

# ANNUAL REPORT | 2022



**Bay Leasing & Investment Limited**

SECURE YOUR FUTURE<sup>©</sup>

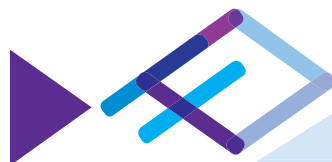
# ANNUAL REPORT | 2022



**Bay Leasing & Investment Limited**

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To  
All Shareholders,  
Bangladesh Bank  
Bangladesh Securities and Exchange Commission,  
Registrar of Joint Stock Companies and Firms,  
Dhaka Stock Exchange Limited and  
Chittagong Stock Exchange Limited

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

Dear Sir,

We are delighted to forward a copy of the Annual Report along with the Audited Financial Statements, Consolidated and Separate Balance Sheet as at December 31, 2022 and Income Statements, Cash Flow Statements and Statement of Changes in Equity for the year ended December 31, 2022.

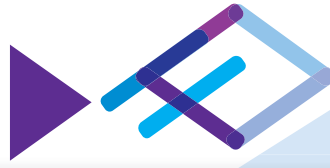
Also attached are the notes of accounts of Bay Leasing and Investment Limited and its subsidiary BLI Capital Limited for your kind perusal and record.

Best regards

Yours sincerely,

**Mohammad Ruknuzzaman**  
Managing Director (CC)





## 27<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting (AGM) of Bay Leasing & Investment Limited will be held on November 30, 2023 (Thursday) at 11.00 a.m through Digital Platform Link:<https://bayleasing.bdvirtualagm.com> to transact the following business::

### AGENDA

01. To receive, consider and adopt the Audited Financial Statements of the company for the year ended on 31st December 2022 together with the reports of the Directors' and Auditors' thereon.
02. To declare Dividend for the year ended 31st December 2022 as recommended by the Directors.
03. To elect or re-elect Directors
04. To appoint of Statutory Auditor(s) for the year 2023 and fix their remuneration.
05. To appoint Independent Directors
06. To appoint Corporate Governance Auditor(s) and fix their remuneration for the year 2023.
07. To transact any other business with the permission of the chair.

Dated, Dhaka

October 30, 2023

By order of the Board

**Sharmin Akhter**  
Company Secretary

### Notes:

01. The Shareholders whose names would appear in the Depository (CDBL) Register on Record Date i.e. October 18,2023 will be eligible to attend /participate and vote in the Annual General Meeting through Digital Platform.
02. A shareholder of the company is entitled to participate and vote at this virtual AGM or may appoint a Proxy to participate and vote. The Proxy Form duly filled, signed and stamped with TK.20.00 (Revenue Stamp) must be sent through email to [share@billbd.com](mailto:share@billbd.com) not later than 48 hours before commencement of the AGM.
03. Annual report-2022 along with attendance Slip, Proxy Form and Notice of the AGM are being sent to all the members by courier service/post/email address available as per CDBL record. Members may also collect the Annual Report & Proxy Form from the Share Department of the company situated at Eunoos Trade Centre (Level-18), 52-53 Dilkusha C/A Dhaka-1000 or from the website of the company. i.e [www.billbd.com](http://www.billbd.com).
04. The shareholders will join the virtual AGM through the link <https://bayleasing.bdvirtualagm.com>. The shareholders will be able to submit their question/comments electronically before 48 (forty eight) hours of commencement of the AGM through this link and also during the Annual General Meeting in order to login for the virtual AGM. The shareholders need to click on the link and provide their 16 digit Beneficiary Owners (BO) Account Number.
05. Shareholders are requested to login to the system well ahead of the meeting at appointed time for the AGM on Thursday, November 30,2023 For any IT related guidance and help with the login process the respected members may contact at 01727159185 and 01847143505

**No benefit or gift in cash or kind shall be given to the shareholders for attending the 27<sup>th</sup> Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24,2013.**



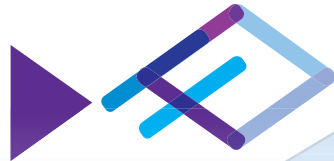


## OUR VISION

To be recognized as the most preferred  
multi-product financial institution for  
the communities we serve.



## OUR MISSION



- We strive to innovate and offer a plethora of financial products and services.
- We endeavor to enrich the lives of people we touch by sharing, caring in our quest for excellence.
- We aim to build impressive economic value for our stakeholders through the strength of satisfied customers and consistently produce superior operating results.





Bay Leasing & Investment Limited was incorporated as a public limited company in February 1996 and the company obtained Bangladesh Bank's license as a non-banking financial institution in May 1996. Since its inception, guided by the Financial Institutions Act of 1993, BLIL has been running its operation in a professional manner under the valuable guidance and leadership of its Board of Directors.

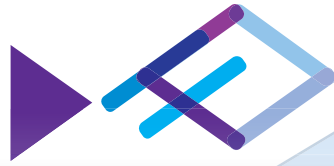
From the inception BLIL commenced its Merchant Bank wing operations and later in 2002, the Securities and Exchange Commission (SEC) approved brokerage license which was named as BLI Securities Ltd. In 2009 Bay Leasing offered shares to the public and got listed both in Dhaka and Chittagong Stock Exchange. The following year in 2010, the Company issued "Right Shares" to the Shareholders and subsequently in 2012 the Merchant Banking Wing was converted into a fully owned subsidiary named BLI Capital Limited. In order to reach to a wider community through its lending to the SME sector in Bangladesh, Bay Leasing took the initiative to participate in various re-finance schemes offered by Bangladesh Bank and signed a number of formal agreements under JICA, ADB funding programs.

These initiatives have enabled the company to facilitate the emerging SME sector to obtain funds at lower cost and improve their efficiency in operations and profitability. Over the years a significant number of business concerns including women owned enterprises, have benefited and expanded their business with the help of Bay Leasing's products and services. In the last 22 years Bay Leasing has ensured its strong presence and gained a good reputation amongst its clients for providing competitive loan and deposit products and have actively participated in the financial development of the society. The success story continued when, in September 2014, the company shifted its Corporate Head Office to its own premises at Eunoos Trade Center, considered as one of the landmark commercial buildings at the Dilkusha commercial area. In March 2015 the company inaugurated its Principal Branch at Dilkusha C/A and in October 2016, the company opened its first semi-urban branch at Mawna, Gazipur which is now being considered as an important industrial hub at the outskirts of Dhaka.

To increase the network of branches and expand the small and medium enterprise client base Bay Leasing formally opened yet another branch at its own premises at level 6 of Rupayan Trade Centre, Bangla Motor in December 2017. Plans are underway to widen the horizon and two more branches are being considered to be opened in 2018.



# Core Values



## **Accountability**

We take full responsibility of our actions that influence the lives of our customers and fellow workers.

## **Commitment**

We are committed to roll out a wide range of products, services and other initiatives that impact the lives of both within and outside the organization.

## **Integrity**

We strive to act with honesty and Integrity without compromising the truth.

## **Team Work**

We believe in individual commitments to a group effort towards a common vision.

## **Service Excellence**

We aim to provide the best quality service to our clients each passing day in our quest for excellence.





|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Registered Name of the Company<br>Legal Form | : <b>Bay Leasing &amp; Investment Limited</b><br>A Public Limited Company Incorporated in Bangladesh Under the Companies Act 1994, Listed in Dhaka Stock Exchange & Chittagong Stock Exchange. Licensed as a Non Banking Financial Institution Under the Financial Institutions Act of 1993.                                                                                                                                                                                                                                                                                                                                    |
| Company Registration Number                  | : C - 30251(1477)/96                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Bangladesh Bank License Number               | : আঃ প্রঃ (অ-ব্যাংকিং) : বিভাগ/ঢাকা/১৩/৯৬                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Trade License No.                            | : 0411406                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Tin No.                                      | : 446777288121                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| No. of Branch                                | : 03                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Corporate Head Office                        | : <b>Bay Leasing &amp; Investment Limited</b><br>Eunoos Trade Center, Level-18<br>52-53 Dilkusha C/A, Dhaka-1000.<br>Tel: 9592501-5, Fax: 9592500                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Auditor                                      | : <b>Howladar Yunus &amp; Co.</b><br>House-14(Level 4&5) Road-16A,<br>Gulshan, Dhaka-1212, Bangladesh<br>Tel : +880258815247                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Tax Advisor                                  | : <b>A.Wahab &amp; Co.</b><br>Chartered Accountants<br>Hotel Purbani, Annex-2 (4th Floor)<br>1, Dilkusha C/A, Dhaka                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Legal Advisors                               | : <b>AZAD &amp; COMPANY</b><br>K.R.Plaza (6th Floor)<br>31, Purana Paltan, Dhaka-100.<br><b>LexConsultium</b><br>Suite No.-11/4 (11 <sup>th</sup> Floor)<br>67/9, Kakrail, Dhaka-1000<br><b>CITIZEN LAW FIRM</b><br>Meherba Plaza Suite No. 11-B (11th Floor),<br>33, Topkhana Road, Palton Dhaka, Bangladesh.<br><b>NOOR-UL-MATIN</b><br>Islam Chamber, 9 <sup>th</sup> Floor<br>125/A, Motijheel C/A, Dhaka-1000<br><b>Haque &amp; Associates</b><br>Shabbir Tower, 3/4 Purana Paltan<br>Dhaka - 1000<br><b>NEXUS LEGAL COUNSEL</b><br>City View Apartment (1st floor), Flat # C2, 23/1 Tope<br>Khana Road Paltan, Dhaka-1000 |
| Memberships                                  | : DCCI (Dhaka Chamber of Commerce Industry).<br>Bangladesh Leasing & Finance Companies Association.<br>Bangladesh Association of Publicly Limited Company.<br>Bangladesh Merchant Bankers Association.                                                                                                                                                                                                                                                                                                                                                                                                                          |



# CORPORATE INFORMATION



Company Email  
Company Web Site

: [info@blilbd.com](mailto:info@blilbd.com)  
: <http://www.blilbd.com>

Bankers

: Bank Alfalah Limited  
Bank Asia Ltd.  
BASIC Bank Limited  
Dutch Bangla Bank Ltd.  
EXIM Bank Limited  
Midland Bank Ltd.  
Jamuna Bank Ltd.  
Janata Bank Ltd.  
Mercantile Bank Ltd.  
Mutual Trust Bank Limited  
First Security Islami Bank Ltd.  
National Credit & Commerce Bank Ltd.  
Sonal Bank Ltd.  
Pubali Bank Limited  
Shahjalal Islami Bank Ltd.  
Southeast Bank Limited  
Standard Bank Limited  
Agrani Bank Ltd.  
Uttara Bank Limited  
Modhumati bank Limited  
United Commercial Bank Limited  
South Bangla Agriculture & Commerce Bank Ltd.

Associate Company

: **BLI Securities Limited**  
**Head Office**  
Rangs Panorama (4th floor),  
80 Shatmosjid Road, Dhanmondi, Dhaka-1209.

Subsidiary Company

: **BLI Capital Limited.**  
RupayanTrade Center, Level – 10  
114 Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000

## BRANCH OF BAY LEASING & INVESTMENT LTD.



**Mr. Rashed Al Islam**  
Head of Principal Branch

### Principal Branch

Taz Marriot, Plot-SW(1)4, 2nd floor  
25 Gulshan Avenue, Dhaka-1212



**Md Zaved Miah**  
Head of Mawna Branch

### Mawna Branch

Hazi Riaz Uddin Complex (1st Floor)  
Mawna Chowrasta, Sreepur, Gazipur



**Mr. Mohammad Rashedul Islam**  
Head of Bangla Motor Branch

### Bangla Motor Branch

Rupayan Trade Centre, Level-06  
114 Kazi Nazrul Islam Avenue, Dhaka-1000





# MILESTONES



1996

**FEB - 07**

Incorporation as a Public Limited Company

**MAY - 19**

Certificate for Commencement of Business

**MAY - 25**

Bangladesh Bank License as NBFI.

**MAY - 27**

Commencement of Commercial Operation.

**JUNE - 25**

Registration of Merchant Bank Wing.

**JULY - 03**

First Lease Agreement Signed.

**JULY - 24**

First AGM

2002

**JAN - 09**

SEC approval for brokerage house

2013

**JULY - 01**

Commencement of business operations of BLI Capital Limited.

2009

**2008**

**DEC - 07**  
Agreement with CDBL.

**2009**

**JAN - 18**

IPO opening date for subscription

**APR - 12**

Listed in DSE & CSE

2016  
2017

**2016**

**FEB - 11**

Bangladesh Bank approval for opening Mawna Branch.

**2017**

**JUN - 15**

Bangladesh Bank approval for opening Bangla Motor Branch.

2010

**AUG - 04**

Approval to issue Right Share

2014

**SEP - 28**

Relocation of Head Office to own premises at Eunoos Trade Centre.

**NOV - 02**

Bangladesh Bank approval for opening Principal Branch

2012

**JAN - 24**

Agreement with Bangladesh Bank for ADB refinance scheme.

**JUNE - 11**

Agreement with Bangladesh Bank for JICA refinance scheme.

**NOV - 07**

SEC approval for Merchant Bank Subsidiary - BLI Capital Limited.



# FINANCIAL HIGHLIGHTS



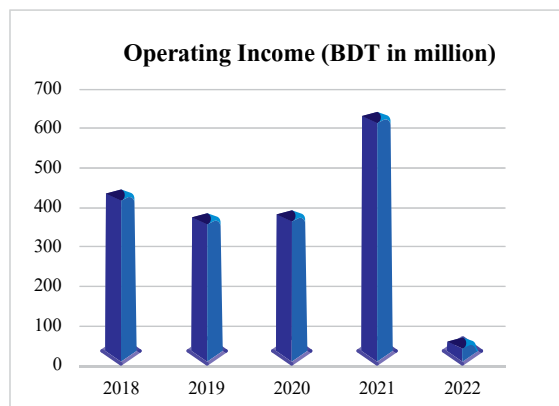
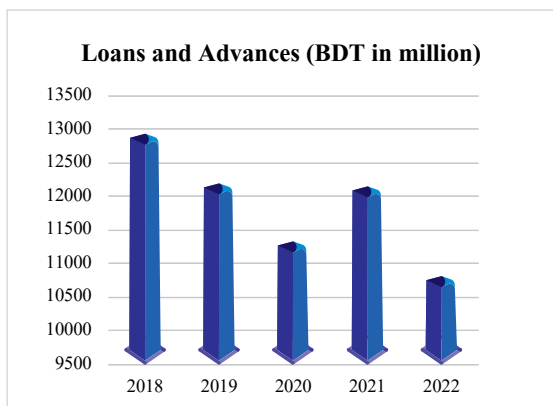
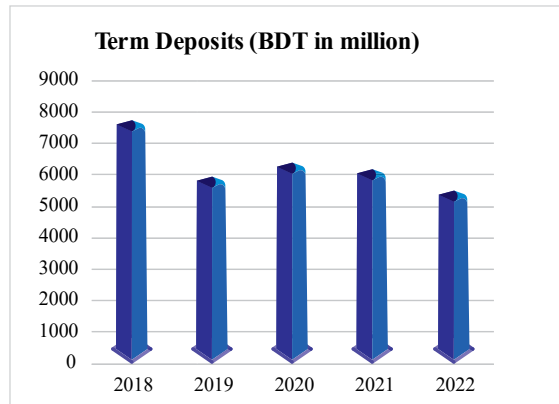
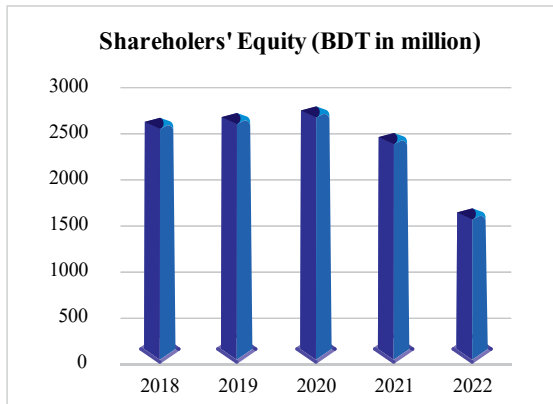
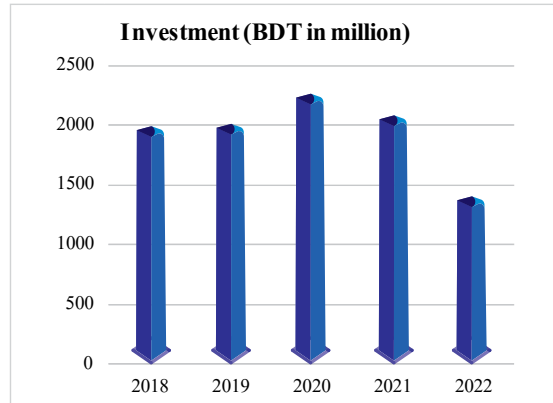
Figures in million

| Particulars                   |       | 2022      | 2021      | 2020      | 2019      | 2018      |
|-------------------------------|-------|-----------|-----------|-----------|-----------|-----------|
| Lease, Term & Other Finance   |       | 10,823.61 | 12,149.78 | 11,323.61 | 12,202.48 | 12,922.74 |
| Investments                   |       | 1,407.92  | 2,081.77  | 2,267.06  | 2,009.36  | 1,961.69  |
| Fixed Assets                  |       | 1,438.25  | 1,421.03  | 1,432.87  | 1,218.29  | 1,213.64  |
| Other Assets                  |       | 310.86    | 419.08    | 563.57    | 792.23    | 635.55    |
| Total Assets                  |       | 15,236.88 | 17,190.84 | 16,911.51 | 16,972.07 | 18,426.49 |
| Term & Other Deposits         |       | 5,628.57  | 6,311.03  | 6,603.29  | 6,181.25  | 8,003.56  |
| Long Term Liabilities         |       | 7,270.43  | 7,252.21  | 6,753.22  | 7,059.65  | 6,741.18  |
| Share Capital                 |       | 1,408.88  | 1,408.88  | 1,408.88  | 1,374.52  | 1,374.52  |
| Shareholders Equity           |       | 1,681.03  | 2,510.44  | 2,790.28  | 2,721.99  | 2,670.00  |
| Operating Revenue             |       | 875.92    | 1,693.36  | 1,519.43  | 1,819.01  | 1,733.86  |
| Financial Expenses            |       | 870.26    | 1,048.91  | 1,124.87  | 1,431.53  | 1,288.52  |
| Operating Expenses            |       | 153.50    | 149.56    | 136.74    | 143.19    | 136.43    |
| Profit/(Loss) before Taxation |       | (759.22)  | (82.32)   | 217.81    | 184.93    | 288.43    |
| Net profit/(Loss) after Tax   |       | (828.47)  | (139.17)  | 160.01    | 150.38    | 219.29    |
| Current Ratio (Times)         |       | 1.25      | 1.29      | 1.30      | 1.18      | 1.05      |
| Debt/Equity Ratio             |       | 6.48      | 5.40      | 4.79      | 4.86      | 5.52      |
| Return on Equity              |       | -46.89%   | -5.54%    | 5.73%     | 5.52%     | 8.21%     |
| Return on Assets              |       | -5.73%    | -0.48%    | 1.29%     | 1.04%     | 1.66%     |
| Dividend                      | Cash  | 0.00%     | 0.00%     | 10.00%    | 8%        | 10%       |
|                               | Stock | 0.00%     | 0.00%     | 0.00%     | 3%        | 0%        |
| Net Asset Value per Share     |       | 11.93     | 17.82     | 19.80     | 19.8      | 19.43     |
| EPS                           |       | (5.88)    | (0.99)    | 1.14      | 1.09      | 1.6       |





## KEY PERFORMANCE INDICATORS



## BOARD OF DIRECTORS



**Prof. Suraiya Begum**  
Chairman

Prof. Suraiya Begum, is the Chairperson of Bay Leasing & Investment Limited. She did her Masters in Home Economics from University of Dhaka followed by Bachelor of Education (B.Ed.) from Mymensingh Teacher's Training College. To further her academic pursuit she completed a Diploma in Food Science & Nutrition from Wageningen University, Netherlands. Her career started as a Lecturer in Teacher's Training College, Mymensingh and subsequently Prof. Suraiya Begum held the position of Associate Professor in Home Economics College in 2001. Soon after she became Vice Principal of Jagannath College (now Jagannath University) and later Principal of Home Economics College.

In the final leg of her illustrious career she was appointed as Member of the Public Service Commission (PSC) for a period of 5 years (2007-2012).



**Zubayer Kabir**  
Vice Chairman

Mr. Zubayer Kabir, is the Vice Chairman of Bay Leasing & Investment Limited and Member of the Board Audit Committee. After completion of his college education from Dhaka College, he left for USA for higher studies. After returning from USA, he got involved in property business held the position of Managing Director, Erebus Properties Ltd. and later Managing Director of National Securities and Consultants Ltd. Mr. Kabir is also a Sponsor Shareholder and former Director of EXIM Bank Limited.



## BOARD OF DIRECTORS

Dr. Maswooda Ghani is a Director of Bay Leasing & Investment Limited. She completed her Medical Bachelor's Degree from Dhaka Medical College and held the position of CA at Obs & Gynaecology Dept. at Dhaka Medical College. Later she moved to Saudi Arabia and worked as Medical Officer in Al-Qassim Hospital for a period of 3 years. After returning from Saudi Arabia she joined Dhaka Cantonment General Hospital and held the position of Chief Medical officer for over two decades.

She is also the owner of a Medical Diagnostic Centre named "Pushpo Clinic" at Banani, Dhaka which she still runs efficiently.



**Dr. Maswooda Ghani**  
Director

Mr. Tarik Sujat is a Director and Member of the Board Audit Committee of Bay Leasing & Investment Limited. After completing his Bachelors and Masters (MSS) in Political Science from University of Dhaka, he specialized his skills as a Graphic and Interior Designer. Mr. Sujat is also a well-known Writer and Poet and has authored and published numerous books of poems both at home and abroad. He established himself as a well-known Social and Cultural personality in addition to his being a successful entrepreneur in business. He is the CEO of Journeyman, Colors of Bangladesh & One Stop Print Shop as well as Managing Director of Media Scene Limited (The Daily Bhorer Kagoj) and I-Info Media Limited. Mr. Sujat is also a Director of Desh TV Ltd.



**Tarik Sujat**  
Director



## BOARD OF DIRECTORS



**Fatema Zahir Majumder**  
Director

Mrs. Fatema Zahir Majumder is a Director and member of the Board Audit Committee of Bay Leasing and Investment Limited. She completed her Honors and Masters from Eden College and studied law at Central Law College. An active social worker, Mrs. Majumder is also a member of Gulshan Ladies Club. As a Director of Language Proficiency Centre Ltd, she is also Communicative English Language teacher and teacher trainer of the American Centre, Dhaka for the last 19 years. She has business interests too as a Chairman and Director of Tiger Tours Limited and Managing Director of Blue Flying Academy.



**Shahid Hossain**  
Independent Director

Mr. Shahid Hossain is an Independent Director and member of the Board Audit Committee of Bay Leasing and Investment Ltd. He completed his B.S.S (Hons) and M.S.S. in Political Science in 1978 and 1980 respectively from University of Dhaka. Mr. Shahid started his banking career 40 years ago as a Probationary officer at National Bank Limited. During this long career, Mr. Husain held different senior positions in different private sector banks in Bangladesh including Additional Managing Director of Southeast Bank Ltd. He served as Managing Director of Southeast Bank Ltd from 9th January 2013 to March 2017. Later in 2017, Mr. Shahid joined Social Islami Bank Limited as Managing Director & CEO. He also joined as Advisor at Bengal Commercial Bank Ltd. On 15th March, 2020. He has vast knowledge & experience in the field of banking and has attended numerous professional workshops and seminars at home and abroad.



## BOARD OF DIRECTORS

Mr. Abul Quasem is an Independent Director and member of the Board Audit Committee of Bay Leasing and Investment Ltd. He completed his B.A. (Hons) and M.A. in Economics in 1967 and 1968 respectively from University of Dhaka. After a short stint as Lecturer in Economics at Govt. Victoria College, Cumilla, B.M. College & Syed Hatem Ati College, Barisal, Mr. Quasem joined National Board of Revenue in 1975. Mr. Quasem has 27 years of experience in customs & VAT service and he was the First Secretary and Member of the NBR. In those capacities he became fully acquainted with the development at all levels of customs & VAT administration. He was involved in the formulation of Fiscal Budget of GOB. He was the head of Task force for the policy implementation of Custom Administration Modernization (CAM) project in the capacity of Member (Customs), NBR. Mr. Quasem also worked as nominated Director of the Govt. in the Board of Pan Pacific Sonargaon Hotel while he was Member in NBR and in Bangladesh Gas Field Co. Limited (BGFCL) while he was First Secretary, NBR.



**Abul Quasem**  
Independent Director

Mohammad Ruknuzzaman, the Managing Director (Current Charge) of the organization. With an illustrious career spanning three decades, he brings a wealth of knowledge and expertise garnered from his extensive journey within the banking sector. Mr. Ruknuzzaman embarked on his professional odyssey in 1993, marking the inception of a remarkable trajectory. Throughout his career, he has made significant contributions to renowned financial institutions, including Midas Financing Ltd., IPDC, and IFIL. In IFIL he served as the Deputy Managing Director for 5 years. His invaluable experience also extends to international projects, having worked with the Export Readiness Fund under the World Bank initiative.

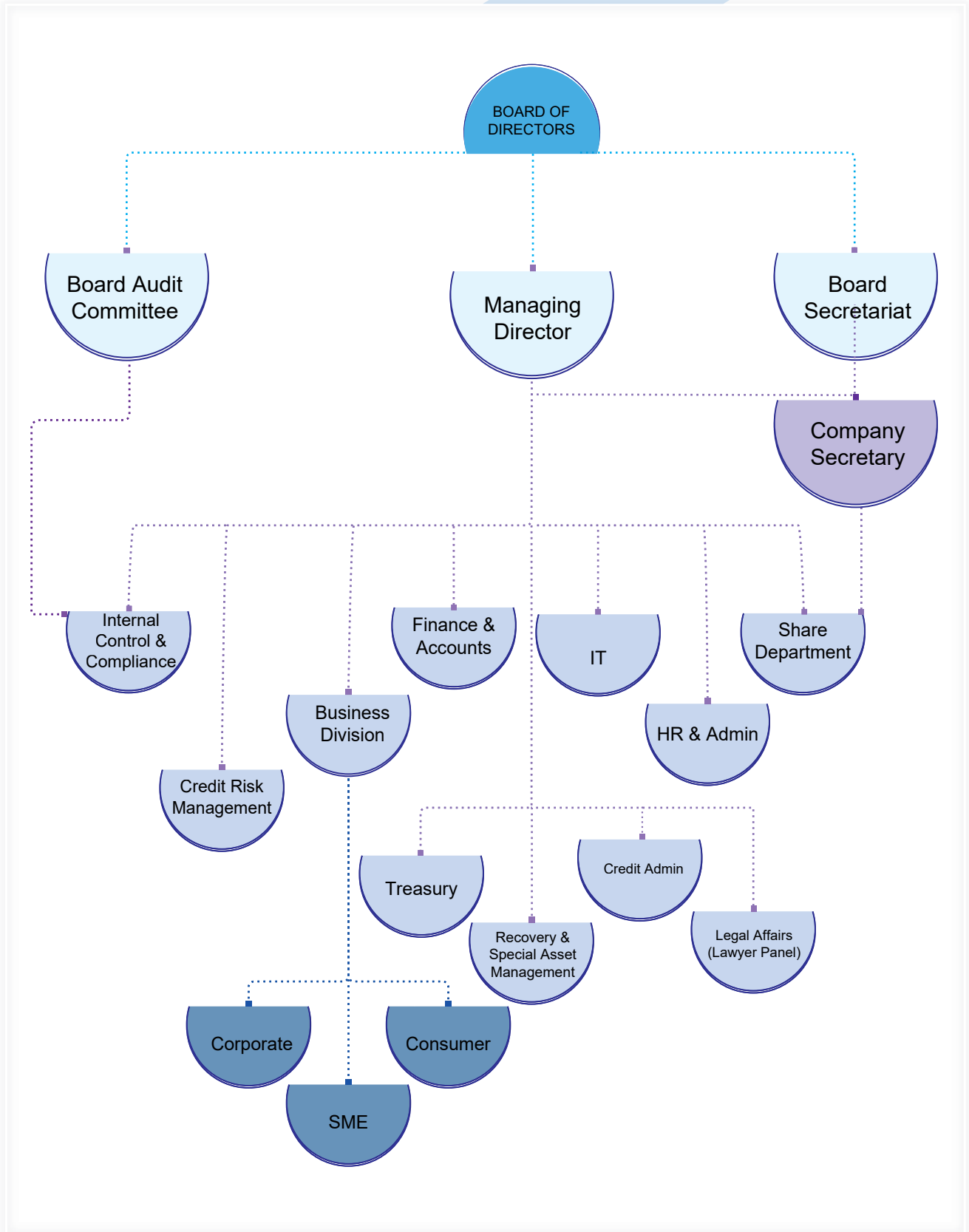
Mr. Ruknuzzaman's profound understanding of banking intricacies and his strategic vision would play a pivotal role in our organization's growth and success. His diverse background encompasses a wide array of banking businesses, reflecting his versatility and adaptability in navigating the ever-evolving financial landscape. Under his leadership, Bay Leasing will propel innovative approaches, prudent decision-making, and a steadfast commitment to excellence. Moving forward, we are confident that Mr. Ruknuzzaman's expertise will continue to shape our path towards greater achievements and sustainable progress.



**Mohammad Ruknuzzaman**  
Managing Director (CC)



# ORGANOGRAM





MANAGEMENT  
COMMITTEE  
(MANCOM)



**Mohammad Ruknuzzaman**  
Managing Director (CC)  
& Chairman, MANCOM



**Mr. Md. Lutfur Rahman**  
Head of Corporate & Treasury  
Member



**Mrs. Sharmin Akhter**  
Company Secretary  
Member



**Mr. Shabbir Minhaz Chowdhury**  
Head of SAM  
Member



**Mr. Samir Saha**  
Head of ICC  
Member



**Mr. Enayet Kabir**  
Head of Finance & Accounts  
Member



**Mr. Faisal Bin Naser Ahmed**  
Head of CAD  
Member



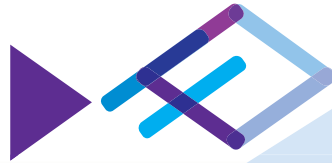
**A.K.M. Jahirul Islam**  
Incharge CRM  
Member



**Mr. Md. Mahade Hasan Bhuyan**  
RM Corporate  
Member Secretary



# COMMITTEES



## **MANAGEMENT COMMITTEE (MANCOM)**

|                              |                    |
|------------------------------|--------------------|
| Mr. Mohammad Ruknuzzaman     | - Chairman         |
| Mr. Mohammad Lutfur Rahman   | - Member           |
| Mr. Shabbir Minhaz Chowdhury | - Member           |
| Mrs. Sharmin Akhter          | - Member           |
| Mr. Samir Saha               | - Member           |
| Mr. Enayet Kabir             | - Member           |
| Mr. Faisal Bin Naser Ahmed   | - Member           |
| Mr. A.K.M. Jahirul Islam     | - Member           |
| Mr. Md. Mahade Hasan Bhuyan  | - Member Secretary |

## **CREDIT COMMITTEE (CC)**

|                             |                    |
|-----------------------------|--------------------|
| Mr. Mohammad Ruknuzzaman    | - Chairman         |
| Mr. Mohammad Lutfur Rahman  | - Member           |
| Mr. Faisal Bin Naser Ahmed  | - Member           |
| Mr. A.K.M. Jahirul Islam    | - Member           |
| Mr. Md. Mahade Hasan Bhuyan | - Member Secretary |

## **CENTRAL COMPLIANCE UNIT (CCU)**

|                              |          |
|------------------------------|----------|
| Mr. Mohammad Lutfur Rahman   | - CAMCLO |
| Mr. Samir Saha               | - Member |
| Mr. Md. Arifur Rahman Badhan | - Member |

## **BASEL IMPLEMENTATION UNIT (BIU)**

|                          |               |
|--------------------------|---------------|
| Mr. Mohammad Ruknuzzaman | - Head of BIU |
| Mr. Enayet Kabir         | - Member      |
| Mr. Samir Saha           | - Member      |

## **ASSET & LIABILITY MANAGEMENT COMMITTEE (ALCO)**

|                              |                    |
|------------------------------|--------------------|
| Mr. Mohammad Ruknuzzaman     | - Chairman         |
| Mr. Mohammad Lutfur Rahman   | - Member           |
| Mr. Enayet Kabir             | - Member           |
| Mr. Samir Saha               | - Member Secretary |
| Mr. Md. Arifur Rahman Badhon | - Member           |





## COMMITTEES



### **RISK MANAGEMENT FORUM (RMF)**

|                            |                      |
|----------------------------|----------------------|
| Mr. Mohammad Ruknuzzaman   | - Chief Risk Officer |
| Mr. Mohammad Lutfur Rahman | - Member             |
| Mrs. Sharmin Akhter        | - Member             |
| Mr. Samir Saha             | - Member             |

### **RISK ANALYSIS UNIT (RAU)**

|                              |             |
|------------------------------|-------------|
| Mr. Shabbir Minhaz Chowdhury | - Unit Head |
| Mr. Enayet Kabir             | - Member    |
| Mr. A.K.M. Jahirul Islam     | - Member    |
| Mr. Md. Jashim Uddin Rajib   | - Member    |

### **INTEGRITY COMMITTEE**

|                              |                  |
|------------------------------|------------------|
| Mr. Mohammad Ruknuzzaman     | - Committee Head |
| Mr. Mohammad Lutfur Rahman   | - Focal Point    |
| Ms. Aklima Akhi              | - Member         |
| Mr. Md. Arifur Rahman Badhon | - Member         |

### **SUSTAINABLE FINANCE COMMITTEE**

|                              |                    |
|------------------------------|--------------------|
| Mr. Mohammad Lutfur Rahman   | - Committee Head   |
| Mr. Shabbir Minhaz Chowdhury | - Member           |
| Mr. Faisal Bin Naser Ahmed   | - Member           |
| Mr. Samir Saha               | - Member           |
| Mr. Pronab Kumar Das         | - Member           |
| Mr. Md. Mahade Hasan Bhuyan  | - Member Secretary |

### **SUSTAINABLE FINANCE UNIT**

|                            |                        |
|----------------------------|------------------------|
| Mr. Faisal Bin Naser Ahmed | - Unit Head            |
| Mr. A.K.M. Jahirul Islam   | - Focal Point Official |
| Mr. Nawshad Md. Aziz Arman | - Fallback Person      |
| Ms. Nasrin Akhter          | - Member               |





**Prof. Suraiya Begum**  
Chairman



## Dear Shareholders

I am honored to extend a warm welcome on behalf of the Board of Directors to the 27th Annual General Meeting of Bay Leasing & Investment Limited (BLIL). It is a privilege for me to address you and provide insights into the state of the economy and the financial services sector, as well as present the Annual Report for the year ending on 31 December 2022.

I want to acknowledge the challenges faced by the Non-Bank Financial Institution (NBFI) sector. Over the past few years, the sector has been grappling with a lack of stakeholder confidence and cash flow crises. Many banks have refrained from extending funds or fresh deposits to NBFIs, leading to significant repercussions for the sector.

While we anticipate more challenges ahead for BLIL, we remain confident in our dedicated management team's ability to navigate this difficult situation. We are fully committed to leveraging all available resources and strategic approaches to swiftly return to the path of profitability. Your confidence and support are invaluable as we work towards overcoming these adversities.

## National Economic Performance

In early 2022, Bangladesh's economy displayed promising signs of recovery after overcoming the prolonged effects of the COVID-19 pandemic. The fiscal year 2022 witnessed an impressive economic rebound, with a real GDP growth rate of 7.25%, marking a 0.31 percentage point increase compared to the previous fiscal year. This growth was propelled by robust expansion in both the consumer market, accounting for 78.44% of GDP, and the industrial sector, which experienced a 10.44% rise due to heightened demand and supportive monetary and fiscal policies.

However, the emergence of the Ukraine war in February significantly altered the global landscape, causing a substantial slowdown in Bangladesh's economy. The nation faced mounting inflationary pressures, primarily driven by escalating food and non-food prices caused by increased global commodity prices and supply chain disruptions. Bangladesh's foreign exchange reserves, which had peaked at 48 billion in August 2021, started to decline as exports and remittances fell short of the soaring import costs, dwindling the reserves to 34 billion. Consequently, the local currency depreciated against the dollar, with the exchange rate surpassing the Tk. 100 mark in September. In 2022, the taka devalued by approximately 25% against the dollar, significantly impacting the economy. To curb dollar payments for imports, Bangladesh Bank imposed restrictions on letter of credit (LC) openings, adversely affecting businesses engaged in international trade. Furthermore, the government raised petroleum prices by a record 51%, sparking public outrage due to concerns about worsening living costs. Inflation, which had remained below 6.5% until April, surged to 9.52% in November, marking the highest rate in the past decade.

Additionally, the country's trade deficit soared by 39.83% as the total value of imports far exceeded exports in FY 2022. Despite a 15.12% decrease in remittance inflows compared to the previous year, the deficit could not be significantly offset. While the National Board of Revenue (NBR) revenue increased by 2.62%, a 10.91% rise in government expenditure led to a budget deficit of 4.3% of GDP, up from 3.66% the previous year. In response, Bangladesh sought a \$4.5 billion loan from the International Monetary Fund (IMF) to support the budget, balance of payments, and climate change mitigation efforts. The IMF approved the loan with conditions, requiring reforms in revenue collection, the financial sector, and subsidy allocation.

Despite these challenges, Bangladesh's garment industry showed resilience, experiencing a remarkable 35% year-on-year growth in FY 2022 and achieving a record export earnings of \$42.61 billion. However, it's essential to note that the exchange rate played a pivotal role in driving this exceptional growth in exports.

## NBFI & Financial Sector Performance

In 2022, Bangladesh Bank adopted a cautiously accommodative policy stance, aiming to curb inflationary and exchange rate pressures while supporting economic growth and ensuring a steady flow of funds to productive and employment-generating activities. Despite these efforts, the financial system faced challenges, including a tight liquidity situation marked by a decrease in excess liquid assets. This liquidity crunch was driven by heightened demand following improvements in the COVID-19 situation, increased credit flows



to both public and private sectors, elevated import costs due to rising commodity prices, and significant depreciation of the local currency.

Consequently, by December 2022, the interbank call money rate rose to 4.42% from its June 2022 level. These factors also led to disparities in lending and deposit rates, causing the interest rate spread to narrow to 2.93% for banks and 1.15% for Non-Bank Financial Institutions (NBFIs).

In December 2022, domestic credit growth slightly moderated to 15.1%, down from 16.2% in June 2022, attributed to decreased growth rates in both public and private sector credit. The financial sector also grappled with a surge in non-performing loans, particularly from businesses involved in imports due to controlled LC opening. Following the relaxation of classification rules, the financial sector faced an increased exposure to non-performing loans, with the banking sector's NPL ratio reaching 9.36% by the end of September 2022, compared to 8.12% the previous year. NBFIs experienced an even worse situation, with their NPL ratio rising to 24.61% by the end of September 2022, compared to 17.62% in the same period the previous year.

In the fiscal year 2022, the Non-Bank Financial Institutions (NBFI) sector endured significant challenges, including the negative impact of the Russia-Ukraine war following the COVID-19 pandemic. Despite these hurdles, the NBFI sector saw a modest growth in its asset size by 6.9% to BDT 948.00 billion and a 2% increase in its credit portfolio to BDT 719.00 billion. However, both the profitability and asset quality of the NBFI sector suffered during this period.

### **Company Financial Position**

Given the challenging economic and financial landscape in 2022, the company faced significant difficulties. The company's lease, loans, and advances portfolio saw a sharp decline of 10.92%, dropping from BDT 12.14 billion to BDT 10.82 billion.

Operating revenue plummeted from BDT 644.44 million to 5.66 million in 2022, primarily due to a substantial decrease in net interest income caused by defaults on several large loans and the tightening of classification rules.

The company experienced a consolidated financial loss of BDT 838.46 million, resulting in negative earnings of 5.88 per share in 2022. This loss was mainly attributed to the decline in net interest income and an increase in provision requirements, totaling BDT 611.38 million, compared to BDT 577.20 million in the previous year of 2021. The company set aside a total provision of BDT 1,421.83 million against lease/loans and investments, including an additional BDT 611.38 million added in 2022.

Furthermore, borrowings from banks decreased by 19% to BDT 5.26 billion in 2022 compared to BDT 6.50 billion in 2021 due to the encashment of bank deposits and withdrawal of treasury placements. Term deposits from corporate entities, organizations, and individuals also saw a decrease of 10.68% to BDT 5.52 billion in 2022.

### **Risk Management**

Risk is the main cause of uncertainty in any organization. Identifying various risks and managing them is vital for any financial institution. The objective of risk management for 2022 was to continue to follow a structured and data-driven approach to managing risks and enhancing risk mitigation techniques. The Company put in place a strong early alert system to identify clients with potential cash flow difficulties for proactive account management.

### **Compliance & Governance**

The Central Bank has implemented policy measures to establish a strong corporate governance framework for Non-Bank Financial Institutions (NBFIs). In alignment with these efforts, BLIL's Independent Internal Control and Compliance division actively works to uphold accountability and transparency, aiming to minimize anomalies and conflicts of interest. BLIL strictly adheres to corporate governance requirements and regulatory guidelines. The compliance division is dedicated to ensuring that BLIL complies with all relevant regulations and adapts to evolving regulatory standards.



