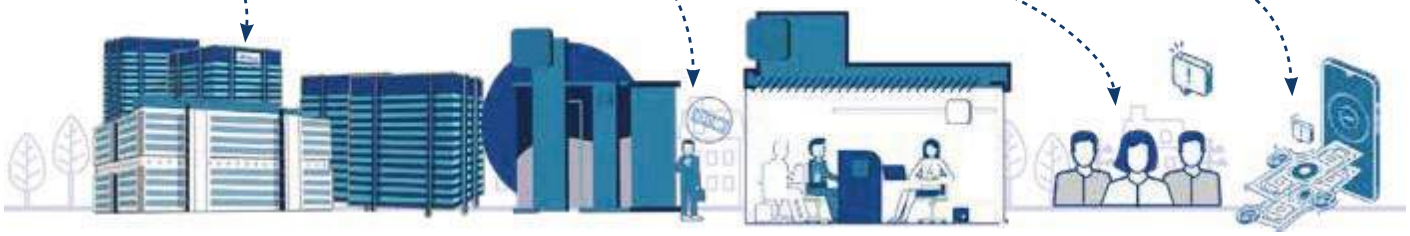
7
Physical Branches

6,204
Deposit Customer

8,601
Loan Customer

200+
Customer using our business channels

BDT 84 mn
value added in 2022



Manufactured Capital in BDT million

Particulars	2018	2019	2020	2021	2022
Book Value	388	405	524	523	568
Variation (Year/Year%)	-4%	4%	30%	0%	9%

As a zestful financial institution, we have continued to scale our operations in response to abrupt changes in business and unexpected opportunities which require quick decision-making. Through ambitious goal-setting and prudent investments in infrastructure, we have focused on improving our scalability. Hence our manufactured capital has evolved considerably over the past years in line with the growth orientation of our organization.

Related Stakeholders Concerns

Value for Employees
The knowledge and expertise gained by working in a sophisticated digital workplace.

Value for Company
A strong physical and digital presence reinforces our credibility and competitive position in market.

Value for Customer
A robust multi-channel environment that caters to the preferences of all customer segments.

SDGs Impacted



Related Strategic Imperatives:

- Augmenting customer experience
- Achieving execution excellence

Portfolio by Business Sector



In the year 2022, we have gone through strong loan monitoring rather than aggressive lending. Total corporate loan portfolio concentration was reduced to BDT 7,116 million at the end of 2022 as per the strategic goal to divert the portfolio to SME and retail. Priority programs were undertaken for facilitating specialized services for retail customers along with an enhanced focus on regularizing the early-stage irregular accounts. As such, Retail loan stood at BDT 2,559 million with a growth of 8.76% and SME loan mounted at BDT 4,024 million which depicts 8.63% increase from the previous year.

Advancing the Use of Technology

- Digital Financial Services Unit of Bangladesh Finance Ltd.
- Digitally managed product and financial solutions nationwide
- IT Driven internal process to drive efficient products and secure processes
- Steps taken to ensure the protection of sensitive data

Management Approach

Numerous opportunities have been created by the digital revolution in financial services to transform way for conducting business and interact with our clients. As we continue to emphasize on automation, operational efficiencies, cybersecurity, and customer convenience through IT and channels, our strategy is designed to leverage these features. The Digital Financial Services Unit is in charge of executing out Bangladesh Finance's digital strategy.

Leveraging Use of Modern IT Infrastructure

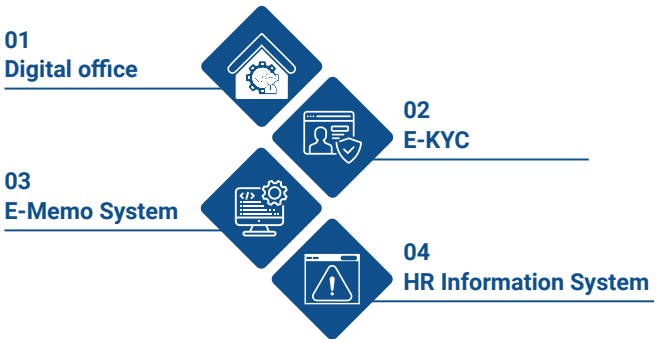
The IT department markedly increased the company's performance by translating business strategies into new features and products. It enhances the company's total profitability, widens its customer base, and upsurges overall business volume. All operations entails collaboration between the IT Department and other departments. We have already incorporated e-KYC to digitally onboard our customers.

A Timely & Strategic IT Approach

Our approach toward IT is a component of overall business strategy and takes into consideration any significant changes to the operating environment. For instance, we envision the necessary ICT infrastructure, including solutions, applications, and support, throughout the product development phase. We utilize the leading-edge hardware and skilled resource personnel who are equipped to satisfy the requirements. To reach a wider target audience, we employ technology in our marketing campaigns.

Information Security Policy





We sustained our technological investments to enable secure procedures and more effective solutions. Hence, during the year following projects were successfully implemented for improvising our **IT- Driven internal process.**

Initiatives in 2022

We are in the process of incorporating analysis-based algorithms and artificial intelligence (AI) into our business operations. The initial step would be to formulate and communicate our requirements to potential vendors. The second phase highlights prospective operations that could be converted into AI processes, and the third phase requires placing such processes into action.

The following are the additional initiatives that were taken during the year:

- Digital Partnership Lending solution
- Digital Borrowing using MFS channel
- Online Treasury system integration
- Enhancement of leads management solution.

Future Prospects

Instead of considering new branch expansions, we will concentrate on expanding the services offered by the existing branch network. Furthermore, we will strengthen our IT capabilities even more. The following IT improvements will be made accessible in the upcoming year;

- Digitalization of the overall process of printing credit documents.
- Leads and sales force management solution.
- A new delinquency management solution.
- Streamlined credit assessment by reducing expert's involvement.



RELATIONSHIP BETWEEN CAPITALS

Trade-off between capitals of Manufactured Capital

	FINANCIAL CAPITAL			HUMAN CAPITAL			INTELLECTUAL CAPITAL			MANUFACTURED CAPITAL			SOCIAL AND RELATIONSHIP CAPITAL			NATURAL CAPITAL		
	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L
INVESTMENT IN DIGITAL FINANCE	▼		▲			▲		▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
DIGITIZATION AND AUTOMATION	▼	▼	▼▲				▲	▲	▲		▲	▲			▲			
BRAND RELOCATION	▼	▲			▲	▲								▲	▲	▲	▲	▲

S- Short Term **M-** Medium Term **L-** Long Term ▲ Increase ▼ Decrease – Neutral

INTELLECTUAL CAPITAL

Intellectual capital can be considered the driving force behind Bangladesh Finance Ltd. and the value creation process. It comprises largely intangible components such as institutionalized knowledge, experienced human resources, brand, corporate values and culture, standards and policies, customer perception, and processes that interact to create value. In this section, we look at Bangladesh Finance's intellectual capital in light of how it can impact competitive advantage, future fitness, and the ability to engage stakeholders.



Corporate Culture

Our corporate culture is supported by vision, mission, and our core values that supports innovation, nurtures knowledge sharing and is inclusive. We have cre - ated opportunities for greater employee participation in decision-making as well as enabled out-of-the-box, innovative thinking. Our culture prioritizes knowledge and experience as evidenced by our investment in training and development pro - grammes and performance-driven culture within our organization. It supports to achieve our strategic imperatives while fostering future potential.

Bangladesh Finance recognizes that intellectual capital is a true business asset that adds significant value to business operations, however measuring the value added and the im - pact of this can be difficult, but this does not mean that it can be disregarded. We will not be surprised if it becomes the most valuable business asset in the years ahead.

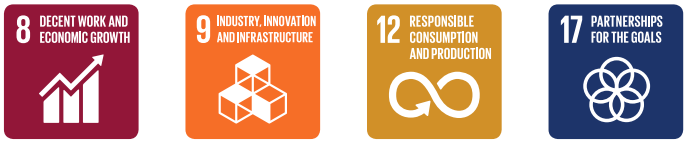
Related Stakeholders Concerns

Value for Employees
The knowledge and expertise gained by working in a sophisticated digital workplace.

Value for Company
A strong physical and digital presence reinforces our credibility and

Value for Customer
A robust multi-channel environment that accommodates to

SDGs Impacted



Related Strategic Imperatives:

- Pursue automation improving internal efficiency



Ethics and Integrity

Bangladesh Finance Ltd. is committed to maintaining the highest degree of transparency, integrity and ethics when engaging and transacting with its stakeholders. In addition to regulatory, contractual and fiduciary responsibilities, employee behavior is guided by the Bangladesh Finance's comprehensive Compliance Policy and the Code of Conduct which outlines how employees should interact with internal and external stakeholders.

Systems and Processes

Bangladesh Finance Ltd. has developed a comprehensive suite of structures, systems and processes which clearly set out responsibilities and outline the principles to guide decision making. Built over many years of activities and operations, these are continuously reviewed and updated to reflect changes in our operating landscape. Bangladesh Finance's governance structures also play a vital role in preserving its reputation and risk profile.

Procurement Policy

The Board-approved procurement policy ensures fairness, transparency and consistency in evaluating suppliers. The policy is implemented by a four-member procurement committee appointed by the CEO and has demonstrated results in terms of cost efficiencies and quality of goods or services procured. Bangladesh Finance Ltd. procures stationary, computer equipment, software and other material from a pool of diverse suppliers comprising small enterprises and corporates.

Institutionalized knowledge

We possess strong knowledge of the SME sector, and our intellectual and human capitals provide expert knowledge of the industry and its requirements. We believe that a qualified and well-trained workforce is essential and that it forms the backbone of our business operations. Our loyal workforce consists of highly-experienced personnel as well as young recruits. The experienced employees act as mentors and willingly share their accumulated knowledge and experience with other employees.reputation and risk profile.

Group Synergy

The digitalized presence of Bangladesh Finance Ltd. has enabled our organization to reinforce its existence across the country by availing its services anytime and anywhere. Through horizontal development, our implementation of e-KYC to onboard customers is improving our portfolio through increased deposits digitally. The combination of our two subsidiaries and two other business model provides us an opportunity to offer diversified products to our customers. A shared distribution network provides us with better outreach and helps maintain a leaner overhead cost structure. Shared procurement allows us greater benefits in price and quality negotiations with suppliers.

Digitise – Products and Services

The digitization of our products and services remains a key focus as we continue to invest in our platforms and innovative client value propositions.



Most Valuable NBFI in Bangladesh

Our brand represents our constant efforts to deliver the finest experience to all of our audiences and aspires to inspire positive changes in people's lives and in society.

We strongly believe that our company is quite prominent and well-known in our country. It is connected to the dependability and quality of our product line, which aids in retaining our clients. In order to make people's daily lives easier through more simple financial transactions, we combined innovative technology with our vision.

Brand Values: As a financial service providing brand, Bangladesh Finance relies on three of its pillars; trust, growth and prosperity. Climbing the ladder of trust Bangladesh Finance wishes to be the friend throughout one's life on the path to realizing their savings or any business venture. Our growth will come from this friendly approach. Hence, Bangladesh Finance dreams to be a constant companion on the way to achieve the prosperity of this country and the people of the country.

Brand Performance: Bangladesh Finance has established a strong brand presence in the country and has gained a reputation for providing quality financial services to its customers over the years. One of the key factors contributing to Bangladesh Finance's brand performance is its customer-centric approach. This has helped the company build a loyal customer base and has contributed to its strong brand reputation. The company got the recognition of one of the most sustainable financial institutions in the country by the central bank for maintaining AA credit rating and lowest NPLs in 2022.

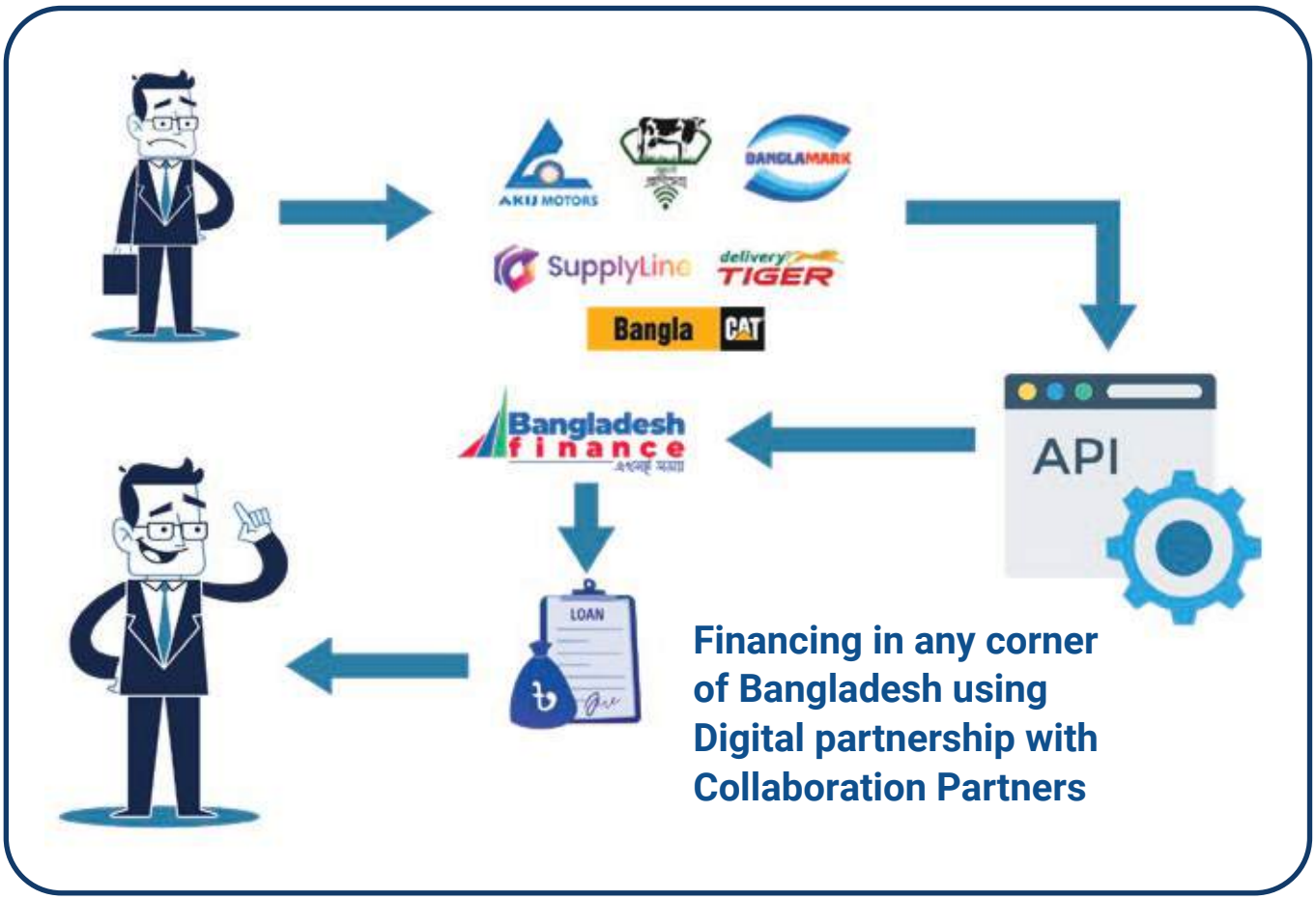


Digital Transformation

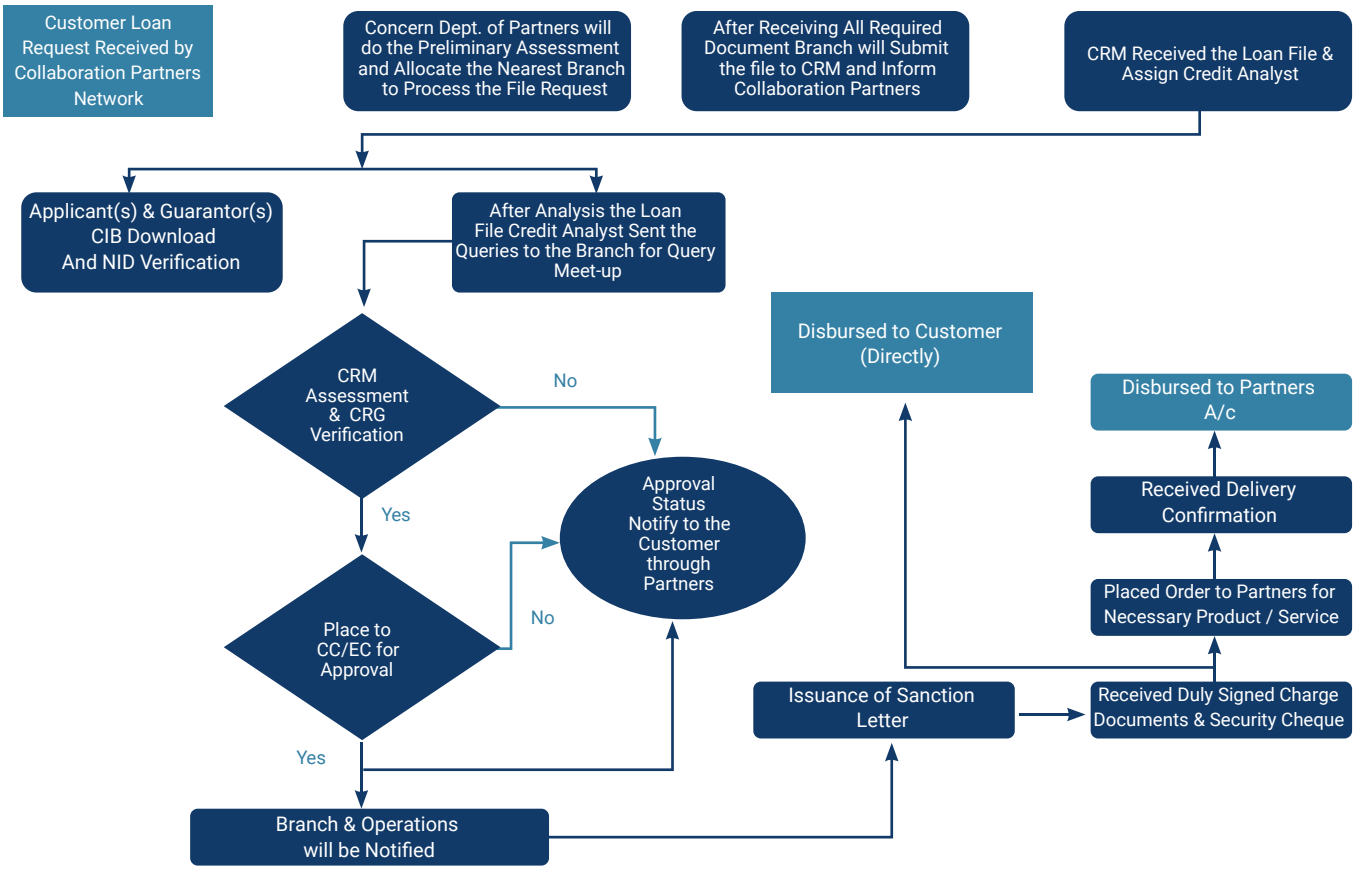
Innovative technologies are being progressively implemented into our business. We seek differentiation in the way we interact with customers and conduct business by lining up these trends with our competitive advantages.
We seek balance between transactions and client experiences, ongoing simulations of attacks and defenses connected to cyber risks, security throughout the entire technology chain, and protection of our clients' private data by investing in innovative technologies.



COLLABORATION PARTNER	NO OF CUSTOMER REACH	AVERAGE TICKET SIZE	EXISTING MARKET SIZE
Supplyline	6,000	100,000	600,000,000
ASHRAI	25,000	500,000	12,500,000,000
Praniseba	3,000	500,000	1,500,000,000
Akij	1,500	2,200,000	3,300,000,000
Bangla CAT	2,000	10,000,000	20,000,000,000
Bangla Mark	2,500	5,000,000	12,500,000,000
ThinBig Solutions Ltd. (Digital Factoring)	1,500	120,000	180,000,000
SM Fintech	10,000	10,000	100,000,000



Process Diagram



Initiatives in 2022

- Focused on individual component of corporate values to deliver unsurpassed to all our stakeholders.
- Implementation of e-KYC to onboard customers to improve our portfolio through increased deposits digitally.
- Innovative technologies are being progressively implemented into our business.

Future Prospects

- Preserve our intellectual capital for our future success.
- Make sure the implied knowledge of our employees is nurtured and not lost will see us through from strength to strength.



RELATIONSHIP BETWEEN CAPITALS

Trade-off between capitals of Intellectual Capital

	FINANCIAL CAPITAL			HUMAN CAPITAL			INTELLECTUAL CAPITAL			MANUFACTURED CAPITAL			SOCIAL AND RELATIONSHIP CAPITAL			NATURAL CAPITAL		
	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L
EMPLOYEE ENGAGEMENT	▲		▲			▲	▲	▲	▲		▲	▲	▲	▲	▲	▲	▲	▲
PROCUREMENT POLICY	▼	▲	▼▲					▲	▲	▲	▲	▲			▲			
ENHANCED BRAND REPUTATION	▼	▲			▲	▲								▲	▲	▲	▲	▲

S- Short Term **M-** Medium Term **L-** Long Term ▲ Increase ▼ Decrease – Neutral

HUMAN CAPITAL

102-8, 17, 41

Bangladesh Finance is the human-centric employer which carries the concept of Human Capital and has confidence in nurturing their talents to portray a better development scene in the book of competitive strategy. Our management models is built by people who are essential for the sustainability of our assets and business. We support diversity and development of skills and competencies focused on quality, innovation and client satisfaction, which will contribute to sustainable performance and long-lasting results.



151
Total Employees

54
New Recruitment

4,568
Total Training Hours

15%
Female Representation

BDT 191 mn
Paid as Salaries and Benefits

Bangladesh Finance believes that to draw the best out of its employees, it is necessary to treat them fairly and equally. To fulfill the company's vision, mission, strategies, and goals Bangladesh Finance requires staff with a range of knowledge, skills, and attributes and needs to attract such people into the company and nurture and retain them.

Related Stakeholders Concerns

Value for Employees
The knowledge and experience gained by working in a sophisticated digital workplace.

Value for Company
Ensure the employees best utilization, engagement and value driven capacity building.

Value for Customer
A robust multi-channel environment that caters to all customer segment's preferences.

SDGs Impacted

5 GENDER EQUALITY

Related Strategic Imperatives:

- Pursuing sustainable growth
- Achieving execution excellence
- Embodying responsible stewardship

Unbound Achievements of 2022

80% growth in **Talent Attraction** backed by 54 new recruitments, including 6 hiring from the internship program.

Investment in **Talent Development** backed by 15 internal and 10 external training programs.

Increased **Diversification** with equal development, growth opportunities, and equity in responsibility distribution.

56 Nos. promotions reflecting our **Performance-based Career Growth.** Performance evaluation & bonus based on Functional & Leadership capabilities.

22 **Rewards & Recognition** including 5 BEST Performer Awards, 2 Departmental Service Excellence Awards, 2 CEO's Brilliance Awards, 1 Eminence & Excellence Award.

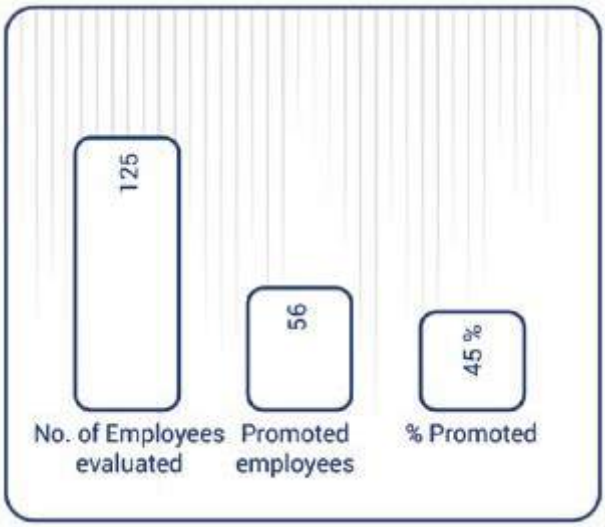
GRI 419-1, 418-1, 417-3, 417-2

Incidents of Non-compliance:

Measurement	Achievement
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	No incidents were recorded during the year 2022 under review
Incidents of non-compliance concerning marketing communications.	
Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	
Incidents of non-compliance concerning product and service information and labeling.	
Non-compliance with laws and regulations in the social and economic area.	

GRI 419-1, 418-1, 417-3, 417-2

Appraising Performance



Female
Promoted Employees
10

Male
Promoted Employees
46

- **Employees Evaluated:** 2022 =125, 2021=96
- **Employees Promoted:** 2022=45%, 2021=19%

Bangladesh Finance Ltd has a robust performance management system where we evaluate employee performance, and their development plan and consistently followed by remuneration or performance improvement plan (PIP), competencies, and values. We consistently appreciate and perceive the performers and there is a number of financial and non-financial reward and acknowledgment programs during the year to keep the employees motivated.

Employee Referral Program

We practice an employee referral program in Bangladesh Finance. It is a recruiting strategy in which employers encourage current employees, through rewards to refer qualified candidates for jobs in organizations. The objective of an employee referral program is to attract a candidate for a given job opening by involving existing employees. It is one of the most prominent sources of recruitment.

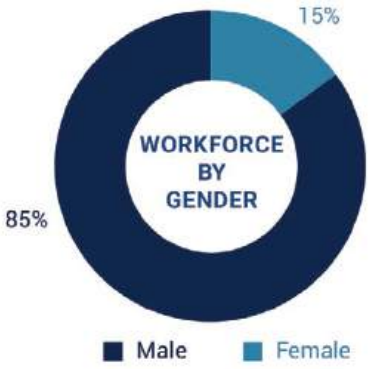
AML-CFT Training

Mandatory for all
no. of training in 2022:
4

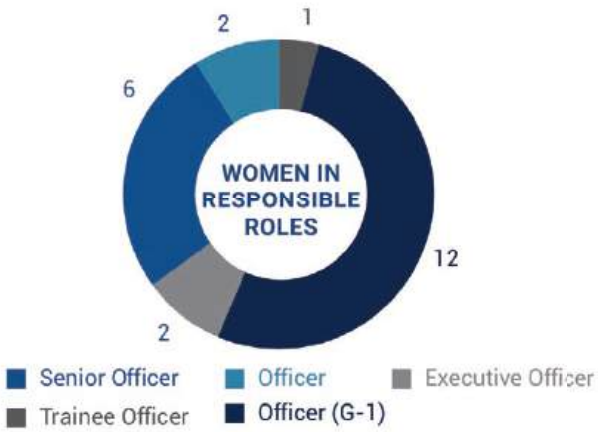
10 Corporate Events

held in 2022
Including New Year Celebration, Clean Day Campaign, Women's Day Celebration, Pohela Falgun, Fruit Fests, Promotion & Award Giving Ceremony, World Cup Corner, National Mourning Day, etc.

Diversity, Equity & Inclusion







Bangladesh Finance holds an objective to create a diverse and inclusive workplace that appreciates women's participation equally and cheers their professional success. In recent years, the significant focus has been placed on promoting gender equality.

We ensure the best work environment for women where they feel like their home. However, the management is always concerned about females' equal participation in maximizing productivity.



With the representation of women's strength and progression, **BIJOY** is the platform for the female talents of Bangladesh Finance. The utmost moto of this forum is to encourage our ladies to speak up about individual growth and become empowered women.

BIJOY

Mentoring
About leadership & career growth

Training
workshop for development

Mental Wellbeing
of female employees

Managing
workplace grievances

Compliance with Labour Law to Prevent Employment of Child Labour

Total prohibition of child labor and forced/compulsory labor, we ensure that our recruitment policies conform to prevailing labor laws that require strict compliance to the minimum age limit for providing employment. Our human resource policies completely prohibit the enforcement of child labour and young workers exposed to hazardous work, in any of our operations.

Community Welfare Initiatives

- Employee Life Insurance Coverage
- Hospitalization Coverage for Employees and their Family
- Maternity Insurance Coverage
- Cashless Hospitalization Facilities
- 24 Hours Free Doctors Consultation Facility
- Wedding Gift for Newly Married
- Gift for the Newborn Baby

Compliance with Labour Law Relating to Gratuity, Provident Fund

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 contributions partly from the employees and partly from the Company at 10% of the basic salaries of the employees.

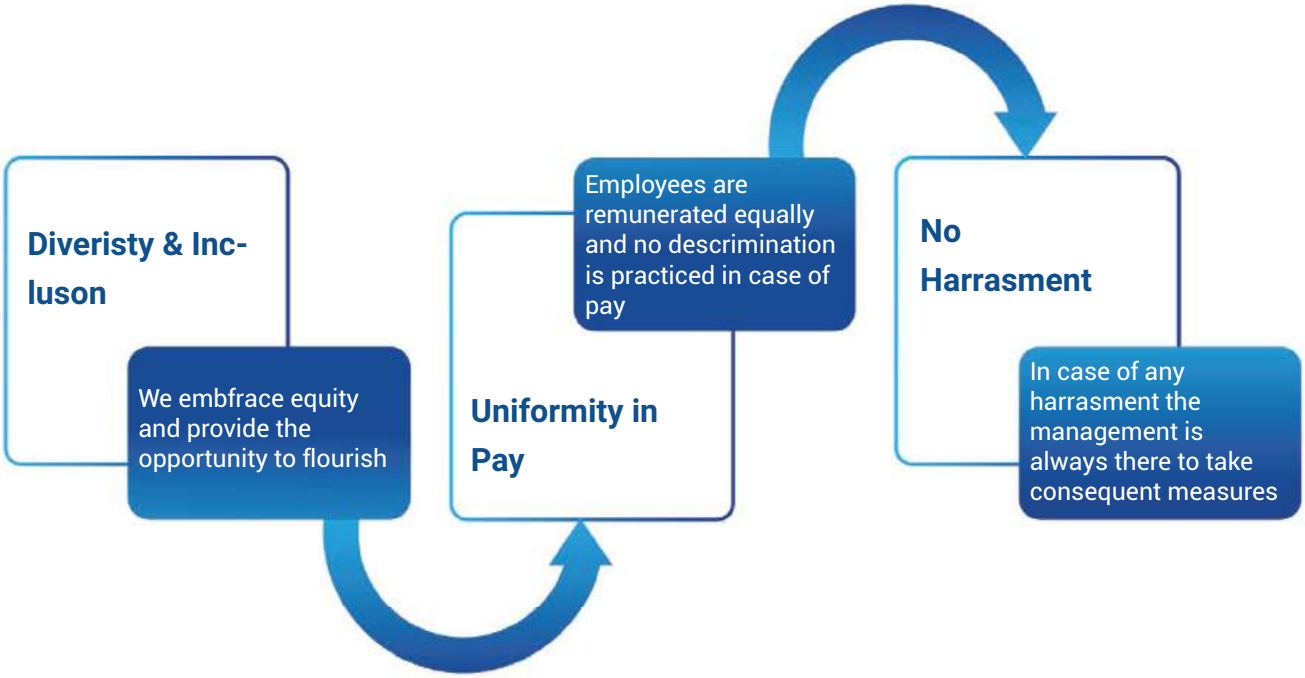
Gratuity: The Company operates a non-funded gratuity scheme, a provision in respect of which is made annually covering all permanent eligible employees. Gratuity fund benefits are given to the staff of Bangladesh Finance in accordance with the Company's service rules.

Occupational Health, Safety and Environment

For the benefit of each employee's productivity, safety, and convenience, a secure and comfortable work environment is maintained. We continue to provide employees with effective work floor structures that feature individual workstations that are outfitted with appropriate PC systems and other corporate equipment while upholding the necessary safety standards.

To prevent workers from physical dangers like fire, adequate precautions are made for their health and safety. The Organization has collaborated with a specialized security firm, which provides security personnel to handle its security requirements at the Head Office premises. All permanent employees and their immediate families are insured under the company's group insurance plan. The group insurance featured a life insurance plan for employees that also covered hospitalization schemes for their families.

Gender Uniformity





Strategic Outlook in 2022

"Employee First" is the bracing motto of Bangladesh Finance. So, the Company's HR policy is closely aligned with our corporate strategy and reflects the latest developments and automation in the operating context.

The following are the additional initiatives that were taken during the year:

- Automation in Human Resource Information System (HRIS).
- Diversified and engaged platform.
- Diversified and engaged platform Employee Performance Appraisal System.

Future Prospects

Bangladesh Finance has the governance which ensures the employee's best utilization, engagement and value-driven capacity building through different career development opportunities.

- Framing a platform of meaningful engagement of the employees to drive to a positive experience and to guarantee a more retention rate.
- To create a continuous & ideal working environment that fosters equal opportunity and adequate prospects for career progression.
- Empowering our members through various learning and skill development programs which will enable them to excel in current roles and prepare for higher order roles.

RELATIONSHIP BETWEEN CAPITALS

Trade-off between capitals of Human Capital

	FINANCIAL CAPITAL			HUMAN CAPITAL			INTELLECTUAL CAPITAL			MANUFACTURED CAPITAL			SOCIAL AND RELATIONSHIP CAPITAL			NATURAL CAPITAL		
	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L
NEW RECRUITS			▲		▲	▲							▲	▲	▲			
TRAINING AND DEVELOPMENT		▼	▼	▲	▲	▲	▲	▲	▲									
BENEFIT STRUCTURE		▼▲	▼▲															

S- Short Term **M-** Medium Term **L-** Long Term ▲ Increase ▼ Decrease – Neutral

SOCIAL AND RELATIONSHIP CAPITAL

Financial services are embedded in the community, as a consequence Bangladesh Finance Ltd sees social and relationship capital as the link between our business and society. By managing this capital, we are able to create and identify new opportunities to deliver enduring value and mutual benefit to the societies in which we operate.





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Value for Employees

- Quick settlement of dues
- Possibility to establish long term business relationships
- Earnings stability even amidst uncertainty.

SDGs Impacted



Value for Company

- Ability to procure high quality goods and services at competitive prices facilitated by long term contracts
- Assurance of business continuity
- Leverage on new technology for more cost-effective solutions.

Value for Customer

- Enhances the service quality of the our value proposition
- Improves trust in the financial services industry
- Opportunity for development of start-ups.

Related Strategic Imperatives:

- Pursuing sustainable growth
- Augmenting customer experience
- Embodying responsible stewardship
- Increased engagement through social media

Relationship with Regulatory Bodies

Due to the nature of our business and operating in a highly regulated sector, maintaining cordial relationships and winning the trust of regulators by being compliant with laws and regulations is vital for a sustainable value-creation process. Bangladesh Finance Limited, as a responsible finance company has always strived to achieve a standard of compliance that exceeds the mere legal requirements and embraces best-in-class practices within the industry including applicable global best practices. We always endeavor to conduct our operations in an ethical manner consistent with stakeholder interests and aspirations including those of the regulatory authorities. Having a Compliance Officer gives further credence to our need to be compliant with all applicable regulations, directives and laws. We approach compliance with professionalism and responsibility and as such, it has led to building cordial relationships with all regulators having earned their trust. We continue to maintain cordial relationships with the following regulatory bodies.

1. **Understanding Our Regulatory Framework and Anticipated Reforms**: Understanding our regulatory environment is a key element in formulating our business strategies which lays the foundation for sustainable value creation to take place. We have established a separate risk and compliance unit, which ensures that the effects of all the existing and new regulations are duly communicated and implemented in a timely manner as intended. Through continuous training and development programs, we ensure that our employees keep abreast of the changes to the regulatory framework, and obtain requisite expertise and professional advice as necessary.

2. **Align Our Strategy to the Regulatory Environment**: As responsible organaization, we are committed in maintaining the highest levels of compliance, institutionalizing ethics in all areas of our business. We continuously monitor and identify regulatory requirements and establish appropriate policies and procedures, in conjunction with the compliance officer to meet product responsibility requirements. Our strategic goals have been developed in line with regulatory requirements which ultimately ensure that we meet our capital adequacy ratios together with our products and services which comply with all applicable laws and regulations.

3. **Creating Constructive Forward-Looking Relationships**: In our journey towards sustainable value creation for all our stakeholders, we have identified that it is vital to enhance our constructive relationship with all the regulatory bodies. In doing so it enables the Company to strike a balance between diverse stakeholder needs and expectations.

How We Focus

Sustainable value development and maintenance need strong stakeholder connections. We call these connections our social and relational capital. This comprises institutions, stakeholder groups, and other networks inside and between communities. This section describes our interactions with customers, business partners and the general public.



CUSTOMER CAPITAL

Overview Our Customer capital gives us the license to operate and thereby essentially determines the success of our business.

Who are our customers?	Why do our customers choose us?	Critical success factors
» Individuals and businesses that make use of our company's portfolio of investing and financing solutions and value-added services	» The strength of the company's brand together with the high customer centric product offerings and the commitment to service excellence translates into positive experiences for individuals and business customers	» Technology-driven solutions for improved access and greater convenience » Innovation to drive superior customer experience » ICT integration to streamline internal efficiencies and enhance service delivery timelines

ENSURING TRUST AND SAFETY

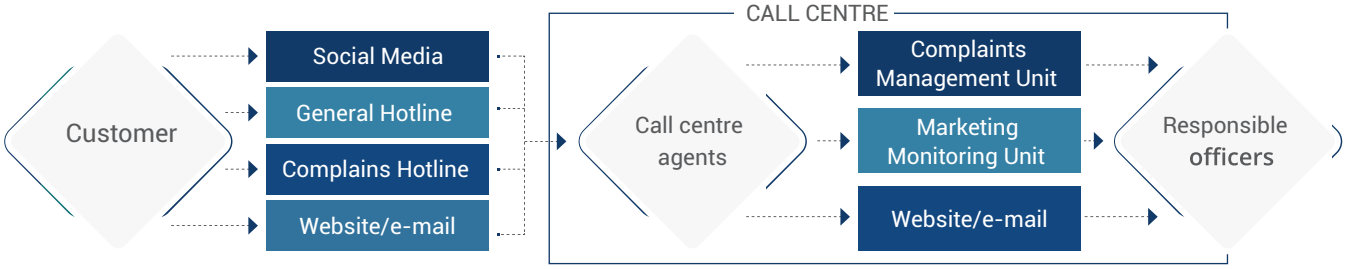
As a financial institution, our business is built on trust. Earning and retaining the trust of our valued customers is a key business imperative. Towards this end, we strive to create an environment where customer's rights are protected at all times. Our Code of Conduct outlines the appropriate behaviors expected of all employees in building working relationships with customers. Furthermore, we undertake to continually train our employees to educate them on customer rights and the importance of honesty and integrity in their dealings with customers.

DATA PRIVACY, CUSTOMER PRIVACY AND INFORMATION SECURITY

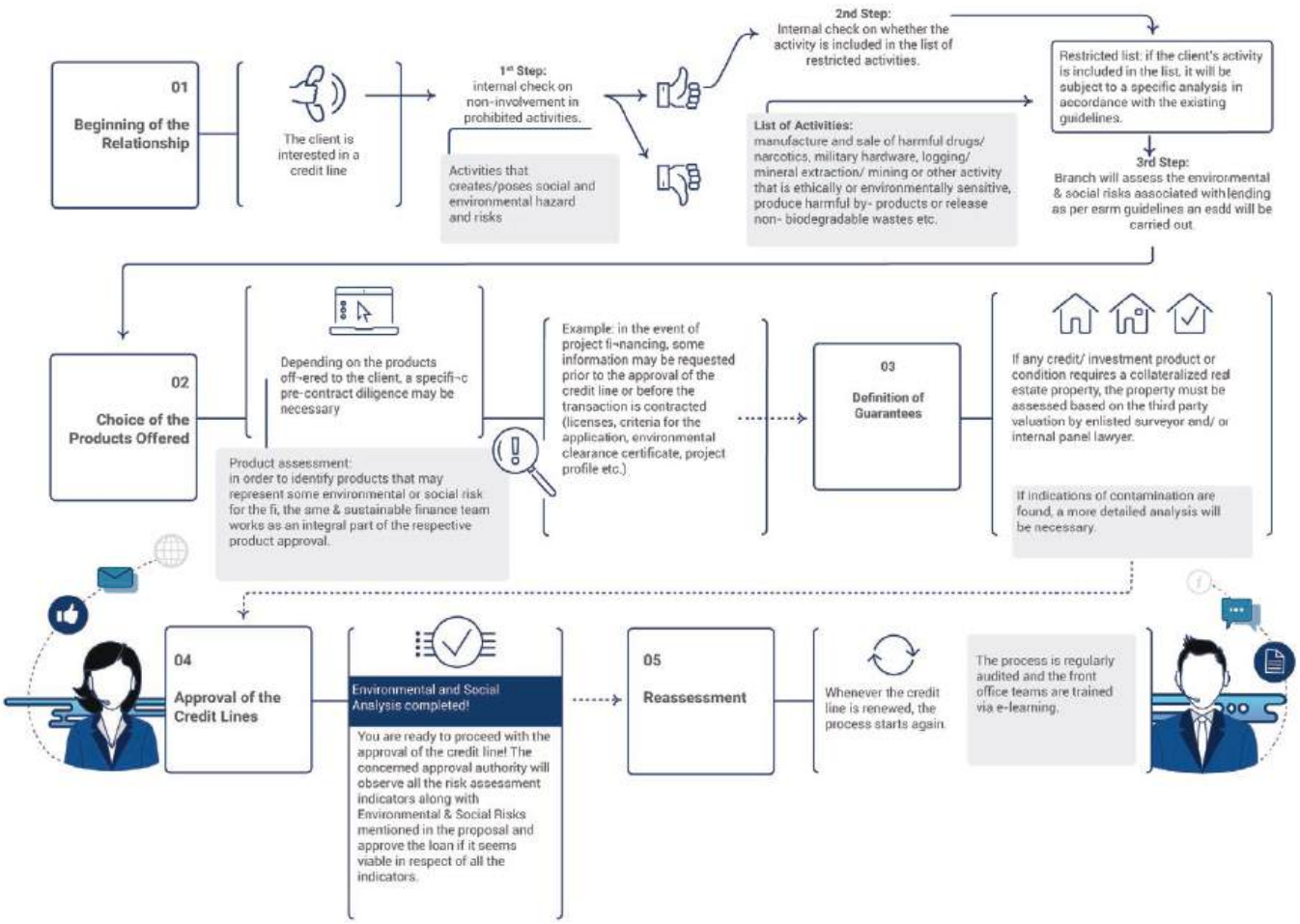
GRI 418-1

Bangladesh Finance Limited complies fully with all regulations governing the protection of personal data collected in the process of providing any product or service to customers. In accordance with the regulations in force, we have implemented all recommended safeguards to guarantee adequate security and to prevent such data from being lost, misused, altered, stolen or accessed by unauthorized parties.

CUSTOMER RELATIONSHIP ENHANCEMENT MODEL



CREDIT APPROVAL PROCESS FOR SUSTAINABLE AND GREEN FINANCE



BUSINESS PARTNER CAPITAL

Our business partners are critical components of the Company value chain.

Why do we need suppliers and business partners?

To obtain necessary goods and services needed to carry out the day-to-day operations of the Company

Why do business partners choose us?

To grow their business over time by providing goods and services to meet our requirements

SUPPLY CHAIN MANAGEMENT APPROACH

Suppliers are an important part of our value chain and their support is vital towards maintaining the continuity of our day-to-day business. Given the important supportive role they play in our operations, all supply chain management activities (with the exception of IT) are centralized under the purview of company's administrative department. As the main authority in charge, the administrative department provides oversight to ensure that procurement activities are carried out as per company's procurement policy. Our procurement policy provides the assurance of fair and unbiased procurement and equitable payment terms.

DEVELOPING SUPPLIERS AS STRATEGIC PARTNERS

As part of their duties, the administrative department is tasked with selecting suppliers and promoting regular dialogue to ensure suppliers are aware of and remain committed to adhering to company's social and environmental best practices. The Administrative team is also charged with overseeing the development of suppliers as long-term strategic partners. However, with these interactions were suspended due to the COVID-19, we reached out to suppliers through social media and other online channels, whenever possible and practical.

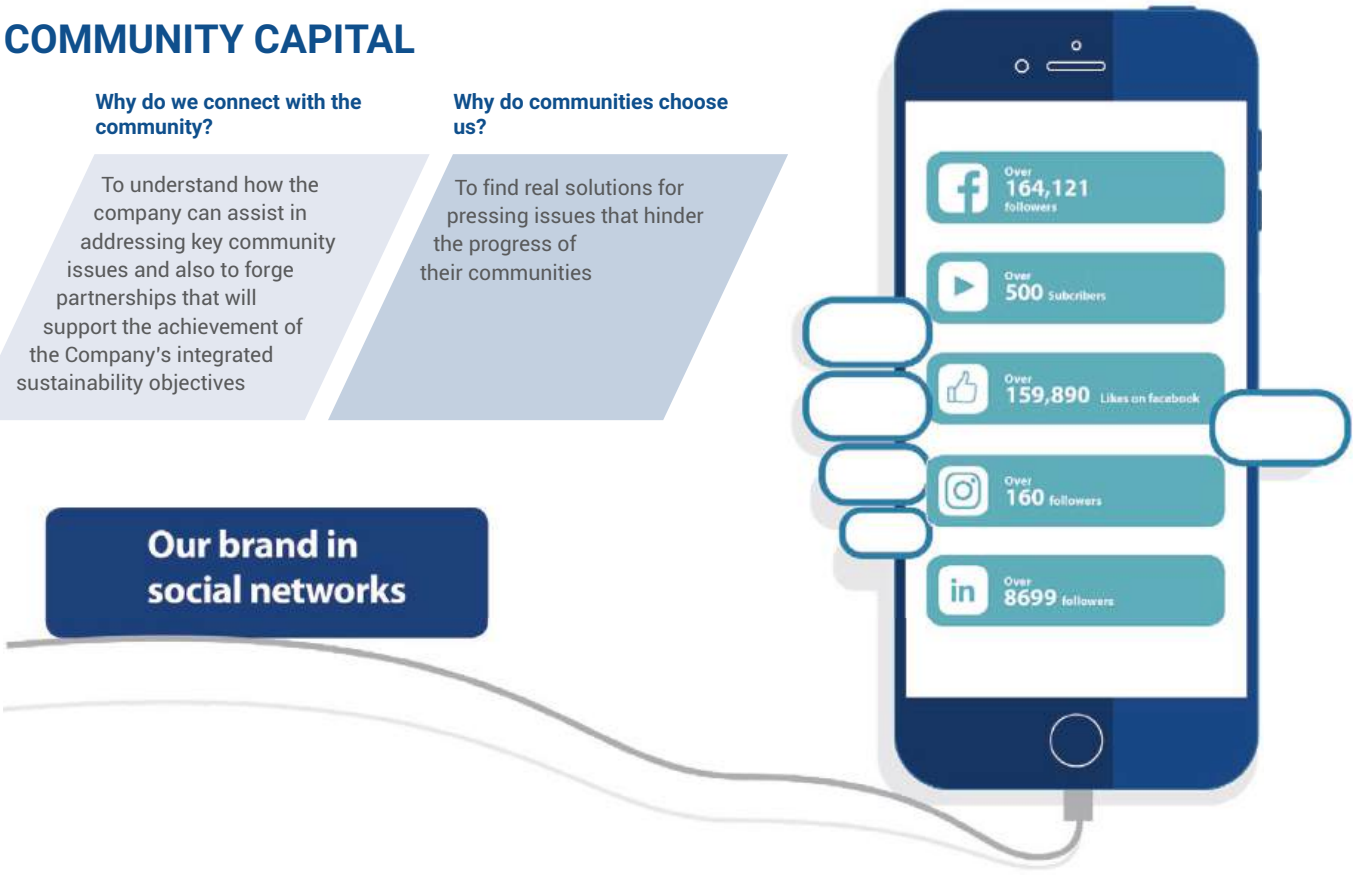
COMMUNITY CAPITAL

Why do we connect with the community?

To understand how the company can assist in addressing key community issues and also to forge partnerships that will support the achievement of the Company's integrated sustainability objectives

Why do communities choose us?

To find real solutions for pressing issues that hinder the progress of their communities



Asset and material
- Vehicles
- Furniture
- Office equipment
- Stationary

Financial service provider
- Banks and financial institutions

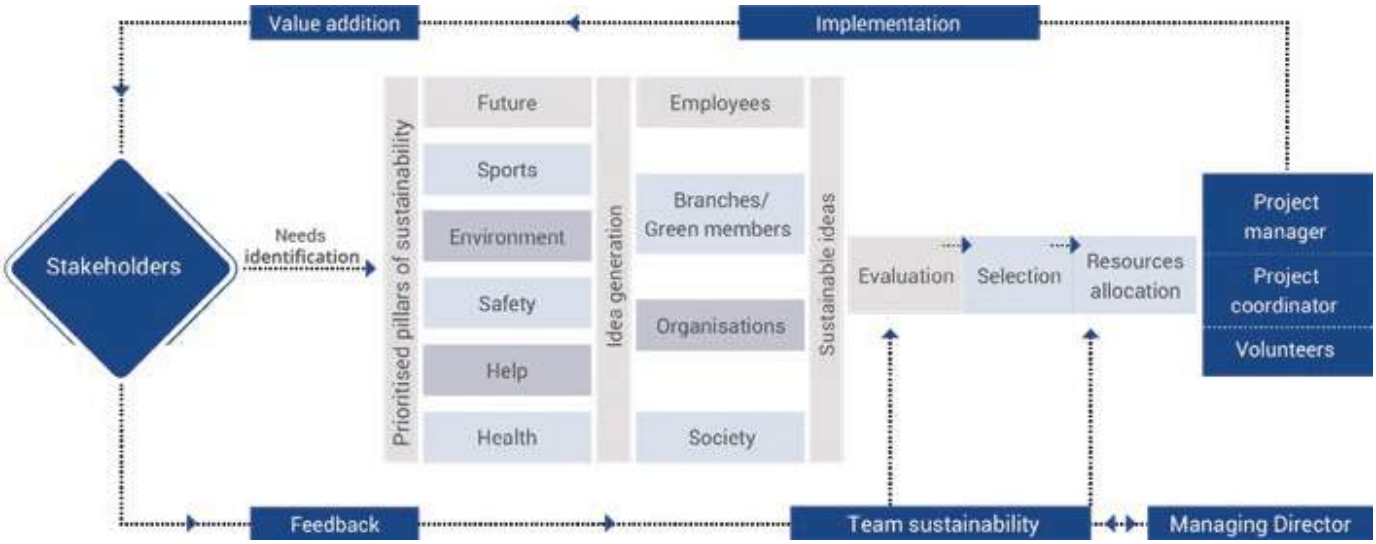
IT
- IT hardware suppliers
- Software development services
- Network service security
- Software services

Outsourced services
- Security
- Food and drinking water
- Sanitary facilities
- Traveling and transport
- Courier

Other services
- Auditors
- Utility services
- Media
- Consultancy
- Premises providers

COMMUNITY ENGAGEMENT STRATEGY

Bangladesh Finance Limited considers Corporate Social Responsibility (CSR) to be one of its primary responsibilities as a financial services institution. Keen to be an agent of change, we have made sure that our approach to CSR goes beyond mere philanthropy to focus on enabling broader systemic change that will deliver sustainable results over time. To achieve the de - sired outcomes, we combine our long-standing expertise in financial services, our island-wide reach, the expertise of our peo - ple and our leadership in technology and innovation.



CSR Contribution

	Education	Sports & Culture	Infrastructure Development	Environment	Health	Others	Total
Projects	3	2	2	2	2	3	13
Amount	513,160	550,000	100,000	559,177	110,000	1,028,500	2,860,837



Initiatives in 2022

- Focused on different financial service wings to cater different segments following their needs.
- We held intensive workshops on financial guidance and an event to inspire women entrepreneur, broadcasted for over 1,600 viewers.
- Focused on intensive social investments to reflect our motto towards our society

Future Prospects

- Preserve our social and relationship capital for our future success.
- Expand our financial service wings so that our valuable clients get greater value that is promised from us.



RELATIONSHIP BETWEEN CAPITALS

Trade-off between Capitals of Social and Relationship Capital

	FINANCIAL CAPITAL			HUMAN CAPITAL			INTELLECTUAL CAPITAL			MANUFACTURED CAPITAL			SOCIAL AND RELATIONSHIP CAPITAL			NATURAL CAPITAL		
	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L
INVESTMENT TOWARDS CUSTOMER SERVICE	▲	▼▲	▼▲	–	▲	▲							▲	▲	▲			
SYSTEMIZED THE SUPPLIER REGISTRATION	▲	▼	▼										▲	▲	▲			
INCREASING COMMUNITY SERVICE EFFORTS	▲	▲	▲				–	▲	▲				▲	▲	▲	▲	▲	▲

S- Short Term **M-** Medium Term **L-** Long Term ▲ Increase ▼ Decrease – Neutral

NATURAL CAPITAL

GRI 102-11, 201-2, 302-1, 301-2, 302-4, 303-5

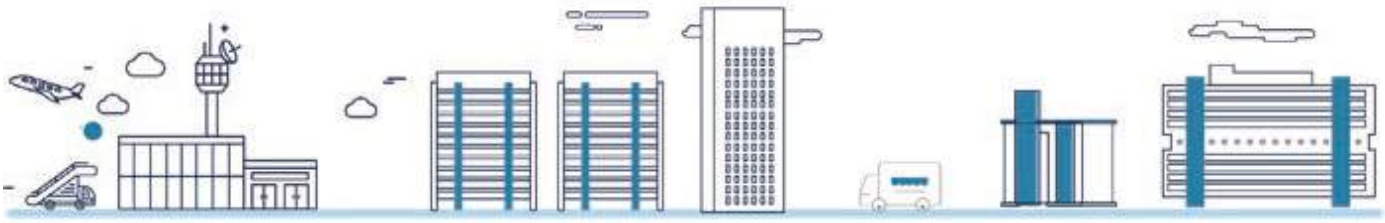
We are the catalyst for change and take an important role in environmental sustainability. As a futuristic business, we strive for operational eco-efficiency in the process of creating value, attaining positive outcome, and promoting the growth of individuals, society, and the nation where we operate. We believe that monitoring and controlling the effects of our operations is fundamental. Utilizing metrics of waste production, CO2 emissions, water and electricity consumption we evaluate the environmental performance of our capital assets

88
Trees Saved
Through Digital Engagement

10.66%
Reduced
Fuel Consumption

24%
Increase
of E-statements

BDT 783 mn
Financed for Sustainability



In an epoch, when the world is beset by the crisis of global warming and climate change our business operations have not been directly affected by the climate change. However, Bangladesh Finance considers it as a moral obligation to deal with environment in a sustainable manner and strive to conserve them; the Company is therefore committed to the implementation of green initiatives within the Company.

Value for Employees
The knowledge and expertise gained by working in a sophisticated digital workplace.

Value for Company
A strong physical and digital presence reinforces our credibility and

Value for Customer
A robust multi-channel environment that caters to the preferences of all

SDGs Impacted



Related Strategic Imperatives:

- Embodying responsible stewardship
- Promoting efficient resource use

Bangladesh Finance is immensely conscious about the efficient use of water. Major consumption of water is for drinking purposes. We are also uncompromising about safeguarding pure drinking water for employees and visitors. However, the drinking water condition in Bangladesh isn't very satisfactory. Therefore, to overcome the situation, every branch and corporate office are supplied with especially Reverse osmosis purifier. The management team takes special care so that wastage of water is minimum.

To achieve long-term sustainable development, Bangladesh Finance plays an active role in making 'low carbon economy'. Since 2011, Bangladesh Finance has worked toward energy efficient operations throughout its network of banking centers, reducing costs by millions of dollars and drastically reducing its emissions, consumption, and waste.

- 40% electricity is saved every year using the day light inside office.
- Energy savings bulbs bused in the office

For saving money, time & CO_2 emission Bangladesh Finance implemented Video Conferencing System between Head Office and branches in order to attend meetings. Also, Bangladesh Finance has provided numerous virtual trainings to the employees using ZOOM and Microsoft Teams platform to raise their awareness on sustainability. As part of our commitment to our green economy, Bangladesh Finance has signed a participation agreement with Bangladesh Bank under refinance scheme for lending in sustainable finance.

Managing Our Waste

Our process of waste management deals with waste generated by daily activities, food consumption, physical damage to office and computer equipment, outdated furniture and fixtures, and newspapers. Being a financial institution, Bangladesh Finance does not deal with any hazardous waste.

- Old equipment and furniture are donated for charity or sold
- Toner, cartridges and newspapers disposed of through community cleaner.
- We focus on utilizing both side of papers. Wasted papers are collected using bins after shredding
- Food waste is routinely collected by community cleaners.

Reduction of Fuel Consumption

	2021	2022
Fuel Consumption in Litres	29,851	26,668

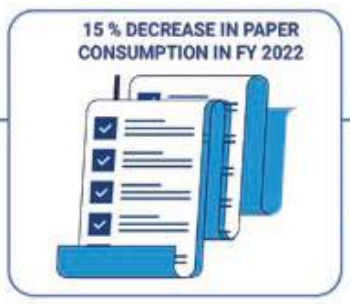
10.66%
Reduction in 2022

Economical Use of Paper

Bangladesh Finance has significantly reduced its usage of paper as a result of its increased emphasis on digitization and automation in recent years. Online transactions, paperless statements, as well as other products and services that enable paperless work have all been actively maintained. The implementation of the e-memo system was indeed a significant step toward paperless workplace in 2022. In order to reduce the requirement for printing, employees are encouraged to communicate via electronic platforms. In order to recycle the wastepaper generated by our operations, we are often collaborating with DOE approved third party.

Customer Processes

24% Increase in e-statements

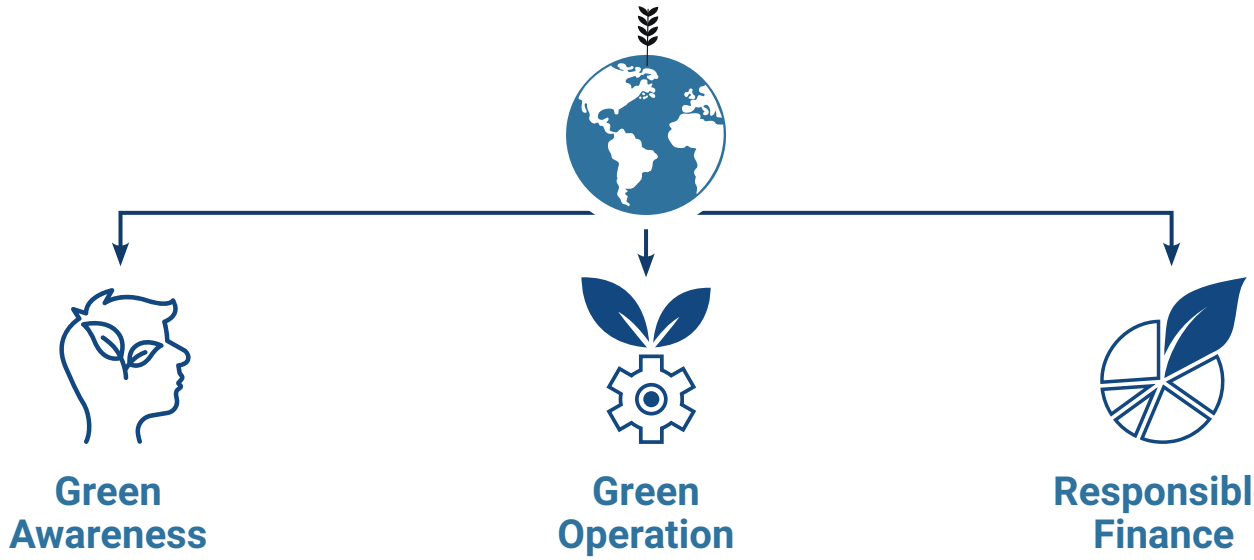


Internal Processes

- Automation of processes through workflow and robotic process automation solutions Organization-wide
- Operational Efficiency and Effectiveness improvement programme (OEE) initiative

3 Pillar Environmental Strategy

The three-pillar environmental strategy ensures augmented green consciousness across the value chain activity, optimized impact on the environment, reduction of negative impact, conservation effort toward the environment. The pillars are consisted of;



Highlights

Green Awareness

Our employees are intensely conscious regarding their individual carbon footprint with recommendations for reduction.

Green Operations

We possess advanced in-house Environmental Management System (EMS) to enable resource optimized operations across the business units.

Responsible Finance

We have financed BDT 782.5 MN in the year 2022, for sustainability linked projects, green loans, as well as loans associated with renewable and clean energy.

Sustainable Resource Optimization

Digital Payments
Online transfer through BEFTN (Bangladesh Electronic Fund Transfer Network) and mobile financial services

Floor Arrangements
Internal arrangement of the floors has been revised in order to optimize building utilization.



ICT Developments
In house ICT developments to enhance existing and create innovative platforms

Activated Customer
Activation of substantial number of customers on our platform digitally

Particulars	2022		2021	
	Quantity	Net Savings (BDT in Million)	Quantity	Net Savings (BDT in Million)
SMS Alert	410,061	0.451	315,432	0.347
E-Fund Transfer	10,009	0.011	7,416	0.008
Digital Attendance	50,841	0.018	35,880	0.013
Email Correspondence	855,686	0.939	755,194	0.828
Total	**1,326,597**	**1.419**	**1,113,922**	**1.196**

8R Approach Toward Sustainability

We endeavor to effectively enhance our natural capital management through efficient utilization of resources, funding green technologies, restricting dependence on fossil fuels and eradicating waste by recycling whenever possible. The 8R approach is an effective tool in diminishing the Bangladesh Finance's ecological impacts and contributing to the long-term sustainability of natural resources.

Management Approach		Achieved Through	
Responsible Financing	Natural Inputs	**Reuse**	**Reduce**
Digital Solutions	Energy	**Refuse**	**Recycle**
Carbon Footprint	Waste	**Renew**	**Refine**
Reforestation	Paper	**Replace**	**Recollect**

Outcome of Climate Variability

Climate change currently imposes most existential threat of our time. Hence, the FIs are immediately required to adapt methods aligning with low carbon economy. Such abrupt transition associates us with credit risks, devaluation of investment as well as other transition risk. Nevertheless, being proactively involved in green and sustainable financing, Bangladesh Finance is prospecting opportunities and growth through investing in green assets, adopting proactive approaches to sustainability and demonstrating our commitment to ESG. We are proactive in addressing associated challenges and seizing the opportunities harnessing our own Environmental Risk Management guidelines.

Envisioned Strategy

Bangladesh Finance Ltd is foreseeing to eliminate the adverse impact on environment while seizing their opportunities that come along with it. We look forward to;

- Monitor and report our environmental performance such as carbon emissions, energy consumption, and waste generation, to demonstrate our commitment to sustainability.
- Invest in sustainability-focused research and development to identify emerging trends and technologies, and develop new sustainable products and services that meet customer demand.
- Develop a comprehensive sustainability strategy with environmental goals, and monitored progress.



RELATIONSHIP BETWEEN CAPITALS

Trade-off between Capitals of Natural Capital

	FINANCIAL CAPITAL			HUMAN CAPITAL			INTELLECTUAL CAPITAL			MANUFACTURED CAPITAL			SOCIAL AND RELATIONSHIP CAPITAL			NATURAL CAPITAL		
	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L
GREEN OFFICE PRACTICE	▼	▲	▲				▲			▲	–	–			▲	▲	▲	▲
GREEN FINANCING	▼	▼	▲	▲	▲	▲	▲	▲	▲				–	▲	▲	▲	▲	▲

S- Short Term **M-** Medium Term **L-** Long Term ▲ Increase ▼ Decrease – Neutral

IMPACT STATEMENT

203-2, 413-2

	2022	2021	2022	2021	2022	2021	2022	2021
Manufactured								
Contribution to final product and services in Value chain							+	+
Client value of money deposit	+	+						
Client value of other infrastructure services	+	+						
Value of infrastructure services provided by suppliers							−	−
Gross increase in tangible assets					−	+		
Depreciation of tangible assets					−	−		
Financial								
Payments to clients	−	−						
Payments made to other stakeholders							−	−
Employee payments							+	+
Income tax payments							+	+
Interest payments							+	+
Net profit/loss					+	+	+	+
Cost of capital	−	−			−	+		
Value of capital					+	−		
Value of services (financial) provided to suppliers							+	+
Business client value of lending services						+	+	+
Consumer client value through home ownership					+	+	+	+
Payments to suppliers for expensed goods and services	+	+						
Consumer client value of lending services (non-mortgage)	+	+						
Business client value of lending services	+						+	
Intellectual								
Consumer client value of other fee-based services	+	+						
Business client value of other fee-based services	+	+			−	+	−	−
Change in intellectual assets								
Occurrence of cybercrime	−	−						
Unintended incidents with personal information	−	−						
Human								
Creation of human capital			+	+			+	+
Well-being effects of employment			+	+	+	+	+	+
Value of employee time spent on work			−	−				
Value of services provided by suppliers							−	−
Occupational health and safety incidents			−	−			−	−
Social								
Change in brand value and customer loyalty		+	+					
Decrease in financial crime					−		−	−
Gender discrimination in access to higher skilled jobs							−	−
Underpayment								
Financial distress due to difficulties to repay loans							−	−
Natural								
Contribution to climate change								
Use of scarce materials							−	−
Air Pollution							−	−
Water Pollution							−	−
Land Use							−	−

Positive impact **Negative impact**

EXTERNAL SUSTAINABILITY CHARTERS

Global Compact Considerations as a voluntary exercise, the Company draws reference to the Global Compact Considerations to enhance and benchmark its efforts towards building a more sustainable society and environment. This has enabled the Company to become more aware of some of the key areas of sustainability focus, which has become another cornerstone in improving our current sustainability policies+, practices and processes. Given below is Bangladesh Finance's extent of adoption of the 10 key principles of the Global Compact Considerations upheld by the United Nations Global Compact (UNGC), which covers the areas of human rights, labor, environment and anti-corruption.

Global Compact Considerations 10 Principles		Bangladesh Finance's Extent of Adoption in FY 2022
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights.	In combination with our internal value system that upholds people's rights and obligations, we continued to adopt effective HR policies, practices and procedures which are aligned with standard human rights requirements. Major business decisions were made without compromising on key obligations related to the human rights of employees and general external factors.
	2. Make sure that they are not complicit in human rights abuses	There were no reported incidents of human rights abuses or violations during the period under review. BDF remained a caring and receptive employer when managing its workforce and upholds the criteria of basic human rights necessities of the human resource. Our dealings with external parties such as our customers, suppliers, and other external parties is carried out in a humane manner, without going against basic human rights considerations.
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	BDF's management style and culture encourages communication of employee views and concerns to be transmitted freely without obstruction to those at the helm. Employees' feedback to corporate management is deemed invaluable and constructive information and hence, viewed positively. Having established effective HR policies that include grievance procedures, the management is able to iron out human resource concerns, paving the way for a more harmonious relationship with its workforce.
	4. The elimination of all forms of forced and compulsory labor.	As a strict HR policy, we do not employ people forcefully under any circumstances.
	5. The effective abolition of child labor.	The Company recognizes the importance of ensuring that children are not employed in any capacity whatsoever and abides strictly to this requirement.
	6. The elimination of discrimination in respect of employment and occupation.	There is no form of discrimination taking place with regard to an employee's age, sex, ethnicity or religion. The appraisal system practiced is performance based and thus, any rewards and benefits generated from such evaluations purely focus upon an employees' capabilities and most of all his/her performance during a period.
Environment	7. Businesses should support a precautionary approach to environmental challenges.	As a responsible corporate citizen, BDF continued to embrace a green policy, practices and procedures to safeguard its external surroundings and reduce the use of natural resources. The Company also expanded its efforts in preserving the environment and its habitats.

8. Undertake initiatives to promote greater environmental responsibility.	The efforts of the Sustainability Governance Committee, in identifying ways of contributing to the sustenance of plants and the animal population can be seen as wider actions supporting this principle.
9. Encourage the development and diffusion of environmentally friendly technologies	The continued use of environmental friendly internal procedures and practices helped better manage the use of natural resource such as energy and also to reduce emissions to the atmosphere. Efforts this year in tying up with an external party under agreement to handle the Company's e-waste has been another major step towards adopting this principle. Plans on converting vehicle servicing plant to solar power, in combination with the national grid is currently being evaluated.
10. Businesses should work against corruption in all its forms, including extortion and bribery	In keeping to BDF's sound governance framework and culture, all individuals working within were expected to display highest degree of integrity, honesty and ethical standards. Action was brought upon employees who did not conform to the high standards set. The "Whistleblowing and Fraud Policy" approved by the Board would assist the Board and management in identifying any future corruption, fraudulent activities, etc., occurring in the workplace and it has laid a sound foundation to initiate action against those responsible for any fraudulent acts. It sets a clear process to capture related concerns and then to investigate, report and take corrective measures against wrongdoers.

GRI 203-2, 419-1

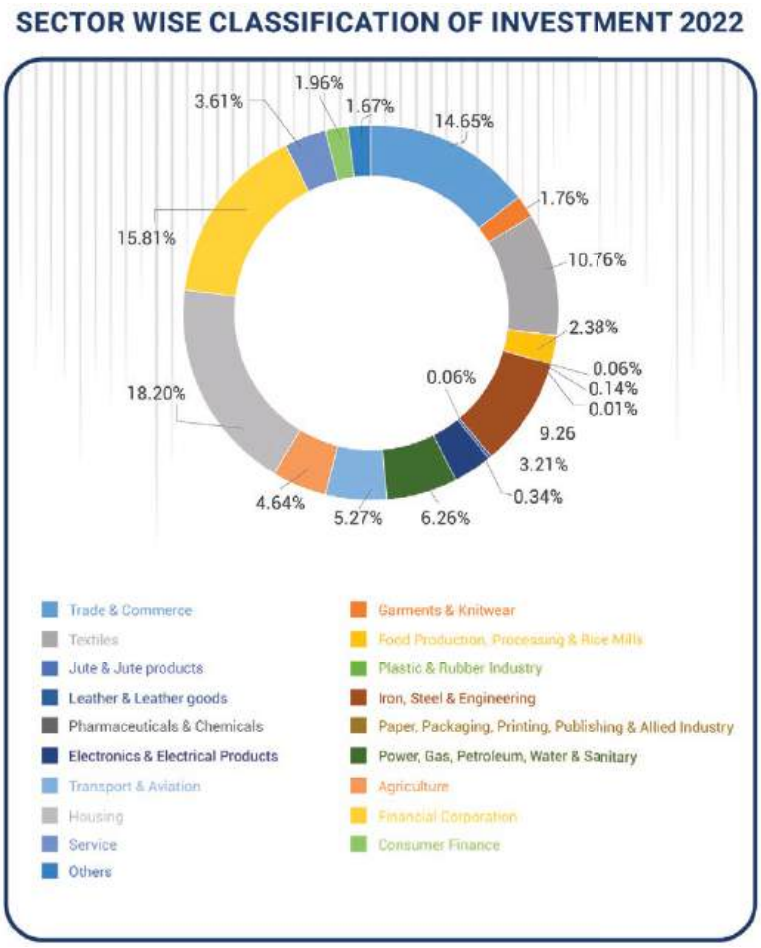
OUR SOCIOECONOMIC IMPACT

The Company was able to retained 5.15% of the economic value generated during the year under review though the economic value distribution exceeded the economic value generated in last year. Portion of value distributed to depositors increased by 6.25% in 2022 compared to 2021, whilst portion of value distributed to lenders during the year has declined as interest rates and borrowings declined. The value distributed to government declined significantly due to the reduced tax rates. Dividend to shareholders has been increased due to the increased profit earned during the periods. However, the proposed final dividend of BDT 213 million which is to be paid in the form of a stock and cash dividend upon receiving the approval of shareholders at the AGM. Value distributed to employee also reflected an increase in 2022 while the operating cost was observed to decline in 2022 compared to 2021.

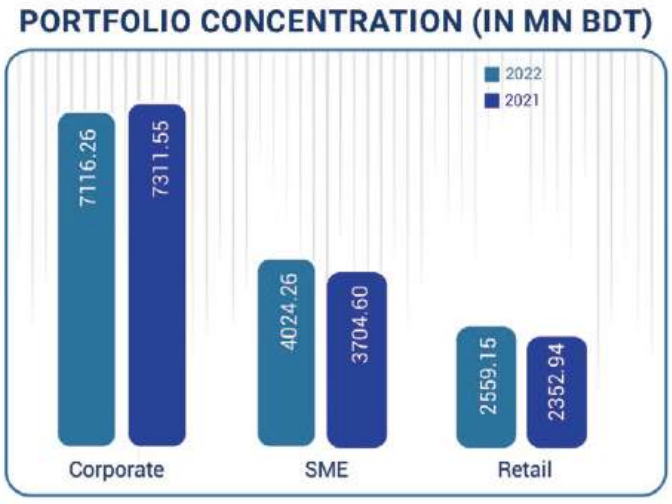
Value distributed	2022 BDT (million)	2021 BDT (million)
To Providers of Capital	1,103.76	1,086.08
To Employees	190.74	141.15
To Government	2.69	134.88
To Community	2.86	9.60
Operating Cost	247.53	346.13

Access to Finance

Our main purpose is to provide access to finance for SMEs, corporates, and individuals connected to various industries supporting progression towards realizing their aspirations. We aim to support them throughout their lifecycle with relevant structured products that are readily understood by our customers. The investment portfolio of Bangladesh Finance covers all major industrial sectors of the country. The sector-wise portfolio as on 31st December 2021 and 31st December 2022 is furnished below:



We continued to finance various business units under the SME program and participated in the refinancing program of Bangladesh Bank, JAICA and Women Entrepreneur loan. The total amount of loan under SME during 2022 increased to BDT 4,024.26 million against BDT 3,706.60 million in 2021 registering a growth of 8.59%.



Additionally, the corporate concentration in the loan portfolio during the year 2022 grow the overall risk on the total portfolio and to improve the quality of asset. The corporate loan portfolio stands at BDT 7,116.26 million at the end of year 2022, slightly decreasing from the loan portfolio amount of 2021.

A Custodian of Value

As a finance company, we provide investment opportunities for the public who require a trusted custodian and a return. Bangladesh Finance has been a trusted player within the NBFI sector and is the custodian for BDT 9,862 million deposits of nearly 6,231 customers.

Direct and Indirect Employment

Bangladesh Finance provides direct employment for 151 people in 2022, which has also improved during the year as against the previous year accounted for 124 employees. Also, our operations continued to finance over 600 businesses who provide employment to others and creating indirect employment opportunities.

FUTURE OUTLOOK FOR SUSTAINABLE TOMORROW

Bangladesh Finance Limited, the 23-year-old company looks forward to a more astounding transformation in the coming days. The transformation journey towards the most respected financial institution of the country has begun with an improved credit rating, solid customer deposit base, raising bonds and foreign funds, starting Islamic operations, and maintaining a balanced NPL rate regularly.

The financial industry operates in a dynamic environment. It is subjected to multiple forces: central bank regulation, interest rate pressure, increased hostile competition, reputational threat, etc. Although the economy experienced highest growth in 2019, but the impact of worldwide pandemic crisis hasn't still worn off since then. Given the multiple shades of this financial crisis, we have identified global challenges to build reinforcements and shock-proof our business. However, as the country's economy grows with time, opportunities can be identified to create new growth levers and pivot our business models towards future readiness. The implementation of sustainable business policies and development of sustainable business growth are crucial to align with our economic growth further.



ESG in Focus

The importance of environmental, social, and governance (ESG) issues is rising in stakeholder evaluations and risk landscapes. Organizations are gradually under pressure to contribute towards handling critical economic, social and environmental issues facing the world today. A comprehensive sustainability policy and Environmental and Social Management System (ESMS) Framework are the foundations for the concentrated efforts being led by Bangladesh Finance to incorporate its ESG considerations throughout the organization. Our Sustainability Policy is focusing on the three pillars of sustainability in the economic, social, and environmental spheres, outlines our strategy for achieving triple bottom line value generation.

Our Sustainability Context

The banking sector is experiencing an era of transition and change, driven by a variety of disruptive influences, including as demographic changes, effects of the environment and climate, social and economic disparities, and technology advancements. The Sustainable Development Goals (SDGs) of the United Nations can be achieved by NBFIs by proactively addressing these problems in order to promote the growth of a greener planet and a more equitable society.

ESG PERFORMANCE

Our Sustainability Context

- Financial inclusion to assist vulnerable communities
- Heading toward a low-carbon economy
- Supporting and developing SMEs
- Empowering women to contribute more to the economy
- Data security and customer privacy
- Environmental Risk Management in Lending

ESG Focus

Our Approach: ESG priorities of the group and the SDGs which are aligned to these focus areas are presented below. Progress made of these priorities is outlined in the ESG Scorecard.



ENVIRONMENT

	2022
Green lending	
• Total Sustainability and Green loan disbursed	BDT 452 mn
• Number of projects	115
• Fuel consumption	BDT 26 mn
• Sustainability learning programs	3 Programs
Bangladesh Finance conducts awareness sessions for addressing contemporary environmental issues.	
• Number of sessions	3 Sessions
• Climate positive projects	
• Environment & Climate Change Mitigation and Adaptation	BDT 0.06 mn
• Trees planted on	8 Decimal Land
Trees saved through recycling	88 Trees

SOCIAL

	2022
Diversity	
Bangladesh Bank has obtained and continues to comply with the EDGE Certification for gender equality at the workplace.	
• Female representation in the workplace	15 %
• Women Entrepreneur Loan	BDT 112 mn
The Bank drives socio-economic empowerment through lending to unbanked/ underprivileged sections.	
• Disbursed loan for amount for Micro SMEs	BDT 199.40 mn
• Microfinancing/ NGO lending amount	BDT 7 mn
• New entrepreneur loan amount	BDT 3.6 mn

GOVERNANCE

Responsible lending practices Bangladesh Finance has implemented a comprehensive ESMS system to embed social and environmental consciousness to lending decisions.	
• Number of loans screened	100%

Risk Management	
With our aspiration of embedding climate-related risks to our overall risk management framework, we have identified the following implications of climate change on our risk profile	
Type of Risk	**Implications**
Credit risk	Arising from lending exposure to industries which have relatively high vulnerabilities to climate change. This includes agriculture, tourism and energy among others.
Funding risk	Arises from counterparts withdrawing funding lines from potentially climate-negative businesses.
Operational risk	Erratic weather patterns and natural disasters can direct or indirectly disrupt the Group's operations
Regulatory risk	More stringent scrutiny and regulations relating to mitigating climate change may impact our business model and key lending decisions.

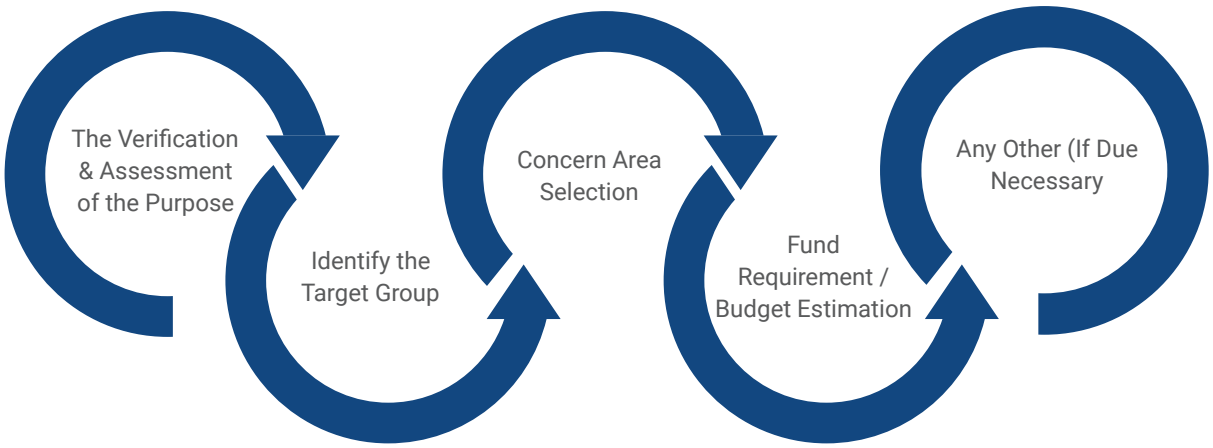
CORPORATE SOCIAL RESPONSIBILITY (CSR)

Bangladesh Finance's business philosophy has always included corporate social responsibility (CSR) as a key component. From the beginning, Bangladesh Finance has focused on investing in the development of the underprivileged segment. Bangladesh Finance Foundation has been established to give more focus on this social issue. Bangladesh Finance has always been aware of its Corporate Social Responsibility (CSR) and worked with an aim to act as a catalyst for change. We aspire to develop into a socially conscious business that improves the quality of life for everyone while maintaining the environment.

In Bangladesh Finance, we believe when local communities prosper, the organization and its stakeholders also prosper. Bangladesh Finance consciously considers corporate social responsibility (CSR) when making decisions and upholds the triple bottom line: People, Planet, and Profit (3Ps). Our CSR activities are curated purposefully to address various social and environmental issues. It is a commitment we are proud to uphold today. By making investments in our communities, we want to make them more sustainable for coming generations. With the aim of providing communities with the tools they need to create positive changes in their lives without depending on anyone, our CSR programs are designed for long-term sustainability.

Screening Process of CSR Activities:

CSR program of Bangladesh Finance move on through screening process to perform proper CSR fund management and accrue positive performances. CSR committee of Bangladesh Finance maintain the screening process as under:



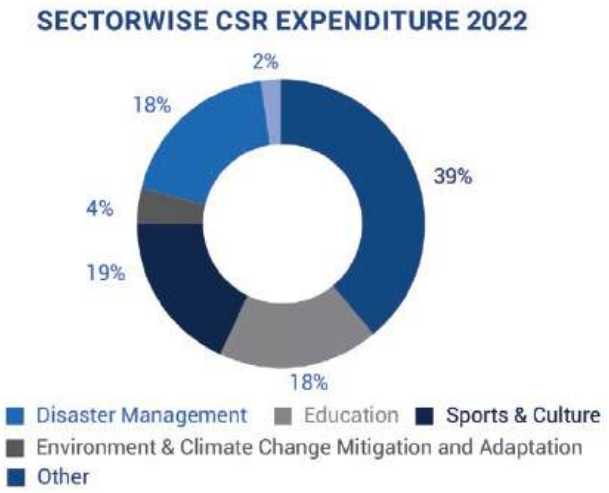


During the year 2022, Bangladesh Finance spent an amount of BDT 2.86 million on CSR which covered a vast area of education, health and other under privileged sectors for the overall betterment of the nation. Undertaking CSR projects that include:

- Donation to Prime ministers Education Assistant Trust
- Donation to a Madrasha & Masjid at Gaibandha
- Support underprivileged, physically challenged and rural people with equipment for self-employment
- Provide donation to a liver cancer patient
- Provide emergency disaster relief to the flood victims in Sylhet
- Food Distribution to the helpless orphans
- Financial assistance with sponsorship for two Iron Man athletes
- Health and wellness support for a non-executive employee
- Scholarship to Employees Children
- Awareness Program for Harassment prevention in Bijoy Platform
- Financial assistance/concessional credit to women without collateral

In order to further promote sustainability, we have also directed our CSR funds toward initiatives that will allow people to independently generate value for both themselves and the community at large. In an effort to do so, we have facilitated scholarship programs for the employee's children, support underprivileged, physically challenged and rural people with equipment for self-employment, health care support to financially vulnerable people and conducted several other programs in the area of environmental protection and disaster management.

CSR is both short- and long-term time bound strategy to achieve a balance of economic, environmental and social imperatives (Triple Bottom Line Approach). CSR is not only philanthropic but also address the key sustainable development challenges through actionable programs and community investments to a considerable extent. CSR to reduce all forms of poverty, inequality, social exclusion, improve the quality food, healthcare availability and living standards of vulnerable groups of the society for the sustainable and equitable development of the country.











HUMAN RESOURCES ACCOUNTING

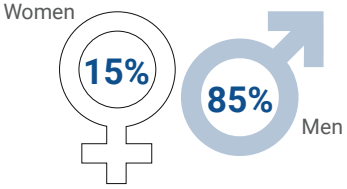
Human resource accounting is an accounting system which recognizes the expenditure made on the human resources of a company. Once the investment is calculated an organization can easily ascertain the exact return on investment (ROI) by cal - culating the profit made by the company. This information helps the management to take appropriate decisions regarding the organizational issues. Human resource accounting reports about the changes of getting returns and how much expenditure should be made on the permanent workforce of the company. We have automated our measuring method by implementing our new software, Human Resource Information System (HRIS) in 2022.

For the year ended 31st December 2022

GRI	Human Strength	2022	2021
401-1	Total workforce (Number)	151	107
401-1	Female Representation (%)	15%	9%
401-1	Recruitments for the year (Number)	54	31
401-1	Attrition rate (%)	12%	18%
401-3	Retention rate after maternal leave (%)	95%	100%
403-2	Number of injuries	0	0
103-3	Cost to income ratio of per employee (BDT)	6.32	10.00
404-1	Training hours per participant as an average (Hours)	30	22
404-1	Training hours per female as an average (Hours)	967	574
404-1	Total training man hours	4,568	2,365
103-2	Employee grievances reported and resolved (Number)	0	0
406-1	408-1,409-1, 103-2 Human rights violation	0	0

Total Workforce

151 in 2022



Recruitments ↑ By 74%

92%
Growth in Female Representation

25 Internal and External
Training Programs for Talent Developments

80% Growth in Talent Attraction & Hiring



Around
98%
Employees are Vaccinated for COVID-19 Virus

Purpose

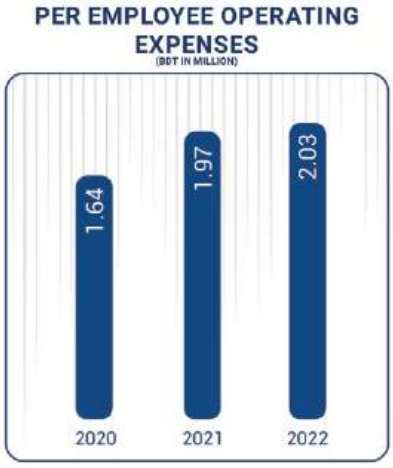
Human Resource Accounting is to generate cost and value information of human resources by measuring and identifying the data about the employees or managers working in an organization. This allows human resource professionals and senior managers to use human resources of a company efficiently and effectively.

Employee Retention and Attrition Percentage

As a caring employer that has focused attention on the well-being of its employees, we are proud to possess a highly motivated growing workforce. We have already started to reap the benefits of investing in employee development activities and providing the required infrastructure and moral support to them. This has led the way for the organization to sustain high employee motivation levels, and comparatively lower employees' turnover numbers recorded over the years. However, the employee's turnover this period compared to total employees stood at 11% reflecting a moderate percentage decrease from last year.

Implications of Bangladesh Finance Ltd.

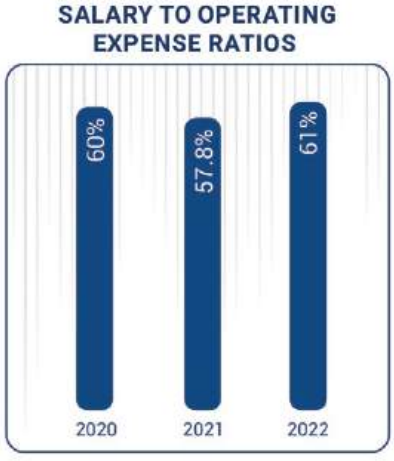
Currently, Bangladesh Finance follows the conventional methods of accounting and there is no existence of human resource specific accounting standards in our system. In 2022, the implementation of Human Resources Information System (HRIS) has improved our efficiency and effectives of managing data. We use the HR accounting to measure employee productivity and considers these outcomes in management decision making. Employees get motivated to improve themselves once they come to know their real value in the eyes of Human Resources Information System (HRIS) of the company. The amount invested on them will inspire them to increase the output in proportion to the investment made on them by the company.



Per employees operating expenses increased by 3.02% (BDT 2.03 mn in 2022 from BDT 1.97 mn in 2021). The costs has increased by lower percentage than last year's performance as we were more focused on building an efficient team.

In 2022, 54 new employees were recruited, 74% increased in hiring than previous year. Despite that salary to operating expenses increased by 2% than 2021 and per employee operating expense was increased by 3.02%. In terms of operating profit, employee expense represented at 45% in the years 2022 compared to 21% in 2021. This indicated that a tough economic condition with a massive recruitment the company managed its employee expenses effectively to earn its operating profit.







Transforming our workforce through valuing diversity, equity, inclusion and learning

The effect of our combined endeavor for growth and development

We believe in investing in youth development in order to provide them with developed skills. Hence, we are determined to establish ourself as a lucrative platform to entice talents. Emphasizing on employee training and development along with structured reward policy have been our key focus. In such a way, we ensure the organizational development through our values.

Youth Development

Internship Programs Initiated by Bangladesh Finance for nurturing young talents.

18 Interns hired from the year 2021-2022.

33% of Interns are given fast-track career opportunities through intensive support from mentors to develop youth skills.

BDT 210,000 in to grant numerous allowances to the employees for supporting the education of their children.

Talent Attraction

Invested in a comprehensive recruitment process for effective hiring.

Conducted surveys to measure overall experience of the new employees and interns.

Connected with more than 10000 students from different universities through job fairs to segregate and nurture young talents.

Provides equal opportunity and promotes gender & ethnic equality

Increasing Competencies with Values

Reward & Recognition Policy to inspire employees to perform better regardless.

Reward Structure linked to performance and value drivers.

Formal Performance Appraisal each year to assist with growth and developments.

56 employees promoted based on appraisal of performance.

Development of Frontline Employees

30 HOURS
Per employee man-hours per annum

3.96 DAYS
Per employee man-days per annum

824 employees participated in different training programs to unleash their potential.

Internal Learning Opportunity through Talent Mobility

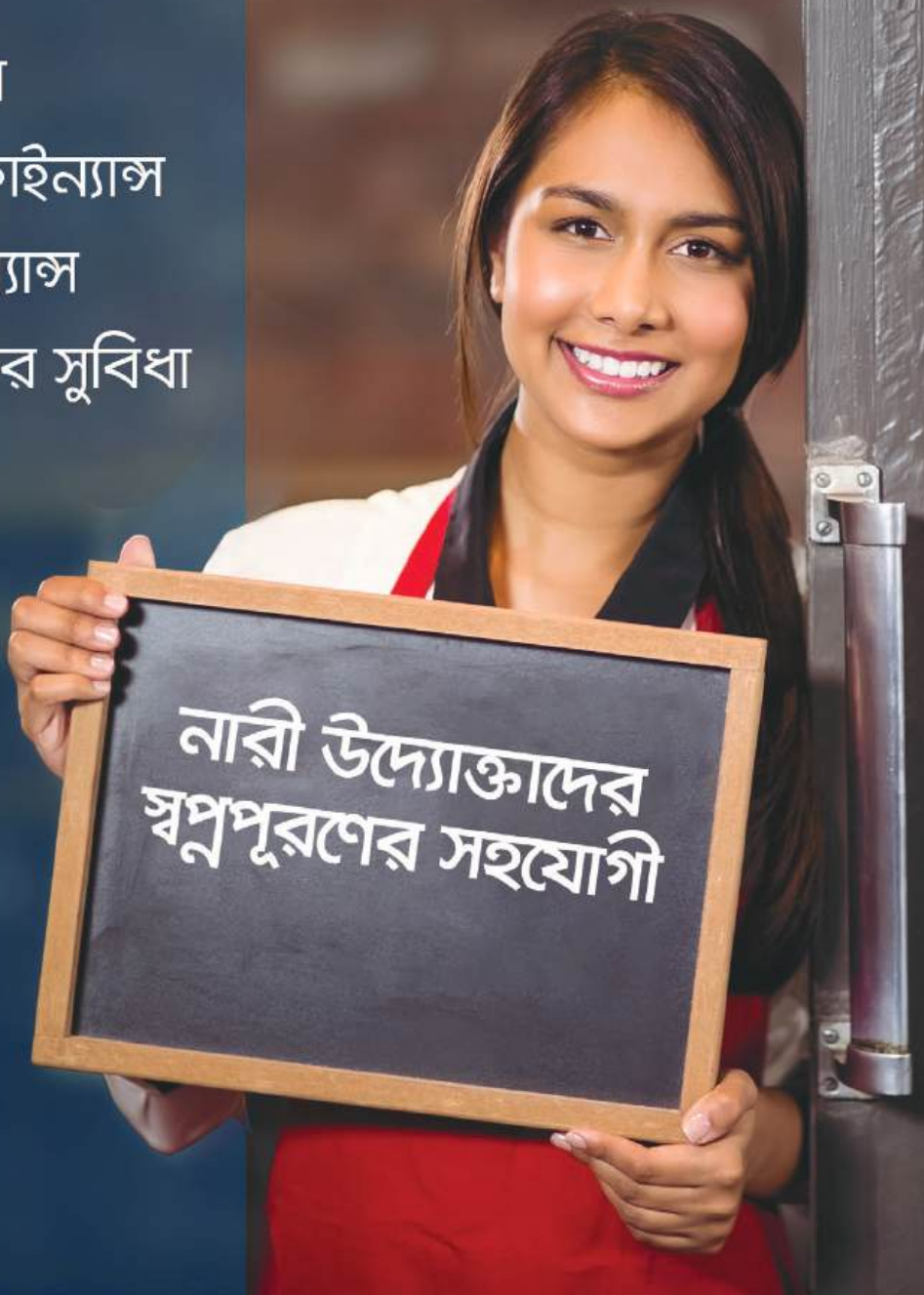
7.9% of our talent moved to alternate roles as a result of their versatile skills.

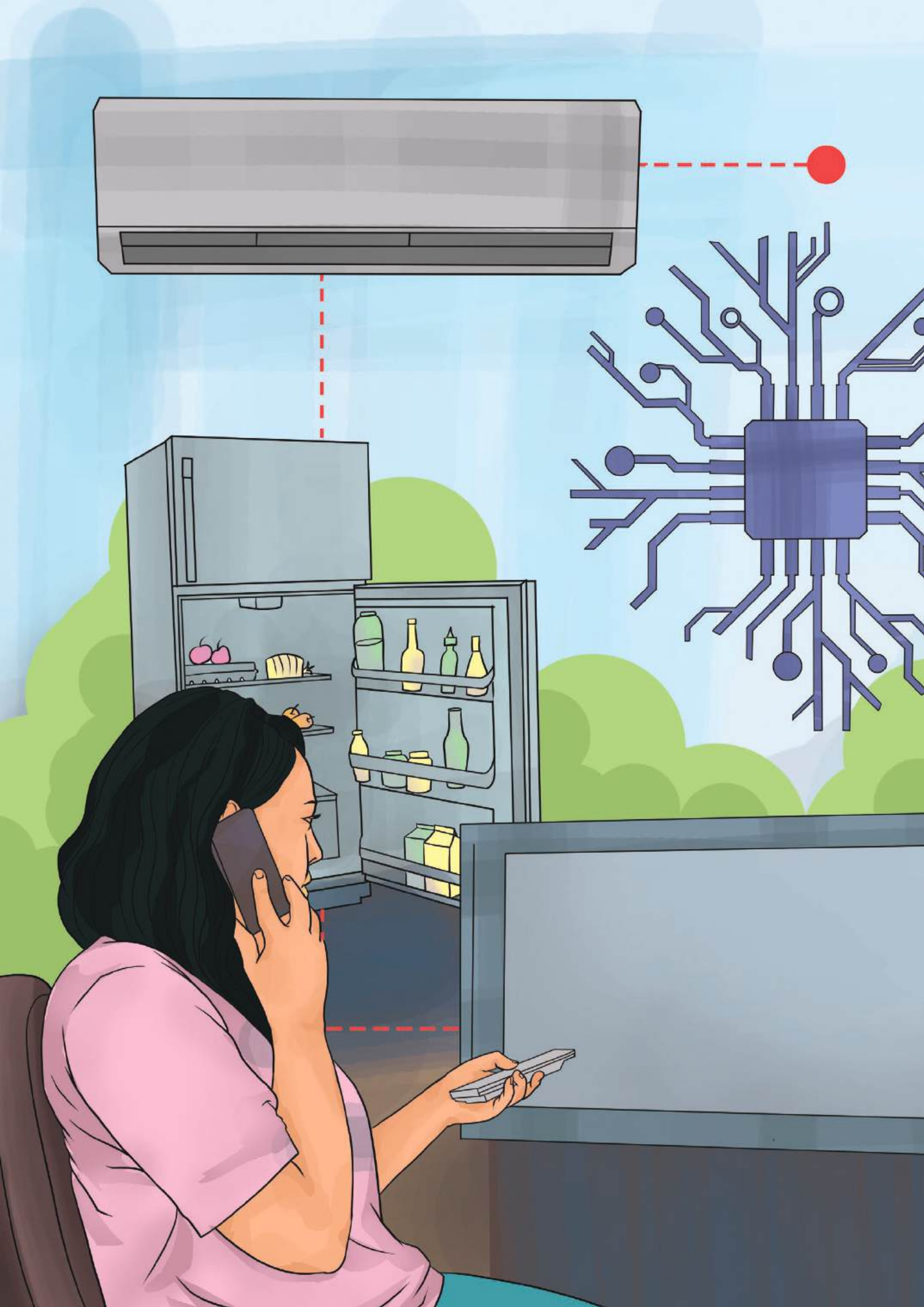
Prioritizes internal candidates for promotions and fulfilling vacancies within the Company.

Bangladesh finance
এখনই সময়

বিজয়

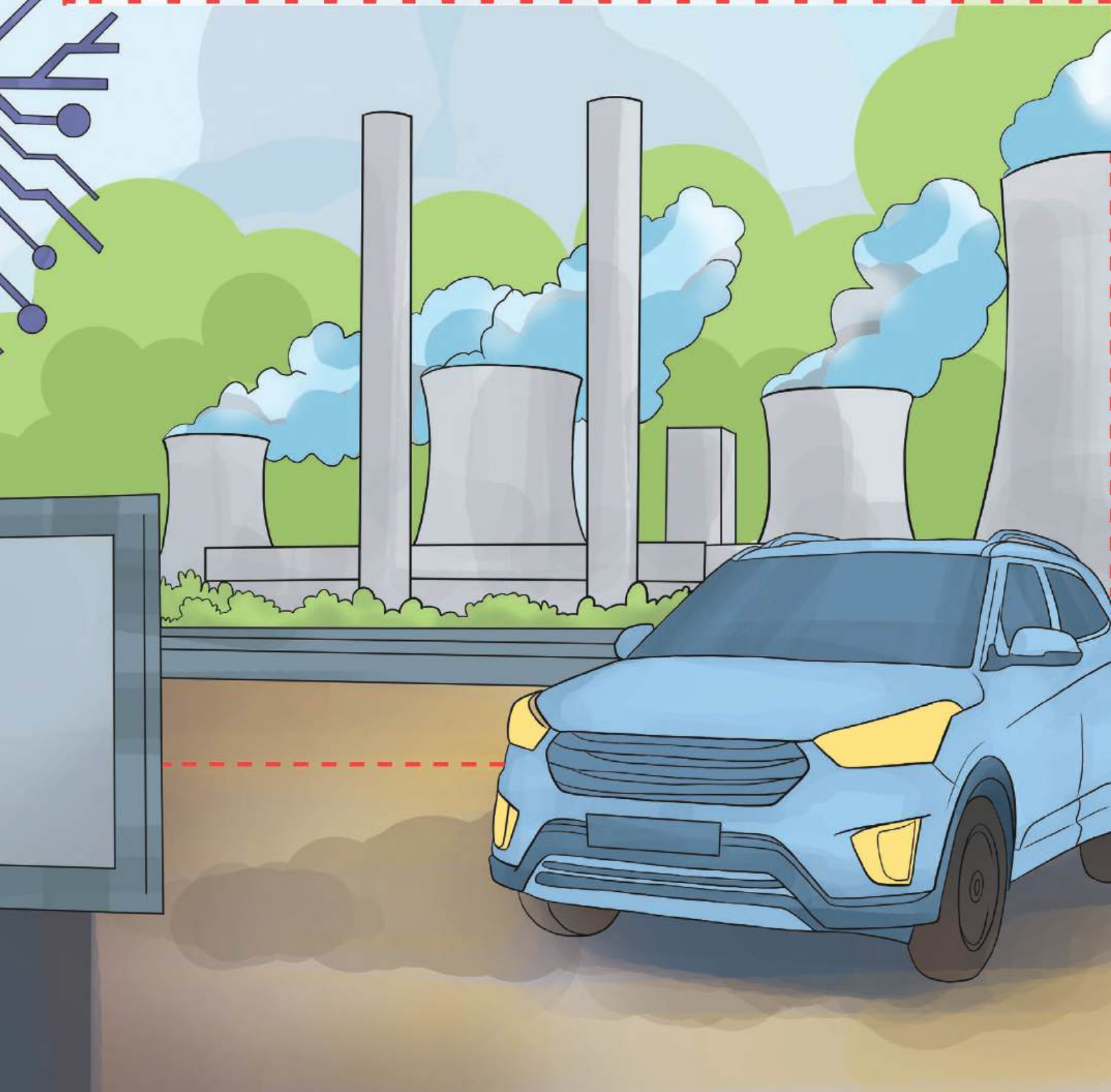
- সঞ্চয়ের সুবিধা
- সাপ্লাই চেইন ফাইন্যান্স
- এসএমই ফাইন্যান্স
- রিটেইল লোনের সুবিধা





Connecting Life Through Technology

Bangladesh has become a hub for electronics manufacturing, including mobile phones, televisions, and even cars. The country's technological advancements have made a positive impact internationally, and local startups are also gaining recognition and funding. With 30.9% smart phone users and incremental use of IoT Bangladesh is entering in the league of digitized countries. IoT also has an enormous untapped potential in many sectors of Bangladesh, such as transportation safety, environmental monitoring, healthcare management, utility management, smart grid, and social security management.



CORPORATE GOVERNANCE

A. Statement of Corporate Governance

Bangladesh Finance has manifested its commitment to adhering to the principles of good corporate governance since the very beginning of its operation. The corporate governance philosophy of Bangladesh Finance encompasses regulatory and legal requirements, various internal rules, policies, procedures and practices based on the financial institution's best practices.

As a listed company, Bangladesh Finance is highly compliant with the requirements of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission as per notification no. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 and notification no. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018 and



Transparency



Accountability

related guidelines issued by Bangladesh Bank. According to the notification of BSEC, a company is required to provide a statement in its Annual Report that the CG Code of BSEC has been compliant with. At Bangladesh Finance, we are committed to maintain the highest standards of integrity, transparency, fairness and accountability.



Responsibility



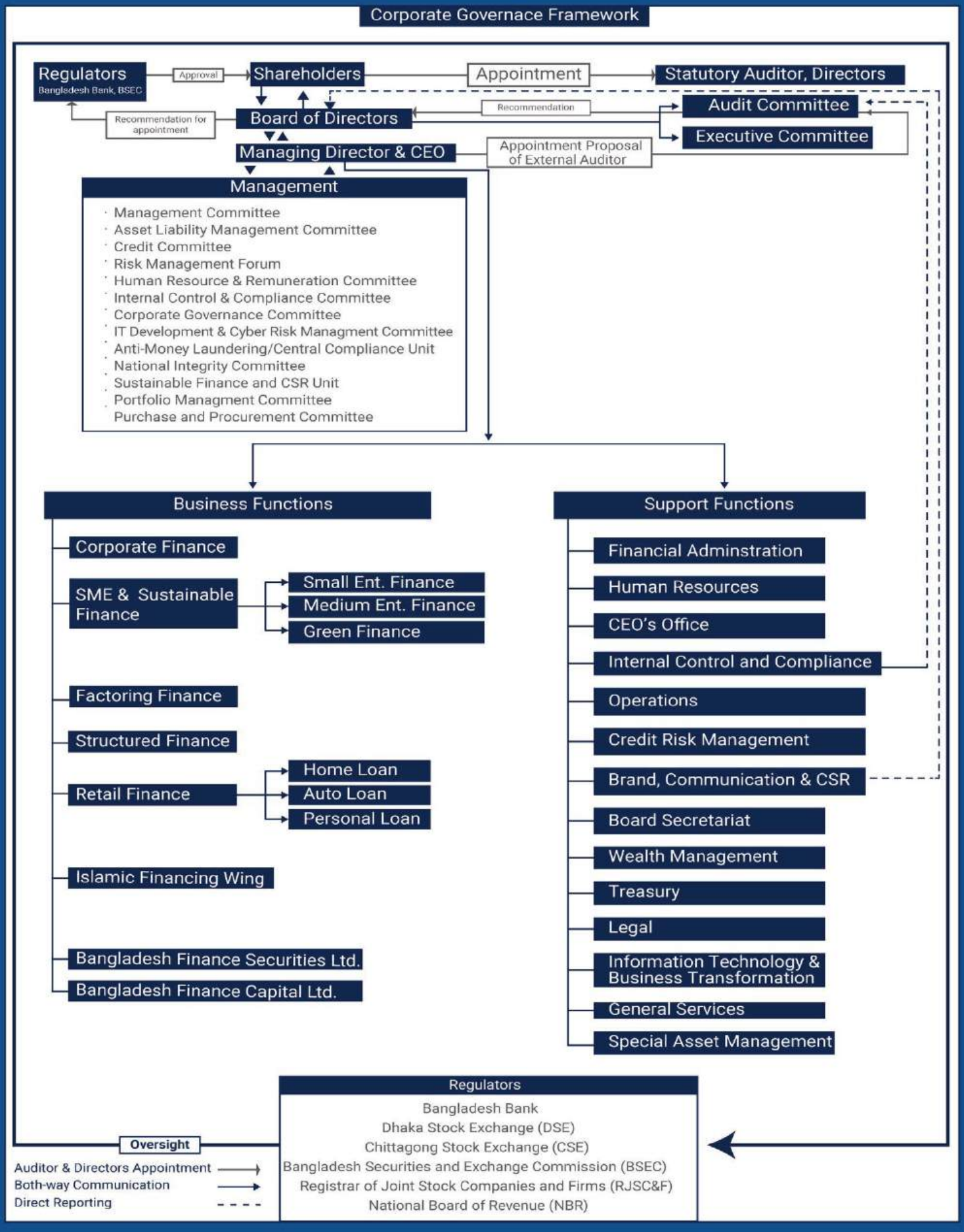
Integrity

Good governance has been the bedrock of our sustainable growth, and on which we depend on our social license to operate. The increasingly challenging environment has underscored the need for strong corporate governance. We believe in the strength of good governance by practicing transparency and accountability in every sphere of our activities. By practicing the structured and dedicated corporate governance culture, Bangladesh Finance is able to maintain the growing trust of shareholders especially the minor shareholders and other stakeholders. The corporate governance philosophy of Bangladesh Finance encompasses regulatory and legal requirements, various internal rules, policies, procedures and practices which uphold the governance of a financial institution. As a listed company, Bangladesh Finance has complied all types of Orders/ Directives/ Circulars/ Notifications/ Rules issued by Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and Stock Exchanges (DSE & CSE) accordingly. Bangladesh Finance is committed to review all its corporate governance policies and guidelines regularly to ensure transparency in its practices, maintain professional integrity to provide quality information to its stakeholders on regular basis.

During 2022, Bangladesh Finance also embraced best governance practices across all of its activities. Our approach to corporate governance enables integrated thinking and decision-making that balances the achievement of our strategic priorities over time and rectifies the interests of the group, stakeholders, and society in creating and protecting the sustainable shared value and protecting against value destruction in the short, medium, and long term. As an integral part of the society in which we operate and rely on our permission to operate, we recognize our responsibilities as responsible corporate citizens to act in ways that benefit society.

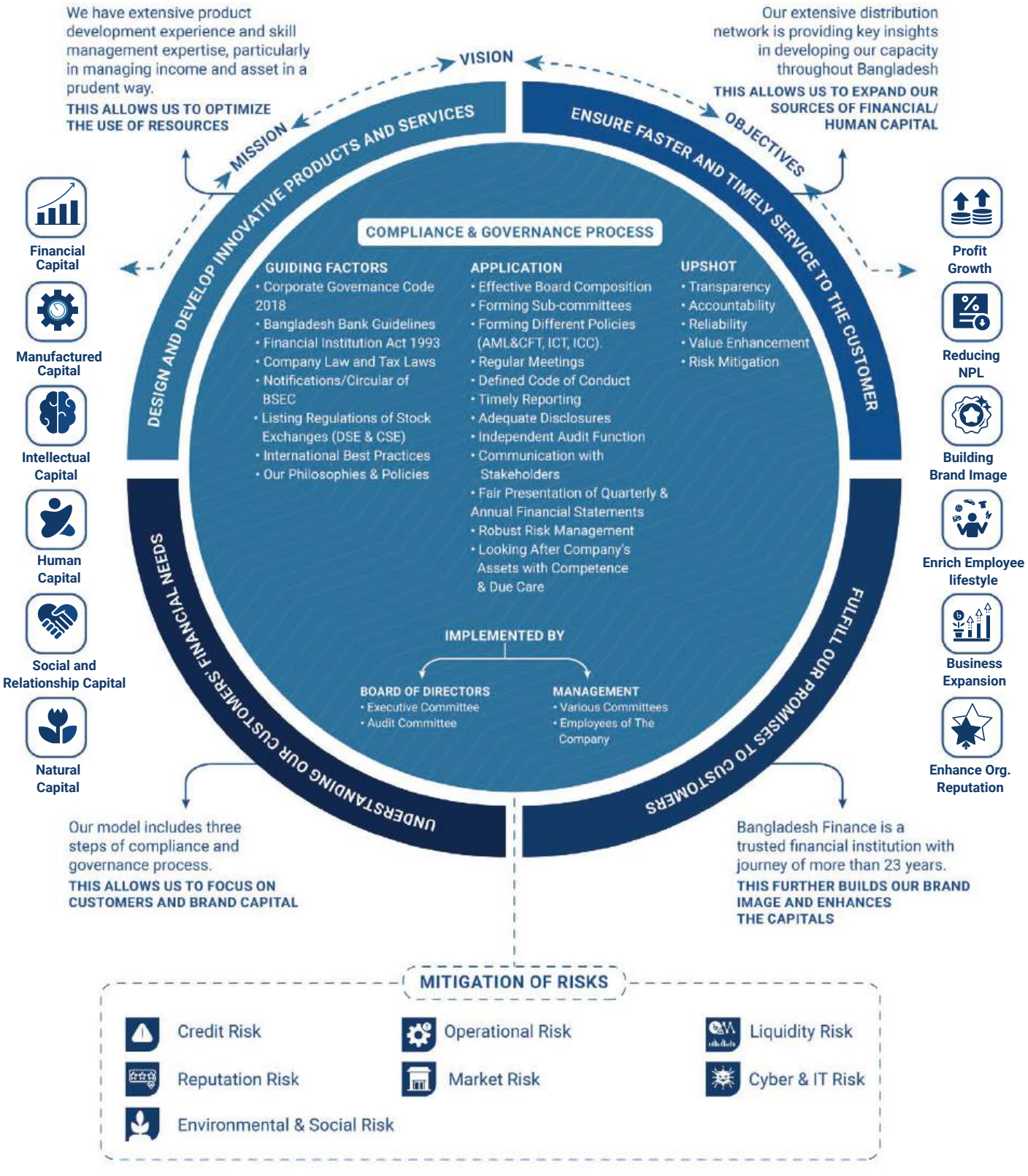


B. Corporate Governace Framework & Value Creation



VALUE CREATION BY CORPORATE GOVERNANCE

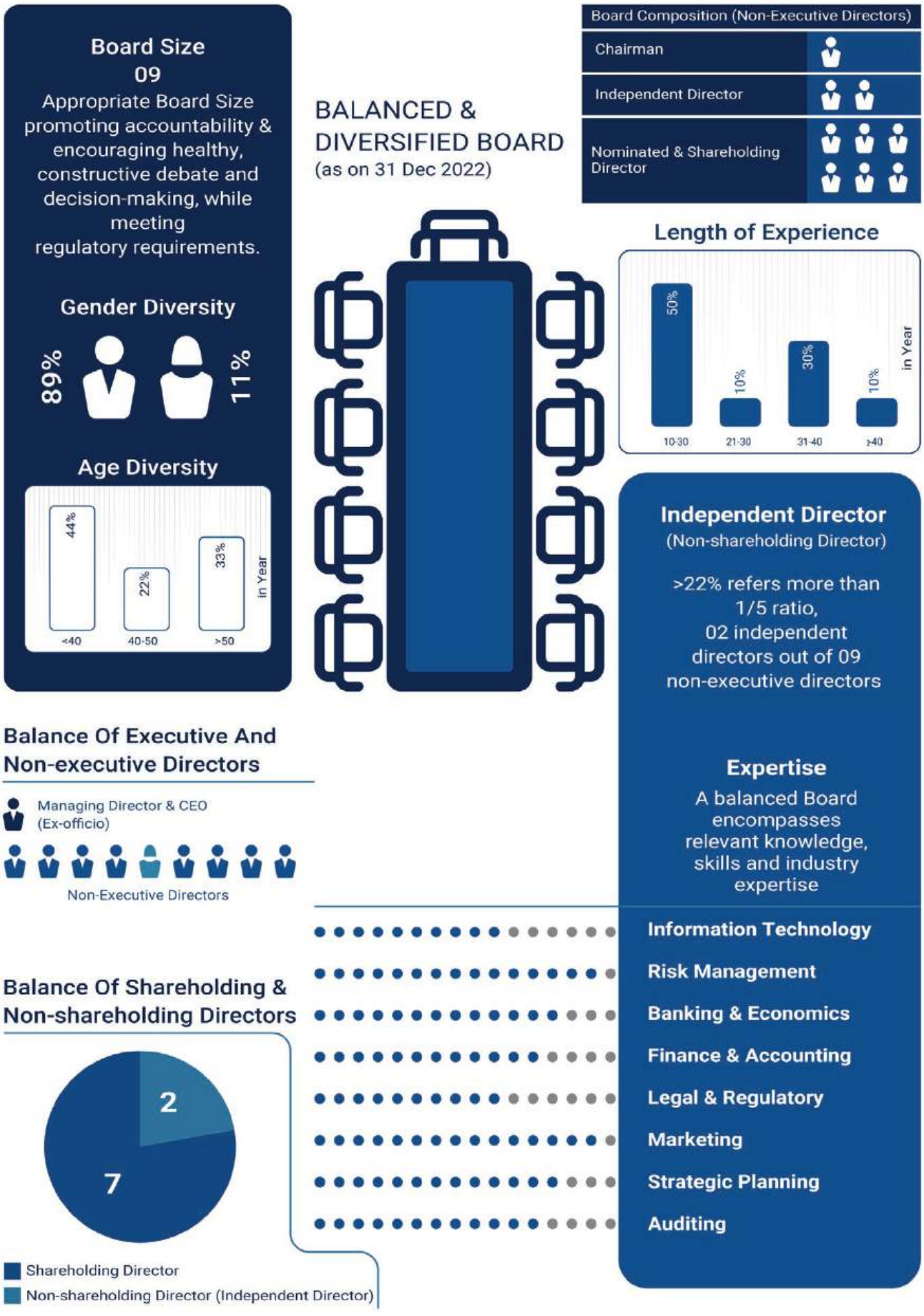
We believe that good corporate governance provides a solid foundation to add value for our stakeholders and achieve our strategic objectives.



C. Board of Directors

GRI 102-22, 27

I. Board Composition



The Board is comprised of people of different age groups and professions with specialized knowledge and experiences. All Directors except Independent Directors hold at least 2% shares of the company's total Paid-up Capital as per the Bangladesh Securities and Exchange Commission (BSEC) requirements.

Status of Board Members in Board Committees and Subsidiaries:

GRI 102-23

Sl.	Name	Board Status	Executive Committee	Audit Committee	In the Board of Subsidiaries
1	Mr. Manwar Hossain	Chairman, NED		-	
2	Mr. Iqbal Uddin Ahmed	Vice-Chairman,IND	Member	Member	Chairman, BFSL & BFCL
3	Mr. Asaduzzaman Khan	NED	Chairman	Member	
4	Mr. Mahtab Uddin Ahmed	NED	-		
5	Mr. Md. Rokonuzzaman FCA	IND	-	Chairman	
6	Mr. Yousuf Aman	NED	-	Member	NED, BFCL
7	Mr. Furkaan Muhammad N Hossain	NED	Member	Member	
8	Mr. Imtiyaj Yousuf	NED	-	-	
9	Mr. Ihtiyaz Yousuf	NED	-	-	NED, BFSL
10	Mr. Md. Kyser Hamid	Managing Director & CEO (Ex-officio)	Member		NED, BFSL & BFCL

N.B.: IND-Independent Director, NED- Non-executive Director, BFSL-Bangladesh FInance Securities Ltd., BFCL-Bangladesh Finance Capital Ltd.

II. Policy on Appointment of Directors including Independent Directors

Criteria for Appointing Directors including Independent Directors

Provision of Companies Act 1994
Provision of Financial Institution Act 1993
Corporate Governance Code & Notifications of BSEC
Pertinent Guidelines and Circulars of Bangladesh Bank
Memorandum and Articles of Association

Appointing Independent Directors

As a listed company, in case of appointing an Independent Director, all the conditions are examined in line with the Corporate Governance Code-2018, relevant notifications & getting approval from BSEC.

Bangladesh Finance Policy on Appointing Directors

- Review the Board's size and composition to maintain a diversified mix of skills, expertise, and experiences to boost Board performance.
- Finding required competency which may be fulfilled by appointing a nominated or independent director having the necessary skills and experiences.
- Board approval → Approval from Bangladesh Bank and approval for Independent Non-executive Directors from Bangladesh Securities and Exchange Commission (BSEC).
- Finally, the director is appointed in the Annual General Meeting (AGM) by the shareholders; any casual vacancy of directors may be fulfilled by the Board subject to approval from Bangladesh Bank by the shareholders in the subsequent AGM.
- The Managing Director & CEO is being appointed by the Board subject to approval from Bangladesh Bank.

Complied: In case of appointment of new Directors, the existing Board considers all the terms and conditions stated in the Companies Act 1994, Financial Institution Act 1993, Corporate Governance Code as issued by BSEC, Guidelines of Bangladesh Bank, and Memorandum & Articles of Association of the Company. At Bangladesh Finance, we have **06 Nominated Directors** who are directly nominated by the shareholding companies; **01 Shareholding** individual director and **02 Independent Directors (1/5 out of the total Board size 09)** who are duly elected by the shareholders in the AGM.

In the case of Non-Executive Independent Directors, the recommendation received from various sources for highly capable and seasoned professionals who fulfill all the required criteria for appointment set by the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), The Board scrutinizes the CVs upon verifying necessary stuff (NID, ETIN, CIB, and CPV) in line with the Corporate Governance Code along with pertinent guidelines, circulars and notifications of Bangladesh Bank and BSEC and makes decisions in favor of the most suitable candidate followed by the regulatory consent from BSEC & Bangladesh Bank. Finally, the director is appointed in the Annual General Meeting (AGM) by the shareholders; any casual vacancy of directors may be fulfilled by the Board subject to approval by the shareholders in the subsequent AGM.

Regulatory Disclosure of BSEC of Corporate Governance Code for Appointing Independent Director

It is noteworthy that, appointing Independent Director, a Regulatory Disclosure of BSEC Form of Corporate Governance Code [reference: provisions 6(1)-6(4), 6(5), 1(2)(a), 1(2)(b)(i), 1(2)(b)(ii), 1(2)(b)(iii), 1(2)(b)(iv), 1(2)(b)(v), 1(2)(b)(vi), 1(2)(b)(vii), 1(2)(b)(viii), 1(2)(b)(ix), 1(2)(b)(x), 1(2)(c), 1(2)(d), 1(2)(e), 1(3)(a), 1(3)(b)(i), 1(3)(b)(ii), 1(3)(b)(iii), 1(3)(b)(iv), 1(3)(b)(v), 1(3)(c)] for Independent Non-Executive Directors is duly signed and submitted to BSEC with necessary documents to get approval. Finally, the Board appoints the Independent Director upon getting consent from BSEC and Bangladesh Bank followed by approval by the shareholders in the subsequent AGM.



Disclosure of Appointing Directors

Complying with the pertinent regulatory guidelines and relevant laws of the country, two (2 Independent directors have been re-appointed and a new director has been on boarded (Mr. Mahtab Uddin Ahmed - nominated by Anwar Ispat Ltd.) recently.

Name	Directors	Status
Mr. Iqbal Uddin Ahmed	Independent director	Re-appointed 2023
Mr. Md. Rokonuzzaman FCA	Independent director	Re-appointed 2022
Mr. Mahtab Uddin Ahmed	Nominated director	Newly appointed 2023

III. Adequate number of Independent Directors with expertise/ professional knowledge



As per the Corporate Governance Code, at least **one-fifth (1/5)** of the Board's total directors shall be Independent Directors. Thus, in compliance with the guideline, **two (2) Directors out of the total nine (9) Non-Executive Directors are Independent- *Mr. Md. Rokonuzzaman FCA*** *- a seasoned professional accountant and* ***Mr. Iqbal Uddin Ahmed*** *- a seasoned Banker (Ex- Managing Director of a renowned Bank in Bangladesh).* They have no share.

IV. Independence of the Independent Directors

Bangladesh Finance complies with all the applicable requirements regarding the independence of the board according to the laws and regulations as well as the Corporate Governance Code of BSEC. The Independent Directors are independent from management and free from the day-to-day business of the organization and they are independent in decision-making and giving opinions.

GRI 120-35-39

V. Directors' Remuneration

Directors are entitled to remuneration only for attending the meetings of the Board and its sub-committees as per the guidelines of the Bangladesh Bank; BDT8,000.00 for each meeting of the Board and its sub-committees.

Remuneration & Benefits Provided to Managing Director & CEO

The managing director is paid salaries and allowances as recommended by the Board of Directors and approved by Bangladesh Bank (**Detail given in the Financial Statements- Note No.28)**. Bangladesh Finance follows Board resolution and Bangladesh Bank Circular/Guidelines regarding benefits favoring the Managing Director & CEO.

VI. Adequate Representation of Non-Executive Directors

As per the pertinent guideline of Bangladesh Bank and Bangladesh Securities and Exchange Commission, Bangladesh Finance maintains an adequate representation of non-executive directors in the board. All the directors are non-executive except the Managing Director & CEO.