### Concluding note

According to the World Bank's projections, global growth is anticipated to significantly decelerate in 2023, with a growth rate of 1.7 percent. This slowdown is attributed to synchronized policy tightening to combat high inflation, worsening financial conditions, and the ongoing disruptions caused by Russia's invasion of Ukraine. Mounting debt, sluggish growth, and tightening financial conditions are expected to deter investments and lead to corporate defaults. However, the World Bank predicts a decrease in global inflation to 6.6 percent in 2023 and further to 4.3 percent in 2024. Bangladesh's economic outlook remains relatively stable but is closely tied to international conflicts in various regions and the stability of the foreign exchange market.

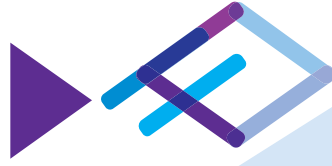
In 2023, the company's primary focus will be on prioritizing the recovery of delinquent lease/loan portfolios through various methods. Simultaneously, the company aims for reasonable business growth while managing operational costs effectively. Maintaining a high-quality lending portfolio, concentrating on sectors resilient to adverse economic shocks, and delivering superior customer service are key objectives. The Board and Management are diligently working towards these goals to ensure positive growth.

I express my gratitude to my colleagues on the Board of Directors for their guidance and support, as well as our shareholders and customers for their faith in us during these challenging times. I extend my thanks to Bangladesh Bank for their continuous support and prudent guidance. Additionally, I appreciate the support provided by the Bangladesh Securities & Exchange Commission (BSEC), Central Depository Bangladesh Limited (CDBL), Registrar of Joint Stock Companies and Firms (RJSC), and the Dhaka Stock Exchange (DSE) & Chittagong Stock Exchange (CSE).



**Prof. Suraiya Begum**  
Chairman





**Mohammad Ruknuzzaman**  
Managing Director (CC)



## Dear Valued Shareholders

### Assalamu Alaikum oya Rahmatullahe Obarakatuhu,

I begin by extending my heartfelt wishes for good health and happiness to all of you. I want to express my deep gratitude to each one of you for your unwavering support and inspiration that enabled us to sustain our business operations amidst tremendous challenges throughout 2022. Bay Leasing has reached a significant milestone, marking 27 years since its establishment in February 1996. Our business has shown consistent growth and profitability until 2020, with stakeholders receiving dividends regularly. However, the years 2021 and 2022 presented unprecedented challenges. The world faced a series of shocks, including the enduring impacts of COVID-19, the Ukraine-Russia War, disruptions due to international geopolitical conflicts, and instability in energy and foreign exchange markets. These events brought the world to a standstill, affecting not only human lives but also disrupting global social, economic, and financial structures in ways never experienced before in modern history.

Following the Covid-19 pandemic, borrowers in Bangladesh benefited from relaxation measures implemented by Bangladesh Bank due to the outbreak. While the country's economy began recovering from the devastating effects of the pandemic, a new blow was dealt to the global economy with the Ukraine-Russia war. Consequently, borrowers in the financial sectors struggled to fully recover from their business setbacks.

In an effort to revive business sectors, the central bank extended an installment deferral facility in 2021. This facility allowed borrowers to defer payments, requiring them to pay only a significantly reduced percentage of the total installments due for the year. Unfortunately, some major borrowers of Bay Leasing failed to meet the criteria for availing this facility, leading to a surge in non-performing loans in 2022.

The primary reasons for the financial losses recorded in 2022 included:

- i) Setting aside a substantial provision for:
  - a) the increasing number of non-performing loans,
  - b) additional provisions for clients who deferred installments in 2021, and
  - c) creating a shortfall provision in accordance with Bangladesh Bank guidelines.
- ii) Increasing suspended interest amounts due to poor recovery of the loan and lease portfolios.

As a result of the financial losses in 2022, almost all key financial indicators reflected negatively.

I am delighted to welcome you to the 27th Annual General Meeting of Bay Leasing & Investment Limited, where I will present the annual report, financial performance, and audited financial statements for the year ending December 31, 2022.

## Economy & Industry Review

The global economy experienced series of turmoil's like ongoing post covid impact, Ukraine-Russia war, global Geo political conflicts, crisis in energy and foreign exchange market, which resulted decline in world GDP growth rate to 2.9% in 2022 from 5.9% in 2021. These all disruptions triggered rapid inflation, as a result, global headline inflation rose to an estimated 8.7% in 2022 which is 3.5% higher than the 2021 years' inflation rate. The inflation was particularly acute in USA, UK, EU, Latin America and the developing countries in Asia.



Bangladesh withstood the strains created by the pandemic, recovering much faster than its regional peers. As a result, the country posted a 7.25% growth in FY2022, which is 0.31% higher than previous year. This growth was supported by strong growth in consumer market, which rose to 78.44% of GDP, and the industry sector, which saw a 10.44% increase due to higher demand and supportive monetary and fiscal policies. Bangladesh faced high Inflation mainly driven by rising food and nonfood consumer items' price due to rising global commodity prices and carrying cost. The situation worsen mainly due to depreciation of taka against dollars, Bangladesh Bank restriction in LC opening against import for managing foreign currency payment. In addition, the country's trade deficit increased by 39.83%, as the total amount of imports was significantly higher than exports in FY 22. The remittance inflow could not offset the deficit significantly as it also decreased by 15.12% in FY22 from last year. Although the NBR revenue increased by 2.62%, the government expenditure increased by 10.91% resulting in the budget deficit to 4.3% of GDP from 3.66% last year.

The liquidity situation was very tight in financial market of Bangladesh because of numerous reasons such as increase demand, high inflation rate, and high import coast. Interest spread was very low round the year 2022 due to capping lending and deposit rate in banks and NBFIs.

The growth of domestic credit experienced a slight decline, dropping from 16.2% in June 2022 to 15.1% in December 2022. This reduction affected both public and private sector credit growth rates. Additionally, the financial sector grappled with a rise in non-performing loans, particularly among businesses involved in imports, due to controlled LC openings amid a dollar crisis. The non-performing loan (NPL) rate stood at 8.06% in 2020, then decreased slightly to 7.9% in 2021, before ultimately climbing to nine percent in 2022.

In FY 2021-22, both stock markets (Dhaka Stock Exchange and Chattogram Stock Exchange) noticed some volatility, however, both the price index and market capitalization increased moderately. The market capitalization and the broad index of DSE increased by 4.41 percent and 6.59 percent respectively at the end of April 2022 compared to end June 2021. Similarly, the market capitalization and CSE All Share Price Index increased by 6.03 percent and 11.67 percent respectively, at the end of April, 2022, compared to end June 2021.

### **Financial Review**

Besides facing ongoing post Covid-19 pandemic impact, country's economy has been facing another global economic challenges from the running Ukraine-Russia war. Besides reducing spread, unstable capital market, liquidity crisis, huge depreciation of local currency, negative news on NBFIs sector, high inflation, BLIL was keeping substantial amount of provision for increasing NPL, additional provision for the clients who availed installment deferral facility in 2021 & building shortfall provision as per Bangladesh Bank guideline and increasing suspended interest amount resulting from poor recovery of loan/lease portfolio unable to maintain its Balance Sheet and profit and loss account. As a result most of the financial indicators reflected negative.

Loans and Advances decreased slightly to BDT 9,000.65 million in 2022, which is 07.76% decreased from BDT 9,758.83 million in 2021, core deposit portfolio also decreased by 10.69% to BDT 5,526.85 million in 2022 from BDT 6,188.86 in 2021. On the other hand, total Interest Income decreased drastically by 44.6% in 2022 to BDT 554.07 million from BDT 1,000.15 million in 2021 mainly due to keeping substantial amount of provisioning and increase of NPL. On the other hand, investment income (including comm. Income) decreased by 78% in 2022 to BDT 82.12 million against BDT 378.26 million in 2021 mainly due to down trend of capital market.

Net loss before tax decreased to (BDT 787.20 million) in 2022 from (BDT 91.81 million) in 2021 mainly due to huge amount of provision keeping i.e. (BDT 611.38 million).



During the year under review, the Management emphasized on increasing recovery from loan/lease portfolio by taking all sorts of conventional and non-conventional measures. However, in some extent it's not worked due to instability in our economy and business slowdown of major corporate clients. We also tried to reduce the operational expenses by taking all possible measures. The whole hearted support and guidance of the Board of Directors were always in place towards our journey. We are exerting our all-out efforts to come from the current distressed situation. In the coming days, our utmost goal will be to convert non income generating assets into income generating assets. We strongly believe that under the supervision and guidance of the Board of Directors and the Regulatory bodies, the hard-working management team will be able to come back to profitability again by resuming fresh business, maximizing recovery from default loans, mobilizing new deposits, managing and exploring avenues for procurement of funds from financial partners.

### **Expectation in 2022**

Economic outlook in 2022 was very challenging. After Covid-19 impact, Russia-Ukraine war and geo political crisis has made the situation more complicated. The World Bank predicts that global growth will slow down significantly in 2023, with a growth rate of 1.7 percent, due to synchronized policy tightening to curb high inflation, worsening financial conditions, and ongoing disruptions caused by Russia's invasion of Ukraine. As a result country's economy slowdown will be continuing in 2023. Beside that our national election will be held end of 2023. Taka depreciation against dollar, negative growth of remittance, slow movement growth in export, restriction in import due to dollar crisis, continuing high inflation will make the country's economy more slowdown in 2023.

So, first of all we have a plan how to overcome the losses occurred from this situation at the earliest. In 2023 we are emphasizing on loan recovery especially from default clients and provisioning loan accounts. Beside that we are also trying to keep a reasonable growth in new business. Our top priority will be keeping NPL in a reasonable level by improving recovery. We want to give focus in driving core deposit marketing for reducing bank dependency. We will also try to increase SME/retail business, primarily focusing on home loans for taking sustainable business growth besides our corporate lending. As our regular activities we will also invest our time heavily to develop our human resources skill as well as in expanding our products and services, which, we believe, will enhance not only the scope of our operation but also contribute to the overall benefit of the company and all its shareholders.

### **Acknowledgment**

To conclude, I would like to express my sincere gratitude to the Board of Directors, Customers and Shareholders for their trust guidance and wise counsel. I would also extend my sincere thanks to the Bangladesh Bank, BSEC, DSE, CSE, CDBL, and RJSC for their continued help and cooperation. Last but not the least, I would like to take this opportunity to thank all of my colleagues for their loyalty, sincerity, commitment and relentless hard work.



**Mohammad Ruknuzzaman**  
Managing Director (CC)



# Bay Leasing's Risk Management and Anti-Money Laundering & Combating Terrorist Financing Initiatives

Risk management is an area that is experiencing rapid growth and it entails various perspectives and factors that are involved, how they are conducted and their uses. As a consequence of global financial crisis, regulators and financial industry leaders agree on the need for a comprehensive risk management reform in the financial field. Even though solutions may differ, most agree that the lack of an appropriate risk management system was one of the key factors in causing the financial crisis.

Banks and financial institutions assume risks during the course of conducting business for the purpose of realizing returns on investments. It is obvious that these risks can potentially eliminate expected returns and entail losses for these institutions. Some are expected while others may be unexpected. Banks and Financial Institutions typically have reserves for expected losses but unpredictable events such as economic crisis or falling interest rates cause institutions to rely on their capital to alleviate related losses. This is where the need for effective risk management frameworks in banks and financial institutions are crucial for their survival. By utilizing efficient risk management systems, these institutions will become competent in optimizing their risk return trade off.

Because taking risk is an integral part of the business, it is not surprising that financial institutions have been practicing risk management from their nascent stage. The only real change is the degree of sophistication now required to reflect the more complex and fast paced environment.

The Asian financial crisis of 1997 illustrates that ignoring basic risk management can also contribute to economy-wide difficulties. The long period of remarkable economic growth and prosperity in Asia masked weaknesses in risk management at many financial institutions. Many Asian banks did not assess risk or conduct a cash flow analysis before extending a loan, but rather lent on the basis of their relationship with the borrower and the availability of collateral, despite the fact that collateral was often hard to seize in the event of default. The result was that loan portfolio expanded faster than the ability of the borrowers to repay. Additionally, because many banks did not have or did not abide by limits on concentrations of lending to individual firms or business sectors, loans to overextended borrowers worsened the situation and Bank/FI's who indulged in this practice weakened the most.

Although avoiding failure is a principal reason for managing risk, global financial institutions also have the broader objective of maximizing their risk - adjusted rate of return on capital, or RAROC. This means not just avoiding excessive risk exposures, but measuring and managing risks relative to returns and to capital. By focusing on risk - adjusted returns on capital, global institutions avoid putting too much emphasis on activities and investments that have high expected returns but equally high or higher risk. This has led to better management decisions and more efficient allocation of capital and other resources. Indeed, bank shareholders and creditors expect to receive an appropriate risk - adjusted rate of return, with the result that banks that do not focus on risk - adjusted returns will not be rewarded by the market.

A point too often overlooked, however, is that, by focusing on risk - adjusted returns, risk management also contributes to the strength and efficiency of the economy. It does so by providing a mechanism that is designed to allocate resources, initially financial resources but ultimately real resources to their most efficient use. Projects with the highest risk adjusted expected profitability is the most likely to be financed and to succeed. The result is more rapid economic growth. The ultimate gain from risk management is higher economic growth. Without sound risk management, no economy can grow to its potential. Stability and greater economic growth, in turn, lead to greater private saving, greater retention of that saving, greater capital imports and more real investment. Without it, not only do we lose these gains, but we also incur the considerable costs of bank disruptions and failures that follow from unexpected, undesired and unmanaged risk - taking.



## Definition of Risk – Our simplified view

To simplify the concept and for better risk management, we define Risk as the combination of the probability of an event and its consequences. In simple term, risks can be seen as a combination of the chance that something may happen and the degree of damage or loss that may result if it does occur. Sticking with this simplified way of defining risk, Bay Leasing & Investment Limited try to grab all the potential areas of risks considering their probability of occurrence and try to fathom its depth of damage towards our company.

## Risk Management Infrastructure of Bay Leasing

In Bay Leasing & Investment Limited, the issue of risk management is considered to be one of the major key matters of the company. To ensure utmost importance as well as to comply with the requirements of Bangladesh Bank, several committees comprising of subject matter experts, have been formed to have better risk management and monitoring system. Furthermore, the teams related to compliance as well as the Board Audit Committee keenly monitor the overall risk management. The diagram attached herewith represents the teams and departments that are dealing with risk management issues:

The approval process has been designed in such a way to minimize the credit risks associated to lending. The continuous review of operational processes also been maintained to eliminate potential operational risks.

However, apart from credit risk and operational risks there have been few more risk areas that have been emerged in recent decade. Among them the risk of Money Laundering (ML) and Terrorist Financing (TF) is considered to be one of the global issues. Considering the impact of such risk areas, ML/TF has been given a special attention from our management.

## Special focus on combating Money Laundering and Terrorist Financing

The international community has made the fight against money laundering and the financing of terrorism a priority. Among the goals of this effort are: protecting the integrity and stability of the international financial system, cutting off the resources available to terrorists, and making it more difficult for those engaged in crime to profit from their criminal activities.

Recommendation 1 of Financial Action Task Force (FATF), the international standard setter on anti money laundering (AML) and combating terrorist financing (CFT) requires financial institutions and designated non-financial businesses and professions (DNFBPs) to identify, assess and take effective action to mitigate their money laundering and terrorist financing risks. This requirement is reflected in the Money Laundering Prevention Rules (MLPR) 2013. Rule 21 of MLPR 2013 contains that every Reporting Organization-Financial Institution (RO-FI) shall conduct periodic risk assessment and forward the same to the Bangladesh Financial Intelligence Unit (BFIU) for vetting. Rule 21 also contains that RO-FI shall utilize this risk assessment report after having vetted by BFIU.

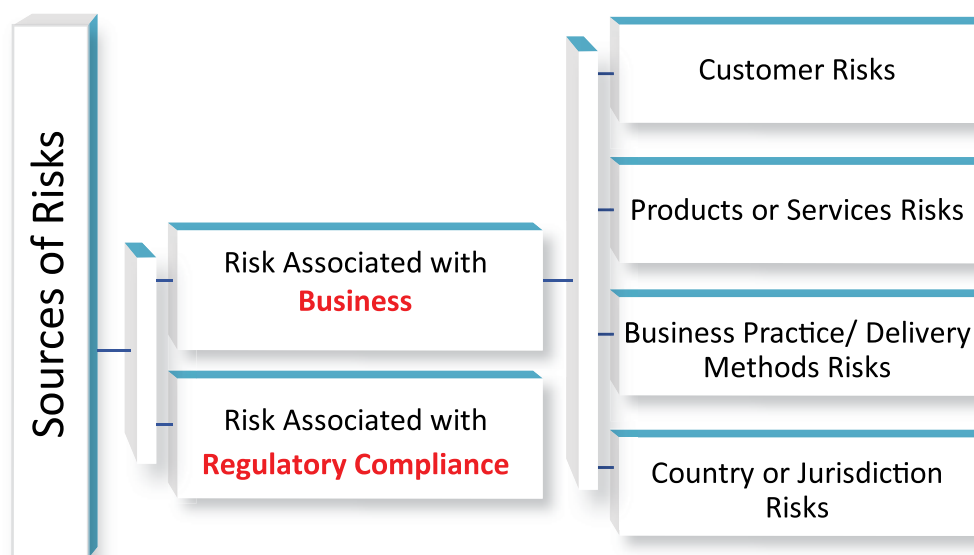
Bangladesh Bank, as the Central Bank and the governing authority of Bay Leasing & Investment Limited, has provided guideline's with instructions and indications to identify, assess the risk of ML & TF in our businesses and to take effective measures to mitigate the identified risk and monitor and review the risk management procedures and controls of ML & TF risk.

In compliance to Bangladesh Bank's guidelines strictly, Bay Leasing has prepared its risk assessment report and meticulously follow it to minimize and/or prevent the risk of money laundering and terrorist financing with utmost importance.

## Risks to be managed

There are two main sources of ML/TF risks that the financial institution should take into account and to take necessary measures to mitigate this. They are:





**Risk associated with Business:** is the ML & TF risk that arises or generated in doing day to day business of the financial institution. Therefore, the particular term “business” of the financial institution exposed to four major categories of risks i.e. 1) Customers; 2) Products or Services; 3) Business Practice/ Delivery Methods; & 4) Country or Jurisdiction. Hence, the financial institution should have a strong measure to identify and mitigate the ML & TF risks associated with these four broader categories.

**Regulatory risk:** is associated with not meeting all obligations of the financial institution under the ML Prevention Act, 2012, Anti-Terrorism Act, 2009 (including all amendments), the respective Rules issues under these two Acts and instructions issued by BFIU. Regulatory Risk includes failure to report STR/SAR, unable or inappropriately verification of customers and lacking of AML and CFT program (how a business identifies and manages the ML and TF risk it may face) etc.

### Risk-Based Approach (RBA)

A Risk-Based Approach (RBA) to AML/CFT means that the financial institution is expected to identify, assess and understand the ML&TF risks to which it is exposed and take AML/CFT measures adequate to those risks in order to mitigate them effectively. The RBA is not a “zero failure” approach. It is unrealistic that the financial institution would operate in a completely ML&TF risk-free environment, rather it is meant that the financial institution should properly identify the ML & TF risks it faces, and then works out the best ways to reduce and manage those risks.

### Risk Management Framework

Bay Leasing & Investment Limited has constructed and tailored the risk management framework for the purpose of developing risk-based systems and controls and mitigation strategies in a manner that is most appropriate to the business structure (including financial resources and staff), the products and/or the services they provide. Such risk-based systems and controls should be proportionate to the ML&TF risk(s) a Financial Institution reasonably faces. The following principles shall be followed at all levels of the financial institution for effective management of ML and TF risks:

- Risk management contributes to the demonstrable achievement of objectives and improvement of performance, governance and reputation.
- Risk management is not a stand-alone activity that is separate from the main activities and processes of the FI. Risk management is part of the responsibilities of management and an integral part of all organizational processes, including strategic planning.
- Risk management helps decision makers making informed choices, prioritize actions and distinguish among alternative courses of action.
- Risk management explicitly takes account of uncertainty, the nature of that uncertainty, and how it can be addressed.
- A systematic, timely and structured approach to risk management contributes to efficiency and to consistent, comparable and reliable results.
- Risk management is based on the best available information.

- Risk management is aligned with the FI's external and internal context and risk profile.
- Risk management is transparent and inclusive.
- Risk management is dynamic, iterative and responsive to change.

Following the above mentioned principles, we have developed and maintained logical, comprehensive and systematic methods to address each of the components of risks, identified our approach to ML&TF risk, planned to implement and maintain on regular basis.

## Flow of Work

As per guidelines of Bangladesh Financial Intelligence Unit (BFIU) of Bangladesh Bank, we have tried to maintain the following work flow. This risk assessment mechanism is broadly divided into the following four segments.



- ✓ We tried to identify all the potential risk areas under the five broader category sources of risks mentioned earlier. To do so, we have involved participants from all the departments/work areas within our company and utilized different approaches i.e. group discussion, brain storming etc. to ensure the inclusion of every possible risk scenarios (referring to worksheets for details).
- ✓ Based on the best possible subjective judgement we tried to select the appropriate likelihood and impact associated with the particular risk items. In Risk Register, we also identified the risk scores based on the guideline provided from BFIU.
- ✓ We identified the required set of actions/treatments and categorized them into three major Tiers and assigned them based on the risk scores. The risk appetite has also been identified as per the guideline.
- ✓ Risk monitoring process has been identified which is to be executed and exercised on regular basis.



## Tools/ Scales Used

We have meticulously followed the ML&TF Risk Guidelines while calculating the risk scores of all the potential risk factors. We used the likelihood & impact scale to identify the risk score of the particular risk items and also tried to identify the risk appetite level as per the given scale.

### Likelihood Scale

| Frequency   | Likelihood of an ML&TF risk                                 |
|-------------|-------------------------------------------------------------|
| Very likely | Almost certain: it will probably occur several times a year |
| Likely      | High probability it will happen once a year                 |
| Unlikely    | Unlikely, but not impossible                                |

| Consequence | Impact of an ML & TF risk                                                                          |
|-------------|----------------------------------------------------------------------------------------------------|
| Major       | Huge consequences – major damage or effect. Serious terrorist act or large-scale money laundering. |
| Moderate    | Moderate level of money laundering or terrorism financing impact.                                  |
| Minor       | Minor or negligible consequences or effects.                                                       |

### Impact Scale

### Risk Matrix

|            |                                    |                          |          |         |
|------------|------------------------------------|--------------------------|----------|---------|
| LIKELIHOOD | Very Likely                        | Medium                   | High     | Extreme |
|            | Likely                             | Low                      | Medium   | High    |
|            | Unlikely                           | Low                      | Low      | Medium  |
|            | What is the chance it will happen? | Minor                    | Moderate | Major   |
|            |                                    | How serious is the risk? |          | IMPACT  |

### Risk Appetite Scale

|         |                   |
|---------|-------------------|
| Extreme | Unacceptable Risk |
| High    |                   |
| Medium  | Acceptable Risk   |



## Category Selection

To identify the potential risk areas we have keenly analyzed the entire business operation of our company. We have also studied the ML&TF Risk Guideline of BFIU. After thorough examination we have identified the following four risk group which would cover our entire operation and every possible situation exposed to ML&TF risk:



### Customer:

This risk group includes all the individuals and business entities from our existing client base as well as from any potential new client base.

### Products and Services

This risk group includes all our existing products and services as well as any upcoming new products.

### Business Practice/ Delivery Methods or Channels

This risk group consists of our entire business practice and delivery methods or channels.

### Country/ Jurisdiction

This risk group consists of our entire business practice and delivery methods or channels.

### Regulatory Risk

This risk group includes all the potential risk areas related to regulatory issues.





## Risk Register

The following is only the extract of the entire Risk Register of Bay Leasing covering all the above mentioned categories. The detail list of risk factor with the category of 1) Products and Services, 2) Business Practice/ Delivery Methods or Channels, 3) Country/ Jurisdiction, and 4) Regulatory Risk have not been included here.

| RISK REGISTER |                                                                                                                                                                              |             |          |            |                   |                    |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------|------------|-------------------|--------------------|
| Sr.L. No.     | Risk Factor                                                                                                                                                                  | Likelihood  | Impact   | Risk Score | Risk Appetite     | Treatment/ Action  |
| 1             | A new customer                                                                                                                                                               | Likely      | Major    | High       | Unacceptable Risk | Tier 3 Action Plan |
| 2             | A new customer who wants to carry out a large transaction                                                                                                                    | Likely      | Major    | High       | Unacceptable Risk |                    |
| 3             | A customer or a group of customers making lot of transactions to the same individual or group                                                                                | Very likely | Major    | Extreme    | Unacceptable Risk |                    |
| 4             | A customer who has a business which involves large amounts of cash                                                                                                           | Very likely | Moderate | High       | Unacceptable Risk |                    |
| 5             | Customer opens account in the name of his/her family member who intends to credit large amount of deposits not consistent with the known sources of legitimate family income | Very likely | Major    | Extreme    | Unacceptable Risk |                    |
| 6             | A customer whose identification is difficult to check                                                                                                                        | Unlikely    | Major    | Medium     | Acceptable Risk   |                    |
|               | Customers conducting their business relationship or transactions in unusual circumstances, such as:                                                                          |             |          |            |                   | Tier 2 Action Plan |
| 7             | A) Significant and unexplained geographic distance between the institution and the location of the customer                                                                  | Unlikely    | Major    | Medium     | Acceptable Risk   |                    |
|               | B) Frequent and unexplained movement of accounts to different institutions                                                                                                   | Unlikely    | Major    | Medium     | Acceptable Risk   |                    |
|               | C) Frequent and unexplained movement of funds between institutions in various geographic locations                                                                           | Unlikely    | Major    | Medium     | Acceptable Risk   |                    |
| 8             | A non- resident customer                                                                                                                                                     | Likely      | Moderate | Medium     | Acceptable Risk   |                    |
| 9             | A corporate customer whose ownership structure is unusual and excessively complex                                                                                            | Unlikely    | Major    | Medium     | Acceptable Risk   |                    |
| 10            | Customers that are politically exposed persons (PEPs) or influential persons (IPs) or head of international organizations and their family members and close associates      | Likely      | Moderate | Medium     | Acceptable Risk   |                    |
| 11            | Customers submits account documentation showing an unclear ownership structure                                                                                               | Unlikely    | Major    | Medium     | Acceptable Risk   |                    |
| 12            | A customer comes with premature encashment of fixed deposit                                                                                                                  | Likely      | Moderate | Medium     | Acceptable Risk   |                    |
| 13            | Frequent Tendency of Early settlement of Loan/Lease                                                                                                                          | Unlikely    | Major    | Medium     | Acceptable Risk   |                    |
| 14            | Government employee having several large amounts of fixed deposit accounts                                                                                                   | Unlikely    | Major    | Medium     | Acceptable Risk   |                    |
| 15            | A customer generally tries to convince for cash deposit but insists for financial instrument while withdrawing the deposit                                                   | Unlikely    | Moderate | Low        | Acceptable Risk   | Tier 1 Action Plan |
| 16            | A customer who brings in large amounts of used notes and/or small denominations                                                                                              | Unlikely    | Moderate | Low        | Acceptable Risk   |                    |

## Risk Treatment

We have so far identified nineteen (19) treatment measures to eliminate/minimize the degree of the severity of the potential risk. To have the efficiency we have categorized these risk treatment measures into three Tiers. They are:

|        |                |
|--------|----------------|
| Tier 3 | Extreme & High |
| Tier 2 | Medium         |
| Tier 1 | Low            |

The list of the risk treatment measures along with the categorization is mentioned below. The mark “Y” indicates whether a particular treatment task is included in the particular Tier or not.

|    | List of Actions                                                                                                              | Three Action Plans |        |        |
|----|------------------------------------------------------------------------------------------------------------------------------|--------------------|--------|--------|
|    |                                                                                                                              | Tier 1             | Tier 2 | Tier 3 |
| 1  | Know Your Customer (KYC)                                                                                                     | Y                  | Y      | Y      |
| 2  | Customer Due Diligence (CDD)                                                                                                 | Y                  | Y      |        |
| 3  | Extended Due Diligence (EDD)                                                                                                 |                    |        | Y      |
| 4  | Know Your Employee (KYE)                                                                                                     |                    | Y      | Y      |
| 5  | Suspicious Activity Report (SAR)                                                                                             |                    | Y      | Y      |
| 6  | Suspicious Transaction Report (STR)                                                                                          |                    |        | Y      |
| 7  | Apply/upgrade strategies, policies and procedures                                                                            | Y                  | Y      | Y      |
| 8  | Putting in place systems and controls                                                                                        | Y                  | Y      | Y      |
| 9  | Carrying out the risk plan and AML&CFT program                                                                               | Y                  | Y      | Y      |
| 10 | Setting transaction limits for high-risk products                                                                            |                    |        | Y      |
| 11 | Having a management approval process for higher-risk products                                                                |                    |        | Y      |
| 12 | Not accepting customers who wish to transact with a high-risk country                                                        |                    | Y      | Y      |
| 13 | Not accepting customers who already are listed under FATF or FSRB list                                                       | Y                  | Y      | Y      |
| 14 | Process to place customers in different risk categories and apply different identification and verification methods.         |                    | Y      | Y      |
| 15 | Ensure proper verification process in case of the services through online, internet, phone, email etc.                       | Y                  | Y      | Y      |
| 16 | To continue monitoring business activities of the clients relevant to ML&TF risk(s).                                         | Y                  | Y      | Y      |
| 17 | To regularly assess the timeliness and relevance of information generated, together with its adequacy, quality and accuracy. |                    |        | Y      |
| 18 | To maintain the record of the documents with expiry date and to update the documents.                                        | Y                  | Y      | Y      |
| 19 | Continuous process of arranging training sessions for the staffs on various subject matters especially on ML&TF.             |                    | Y      | Y      |



## Monitoring and Review Process

To have an effective ML&TF risk management system, we have identified the following tasks as well as their frequency that are to be executed/exercised meticulously:

| Activity/Task                                   | Frequency        |
|-------------------------------------------------|------------------|
| Develop an effective plan of monitoring process | Yearly           |
| Cary out the monitoring process                 | On regular basis |
| Necessary records are to be kept                | On regular basis |
| Reviewing risk plan and AML&CFT program         | Quarterly        |
| Internal audit and assessment                   | Quarterly        |
| Submission of Self-assessment report to BFIU    | Half yearly      |
| AML&CFT compliance report                       | On regular basis |
| CDD, EDD, SAR, STR (where necessary)            | On regular basis |

The overall Risk Management Strategies should include the following components:

- Reviews at senior management level of the FI's progress towards implementing stated ML&TF risk management objectives.
- Clearly defined management responsibilities and accountabilities regarding ML & TF risk management.
- Adequate staff resources to undertake functions associated with ML & TF risk management.
- Specified staff reporting lines from ML & TF risk management system level to board or senior management level, with direct access to the board member(s) or senior manager(s) responsible for overseeing the system.
- Procedural controls relevant to particular designated services.
- Documentation of all ML & TF risk management policies.
- A system, whether technology based or manual, for monitoring the FI's compliance with relevant controls.
- Policies to resolve identified non-compliance.
- Appropriate training program(s) for staff to develop expertise in the identification of ML & TF risk(s) across the bank's designated services.

The monitoring and review is a continuous process and would be continued round the year. The lesson learned during the monitoring process would be accumulated as a suggestions and would be used as the amendments (if needed) to the existing Risk Management Plan of our company.





# Board of Directors at the 26<sup>th</sup> AGM



# Director's Report

## Dear Shareholders

On behalf of the Board of Directors at Bay Leasing & Investment Limited, I am pleased to extend a warm welcome to the 27th Annual General Meeting of our esteemed Company. We are grateful for your patience to provide opportunity to present the Annual Report for the year 2022, featuring the audited financial statements and the auditor's report for the fiscal year ending December 2022. These documents are now submitted for your esteemed consideration and approval, valued shareholders. The Board ratified these audited financial statements on September 14, 2023. This Annual Report adheres to the stipulations of the Companies Act 1994, the Financial Institutions Act 1993, and the guidelines established by the Securities and Exchange Commission, Bangladesh Bank, and other relevant regulatory authorities.

The global economy is presently witnessing a widespread and more pronounced deceleration, accompanied by inflation levels not witnessed in several decades. Factors such as the cost-of-living crisis, tightened financial conditions across various regions, Russia's incursion into Ukraine, and the persistent COVID-19 pandemic collectively exert substantial pressure on the economic outlook. Projections indicate that global growth will decelerate from 6.0 percent in 2021 to 3.2 percent in 2022 and further to 2.7 percent in 2023. This growth trajectory represents the weakest performance since 2001, excluding the global financial crisis and the severe phase of the COVID-19 pandemic.

The ongoing conflict in Ukraine has cast a substantial and unfavorable impact on the economy of Bangladesh. This situation has led to heightened human suffering and economic adversity. The disruption of global supply chains has driven up prices for commodities, including fuel, energy and food, a circumstance to which Bangladesh, as an import-reliant nation, has been particularly sensitive. Consequently, this price volatility has imposed economic hardship on our citizens. Furthermore, the turbulence in global economics has strained our country's trade dynamics and remittance inflows, further amplifying the challenges faced by both our economy and our people.

## Global Economy

Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024. The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to fall from 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward.

| Real GDP Growth (%)                      |      |      |      |      |      |      |
|------------------------------------------|------|------|------|------|------|------|
| Economy/Region                           | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| <b>Economy</b>                           |      |      |      |      |      |      |
| Advanced economies                       | 2.5  | 2.3  | 1.7  | -4.5 | 5.2  | 2.7  |
| Emerging and Developing Asia             | 6.6  | 6.4  | 5.3  | -0.8 | 7.3  | 4.4  |
| Emerging market and developing economies | 4.7  | 4.6  | 3.7  | -2.0 | 6.8  | 4.0  |
| Major advanced economies (G7)            | 2.2  | 2.1  | 1.6  | -4.9 | 5.1  | 2.3  |
| World                                    | 3.7  | 3.6  | 2.9  | -3.1 | 6.1  | 3.4  |
| <b>Region</b>                            |      |      |      |      |      |      |
| Africa (Region)                          | 3.7  | 3.5  | 3.3  | -1.6 | 6.9  | 3.8  |
| Asia and Pacific                         | 5.7  | 5.3  | 4.2  | -1.1 | 6.7  | 4.0  |
| Europe                                   | 2.7  | 2.3  | 2.0  | -5.6 | 5.4  | 2.4  |
| Middle East (Region)                     | 0.6  | 1.3  | 0.9  | -4.1 | 3.5  | 6.2  |
| North Africa                             | 5.4  | 4.4  | 4.2  | -1.4 | 11.8 | 4.1  |
| South Asia                               | 6.6  | 6.5  | 4.0  | -5.5 | 8.4  | 6.4  |
| Sub-Saharan Africa (Region)              | 2.9  | 3.0  | 2.9  | -1.7 | 4.3  | 3.6  |
| European Union                           | 3.0  | 2.2  | 2.0  | -5.9 | 5.4  | 3.7  |
| Sub-Saharan Africa                       | 3.0  | 3.3  | 3.1  | -1.7 | 4.5  | 3.9  |

Source: International Monetary Fund (IMF)

## Asia and Pacific

Asia and the Pacific remains a dynamic region despite the somber backdrop of what looks to be shaping up as a challenging year for the world economy. Global growth is poised to decelerate as rising interest rates and Russia's war in Ukraine weigh on activity. Inflation remains stubbornly high, and banking strains in the United States and Europe have injected greater uncertainty into an already complex economic landscape. Asia's domestic demand has so far remained strong despite monetary tightening, while external appetite for technology products and other exports is weakening. We project the region will contribute around 70 percent of global growth this year as its expansion accelerates to 4.6 percent from 3.8 percent in last year. China's reopening will provide fresh momentum. Normally the strongest effect would be from demand for investment goods in China, but this time the biggest effect is from demand for consumption. Other emerging economies in the region are on track to enjoy solid growth, though in some cases at slightly lower rates than seen last year.

## Europe

Economic growth has tumbled across Europe, inflation remains too high, and financial sector risks have materialized. Taming sticky inflation while avoiding financial stress and a recession will require tighter macroeconomic policies—tailored to changing financial conditions, stronger financial regulation and supervision, and bolder supply-side reforms that heal scars from the COVID-19 and energy crises.

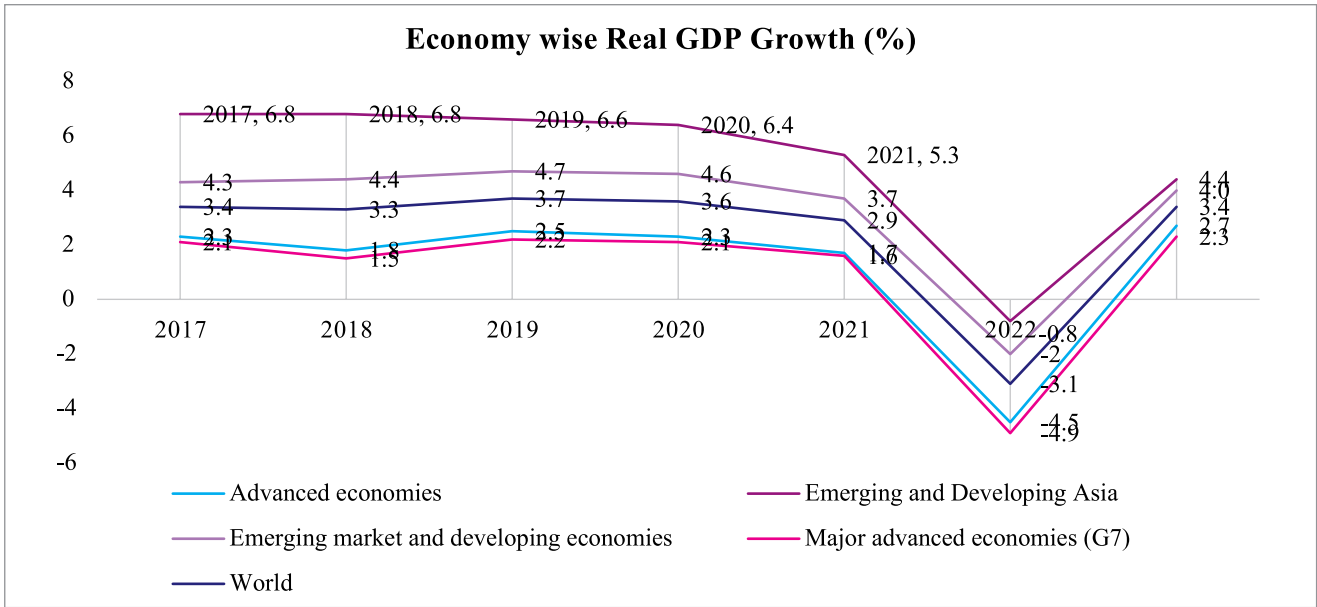
## Middle East (Region)

In a worsening global environment, economies in the Middle East and Central Asia (ME&CA) are being buffeted by a confluence of shocks: a global slowdown, high and volatile food and energy prices, faster and stronger-than-expected tightening of financial conditions, and the risk of fragmentation. The region's emerging market and middle-income economies (EM&MIs) and low-income countries (LICs) are hit hard, with many facing curtailed access to market financing, while oil-exporting countries are being buffered by still-high energy prices. The adverse impact of Russia's war in Ukraine on the Caucasus and Central Asia (CCA) has thus far been milder than expected. Still, the CCA's strong ties to Russia entail substantial risks to the region's outlook. The most urgent policy challenge for all countries is to tackle the cost-of-living crisis by restoring price stability, protecting vulnerable groups through targeted support, and ensuring food security. Policy trade-offs in EM&MIs and LICs have become more pronounced than ever, as they also need to preserve debt sustainability and financial stability. Oil exporters have the opportunity to maximize the benefits of the oil windfall by building buffers and advancing their diversification plans. CCA countries should carefully assess the magnitude and durability of the initial spillovers from the war in Ukraine and adjust their policy mix accordingly. Limited policy space in many countries raises the urgency of structural reforms to bolster economic growth while transforming economies to become more resilient, sustainable, diversified, and inclusive.

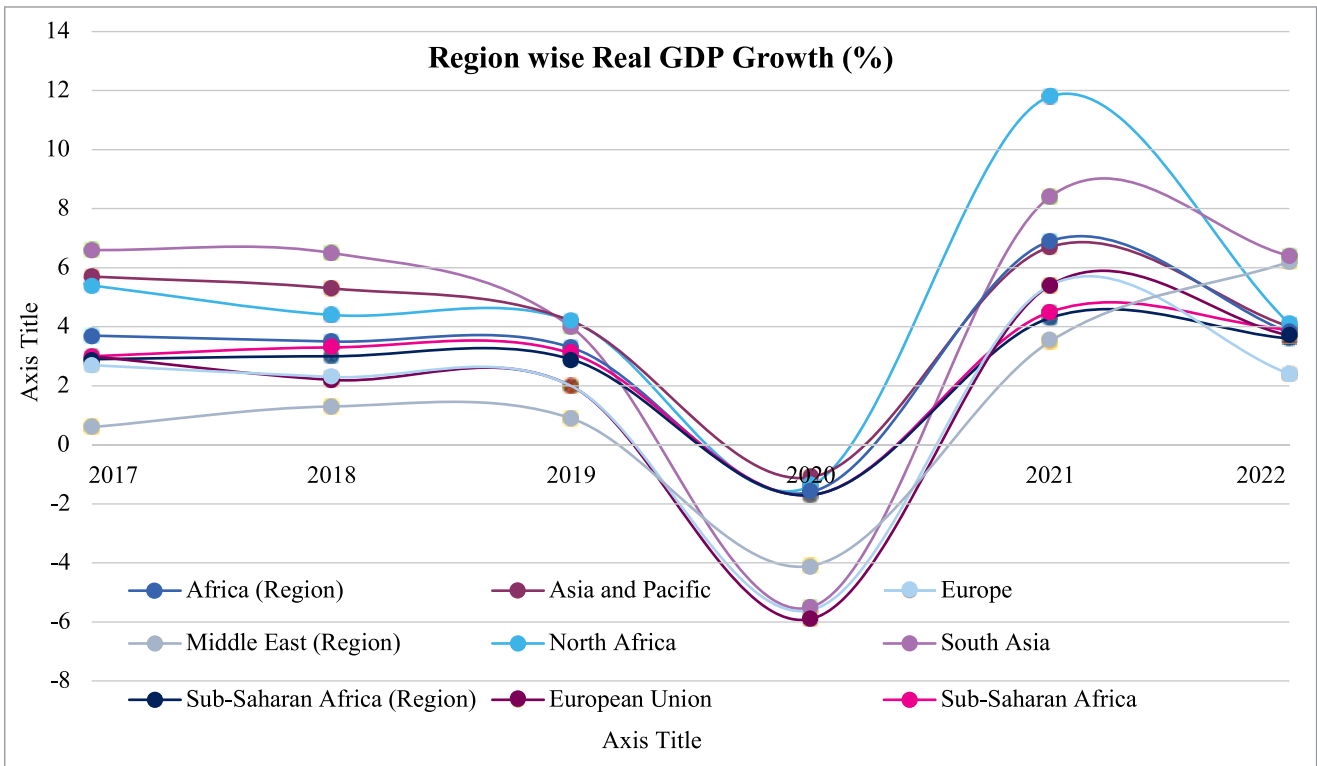
## Sub-Saharan Africa

Persistent global inflation and tighter monetary policies have led to higher borrowing costs for sub-Saharan African countries and have placed greater pressure on exchange rates. Indeed, no country has been able to issue a Eurobond since spring 2022. The interest burden on public debt is rising, owing to a greater reliance on expensive market-based funding combined with a long-term decline in aid budgets. The lack of financing affects a region that is already struggling with elevated macroeconomic imbalances. Public debt and inflation are at levels not seen in decades, with double-digit inflation present in about half of the countries—eroding household purchasing power and striking at the most vulnerable. In this context, the economic recovery has been interrupted. Growth in sub-Saharan Africa will decline to 3.6 percent this year. Amid a global slowdown, activity is expected to decelerate for a second year in a row. Still, this headline figure masks significant variation across the region. The funding squeeze will also impact the region's longer-term outlook. A shortage of funding may force countries to reduce resources for critical development sectors like health, education, and infrastructure, weakening the region's growth potential.





Source: International Monetary Fund (IMF)



Source: International Monetary Fund (IMF)

### Bangladesh Economy

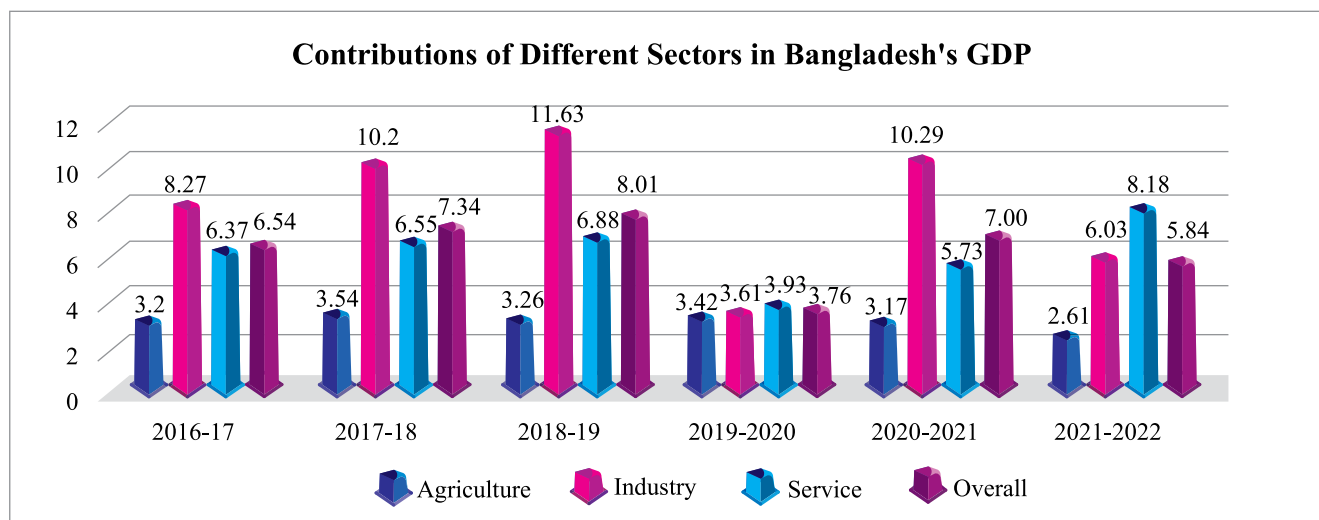
In the phase of global recovery from COVID-19 and worldwide demand-supply chain anomaly amid the Russia-Ukraine war, Bangladesh economy is accelerating its real GDP growth by gradually outstripping the economic catastrophe, supported by full resumption of economic activities. The potential loss of export demand and war-induced rise of the global food, fuel and commodity prices made the import cost higher which ultimately provoked inflation and exchange rate to rise. Notwithstanding the repeated wave of economic disruption, Bangladesh kept its output growth suitable where in case of other South Asian countries, the growth seemed



moderated in 2021 According to the International Monetary Fund's (IMF) report World Economic Outlook, April 2022, the global growth will be subdued in 2022 and 2023, which can be observed in the growth upshots of the South Asian countries as well. It is notable that, previously declared government's 28 stimulus packages worth of around BDT 2.00 trillion and implementation of a wide range of supportive policy measures by Bangladesh Bank helped sustaining real GDP growth while most of the other South Asian countries also trying to reshape their economies in FY22. The estimate (according to base year FY:16=100) of the Bangladesh Bureau of Statistics (BBS) indicates that real GDP recorded a growth of 7.25 percent in FY22, which was higher than 6.94 percent growth in FY21. The economic impact and diversified prospects of Padma Bridge may act as a driving force to achieve desired GDP growth in the present fiscal year.

| Selected economic indicators (%) | 2016  | 2017   | 2018  | 2019  | 2020   | 2021  | 2022  |
|----------------------------------|-------|--------|-------|-------|--------|-------|-------|
| GDP Growth                       | 7.11  | 7.28   | 7.86  | 8.15  | 3.45   | 6.94  | 7.25  |
| Inflation                        | 5.92  | 5.44   | 5.78  | 5.48  | 5.65   | 5.40  | 7.70  |
| Remittance Inflow growth         | -2.52 | -14.48 | 17.32 | 17.89 | 18.51  | 1.51  | 15.12 |
| Export growth                    | 9.77  | 1.72   | 6.4   | 9.1   | -16.93 | 15.10 | 34.38 |
| Import growth                    | 5.94  | 9.00   | 25.2  | 1.8   | -8.57  | 19.73 | 35.93 |

(Source: BB, Economic statistics)



Source: Bangladesh Bureau of Statistics (BBS) \*Provisional.

### Agriculture Sector

According to the provisional estimate of BBS, the growth of agriculture sector stood at 2.61 percent in FY 2022-23, which was 3.05 percent in previous fiscal year. During this period among the 4 sub-sectors of broad agriculture sector the growth rate of crops and horticulture and fishing has decreased while the growth rate of animal farming and forest and related services has increased compared to previous fiscal year.

### Industry Sector

Due to the coronavirus pandemic, industrial production declined sharply in FY 2019-20. During the period, growth in the industrial sector slowed to 3.61 percent from 11.63 percent in the previous fiscal year. However, in FY 2020-21, the industrial sector has turned around and the growth of this sector has stood at 10.29 percent. But due to the Russia-Ukraine crisis, the growth of the industrial sector again declined to 9.86 percent in FY 2021-22. As per provisional estimate, the growth in the industrial sector will stand at 8.18 percent in FY 2022-23.

### Service Sector

The number of sectors in the broad service sector has increased from 9 sectors in the 2005-06 base year GDP to 13 sectors in the 2015-16 base year GDP. According to the provisional data, in FY 2022-23 growth rate in broad service sector is decreased by 0.42



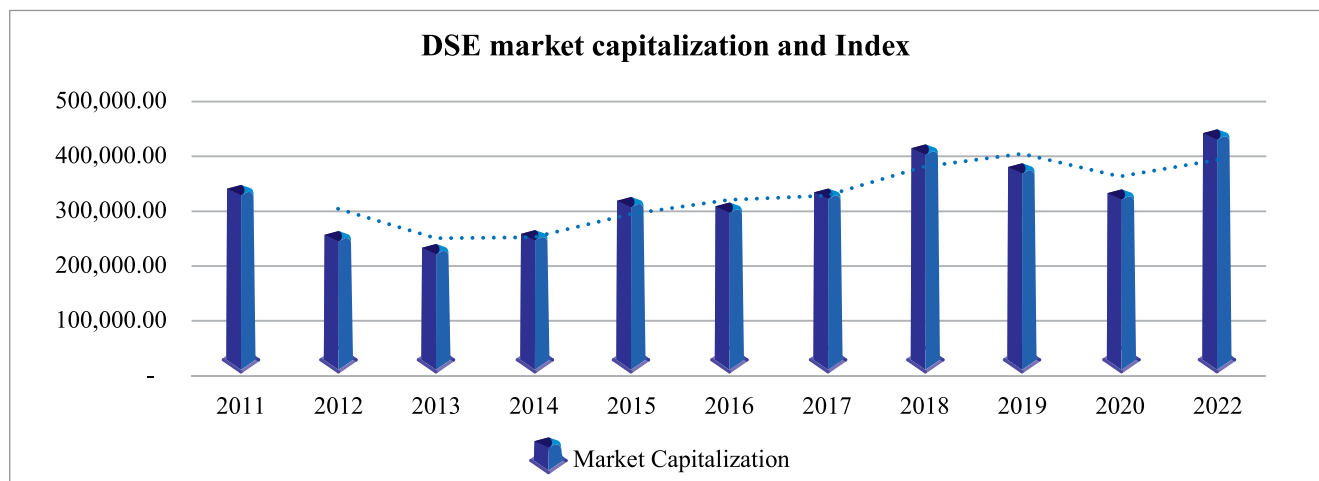
percentage point to 5.84 percent as compared to 6.26 percent in the previous fiscal year. Among the sectors the growth of wholesale and retail trade is 6.65 percent, transportation and storage 5.99 percent, accommodation and food service activities 5.89 percent, information and communication 5.42 percent, financial and insurance activities 5.76 percent, education 6.88 percent and human health and social work activities 8.36 percent.

### Capital Market

Capital market acts as the bridge of long term financing for the industrial development of a country through investment in shares, debentures, bonds, mutual funds, treasury bills, certificates etc. and the turnover of capital market contributes to the economic activities of the country. Capital market in Bangladesh consists of two full-fledged stock exchanges- the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE). Bangladesh Securities and Exchange Commission (BSEC), as watchdog, regulates these stock exchanges of the country. At the end of June 2023, broad index of the DSE was 0.07 percent higher than that of the previous month whereas all share price index of the CSE was 0.07 percent lower than that of the previous month. During June 2023, total turnover value of traded securities of DSE was 20.49 percent lower than that of the previous month whereas total turnover value of traded securities of CSE was 327.24 percent higher than that of the previous month.

| Annual Capital Market Developments (DSE) |                                           |                             |                       |                          |                               |
|------------------------------------------|-------------------------------------------|-----------------------------|-----------------------|--------------------------|-------------------------------|
| Calendar Year                            | Enlisted issues (Incl. Mutual Funds/Deb.) | (In Crore Taka)             |                       |                          | General Index/DSE/Broad Index |
|                                          |                                           | Issued Capital & Debentures | Market Capitalization | Turnover during the year |                               |
| 2010                                     | 445                                       | 66,436.00                   | 347,250.20            | 400,991.28               | 8,290.41                      |
| 2011                                     | 501                                       | 87,890.50                   | 261,673.00            | 156,055.63               | 5,257.61                      |
| 2012                                     | 515                                       | 94,987.60                   | 240,356.00            | 100,108.49               | 4,219.31                      |
| 2013                                     | 529                                       | 99,978.50                   | 264,779.00            | 95,269.21                | 4,266.55                      |
| 2014                                     | 546                                       | 105,492.60                  | 325,925.00            | 11,885.15                | 4,864.96                      |
| 2015                                     | 562                                       | 110,608.10                  | 315,976.00            | 9,161.20                 | 4,629.64                      |
| 2016                                     | 562                                       | 114,530.00                  | 340,466.30            | 17,780.21                | 5,036.05                      |
| 2017                                     | 569                                       | 119,416.20                  | 421,875.50            | 9,238.20                 | 6,244.52                      |
| 2018                                     | 578                                       | 124,293.70                  | 387,295.28            | 33,116.00                | 5,385.64                      |
| 2019                                     | 587                                       | 129,481.00                  | 339,551.00            | 6,703.00                 | 4,452.93                      |
| 2020                                     | 597                                       | 137,528.00                  | 448,230.00            | 21,588.00                | 5,402.07                      |
| 2021                                     | 617                                       | 146,597.00                  | 542,196.00            | 19,365.00                | 6,756.66                      |
| 2022                                     | 647                                       | 348,065.00                  | 719,237.00            | 15,924.00                | 6,290.95                      |

Source: Bangladesh Bank



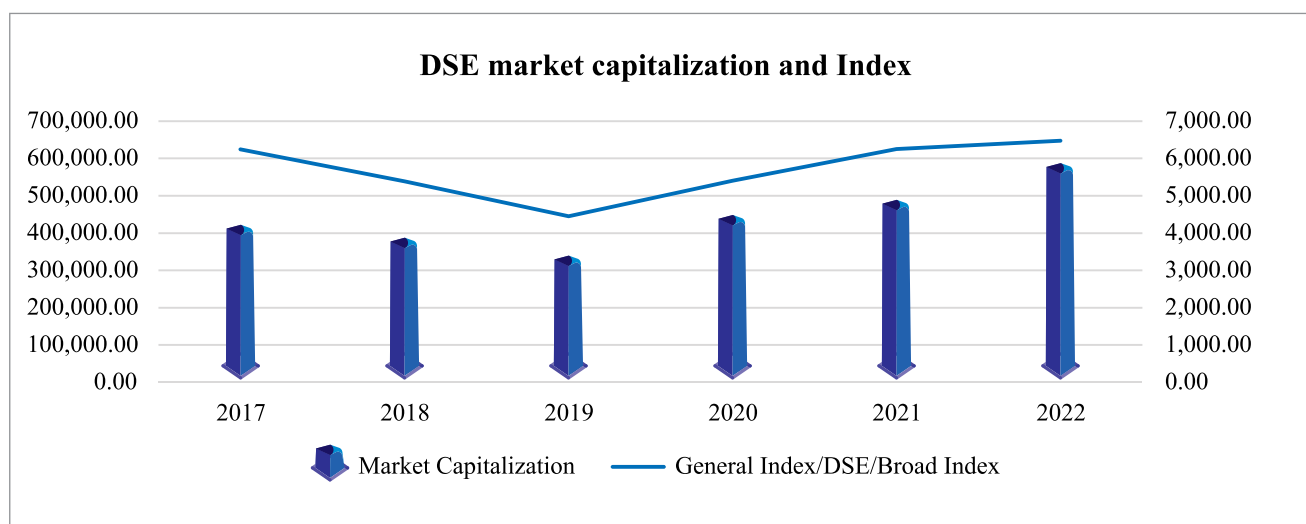
Source: DSE



| Calendar Year | Market Capitalization | General Index/DSE/Broad Index |
|---------------|-----------------------|-------------------------------|
| 2010          | 347,250.20            | 8,290.41                      |
| 2011          | 261,673.00            | 5,257.61                      |
| 2012          | 240,356.00            | 4,219.31                      |
| 2013          | 264,779.00            | 4,266.55                      |
| 2014          | 325,925.00            | 4,864.96                      |
| 2015          | 315,976.00            | 4,629.64                      |
| 2016          | 340,466.30            | 5,036.05                      |
| 2017          | 421,875.50            | 6,244.52                      |
| 2018          | 387,295.28            | 5,385.64                      |
| 2019          | 339,551.00            | 4,452.93                      |
| 2020          | 448,230.00            | 5,402.07                      |
| 2021          | 489,510.17            | 6,253.19                      |
| 2022          | 587,111.25            | 6,475.27                      |

#### Trends in market capitalization and DSE Broad Index (DSEX)

| End Month     | Market capitalization | DSE Broad Index (DSEX) |
|---------------|-----------------------|------------------------|
| January, 22   | 556,982.00            | 6,926.29               |
| February, 22  | 543,719.00            | 6,739.45               |
| March, 22     | 539,415.00            | 6,757.84               |
| April, 22     | 536,961.00            | 6,655.67               |
| May, 22       | 516,765.00            | 6,392.86               |
| June, 22      | 517,782.00            | 6,376.94               |
| July, 22      | 502,878.00            | 6,133.96               |
| August, 22    | 518,823.00            | 6,457.22               |
| September, 22 | 519,914.00            | 6,512.89               |
| October, 22   | 766,918.00            | 6,307.34               |
| November, 22  | 764,241.00            | 6,235.95               |
| December, 22  | 760,937.00            | 6,206.81               |



Source: DSE



### Banking Sector and BLIL's Performance

The Ukraine-Russia war has had a notable impact on Bangladesh's banking and financial sector. The conflict disrupted global supply chains, causing an increase in commodity prices, including energy and food, leading to inflationary pressures. This situation prompted Bangladesh Bank, the central bank, to adopt cautious monetary policies, resulting in adjustments to the weighted average interest rates. Specifically, the weighted average interest rate on deposits saw a modest increase due to the need to maintain financial stability and curb inflation. Conversely, lending rates also experienced a marginal uptick, affecting borrowers. The overall impact on the banking and financial sector in Bangladesh has been characterized by careful management to balance economic stability while ensuring lending remains accessible to support the country's growth. Hence, interest rate on both deposit and lending rose this year.

| Name of Banks | W. Avg. Interest Rate on Deposits | W. Avg. Interest Rate on Advances | Interest Rate Spread |
|---------------|-----------------------------------|-----------------------------------|----------------------|
| PRIVATE BANKS | 4.44                              | 7.44                              | 3.00                 |
| All Banks     | 4.23                              | 7.22                              | 2.99                 |

Source: Statistics Department, Bangladesh Bank.

The deposit and lending also gained some growth.

| Items       | (Taka in Million) |            | Percentage Changes         |
|-------------|-------------------|------------|----------------------------|
|             | July, 2023        | July, 2022 | July, 2023 over July, 2022 |
| Deposits    | 16,069,906        | 14,652,688 | 9.67%                      |
| Bank Credit | 18,677,632        | 17,180,536 | 8.71%                      |

Source: Statistics Department, Bangladesh Bank.

As a financial institution outside the realm of scheduled banks, BLIL encountered a range of challenges stemming from stakeholders such as banks, depositors, and borrowers. Consequently, we found it imperative to adopt a cautious strategy aimed at mitigating liquidity and safeguarding our reputation in the face of these challenges.



**Prof. Suraiya Begum**

Chairman



## Disclosures under Pillar III- Market Discipline

For the year ended 31st December 2022

### Overview

The Basel-II disclosures presented in these documents are related to BLIL for the year ended December 31, 2022. These disclosures have been made in accordance with Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions introduced by Department of Financial Institutions and Markets. The Basel-II framework consists of the following three pillars:

Pillar-I: Minimum Capital Requirement

Banks must hold minimum regulatory capital against Credit, Market and Operational Risk inherent with Banking Business.

### Pillar-II: Supervisory Review Process (SRP)

SRP basically deals with other risks faced by a bank but not covered in pillar-I. The key principle of SRP is that banks have a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level. The assessment of adequate capital would be the outcome of the dialogue to be held between the bank's SRP and Bangladesh Bank's SREP team.

### Pillar-III: Market Discipline

The purpose of Market Discipline in the Revised Capital Adequacy Framework is to complement the minimum capital requirement and the supervisory review process. The aim of introducing Market Discipline in the revised capital framework is to establish more transparent and more disciplined financial market so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets.

### BASEL-II Principle



#### 1) Scope of Application

##### Qualitative Disclosures:

The name of the corporate entity in the group to which the guidelines applies.

- Bay Leasing & Investment Limited  
The financial statements have been prepared in accordance with Bangladesh Accounting Standard (BAS).  
Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.
- Not applicable



## 2) Capital Structure

### Qualitative Disclosure

The assets, liabilities, revenue and expenses of all profit centre divisions are related in BLIL's audited financial statement as of year ended December 31, 2022.

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:

- General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk;
- Revaluation reserves;
- 50% Revaluation reserve for fixed assets;
- 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:

- The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital.
- 50% of revaluation reserves for fixed assets and 45% of revaluation reserves for securities are eligible for Tier 2 capital.

#### Formation of Basel Implementation Unit (BIU)

The Basel Implementation Unit (BIU) of Bay Leasing & Investment Limited has been formed as per Basel – II Guideline of Bangladesh Bank. The Basel Implementation Unit (BIU) at Head Office will be headed by Managing Director. He will examine the report received from the Basel Implementation Desk (BID) of the Risk Management Department who manages the Basel activities.

The Basel Implementation Unit (BIU) consisting of three members has been formed at Head office headed by Managing Director.

The members of the unit are:

| Sl. | Name                     | Designation              | Designation (CCU) |
|-----|--------------------------|--------------------------|-------------------|
| 01. | Mr. Mohammad Ruknuzzaman | Managing Director (CC)   | Head of BIU       |
| 02. | Mr. Samir Saha           | Sr. Asst. Vice President | Member            |
| 03. | Md. Enayet Kabir         | Sr. Asst. Vice President | Member            |

### Quantitative Disclosure

| Particulars                                                                                 | Amount in Crore |
|---------------------------------------------------------------------------------------------|-----------------|
| Paid up capital                                                                             | 140.89          |
| Statutory reserve                                                                           | 62.40           |
| Non-repayable share premium account                                                         | 12.11           |
| General reserve                                                                             | 11.13           |
| Retained earnings                                                                           | (89.66)         |
| Minority interest in subsidiaries                                                           | -               |
| Non-cumulative irredeemable preference shares                                               | -               |
| Dividend equalization account                                                               | -               |
| Total Tier-1 (Core Capital)                                                                 | 136.87          |
| Deductions from Tier-1 Capital                                                              | -               |
| Tier-2 (Supplementary Capital)                                                              |                 |
| General Provision (Unclassified loans up to specified limit+SMA+off Balance Sheet exposure) | 15.18           |
| Asset Revaluation Reserves up to 50%                                                        | 15.62           |
| Tier-2 Capital                                                                              | 30.80           |
| Total Eligible Capital (1+2)                                                                | 167.67          |

### Risk Weighted Assets (RWA)

| Particulars                | 2022    |
|----------------------------|---------|
| A. Credit Risk:            | 1209.04 |
| On-Balance sheet           | 1126.04 |
| Off-Balance sheet          | 6.00    |
| B. Market Risk             | 242.74  |
| C. Operational Risk        | 52.20   |
| Total Risk Weighted Assets | 1509.98 |

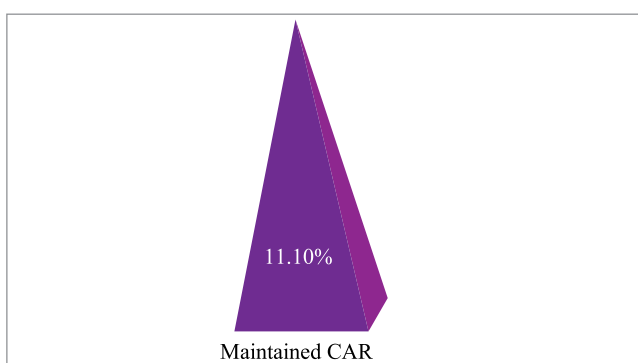
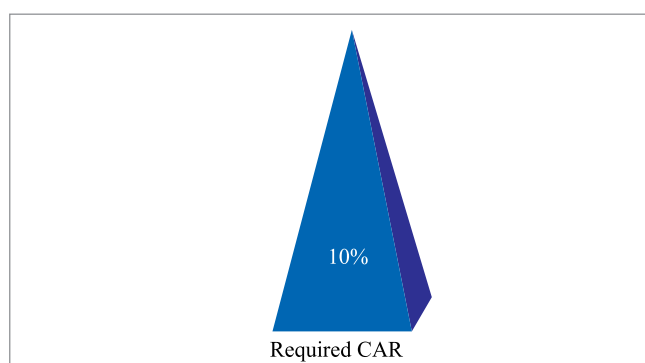
### 3) Capital Adequacy

#### Qualitative Disclosure

Bay Leasing & Investment Limited with its focused strategy on risk management has always been consistent in maintaining capital adequacy ratio above the regulatory requirements. BLIL has been successfully managing the incremental growth of the Risk Weighted Assets by ensuring diversification of the portfolio in SME, Retail and Corporate segments. However, RWA is also managed by taking collaterals against its loans. BLIL strives to extend our relationship with corporate clients having good credit ratings. While computing the capital adequacy, BLIL has applied Standardized Approach for Credit Risk and Market Risk and Basic Indicator Approach for Operational Risk.

#### Quantitative Disclosure

| Particulars                                     | Amount in Crore |         |
|-------------------------------------------------|-----------------|---------|
| A. Eligible Capital:                            | 2022            | 2021    |
| 1.Tier-1 Capital                                | 136.87          | 218.11  |
| 2.Tier-2 Capital                                | 30.80           | 29.93   |
| 3.Total Eligible Capital (1+2)                  | 167.67          | 248.04  |
| B. Total Risk Weighted Assets (RWA)             | 1509.98         | 1417.48 |
| C. Capital Adequacy Ratio (CAR) (A3/B)*100      | 11.10%          | 17.50%  |
| D. Core Capital to RWA (A1/B)*100               | 9.06%           | 15.93%  |
| E. Supplementary Capital to RWA (A2/B)*100      | 2.04%           | 2.11%   |
| F. Minimum Capital Requirement (MCR) 10% of RWA | 150.99          | 141.75  |



CAR as on December 31, 2022

### 4) Credit Risk

#### Qualitative Disclosure

Credit Risk: Credit risk is the risk of financial losses resulting from the failure by a client or counterparty to meet its contractual obligations to the Company. Credit risk arises from the Company's dealings with or lending to corporate, individuals, and other banks or financial institutions.



Corporate Credit Policy: BLIL is managing its Credit Risk through a Board directed and approved Corporate Credit Policy in line with the Bangladesh Bank Core Risk Management Guidelines, which outlined robust processes and procedures to ensure the quality of its assets portfolio. The Credit Policy also contains the general principles to govern the implementation of detailed lending procedures and risk grading systems of the borrowers. And, as such, it specifically addresses the areas of (a) Loan Originating; (b) Credit Approval; (c) Credit Administration; (d) Risk Management; and (e) Monitoring, Collection and Recovery activities.

Credit Risk Management: An independent Credit Risk Management (CRM) Department is in place, at BLIL, 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 BLIL in various industrial sub-sectors. CRM has been segregated from Credit Administration Department 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 security documents are in place before disbursement.

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.

## Quantitative Disclosure

Industry- wise distribution of exposures, broken down by types of credit exposure

Amount in Crore

| Sector                                 | 2022   | 2021   |
|----------------------------------------|--------|--------|
| Agricultural Sector                    | 16.62  | 12.65  |
| Textile                                | 66.12  | 63.79  |
| Garments                               | 91.34  | 105.59 |
| Jute and jute products                 | 0.24   | 0.29   |
| Food production/processing industry    | 20.66  | 25.43  |
| Plastic industry                       | 9.78   | 13.29  |
| Leather & leather products             | 1.27   | 2.03   |
| Ship Manufacturing Industry            | 3.63   | 3.64   |
| Chemical & Pharmaceutical              | 0.27   | 1.40   |
| Cement/Concrete and allied industry    | 52.31  | 50.06  |
| Service Industry                       | 60.78  | 59.13  |
| Paper, printing and packaging industry | 21.94  | 41.62  |
| Wood, Furniture & Fixtures             | 8.41   | 10.80  |
| Glass and ceramic industry             | -      | -      |
| Electronics and electrical industry    | 6.83   | 10.22  |
| Iron, Steel & Engineering              | 15.71  | 21.99  |
| Trade and commerce                     | 86.10  | 86.80  |
| Power, Gas, water and sanitary service | 1.02   | 2.69   |
| Transport & Communication              | -      | -      |
| Real Estate & Housing                  | 270.38 | 292.47 |
| Merchant Banking                       | 93.85  | 99.31  |
| Consumer Finance                       | 10.84  | 14.89  |
| Others                                 | 61.98  | 59.97  |
| Total                                  | 900.06 | 975.88 |

Geographical distribution of exposures, broken down by major types of credit exposure

| Area                | Amount in crore |
|---------------------|-----------------|
| Dhaka Division      | 893.21          |
| Chittagong Division | -               |
| Khulna Division     | -               |
| Rajshahi Division   | 1.96            |
| Rangpur Division    | 0.45            |
| Barishal Division   | -               |
| Sylhet division     | -               |
| Mymanshing          | 4.45            |
| Total               | 900.06          |

Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.

| Particulars                             | Amount in crore |
|-----------------------------------------|-----------------|
| On demand                               | -               |
| Up to 1 month                           | 28.06           |
| Over 1 month but not more than 3 months | 86.91           |
| Over 3 months but not more than 1 year  | 302.82          |
| Over 1 year but not more than 5 years   | 441.72          |
| Over 5 years                            | 40.55           |
| Total                                   | 900.06          |

## 5) Equities: Banking Book Positions

### Qualitative Disclosure

The general qualitative disclosure requirement with respect to equity risk, including:

Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and

Total equity shares holdings are for capital gain purpose.

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.

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 provision are maintained as per terms and condition of regulatory authority.

### Quantitative Disclosure

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.

| Particular      | Market Value |
|-----------------|--------------|
| Ordinary Shares | 121.37       |

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.

Specific Risk- Market value of investment in equities is BDT 121.37 crore. Capital Requirement is 10% of the said value which stand to BDT 12.14 crore

General Risk- Market value of investment in equities is BDT 121.37 crore. Capital Requirement is 10% of the said value which stand to BDT 12.14 crore.



## 6) Market Risk

### Qualitative Disclosure

Market Risk: Market risk is defined as the risk of losses arising from movements in market prices reported in and Off- Balance Sheet positions. BLIL is exposed to Market Risk mostly stemming from the risks pertaining to interest rate related instruments and equities in the trading book.

Methods Used to Measure Market Risk: We use Standardized (Rule Based) Approach to measure the market risk as per the guidelines of Bangladesh Bank where, for Interest Rate Risk and Equity Risk both General and Specific risk factors are applied for calculating required capital charges against Market Risk.

### Market Risk Management System:

Asset Liability Management: Changes in market liquidity and or interest rate exposes company's business to the risk of loss, which may in extreme cases, threaten the survival of the institution. Bangladesh Bank to control and limit these risks and proper resources are available for the evaluation and control of these risks. The Asset Liability Committee

(ALCO) of the company monitors Balance Sheet and liquidity risk of the company. This Committee also reviews country's overall economic position, company's liquidity position, ALM ratios, Interest Rate Risk, Capital Adequacy, Deposit Advance Growth, Cost of Deposit, Market Interest Rate, Loan Loss Provision adequacy, deposit and lending pricing strategy.

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.

### Quantitative Disclosure

| Particulars                                            | Amount in crore |
|--------------------------------------------------------|-----------------|
| Interest rate risk                                     | -               |
| Equity positions risk                                  | 242.74          |
| Foreign exchange positions and commodity risk (if any) | -               |

## 7) Interest rate in the banking book

### Qualitative Disclosure

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. BLIL 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.



## 8) Operational Risk

### Qualitative Disclosure

Operational Risk: Operational risk is defined as the risk of losses resulting from inadequate or failed internal processes, people and system or from external events. This definition includes legal risk, but excludes strategic or reputation risk. The Board of Directors (BOD) of BLIL and its Management firmly believe that efficient management of operational risks always contribute to personnel, we have developed user friendly Operations Manual enclosed with functional processes for all employees who are the end users of these processes.

Performance gap of executives and staffs: BLIL'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 BLIL family. We aim to foster a sense of pride in working for BLIL and to be the employer of choice.

Mitigation of 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. BLIL 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.

Potential external events: No potential external event exists to raise operational risk of BLIL at the time of reporting.

Policies and procedures for mitigating operational risk: BLIL 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 manage operational risk.

Approach for Calculating Capital Charges for Operational Risk: We follow the Basic Indicator Approach (BIA) for calculating the capital charges for Operational Risk as per the guidelines of Bangladesh Bank. As per BIA, the capital charge for Operations Risk is a fixed percentage denoted by  $\alpha$  (alpha) of average positive gross annual income of the bank over the past three years.

### Quantitative Disclosure

| Particulars                              | Amount in crore |
|------------------------------------------|-----------------|
| Capital requirement for operational risk | 52.20           |

## Summary of Unclaimed Dividend

As per sec 9(1) of Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 we transferred the following unclaimed dividend to CMSF:

| Sl No. | Year      | Total Amount  |
|--------|-----------|---------------|
| 01.    | 2010-2017 | 17,771,029.37 |

### Stock Dividend

| Sl No. | Year      | Total BO/Folio ID | Total No of Share |
|--------|-----------|-------------------|-------------------|
| 01.    | 2010-2019 | 4                 | 2832              |

We preserve the following unclaimed dividend at our Share Department which will be transfer to CMSF as per sec 9 (1) of Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 in further after completion of stipulated time:

### Unclaimed Dividend In Hand

| SL No. | Year | Total Amount |
|--------|------|--------------|
| 1.     | 2018 | 1,844,748    |
| 2.     | 2019 | 2,773,725    |
| 3.     | 2020 | 17,735,026   |



## Report of the Audit Committee

The Board Audit Committee of Bay Leasing & Investment Ltd. is a sub-committee under the Board of Directors. The Audit Committee acts as the core administrator of the company for protecting and safeguarding stakeholders' interests. The role and terms of reference of the Audit Committee is to assist the Board in fulfilling their oversight responsibilities regarding the integrity of BLIL's financial statements, risk management and internal control, internal and external audit functions, compliance with laws and regulations and the external auditors' performance and independence.

### Composition and members of the Audit Committee

The present members of the committee are as follows:

| Name                  | Status in the Committee | Status in the Board  |
|-----------------------|-------------------------|----------------------|
| Mr. Shahid Hossain    | Chairman                | Independent Director |
| Mr. Tarik Sujat       | Member                  | Director             |
| Mr. Zubayer Kabir     | Member                  | Director             |
| Fatema Zahir Majumder | Member                  | Director             |
| Mr. Abul Quasem       | Member                  | Independent Director |

As per regulatory guidelines the Company Secretary of BLIL Sharmin Akhter is the secretary of the Audit Committee.

### Meetings of the Audit Committee

Four meetings were held in the year 2022. The Managing Director and other Division Heads of BLIL attended the meetings on invitation.

### Terms of Reference of the Audit Committee

- Mr. Shahid Hossain, in his capacity as the Independent Director shall be the Chairman of the Audit Committee.
- The tenure of office of the Audit Committee shall be 3 (three) years.
- The Company Secretary shall act as Secretary to the Audit Committee.
- The terms of reference of the Audit Committee shall be as specified in the DFIM Circular and BSEC's Notification.

### Internal Audit

- Received reports from the internal auditors
- Review the efficiency and effectiveness of the internal audit function
- Review the annual internal audit plan and approve the same
- Review the appropriate system and controls in place for effectiveness of internal audit function
- Review the findings and recommendations made by the internal audit

### Other Reviews

- Review the management's discussion and analysis before disclosing in the Annual Report
- Review statement of significant related party transactions submitted by the management

### External Audit

Howladar Yunus & Co, Chartered Accountants acted as external auditors to the company for the year. The external auditors are not engaged by the company on any non-audit work.

### Reporting of the Audit Committee

The Audit Committee reported its findings/observations to the Board of Directors according to BSEC Notification.



### **Independence of External Auditors and appointment of Statutory Auditors**

As a policy, the committee prohibits the external auditors from performing any work that they may subsequently need to audit or which might otherwise create a conflict of interest. The committee also monitors the balance between audit and non-audit related functions to ensure that the auditors' independence are maintained. The Chief Financial Officer is permitted to engage the external auditors on matters that do not create such conflicts.

The committee considered the independence, expertise and objectivity of external auditors and also reviewed their effectiveness as external auditors before submitting its recommendation to the Board that their reappointment could be proposed to the shareholders.

### **Acknowledgement**

The members of the Audit Committee expressed their thanks to the Board of Directors and the Management for their cooperation while performing their duties and responsibilities.

### **Retirement and Re-election of Directors**

In accordance with the provisions in the Articles of Association, of the company the following Directors representing one third of the number of existing Directors will retire by rotation in the next Annual General Meeting:

01. Prof. Suraiya Begum

02. Mr. Zubayer Kabir

As Per Article 128 of the articles of association, of the Company the retiring directors are eligible for re-election, hence the Board recommends for re-appointment of the retiring directors in the 27th Annual General Meeting of the Company.