VII. Qualified members of the Board of Directors with expert knowledge regarding financials and corporate regulatory rules, responsibilities and implications

Bangladesh Finance has a diversified Board comprising a number of seasoned bankers, industrialists, businessmen, and a professional accountant who have expert knowledge regarding the Industry, Financials and Corporate regulatory rules, responsibilities and its implications in the company i.e. ***Mr. Md. Rokonuzzaman FCA****- a seasoned professional accountant and* ***Mr. Iqbal Uddin Ahmed*** *- a seasoned Banker (Ex- Managing Director of a renowned Private Commercial Bank in Bangladesh),* ***Mr.***

VIII. Board-approved Policy on Induction of Directors



All new Directors appointed to the Board are offered a formal induction program with warm greetings by the Board.

To familiarize the new director with Bangladesh Finance's strategy and aspirations, understanding the line of businesses, corporate functions, key financial highlights, audit, compliances, risk management, and governance framework.

The Chairman on behalf of the Board along with the MD & CEO, the Company Secretary, the Chief Financial Officer and the Head of Internal Control and Compliance provide new Directors with an information pack regarding disclosure obligations of a Director, Code of Ethics & Conduct, Articles & Memorandum of the Company, Board Committees' Terms of References, Annual Report of the Company and other associated materials.

***Md. Asaduzzaman Khan**- an Ex- Executive Director of Bangladesh Bank and Ex-MD of a renowned Bank and a NNBFI in Bangladesh.*

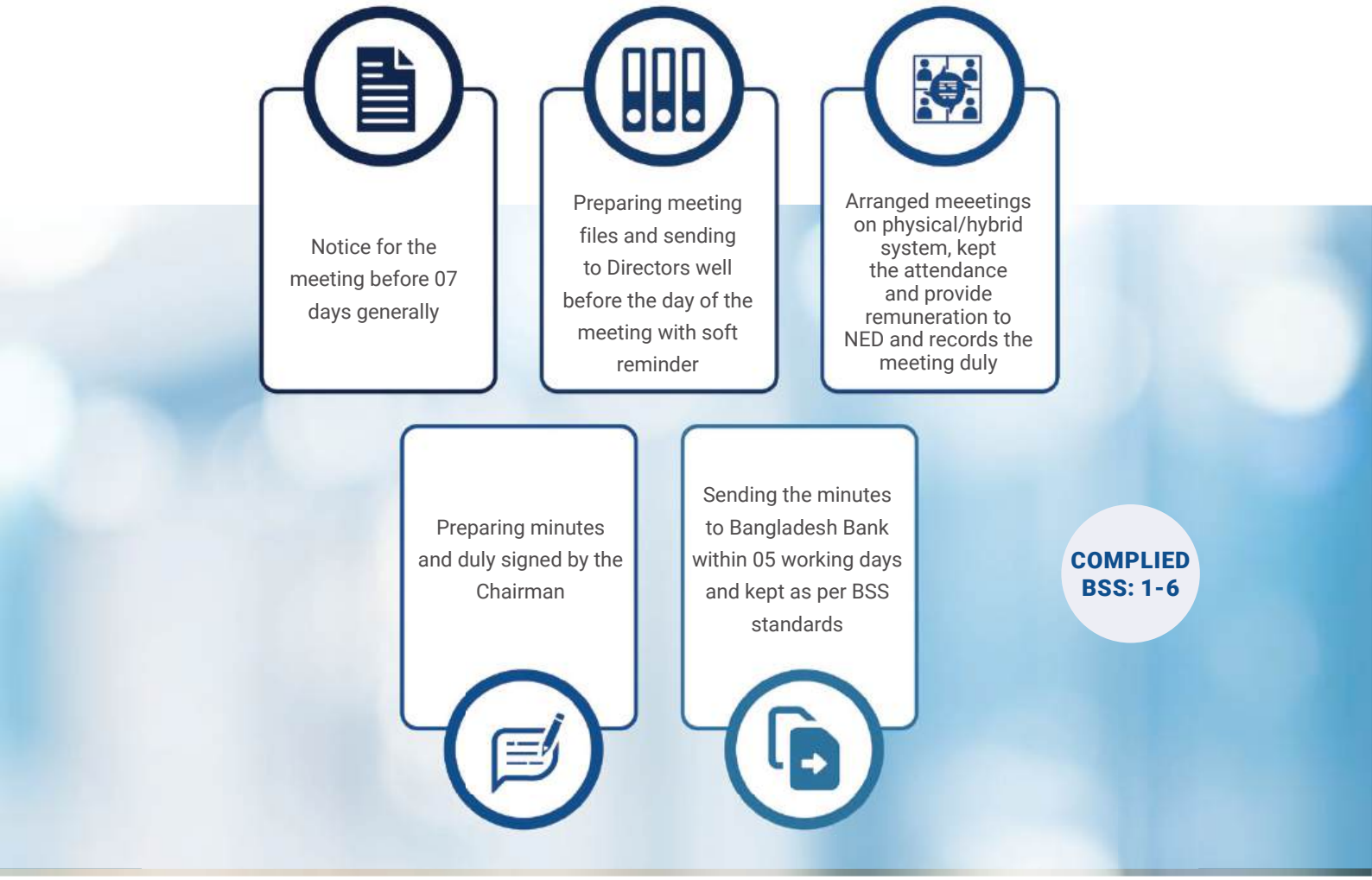


IX. Board Meeting

Board Meetings are conducted duly, Minutes are kept and records are maintained as per Bangladesh Secretarial Standards (BSS) as adopted by ICSB: The meetings of the Board of Directors are held on a regular basis at Bangladesh Finance. At each meeting, Management provides information, references, and detailed working papers for each agenda to all directors for consideration before the meeting along with the implementation Status of the previous meeting decisions and the minutes of subsidiary companies. The Chairperson of the Board of Directors allocates sufficient time for the directors to consider each agenda prudently and freely discuss, inquire, and express opinions to adopt better decisions for the greater interest of the shareholders.

Hybrid Meetings: Recently, due to the Covid situation and the new normal, Bangladesh Finance has arranged a number of Hybrid ***Meetings of the Board and its sub-committees which are duly recorded and kept as per Bangladesh Secretarial Standards (BSS-5) of ICSB***. The company has a plan to continue such virtual meetings in the long run. Proceedings and resolutions taken by the Board are recorded for writing minutes. The minutes of a meeting are signed by the Chairman of the meeting, a signed copy of which (minutes) is also *sent to Bangladesh Bank within 05 (Five) working days* from the meeting. The decisions taken by the Board are disseminated by the company secretary to whom such decision relates. ***All meeting-related papers, documents, memos, attendance, minutes, etc. are being maintained in line with the provisions and standards of the Bangladesh Secretarial Standards - 1 to 6 as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).***

No. of Board Meetings: During 2022**,** The Board had **13** scheduled meetings during the year ended 31 December 2022. The details of the meetings and the attendance and remuneration of the Board are disclosed in the annexure to the Directors' report.



Key Activities Performed by the Board in 2022: Among the topics and strategies that were reviewed, deliberated, and approved by the Board during the FY 2022 were as follows:

Strategic

- Comprehensive Budget 2022
- Business Strategy 2022
- Risk Management
- HR Policy
- Dividend and Capital
- Sustainability and Governance

Risk Management

- Risk related issues: Covid19, World economy, Russia-Ukraine war,
- Risk appetite
- Anti-money laundering
- Ethical issues
- Audit plan

Governance

- Corporate governance
- External auditor appointment
- Remuneration of employees including top-management
- Anti-money laundering & Ethical issues
- Governance of subsidiaries

X. Transparency in Board Nomination and Election Process

GRI 102-24

As it is one of the fundamental elements of a functioning corporate governance system, the process of nomination and election of Directors shall follow in a very fair manner and are fully compliant with the Companies Act 1994, Corporate Governance Code of BSEC and Bangladesh Bank guidelines. Nominated Directors (nominated by the shareholding companies), Individual shareholding Directors and Independent Directors (industry experts/ professionals) are to be appointed by the board subject to approval from regulatory bodies (Bangladesh Bank and BSEC) and finally approved by the shareholders in the AGM duly. In each year 1/3 of the directors (except Independent Director and Ex-Officio Director) shall retire from office in the AGM and if eligible they may offer themselves for re-election which will be approved by the shareholders in the AGM (as per the Articles of Association (AoA) of this company).

XI. Retirement and Re-election of Directors

As per Articles 121, 126 and 127 of the Articles of Association of the Company which comply with the pertinent company law of the country, one-third of the Board of Directors (Excluding Managing Director and Independent Directors) shall retire by rotation. The following Directors were retiring from the office by rotation at the 23rd Annual General Meeting held on 31 March 2022:

1. Mr. Manwar Hossain
2. Mrs. Shahnaz Rashid
3. Mr. Furkaan Muhammad N Hossain

Before the 24th AGM, the following directors will retire and reelect duly:

Mr. Md. Asaduzzaman Khan
(Nominated by Khaled Iron and Steels Ltd.)

Mr. Imtiyaj Yousuf
(Shareholding Director)

As per Article 128 of the Articles of Association of Bangladesh Finance, the Directors who retire by rotation, are eligible for reelection. Furthermore, Anwar Ispat Ltd. has recently changed its nomination to the Board of Bangladesh Finance Ltd. The Brief Resume, the name of the company in which the persons are nominated and other information about the Directors as per clause 1.5 (xxiv) of the Corporate Governance Code of BSEC as on June 03 2018 are depicted in the Directors' profile It is noteworthy that, all the reappointment and new appointment of Directors are duly approved by the Bangladesh Bank which will be placed in the 24th AGM for final approval from the shareholders. In addition, some other changes in directorship recently were as follows:

SI	Name of Director(s)	Status	Date
1.	Mr. Giasuddin Ahmed	Deceased	09.06.2022

XII. Policy on Training for the Board of Directors

Bangladesh Finance has a Board approved policy on training for the Board of Directors. As a part of assessing Board Performance, the Board recognizes the importance of training and development of the Directors to acquire or enhance the requisite knowledge and skills to discharge their duties effectively.

Type & Nature: All new Directors appointed to the Board are offered a formal induction program to familiarize themselves with Bangladesh Finance's strategy and aspirations, understanding the line of businesses, corporate functions, key financial highlights, audit, compliances, risk management, and governance framework. The Company Secretary provides new Directors with an information pack regarding disclosure obligations of a Director, Code of Ethics, Articles & Memorandum of the Company, Board Committees' Terms of References, Annual Report of the Company, and other associated materials.

Existence of a Scheme: Again, the Directors are constantly updated on information relating to the company's strategy, plan, achievement, and industry analysis through discussion at Board meetings with the senior management team. The Board is regularly updated with regulators' circulars, orders, notifications and directives by placing information memorandum to the Board accordingly. In addition, if required, external training courses may be provided at the company's expense.

XIII. Succession Plan

Succession planning is a pivotal part of corporate governance practices to meet the company's long-term goals and objectives. Bangladesh Finance believes that the succession plan is necessary to ensure that the knowledge, experience and skill set of the members of the board would be well suited to meet the demands of the ever-changing financial industry and thus the board should be reassessed from time to time.

XIV. Board Approved Code of Conduct for the Board of Directors

The Code of Conduct (COC) has been articulated by the Board of Directors of Bangladesh Finance to set forth principles and ethical standards for the Chairman, other Board Members and Managing Director & CEO (Ex-officio) ***in accordance with the condition no. 1. (7) of the Corporate Governance Code-2018 of Bangladesh Securities and Exchange Commission (BSEC)***. The code of conduct also includes all instructions/circulars/guidelines issued by Bangladesh Bank related to the Directors and their interested groups/organizations. The Code of Conduct for the Chairman, other Board Members and Managing Director & CEO (Ex-officio) reflect the business practices and principles of behaviour that support this commitment. The Board of Directors of Bangladesh Finance has set the standards of conduct contained in the Code and updates these standards as appropriate to reflect legal and regulatory developments. It is expected that every Board member shall read and understand this Code and its application to the performance of his/her responsibilities. Each of the Board Members shall be accountable for adherence to this Code and shall individually be liable to follow this Code of Conduct including any new members who may assume office as of this date. However, the followings are the general code of conduct for the Chairman, other Board Members and Managing Director & CEO (Ex-officio).

Ethical Obligations

Every Board member has an ethical obligation towards the organization. The duties apply to each Board member separately, while the powers apply to the Board jointly.

Legal Responsibility

The members shall adhere to and comply with the provisions of all applicable laws, rules, and regulations as well as the Company's internal guidelines and policies framed from time to time.

Conflict of Interest

To avoid conflicts of interest, they must conduct their affairs in such a manner that their performance always upholds the greater interest of the corporation.

Acceptance of Gifts

Board Member shall not accept any gift, hospitality or extraordinary favor offered by virtue of the position as a director.

Use of Corporate Property, Opportunity, or Information

A Board Member must not, without the consent of the company, use the company's assets, opportunities, or information for his/her own profit.

Confidentiality of Information

Any information of the company not authorized for public dissemination. The company believes that protection of all confidential information is essential.

Accounting Compliance

The Audit committee of the Board of Directors are responsible for establishing procedures for the receipt, retention, and treatment of compliance regarding accounting.

Company Reporting

Directors should take their responsibility very seriously as a public limited and listed company, the company needs filing of reports/ documents with the Bangladesh Securities and Exchange Commission

Transparency in Board Nomination and Election Process

The process of nomination and election of Directors shall follow in a very fair manner which are fully compliant with Companies Act 1994, Corporate Governance Code of BSEC and Bangladesh Bank guidelines.

Performance Appraisal of the Board and Disclosure

An evaluation of the Board is performed through self-assessment. The Board is also being evaluated by the shareholders in the Annual General Meeting (AGM) through casting votes on appointment/re-appointment of directors. The shareholders present in the AGM can comment on the performance of the Board against which the Board can take steps to enhance its performance.

Annual Evaluation of the MD & CEO by the Board

The Board makes annual evaluation of the MD & CEO in terms of the qualitative and quantitative performance of the company with different indicators.



Corporate Governance Excellence Award 2020



Corporate Governance Excellence Award 2021

XV. Roles & Responsibilities of the Board and Directors

102-26

Roles & Responsibilities of the Board

Strategic

- Strategy development & implementation
- Set direction, vision, and policies
- Talent development
- Succession planning

Framework

- Directors' appointment
- Inspiration and mentorship
- Knowledge diversity
- Evaluate top executive performance

Governance

- Ensure stakeholders interest
- Integrity transparency & accountability
- Responsible business conduct
- Risk management & internal control

Board Function

- Report to the shareholders
- Directors participation & quality discussion
- Interaction with management
- Minutes recording
- Decision implementation

Roles & Responsibilities of the Board of Directors

Board Approachs

- Morals
- Integrity
- Rapport
- Personalities

Board Proficiencies

- Talent
- Aptitude
- Associates
- Knowledge

Board Structures

- Policies
- Process
- Procedures
- Board Committees

Policies & Strategic Formulation

Regulatory Compliance & Governance Review

Appointment of Senior Management

Business & Investment Decision

Review of Risk Management

Financial Statements

Shareholders/Stakeholders communication

Sustainable Growth & CSR

Roles & Responsibilities of the Board of Directors

Directors' Report to the Shareholders

The directors' report to the shareholders of Bangladesh Finance Ltd. is duly presented of this Annual Report.

Board contribution in Meetings/Debates

The Board Members are expected to contribute to the Board's discussions without any personal biases or other prejudices with the conviction and belief that the outcome of every discussion would be towards the company's advancement.

Directors Report on Financial Statements, Internal Control and Corporate Governance

A separate statement of the Directors' responsibility for financial reporting, internal control and corporate governance is given in this annual report.

XVI. Performance Appraisal of the Board and Disclosure

GRI 102-28

Bangladesh Finance has a **Board-approved policy** on performance appraisal of the Board. An evaluation of the Board is performed through self-assessment. The Board is also evaluated by the shareholders in the Annual General Meeting (AGM) by casting votes on the appointment/re-appointment of directors. The shareholders present in the AGM can comment on the performance of the Board against which the Board can take steps to enhance its performance.

XVII. Policy on Annual Evaluation of the CEO by the Board

A **Board-approved policy** on the annual evaluation of the CEO by the Board exists in Bangladesh Finance. One of the responsibilities of the Board is to assess the performance of the Managing Director and CEO. The Board assesses the performance of the CEO annually against a preset annual budget and strategic goals. Again, at the end of each quarter, the Managing Director & CEO is evaluated based on the financial performance of the company. Furthermore, from time to time, the CEO has presented the progress of the company through various reports featuring financial position and performance (NPL ratio, Growth of Loan & Deposit, Cost of Income ratio, Capital to Risk weighted Asset ratio, Credit to Deposit ratio, etc.) compliance status, strategic initiatives towards development and ultimate profitability of the company. The Board considers both financial and non-financial goals during the appraisal. The non-financial criteria include customer satisfaction, shareholders' feedback, stock price, corporate relationship, brand image, employee satisfaction etc. Industry-wide factors and average industry growth are also being considered at the time of evaluating the Managing Director and CEO.

XVIII. Shareholding Status of the Directors

At Bangladesh Finance, the concentration of **shareholding among the Board members is diversified**. The total shareholding of Sponsors/ Directors of Bangladesh Finance is 31.19%.

XIX. Sub-committees of the Board

GRI 102-22

To comply with the regulatory guidelines of BSEC's Corporate Governance Code and pertinent guidelines of Bangladesh Bank and subsequently for best practice in the organization, Bangladesh Finance constructed two sub-Committees of the Board, namely: Executive Committee and Audit Committee. As per the BSEC Corporate Governance code-2018, two committees are mandatory to form, Audit Committee and Nomination & Remuneration Committee. In line with Bangladesh Bank DFIM circular no. DFIM(P)1052/27/2021-2436 dated 04 November 2021 and DFIM Circular Letter No.-18 dated 26 October 2011, the directors of Financial Institutions (FIs) can only be part of the Board and the committee under Board i.e., Audit Committee and Executive Committee.

Objectives & Activities of the Audit committee and Executive committee:

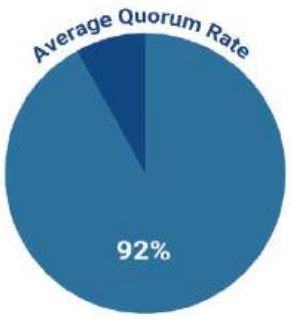
Board Committees

Executive Committee	Audit Committee
Reviewing all the operational functions	Appraising the audit procedures and reviewing the management letter
Analyzing and reviewing major standard terms and conditions beyond the management authority as per approved Credit Policy.	Making recommendation about the appointment of external auditors
Exercising the delegated authority from time to time approval limit	Carrying out supervisory activities assigned by the Board
Presenting a summary of approved proposals which are within their approval purview	Evaluating its own efficiency regularly
Considering other matters submitted by the Managing Director	Reviewing rules and regulations set by different regulatory bodies, internal policies and guidelines

Audit Committee

Appointment & Composition: The Audit Committee of the Board was formed as per the Corporate Governance Code of BSEC and respective guidelines of Bangladesh Bank which *comprises of* 05 members including 02 Non-executive Independent Directors.

Name	Status	Attendance-Meeting
Mr. Md. Rokonuzzaman FCA, IND	Chairman	5/5
Mr. Iqbal Uddin Ahmed, IND	Member	5/5
Mr. Asaduzzaman Khan, NED	Member	5/5
Mr. Yousuf Aman, NED	Member	5/5
Mr. Furkaan Muhammad N Hossain, NED	Member	2/5







Chairman of the Audit Committee – an Independent Director & professionally qualified

Mr. Md. Rokonuzzaman FCA, the Chairman of the Audit Committee is a non-executive Independent Director. He is an expert in finance, accounting and auditing.

All the members are suitably qualified and have expertise in Finance and Accounting

All members of the Audit Committee are very competent and come from a variety of educational backgrounds which brings diversity and uniqueness to the committee.

Accessibility of HICC to the meeting of the Audit Committee

The Head of Internal Control & Compliance, Mr. Firoz Hassan Siddiquee has direct access to the Audit Committee and he can raise any concern whenever it is required to produce to the Audit Committee.

Internal Controls are well conceived properly administered and satisfactorily monitored

The audit committee has continuously reviewed the effectiveness of internal controls to ensure that they are working adequately and effectively. The audit committee regularly evaluates the adequacy and effectiveness of the company's internal control systems by reviewing the actions taken on/ deficiencies identified in preparing reports by the internal control and compliance division.

Terms of reference – Audit Committee

Financial Reporting

Review of significant financial reporting issues; Monitor and review financial reporting process, financial performance of the company

Internal Controls

Review the adequacy and effectiveness of internal controls, financial, operational, compliance and IT controls, accounting policies and systems.

Internal Audit

Review the adequacy and effectiveness of internal audit function and process; oversee the internal audit; review the FI's internal audit plan, scope and outcomes; Appointment, Removal and performance of HICC

External Audit

Defining the criteria of selection of External Auditor; Recommendations to the Board for the appointment, reappointment, removal, remuneration, terms of engagement of external auditor, review the assistance given by management to the external auditor

Role to ensure compliance with laws and regulations

Bangladesh Finance manifested its commitment to remain compliant according to all pertinent laws and regulations including the regulatory reporting in due course and the Audit committee reviews those regularly.

Audit Committee's involvement in the review of the external audit function

According to the proposal of the audit committee, the board of directors recommend **Hoda Vasi Chowdhury & Co., Chartered Accountants** as an external auditor of the company for the year 2022 which was finally approved in the 23rd AGM held on 31 March 2022. To ensure full disclosure of matters, the external auditors are regularly invited to attend the Audit Committee meetings regardings finalizing the annual audited financial statments as well as general meetings of the company.

Selection of appropriate accounting policies

The audit committee is tasked to review the appropriateness of the accounting policies applied by FI as well as the changes in this policy. Based on the audit committee's recommendations, the board also ensures that the company's financial statements prepared for each financial year sets out a true and fair view in accordance with International Accounting Standards, International Financial Reporting Standards, and the requirements of the Company Act 1994, Financial Institutions Act 1993 and the pertinent guidelines of Bangladesh Bank.

Audit committee involvement in interim financial statements

To comply with the Corporate Governance Code 2018 of BSEC and Bangladesh Bank guidelines, Audit Committee reviews the quarterly and half-yearly financial statements before submission to the board for approval.

Audit committee involvement in the review and recommendations to the Board of directors regarding annual and interim financial statements

The audit committee regularly reviews and recommends all the interim and annual financial statements and directly reports to the board of directors.

Audit committee reports conflicts of interest to the Board

The board audit committee regularly reviews all financial matters and directly reports to the board of directors if there are any conflicts of interest found/ produced.

Review of reliability of the management information used for such computation

The audit committee expressed its satisfaction to the board on the reliability of management information used for the preparation of financial statements. Based on the internal audit function and statutory auditor observation, the Audit Committee reviews the reliability of information used for the preparation of such computation.

Executive Committee

Appointment & Composition: The Executive committee of the Board comprises of 04 members *including the Executive Director (MD & CEO)* that constructed as per the respective guidelines of Bangladesh Bank and Corporate Governance Code of BSEC.

Name	Status	Attendance-Meeting
Mr. Asaduzzaman Khan, NED	Chairman	1/1
Mr. Iqbal Uddin Ahmed, IND	Member	1/1
Mr. Furkaan Muhammad N Hossain, NED	Member	1/1
Mr. Md. Kyser Hamid, MD & CEO	Member	1/1







Nomination & Remuneration Committee

Charter of Remuneration Committee: As per Bangladesh Bank DFIM circular no. DFIM(P)1052/27/2021-2436 dated 04 November 2021 and DFIM Circular Letter No.-18 dated October 26, 2011, the Directors of Financial Institutions (FIs) can only be part of the Board and the committees under Board i.e., Audit Committee and Executive Committee. Therefore, to ensure the practicing of good governance in the company, a committee regarding human capital is being formed as the 'HR and Remuneration Committee'. *The remuneration/compensation of all sorts of financial & non-financial benefits are provided to the senior management and employees as per the HR Policy approved by the board of directors of the company.*

Purpose: The purpose of this committee is to assess the Human Capital of Bangladesh Finance to attain a knowledgeable, skilled, and efficient workforce that can uphold the values of our organization and achieve the strategic objectives.

Composition: To ensure practicing of good governance in the company, a committee regarding human capital is being formed as HR and Remuneration Committee. HR and Remuneration Committee is a management sub-committee. It is an independent committee solely responsible to recruit, develop and guide the human resources of Bangladesh Finance.



Md. Kyser Hamid
CEO & Managing Director
Convener

Ahasanuzzaman Shujan
Group Head of Human Resources
Member Secretary

Munshi Abu Naim ACS
Group Company Secretary
Member

Md. Rafiqul Amin
Group Head of Operations
Member

Roles & Responsibilities: The committee look after the overall human resources strategy aligning with the corporate strategy for Bangladesh Finance. They oversee and guide the HR team of the company in the process of Talent Acquisition, Diversity in the Workforce, Training and Development, Performance Evaluation and Reward System, Employee Engagement and Employee Relations to attain state-of-the-art culture by means of organizational development to be an employer of choice. *A performance-based compensation culture in the company is manifested by the committee, which is mainly convened by the MD & CEO.*

Key Highlights 2022

Meetings held: 05

Major areas performed

- Review and amendment of HR policy
- Merit-based recruitment of young talents and their development
- Onboard some industry experts
- Ensure employee well-being culture
- Ensure different employee engagement programs throughout the year 2022
- Ensure performance-based-compensation culture measured by KPI
- Ensure a compliance culture in the company

Aligned with corporate strategy

Steering committee of the management by fixation of remuneration

Oversee and guide the HR team of the company in the process of Talent Acquisition

Key policies regarding the remuneration of directors, senior management and employees

Policy regarding remuneration & benefits of the directors and disclosure of 2022

As per the guidelines of the Bangladesh Bank BDT 8,000 for each meeting of the Board and its sub-committees are extended to the directors of the Board; Other than that, the directors are not entitled to get any remuneration.
Disclosure 2022: Detail of remuneration extended to the directors are disclosed in the Financial Statements- Note: 29.

Policy regarding remuneration & benefits provided to MD & CEO and disclosure of 2022

The Managing Director is paid salaries and allowances as recommended by the Board of Directors and approved by Bangladesh Bank. Bangladesh Finance follows Board resolutions and Bangladesh Bank Circular/Guidelines regarding benefits favoring the Managing Director.
Disclosure 2022: Detail is given in the Financial Statements- Note: 28.

Policy regarding remuneration & benefits provided to the employees including senior management

The remuneration of the employees of Bangladesh Finance is industry standard. Benefits provided to employees of the company are market competitive. *The remuneration and other fringe benefits are provided to the employees including senior management as per the Board approved HR policy of the company.*
Disclosure 2022: The details of which are enumerated in audited Financial Statements Note: 23.

Governance of the Board of Directors of the Subsidiary Companies

The governance of the Board of Directors of the subsidiaries fully complied with the pertinent guidelines/circulars of Bangladesh Bank and the Corporate Governance Code-2018 of BSEC.

Respective provisions to the composition of the Board of the holding company are being followed to the composition of the Board of subsidiaries. One independent Director of the Board of Bangladesh Finance is in the Board of two subsidiaries namely: Bangladesh Finance Securities Ltd. and Bangladesh Finance Capital Ltd. respectively.

The affairs of the subsidiaries are duly reviewed in the Board of Bangladesh Finance where the minutes of two subsidiaries are duly placed.

In addition, as per Corporate Governance Code-2018 of BSEC, the Financial Statements, in particular the investments of the subsidiaries are duly reviewed by the Audit Committee of Bangladesh Finance.

Sl.	Name	Board Status	Subsidiary Status
1	Mr. Manwar Hossain	Chairman, NED	
2	Mr. Iqbal Uddin Ahmed	Vice-Chairman, IND	Chairman, BFSL & BFCL
3	Mr. Asaduzzaman Khan	NED	
4	Mr. Mahtab Uddin Ahmed	NED	
5	Mr. Md. Rokonuzzaman FCA	IND	
6	Mr. Yousuf Aman	NED	NED, BFCL
7	Mr. Furkaan Muhammad N Hossain	NED	
8	Mr. Imtiyaj Yousuf	NED	
9	Mr. Ihtiyaz Yousuf	NED	NED, BFSL
10	Mr. Md. Kyser Hamid	Managing Director & CEO (Ex-officio)	NED, BFSL & BFCL

N.B.: IND-Independent Director, NED- Non-executive Director, BFSL-Bangladesh FInance Securities Ltd., BFCL-Bangladesh Finance Capital Ltd.

The Chairman

Roles & Responsibilities of the Chairman

- Provides leadership to the Board
- Accountable for the overall effectiveness of the Company's leadership and culture
- Ensuring the Board's focus on key task and areas
- Ensuring time bound and adequate information to the Board
- Ensure the AGM & Shareholders' meetings for effective relationship with stakeholders

Different positions of Chairman and Chief Executive Officer

Different individuals fill the positions of Chairperson of the Board's and the Managing Director & CEO of the Company, The Chairperson of the Board, is elected from among the non-executive directors of the company. The roles of the Chairman and the Managing Director & CEO are independent and separate. The Chairman does not involve himself in any day-to-day operational issues of the company.

Independence of the Chairman

According to the Corporate Governance guidelines issued by Bangladesh Securities and Exchange Commission (BSEC), the position of the Chairman of the Board and the Managing Director & CEO shall be filled by different individuals. Bangladesh Finance has ensured this compliance. Mr. Manwar Hossain, Director is the Chairman of the Board of Directors of Bangladesh Finance. Again, the Chairman has no loan or business relation with Bangladesh Finance.

D. The Management Core

Managing Director & CEO

Mr. Md. Kyser Hamid, Managing Director and CEO of Bangladesh Finance Ltd. joined on 02 September 2020. Profile of the Managing Director and CEO of Bangladesh Finance is given in details in the Management profile of this report.

Roles & Responsibilities of the Managing Director & CEO

- Leads the company as the ultimate authority on day-to-day performance and successes
- Implements strategy and retains control over all committee meetings
- Coordinate the overall management, administration, corporate planning and business development
- Ensures implementation of Board strategy and policie
- Ensure Compliances with Financial Institutions Act to establish Good Corporate Governance

Managing Director and CEO does not hold the same position in another company

Mr. Md. Kyser Hamid,Managing Director and CEO of Bangladesh Finance Ltd. joined on 02 September 2020. He does not hold the same position in another company. The profile of the Managing Director and CEO of Bangladesh Finance is given in detail in the management profile of this report.

Company Secretary (CS)

Appointment of Company Secretary (CS)

The Company Secretary (CS) is appointed by the Board as per the guidelines of the Corporate Governance Code. The position of Company Secretary (CS) requires individuals with experience and expertise in the respective field. The roles, responsibilities and duties of CS are clearly defined. Profile of the Company Secretary (CS) – Munshi Abu Naim ACS is given in detail in the Management profile of this report.

Roles & Responsibilities of the Company Secretary

- Ensures that proper Board processes are followed and that the Board has complete and timely access to all relevant information.
- Act as a mediator among the Company, Board of Directors, stakeholders, the government, and regulatory authorities.
- Maintaining continuous communication with the stakeholders through intimation, PSI and material information.
- Work as the Chief Compliance Officer of the company.
- Facilitates induction and training programs, as well as helping with the Board's professional development needs.

Chief Financial Officer (CFO)

Appointment of Chief Financial Officer (CFO)

The Chief Financial Officer (CFO) is appointed by the Board as per the guideline of Corporate Governance Code. The position of the Chief Financial Officer (CFO) requires individuals with experience and expertise in the respective field. The roles, responsibilities, and duties of CFO are clearly defined. Profile of the Chief Financial Officer (CFO) of Bangladesh Finance is given in detail in the Management profile of this report.

Head of Internal Control and Compliance (HICC)

Appointment of Head of Internal Control and Compliance (HICC)

The Board appoints the Head of Internal Control and Compliance (HICC). The Head of Internal Control and Compliance (HICC) position requires individuals with experience and expertise in the respective fields. The roles, responsibilities, and duties of HICC are clearly defined. Profile of the Head of Internal Control and Compliance (HICC) of Bangladesh Finance is given in detail in the Management profile of this report.

HICC has access to the Audit Committee and Reports to the Audit Committee

The Head of Internal Control and Compliance (HICC) has direct access to the Audit Committee and the HICC operationally reports to the Audit Committee of the Board.

CFO Md. Sajjadur Rahman Bhuiyan	HICC Firoz Hasan Siddiquee
Roles & Responsibility	**Roles & Responsibility**
Prepare Annual Budget and oversee financial and Business plan	To assess and mitigate various control risks in order to ensure better risk management and robust internal control
Ensure to follow accounting standards and Financial Standards like IAS, BAS, IFRS and BFRS	Oversee operational compliances in line with internal policies and external regulations
Provide financial information as required by the CEO, audit committee, and the Board for decision making	To prepare annual audit plans based on analysis and priorities
Oversee preparation of monthly financials with analysis and recommendations	To design and undertake audit program to achieve specific objective
To be involved vigorously to formulate business strategies, long term business plans and keep close liaison with the Board of the Company	To ensure that internal audit reports are prepared and finalized in a timely manner, and the same are submitted before the Audit Committee

To ensure proper tax management of the company and compliance thereof

To conduct special investigation on the allegation of fraud, forgery noticed by the Management

Liaise with the External Auditor and cooperate with them by providing required documents and explanations

To perform other duties and special projects as assigned by the CEO or Audit Committee

Timely Reporting with Adequate Disclosures

The Management of Bangladesh Finance is very sincere about timely regulatory reporting. Bangladesh Finance has a central reporting cell to ensure sending of various reports to the Bangladesh Bank, Securities and Exchange Commission, Stock Exchanges, NBR and other regulatory authorities. The company disseminates all the Price Sensitive Information (PSI) along with quarterly and annual Financial Statements very promptly with adequate disclosures to protect the minority interest and to remain as one of the country's best-complied companies.

E. Ethics, Compliance & Transparency Disclosure

Disclosure of statement of ethics and values

Bangladesh Finance has a Code of Conduct and ethical guidelines for the Board of Directors and the employees of the organization. There is a common and consistent framework across the organization for achieving its mission and goals by protecting the interests of customers, owners, colleagues, and stakeholders of all types as well as the counterparties. The aim of this framework is to ensure integrity, high ethical standard, compliance and due diligence in all business or allied activities.

Communication of the statement of ethics & business practices to all directors and employees

A board-approved Code of Conduct including the ethical guidelines for the Board of Directors and the employees of the organization exists in Bangladesh Finance. The Code of Conduct is an integral part of the Service Rules and Regulations for Bangladesh Finance employees in which it is mandatory to acknowledge the employees. For any updates/ new conduct, the HR department circulates to all employees and arranges a learning session regarding this.

Board's commitment to establishing high level of ethics and compliance

The Board has also always been deeply committed to establishing the highest level of ethics and compliance among Bangladesh Finance employees. It has always encouraged the Management to ensure that everyone maintains high ethical standards with integrity. The Board guides the Management on policies that should be adopted and followed by everyone in the company.

Business ethics and practices for employees

The matter has been well described in the code of conduct for employees. Employees of Bangladesh Finance maintain a high level of ethics and good practices which is mandatory to acknowledge by every employees. For any updates/ new conduct, the HR department usually circulates it to all employees and arranges a learning session regarding this.

Establishment of effective anti-fraud program and controls

The anti-fraud program helps Bangladesh Finance to support its commitment to protecting revenue, reputation, and other assets. Bangladesh Finance established an effective anti-fraud/ anti-corruption program for all employees by conducting different training.

Accountability

The Board disclosed all the significant issues, performance and positions to the shareholders/stakeholders through PSI or notice and circulating the financials quarterly, half-yearly and annually and even in AGM. The management provides a detailed report on the financial and non-financial performance of the company to the Board of Directors prior to each Board meeting.

Avoiding Conflict of interest

There might be a chance/ possibility of arising a conflict of interest between the Board of Directors and the management of the company. To avoid such unwanted situation, the roles and responsibilities of the two interest groups are totally separated. In addition, to avoid such conflict of interest some measures are taken into consideration.

- If there is any related party transaction, the management discloses the matter to the Annual Report and to the shareholders in the AGM.
- Loan to the directors is restricted subject to certain terms and conditions of the regulatory guidelines.
- Management can approve a loan to anyone up to a certain amount by means of the management delegation authority approved by the Board.
- Executive Committee can approve loans up to a certain amount.
- The Audit committee regularly reviews the financial statements and all the matters through the Internal Control and Compliance department of the company. They give their opinion to the management and to the Board as well.
- Board approval is required to disburse any loan (range of amount out of management delegation & EC), rescheduling and restricting.

Related Party Transactions

The audit committee reviewed all the material-related party transactions and kept the board informed regarding such transactions. During the year, deposits had been collected from the directors and their related entities. As per IAS-24, the details of the related party transactions are given in the financial statements Note: 43.

Whistle Blowing Policy

Bangladesh Finance has a Speak up/Whistle-blowing policy to uphold the code's commitment and maintain a culture of strong ethics. Any misconduct or misappropriation shall be reported to the appropriate authority. We are very keen to maintain an open environment where the staff is confident in raising concerns about any misconduct and are free from the fear of victimization.

Statement of Compliance with IFRS/BFRS

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants (ICAB) and the requirements of the FI Act 1993, the rules and regulations issued by Bangladesh Bank time-to-time, the Companies Act 1994 and BSEC rules 2020.

Statement of Compliance with ICSB Secretarial Standards

All the secretarial standards: BSS: 1: Meetings of The Board of Directors, BSS: 2: General Meetings, BSS: 3: Minutes, BSS: 4: Dividend, BSS: 5: Virtual & Hybrid Meeting, BSS: 6: Resolution by Circulation issued by the Institute of Chartered Secretaries of Bangladesh (ICSB) have been complied with.

Corporate Vision, Mission, Strategy and Ethical Values

Bangladesh Finance has the vision to be the most innovative financial services provider in the country with a special focus on creating value for all stakeholders. The achievement of this vision depends on establishing the following values that Bangladesh Finance considers as a matter of priority.

Vision, Mission & Strategy: The Vision and Mission statement of the company approved by the Board are presented in duly in this Annual Report. The said statement is also disclosed in the company's website and other related publications. Strategic initiatives which are time to time directed by the Board have been also presented in this Annual Report.



Integrity : We understand the importance of uncompromising ethics in ensuring respect for our clients and the communities we serve. We demonstrate a consistent behavior without being biased. We extensively practice integrity in our organization for the wellbeing of our corporate culture.



Trust & Respect : Our relation with everyone surrounding us is based on mutual trust and respect.



Client Satisfaction : Our clients are the focus of our concern and the reason for our success. So, client satisfaction is one of the core areas of our concern. We provide a transparent and detailed understanding of products and services that demonstrate the idea from the perspective of the client. And client satisfaction is vastly related to their understanding and expectation of our performance.



Transparency : We try our best to remain transparent in our activities by providing and disclosing information in a fair, clear and decent manner.



Teamwork : We try our best to remain transparent in our activities by providing and disclosing information in a fair, clear and decent manner.



Diversity : We encourage diversity in our organization to ensure more sharing of multi-dimensional knowledge and innovation.



Equal Opportunity : We encourage diversity in our organization to ensure more sharing of multi-dimensional knowledge and innovation.



Professional Excellence: We are oriented toward success and focused on performance. No effort is spared as we constantly strive to new heights and take pride in providing reliable and professional service.



Ongoing Relations : We appreciate equal opportunity for our employees, clients, potential clients and other connected parties.

Code of Conduct for the Employees

Acting Responsibly with Morality and Integrity	Fair Treatment of Customers	Privacy and Security of Client Information	Protecting Confidential Information about the Company and Its Stakeholders	Transparency and Accuracy of Financial, Tax and Other Reporting
Accuracy of Books, Records Management and Expense Management	Interaction in Print, Electronic and social Media	Policy against Discriminatory Harassment	Gifts, Entertainment & Favors	Kickback & Secret Commission
Personal Investment and Insider Trading	Conflicts of Interest	Conduct towards Female Colleagues	Workplace Security & Safety	Employee Conduct inside the Workplace
Employee Conduct outside the Workplace	Service Rules and Security	Grooming, Etiquette and Compliance with the Dress Code	Post-Employment Activities and Responsibilities	Compliance with the Code of Conduct
	Reward		Property of Bangladesh Finance and It's Subsidiaries	

F. Internal Control & Risk Management

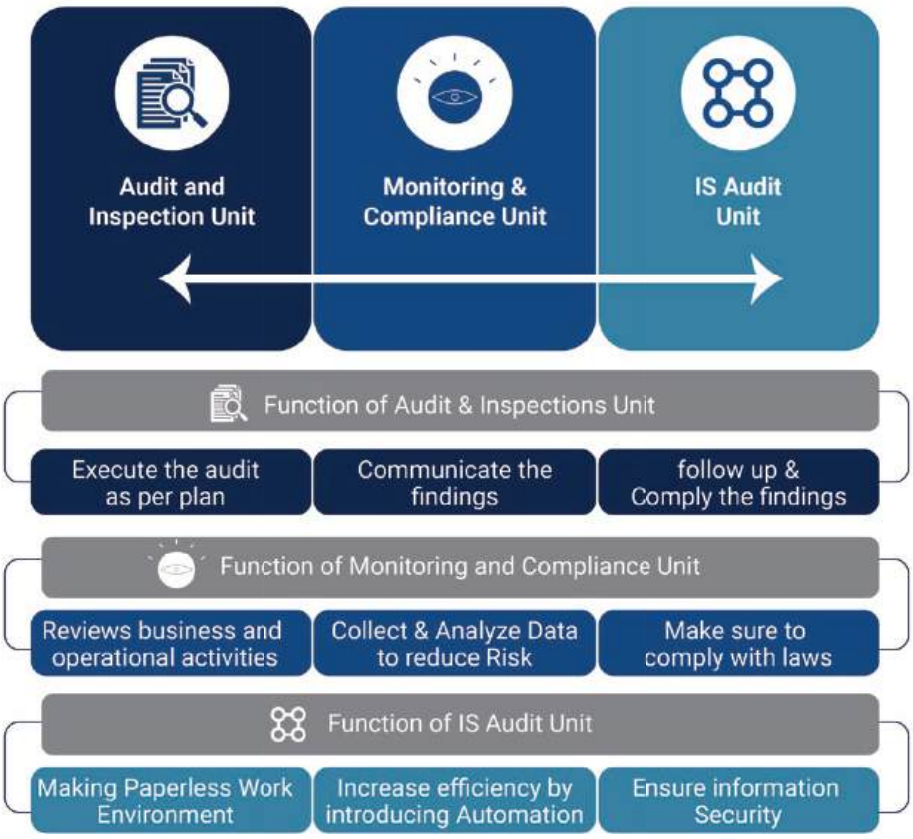
Statement of Director's responsibility to establish an appropriate system of Internal Controls

The strong internal control system provides independent assurance to the board of directors and senior management on the quality and effectiveness of internal control, risk management and governance systems and processes. Internal Control encompasses all controls incorporated into the strategic, governance and management processes, covering the organization's entire range of activities and operations, and not just those directly related to financial operations and reporting. Its scope is not confined to those aspects of a business that could broadly be defined as compliance matters but extends also to the performance aspects of a business. Bangladesh Finance has an independent ICC department with professional competence, knowledge and experience which is essential to the effectiveness of its internal audit function. Bangladesh Finance has designed its internal control and compliance department to manage all the risks to a reasonable level. The scope of the internal audit function's activities ensure adequate coverage of matters of regulatory interest as well as the yearly audit plan of the organization. The head of the Internal Control and Compliance Department holds the responsibility for ensuring that the department complies with sound internal auditing standards and with a relevant code of ethics. The main objectives of internal control are as follows:



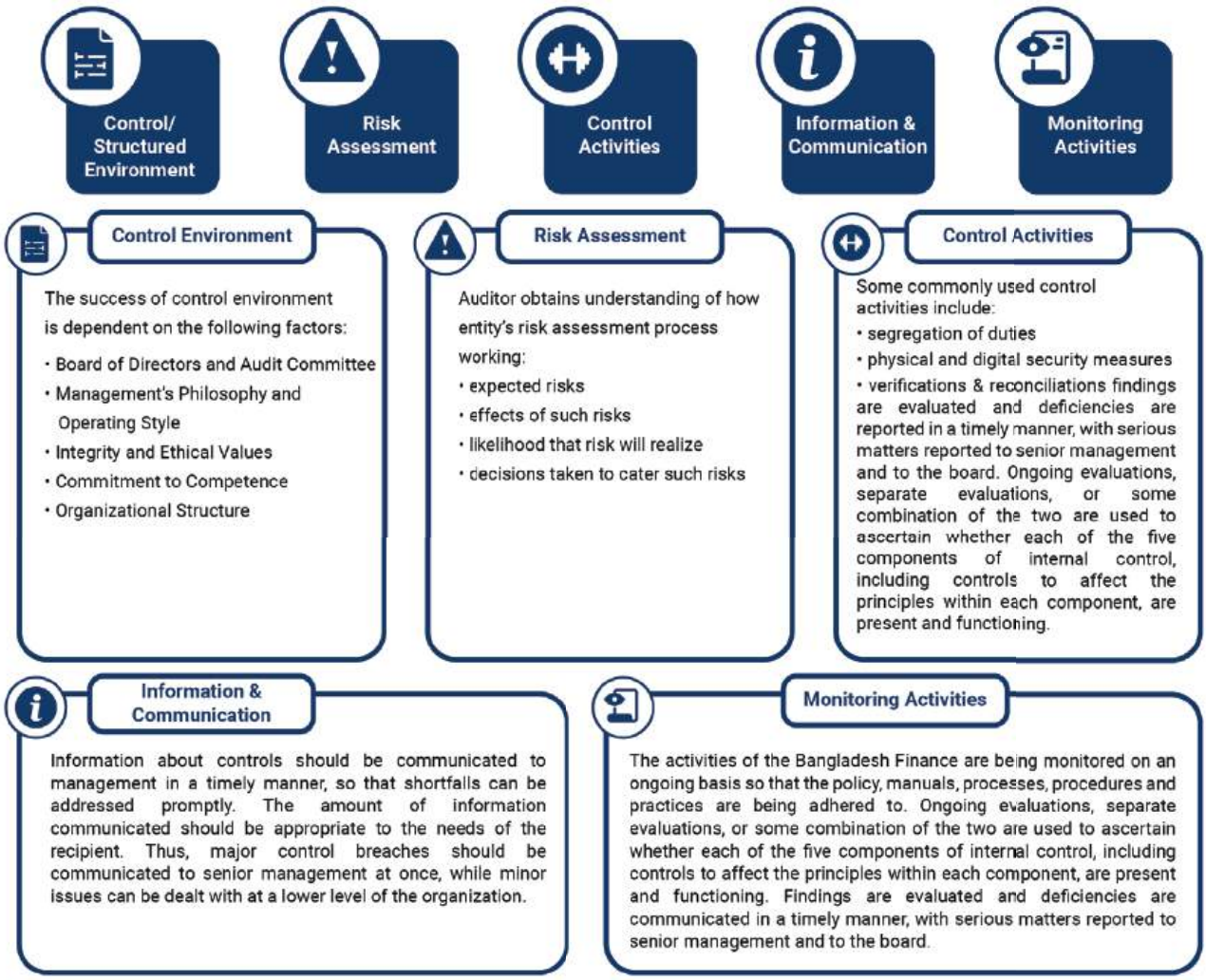
Structure of Internal Control and Compliance

ICCD operates independently as a department and has a unique reporting line to the Audit Committee of the Board of Directors. The Internal Control and Compliance Department consists of the following three units to ensure its departmental effectiveness.

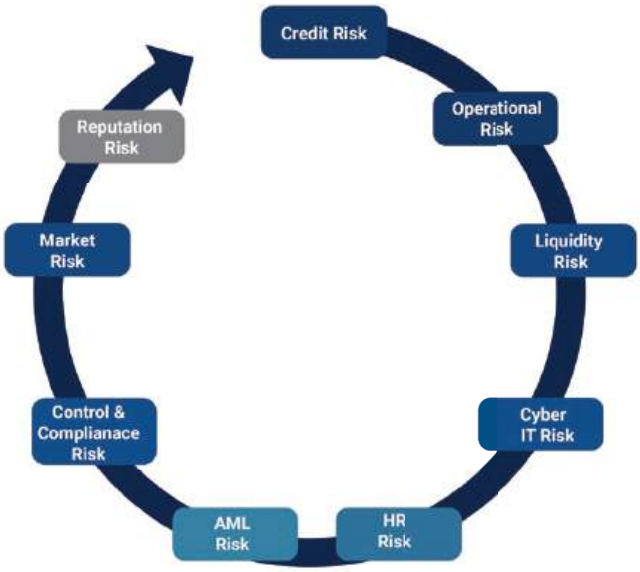


Key Features/Components of Internal Control System

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal controls include: Identification of key risks Bangladesh Finance is exposed to both internally and externally:



Identification of key risks Bangladesh Finance is exposed to both internally and externally:



Directors have reviewed the adequacy of the system of Internal Controls

Based on the internal controls established and maintained by Bangladesh Finance, audit work performed by internal and external auditors, reviews performed by management and various Board Committees as well as the CEO's and CFO's assurance, the Board, with the accord of the Audit Committee, is giving opinion that the company's internal controls are adequate and effective as on 31 December 2022 to address financial, operational, compliance risks and information technology risks which the company considers relevant and material to its operations.

Strategies adopted by Bangladesh Finance to manage and mitigate the risks

Credit Committee (CC)	Risk Managment Forum (RMF)	Anti-Money Laundering Committee	IT Security Committee	Cyber Security
Evaluate finanical activities from the risk point of view	Proactive risk managment procedure following international framework	Spervising Anti-Money Laundering Activities at Bangladesh Finance	Supervising and protecting every inside information	Supervising and securing sensitive Data

G. Appointment of External Auditors

Statutory Auditor: The current statutory auditor of Bangladesh Finance is Hoda Vasi Chowdhury & Co., Chartered Accountants who were duly re-appointed by the shareholders in the last (23rd) Annual General Meeting. An external Auditor can serve for consecutive 03 years. As Hoda Vasi Chowdhury & Co., Chartered Accountants has serving Bangladesh Finance for 3rd year, they are not eligible to serve us for the next year.

Appointment of Statutory Auditor: Based on the Expression of Interest (EoI) of different chartered accountant firms, after a detail discussion the board recommended A. Qasem & Co.,Chartered Accountants to be appointed as a statutory auditor for the year 2023 subject to the approval from Bangladesh Bank and finally by the shareholders in the 24th AGM of the company.

External Auditor does not involve with Bangladesh Finance's matters

As per BSEC guidelines, it was confirmed that, Hoda Vasi Chowdhury & Co., Chartered Accountants were not involved to provide any of the following services favoring Bangladesh Finance during the year 2022

- Appraisal or valuation services or fairness opinions
- Broker-Dealer services
- Internal Audit services
- Designing and implementing financial information system
- Book-keeping or other related services
- Any other services that the Audit committee determines

No partner or employee of Hoda Vasi Chowdhury & Co., Chartered Accountants did possess any share of Bangladesh Finance during the tenure of their audit assignment at Bangladesh Finance.

Compliance Auditor: At Bangladesh Finance, the Board appointed Itrat Husain & Associates to perform as a compliance auditor for the year 2022 where they certified us as **"Highly Satisfactory".**

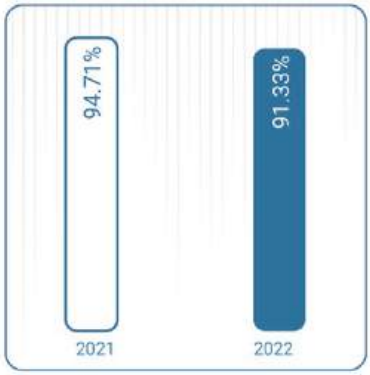
Appointment of Compliance Auditor: In case of appointing the Compliance Auditor for the year 2023, the Board of Bangladesh Finance recommended ITRAT HUSSAIN & ASSOCIATES to appoint as a compliance auditor for the company subject to final approval by the shareholders in the 24th AGM.

H. Compliance of Meeting & Remuneration

The Board Secretariat of the company plays an instrumental role in ensuring effective communication with the members of the Board. Generally, a formal notice is given to the members usually in 07 days prior to the meeting with a reminder message from time to time. In case of accounts adoption, a proper intimation as per the prescribed format is forwarded to the regulatory bodies (i.e. BSEC, DSE & CSE). Detailed memoranda are distributed to the Board members well in advance before each meeting. All decisions/observations of the meetings are noted in the minutes in a proper way and forwarded to the regulatory body as per the given guideline. The remuneration of directors is extended as per the prescribed rate provided by Bangladesh Bank.

In 2022, 13 Board Meetings were conducted where Executive Committee met for one time and the Board Audit Committee met 06 times. . The details of meetings and remuneration of directors of the Board have shown in annexure of directors report.

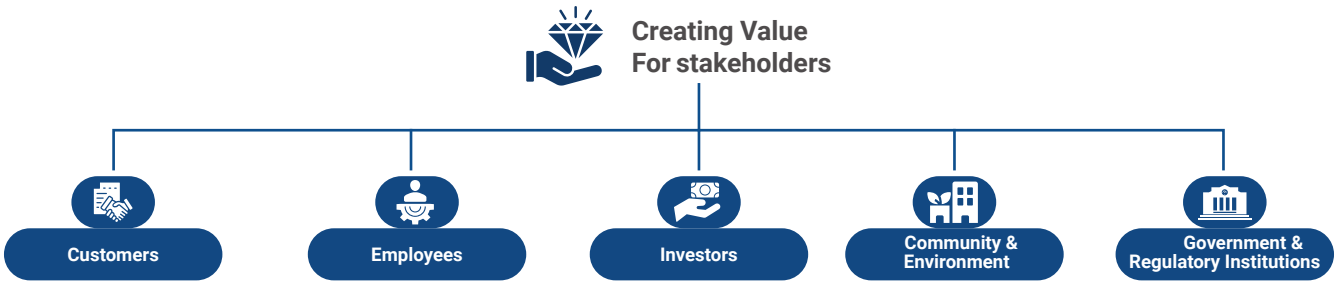
Types of Meeting	Year	No. of Directors	No. of Meetings	Average Quorum
Board	2021	10	10	96%
	2022	09	13	86%
Executive Committee	2021	05	01	94%
	2022	05	01	100%
Audit Committee	2021	05	06	93%
	2022	05	05	88%



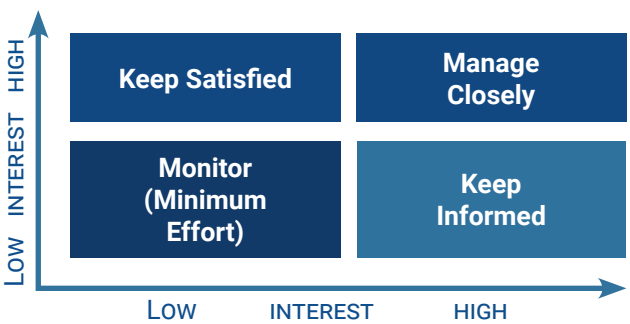
I. Stakeholder Engagement

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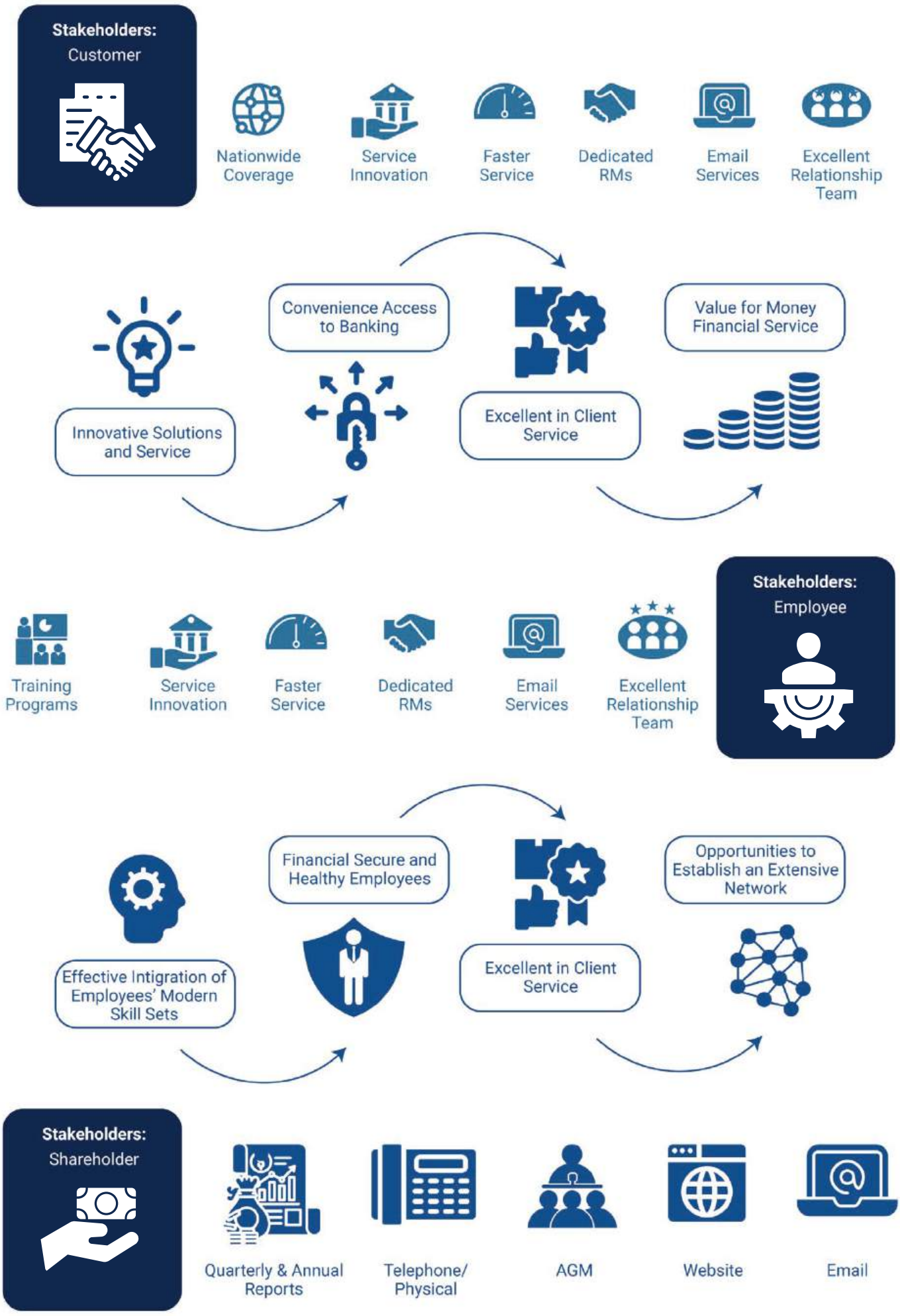
Bangladesh Finance is very keen to manage all type of stakeholders in the most responsive and satisfactory way. We identify our stakeholders and analyze them in line with their involvement with us. Stakeholders may be an influencer (e.g., management), or claimant (e.g., shareholders) or combinatory (e.g., Government/ regulators). After identifying and analyzing stakeholders, we engaged them through various events and communication.



To manage different types of stakeholders, the following strategy is widely followed:






Stakeholders:
Customer
Nationwide Coverage
Service Innovation
Faster Service
Dedicated RMs
Email Services
Excellent Relationship Team
Convenience Access to Banking
Value for Money Financial Service
Innovative Solutions and Service
Excellent in Client Service
Stakeholders:
Employee
Training Programs
Service Innovation
Faster Service
Dedicated RMs
Email Services
Excellent Relationship Team
Financial Secure and Healthy Employees
Opportunities to Establish an Extensive Network
Effective Intigration of Employees' Modern Skill Sets
Excellent in Client Service
Stakeholders:
Shareholder
Quarterly & Annual Reports
Telephone/ Physical
AGM
Website
Email

Policy on ensuring participation of shareholders in the AGM

To ensure the highest level of participation of the shareholders in the AGM, the following process are maintained:



Maintaining the Website of the Company (Detail disclosures as per listing rules)

Bangladesh Finance has a well-designed user-friendly website (www.bd.finance) which is linked with the websites of the stock exchanges. The shareholders and other stakeholders can any time visit the website to avail of information and to request a callback. As per ***Listing Regulations-2015 under section: 44,*** Bangladesh Finance makes available all the relevant information (updated) for the investors and depositors in its website: www.bd.finance under the Investor Relations column.

Redress Investors' Complaints through Investor Relations Department

The interest of valued investors and customers is always very important to Bangladesh Finance. Any complaint or query raised by any investor as well as the customer is addressed on a priority basis. There is a dedicated desk at Bangladesh Finance, the Board & Share Department, that deals with the issues with competence and due care. Complain or comments can be made over the telephone, by dropping letters into the comment box and putting messages online on the Bangladesh Finance website: www.bd.finance

Stakeholders whose expectations we meet

In light of the growing interest among stakeholders, including shareholders and potential investors, we have given due attention to this report to cover governance issues that are of interest to all parties. This is to ensure the report's reliability and verifiability as a reference for the assessment of corporate governance practices and to ensure the efficiency and effectiveness of administrative processes and transparency of procedures at all levels across Bangladesh Finance.

J. General Meeting (AGM & EGM)

Annual General Meeting (AGM): The 23rd Annual General Meeting of the company was held on 31 March 2022 at 11 AM through virtual platform by properly following the notifications of BSEC. All the Directors of the Board including the Chairman of the Board, Chairman of the Executive Committee & Chairman of the Audit Committee, Managing Director & CEO along with the CFO, HIAC and Company Secretary and the External Auditor and an Independent Scrutinizer were duly attended. The voting platform for shareholders was opened 24 hrs. before the meeting and all the agenda were duly approved by the shareholders with the majority of voting result which is duly examined by an Independent Scrutinizer.



[From left corner to upper: Chairperson of 23rd AGM- Mr. Iqbal Uddin Ahmed, Chairman of Audit Committee- Mr. Rokonuzzaman FCA, In the boardroom: MD & CEO-Mr. Md. Kyser Hamid, CFO- Mr. Sajjadur Rahman Bhuiyan, HIAC: Mr. Sajeeb Saha ACA, CS- Munshi Abu Naim ACS, Independent scrutinizer- MD. ENAMUL HASAN FCA and other directors of the Board]

Extraordinary General Meeting (EGM): In 2022, no Extraordinary General Meeting was held in the company. The 9th EGM was held on 15 February 2021 for changing the name of the company from Bangladesh Finance And Investment Company Ltd. to Bangladesh Finance Limited along with another special agenda of amendment of the objective clause regarding appending the clause of Formation of Sariah Supervisory Committee in the Memorandum and Articles of Association of the company. The 10th EGM was held on 23 November 2021 for increasing the authorized capital of the company and the subsequent changes in the Memorandum and Articles of Association of the company.

Independent Scrutinizer and Authenticated Report regarding due process of meeting and voting result

Appointment: As per BSEC Directives Ref No. BSEC/CMRRCD/2009-193/08 dated 10 March 2021, an Independent Scrutinizer was duly appointed for the 23rd AGM of the company to authenticate the due process of the Annual General Meeting and the voting result of the meeting. A certified professional Chartered Accountant was duly appointed.

Report of Independent Scrutinizer: The Independent scrutinizer provided a report regarding the process of the meeting, voting system & result which is forwarded duly to the commission within 48 hours of the conclusion of the meeting by complying with the pertinent notifications of BSEC.

Disclosure of shares held by 10% or more voting interests in the Company: At Bangladesh Finance, there is no shareholder who solely holds 10% or more shares. The matter is also shown in the detailed shareholding position presented in this report.

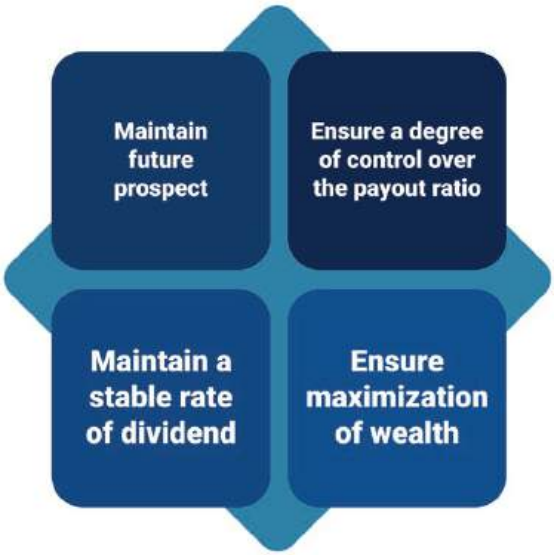
K.Dividend

01. Dividend Distribution Policy

Dividend payout policy is one of the most important topics in corporate finance. The profits generated by any organization are distributed for investment and consumption purposes in accordance with the dividend policy. The term "dividend policy" is associated with the distribution of profits of public limited companies. In a broader sense, the term "dividend policy" can be understood as a mechanism for the formation of the share of profits paid to the shareholders, in accordance with the share of their contribution to the total amount of the company's share capital.

Objectives

The primary objective of the management is to ensure the maximization of the wealth of the shareholders. Payment of dividends leads to an increase in the price of shares on the one hand but leads to a crunch in liquid resources for the financing of prospective projects. There is an inverse relationship between dividend payments and retained earnings. The major objectives of dividend policy are to:



Scope of the manual

Dividend policy refers to the decision of the Board regarding the distribution of residual earnings to its shareholders. The broad scopes of the policy are as follows.

- Factors affecting dividend policy
- Mode of dividend
- Determinants of dividend policy
- Types of dividend policy
- Impact of key financials
- Process of Dividend declaration
- Role of the Board
- Role of the shareholders
- Accounting treatment regarding dividend
- Dividend distribution policy

Factors affecting dividend policy

When deciding on the dividends to pay out to shareholders, one of the main considerations of the Board of Directors will be the amount of earnings they wish to retain to meet financing needs. As well as future financing requirements, the decision on how much of a company's profits should be retained, and how much paid out to shareholders, will be influenced by:
Liquidity

- Investment opportunities
- Investor's preference
- Target capital structure
- Availability of external capital:
- Borrowing capacity
- Access to capital market
- Restriction in loan agreements/bond indenture
- Legal restriction
- Control
- Inflation

Mode of dividend

There are various forms of dividends that are paid out to the shareholders:

Cash dividend

A cash dividend is the most common form of the dividend. A cash dividend is the distribution of funds or money paid to stockholders generally as part of the corporation's current earnings or accumulated profits. A company's Board of Directors announces a cash dividend on a declaration date, which entails paying a certain amount of money per common share. After that notification, the record date is established, which is the date on which a company determines its shareholders on record who are eligible to receive the payment. The dividends are allotted to the shareholders after the dividend is approved in the Annual General Meeting (AGM).

Stock dividend

Stock dividend also known as scrip dividend or bonus shares is a distribution of shares to existing shareholders in lieu of a cash dividend. This type of dividend may be made when a company wants to reward its investors but doesn't have the spare cash or wants to preserve its cash for other investments. Bonus shares are issued by the company when they have low operating cash, but still want to keep the investors happy. Each equity shareholder receives a certain number of additional shares depending on the number of shares originally owned by the shareholder. The market price, EPS, DPS etc. will be adjusted due to diluted effect.

Determinants of dividend policy

Some determinants of dividend policy are discussed below:

Dividend pay-out ratio

Dividend pay-out ratio is calculated by dividing the dividend per share by earnings per share. It indicates the proportion of earnings distributed as dividend. Lower dividend pay-out ratio indicates conservative dividend policy. However, high dividend pay-out ratio shows liberal dividend policy which may put a question mark over financing of future projects.

Stability of dividend

Shareholders prefer a stable dividend policy which means they require a certain minimum percentage of dividends to be paid regularly to them. Therefore, dividend policy should be devised taking into account this aspiration of the shareholders.

Liquidity

The liquidity position of a company affects the dividend policy. Payment of dividends requires the availability of cash resources. Future investment opportunities should also be taken into consideration.

Divisible profit

Dividends can be declared out of revenue profits but not out of capital profit. This means dividend can be declared out of divisible profit, i.e., the profit which is legally available for distribution as dividend to the shareholders. In certain cases, capital profit may be distributed as dividend if it is realized in cash and it is permitted by the articles of association.

Capital market conditions and inflation

Capital market conditions and inflation play a dominant role in developing the dividend policy. A company having an easy access to the capital market will follow a liberal dividend policy in comparison to others. During times of inflation a good company tries to satisfy its shareholders by paying higher dividends.

Shareholder's consideration

Tax statuses of shareholders, availability of investment opportunities, ownership dilutions, etc., are the different factors that affect shareholders. These factors should be taken into consideration while devising a dividend policy.

Types of dividend policy

There are different types of policies related to the dividend which the company can follow. Four most prevalent types of dividend policy are –

Regular dividend policy

Under this type of dividend policy, the company follows the procedure to pay out a dividend to its shareholders every year. If the company earns abnormal profits, then it retains the extra profit. Whereas, if it remains in loss any year, then also it pays a dividend to its shareholders. This type of policy is adopted by the company who are having stable earnings and steady cash flow. In the eyes of investors, a company paying regular dividends are low risk despite the fact the quantum of regular dividend might be small.

Stable dividend policy

Under this type of dividend policy, the company follows the procedure to pay out a defined fixed percentage of profits as dividends every year. For example, suppose a company sets the payout rate at 10%. Then this percentage of profit will be paid out as dividends every year regardless of the quantum of profit.

Irregular dividend policy

Under this type of dividend policy company states that it has no obligation in respect of paying a dividend to the shareholders. The Board of directors will decide the quantum and rate of dividend. They will decide in respect of action, taken with the earned profit. Their action in respect to paying a dividend has nothing to do with the company's scenario of earning a profit or coming into the loss. It depends on the decision of the Board of Directors.

Zero dividend policy

Under this type of dividend policy, the company follows the procedure of paying no dividend to the shareholders irrespective of its profit or loss scenario. The payout ratio will be 0%. The total earnings will be retained by the company. It will reinvest into the company model of business to expand it further at an increased rate and without hurdling into issues like liquidity.

Impact of key financials

Financial ratios have a significant impact on dividend declaration. Management analyzes the key financials and based on that; dividend payout ratio is determined. Some common financials are responsible for dividend pay-out:

- Net profit
- Capital Adequacy
- Return on Equity
- Paid up capital
- Earnings per Shares (EPS)
- Maintenance of sufficient provision against CLand advances
- Retained Earnings
- Shareholder's Equity

Process of dividend declaration

The management will determine the financial ability that defines how much dividend Bangladesh Finance should distribute to its shareholders, what the impact will be on share prices of the company and what will happen if the amount of dividend changes from year to year. Based on the financial analysis, the mode of dividend is determined whether it will be cash or stock. Capital adequacy is another key factor for determining the dividend mode. The dividend is proposed hereby by the Board of Directors meeting and subsequently declared at Annual General Meeting (AGM).

Role of the board

The Board of directors plays an integral role regarding dividend proposition. The recommendations made by the Board should be aligned with the greater interest of ordinary shareholders and the company. The Board proposes cash or stock form of dividend subject to approval in Annual General Meeting (AGM).

Role of the shareholders

Ordinary Shareholders are the ultimate beneficiary of dividend. In line with the Board proposition, shareholders are responsible to give their prudential recommendation of dividend in Annual General Meeting (AGM). Once the shareholders approve the proposed dividend in AGM, the dividend becomes declared dividend.

Accounting treatment regarding dividend

Dividends are taxable income for shareholders. Depending on the entity, tax is deducted from the final dividend payment. Relevant accounting entries are made in the accounting book and financial statements as per IAS and IFRS/BFRS.

Payment of dividend

Bangladesh Finance shall follow the rules and guidelines regarding the distribution of dividend as prescribed by the regulatory authorities. Cash dividend shall be paid directly to the entitled shareholders' bank accounts as available in the BO accounts maintained with the depository participant (DP), or the bank accounts as provided by the shareholders or unit holders in paper form, through BEFTN within 30 days of final approval by the shareholders in the AGM.

Upon receiving the detailed information and claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, the cash dividend shall be paid to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager.

Cash dividend shall be paid off to the non-resident sponsor, director, shareholder, unit holder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard.

In case of non-availability of a valid bank account or not possible to distribute cash dividend through BEFTN or any electronic payment system, cash dividend warrants shall be issued and sent by post to the respective shareholders' addresses.

For the purpose of paying dividend, a separate bank account shall be maintained from which all the dividend payments are being made. Again, any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of the issuer as maintained for this purpose, within 01 (one) year from the date of declaration or approval or record date, as the case may be.

Stock dividend shall be directly credited to the BO accounts of respective shareholders within 30 days of AGM (final approval) or record date, as the case may be subject to clearance of the exchange(s) and Central Depository Bangladesh Limited (CDBL). The stock dividend shall be allotted within 60 days of AGM.

The company shall inform its shareholders through publication in the newspaper after the dividend is being disbursed or credited. Besides shareholders on record date shall be intimated through short message service (SMS) to the mobile numbers or email addresses as provided in the BO account.

Conclusion

This policy described here is solely created as internal dividend policy of Bangladesh Finance Limited. Authority has the right to change any clause of the policy if required.

02. Dividend Payment Compliance Report

As per the prescribed format of BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, the dividend payment compliance report was prepared and forwarded to the commission and exchanges duly which is readily available on the company's website under the column of Investor Relations.

03. Settlement of Unclaimed Dividends and Non-refunded Public Subscription Money and transfer to Capital Market Stabilization Fund (CMSF)

As per BSEC Capital Market Stabilization Fund (CMSF) Rules – 2021 (Gazetted) dated 27 June 2021, along with subsequent notification No. BSEC/CMRRCD/2021-391/20/Admin/121 dated 01 June 2021, it has been stated that - whereas cash or stock dividend or right shares are lying unclaimed/undistributed/un-allotted with the issuer of listed securities for a period of 03 (three) years or more; And whereas public offering subscription money are lying non-refunded with the issuer of listed securities for a period of 03 (three) years or more; And whereas it is expedient to stabilize the capital/ securities market ensuring liquidity to the market by way of buying and selling of listed securities, lending and borrowing of listed securities and providing Short term loan to the capital market intermediaries.

In this connection, pursuant to BSEC Directive No. BSEC/CMMRCD/2021-386/03 and subsequently CMSF Rules 2021 (Clause 09), we have uploaded a list of Unclaimed Dividend and Non-refunded Public Subscription Money to the official website and published the link by a notice in 02 (Two) national dailies along with an online news portal on July 30 2021 duly. From the published list some claims have been placed by the shareholders and we have settled all those claims upon verifying the necessary documents.

04. Transfer of Unclaimed Cash & Stock Dividend to the CMSF

As per CMSF Rules 2021 and Directives No. SEC/SRMIC/165-2020/part-1/182, the remaining balance of unclaimed Dividend and non-refunded public subscription money has been transferred to BSEC's Capital Market Stabilization Fund (CMSF) 2021 in its bank account (SND A/c:0010311521301) at Community Bank Bangladesh Ltd., Gulshan Branch, Dhaka on 29 August 2021 duly. In FY2022, we transferred 4176 shares up to 31 December 2018 (more than 03 years) to CMSF BO A/c: 1201530074571230 on 28 March 2022. We also transferred BDT17,983.14 against the fraction share sale proceeds for the year 2018 to the CMSF bank account (SND A/c:0010311521301) at Community Bank Bangladesh Ltd., Gulshan Branch, Dhaka on 08 June 2022 duly.

Details of unclaimed/undistributed Dividend transferred to CMSF Fund till 31.12.2022				
SN	**Dividend Type**	**Particulars**	**Amount (in Taka)**	**Share(s)**
1.	Cash	Unclaimed Cash Dividend 2014 (List attached in the website)	573,896	
2.		Unclaimed Cash Dividend 2007 (Untraced)	367,273	
3.		Unclaimed fraction share (Bonus) sale proceeds of 2008, 2009, 2010, 2011, 2012, 2013, 2015, 2016 & 2017	438,094	
4.		Non-refunded public subscription against IPO (Untraced)	570,000	
5.	Stock	Unclaimed stock dividend up to 31.12.2018		4176
6.	Cash	Unclaimed fraction share (Bonus) sale proceeds of 2018	17,983	
Total			**1,949,264**	

05. List of Unclaimed dividends published in the website

Pursuant to BSEC Directive No. BSEC/CMMRCD/2021-386/03 and subsequently CMSF Rules 2021 (Clause 09), we have uploaded a list of Unclaimed Dividend and Non-refunded Public Subscription Money to the official website (Link: www.bd.finance/dividend).

L. Status of Compliance of Recent Circulars of Regulatory Bodies

During the year 2022, all the circulars and notifications related to governance which are issued by Bangladesh Bank, Bangladesh Securities and Exchange Commission, Stock Exchanges and by the authority of the Govt. are duly complied with.

Bangladesh Bank

DFIM Circular-1: Comprehensive Audit, Circular-7 & 14: Ensuring discipline in NBFI, Circular-9: Director's Appointment

BSEC

BSEC Notification: Online Regulatory submission from for Independent Directors,
Notification: Issuance of Bonus share and stock dividend, Notification: Credit Rating,
Notification: Insider Trading Prohibition Rules-2022 and Exit Plan (Principles on Disclosure of Material Information and Price Sensitive Information (PSI) is under processing which will be incorporated duly by 30 April 2023 and duly uploaded at the official website of the company)

M. Status and Certificate of Compliance of Corporate Governance

As per the required compliance of the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) vide their notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, Itrat Hosain & Associates examined the compliance with the said conditions of Corporate Governance of BSEC. As per their certification, Bangladesh Finance complies with all the Corporate Governance requirements as stipulated in the CG Code 2018.

Certificate of Compliance: Itrat Hosain & Associates certified Bangladesh Finance Limited as "Highly Satisfactory" and the copy of the compliance is presented as Annexure-B of this report.

Report of Compliance: The copy of the detailed Checklist/Report under Condition No. 9 of the Corporate Governance Code 2018 of BSEC, is presented as Annexure-C of this report.

N. Environmental and Social Obligations

GRI 102-20

Policies and practices relating to social and environmental responsibility

Bangladesh Finance is always committed to giving back to society and promoting good environmental practices. As per regulatory guidelines, a Board-approved planned CSR activities are addressed to different needs of the community as well as encourage employees to play an active role.



Activities are undertaken on Social Responsibilities

The details of the activities under corporate social responsibility are given in CSR report in this Annual Report.

Activities are undertaken on Environmental Responsibilities

In view of making Bangladesh Finance more green, the sustainable finance department has taken some initiatives to promote green financing and prevail a green environment in the office which is aligned with the SDG (Sustainable Development Goals). A detail of the activities under environmental responsibility are given under natural capital segment.

Introducing Green Branch: Bangladesh Finance has already introduced the Green Branch project by introducing the theme from the Gazipur Branch. Wide-range of solar panels and the use of glass walls that ensure the best use of daylight along with sensor-based water taps electric switches, and greeneries ensure a green environment where paperless jobs are highly encouraged to the employees.

REPORT OF THE AUDIT COMMITTEE



The Audit Committee and its Chair are appointed by the Board. The Committee includes 05 (Five) members of the Board of Directors including two Independent Directors that has been formed in line with the guideline given by Bangladesh Bank and as per Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) dated June 03, 2018. The Audit Committee Members' positional status along with attendance at Committee meetings are set out in the following table:

Board Member Name	Directorship Status	Membership Status
Mr. Md. Rokonuzzaman FCA	Independent	Chairman
Mr. Iqbal Uddin Ahmed	Independent	Member
Mr. Asaduzzaman Khan	Nominated	Member
Mr. Yousuf Aman	Nominated	Member
Mr. Furkaan Muhammad N Hossain	Nominated	Member

Audit Committee (the 'Committee') is the prime sub-committee of the Board of Directors (the 'Board') of Bangladesh Finance Limited (the 'FI'). The purpose of the committee is to assist the Board in fulfilling its oversight responsibilities relating to (i) the integrity of the FI's financial statements and internal control systems (including the implementation and effectiveness of internal control over financial reporting); (ii) the performance of the internal audit function; (iii) the annual independent audit of the FI's financial statements, engagement of independent auditors and evaluation of the independent auditors' qualifications, independence and performance; (iv) the compliance by the FI with regards to legal and regulatory requirements; (v) the implementation and effectiveness of the FI's disclosure controls and procedures; (vi) the evaluation of enterprise risk issues and (vii) the fulfillment of the other responsibilities set out by the regulators and the Board.

ACCESS TO THE COMMITTEE

On any matter within the Committee's Charter, the Head of Internal Control & Compliance has direct access to the Audit Committee.

TERMS OF REFERENCE

- The Audit Committee shall conduct at least four meetings in a financial year
- The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.

- The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director.
- The Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).

ROLES & RESPONSIBILITIES OF BOARD AUDIT COMMITTEE

The roles and responsibilities of Audit Committee have been defined in line with the relevant provisions of Corporate Governance Guidelines/Notification issued by Bangladesh Bank and BSEC, two regulators for the Financial Institution, and other best practices of governance. The Audit Committee established to assist the Board in its oversight responsibilities with respect to audit, compliance/operational risk, and financial reporting, disclosure, regulatory compliance and disciplined operation complying with the applicable rules and regulations:

a) Internal Control

- Evaluate whether the management is establishing an appropriate compliance culture by communicating the importance of internal control and the prudent management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;
- Consider whether the internal control strategies recommended by internal and external auditors have been prudently and comprehensively implemented by the management;
- Consider reports relating to fraud, forgery and deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the Board after reviewing whether necessary corrective and remedial measures have been embraced by the management;
- With governance and supervisory oversight from the Board of Directors, the Audit Committee will put in place policies and procedures to identify, measure, monitor and control risk;
- Review Management Letters issued by the Satutory Auditors.

b) Financial Reporting

- The Audit Committee reviews whether the financial statements reflect complete and accurate information and are prepared according to the existing rules and regulations and standards enforced in the country and as per the relevant financial reporting standards prescribed by Bangladesh Bank;
- Discuss with the management and external auditors to review the financial statements before finalization.
- Review the quarterly and half-yearly financial statements with the management before submission to the Board for approval.
- Review statements of significant related party transactions submitted by the management.
- Review the management's discussion and analysis before disclosing in the annual report.

c) Internal Audit

- Monitor/evaluate whether internal audit functions are truly independent.
- Review the activities and the organizational structure of the internal audit and ensure that no unjustified restriction or limitation hinders the internal audit process.
- Review and assess the annual internal audit plan.
- Review the efficiency and effectiveness of internal audit function.
- Advise the management for taking appropriate measurers regarding the findings and recommendations made by the internal auditors.

d) External Audit

- Make recommendations to the Board, to be put to shareholders for approval in the AGM, in relation to appointment, re-appointment and removal of the FI's external auditors. Oversee the relationship with the external auditors including:
    - Approval of their remuneration, i.e. fees for audit or non-audit services.
    - Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements.
    - Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the financial institution (other than in the ordinary course of business).
    - Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present; to discuss their views and any issues arising from the audit.
    - Review the findings and recommendations made by the external auditors for removal of irregularities, if any, detected are duly acted upon by the management.

e) Compliance with existing laws and regulations

- Review whether the laws and regulations framed by the regulatory authorities (Central Bank, BSEC and other bodies) and internal regulations approved by the Board have been duly complied with.

f) Other responsibilities

- To review and forward comprehensive compliance report to the Board on regularization of the omission, fraud and forgeries, and other irregularities, if any detected by the internal and external auditors and inspectors of regulatory authorities;
- External and internal auditors shall submit their related assessment report, if the committee solicits;
- Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.

REPORTING TO THE BOARD

The Audit Committee regularly reports its activities to the Board of Directors following each meeting. The Audit Committee report immediately to the Board of Directors in case of any of the following findings are observed:

- Report on conflict of interests;
- Suspected or presumed fraud or irregularity or material defect in the FI's internal control system;
- Suspected infringement of laws, including securities related laws, rules and regulations;
- Any other matter the committee finds material which is to be disclosed to Board immediately.

THE ATTENDANCE OF AUDIT COMMITTEE

The Audit Committee Members' positional status along with attendance at Committee meetings are set out in the following table:

Name of the Member	Status in the Committee	Status in the Board	Status in the Subsidiary Company	Meetings Held	Meetings Attended
Mr. Md. Rokonuzzaman, FCA	Chairman	Independent Director	-----	5	5
Mr. Iqbal Uddin Ahmed	Member	Independent Director	Director in Bangladesh Finance Securities Ltd. Director in Bangladesh Finance Capital Ltd.	5	5
Mr. Md. Asaduzzaman Khan	Member	Director	-----	5	5
Mr. Furkaan Muhammad N Hossain	Member	Director	-----	5	2
Mr. Yousuf Aman	Member	Director	Director in Bangladesh Finance Capital Ltd.	5	5

All of the Committee Members are "Financially Literate" and convincingly experienced that they are capable of analyzing and interpretation of financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. The Chairman of the Committee is the Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB) and having more than 16 years of experience in Financial Accounting, Financial management, Taxation and Corporate Governance area.

- The Company Secretary acts as the secretary of the Audit Committee.

AUTHORITY OF THE AUDIT COMMITTEE

The Committee has the explicit authority to investigate into any matter, including call any Member of Management or to be questioned at a meeting of the Committee, full access to information; and authority to obtain external professional advice from company's legal advisor, tax consultant and statutory auditor.

AUDIT COMMITTEE MEETING DURING THE YEAR- 2022

The Committee held 05 (Five) meetings during the financial year under review. Meeting dates are as follows:

SL No.	Meetings	Date of Meeting
1.	60th Audit Committee Meeting	15 February 2022
2.	61st Audit Committee Meeting	14 March 2022
3.	62nd Audit Committee Meeting	09 May 2022
4.	63rd Audit Committee Meeting	27 July 2022
5.	64th Audit Committee Meeting	24 October 2022

Major Issues reviewed by the Audit Committee during the year 2022

In the year 2022, the Audit Committee reviewed and discussed the following major issues, amongst others.

- Recommended for appointment of external auditors for the year 2022.
- Approved Audit Plan for the year 2022.

- Reviewed the quarterly, half yearly and annual financial statements before their submission to the Board for final review and approval.
- The Committee thoroughly reviewed the findings of the Bangladesh Bank Inspection reports and instructed management to take appropriate actions to prevent repetition of lapses.
- Reviewed the Summary Report on Audit Findings throughout the year and advised for strong monitoring.
- Reviewed the External Auditor's Management Letter and management responses thereto.
- Reviewed reports of related party transactions submitted by the management to find out any conflict of interest.
- Oversight NPL position including write off loans, recovery status and suggested action plan.
- Reviewed branch self-assessment, score of independent testing procedure with regard to AML and CFT issues.
- Monitored the status of regulatory compliance issues regarding CRR, SLR, Capital Adequacy Ratio of the company, Stress Testing result for the 2022.
- Ensured the status of the minutes of meetings of the Audit Committee to be sent to Bangladesh Bank for their information.
- Ensured highest standards of corporate governance and adherence to the Company's Code of Ethics at both Management and Board.

The Audit Committee further affirmed that:

The rules and regulations of Bangladesh Bank and all other regulatory authorities and FI's own policy guidelines approved by the Board are duly complied with.

- The system of internal control and business processes have been strengthened including development of human resources towards creation of a compliance culture in the Financial Institution.
- Efforts have been made to keep assets of the Financial Institution safe along with liabilities and commitments being transparent.
- The Financial Statements of the Financial Institution have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which contained full disclosure.
- The good governance is in place in the Financial Institution.

ACKNOWLEDGEMENT

Based on the above-mentioned discussions, The Audit Committee is of the view that the internal control and compliance system of the company is adequate for purposes of presenting a true and fair view of the activities and financial status of the company as well as to safeguard the assets of the organization. The Audit Committee expresses its sincere thanks to the members of the Board, Management and Auditors for their excellent support extended to the Committee.

On behalf of the Audit Committee,



Md. Rokonuzzaman FCA
Chairman, Audit Committee

Evaluation of the Quarterly Financials by the Audit Committee:

Bangladesh Finance has prepared and presented Quarter Ended Consolidated Financial Statements as per the regulatory requirement of Bangladesh Securities and Exchange Commission (BSEC), These statements are prepared in accordance with International Accounting Standard (IAS), International Financial Reporting Standards (IFRSs), and comply with the applicable sections of The Financial Institutions Act, 1993, the rules and regulations issued by Bangladesh bank, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable Laws and Regulations. The statements were sent to Audit committee for review. After recommending by the Audit Committee, the consolidated financial statements were adopted in the Board of Directors Meeting. The statements are finally submitted to Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). Afterwards, the Quarter Ended Consolidated Financial Statements are published in several daily newspapers. The statement is also published in the website of the company.

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Particulars	2022	2021	2022	2021	2022	2021	2022	2021
	4th Quarter	4th Quarter	3rd Quarter	3rd Quarter	2nd Quarter	2nd Quarter	1st Quarter	1st Quarter
Balance Sheet								
Cash in hand and at Bangladesh Bank	117.82	99.41	115.00	77.50	112.45	76.24	113.36	81.16
Balance with other Banks and Financial Institutions	1,575.25	1,461.96	1,266.66	1240.27	1,456.58	904.83	1,637.37	809.30
Investment in Securities	1,135.63	986.92	1,168.46	1009.09	1,167.27	736.54	1,055.84	865.94
Lease, Loans and Advances	14,006.18	13,692.26	14,186.32	13369.90	14,109.81	12946.65	13,833.27	12907.97
Fixed Assets including Premises, Furniture and Fixtures	624.79	544.16	609.08	514.24	560.93	522.15	555.90	529.74
Other Assets	1,458.87	1,476.31	1,401.85	1629.97	1,447.32	1694.03	1,751.40	1625.42
Non-Banking Assets	213.12	212.12	212.12	212.12	212.12	212.12	212.12	212.12
Total Assets	**19,131.66**	**18,473.15**	**18,959.49**	**18053.09**	**19,066.49**	**17092.56**	**19,159.25**	**17031.64**
Liabilities and Capital								
Financing (Borrowings) from other Banks, Financial Institutions and Agents	3,145.40	2,847.47	3,834.43	2544.53	2,791.06	3053.04	2,637.17	2981.80
Deposits and other Accounts	9,797.35	9,568.98	9,184.75	9324.65	10,274.60	8243.81	10,457.54	8777.78
Other Liabilities	2,406.77	2,404.17	2,193.95	2347.23	2,272.77	2162.85	2,318.38	1681.72
Total Liabilities	15,349.52	14,820.61	15,213.13	14216.40	15,338.42	13459.70	15,413.09	13441.31
Capital/Shareholders' Equity	3,277.21	3,147.74	3,199.83	3259.16	3,187.79	3100.04	3,222.81	3076.49
Non-Controlling Interest	504.93	504.80	546.53	577.53	540.27	532.82	523.35	513.84
Total Liabilities & Shareholders' Equity	**19,131.66**	**18,473.15**	**18,959.49**	**18053.09**	**19,066.49**	**17092.56**	**19,159.25**	**17031.64**
OFF BALANCE SHEET EXPOSURES	200.00	350.00	200.00	450.00	150.00	200.00	150.00	200.00
Net Asset Value per share (NAV)	**17.41**	**16.72**	**17.00**	**18.35**	**16.94**	**17.46**	**18.15**	**18.36**
Profit and Loss Account								
Net Interest Income	419.02	549.50	382.26	377.07	280.68	280.10	145.38	142.08
Total Operating Income	897.56	1,136.17	605.26	845.93	472.21	475.10	234.29	203.62
Total Operating Expenses	379.34	297.38	254.44	193.22	160.50	128.01	72.25	60.81
Operating Profit	518.22	838.79	350.82	652.71	311.71	347.09	162.04	142.81
Net Profit after Taxation	304.73	323.80	200.38	439.32	182.08	235.49	93.63	92.44
Earnings Per Share	**1.25**	**1.36**	**0.84**	**1.95**	**0.78**	**1.11**	**0.42**	**0.47**

ANNEXURE-A

[As per condition No. 1(5)(xxvi)]

Bangladesh Finance Limited
Declaration by CEO and CFO

Date: 01 March 2023

The Board of Directors
Bangladesh Finance Limited
Baitul Hossain Building (2nd floor)
27 Dilkusha C/A, Dhaka-1000.

Subject: Declaration on Financial Statements for the year ended on 31 December 2022

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Bangladesh Finance Limited for the year ended on 31 December 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

(i) We have reviewed the financial statements for the year ended on 31 December 2022 and that to the best of our knowledge and belief:

(a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Md. Kyser Hamid
Managing Director & CEO



Md. Sajjadur Rahman Bhuiyan
Chief Financial Officer (CFO)

ANNEXURE-B

ITRAT HUSAIN & ASSOCIATES
CHARTERED SECRETARIES IN PRACTICE

Report to the Shareholders of Bangladesh Finance Limited on Compliance of Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Bangladesh Finance Limited** (the Company) for the year ended 31 December 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as Stipulated in the above-mentioned Corporate Governance Code issued by the Commission;

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The governance of the Company is highly satisfactory.

Dhaka, 13 March , 2023

For: Itrat Husain & Associates

ITRAT HUSAIN & ASSOCIATES

Itrat Husain FCMA,FCS
Chief Executive

"THE GLASS HOUSE" (13TH FLOOR), 38 GULSHAN AVENUE, GULSHAN-1, DHAKA-1212, BANGLADESH
CELL: 01713092222; 01819259703 EMAIL: itratshahed@gmail.com

ANNEXURE-C

[As per condition No. 1(5) (xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Report under Condition No. 9.00

Condition No	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	**Board of Directors. -**			
1(1)	**Size of the Board of Directors**			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not to be less than 5 (five) and more than 20 (twenty).	√		The Board is comprised of 10 (Ten) members
1(2)	**Independent Directors**			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		2 (Two) Independents Directors (ID) out of total 10 (Ten) Directors. (Including MD who is an Ex-officio)
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		The IDs provided declarations about their compliances
1(2)(b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company?	√		Do
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		Do
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		Do
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		Do
1(2)(b)(vi)	Who is not a shareholder, director excepting independent direct or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		Do
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		Do
1(2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	√		Do
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank	√		Do



	Financial Institution (NBFI);			
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude?	√		Do
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		Do
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	√		Do
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√		Do
1(3)	**Qualification of Independent Director (ID)**			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		The qualification and educational background of IDs justify their skills
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	√		Do
1(3)(b)(ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	√		Do
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	Not Applicable		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	Not Applicable		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		Do
1(3)(c)	The independent director(s) shall have at least 10(ten) years of experiences in any field mentioned in clause (b);	√		Do
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	None		No such event occurred
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer. -**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		The Chairman and MD & CEO are different individuals

ITRAT HUSAIN & ASSOCIATES

1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	**The Directors' Report to the Shareholders**			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The Segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any others instruments;	Not applicable		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing etc.;	Not applicable		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	√		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly	√		

ITRAT HUSAIN & ASSOCIATES

	or indirectly and have effective means of redress;			
1(5)(xvii)	A statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	Not Applicable		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	**A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by: -**			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name- wise details);	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details).	Not Applicable		
1(5)(xxiv)	**In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: -**			
(5)(xxiv)(a)	A brief resume of the director	√		
1(5)(xxiv) (b)	Nature of his/her expertise in specific functional areas;	√		
1(5)(xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5)(xxv)	**A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on:**			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the	√		

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	globe;			
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per **Annexure-A**; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per **Annexure-B and Annexure-C.**	√		
1(6)	**Meetings of the Board of Directors**			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chattered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	*Code of Conduct for the Chairperson, other Board members and Chief* Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	Not applicable		Complied as per the prudential guidelines given by Bangladesh Bank
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company	Not applicable		Do
2	**Governance of Board of Directors of Subsidiary Company: -**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	√		
2(b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
3.	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS): -**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer	√		The CEO, CFO, CS

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	(CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;			& HIAC are different individuals
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	None		No such event occurred
3(2)	**Requirement to attend Board of Directors' Meetings**			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		The CEO, CFO, CS & HIAC attended in the Board Meetings
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent illegal or violation of the code of conduct for the company's Board or its member;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4.	**Board of Directors' Committee. - For ensuring good governance in the company, the Board shall have at least following sub-committees:**			
4(i)	Audit Committee;	√		
4(ii)	Nomination and Remuneration Committee	Not applicable		Complied as per the prudential guidelines given by Bangladesh Bank
5.	**Audit Committee:**			
5(1)	**Responsibility to the Board of Directors**			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management	√		

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	background and 10(ten)years of such experience;			
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	None		No such event occurred
5(2)(e)	The company secretary shall act as the secretary of the Committee.	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director;	√		
5(3)(b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes.	None		No such event occurred
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	**The Audit Committee shall: -**			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors.	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the	√		

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	performance of external auditors;			
5(5)(m)	Oversee whether the proceeds raised through Initial public Offering (IPO) or Repeat public Offering (RPO) or Rights Share offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission:	Not applicable		
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	**Reporting to the Board of Directors**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	**The Audit Committee shall immediately report to the Board of Directors on the following findings, if any: -**			
5(6)(a)(ii)(a)	Report on conflicts of interests;	None		No such event in the reporting year
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; control system;	None		Do
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	None		Do
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	None		Do
5(6)(b)	**Reporting to the Authorities: -**			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	None		Do
5(7)	**Reporting to the Shareholders and General Investors**			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6) (a) (ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6.	**Nomination and remuneration Committee (NRC).**			
6(1)	**Responsibility to the Board of Directors**			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	Not applicable		Complied as per the prudential guidelines given by Bangladesh Bank
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	Not applicable		Do
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	Not applicable		Do
6(2)	**Constitution of the NRC**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	Not applicable		Do
6(2)(b)	All member of the Committee shall be non-executive directors;	Not applicable		Do

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6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	Not applicable		Do
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	Not applicable		Do
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	Not applicable		Do
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion form such external expert and/or member(s) of staff shall be required or valuable for the Committee;	Not applicable		Do
6(2)(g)	The company secretary shall act as the secretary of the Committee;	Not applicable		Do
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	Not applicable		Do
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	Not applicable		Do
6(3)	**Chairperson of the NRC**			
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	Not applicable		Do
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	Not applicable		Do
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	Not applicable		Do
6(4)	Meeting of the NRC	Not applicable		Do
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	Not applicable		Do
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	Not applicable		Do
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	Not applicable		Do
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	Not applicable		Do
6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Not applicable		Do
6(5)(b)	**NRC shall oversee, among others, the following matters and make report with recommendation to the Board:**			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	Not applicable		Do
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	Not applicable		Do

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6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	Not applicable		Do
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	Not applicable		Do
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	Not applicable		Do
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion form such external expert and/or member(s) of staff shall be required or valuable for the Committee;	Not applicable		Do
6(2)(g)	The company secretary shall act as the secretary of the Committee;	Not applicable		Do
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	Not applicable		Do
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	Not applicable		Do
6(3)	**Chairperson of the NRC**			
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	Not applicable		Do
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	Not applicable		Do
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	Not applicable		Do
6(4)	Meeting of the NRC	Not applicable		Do
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	Not applicable		Do
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	Not applicable		Do
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	Not applicable		Do
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	Not applicable		Do
6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Not applicable		Do
6(5)(b)	**NRC shall oversee, among others, the following matters and make report with recommendation to the Board:**			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	Not applicable		Do
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	Not applicable		Do

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6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	Not applicable		Do
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	Not applicable		Do
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	Not applicable		Do
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	Not applicable		Do
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	Not applicable		Do
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	Not applicable		Do
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	Not applicable		Do
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	Not applicable		Do
7.	External or Statutory Auditors			
7(1)	**The issuer shall not engage its external or statutory auditors to perform the following services of the company, namely: -**			
7(1) (i)	Appraisal or valuation services or fairness opinions;	√		
7 (1) (ii)	Financial information system design and implementation;	√		
7 (1) (iii)	Book-keeping or other services related to the accounting records or financial statement;	√		
7 (1) (iv)	Broker –dealer services;	√		
7 (1) (v)	Actuarial services;	√		
7 (1) (vi)	Internal audit services or special audit services;	√		
7 (1) (vii)	Any services that the Audit Committee determines.	√		
7 (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1);	√		
7 (1) (ix)	Any other service that creates conflict of interest	√		
7(2)	No Partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold ant shares in the said company:	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8.	Maintaining a website by the Company. -			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	√		

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9.	Reporting and Compliance of Corporate Governance. -			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		Bangladesh Finance Limited obtained the certificate from Itrat Husain & Associates
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		Annexure-C is presented in this report



ANNEXURE-D

Statement of Compliance with Good Governance Guideline Issued by Bangladesh Bank

Bangladesh Bank issued a policy on the role and responsibility of the Board of Directors and Chief Executive Officer of financial institution vide DFIM Circular No. 07, dated: September 25, 2017. The Board of Directors of the Company has taken appropriate steps to comply with the guidelines.

A Status report on compliance with those guidelines is given below:

Sl. No.	Particulars	Compliance Status
01.	**Responsibilities and authorities of Board of Directors**	
A.	**Work Planning and Strategic Management**	
	(i) The Board shall determine the vision/mission of the institute in order to enhance operational efficiency and to ensure business growth, they shall chalk out strategies and work plans on annual basis. The board shall review such strategies Quarterly interval and modify accordingly, if required. If any structural modification is required, shall bring those changes with consultation with the management.	Complied
	(ii) The Board shall have its analytical review incorporated in the Annual report as regard the success/failure in achieving the business and other targets as set out in its annual work-plan and shall inform the shareholders on future plans and strategies in the Annual general meeting.	Complied
	(iii) The Board will set the key Performance indicator (KPI)s for the CEO and other senior executives and will evaluate half yearly/yearly basis.	Complied
B.	**Formation of sub-committee**	
	To expedite the process of decision making on important regular business activities (e.g. approval of loan/lease write off. rescheduling etc.) Board may form Executive Committee with the Director (excluding any alternate director).	Complied
C.	**Financial Management**	
	(i) Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
	(ii) Board shall review and examine in quarterly basis various statutory financial statements such as statements of income expenses. Statement of loan/lease, statement of liquidity adequacy of capital maintenance of provision, legal affairs including actions taken to recovery of overdue loan/lease.	Complied
	(iii) Board Shall approve the procurement policy and shall accordingly the delegation of power for making such expenditure. The Board shall delegate the authority to the Managing Director and among other top executives for approval of expenditure within budget. However, decision relating to purchase of land building and vehicles shall remain with the Board.	Complied
	(iv) The Board shall adopt the operation of bank accounts. Groups maybe formed among the management to operate bank accounts under joint signatures.	Complied
D.	**Management of loan/lease/investments**	
	(i) Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment specifically to management preferably on Managing Director and other top executives.	Complied
	(ii) No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	Complied

	(iii) Any syndicated loan/lease/investment proposal must be approved by the Board.	Complied
E.	**Risk Management**	
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	Complied
F.	**Internal Control and Compliance**	
	A regular Audit Committee as approved by the Board shall be formed. Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditor, external auditors and Bangladesh Bank inspection team.	Complied
G.	**Human Resource Management**	
	Board shall approve the policy on Human Resource Management and Service Rule. Chairman and director of the Board shall not interview on the administrative job in line with the approved Service Rule. Only the authority for the appointment and promotion of the Managing Director/Deputy Managing Director/General Manager and other equivalent position shall lie with the Board incompliance with the policy and Service Rule No. director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others.	Complied
H.	**Appointment of CEO**	
	The Board shall appoint a competent CEO for the Company with the approval of the Bangladesh Bank and shall approve any increment of his salary and allowances.	Complied
I.	**Benefits offer to the Chairman**	
	Chairman may be offered on office room, a personal secretary, a telephone at the office, a vehicle for the business interest of the Company subject to the approval of the Board.	Complied
2.	**Responsibilities and Duties of the Chairman**	
	(a) Chairman shall not participate in or not interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power.	Complied
	(b) The minutes of the Board meeting shall be signed by the chairman	Complied
	(c) Chairman shall sign-off the proposal for appointment of Managing Director and any other benefit in favor of him (CEO)	Complied
3.	**Responsibilities of Managing Director & CEO**	
	(a) Managing Director shall discharge his responsibilities on matters relating to financial business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management.	Complied
	(b) Managing Director shall ensure compliance of Financial Institutions Act 1993 and other relevant circular of Bangladesh Bank and other regulatory authorities.	Complied
	(c) All recruitment/promotion/training except those of DMD, GM and equivalent positions shall be vested upon the Managing Director. He shall act such in accordance with the approved HR Policy of the Company.	Complied
	(d) Managing Director may re-schedule job responsibilities of employees:	Complied
	(e) Managing Director may take disciplinary actions against the employees except DMD, GM and equivalent positions.	Complied
	(f) Managing Director shall sign all the letter/statements to be sent to Bangladesh Bank. However, Departmental/Unit Heads may sign daily letters/statements as set out in DFIM circular no. 2 dated: 06 January 2009 if so authorized by the Managing Director.	Complied

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR INTERNAL CONTROL AND CORPORATE GOVERNANCE

Board of Directors are the overseer of an organization. The Board of Directors bear immense responsibility to the organization for providing proper instruction and guidance to secure organizational goals. The Director's Responsibility in terms of Internal Control & Financial Reporting is defined by laws. Rules that comply with Director's Responsibility are Company Act 1994, Financial Institution Act 1993, and Code of Corporate Governance by (BSEC).

The directors' responsibility report has been prepared to provide a compact preview of the contributions of directors. In accordance with the 2CC of the Securities and Exchange Ordinance 1969, the following disclosers are to be ensured by the Board of Directors, additional statements, or disclosures under section 184 of the Companies Act, 1994 (Act No. XVII of 1994).

A. The state of the company's affairs: The review of the company's performance has been presented in the financial report, directors report, and CEO & CFO's review section in the annual report.

B. **Any recommended reserve in the balance sheet:** No such reserve has been recommended.

C. Dividend recommended by the Board: The Board has recommended 10% cash for the year 2022.

D. Material changes and commitments and operations: In 2022, Bangladesh Finance started its Islamic Financing operation. Other than no major changes in strategy and actions in the company and its subsidiaries.

In accordance with the Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated: 3rd June 2018. The Directors' Report to Shareholders shall include the following.

1. Industry outlook and possible future developments in the industry: a compact review of the post-COVID industry development has been presented in the Directors' Report section.

2. Segment-wise or product-wise performance: Business-wise performance have been presented on the industry of the segment reporting section.

3. Risks and concerns, including internal and external risk factors: A detailed discussion regarding the issues have been presented in the World economy and Bangladesh's economic overview.

4. Financial Performance Review: The detailed review of the financial performance of Bangladesh Finance and subsidiaries is presented s in the Financial highlights section and in detail in the Financial Statements chapter of this report.

5. Discussion on Operating performance: A brief description has been presented in the 'Financial Highlights' portion of this report.

6. Continuity of Any Extraordinary Activities: During the year 2022, Bangladesh Finance realized gain of 97.26 million (solo) and 297.36 (Consolidated) respectively from investment in shares from capital market.

7. Basis for related party transactions and a statement of all related party transactions: The basis for related party transactions has been stated in the Management Discussion and Analysis segment of the annual report. Further Disclosure has been furnished in the Financial Statements note no.: 43.

10. Explanation on any significant variance financial performances: Explanation on any significant variance financial performances has been disclosed in the notes to the financial statements.

11. A statement of remuneration paid to the directors, including independent directors: This are mentioned in the Compliance of the Meeting and Remuneration section of this report.

12. A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows, and changes in equity: The financial statement prepared by the management for the year-end of 31 December 2022 is presented fairly, and it complements the result of its operations, cash flows and changes in equity. And the external auditor, Hoda Vasi Chowdhury & Co., Chartered Accountants have provided a financial reports stated unqualified.

13. Proper maintenance of books of account: Books of account is maintained appropriately by Bangladesh Finance. This matter is also stated in the external auditor's report, Hoda Vasi Chowdhury & Co., Chartered Accountants.

14. Ensuring consistent application of appropriate accounting policies: Appropriate accounting policies have been applied consistently with reasonable and prudent judgment in preparing the financial statement.

15. Compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS): The financial statements of the company and its subsidiaries have been consolidated in accordance with International Financial Reporting Standard (IFRS). Details are provided in note 2.1.1 Basis of consolidation of operations of the subsidiary of the financial statement.

16. Efficiency and soundness of internal control: Related discussions are presented in the Internal Control Section under corporate governance chapter.

17. Protection of the interest of minority shareholders: The corporate governance practices of Bangladesh finance ensure the rights of minority and public shareholders in which disclosers are presented in the investor's relations section of the annual report, and any claim or complaint by shareholders have been lawfully resolved.

18. Statement of clearance no significant doubt upon the continuation as a going concern: No such concern regarding the continuation of the corporation exists.

19. Explanation of significant deviations of operating results: Significant variations of operating results from the previous year have been discussed in the Financial Capital section of this report.

20. Key operating and financial data of at least 5 (five) years: Key operating & financial data over the last five years as per the requirement of BSEC are mentioned: Details in which discussed under the section of Key Operating and Financial Highlights under Director's Report.

21. The reasons for the inability to declare dividends (cash or stock) for the year: 10% cash dividend have been declared for the year 2022.

22. Declaration of bonus share or stock dividend has been or shall be declared as interim dividend: No interim dividend has been declared.

23. The total number of Board meetings held during the year and attendance by each director: Discloser of Board meetings held during the year and attendance by each director have presented in the Compliance of Meeting and Remuneration section under corporate governance chapter.

24. The pattern of shareholding: The pattern of shareholding is disclosed under Shareholders' Information in the investor relations section and provided with analysis from multiple angles.

25. Disclosure information about the appointment or reappointment of a director: The directors' brief profile is presented in the Director's Profile under Stewardship chapter of this report.

26. Management's discussion and analysis signed by CEO or MD: Discussions and analysis by CEO are presented in the Managing Director and CEO's Review.

27. The CEO and the CFO's declaration or certification: this declaration by the CEO & CEO is disclosed as Annexure-A in the corporate governance report.

28. Certificate regarding compliance of corporate governance: Certificate is issued by ITRAT HUSAIN & ASSOCIATES and presented in the annual report under corporate governance report.

Bangladesh Finance complies with all the regulatory body that requires the compliance of corporate governance to ensure that the administration can support the organization in reaching its goal to maintain a transparent and robust culture of growth and enrichment.

The Board of Directors hereby assures that all the parts of the annual report of 2022, including the Director's Report and Financial Statements, have been appropriately prepared, best to our knowledge. The rules implied by the Bangladesh Bank and Bangladesh Securities Exchange Commission have been thoroughly followed in preparing the annual report, including the laws, rules, regulations implemented by other regulatory bodies.

On behalf of the Board of Directors,



Mr. Manwar Hossain
Chairman
Bangladesh Finance Limited

এখনই সময়
নির্ভরতার

Bangladesh finance

BANGLADESH FINANCE - এ

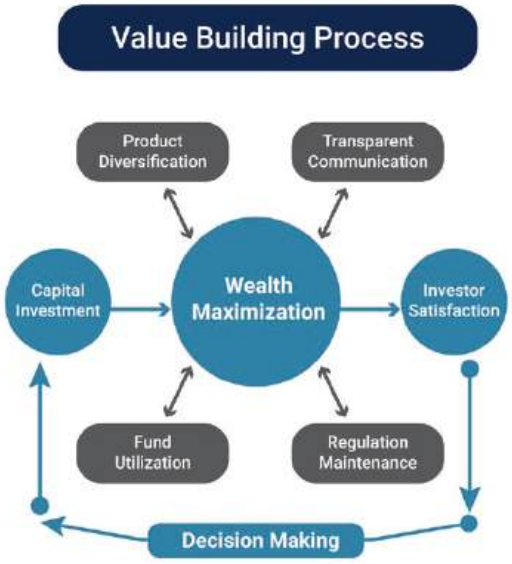
ডিপোজিটে আস্থা ও নিশ্চয়তা মিলে



INVESTOR RELATIONS

Investor Relations Review

Investors are the key stakeholders of our business. Their efforts, trust, and investment keep the company growing and moving forward. In our journey of the last 23 years, we maintained a transparent and vibrant relationship with our stakeholders. We disclose information through different media and through stock exchanges on a regular basis. We are working to increase engagement with stakeholders throughout the year. In this part, we will explain and disclose the value creation mechanism and our active communication contents that allow us to be transparent to our shareholders and maintain clear communication.



Investor Relations Department, Website and Contact

At Bangladesh Finance, the Board and Share Department is serving as the Investor Relations Department. Communications are made with investors/stakeholders on different occasions through email and SMS and are served with high priority. As per Listing Regulations 2015 of stock exchanges under section: 44, all the information is available in the company's website under the 'Investor Relations' tab which is up to date. Anyone can easily communicate with us in person or through telephone/ email.

Investor Relations Contact
Share Department
27, Dilkusha C/A, Motijheel, Dhaka 1000
Phone: +88-02-223385097, Ex. - 210, 299
E-mail: info@bd.finance
Hotline: 16727

Disclosure for Present and Prospective Investors

Value creation of Shareholders

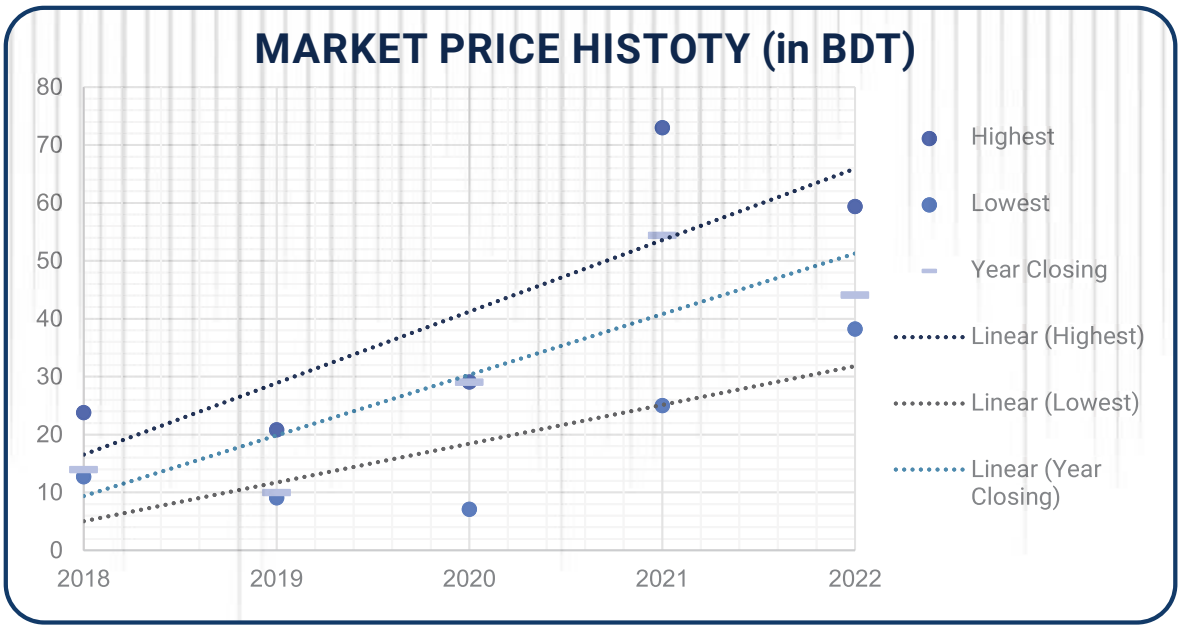
Shareholders Value Addition					
	2018	**2019**	**2020**	**2021**	**2022**
EPS (Consolidated)	1.68	1.12	1.69	1.42	1.25
P/E	8.33	8.93	17.22	38.31	35.28
NAV Per Share	15.25	16.37	16.85	16.72	17.41
Dividend Payout Ratio	54.9%	76.8%	89.0%	79.5%	97.31%
Dividend Yield Ratio	6.1%	10.0%	4.1%	2.2%	2.27%

Credit Rating

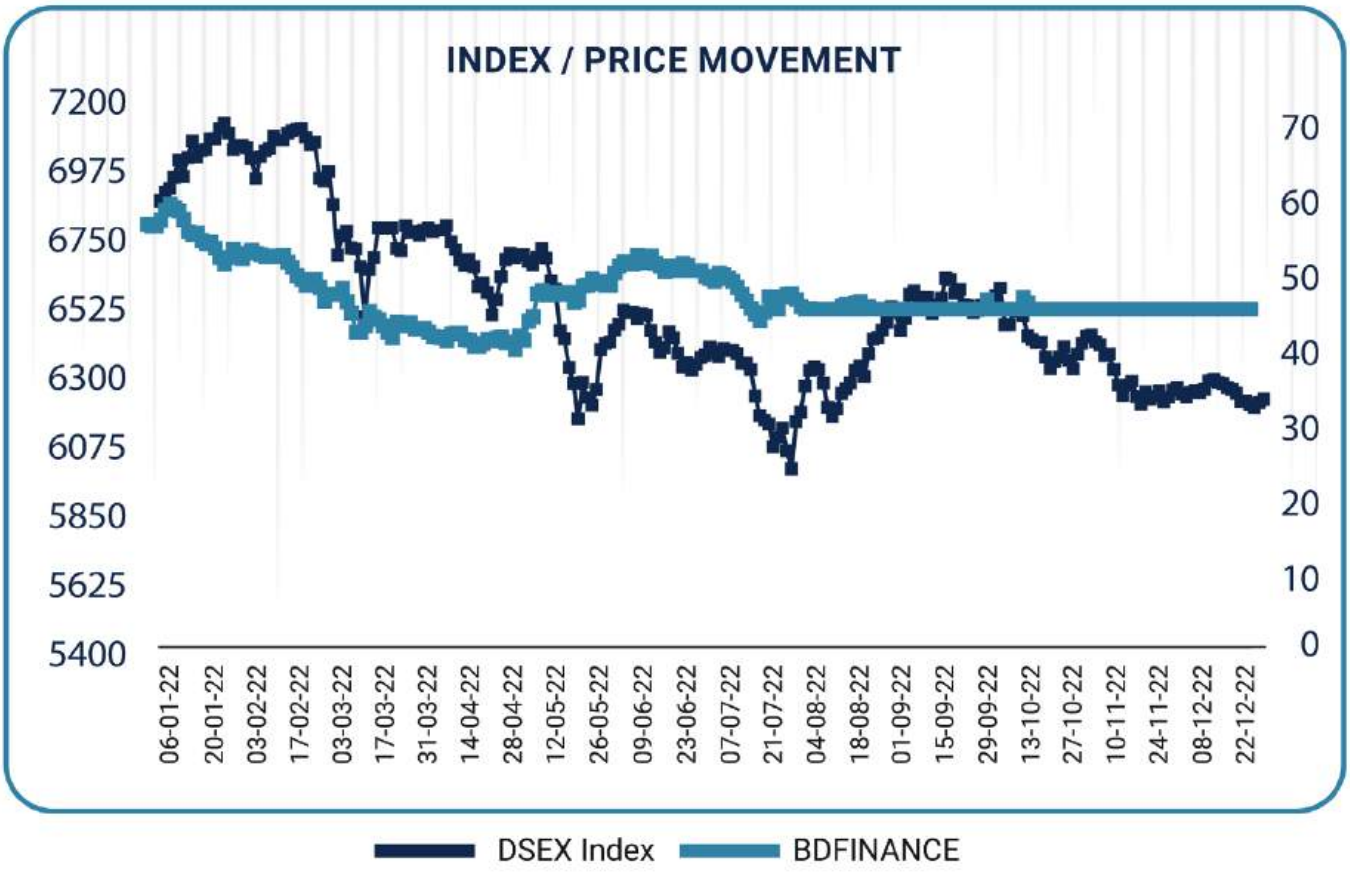
Particulars	2018	2019	2020	2021	2022
Credit Rating (Long-Term)	A+	A+	AA-	AA-	AA
Credit Rating (Short-Term)	ST-2	ST-2	ST-2	ST-2	ST-1

Market Value

Market Price History (in BDT)					
Year / Price	**2018**	**2019**	**2020**	**2021**	**2022**
Highest	23.8	20.8	29.1	73	59.4
Lowest	12.7	9.1	7.1	25	38.2
Year Closing	14	10	29.1	54.4	44.1



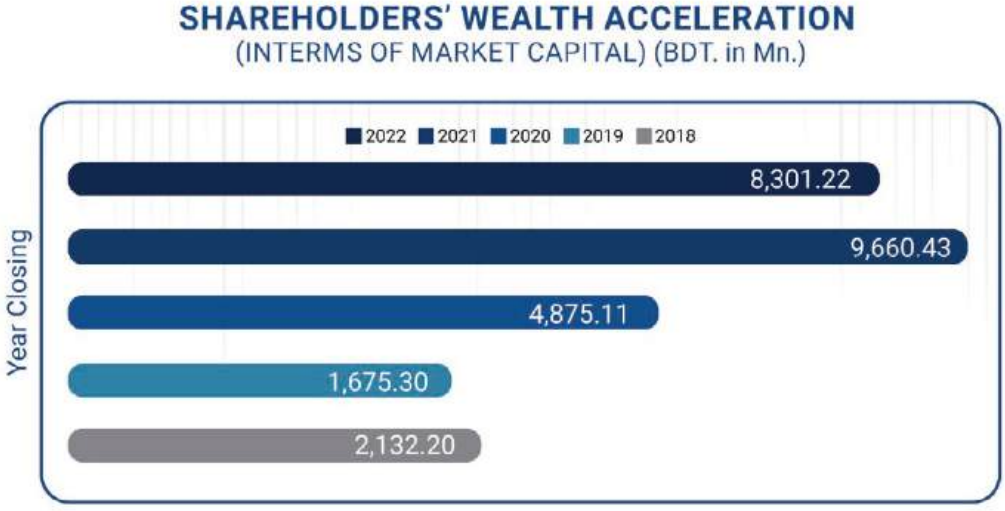
Market Performance (Price – Index: BDFINANCE - DSEX Movement)



Market Capital History

Market Capital History (BDT in Million)					
	2018	**2019**	**2020**	**2021**	**2022**
Highest	3,624.73	3,484.62	4,875.11	12,963.44	11,181.23
Lowest	1,934.21	1,524.52	1,189.46	4,439.53	7,190.63
Year Closing	2,132.20	1,675.30	4,875.11	9,660.43	8,301.22





Shareholders' Information

Distribution of Shareholders in terms of number

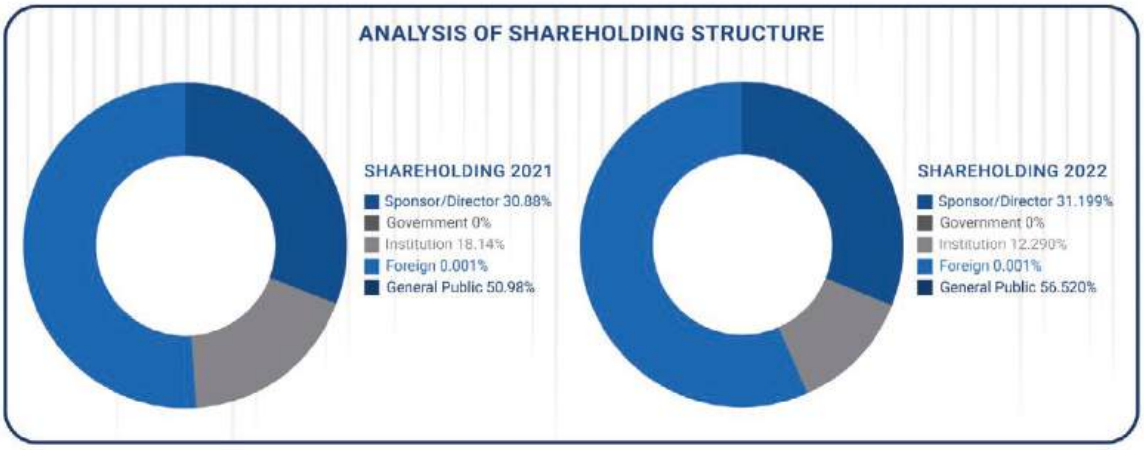
Share Holding Range	Distribution of Shareholders: 31.12.2022			Distribution of Shareholders: 31.12.2021		
	No of Shareholder	No of Share	%	No of Shareholder	No of Share	%
01 - 499	4,285	675,167	0.359%	4,576	745,661	0.420%
500 - 5000	3,109	5,282,714	2.806%	2,801	5,049,350	2.843%
5001- 10000	417	2,964,008	1.575%	412	3,087,521	1.739%
10001- 20000	270	3,775,984	2.006%	250	3,649,828	2.055%
20001 - 30000	110	2,687,116	1.428%	92	2,265,019	1.276%
30001 - 40000	43	1,510,889	0.803%	55	1,940,197	1.093%
40001 - 50000	36	1,642,219	0.872%	40	1,882,568	1.060%
50001 - 100000	72	5,253,344	2.791%	76	5,931,690	3.340%
100001 - 1000000	116	33,692,239	17.899%	115	36,637,019	20.631%
1000001-1000000000	38	130,752,587	69.462%	39	116,392,531	65.543%
Total	**8,496**	**188,236,267**	**100.00%**	**8,456**	**177,581,384**	**100.00%**





Shareholding Composition

Analysis of Shareholding Structure						
	2021			2022		
	Number of Shareholders	No. of Shares	%	Number of Shareholders	No. of Shares	%
Sponsor / Director	18	54,842,582	30.883%	17	58,727,401	31.199%
Government	-	-	-	-	-	-
Institution	191	32,212,531	18.140%	139	23,125,662	12.29%
Foreign	1	1,394	0.001%	1	1,477	0.001%
General Public	8,246	90,524,877	50.976%	8,339	106,381,727	56.52%
Total	8,456	177,581,384	100.000%	8496	188,236,267	100.00%



Top 20 Shareholders (as on 31 Dec 2022)				
SN	BOID	NAME	SHARES	(%)
1	1203980069237758	SAMEER SEKANDER	14,654,539	7.7852
2	1203980021289581	ANWAR ISPAT LTD	14,223,130	7.5560
3	1203980015091747	ANWAR STEEL MILLS LTD.	9,004,232	4.7835
4	1205150015091522	IMTIYAJ YOUSUF	8,189,251	4.3505
5	1202310011989262	HAJI M.A. TAHER	6,725,830	3.5731
6	1205150015091672	MEHMUD INDUSTRIES (PVT.) LTD.	6,723,442	3.5718
7	1203980015091613	HOSSAIN DYNG& PRNTNG MILLS LTD	5,573,761	2.9610
8	1203980008033522	HOSSAIN KHALED	4,625,811	2.4574
9	1202830015091648	ANWAR JUTE SPINNING MILLS LTD.	3,788,491	2.0126
10	1202310007589019	S.M. DIDARUL ALAM	3,782,349	2.0094
11	1205000013381910	GEASUDDIN AHMED	3,773,388	2.0046
12	1202550049560219	ASIF MOHAMMED	3,394,091	1.8031
13	1202590015212831	HASINA PARVEEN	3,140,801	1.6685
14	1203980015212823	ANIKA FARHEEN	2,673,225	1.4201
15	1205590000025901	ANIRBAN DAS GUPTA	2,369,478	1.2588
16	1202830015091557	ANWAR SILK MILLS LTD.	2,283,707	1.2132
17	1202830015091613	HOSSAIN DYNG & PRNTNG MILLS LTD	2,283,707	1.2132
18	1605580015091581	KHALED IRON &STEELS MILLS LTD.	2,107,459	1.1196
19	1604580051623248	VANGUARD AML RUPALI BANK BF	2,100,000	1.1156
20	1203980017123916	HOSSAIN MEHMOOD	2,049,216	1.0886

Public (Individual) Holding (as on 31 Dec 2022)	
Public (Individual) Holding Percentage	56.52%
No. of Shareholders in Public Holding	8,339
No. of Share Outstanding	106,381,727
Market Capitalization (BDT)	4,691,434,161

Dividend & AGM History

Year	AGM	Cash Dividend	Stock Dividend
2007	20-Apr-08	5%	10%
2008	28-May-09	-	10%
2009	30-May-10	-	20%
2010	21-Jun-11	-	22%
2011	3-Jun-12	-	10%
2012	24-Jun-13	-	10%
2013	18-Jun-14	-	10%
2014	29-Jun-15	5%	-
2015	9-Jun-16	-	10%

Year	AGM	Cash Dividend	Stock Dividend
2016	24-May-17	-	10%
2017	18-Jun-18	-	10%
2018	27-May-19	-	10%
2019	10-Dec-20	10%	-
2020	31-Mar-21	6%	6%
2021	31-Mar-22	6%	6%
2022*	30-Apr-23	10%*	-

*Subject to approval by the shareholders in the 24th AGM.