**Shahid Hossain**

Chairman, Audit Committee



# Status of Compliance on Corporate Governance

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/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)

| Condition No.    | Title                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Compliance Status<br>(Put $\checkmark$ in the appropriate column) |              | Remarks<br>(if any) |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------|---------------------|
|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Complied                                                          | Not complied |                     |
| <b>1</b>         | <b>Size of the Board of Directors</b>                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                   |              |                     |
| 1 (1)            | The total number of members of a company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).                                                                                                                                                                                                                                                                                                                                         | $\checkmark$                                                      |              | --                  |
| <b>1 (2)</b>     | <b>Independent Directors</b>                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                   |              |                     |
| 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);                                                                                                                                                                                                                         | $\checkmark$                                                      |              |                     |
| <b>1 (2) (b)</b> | <b>For the purpose of this clause "independent director" means a director:</b>                                                                                                                                                                                                                                                                                                                                                                                   |                                                                   |              |                     |
| 1 (2) (b)(i)     | who does not hold any share or holds less than one percent (1%) shares of total paid up shares of the company;                                                                                                                                                                                                                                                                                                                                                   | $\checkmark$                                                      |              | --                  |
| 1 (2) (b)(ii)    | who is not a sponsor of the company or 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; | $\checkmark$                                                      |              | --                  |
| 1 (2) (b)(iii)   | who has not been an executive in the company in immediately preceding 2 (two) financial years;                                                                                                                                                                                                                                                                                                                                                                   | $\checkmark$                                                      |              | --                  |
| 1 (2) (b)(iv)    | who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;                                                                                                                                                                                                                                                                                                                               | $\checkmark$                                                      |              | --                  |
| 1 (2) (b)(v)     | who is not a member or TREC holder, director or officer of any stock exchange;                                                                                                                                                                                                                                                                                                                                                                                   | $\checkmark$                                                      |              | --                  |
| 1 (2) (b)(vi)    | Who is not the shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an Intermediary of the capital market;                                                                                                                                                                                                                                                                                          | $\checkmark$                                                      |              | --                  |
| 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;                                                                                                                                                       | $\checkmark$                                                      |              | --                  |
| 1 (2) (b)(viii)  | Who is not the independent director in more than 5 (five) listed companies;                                                                                                                                                                                                                                                                                                                                                                                      | $\checkmark$                                                      |              | --                  |
| 1 (2) (b)(ix)    | who is not convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a non-bank financial institution (NBFI);                                                                                                                                                                                                                                                                                                            | $\checkmark$                                                      |              | --                  |
| 1 (2) (b) (x)    | who has not been convicted for a criminal offence involving moral turpitude;                                                                                                                                                                                                                                                                                                                                                                                     | $\checkmark$                                                      |              | --                  |
| 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);                                                                                                                                                                                                                                                                                                                   | $\checkmark$                                                      |              | --                  |
| 1 (2) (d)        | The post of independent directors cannot remain vacant for more than 90 days; and                                                                                                                                                                                                                                                                                                                                                                                | $\checkmark$                                                      |              | No Vacancy Occurred |
| 1 (2) (e)        | The tenure of office of an Independent Directors shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only.                                                                                                                                                                                                                                                                                                                         | $\checkmark$                                                      |              | --                  |
| <b>1 (3)</b>     | <b>Qualification of Independent Director (ID)</b>                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                   |              |                     |
| 1 (3) (a)        | Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;                                                                                                                                                                                                                                   | $\checkmark$                                                      |              | --                  |
| 1(3) (b)         | Independent director must have the following qualifications:                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                   |              |                     |



| Condition No.   | Title                                                                                                                                                                                                                                                                                                                                                                                                                                       | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any) |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------|---------------------|
|                 |                                                                                                                                                                                                                                                                                                                                                                                                                                             | Complied                                               | Not complied |                     |
| 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; or                                                                                                                                                                                         | ✓                                                      |              | --                  |
| 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; or |                                                        |              | N/A                 |
| 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; or                                                                                                                                                                                       | ✓                                                      |              | --                  |
| 1 (3) (b) (iv)  | University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or                                                                                                                                                                                                                                                                                                                                   | ✓                                                      |              | --                  |
| 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;                                                                        | ✓                                                      |              | --                  |
| 1 (3) (c)       | The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);                                                                                                                                                                                                                                                                                                                            | ✓                                                      |              | --                  |
| 1(3) (d)        | In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.                                                                                                                                                                                                                                                                                                                       |                                                        |              | N/A                 |
| <b>1 (4)</b>    | <b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:</b>                                                                                                                                                                                                                                                                                                                                   |                                                        |              |                     |
| 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;                                                                                                                                                                                                                                                                  | ✓                                                      |              | --                  |
| 1 (4) (b)       | The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the equivalent or 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 nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.                                                                                                                                                                   |                                                        |              | N/A                 |
| <b>1 (5)</b>    | <b>The Director's Report to Shareholders</b>                                                                                                                                                                                                                                                                                                                                                                                                |                                                        |              |                     |
|                 | <b>The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):</b>                                                                                                                                                                                                                                    |                                                        |              |                     |
| 1 (5) (i)       | Industry outlook and possible future developments in the industry;                                                                                                                                                                                                                                                                                                                                                                          | ✓                                                      |              | --                  |
| 1 (5) (ii)      | 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;                                                                                                                                                                                                                                                                                                       |                                                        |              | N/A                 |
| 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 Extra-Ordinary activities and implications (gain or loss);                                                                                                                                                                                                                                                                                                                                                |                                                        |              | N/A                 |
| 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;                                                                                                                                                                                                                                      | ✓                                                      |              | --                  |



| Condition No.        | Title                                                                                                                                                                                                                                                  | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any) |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------|---------------------|
|                      |                                                                                                                                                                                                                                                        | Complied                                               | Not complied |                     |
| 1 (5) (vii)          | A statement of utilization of proceeds from public issues, right issues and/ or through any others instruments;                                                                                                                                        |                                                        |              | N/A                 |
| 1 (5) (viii)         | An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.                                                                                                                             |                                                        |              | N/A                 |
| 1 (5) (ix)           | An explanation if significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;                                                                                                                           |                                                        |              | N/A                 |
| 1 (5) (x)            | Remuneration to the directors including independent directors;                                                                                                                                                                                         | √                                                      |              | --                  |
| 1 (5) (xi)           | 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)          | Proper books of account of the company have been maintained;                                                                                                                                                                                           | √                                                      |              | --                  |
| 1 (5) (xiii)         | 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)          | 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)           | 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 or indirectly and have effective means of redress;                                          | √                                                      |              | --                  |
| 1 (5) (xvii)         | There are no significant doubt upon the issuer company's ability to continue as a 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 company has not declared dividend (cash or stock) for the year, the reasons there of shall be given;                                                                                                              |                                                        |              | N/A                 |
| 1 (5) (xxi)          | Board's statement to the effect that no bonus shares or stock dividend has been or shall be declared as interim dividend;                                                                                                                              |                                                        |              | N/A                 |
| 1 (5) (xxii)         | The number of Board meetings held during the year and attendance by each director shall be disclosed;                                                                                                                                                  | √                                                      |              | --                  |
| <b>1 (5) (xxiii)</b> | <b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:</b>                                                                                                    |                                                        |              |                     |
| 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 and their spouses and minor children (name-wise details);                                                                        | √                                                      |              | --                  |
| 1(5) (xxiii)(c)      | Executives; and                                                                                                                                                                                                                                        | √                                                      |              | --                  |
| 1(5) (xxiii)(d)      | Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);                                                                                                                                                     |                                                        |              | N/A                 |
| <b>1 (5) (xxiv)</b>  | <b>In case of appointment/re-appointment of a Director the Company shall disclose the following information to the Shareholders:</b>                                                                                                                   |                                                        |              |                     |
| 1(5)(xxiv) (a)       | a brief resume of the Director;                                                                                                                                                                                                                        | √                                                      |              | --                  |
| 1(5)(xxiv) (b)       | nature of his/her expertise in specific functional areas; and                                                                                                                                                                                          | √                                                      |              | --                  |
| 1(5)(xxiv) (c)       | names of companies in which the person also holds the directorship and the membership of committees of the board;                                                                                                                                      | √                                                      |              | --                  |



| Condition No.    | Title                                                                                                                                                                                                                                                                                                                                                                          | Compliance Status<br>(Put √ in the appropriate column) |              | Remarks<br>(if any)                                                                        |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------|--------------------------------------------------------------------------------------------|
|                  |                                                                                                                                                                                                                                                                                                                                                                                | Complied                                               | Not complied |                                                                                            |
| <b>1(5)(xxv)</b> | <b>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 the financial statements, among others, focusing on:</b>                                                                                                                                       |                                                        |              |                                                                                            |
| 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;                                                                                                                                                                     |                                                        |              | N/A                                                                                        |
| 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 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 <b>Annexure-A</b> ; 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 <b>Annexure-B</b> and <b>Annexure-C</b>                                                                                                                                                                                          | √                                                      |              | --                                                                                         |
| <b>1 (6)</b>     | <b>Meetings of the Board of Directors:</b>                                                                                                                                                                                                                                                                                                                                     |                                                        |              |                                                                                            |
|                  | 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 Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. | √                                                      |              | --                                                                                         |
| <b>1 (7)</b>     | <b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:</b>                                                                                                                                                                                                                                                                                   |                                                        |              |                                                                                            |
| 1(7) (a)         | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;                                                                                                                               |                                                        |              | N/A                                                                                        |
| 1(7) (b)         | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.                     |                                                        |              | N/A                                                                                        |
| <b>2</b>         | <b>Governance of Board of Directors of Subsidiary Company.</b>                                                                                                                                                                                                                                                                                                                 |                                                        |              |                                                                                            |
| 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;                                                                                                                                                                                                                 |                                                        | √            | Total number of members in Board of Directors is less than five                            |
| 2 (b)            | At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;                                                                                                                                                                                                                                          |                                                        | √            | No Director Board of the Subsidiary Company is Independent Director of the holding Company |



| Condition No.    | Title                                                                                                                                                                                                                                                                  | Compliance Status<br>(Put √ in the appropriate column) |              | Remarks<br>(if any)                                                                                                                                                           |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  |                                                                                                                                                                                                                                                                        | Complied                                               | Not complied |                                                                                                                                                                               |
| 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.                                                                                                                   | √                                                      |              | --                                                                                                                                                                            |
| <b>3</b>         | <b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)-</b>                                                                                                |                                                        |              |                                                                                                                                                                               |
| <b>3 (1)</b>     | <b>Appointment:</b>                                                                                                                                                                                                                                                    |                                                        |              |                                                                                                                                                                               |
| 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 (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by 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).                                                                                     | √                                                      |              | --                                                                                                                                                                            |
| <b>3 (2)</b>     | <b>Requirement to attend Board of Directors' Meetings:</b>                                                                                                                                                                                                             |                                                        |              |                                                                                                                                                                               |
|                  | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board provided that the CS, CFO and/or HIAC shall not attend such part of a meeting of the Board which involved consideration of an agenda item relating to their personal matter:     | √                                                      |              | --                                                                                                                                                                            |
| <b>3 (3)</b>     | <b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):</b>                                                                                                                                                            |                                                        |              |                                                                                                                                                                               |
| <b>3 (3) (a)</b> | <b>The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:</b>                                                                                                  |                                                        |              |                                                                                                                                                                               |
| 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; and                                                                                                                          | √                                                      |              | --                                                                                                                                                                            |
| 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 in violation of the code of conduct for the company's Board or its members; | √                                                      |              | --                                                                                                                                                                            |
| 3(3)(c)          | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.                                                                                                                                                                                    | √                                                      |              | --                                                                                                                                                                            |
| <b>4.</b>        | <b>Board of Directors' Committee:</b>                                                                                                                                                                                                                                  |                                                        |              |                                                                                                                                                                               |
|                  | <b>For ensuring good governance in the company, the Board shall have at least following sub-committees:</b>                                                                                                                                                            |                                                        |              |                                                                                                                                                                               |
| 4 (i)            | Audit Committee; and                                                                                                                                                                                                                                                   | √                                                      |              | --                                                                                                                                                                            |
| 4 (ii)           | Nomination and Remuneration Committee.                                                                                                                                                                                                                                 |                                                        |              | Bangladesh Bank through its Letter No. DFIM (P)1052/27/2021-2436, Dated: 04 November 2021 as restricted the NBFIs to from Nomination and Remuneration Committee of the Board. |
| <b>5</b>         | <b>Audit Committee:</b>                                                                                                                                                                                                                                                |                                                        |              |                                                                                                                                                                               |
| <b>5 (1)</b>     | <b>Responsibility to the Board of Directors:</b>                                                                                                                                                                                                                       |                                                        |              |                                                                                                                                                                               |



| Condition No. | Title                                                                                                                                                                                                                                                                                                                                                       | Compliance Status<br>(Put $\checkmark$ in the appropriate column) |              | Remarks<br>(if any) |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------|---------------------|
|               |                                                                                                                                                                                                                                                                                                                                                             | Complied                                                          | Not complied |                     |
| 5 (1) (a)     | The company shall have an Audit Committee as a subcommittee of the Board;                                                                                                                                                                                                                                                                                   | $\checkmark$                                                      |              | --                  |
| 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;                                                                                                                           | $\checkmark$                                                      |              | --                  |
| 5 (1) (c)     | The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.                                                                                                                                                                                                                | $\checkmark$                                                      |              | --                  |
| <b>5 (2)</b>  | <b>Constitution of the Audit Committee</b>                                                                                                                                                                                                                                                                                                                  |                                                                   |              |                     |
| 5 (2) (a)     | The Audit Committee shall be composed of at least 3 members;                                                                                                                                                                                                                                                                                                | $\checkmark$                                                      |              | --                  |
| 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;                                                                                                                                                      | $\checkmark$                                                      |              | --                  |
| 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 background and 10 (ten) years of such experience;                                                                                                                                                     | $\checkmark$                                                      |              | --                  |
| 5 (2) (d)     | Filling of casual vacancy in committee immediately and not later than 1 (one) month from the date of vacancy;                                                                                                                                                                                                                                               |                                                                   |              | N/A                 |
| 5 (2) (e)     | The Company Secretary shall act as the secretary of the Committee.                                                                                                                                                                                                                                                                                          | $\checkmark$                                                      |              | --                  |
| 5 (2) (f)     | The quorum of the Audit Committee meeting shall not constitute without at least 1 independent director.                                                                                                                                                                                                                                                     | $\checkmark$                                                      |              | --                  |
| <b>5 (3)</b>  | <b>Chairman of the Audit Committee</b>                                                                                                                                                                                                                                                                                                                      |                                                                   |              |                     |
| 5 (3) (a)     | The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;                                                                                                                                                                                                                | $\checkmark$                                                      |              | --                  |
| 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. | $\checkmark$                                                      |              | --                  |
| 5 (3) (c)     | Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)                                                                                                                                                                                                                                                                    | $\checkmark$                                                      |              | --                  |
| <b>5 (4)</b>  | <b>Meeting of the Audit Committee</b>                                                                                                                                                                                                                                                                                                                       |                                                                   |              |                     |
| 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;                                                                                                                             | $\checkmark$                                                      |              | --                  |
| 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.                                                                                                                       | $\checkmark$                                                      |              | --                  |
| <b>5 (5)</b>  | <b>Role of Audit Committee</b>                                                                                                                                                                                                                                                                                                                              |                                                                   |              |                     |
|               | <b>The audit committee shall: -</b>                                                                                                                                                                                                                                                                                                                         |                                                                   |              |                     |
| 5 (5) (a)     | Oversee the financial reporting process;                                                                                                                                                                                                                                                                                                                    | $\checkmark$                                                      |              | --                  |
| 5 (5) (b)     | monitor choice of accounting policies and principles;                                                                                                                                                                                                                                                                                                       | $\checkmark$                                                      |              | --                  |
| 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;                                                                                                                                               | $\checkmark$                                                      |              | --                  |
| 5 (5) (d)     | oversee hiring and performance of external auditors;                                                                                                                                                                                                                                                                                                        | $\checkmark$                                                      |              | --                  |
| 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;                                                                                                                                                                                                 | $\checkmark$                                                      |              | --                  |
| 5 (5) (f)     | review along with the management, the annual financial statements before submission to the board for approval;                                                                                                                                                                                                                                              | $\checkmark$                                                      |              | --                  |
| 5 (5) (g)     | review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval;                                                                                                                                                                                                                           | $\checkmark$                                                      |              | --                  |
| 5 (5) (h)     | review the adequacy of internal audit function;                                                                                                                                                                                                                                                                                                             | $\checkmark$                                                      |              | --                  |
| 5 (5) (i)     | review the Management's Discussion and Analysis before disclosing in the Annual Report;                                                                                                                                                                                                                                                                     | $\checkmark$                                                      |              | --                  |
| 5 (5) (j)     | review statement of significant related party transactions submitted by the management.                                                                                                                                                                                                                                                                     | $\checkmark$                                                      |              | --                  |



| Condition No.         | Title                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Compliance Status<br>(Put ✓ in the appropriate column)                                                                                                                        |              | Remarks<br>(if any) |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------|
|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Complied                                                                                                                                                                      | Not complied |                     |
| 5 (5) (k)             | Review Management Letters/ 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 performance of external auditors; and                                                                                                                                                                                                                                                                                                                                                                              | ✓                                                                                                                                                                             |              | --                  |
| 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 purposes stated in relevant offer document or prospectus approved by the Commission.                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                               |              | N/A                 |
| <b>5 (6)</b>          | <b>Reporting of the Audit Committee</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                               |              |                     |
| <b>5 (6) (a)</b>      | <b>Reporting to the Board of Directors</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                               |              |                     |
| 5 (6) (a) (i)         | The Audit Committee shall report on its activities to the Board of Directors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | ✓                                                                                                                                                                             |              | --                  |
| <b>5 (6) (a) (ii)</b> | <b>The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                               |              |                     |
| 5 (6) (a) (ii) (a)    | report on conflicts of Interests.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                               |              | N/A                 |
| 5 (6) (a) (ii) (b)    | suspected or presumed fraud or irregularity or material defect in the internal control system;                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                               |              | N/A                 |
| 5 (6) (a) (ii) (c)    | suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                               |              | N/A                 |
| 5 (6) (a) (ii) (d)    | any other matter which the Audit Committee deems necessary shall be disclosed to the Board of Directors immediately;                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                               |              | N/A                 |
| <b>5(6) (b)</b>       | <b>Reporting to the Authorities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                               |              |                     |
|                       | 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. |                                                                                                                                                                               |              | N/A                 |
| <b>5 (7)</b>          | <b>Reporting to the Shareholders and General Investors.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                               |              |                     |
|                       | Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 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.                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                               |              | N/A                 |
| <b>6</b>              | <b>Nomination and Remuneration Committee (NRC).</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Bangladesh Bank through its Letter No. DFIM (P)1052/27/2021-2436, Dated: 04 November 2021 as restricted the NBFIs to from Nomination and Remuneration Committee of the Board. |              |                     |
| <b>6 (1)</b>          | <b>Responsibility to the Board of Directors</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                               |              |                     |
| 6 (1) (a)             | The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                               |              | N/A                 |
| 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 to level executive as well as a policy for formal process of considering remuneration of directors, top level executive;                                                                                                                                                                                                                                                              |                                                                                                                                                                               |              | N/A                 |
| 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).                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                               |              | N/A                 |
| <b>6 (2)</b>          | <b>Constitution of the NRC</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                               |              |                     |
| 6 (2) (a)             | The Committee shall comprise of at least three members including an independent director;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |              | N/A                 |
| 6 (2) (b)             | All members of the Committee shall be non-executive directors;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                               |              | N/A                 |
| 6 (2) (c)             | Members of the Committee shall be nominated and appointed by the Board;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                               |              | N/A                 |
| 6 (2) (d)             | The Board shall have authority to remove and appoint any member of the Committee;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                               |              | N/A                 |



| Condition No.        | Title                                                                                                                                                                                                                                                                                                                    | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any) |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------|---------------------|
|                      |                                                                                                                                                                                                                                                                                                                          | Complied                                               | Not complied |                     |
| 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;                                                                         |                                                        |              | N/A                 |
| 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 from such external expert and/or member(s) of staff shall be required or valuable for the Committee; |                                                        |              | N/A                 |
| 6 (2) (g)            | The company secretary shall act as the secretary of the Committee;                                                                                                                                                                                                                                                       |                                                        |              | N/A                 |
| 6 (2) (h)            | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;                                                                                                                                                                                                               |                                                        |              | N/A                 |
| 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.                                                                                                                        |                                                        |              | N/A                 |
| <b>6 (3)</b>         | <b>Chairperson of the NRC</b>                                                                                                                                                                                                                                                                                            |                                                        |              |                     |
| 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;                                                                                                                                                                                               |                                                        |              | N/A                 |
| 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;                                                                                      |                                                        |              | N/A                 |
| 6 (3) (c)            | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;                                                                                                                                                                                                      |                                                        |              | N/A                 |
| <b>6 (4)</b>         | <b>Meeting of the NRC</b>                                                                                                                                                                                                                                                                                                |                                                        |              |                     |
| 6 (4) (a)            | The NRC shall conduct at least one meeting in a financial year;                                                                                                                                                                                                                                                          |                                                        |              | N/A                 |
| 6 (4) (b)            | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;                                                                                                                                                                                                                      |                                                        |              | N/A                 |
| 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);                                                                |                                                        |              | N/A                 |
| 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.                                                                                                                                                                     |                                                        |              | N/A                 |
| 6 (5)                | Role of the NRC                                                                                                                                                                                                                                                                                                          |                                                        |              |                     |
| 6 (5) (a)            | NRC shall be independent and responsible or accountable to the Board and to the shareholders;                                                                                                                                                                                                                            |                                                        |              | N/A                 |
| <b>6 (5) (b)</b>     | <b>NRC shall oversee, the following matters and make report with recommendation to the Board:</b>                                                                                                                                                                                                                        |                                                        |              |                     |
| <b>6 (5) (b) (i)</b> | <b>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:</b>                                                                   |                                                        |              |                     |
| 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;                                                                                                                                                              |                                                        |              | N/A                 |
| 6 (5) (b) (i) (b)    | the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and                                                                                                                                                                                                               |                                                        |              | N/A                 |
| 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;                                                                                                         |                                                        |              | N/A                 |
| 6 (5) (b) (ii)       | devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality                                                                                                                                                                              |                                                        |              | N/A                 |
| 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;                                                                                                  |                                                        |              | N/A                 |



| Condition No.    | Title                                                                                                                                                                                                                                                                                                                                                                                               | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any)                |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------|------------------------------------|
|                  |                                                                                                                                                                                                                                                                                                                                                                                                     | Complied                                               | Not complied |                                    |
| 6 (5) (b) (iv)   | formulating the criteria for evaluation of performance of independent directors and the Board;                                                                                                                                                                                                                                                                                                      |                                                        |              | N/A                                |
| 6 (5) (b) (v)    | identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and                                                                                                                                                                                                                                                |                                                        |              | N/A                                |
| 6 (5) (b) (vii)  | developing, recommending and reviewing annually the company's human resources and training policies;                                                                                                                                                                                                                                                                                                |                                                        |              | N/A                                |
| <b>6 (5) (c)</b> | <b>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.</b>                                                                                                                                                                                                                        |                                                        |              | N/A                                |
| <b>7.</b>        | <b>External/Statutory Auditors should not be engaged in:</b>                                                                                                                                                                                                                                                                                                                                        |                                                        |              |                                    |
| <b>7 (1)</b>     | <b>The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: -</b>                                                                                                                                                                                                                                                           |                                                        |              |                                    |
| 7 (1) (i)        | appraisal or valuation services or fairness opinions;                                                                                                                                                                                                                                                                                                                                               | √                                                      |              | --                                 |
| 7 (1) (ii)       | Financial information systems design and implementation.                                                                                                                                                                                                                                                                                                                                            | √                                                      |              | --                                 |
| 7 (1) (iii)      | Book-keeping or other services related to the accounting records or financial statements.                                                                                                                                                                                                                                                                                                           | √                                                      |              | --                                 |
| 7 (1) (iv)       | Broker-dealer services.                                                                                                                                                                                                                                                                                                                                                                             | √                                                      |              | --                                 |
| 7 (1) (v)        | Actuarial services.                                                                                                                                                                                                                                                                                                                                                                                 | √                                                      |              | --                                 |
| 7 (1) (vi)       | Internal audit services.                                                                                                                                                                                                                                                                                                                                                                            | √                                                      |              | --                                 |
| 7 (1) (vii)      | Any other service that the Audit Committee determines.                                                                                                                                                                                                                                                                                                                                              | √                                                      |              | --                                 |
| 7 (1) (viii)     | audit or certification services on compliance of corporate governance as required under condition No. 9(1); and                                                                                                                                                                                                                                                                                     | √                                                      |              | --                                 |
| 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 any 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.                                                                                                                                                                                             | √                                                      |              | --                                 |
| <b>8</b>         | <b>Maintaining a website by the Company.</b>                                                                                                                                                                                                                                                                                                                                                        |                                                        |              |                                    |
| 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 listing regulations of the concerned stock exchange(s).                                                                                                                                                                                                                                              | √                                                      |              | --                                 |
| <b>9</b>         | <b>Reporting and Compliance of Corporate Governance:</b>                                                                                                                                                                                                                                                                                                                                            |                                                        |              |                                    |
| 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 conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. | √                                                      |              | --                                 |
| 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.                                                                                                                                                                                                                             |                                                        |              | 26 <sup>th</sup> AGM<br>30-10-2022 |
| 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.                                                                                                                                                                                                                       | √                                                      |              | --                                 |



## Report to the Shareholders of Bay Leasing & Investment Limited on Compliance of Corporate Governance Guidelines

We have examined the compliance status to the Corporate Governance Code by [Issued under condition # 1(5) (xxvii) of Corporate Governance Code of BSEC vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018]

We have examined the compliance status to the Corporate Governance Code by “Bay Leasing & Investment Limited” for the year ended on 31 December 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 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 except as specify in compliance status checklist;
- (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 company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Dated: 09 October 2023

  
Pinaki Das, FCA  
Senior Partner  
Pinaki & Company  
Chartered Accountants



# Compliance Report on Bangladesh Bank’s Guidelines on Corporate Governance

Bangladesh Bank requires the Financial Institutions to comply with the guidelines on Corporate Governance as per the DFIM Circular no. 7 dated September 25, 2007 taking appropriate steps to comply with the guidelines and implemented the same. Status report on compliance with those guidelines is given below:

| Condition No.                                                                                                                                       | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Compliance Status |              | Remarks |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------|---------|
|                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Complied          | Not Complied |         |
| Responsibilities and authorities of Board of Directors                                                                                              | <b>A. Work Planning and Strategic Management</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |              |         |
|                                                                                                                                                     | i. The Board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goal and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of the work-plans. | √                 |              |         |
|                                                                                                                                                     | 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 apprise the shareholders of its opinions/recommendations on future plans and strategies.                                                                                                                                                                                                            | √                 |              |         |
|                                                                                                                                                     | iii. The Board will set the Key Performance Indicators (KPIs) for the CEO and other senior executives and will evaluate half yearly / yearly basis.                                                                                                                                                                                                                                                                                                                                                         | √                 |              |         |
|                                                                                                                                                     | <b>B. Formation of sub-committee</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                   |              |         |
|                                                                                                                                                     | To expedite the process of making timely decision on key operational issues, Executive Committee and Audit Committee may be formed. No alternative director shall be included in this committee.                                                                                                                                                                                                                                                                                                            | √                 |              |         |
|                                                                                                                                                     | <b>C. Financial Management</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                   |              |         |
|                                                                                                                                                     | i. Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.                                                                                                                                                                                                                                                                                                                                                                                                | √                 |              |         |
|                                                                                                                                                     | ii. Board shall review and examine in quarterly basis various statutory financial statements such as statement 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.                                                                                                                                                                                                 | √                 |              |         |
|                                                                                                                                                     | iii. Board shall approve the procurement policy and shall accordingly the delegation of power for making such expenditure. The maximum delegation of power shall rest on the CEO and top management. However, decision relating to purchase of land, building and vehicles shall remain with the Board.                                                                                                                                                                                                     | √                 |              |         |
| iv. The Board shall adopt the operation of bank accounts. Groups maybe formed among the management to operate bank accounts under joint signatures. | √                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                   |              |         |



| Condition No.                                                                                                                                                                    | Particulars                                                                                                                                                                                                                                                                                                                                                                    | Compliance Status |              | Remarks |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------|---------|
|                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                | Complied          | Not Complied |         |
| Responsibilities and authorities of Board of Directors                                                                                                                           | <b>A. Management of loan/lease/investments</b>                                                                                                                                                                                                                                                                                                                                 |                   |              |         |
|                                                                                                                                                                                  | 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. | √                 |              |         |
|                                                                                                                                                                                  | 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.                                                                                                                                                                                                                 | √                 |              |         |
|                                                                                                                                                                                  | iii. Any syndicated loan/lease/investment proposal must be approved by the Board.                                                                                                                                                                                                                                                                                              | √                 |              |         |
|                                                                                                                                                                                  | <b>B. Risk Management</b>                                                                                                                                                                                                                                                                                                                                                      |                   |              |         |
|                                                                                                                                                                                  | Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.                                                                                                                                                                                                                            | √                 |              |         |
|                                                                                                                                                                                  | <b>C. Internal Control and Compliance</b>                                                                                                                                                                                                                                                                                                                                      |                   |              |         |
|                                                                                                                                                                                  | 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.                                                                                                                        | √                 |              |         |
|                                                                                                                                                                                  | <b>D. Human Resources Management</b>                                                                                                                                                                                                                                                                                                                                           |                   |              |         |
|                                                                                                                                                                                  | i. Board shall approve the policy on Human Resources Management and Service Rule. Chairman and director of the Board shall not interfere on the administrative job in line with the approved Service Rule.                                                                                                                                                                     | √                 |              |         |
|                                                                                                                                                                                  | ii. 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 in compliance 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.                     | √                 |              |         |
|                                                                                                                                                                                  | <b>E. Appointment of the Managing Director and Increase of Salaries &amp; Allowances</b>                                                                                                                                                                                                                                                                                       |                   |              |         |
|                                                                                                                                                                                  | 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.                                                                                                                                                                                                                 | √                 |              |         |
| <b>F. Benefit to the Chairman</b>                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                |                   |              |         |
| Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in the business-interest of the Company subject to the approval of the Board. | √                                                                                                                                                                                                                                                                                                                                                                              |                   |              |         |



| Condition No.                                    | Particulars                                                                                                                                                                                                                                                                                                                          | Compliance Status |              | Remarks |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------|---------|
|                                                  |                                                                                                                                                                                                                                                                                                                                      | Complied          | Not Complied |         |
| Responsibilities and authorities of the Chairman | i. Chairman shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power;                                                                                                                                                      | √                 |              |         |
|                                                  | ii. The minutes of the Board meetings shall be signed by the Chairman;                                                                                                                                                                                                                                                               | √                 |              |         |
|                                                  | iii. Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;                                                                                                                                                                                                           | √                 |              |         |
| Responsibilities of Managing Director            | i. 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; | √                 |              |         |
|                                                  | ii. Managing Director shall ensure compliance of Financial Institutions Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities;                                                                                                                                                                   | √                 |              |         |
|                                                  | iii. All recruitment/ promotion/ training, except recruitment/ promotion/ training of DMD, shall be vested upon the Managing Director. He shall act such in accordance with the approved HR Policy of the Company;                                                                                                                   | √                 |              |         |
|                                                  | iv. Managing Director may re-schedule job responsibilities of employees;                                                                                                                                                                                                                                                             | √                 |              |         |
|                                                  | v. Managing Director may take disciplinary actions against the employees except DMD and General Manager;                                                                                                                                                                                                                             | √                 |              |         |
|                                                  | vi. Managing Director shall sign all the letters/statements relating to compliance of polices and guidelines. 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.                                                  | √                 |              |         |



## Shareholding of the sponsors/ Directors as on 31 December, 2022

| SL No. | Name of sponsors/ promoters and Directors | Position             | No. of shares | % of holding |
|--------|-------------------------------------------|----------------------|---------------|--------------|
| 01.    | Dr. Maswooda Ghani                        | Chairman             | 88,40,640     | 6.27         |
| 02.    | Prof. Suraiya Begum                       | Director             | 33,73,728     | 2.40         |
| 03.    | Zubayer Kabir                             | Director             | 28,18,213     | 2.00         |
| 04     | Tarik Sujat                               | Director             | 30,39,808     | 2.16         |
| 05     | Mrs Fatema Zahir Majumder                 | Director             | 29,69,150     | 2.11         |
| 06     | Prof. Shahid Uddin Ahmed                  | Independent Director | 0             | 0            |
| 07     | Dr.Zaidi Sattar                           | Independent Director | 0             | 0            |
| 08     | Mr.A.K.M Azizur Rahman                    | Sponsor Shareholder  | 10,77,381     | 0.76         |
| 09     | Mrs Hamida Hossain                        | Sponsor Shareholder  | 7,48,181      | 0.53         |
| 10     | Abdul Matlub Ahmad                        | Sponsor Shareholder  | 1,74,32,633   | 12.37        |
| 11     | Raiyan Kabir                              | Sponsor Shareholder  | 13,26,008     | 0.94         |
| 12     | Quamrunnessa Ratna                        | Sponsor Shareholder  | 51,487        | 0.04         |
| 13     | Farhana Kabir                             | Sponsor Shareholder  | 6,86,916      | 0.49         |
| 14.    | Iftekhar Ali Khan                         | Managing Director    | 0             | 0            |
|        |                                           | Total                | 4,23,64,145   | 30.07        |

## Pattern of Shareholdings as on 31 December ,2022

| SLNo | Particulars               | Position             | No.of Share | % of share holdings |
|------|---------------------------|----------------------|-------------|---------------------|
| 1    | DR. MASWOODA GHANI        | CHAIRMAN             | 88,40,640   | 6.27                |
| 2    | TARIK SUJAT               | DIRECTOR             | 30,39,808   | 2.16                |
| 3    | ZUBAYER KABIR             | DIRECTOR             | 28,18,213   | 2.00                |
| 4    | PROF. SURAIYA BEGUM       | DIRECTOR             | 33,73,728   | 2.40                |
| 5    | MRS FATEMA ZAHIR MAJUMDER | DIRECTOR             | 29,69,150   | 2.11                |
| 6    | PROF. SHAHID UDDIN AHMED  | INDEPENDENT DIRECTOR | -           |                     |
| 7    | DR. ZAIDI SATTAR          | INDEPENDENT DIRECTOR | -           |                     |

### Shareholders holding 10% or more

|                    |             |       |
|--------------------|-------------|-------|
| Abdul Matlub Ahmad | 1,74,32,633 | 12.37 |
|--------------------|-------------|-------|

### Shareholders holding 5% or more

|                        |             |      |
|------------------------|-------------|------|
| Southeast Bank limited | 1,40,12,405 | 9.93 |
|------------------------|-------------|------|

### Executive (Top-5)

Nil Nil



## Pattern of Shareholdings as on 31 December 2022 as under

| Sl No. | Shareholder's Group  | No. of shares held | % of total shares | No. of shareholders |
|--------|----------------------|--------------------|-------------------|---------------------|
| 1      | Sponsors & Directors | 42,364,145         | 30.07             | 11                  |
| 2      | Corporate Bodies     | 32,592,280         | 23.13             | 117                 |
| 3      | General Investor     | 65,932,018         | 46.80             | 10,806              |
|        | Total                | 140,888,443        | 100               | 10934               |

## Attendance by the Directors at the Board Meetings during the year-2022

| SL No | Name of Sponsor Directors/ Shareholders | Status               | Total Meeting | Attended | Attended Fee | Remarks                                                                      |
|-------|-----------------------------------------|----------------------|---------------|----------|--------------|------------------------------------------------------------------------------|
| 1     | Dr. Maswooda Ghani                      | Chairman             | 7             | 6        | 48,000       | The Directors who could not attend any meeting were granted leave of absence |
| 2     | Prof. Suraiya Begum                     | Director             | 7             | 7        | 56,000       |                                                                              |
| 3     | Mr. Tarik Sujat                         | Director             | 7             | 7        | 56,000       |                                                                              |
| 4     | Mr. Zubayer Kabir                       | Director             | 7             | 6        | 48,000       |                                                                              |
| 5     | Mrs. Fatema Zahir Majumder              | Director             | 7             | 7        | 56,000       |                                                                              |
| 6     | Dr. Zaidi Sattar                        | Independent Director | 7             | 6        | 48,000       |                                                                              |
| 7     | Prof Shahid Hossain                     | Independent Director | 7             | 0        | 0            |                                                                              |

## Audit Committee Meeting and attendance of Directors during the year-2022

| SL No | Name of Sponsor Directors/ Shareholders | Status   | Total Meeting | Attended | Attended Fee | Remarks |
|-------|-----------------------------------------|----------|---------------|----------|--------------|---------|
| 1     | Dr. Zaidi Sattar                        | Chairman | 4             | 4        | 32,000       |         |
| 2     | Prof. Suraiya Begum                     | Member   | 4             | 4        | 32,000       |         |
| 3     | Mr. Tarik Sujat                         | Member   | 4             | 4        | 32,000       |         |
| 4     | Mr. Zubayer Kabir                       | Member   | 4             | 4        | 32,000       |         |
| 5     | Mrs. Fatema Zahir Majumder              | Member   | 4             | 4        | 32,000       |         |

## Transactions with Senior Executives

| SL No | Name of Sr. Executives       | Designation                     | Remuneration/Salary | Loan Outstanding |
|-------|------------------------------|---------------------------------|---------------------|------------------|
| 1     | Mr. Iftekhar Ali Khan        | Managing Director               | 5,929,850           | -                |
| 2     | Mohammad Lutfur Rahman       | Senior Executive Vice President | 3,634,176           | 5,142,111        |
| 3     | Mohammad Rashedul Islam      | Senior Vice President           | 2,421,888           | 6,586,677        |
| 4     | Mr. Rashed Al Islam          | Senior Vice President           | 2,421,888           | 1,607,006        |
| 5     | Ms. Sharmin Akhter           | Vice President                  | 1,727,046           | 593,266          |
| 6     | Mr. Shabbir Minhaz Chowdhury | Senior Assistant Vice President | 1,800,960           | -                |
| 7     | Md. Zabed Miah               | Senior Assistant Vice President | 1,626,240           | -                |
| 8     | Samir Saha                   | Senior Assistant Vice President | 1,556,352           | 434,705          |
| 9     | Md. Enayet Kabir             | Senior Assistant Vice President | 1,556,352           | 1,859,074        |
| 10    | Faisal Bin Naser Ahmed       | Senior Assistant Vice President | 1,536,288           |                  |



## DIVIDEND DISTRIBUTION POLICY

### A. Dividend Policy

As per Directive of the Bangladesh Securities and Exchange Commission bearing No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, this Dividend Distribution Policy is formulated and shall be disclosed in the annual report and official websites.

### B. Approval Time

The annual or final Dividend shall be paid off to the entitled shareholder within 30 (Thirty) days of approval. Provided that interim dividend shall be paid off to the entitled shareholder, within 30 (Thirty) days of record date.

### C. Cash Dividend distribution process

Cash Dividend shall be distributed in the following manner and procedures, namely:-

- (i) Within 10 (ten) days of declaration of cash dividend by the board of directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of the Bay Leasing & Investment Limited, dedicated for this purpose only;
- (ii) The Bay Leasing & Investment Limited shall pay off cash dividend directly to the bank account of the entitled shareholder or unit holder as available in the BO account maintained with the Depository Participant (DP), or the bank account as provided by the shareholder or unit holder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN);

Provided that the Bay Leasing & Investment Limited may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;

- (iii) The Bay Leasing & Investment Limited, upon receiving the 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, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or the separate Bank Account of the Merchant Banker or the Portfolio Manager through BEFTN;

Provided that upon receiving the cash dividend, the stock broker or merchant banker or portfolio manager shall immediately account for such dividend in the individual client's portfolio account;

Provided further that the stock broker or merchant banker or portfolio manager shall provide detailed information (e.g., BO Account number, code number, Bank account number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant banker or portfolio manager) to the Bay Leasing & Investment Limited for such claim.

- (iv) The Bay Leasing & Investment Limited, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant/cheque and shall send it by post to the shareholder or unit holder;
- (v) The Bay Leasing & Investment Limited shall pay off cash dividend to non-resident sponsor, director, shareholder, unit holder or foreign portfolio investors (FPI) through the security custodian in compliance with the rules or regulations in this regard;
- (vi) The Bay Leasing & Investment Limited immediately after disbursement of the cash dividend and issuance of certificate of tax deducted at source, if applicable, shall intimate to the shareholder or unit holder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder or unit holder;
- (vii) The Bay Leasing & Investment Limited shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof; as per BO account number-wise or name-wise or folio number-wise of the shareholder or unit holder; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/Annually) as a separate line item 'Unclaimed Dividend Account';



Provided that the Bay Leasing & Investment Limited shall publish the year-wise summary of its unpaid or unclaimed dividend in the websites;

Provided further that 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 Bay Leasing & Investment Limited as maintained for this purpose, within 2 (two) yeas from the date of declaration or approval or record date, as the case may be.

#### **D. Stock Dividend or Bonus Share Distribution Policy**

The Bay Leasing & Investment Limited, shall credit stock dividend directly to the BO account or issued the bonus share certificate of the entitled shareholder, as applicable, within 30 (Thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);

#### **E. Issuance of Stock Dividend or Bonus Share process**

The Bay Leasing & Investment Limited, the CDBL and the Exchange(s) shall follow the provisions of প্রবিধান ৪৬ of the ডিপোজিটরি (ব্যাবহারিক) প্রবিধানমালা, ২০২৩ for issuance of bonus Shares;

Provided that the Bay Leasing & Investment Limited shall maintain a suspense BO account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

- (i) The Bay Leasing & Investment Limited shall send at least 3 (Three) reminders to the entitled shareholder;
- (ii) The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the Bay Leasing & Investment Limited;

Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus share shall be credited to the Suspense BO Account.

- (iii) The Bay Leasing & Investment Limited shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO Account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (Fifteen) days of receiving application with an intimation to the commission and the Exchange(s);
- (iv) Any voting rights on such undistributed or unclaimed stock dividend or Bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

#### **F. Compliance Report regarding Dividend Distribution**

The Bay Leasing & Investment Limited shall submit a compliance report to the Commission and the Exchange(s) in a specific format at Annexure-A [sample given by the BSEC] in respect of the Clause (B), (C), (D) and (E) above, within 7 (Seven) working days of completion of dividend distribution;

Provided that the Bay Leasing & Investment Limited shall publish the compliance report in its website.

#### **G. Forfeiture of unclaimed cash dividend or stock dividend**

The Bay Leasing & Investment Limited shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of the land in force.



#### **H. Transferred to the Fund of the Commission for unpaid or unclaimed or unsettled cash dividend**

If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (Three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the Bay Leasing & Investment Limited to the fund as directed or prescribed by the commission;

Provided that the Bay Leasing & Investment Limited shall provide detailed information to the manager of the fund during transfer of cash dividend as directed or prescribed by the Commission;

Provided further that if any shareholder or unit holder claims his cash dividend after transfer of such dividend to the Fund, within 15 (Fifteen) days of receiving such claim, the Bay Leasing & Investment Limited shall, after proper verification of the claim, recommend to the manager of the fund to pay off such dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the commission.

#### **I. Transferred to the Fund of the Commission for unclaimed or unsettled stock dividend or bonus shares**

If any stock dividend or bonus shares remain unclaimed or unsettled including corporate benefits in terms of bonus shares thereon for a period of 3 (Three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the fund as mentioned at Clause No. H;

Provided that the Bay Leasing & Investment Limited shall provide detailed information to the manager of the fund during transfer of stock dividend or bonus shares as directed or prescribed by the Commission;

Provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus share to the BO Account of the Fund, within 15 (Fifteen) days of receiving such claim, the Bay Leasing & Investment Limited shall, after proper verification of the claim, recommend to the manager of the fund to pay off such dividend or bonus share to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by the commission.

#### **J. Maintaining Detail Information of the shareholder or unit holder for the purpose of proper distribution of cash dividend or stock dividend**

The Bay Leasing & Investment Limited, by itself or by appointing an Agent, shall maintain detailed information of BO Account, Bank Account, Mobile Phone Number, E- mail address and address of the shareholder or unit holder for the purpose of proper distribution of cash dividend or stock dividend;

Provided that the Bay Leasing & Investment Limited or its agent or the CDBL or its DP shall keep confidentiality of information.

Provided further that the Bay Leasing & Investment Limited shall collect such detailed updated information from the CDBL or its DP from time to time when needed for the purpose of proper distribution of cash dividend or stock dividend and other compliances. In case of holding paper shares, the Bay Leasing & Investment Limited shall update the information at least once a year.

#### **K. Binding clause**

In the event of any confusion or difference of opinion on any matter whatsoever, the Bay Leasing & Investment Limited shall be bound to follow the decision of the Commission and shall consider the decision of the commission is final on all concerned.





## Sustainable Finance Initiatives

### SUSTAINABLE INITIATIVES

Environmental sustainability considers environmental factors along with financial priorities with an aim to protect the environment and assist economic development in a more environment friendly way. BLIL focused on environmental sustainability as a key part of social responsibility.

Since BLIL is committed to the environment and combating climate changes, BLIL have sketched environmental sustainability policies, goals and practices that help their activities inside and out and reduce both its direct impact, through the use of natural resources by its internal operations, and its indirect impact through its financial activity.

### Environment Friendly Loan Financing

BLIL have incorporated sustainability principles into day-to-day activities of the Company aiming to do best to ensure that the credits BLIL extend to the customers are utilized for environmentally sound and sustainable purposes. BLIL observes with environmental standard while financing. Projects with likely adverse impact on environment are strongly discouraged by BLIL. As an environment responsive Financial Institution, BLIL ensures that the borrower has the due environmental clearance certificate from the concerned authorities while granting or renewing credit facilities. BLIL has assessed environmental and social issues related to the projects at the time of granting credit facilities which reflects BLIL's strong commitment in ensuring environmental and social safeguard of the projects, while creating a sense of accountability for the borrowers. BLIL also encourages



it's borrowers to have solar panel in their project at the time of appraising and granting housing loan facilities. In



future the company aims to enhance the effort on preserving ecosystem, land, air and water, in line with broad corporate mission of the Company.

### Plantation

We humans would not be able to exist on this beautiful planet without trees. To give back to the creation which has facilitated life from the inception of life is what can be claimed humane now. BLIL planted trees in the areas near to our branch location and be a part of the solution to climate breakdown.

### In-house Environmental sustainability practices

BLIL is maintaining a balanced initiative and supporting activity to contain things that may adversely affect the environment. BLIL encourages rational use of energy in the office and promotes the spirit of environment sustainability action plans. Reduced utilization of electricity and minimum uses of utilities and office stationaries have become mandatory for the officials are as following:

**Energy Conservation:** BLIL substituted all inefficient older light bulbs with compact fluorescent light (CFL) or Light Emitting Diode (LED) bulbs. All employee use screen savers for their computers and turned off computers after work and when idle for more than 30 minutes.

**Paper Reduction:** BLIL encourages to use of both sides of the paper on lengthy documents, electronically mail to interoffice memoranda and reports, process documents electronically using the scan option on a copier when appropriate rather than printing hard copies, print documents in small fonts, with wide margins and reduced spacing, use



letter-sized paper, files and pouches rather than legal sized items whenever possible.

**Green Procurement Policies:** The purchase of environmentally-sustainable office equipment in a viable way in which offices can reduce electricity demand, save money, and help the office reduce its direct and indirect impact on the environment through the purchase of energy-efficient products. Green procurement is the purchase of products and services that have a minimal or reduced environmental and human health impact. In addition to improved environmental performance, many environmentally preferred products work as well or better than traditional products.

**In-house Education Program:** BLIL organize programs to train staff in its capabilities and explain how they can help protect the environment. It is equally important to train new staff in the environmental systems office introduces.

#### **Fuel Conservation**

Expanding every day, BLIL is much known for its collaborations with valuable partners for the good of all the parties. Such collaborations call for several meetings which in turn brings a lot of fuel emission for travelling back and forth to office premises. Hence, that brings video conferencing in the picture to be used instead of face to face meetings with partners.

#### **Environmental Due Diligence (EDD)**

Environmental Due Diligence is maintained by BLIL at the time of processing proposal before placing the same to Management. Few clients of BLIL have found applicable for EDD and after conducting Environmental Risk Rating (EnvRR) it is found that few clients have been fallen in the category of low risk and in moderate risk level.

#### **Environmental and Social Obligations**

The obligation of any business to protect and serve public interest is known as social responsibility of business. According to the concept of social responsibility the objective of managers for taking business decisions is not merely to maximize profits or shareholders' value but to serve and protect the interest of the society such as workers, consumers and the community as a whole.

Important component of corporate responsibility is environmental reporting, which describes the systematic and complete disclosure to stakeholders of an institution, environmental performance encompassing its impacts on the environment and its actions to reduce adverse effects on eco-systems or restore environmental conditions.

Business can report on their environmental impact in two contexts. For voluntary reporting, a business can disclose environmental information such as greenhouse gas emission, waste generation, energy consumption use of transport for business travel in the context of social responsibility. For mandatory reporting, business industrialized countries are required to report their greenhouse gas emission; this is mainly help the government understand the total industry situation and to use the information as the basis for policies related to controlling the emissions. Both types of reporting improve the transparency of corporate activities and their impact toward reducing environmental impacts.

BLIL aims to report its obligations to the stakeholders voluntarily. As a part of its environmental and social obligations, BLIL keep them abeyance from financing to an environment hazardous industries and/or investors and operates a separate department for financing to the clean development mechanism projects and energy efficiency projects. BLIL will always try to ensure meeting environment and social obligations to fulfill demand of the present era.

## Declaration of CEO and CFO to the Board of Directors

Date: September 26, 2023

The Board of Directors  
Bay Leasing & Investment Limited

**Subject: Declaration on Financial Statements for the year ended on 31st December, 2022**

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No SEC/CMRRCD/2006-158/207/Admin/80, Dated 3 June 2018, under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Bay Leasing & Investment Limited for the year ended on 31st December, 2022 have been prepared in compliance with International Accounting Standard (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimate 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 concern 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 31st December, 2021 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. This 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,



**Mohammad Ruknuzzaman**  
Managing Director (CC)



**Enayet Kabir**

Head of Finance & Accounts





AUDITORS'  
REPORT

# AUDITORS' REPORT

BAY LEASING & INVESTMENT LIMITED



# Independent Auditor's Report

## To the Shareholders of Bay Leasing & Investment Limited

### Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion:

We have audited the consolidated financial statements of Bay Leasing & Investment Limited and its subsidiary (the “Group”) as well as the separate financial statements of Bay Leasing & Investment 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, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 31 December 2022 and of 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 1 and 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 Auditors' 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 consolidated and separate financial statements of the current period. We summarize below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters are discussed below together with an explanation of how the risk and our audit response were tailored to address these specific areas.

All key audit matters are applicable to both the group and parent company.



## 1. Measurement of provision for Leases, loans and advances

See Notes 7.a, 7.13 to the Financial Statements.

| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How the matter was addresses in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.</p> <p>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.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>As at 31 December 2022, the Group reported total gross loans, advances and leases of BDT 10,823,605,127 (2021: BDT 12,149,783,248) and provision for loans and advances of BDT 1,152,617,372 (2021: BDT 770,220,000).</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> <li>• Completeness and timing of recognition of loss events in accordance with criteria set out in DFIM Circular no 04, dated 26 July 2021, DFIM Circular no 09, dated 14 September 2021, DFIM Circular no 27 dated 21 December 2022 and DFIM Circular no 13, dated 28 June 2022; and DFIM Circular no 33, dated 19 December 2021.</li> <li>• For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flow;</li> </ul> <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p> | <p>We tested the design and operating effectiveness of key controls. focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li> <li>• Completeness of appropriate documentation before disbursement of loan as well as recording of loan balance;</li> <li>• Identification of loss events, including early warning and default warning indicators;</li> <li>• Reviewed quarterly Classification of Loans (CL);</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the companies general and specific provisions;</li> <li>• Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> </ul> <p>Due to long-term impact of COVID 19, flood situation in northeastern areas of Bangladesh and prolonged conflict/war outside the country, many borrowers were adversely impacted during the year. Accordingly, Bangladesh Bank has given certain flexibility from classification requirement for loans vide issuing various circulars such as DFIM 27 dated 21 December 2022 NBFIs are allowed to keep a loan/customer as unclassified subject to the payment of certain percent of quarterly instalment due by 31 December 2022.</p> <p>We have selected samples to check compliance of above Bangladesh Bank instructions. However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by Management in assessing recoverability of interest income may be different than the actual situation in future.</p> |



## 2. Measurement of deferred tax liabilities

We refer to note number 12 & 12.05 of the consolidated financial statements.

| The key audit matter                                                                                                                                                                                                                  | How the matter was addresses in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The company reports net deferred tax liabilities to totaling BDT 3,512,720 as at 31 December 2022.</p> <p>See note no 2.26 of the consolidated financial statements “Significant Accounting Policies” (Section “Tax Expenses”)</p> | <p>We obtained an understanding, evaluated the design, and tested the operational effectiveness of the Company’s key controls over the recognition and measurement of DTLs and the assumptions used in estimating the Company’s future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition, and measurement of DTL’s. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p> |

## 3. Lease, Loans, and advances

See Note 7 to the Financial Statements

| The key audit matter                                                                                                                                                                                                                                                                                                                      | How the matter was addresses in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>A high volume of loan origination and payment activity results in the risk of inaccurate recording, processing errors or fraudulent transactions, which requires special audit consideration because of the likelihood and potential magnitude of misstatements to the completeness, existence and accuracy of loans and advances.</p> | <p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, loan disbursement and documentation process of loans and advances.</p> <p>We have performed procedure to check whether the company has ensured appropriate documentation as per Bangladesh Bank regulations and the Company’s policy before disbursement of loans and advances. In addition, we have performed procedure to check whether the loans and advances are recorded completely and accurately and that are existed at the reporting date.</p> <p>Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines.</p> |

## 4. Interest Income on Lease, loans, and advances

See Notes 20 and 20a to the financial statements.

| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How the matter was addresses in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Recognition of interest income has significant and wide influence on financial statements.</p> <p>Recognition and measurement of interest income have been involvement of complex IT environment.</p> <p>We have identified recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the company and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.</p> | <p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans and advances.</p> <p>We performed test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p> |



## 5. IT systems and controls

| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | How the matter was addresses in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p> | <p>We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Company's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> |

### Other Information:

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' 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 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 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 the board of directors of the Company.

### 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 2.3, 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.

The Financial Institution Act, 1993 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Company. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

### 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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, the Financial Institution 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- III. The consolidated balance sheet and consolidated profit and loss account together with the annexed notes 1 to 39 dealt with by the report are in agreement with the books of account and returns;



- IV. The expenditures incurred were for the purpose of the Company's business for the year;
- V. The financial statements of the 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 and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- XI. Nothing has come to our attention that the Company has adopted any unethical means 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 516 person hours for the audit of the books and accounts of the Company;
- XVI. The Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning, and calculation of interest suspense;
- XVII. The Company has complied with the 'First Schedule' of Bank Companies Act, 1991 in preparing these financial statements;
- XVIII. All other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report. And,
- XIX. The Company has maintained Capital to Risk-weighted Asset Ratio (CRAR) as explained in note 13.03.

**Howladar Yunus & Co.**

Chartered Accountants

Firm Registration No: N/A



**Farhana Sultana** FCA

Partner

Enrollment No: 1619

DVC No: 2310011619AS249425

Dated: Dhaka- 01 October, 2023



# Bay Leasing & Investment Limited

## Consolidated Balance Sheet

As at 31 December 2022

| Particulars                                                                           | Notes   | Amount in Taka        |                       |
|---------------------------------------------------------------------------------------|---------|-----------------------|-----------------------|
|                                                                                       |         | 31-12-2022            | 31-12-2021            |
| <b>PROPERTY AND ASSETS</b>                                                            |         |                       |                       |
| Cash                                                                                  |         | 42,337,706            | 49,572,503            |
| In hand (including foreign currencies)                                                | 3 a     | 82,495                | 146,561               |
| Balance with Bangladesh Bank and its agent bank (s)<br>(including foreign currencies) | 3.02    | 42,255,211            | 49,425,942            |
| Balance with banks and other financial institutions                                   | 4 a     | 1,213,907,924         | 1,069,605,324         |
| In Bangladesh                                                                         |         | 1,213,907,924         | 1,069,605,324         |
| Outside Bangladesh                                                                    |         | -                     | -                     |
| Money at call and short notice                                                        | 5       | -                     | -                     |
| Investments                                                                           | 6 a     | 1,407,921,805         | 2,081,767,353         |
| Government                                                                            |         | -                     | -                     |
| Others                                                                                |         | 1,407,921,805         | 2,081,767,353         |
| Lease, loans and advances                                                             | 7 a     | 10,823,605,127        | 12,149,783,248        |
| Lease, loans and advances                                                             |         | 10,823,605,127        | 12,149,783,248        |
| Bills purchased and discounted                                                        |         | -                     | -                     |
| Fixed assets including premises, furniture and fixtures                               | 8 a     | 1,438,249,733         | 1,421,031,952         |
| Other assets                                                                          | 9 a     | 310,864,031           | 419,075,162           |
| Non - financial institutional assets                                                  |         | -                     | -                     |
| <b>Total Assets</b>                                                                   |         | <b>15,236,886,327</b> | <b>17,190,835,542</b> |
| <b>LIABILITIES AND CAPITAL</b>                                                        |         |                       |                       |
| <b>Liabilities</b>                                                                    |         |                       |                       |
| Borrowings from banks, other financial institutions and agents                        | 10.01 a | 5,268,921,431         | 6,501,787,633         |
| Deposits and other accounts                                                           | 11 a    | 5,628,573,378         | 6,311,026,240         |
| Current Accounts & Other Accounts etc.                                                |         | -                     | -                     |
| Bills Payable                                                                         |         | -                     | -                     |
| Savings Bank Deposits                                                                 |         | -                     | -                     |
| Term Deposits                                                                         |         | 5,526,037,882         | 6,187,006,005         |
| Bearer Certificates of Deposits                                                       |         | -                     | -                     |
| Other Deposits                                                                        |         | 102,535,496           | 124,020,235           |
| Other liabilities                                                                     | 12 a    | 2,658,354,874         | 1,867,575,439         |
| <b>Total Liabilities</b>                                                              |         | <b>13,555,849,683</b> | <b>14,680,389,312</b> |
| <b>Capital / Shareholders' equity</b>                                                 |         |                       |                       |
| Paid- up capital                                                                      | 13.02   | 1,408,884,435         | 1,408,884,435         |
| Statutory Reserve                                                                     | 14      | 623,950,000           | 623,950,000           |
| Share premium                                                                         | 15      | 121,115,565           | 121,115,565           |
| General reserve                                                                       |         | 111,271,431           | 111,271,431           |
| Assets Revaluation reserve                                                            | 16      | 312,432,972           | 318,605,669           |
| Retained surplus                                                                      | 17 a    | (896,627,770)         | (73,390,930)          |
| Total equity attributable to the equity holders of the company                        |         | 1,681,026,633         | 2,510,436,169         |
| Non-Controlling Interest                                                              | 18      | 10,011                | 10,061                |
| <b>Total Liabilities and Shareholders' Equity</b>                                     |         | <b>15,236,886,327</b> | <b>17,190,835,542</b> |

# Bay Leasing & Investment Limited

## Off-Balance Sheet Items

As at 31 December 2022

| Particulars                                                            | Notes | Amount in Taka     |                      |
|------------------------------------------------------------------------|-------|--------------------|----------------------|
|                                                                        |       | 31-12-2022         | 31-12-2021           |
| Contingent Liabilities                                                 | 38    | 300,000,000        | 1,070,000,000        |
| Acceptances and endorsements                                           |       | -                  | -                    |
| Corporate guarantee                                                    |       | 300,000,000        | 1,070,000,000        |
| Irrevocable letters of credit                                          |       | -                  | -                    |
| Bills for collection                                                   |       | -                  | -                    |
| Other contingent liabilities                                           |       | -                  | -                    |
| 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 |       | -                  | -                    |
| <b>Total Off-Balance Sheet items including Contingent Liabilities</b>  |       | <b>300,000,000</b> | <b>1,070,000,000</b> |
| Net asset value per share                                              |       | 11.93              | 17.82                |

*The annexed notes 1 to 39 form an integral part of these financial statements.*



**Director**



**Director**



**Managing Director**



**Company Secretary**

*Signed in terms of our separate report of even date*



**Farhana Sultana FCA**

Partner

Enrollment No: 1619

DVC No: 2310011619AS249425

Dated: Dhaka- 01 October, 2023



# Bay Leasing & Investment Limited

## Consolidated Profit & Loss Account

For the year ended 31 December 2022

| Particulars                                         | Notes | Amount in Taka |                 |
|-----------------------------------------------------|-------|----------------|-----------------|
|                                                     |       | 31-12-2022     | 31-12-2021      |
| Interest Income                                     | 20 a  | 791,164,264    | 1,172,872,415   |
| Interest paid on Deposit, Borrowing etc.            | 21 a  | (870,264,877)  | (1,048,910,918) |
| Net Interest Income                                 |       | (79,100,613)   | 123,961,497     |
| Investment Income                                   | 22 a  | 303,291        | 421,064,686     |
| Commission, Exchange and Brokerage Income           | 23 a  | 68,602,059     | 81,526,847      |
| Other Operating Income                              | 24 a  | 15,863,457     | 17,891,991      |
| Total Operating Income                              |       | 5,668,194      | 644,445,021     |
| Salary and allowances                               | 25    | 73,204,078     | 72,692,133      |
| Rent, taxes, insurance, electricity, etc            | 26 a  | 12,231,058     | 10,245,666      |
| Legal expenses                                      |       | 1,724,639      | 1,240,793       |
| Postage, stamp, telecommunication, etc              | 27 a  | 1,453,302      | 1,094,748       |
| Stationery, Printing, advertisement, etc.           | 28 a  | 1,796,706      | 2,141,313       |
| Managing Director's salary and benefits             |       | 5,929,850      | 5,889,362       |
| Directors' fees                                     | 29    | 542,800        | 607,200         |
| Auditor's fees                                      | 30    | 606,500        | 317,750         |
| Charges on Loan Losses                              |       | -              | -               |
| Depreciation and repairs of assets                  | 31 a  | 34,559,444     | 37,061,081      |
| Other expenses                                      | 32 a  | 21,454,152     | 18,273,877      |
| Total operating expenses                            |       | 153,502,529    | 149,563,923     |
| Profit before provision                             |       | (147,834,335)  | 494,881,098     |
| Provision against lease, loans, advances            | 33 a  | 549,161,126    | 380,746,305     |
| Provision against diminution in value of Investment | 34 a  | 62,226,675     | 196,456,930     |
| Other Provision                                     |       | -              | -               |
| Total Provision                                     |       | 611,387,800    | 577,203,235     |
| Net Profit/(Loss) before taxes                      |       | (759,222,135)  | (82,322,137)    |
| Provision For Tax                                   | 35 a  | 69,244,034     | 56,851,332      |
| Net Profit/(Loss) after taxation                    |       | (828,466,169)  | (139,173,469)   |
| Net profit after tax attributable to:               |       |                |                 |
| Equity holders of the Company                       |       | (828,466,519)  | (139,173,502)   |
| Non Controlling Interest                            |       | 350            | 33              |
|                                                     |       | (828,466,169)  | (139,173,469)   |
| Appropriations                                      |       |                |                 |
| Statutory reserve                                   | 14    | -              | -               |
| General reserve                                     |       | -              | -               |
| Non-Controlling Interest                            |       | 350            | 33              |
| Retained Surplus                                    |       | (828,466,519)  | (139,173,502)   |
| Earning Per Share (EPS)                             | 36 a  | (5.88)         | (0.99)          |

*The annexed notes 1 to 39 form an integral part of these financial statements.*



Director



**Farhana Sultana FCA**  
Partner

Enrollment No: 1619

DVC No: 2310011619AS249425

Dated: Dhaka- 01 October, 2023



Director



Managing Director

*Signed in terms of our separate report of even date*



Company Secretary

# Bay Leasing & Investment Limited

## Consolidated Cash Flow Statement

### For the year ended 31 December 2022

| Particulars                                                                                 | Amount in Taka    |                   |
|---------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                             | 31-12-2022        | 31-12-2021        |
| A) Cash flows from operating activities                                                     |                   |                   |
| Interest receipts                                                                           | 1,850,468,059     | 1,659,990,025     |
| Interest payments                                                                           | (1,029,495,242)   | (1,100,378,292)   |
| Dividend receipts                                                                           | 147,042,999       | 40,648,290        |
| Fees and commission receipts                                                                | 2,095,000         | 1,601,875         |
| Payments to employees                                                                       | (59,436,228)      | (72,692,133)      |
| Payments to suppliers                                                                       | (77,916,069)      | (34,018,003)      |
| Receipts from other operating activities                                                    | 21,724,041        | 78,816,827        |
| Payments for other operating activities                                                     | (20,163,985)      | (4,367,999)       |
|                                                                                             |                   |                   |
| Cash generated from operating activities before changes in operating assets and liabilities | 834,318,575       | 569,600,590       |
|                                                                                             |                   |                   |
| Increase / decrease in operating assets and liabilities                                     |                   |                   |
| Other assets                                                                                | 79,221,877        | (80,193,073)      |
| Lease, loans and advances to customers                                                      | (4,215,315)       | (543,350,726)     |
| Margin Loan                                                                                 | 598,259,485       | (85,409,449)      |
| Margin Deposit                                                                              | (20,446,644)      | (76,079,717)      |
| Deposits from other banks, Institution & Individual                                         | (660,968,123)     | (199,114,566)     |
| Payment as Call Loan                                                                        | (218,270,000,000) | (209,580,000,000) |
| Receipt as Call Loan                                                                        | 218,050,000,000   | 209,935,000,000   |
| Other liabilities account of customers                                                      | (16,317,741)      | (8,842,317)       |
|                                                                                             | (244,466,461)     | (637,989,848)     |
| Net cash from operating activities                                                          | 589,852,114       | (68,389,258)      |
|                                                                                             |                   |                   |
| B) Cash flows from investing activities                                                     |                   |                   |
| Proceeds from sale of securities                                                            | 613,881,627       | 918,726,522       |
| Payments for purchases of securities                                                        | (14,208,404)      | (397,419,722)     |
| Proceeds from sale of Fixed Assets                                                          | 149,955           | 119,200           |
| Receive from BLI Capital against advance                                                    | -                 | 277,961,399       |
| Purchase of property, plant and equipment                                                   | (53,060,982)      | (24,015,319)      |
|                                                                                             |                   |                   |
| Net cash from investing activities                                                          | 546,762,196       | 775,372,080       |
|                                                                                             |                   |                   |
| C) Cash flows from financing activities                                                     |                   |                   |
| Receipts of long term loan                                                                  | 213,326,735       | (81,271,476)      |
| Net draw down/(payment) of short term loan                                                  | (1,221,452,701)   | (680,561,514)     |
| Dividend paid                                                                               | 8,579,458         | (150,365,542)     |
| Net Cash from financing activities                                                          | (999,546,508)     | (912,198,532)     |
|                                                                                             |                   |                   |
| D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)                        | 137,067,802       | (205,215,710)     |
| E) Effects of exchange rate changes on cash and cash equivalents                            | -                 | -                 |
| F) Cash and cash equivalents at beginning of the year                                       | 1,119,177,827     | 1,324,393,537     |
| G) Cash and cash equivalents at end of the year                                             | 1,256,245,630     | 1,119,177,827     |
|                                                                                             |                   |                   |
| Cash and cash equivalents at end of the year                                                |                   |                   |
| Cash in hand (including foreign currencies)                                                 | 82,495            | 146,561           |
| Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)          | 42,255,211        | 49,425,942        |
| Balance with banks and other financial institutions (notes 4 (b))                           | 1,213,907,924     | 1,069,605,324     |
|                                                                                             | 1,256,245,630     | 1,119,177,827     |





## Bay Leasing & Investment Limited

### Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

| Particulars                                                 | Paid-up capital |             | Share premium |             | Statutory reserve |               | General reserve |        | Assets Revaluation Reserve |      | Retained earnings |      | Total |      | Non-Controlling Interest |      | Total |       |
|-------------------------------------------------------------|-----------------|-------------|---------------|-------------|-------------------|---------------|-----------------|--------|----------------------------|------|-------------------|------|-------|------|--------------------------|------|-------|-------|
|                                                             | Taka            | Taka        | Taka          | Taka        | Taka              | Taka          | Taka            | Taka   | Taka                       | Taka | Taka              | Taka | Taka  | Taka | Taka                     | Taka | Taka  | Taka  |
| Balance as at January 01, 2022 (Note 39)                    | 1,408,884,435   | 121,115,565 | 623,950,000   | 111,271,431 | 318,605,669       | (73,390,930)  | 2,510,436,169   | 10,061 | 2,510,446,230              |      |                   |      |       |      |                          |      |       |       |
| Prior period error adjustment                               | -               | -           | -             | -           | -                 | (943,016)     | (943,016)       | -      | (943,016)                  |      |                   |      |       |      |                          |      |       |       |
| Restated balance as at January 01, 2021                     | 1,408,884,435   | 121,115,565 | 623,950,000   | 111,271,431 | 318,605,669       | (74,333,946)  | 2,509,493,153   | 10,061 | 2,509,503,214              |      |                   |      |       |      |                          |      |       |       |
| Surplus / deficit on account of revaluation of properties   | -               | -           | -             | -           | -                 | -             | -               | -      | -                          |      |                   |      |       |      |                          |      |       |       |
| Surplus / deficit on account of revaluation of investments  | -               | -           | -             | -           | -                 | -             | -               | -      | -                          |      |                   |      |       |      |                          |      |       |       |
| Transferred during the year (Note-2.36)                     | -               | -           | -             | -           | (6,172,697)       | 6,172,697     | -               | -      | -                          |      |                   |      |       |      |                          |      |       |       |
| Net gains and losses not recognized in the income statement | -               | -           | -             | -           | -                 | -             | -               | -      | -                          |      |                   |      |       |      |                          |      |       |       |
| Net profit after taxation for the year                      | -               | -           | -             | -           | -                 | (828,466,520) | (828,466,520)   | -      | (828,466,520)              |      |                   |      |       |      |                          |      |       |       |
| Share Premium                                               | -               | -           | -             | -           | -                 | -             | -               | -      | -                          |      |                   |      |       |      |                          |      |       |       |
| Transfer ( Sale Of Assets)                                  | -               | -           | -             | -           | -                 | -             | -               | -      | -                          |      |                   |      |       |      |                          |      |       |       |
| Dividends (Bonus shares)                                    | -               | -           | -             | -           | -                 | -             | -               | -      | -                          |      |                   |      |       |      |                          |      |       |       |
| Cash Dividend                                               | -               | -           | -             | -           | -                 | -             | -               | -      | (400)                      |      |                   |      |       |      |                          |      |       | (400) |
| Appropriation made during the year                          | -               | -           | -             | -           | -                 | -             | -               | -      | -                          |      |                   |      |       |      |                          |      |       |       |
| Balance as at December 31, 2022                             | 1,408,884,435   | 121,115,565 | 623,950,000   | 111,271,431 | 312,432,972       | (896,627,770) | 1,681,026,633   | 10,011 | 1,681,036,644              |      |                   |      |       |      |                          |      |       |       |
| Balance as at December 31, 2021                             | 1,408,884,435   | 121,115,565 | 623,950,000   | 111,271,431 | 318,605,669       | (73,390,930)  | 2,510,436,169   | 10,061 | 2,510,446,230              |      |                   |      |       |      |                          |      |       |       |

# Bay Leasing & Investment Limited

## Balance Sheet

### As at 31 December 2022

| Particulars                                                                           | Notes | Amount in Taka        |                       |
|---------------------------------------------------------------------------------------|-------|-----------------------|-----------------------|
|                                                                                       |       | 31-12-2022            | 31-12-2021            |
| <b>PROPERTY AND ASSETS</b>                                                            |       |                       |                       |
| Cash                                                                                  | 3.00  | 42,335,427            | 49,481,096            |
| In hand (including foreign currencies)                                                |       | 80,216                | 55,154                |
| Balance with Bangladesh Bank and its agent bank (s)<br>(including foreign currencies) |       | 42,255,211            | 49,425,942            |
| Balance with banks and other financial institutions                                   | 4.00  | 1,201,292,338         | 1,068,799,320         |
| In Bangladesh                                                                         |       | 1,201,292,338         | 1,068,799,320         |
| Outside Bangladesh                                                                    |       | -                     | -                     |
| Money at call and short notice                                                        | 5.00  | -                     | -                     |
| Investments                                                                           | 6.00  | 809,405,568           | 1,033,152,510         |
| Government                                                                            |       | -                     | -                     |
| Others                                                                                |       | 809,405,568           | 1,033,152,510         |
| Lease, loans and advances                                                             | 7.00  | 9,000,649,712         | 9,758,828,111         |
| Lease, loans and advances                                                             |       | 9,000,649,712         | 9,758,828,111         |
| Bills purchased and discounted                                                        |       | -                     | -                     |
| Fixed assets including premises, furniture and fixtures                               | 8.00  | 835,868,110           | 851,134,237           |
| Other assets                                                                          | 9.00  | 1,953,385,048         | 2,005,238,839         |
| Non - financial institutional assets                                                  |       | -                     | -                     |
| <b>Total Assets</b>                                                                   |       | <b>13,842,936,203</b> | <b>14,766,634,112</b> |
| <b>LIABILITIES AND CAPITAL</b>                                                        |       |                       |                       |
| Liabilities                                                                           |       |                       |                       |
| Borrowings from banks, other financial institutions and agents                        | 10.00 | 4,153,003,227         | 4,306,074,650         |
| Deposits and other accounts                                                           | 11.00 | 5,526,855,822         | 6,188,862,040         |
| Current Accounts & Other Accounts etc.                                                |       | -                     | -                     |
| Bills Payable                                                                         |       | -                     | -                     |
| Savings Bank Deposits                                                                 |       | -                     | -                     |
| Term Deposits                                                                         |       | 5,526,037,882         | 6,187,006,005         |
| Bearer Certificates of Deposits                                                       |       | -                     | -                     |
| Other Deposits                                                                        |       | 817,940               | 1,856,035             |
| Other liabilities                                                                     | 12.00 | 2,484,075,649         | 1,772,048,236         |
| <b>Total Liabilities</b>                                                              |       | <b>12,163,934,698</b> | <b>12,266,984,926</b> |
| Capital / Shareholders' equity                                                        |       |                       |                       |
| Paid- up capital                                                                      | 13.02 | 1,408,884,435         | 1,408,884,435         |
| Statutory reserve                                                                     | 14.00 | 623,950,000           | 623,950,000           |
| Share premium                                                                         | 15.00 | 121,115,565           | 121,115,565           |
| General reserve                                                                       |       | 111,271,431           | 111,271,431           |
| Assets Revaluation reserve                                                            | 16.00 | 312,432,972           | 318,605,669           |
| Retained surplus                                                                      | 17.00 | (898,652,898)         | (84,177,913)          |
|                                                                                       |       | 1,679,001,505         | 2,499,649,186         |
| <b>Total Liabilities and Shareholders' Equity</b>                                     |       | <b>13,842,936,203</b> | <b>14,766,634,112</b> |



**Bay Leasing & Investment Limited**  
**Off-Balance Sheet Items**  
As at 31 December 2022

| Particulars                                                            | Notes | Amount in Taka |               |
|------------------------------------------------------------------------|-------|----------------|---------------|
|                                                                        |       | 31-12-2022     | 31-12-2021    |
| Contingent Liabilities                                                 | 38.00 | 300,000,000    | 1,070,000,000 |
| Acceptances and endorsements                                           |       | -              | -             |
| Letters of guarantee                                                   |       | 300,000,000    | 1,070,000,000 |
| Irrevocable letters of credit                                          |       | -              | -             |
| Bills for collection                                                   |       | -              | -             |
| Other contingent liabilities                                           |       | -              | -             |
| 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 |       | -              | -             |
| Total Off-Balance Sheet items including contingent liabilities         |       | 300,000,000    | 1,070,000,000 |
| Net asset value per share                                              |       | 11.92          | 17.74         |

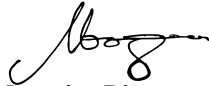
*The annexed notes 1 to 39 form an integral part of these financial statements.*



Director



Director



Managing Director



Company Secretary

Signed in terms of our separate report of even date



**Farhana Sultana FCA**

Partner

Enrollment No: 1619

DVC No: 2310011619AS249425

Dated: Dhaka- 01 October, 2023



**Bay Leasing & Investment Limited**  
**Profit & Loss Account**  
For the year ended 31 December 2022

| Particulars                                         | Notes | Amount in Taka |               |
|-----------------------------------------------------|-------|----------------|---------------|
|                                                     |       | 31-12-2022     | 31-12-2021    |
| Interest Income                                     | 20    | 554,072,451    | 1,000,148,568 |
| Interest paid on Deposit, Borrowing etc.            | 21    | (725,901,489)  | (804,649,316) |
| Net Interest Income                                 |       | (171,829,038)  | 195,499,252   |
| Investment Income                                   | 22    | 72,870,674     | 376,663,327   |
| Commission, Exchange and Brokerage Income           | 23    | 9,250,000      | 1,601,875     |
| Other Operating Income                              | 24    | 9,184,315      | 12,104,391    |
| Total Operating Income                              |       | (80,524,049)   | 585,868,845   |
| Salary and allowances                               | 25    | 53,506,378     | 55,306,753    |
| Rent, taxes, insurance, electricity, etc            | 26    | 4,342,250      | 4,147,181     |
| Legal & Professional fees                           |       | 504,287        | 559,475       |
| Postage, stamp, telecommunication, etc              | 27    | 689,151        | 646,095       |
| Stationery, Printing, advertisement, etc.           | 28    | 1,632,635      | 1,666,626     |
| Managing Director's salary and benefits             |       | 5,929,850      | 5,889,362     |
| Directors' fees                                     | 29    | 542,800        | 607,200       |
| Auditor's fees                                      | 30    | 356,500        | 254,500       |
| Charges on Loan Losses                              |       | -              | -             |
| Depreciation and repairs of assets                  | 31    | 17,982,128     | 19,519,246    |
| Other expenses                                      | 32    | 9,805,663      | 11,875,495    |
| Total operating expenses                            |       | 95,291,642     | 100,471,933   |
| Profit before provision                             |       | (175,815,691)  | 485,396,912   |
| Provision against lease, loans, advances            | 33    | 549,161,126    | 380,746,305   |
| Provision against diminution in value of Investment | 34    | 62,226,675     | 196,456,930   |
| Other Provision                                     |       | -              | -             |
| Total Provision                                     |       | 611,387,800    | 577,203,235   |
| Net Profit/(Loss) before taxes                      |       | (787,203,491)  | (91,806,323)  |
| Provision For Tax                                   | 35    | 32,501,175     | 53,294,762    |
| Net Profit/(Loss) after taxation                    |       | (819,704,666)  | (145,101,085) |
| Appropriations                                      |       |                |               |
| Statutory reserve                                   | 14    | -              | -             |
| General reserve                                     |       | -              | -             |
| Dividends                                           |       | -              | -             |
| Retained Surplus                                    |       | (819,704,666)  | (145,101,085) |
| Earning Per Share (EPS)                             | 36    | (5.82)         | (1.03)        |



Director



Director



Managing Director



Company Secretary



**Farhana Sultana** FCA  
Partner

Enrollment No: 1619

DVC No: 2310011619AS249425

Dated: Dhaka- 01 October, 2023



# Bay Leasing & Investment Limited

## Cash Flow Statement

### For the year ended 31 December 2022

| Particulars                                                                                 | Amount in Taka    |                   |
|---------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                             | 31-12-2022        | 31-12-2021        |
| A) Cash flows from operating activities                                                     |                   |                   |
| Interest receipts                                                                           | 1,476,285,430     | 1,380,815,409     |
| Interest payments                                                                           | (795,521,354)     | (812,282,561)     |
| Dividend receipts                                                                           | 147,042,999       | 40,648,290        |
| Fees and commission receipts                                                                | 2,095,000         | 1,601,875         |
| Payments to employees                                                                       | (59,436,228)      | (61,196,115)      |
| Payments to suppliers                                                                       | (1,632,635)       | (1,666,626)       |
| Receipts from other operating activities                                                    | 5,740,939         | 11,319,536        |
| Payments for other operating activities                                                     | (19,495,502)      | (16,066,115)      |
| Cash generated from operating activities before changes in operating assets and liabilities | 755,078,649       | 543,173,693       |
| Increase / decrease in operating assets and liabilities                                     |                   |                   |
| Other assets                                                                                | 22,864,536        | (93,654,516)      |
| Lease, loans and advances to customers                                                      | (4,215,315)       | (543,350,726)     |
| Deposits from other banks / borrowings                                                      | (660,968,123)     | (199,114,566)     |
| Payment as Call Loan                                                                        | (218,270,000,000) | (209,580,000,000) |
| Receipt as Call Loan                                                                        | 218,050,000,000   | 209,935,000,000   |
| Other liabilities account of customers                                                      | (23,326,005)      | 1,669,643         |
|                                                                                             | (885,644,907)     | (479,450,165)     |
| Net cash flows from operating activities                                                    | (130,566,258)     | 63,723,528        |
| B) Cash flows from investing activities                                                     |                   |                   |
| Proceeds from sale of securities                                                            | 163,783,021       | 870,163,501       |
| Payments for purchases of securities                                                        | (14,208,404)      | (397,419,722)     |
| Proceeds from sale of Fixed Assets                                                          | 149,955           | 119,200           |
| Purchase of property, plant and equipment                                                   | (4,319,000)       | (21,346,466)      |
| Receive from BLI Capital against advance                                                    | -                 | 277,961,399       |
| Net cash from investing activities                                                          | 145,405,572       | 729,477,912       |
| C) Cash flows from financing activities                                                     |                   |                   |
| Movement of long term loan                                                                  | 213,326,735       | (81,271,476)      |
| Movement of Overdraft                                                                       | (111,398,158)     | (749,068,930)     |
| Dividend paid                                                                               | 8,579,458         | (150,365,542)     |
| Net Cash from financing activities                                                          | 110,508,035       | (980,705,948)     |
| D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)                        | 125,347,349       | (187,504,508)     |
| E) Effects of exchange rate changes on cash and cash equivalents                            | -                 | -                 |
| F) Cash and cash equivalents at beginning of the year                                       | 1,118,280,416     | 1,305,784,924     |
| G) Cash and cash equivalents at end of the year                                             | 1,243,627,765     | 1,118,280,416     |
| Cash and cash equivalents at end of the year:                                               |                   |                   |
| Cash in hand (including foreign currencies)                                                 | 80,216            | 55,154            |
| Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)          | 42,255,211        | 49,425,942        |
| Balance with banks and other financial institutions (notes 4 (b))                           | 1,201,292,338     | 1,068,799,320     |
| Total                                                                                       | 1,243,627,765     | 1,118,280,416     |



# Bay Leasing & Investment Limited

## Statement of Changes in Equity

For the year ended 31 December 2022

| Particulars                                                 | Paid-up capital | Share premium | Statutory reserve | General reserve | Assets Revaluation Reserve | Retained earnings | Total         |
|-------------------------------------------------------------|-----------------|---------------|-------------------|-----------------|----------------------------|-------------------|---------------|
|                                                             | Taka            | Taka          | Taka              | Taka            | Taka                       | Taka              | Taka          |
| Balance as at January 01, 2022                              | 1,408,884,435   | 121,115,565   | 623,950,000       | 111,271,431     | 318,605,669                | (84,177,913)      | 2,499,649,187 |
| Prior period error adjustment                               | -               | -             | -                 | -               | -                          | (943,016)         | (943,016)     |
| Restated balance at January 01, 2022                        | 1,408,884,435   | 121,115,565   | 623,950,000       | 111,271,431     | 318,605,669                | (85,120,929)      | 2,498,706,171 |
| Surplus / deficit on account of revaluation of properties   | -               | -             | -                 | -               | -                          | -                 | -             |
| Surplus / deficit on account of revaluation of investments  | -               | -             | -                 | -               | -                          | -                 | -             |
| Prior period adjustment (Note- 2.36)                        | -               | -             | -                 | -               | (6,172,697)                | 6,172,697         | -             |
| Net gains and losses not recognized in the income statement | -               | -             | -                 | -               | -                          | -                 | -             |
| Net profit after taxation for the year                      | -               | -             | -                 | -               | -                          | (819,704,666)     | (819,704,666) |
| Bonus Share                                                 | -               | -             | -                 | -               | -                          | -                 | -             |
| Cash Dividend                                               | -               | -             | -                 | -               | -                          | -                 | -             |
| Appropriation made during the year                          | -               | -             | -                 | -               | -                          | -                 | -             |
| Balance as at December 31, 2022                             | 1,408,884,435   | 121,115,565   | 623,950,000       | 111,271,431     | 312,432,973                | (898,652,898)     | 1,679,001,505 |
| Balance as at December 31, 2021                             | 1,408,884,435   | 121,115,565   | 623,950,000       | 111,271,431     | 318,605,669                | (84,177,913)      | 2,499,649,186 |





# Bay Leasing & Investment Limited

## Liquidity Statement

### (Analysis of Maturity of Assets & Liabilities)

For the year ended 31 December 2022

(Amount in BDT)

| Particulars                                                    | Up to 1 month      | 1-3 months           | 3-12 months          | 1-5 years            | Above 5 years        | Total                 |
|----------------------------------------------------------------|--------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>Assets:</b>                                                 |                    |                      |                      |                      |                      |                       |
| Cash in hand                                                   | 80,216             | -                    | -                    | -                    | -                    | 80,216                |
| Balance with Bangladesh Bank and its agent                     | 42,255,211         | -                    | -                    | -                    | -                    | 42,255,211            |
| Balance with banks and other financial institutions            | 63,545,212         | 15,245,322           | 1,122,501,804        | -                    | -                    | 1,201,292,338         |
| Money at call and short notice                                 | -                  | -                    | -                    | -                    | -                    | -                     |
| Investments                                                    | 49,267,100         | 172,105,603          | 189,842,946          | 130,672,439          | 267,517,480          | 809,405,568           |
| Leases, loans and advances                                     | 280,645,905        | 869,070,100          | 3,028,162,300        | 4,417,260,866        | 405,510,541          | 9,000,649,712         |
| Fixed assets including premises, furniture and fixtures        | -                  | -                    | -                    | -                    | 835,868,110          | 835,868,110           |
| Other assets                                                   | -                  | -                    | 275,632,108          | 829,632,434          | 848,120,506          | 1,953,385,048         |
| Non banking assets                                             | -                  | -                    | -                    | -                    | -                    | -                     |
| <b>Total assets (A):</b>                                       | <b>435,793,644</b> | <b>1,056,421,025</b> | <b>4,616,139,158</b> | <b>5,377,565,739</b> | <b>2,357,016,637</b> | <b>13,842,936,203</b> |
| <b>Liabilities:</b>                                            |                    |                      |                      |                      |                      |                       |
| Borrowings from banks, other financial institutions and agents | 91,263,334         | 274,972,462          | 809,473,194          | 2,000,904,512        | 976,389,725          | 4,153,003,227         |
| Deposits & Other Accounts                                      | 298,632,438        | 730,984,122          | 2,459,387,144        | 1,747,199,618        | 290,652,500          | 5,526,855,822         |
| Provision and other liabilities                                | 15,013,428         | 42,832,439           | 170,942,847          | 418,762,341          | 1,836,524,594        | 2,484,075,649         |
| <b>Total liabilities (B):</b>                                  | <b>404,909,200</b> | <b>1,048,789,023</b> | <b>3,439,803,185</b> | <b>4,166,866,471</b> | <b>3,103,566,819</b> | <b>12,163,934,698</b> |
| <b>Net liquidity gap (A - B):</b>                              | <b>30,884,444</b>  | <b>7,632,002</b>     | <b>1,176,335,973</b> | <b>1,210,699,268</b> | <b>(746,550,182)</b> | <b>1,679,001,505</b>  |

# Independent Auditor's Report

## Notes to the Financial Statements

as at and for the year ended 31 December 2022

### 1. Company and its activities

#### 1.1 Legal status and nature of the Company

Bay Leasing & Investment Limited, a Public Limited Company was incorporated in Bangladesh on 7th February 1996 under the Companies Act 1994 and Bangladesh Bank granted license to the Company on 25-05-1996 to function as a Non-Banking Financial Institution under the Financial Institutions Act 1993 and the Financial Institutions Regulation of 1994.