Shareholding of the Directors

Details of shareholding/unit holding of sponsors/directors as on 31.12.2022

SN	Name of the Directors	Status	No. of securities	
			No.	(%)
1	Hossain Dying & Printing Mills Ltd.	-	7,857,468	4.17%
	Mr. Manwar Hossain (Nominated from Hossain Dying & Printing Mills Ltd)	Chairman	1,219,240	0.64%
2	Khaled Iron & Steels Mills Ltd.	-	3,797,998	2.02%
	Mr. Md. Asaduzzaman Khan (Nominated from Khaled Iron & Steels Mills Ltd)	Director	-	-
3	Anwar Steel Mills Ltd.	-	9,004,232	4.78%
	Mr. Furkaan Muhammad N Hossain (Nominated from Anwar Steel Mills Ltd)	Director	-	-
4	Anwar Ispat Ltd.	-	14,223,130	7.56%
	Mrs. Shahnaz Rashid (Nominated from Anwar Ispat Ltd)	Director	-	-
5	Anwar Silk Mills Ltd.	-	3,805,265	2.02%
	Mr. Yousuf Aman (Nominated from Anwar Silk Mills Ltd)	Director	-	-
6	Mehmud Industries (Pvt.) Ltd.	-	7,125,828	3.79%
	Mr. Ihtiaz Yousuf (Nominated from Mehmud Industries (Pvt.) Ltd)	Director	-	-
7	Mr. Imtiyaj Yousuf	Director	8,189,251	4.35%
8	Iqbal Uddin Ahmed	Independent Director	-	-
9	Md. Rokonuzzaman FCA	Independent Director	-	-
10	Mr. Abdur Rashid Salam	Sponsor	1,363,052	0.72%
11	Mr. Chowdhury Monwar Ahmed Siddiqui	Sponsor	1,729,356	0.92%
12	Mr. Chowdhury Erteza Ahmed Siddiqui	Sponsor	10,321	0.01%
13	Mr. Ihteshamur Rahman	Sponsor	402,260	0.21%
Total			**58,727,401**	**31.19%**

History of Capital Formation

Year	No. of Share Issued/ Allotted	Cumulative Share	Face Value	Share Capital	Cumulative Share Capital (BDT)	Mode of Allotment	Dividend
1999	50,000	50,000	100	5,000,000	5,000,000	Memorandum Subscription	-
1999	450,000	500,000	100	45,000,000	50,000,000	Cash	
2003	100,000	600,000	100	10,000,000	60,000,000	Cash	
2003	50,000	650,000	100	5,000,000	65,000,000	Bonus	
2004	750,600	1,400,600	100	75,060,000	140,060,000	Cash	
2004	78,000	1,478,600	100	7,800,000	147,860,000	Bonus	
2005	420,180	1,898,780	100	42,018,000	189,878,000	Cash	
2005	147,860	2,046,640	100	14,786,000	204,664,000	Bonus	
2006	286,529	2,333,169	100	28,652,900	233,316,900	Bonus	
2007	700,000	3,033,169	100	70,000,000	303,316,900	IPO (Listed)	5% C 10% B
2008	303,316	3,336,485	100	30,331,600	333,648,500	Bonus	10% B
2009	333,648	3,670,133	100	33,364,800	367,013,300	Bonus	20% B
2010	734,026	4,404,159	100	73,402,600	440,415,900	Bonus	22% B
2010	-	44,041,590	10	-	440,415,900	Share split	
2011	9,689,149	53,730,739	10	96,891,490	537,307,390	Bonus	10% B
2012	5,373,073	59,103,812	10	53,730,730	591,038,120	Bonus	10% B
2013	5,910,381	65,014,193	10	59,103,810	650,141,930	Bonus	10% B
2014	39,008,515	104,022,708	10	390,085,150	1,040,227,080	Right (3R:5)	-
2014	10,402,270	114,424,978	10	104,022,700	1,144,249,780		5% C
2015	-	114,424,978	10	-	1,144,249,780		10% B
2016	11,442,497	125,867,475	10	114,424,970	1,258,674,750	Bonus	10% B
2017	12,586,747	138,454,222	10	125,867,470	1,384,542,220	Bonus	10% B
2018	13,845,422	152,299,644	10	138,454,220	1,522,996,440	Bonus	10% B
2019	15,229,964	167,529,608	10	152,299,640	1,675,296,080	Cash	10% C
2020	-	167,529,608	10	-	1,675,296,080	Cash & Bonus	6% C 6% B
2021	10,051,776	177,581,384	10	100,517,760	1,775,813,840	Cash & Bonus	6% C 6% B
2022	10,654,883	188,236,267	10	10,654,8830	1,882,362,670	Cash	10% C

Stakeholders Relationship/ Grievance Redressal

Bangladesh Finance is a believer of maintaining even and cooperative relationship with the stakeholders. We pursue high quality stakeholder's redressal policy proactively to handle all types of grievance, complaints in an effective and fair manner.

We strongly believe in equitable treatment to every shareholder. We resolve any shareholders' complaint on a priority basis and have committed to serve the appropriate mechanism to address the shareholders' grievance within the time frame stipulated by Bangladesh Finance.

REDRESSAL PROCESS OF BANGLADESH FINANCE LIMITED

- Complaints raised by the investors/ shareholders must be dealt with courtesy and in a timely manner
- Complaints are treated and solved efficiently and treated fairly
- Communicate to the shareholders for collection of the dividend warrants which have been refunded for non-delivery by the courier
- Revalidate the dividend warrants upon demand
- Correction of bank account information while sending dividend through BEFTN system
- Re issue of dividend warrants, in case of failure to send dividend through BEFTN system
- Issue shareholding certificate, dividend certificate as and when required
- E-mail or letter must be sent to all the investor who have submitted written complaints
- Request for e-TIN number in case of cash dividend

Redressal Statistics 2022

Requests received from shareholders	Ways of addressing mentioned requests
» Re-issue of 34 dividend warrants (which were date expired)	» 34 dividend warrants issued
» 48 Unclaimed Dividend claim	» Settle 48 unclaimed Dividend claim
» Issuance of 181 shareholdings certificate for income tax purpose	» 181 shareholdings certificate were issued

We continued to have even communication with the shareholders through periodic updates of performance and at any time when it believes it to be in the best interest of shareholders generally.

01 Queries/ complaints/ grievances lodged by shareholder

02 Review all logs objectively and fairly and give solution within a short time frame

03 Send intimation to concerned shareholder after redressal by share department

Checklists	Yes	No
Shareholders are properly communicated for collection warrants which have been refunded for non-delivery by the courier	√	
Dividend warrants revalidate the upon demand	√	
Bank account information are corrected while sending dividend through BEFTN system	√	
Dividend warrants are reissued in case of failure to send dividend through BEFTN system	√	
Issue shareholding certificate, dividend certificate as and when required	√	
BO Acknowledgement Setup, updated Bank A/c details and NID are collected in case of settlement of unclaimed cash dividend	√	

FINANCIAL CALENDAR 2022/2023

Annual General Meeting (AGM)	Date
24th Annual General Meeting	30 April 2023
23rd Annual General Meeting	31 March 2022

Dividend(s)	Dividend Announced	Declared Dividend	Dividend Amount	Record Date	Dividend Paid Date	Paid-up Capital before entitlement
Dividend for 2022	13 Mar 2023	10% Cash	BDT 188,236,267	04 April 2023	Within 30 May 2023	1,882,362,670
Dividend for 2021	15 Feb 2022	6% Cash 6% Bonus	BDT 10,654,8830 10,654,883 shares	Cash: 09 Mar 2022, Stock: 23 May 2022	Cash: 20 April 2022, Stock: 31 May 2022	1,775,813,840

FINANCIAL STATEMENTS

Q-1/2/3/4 Financial Statements	Dated PSI released to DSE & CSE	Date published in newspapers
		English, Bangla & Online
Q4/ For the twelve months ended 31.12.2022	13 March 2023	14 March 2023
Q3/ For the nine months ended 30.09.2022	27 October 2022	30 October 2022
Q2/ For the six months ended 30.06.2022	28 July 2022	31 July 2022
Q1/ For the three months ended 31.03.2022	11 May 2022	11 May 2022
Q4/ For the twelve months ended 31.12.2021	15 February 2022	16 February 2022

Annual Financial Statements	Dated PSI released to DSE & CSE	Date published in newspapers
		English & Bangla
Annual Financial Statements for 2022	13 March 2023	6 April 2023
Annual Financial Statements for 2021	16 February 2022	6 April 2022

PROPOSED FINANCIAL CALENDAR 2023 (TENTATIVE)

Annual Financial Statements (Audited)

Annual audited financial statements for the year ended on 31 Dec 2023 will be released to stock exchanges in February/March 2024.

Annual General Meeting (AGM)

The management has the plan to hold the 25th Annual General Meeting (AGM) within March 2024.

As per Listing Regulations - 2015 of Dhaka Stock Exchange, quarterly Financial Statements (un-audited) for the 1st quarter and respectively 2nd and 3rd quarters should be released to the stock exchanges as soon as the said statements are approved by the Board of Directors and in any event not later than in 45 days and in 30 days (in 2nd and 3rd quarters) in the respective year while the annual audited Financial Statements shall be sent to the exchanges and commission within134 days from the year end.

CRO STATEMENT



From the Desk of Chief Risk Officer (CRO)

The risk landscape for financial services continue to shift radically and rapidly. However, one thing that has not changed is that the business of financial services remains fundamental about the management of risk. We continue to strive in Risk Management to enable sustainable organizational resilience and helping to optimize the fundamentals of our services and business outcomes across the organization.

Risk Governance Overview

Just as the global economy prepared to leave behind the pangs of the pandemic (despite uncertainties associated with subsequent waves and rising inflationary pressures), the Russia-Ukraine conflict escalated. The consequent imposition of sanctions on Russia kept the global economy and financial system on tenterhooks. Further, China's slowdown, Sri Lanka's crisis and other geopolitical issues continue to weigh on the economic recovery, clouding Bangladesh's near-term growth outlook as well. Our financial sector, supported by regulatory and Government interventions, has remained resilient and sufficiently capitalized. Measures such as moratorium on payment of loan instalments and restructuring of loans, among others, alleviated the stress while helping banks/FIs to continue lending to productive sectors. The pandemic has accelerated the technology-led transformation in the financial services space, with new customized products and services being delivered using digital technologies.

While the economic and financial outlook, and the FI's financial performance is moderate in 2022 compared to 2021, uncertainty remains high locally with the climate of political issues, social unrest, economic turbulence caused by ongoing Russia-Ukraine war and continued energy crisis and worldwide supply interruptions. Client expectations and the new way of working under Covid-19 have accelerated the need for digital transformation.

Bangladesh Finance has implemented a range of risk management strategies to mitigate the risks posed by the extended consequences of COVID-19 pandemic. These strategies have focused on ensuring the continuity of essential services, protecting the safety of staff and customers, and collaborating with stakeholders to respond effectively to the pandemic's challenges. The ongoing conflict between Russia and Ukraine has created economic uncertainties globally, including in Bangladesh. As a financial institution, Bangladesh Finance Limited has implemented various risk management strategies to mitigate the potential risks posed by the conflict. Here are some of the risk management strategies taken by the FI against economic slowdown caused by the Russia-Ukraine conflict such as enhanced risk assessment, scenario planning, tighter credit monitoring, and continued collaboration to ensure that Bangladesh Finance is well prepared to handle any adverse economic turbulence continued energy crisis and worldwide supply interruptions caused by ongoing Russia-Ukraine War.

We are rigorously overseeing the risk management process and ensuring that the institution is adequately managing its risks. We are identifying, measuring, and mitigating risks to the institution and its customers effectively-

Develop and Implement Risk Management Policies

We are developing and implementing policies, procedures, and guidelines to manage different types of risks that the FI faces. This involves developing risk management frameworks that are consistent with industry standards and regulatory requirements.

Identify and Evaluate Risks

We identify and evaluate risks to the institution through regular risk assessments and analyses. We analyze market trends, emerging risks, and potential impact on the institution and make recommendations for risk mitigation measures.

Monitor and Report Risks

We regularly monitor and report on the institution's risk profile, including identifying changes in the risk environment and tracking progress in risk management activities. We provide regular risk reports to Risk Management Forum, the Board of Directors and regulators

Oversee Risk Mitigation Strategies

We oversee the implementation of risk mitigation strategies, ensuring that they are effective and compliant with regulatory requirements and ensure that the institution has appropriate risk limits and thresholds in place and monitors adherence to these limits.

Maintain Strong Risk Management Culture

We are responsible for developing and maintaining a strong risk management culture within the institution. This involves educating and training staff on risk management principles and ensuring that risk management practices are integrated into all business processes.

Our Top 10 Risks:
For 2022, our top 10 risks are selected as top-of-mind risks rather than business-as-usual principal risks. Six core objectives underpin our risk management as we aim to remain at the forefront of best practice:

- Managing risk as a threat to ensure responsible growth and sustainability.
- Managing risk as volatility during highly uncertain times.
- Managing risk as an opportunity to take advantage of opportunities presented by upside risk to create or enable value for all our stakeholders.
- Managing risk as velocity to manoeuvre the speed of change in an agile and safe manner without degrading value already created.
- Managing risk as predictor using predictive and advanced analytics.
- Managing risk as organizational resilience to ensure sustainability.

- Credit Risk
- Market Risk
- Liquidity Risk
- Operational Risk
- Cyber Risk

- Compliance Risk
- Legal Risk
- Reputational Risk
- Strategic Risk
- Money Laundering Risk

Top Risks	Our Response	Risk link to Capitals
• Credit Risk is the risk of loss arising from the failure of a borrower or counterparty to fulfill their obligations to repay a loan or honor a financial contract. • This risk arises from the possibility that the borrower or counterparty may default on their payment obligations, which can lead to financial losses for the lender or creditor.	• Ensuring ongoing monitoring of the credit portfolio and reporting through the various credit risk governance structures. • Ongoing review and enhancements to credit risk models across the FI, including stress and scenario testing.	
• Market risk is the risk of losses resulting from changes in market factors such as interest rates, foreign exchange rates, commodity prices, and equity prices. • Market Risk can have significant implications on the financial position of a company.	• diversify our portfolio across different asset classes and geographies to reduce concentration risk. • Closely monitor market trends and news to identify potential risks and take appropriate measures to mitigate them	
• Liquidity risk is the risk that an FI may not have sufficient funds to meet its short-term financial obligations. It arises when an entity may not be able to meet its financial obligations when they become due, or may only be able to meet them at a higher cost.	• Monitoring and measuring the group's liquidity position on an ongoing basis to ensure alignment with the internal liquidity adequacy process	
• Operational Risk refers to the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events.	• Continuing to build a strong risk culture across the group while monitoring risk appetite at respective governance processes. • Ensuring effective operational resilience actions to adjust to future shocks and stresses.	
• Cyber Risk refers to the potential for loss or damage resulting from a cyber-attack or other malicious activity directed at an organization's information technology (IT) systems or assets	• Embedding our Privacy Risk Management Framework as a tool for improving privacy through enterprise risk management. • Continuing with the focus on third parties and suppliers to continue to identify key vulnerabilities and build cost-effective and efficient data protection strategies.	
• Compliance risk refers to the potential financial loss or harm that a non-bank financial institution (NBFI) in Bangladesh may face due to failure to comply with laws, regulations, and ethical standards. Compliance risk arises from the failure to follow internal policies and procedures, legal and regulatory requirements, and ethical standards.	• provides training and education to its employees on legal and regulatory requirements and ethical standards. This includes regular training sessions, workshops, and e-learning modules. • conducts regular audits and risk assessments to identify areas of non-compliance and potential compliance risks. The results of these assessments are used to develop action plans to address identified issues.	
• Legal risk refers to the potential financial loss or harm that an FI may face due to legal or regulatory actions or disputes. It can arise from various sources, including contractual obligations, legal proceedings, or changes in legislation.	• Developing and maintaining legal documentation and ensuring compliance with laws and regulations • Establishing a legal function and conducting due diligence on regular basis	

• Reputational risk refers to the potential harm or damage that an FI may suffer to its reputation, brand, or image. This harm can be caused by various factors, including negative publicity, poor customer service, unethical business practices, or operational failures.	• Importance on providing high-quality customer service to its clients. It has established a customer complaint management system that allows customers to voice their concerns and ensures that any issues are resolved quickly and effectively	
• Strategic risk refers to the risk of loss resulting from inadequate or failed strategic decisions, inadequate implementation of decisions, or the impact of external events on the company's business strategy.	• Managing core risk to ensure continued effectiveness of risk management across the organization, which will lead to efficiency of operations. • Monitoring performance against approved targets in line with our business plan.	
• Money laundering is the process of concealing the proceeds of illegal activities, such as drug trafficking or corruption, to make them appear to be legitimate. Terrorist financing is the process of providing financial support or resources to individuals or groups involved in terrorism.	• Developing and implementing AML/CFT policies and procedures • Employee awareness and training • Customer due diligence on regular interval	

Organizational resilience in 2022

Oversaw Bangladesh Finance's Risk Management Framework (RMF), ensuring its agility during worldwide economic crisis caused by the inception of Russia-Ukraine War and the recurring waves of the Covid-19 pandemic.

- Monitored the FI's risk universe heatmap, risk trends and group wide key issues.
- Reviewed revised capital and liquidity plans and targets in response to the volatile environment.
- Focused on anti-money-laundering and combatting the financing of terrorism (AML/CFT), which was retained as a thematic.
- Oversaw cyber resilience, enabling the FI to respond effectively to cyberattacks. The effective management of cyber risk ensured there were no breaches of the FI's own defenses.
- Monitored the changes in macroeconomic projections and post-model adjustments to ensure that the overall portfolio was adequately impaired.
- Approved the review, adjustments and overrides of credit models to avoid undue short-term volatility and excessive procyclicality of impairments and capital requirements.
- Applied effective credit-risk mitigation strategies, including early identification of distressed portfolios and proactive management of all watch-list clients.

Key focus areas for 2023 and beyond

- Ensure ongoing organizational resilience in the face of continued worldwide economic crisis caused by ongoing Russia-Ukraine War and the recurring waves and extended consequences of the Covid-19 fallout.
- Monitor progress of the FI's strategic business portfolio to ensure it translates into market share growth within risk parameters.
- Monitor thematic, which will at a minimum include capital risk, cyber risk, compliance risk, liquidity risk, strategic execution risk, AML/CFT and market risk.
- Oversee the delivery of ongoing market-leading client experiences and innovative digital solutions backed by integrated credit processes.
- Continue with early-identification strategies with regard to distressed portfolios, concentration risks and proactive management of key watch-list clients.
- Oversee the implementation of optimization initiatives for credit risk-weighted assets.

In a nutshell, we foster a risk-a-ware culture premised on sound risk management techniques, thus reaffirming public trust in our institution, while also moving closer to our aim of becoming Bangladesh's best Financial Institutions. Going forward, we will ensure that the risk management framework continues to remain highly defensible to evolving external and internal developments, thereby expanding our institutional capabilities to create dependable long-term value for all.

Thank you for your continuous support.

Sincerely,



Suman Kumar Kundu
Chief Risk Officer

AA CREDIT RATING

ST-1 CREDIT RATING

Bangladesh finance
এখনই সময়

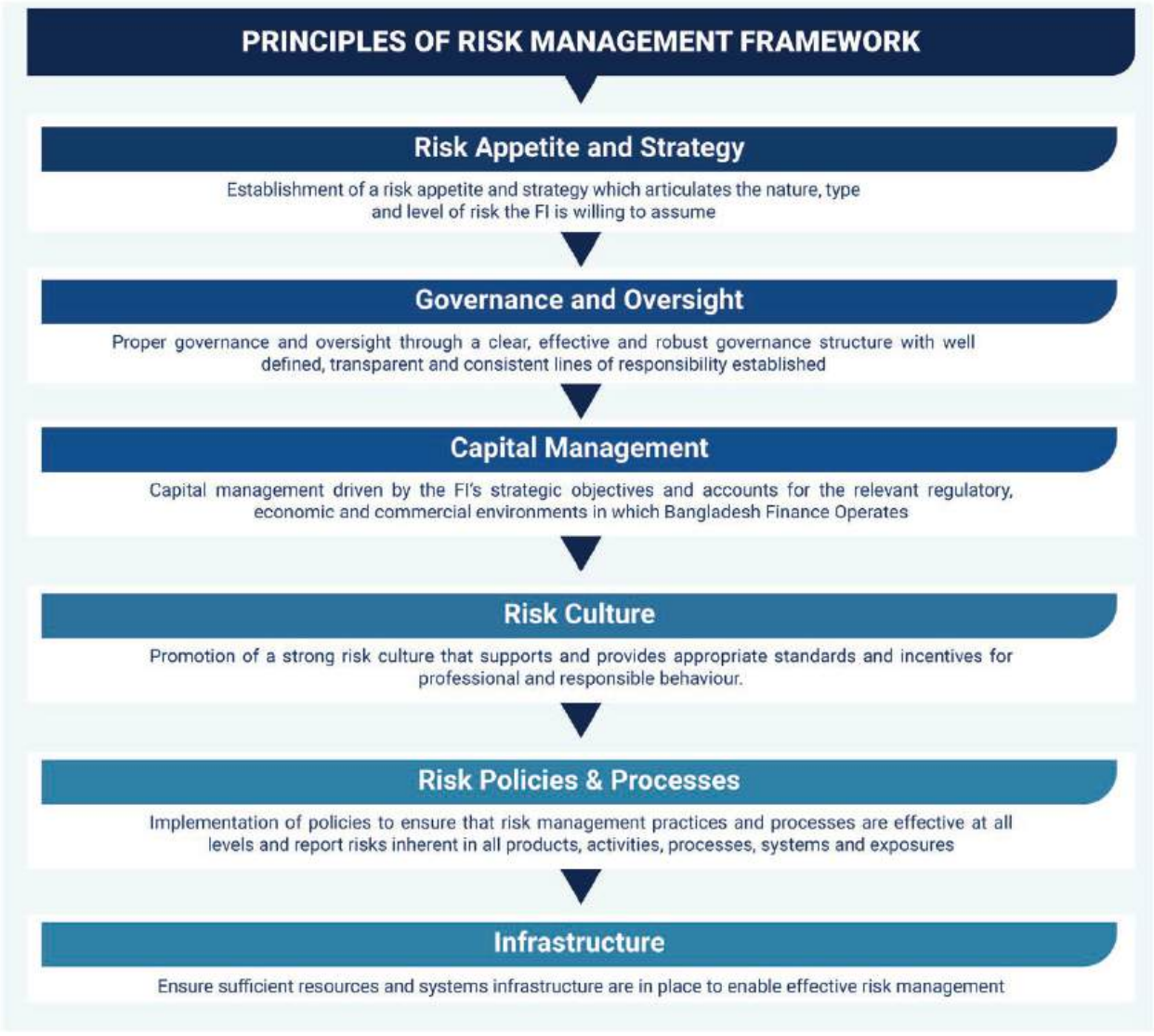
বাংলাদেশ ফাইন্যান্সে আমার ডিপোজিট আছে সম্পূর্ণ নিরাপদে



RISK MANAGEMENT

OVERVIEW OF RISK MANAGEMENT FRAMEWORK

Bangladesh Finance has a sound risk culture, an appropriate and enabling risk appetite and a well-tested, robust Risk Management Framework. The FI's risk management process is designed to ensure that the FI's risks are identified, measured, and managed effectively to maintain the safety and soundness of its operations. As a financial institution, we have implemented a risk management framework to identify, measure, monitor, and control various types of risks associated with our operations. Our robust Risk Management framework and the independence of our risk management function set us apart as a responsible financial service provider. It enables the execution of our strategic priorities without taking on undue financial and non-financial risks. Our risk policies and processes and their effective implementation through technology and governance enabled us to endure and even grow in these highly uncertain and disruptive times. Risk management is at the core of the operating structure of the FI. We seek to limit adverse variations in earnings and capital by managing risk exposures within agreed levels of risk appetite. Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and ensuring the continued adequacy of all our financial resources. The embedded risk management culture at Bangladesh Finance enables us to adopt to any change as and when they occur. A strong risk culture supported by resilient risk governance permits us to adopt in a prudent manner to any change in market trend and approaches.



Risk Appetite is defined as the quantum of risk Bangladesh Finance (The FI) is willing to assume in achieving its strategic objectives and ensuring maintenance of the desired risk profile. The Risk Appetite framework are aligned to the FI's overall business strategy, providing clear direction to the business units for on-going operations and risk management.



Here are the **key activities of the FI's risk management framework**:

1. **Risk Culture and Governance**: Bangladesh Finance has established a strong risk culture and governance framework to support its risk management process and to ensure that risk management is integrated into its overall management and decision-making processes. The Board of Directors oversees the risk management function, while the Credit Risk Management (CRM) unit as well as the Risk Management Forum (RMF) are responsible for implementing risk management policies. Risk management processes are aligned with the organization's strategy and objectives, and promoting a culture of risk awareness and accountability.
2. **Risk Identification and Assessment**: The FI has established a system to identify and assess various types of risks, including Credit Risk, Market Risk, Operational Risk, Liquidity Risk, and Legal and regulatory Risk. The risk assessment process includes the use of internal and external data, risk models, stress tests, and scenario analysis.
3. **Risk Mitigation**: Once the risks are identified and assessed, the FI takes measures to mitigate them. This includes implementing internal controls, setting risk limits, diversifying its portfolio, and establishing contingency plans.
4. **Risk Monitoring and Reporting**: The FI regularly monitors its risk profile through various risk indicators and metrics. The risk management department provides periodic risk reports to the management and the Board, highlighting areas of concern and proposing remedial measures. The FI also develops and implements policies and procedures to manage the risks, such as underwriting standards, collateral requirements, and asset-liability management strategies.
5. **Compliance**: The FI's risk management framework is designed to comply with the relevant regulatory requirements, such as the Bangladesh Bank's guidelines on risk management.
6. **Continuous Improvement**: Bangladesh Finance regularly reviews and updates its risk management framework to ensure that it remains effective and relevant. This includes incorporating feedback from internal and external stakeholders, and taking into account changes in the business environment and regulatory requirements.

The Risk Management Framework enables the FI to identify, measure, manage, price and control its risks and risk appetite, and relate these to capital requirements to assist in ensuring its capital adequacy and sustainability, and thus promotes sound business behaviour by linking these with performance measurement and remuneration practices. The fully embedded RMF covers the FI's risk universe and major risk classifications, with board and executive responsibility assigned to each. The embedded risk governance structure of the FI ensures detail and in-depth customer due diligence addressing associated risks and possible mitigations.

RISK GOVERNANCE

The Board of Directors holds apex responsibility for risk management and sets the tone at the top for the effective management of risks. In discharging its risk related responsibilities, it is supported by two key committees, namely the Executive Committee (EC) and the Board Audit Committee (BAC).

Board of Directors The ultimate governing body with overall risk oversight responsibility
Board Sub Committees

Board Audit Committee (BAC)	Board Executive Committee (BEC)
Assists the Board in the general oversight of financial reporting, internal controls and functions relating to internal and external audit. Composition - Five members of the Board of Directors. Two Independent Directors and three Non-Executive Directors. The Company Secretary is the Secretary to the Committee. The Head of Internal Audit directly reports to the Audit Committee and other members of the Senior Management attend the meeting on invitation, where necessary.	Reviews and approves Credit Proposals coming under Committee's delegated lending authority. Composition - Three Non-Executive Directors and the Managing Director & CEO. The Company Secretary is the Secretary to the Committee.

Credit Committee	**Portfolio Monitoring Committee**	**Risk Management Forum**	**Asset Liability Management Committee**
Reviews and approves Credit Proposals under Committee's delegated lending authority and approves the credit proposal for sending to EC Committee and Board of Director's meeting. Composition – The MD & CEO, The CFO, Head of CRM, Head of Treasury, Head of Operations, Head of Finance, Head of SAM & Monitoring	Evaluate portfolio of the business of different branches time to time And provide strategic support to enhance assets quality of the company. Composition: Managing Director & CEO, Head of SAM & Monitoring, CFO, Head of Operations, Head of Respective Business Team, All Branch Managers, Head of CRM	Reviews the FI's risk policy framework, overall performance and the potential risks faced by specific lines of business and support functions. Composition – Head of CRM, Head of ICC, Head of Treasury, Head of Operations, Head of IT & BT	To look after the financial market activities, manage liquidity and interest rate risk and understand market position and competition among other activities. Composition – Managing Director & CEO, CFO, Head of CRM, Head of Wealth Management, Head of Finance, Head of Treasury

GOVERNANCE STRUCTURE

The risk governance structure ensures accountability and ownership, whilst facilitating an appropriate level of independence and segregation of duties. The structure is based on the three lines of defense and defines the lines of authority, roles and responsibilities to efficiently manage risk across the FI. The activities carried out during the year by the above-mentioned Board Sub Committees are covered in detail in the Board Sub-committee Reports.

	1st Line of Defense	2nd Line of Defense	3rd Line of Defense
Role	Business Line/Credit Committee	Risk Management/ Compliance	Internal Audit
	Managing Business Line Operations	Risk Management and Compliance	Independent verification
Responsibility	Accountability with Centralized Primary Responsibilities	Centralized oversight and independently evaluate the first line activities	Assurance and review
Activities	• Primary responsibility for identifying, • managing and reporting risk • Self-Assessment of Risk and Control • Compliance with all policies and procedures	**Risk Management Activities:** Develop and implement risk management framework, policies, systems, procedures and tools. • Providing support to the business units, review and report key risks to the Audit Committee. **Compliance Activities** • Regulatory adherence • Regulatory reporting • Anti-money laundering	**Internal Audit Activities:** • Review effectiveness of risk management practices and internal control framework • Confirm level of compliance • Identify gaps, control weaknesses in processes and highlights same to the relevant stakeholders **External Audit Activities** • Reporting to shareholders, giving an opinion on the true and fair view of the Financial Statements and reviewing internal controls over financial reporting process

CAPITAL MANAGEMENT

Bangladesh Finance operates in a sector that is one of the most regulated in Bangladesh and hence has developed rigorous compliance standards with a prudent capital allocation focus and management strategy. This has resulted in the fact that the company has been able to consistently maintain capital levels in excess over stipulated regulatory requirements. One of the key factors underlying the company's safeguarded capital buffer levels is the organization's ability to proactively, diligently and competently engage in forecasting major business trends, risk weighted assets and capital flows. In fact, prudent capital planning is woven into the company's risk and governance processes, as capital remains a key consideration in the development of the company's strategic plans and risk limits. The company has also been successful in judicious forecasting about impending capital requirements, thus succeeding in achieving business goals and also in planning astutely to ensure required capital buffers at all times. Thus, we manage our capital position such that our capital is more than adequate to support our business activities, while also ensuring that it remains in alignment within our strategic planning framework and risk appetite.

The company's top management also supervises ICAAP outcomes and provides insights via quarterly assessments of the adequacy of our capital and capital positions to the Board or its committees.

Thus, capital planning is a dynamic and proactive facilitator for Bangladesh Finance, enabling resilient company's operations especially in highly challenging economic conditions such as those induced by the coronavirus pandemic.

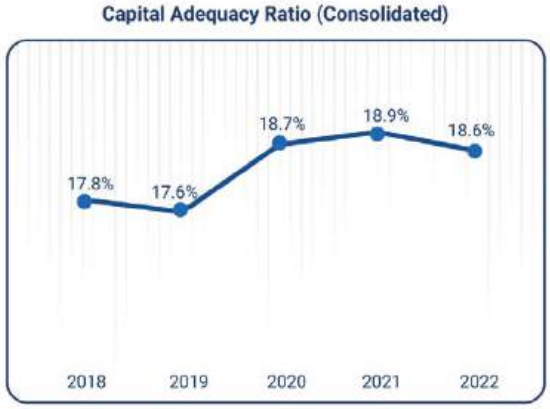
As per the section 4 (GHA) of the Financial Institutions Rule, 1994 and subsequent DFIM circular no. 05, dated July 24, 2011, the minimum paid-up capital of the Financial Institution (FI) shall be Taka 100 crore; provided that the sum of paid-up capital and reserves shall not be less than the minimum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

Historically, Bangladesh Finance always maintained a healthy capital ratio against the minimum regulatory requirement. The following table demonstrates our successful capital management strategy over the last five years:

(Amount in Million)

Particulars	2018	2019	2020	2021	2022
Core Capital (Tier -I)	2,097.92	2,316.18	2,374.47	2,543.55	2,630.14
Supplementary Capital (Tier-II)	449.37	269.20	332.53	407.21	416.57
Total Eligible Capital	2,547.29	2,585.38	2,707.01	2,950.76	3,046.72
Total Risk Weighted Assets	16,473.94	16,646.78	16,340.19	16,156.55	16,962.03
Required Capital Based on Risk Weighted Assets (10%)	1,647.39	1,664.68	1,634.02	1,615.66	1,696.20
Surplus	899.90	920.70	1,072.99	1,335.11	1,350.50







Credit Risk Management:

Bangladesh Finance manages credit risk through processes and policies relating to the pre-sanction, post-sanction stages of credit approval and other portfolio management internal processes.

OBJECTIVES OF CREDIT RISK MANAGEMENT

- Ensure optimal risk-reward pay-off for the FI to maximize returns
- Maintain the quality of the portfolio by minimizing the non-performing loans and probable losses
- Maintain a well-diversified portfolio by prudently managing the risk asset portfolio to ensure that the risk of excessive concentration to any industry, sector or individual customer is minimized
- Ensure that exposures to any industry or customer are determined by the regulatory guidelines, clearly defined internal policies, debt service capability and balance sheet management guidelines.

Key Pillars of Bangladesh Finance's Credit Risk Management Framework

Credit Risk Appetite Parameters

Credit Quality Parameters

» Credit quality related ratios
» Product-wise NPA
» Provision covers
» Security covers
» Rating grades as a percentage of the total portfolio

Lending Parameters

» Single borrower exposure (individual/group)
» Top 20 Loans and advances
» Sector-wise lending caps
» Product-wise concentration score
» Risk rating grade-wise exposure

Standard Monitoring Protocols

» Top 20 borrower analysis report (Monthly Basis)
» Analysis of risk elevated industries (Quarterly)
» Analysis of sector-wise and product wise exposures (Monthly)
» Advance portfolio analysis (Semi-Annually)
» Analysis of Geographical distribution (Monthly)
» Loan review monitoring process (Ongoing, up to a % of total loan portfolio)

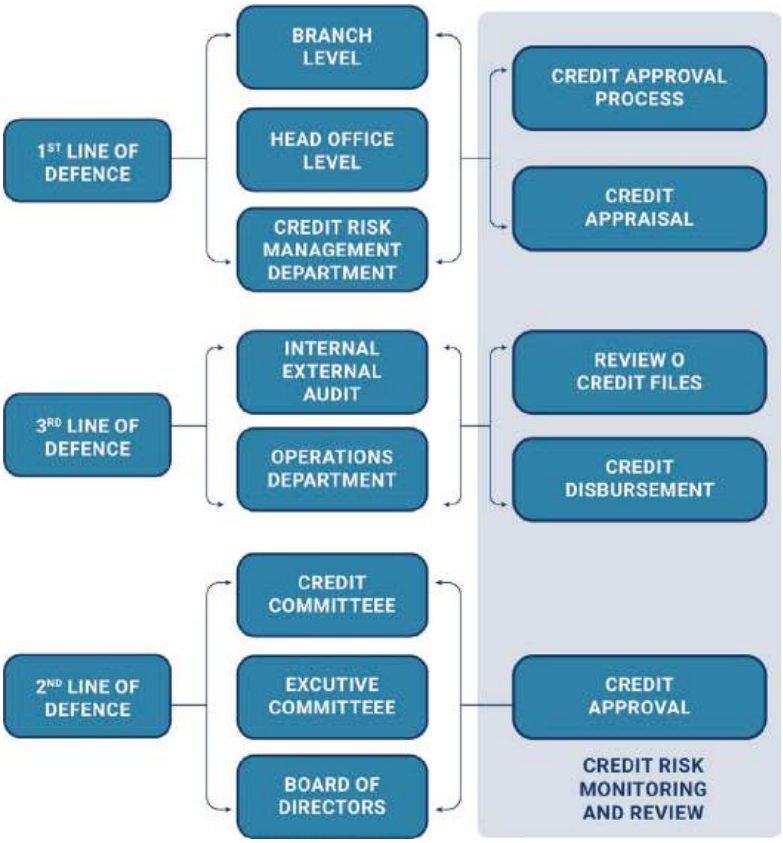
Key Control System

- Credit Policy and Credit Manual that serves as the foundation for lending
- Comprehensive due diligence and customer screening procedures at the pre-credit evaluation stage
- Portfolio review by the Portfolio Review Committee (PMC) on monthly basis
- A clear segregation of duties between loan origination, pre-credit evaluation administration and post-credit monitoring
- Proactive post-credit monitoring and follow up by the Business Units, Credit Risk Management Unit and Recoveries Department
- Effective identification of Early Warning Signals and Watch Listing procedure
- Credit Risk Management Policy and related procedures

Governance & Oversight

- Branch Managers
- Business Head
- Head of SAM and Monitoring
- Credit Committee
- Internal Audit Function
- Credit Policy, Risk and Portfolio Review Committee
- Board Executive Committee
- Board Audit Committee
- Board of Directors

Credit approval policy:



Business Composition of Portfolio

Bangladesh Finance's portfolio growth was maintained deliberately during the year. The segment wise composition of portfolio is comprised of corporate, SME, and retail:

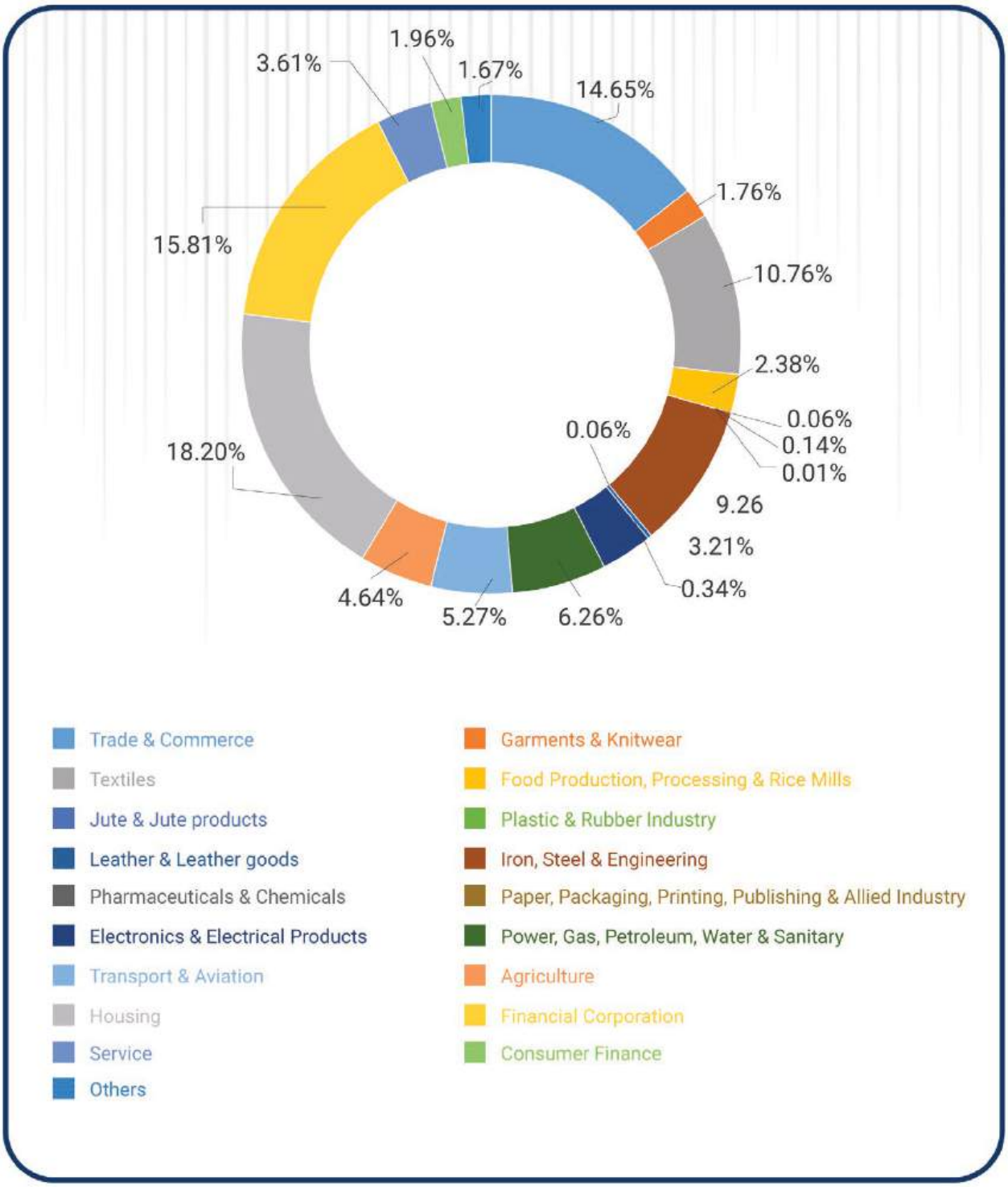


Geographical Concentration of Portfolio:

The higher concentration of investment was in Industry sector. For the product wise data, the concentration was mostly in Corporate Finance, Retail Finance and SME Finance. Region wise portfolio analysis shows that investment was heavily concentrated in Dhaka Zone, comprised of 04 branches; Principal Branch, Uttara Branch, Bangshal Branch, Gazipur Branch.



SECTOR WISE CLASSIFICATION OF INVESTMENT 2022



Market Risk:

Market risk is the potential for loss of earnings or economic value due to adverse changes in financial market rates or prices. It covers interest rate risk and equity price risk in the Trading Book of Bangladesh Finance. Bangladesh Finance is exposed to risk associated with fluctuations in interest rate and equity price. Interest rate risk is the current or prospective risk that earnings and/or capital are negatively affected by interest rate changes in the financial markets. This risk is inherent to the company's business. Bangladesh Finance uses various indicators to measure interest rate risk. The interest rate risk position is monitored by the Asset and Liability Committee (ALCO) on monthly basis. The interest rate risk is managed with an interest risk model, using guidelines and limits set by Bangladesh Bank and by performing various interest rate stress scenarios. Limits are agreed by the Management Committee based on a proposal made by the Asset and Liability Committee.

Interest Rate Risk	+	Equity Price Risk	=	Market Risk

Market Risk Appetite Parameters

Liquidity Risk
- Net Loans to Total Asset
- Total Loans to Customer Deposits
- Loan Fund Ratio
- Bulk Deposits to Total Deposits
- Commitments to Total Loans

Interest Rate Risk
- Interest Rate Capping
- Adjustment of inflation
- Industry pressure

Interest Rate Risk
- Loss on capital market operation
- Capping of capital market investment

Key Control System

- ALCO Policy
- Investment Policy
- Treasury Manual
- Liquidity Management Policy including Liquidity Contingency Funding Plan
- Treasury Policy and procedure guideline for Treasury Operations
- Code of Conduct for Treasury Operations

Standard Monitoring Protocols

- Monitoring of Board-approved limit framework for Market Risk Management (Continuous and Ongoing)
- Assessment of Liquidity Risk, Interest Rate Risk and Equity Risk (Continuous and Ongoing)
- Applying risk measurement techniques such as Stress Testing, Sensitivity Analysis for Market Risk exposures (Continuous and Ongoing)
- Monitoring the market developments and trends (Continuous and Ongoing)

Governance & Oversight

- Asset and Liability Management Committee
- Investment Committee
- ALCO Committee
- Risk Management Unit
- Board Executive Committee
- Board of Directors

Operational Risk:

Operational risk is defined as the risk of unexpected losses due to physical catastrophe, technical failure and human error in the operation of a financial institution, including fraud, failure of management, internal process errors and unforeseeable external events.

Operational risk is the potential for loss arising from the failure of people, process or technology or the impact of external events. It is the objective of Bangladesh Finance to minimize exposure to operational risks, subject to cost tradeoffs. This objective is ensured through a framework of policies and procedures that drive risk identification, assessment, control and monitoring at business/function levels. Responsibility for the management of operational risks rests with the business and functional management as an integral part of their role. Bangladesh Finance proactively monitors its exposure to material loss events by leveraging on internal experience (via risks and losses) and industry experience.

Operational Risk Appetite Parameter

- Internal Frauds
- External Frauds
- Employment Practice and Work Place Safety
- Clients, Products and Business Practices
- Business Disruption and System Failures
- Damages to tangible Assets
- Execution Delivery and Process Management

Standard Monitoring Protocols

- Branch Managers
- Business/Department Heads
- IT Department
- Credit Risk Management Unit
- Internal IT controls and best practices for information security
- Policy on mapping FI's activities against the BASEL Guidelines
- Legal Framework
- Anti-Money Laundering Guidelines

Operational Risk Appetite Parameter

» Risk Management Policy
» Internal Policies, Procedures, Directives, and System Specifications along with MOUs, Service Level Agreements and Non-Disclosure Agreements to effectively manage relationships with external service providers.
» Information Security Department
» Board Audit Committee
» Internal Audit Function
» Board of Directors

Except those principal risks, Bangladesh Finance has to manage some other risks, those are as follows:

Operational risk is defined as the risk of unexpected losses due to physical catastrophe, technical failure and human error in the operation of a financial institution, including fraud, failure of management, internal process errors and unforeseeable external events.

Operational risk is the potential for loss arising from the failure of people, process or technology or the impact of external events. It is the objective of Bangladesh Finance to minimize exposure to operational risks, subject to cost tradeoffs. This objective is ensured through a framework of policies and procedures that drive risk identification, assessment, control and monitoring at business/function levels. Responsibility for the management of operational risks rests with the business and functional management as an integral part of their role. Bangladesh Finance proactively monitors its exposure to material loss events by leveraging on internal experience (via risks and losses) and industry experience.

Risk	Implication	Mitigation Plan
Liquidity Risk	• Unable to meet its short-term funding needs • Unable to meet its obligations to customers or other stakeholders due to funding constraints, it can damage the company's reputation • Unable to meet these requirements, it may face regulatory sanctions or penalties	• Maintains an adequate level of liquid assets, i.e. cash, bank deposits, and marketable securities, to meet its short-term funding requirements • Diversifies its funding sources to reduce dependence on a single source of funds. • A contingency funding plan in place to manage unexpected liquidity shortfalls
Cyber Risk	• Data breach can occur when sensitive customer information is stolen or compromised resulting which financial loss, reputational damage, and legal and regulatory penalties may occur • Cyber-attack can disrupt an FI's operations, leading to lost productivity and revenue	• Conducting regular risk assessments • Implementing technical controls • Incident response planning • Regular testing and monitoring
Compliance and Legal Risk	• Non-compliance with regulatory requirements may result in penalties and fines imposed by the regulatory authorities • Non-compliance can damage the reputation of the FI and lead to a loss of customers, investors, and stakeholders • Compliance risk can result in financial loss due to legal costs, fines, penalties, and loss of business • Failure to comply with legal and regulatory requirements may result in legal action against the FI.	• FI has developed policies and procedures that comply with the legal and regulatory requirements of Bangladesh Bank • FI has established a compliance function that is responsible for monitoring and managing compliance risks. • FI conducts regular audits and risk assessments to identify areas of non-compliance and potential compliance risks. • FI has established a mechanism for employees and stakeholders to report any instances of non-compliance.

Reputational Risk	• Reputational risk can cause long-term damage to an NBFI's reputation, making it difficult to rebuild trust and regain customer and investor confidence • Reputational risk can lead to a loss of investor confidence, reducing an NBFI's access to capital and funding	• FI has established a code of conduct and ethics, which guides its employees' behavior and ensures that they act in an ethical and responsible manner • FI has established a crisis management plan that outlines the steps to be taken in the event of a reputational crisis • FI engages with its stakeholders, including customers, employees, shareholders, regulators, and the community, to understand their needs and concerns and to build strong relationships based on transparency and trust
Strategic Risk	• Failure to adapt to changes in the market or industry can result in an NBFI losing market share to competitors • Strategic risk can lead to financial distress or even bankruptcy for the FI • Poor strategic decisions or implementation can impact the organization's ability to generate revenue, invest in growth, and pay dividends to shareholders.	• Conducting regular strategic reviews • Fostering a culture of risk awareness • Investing in technology and infrastructure • Monitoring and adapting to changes in the market and industry • Building and maintaining strong partnerships
Money Laundering and Terrorist Financing Risk	• Reputational damage • Legal and regulatory sanctions • Increased operational costs • Risk to financial stability • Reduced access to international markets	• Developing and implementing AML/CFT policies and procedures • Customer due diligence • Employee awareness and training • Use of technology • FI maintains detailed records of all transactions, including customer information and transaction history, and has put in place a system to report suspicious transactions to the Bangladesh Financial Intelligence Unit (BFIU) as required by law. • Compliance monitoring

Action Plan for 2023 Against Economic Turbulence

As a non-banking financial institution, Bangladesh Finance Limited is not directly affected by the ongoing Russia-Ukraine war. However, the global economic impact of the war could have indirect effects on The FI and its customers. To drive resilience during this continuity of this economic uncertainty, we have taken several measures for the year of 2023, such as:

» Enhancing Digital Capabilities: We will enhance its digital capabilities to provide seamless customer service and reduce operational costs. This can include offering online and mobile banking services, digital payment systems, and other digital solutions.

» Strengthening Capital and Liquidity Position: We will take measures to strengthen its capital and liquidity position, such as raising additional capital, optimizing its existing capital base, and managing its liquidity risks.

» Diversification of Portfolio: We will ensure that its loan portfolio is well-diversified across different sectors and industries. This can help to mitigate the impact of any downturn in any one sector due to the war.

» Developing a Contingency Plan: We will develop a contingency plan that outlines the measures it will take to manage any potential risks arising from the conflict. This plan also includes actions to diversify the loan portfolio, manage capital and liquidity, and optimize operational costs.

» Strengthening Risk Management Capabilities: We will strengthen its risk management capabilities by investing in risk management technologies and tools that can provide real-time insights into its portfolio and risks.

» Continuous Risk Assessment: We will continue to assess the risks to its business from the ongoing conflict and the resulting economic instability. This will allow the institution to identify any potential risks and take measures to mitigate them.

Strategies taken by Bangladesh Finance limited to reduce NPL in 2022 and beyond

Industry NPL Movement:

Non-performing loans in Bangladesh began to rise after 2011, owing to market volatility, insufficient infrastructure facilities stifling investment growth, and political instability. Changes in classification criteria in 2012 to keep up with international standards, as well as an increase in loan scams in state-owned banks, financial institutions fueled the growth of NPLs in the banking industry. Loan rescheduling, large loan restructuring allowed by the Central Bank in 2015, and write-off of loans for which financial institution provided full provision improved the financial industry's NPLs in subsequent years.

Bangladesh's banking sector already has a high level of nonperforming loans (NPLs) and the pandemic is likely to worsen the situation. Many banks and financial Institutions basically failed to communicate with their customers that leads to a rise of default.

NPL Position at Bangladesh Finance:

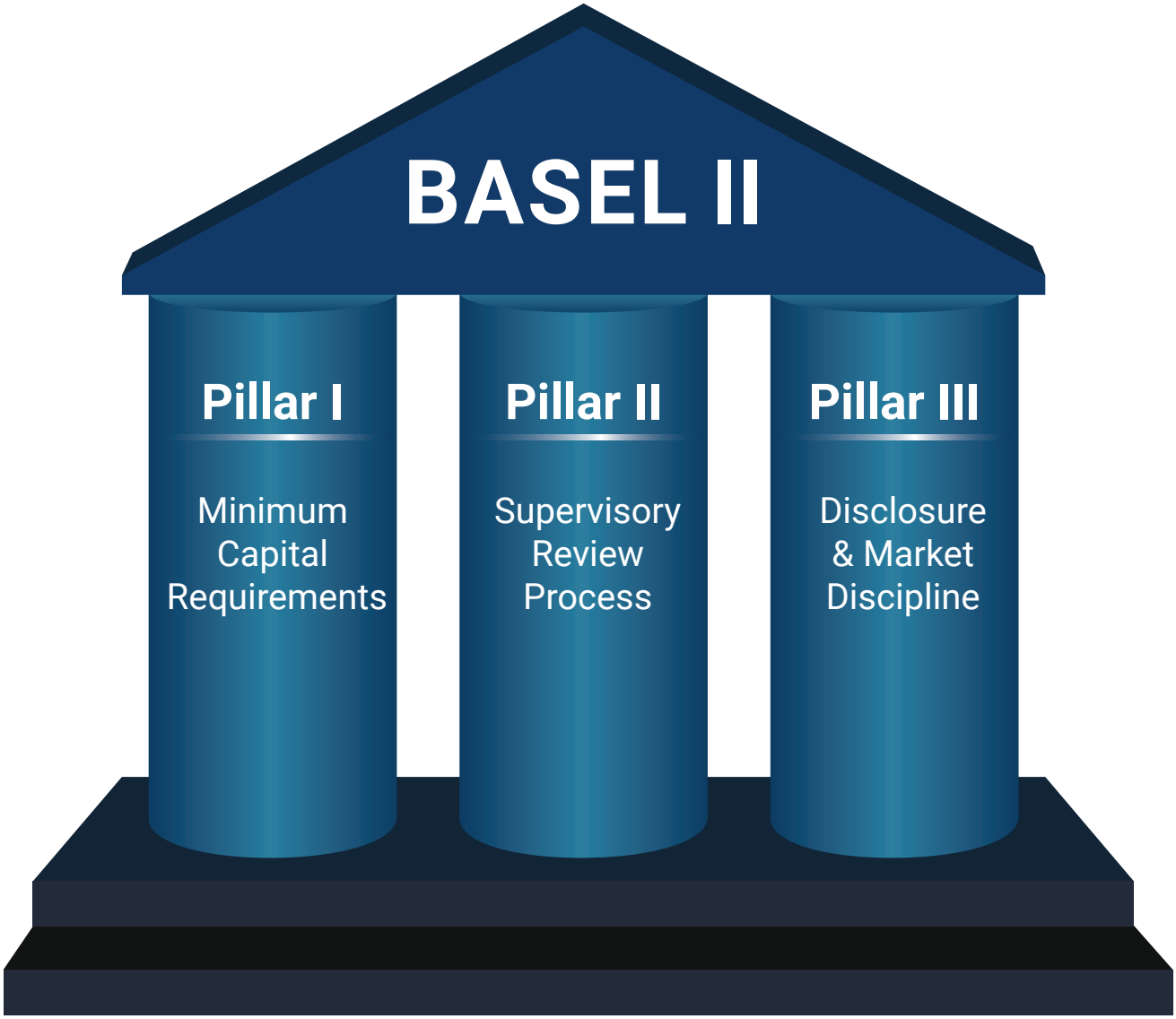
Bangladesh Finance have maintained a close relationship with the customers, supported them and also managed the highest rate of recovery that helps to keep our NPL at 5.56% in 2022 although the Industry NPL is much higher.

Bangladesh Finance's intense focus on asset quality drove it to an enviable low NPL ratio. In 2021, Bangladesh Finance saw a significant improvement in NPL over the years. A collaborative effort by the Business Division, the Credit Risk Management Division, the Special Asset Management Division, and the Management to keep the loan portfolio healthy, as well as effective oversight by the Honorable Board of Directors, has enabled Bangladesh Finance to achieve this feat.

Non-performing loans (NPLs) are a significant challenge for Bangladesh Finance Limited. Here are some strategies that we have taken to reduce our NPLs in 2023:

- Credit risk management: We adopt a more proactive approach to credit risk management by improving its credit assessment procedures, setting appropriate credit limits, and monitoring the credit quality of its borrowers more closely. This can help us to identify potential problem loans early and take corrective actions before they become non-performing.
- Restructuring and rescheduling: We will consider restructuring or rescheduling the loans of its borrowers who are experiencing financial difficulties but are likely to recover in the future. This can help to reduce the level of NPLs by keeping the loans current and avoiding defaults.
- Recovery and collection: We will focus on recovering its NPLs through various means such as negotiating with borrowers, taking legal action, or selling the loans to third-party collection agencies. This can help to improve its collection efficiency and reduce the level of NPLs.
- Portfolio diversification: We will reduce its NPLs by diversifying its loan portfolio across different sectors and industries, rather than relying heavily on a particular sector or group of borrowers. This can help to reduce its exposure to any one particular risk and improve the overall quality of its loan portfolio.
- Cost management: We will also look for ways to reduce its operational costs to improve its overall profitability and reduce its exposure to financial risks. This can include streamlining its operations, reducing expenses, and optimizing its use of technology and automation.
- Loan recovery and monitoring system: We will implement a robust loan recovery and monitoring system that ensures prompt follow-up and immediate corrective action in case of delinquencies. It can leverage digital technologies like data analytics and artificial intelligence to identify early warning signals and risks associated with delinquent accounts.

DISCLOSURES UNDER PILLAR III- MARKET DISCIPLINE



Pillar III of the Basel II framework requires financial institutions to disclose relevant information about their risk management practices, capital adequacy, and risk exposure to promote market discipline. The goal of Pillar III is to provide transparency and enable market participants to make informed decisions about the risks associated with a financial institution.

The following detailed qualitative and quantitative disclosures are provided in accordance with prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions which has been published on December 28, 2011. The Purpose of these requirements is to complement the capital adequacy requirements and the pillar III – Supervisory review process. These disclosures are intended for market participants to assess key information about the FI's exposure to various risks and to provide a consistent and understandable disclosure framework as per regulatory requirements. The FI has an approved disclosure policy to observe the disclosure requirements set out by the Bangladesh FI and International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) where relevant to the FI.

01. Scope of Application

Qualitative Disclosures	
a) The name of the top corporate entity in the group to which this guideline applies.	**Bangladesh Finance Limited**
b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (i) that are fully consolidated; (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	The consolidated Financial Statements include the Financial Statements of i) Bangladesh Finance Limited, ii) Bangladesh Finance Securities Limited, and iii) Bangladesh Finance Capital Limited. Bangladesh Finance holds 57.36% and 99.97% shares of Bangladesh Finance Securities Limited and Bangladesh Finance Capital Limited respectively. A brief description of these institutions are given below: **Bangladesh Finance Limited** Bangladesh Finance Limited (BFL) is a financial institution operating in Bangladesh. It was incorporated in 1999 and obtained its license from the Bangladesh Bank (the central bank of Bangladesh) in 2000 to operate as a non-bank financial institution (NBFI). Bangladesh Finance provides a range of financial services, including lease financing, term financing, project financing, and SME financing. It also offers deposit products, including fixed deposits, monthly savings schemes, and other investment products. **Bangladesh Finance Securities Limited** Bangladesh Finance Securities Ltd is a subsidiary of Bangladesh Finance providing brokerage services to its clients with a membership of the Dhaka Stock Exchange Ltd. BD Securities commenced its operation in November 2011 and within a short span of time the company has emerged as one of the leading brokerage houses of the country holding an average of 1.69% market share of DSE trade volume. During the year 2015 the ranking of Bangladesh Finance Securities in DSE stood at 25. The Company has a strong team of highly skilled and experienced professionals to achieve its ultimate objectives. **Bangladesh Finance Capital Limited** Bangladesh Finance Capital Limited is a full-fledged Merchant Banker licensed by Bangladesh Securities and Exchange Commission (BSEC) on February 26, 2012. BD Capital is a 100% subsidiary of Bangladesh Finance Limited and is a Depository Participant with Central Depository Bangladesh Limited (CDBL). We are catering to individual Investors, Corporate and NRB clients. BD Capital started its journey on August 19, 2013 with authorized capital of Tk. 200 crore and paid up capital of Tk. 26.87 crore. The organization is run by a team of professionals under leadership of highly experienced and leading personalities of this field.
c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not Applicable for the FI
Quantitative Disclosures	
d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries.	Not Applicable for the FI

02. Capital Structure

Qualitative Disclosures

a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.

Tier 2 capital includes:

i. General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk;

ii. Revaluation reserves:

50% Revaluation reserve for fixed assets;

45% Revaluation reserve for securities;

iii. All other preference shares.

Conditions for maintaining regulatory capital:

The calculation of Tier 1 capital, and Tier 2 capital, shall be subject to the following conditions:

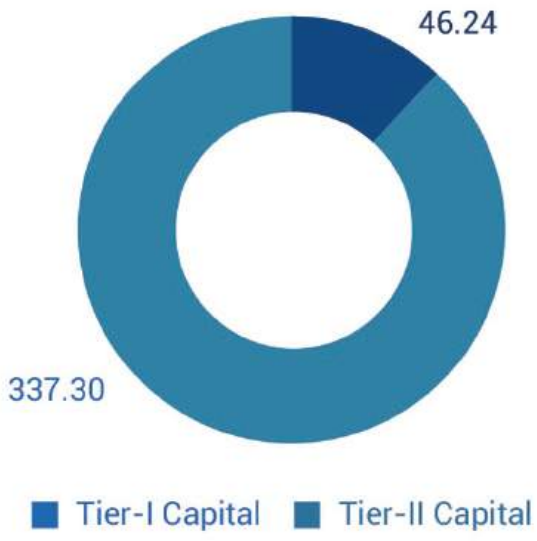
i. The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital.

ii. 50% of revaluation reserves for fixed assets and 45% of revaluation reserves for securities are eligible for Tier 2 capital.

Quantitative Disclosures

b) The amount of Tier 1 capital, with separate disclosure of:

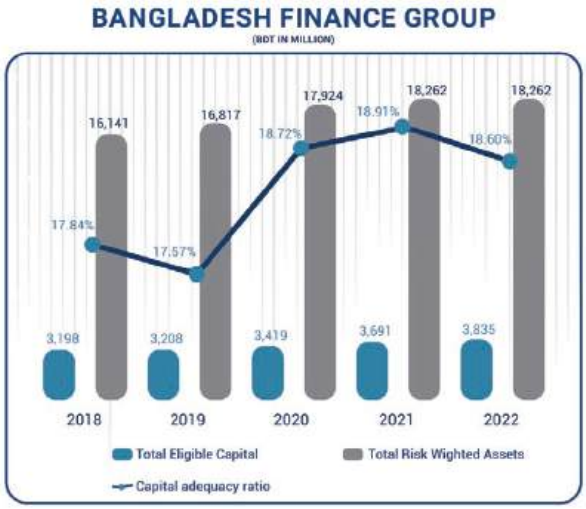
Particulars	Amount in BDT crore
Paid up capital	188.24
Statutory Reserve	50.12
General Reserve	-
Retained earnings	45.09
Minority interest in subsidiaries	50.49
Others (If any approved by Bangladesh Bank)	3.37
a)Total Tier 1 capital	**337.30**
b) The total amount of Tier 2 capital	**46.24**
c) (c=a+b) Total eligible capital	**383.54**

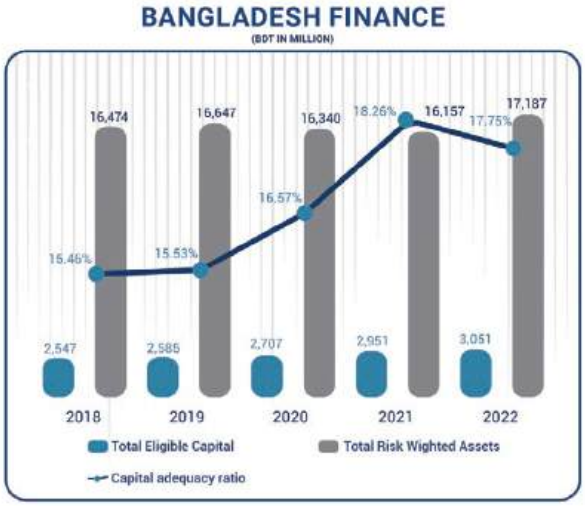


03. Capital Adequacy

Qualitative Disclosures	
a) A summary discussion of the FI's approach to assessing the adequacy of its capital to support current and future activities.	**Risk Weighted Assets (RWA) and Capital Adequacy Ratio (CAR)** Bangladesh Finance has adopted Standardized Approach for computation of Capital Charge for Credit Risk and Market Risk while Basic Indicator Approach for Operational Risk. Total Risk Weighted Assets (RWA) of the Company is determined by multiplying the capital charge for market risk and operational risk by the reciprocal of the minimum capital adequacy ratio i.e. 10% and adding the resulting figures to the sum of risk weighted assets for credit risk. Total RWA is then used as denominator while total Eligible Regulatory Capital as on numerator to derive Capital Adequacy Ratio. **Strategy to achieve the required Capital Adequacy:** **Operational level:** **Immediate measures:** Asking unrated corporate clients to have credit rating from External Credit Assessment Institutions (ECAIs) recognized by Bangladesh Bank; Rigorous monitoring of overdue contracts to bring those under 90 days overdue; Assessing incremental effect of capital charge over the expected net income from financing before sanctioning any appraisal, which could be one of the criteria for taking financing decision. **Continuous measures:** Concentrating on SME clients having exposure up to BDT 1 crore as this will carry 75% fixed risk weight (for regular contracts only); Financing clients having good credit rating; Using benefit of credit risk mitigation by taking eligible financial collaterals against transactions; Focusing more on booking high spread earning assets and thus increasing retained earnings. Strategic Level: Injecting fresh capital by issuing right shares, if required.
Quantitative Disclosures	
b) Capital requirement for Credit Risk	1,765.81 Crore BDT
C) Capital requirement for Market Risk	222.13 Crore BDT
d) Capital requirement for operational risk	74.65 Crore BDT
e) Total and Tier 1 capital ratio:	

Particular	Consolidated	Stand Alone
CAR on Total capital basis (%)	18.60	17.75
CAR on Tier 1 capital basis (%)	16.35	15.31





04. Credit Risk

Qualitative Disclosures	
a) The general qualitative disclosure requirement with respect to credit risk, including:	Financial institutions classifies loans and advances (loans and bill discount in the nature of an advance) into performing and non-performing loans (NPL) in reference to DFIM circular no. 4 dated 26th July 2021
Definitions of past due and impaired (for accounting purposes)	As per the Bangladesh Bank's Prudential Guideline on Capital Adequacy and Market Discipline for Financial Institutions, the unsecured portion of any claim or exposure (other than claims secured by residential property) that is past due for 90 days or more, net of specific provisions (including partial write-off) will be risk weighted as per risk weights of respective balance sheet exposures. For the purpose of defining the net exposure of the past due loan, eligible financial collateral (if any) may be considered for Credit Risk Mitigation. 1. Any Continuous Loan or Demand Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the FI will be treated as past due/overdue from the following day of the expiry date. Whereas, in case of any instalment (s) or part of instalment (s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid instalment (s) will be treated as past due/overdue after six months of the expiry date. 2. A continuous loan, demand loan, fixed term loan or any instalment(s)/ part pf instalment(s) of a Fixed Term Loan which will remain past due/overdue for a period of: a. 03 (three) months or beyond but less than 09 (nine) months, the entire loan will be put into the "Sub-standard (SS)" b. 09 (nine) months or beyond but less than 12 (twelve) months, the entire loan will be put into the "Doubtful (DF)". c. 12 (twelve) months or beyond, the entire loan will be put into the "Bad/Loss (B/L)

Description of approaches followed for specific and general allowances and statistical methods	Specific and General provisions are maintained according to the relevant Bangladesh Bank guideline.

Types of Loan	Provision Maintained
SME –Standard loan/lease	0.25%
Subsidiaries/sister concerns/ brokerage house/merchant banks/stock dealers	2%
Standard loans (other than SME/ Subsidiaries/sister concerns/ brokerage house/merchant banks/stock dealers - Standard loan/ lease)	1%
SMA loan/ lease	5%
Sub-standard loan/lease	20%
Doubtful loan/lease	50%
Bad/loss loan/lease after deducting the amount of interest expenses and value of eligible securities from the outstanding balance of classified accounts.	100%

Discussion of the FI's credit risk management policy

Implementation of various strategies to minimize risk:

To encounter and mitigate credit risk the following control measures are taken place at Bangladesh Finance:

- Looking into payment performance of customer before financing;
- Annual review of clients;
- Adequate insurance coverage for funded assets;
- Vigorous monitoring and follow up by Special Assets Management and collection Team;
- Strong follow up of compliance of credit policies by Credit Administration Department;
- Taking collateral and performing valuation and legal vetting on the proposed collateral;
- Seeking legal opinion from internal and external lawyer for any legal issues;
- Maintaining neutrality in politics and following arm's length approach in related party transactions;
- Regular review of market situation and industry exposure;
- Sector-wise portfolio is maintained within specific limits to ensure diversification of loan assets.

In addition to the industry best practices for assessing, identifying and measuring risks, Bangladesh Finance also considers Guidelines for Managing Core Risks of financial institutions issued by the Country's Central Bank, Bangladesh Bank; vide FID Circular No. 10 dated September 18, 2005 for management of risks.

Approved Credit Policy by the Board of Directors

The Board of Directors has approved the Credit Policy for the company where major policy guidelines, growth strategy, exposure limits (for particular sector, product, individual company and group) and risk management strategies have been described/stated in detail. Credit Policy is regularly updated to cope up with the changing global, environmental and domestic economic scenarios.

Separate Credit Risk Management (CRM) Department

An independent Credit Risk Management (CRM) Department is in place, at Bangladesh Finance, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high quality credit portfolio and maximize returns from risk assets. Research team of CRM regularly reviews market situation and exposure of Bangladesh Finance in various industrial sub-sectors. Credit Administration Department has been segregated from CRM in line with Central Bank's Guidelines. CRM assess credit risks and suggest mitigations before recommendation of every credit proposal while Credit Administration confirms that adequate loan and lease security documents are in place before disbursement.

Special Assets Management and Collection Team

A strong Law and Recovery Team monitors the performance of the loans & advances, identify early signs of delinquencies in portfolio, and take corrective measures to mitigate risks, improve loan quality and to ensure recovery of loans in a timely manner including legal actions.

Independent Internal Control and Compliances Department (ICC)

Appropriate internal control measures are in place at Bangladesh Finance. Bangladesh Finance has also established Internal Control and Compliances Department (ICC) to ensures, compliance with approved lending guidelines, Bangladesh Bank guidelines, operational procedures, adequacy of internal control and documentation procedures. ICC frames and implements policies to encounter such risks.

Credit Evaluation

The Credit Committee (CC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The CC critically reviews proposals considering the current global financial crisis and its probable impact on the specific project.

Credit Risk Grading (CRG) helps a Financial Institution to understand the various dimensions of risks involved in transactions related to small business clients who are plying their businesses in various geographical locations across the country. Bangladesh Finance has been developing and managing CRG to promote the safety and soundness of the Company by facilitating informed decision-making. This grading measures credit risk and differentiate individual credits and groups of credits by the risk they pose. This allows management and examiners to monitor changes and trends in risk levels. The process also allows the management to manage risk to optimize returns.

To mitigate credit risk, Bangladesh Finance search for credit information report from the Credit Information Bureau (CIB) of Bangladesh Bank. The report is scrutinized by CRM and CC to understand the liability condition and repayment behavior of the client. Depending on the report, opinions are taken from client's banks. Suppliers' and buyers' opinion are taken to understand the market position and reputation of our proposed customers.

Credit Approval Process

To ensure both speedy service and mitigation of credit risk, the approval process is maintained through a multilayer system. Depending on the size of the loan, a multilayer approval system is designed. As smaller loans are very frequent and comparatively less risky, lower sanctioning authority is set to improve the turnaround time and associated risk. Bigger loans require more scrutiny as the associated risk is higher. So sanctioning authority is higher as well.

Credit Quality and Portfolio Diversification

Bangladesh Finance believes in diversification in terms of products as well as sectors. To mitigate the Credit Risk, the company diversifies its loan exposure to different sectors confirming the Central Bank's requirements. Threshold limit is set for any sector so that any adverse impact on any industry has minimum effect on Bangladesh Finance's total return. Central Bank's instructions are strictly followed in determining

Single Borrower/Large Loan limit. Significant concentration of credit in terms of groups or geographical location is carefully avoided to minimize risk.

Early Warning System

Performance of loans is regularly monitored to trigger early warning system to address the loans and advances whose performance show any deteriorating trend. It enables the company to grow its credit portfolio with ultimate objective to protect the interest of stakeholders.

NPL Management

Bangladesh Finance measures its loan portfolio in terms of payment arrears. The impairment levels on the loans and advances are monitored regularly.

As per FID Circular No.3 dated March 15, 2007 & and DFIM Circular No.2 dated April 01, 2019:

1. Loan/Lease, classified as bad/loss and with 100% provision, can only be written-off.
2. Approval from the Board of Directors has to be taken before write-off.

3. The financial institutions should constantly try to recover the loan/lease written-off amount. If legal action has not been taken against the client, legal charges should be placed before the write off.
4. To expedite the legal settlement or collection of the due amount, third party agents can be appointed by the financial institutions.
5. A separate ledger should be maintained for the written off loans/leases and the accumulated written off value should be disclosed separately under the heading of "notes to the account" in the annual report/balance sheet of the financial institutions.
6. Even if the loan/lease has been written off, the client should be classified as defaulter and reported to CIB accordingly.

Counterparty Credit Rating

Bangladesh finance is taking initiatives to rate the Corporate Clients of the company immediately by the External Credit Assessment Institutions (ECAIs)/Rating Agencies duly recognized by the Central Bank. As on December 31, 2022, total net exposure of BDT756.14 crore was eligible for credit rating. Among these net exposure of BDT 530.46 crore had valid credit ratings. That is, about 29.85% of rate able exposure was rated. We are optimistic of getting more counter party ratings by 2023.

Methods used to measure Credit Risk

As per the directives of Bangladesh Bank, 'The Standardized approach' is applied by the company to measure its Credit Risk.

Qualitative Disclosures

b) Total gross credit risk exposures broken down by major types of credit exposure.

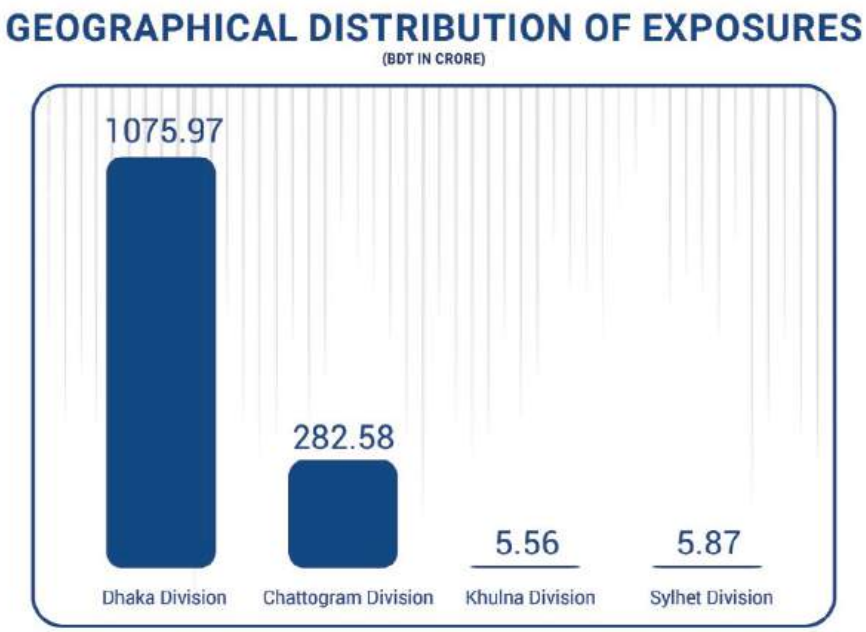
Particulars	Amount in BDT crore
Lease Finance	163.85
Term Finance	954.19
Housing Finance	251.93
Total	**1,369.97**

c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.

Area	Amount in BDT crore
Dhaka Division	1075.97
Chattogram Division	282.58
Khulna Division	5.56
Sylhet Division	5.87
Total	**1,369.97**

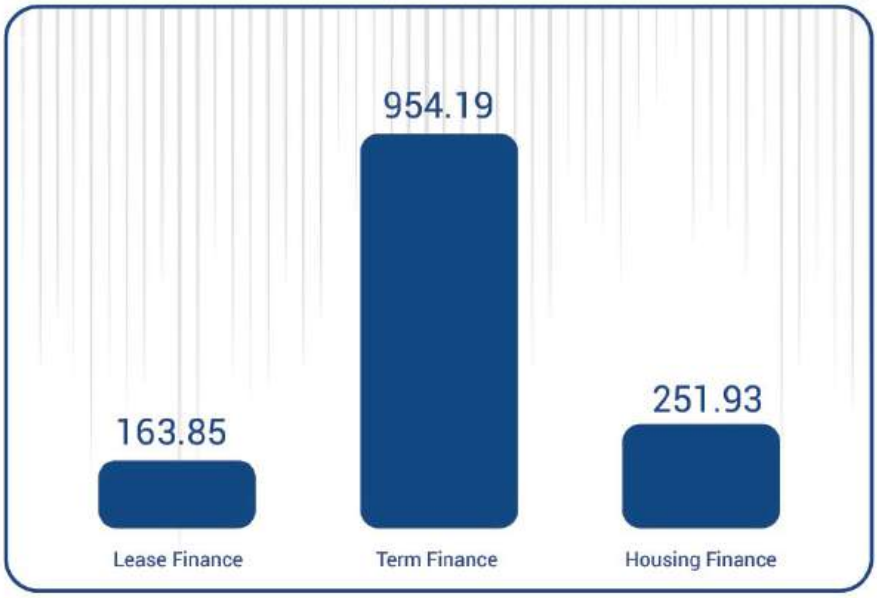
d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.

Sector wise classification of Investment	2022
	Amount in crore
1. Trade & Commerce	200.73
2. Industry	540.60
A. Garments & Knitwear	24.15
B. Textiles	146.65
C. Food Production, Processing & Rice Mills	32.61
D. Jute & Jute products	0.20
E. Plastic & Rubber Industry	1.90
F. Leather & Leather goods	0.79
G. Iron, Steel & Engineering	126.82
H. Pharmaceuticals & Chemicals	0.82
I. Cement & Allied Industry	-
J. Paper, Packaging, Printing, Publishing & Allied Industry	4.66
K. Wood, Furniture & Fixture	-
L. Glass, Glassware & Ceramic Industry	-
M. Ship Manufacturing & Breaking	-
N. Electronics & Electrical Products	44.01
O. Power, Gas, Petroleum, Water & Sanitary	85.73
P. Transport & Aviation	72.26
Q. Others	-
3. Agriculture	63.57
4. Mining & Quarrying	-
5. Housing	249.32
6. Financial Corporation	216.60
7. Service	49.44
8. Consumer Finance	26.79
9. Others	22.92
Total	1,369.97



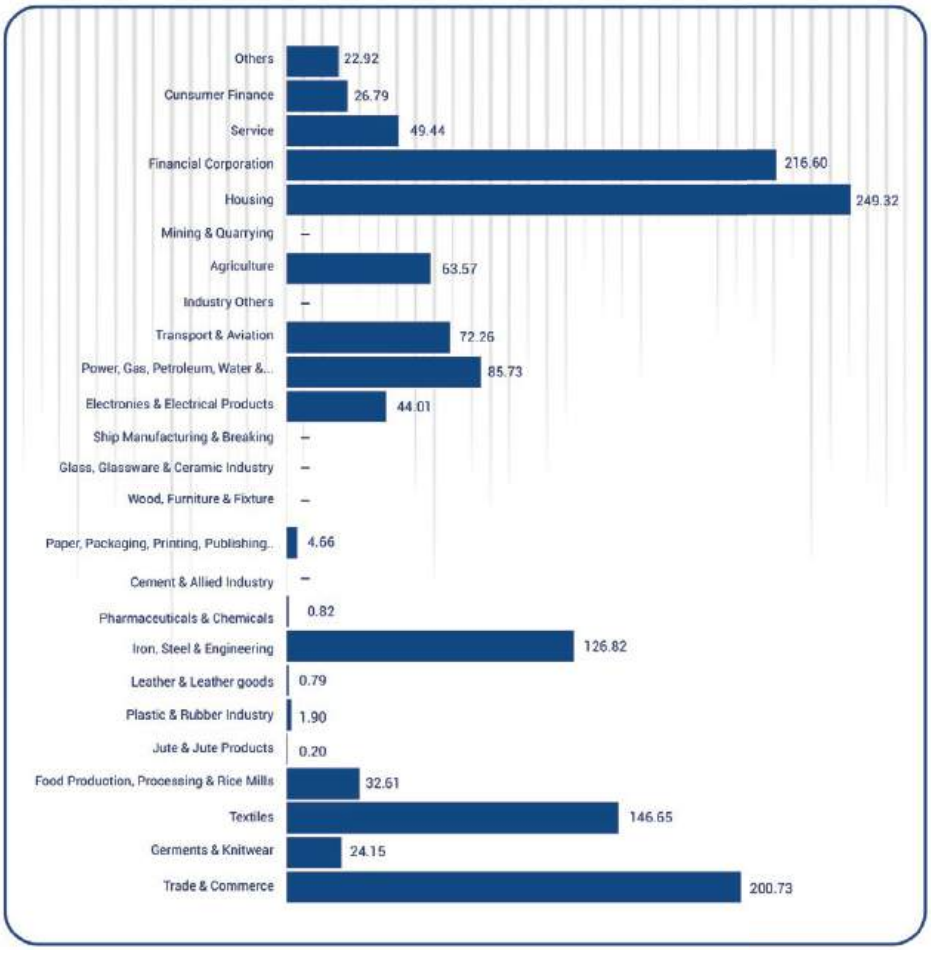
CREDIT RISK EXPOSURE

(BDT IN CRORE)



SECTOR WISE CLASSIFICATION OF INVESTMENT

(BDT IN CRORE)



Besides, Bangladesh Finance Group portfolio includes total margin loan to clients by our capital market subsidiaries (BFSL and BFCL) of BDT 30.65 crore. Therefore, the total credit exposure of the group amounts to **BDT 1,400.62 crore.**

e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.

Particulars	Amount in BDT crore
Receivable on Demand	52.32
Not more than 3 months	166.46
Over 3 months but not more than 1 year	193.84
Over 1 year but not more than 5 years	732.42
Over 5 years	224.92
Total	**1,369.97**

f) Gross Non-Performing Assets (NPAs)

Non-Performing Assets (NPAs) to Outstanding Loans & Advances Movements of Specific Provisions for NPAs

Particulars	Amount in BDT crore
Opening balance	34.00
Addition/ (Adjustment) during the year	42.19
Closing Balance	**76.19**

05. Equities: Banking Book Positions

Qualitative Disclosures	
Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons	Investment in equity mainly for capital gain purpose but the company has some investment for relationship and strategic reasons
Discussion of important policies covering the valuation and accounting of equity holdings in the banking book positions. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	The equity markets are traditionally volatile with a high-risk, high-returns profile. As such investors in the equity market have to plan and strategize to reduce their risks and increase their returns. Equity investments must therefore go hand in hand with a good risk management plan in place. In an uncertain marketplace like the present, investor cannot afford to place all hope in only one thing. Therefore, it is very important to protect the total investment value by means of diversification. Investments in shares of Bangladesh Finance are made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived. The company recognizes that no investment is totally free from risk and that occasional measured losses are inevitable in a diversified portfolio and will be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best interest of the company. Quoted shares are valued at cost prices and if the total cost of a particular share is lower than the market value of that particular share, then provisions are maintained as per terms and condition of regulatory authority. On the other hand, unquoted share is valued at cost price or book value as per latest audited accounts.

Quantitative Disclosures	

a) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.

Particulars	Cost Price	Market Price
Quoted shares	28.90	27.57
Unquoted shares	1.00	-

b) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.

BDT 9.73 crore

c) Total latent revaluation gains (losses)
Any amounts of the above included in Tier 2 capital

Particulars	Amount in BDT crore
Total latent revaluation gains (losses)	20.45

d) Capital requirements broken down by appropriate equity groupings, consistent with the FI's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.

d.1) Specific Risk

Market value of investment in equities is BDT 27.57 crore. Capital Requirement is 10% of the said value which stand to BDT 2.76 crore.

d.2) General Risk

Market value of investment in equities is BDT 27.57 crore. Capital Requirement is 10% of the said value which stand to BDT 2.76 crore.

d.3) Total (d1+d2)

BDT 5.52 crore.

06. Interest Rate in the Banking Book

Qualitative Disclosures

The general qualitative disclosure requirement including the nature of interest risk and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits.

Interest rate risk in the banking book arises from mismatches between the future yield of an assets and their funding cost. Assets Liability Committee (ALCO) monitors the interest rate movement on a regular basis. Bangladesh Finance measure the Interest Rate Risk by calculation Duration Gap i.e. a positive Duration Gap affect company's profitability adversely with the increment of interest rate and a negative Duration Gap increase the company's profitability with the reduction of interest rate.

Qualitative Disclosures

The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk broken down by currency (as relevant).

Maturity wise Distribution of Assets-Liabilities

Amount in BDT crore

Particulars	1 to 30/31 day (One month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year
A. Total Rate Sensitive Liabilities	54.97	47.17	83.06	163.60	462.90
B. Total Rate Sensitive Assets	32.12	45.47	78.79	175.22	386.13
C. Mismatch	-22.85	-1.70	-4.27	11.62	-76.77
D. Cumulative Mismatch	-22.85	-24.54	-28.81	-17.19	-93.96
E. Mismatch (%)	-41.56%	-3.60%	-5.14%	7.10%	-16.58%

Interest Rate Risk - Increase in Interest Rate

Magnitude of Shock	Minor 2%	Moderate 4%	Major 6%
Change in the Value of Bond Portfolio	0.00	0.00	0.00
Net Interest Income	-1.88	-3.76	-5.64
Revised Regulatory Capital	379.02	377.14	375.26
Risk Weighted Assets	2062.58	2062.58	2062.58
Revised CAR (%)	18.38%	18.28%	18.19%

07. Market Risk

Qualitative Disclosures

Views of Board of Directors (BOD) on Trading/Investment Activities

All the Market Risk related policies/guidelines are duly approved by BOD. The BOD sets limit and review and updates the compliance on regular basis aiming to mitigate the Market risk.

Methods Used to Measure Market Risk

Market Risk is the probability of losing assets in balance sheet and off- balance sheet position arising out of volatility in market variables i.e. interest rate, exchange rate and prices of securities. In order to calculate the market risk for trading book purposes the company uses Standardized (rule based) Approach where capital charge for interest rate risk, price and foreign exchange risk is determined separately.

Market Risk Management System

Policies and Processes for Mitigating Market Risk

A Policy for managing Market Risk has been set out by the Board of Directors of the company where clear instructions has been given on Loan Deposit Ratio, Whole Sale Borrowing Guidelines, Medium Term Funding, Maximum Cumulative Outflow, Liquidity Contingency Plan, Local Regulatory Compliance, Recommendation/Action Plan etc. Treasury manages the Market Risk with the help of Asset Liability Management Committee (ALCO) and Asset Liability Management (ALM) Desk in the following way:

Interest Risk Management

Treasury Division reviews the risks of changes in income of the Company as a result of movements in market interest rates. In the normal course of business, Bangladesh Finance tries to minimize the mismatches between the duration of interest rate sensitive assets and liabilities. Effective Interest Rate Risk Management is done as under:

Market Analysis

Market analysis over interest rate movements are reviewed by the Treasury of the company. The type and level of mismatch interest rate risk of the company is managed and monitored from two perspectives, being an economic value perspective and an earning perspective.

	GAP Analysis ALCO has established guidelines in line with central Bank's policy for the management of assets and liabilities, monitoring and minimizing interest rate risks at an acceptable level. ALCO in its regular monthly meeting analyzes Interest Rate Sensitivity by computing GAP i.e. the difference between Rate Sensitive Assets and Rate Sensitive Liability and take decision of enhancing or reducing the GAP according to prevailing market situation aiming to mitigate interest rate risk. **Continuous Monitoring** Company's treasury manages and controls day-to-day trading activities under the supervision of ALCO that ensures continuous monitoring of the level of assumed risks. **Equity Risk Management** Equity Risk is the risk of loss due to adverse change in market price of equities held by the Company. Equity Risk is managed by the following way: Bangladesh Finance minimizes the Equity Risks by Portfolio diversification as per investment policy of the company. The entire portfolio is managed by Bangladesh Finance Securities Limited.

Quantitative Disclosures	
The capital requirements for Market Risk:	-
Interest rate risk	-
Equity position risk	22.21 Crore
Foreign Exchange Position and Commodity risk (if any)	-

08.Operational Risk

Qualitative Disclosures	
Views of Board on System to Reduce Operational Risk	All the policies and guidelines of internal control and compliances are duly approved by the Board. The Board delegates its authority to Executive Committee and to MANCOM members as per company policy of delegation of authority. Audit Committee of the Board directly oversees the activities of internal control and compliance as per good governance guideline issued by Securities and Exchange Commission.
Performance Gap of Executives and Staffs	Bangladesh Finance's recruitment strategy is based on retaining and attracting the most suitable people at all levels of the business and this is reflected in our objective approach to recruitment and selection. The approach is based on the requirements of the job (both now and in the near future), matching the ability and potential of the individual. Qualification, skills and competency form our basis for nurturing talent. We are proud to state that favorable job responsibilities are increasingly attracting greater participation from different level of employees in the Bangladesh Finance. We aim to foster a sense of pride in working for Bangladesh Finance and to be the employer of choice. As such no performance gap exists in Bangladesh Finance.
Potential External Events	No such potential external event exists to raise operational risk of Bangladesh Finance at the time of reporting.
Policies and Procedures for Mitigating Operational Risk:	Bangladesh Finance has also established Internal Control and Compliances Department (ICC) to address operational risk and to frame and implement policies to encounter such risks. ICC assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and mange operational risk.
Approach for Calculating Capital Charge for Operational Risk:	Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Bangladesh Finance uses basic indicator approach for calculation capital charge against operational risk i.e. 15% of average positive annual gross income of the company over last three years.

Qualitative Disclosures		
	(AMOUNT IN BDT CRORE)	
Capital Requirement for Operational Risk:	**Solo**	**Consolidated**
	4.72	7.47

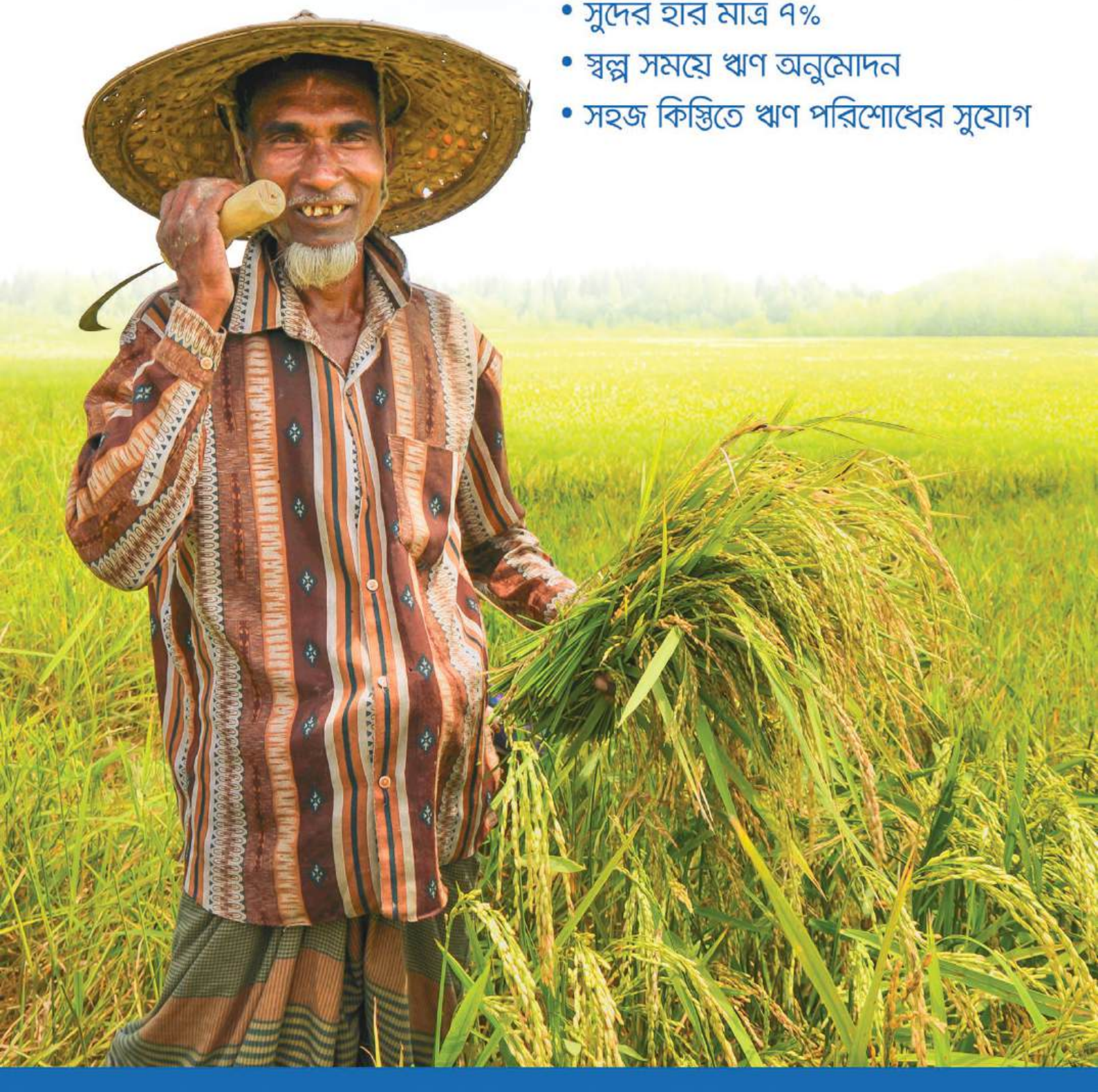
এখনই সময়

কৃষি ঋণ

Bangladesh finance
এখনই সময়

কৃষকের মুখের হাসি আনবে দেশে সমৃদ্ধি

- সুদের হার মাত্র ৭%
- স্বল্প সময়ে ঋণ অনুমোদন
- সহজ কিস্তিতে ঋণ পরিশোধের সুযোগ





Connecting Foreign Investors

Foreign direct investment (FDI) increased by 39% to $4.7 billion in the fiscal year 2021 – 2022 in Bangladesh. Investment proposals worth more than $20 billion were attracted since the beginning of the pandemic, reflecting increased investors' interest. 2021 was a decent year for Bangladesh's capital market, mainly due to investor participation, stock price consolidation, and low-interest rates on bank deposits. With continuous improvement of EPZs & Investment friendly policies Bangladesh is expected to enjoy more Foreign Investments from countries like India, China and US. Bangladesh has a vast blue economy, which includes the maritime sector, fisheries, and coastal tourism. Foreign Investment in this sector will find a positive business growth.



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
Measurement of Provision for Leases, Loans and Advances	
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. 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).	We tested the design and operating effectiveness of key controls focusing on the following: • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Reviewed quarterly Classification of Loans (CL).

We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias: • 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 • 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. • Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.	Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and • Finally compared the amount of loan provision and loan classification disclosed in the financial statements with the quick summary report prepared by Bangladesh Bank. 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.
See note no 6 & 6(a) and 12.1 to the Financial Statements.	
Revenue Recognition	
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 & advances, fees and related activities for the year ended 31 December 2022. 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. 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 matter as a key audit matter.	Our audit approach included a combination of controls testing, data analytics and substantive procedures covering the following: • We understood the significant revenue processes including performance of an end to end walkthrough of the revenue assurance process and identifying the relevant controls (including IT systems, interfaces and reports); • We tested the design and operating electiveness of the relevant controls; • We involved our internal IT specialists to test IT general controls, system interfaces, data/information reporting and application specific controls surrounding relevant revenue systems; • We reviewed significant new contracts and regulatory determinations, the accounting treatments opted and testing the related revenues recognized during the period; • We performed data analysis and analytical reviews of significant revenue streams; • We reviewed key reconciliations performed by the revenue assurance team; • 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 • We performed procedures to ensure that the revenue recognition criteria adopted by each group entity for all major revenue streams is appropriate and in line with the Group's accounting policies. We assessed the appropriateness and presentation of disclosure against relevant accounting statements and Bangladesh Bank guideline.
See note no 19 & 19 (a) to the Financial Statements.	

IT Systems and Controls	
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.	We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We assessed the appropriateness and presentation of disclosure against relevant accounting statements and Bangladesh Bank guidelines. We tested the Company's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

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 govern-

ment 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.



Dhaka, 13 March 2023

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

DVC: 2303211238AS460130

BANGLADESH FINANCE LIMITED
CONSOLIDATED BALANCE SHEET

As at 31 December 2022

	Note	31-Dec-22 BDT	31-Dec-21 BDT
PROPERTY AND ASSETS			
Cash			
Cash in Hand	3.a	86,910	65,671
Balance with Bangladesh Bank		117,732,419	99,339,362
		117,819,328	**99,405,032**
Balance with Other Banks and Financial Institutions	4.a		
Inside Bangladesh		1,575,248,414	1,461,962,742
Outside Bangladesh		-	-
		1,575,248,414	**1,461,962,742**
Money at Call and Short Notice		-	-
Investment in Securities	5.a		
Government		-	-
Others		1,135,630,606	986,924,968
		1,135,630,606	**986,924,968**
Lease, Loans and Advances	6.a		
In Bangladesh		14,006,177,275	13,692,260,576
Outside Bangladesh		-	-
		14,006,177,275	**13,692,260,576**
Fixed Assets Including Premises, Furniture and Fixtures	7.a	**624,786,962**	**544,164,726**
Other Assets	8.a	**1,458,874,259**	**1,476,309,585**
Non Banking Assets	9	**213,121,062**	**212,121,062**
Total Assets		**19,131,657,906**	**18,473,148,693**
LIABILITIES AND CAPITAL			
Liabilities			
Financing (Borrowings) from Other Banks, Financial Institutions and Agents	10.a	**3,145,399,810**	**2,847,469,634**
Deposits and Other Accounts	11.a	**9,797,346,225**	**9,568,977,690**
Other Liabilities	12.a	**2,406,773,783**	**2,404,165,328**
Total Liabilities		**15,349,519,818**	**14,820,612,652**
Capital/ Shareholders' Equity			
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
Total Shareholders' Equity		**3,277,206,374**	**3,147,739,663**
Non Controlling Interest	16.b	**504,931,713**	**504,796,379**
Total Liabilities and Shareholders' Equity		**19,131,657,906**	**18,473,148,693**

BANGLADESH FINANCE LIMITED
CONSOLIDATED BALANCE SHEET

As at 31 December 2022

	Note	31-Dec-22 BDT	31-Dec-21 BDT
OFF BALANCE SHEET EXPOSURES			
CONTINGENT LIABILITIES			
Acceptances and Endorsements		-	-
Letters of Guarantee	17	200,000,000	350,000,000
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Total		**200,000,000**	**350,000,000**
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the Bank not acknowledged as debts		-	-
Total		**-**	**-**
Total Off-Balance Sheet Items Including Contingent Liabilities		**200,000,000**	**350,000,000**
Net Asset Value (NAV) per Share	**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. Rokonuzzaman, FCA
Director

Manwar Hossain
Chairman

Dhaka, 13 March 2023

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

DVC: 2303211238AS460130

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
Net Interest Income		**419,018,929**	**549,503,057**
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
		478,537,473	**586,666,818**
Total Operating Income		**897,556,402**	**1,136,169,874**
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
Total Operating Expenses		**379,338,195**	**297,382,964**
Profit Before Provision		**518,218,207**	**838,786,910**
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
Total Provision		**204,833,948**	**315,355,377**
Total Profit Before Provisions for Taxation		**313,384,259**	**523,431,533**
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)
		8,658,669	**199,636,265**
Net Profit After Taxation		**304,725,590**	**323,795,268**
Attributable to		**304,725,590**	**323,795,268**
Shareholder of the Company		236,015,541	255,844,440
Non-controlling Interest		68,710,048	67,950,828
Net Profit Available for Distribution		**236,015,541**	**255,844,440**

BANGLADESH FINANCE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2022

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

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. Rokonuzzaman, FCA
Director

Manwar Hossain
Chairman

Dhaka, 13 March 2023

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

DVC: 2303211238AS460130

BANGLADESH FINANCE LIMITED
CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2022

	31-Dec-22 BDT	31-Dec-21 BDT
Cash Flows from Operating Activities		
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)
Cash generated from operating activities before changes in Operating Assets and Liabilities	**510,508,955**	**806,094,549**
Changes in Operating Assets and Liabilities		
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
Sub Total	**(386,784,394)**	**363,107,986**
A) Net Cash Flows from Operating Activities	**123,724,561**	**1,169,202,535**
Cash Flows from Investing Activities		
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) Net Cash Flows from Investing Activities	**(86,031,149)**	**(30,724,831)**
Cash Flows from Financing Activities		
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)
C) Net Cash Flows from Financing Activities	**94,006,555**	**(581,331,527)**
D) Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**131,699,967**	**557,146,177**
E) Cash and Cash Equivalents at the Beginning of the Period	**1,561,367,775**	**1,004,221,597**
F) Cash and Cash Equivalents at the End of the Period (D+E)	**1,693,067,742**	**1,561,367,775**
Net Operating Cash Flows Per Share (NOCFPS)	**0.66**	**6.21**

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. Rokonuzzaman, FCA
Director

Manwar Hossain
Chairman

Dhaka, 13 March 2023

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

DVC: 2303211238AS460130

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
Balance as at 01 January 2022	**1,775,813,840**	**462,463,192**	**-**	**33,744,750**	**410,500,364**	**465,217,517**	**3,147,739,664**	**504,796,379**	**3,652,536,042**
Changes during the year 2022									
6% Stock Dividend - 2021	106,548,830	-	-	-	-	(106,548,830)	-	-	-
6% Cash Dividend - 2021	-	-	-	-	-	(106,548,830)	(106,548,830)	-	(106,548,830)
Interim Cash Dividend - 2022	-	-	-	-	-	-	-	(68,574,714)	(68,574,714)
Profit/(Loss) for the year	-	-	-	-	-	236,015,541	236,015,541	68,710,048	304,725,590
Revaluation Surplus	-	-	-	-	(1,404,384)	1,404,384	-	-	-
Transfer to Statutory Reserve	-	38,688,172	-	-	-	(38,688,172)	-	-	-
	106,548,830	38,688,172	-	-	(1,404,384)	(14,365,908)	129,466,711	135,334	129,602,045
Balance as at 31 December 2022	**1,882,362,670**	**501,151,365**	**-**	**33,744,750**	**409,095,980**	**450,851,610**	**3,277,206,374**	**504,931,713**	**3,782,138,088**
Balance as at 01 January 2021	**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**
Changes during the year 2021									
6% Stock Dividend - 2020	100,517,760	-	-	-	-	(100,517,760)	-	-	-
6% Cash Dividend - 2020	-	-	-	-	-	(100,517,760)	(100,517,760)	-	(100,517,760)
Interim Cash Dividend - 2021								(68,631,152)	(68,631,152)
Profit/(Loss) for the year	-	-	-	-	-	255,844,440	255,844,440	67,950,828	323,795,268
Revaluation Surplus	-	-	-	-	(1,404,384)	1,404,384	-	-	-
Transfer to Statutory Reserve	-	53,638,611	-	-	-	(53,638,611)	-	-	-
	100,517,760	53,638,611	-	-	(1,404,384)	2,574,693	155,326,680	(680,323)	154,646,357
Balance as at 31 December 2021	**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

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BANGLADESH FINANCE LIMITED
BALANCE SHEET

As at 31 December 2022

	Note	31-Dec-22 BDT	31-Dec-21 BDT
PROPERTY AND ASSETS			
Cash	3		
Cash in hand		39,605	12,728
Balance with Bangladesh Bank		117,732,419	99,339,362
		117,772,023	**99,352,089**
Balance with Other Banks and Financial Institutions	4		
Inside Bangladesh		1,143,319,843	991,348,494
Outside Bangladesh		-	-
		1,143,319,843	**991,348,494**
Money at Call and Short Notice		-	-
Investment in Securities	5		
Government		-	-
Others		419,002,129	252,783,007
		419,002,129	**252,783,007**
Lease, Loans and Advances	6		
In Bangladesh		13,699,677,770	13,369,102,273
Outside Bangladesh		-	-
		13,699,677,770	**13,369,102,273**
Fixed Assets Including Premises, Furniture and Fixtures	7	**568,330,764**	**522,840,980**
Other Assets	8	**1,245,030,892**	**1,269,245,300**
Non Banking Assets	9	**213,121,062**	**212,121,062**
Total Assets		**17,406,254,484**	**16,716,793,205**
LIABILITIES AND CAPITAL			
Liabilities			
Financing (Borrowings) from Other Banks financial Institutions and Agents	10	**2,666,627,723**	**2,503,520,111**
Deposits and Other Accounts	11	**9,862,346,225**	**9,568,977,690**
Term Deposits		9,792,981,240	9,384,771,903
Other Deposits		58,342,957	166,954,836
Advance Rent and Installments		11,022,028	17,250,951
Bills Payable		-	-
Other Liabilities	12	**1,836,330,969**	**1,690,237,869**
Total Liabilities		**14,365,304,918**	**13,762,735,671**
Capital/Shareholders' Equity			
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
Total Shareholders' Equity		**3,040,949,568**	**2,954,057,535**
Total Liabilities and Shareholders' Equity		**17,406,254,484**	**16,716,793,205**

BANGLADESH FINANCE LIMITED
BALANCE SHEET

As at 31 December 2022

	Note	31-Dec-22 BDT	31-Dec-21 BDT
OFF BALANCE SHEET EXPOSURES			
CONTINGENT LIABILITIES			
Acceptances and Endorsements		-	-
Letters of Guarantee	17	200,000,000	350,000,000
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Total		**200,000,000**	**350,000,000**
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the Bank not acknowledged as debts		-	-
Total		**-**	**-**
Total Off-Balance Sheet Items Including Contingent Liabilities		**200,000,000**	**350,000,000**
Net Asset Value (NAV) per Share	**45**	**16.15**	**15.69**

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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Manwar Hossain
Chairman

Dhaka, 13 March 2023

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

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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
Net Interest Income		**378,534,890**	**511,020,425**
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
		255,859,546	**379,329,991**
Total Operating Income		**634,394,436**	**890,350,415**
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 NBFI's Assets	30	44,716,896	38,666,174
Other Expenses	31	39,726,395	32,593,488
Total Operating Expenses		**306,463,104**	**244,026,348**
Profit before Provision		**327,931,332**	**646,324,067**
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)
Total Provision	32	**131,801,307**	**243,254,592**
Total Profit before Provisions for Taxation		**196,130,025**	**403,069,475**
Deferred Tax Expenses/(benefit)	12.5.1	(19,552,012)	(34,693,930)
Current Tax Expenses	12.4	22,241,174	169,570,348
		2,689,162	**134,876,418**
Net Profit after Taxation		**193,440,862**	**268,193,057**
Appropriations			
Statutory Reserve	14	38,688,172	53,638,611
General Reserve	15	-	-
Retained Earnings		154,752,690	214,554,445
		193,440,862	**268,193,057**
Basic Earnings Per Share	33	**1.03**	**1.42**

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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Membership No. 1238
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Dhaka, 13 March 2023
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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
Cash Flows from Operating Activities			
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)
Cash generated from Operating Activities Before Changes in Operating Assets and Liabilities		**331,976,354**	**645,331,219**
Changes in Operating Assets and Liabilities			
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)
Sub Total		**(120,420,119)**	**435,423,318**
A) Net Cash from Operating Activities		**211,556,235**	**1,080,754,537**
Cash flows from Investing Activities			
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) Net Cash from Investing Activities		**(79,076,625)**	**(22,465,557)**
Cash Flows from Financing Activities			
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)
C) Net Cash from Financing Activities		**37,911,673**	**(734,070,139)**
D) Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**170,391,283**	**324,218,841**
E) Cash and cash equivalents at the beginning of the period		1,090,700,584	766,481,742
F) Cash and Cash Equivalents at the End of the Period (D+E)	40	**1,261,091,867**	**1,090,700,584**
Net Operating Cash Flow per Share	46	**1.12**	**5.74**

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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Manwar Hossain
Chairman

Dhaka, 13 March 2023

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

DVC: 2303211238AS460130

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
Balance as at 01 January 2022	**1,775,813,840**	**462,463,192**	**-**	**410,500,364**	**305,280,139**	**2,954,057,535**
Changes during the year 2022						
6% Stock Dividend - 2021	106,548,830	-	-	-	(106,548,830)	-
6% Cash Dividend - 2021					(106,548,830)	(106,548,830)
Profit/(Loss) for the year	-	-	-	-	193,440,862	193,440,862
Transfer to Retained Earnings				(1,404,384)	1,404,384	-
Transfer to Statutory Reserve	-	38,688,172	-	-	(38,688,172)	-
	106,548,830	38,688,172	-	(1,404,384)	(56,940,587)	86,892,032
Balance as at 31 December 2022	**1,882,362,670**	**501,151,365**	**-**	**409,095,980**	**248,339,552**	**3,040,949,568**
Balance as at 01 January 2021	**1,675,296,080**	**408,824,581**	**-**	**411,904,748**	**290,356,834**	**2,786,382,243**
Changes during the year 2021						
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)	-
	100,517,760	53,638,611	-	(1,404,384)	14,923,304	167,675,291
Balance as at 31 December 2021	**1,775,813,840**	**462,463,192**	**-**	**410,500,364**	**305,280,139**	**2,954,057,535**

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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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
Assets						
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
Total Assets (i)	**996,035,123**	**1,734,118,733**	**3,263,998,242**	**7,993,370,001**	**3,418,732,385**	**17,406,254,484**
Liabilities						
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
Total Liabilities (ii)	**679,168,823**	**1,510,277,131**	**2,803,844,882**	**6,910,700,899**	**2,461,313,182**	**14,365,304,918**
Net Liquidity Gap (i-ii)	**316,866,300**	**223,841,602**	**460,153,360**	**1,082,669,102**	**957,419,202**	**3,040,949,567**

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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 by Bangladesh Bank on 22 December 1999 under the Financial Institutions Act 1993. The operational activities were started on 15 February 2000 by signing the first lease agreement on that day. Presently the Company is operating through seven branch offices in 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 on 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 an authorized share capital of Tk. 500 crore. The main objective of the Bangladesh Finance Securities is to act as a member of stock exchanges, operate the Central Depository System (CDS) and 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 an authorized share capital of Tk. 200 crore. The main objective of 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 Standards (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 that 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 notes 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 has 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 its subsidiaries are shown in the consolidated balance sheet. The interest of non-controlling shareholders of the subsidiaries is shown separately in the consolidated balance sheet under the heading 'Non-controlling Interest'.

When Bangladesh Finance loses control over a subsidiary, it derecognizes 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 of 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 of 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 an 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 a 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:

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

2.10 Statement of Compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as Financial Institutions (FIs). The 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:

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

Loans and advances (written-off):

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

Loans and advances (recovery from written off):

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

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

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.

Particulars	Amount
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 customer;
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:

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

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

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
3	**Cash**		
	Cash in hand (Notes - 3.1)	39,605	12,728
	Balance with Bangladesh Bank (Notes - 3.2)	117,732,419	99,339,362
		117,772,023	**99,352,089**
3.a	**Cash in hand (Consolidated)**		
	Bangladesh Finance	39,605	12,728
	Bangladesh Finance Securities Limited	33,980	46,181
	Bangladesh Finance Capital Limited	13,325	6,762
		86,910	**65,671**
3.1	**Cash in hand (including foreign currencies)**		
	In local currency	39,605	12,728
	In foreign currency	-	-
		39,605	**12,728**
3.2	**Balance with Bangladesh Bank (including foreign currencies)**		
	In local currency	117,732,419	99,339,362
	In foreign currency	-	-
		117,732,419	**99,339,362**

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

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the 5th schedule of the Financial Institutions Act, 1993 and subsequent FID Circular # 06, dated November 06, 2003, FID Circular # 02 dated November 10, 2004 and DFIM Circular # 03 dated June 21, 2020 respectively.

3.4	**Cash Reserve Ratio (CRR): 1.5% of Average Demand and Time Liabilities**		
	Required Reserve	100,394,413	92,481,961
	Actual Reserve held with Bangladesh Bank **(local currency)**	118,355,500	99,304,152
	Surplus	**17,961,087**	**6,822,192**
3.5	**Statutory Liquidity Requirement (SLR): 5% (including 1.5% CRR) of Average Demand and Time Liabilities**		
	Required Reserve	430,596,579	498,393,067
	Actual Reserve held (Note - 3.6)	539,136,369	602,988,415
	Surplus	**108,539,791**	**104,595,347**
3.6	**Held for Statutory Liquidity Requirement**		
	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
		1,261,091,867	**1,090,700,584**
	*Balance with other bank and Financial Institutions	**1,143,319,843**	**991,348,494**
	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
	Total eligible balance for SLR	**539,136,369**	**602,988,415**

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

4	**Balance with other Banks and Financial Institutions**		
	Inside Bangladesh (Note - 4.1)	1,143,319,843	991,348,494
	Outside Bangladesh (Note - 4.2)	-	-
		1,143,319,843	**991,348,494**
4.a	**Balance with other Banks and Financial Institutions (Consolidated)**		
	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	-
		1,575,248,414	**1,461,962,742**

		31-Dec-22 BDT	31-Dec-21 BDT
4.1	**Inside Bangladesh**		
	Current Account		
	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	-
		15,331,289	**8,854,855**
	STD Account		
	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
		45,798,736	**147,319,195**
	FDR with Banks	**621,955,498**	**387,712,169**
	FDR with NBFIs	**460,234,320**	**447,462,276**
	Total Balance with other Banks and Financial Institutions	**1,143,319,843**	**991,348,494**
	FDR with Banks		
	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
		621,955,498	**387,712,169**
	FDR with NBFIs		
	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
		460,234,320	**447,462,276**

*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
4.2	**Outside Bangladesh**		
	Cash at Foreign Bank	-	-
	Total Cash at Bank (Bangladesh & Foreign)	**1,143,319,843**	**991,348,494**
4.3	**Maturity-wise groupings of balance with other banks and FI's**		
	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	-	-
		1,143,319,843	**991,348,494**
5	**Investment in Securities**		
	i) Government	-	-
	ii) Others	419,002,129	252,783,007
		419,002,129	**252,783,007**
5.a	**Investment in Securities (Consolidated)**		
	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	-
		1,135,630,606	**986,924,968**
5.i.	**Investment in Securities-Government**	-	-
5.ii.	**Investment in Securities-Others**		
	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	-
		419,002,129	**252,783,007**
	Maturity-wise Grouping of Investment in Securities:		
	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	-	-
		419,002,129	**252,783,007**

5.1 **Quoted Shares**

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
	289,002,129	**275,675,936**	**242,783,007**

5.2 **Unquoted Shares**

Segments	Cost Price 2022	Market Price 2022	Cost Price 2021
Miscellaneous	10,000,000	-	10,000,000
	10,000,000	**-**	**10,000,000**
	299,002,129	**275,675,936**	**252,783,007**

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.