The Company also registered itself as a Merchant Bank with the Securities & Exchange Commission on June 25, 1998.

The registered office of the Company is located at Eunoos Trade Centre, Level-18. 52-53 Dilkusha C/A, Motijheel C/A, Dhaka-1000.

#### 1.2 Principal activities and nature of operation

The Company extends lease financing as its core business for all types of machinery and equipment including vehicles for industrial, commercial and private purposes. It has also expanded its activities into term finance, housing finance etc.

#### 1.3 Subsidiary Company

BLI Capital Limited a subsidiary company of The Bay Leasing & Investment Limited Originally being incorporated as a Public Limited Company on 13<sup>th</sup> day of March 2011 under the Companies Act 1994. Registered office of the company is situated at Rupayan Trade Center, 10<sup>th</sup> Floor 114, Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000.

#### 1.4 Associate Company

Bay Leasing & Investment Limited has two Associate Companies namely Lucky Feed Limited and BLI Securities Limited as on 31-12-2022.

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

#### 2.1 Statement of compliance

a) The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act, 1994 and other applicable laws and regulations. The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets of Bangladesh Bank.

b) Other regulatory compliance

c) As required BLI Capital Limited also complies with the applicable provisions of the following major laws/ statutes:

-Securities and Exchange Rules, 1987;

-Securities and Exchange Commission Act, 1993;

-Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized Representatives) Rules, 2000;

-Income Tax Ordinance, 2023;

-Income Tax Rules, 2023;

-Negotiable Instruments Act, 1881; and

Other applicable laws and regulations.



## 2.2 Basis of measurement

This financial statement has been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRS). The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year (except IFRS 16: Lease, See Note- 8, 9,12,21,26 & 31).

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

**2.3.1** 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. As such the Company measures and recognizes investment in quoted and unquoted shares at cost if the year-end market value for quoted shares and book value for unquoted shares including investment in associate are higher than the cost. However as per requirements of IAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively. But as per IAS 28 investment in associate need to be accounted for using equity method.

**2.3.2** As per FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03 dated 29 April 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However, such general provision cannot satisfy the conditions of provision as per IAS 39.

**2.3.3** Bangladesh Bank has issued templates for financial statements which shall strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank differ from IAS 1: Presentation of Financial Statements so long the templates do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to be included in the Single Comprehensive Income (SCI) Statement. As such the company does not prepare the other comprehensive income statement. However, the company does not have any elements of OCI to be presented.

## 2.4 Accounting policy for IFRS 16: Leases

BLIL has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 as Operating Lease.

Policy applicable from 1 January 2019

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

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- BLIL has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and



- BLIL has the right to direct the use of the asset. BLIL has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, BLIL has the right to direct the use of the asset if either:
  - (i) BLIL has the right to operate the asset; or
  - (ii) BLIL designed the asset in a way that predetermines how and for what purpose it will be used.

The policy is applied to contracts entered into, or changed, on or after 01 January 2019.

BLIL as a lessee

BLIL 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 re-measurements 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, and BLIL's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in BLIL's estimate of the amount expected to be payable under a residual value guarantee, or if BLIL changes its assessment of whether it will exercise purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero.

BLIL presents right of use assets in Annexure-A and lease liabilities in note-12.0 separately.

BLIL as a lessor

When BLIL acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, BLIL 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, BLIL 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, BLIL applies IFRS 15 to allocate the consideration in the contract. BLIL recognizes lease payments received under operating leases as income over the lease term.

## **2.5 Directors' responsibility statement**

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

### **2.5.1 Date of authorization**

The Board of directors has authorized these financial statements on 26<sup>th</sup> September 2023 in the 202<sup>nd</sup> Board of Directors meeting.

## **2.6 Presentation and functional currency and level of precision**

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest BDT.



## 2.7 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. The most critical estimates and judgments are applied to the following:

- Provision for impairment of loans, leases and investments
- Gratuity
- Useful life of depreciable assets

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised. In accordance with the guidelines as prescribed by IAS 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

### Provisions:

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

### Contingent Liability:

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

### Contingent Assets:

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are never recognized; rather they are disclosed in the financial statements when they arise.

## 2.8 Basis of consolidation of operations of subsidiaries

The financial statements of the Company and its subsidiaries have been consolidated in accordance with International Financial Reporting Standard 10 “Consolidated Financial Statements”. The consolidation of the financial statement has been made after eliminating all material inter-company balances, income and expenses arising from inter-company transactions. The total profits of the Company and its subsidiary are shown in the consolidated profit and loss account with the proportion of profit after taxation pertaining to non-controlling shareholders being deducted as ‘Non-controlling Interest’. All assets and liabilities of the Company and of its subsidiary are shown in the consolidated balance sheet. The interest of non-controlling shareholders of the subsidiary are shown separately in the consolidated balance sheet under the heading ‘Non-controlling Interest’.

## 2.9 Accounting for leases

The Company has been following Finance Method of accounting for lease transactions as per IAS-17. In accordance with the said standard, the aggregate lease receivable including un-guaranteed residual value are recorded as gross lease receivable while



the excess of gross lease receivable over the total acquisition cost, including interest thereon for acquiring the lease equipment, constitutes the unearned lease income being usually amortized to revenue on a monthly basis over the lease term yielding a constant rate of return over the period.

## 2.10 Reporting period:

The reporting period of the company cover one calendar year from 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022.

## 2.11 Accounting for direct finance

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

## 2.12 Property, Plant and Equipment

Recognition and measurement

Owned assets

Items of own property and equipments are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per International Accounting Standard (IAS) 16 ‘‘Property, Plant and Equipment’s’’.

## 2.13 Subsequent expenditure on property and equipment

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

## 2.14 Depreciation

Depreciation is charged to amortize the cost of assets, over their estimated useful lives, using the reducing balance method in accordance with IAS-16 ‘‘Property, Plant and Equipment’’. Full depreciation is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged from the month of disposal. Asset category wise depreciation rates are as follows:

| Particulars            | Rates  |
|------------------------|--------|
| Furniture and fixtures | 10.00% |
| Building               | 2.50%  |
| Electrical Goods       | 20.00% |
| Office equipment       | 15.00% |
| Office decoration      | 20.00% |
| Motor vehicles         | 20.00% |

The difference between the sale proceeds and the carrying amount of an asset is recognized in the profit and loss account as gain or loss on disposal or retirement of an asset.



## 2.15 Revenue recognition

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 customer(s);
- 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;
- 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.

Revenue is recognized only when it is measurable and probable that the economic benefits associated with the transaction will follow to the company and in accordance with per IFRS 15: “Revenue from Contracts with Customers” unless otherwise mentioned or otherwise guided by the separate IAS/IFRS. Interest income from loans and other sources is recognized on an accrual basis of accounting.

Dividend income and profit or loss on sale of securities:

Dividend is recognized as income when the right to receive income is established whereas profit or loss arising from the sale of securities is accounted for only when the securities are sold/disposed off.

## 2.16 Accounts receivable

Accounts receivable at the balance sheet date is stated at amounts which are considered realizable. Specific allowance is made for receivable considered to be doubtful for recovery.

## 2.17 Borrowing cost

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”.

## 2.18 Cash flow statements

The cash flow statement is prepared using the direct method as stipulated in International Accounting Standard (IAS) 7 “Cash Flow Statements” as prescribed by DFIM circular no. 11 dated December 23, 2009.

## 2.19 Conversion of foreign currency transactions

Foreign currency transactions are translated into Taka at rates prevailing at the respective dates of transactions, while foreign currency monetary assets at the end of the year are reported at the rates prevailing on the balance sheet date. Exchange gains or losses arising out of the said conversions are recognized as income or expense for the year after netting off as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

## 2.20 Investment in securities

Investment in marketable ordinary shares has been shown at cost. As per DFIM Circular No-02 dated 31-01-2012 provision against loss on investment in Securities Market may be made by netting off gain & loss. As such Bay Leasing & Investment Calculated the provision requirement as per the circular DFIM circular/02, date 31-01-2012 published by Bangladesh Bank. Investment in non-marketable shares has been valued at cost.



### 2.21 Write off.

Write-off describes a reduction in recognized value. It refers to recognition of the reduced or zero value of an asset. Generally, it refers to an investment for which a return on the investment is now impossible or unlikely. The items recognize value is thus canceled and removed from (“written off”) the Company’s balance sheet. Recovery against debts written off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against or are considered recoverable.

### 2.22 Employees benefit obligation.

Bay Leasing & Investment Limited offers a number of benefit plans which includes contributory provident fund, gratuity plan, Group Insurance & Employees Real Estate/Home Loan as per IAS 19: Employee Benefits.

### 2.23 Contributory Provident Fund

The company operates a contributory provident fund for its permanent employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustee and is funded by equal contribution from the company and the employees. This fund is invested separately from the company’s assets. Provident Funds are invested in Fixed Deposit with other Banks and to the Government Sanchaypatra. Interest earned from the investments is credited to the members’ account on yearly basis.

### 2.24 Gratuity Scheme

Bay Leasing & Investment Limited has a funded gratuity for the qualifying officers and staff member on the retirement from the service of the company at the following rates:

|      |                                                     |   |                                                                         |
|------|-----------------------------------------------------|---|-------------------------------------------------------------------------|
| i)   | Those who have put in 1-7 years of service          | - | One Basic pay (last basic pay) for each year of service.                |
| ii)  | Those who have put in 8-15 years of service         | - | One and half basic pay (last basic pay drawn) for each year of service. |
| iii) | Those who have put in service of 16 years and above | - | Two basic pay (last basic pay drawn) for each year of service.          |

#### Other Benefits obligation

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

The Company also has home /real estate loans for its permanent employees.

### 2.25 Taxation

Tax expense comprises current and deferred tax.

### 2.26 Deferred tax

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12 “Income Taxes”. Deferred tax is provided using the balance sheet method for all temporary timing differences arising between the tax base (as per assessment) of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the balance sheet date is used to determine deferred tax.



### 2.27 Current Tax

Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provision of Income Tax Ordinance, 2023 and amendments made thereto from time to time.

### 2.28 Cash and cash Equivalents

This represents cash in hand and cash at bank, the details of which is given in the note No.3.

### 2.29 Statutory Reserve:

This represents 20% of Profit before tax set aside in compliance with Clause 6 of the Financial Institutions Regulation, 1994.

### 2.30 Provision for doubtful leases and loan:

The provision has been made at an estimated rate of outstanding exposures based on rental receivable on Lease and Installment Receivable on Loan against Receivable as per Department of Financial Institutions and Markets (DFIM) Circular-08 dated 03-08-2002 of Bangladesh Bank. The Provision is considered adequate to meet probable losses.

### 2.31 Earning per share (EPS)

The Company calculates earnings per share in accordance with “International Accounting Standards (IAS) 33 “Earnings per Share” which has been shown in the face of the Profit and Loss Account and the computation is stated in note 37.

### 2.32 Related party disclosure

As per International Accounting Standards (IAS) 24 “Related Party Disclosures”, parties are considered to be related if one of the parties 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 basis at commercial rates with its related parties. Related party disclosures have been given in note 38.

### 2.33 Events after the Reporting Period (IAS-10)

Recommended:

Proposed Dividend:

The Board of Directors, in its 202<sup>nd</sup> meeting, held on September 26, 2023 has recommended no dividend for the year 2022. The above is subject to approval of regulatory authorities and shareholders in the 27<sup>th</sup> Annual General Meeting, scheduled to be held on November 30, 2023.

### 2.34 Compliance of International Financial Reporting Standards (IFRS)

| SL. no | Name of IAS/IFRS                                                       | Status              |
|--------|------------------------------------------------------------------------|---------------------|
| 01     | IAS 1: Presentation of Financial Statements                            | *Partially Departed |
| 02     | IAS 2: Inventories                                                     | Not Applicable      |
| 03     | IAS 7: Statements of Cash Flows                                        | *Partially Departed |
| 04     | IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors | Complied            |
| 05     | IAS 10: Events after the Reporting Period                              | Complied            |
| 06     | IAS 11: Construction Contracts                                         | Not Applicable      |
| 07     | IAS 12: Income Taxes                                                   | *Partially Departed |
| 08     | IAS 16: Property, Plant and Equipment’s                                | Complied            |
| 09     | IAS 17: Leases                                                         | Complied            |
| 10     | IAS 19: Employee Benefits                                              | Complied            |



|                                                                                                                                                                                                                  |                                                                            |                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------|
| 11                                                                                                                                                                                                               | IAS 20: Accounting for Govt. Grants and disclosures of Govt. Assistances   | Not Applicable      |
| 12                                                                                                                                                                                                               | IAS 21: The Effects of Changes in Foreign Exchange Rates                   | Complied            |
| 13                                                                                                                                                                                                               | IAS 23: Borrowing Costs                                                    | Complied            |
| 14                                                                                                                                                                                                               | IAS 24: Related Party Disclosures                                          | Complied            |
| 15                                                                                                                                                                                                               | IAS 26: Accounting and Reporting by Retirement Benefit Plan                | Not Applicable      |
| 16                                                                                                                                                                                                               | IAS 27: Separate Financial Statements                                      | Complied            |
| 17                                                                                                                                                                                                               | IAS 28: Investments in Associates                                          | *Partially Departed |
| 18                                                                                                                                                                                                               | IAS 32: Financial Instruments: Presentation                                | *Partially Departed |
| 19                                                                                                                                                                                                               | IAS 33: Earnings Per Share                                                 | Complied            |
| 20                                                                                                                                                                                                               | IAS 34: Interim Financial Reporting                                        | Complied            |
| 21                                                                                                                                                                                                               | IAS 36: Impairment of Assets                                               | Complied            |
| 22                                                                                                                                                                                                               | IAS 37: Provisions, Contingent Liabilities and Contingent Assets           | Complied            |
| 23                                                                                                                                                                                                               | IAS 38: Intangible Assets                                                  | Not Applicable      |
| 24                                                                                                                                                                                                               | IAS 39: Financial Instrument: Recognition and Measurement                  | *Partially Departed |
| 25                                                                                                                                                                                                               | IAS 40: Investment Property                                                | Not Applicable      |
| 26                                                                                                                                                                                                               | IAS 41: Agriculture                                                        | Not Applicable      |
| 27                                                                                                                                                                                                               | IFRS 1: First-time adoption of International financial Reporting Standards | Not Applicable      |
| 28                                                                                                                                                                                                               | IFRS 2: Share-based Payment                                                | Not Applicable      |
| 29                                                                                                                                                                                                               | IFRS 3: Business Combinations                                              | Not Applicable      |
| 30                                                                                                                                                                                                               | IFRS 4: Insurance Contracts                                                | Not Applicable      |
| 31                                                                                                                                                                                                               | IFRS 5: Non-current Assets Held for Sale and Discontinued Operations       | Not Applicable      |
| 32                                                                                                                                                                                                               | IFRS 6: Exploration for and Evaluation of Mineral Resources                | Not Applicable      |
| 33                                                                                                                                                                                                               | IFRS 7: Financial Instruments: Disclosures                                 | Not Applicable      |
| 34                                                                                                                                                                                                               | IFRS 8: Operating Segments                                                 | Complied            |
| 35                                                                                                                                                                                                               | IFRS 10: Consolidated Financial Statements                                 | Complied            |
| 36                                                                                                                                                                                                               | IFRS 11: Joint Arrangements                                                | Not Applicable      |
| 37                                                                                                                                                                                                               | IFRS 12: Disclosure of Interests in Other Entities                         | Complied            |
| 38                                                                                                                                                                                                               | IFRS 13: Fair Value Measurement                                            | Complied            |
| 39                                                                                                                                                                                                               | IFRS 15: Revenue from Contracts with Customers                             | Complied            |
| 40                                                                                                                                                                                                               | IFRS 16: Leases                                                            | Complied            |
| *Partially Departed standards are those requirements of which are different from those of Bangladesh Bank. Note – 1 contains details about such departure from IFRS requirements to comply with Bangladesh Bank. |                                                                            |                     |

### 2.35 Components of the financial statements

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

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

### 2.36 Financial risk management

Bay Leasing & Investment Ltd. always concentrates on delivering high value to its stakeholders through appropriate trade off between risk and return. A well structured and proactive risk management system is in place within the Company to address risks relating to credit, market, liquidity and operations. In addition to the industry best practices for assessing, identifying and



measuring risks, Bay Leasing & Investment Ltd. also considers guidelines for managing core risks of financial instructions issued by the Country's Central Bank, Bangladesh Bank, vide FID Circular No. 10 dated September 18, 2005 for management of risks.

#### **Credit risk**

To encounter and mitigate credit risk the company employed multilayer approval process, policy for maximum sector and group exposure limit, policy for customers maximum asset exposure limit, mandatory search for credit report from Credit Information Bureau, 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 Team, strong follow up of compliance of credit policies by Operational Risk Management Department, taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, regular review of market situation and industry exposure etc. The Credit Evaluation Committee (CEC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks.

#### **Market risk**

The Asset Liability Committee (ALCO) of the Company regularly meets to assess the changes in interest rate, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk. Bay Leasing & Investment Ltd. has also strong access to money market and credit lines at a competitive rate through good reputation, strong earnings, financial strength and credit rating.

#### **Liquidity Risk**

Liquidity requirements are managed on a day-to-day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario, and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements anticipated funding requirements from operation, current liquidity position, collections from financing, available sources of funds and risks and returns.

#### **Operational Risk**

Appropriate internal control measures are in place, Bay Leasing & Investment Ltd, to address operational risks. BLIL has also established an internal control and compliance department (ICCD) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk. The function of ICCD is to constant vigilance against leakage of Shareholders value by identify, assess, measure, manage and transfer operational risk resulting from inadequate or failed internal processes, people and system or from external events.

#### **2.37 Others:**

- a) There is no claim against the company, which has not been acknowledged as debt in the Balance sheet.
- b) There exist no commitments except those already entered into agreement and are in the process of execution.
- c) There was no contingent liability as on 31-12-2022 except which are disclosed in note- 39 of financial statements.
- d) The figures appearing in these accounts have been rounded off to the nearest taka.
- e) Figures of the previous year have been rearranged, wherever considered necessary to conform to current year's presentation.
- f) The number of employees (61 nos.) engaged for the whole year or Part.



| Note        | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 31-12-2022  | 31-12-2021  |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| <b>3.00</b> | <b>Cash :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |             |
|             | Cash in hand                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 80,216      | 55,154      |
|             | Balance with Bangladesh Bank and its agent bank(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 42,255,211  | 49,425,942  |
|             | Total:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 42,335,427  | 49,481,096  |
| <b>3.01</b> | <b>Cash in hand:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |             |             |
|             | The above balance is made up as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |             |
|             | In local currency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 80,216      | 55,154      |
|             | In foreign currency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | -           | -           |
|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 80,216      | 55,154      |
| <b>3 a)</b> | <b>Consolidated Cash in Hand</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |             |             |
|             | Bay Leasing & Investment Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 80,216      | 55,154      |
|             | BLI Capital Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2,279       | 91,407      |
|             | Total:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 82,495      | 146,561     |
| <b>3.02</b> | <b>Balance with Bangladesh Bank and its agent bank(s):</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |             |
|             | The above balance is made up as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |             |
|             | In local currency with Bangladesh Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 42,255,211  | 49,425,942  |
|             | In foreign currency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | -           | -           |
|             | Total:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 42,255,211  | 49,425,942  |
| <b>3.03</b> | <b>Statutory Deposits:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |             |
|             | Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |             |             |
|             | Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 19 of the Financial Institutions Act 1993, rule 5 of the Financial Institutions Rules 1994 and DFIM circular no. 03 dated June 21, 2020.                                                                                                                                                                                                                                                                                                                                                                                                                                               |             |             |
|             | The cash reserve requirement (CRR) has been calculated at the rate of 1.5% on the Company's time deposits which is preserved in current account maintained with Bangladesh Bank. Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5% on total liabilities, including CRR and has been maintained in the form of balance with bank's and other Financial Institutions, call money deposit etc. Total Time Deposits means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except Banks and FI's). Both the reserves maintained by the Company are in excess of the statutory requirements, as shown below: |             |             |
| a)          | Cash Reserve Requirement:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |             |
|             | Required reserve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 32,665,540  | 43,320,965  |
|             | Actual reserve maintained                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 42,255,211  | 49,425,942  |
|             | Surplus/(deficit)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 9,589,671   | 6,104,977   |
| b)          | Statutory Liquidity Reserve:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |             |
|             | Required reserve (including CRR)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 171,353,736 | 154,322,933 |
|             | Actual reserve maintained including CRR (note-3.04)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 266,739,949 | 353,244,260 |
|             | Surplus/(deficit)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 95,386,212  | 198,921,327 |



| Note        | Particulars                                                 | 31-12-2022    | 31-12-2021    |
|-------------|-------------------------------------------------------------|---------------|---------------|
| <b>3.04</b> | <b>Actual reserve maintained (including CRR):</b>           |               |               |
|             | The above balance is made up as follows:                    |               |               |
|             | Cash in hand                                                | 80,216        | 55,154        |
|             | Balance with Bangladesh Bank and its agent bank(s)          | 42,255,211    | 49,425,942    |
|             | Balance with banks and other financial institutions         | 303,763,164   | 303,763,164   |
|             | Total:                                                      | 346,098,591   | 353,244,260   |
| <b>4.00</b> | <b>Balance with banks and other financial institutions:</b> |               |               |
|             | The above balance is made up as follows:                    |               |               |
|             | In Bangladesh (4.01)                                        | 1,201,292,338 | 1,068,799,320 |
|             | Outside Bangladesh                                          | -             | -             |
|             | Total:                                                      | 1,201,292,338 | 1,068,799,320 |
| <b>4.01</b> | <b>In Bangladesh:</b>                                       |               |               |
|             | Current Deposits:                                           |               |               |
|             | The above balance is made up as follows:                    |               |               |
|             | Bank Alfalah Limited                                        | 264,528       | 265,598       |
|             | BASIC Bank Limited                                          | 1             | 1             |
|             | Dutch Bangla Bank Ltd.                                      | 109,366       | 210,306       |
|             | Midland Bank Ltd                                            | 722           | 1,757         |
|             | EXIM Bank Limited                                           | 13,466        | 15,076        |
|             | First Security Bank Ltd.                                    | 18,385        | 47,589        |
|             | Janata Bank Ltd.                                            | 5,942         | 6,632         |
|             | NCC Bank Limited                                            | 202,284       | 13,451        |
|             | Prime Bank Ltd                                              | 1,761,435     | 19,327        |
|             | Southeast Bank Limited                                      | 13,842,474    | 11,257,005    |
|             | Standard Bank Ltd                                           | 501,892       | 503,370       |
|             | The City Bank Limited                                       | 25,846        | 26,536        |
|             | Trust Bank Limited                                          | 3,725         | 4,415         |
|             | Uttara Bank Limited                                         | 808           | 66            |
|             | Sub Total:                                                  | 16,750,874    | 12,371,129    |
|             | Short-term deposits/SND:                                    |               |               |
|             | In Local Currency:                                          |               |               |
|             | Jamuna Bank Limited                                         | 27,911        | 28,920        |
|             | Mutual Trust Bank Ltd.                                      | 4,318,078     | 10,688        |
|             | Southeast Bank Limited                                      | 54,798,675    | 21,248,073    |
|             |                                                             | 59,144,664    | 21,287,681    |
|             | In Foreign Currency:                                        |               |               |
|             | Southeast Bank Limited                                      | 1,646,801     | 1,390,510     |
|             | Sub Total:                                                  | 60,791,465    | 22,678,191    |
|             | Dollar                                                      | \$13,326.70   | 102.88        |
|             | Euro                                                        | € 1,432.90    | 113.29        |
|             | Pound                                                       | £873.98       | 129.77        |
|             | Total                                                       |               | 1,646,801     |



| Note        | Particulars                                                                      | 31-12-2022    | 31-12-2021    |
|-------------|----------------------------------------------------------------------------------|---------------|---------------|
|             | Fixed deposits:                                                                  |               |               |
|             | Mercantile Bank Ltd.                                                             | 168,750,000   | 168,750,000   |
|             | National Credit & Commerce Bank Ltd.                                             | 250,000,000   | 20,000,000    |
|             | Southeast Bank Limited                                                           | 555,000,000   | 695,000,000   |
|             | Midland Bank Ltd                                                                 | 50,000,000    | 50,000,000    |
|             | Uttara Bank Limited                                                              | 100,000,000   | 100,000,000   |
|             | Sub Total:                                                                       | 1,123,750,000 | 1,033,750,000 |
|             | Grand Total:                                                                     | 1,201,292,338 | 1,068,799,320 |
| <b>4 a)</b> | <b>Consolidated Balance with banks and other financial institutions:</b>         |               |               |
|             | Bay Leasing & Investment Ltd.                                                    | 1,201,292,338 | 1,068,799,320 |
|             | BLI Capital Ltd.                                                                 | 12,615,586    | 806,005       |
|             | Total                                                                            | 1,213,907,924 | 1,069,605,324 |
| <b>4.02</b> | <b>Maturity grouping of balance with banks and other financial institutions:</b> |               |               |
|             | On demand                                                                        | -             | -             |
|             | Up to 1 month                                                                    | 63,545,212    | 51,249,188    |
|             | Over 1 month but not more than 3 months                                          | 15,245,322    | 91,425,362    |
|             | Over 3 months but not more than 1 year                                           | 1,122,501,804 | 926,124,770   |
|             | Over 1 year but not more than 5 years                                            | -             | -             |
|             | Over 5 years                                                                     | -             | -             |
|             | Total                                                                            | 1,201,292,338 | 1,068,799,320 |
| <b>5.00</b> | <b>Money at call and short notice:</b>                                           |               |               |
|             | i) Investments are as follows:                                                   |               |               |
|             |                                                                                  | -             | -             |
|             | Total                                                                            | -             | -             |
| <b>6.00</b> | <b>Investments for BLIL:</b>                                                     |               |               |
|             | The above balance is made up as follows:                                         |               |               |
|             | Government securities                                                            | -             | -             |
|             | Treasury Bills                                                                   | -             | -             |
|             | National Investment Bonds                                                        | -             | -             |
|             | Bangladesh Bank Bill                                                             | -             | -             |
|             | Govt. notes/bonds                                                                | -             | -             |
|             | Prize Bonds                                                                      | -             | -             |
|             | Others                                                                           | -             | -             |
|             | Other investment                                                                 | 809,405,568   | 1,033,152,510 |
|             | Investment in non marketable ordinary shares (note-6.01)                         | 76,569,450    | 76,569,450    |
|             | Investment in Preference Shares                                                  | -             | -             |
|             | Investment in debenture and bond                                                 | -             | -             |
|             | Investment in marketable Securities (note-6.03)                                  | 732,836,118   | 956,583,060   |
|             | Total                                                                            | 809,405,568   | 1,033,152,510 |
| <b>6.01</b> | <b>Investment in non marketable ordinary shares</b>                              |               |               |
|             | Central Depository Bangladesh                                                    | 1,569,450     | 1,569,450     |
|             | EM Power Ltd                                                                     | 75,000,000    | 75,000,000    |
|             | Total                                                                            | 76,569,450    | 76,569,450    |



## Notes

## Particulars

31-12-2022

31-12-2021

**6.02 Investment in marketable securities:**

Listed Securities

| Name of the Company         | Qty.       | Cost Price  | Market price per share on 31-12-2022 | Market Price | Provision     |
|-----------------------------|------------|-------------|--------------------------------------|--------------|---------------|
| Asia Insurance Ltd          | 956,898    | 31,980,087  | 48.90                                | 46,792,312   | 14,812,225    |
| Exim Bank Ltd.              | 2,283,729  | 53,914,233  | 10.40                                | 23,750,782   | (30,163,451)  |
| National Life Ins. Co. Ltd. | 939        | 172,444     | 179.00                               | 168,081      | (4,363)       |
| Southeast Bank Ltd.         | 29,068,000 | 521,989,334 | 13.80                                | 401,138,400  | (120,850,934) |
| Prime Bank Ltd              | 3,400,000  | 105,036,356 | 19.20                                | 65,280,000   | (39,756,356)  |
| United Air                  | 935,396    | 19,743,664  | 1.60                                 | 1,496,634    | (18,247,030)  |
| Total                       |            | 732,836,118 |                                      | 538,626,208  | (194,209,910) |

**6 a) Consolidated Investment:**

Bay Leasing & Investment Ltd.  
BLI Capital Ltd.

|                      |                      |
|----------------------|----------------------|
| 809,405,568          | 1,033,152,510        |
| 598,516,237          | 1,048,614,843        |
| <u>1,407,921,805</u> | <u>2,081,767,353</u> |

All investments in marketable securities are valued on cost price at the balance sheet date. Provision has required Tk. 194,209,910.00 after net off gain/loss from market price of shares as per DFIM Circular # 02; date: 31.01.2012.

**6.03 Maturity grouping of investments:**

On demand  
Up to 1 month  
Over 1 month but not more than 3 months  
Over 3 months but not more than 1 year  
Over 1 year but not more than 5 years  
Over 5 years

|                    |                      |
|--------------------|----------------------|
| -                  | -                    |
| 49,267,100         | 56,233,689           |
| 172,105,603        | 190,242,387          |
| 189,842,946        | 328,604,044          |
| 130,672,439        | 149,862,090          |
| 267,517,480        | 308,210,300          |
| <u>809,405,568</u> | <u>1,033,152,510</u> |

**7.00 Lease, loans and advances**

Broad category-wise break up:

Inside Bangladesh

Lease Finance

Term Finance

Housing Finance

Outside Bangladesh

Total

|                      |                      |
|----------------------|----------------------|
| 552,489,871          | 824,692,206          |
| 6,743,643,485        | 6,168,941,792        |
| 1,704,516,356        | 2,765,194,113        |
| 9,000,649,712        | 9,758,828,111        |
| -                    | -                    |
| <u>9,000,649,712</u> | <u>9,758,828,111</u> |

**7 a) Consolidated Lease, Loans & advances**

Bay Leasing &amp; Investment Ltd.

BLI Capital Ltd.

Less: Inter company balance eliminated

Total

|                       |                       |
|-----------------------|-----------------------|
| 9,000,649,712         | 9,758,828,111         |
| 2,673,599,968         | 3,271,859,453         |
| 11,674,249,680        | 13,030,687,564        |
| 850,644,553           | 880,904,316           |
| <u>10,823,605,127</u> | <u>12,149,783,248</u> |

**7.01 Lease Finance:**

Principal Outstanding

Interest Receivable

Total:

Details are given below:

Opening Balance

Add: Disbursement during the year

Add: Interest and other charges during the year

Less: Write-off during the year

Realization during the year

Total:

|                    |                    |
|--------------------|--------------------|
| 552,489,871        | 669,900,134        |
| -                  | 154,792,072        |
| <u>552,489,871</u> | <u>824,692,206</u> |
| 824,692,206        | 691,609,213        |
| 67,250,250         | 24,550,000         |
| 140,562,922        | 116,929,768        |
| 1,032,505,378      | 833,088,981        |
| (220,549,138)      | (952,579)          |
| (259,466,369)      | (7,444,196)        |
| <u>552,489,871</u> | <u>824,692,206</u> |



| Notes       | Particulars                                            | 31-12-2022           | 31-12-2021           |
|-------------|--------------------------------------------------------|----------------------|----------------------|
|             | Movement of Balance Principal:                         |                      |                      |
|             | Gross lease receivable                                 | 656,269,067          | 1,150,466,730        |
|             | Less: Unearned finance income                          | 103,779,196          | 480,566,596          |
|             | Balance Principal                                      | <u>552,489,871</u>   | <u>669,900,134</u>   |
| <b>7.02</b> | <b>Term Finance:</b>                                   |                      |                      |
|             | The above balance is made up as follows:               |                      |                      |
|             | Principal Outstanding                                  | 6,743,643,485        | 5,823,508,300        |
|             | Interest Receivable                                    | -                    | 345,433,492          |
|             | Total:                                                 | <u>6,743,643,485</u> | <u>6,168,941,792</u> |
|             | Details are given below:                               |                      |                      |
|             | Movement of Outstanding Balance                        |                      |                      |
|             | Opening Balance                                        | 6,168,941,792        | 4,696,012,962        |
|             | Add: Disbursement during the year                      | 195,594,988          | 1,721,717,089        |
|             | Add: Interest and other charges during the year        | 250,659,937          | 573,132,580          |
|             |                                                        | 6,615,196,717        | 6,990,862,631        |
|             | Less: Write-off during the year                        | -                    | (906,230)            |
|             | Realization/adjustment during the year                 | 128,446,768          | (821,014,609)        |
|             | Total:                                                 | <u>6,743,643,485</u> | <u>6,168,941,792</u> |
| <b>7.03</b> | <b>Housing Finance:</b>                                |                      |                      |
|             | The above balance is made up as follows:               |                      |                      |
|             | Principal Outstanding                                  | 1,704,516,356        | 2,723,575,101        |
|             | Interest Receivable                                    | -                    | 41,619,012           |
|             | Total:                                                 | <u>1,704,516,356</u> | <u>2,765,194,113</u> |
|             | Movement of Outstanding Balance                        |                      |                      |
|             | Balance at January 01                                  | 2,765,194,113        | 2,996,710,830        |
|             | Add: Disbursement during the year                      | 42,896,867           | 57,130,000           |
|             | Add: Interest and other charges during the year        | 107,953,086          | 241,372,585          |
|             |                                                        | 2,916,044,066        | 3,295,213,415        |
|             | Realization/adjustment during the year                 | (1,211,527,710)      | (530,019,302)        |
|             | Balance at December 31                                 | <u>1,704,516,356</u> | <u>2,765,194,113</u> |
| <b>7.04</b> | <b>Classification wise Lease, Loans &amp; Advances</b> |                      |                      |
|             | Unclassified:                                          |                      |                      |
|             | Standard                                               | 4,875,579,104        | 7,409,111,641        |
|             | CMSMEF                                                 | 340,258,247          | 371,416,616          |
|             | Other than CMSMEF                                      | 4,535,320,857        | 7,037,695,025        |
|             | Special Mention Account (SMA)                          | 314,330,807          | 1,380,887,966        |
|             |                                                        | <u>5,189,909,911</u> | <u>8,789,999,607</u> |
|             | Classified:                                            |                      |                      |
|             | Sub-Standard                                           | 522,119,311          | 113,678,476          |
|             | Doubtful                                               | 307,492,923          | 162,548,911          |
|             | Bad/Loss                                               | 2,981,127,567        | 692,601,117          |
|             |                                                        | 3,810,739,801        | 968,828,504          |
|             | Total                                                  | <u>9,000,649,712</u> | <u>9,758,828,111</u> |
| <b>7.05</b> | <b>Maturity grouping of lease, loans and advances:</b> | 0.423                | 0.099                |
|             | On demand                                              | -                    | -                    |
|             | Up to 1 month                                          | 280,645,905          | 277,745,910          |
|             | Over 1 month but not more than 3 months                | 869,070,100          | 843,459,877          |
|             | Over 3 months but not more than 1 year                 | 3,028,162,300        | 2,985,461,002        |
|             | Over 1 year but not more than 5 years                  | 4,417,260,866        | 4,496,210,709        |
|             | Over 5 years                                           | 405,510,541          | 1,155,950,613        |
|             | Total:                                                 | <u>9,000,649,712</u> | <u>9,758,828,111</u> |



| Notes       | Particulars                                                                                                                                                                                                                                                                        | 31-12-2022           | 31-12-2021           |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>7.06</b> | <b>Lease, loans and advances on the basis of significant concentration</b>                                                                                                                                                                                                         |                      |                      |
|             | Lease, loans and advances to:                                                                                                                                                                                                                                                      |                      |                      |
|             | Directors of the Company have interests                                                                                                                                                                                                                                            | -                    | -                    |
|             | Chief Executive and other Senior Executives                                                                                                                                                                                                                                        | 24,542,953           | 27,810,783           |
|             | Customers groups                                                                                                                                                                                                                                                                   | 8,976,106,759        | 9,731,017,328        |
|             |                                                                                                                                                                                                                                                                                    | <u>9,000,649,712</u> | <u>9,758,828,111</u> |
| <b>7.07</b> | Number of clients with outstanding amount and classified lease, loans and advances exceeding 15% of total capital (Total capital of the Company was Taka 1,679.00 million as at December 31, 2022 & Tk 2,499.65 million in 2021) of the Company is as follows:                     |                      |                      |
|             | Number of clients                                                                                                                                                                                                                                                                  | 3                    | 4                    |
|             | Amount of outstanding advances                                                                                                                                                                                                                                                     | 1,902,200,952        | 2,388,082,928        |
|             | Amount of classified advances                                                                                                                                                                                                                                                      | Nil                  | Nil                  |
|             | Measures taken for recovery                                                                                                                                                                                                                                                        | Not applicable       | Not applicable       |
| <b>7.08</b> | <b>Details of large Lease, loans and advances</b>                                                                                                                                                                                                                                  |                      |                      |
|             | As per section 14 (1) (Ga) of the Financial Institutions Act 1993, a financial institution can not sanction any loan exceeding 30% of its capital and reserve with out permission of Bangladesh Bank. During the year 2022 BLIL has not disbursed large Lease, loans and advances; |                      |                      |
|             | Number of clients                                                                                                                                                                                                                                                                  | 1                    | 2                    |
|             | Amount of outstanding advances                                                                                                                                                                                                                                                     | 850,644,553          | 1,731,453,550        |
|             | Amount of classified advances                                                                                                                                                                                                                                                      | -                    | -                    |
|             | Measures taken for recovery                                                                                                                                                                                                                                                        | Not applicable       | Not applicable       |
| <b>7.09</b> | <b>Industry-wise distribution of lease, loans and advances</b>                                                                                                                                                                                                                     |                      |                      |
|             | 1. Agricultural sector                                                                                                                                                                                                                                                             | 166,218,839          | 126,514,702          |
|             | 2. Industrial sector:                                                                                                                                                                                                                                                              |                      |                      |
|             | a) Textile                                                                                                                                                                                                                                                                         | 661,223,754          | 637,953,612          |
|             | b) Garments                                                                                                                                                                                                                                                                        | 913,376,889          | 1,055,898,126        |
|             | c) Jute and jute products                                                                                                                                                                                                                                                          | 2,355,828            | 2,871,170            |
|             | d) Food production/processing industry                                                                                                                                                                                                                                             | 206,595,721          | 254,257,192          |
|             | e) Plastic industry                                                                                                                                                                                                                                                                | 97,845,200           | 132,868,662          |
|             | f) Leather & leather products                                                                                                                                                                                                                                                      | 12,748,205           | 20,268,551           |
|             | g) Ship manufacturing Industry                                                                                                                                                                                                                                                     | 36,289,410           | 36,387,800           |
|             | h) Chemical & Pharmaceutical                                                                                                                                                                                                                                                       | 2,660,389            | 14,011,587           |
|             | i) Cement/Concrete and allied industry                                                                                                                                                                                                                                             | 523,094,968          | 500,561,207          |
|             | j) Service industry                                                                                                                                                                                                                                                                | 607,815,690          | 591,275,269          |
|             | k) Paper, Printing and packaging industry                                                                                                                                                                                                                                          | 219,354,933          | 416,197,789          |
|             | l) Wood, Furniture & Fixture                                                                                                                                                                                                                                                       | 84,082,425           | 108,000,989          |
|             | m) Glass and ceramic industry                                                                                                                                                                                                                                                      | -                    | -                    |
|             | n) Electronics and electrical industry                                                                                                                                                                                                                                             | 68,261,628           | 80,679,071           |
|             | o) Iron, Steel & Engineering                                                                                                                                                                                                                                                       | 157,065,657          | 219,869,186          |
|             | 3. Trade & Commerce                                                                                                                                                                                                                                                                | 861,011,998          | 867,954,105          |
|             | 4. Power, Gas, Water and sanitary service                                                                                                                                                                                                                                          | 10,210,905           | 26,873,926           |
|             | 5. Transport & Communication                                                                                                                                                                                                                                                       | -                    | -                    |
|             | 6. Real Estate & Housing                                                                                                                                                                                                                                                           | 2,703,800,978        | 2,924,692,734        |
|             | 7. Merchant Banking                                                                                                                                                                                                                                                                | 938,493,434          | 993,075,940          |
|             | 8. Consumer Finance                                                                                                                                                                                                                                                                | 108,358,774          | 148,915,334          |
|             | 9. Others                                                                                                                                                                                                                                                                          | 619,784,088          | 599,701,161          |
|             | Total                                                                                                                                                                                                                                                                              | <u>9,000,649,712</u> | <u>9,758,828,111</u> |



| Notes       | Particulars                                                  | 31-12-2022    | 31-12-2021    |
|-------------|--------------------------------------------------------------|---------------|---------------|
| <b>7.10</b> | <b>Geographical location-wise lease, loans and advances:</b> |               |               |
|             | The above balance is made up as follows:                     |               |               |
|             | Inside Bangladesh                                            |               |               |
|             | Urban                                                        |               |               |
|             | Dhaka Division                                               | 8,932,136,478 | 9,711,613,750 |
|             | Chittagong Division                                          | -             | -             |
|             | Khulna Division                                              | -             | -             |
|             | Rajshahi Division                                            | 19,573,213    | 21,208,538    |
|             | Rangpur Division                                             | 4,483,859     | 5,944,814     |
|             | Barisal Division                                             | -             | -             |
|             | Mymensingh Division                                          | 44,456,162    | 20,061,009    |
|             | Sylhet Division                                              | -             | -             |
|             |                                                              | 9,000,649,712 | 9,758,828,111 |
|             | Outside Bangladesh                                           | -             | -             |
|             | Total                                                        | 9,000,649,712 | 9,758,828,111 |

#### 7.11 Particulars of Lease, Loan and Advances

The above balance is made up as follows:

|       |                                                                                                                                                                                                                                                                             |               |               |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| i)    | Lease, loans and advances considered good in respect of the FI is fully secured                                                                                                                                                                                             | 5,266,642,902 | 4,766,564,359 |
| ii)   | Lease, loans and advances considered good in respect of the FI holds no security other than the debtors personal guarantee                                                                                                                                                  | 1,107,684,655 | 1,049,721,126 |
| iii)  | Lease, loans and advances considered good secured by the personal undertakings of one or more parties in addition to the debtors personal guarantee                                                                                                                         | 2,626,322,155 | 3,942,542,626 |
|       |                                                                                                                                                                                                                                                                             | 9,000,649,712 | 9,758,828,111 |
| iv)   | Lease, loans & advances adversely classified; provision not maintained there against                                                                                                                                                                                        | -             | -             |
| v)    | Lease, loans & advances due by directors or officers of the company or any of them either separately or jointly with any other persons                                                                                                                                      | 24,542,953    | 27,810,783    |
| vi)   | Lease, loans & advances 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                                                                 | -             | -             |
| 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.                                         | -             | -             |
| 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 bank and financial institutions                                                                                                                                                                                                                                    | 349,913,325   | 554,672,686   |
| x)    | Classified loans, advances and leases                                                                                                                                                                                                                                       |               |               |
| a)    | Classified loans, advances and leases on which interest has not been charged                                                                                                                                                                                                | 3,810,739,801 | 968,828,504   |
| b)    | Provision on doubtful loans, advances and leases                                                                                                                                                                                                                            | 152,923,205   | 53,083,002    |
|       | Provision on bad loans, advances and leases                                                                                                                                                                                                                                 | 1,873,242,175 | 400,567,034   |
|       | Total provisions charged during the year                                                                                                                                                                                                                                    | 2,026,165,380 | 453,650,036   |
| c)    | Amount of written off loans, advances and leases                                                                                                                                                                                                                            | 437,491,549   | 216,942,411   |
|       | Total amount realized against loans and leases previously written off                                                                                                                                                                                                       | 10,791,365    | 10,701,365    |
| d)    | Provision kept against loans and advances classified as bad debts                                                                                                                                                                                                           | 1,873,242,175 | 400,567,034   |
| e)    | Interest credited to Interest Suspense Account                                                                                                                                                                                                                              | 721,507,773   | 344,789,833   |



| Notes | Particulars                                                                             | 31-12-2022         | 31-12-2021         |
|-------|-----------------------------------------------------------------------------------------|--------------------|--------------------|
| xi)   | Cumulative amount of written off loans, advances and leases                             |                    |                    |
|       | Opening Balance                                                                         | 216,942,411        | 215,083,602        |
|       | Amount written off the year                                                             | 220,549,138        | 1,858,809          |
|       |                                                                                         | <u>437,491,549</u> | <u>216,942,411</u> |
|       | Classified loans, advances and leases                                                   |                    |                    |
| a)    | Classified loans, advances and leases on which interest has not been credited to income | 3,810,739,801      | 411,207,051        |
| b)    | Provision on doubtful leases, loans and advances                                        | 190,371,992        | 95,269,637         |
|       | Provision on bad loans, advances and leases                                             | 2,026,165,380      | 106,730,363        |
|       | Total specific provisions                                                               | 2,216,537,372      | 202,000,000        |
| c)    | Amount of written off lease, loans and advances                                         | -                  | -                  |
|       | Total amount realised against loans and leases previously written off                   | 1,023,545          | 1,023,545          |
| d)    | Provision kept against loans and advances classified as bad debts                       | 1,873,242,175      | 49,473,919         |
| e)    | Interest credited to Interest Suspense Account                                          | 721,507,773        | 109,392,000        |

### 7.12 Cumulative amount of written off loans, advances & leases

As per FID Circular no.03 dated 15 March 2007 of Bangladesh Bank , a financial institution should write- off loans/ lease to clean-up its financial statements subject to fulfilment of the following criteria:

- Loans /leases classified as Bad and Losses against which 100% provision has been made;
- Approval from the Board of Directors is required;
- Best endeavors shall be made to recover the written-of loans/ leases and legal process should be initiated if not started before.

|                                                      |                    |                    |
|------------------------------------------------------|--------------------|--------------------|
| Opening Balance                                      | 216,942,411        | 215,083,602        |
| Amount written off during the year                   | 220,549,138        | 1,858,809          |
| The amount of written off loans, advances and leases | <u>437,491,549</u> | <u>216,942,411</u> |

### 7.13 Particulars of Required provision for lease, loans & advances

Required provision has been made as per Bangladesh Bank guidelines. As per BB guidelines, provision at the following rates have been made in the financial statements depending on the status of classification (exclusive method).

| Investment up to 5 years term                        | Classification status        | Provision (%) |
|------------------------------------------------------|------------------------------|---------------|
| Below 3 months                                       | Standard (CMSMEF)            | 0.25          |
| Below 3 months                                       | Std. (other than CMSMEF)     | 1             |
| 3 to 6 months                                        | SMA                          | 5             |
| 6 to 11 months                                       | SS                           | 20            |
| 12 to 18 months                                      | DF                           | 50            |
| 18 monts and above                                   | BL                           | 100           |
| Investment up to 5 years term                        | Classification status        | Provision (%) |
| Below 6 months                                       | Standard (CMSMEF)            | 0.25          |
| Below 6 months                                       | Standard (other than CMSMEF) | 1             |
| 6 to 12 months                                       | SMA                          | 5             |
| 12 to 18 months                                      | SS                           | 20            |
| 18 to 24 months                                      | DF                           | 50            |
| 24 months and above                                  | BL                           | 100           |
| Loan to Subsidiary, Sister Concern etc               | Standard                     | 2             |
| Prov. Against Off Balance Sheet Exposure             |                              | 1             |
| Additional Provision for Deferral as per BB Circular |                              | 2             |

\* As per DFIM circular letter no. 03, dated 29 April 2013 of Bangladesh Bank general provision of 0.25% is required to be maintain for Standard SME loans , advances and leases.

| Status                                           | Base for Provision | Rate    | Provision     |             |
|--------------------------------------------------|--------------------|---------|---------------|-------------|
|                                                  |                    |         | 31-12-2022    | 31-12-2021  |
| Unclassified- General Provision                  |                    |         |               |             |
| Standard                                         | 4,875,579,104      |         | 46,203,854    | 71,305,492  |
| CMSMEF                                           | 340,258,247        | 0.25%   | 850,646       | 928,542     |
| Other than CMSMEF                                | 4,535,320,857      | 1.00%   | 45,353,209    | 70,376,950  |
| Special Mention Account (SMA)                    | 292,534,421        | 5.00%   | 14,626,721    | 63,344,867  |
| Prov. On OFF B/S Exposure                        | 300,000,000        | 1.00%   | 3,000,000     | 10,700,000  |
| Additional Prov. for Loan to Subs.               | 850,644,553        | 1.00%   | 8,506,446     | 8,808,643   |
| Prov. has been kept for conditional reschedule   |                    |         | 100,799,370   | 100,799,370 |
| Additional Prov. for Deferral                    | 861,780,045        | 2.00%   | 17,235,601    | 61,603,496  |
|                                                  |                    |         | 190,371,992   | 316,561,868 |
| Classified- Specific provision                   |                    |         |               |             |
| Sub-Standard                                     | 493,781,426        | 20.00%  | 98,756,285    | 3,240,991   |
| Doubtful                                         | 108,333,840        | 50.00%  | 54,166,920    | 49,842,011  |
| Bad/Loss                                         | 1,873,242,175      | 100.00% | 1,873,242,175 | 400,567,034 |
|                                                  |                    |         | 2,026,165,380 | 453,650,036 |
| Required provision for lease, loans & advances   |                    |         | 2,216,537,372 | 770,211,904 |
| Less: Defferal from B.Bank (1329900000/5*4)      |                    |         | 1,063,920,000 | -           |
| Total provision kept for lease, loans & advances |                    |         | 1,152,617,372 | 770,220,000 |
| Excess provision for lease, loans & advances     |                    |         | -             | 8,096       |

#### 7.14 Disclosure regarding Provision Deferral

Bangladesh Bank Inspection Team have completed Classification of Loans (CL) Inspection and recommended large amount of additional provisioning (Tk.132.99 crore) and in response to which we have applied to DFIM to allow "Provision Deferral" vide our last letter weGjAvBGj/2023Bs/0513 Dated July 16, 2023. In response our application for provision Deferral, DFIM has allowed us 5 years provision deferral calculated by B.Bank Inspection team through vide letter# DFIM(C)1054/16/2023-3051 dated September 07, 2023. Break up shown below:

| Particulars                                                        | 31-12-2021    |
|--------------------------------------------------------------------|---------------|
| Total Required provision for lease, loans & advances (as per CL)   | 2,216,537,372 |
| Deferral approved by B.Bank through above letter ( 1329900000*4/5) | 1,063,920,000 |
| Total provision kept for lease, loans & advances                   | 1,152,617,372 |

#### 8.00 Fixed assets including premises, furniture and fixtures:

The above balance is made up as follows:

| Particulars                                        | 31-12-2022    | 31-12-2021    |
|----------------------------------------------------|---------------|---------------|
| Cost & Revaluation                                 |               |               |
| Furniture and fixtures                             | 22,351,149    | 22,370,199    |
| Office equipment                                   | 17,072,304    | 17,009,504    |
| Office Decoration                                  | 28,786,304    | 28,786,304    |
| Right of Use Assets                                | 3,212,364     | 11,221,940    |
| Motor Vehicles                                     | 15,318,656    | 16,976,656    |
| Intangible Assets                                  | 10,500,000    | 7,500,000     |
| Building                                           | 461,107,440   | 461,107,440   |
| Construction WIP                                   | 80,079,800    | 80,079,800    |
| Land                                               | 368,319,515   | 367,109,515   |
|                                                    | 1,006,747,532 | 1,012,161,358 |
| Less: Accumulated depreciation                     | 170,879,422   | 161,027,121   |
| Net book value at the end of the year (Schedule-1) | 835,868,110   | 851,134,237   |



| Notes       | Particulars                                              | 31-12-2022           | 31-12-2021           |
|-------------|----------------------------------------------------------|----------------------|----------------------|
| <b>8 a</b>  | <b>Consolidated Fixed Assets</b>                         |                      |                      |
|             | Bay Leasing & Investment Ltd.                            | 835,868,110          | 851,134,237          |
|             | BLI Capital Ltd.                                         | 602,381,623          | 569,897,715          |
|             |                                                          | <u>1,438,249,733</u> | <u>1,421,031,952</u> |
| <b>9.00</b> | <b>Other Assets:</b>                                     |                      |                      |
|             | Inside Bangladesh                                        |                      |                      |
|             | The above balance is made up as follows:                 |                      |                      |
|             | Income generating:                                       | 1,829,382,955        | 1,892,701,528        |
|             | Investment in associate & Subsidiaries                   | 9.01 1,777,115,000   | 1,787,115,000        |
|             | Interest receivable                                      | 13,406,165           | 17,056,628           |
|             | Other receivable                                         | 38,861,790           | 88,529,900           |
|             | Non-income generating:                                   | 124,002,093          | 112,537,311          |
|             | Advance, deposit and Prepaid expenses                    | 1,213,703            | 1,766,444            |
|             | Advance corporate tax                                    | 9.02 122,703,510     | 110,717,582          |
|             | Advance Office Rent                                      | -                    | -                    |
|             | Stationery & Stamp in hand                               | 47,670               | 16,075               |
|             | Security Deposit                                         | 37,210               | 37,210               |
|             | Advance against Decoration, Preliminary Exp, Development | -                    | -                    |
|             | Branch Adjustment                                        | -                    | -                    |
|             | Suspense Account                                         | -                    | -                    |
|             |                                                          | <u>1,953,385,048</u> | <u>2,005,238,839</u> |
|             | Outside Bangladesh                                       | -                    | -                    |
|             | Total                                                    | <u>1,953,385,048</u> | <u>2,005,238,839</u> |
| <b>9 a</b>  | <b>Consolidated Other Assets :</b>                       |                      |                      |
|             | Bay Leasing & Investment Limited                         | 1,953,385,048        | 2,005,238,839        |
|             | BLI Capital Limited                                      | 107,468,983          | 163,826,323          |
|             | Adjustment for dealing with Subsidiary                   | (1,749,990,000)      | (1,749,990,000)      |
|             | Total:                                                   | <u>310,864,031</u>   | <u>419,075,162</u>   |
| <b>9.01</b> | <b>Investment in Associate / Subsidiaries:</b>           | 1,777,115,000        | 1,787,115,000        |
|             | Investment in Associate                                  |                      |                      |
|             | BLI Securities Limited                                   | 10,125,000           | 10,125,000           |
|             | Lucky Feed Limited                                       | 17,000,000           | 27,000,000           |
|             | Total:                                                   | <u>27,125,000</u>    | <u>37,125,000</u>    |
|             | Investment in associates recorded under the cost method. |                      |                      |
|             | Investment in Subsidiaries:                              |                      |                      |
|             | BLI Capital Ltd                                          | 1,749,990,000        | 1,749,990,000        |
|             | Total:                                                   | <u>1,749,990,000</u> | <u>1,749,990,000</u> |

BLIL has one subsidiary company as on reporting date. Consolidated financial statements has been prepared for subsidiary following the requirements of International Financial Reporting Standard (IFRS) 10; 'Consolidated Financial Statements'



| Notes        | Particulars                                                           | 31-12-2022    | 31-12-2021    |
|--------------|-----------------------------------------------------------------------|---------------|---------------|
| <b>9.02</b>  | <b>Advance corporate tax:</b>                                         |               |               |
|              | Balance as on January 01                                              | 110,717,582   | 272,903,675   |
|              | Addition during the year                                              | 52,099,995    | 54,575,309    |
|              | Adjustment of previous years' tax liabilities                         | (40,114,066)  | (216,761,402) |
|              | Balance as on December 31                                             | 122,703,510   | 110,717,582   |
|              | Consolidated Advance income tax                                       |               |               |
|              | Bay Leasing & Investment Ltd.                                         | 122,703,510   | 110,717,582   |
|              | BLI Capital Ltd.                                                      | -             | -             |
|              |                                                                       | 122,703,510   | 110,717,582   |
| <b>10.00</b> | <b>Borrowing from banks, other financial institutions and agents:</b> |               |               |
|              | The above balance is made up as follows:                              |               |               |
|              | In Bangladesh                                                         | 4,153,003,227 | 4,306,074,650 |
|              | Outside Bangladesh                                                    | -             | -             |
|              | Total                                                                 | 4,153,003,227 | 4,306,074,650 |
| <b>10.01</b> | <b>In Bangladesh:</b>                                                 |               |               |
|              | Bank overdraft                                                        |               |               |
|              | National Credit & Commerce Bank Ltd.                                  | -             | 17,214,325    |
|              | Mercantile Bank Ltd.                                                  | 147,672,222   | 149,191,624   |
|              | Mutual Trust Bank Ltd.                                                | 219,746,105   | 219,060,908   |
|              | United Commercial Bank Ltd                                            | 102,324,355   | 99,778,181    |
|              | Midland Bank Ltd                                                      | 102,340,368   | 99,036,086    |
|              | Basic Bank Ltd                                                        | 153,498,451   | 150,160,893   |
|              | First Security Bank Ltd.                                              | 427,258,750   | 396,290,000   |
|              | Woori Bank Ltd                                                        | -             | 133,695,839   |
|              | Uttara Bank Limited                                                   | 423,211,695   | 423,022,248   |
|              | Sub Total (a)                                                         | 1,576,051,946 | 1,687,450,104 |
|              | Short term loan/Call Money                                            |               |               |
|              | Sonali Bank Ltd- Call Money                                           | -             | 70,000,000    |
|              | Southeast Bank Ltd- Call Money                                        | 720,000,000   | 750,000,000   |
|              | NCC Bank- Call Money                                                  | -             | 80,000,000    |
|              | Uttara Bank Limited - Call Money                                      | 100,000,000   | 140,000,000   |
|              | Southeast Bank Ltd- STL                                               | -             | 35,000,000    |
|              | Sub Total (b)                                                         | 820,000,000   | 1,075,000,000 |
|              | Long term loan                                                        |               |               |
|              | United Commercial Bank Ltd                                            | 73,874,760    | 90,458,397    |
|              | Basic Bank Ltd                                                        | 91,667,875    | 115,285,037   |
|              | Modhumoti Bank Limited                                                | 53,206,905    | 74,622,823    |
|              | Midland Bank Ltd                                                      | 86,946,120    | 125,280,136   |
|              | Bank Asia Ltd                                                         | 89,886,856    | 99,885,642    |
|              | Jamuna Bank Ltd                                                       | -             | 38,176,799    |
|              | Mercantile Bank Ltd                                                   | 282,033,869   | 330,407,387   |
|              | Pubali Bank Limited                                                   | 47,855,496    | 55,971,695    |
|              | Prime Bank Ltd                                                        | 15,042,066    | 51,448,196    |
|              | NCC Bank Ltd                                                          | -             | 17,536,379    |
|              | Uttara Bank Limited                                                   | 875,937,742   | 333,654,334   |
|              | Shahjalal Islami Bank Ltd                                             | 52,576,277    | 55,457,897    |
|              | Mutual Trust Bank Ltd                                                 | 74,508,706    | 113,386,347   |
|              | Sub Total (c)                                                         | 1,743,536,672 | 1,501,571,069 |



| Notes          | Particulars                                                                                                                          | 31-12-2022    | 31-12-2021    |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                | Bangladesh Bank refinancing                                                                                                          |               |               |
|                | Bangladesh Bank                                                                                                                      | 13,414,609    | 42,053,477    |
|                | Sub Total (d)                                                                                                                        | 13,414,609    | 42,053,477    |
|                | Total (a+b+c+d)                                                                                                                      | 4,153,003,227 | 4,306,074,650 |
| <b>10.01 a</b> | <b>Consolidated Borrowing from Banks &amp; Other FI's</b>                                                                            |               |               |
|                | Bay Leasing & Investment Ltd.                                                                                                        | 4,153,003,227 | 4,306,074,650 |
|                | BLI Capital Ltd.                                                                                                                     | 1,966,562,757 | 3,076,617,299 |
|                |                                                                                                                                      | 6,119,565,984 | 7,382,691,949 |
|                | Less: Inter company balance eliminated                                                                                               | 850,644,553   | 880,904,316   |
|                | Total:                                                                                                                               | 5,268,921,431 | 6,501,787,633 |
| <b>10.02</b>   | <b>Analysis by security against borrowing from banks, other financial institutions and agents:</b>                                   |               |               |
|                | Secured (assets pledged as security for liabilities)                                                                                 | 998,142,667   | 1,119,414,036 |
|                | Unsecured                                                                                                                            | 3,154,860,560 | 3,186,660,614 |
|                | Total:                                                                                                                               | 4,153,003,227 | 4,306,074,650 |
|                | The loans are secured by first charge on all present and future floating assets of the Company ranking pari passu among the lenders. |               |               |
| <b>10.03</b>   | <b>Maturity grouping of borrowing from banks, other financial institutions and agents</b>                                            |               |               |
|                | On demand                                                                                                                            | -             | -             |
|                | Up to 1 month                                                                                                                        | 91,263,334    | 90,682,495    |
|                | Over 1 month but within 3 months                                                                                                     | 274,972,462   | 290,654,725   |
|                | Over 3 months but within 1 year                                                                                                      | 809,473,194   | 783,292,193   |
|                | Over 1 year but within 5 years                                                                                                       | 2,000,904,512 | 2,094,033,421 |
|                | Over 5 years                                                                                                                         | 976,389,725   | 1,047,411,816 |
|                | Total:                                                                                                                               | 4,153,003,227 | 4,306,074,650 |
| <b>11.00</b>   | <b>Deposits and other accounts:</b>                                                                                                  |               |               |
|                | Current Accounts & Other Accounts etc.                                                                                               | -             | -             |
|                | Bills Payable                                                                                                                        | -             | -             |
|                | Savings Bank Deposits                                                                                                                | -             | -             |
|                | Term Deposits                                                                                                                        | 5,526,037,882 | 6,187,006,005 |
|                | Bearer Certificates of Deposits                                                                                                      | -             | -             |
|                | Other deposits                                                                                                                       | 817,940       | 1,856,035     |
|                | Total:                                                                                                                               | 5,526,855,822 | 6,188,862,040 |
| <b>11 a</b>    | <b>Consolidated Deposits and other accounts:</b>                                                                                     |               |               |
|                | Bay Leasing & Investment Ltd.                                                                                                        | 5,526,855,822 | 6,188,862,040 |
|                | BLI Capital Ltd.                                                                                                                     | 101,717,556   | 122,164,200   |
|                | Total:                                                                                                                               | 5,628,573,378 | 6,311,026,240 |



| Notes        | Particulars           | 31-12-2022           | 31-12-2021           |
|--------------|-----------------------|----------------------|----------------------|
| <b>11.01</b> | <b>Term deposits:</b> |                      |                      |
|              | Plain Term Deposits   | 5,027,281,132        | 5,865,719,824        |
|              | Flexi Savings         | 6,128,604            | 1,410,694            |
|              | Super DPS             | 50,281,270           | 44,447,765           |
|              | BLIL Wealth Plan      | 496,793              | 80,574               |
|              | Profit Take Home Plan | 435,578,755          | 269,218,429          |
|              | BLI Chamak            | 599,182              | 1,212,664            |
|              | Double Money Plan     | 5,672,146            | 4,916,055            |
|              |                       | <u>5,526,037,882</u> | <u>6,187,006,005</u> |

**11.1.1 This represents deposits received from individuals and institutions for a period not less than three months.**

|                                                           |                      |                      |
|-----------------------------------------------------------|----------------------|----------------------|
| Deposits from banks and financial institutions            | 2,549,000,000        | 2,748,548,440        |
| Deposits from other than banks and financial institutions | 2,977,037,882        | 3,438,457,565        |
| Total:                                                    | <u>5,526,037,882</u> | <u>6,187,006,005</u> |

**11.1.2 Sector-wise break-up of plain term deposits:**

|                                  |                      |                      |
|----------------------------------|----------------------|----------------------|
| Government                       | -                    | -                    |
| Banks and financial institutions | 2,549,000,000        | 2,748,548,440        |
| Individual                       | 500,547,602          | 1,027,294,174        |
| Other Institutions               | 1,977,733,530        | 2,089,877,210        |
| Total:                           | <u>5,027,281,132</u> | <u>5,865,719,824</u> |

**11.1.2 Maturity analysis of term deposits:**

a) Maturity analysis of deposits from Banks & Financial Institutions

|                                  |                      |                      |
|----------------------------------|----------------------|----------------------|
| Payable on demand                | -                    | -                    |
| Up to 1 month                    | 154,596,870          | 187,241,553          |
| Over 1 month but within 3 months | 430,000,000          | 442,514,947          |
| Over 3 months but within 1 year  | 613,100,000          | 752,275,001          |
| Over 1 year but within 5 years   | 1,100,000,000        | 1,123,642,739        |
| Over 5 years but within 10 years | 251,303,130          | 242,874,200          |
| Over 10 years                    | -                    | -                    |
| Sub Total:                       | <u>2,549,000,000</u> | <u>2,748,548,440</u> |

b) Maturity Analysis of Deposits from other than Banks and Financial Institutions

|                                  |                      |                      |
|----------------------------------|----------------------|----------------------|
| Payable on demand                | -                    | -                    |
| Up to 1 month                    | 144,035,568          | 93,508,270           |
| Over 1 month but within 3 months | 300,984,122          | 300,608,625          |
| Over 3 months but within 1 year  | 1,846,287,144        | 1,532,685,802        |
| Over 1 year but within 5 years   | 646,381,678          | 1,412,394,303        |
| Over 5 years but within 10 years | 39,349,370           | 99,260,565           |
| Over 10 years                    | -                    | -                    |
| Sub Total:                       | <u>2,977,037,882</u> | <u>3,438,457,565</u> |
| Grand Total:                     | <u>5,526,037,882</u> | <u>6,187,006,005</u> |



| Notes        | Particulars            | 31-12-2022 | 31-12-2021 |
|--------------|------------------------|------------|------------|
| <b>11.02</b> | <b>Other deposits:</b> |            |            |
|              | Security deposit       | -          | 331,500    |
|              | Lease Advance & Others | 817,940    | 1,524,535  |
|              | Total:                 | 817,940    | 1,856,035  |

**12.00 Other liabilities:**

|  |                                         |       |               |               |
|--|-----------------------------------------|-------|---------------|---------------|
|  | Interest suspense account               | 12.01 | 721,507,773   | 344,789,833   |
|  | Accrued expenses and payables           | 12.02 | 207,121,312   | 299,708,843   |
|  | Provision for lease, loans and advances | 12.03 | 1,421,827,281 | 977,203,235   |
|  | Provision for income tax                | 12.04 | 107,000,000   | 107,000,000   |
|  | Deferred Tax Liability                  | 12.05 | 3,512,720     | 5,516,746     |
|  | Lease Liability                         |       | 753,064       | 4,128,595     |
|  | Unpaid/Unclaimed Dividend               | 12.06 | 22,353,499    | 33,700,984    |
|  | Total                                   |       | 2,484,075,649 | 1,772,048,236 |

Bangladesh Bank FID circular no.3 of 2006 requires that interest on classified loans/ lease will be credited to interest suspense account, instead of crediting the same to income account. In accordance with the above circular interest on various facilities as SMA, SS, DF and BL has been set-aside in the interest suspense account.

**12 a Consolidated Other Liabilities**

|  |                               |               |               |
|--|-------------------------------|---------------|---------------|
|  | Bay Leasing & Investment Ltd. | 2,484,075,649 | 1,772,048,236 |
|  | BLI Capital Ltd.              | 174,279,225   | 95,527,203    |
|  | Total                         | 2,658,354,874 | 1,867,575,439 |

**12.01 Interest suspense account:**

This represents interest receivable on lease, hire purchase, term finance and short term finance outstanding over ninety days as per Bangladesh Bank guidelines.

|  |                                                                         |              |             |
|--|-------------------------------------------------------------------------|--------------|-------------|
|  | Balance on January 01                                                   | 344,789,833  | 240,590,888 |
|  | Add: Amount trans. to "interest suspense" account during the year       | 430,689,860  | 104,371,344 |
|  | Less: Amount recovered from "interest suspense" account during the year | -            | -           |
|  | Less: Amount written-off during the year                                | (53,971,920) | (172,399)   |
|  | Balance as on December 31                                               | 721,507,773  | 344,789,833 |

**12.02 Accrued expenses and payables:**

|  |                                    |         |             |             |
|--|------------------------------------|---------|-------------|-------------|
|  | Liabilities For Financial expenses | 12.02.1 | 161,472,386 | 231,643,447 |
|  | Liabilities for accrued expenses   | 12.02.2 | 615,256     | 553,250     |
|  | Liabilities for Provident Fund     |         | -           | -           |
|  | Liabilities for Gratuity Fund      | 12.02.3 | 29,900,025  | 29,759,091  |
|  | Others Payable                     |         | 15,133,645  | 37,753,055  |
|  | Total                              |         | 207,121,312 | 299,708,843 |

**12.02.1 Liabilities For Financial expenses:**

|  |                                   |             |             |
|--|-----------------------------------|-------------|-------------|
|  | Interest Payable on Term Deposits | 154,356,341 | 226,652,113 |
|  | Interest Payable on Other Deposit | 7,116,045   | 4,991,334   |
|  | Total                             | 161,472,386 | 231,643,447 |



| Notes          | Particulars                              | 31-12-2022 | 31-12-2021 |
|----------------|------------------------------------------|------------|------------|
| <b>12.02.2</b> | <b>Liabilities for accrued expenses:</b> |            |            |
|                | Audit Fee                                | 319,000    | 284,500    |
|                | Telephone bill                           | 27,506     | -          |
|                | Credit Rating Fee                        | 268,750    | 268,750    |
|                | Total                                    | 615,256    | 553,250    |

### 12.03 Provision for lease, loans, advances & Investments:

Management, on the basis of guidelines issued by Bangladesh Bank has computed provisions for loans, advances and leases. Adequate provision has been kept as per BB circular to cover possible future losses.

|                                                             |               |             |
|-------------------------------------------------------------|---------------|-------------|
| General provision on unclassified lease, loans and advances | 190,371,992   | 316,569,964 |
| Specific provision on classified lease, loans and advances  | 962,245,380   | 453,650,036 |
| Provision against Investment in Shares                      | 269,209,910   | 206,983,235 |
| Provision as on 31 December                                 | 1,421,827,281 | 977,203,235 |

Movement of General provision;

|                                          |               |             |
|------------------------------------------|---------------|-------------|
| Balance on January 01                    | 316,569,964   | 233,532,416 |
| Add: Provision made during the year      | (126,197,973) | 83,037,548  |
| Less: Provision released during the year | -             | -           |
| Provision as on 31 December              | 190,371,992   | 316,569,964 |

Movement of Specific provision;

|                                             |                 |             |
|---------------------------------------------|-----------------|-------------|
| Balance on January 01                       | 453,650,036     | 155,941,279 |
| Add: Provision made during the year         | 1,739,092,563   | 299,395,159 |
| Less: Defferal from B.Bank (1329900000/5*4) | (1,063,920,000) | -           |
| Less: Provision released during the year    | (166,577,218)   | (1,686,402) |
| Provision as on 31 December                 | 962,245,380     | 453,650,036 |

### 12.04 Provision for Income Tax:

|                                                     |              |               |
|-----------------------------------------------------|--------------|---------------|
| Balance on January 01                               | 107,000,000  | 266,986,846   |
| Add: Provision made for the year 2022               | 32,000,000   | -             |
| Provision made for the year 2021                    |              | 49,000,000    |
| Short provision for the year 2012                   | -            | 8,834,613     |
| Short provision for the year 2017                   | -            | (1,060,057)   |
| Short provision for the year 2019                   | 2,505,201    | -             |
| Less: Settlement of previous years' tax liabilities | (34,505,201) | (216,761,402) |
|                                                     | 107,000,000  | 107,000,000   |

Reconciliation of Effective Tax Rate:

|                                                                          | 2022   |               |
|--------------------------------------------------------------------------|--------|---------------|
|                                                                          | %      | Taka          |
| Profit before income tax as per profit and loss account                  |        | (787,203,491) |
| Applicable Tax rate as per Income Tax rules                              | 37.50% | (295,201,309) |
| Factors affecting the tax changed in current year:                       |        |               |
| On non deductible expenses                                               | -0.80% | 6,333,777     |
| Tax exempted Income                                                      | 0.00%  | -             |
| Tax savings from reduced tax rates (on dividend, Gain on sale of shares) | 2.79%  | (21,991,367)  |
| Total income tax expenses                                                | 39.49% | (310,858,900) |



| Notes | Particulars                                                              | 31-12-2022 | 31-12-2021   |
|-------|--------------------------------------------------------------------------|------------|--------------|
|       |                                                                          | 2021       |              |
|       |                                                                          | %          | Taka         |
|       | Profit before income tax as per profit and loss account                  |            | (91,806,323) |
|       | Applicable Tax rate as per Income Tax rules                              | 37.50%     | (34,427,371) |
|       | Factors affecting the tax changed in current year:                       |            |              |
|       | On non deductible expenses                                               | -7.67%     | 7,044,642    |
|       | Tax exempted Income                                                      | 0.00%      | -            |
|       | Tax savings from reduced tax rates (on dividend, Gain on sale of shares) | 45.46%     | (41,731,162) |
|       | Total income tax expenses                                                | 75.28%     | (69,113,891) |

#### 12.05 Deferred Tax Liability

Deferred tax has been calculated based on deductible taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of International Accounting Standard (IAS) 12 “Income Taxes” and DFIM circular- 07; dated 31-07-2011.

| Particulars                                    | Carrying Amount at Balance Sheet | Tax Base    | Taxable/ deductible temporary difference |
|------------------------------------------------|----------------------------------|-------------|------------------------------------------|
| Gratuity                                       | 29,900,025                       | -           | 29,900,025                               |
| Fixed Assets                                   | 520,810,753                      | 481,543,475 | (39,267,278)                             |
| Total                                          | 550,710,778                      | 481,543,475 | (9,367,253)                              |
| Applicable Tax Rate                            |                                  |             | 37.50%                                   |
| Deferred Tax Liability as on December 31, 2022 |                                  |             | 3,512,720                                |
| Deferred Tax Liability as on December 31, 2021 |                                  |             | 5,516,746                                |
| Additional Deffered Tax for Revaluation        |                                  |             | -                                        |
| Deferred tax Expense for the year 2022         |                                  |             | 2,004,026                                |
| Total Liability against Deferred Tax           |                                  |             | 3,512,720                                |

#### 12.06 Unclaimed Dividend Account

Ageing of Unclaimed Cash Dividend:

|                                 |            |            |
|---------------------------------|------------|------------|
| Upto 1 year                     | 8,452,535  | 10,680,200 |
| Over 1 year but within 3 years  | 13,900,964 | 23,020,784 |
| Over 3 years but within 4 years | -          | -          |
| Over 4 years but within 5 years | -          | -          |
| Above 5 years                   | -          | -          |
|                                 | 22,353,499 | 33,700,984 |

As per the Directive No. BSEC/CMRRCD/2021-386/03, dated January 14, 2021, and the Capital Market Stabilization Fund (CMSF) Rules, 2021, dated June 01, 2021, of Bangladesh Securities and Exchange Commission (BSEC) any entitlement dividend which remains unclaimed for a period of 3 (three) years from the date of approval or date of subscription, shall be transferred to the fund named “Capital Market Stabilization Fund” within such time as directed by the Commission or the Fund from time to time. Accordingly, we have transferred unclaimed Cash Dividend (from 2010 to 2017) an amount of BDT 17,771,144.27 to the “Capital Market Stabilization Fund”, from SND A/C No. 13100001017, Southeast Bank Limited, Motijheel Branch, Dhaka dated on September 30, 2021

| Notes        | Particulars                                         | 31-12-2022    | 31-12-2021    |
|--------------|-----------------------------------------------------|---------------|---------------|
| <b>13.00</b> | <b>Share Capital:</b>                               |               |               |
| <b>13.01</b> | <b>Authorized capital</b>                           |               |               |
|              | 300,000,000 ordinary shares of Taka 10 each         | 3,000,000,000 | 3,000,000,000 |
| <b>13.02</b> | <b>Issued, subscribed and fully paid-up capital</b> |               |               |
|              | 140,888,443. ordinary shares of Taka 10 each        | 1,408,884,435 | 1,408,884,435 |

**13.03 Capital adequacy ratio:**

In terms of Bangladesh Bank DFIM circulars no. 08 and 14 dated August 02, 2010 and December 28, 2011 respectively; required implementation of Basel Accord Minimum Capital Requirement (MCR) of the Company at the close of business on December 31, 2022 was Taka 1,379,110,000 as against available Core Capital (Tier-I) of Taka 1,366,568,533 and Supplementary Capital (Tier-II) of Taka 346,588,478 making a Total Eligible Capital of Taka 1,713,157,011 thereby showing a Surplus capital/equity of Taka 334,047,011 at that date. Details are shown below:

|                                                        |  |                      |                      |
|--------------------------------------------------------|--|----------------------|----------------------|
| Core capital (Tier-I)                                  |  |                      |                      |
| Fully paid-up Capital                                  |  | 1,408,884,435        | 1,408,884,435        |
| Statutory Reserve                                      |  | 623,950,000          | 623,950,000          |
| Non-repayable Share premium account                    |  | 121,115,565          | 121,115,565          |
| General Reserve                                        |  | 111,271,431          | 111,271,431          |
| Retained Earnings                                      |  | (898,652,898)        | (84,177,913)         |
|                                                        |  | <u>1,366,568,533</u> | <u>2,181,043,518</u> |
| Supplementary capital (Tier-II)                        |  |                      |                      |
| General provision maintained against Unclassified loan |  | 190,371,992          | 316,569,964          |
| General provision on off-balance sheet items           |  | -                    | -                    |
| General provision on off-shore Banking Units           |  | -                    | -                    |
| Revaluation gain / loss on investments                 |  | -                    | -                    |
| Assets revaluation reserve                             |  | 156,216,486          | 159,302,834          |
|                                                        |  | <u>346,588,478</u>   | <u>475,872,799</u>   |
| A. Eligible Capital:                                   |  |                      |                      |
| 1. Tier-1 Capital                                      |  | 1,366,568,533        | 2,181,043,518        |
| 2. Tier-2 Capital                                      |  | 346,588,478          | 475,872,799          |
| 3. Total eligible Capital (1+2)                        |  | <u>1,713,157,011</u> | <u>2,656,916,317</u> |
| B. Total Risk Weighted Assets (RWA)                    |  | 13,791,100,000       | 14,459,000,000       |
| C. Capital Adequacy Ratio                              |  | 12.42%               | 18.38%               |
| D. Core Capital to RWA (A1/B)*100                      |  | 9.91%                | 15.08%               |
| E. Supplementary Capital to RWA (A2/B)*100             |  | 2.51%                | 3.29%                |
| F. Minimum Capital Requirement (MCR) 10% of RWA =Bx10% |  | 1,379,110,000        | 1,445,900,000        |
| G) Surplus (A-F)                                       |  | <u>334,047,011</u>   | <u>1,211,016,317</u> |

**13.04 Percentage of shareholding at the closing date:**

|                         | No. of shares |                   | Percentage   |              |
|-------------------------|---------------|-------------------|--------------|--------------|
|                         | 2022          | 2021              | 2022         | 2021         |
| (i) Sponsors & Director |               |                   |              |              |
| Foreign                 |               | -                 |              |              |
| Domestic                |               | 42,364,145        | 30.07        | 30.07        |
|                         |               | <u>42,364,145</u> | <u>30.07</u> | <u>30.07</u> |



| Notes | Particulars      |                    |                    | 31-12-2022    | 31-12-2021    |
|-------|------------------|--------------------|--------------------|---------------|---------------|
| (ii)  | Corporate Bodies |                    |                    |               |               |
|       | Foreign          | 579                | 579                | 0.00          | 0.00          |
|       | Domestic         | 32,591,701         | 42,765,189         | 23.13         | 41.98         |
|       |                  | <u>32,592,280</u>  | <u>42,765,768</u>  | <u>23.13</u>  | <u>41.98</u>  |
| (iii) | General public   |                    |                    |               |               |
|       | Foreign          | -                  | -                  | -             | -             |
|       | NRB              | 408,653            | 126,605            | 0.29          | 0.13          |
|       | Domestic         | 65,523,365         | 55,631,925         | 46.51         | 27.82         |
|       |                  | <u>65,932,018</u>  | <u>55,758,530</u>  | <u>46.80</u>  | <u>27.95</u>  |
|       |                  |                    |                    |               |               |
|       | Total            | <u>140,888,443</u> | <u>140,888,443</u> | <u>100.00</u> | <u>100.00</u> |

### 13.05 Shareholding range on the basis of shareholding as at December 31, 2022

| No. of shares           | Number of Shareholders | Total number of shares | Percentage of total holdings |
|-------------------------|------------------------|------------------------|------------------------------|
| Less than 5000          | 8667                   | 12,375,660             | 8.78%                        |
| 5,001 to 10,000         | 1015                   | 7,732,004              | 5.49%                        |
| 10,001 to 20,000        | 580                    | 8,474,293              | 6.01%                        |
| 20,001 to 30,000        | 238                    | 5,954,124              | 4.23%                        |
| 30,001 to 40,000        | 125                    | 4,409,783              | 3.13%                        |
| 40,001 to 50,000        | 81                     | 3,756,658              | 2.67%                        |
| 50,001 to 100,000       | 126                    | 9,205,430              | 6.53%                        |
| 100,001 to 1,000,000    | 86                     | 21,608,437             | 15.34%                       |
| 1,000,001 to 10,000,000 | 16                     | 67,372,054             | 47.82%                       |
| Total                   | 10,934                 | 140,888,443            | 100.00%                      |

### 14.00 Statutory Reserve:

The above balance is made up as follows:

|                           |                    |                    |
|---------------------------|--------------------|--------------------|
| Balance as at January 01  | 623,950,000        | 623,950,000        |
| Addition during the year  | -                  | -                  |
| Balance as at December 31 | <u>623,950,000</u> | <u>623,950,000</u> |

As per section 9 of the Financial Institutions Act, 1993 and regulation 6 of the Financial Institutions Regulations 1994, at least 20% on profit after tax has to be transferred to Statutory Reserve Fund. During the year the Company has been incurred Loss, so that no requirement of transferred to the statutory reserved fund.