		31-Dec-22 BDT	31-Dec-21 BDT
5.3	**Investment in preference shares**		
	Bangladesh Finance Securities Limited	**120,000,000**	**-**
		120,000,000	**-**
6	**Lease, Loans and Advances**		
a)	**Inside Bangladesh**		
	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
	Total Loans and Lease inside Bangladesh (i+ii+iii)	**13,699,677,770**	**13,369,102,273**
b)	**Outside Bangladesh**	**-**	**-**
	Total Loans and Lease Finance (a+b)	**13,699,677,770**	**13,369,102,273**
6.a	**Lease, Loans and Advances (Consolidated)**		
	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
		14,006,177,275	**13,692,260,576**
6.1	**Maturity wise Classification of Investments:**		
	With a residual maturity of		
	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
		13,699,677,770	**13,369,102,273**
6.2	**Investments on the basis of significant concentration:**		
	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
		13,699,677,770	**13,369,102,273**
6.3	**Number of client's with amount of outstanding and classified loans, to whom loans and advances sanctioned more than 15% of total capital:**		
	Total outstanding amount to such customers at end of the year	4,986,147,004	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%
	13,699,677,770	**100.00%**	**13,369,102,273**	**100.00%**

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%
	13,699,677,770	**100.00%**	**13,369,102,273**	**100.00%**

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
Unclassified				
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%
	12,937,730,581		**13,029,071,718**	
Classified				
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%
	761,947,190		**340,030,555**	
	13,699,677,770	**100.00%**	**13,369,102,273**	**100.00%**

			31-Dec-22 BDT	31-Dec-21 BDT
6.7	**Particulars of provision for loans and lease Finance**			
Status	**Rate**	**Basis for Provision**	**Amount 2022**	**Amount 2021**
General Provision (for Unclassified portion)				
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
			315,103,845	**234,751,862**

*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
			132,118,447	**142,356,604**
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			**449,414,644**	**382,638,466**
Total provision maintained {note # 12.1(a), (b), (c) & (d)}			652,965,739	622,009,045
Surplus Provision			**203,551,095**	**239,370,578**

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 strengthing 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
		13,699,677,770	**13,369,102,273**
(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

7	**Fixed Assets including Premises, Furniture & Fixtures**		
	A. Cost:		
	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
	Closing balance at cost	**722,221,565**	**677,662,264**
	B. Depreciation:		
	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
	Accumulated Depreciation	**153,890,800**	**154,821,284**
	Carrying value	**568,330,764**	**522,840,980**

*Details are given in Annexure-A

7.a	**Fixed Assets including Premises, Furniture and Fixtures (Consolidated)**		
	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	-
		624,786,962	**544,164,726**
7.1	**Revaluation Surplus on Land And Building**		
	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
	Revaluation Surplus	**409,095,980**	**410,500,364**

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.

7.b	**Revaluation Reserve (Consolidated)**		
	Bangladesh Finance	409,095,980	410,500,364
	Bangladesh Finance Securities Limited	-	-
	Bangladesh Finance Capital Limited	-	-
		409,095,980	**410,500,364**

		31-Dec-22 BDT	31-Dec-21 BDT
8	**Other Assets**		
	Investment in Subsidiaries (Note: 8.1)	849,930,000	849,930,000
	Investment in BD Finance Vanguard Mutual Fund One	20,000,000	20,000,000
	Receivables, Advances & Deposits (Note 8.2)*	375,100,892	399,315,300
		1,245,030,892	**1,269,245,300**
8.a	**Other Assets (Consolidated)**		
	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	-
		1,458,874,259	**1,476,309,585**
8.1	**Investment In Subsidiaries**		
	Investment In paid up capital (Bangladesh Finance Capital Limited)	249,930,000	249,930,000
	Investment In paid up capital (Bangladesh Finance Securities Limited)	600,000,000	600,000,000
		849,930,000	**849,930,000**
8.2	**Receivables, Advances & Deposits**		
	a) Other receivables		
	Interest on investment in FDR	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
		248,332,272	**281,751,535**
	*Prior year figure has been rearranged with Receivable House Rent		
	b) Advance, deposits and prepayments		
	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
		56,502,798	**65,568,690**
	c) Deposits with others		
	Deposits with BTTB & Mobile	89,200	89,200
	Deposits with Baitul Hossain Building	203,814	203,814
	Deposit with Land Lord Bangshal Branch	24,700	14,700
	Deposit with CDBL	413,241	413,241
	Deposit with Sadharan Bima	15,000	15,000
		745,955	**735,955**

d) Deferred Tax Asset

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

Deductible temporary difference		
Building	1,524,778	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
	160,560,707	**83,495,151**
Tax	37.50%	37.50%
	60,210,265	**31,310,682**

		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	-
		93,096,028	**199,484,383**
	Tax	10.00%	10.00%
		9,309,603	**19,948,438**
	Total Deferred tax assets	**69,519,868**	**51,259,119**
	Movement of deferred tax assets is as follows:		
	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	**69,519,867**	**51,259,119**
	Total Receivables, Advances & Deposits (a+b+c+d)	**375,100,892**	**399,315,299**
8.2.a	**Consolidated Deferred Tax Assets**		
	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
		60,064,588	**40,522,033**
	Less: Adjustment during the year	-	571
		117,763,475	**57,698,887**
8.3	**Maturity wise classification of other assets**		
	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
		1,245,030,892	**1,269,245,300**
9.	**Non-Financial Assets**		
	Income Generating	-	-
	Non-Income Generating	213,121,062	212,121,062
		213,121,062	**212,121,062**

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

10.	**Borrowing from other banks, Financial Institutions and agents**		
	Secured	353,560,035	324,404,372
	Un secured	2,313,067,688	2,179,115,740
		2,666,627,723	**2,503,520,111**
	In Bangladesh	2,666,627,723	2,503,520,111
	Outside Bangladesh	-	-
		2,666,627,723	**2,503,520,111**
10.a	**Borrowing from other banks, Financial Institutions and agents**		
	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
		3,145,399,810	**2,847,469,634**

		31-Dec-22 BDT	31-Dec-21 BDT
10.1	**In Bangladesh**		
	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
		2,666,627,723	**2,503,520,111**
10.2	**Term loan from Other Banks**		
	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
		664,268,059	**930,881,107**
10.3	**Short Term Loan from Other Banks**		
	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
		1,183,479,538	**1,240,108,182**
10.4	**Maturity wise classification of loan**		
	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	-	-
		2,666,627,723	**2,503,520,111**

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

11.	**Deposits and Other Accounts:**		
	Term Deposits (Note - 11.1)	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
		9,862,346,225	**9,568,977,690**
11.a	**Deposits and Other Accounts (Consolidated)**		
	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	-
		9,797,346,225	**9,568,977,690**
11.1	**Term Deposits**		
	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
		9,548,647,901	**9,183,929,859**
11.2	**Scheme Deposits**		
	General Deposits	244,333,339	200,842,044
	Deposit from Other Banks and FI's	-	-
		244,333,339	**200,842,044**

		31-Dec-22 BDT	31-Dec-21 BDT
11.3	**Other Deposits**		
	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
		58,342,957	**166,954,836**
11.4	**Advance Rent and Instalments**		
	Advance Lease Rent	2,602,716	5,802,996
	Advance Term Instalments	8,419,312	11,447,955
		11,022,028	**17,250,951**
11.5	**Term Deposits from other bank and FI's**		
	Term Deposits from Banks	2,852,000,000	2,952,000,000
	Term Deposits from NBFIs	244,000,000	264,000,000
		3,096,000,000	**3,216,000,000**
	Term Deposits from Banks		
	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
		2,852,000,000	**2,952,000,000**
	Term Deposits from NBFIs		
	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
		244,000,000	**264,000,000**
11.6	**Maturity wise classification of Deposits**		
	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	-	-
		9,862,346,225	**9,568,977,690**
12.	**Other Liabilities**		
	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
		1,836,330,969	**1,690,237,869**
12.a	**Other Liabilities (Consolidated)**		
	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
		2,406,773,783	**2,404,165,328**

		31-Dec-22 BDT	31-Dec-21 BDT
12.1	**Provision for Investment:**		
	(a) Provision on Classified Investment:		
	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)
	Provision held at the end of the year	**117,933,843**	**145,799,646**
	(b) General Provision on Unclassified Investment:		
	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
	Balance at the end of the year	**357,077,514**	**316,577,514**
	(c) Special General Provision on Unclassified Investment:		
	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
	Balance at the end of the year	**82,424,382**	**84,101,885**
	*Provision no longer required for settlement of loan/lease account during the period		
	(d) Provision on Other Receivables:		
	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
	Balance at the end of the year	**95,530,000**	**75,530,000**
	Total Provision for Investments	**652,965,739**	**622,009,045**
12.2	**Provision for Investment in Securities:**		
	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)
	Balance at the end of the year	**25,000,000**	**45,000,000**
12.3	**Interest Suspense Account:**		
	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	-	-
	Balance at the end of the year	**446,576,273**	**351,784,181**

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 unforseen credit risk and post pandemic scenario.

12.4	**Provision for Taxation :**		
	Provision		
	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	-	-
	Balance at the end of the year	**1,401,271,065**	**1,379,029,891**
	Advance tax		
	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	-	-
	Balance at the end of the year	**1,225,774,176**	**1,147,442,858**
	Net balance at the end of the year	**175,496,889**	**231,587,033**

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

Average effective tax rate

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
Average effective tax rate (A÷B)	**1.37%**	**33.46%**

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.

Reconciliation of effective tax rate	**2022**	
	%	**Taka**
Profit before income tax as per profit or loss account		196,130,025
Income tax as per applicable tax rate	37.50%	73,548,759
Net inadmissible expenses	-17.68%	(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)
Total income tax expenses	**1.37%**	**2,689,162**

Reconciliation of effective tax rate	**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)
Total income tax expenses	**33.46%**	**134,876,418**

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
		70,014,521	**240,167,064**
	Less: Adjustment during the year	**-**	3,582,572
		1,664,246,631	**1,594,232,110**

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%
	16,834,395	**17,106,522**
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%
	564,276	**1,583,413**
Total deferred tax liabilities	**17,398,671**	**18,689,935**

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)
Balance at the end of the year	**17,398,671**	**18,689,935**

		31-Dec-22 BDT	31-Dec-21 BDT
12.5.1	**Adjustment of Deferred Tax**		
	Deferred Tax Assets (Note 8.2d)	(18,260,748)	(34,684,592)
	Deferred Tax Liabilities (Note 12.5)	(1,291,264)	(9,337)
	Net Charged to profit and loss account	**(19,552,012)**	**(34,693,930)**
12.5.a	**Consolidated Deferred Tax Liabilities**		
	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	-	-
		(1,291,264)	**(9,337)**
	Less: Adjustment during the year	-	-
		17,398,671	**18,689,935**
12.5.b	**Adjustment of Consolidated Deferred Tax**		
	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)
	Net Charged to profit and loss account	**(61,355,852)**	**(40,530,800)**
12.6	**Interest payable on Borrowing and Deposits**		
	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
	Balance at the end of the year	**141,013,410**	**154,024,430**
12.7	**Payable & Provision against expenditure**		
	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
	Balance at the end of the year	**175,872,682**	**123,840,844**
12.8	**Gratuity Fund**		
	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	**27,686,408**	**22,113,362**
12.9	**Penal Income in Suspense**		
	Delinquent Interest Suspense	63,784,362	54,014,689
	Penal Interest Suspense	82,946,657	49,894,783
		146,731,018	**103,909,472**

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

12.10	**Maturity wise classification of other liabilities**		
	Repayable on demand	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
	Balance at the end of the year	**1,836,330,969**	**1,690,237,869**

		31-Dec-22 BDT	31-Dec-21 BDT
13.	**Capital**		
13.1	**Authorized Capital:**		
	600,000,000 ordinary shares of Tk. 10 each	**6,000,000,000**	**6,000,000,000**
13.2	**Issued, Subscribed and Paid up Capital:**		
	188,236,267 fully paid ordinary shares of Tk. 10 each subscribed and paid up by the sponsor Shareholders & General Shareholders	**1,882,362,670**	**1,775,813,840**
	Sponsor Shareholders Group	587,274,010	548,425,820
	General Shareholders Group	1,295,088,660	1,227,388,020
		1,882,362,670	**1,775,813,840**
	General Shareholders Group:		
	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	-	-
		1,295,088,660	**1,227,388,020**

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%
Total	**8,496**	**188,236,267**	**100.00%**

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

	31-Dec-22 BDT	31-Dec-21 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
a) Core Capital (Tier -I):				
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
	2,631,853,588	**2,543,557,171**	**3,373,042,108**	**3,242,035,678**
b) Supplementary Capital (Tier-II):	**419,381,402**	**407,207,109**	**462,371,037**	**449,238,714**
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)	-	-	-	-
c) Total eligible capital (a +b)	**3,051,234,990**	**2,950,764,280**	**3,835,413,144**	**3,691,274,392**
Total Assets Including off-balance sheet exposer	17,606,254,484	17,066,793,205	19,131,657,906	18,473,148,693
D) Total risk weighted Assets	17,186,672,971	16,156,554,189	20,625,843,726	19,519,082,585
E) Required Capital Based on risk weighted Assets (10% of D)	1,718,667,297	1,615,655,419	2,062,584,373	1,951,908,259
F) Surplus (C-E)	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	462,463,192	408,824,581
Add: Addition during the period	38,688,172	53,638,611
	501,151,365	**462,463,192**

		31-Dec-22 BDT	31-Dec-21 BDT
15.	**General Reserve**		
	Opening balance	-	-
	Add: Transfer from Retained Earning	-	-
	Less: Distribution During the period	-	-
		-	-
16.	**Retained Earnings**		
	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)
		248,339,553	**305,280,139**
16.a	**Retained Earnings (Consolidated)**		
	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)
		450,851,610	**465,217,517**
16.b	**Non Controlling Interest (Consolidated)**		
	Bangladesh Finance Securities		
	Paid up Capital	457,150,000	457,150,000
	Retained Profit/(Loss)	47,667,704	47,544,247
		504,817,704	**504,694,247**
	Bangladesh Finance Capital.		
	Paid up Capital	75,250	75,250
	Retained Profit/(Loss)	38,760	26,882
		114,010	**102,132**
		504,931,713	**504,796,379**
16.1	**Capital Reserve**		
	Stock Dividend from Bangladesh Finance Securities Limited	15,000,000	15,000,000
	Stock Dividend from Bangladesh Finance Capital Holdings Limited	18,744,750	18,744,750
		33,744,750	**33,744,750**

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

17.	**Letters of Guarantees**		
	Letters of guarantee	200,000,000	350,000,000
	Less: Margin	-	-
		200,000,000	**350,000,000**

		31-Dec-22 BDT	31-Dec-21 BDT
18.	**Profit and Loss Account**		
	Income		
	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
		1,631,608,410	**1,875,914,206**
	Expenses:		
	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
		1,303,677,078	**1,229,590,139**
	Income over expenditure	**327,931,332**	**646,324,067**
19.	**Interest income**		
	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
		1,375,748,865	**1,496,584,215**
19.a	**Interest Income (Consolidated)**		
	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
		1,448,388,080	**1,550,793,897**
19.1	**Interest on Loans & Lease Finance**		
	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
		1,319,600,002	**1,466,677,353**
19.1.1	**Interest on Loans & Lease Finance**		
	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	-	-
		1,319,600,002	**1,466,677,353**

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 unforseen credit risk and post pandemic scenario.

19.2	**Interest on placement with other banks & FIS**		
	Interest on FDR	54,915,211	28,986,988
	Interest on STD accounts	1,233,652	919,875
	Interest on fund placements	-	-
		56,148,863	**29,906,862**
20.	**Interest paid on deposits & borrowing**		
	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
		997,213,975	**985,563,791**
20.a	**Interest Expenses (Consolidated)**		
	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
		1,029,369,151	**1,001,290,841**

		31-Dec-22 BDT	31-Dec-21 BDT
20.1	**Interest paid on borrowing**		
	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
		209,794,319	**242,124,781**
21.	**Income from Investment in Securities**		
	Gain/(Loss) from Investment in Shares	97,261,771	46,376,941
	Dividend Income	97,443,135	298,417,989
		194,704,906	**344,794,929**
21.a	**Income from Investment (Consolidated)**		
	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
		310,537,666	**429,775,392**
21.b	**Commission, Exchange and Brokerage (Consolidated)**		
	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
		109,703,195	**123,715,554**
22.	**Other Operating Income:**		
	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
		59,118,807	**29,525,396**
22.a	**Other Operating Income (Consolidated)**		
	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	-
		58,296,612	**33,175,872**
22.1	**Other Income**		
	Gain/(loss) on sale of fixed assets	781,694	1,824,721
	Miscellaneous income	-	-
		781,694	**1,824,721**
23.	**Salary & Allowances**		
	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
		183,038,412	**133,450,828**
23.a	**Salary & Allowances (Consolidated)**		
	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
		223,390,003	**165,613,203**

		31-Dec-22 BDT	31-Dec-21 BDT
24.	**Rent, Taxes, Insurance, Electricity etc.**		
	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
		6,296,795	**6,762,975**

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

24.a	**Rent, Taxes, Insurance, Electricity etc.(Consolidated)**		
	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
		9,290,476	**8,320,917**
25.	**Legal & Professional Fees**		
	Legal Fees & Charge	3,744,813	4,369,598
	Other Legal Expenses	-	-
		3,744,813	**4,369,598**
25.a	**Legal & Professional Fees (Consolidated)**		
	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	-
		7,594,486	**5,170,224**
26.	**Postage, Stamps, Telecommunication etc.**		
	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
		4,001,465	**3,405,001**
26.a	**Postage, Stamps, Telecommunication (Consolidated)**		
	Bangladesh Finance	4,001,465	3,405,001
	Bangladesh Finance Securities Limited	1,139,184	822,196
	Bangladesh Finance Capital Limited	2,702	-
		5,143,351	**4,227,197**
27.	**Stationery, Printing, Advertisements etc.**		
	Stationary-Toner & Cartridge	40,537	96,790
	Stationary Expenses	632,618	377,557
	Printing Expenses	2,153,537	1,833,587
	Advertisement and Publicity	12,507,157	13,210,400
		15,333,850	**15,518,334**
27.a	**Stationery, Printing, Advertisements etc.(Consolidated)**		
	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
		17,059,841	**16,158,268**
28.	**Managing Director's Salary and Allowances**		
	Basic Salary	3,300,000	3,300,000
	Allowances	3,300,000	3,300,000
	Bonus	1,100,000	1,100,000
		7,700,000	**7,700,000**
29.	**Directors' Fees**		
	Honorarium for attending meeting	1,443,200	1,135,200
	Incidental expenses for attending meeting	-	-
		1,443,200	**1,135,200**

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
29.a	**Directors' Fees (Consolidated)**		
	Bangladesh Finance	1,443,200	1,135,200
	Bangladesh Finance Securities Limited	272,800	416,800
	Bangladesh Finance Capital Limited	176,000	149,600
		1,892,000	**1,701,600**
29.b	**Audit Fees (Consolidated)**		
	Bangladesh Finance	461,278	424,750
	Bangladesh Finance Securities Limited	115,000	230,000
	Bangladesh Finance Capital Limited	86,250	172,500
		662,528	**827,250**
30.	**Depreciation and Repair of Assets**		
	a) Depreciation of Assets		
	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
		31,981,883	**25,824,278**
	b) Amortization Expenses		
		-	-
	c) Repair of Assets		
	Office Equipment	613,999	478,882
	Office Furniture & Fixtures	2,670	45,777
	Motor Vehicles	12,118,344	12,317,237
		12,735,013	**12,841,896**
		44,716,896	**38,666,174**
30.a	**Depreciation and Repair of Assets (Consolidated)**		
	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
		60,233,662	**50,591,653**
31.	**Other Expenses**		
	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
		39,726,395	**32,593,488**
31.a	**Other Expenses (Consolidated)**		
	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
		46,371,849	**37,072,652**

		31-Dec-22 BDT	31-Dec-21 BDT
32.	**Provision against loans, lease finance & Others**		
	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)
		131,801,307	**243,254,592**
32.a	**Provision on Investment in Securities and Margin Loan (Consolidated)**		
	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
		53,032,641	**69,274,817**

33. Earnings Per Share (EPS)

The calculation of basic earnings per share based on profit of the Company attributable to ordinary shareholders and weighted average number of ordinary shares outstanding is as follows:

Calculation of Earnings Per Share (Note - 2.16)		
Net Profit after Tax	193,440,862	268,193,057
Weighted average number of Ordinary Shares outstanding (Denominator)		
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)	**188,236,267**	**188,236,267**
Basic Earnings Per Share (Taka)	**1.03**	**1.42**

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

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.

Diluted Earnings Per Share

As there was no indication for dilution of shares, no diluted EPS was required to be calculated for the year ended 31 December 2022.

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

The calculation of basic earnings per share based on profit of the Company attributable to ordinary shareholders and weighted average number of ordinary shares outstanding is as follows:

Calculation of Earnings Per Share (Note - 2.16)		
Net Profit after Tax	236,015,541	255,844,440
Weighted average number of Ordinary Shares outstanding (Denominator) Note-33	188,236,267	188,236,267
Basic Earnings Per Share	**1.25**	**1.36**

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

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.

34.	**Interest received**		
	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)
		1,464,979,237	**1,626,627,579**

		31-Dec-22 BDT	31-Dec-21 BDT
35.	**Interest Paid on Deposits & Borrowings**		
	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)
		1,010,224,994	**994,431,327**
36.	**Cash Received from other Operating Activities**		
	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
		132,125,884	**74,077,615**
37.	**Cash Payments for other Operating Activities**		
	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 NBFI's Assets	12,735,013	12,841,896
	Other Expenses	39,726,395	32,593,488
		68,408,959	**61,532,908**
38.	**Cash Increase/ Decrease in Other Assets**		
	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
		1,116,373,157	**1,189,453,232**
	Cash (Increase)/ Decrease in Other Assets	**73,080,076**	**135,081,164**
39.	**Cash Increase/ (Decrease) in Other Liabilities**		
	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
		273,569,134	**263,643,246**
	Cash Increase/ (Decrease) in Other Liabilities	**9,925,889**	**(78,202,363)**
40.	**Cash and Cash Equivalents**		
	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
		1,261,091,867	**1,090,700,584**

41. Number of Employees

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk.36,000 or above were 154 (In the year 2021 it was 123).

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

42. Audit Committee

a) Particulars of Audit Committee

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

Name	Status with Bangladesh Finance	Status with the Committee	Educational Qualification
Mr. Md. Rokonuzzaman, FCA	Independent Director	Chairman	BBA (DU), FCA
Mr. Iqbal U. Ahmed	Independent Director	Member	B. Com (Hons), M. Com (Mgmt.) DU
Mr. Md. Asaduzzaman Khan	Director	Member	MA (Eco.) DU, MA (Banking & Finance), UK
Mr. 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 NBFI'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.

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

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 Director
Mr. Iqbal U. Ahmed Vice Chairman & Independent Director	Bangladesh 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	Bangladesh Finance Capital 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 Bangladesh Finance Capital Ltd.	Managing Director Director
Mr. Furkaan Muhammad N Hossain Director	Nil	Nil
Mr. Md. Kyser Hamid Managing Director & CEO	Bangladesh Finance Securities Ltd. Bangladesh Finance Capital Ltd.	Director Director

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

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

43.4 Lending Policies to related parties:

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
				485,637,530	

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

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	-	
				120,000,000	

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 Limited	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. Rokonuzzaman, 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
Total			**600,169,768**	**118**

44. Events after the Reporting Period

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

		31-Dec-22 BDT	31-Dec-21 BDT
45.	**Net asset value (NAV) per share**		
	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
45.a	**Net asset value (NAV) per share (Consolidated)**		
	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
46.	**Net operating cash flows per share (NOCPS)**		
	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.

46.a	**Net operating cash flows per share (NOCPS) (Consolidated)**		
	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	**Md. Kyser Hamid**	**Md. Rokonuzzaman, FCA**	**Manwar Hossain**
Company Secretary	**Managing Director & CEO**	**Director**	**Chairman**

BANGLADESH FINANCE LIMITED
FIXED ASSET SCHEDULE

As at 31 December 2022

ANNEXURE-A

Figures in BDT

Particulars	COST					Rate of Depreciation	DEPRECIATION				Written down value at 31 December 2022
	Balance as on 1 January 2022	Revaluation Surplus	Addition during the year	Disposal/ Transfer during the period	Balance at 31 December 2022		Balance as on 1 January 2022	Transfer/ Adjustment during the year	Charged for the year	Balance as at 31 December 2022	
Land	462,550,000	-	-	-	462,550,000	-	-	-	-	-	462,550,000
Building	19,442,633	-	-	-	19,442,633	10%	6,803,174	-	1,404,385	8,207,559	11,235,074
Furniture & Fixture	22,629,031	-	1,573,208	253,800	23,948,439	20%	19,992,300	253,800	1,107,487	20,845,987	3,102,452
Office Equipment	36,496,287	-	6,892,741	2,023,477	41,365,551	25%	28,767,465	2,023,477	3,680,441	30,424,429	10,941,122
Office Renovation	24,635,201	-	3,411,840	1,284,669	26,762,372	20%	21,037,491	1,222,312	1,425,205	21,240,384	5,521,988
Motor Vehicle	45,735,811	-	25,279,062	2,902,014	68,112,859	20%	34,995,735	1,114,306	5,419,734	39,301,163	28,811,696
Other Assets	182,667	-	-	-	182,667	20%	182,667	-	-	182,667	-
System and Software	19,876,250	-	3,450,000	-	23,326,250	25%	19,824,166	-	856,251	20,680,417	2,645,833
ROU-Asset for Lease Rent	46,114,384	-	39,251,468	28,835,059	56,530,794		23,218,286	28,298,472	18,088,382	13,008,195	43,522,598
	677,662,264	**-**	**79,858,319**	**35,299,019**	**722,221,565**		**154,821,284**	**32,912,367**	**31,981,883**	**153,890,800**	**568,330,764**

As at 31 December 2021

Figures in BDT

Particulars	COST					Rate of Depreciation	DEPRECIATION				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 at 31 December 2021		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%	5,398,790	-	1,404,384	6,803,174	12,639,459
Furniture & Fixture	30,433,102		1,665,484	-	32,098,586	20%	28,197,386	-	954,600	29,151,986	2,946,600
Office Equipment	33,211,814		4,360,195	991,722	36,580,287	25%	26,922,787	991,722	3,016,177	28,947,242	7,633,045
Office Renovation	12,488,955		2,592,691	-	15,081,646	20%	10,835,535	-	862,493	11,698,028	3,383,618
Motor Vehicle	44,067,198		5,642,500	3,973,887	45,735,811	20%	36,711,050	3,973,887	2,258,572	34,995,735	10,740,076
Other Assets	182,667		-	-	182,667	20%	182,667	-	-	182,667	-
System and Software	19,876,250		-	-	19,876,250	25%	16,422,995	-	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		28,904,291	19,612,886	13,926,881	23,218,286	22,896,098
	677,950,482	**-**	**24,290,278**	**24,578,495**	**677,662,264**		**153,575,501**	**24,578,495**	**25,824,278**	**154,821,284**	**522,840,980**

BANGLADESH FINANCE LIMITED
RECONCILIATION OF NET PROFIT WITH CASH FLOWS
FROM OPERATING ACTIVITIES

ANNEXURE-B1

	Bangladesh Finance	
	31-Dec-22	31-Dec-21
	Taka	Taka
Net profit after tax	**193,440,862**	**268,193,057**
Items not involved in cash movement:		
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)
Adjustments to reconcile net profit after tax to net cash provided by operating activities	**343,283,021**	**853,364,844**
Increase/(decrease) in operating assets and liabilities		
(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
	(131,726,786)	**227,389,693**
Net cash flows from/(used in) operating activities	**211,556,235**	**1,080,754,537**

BANGLADESH FINANCE LIMITED
RECONCILIATION OF NET PROFIT WITH CASH FLOWS
FROM OPERATING ACTIVITIES

ANNEXURE-B2

	Bangladesh Finance Group	
	31-Dec-22	31-Dec-21
	Taka	Taka
Net profit after tax	**304,725,590**	**323,795,268**
Items not involved in cash movement:		
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)
Adjustments to reconcile net profit after tax to net cash provided by operating activities	**556,771,551**	**1,132,155,950**
Increase/(decrease) in operating assets and liabilities		
(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
	(433,046,990)	**37,046,585**
Net cash flows from/(used in) operating activities	**123,724,561**	**1,169,202,535**

HIGHLIGHTS ON THE OVERALL ACTIVITIES OF THE COMPANY

As at and for the periods 2022 and 2021

ANNEXURE-C

Sl. No.	Particulars	2022	2021
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

Bangladesh finance islamic

শরি'য়াহভিত্তিক আর্থিক সমাধান নিয়ে

সবসময় আছি আপনার পাশে



BANGLADESH FINANCE LIMITED
BALANCE SHEET (ISLAMIC WING)

As at 31 December 2022

ANNEXURE-C1

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

BANGLADESH FINANCE LIMITED
PROFIT AND LOSS ACCOUNT (ISLAMIC WING)

For the year ended 31 December 2022

ANNEXURE-C2

	31-Dec-22 Taka	31-Dec-21 Taka
Investment Income	15,372,731	-
Profit Paid on Deposits	13,430,574	-
Net Investment Income	**1,942,157**	**-**
Income from Investment in Shares & Securities	10,402,339	-
Commission, Exchange and Brokerage	-	-
Other Operating Income	566,468	-
	10,968,807	**-**
Total Operating Income	**12,910,964**	**-**
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	-
Total Operating Expenses	**12,483,115**	**-**
Profit/(Loss) before Provision	**427,849**	**-**

BANGLADESH FINANCE SECURITIES LIMITED
INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BANGLADESH FINANCE SECURITIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bangladesh Finance Securities Limited (the "Company") which comprise the Statement of Financial Position as at 31 December 2022 and the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the period ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we

are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, and the rules and regulations issued by Bangladesh Securities and Exchange Commission, 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 statement of financial position and the statement of profit or loss and other comprehensive income together with the annexed notes from 1 to 45 dealt with by the report are in agreement with the books of account and returns; and

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



Dhaka, 19 February 2023

SK Md Tarikul Islam, FCA
Partner
Membership no: 1238
Hoda Vasi Chowdhury & Co
Chartered Accountants
DVC: 2303071238AS488182

BANGLADESH FINANCE SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION

As on 31 December 2022

	Notes	31-Dec-22 BDT	31-Dec-21 BDT
Assets			
Non- Current Assets		**1,040,232,914**	**969,044,670**
Property and equipment	3	9,667,318	7,184,450
Right-of-use assets	5	37,816,341	7,683,620
Investment in stock exchange	6	951,410,683	951,410,683
Deferred tax assets	7	41,338,572	2,765,917
Current Assets		**1,512,459,460**	**1,553,710,024**
Investment in shares	8	360,979,349	353,801,526
Accounts receivable	9	160,885	174,749
Margin loan to clients	10	734,617,644	785,991,507
Advances, deposits and prepayments	11	6,510,378	7,997,065
Cash and cash equivalent	12	410,191,203	405,745,177
Total Assets		**2,552,692,374**	**2,522,754,695**
Shareholder's Equity and Liabilities			
Shareholders' Equity		**1,183,941,050**	**1,183,651,517**
Share capital	13	1,072,150,000	1,072,150,000
Retained earnings	14	111,791,050	111,501,517
Non Current Liabilities		**140,576,808**	**4,182,711**
Preference share	15	120,000,000	-
Lease liabilities-net of current portion	16	20,576,808	4,182,711
Current Liabilities		**1,228,174,522**	**1,334,920,468**
Accounts payable	17	30,986,287	226,046,094
Payable to clients	18	128,318,755	151,577,049
Short term loan	19	796,157,859	731,056,172
Lease liabilities-current portion	16	12,502,109	3,127,303
Provision for diminution in value of investments	20	181,942,253	126,909,612
Provision for income tax	21	29,545,691	17,387,919
Provision for expenses	22	48,721,568	78,816,318
Total Liabilities		**1,368,751,330**	**1,339,103,179**
Total Shareholder's Equity and Liabilities		**2,552,692,374**	**2,522,754,695**

These financial statements should be read in conjunction with the annexed notes 1 to 45.

Khondoker Mahamudul Hasan
Company Secretary

A H M Nazmul Hasan
Managing Director & CEO

Md. Kyser Hamid
Director

SK Md Tarikul Islam, FCA
Partner
Membership no: 1238
Hoda Vasi Chowdhury & Co
Chartered Accountants
DVC: 2303071238AS488182

Dhaka, 19 February 2023

BANGLADESH FINANCE SECURITIES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	31-Dec-22 BDT	31-Dec-21 BDT
Operating Income			
Net Brokerage Commission (a)		**106,047,091**	**115,191,242**
Brokerage commission income	23	152,934,540	184,186,079
Brokerage commission expenses	24	(46,887,449)	(68,994,836)
Net Interest Income (b)		**36,044,763**	**28,767,971**
Interest income	25	102,585,021	97,370,646
Interest expenses	26	(66,540,258)	(68,602,675)
Income from Investment in Securities		**131,066,708**	**155,246,364**
Net investment income (c)	27	130,886,296	155,051,579
Other brokerage income (d)	28	180,412	194,785
Total Operating Income (A=a+b+c+d)		**273,158,562**	**299,205,578**
Salaries and allowances	29	28,110,986	22,047,243
Rent, taxes, insurance and electricity	30	2,267,205	1,006,812
Legal & Professional fees	31	4,475,753	743,126
Postage, stamp and telecommunication	32	1,139,184	822,196
Stationery, printing and advertisements	33	1,370,365	543,735
Directors' fees	34	272,800	416,800
Professional/Auditors' fees	35	115,000	287,500
Depreciation	36	11,598,732	8,609,163
Other expenses	37	6,692,708	6,300,653
Operating Expenses (B)		**56,042,732**	**40,777,228**
Operating Profit (A-B)		**217,115,830**	**258,428,350**
Other non- operating revenue	38	-	1,087,999
Profit before provisions and tax		**217,115,830**	**259,516,349**
Provision for diminution in value of investments & margin loans	39	(55,032,641)	(55,559,184)
Profit before Provision for Income Tax		**162,083,190**	**203,957,165**
Income Tax Expense	40	**971,157**	**44,722,657**
Current tax expense		39,543,812	46,885,677
Deferred tax (income)		(38,572,655)	(2,163,020)
Net Profit		**161,112,033**	**159,234,508**
Other comprehensive income		-	-
Total Comprehensive Income		**161,112,033**	**159,234,508**
Earning Per Share	41	**1.50**	**1.49**

These financial statements should be read in conjunction with the annexed notes 1 to 45.

Khondoker Mahamudul Hasan
Company Secretary

A H M Nazmul Hasan
Managing Director & CEO

Md. Kyser Hamid
Director

SK Md Tarikul Islam, FCA
Partner
Membership no: 1238
Hoda Vasi Chowdhury & Co
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DVC: 2303071238AS488182

Dhaka, 19 February 2023

BANGLADESH FINANCE SECURITIES LIMITED
STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

Particulars	31-Dec-22 BDT	31-Dec-21 BDT
Cash Flows from Operating Activities		
Interest received	102,585,021	97,370,646
Interest paid	(66,540,258)	(68,602,675)
Other brokerage received	180,412	194,785
Fees and commission received	152,934,540	184,186,079
Cash payments to employees	(28,110,986)	(22,047,243)
Cash payments to suppliers	(2,509,548)	(1,365,931)
Directors fees paid	(272,800)	(416,800)
Income tax paid	(27,386,040)	(34,504,123)
Received from investment activities	130,886,296	86,056,743
Payments for other operating activities	(60,323,115)	(8,338,091)
Operating Profit Before Changes in Operating Assets and Liabilities	**201,443,522**	**232,533,390**
Changes in Operating Assets and Liabilities		
Purchases/Sale of trading securities	(7,177,823)	(98,134,609)
Loans and lease finance to customers	51,373,863	(150,323,940)
Deposits	(3,299,481)	(671,895)
Other liabilities	(248,527,851)	325,361,233
Sub Total	**(207,631,292)**	**76,230,789**
A) Net Cash from Operating Activities	**(6,187,770)**	**308,764,179**
Cash Flows from Investing Activities		
Proceeds from sale of fixed assets	-	1,087,999
Purchases/sale of property & equipment	(5,717,399)	(3,911,058)
B) Net Cash from Investing Activities	**(5,717,399)**	**(2,823,059)**
Cash Flows from Financing Activities		
Increase/(decrease) of borrowings	65,101,687	98,690,015
Issuing preference shares	120,000,000	-
Payment for lease liabilities	(7,927,988)	(6,686,144)
Dividend paid	(160,822,500)	(160,822,500)
C) Net Cash from Financing Activities	**16,351,199**	**(68,818,629)**
D) Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**4,446,030**	**237,122,492**
E) Cash and Cash Equivalents at the Beginning of the Period	**405,745,177**	**168,622,686**
F) Cash and Cash Equivalents at the end of the Period(D+E)	**410,191,203**	**405,745,177**
Net Operating Cash Flow Per Share (NOCFPS)	**(0.06)**	**2.88**

Khondoker Mahamudul Hasan
Company Secretary

A H M Nazmul Hasan
Managing Director & CEO

Md. Kyser Hamid
Director

Dhaka, 19 February 2023

SK Md Tarikul Islam, FCA
Partner
Membership no: 1238
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BANGLADESH FINANCE SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

Amount in BDT

Particulars	Share Capital BDT	Retained Earnings BDT	Total Equity
Balance at January 01, 2022	1,072,150,000	111,501,517	1,183,651,517
Interim cash dividend	-	(160,822,500)	(160,822,500)
Profit during the year	-	161,112,033	161,112,033
Balance as on December 31, 2022	**1,072,150,000**	**111,791,050**	**1,183,941,050**
Balance at January 01, 2021	1,072,150,000	113,089,509	1,185,239,509
Interim cash dividend	-	(160,822,500)	(160,822,500)
Profit during the year	-	159,234,508	159,234,508
Balance as on December 31, 2021	**1,072,150,000**	**111,501,517**	**1,183,651,517**

The annexed notes form an integral part of these financial statements

Khondoker Mahamudul Hasan
Company Secretary

A H M Nazmul Hasan
Managing Director & CEO

Md. Kyser Hamid
Director

SK Md Tarikul Islam, FCA
Partner
Membership no: 1238
Hoda Vasi Chowdhury & Co
Chartered Accountants
DVC: 2303071238AS488182

Dhaka, 19 February 2023

BANGLADESH FINANCE SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1 Company and Its Activities

1.1 Legal form of the Company

Bangladesh Finance Securities Limited ("Bangladesh Securities" or "the Company") was incorporated in Bangladesh as a public limited Company (formally known as BD Finance Securities Limited) on 28 December, 2010 vide Registration No. C-89204/10 under The Companies Act 1994. The Company has acquired Dhaka Stock Exchange Membership, whose Registration Number is 30.

1.2 Nature of Business

The main objective of Bangladesh Finance Securities Limited is to act as a member of stock exchanges, the central depository system (CDS) companies and to carry on the business of broker, jobbers or dealers in stocks, shares, securities, bonds, debentures etc. The Company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of the Company in shares, stocks and fixed income securities.

2 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchanges Rules 1987 and other laws & regulations applicable in Bangladesh.

2.2 Basis of Measurement

These financial statements have been prepared based on historical cost basis 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.

2.3 Use of Estimates and Judgments

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

2.4 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 have been rearranged to confirm with the current year/period presentation.

2.5 Reporting Period

The reporting period of these financial statements covers from 01 January 2022 to 31 December 2022.

2.6 Functional and Presentation Currency

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

2.7 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with International Accounting Standard IAS-7: Statement of Cash Flows and the cash flows from operating activities have been presented under the direct method as prescribed by the Bangladesh Securities and Exchange Rules, 1987.

2.8 Statement of Changes in Equity

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

2.9 Property and Equipment

(i) Recognition of Property and Equipment

Items of property and equipment are measured at cost less accumulated depreciation. The cost of the assets is the cost of acquisition 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

Subsequent to initial recognition, cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other repair and maintenance expenses are charged in statement of profit or loss as 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. The Company followed the Straight-line method of depreciation and annual rates are as under:

Category of Assets	Rate of Depreciation
Office Equipment	10%
Electronic Equipment	15%
Electronic Equipment-Generator	15%
Furniture & Fixture	10%
Computer Peripheral	25%
Vehicles	20%
Office Renovation & Furnishing	10%
Right of use assets	Lease term

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. No significant adjustment in respect of items of property and equipment was done in the reporting period.

(iv) Retirement and Disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposals. Gains and losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset in profit or loss.

2.10 Intangible Assets

(i) Components

The main item included in intangible assets are Software, TWS Installation and Preliminary Expenses.

(ii) Basis of Recognition

An intangible asset is 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 intangible asset can be measured reliably in accordance with IAS 38: Intangible Assets. Accordingly, intangible asset is reported in the statement of financial position at cost less accumulated amortization.

(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

Amortization is charged in profit or loss on a straight line basis over the estimated useful lives of intangible assets. Amortization on additions are charged from the month of acquisition. Amortization is charged on the cost of intangible assets and no amortization is charged in the year of disposal.

(v) Retirement and Disposals

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gain or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in profit or loss.

2.11 Leases

Leases are recognized as right-of-use assets and corresponding liabilities at the inception of a contract and measured in accordance with IFRS 16. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

At the commencement date, lease liabilities are measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost.

Payments associated with all short-term leases (with a lease term of 12 months or less) and certain leases of all low-value assets are recognized on a straight-line basis as an expense in profit or loss.

2.12 Recognition and Measurement of Financial Assets

A financial asset or financial liability is classified as held for trading if:
i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; and
ii) On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

2.13 Revenue Recognition

Revenue comprises Interest income, Settlement charges, Dividend income, Brokerage commission service rendered and capital gain on sales of shares. Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer. Information is provided regarding the nature and timing of the satisfaction of performance obligations in contracts with customers.

(i) Revenue Recognition Under IFRS 15

Revenue is recognized when or as a performance obligation is satisfied by transferring a good or service to a customer, either at a point in time or over time. A good or service is 'transferred' when or as the customer obtains control of it. Customers obtain control of goods at point of delivery or over time.

The entity assesses whether it transfers control over time by following prescribed criteria for satisfying performance obligation. If none of the criteria is met then the entity recognizes revenue at point of time at which it transfers control of the goods to the customer.

(ii) Brokerage Commission

Brokerage commission is recognized as income when selling or buying order is signed and trade is executed.

(iii) Interest Income from Margin Loan

Interest income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective clients. Income is recognized on quarterly basis.

(iv) Dividend Income and Gain/(loss) on Sale of Marketable Securities

Dividend income is recognized when right to receive payment is established whereas gain or loss arising from the sale of securities is accounted for only when shares are sold in the market and gain or loss is realized.

2.14 Provision for Income Tax

i) Current Tax

Provision for tax is assessed under section 82C of the Income Tax Ordinance (ITO) 1984 on income from company's normal course of business and at 27.50% on company's income from other sources. Under section 82C, income tax deducted under certain sections of the ITO is treated as minimum tax of tax payer's tax liabilities from that source.

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.

2.15 Retirement Benefit

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 Securities Limited 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.

2.16 Provision for Expenses

Provision for expenses is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate of the amount can be made.

2.17 Cash and Cash Equivalent

Cash and cash equivalent includes cash in hand, cash at bank and fixed deposits which are held and are available for use by the company without any restriction. There is insignificant risk of change in the value of the above items.

2.18 Related Party Disclosure

As per International Accounting Standard (IAS) 24 "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length IAS is at commercial rates with its related parties. Related party disclosures have been given in Note 42.

2.19 Events After the Balance Sheet Date

Events after the balance sheet date that provides additional information about company's financial position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are material but not adjusting event are discussed in the notes.

2.20 General

i) Figures of previous year have been rearranged wherever considered necessary to confirm presentation of the current year; and

ii) Amounts appearing in these financial statements have been rounded off to the nearest Taka.

		31-Dec-22	31-Dec-21
		BDT	BDT
3	**Property and equipment**		
	A. Cost :		
	Opening balance	34,434,969	34,069,911
	Addition during the period	5,717,399	3,911,058
	Total	40,152,368	37,980,969
	Less disposal during the period	-	(3,546,000)
	Closing balance	**40,152,368**	**34,434,969**
	B. Depreciation:		
	Opening balance	27,250,519	28,127,322
	Charge during the period	3,234,531	2,669,196
	Total	30,485,050	30,796,518
	Less disposal during the period	-	(3,545,999)
	Closing balance	**30,485,050**	**27,250,519**
		9,667,318	**7,184,450**
	Details of property and equipment are given in Annexure-A		
4	**Intangible assets**		
	A. Cost :		
	Opening balance	675,000	675,000
	Addition during the period	-	-
	Closing Balance	**675,000**	**675,000**
	B. Depreciation:		
	Opening balance	675,000	675,000
	Charge during the period	-	-
	Closing Balance	**675,000**	**675,000**
		-	**-**
	Details of intangible assets are given in Annexure- B		
5	**Right-of-use-assets**		
	A. Cost:		
	Opening balance	19,875,109	11,033,191
	Addition during the year	38,496,922	8,841,918
		58,372,031	**19,875,109**
	B. Accumulated depreciation:		
	Opening balance	12,191,489	6,251,522
	Charged for the year	8,364,201	5,939,967
		20,555,690	**12,191,489**
	C. Written down value (A-B)	**37,816,341**	**7,683,620**
6	**Investment in stock exchange**		
	Dhaka stock exchange	951,410,683	951,410,683
		951,410,683	**951,410,683**
7	**Deferred tax assets**		
	Opening balance	2,765,917	602,897
	Deferred tax (expense)/income charged in P&L	38,572,655	2,163,020
		41,338,572	**2,765,917**

7.1 Item wise deferred tax liabilities as on 31-Dec-2022

Particulars of assets and liabilities	As per Carrying value	As per Tax base	Temporary Difference (deductible)/ taxable	Tax Rate	Deferred tax (assets)/liabilities
Office equipment	479,369	713,013	(233,644)	27.5%	(64,252)
Electrical equipment	1,170,636	1,404,010	(233,374)	27.5%	(64,178)
Electrical equipment-Generator	1	692,676	(692,675)	27.5%	(190,486)
Furniture and fixture	588,702	895,362	(306,660)	27.5%	(84,332)
Computer and peripherals	977,470	1,556,526	(579,056)	27.5%	(159,240)
Office renovation/furnishing	3,924,758	10,391,097	(6,466,339)	27.5%	(1,778,243)
Motor vehicles	1,958,333	1,600,000	358,333	27.5%	98,542
ROU assets, net	4,737,424	-	4,737,424	27.5%	1,302,792
Provision for margin loan	(123,521,222)	-	(123,521,222)	27.5%	(33,968,336)
Provision for investment	(58,421,031)	-	(58,421,031)	10.0%	(5,842,103)
Provision for gratuity	(2,140,855)	-	(2,140,855)	27.5%	(588,735)
Total	**(170,246,416)**	**17,252,684**	**(187,499,100)**		**(41,338,572)**

	31-Dec-22	31-Dec-21
	BDT	BDT
8 Investments in shares		
Investment in marketable securities (Note: 8.1)	343,179,349	327,001,526
Investment in non traded shares (Note: 8.2)	17,800,000	26,800,000
	360,979,349	**353,801,526**

8.1 Investment in marketable securities

Name of Industry	No. of Shares	Cost price (Taka)	Market price at the year end (Taka)	Unrealized gain/ (loss) (Taka)
Engineering	1,103,954	320,903,693	249,457,261	(71,446,432)
Insurance	12,800	128,000	418,510	290,510
Miscellaneous	572,160	17,525,919	26,558,356	9,032,438
Food	330,325	4,621,737	8,324,190	3,702,453
		343,179,349	**284,758,317**	**(58,421,031)**

8.2 Investment in non traded shares		
Achia Sea Food Ltd.	-	3,000,000
Beka Garment And Textiles Limited.	2,600,000	2,600,000
BD Paints Ltd.	-	6,000,000
B. Brothers Garments Limited	10,000,000	10,000,000
Classic Foils Limited	200,000	200,000
Al Faruque Bags Ltd.	5,000,000	5,000,000
	17,800,000	**26,800,000**
9 Accounts receivable		
This balance has been resulted from sale of shares through Dhaka Stock Exchange Ltd.		
Receivable from DSE (Note: 9.1)	-	139,973
Receivable from BD Finance Capital Holdings Limited	140,741	17,695
Receivable from employees	19,139	16,076
Receivable from vanguard AML BD Finance MF1 One	1,005	1,005
	160,885	**174,749**
9.01 Receivable from DSE		
Total sales for broker	-	139,973
Total sales for dealer	-	-
	-	**139,973**
10 Margin loan to clients		
Margin loan to clients	734,617,644	785,991,507
	734,617,644	**785,991,507**

Bangladesh Finance Securities Limited has carrying of Tk. 12,35,21,222/- as negative equity which is included in margin loan to clients. As per decision of the management BFSL has made full provision on negative equity which is shown in Note-20

		31-Dec-22	31-Dec-21
		BDT	BDT
11	**Advances, deposits and prepayments**		
	Security deposit with CDBL	200,000	200,000
	Advance for expenses	6,310,378	2,153,565
	IPO Application	-	5,643,500
		6,510,378	**7,997,065**
12	**Cash and cash equivalent**		
	Cash in hand		
	Cash in hand (Petty Cash)	**33,980**	**46,181**
	Cash at bank		
	Mutual Trust Bank Ltd. (General A/c)	-	2,018,649
	City Bank Ltd. (General A/c, Fx Br.)	-	347,805
	One Bank CD Account	3,363	-
	One Bank Ltd. (Consolidated Customer SND A/c)	2,472,720	849,707
	One Bank Ltd. (Dealer SND A/c)	1,244	2,356
	Dutch Bangla Bank Salary A/C	-	173,110
	One Bank Ltd. (Public Issue Application A/c)	40,221	40,632
	Jamuna Bank Ltd. (Salary A/c)	-	149,754
	Rupali Bank Ltd.	-	8,280
	Social Islami Bank Ltd. (Consolidated Customer A/C)	175,585,186	393,952,398
	Al-Arafah Islami Bank Ltd. (Consolidated Customer A/C)	31,280	31,791
	Social Islami Bank Limited (Dealer A/C)	4,633,735	5,619,917
	Social Islami Bank Limited (MSD A/C)	218,802,238	2,494,080
	Social Islami Bank Limited (Special Fund)	8,585,902	10,518
	Rupali Bank CD	1,334	-
		410,157,223	**405,698,997**
	Total Cash and cash equivalent	**410,191,203**	**405,745,177**
13	**Share capital**		
13.1	**Authorised capital**		
	50,00,00,000 ordinary shares of Taka 10 each	5,000,000,000	5,000,000,000
		5,000,000,000	**5,000,000,000**

13.2 Issued, subscribed and paid up capital

10,72,15,000 fully paid ordinary shares of Tk.10/- each subscribed and paid by the sponsor Shareholders.

	Number of Share	Shareholding %	Total value of Share	Total value of Share
Bangladesh Finance Ltd.	61,500,000	57.36%	615,000,000	615,000,000
Anwar Landmark Ltd.	18,962,500	17.69%	189,625,000	189,625,000
City General Insurance Co. Ltd.	9,327,500	8.70%	93,275,000	93,275,000
Mr. Manwar Hossain	3,075,000	2.87%	30,750,000	30,750,000
Mr. Hossain Mehmood	3,075,000	2.87%	30,750,000	30,750,000
Mr. Hossain Khaled	3,075,000	2.87%	30,750,000	30,750,000
Mr. M. Abu Taher	3,075,000	2.87%	30,750,000	30,750,000
Mr. Md. Yousuf	3,075,000	2.87%	30,750,000	30,750,000
Mr. Forkan Ahmed Moon	2,050,000	1.91%	20,500,000	20,500,000
	107,215,000	**100.00%**	**1,072,150,000**	**1,072,150,000**

14	**Retained earnings**		
	Opening balance	111,501,517	113,089,509
	Less: Interim Dividend Payment	160,822,500	160,822,500
	Add: Net Profit for the year	161,112,033	159,234,508
		111,791,050	**111,501,517**
15	**Preference share**		
	Subscribed by Bangladesh Finance Limited	120,000,000	-
		120,000,000	**-**

The Company has issued fully redeemable, non-convertible and cumulative preference share valuing to BDT 750 million of which BDT 120 million) to Bangladesh Finance Limited in the year of 2022.

		31-Dec-22	31-Dec-21
		BDT	BDT
16	**Lease liabilities**		
	Opening balance of lease liabilities	7,310,014	5,154,240
	Add: Addition during the year	33,696,891	8,841,918
		41,006,905	**13,996,158**
	Less: Lease payment made during the year	7,927,988	6,686,144
		33,078,917	**7,310,014**
	Less: Current portion of lease liabilities	12,502,109	3,127,303
	Non current portion of lease liabilities	**20,576,808**	**4,182,711**
17	**Accounts payable**		
	Total purchase for broker	30,956,356	41,255,260
	Payable to BD Finance Capital Holdings Limited	29,931	5,839,334
	IDLC Investment Ltd	-	178,951,500
		30,986,287	**226,046,094**
18	**Payable to clients**		
	This balance represents the clients' sale proceeds of shares and deposits against share purchase which is currently lying with the company's bank A/C.		
	Payable to Clients	128,318,755	151,577,049
		128,318,755	**151,577,049**
19	**Short term loan**		
	The amount represents payable to the following banks and financial institutions:		
	Bangladesh Finance Limited	482,953,104	500,367,419
	Social Islami Bank Limited	96,560,000	48,000,000
	Hajj Finance Company Limited (Phase 3)	-	21,000,000
	ICB Special Fund	80,000,000	14,188,754
	Industrial and Infrastructure Development Finance Company Limited (IIDFC)	-	100,000,000
	CVC Finance Limited	47,500,000	47,500,000
	Rupali Bank	89,144,755	-
		796,157,859	**731,056,172**
20	**Provision for diminution in value of investments**		
	A. Provision on unrealized loss of dealer investments:		
	Opening balance	8,265,422	8,265,422
	Add: Addition during the period	50,155,609	-
	Closing balance	**58,421,031**	**8,265,422**
	B. Provision on margin loan:		
	Opening balance	118,644,190	63,085,006
	Add: Addition during the period	4,877,032	55,559,184
	Total Provision	**123,521,222**	**118,644,190**
	Less: Written off of provision on margin loan	**-**	**-**
		123,521,222	**118,644,190**
	Closing balance (A+B)	**181,942,253**	**126,909,612**

As per circular of Bangladesh Securities and Exchange Commission (BSEC) every stock broker and Merchant banker to take the opportunity to maintain the provision for unrealized loss on Stock Dealer Account and negative equity of margin account in phase manner up to 2023. But as per management decision BDFSL has fully adjusted dealer account capital erosion and negative equity on margin account in December 2022 instead of enjoying the phase manner of BSEC.

21	**Provision for income tax**		
	Opening balance	159,707,188	116,404,083
	Add: Provision made during the year	39,543,812	46,885,677
		199,251,000	163,289,760
	Settlement of previous year's tax liabilities	-	3,582,572
	Closing balance at the year end	**199,251,000**	**159,707,188**
	Advance income tax		
	Opening balance	142,319,269	111,397,718
	Add: AIT paid during the period	-	-
	AIT on Cash Dividend	575,673	874,754
	AIT on Bank Interest	734,560	568,971
	AIT on turnover of BD Securities	26,075,807	29,477,825
	AIT on Capital gain	-	-
	Closing balance at the year end	**169,705,309**	**142,319,269**
	Net provision for income tax	**29,545,691**	**17,387,919**

		31-Dec-22	31-Dec-21
		BDT	BDT
22	**Provision for expenses**		
	Interest payable on loan from Banks & NBFIs (Note: 22.1)	3,638,372	35,004,577
	Utility payable	157,761	55,596
	Network connectivity charges payable	112,468	14,441
	Mobile bill payable	20,954	25,506
	Fuel bill payable	280,584	200,584
	Postage, telephone, fax & telex bill payable	-	12,141
	Provision for ratuity	2,140,855	1,158,829
	Provision for PF	1,341,194	-
	Audit fees payable	118,750	287,500
	Office maintenance payable	80,000	-
	Liability for CDBL expenses (share maintenance)	325,890	250,020
	Incentive & other payable	5,448,067	2,860,329
	AIT payable	29,165,060	28,964,681
	Bank Interest payable to clients	5,186,613	3,452,115
	IPO control A/C	-	6,530,000
	Dividend payable for preference shares	705,000	-
		48,721,568	**78,816,318**
22.1	**Interest payable on loan from banks and NBFIs**		
	Bangladesh Finance Limited	2,684,426	27,242,227
	Hajj Finance Company Limited (Phase-03)	-	5,998,512
	Social Islami Bank Limited	748,946	1,104,000
	Investment Corporation of Bangladesh	45,000	110,046
	Industrial and Infrastructure Development Finance Company Limited (IIDFC)	-	361,111
	CVC Finance Limited	160,000	188,681
		3,638,372	**35,004,577**
23	**Brokerage commission Income**		
	Brokerage commission	153,255,002	183,547,941
	BO account maintenance (Note: 23.1)	(320,463)	638,137
		152,934,540	**184,186,079**
23.1	**BO account maintenance**		
	BO account maintenance fee/opening fee	314,950	247,550
	BO account renewal fees	1,414,520	2,006,500
	BO account closing fees	37,370	45,500
	CDBL settlement transfer income	4,911,873	4,868,719
	CDBL bulk A/C Transfer income	191,469	390,282
	CDBL transfer/transmission income	202,314	1,179,444
	CDBL pledge income	20,620	22,834
	CDBL unpledged income	61,250	155,617
		7,154,366	**8,916,447**
	Less:		
	CDBL settlement transfer charge	5,927,252	6,430,552
	CDBL bulk A/C transfer charge	109,171	198,198
	CDBL transfer/transmission charge	101,157	632,960
	CDBL demate of existing securities charge	11,342	3,043
	CDBL pledge charge	21,352	15,968
	CDBL unpledged charge	48,151	81,188
	CDBL BO A/C opening charge	252,350	133,350
	CDBL BO A/C renewal charge	1,000,800	782,050
	CDBL other charges	3,254	1,000
		7,474,829	**8,278,309**
		(320,463)	**638,137**
24	**Brokerage commission expense**		
	Laga charges (Note: 24.1)	12,020,519	14,426,685
	Direct trading expenses (Note: 24.2)	34,866,930	54,568,152
		46,887,449	**68,994,836**
24.1	**Laga charges**		
	Broker	11,550,977	14,154,530
	Dealer	469,542	272,155
		12,020,519	**14,426,685**
24.2	**Trading expenses**		
	DSE other charges	16,333	34,922
	Direct trading expenses	34,850,597	54,533,230
		34,866,930	**54,568,152**

		31-Dec-22	31-Dec-21
		BDT	BDT
25	**Interest income**		
	Interest on margin loan	98,802,150	93,763,807
	Interest income on bank deposit	3,782,871	3,606,840
		102,585,021	**97,370,646**
26	**Interest expenses**		
	Bangladesh Finance Limited	43,831,165	53,145,523
	Premier Leasing & Finance Limited (Phase-2)	-	2,358,062
	Social Islami Bank Limited	5,480,882	4,093,599
	Hajj Finance Company Limited (Phase-3)	1,204,960	3,527,485
	Hajj Finance Company Limited (Phase-4)	-	2,183,697
	Hajj Finance Company Limited (Phase-5)	-	1,087,625
	Investment Corporation of Bangladesh (Special purpose)	219,670	1,028,452
	Interest expenses (Lease)	2,339,015	628,439
	Industrial and Infrastructure Development Finance Company Limited (IIDFC)	2,441,945	361,111
	CVC Finance Limited	5,196,319	188,681
	Rupali Bank	5,121,303	-
	Dividend for preference Share(Bangladesh Finance)	705,000	-
		66,540,258	**68,602,675**
27	**Net investment income**		
	Income from investment in marketable securities	128,007,930	150,677,807
	Cash dividend	2,878,366	4,373,772
		130,886,296	**155,051,579**
28	**Other brokerage income**		
	IPO service income	10,455	23,360
	Cheque dishonored charge	114,000	112,500
	Cheque clearance fees	40,785	52,840
	CDBL demate of existing securities income	15,172	6,085
		180,412	**194,785**
29	**Salaries and allowances**		
	Salaries and allowances	27,409,281	22,047,243
	Provident fund	701,705	-
		28,110,986	**22,047,243**
30	**Rent, taxes, insurance and electricity**		
	Rent, rates and taxes	1,471,920	183,656
	Insurance	-	170,367
	Utilities	795,285	652,789
		2,267,205	**1,006,812**
31	**Legal expenses**		
	Legal and professional fee	-	80,000
	Fees and renewals	4,475,753	663,126
		4,475,753	**743,126**
32	**Postage, stamp, telecommunication**		
	Telephone, postage & telegram	24,897	39,524
	Mobile bill	198,869	205,113
	Network connectivity charge	915,418	577,559
		1,139,184	**822,196**
33	**Stationary, printing, advertisements**		
	Printing and stationary	1,357,715	529,777
	Advertisement expense	12,650	13,958
34	**Directors' fees**	**1,370,365**	**543,735**
	Directors' fees	272,800	416,800
		272,800	**416,800**
35	**Professional/Auditors' fees**		
	Audit fees	115,000	287,500
		115,000	**287,500**
36	**Depreciation**		
	Depreciation of tangible assets	11,598,732	8,609,163
		11,598,732	**8,609,163**

		31-Dec-22	31-Dec-21
		BDT	BDT
37	**Other expenses**		
	Travelling and conveyance	304,165	127,598
	Entertainment	983,014	584,904
	Fuel, oil and lubricants	661,834	267,222
	Repair and maintenance	663,689	348,419
	Diesel for enerator	55,331	67,457
	Newspaper and periodicals	-	863
	Office cleaning expenses	166,752	15,420
	Office maintenance	702,645	449,638
	Repair and maintenance-Vehicle	113,250	214,336
	Bank guarantee fees	2,592,000	3,891,472
	Bank charges	450,029	333,324
		6,692,708	**6,300,653**
38	**Other non-operating revenue**		
	Miscellaneous income	-	1,087,999
		-	**1,087,999**
39	**Provision for diminution in value of investments and margin loan**		
	Provision on unrealized loss of dealer investments	50,155,609	-
	Provision on margin loan	4,877,032	55,559,184
		55,032,641	**55,559,184**
40	**Income tax expense**		
	Current tax expenses		
	Provision made during the year	39,543,812	46,885,677
	Transfer from deferred tax expenses	-	-
		39,543,812	**46,885,677**
	Deferred tax expense/ (income)		
	Taxable /(deductible) temporary differences	(38,572,655)	(2,163,020)
	Transfer to current income tax	-	-
		(38,572,655)	**(2,163,020)**
		971,157	**44,722,657**
41	**Earnings Per Share (EPS)**		
	Net profit after tax	161,112,033	159,234,508
	Weight average number of ordinary shares outstanding	107,215,000	107,215,000
		1.50	**1.49**

42 Related party disclosure

Name of Party	Related by	Nature of Transaction	Amount in Tk.	Status
Bangladesh Finance Limited	Parent Company	Loan	485,637,530	Regular
BD Finance Capital Holdings Limited	Subsidiary of parent Company	Payable	310,530	Regular

43 Contingents liabilities

The company has no contingent liabilities and commitments during the period.

44 Number of employees

The total number of employees drawing remuneration at the end of the year or part thereof was as follows:

i) Remuneration up to 3,000 per month	-	-
ii) Remuneration above to 3,000 per month	44	32
	44	**32**

45 Events after the reporting period

There is no post balance sheet events which require neither adjustments nor discloser during the financial statements.

Khondoker Mahamudul Hasan
Company Secretary

A H M Nazmul Hasan
Managing Director & CEO

Md. Kyser Hamid
Director

BANGLADESH FINANCE SECURITIES LIMITED
SCHEDULE OF PROPERTY AND EQUIPMENT

For the year ended 31 December 2022

Annexure- A

Figures in BDT

Particulars	Cost				Rate	Depreciation				Written down value as at 31-Dec-2022
	Balance as on 1-Jan-2022	Addition during the year	Disposal/ adjustment during the year	Balance as on 31-Dec-2022		Balance as on 1-Jan-2022	Disposal/ adjustment during the	Charged during the year	Balance as on 31-Dec-2022	
Office equipment	832,564	476,806	-	1,309,370	10%	735,221	-	94,780	830,001	479,369
Electrical equipment	1,082,007	869,361		1,951,368	15%	582,449	-	198,283	780,732	1,170,636
Electrical equipment-generator	2,221,982		-	2,221,982	15%	2,221,981	-	-	2,221,981	1
Furniture and fixture	1,048,026	550,890	-	1,598,916	10%	896,309	-	113,906	1,010,214	588,702
Computer & peripheral	6,726,913	685,215		7,412,128	25%	6,237,624	-	197,034	6,434,658	977,470
Motor vehicles	3,225,172		-	3,225,172	20%	53,753	-	645,036	698,789	2,526,383
Office renovation/furnishing	19,298,305	3,135,127	-	22,433,432	10%	16,523,182	-	1,985,492	18,508,674	3,924,758
Balance As on 31.12.2022	**34,434,969**	**5,717,399**	**-**	**40,152,368**	**-**	**27,250,519**	**-**	**3,234,531**	**30,485,050**	**9,667,318**
Balance As on 31.12.2021	**34,069,911**	**3,911,058**	**3,546,000**	**34,434,969**	**-**	**28,127,322**	**3,545,999**	**2,669,196**	**27,250,519**	**7,184,450**

Right-of-use-assets

Figures in BDT

Particulars	Cost				Rate	Depreciation				Written down value as at 31-Dec-2022
	Balance as on 1-Jan-2022	Addition during the year	Disposal/ adjustment during the year	Balance as on 31-Dec-2022		Balance as on 1-Jan-2022	Disposal/ adjustment during the year	Charged during the year	Balance as on 31-Dec-2022	
Office space	19,875,109	38,496,922	-	58,372,031		12,191,489	-	8,364,201	20,555,690	37,816,341
Total	**19,875,109**	**38,496,922**	**-**	**58,372,031**		**12,191,489**	**-**	**8,364,201**	**20,555,690**	**37,816,341**

BANGLADESH FINANCE SECURITIES LIMITED
SCHEDULE OF PROPERTY AND EQUIPMENT

For the year ended 31 December 2022

Annexure- B

Figures in BDT

Particulars	Cost				Rate	Amortization				Written down value as at 31-Dec-2022
	Balance as on 1-Jan-2022	Addition during the year	Disposal/ adjustment during the year	Balance as on 31-Dec-2022		Balance as on 1-Jan-2022	Disposal/ adjustment during the year	Charged during the year	Balance as on 31-Dec-2022	
Software	600,000	-	-	600,000	50%	600,000	-	-	600,000	-
TWS installation	75,000	-	-	75,000	50%	75,000	-	-	75,000	-
Total	**675,000**	**-**	**-**	**675,000**			**-**	**-**	**675,000**	**-**

BANGLADESH FINANCE CAPITAL LIMITED
INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BANGLADESH FINANCE CAPITAL LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bangladesh Finance Capital Limited (the "Company") which comprise the Statement of Financial Position as at 31 December 2022, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows 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 financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), 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.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inade-

quate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and other rules and regulations, 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 statement of financial position and the statement of profit or loss and other comprehensive income together with the annexed notes from 1 to 39 dealt with by the report are in agreement with the books of account and returns; and

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



SK Md Tarikul Islam, FCA
Partner
Membership no: 1238
Hoda Vasi Chowdhury & Co
Chartered Accountants
DVC: 2303071238AS559439

Dhaka, 19 February 2023

BANGLADESH FINANCE CAPITAL LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	31 December 2022 BDT	31 December 2021 BDT
Assets			
Non-Current Assets			
Property and Equipment-Net	5	4,578,857	4,967,418
Intangible Asset	6	1	1
Right-of-use Assets	7	4,393,681	-
Deferred tax assets	8	6,905,035	3,673,850
		15,877,574	**8,641,269**
Current Assets			
Investment in Marketable Securities	9	475,649,127	380,340,436
Short term investments		65,000,000	-
Margin Loans to Portfolio Clients	10	57,519,391	174,160,117
Accounts Receivable	11	865,960	40,854,639
Advances, Deposits and Prepayments	12	20,663,000	21,052,564
Advance Income Tax	13	36,029,664	34,904,153
Cash and Cash Equivalents	14	21,784,672	64,922,014
		677,511,814	**716,233,922**
Total Assets		**693,389,388**	**724,875,190**
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Share Capital	15	268,750,000	268,750,000
Retained Earnings	16	138,427,470	96,006,990
		407,177,470	**364,756,990**
Non-Current Liabilities			
Lease liabilities - net of current portion	17	2,166,432	-
		2,166,432	**-**
Current Liabilities			
Short Term Loan	18	165,567,332	222,644,445
Accounts Payable	19	7,865,561	21,158,541
Liabilities for Expenses	20	6,851,808	41,078,583
Lease liabilities - current portion	17	2,294,617	-
Provision for Diminution in Value of Investments	21	36,000,000	18,000,000
Provision for Margin Loan	22	1,741,601	1,741,601
Provision for Income Tax	23	63,724,566	55,495,031
		284,045,486	**360,118,200**
Total Shareholders' Equity and Liabilities		**693,389,388**	**724,875,190**

These Financial Statements should be read in conjunction with the annexed notes 1 to 39.

Milton Kumar Roy
Company Secretary

Barun Prasad Paul
Managing Director & CEO

Md. Kyser Hamid
Director

SK Md Tarikul Islam, FCA
Partner
Membership no: 1238
Hoda Vasi Chowdhury & Co
Chartered Accountants
DVC: 2303071238AS559439

Dhaka, 19 February 2023

BANGLADESH FINANCE CAPITAL LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	31 December 2022 BDT	31 December 2021 BDT
Operating Income			
Net interest income	24	3,955,341	9,714,661
Income from portfolio management services	25	811,864	571,948
Settlement and transaction fees	26	2,881,908	6,326,586
Documentation charges	27	143,000	90,500
Income from investment banking	28	20,000	1,175,000
Investment income	29	77,194,250	223,682,732
Other income	30	513,740	1,102,192
		85,520,103	**242,663,620**
Operating Expense			
Salary and allowances	31	12,240,605	10,147,441
Office rent, utilities, maintenance and services	32	1,089,870	1,264,526
Stationeries, printings, advertisements	33	355,627	96,200
Directors' fees and conveyance		176,000	149,600
Auditors' fees		86,250	172,500
Depreciation on property and equipment		3,918,034	2,986,316
Other expenses	34	2,234,887	1,146,691
		20,101,273	**15,963,273**
Profit Before Provision for Diminution in Value of Investments and Margin Loan		**65,418,830**	**226,700,347**
Provision for Diminution in Value of Investments		18,000,000	14,800,000
Provision for Margin Loan		-	1,741,601
Total Provision		**18,000,000**	**16,541,601**
Profit Before Income Tax		**47,418,830**	**210,158,746**
Provision for Income Tax			
Current tax expense		8,229,535	23,711,039
Deferred tax (income)/expense		(3,231,185)	(3,673,850)
		4,998,350	**20,037,189**
Profit After Tax		**42,420,480**	**190,121,556**
Other comprehensive income		-	-
Total Comprehensive Income		**42,420,480**	**190,121,556**
Earning Per Share (EPS)		**1.58**	**7.07**

These Financial Statements should be read in conjunction with the annexed notes 1 to 39.

Milton Kumar Roy
Company Secretary

Barun Prasad Paul
Managing Director & CEO

Md. Kyser Hamid
Director

SK Md Tarikul Islam, FCA
Partner
Membership no: 1238
Hoda Vasi Chowdhury & Co
Chartered Accountants
DVC: 2303071238AS559439

Dhaka, 19 February 2023

BANGLADESH FINANCE CAPITAL LIMITED
STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	31 December 2022 BDT	31 December 2021 BDT
A. Cash Flows from Operating Activities		
Net interest income	3,955,341	9,714,661
Income from investment in securities	77,194,250	223,682,732
Fees and commission received	3,713,772	8,073,534
Cash payments to employees	(12,240,605)	(10,147,441)
Received from other operating activities	656,740	865,893
Payments for other operating activities	(3,942,634)	(2,829,516)
Cash Generated from Operating Activities Before Changes in Operating Assets and Liabilities	**69,336,864**	**229,359,864**
Changes in Operating Assets and Liabilities		
Increase of marketable securities	(95,308,692)	(44,467,235)
Margin loans paid/(received) to/from customers	116,640,726	(149,707,252)
Decrease in other assets	39,252,732	5,586,444
(Increase) in short term investments	(65,000,000)	-
Increase/(decrease) in other liabilities	(47,519,754)	47,249,101
	(51,934,988)	**(141,338,942)**
Net Cash Flows from Operating Activities	**17,401,876**	**88,020,921**
B. Cash Flows From Investing Activities		
Proceeds from sale of fixed assets	-	326,800
Purchase of property and equipment	(1,237,125)	(3,706,043)
Net Cash (used in)/Flows From Investing Activities	**(1,237,125)**	**(3,379,243)**
C. Cash Flows from Financing Activities		
Short term loan (paid)/received	(57,077,113)	115,138,165
Payment for lease liabilities	(2,224,980)	(2,419,755)
Dividend paid	-	(201,555,244)
Net Cash Flows from/(used in) Financing Activities	**(59,302,093)**	**(88,836,834)**
D. Net Cash Inflow/(Outflow) for the Period (A+B+C)	**(43,137,342)**	**(4,195,156)**
E. Cash and Cash Equivalents at the Beginning of the Period	64,922,014	69,117,169
F. Cash and Cash Equivalents at the End of the Period (D+E)	**21,784,672**	**64,922,014**

These Financial Statements should be read in conjunction with the annexed notes 1 to 39.

Milton Kumar Roy
Company Secretary

Barun Prasad Paul
Managing Director & CEO

Md. Kyser Hamid
Director

BANGLADESH FINANCE CAPITAL LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

(Amount in BDT)

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as on 01 January 2022	**268,750,000**	**96,006,990**	**364,756,990**
Net profit for the year	-	42,420,480	42,420,480
Balance as on 31 December 2022	**268,750,000**	**138,427,470**	**407,177,470**
Balance as on 01 January 2021	**268,750,000**	**107,447,934**	**376,197,934**
Interim cash dividend	-	(201,562,500)	(201,562,500)
Net profit for the year	-	190,121,556	190,121,556
Balance as on 31 December 2021	**268,750,000**	**96,006,990**	**364,756,990**

These Financial Statements should be read in conjunction with the annexed notes 1 to 39.

Milton Kumar Roy
Company Secretary

Barun Prasad Paul
Managing Director & CEO

Md. Kyser Hamid
Director

BANGLADESH FINANCE CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2022

1 Company and Its Activities

1.1 Domicile, Legal form and Country of Incorporation

Bangladesh Finance Capital Limited (the "Company") is a public limited company which was formally known as BD Finance Capital Holding Limited incorporated on 10 August 2011 vides Registration No. C-94802/11 under the Companies Act, 1994 having its registered office at 64, Motijheel C/A, Dhaka-1000, Bangladesh. It is a wholly owned subsidiary of Bangladesh Finance Limited since inception. The Company received Merchant Banking License (license no. MB-76/2012) from Bangladesh Securities and Exchange Commission (BSEC) on 26 February, 2012 and commenced its operation on August 2013.

1.2 Principal Activities and Nature of Operation

Bangladesh Finance Capital Limited provides high standard of professional and personalized services to its local and Non Resident Bangladeshi (NRB) clients. The Company's principal activity includes the following:

i. Investment banking (issue management, underwriting of shares, and corporate advisory);
ii. Discretionary portfolio management;
iii. Non-discretionary portfolio management; and
iv. Own portfolio management, etc.

2 Basis of Preparation and Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

The financial statements of the Company includes the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements. These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and other laws and regulations applicable in Bangladesh.

2.2 Use of Estimates and Judgments

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

Estimates and underlying assumptions are reviewed ongoing basis. Revision of accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

Note: 5	Property and equipment;
Note: 11	Accounts receivable;
Note: 19	Accounts payable;
Note: 20	Liabilities for expenses; and
Note: 23	Provision for income tax.

2.3 Comparative Information

As guided in paragraph 36 and 38 of International Accounting Standard (IAS)-1, 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 financial statements.

2.4 Other Regulatory Compliance

As required, the Company also complies with the applicable provisions of the following major laws/ statutes:

- The Income Tax Ordinance, 1984;
- The Income Tax Rules, 1984;
- Negotiable Instrument Act, 1881;
- Securities and Exchange Rules, 1987;
- Securities and Exchange Commission Act, 1993;
- Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules, 1996; and Other applicable laws and regulations.

2.5 Basis of Measurement

These financial statements have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standard (IFRSs).

2.6 Components of Financial Statements

-Statement of Financial Position;
-Statement of Profit or Loss and Other Comprehensive Income;
-Statement of Changes in Equity;
-Statement of Cash Flows; and
-Notes to the Financial Statements.

2.7 Going Concern

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

2.8 Reporting Period

The reporting period of these financial statements covers from 1 January 2022 to 31 December 2022.

2.9 Functional and Presentation Currency

The financial statements are presented in Bangladeshi Taka (BDT) currency, which is the functional currency of the Company. All financial information presented in Taka has been rounded off to nearest BDT except as stated otherwise.

3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property and Equipment (PE)

(i) Recognition and Measurement of PE

Property and equipment are stated at cost less accumulated deprecation. The cost of the property, and equipment includes purchase price/construction cost and other directly attributable costs of bringing the property and equipment to working conditions for their intended use.

(ii) Subsequent Expenditure

Subsequent to initial recognition, cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other repair and maintenance expenses are charged in statement of profit or loss as they are incurred.

(iii) Depreciation

Depreciation on property and equipment is charged using straight-line method over their estimated useful lives. Depreciation rates are as follows:

Nature of Assets	Rate of Depreciation
Furniture and fixture	20%
Office equipment	25%
Motors vehicles	20%
Right of use assets	Lease term

Depreciation on all items of property and equipment is calculated and charged from the date of available for use and continues until the asset is derecognized. Depreciations methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Retirement and Disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposals. Gains and losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset in profit or loss.

3.2 Intangible Assets

(i) Recognition and Measurement

An intangible asset will 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 intangible asset can be measured reliably in accordance with *IAS 38: Intangible Assets*. Intangible asset comprises computer software which has been acquired by the Company having finite useful lives and is measured at cost less accumulated amortization and impairment loss, if any.

(ii) 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.

(iii) Amortization

Amortization is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management's best estimates; i.e., 4 years (25%).

(iv) Retirement and Disposals

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gain or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in profit or loss.

3.3 Impairment

The carrying value of the Company's assets other than inventories, are reviewed at closing date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the profit and loss account.

3.4 Leases

Leases are recognized as right-of-use assets and corresponding liabilities at the inception of a contract and measured in accordance with IFRS 16. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

At the commencement date, lease liabilities are measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost.

Payments associated with all short-term leases (with a lease term of 12 months or less) and certain leases of all low-value assets are recognized on a straight-line basis as an expense in profit or loss.

3.5 Investment in Shares

Investments in marketable securities are reported at cost. Adequate provision is made for excess of cost over market value.

3.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and cash at bank which are held as well as available for use for the Company without any restriction.

3.7 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.

3.8 Income Tax

3.8.1 Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any, in accordance with provisions of Income Tax Ordinance, 1984. It is measured using tax rates enacted or substantively enacted at the reporting date. Applicable tax rate for the Company for the year 2022 will be declared by Finance Act 2022. For the purpose of these financial statements, management has assumed that the existing tax rates will be applicable for Income year 2022 as well, which are mentioned below:

Regular Business Tax Rate	**Rates**
Merchant Bank	37.50%

Other Business Tax Rate:	**Rates**
Dividend income	20.00%
Capital gain on sale of fixed assets	15.00%
Capital gain on sale of marketable securities	10.00%

The Company's existing accounting policy for uncertain income tax treatments is consistent with the requirements of IFRIC 23 Uncertainty over Income Tax Treatments, which became effective on 1 January 2019. We already accounted for uncertainty of taxes and further disclosure is not required.

3.8.2 Deferred Tax

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

The Company's existing accounting policy for uncertain income tax treatments is consistent with the requirements of IFRIC 23 Uncertainty over Income Tax Treatments, which became effective on 1 January 2019. We already accounted for uncertainty of taxes and further disclosure is not required.

3.9 Retirement Benefits (Gratuity)

The Company operates non-funded gratuity scheme, provision in respect of which is made annually covering all permanent eligible employees. Gratuity fund benefit is given to the staff of Bangladesh Finance Capital Limited in accordance with the Company's service rules. The gratuity provision 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 is transferred to the Gratuity fund and charged to expenses of the Company.

3.10 Revenue from Contracts with Customers

Revenue is only recognized when it meets the following five steps model framework as per IFRS 15: "Revenue from Contracts with Customers"

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.

(i) Interest Income

Interest income is recognized on the loan balance of portfolio clients on monthly accrual basis and charged to clients' balance on quarterly basis.

(ii) Portfolio Management Fees

Portfolio management fees are recognized on the market value of the clients' portfolio on monthly accrual basis and charged to clients' balance on quarterly basis.

(iii) Issue Management and Corporate Advisory

Issue management and corporate advisory fees are recognized according to the stages of completion of services as agreed and defined in Issue management and corporate advisory agreement between company and client.

(iv) Dividend Income and Profit or Loss on Sale of Securities

Dividend is accounted for as income when right to receive is established whereas profit or loss arising from the sale of securities is accounted for only when the securities are sold/offloaded.

3.11 Provision

A provision is recognized in the accounts when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

3.12 Events after the Balance Sheet Date

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are not adjusting event are disclosed in the notes when material.

3.13 Contingent Liabilities and 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.

3.14 General

(i) Figures appearing in these financial statements have been rounded off to the nearest Taka; and
(ii) Previous years figures have been rearranged, where necessary, to conform to current year's presentation.

3.15 Application of International Financial Reporting Standards (IFRSs):

The Financial Statements have been prepared in compliance with requirement of IFRSs as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. Bangladesh Finance Capital Limited applied following IASs and IFRSs:

Name of the IAS	No.	Status
Presentation of Financial Statements	1	Applied
Statements 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 and Equipment	16	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied

Name of the IFRS	No	Status
Leases	16	Applied
Revenue from Contracts with Customers	15	Applied

4 Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments:
(i) Credit risk
(ii) Market risk
(iii) Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework.

4.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and advances to customers and investment securities. These loans and advances are fully backed by the securities held by the customer.

With respect to credit risk arising from the other financial assets of the Company, the maximum exposure is equal to the carrying amounts of the financial assets.

4.2 Market Risk

The Company's activities may give rise to risk at the time of settlement of transactions and trades. Market risk is the risk of losses due to failure of entity to honor its obligations to deliver cash, securities or other assets as contractually agreed.

For such transactions the Company only allows the purchase of tradable securities if the customer has adequate cash/purchase power beforehand.

4.3 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they falls due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

		31 December 2022 BDT	31 December 2021 BDT
5	**Property and Equipment-Net**		
	A. Cost		
	Opening Balance	20,567,528	19,406,655
	Add: Addition during the year	1,237,125	3,706,043
		21,804,653	23,112,698
	Less: Disposal during the year	-	2,545,170
		21,804,653	**20,567,528**
	B. Accumulated Depreciation		
	Opening balance	15,600,110	17,162,197
	Add: Charged during the year	1,625,686	983,082
		17,225,796	18,145,279
	Less: Disposal during the year	-	2,545,169
		17,225,796	**15,600,110**
	Written Down Value (A-B)	**4,578,857**	**4,967,418**
	A schedule of property, plant and equipment is given in Annexure-A.		
6	**Intangible Asset**		
	A. Cost		
	Opening balance	2,280,000	2,280,000
	Add: Addition during the year	-	-
		2,280,000	**2,280,000**
	B. Accumulated Amortization		
	Opening balance	2,279,999	2,279,999
	Add: Charged during the year	-	-
		2,279,999	**2,279,999**
	Written Down Value (A-B)	**1**	**1**
	A schedule of intangible assets are given in Annexure-A.		
7	**Right-of-use Assets**		
	A. Cost		
	Opening balance	4,878,579	4,878,579
	Add: Addition during the year	6,686,029	-
		11,564,608	4,878,579
	Less: Disposal during the year	4,878,579	-
		6,686,029	**4,878,579**
	B. Accumulated Depreciation		
	Opening balance	4,878,579	2,545,345
	Add: Charged during the year	2,292,348	2,333,234
		7,170,927	4,878,579
	Less: Disposal during the year	4,878,579	-
		2,292,348	**4,878,579**
	Written Down Value (A-B)	**4,393,681**	**-**
	A schedule of right-of-use assets is given in Annexure-A.		

8 Deferred Tax Assets / (Liabilities)

Item wise deferred tax assets as on 31.12.2022

Particulars of assets and liabilities	As per carrying value	As per tax base	Temporary taxable/(deductible) Difference	Tax rate	Deferred tax (assets) / liabilities
Furniture and fixture	1,769,061	4,983,344	(3,214,283)	37.5%	(1,205,356)
Office equipment	337,161	2,001,072	(1,663,911)	37.5%	(623,966)
Motor vehicle	1,747,463	1,912,779	(165,316)	37.5%	(61,993)
System and software	1	5,000	(4,999)	37.5%	(1,875)
Lease liabilities	(67,368)	-	(67,368)	37.5%	(25,263)
Provision for diminution in value of investments	(36,000,000)	-	(36,000,000)	10.0%	(3,600,000)
Provision for Margin Loan	(1,741,601)	-	(1,741,601)	37.5%	(653,100)
Provision for gratuity	(1,955,949)	-	(1,955,949)	37.5%	(733,481)
Total	**(35,911,232)**	**8,902,194**	**(44,813,426)**		**(6,905,035)**

	31 December 2022 BDT	31 December 2021 BDT
Deferred tax assets / (liabilities)		
Opening balance	3,673,850	-
Add: Addition during the year	3,231,185	3,674,421
	6,905,035	**3,674,421**
Less: Adjustment made during the year	-	(571)
Closing balance	**6,905,035**	**3,673,850**

9 Investment in Marketable Securities

Investment in marketable securities	(Note: 9.1)	405,323,896	310,015,204
Mutual Fund	(Note: 9.2)	70,325,231	70,325,231
		475,649,127	**380,340,436**

9.1 Investment in Marketable Securities

Sector-wise details of marketable securities holding position as of 31 December 2022 is given below:

Name of industry	Cost price	Market price as on 31.12.2022	Unrealized Gain/ (Loss) as on 31.12.2022
Bank	10,125,666	6,037,500	(4,088,166)
Engineering	308,815,454	267,581,296	(41,234,159)
Insurance	87,980	247,224	159,244
Pharmaceuticals and chemicals	36,081,830	28,423,500	(7,658,330)
Textile	4,852	4,263	(589)
Miscellaneous	50,208,114	40,448,440	(9,759,674)
	405,323,896	**342,742,223**	**(62,581,673)**

Phased manner provision has been maintained for Unrealized Loss of Tk.62,581,673 and disclosed in note number 21.

9.2 Investment in Marketable Mutual Fund

Marketable mutual fund holding position as of 31 December 2022 is given below:

Name of industry	Cost price	Market price as on 31.12.2022	NAV based on Market price as on 31.12.2022	85% NAV based on Market price as on 31.12.2022
Mutual funds	70,325,231	47,593,248	73,280,563	62,288,478

As per the Directive of BSEC Ref: BSEC/CMRRCD/2009-193/212 dated on 10/12/2018, If the cost price of mutual fund is reduced by 85% of the Net Assets Value (NAV-market price), then the provision shall be kept as much as the value has decreased. The shortfall of 85% of NAV based on market price against cost price is TK. 8,036,753. Phased manner provision has been maintained against this and disclosed in note no. 21.

		31 December 2022 BDT	31 December 2021 BDT
10	**Margin Loans to Portfolio Clients**		
	Opening balance	174,160,117	24,452,864
	Add: Loan disbursed during the year	523,075,499	687,415,392
		697,235,616	711,868,257
	Less: Loan reimbursed during the year	639,716,225	537,708,140
		57,519,391	**174,160,117**
11	**Accounts Receivable**		
	Receivable from brokers	474,155	40,854,639
	Receivable on TDR Interest	391,805	-
		865,960	**40,854,639**
12	**Advances, Deposits and Prepayments**		
	(a) Advances		
	Advance for expense	460,000	68,000
	Advance to Pre IPO Placement Shares	20,000,000	20,000,000
	Advance to IPO Application in Own Portfolio	-	683,920
		20,460,000	**20,751,920**
	(b) Deposits		
	Security deposit - CDBL	200,000	200,000
	Security deposit - BTCL	3,000	3,000
		203,000	**203,000**
	(c) Prepayments		
	Prepaid Insurance	-	97,644
		-	**97,644**
	Total advances, deposits and prepayments	**20,663,000**	**21,052,564**
13	**Advance Income Tax**		
	Opening balance	34,904,153	27,190,824
	Add: Addition during the year	1,125,511	7,713,329
			34,904,153
	Less: Adjustment made during the year	**-**	**-**
		36,029,664	**34,904,153**
14	**Cash and Cash Equivalents**		
	Cash in hand	13,325	6,762
	Cash at bank (Note: 14.1)	21,771,347	64,915,252
		21,784,672	**64,922,014**

14.1 Cash at Bank

Name of the bank	Branch	A/C No	Type		
The City Bank Ltd.	Foreign Ex.	3101317295001	SND	-	180
Jamuna Bank Ltd.	Foreign Ex.	018-0210011324	CD	129,029	191,471
One Bank Limited	Principal	0013000000693	SND	10,479,503	22,839,146
One Bank Limited	Principal	0013000000823	SND	7,929,760	41,865,685
One Bank Limited	Principal	0013000001043	SND	17,958	18,770
Rupali Bank Limited	Motijheel Corp.	0034020008558	CD	2,685	-
The City Bank Ltd.	Gulshan Ave.	3101317295002	SND	3,187,403	-
One Bank Limited	Principal	0013000002443	SND	25,009	-
				21,771,347	**64,915,252**

		31 December 2022 BDT	31 December 2021 BDT
15	**Share Capital**		
	Authorized Capital		
	200,000,000 ordinary shares of BDT 10 each	**2,000,000,000**	**2,000,000,000**
	Issued, subscribed and paid up capital	**268,750,000**	**268,750,000**

The issued, subscribed and paid-up capital of BDT 268,750,000 is divided into 26,875,000 ordinary shares of BDT 10 each. Details are as follows:

Name of Shareholders	31 December 2022			31 December 2021
	% of total shareholding	Number of Share	Amount	
Bangladesh Finance Limited	99.972	26,867,475	268,674,750	268,674,750
Mr. Manwar Hossain	0.004	1,075	10,750	10,750
Mr. Hossain Khaled	0.004	1,075	10,750	10,750
Mr. Hossain Mehmud	0.004	1,075	10,750	10,750
Mr. Md. Rafiqul Islam Khan	0.004	1,075	10,750	10,750
Mrs. Rokeya Anowara Begum	0.004	1,075	10,750	10,750
Mrs. Rashida Youshuf	0.004	1,075	10,750	10,750
Mr. M. Maniruzzaman Khandaker	0.004	1,075	10,750	10,750
Total	**100.00**	**26,875,000**	**268,750,000**	**268,750,000**

16	**Retained Earnings**		
	Opening balance	96,006,990	107,447,934
	Dividend paid	-	(201,562,500)
	Net profit for the year	42,420,480	190,121,556
		138,427,470	**96,006,990**
17	**Lease Liabilities**		
	Opening balance	-	2,419,755
	Add: Addition during the year	6,686,029	-
		6,686,029	2,419,755
	Less: Adjustment during the year	2,224,980	2,419,755
		4,461,049	**-**
	Long term of lease liabilities	(2,166,432)	**-**
	Current portion of lease liabilities	**2,294,617**	**-**
18	**Short Term Loan**		
	Bangladesh Finance Limited (Note: 18.1)	-	109,383,676
	CVC Finance Limited	47,500,000	47,500,000
	Rupali Bank Limited	88,067,332	-
	Investment Corporation of Bangladesh	30,000,000	-
	Margin Loan (Note: 18.2)	-	65,760,769
		165,567,332	**222,644,445**
18.1	**Borrowing from Bangladesh Finance Limited**		
	Opening balance	109,383,676	107,506,280
	Add: Loan received during the year	605,089,018	1,065,198,385
		714,472,693	1,172,704,666
	Less: Loan paid during the year	714,472,693	1,063,320,990
		-	**109,383,676**
18.2	**Margin Loan**		
	Shanta Securities Limited	-	36,315,355
	IDLC Investments Limited	-	29,445,414
		-	**65,760,769**

		31 December 2022 BDT	31 December 2021 BDT
19	**Accounts Payable**		
	Clients' payable	6,738,860	20,233,949
	Broker payables	1,126,701	924,592
		7,865,561	**21,158,541**
20	**Liabilities for Expenses**		
	CDBL charges	6,535	35,583
	Interest payable agt. short term loan	1,500,416	159,653
	Audit fees payable	86,250	172,500
	Gratuity payable	1,955,949	1,143,920
	PF payable	701,357	-
	Others payable	2,601,301	1,421,921
	Withholding tax payable	-	38,145,006
		6,851,808	**41,078,583**
21	**Provision for Diminution in Value of Investments**		
	Opening balance	18,000,000	3,200,000
	Add: Charged during the year	18,000,000	14,800,000
		36,000,000	18,000,000
	Less: Released during the year	-	-
		36,000,000	**18,000,000**

As per Directive of BSEC Ref: BSEC/CMRRCD/2009-193/196 dated on 28/12/2016 & Ref: BSEC/CMRRCD/2009-193/203 dated on 28/12/2017 and subsequently BSEC press release Ref: BSEC/Surveillance/Mukopatro (5th Part)/2019/196 dated on 16/07/2020, Merchant Bank may provide required provision against unrealized loss on portfolio investment in phased manner up to December 31, 2023.
In line with the above Directive, Management has decided to keep provision on phased manner basis. As of 31 December 2022, total provision has been made of Tk.36,000,000.

22	**Provision for Margin Loan**		
	Opening balance	1,741,601	-
	Add: Charged during the year	-	1,741,601
		1,741,601	1,741,601
	Less: Released during the year	-	-
		1,741,601	**1,741,601**

Provision for margin loan is being kept at 1% as per Rules 36 of Merchant Banker and Portfolio Manager Rules, 1996 of Bangladesh Securities and Exchange Commission. As of 31 December 2022, total Provision made Tk.17,41,601 as against requirement of Tk.5,75,194 and provision surplus stands at Tk.11,66,407.

23	**Provision for Income Tax**		
	Opening balance	55,495,031	31,783,991
	Add: Charged during the year	8,229,535	23,711,039
		63,724,566	**55,495,031**

			31 December 2022 BDT	31 December 2021 BDT
24	**Net interest income**			
	Income from margin loan		15,744,218	10,834,017
			15,744,218	10,834,017
	Less: Interest expenses on borrowing	(Note: 24.1)	11,788,877	1,119,356
			3,955,341	**9,714,661**
24.1	**Interest expenses on borrowing**			
	Bangladesh Finance Limited		2,342,794	849,458
	CVC Finance Limited		5,239,513	159,653
	Rupali Bank Limited		4,011,550	-
	Investment Corporation of Bangladesh		20,000	-
	Interest expenses on lease liability		175,020	110,245
			11,788,877	**1,119,356**
25	**Income from portfolio management services**			
	Management fees		811,864	571,948
			811,864	**571,948**
26	**Settlement and transaction fees**			
	Settlement and transaction fees		3,442,699	7,355,467
			3,442,699	7,355,467
	Less: CDBL expenses		560,791	1,028,881
			2,881,908	**6,326,586**
27	**Documentation charges**			
	Account opening fees		143,000	90,500
			143,000	**90,500**
28	**Income from investment banking**			
	Issue management		-	1,175,000
	Underwriting		20,000	-
			20,000	**1,175,000**
29	**Investment income**			
	Capital gain on investments	(Note: 29.1)	72,093,147	210,205,078
	Dividend income from marketable securities		5,101,104	13,477,654
			77,194,250	**223,682,732**
29.1	**Capital gain on investments**			
	Sale price		1,505,514,897	1,921,037,318
	Less: Cost of investment		1,433,421,750	1,710,832,240
			72,093,147	**210,205,078**
30	**Other income**			
	Interest income on SND accounts		92,130	664,878
	Interest income on TDR account		391,805	-
	Gain on disposal of fixed asset		-	326,799
	Annual BO maintenance fee		25,850	105,650
	Other charges		3,955	4,865
			513,740	**1,102,192**

		31 December 2022 BDT	31 December 2021 BDT
31	**Salary and allowances**		
	Salary and allowances	12,240,605	10,147,441
		12,240,605	**10,147,441**
32	**Office rent, utilities, maintenance and services**		
	Office maintenance	98,875	163,903
	Office rent and utilities	726,476	881,130
	Telephone and telex	75,689	91,645
	IT maintenance	188,830	127,848
		1,089,870	**1,264,526**
33	**Stationeries, printings, advertisements**		
	Printing and stationery	302,727	88,437
	Advertisement and publicity	52,900	7,763
		355,627	**96,200**
34	**Other expenses**		
	Motor vehicle expenses	496,129	213,167
	Travel and conveyance	89,300	45,855
	Entertainment	313,863	162,570
	Software maintenance fees	240,000	240,000
	Repair and maintenance	30,100	15,450
	Postage and courier	2,702	-
	Renewal and registration	457,161	255,746
	Legal and professional fees	388,920	97,000
	Bank charges and excise duty	216,712	116,903
		2,234,887	**1,146,691**

35 Related party transaction

Name of the related party	Relationship	Nature of transaction	Balance as on 01 January 2022	Addition	Adjustment	Balance as on 31 December 2022
Bangladesh Finance Limited	Parent company	Loan	109,383,676	605,089,018	714,472,693	-
Bangladesh Finance Limited	Parent company	TDR	-	65,000,000	-	65,000,000
Bangladesh Finance Securities Limited	Subsidiary to Parent company	Receivable for Share Sell	40,853,026	2,294,376,746	2,334,778,500	451,272
		Payable for Share purchase	17,697	1,253,667,761	1,253,544,714	140,744

36 Number of employees

The number of employees for the period 2022 who received a total remuneration of Tk 36,000 or above is 11 whereas it was also 11 for in the same period of 2021.

37 Subsequent events

There is no material event after the balance sheet date, till the date of authorizing this financial statements, which require adjustment or discloser in this financial statements.

38 Commitments and contingencies

i) Outstanding letter of credits	-	-
ii) Capital expenditure commitments	-	-
iii) Claims against the Company not acknowledged as debts	-	-
iv) Claims by the Company not acknowledged as receivable	-	-

39 The Board of Directors has authorized these financial statements for issue on 19 February 2023.



Milton Kumar Roy
Company Secretary



Barun Prasad Paul
Managing Director & CEO



Md. Kyser Hamid
Director

BANGLADESH FINANCE CAPITAL LIMITED
SCHEDULE OF PROPERTY AND EQUIPMENT

As at 31 December 20212

Annexure-A

Tangible asset

(Amount in BDT)

Particulars	Cost				Rate %	Depreciation				Written Down Value as at 31 December 2022
	Balance as at 01 January 2022	Addition during the year	Disposal / adjustment during the year	Balance as at 31 December 2022		Balance as at 01 January 2022	Charged during the year	Transfer/ adjustment during the year	Balance as at 31 December 2022	
Furniture and fixture	8,655,925	1,237,125	-	9,893,050	20%	7,550,815	573,174	-	8,123,989	1,769,061
Office equipment	6,356,046	-	-	6,356,046	25%	5,611,407	407,478	-	6,018,885	337,161
Motor vehicle	5,555,557	-	-	5,555,557	20%	2,437,888	645,034	-	3,082,922	2,472,635
Balance as at 31 December 2022	**20,567,528**	**1,237,125**	**-**	**21,804,653**		**15,600,110**	**1,625,686**	**-**	**17,225,796**	**4,578,857**
Balance as at 31 December 2021	**19,406,655**	**3,706,043**	**2,545,170**	**20,567,528**		**17,162,197**	**983,082**	**2,545,169**	**15,600,110**	**4,967,418**

Intangible asset

(Amount in BDT)

Particulars	Cost				Rate %	Depreciation				Written Down Value as at 31 December 2022
	Balance as at 01 January 2022	Addition during the year	Disposal / adjustment during the year	Balance as at 31 December 2022		Balance as at 01 January 2022	Charged during the year	Transfer/ adjustment during the year	Balance as at 31 December 2022	
System and software	2,280,000	-	-	2,280,000	25%	2,279,999	-	-	2,279,999	1
Balance as at 31 December 2022	**2,280,000**	**-**	**-**	**2,280,000**		**2,279,999**	**-**	**-**	**2,279,999**	**1**
Balance as at 31 December 2021	**2,280,000**	**-**	**-**	**2,280,000**		**2,279,999**	**-**	**-**	**2,279,999**	**1**

Right-of-use assets

(Amount in BDT)

Particulars	Cost					Depreciation				Written Down Value as at 31 December 2022
	Balance as at 01 January 2022	Addition during the year	Disposal / adjustment during the year	Balance as at 31 December 2022		Balance as at 01 January 2022	Charged during the year	Transfer/ adjustment during the year	Balance as at 31 December 2022	
Office space	4,878,579	6,686,029	4,878,579	6,686,029		4,878,579	2,292,348	4,878,579	2,292,348	4,393,681
Balance as at 31 December 2022	**4,878,579**	**6,686,029**	**4,878,579**	**6,686,029**		**4,878,579**	**2,292,348**	**4,878,579**	**2,292,348**	**4,393,681**
Balance as at 31 December 2021	**4,878,579**	**-**	**-**	**4,878,579**		**2,545,345**	**2,333,234**	**-**	**4,878,579**	**-**

Retirement Plan

Bangladesh finance
এখনই সময়

আত্মনির্ভরশীল অবসর জীবন

আনন্দে পরিপূর্ণ প্রতিটি ক্ষণ

- মেয়াদান্তে এনক্যাশমেন্টের সুযোগ
- সঞ্চয়ে আজীবন পেনশন সুবিধা
- সহজ শর্তে লোনের সুবিধা
- ইনস্যুরেন্স সুবিধা





Connecting People

Bangladesh Finance Limited, we take immense pride in bearing the name of our country and being recognized as one of the most widely acclaimed financial institutions. We are creating a sustainable financial ecosystem to eradicate the financing gap through a collaboration model with NGO, MFS, SME & retail customers.

Bangladesh finance



KEY EVENTS



FALGUN 2022



WOMEN'S DAY 2022





PROMOTION PROGRAM



LONG SERVICE AWARD



CEO'S AWARD



INTEGRITY AWARD



WORLD CUP CORNER



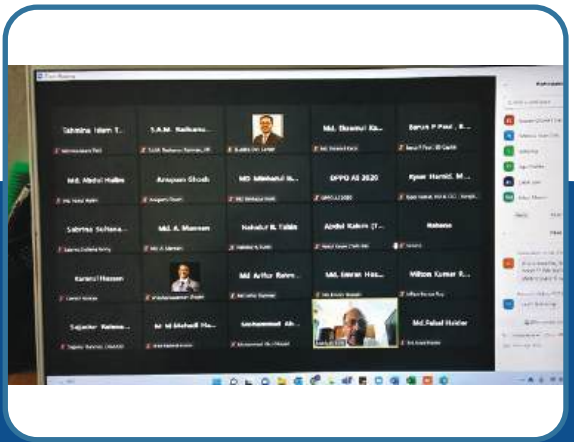
CHESS MATCH



CRICKET MATCH



NATIONAL MOURNING DAY



TRAININGS:
ANTI MONEY LAUNDERING



TRAININGS:
ISLAMIC FINANCING



LEADERSHIP TRAINING



CAREER SESSION IN BRAC UNIVERSITY



FUTURE GENERATION NURTURING



TRAININGS: LEADERSHIP



MEET WITH HEAD OF HR



ORIENTATION 2022



FRUIT FESTIVAL



CEO'S SESSION WITH BIJOY





Bangladesh finance

NEWS LETTER 2022

BANGLADESH FINANCE ACHIEVES 'AA' CREDIT RATING

প্রধানমন্ত্রীর শিক্ষা সহায়তা ট্রাস্টে বাংলাদেশ ফাইন্যান্সের অনুদান

প্রথম আলো



অর্থের অভাবে শিক্ষার সুযোগবঞ্চিত দরিদ্র ও মেধাবী ছাত্রছাত্রীদের শিক্ষা নিশ্চিত করার উদ্দেশ্যে বৃত্তি প্রদানের জন্য প্রধানমন্ত্রী শেখ হাসিনার নির্দেশে এই ট্রাস্ট ফান্ডটি গঠন করা হয়। এই উদ্যোগের অংশীজন হতে পেরে সন্তোষ প্রকাশ করেন বাংলাদেশ ফাইন্যান্স ব্যবস্থাপনা পরিচালক মো. কায়সার হামিদ। ট্রাস্টের পরিচালক কাজী দেলোয়ার হোসেনও ভবিষ্যতে বাংলাদেশ ফাইন্যান্সকে পাশে পাওয়ার প্রত্যয় ব্যক্ত করেন।

GROCERY STORES TO GET CAPITAL WITHIN A DAY UNDER FAVOURABLE CONDITIONS

DhakaTribune



BANGLADESH FINANCE TO AVAIL NAGAD SERVICES

The Daily Star



Bangladesh Finance and Nagad signed an agreement recently facilitating the non-banking financial institution's digital transaction services through the mobile financial service provider.The services include opening of savings accounts, deposit collections, SME loan disbursements, loan installment collections and loan disbursements, says a press release.

টেকসই আর্থিক প্রতিষ্ঠানের স্বীকৃতি পাওয়া বাংলাদেশ ফাইন্যান্সকে বিআইবিএম-এর স্বীকৃতি

ইনকিলাব
THE DAILY INQILAB



যুগান্তর



ঢাকা ন্যাশনাল মেডিকেল ইনস্টিটিউটে এইচডিইউ ইউনিট উদ্বোধন করছেন বাংলাদেশ ফাইন্যান্সের চেয়ারম্যান মানোয়ার হোসেন

ঢাকা ন্যাশনাল মেডিকেল ইনস্টিটিউটে এইচডিইউ ইউনিট উদ্বোধন করেছে বাংলাদেশ ফাইন্যান্সের চেয়ারম্যান মানোয়ার হোসেন

THE BUSINESS STANDARD



Bangladesh Finance Managing Director and CEO Md Kyser Hamid receives an award for recognition as a sustainable financial institution from Bangladesh Bank Governor Fazle Kabir at a programme held at the central bank on Thursday.

Bangladesh Finance recognised as sustainable financial institution

BANKING | SUSTAINABILITY

TBS REPORT

The Bangladesh Bank has recognised Bangladesh Finance as a sustainable financial institution, taking into account the credit quality, capital situation and other banking activities of the institution as per the sustainable rating banking index.

Besides, the number of borrowers, rural financing, number of female borrowers, sustainable financing in agriculture, category and amount of green financing, financing of small and micro-entrepreneurs and the linked loans to sustainable financing base also been taken into consideration, reads a press release.

The central bank has notified this standard based on four indicators – Sustainable Finance Indicator, Green Refinance, Social Responsibility Programme (CSR) and Core Banking Soundability of core banking activities.

Bangladesh Finance Managing Director and Chief Executive Officer Md Kyser Hamid received the award from Bangladesh Bank Governor Fazle Kabir at a programme held at the central bank on Thursday.

"Bangladesh Finance is one of the pioneers of sustainable finance and committed to achieving the government's sustainable development goals through green finance, social responsibility and inclusion of marginalised people in the country, especially women entrepreneurs in economic advancement," said Md Kyser Hamid.





Bangladesh finance | Bangladesh finance Islamic

নগদ-এর মাধ্যমে ক্ষুদ্র সঞ্চয়কারীর জন্য নতুন সেবা নিয়ে এল বাংলাদেশ ফাইন্যান্স

প্রথম আলো



ক্ষুদ্র সঞ্চয়কারীদের আর্থিক সেবাকে আরও সহজ ও স্বাচ্ছন্দময় করতে আর্থিক প্রতিষ্ঠানে বাংলাদেশ ফাইন্যান্সের সঙ্গে চুক্তি করেছে, ডাক বিভাগের মোবাইল ফাইন্যান্সিয়াল সার্ভিস নগদ।





"এই দেশে ছোট উদ্যোক্তারা লোন পায়না। এই ধারণা ভুল প্রমাণিত করেছে বাংলাদেশ ফাইন্যান্স"- লিজা আক্তার হোসেন

এবারও আয়রনম্যান ইউরোপিয়ান চ্যাম্পিয়নশিপে সাজেদুর এর স্পন্সর বাংলাদেশ ফাইন্যান্স

যুগান্তর



আয়রনম্যান ওয়ার্ল্ড চ্যাম্পিয়নশিপে আরাফাতের পর এবার আয়রনম্যান ইউরোপিয়ান চ্যাম্পিয়নশিপে সাজেদুর রহমানকে স্পন্সর করেছে- ফাইন্যান্সিয়াল ইনস্টিটিউশন, বাংলাদেশ ফাইন্যান্স লিমিটেড।

BANGLADESH FINANCE BECOMES CHAMPION IN SAFA AWARD 2021

THE BUSINESS STANDARD



Bangladesh Finance Limited has won the overall champion award in SAFA (South Asian Federation of Accountants), the international benchmark for corporate governance, financial reporting and integrated reporting.

বাংলাদেশ ব্যাংক-বাংলাদেশ ফাইন্যান্স চুক্তি

দেশ রূপান্তর

বাংলাদেশ ব্যাংকের সাথে বাংলাদেশ ফাইন্যান্সের সিএমএসএমই খাতে মেয়াদি অর্থায়নের বিপরীতে "রিফাইন্যান্সিং স্কিম" সংক্রান্ত চুক্তি স্বাক্ষর হয়েছে। গত বুধবার বাংলাদেশ ব্যাংকে এ চুক্তি স্বাক্ষর অনুষ্ঠানে উপস্থিত ছিলেন বাংলাদেশ ব্যাংকের গভর্নর আব্দুর রউফ তালুকদার, ডেপুটি গভর্নর আবু ফারাহ মো. নাসের, নির্বাহী পরিচালক মো. ওবায়দুল হক, এসএমই বিভাগের পরিচালক মো. জাকির হোসেন, বাংলাদেশ ফাইন্যান্সের এমডি ও সিইও মো.কায়সার হামিদ, হেড অফ এসএমই অ্যান্ড সাসটেইনেবল ফাইন্যান্স মোহাম্মদ কোরিয়ুর হোসেন সহ অন্যরা।

The Financial Express

Bangladesh Finance to open Shariah-based wing in 6 branches

FE REPORT

The central bank has allowed the listed company Bangladesh Finance to open Islami shariah-based wing in six branches including the principal one.

Bangladesh Finance has received an approval from the central bank for opening this wing.

As per the regulatory approval, the company will open Islami shariah-based wing in its Principal Branch, Bangshal Branch, Uttara Branch, Gazipur Branch, Chattogram Branch and Jashore Branch.

"Bangladesh Finance has already formulated policies regarding shariah manuals, implementation of separate Islamic CBS (Core Banking Solutions), formation of shariah supervisory committee, deposit receiving, and income distribution in line with the conditions set by the central bank," Md. Kyser Hamid, managing director at Bangladesh Finance, said in a release.

The Bangladesh Finance, presently an 'A' category company, was listed with the stock exchanges in 2007.

The company's sponsor-directors hold 30.08 per cent shares, institutes 17.24 per cent, and general shareholders 51.88 per cent as on November 30, 2021. The company's share price closed at Tk 55.70 each on Wednesday with a rise of 1.46 per cent on the Dhaka Stock Exchange (DSE).

mufazzal.fe@gmail.com

স্বনির্ভর বাংলাদেশ গঠনে বাংলাদেশ ফাইন্যান্সের সিএসআর কার্যক্রম

ঢাকা টাইমস



সমৃদ্ধ বাংলাদেশ গঠনে অগ্রযাত্রার অংশ হিসেবে হতদরিদ্রদের মাঝে গবাদি পশু ও ভ্যান বিতরণ করেছে বাংলাদেশ ফাইন্যান্স।

SAFA AWARD 2021 | ICSB AWARD 2021 | ST-1 | ICAB AWARD 2021 | SUSTAINABLE FINANCIAL INSTITUTION 2021 | AA



Bangladesh finance

সফলতার পথে
আপনার আস্থাশীল সঙ্গী

বাংলাদেশ ফাইন্যান্সের ক্রেডিট রেটিং 'এএ'

risingbd.com

পুঁজিবাজারে আর্থিক খাতে তালিকাভুক্ত কোম্পানি বাংলাদেশ ফ্যাইনান্সের ক্রেডিট রেটিং সম্পন্ন করে তা প্রকাশ করা হয়েছে। কোম্পানির ক্রেডিড রেটিং সম্পন্ন করেছে আলফা ক্রেডিট রেটিং লিমিটেড। রোববার (১৭ এপ্রিল) ঢাকা স্টক এক্সচেঞ্জ (ডিএসই) সূত্রে এ তথ্য জানা গেছে।

বাংলাদেশ ব্যাংকের সাসটেইনেবল রেটিং ২০২১ শীর্ষ অবস্থানে ১০ ব্যাংক ও পাঁচ এনবিএফআই

বণিক বার্তা



দ্বিতীয়বারের মতো দেশের ব্যাংক ও আর্থিক প্রতিষ্ঠানগুলোর (এনবিএফআই) সাসটেইনেবল রেটিং ২০২১ প্রকাশ করেছে বাংলাদেশ ব্যাংক। সাসটেইনেবল রেটিংয়ে শীর্ষ পাঁচ আর্থিক প্রতিষ্ঠান হলো বাংলাদেশ ফাইন্যান্স লিমিটেড

BANGLADESH FINANCE SECURITIES RECENTLY STARTED ITS JOURNEY IN RAJSHAHI

The Financial Express



Bangladesh Finance Securities recently started its journey in Rajshahi. Md. Kyser Hamid, Managing Director and CEO of Bangladesh Finance, was the chief guest and inaugurated the brokerage house.

২০ হাজার মুদি দোকানিকে অ্যাপের মাধ্যমে সংযুক্ত করেছি: কায়সার হামিদ

বণিক্য প্রতিদিন

হ্যাঁ, সাধারণ মানুষ মনে করেন টাকা জমা রাখা কিংবা ঋণ গ্রহণ ব্যাংকের মাধ্যমেই করতে হয়।





Bangladesh finance

এখনই সময় নির্ভরতার

আপনার সুন্দর ভবিষ্যৎ নিশ্চিতে আমরা আছি আপনার পাশে



bd.finance 16727

আজকের পত্রিকা



বাংলাদেশ ফাইন্যান্স ও আশ্রয় এনার্জিওর মধ্যে সম্প্রতি চুক্তি স্বাক্ষরিত হয়েছে। বাংলাদেশ ফাইন্যান্সের পক্ষে এমডি ও সিইও মো. কায়সার হামিদ এবং আশ্রয়-এর নির্বাহী পরিচালক ড. মোহাম্মদ আহসান আলী চুক্তিতে স্বাক্ষর করেন। বিজ্ঞপ্তি

এসএমই ও রিটেইল খাতে মনোনিবেশ করছি: মো. কায়সার হামিদ

সময়ের আলো



১৬-১৭ বছর আগে একটি আর্থিক প্রতিষ্ঠান দিয়ে আমার ক্যারিয়ার শুরু তখন দেশের আর্থিক খাত অনেক ছোট ছিল। মাত্র ২০০-৩০০ কোটির কোম্পানিকে দুই হাজার কোটিতে নিয়ে যাওয়া, কোম্পানিটিকে ট্রিপল এ বানানো এমন একটি অভিজ্ঞতার মধ্য দিয়ে আমার ক্যারিয়ার শুরু।

বাংলাদেশ ফাইন্যান্স ক্যাপিটালঃ পুঁজিবাজারে বিনিয়োগকারীদের জন্য ব্লু-চিপ নামে নতুন একটি প্রোডাক্ট বাজারে নিয়ে এসেছে বাংলাদেশ ফাইন্যান্স ক্যাপিটাল। ক্যাপিটাল মার্কেট জার্নালিস্ট ফোরামের নিজস্ব কার্যালয় ও মিট দ্যা প্রেস অনুষ্ঠানে এসব তথ্য দিয়েছে প্রতিষ্ঠানটি। মিটদা প্রেসে বাংলাদেশ ফাইন্যান্সের এমডি ও সিইও মো.কায়সার হামিদ ।

ইত্তেফাক বিজ

BANGLADESH FINANCE WINS ICSB AWARD FOR CORPORATE GOVERNANCE

THE BUSINESS STANDARD



Bangladesh Finance Limited has been recognised for its outstanding corporate governance practices as well as transparency and accountability in overall management.



বাস্তবতার নিরিখে সুদহারের ক্যাপ তুলে দেওয়া উচিত -

মো. কায়সার হামিদ, এমডি ও সিইও, বাংলাদেশ ফাইন্যান্স লিমিটেড

ইত্তেফাক বিজ

গ্রাহক সেবায় ২২ বছরে বাংলাদেশ ফাইন্যান্স

বণিক বার্তা



দেশে মোট ৩৫টি আর্থিক প্রতিষ্ঠান। এর মধ্যে বাংলাদেশ ফাইন্যান্স লিমিটেড অন্যতম। ১৯৯৯ সালের ২২ ডিসেম্বর যেটি প্রথমে বাংলাদেশ ফাইন্যান্স অ্যান্ড ইনভেস্টমেন্ট কোম্পানি লিমিটেড নামে আনুষ্ঠানিক লাইসেন্স পায়। পরবর্তী সময়ে ২০২১ সালের ৪ এপ্রিল এখনই সময় স্লোগান রি-ব্রান্ডিংয়ের মাধ্যমে প্রতিষ্ঠানটির নাম হয় বাংলাদেশ ফাইন্যান্স লিমিটেড।

" গ্রাহকের আস্থা কাজ করেছে জাদুর মতো "

আজকের পত্রিকা



বাংলাদেশ ফাইন্যান্স প্রায় ২২ বছর ধরে কাজ করছে। করোনাকালে বাংলাদেশ ফাইন্যান্সের কর্মী বাহিনী সক্রিয় ছিল। আমরা কর্ম নেটওয়ার্ক বৃদ্ধি করেছি। অভিনব পদ্ধতিতে গ্রাহকের সঙ্গে নিবিড়ভাবে কাজ করেছি। আমরা প্রান্তিক পর্যায়ে আমানতকারীর সংখ্যা বাড়াতে সক্ষম হয়েছি। করোনার আগে এক মাসে ২০০ থেকে ৩০০ গ্রাহকের আমানত সংগ্রহ করেছি। এখন তা বেড়ে ১ হাজার ২০০ থেকে ১ হাজার ৫০০-তে দাঁড়িয়েছে। সেই হিসাবে করোনার আগের তুলনায় আমানতকারী বেড়েছে ৫ থেকে ৬ গুণ। এর পেছনে গ্রাহকের আস্থা অর্জন জাদুর মতো কাজ করেছে।

গ্রাহকের সঞ্চয়ের কারণেই ব্যবসায়িক মডেলে বড় পরিবর্তন এসেছে

বণিক বার্তা



বাংলাদেশের অবকাঠামোগত সামগ্রিক উন্নয়ন এবং এ বিশাল জনগোষ্ঠীকে অর্থনৈতিক সেবা খাতের আওতাভুক্ত করার লক্ষ্য নিয়ে ১৯৯৯ সালে যাত্রা করে বাংলাদেশ ফাইন্যান্স। এ অগ্রযাত্রার অংশ হিসেবে ২৩ বছর ধরে নিত্যনতুন সেবা নিয়ে বাংলাদেশের মানুষের পাশে ছিল প্রতিষ্ঠানটি। প্রতিষ্ঠানটির নাম বিডি ফাইনান্স হলেও ২০২১ সালে রিব্র্যান্ডিংয়ের মাধ্যমে বাংলাদেশ ফাইন্যান্স হিসেবে আত্মপ্রকাশ করে এ প্রতিষ্ঠান।এ ২৩ বছরের যাত্রায় বাংলাদেশ ফাইন্যান্স তার ব্যবসায় ধরনে এনেছে আমূল পরিবর্তন! ব্যাংকনির্ভর ডিপোজিটের পরিবর্তে আর্থিক প্রতিষ্ঠানটি কাজ করে সেগমেন্টভিত্তিক আমানত সংগ্রহ নিয়ে। উদাহরণ হিসেবে বলা যায়, সিএমএসএমই উদ্যোক্তাদের কাছ থেকে মাসিক ভিত্তিতে ২ হাজার টাকা থেকে শুরু করে বিভিন্ন অংকের ছোট ছোট আমানত সংগ্রহ করা হচ্ছে। এতে একদিকে যেমন ব্যাংকনির্ভরতা কমেছে তেমনি গ্রাহক ও আমানত সংগ্রহ করার ক্ষেত্রে এসেছে গতিশীলতা।



EMPLOYEE ENGAGEMENT EVENT STARS MEET



নির্ভরতার ২৩ বছরে শ্রেষ্ঠত্বের স্বীকৃতি



EMPLOYEE ENGAGEMENT EVENT BANGLADESH FINANCE NIGHT WITH STARS



এনবিএফআই মেলা- যশোর



এনবিএফআই মেলা ২০২২



জাতীয় শোক দিবস উপলক্ষ্যে আলোচনা সভা

Bangladesh finance islamic

VISIT TO WEBSITE
NEWS LETTER 2021



SHAREHOLDER NOTES

BANGLADESH FINANCE LIMITED

Baitul Hossain Building (2nd floor) 27, Dilkusha C/A, Dhaka1000

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24th Annual General Meeting

PROXY FORM

Revenue Stamp of Tk.20/-

I/We ……

Of …… being a member of Bangladesh Finance Limited, hereby appoint Mr./Ms. ……

……of……

…… as my/our proxy to attend and vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on ***Sunday, 30 April 2023 at 11.00 A.M.*** through digital platform or at any adjournment thereof.

Signed this …… Day of …… 2023.

Signature of proxy ……

……
Signature of Shareholder

BO ID:

No. of Shares ……

Note:

1) This form of proxy, duly completed and signed shall be sent at least 48 hours before the meeting at the Company's registered office. Proxy is invalid if not signed and stamped as explained above.

2) Signature of the Shareholder must be in accordance with Specimen Signature recorded with the Company.

এখনই সময়

Bangladesh Finance Limited
Baitul Hossain Building (2nd Floor)
27, Dilkusha C/A, Dhaka-1000, Bangladesh
Phone: +88-02-223385097 | Fax: +88-02-9566493
info@bd.finance | www.bd.finance

www.groupdot.com