### 15.00 Share Premium:

|                                          |                    |                    |
|------------------------------------------|--------------------|--------------------|
| Balance as at January 01                 | 121,115,565        | 121,115,565        |
| Addition during the year                 | -                  | -                  |
| Less: Premium use against stock dividend | -                  | -                  |
| Balance as at December 31                | <u>121,115,565</u> | <u>121,115,565</u> |

This represents a premium of Tk.150 per share for issuance of 10,20,000 shares in 2009 amounting to Tk. 153,000,000 & Tk.250 per share over the per value of Tk.100 per share received against the issue of 30,60,000 right shares in 2010 amounting to Tk. 765,000,000. Stock dividend declare @20% on 2011, @15% on 2013, @5% on 2017 & @ 2.5% on 2019 which is adjusting against share premium.

| Notes        | Particulars                                                                                                                                                                                                                                                                                                      | 31-12-2022              | 31-12-2021           |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------|
| <b>16.00</b> | <b>Assets Revaluation Reserve:</b>                                                                                                                                                                                                                                                                               |                         |                      |
|              | Balance as at January 01                                                                                                                                                                                                                                                                                         | 318,605,669             | 324,936,639          |
|              | Sale of Assets                                                                                                                                                                                                                                                                                                   | -                       | -                    |
|              | Transferred to Retained Earnings (Note- 2.36)                                                                                                                                                                                                                                                                    | (6,172,697)             | (6,330,971)          |
|              | Balance as at December 31                                                                                                                                                                                                                                                                                        | <u>312,432,972</u>      | <u>318,605,669</u>   |
| <b>17.00</b> | <b>Adjusted Retained Earnings Balance</b>                                                                                                                                                                                                                                                                        |                         |                      |
|              | The above balance is made up as follows:                                                                                                                                                                                                                                                                         |                         |                      |
|              | Balance as at January 01                                                                                                                                                                                                                                                                                         | (84,177,913)            | 195,262,122          |
|              | Dividend for last year                                                                                                                                                                                                                                                                                           | -                       | (140,888,443)        |
|              | Previous year adjustment                                                                                                                                                                                                                                                                                         | (943,016)               | 218,522              |
|              | Transfer from Revaluation reserve (Note- 2.36)                                                                                                                                                                                                                                                                   | 6,172,697               | 6,330,971            |
|              | Sub total (a)                                                                                                                                                                                                                                                                                                    | <u>(78,948,232)</u>     | <u>60,923,172</u>    |
|              | Net profit after taxation for the year                                                                                                                                                                                                                                                                           | (819,704,666)           | (145,101,085)        |
|              | Appropriation from current years profit:                                                                                                                                                                                                                                                                         |                         |                      |
|              | Transfer to statutory reserve                                                                                                                                                                                                                                                                                    | -                       | -                    |
|              | Transfer to General Reserve                                                                                                                                                                                                                                                                                      | -                       | -                    |
|              | Sub total (b)                                                                                                                                                                                                                                                                                                    | <u>(819,704,666)</u>    | <u>(145,101,085)</u> |
|              | Balance as at December 31, Grand total (a + b)                                                                                                                                                                                                                                                                   | <u>(898,652,898)</u>    | <u>(84,177,913)</u>  |
| <b>17 a</b>  | <b>Consolidated Retained Earnings</b>                                                                                                                                                                                                                                                                            |                         |                      |
|              | Bay Leasing & Investment Ltd.                                                                                                                                                                                                                                                                                    | (898,652,898.15)        | (84,177,913)         |
|              | BLI Capital Ltd.                                                                                                                                                                                                                                                                                                 | 72,024,728.63           | 10,786,983           |
|              | Last year adjustment Non-controlling interest                                                                                                                                                                                                                                                                    | (69,999,600.00)         | -                    |
|              | Balance as at December 31                                                                                                                                                                                                                                                                                        | <u>(896,627,769.52)</u> | <u>(73,390,930)</u>  |
| <b>18.00</b> | <b>Non-Controlling Interest</b>                                                                                                                                                                                                                                                                                  |                         |                      |
|              | Pursuant to the International Financial Reporting Standard (IFRS) 10, ‘ Consolidated Financial Statements’, non-controlling interest has been presented in the consolidated Balance Sheet within equity, separately from the equity of the owners of the parent. Non controlling interest is made up as follows: |                         |                      |
|              | Opening balance                                                                                                                                                                                                                                                                                                  | 10,061                  | 10,028               |
|              | Less: Interim Dividend                                                                                                                                                                                                                                                                                           | (400)                   | -                    |
|              | Add: addition during the year                                                                                                                                                                                                                                                                                    | 350                     | 33                   |
|              | Closing balance                                                                                                                                                                                                                                                                                                  | <u>10,011</u>           | <u>10,061</u>        |
|              | Share Capital                                                                                                                                                                                                                                                                                                    | 10,000                  | 10,000               |
|              | Retained Earnings                                                                                                                                                                                                                                                                                                | 11                      | 61                   |
|              | Total                                                                                                                                                                                                                                                                                                            | <u>10,011</u>           | <u>10,061</u>        |
| <b>19.00</b> | <b>Net asset value per share</b>                                                                                                                                                                                                                                                                                 |                         |                      |
|              | Total asset                                                                                                                                                                                                                                                                                                      | 13,842,936,203          | 14,766,634,112       |
|              | Total liabilities                                                                                                                                                                                                                                                                                                | 12,163,934,698          | 12,266,984,926       |
|              |                                                                                                                                                                                                                                                                                                                  | 1,679,001,505           | 2,499,649,186        |
|              | Number of share outstanding                                                                                                                                                                                                                                                                                      | 140,888,443             | 140,888,443          |
|              | Net asset value per share                                                                                                                                                                                                                                                                                        | <u>11.92</u>            | <u>17.74</u>         |



| Notes        | Particulars                                                  | 31-12-2022     | 31-12-2021     |
|--------------|--------------------------------------------------------------|----------------|----------------|
| <b>19 a</b>  | <b>Consolidated Net asset value per share</b>                |                |                |
|              | Total asset                                                  | 15,236,886,327 | 17,190,835,542 |
|              | Total liabilities                                            | 13,555,849,683 | 14,680,389,312 |
|              |                                                              | 1,681,036,644  | 2,510,446,230  |
|              | Number of share outstanding                                  | 140,888,443    | 140,888,443    |
|              | Consolidated Net asset value per share                       | 11.93          | 17.82          |
| <b>20.00</b> | <b>Interest Income:</b>                                      |                |                |
|              | Interest from Lease                                          | 140,562,922    | 116,929,768    |
|              | Interest from Term Finance                                   | 250,659,937    | 814,505,165    |
|              | Interest from House Finance                                  | 107,953,086    |                |
|              | Interest on Fixed Deposits with Banks and Other FI's         | 53,771,303     | 64,342,717     |
|              | Interest on balance with Banks                               | 1,125,203      | 742,082        |
|              | Interest on Overdue                                          | -              | 3,628,836      |
|              | Total                                                        | 554,072,451    | 1,000,148,568  |
| <b>20 a</b>  | <b>Consolidated Interest Income</b>                          |                |                |
|              | Bay Leasing & Investment Ltd.                                | 554,072,451    | 1,000,148,568  |
|              | BLI Capital Ltd.                                             | 326,702,313    | 216,557,976    |
|              |                                                              | 880,774,764    | 1,216,706,544  |
|              | Less: Inter company balance eliminated                       | 89,610,500     | 43,834,129     |
|              | Total                                                        | 791,164,264    | 1,172,872,415  |
| <b>21.00</b> | <b>Interest paid on Deposit, Borrowing etc.:</b>             |                |                |
|              | Interest on Deposits:                                        |                |                |
|              | Interest on Term Deposits                                    | 354,563,555    | 432,677,150    |
|              | Interest on Other Deposits                                   | 37,062,404     | 32,864,050     |
|              | Interest on Borrowings:                                      |                |                |
|              | Interest on Call Loan & STL                                  | 52,624,965     | 43,453,322     |
|              | Interest on Over Draft                                       | 134,412,920    | 120,947,932    |
|              | Interest on Term Loan & BB refinance                         | 146,686,449    | 174,173,549    |
|              | Interest on Lease Rent                                       | 551,196        | 533,313        |
|              | Total                                                        | 725,901,489    | 804,649,316    |
| <b>21 a</b>  | <b>Consolidated Interest paid on Deposit, Borrowing etc.</b> |                |                |
|              | Bay Leasing & Investment Ltd.                                | 725,901,489    | 804,649,316    |
|              | BLI Capital Ltd.                                             | 233,973,888    | 288,095,731    |
|              |                                                              | 959,875,377    | 1,092,745,047  |
|              | Less: Inter company balance eliminated                       | 89,610,500     | 43,834,129     |
|              | Total                                                        | 870,264,877    | 1,048,910,918  |
| <b>22.00</b> | <b>Investment Income:</b>                                    |                |                |
|              | Dividend Income                                              | 147,042,999    | 40,648,290     |
|              | Gain on Investment on Share                                  | (74,172,325)   | 336,015,037    |
|              |                                                              | 72,870,674     | 376,663,327    |



| Notes        | Particulars                                                    | 31-12-2022  | 31-12-2021  |
|--------------|----------------------------------------------------------------|-------------|-------------|
| <b>22 a</b>  | <b>Consolidated Investment Income</b>                          |             |             |
|              | Bay Leasing & Investment Ltd.                                  | 72,870,674  | 376,663,327 |
|              | BLI Capital Ltd.                                               | (2,567,783) | 44,401,359  |
|              |                                                                | 70,302,891  | 421,064,686 |
|              | Less: Inter company balance eliminated                         | 69,999,600  | -           |
|              | Total                                                          | 303,291     | 421,064,686 |
| <b>23.00</b> | <b>Commission, Exchange and Brokerage Income:</b>              |             |             |
|              | Income from Commission                                         | 9,250,000   | 1,601,875   |
|              | Total                                                          | 9,250,000   | 1,601,875   |
| <b>23 a</b>  | <b>Consolidated Commission, Exchange and Brokerage Income:</b> |             |             |
|              | Bay Leasing & Investment Ltd.                                  | 9,250,000   | 1,601,875   |
|              | BLI Capital Ltd.                                               | 59,352,059  | 79,924,972  |
|              | Total                                                          | 68,602,059  | 81,526,847  |
| <b>24.00</b> | <b>Other Operating Income:</b>                                 |             |             |
|              | Service Fees                                                   | 2,297,863   | 4,797,264   |
|              | Gain on sale of Fixed Assets                                   | (45,174)    | (10,745)    |
|              | Early settlement charge                                        | 1,563,869   | 2,313,204   |
|              | Documentation Fee                                              | (477,924)   | 32,459      |
|              | Rental Income                                                  | 5,475,600   | 4,258,800   |
|              | Recovery from Write Off                                        | 90,000      | 190,000     |
|              | Income from Transfer Fee                                       | 120,193     | 327,356     |
|              | Miscellaneous Income                                           | 159,888     | 196,053     |
|              | Total                                                          | 9,184,315   | 12,104,391  |
| <b>24 a</b>  | <b>Consolidated Other Operating Income</b>                     |             |             |
|              | Bay Leasing & Investment Ltd.                                  | 9,184,315   | 12,104,391  |
|              | BLI Capital Ltd.                                               | 6,679,142   | 5,787,600   |
|              | Total                                                          | 15,863,457  | 17,891,991  |
| <b>25.00</b> | <b>Consolidated Salary and allowances</b>                      |             |             |
|              | Bay Leasing & Investment Ltd.                                  | 53,506,378  | 55,306,753  |
|              | BLI Capital Ltd.                                               | 19,697,700  | 17,385,380  |
|              | Total                                                          | 73,204,078  | 72,692,133  |

#### Salaries and allowances

Salaries and allowances of Bay Leasing & Investment Limited include annual contribution of BDT 1,788,711/- to Provident Fund and BDT 4,220,904/- to Gratuity Fund. Subsidiary company has included annual contribution of BDT 647,200/- to Provident Fund in salaries.

#### 25.01 Employee benefits

Bay Leasing & Investment Limited operates a funded gratuity scheme (which is a defined benefit scheme as specified in IAS 19). Employees are entitled to gratuity benefit after completion of minimum years of service with the Company. The Company is contributing to the fund as prescribed rate/amount.



| Notes        | Particulars                                                   | 31-12-2022 | 31-12-2021 |
|--------------|---------------------------------------------------------------|------------|------------|
| <b>26.00</b> | <b>Rent, Taxes, Insurance &amp; Electricity:</b>              |            |            |
|              | The above balance is made up as follows:                      |            |            |
|              | Office Rent                                                   | 333,720    | 406,404    |
|              | Rates & Taxes                                                 | 944,034    | 248,650    |
|              | Utility                                                       | 2,982,714  | 3,406,993  |
|              | Insurance Premium                                             | 81,782     | 85,134     |
|              | Total                                                         | 4,342,250  | 4,147,181  |
| <b>26 a</b>  | <b>Consolidated Rent, Taxes, Insurance &amp; Electricity</b>  |            |            |
|              | Bay Leasing & Investment Ltd.                                 | 4,342,250  | 4,147,181  |
|              | BLI Capital Ltd.                                              | 7,888,808  | 6,098,485  |
|              | Total                                                         | 12,231,058 | 10,245,666 |
| <b>27.00</b> | <b>Postage, stamp, telecommunication, etc.</b>                |            |            |
|              | Postage & stamp                                               | 24,107     | 4,895      |
|              | Telecommunication                                             | 665,044    | 641,200    |
|              | Total                                                         | 689,151    | 646,095    |
| <b>27 a</b>  | <b>Consolidated Postage, stamp, telecommunication, etc.</b>   |            |            |
|              | Bay Leasing & Investment Ltd.                                 | 689,151    | 646,095    |
|              | BLI Capital Ltd.                                              | 764,151    | 448,653    |
|              | Total                                                         | 1,453,302  | 1,094,748  |
| <b>28.00</b> | <b>Stationery, Printing, advertisement, etc.</b>              |            |            |
|              | Printing                                                      | 391,542    | 386,087    |
|              | Stationery                                                    | 243,305    | 221,561    |
|              | Advertisement                                                 | 997,788    | 1,058,978  |
|              | Total                                                         | 1,632,635  | 1,666,626  |
| <b>28 a</b>  | <b>Consolidated Stationery, Printing, advertisement, etc.</b> |            |            |
|              | Bay Leasing & Investment Ltd.                                 | 1,632,635  | 1,666,626  |
|              | BLI Capital Ltd.                                              | 164,071    | 474,687    |
|              | Total                                                         | 1,796,706  | 2,141,313  |
| <b>29.00</b> | <b>Directors Fee:</b>                                         |            |            |
|              | Directors Fee                                                 | 542,800    | 607,200    |
|              | Total                                                         | 542,800    | 607,200    |
|              | Each Director is paid TK. 8,000/- per meeting per attendance. |            |            |
| <b>30.00</b> | <b>Consolidated Auditor's Fees</b>                            |            |            |
|              | Bay Leasing & Investment Ltd.                                 | 356,500    | 254,500    |
|              | BLI Capital Ltd.                                              | 250,000    | 63,250     |
|              | Total                                                         | 606,500    | 317,750    |
| <b>31.00</b> | <b>Depreciation and repairs of assets</b>                     |            |            |
|              | Depreciation                                                  | 16,890,071 | 18,785,711 |
|              | Fuel & Octane                                                 | 527,676    | 334,904    |
|              | Repair of assets                                              | 564,381    | 398,631    |
|              | Total                                                         | 17,982,128 | 19,519,246 |



| Notes        | Particulars                                                                    | 31-12-2022    | 31-12-2021  |
|--------------|--------------------------------------------------------------------------------|---------------|-------------|
| <b>31 a</b>  | <b>Consolidated Depreciation and repairs of assets</b>                         |               |             |
|              | Bay Leasing & Investment Ltd.                                                  | 17,982,128    | 19,519,246  |
|              | BLI Capital Ltd.                                                               | 16,577,316    | 17,541,835  |
|              | Total                                                                          | 34,559,444    | 37,061,081  |
| <b>32.00</b> | <b>Other Expenses</b>                                                          |               |             |
|              | Bank Charges                                                                   | 1,844,272     | 1,578,592   |
|              | Conveyances & Travelling                                                       | 113,965       | 134,695     |
|              | Credit Rating Fees                                                             | 327,545       | 268,750     |
|              | Office Maintenance                                                             | 4,692,473     | 5,267,121   |
|              | Entertainment Expenses                                                         | 727,989       | 525,849     |
|              | Listing & Other Regulatory Fees                                                | 1,375,554     | 1,176,681   |
|              | AGM & EGM Expenses                                                             | 105,000       | -           |
|              | Subscription & Donation                                                        | 585,000       | 470,000     |
|              | Surveyors fee                                                                  | 17,888        | 17,250      |
|              | Newspaper & Periodicals                                                        | 15,977        | 12,730      |
|              | VAT Expense                                                                    | -             | 2,423,827   |
|              | Training Fee                                                                   | -             | -           |
|              | Total                                                                          | 9,805,663     | 11,875,495  |
| <b>32 a</b>  | <b>Consolidated Other Expenses</b>                                             |               |             |
|              | Bay Leasing & Investment Ltd.                                                  | 9,805,663     | 11,875,495  |
|              | BLI Capital Ltd.                                                               | 11,648,489    | 6,398,382   |
|              | Total                                                                          | 21,454,152    | 18,273,877  |
| <b>33.00</b> | <b>Provision against lease, loans and advances:</b>                            |               |             |
|              | On classified loans and other advances (Note-12.03)                            | 675,359,099   | 297,708,757 |
|              | On un-classified loans (Note-12.03)                                            | (126,197,973) | 83,037,548  |
|              | Total                                                                          | 549,161,126   | 380,746,305 |
| <b>33 a</b>  | <b>Consolidated Provision against lease, loans and advances:</b>               |               |             |
|              | Bay Leasing & Investment Ltd.                                                  | 549,161,126   | 380,746,305 |
|              | BLI Capital Ltd.                                                               | -             | -           |
|              | Total                                                                          | 549,161,126   | 380,746,305 |
| <b>34.00</b> | <b>Provision for Diminution in Value of Investment in Shares:</b>              |               |             |
|              | Balance 01-01-2022                                                             | 206,983,235   | 10,526,305  |
|              | (Adjustment)/Addition during the year                                          | 269,209,910   | 206,983,235 |
|              | Total                                                                          | 62,226,675    | 196,456,930 |
| <b>34 a</b>  | <b>Consolidated Provision for Diminution in Value of Investment in Shares:</b> |               |             |
|              | Bay Leasing & Investment Ltd.                                                  | 62,226,675    | 196,456,930 |
|              | BLI Capital Ltd.                                                               | -             | -           |
|              | Total                                                                          | 62,226,675    | 196,456,930 |
| <b>35.00</b> | <b>Provision for Tax:</b>                                                      |               |             |
|              | Current Year Tax                                                               | 32,000,000    | 49,000,000  |
|              | Previous year Tax (2019)                                                       | 2,505,201     | 7,774,556   |
|              | Deferred Tax                                                                   | (2,004,026)   | (3,479,794) |
|              | Total                                                                          | 32,501,175    | 53,294,762  |



| Notes        | Particulars                                                                                                                                                                                       | 31-12-2022        | 31-12-2021        |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>35 a</b>  | <b>Consolidated Provision for Tax:</b>                                                                                                                                                            |                   |                   |
|              | Bay Leasing & Investment Ltd.                                                                                                                                                                     | 32,501,175        | 53,294,762        |
|              | BLI Capital Ltd.                                                                                                                                                                                  | 36,742,859        | 3,556,570         |
|              | Total                                                                                                                                                                                             | 69,244,034        | 56,851,332        |
| <b>36.00</b> | <b>Earnings per share (EPS):</b>                                                                                                                                                                  |                   |                   |
|              | Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on December 31, 2022 as per International Accounting Standard (IAS) -33. |                   |                   |
|              | Net profit after tax                                                                                                                                                                              | (819,704,666)     | (145,101,085)     |
|              | Number of ordinary shares outstanding                                                                                                                                                             | 140,888,443       | 140,888,443       |
|              | Earnings per share                                                                                                                                                                                | (5.82)            | (1.03)            |
| <b>36 a</b>  | <b>Consolidated Earnings per share (EPS):</b>                                                                                                                                                     |                   |                   |
|              | Net profit after tax                                                                                                                                                                              | (828,466,169)     | (139,173,469)     |
|              | Number of ordinary shares outstanding                                                                                                                                                             | 140,888,443       | 140,888,443       |
|              | Earnings per share                                                                                                                                                                                | (5.88)            | (0.99)            |
| <b>37.00</b> | <b>Net Operating Cash Flows Per Share (NOCFPS)</b>                                                                                                                                                |                   |                   |
|              | Net cash flows from operating activities                                                                                                                                                          | (130,566,258)     | 63,723,528        |
|              | No. of Shares outstanding                                                                                                                                                                         | 140,888,443       | 140,888,443       |
|              |                                                                                                                                                                                                   | (0.93)            | 0.45              |
| <b>37 a)</b> | <b>Consolidated Operating Cash Flows Per Share (NOCFPS)</b>                                                                                                                                       |                   |                   |
|              | Proceeds from sale of Fixed Assets                                                                                                                                                                | 589,852,114       | (68,389,258)      |
|              | No. of Shares outstanding                                                                                                                                                                         | 140,888,443       | 140,888,443       |
|              |                                                                                                                                                                                                   | 4.19              | (0.49)            |
| <b>37.01</b> | <b>Reconciliation of Net Profit with Cash Flows from Operating Activities</b>                                                                                                                     |                   |                   |
|              | Total Profit before taxes                                                                                                                                                                         | (787,203,491)     | (91,806,323)      |
|              | Adjustments:                                                                                                                                                                                      |                   |                   |
|              | Depreciation                                                                                                                                                                                      | 15,216,467        | 16,609,664        |
|              | Gain on sale of Fixed Assets                                                                                                                                                                      | 45,174            | 10,745            |
|              | Gain on Investment on share                                                                                                                                                                       | 74,172,325        | (336,015,037)     |
|              | Provision for lease, loans, advances & Investments:                                                                                                                                               | 611,387,800       | 577,203,235       |
|              |                                                                                                                                                                                                   | (86,381,725)      | 166,002,284       |
|              | Increase / decrease in operating assets and liabilities                                                                                                                                           |                   |                   |
|              | Other assets                                                                                                                                                                                      | 16,062,015        | (30,692,155)      |
|              | Lease, loans and advances to customers                                                                                                                                                            | 537,629,261       | (274,495,106)     |
|              | Deposits from customers                                                                                                                                                                           | (662,006,218)     | (216,184,577)     |
|              | Payment as Call Loan                                                                                                                                                                              | (218,270,000,000) | (209,580,000,000) |
|              | Receipt as Call Loan                                                                                                                                                                              | 218,050,000,000   | 209,935,000,000   |
|              | Other liabilities account of customers                                                                                                                                                            | 284,130,409       | 119,443,167       |
|              | Income Tax paid                                                                                                                                                                                   | -                 | (55,350,085)      |
|              | Net cash flows from operating activities                                                                                                                                                          | (130,566,258)     | 63,723,528        |



| Notes        | Particulars                                                    | 31-12-2022  | 31-12-2021    |
|--------------|----------------------------------------------------------------|-------------|---------------|
| <b>38.00</b> | <b>Contingent liabilities</b>                                  |             |               |
|              | Corporate Guarantee                                            | 300,000,000 | 1,070,000,000 |
|              | Total Off-Balance Sheet items including contingent liabilities | 300,000,000 | 1,070,000,000 |

### 38.01 Corporate Guarantee

The Company is contingently liable on behalf of BLI Securities Ltd for the guarantee given below in favour of:

|                                          |                    |                      |
|------------------------------------------|--------------------|----------------------|
| Dhaka Stock Exchange- BLI Securities Ltd | 300,000,000        | 1,000,000,000        |
| ICB- BLI Capital Ltd                     | -                  | 70,000,000           |
| <b>Total:</b>                            | <b>300,000,000</b> | <b>1,070,000,000</b> |

### 38.02 Unacknowledged debt

The Company had no claim, legal or others, which has not been acknowledged as debt at the balance sheet date.

## 39.00 Related Party Disclosures

### 39.01 Particulars of Directors of the Company as on December 31, 2022

| Sl.no | Name of Directors          | Designation          | Shareholding status |
|-------|----------------------------|----------------------|---------------------|
| 1     | Dr. Maswooda Ghani         | Chairman             | 6.27%               |
| 2     | Mr. Tarik Sujat            | Director             | 2.16%               |
| 3     | Mr. Zubayer Kabir          | Director             | 2.00%               |
| 4     | Prof.Suraiya Begum         | Director             | 2.40%               |
| 5     | Mrs. Fatema Zahir Majumder | Director             | 2.11%               |
| 6     | Prof. Shahid Uddin Ahmed   | Independent Director | 0.00%               |
| 7     | Dr. Zaidi Sattar           | Independent Director | 0.00%               |
|       | <b>Total</b>               |                      | <b>14.94%</b>       |

### 39.02 Name of Directors and their interest in different entities as on December 31, 2022

| Sl.no | Name of Directors               | Position with BLIL   | Entities Where they have interest      |                            |
|-------|---------------------------------|----------------------|----------------------------------------|----------------------------|
|       |                                 |                      | Name                                   | Position                   |
| 1     | Dr. Maswooda Ghani              | Chairman             | Pushpo Clinic                          | Owner                      |
| 2     | Prof. Suraiya Begum             | Director             | N/A                                    |                            |
| 3     | Mr. Tarik Sujat                 | Director             | Asia Insurance Ltd.                    | Nominated Director of BLIL |
| 4     | Mr. Zubayer Kabir               | Director             | Colors of Bangladesh                   | CEO                        |
|       |                                 |                      | One Stop Print Shop                    | CEO                        |
|       |                                 |                      | MediaScene Ltd. (Daily Bhorer Kagoj)   | MD                         |
|       |                                 |                      | I- Info Media Ltd.                     | MD                         |
|       |                                 |                      | Desh Television Limited                | Director                   |
|       |                                 |                      | BLI Securities Limited                 | Director                   |
| 5     | Mrs. Fatema Zahir Majumder      | Director             | National Securities & Consultants Ltd. | MD                         |
|       |                                 |                      | Erebus Properties Ltd                  | MD                         |
|       |                                 |                      | Tiger Tours Ltd                        | Chairman                   |
| 6     | Prof. Shahid Uddin Ahmed (Ph.D) | Independent Director | Blue Flying Academy                    | Director                   |
|       |                                 |                      | Language Proficiency Centre Ltd        | Director                   |
|       |                                 |                      | N/A                                    |                            |
| 7     | Dr. Zaidi Sattar                | Independent Director | Asia Insurance Ltd.                    | Independent Director       |
|       |                                 |                      | Policy Research Institute              | Chairman                   |



### 39.03 Related Party Transactions

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

Details of transactions with related parties and balances with them as at December 31, 2022 were as follows:

| Name of the related party | Relationship       | Nature of transaction | Transaction amount / Outstanding receivable/(Payable) |               |
|---------------------------|--------------------|-----------------------|-------------------------------------------------------|---------------|
|                           |                    |                       | 2022                                                  | 2021          |
| BLI Capital Ltd           | Subsidiary Company | Loan                  | 850,644,553                                           | 880,904,316   |
| BLI Securities Ltd        | Associate Company  | Term Deposit          | 168,375,036                                           | 180,053,956   |
|                           |                    | Contingent Liability  | 300,000,000                                           | 1,000,000,000 |
| Lucky Feed Ltd            | Associate Company  | Term Finance          | 93,846,225                                            | 85,530,435    |

### 39.04 Significant contract where FI is party and wherein Directors have interest

As on 31 December 2022 no such contract exists.



# Bay Leasing & Investment Limited

## Schedule of Fixed Assets

As at December 31, 2022

| Particulars            | Cost as on 01.01.2022 | Revaluation as on 01-01-2021 | Addition during the year | Revaluation during the year | Disposals/ Adjustments during the year | Balance as on 31.12.2022 |                     |                    | Depreciation         |                         |                  |                          |                          |                   |                    | W.D.V. as on 31.12.2022 |
|------------------------|-----------------------|------------------------------|--------------------------|-----------------------------|----------------------------------------|--------------------------|---------------------|--------------------|----------------------|-------------------------|------------------|--------------------------|--------------------------|-------------------|--------------------|-------------------------|
|                        |                       |                              |                          |                             |                                        | Cost (1+3+5)=6           | Revaluation (2+4)=7 | Total (6+7)=8      | Rate of Depreciation | Charged during the Year |                  | Adjustment for Disposals | Balance as on 31.12.2021 |                   | Total              |                         |
|                        |                       |                              |                          |                             |                                        |                          |                     |                    |                      | Cost                    | Revaluation      |                          | Cost                     | Revaluation       |                    |                         |
| 1                      | 2                     | 3                            | 4                        | 5                           |                                        |                          | 9                   | 10                 | 11                   | 12                      | 13               | 14                       | 15                       | 16                | 17                 | 18                      |
| Furniture and Fixtures | 22,370,199            | -                            | 46,200                   | -                           | 65,250                                 | 22,351,149               | 10%                 | 10,281,205         | -                    | 1,212,749               | -                | 18,476                   | 11,475,478               | -                 | 11,475,478         | 10,875,671              |
| Office Equipment       | 17,009,504            | -                            | 62,800                   | -                           | -                                      | 17,072,304               | 15%                 | 11,133,043         | -                    | 885,269                 | -                | -                        | 12,018,312               | -                 | 12,018,312         | 5,053,992               |
| Office Decoration      | 28,786,304            | -                            | -                        | -                           | -                                      | 28,786,304               | 20%                 | 18,030,054         | -                    | 2,151,250               | -                | -                        | 20,181,304               | -                 | 20,181,304         | 8,605,000               |
| Right of Use Assets    | 11,221,940            | -                            | -                        | -                           | 8,009,576                              | 3,212,364                |                     | 5,895,345          | -                    | 1,673,604               | -                | 5,509,649                | 2,059,300                | -                 | 2,059,300          | 1,153,064               |
| Motor Vehicles         | 16,976,656            | -                            | -                        | -                           | 1,658,000                              | 15,318,656               | 20%                 | 13,836,917         | -                    | 598,277                 | -                | 1,509,645                | 12,925,548               | -                 | 12,925,548         | 2,393,108               |
| Software               | 7,500,000             | -                            | 3,000,000                | -                           | -                                      | 10,500,000               |                     | 1,500,000          | -                    | 1,350,000               | -                | -                        | 2,850,000                | -                 | 2,850,000          | 7,650,000               |
| Building               | 140,437,900           | 320,669,540                  | -                        | -                           | -                                      | 320,669,540              | 2.50%               | 26,588,891         | 73,761,665           | 2,846,225               | 6,172,697        | -                        | 29,435,117               | 79,934,362        | 109,369,479        | 351,737,961             |
| Construction WIP       | 80,079,800            | -                            | -                        | -                           | -                                      | 80,079,800               | 0%                  | -                  | -                    | -                       | -                | -                        | -                        | -                 | -                  | 80,079,800              |
| Land                   | 292,787,336           | 74,322,179                   | 1,210,000                | -                           | -                                      | 293,997,336              | 0%                  | 368,319,515        | 74,322,179           | -                       | -                | -                        | -                        | -                 | -                  | 368,319,515             |
| <b>Total</b>           | <b>617,169,639</b>    | <b>394,991,719</b>           | <b>4,319,000</b>         | <b>-</b>                    | <b>9,732,826</b>                       | <b>611,755,813</b>       |                     | <b>394,991,719</b> | <b>1,006,747,532</b> | <b>10,717,374</b>       | <b>6,172,697</b> | <b>7,037,770</b>         | <b>90,945,060</b>        | <b>79,934,362</b> | <b>170,879,422</b> | <b>835,868,110</b>      |
| 2021                   | 600,892,027           | 394,991,719                  | 21,346,466               | -                           | 5,068,854                              | 617,169,639              |                     | 394,991,719        | 1,012,161,358        | 12,454,740              | 6,330,971        | 4,938,910                | 87,265,456               | 73,761,665        | 161,027,121        | 851,134,237             |



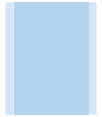
**Bay Leasing & Investment Limited**  
**Highlights on the overall Activities**  
as on 31 December 2022

| Sl No. | Particulars                                                   | 31-12-2022     | 31-12-2021     |
|--------|---------------------------------------------------------------|----------------|----------------|
| 1      | Paid-up capital                                               | 1,408,884,435  | 1,408,884,435  |
| 2      | Total Shareholder's Equity                                    | 1,679,001,505  | 2,499,649,186  |
| 3      | Capital Surplus/(deficit)                                     | 334,047,011    | 1,211,016,317  |
| 4      | Total Assets                                                  | 13,842,936,203 | 14,766,634,112 |
| 5      | Total Deposits                                                | 5,526,855,822  | 6,188,862,040  |
| 6      | Total Loans and advances                                      | 9,000,649,712  | 9,758,828,111  |
| 7      | Total Contingent Liabilities and Commitment                   | 300,000,000    | 1,070,000,000  |
| 8      | Investment Deposit Ratio                                      | 1.77           | 1.49           |
| 9      | Percentage of Classified Investment against Total Investments | 42.34          | 9.93           |
| 10     | Net Profit after Tax                                          | (819,704,666)  | (145,101,085)  |
| 11     | Total Classified Investments                                  | 3,810,739,801  | 968,828,504    |
| 12     | Total Provision Kept                                          | 1,421,827,281  | 977,203,235    |
| 13     | Provision Kept against classified Investments                 | 962,245,380    | 453,650,036    |
| 14     | Provision Surplus/(deficit)                                   | -              | 115,836,605    |
| 15     | Cost of Fund                                                  | 6.98%          | 8.59%          |
| 16     | Interest earning Assets                                       | 10,201,942,050 | 10,827,627,431 |
| 17     | Non-Interest earning Assets                                   | 3,640,994,153  | 3,939,006,682  |
| 18     | Return on equity                                              | -46.89%        | -3.67%         |
| 19     | Return on Average Assets                                      | -5.73%         | -1.00%         |
| 20     | Income from Investment                                        | 72,870,674     | 376,663,327    |
| 21     | Income Per Share                                              | (5.82)         | (1.03)         |
| 22     | Earning Per Share                                             | (5.82)         | (1.03)         |
| 23     | Price earning Ratio (P/E Ratio)                               | (4.11)         | 20.09          |





AUDITORS'  
REPORT



# AUDITORS' REPORT

BLI CAPITAL LIMITED



# Independent Auditor's Report

## To The Shareholders of BLI CAPITAL LIMITED

### Report on The Audit of The Financial Statements

#### Opinion

We have audited the financial statements of BLI CAPITAL 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, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements 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 Auditors 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. 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

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting standards (IFRS), the Companies Act 1994, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the 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 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, 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. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- 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 gives a true and fair view

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.

#### Report on other Legal and Regulatory Requirements

##### We also report that:

- 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;
- In our opinion, proper books of accounts as required by law have been kept by the Company and so far as it appeared from our examination of those books;
- The Company's Financial Position as at 31 December 2022 and Statement of Profit or Loss and Other Comprehensive Income and its Cash Flows dealt with by the report are in agreement with the books of account and returns;

Dhaka.

Dated: 30 May, 2023

*Pinaki Das*

**Pinaki Das, FCA**

Senior Partner

Enrollment Number: 151

Pinaki & Company

Chartered Accountants

**DVC: 2305300151AS59047**



**BLI CAPITAL LIMITED**  
**Statement of Financial Position**  
as at 31 December 2022

| PROPERTY AND ASSETS                              |         | Amount in Taka       |                      |
|--------------------------------------------------|---------|----------------------|----------------------|
|                                                  |         | 31 December 2022     | 31 December 2021     |
| <b>NON-CURRENT ASSETS</b>                        |         | <b>602,381,623</b>   | <b>569,897,715</b>   |
| Property, Plant and Equipment                    | Note-4  | 602,381,623          | 569,897,715          |
| <b>CURRENT ASSETS</b>                            |         | <b>3,392,203,053</b> | <b>4,485,198,031</b> |
| Advance Deposit and Pre-Payments                 | Note-5  | 86,566,543           | 145,539,119          |
| Accounts Receivable                              | Note-6  | 20,902,440           | 18,287,204           |
| Investment In Share                              | Note-7  | 598,516,237          | 1,048,614,843        |
| Margin Loan                                      | Note-8  | 2,673,599,968        | 3,271,859,453        |
| Cash and cash equivalent                         | Note-9  | 12,617,865           | 897,412              |
| <b>TOTAL</b>                                     |         | <b>3,994,584,678</b> | <b>5,055,095,746</b> |
| <b>EQUITY AND LIABILITIES</b>                    |         |                      |                      |
| <b>CAPITAL &amp; RESERVE</b>                     |         | <b>1,752,025,142</b> | <b>1,760,787,044</b> |
| Shareholders equity                              | Note-10 | 1,750,000,000        | 1,750,000,000        |
| Retained Earnings                                | Note-11 | 2,025,142            | 10,787,044           |
| <b>NON-CURRENT LIABILITIES</b>                   |         | <b>889,562,757</b>   | <b>909,452,003</b>   |
| Loan From Bank & Financial Institution           | Note-12 | 889,562,757          | 909,452,003          |
| <b>CURRENT LIABILITIES</b>                       |         | <b>1,352,996,781</b> | <b>2,384,856,699</b> |
| Short Term Loan Southeast Bank Limited           |         | -                    | 1,590,665,296        |
| Short Term Loan Exim Bank Ltd.                   |         | 500,000,000          |                      |
| Short Term Loan Social Islami Bank Limited       |         | 577,000,000          | 576,500,000          |
| Margin Deposit                                   |         | 101,717,556          | 122,164,200          |
| Other Payable                                    | Note-13 | 73,585,149           | 31,575,985           |
| Provision for Tax                                | Note-14 | 82,228,371           | 45,485,513           |
| Provision against Unrealized loss in Margin Loan |         | 18,465,705           | 18,465,705           |
| <b>TOTAL</b>                                     |         | <b>3,994,584,678</b> | <b>5,055,095,746</b> |

  
**Managing Director**

  
**Director**

  
**Director**



Pinaki Das, FCA  
Senior Partner  
Enrollment No:0151  
Pinaki & Company  
Chartered Accountants  
DVC:2305300151AS590476

Dhaka.  
Dated:

**BLI CAPITAL LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**for the year ended 31 december 2022**

| Particulars                                     | NoteS | Amount in Taka                         |                                        |
|-------------------------------------------------|-------|----------------------------------------|----------------------------------------|
|                                                 |       | 01 January 2022 to<br>31 December 2022 | 01 January 2021 to<br>31 December 2021 |
| Interest Income                                 | 15    | 326,702,313                            | 216,557,976                            |
| Interest paid on deposit,borrowing etc          | 16    | (233,973,888)                          | (288,095,731)                          |
| <b>Net Interest Income</b>                      |       | <b>92,728,425</b>                      | <b>(71,537,755)</b>                    |
| Investment income / loss                        | 17    | (2,567,783)                            | 44,401,359                             |
| Commision ,exchange and brokerage income        | 18    | 59,352,059                             | 79,924,972                             |
| Other operating income                          | 19    | 6,679,142                              | 5,787,600                              |
| <b>Total operating income</b>                   |       | <b>63,463,418</b>                      | <b>130,113,931</b>                     |
| Salary and allowances                           | 20    | 19,697,700                             | 17,385,380                             |
| Rent ,taxes,insurances,electricity etc          | 21    | 7,888,808                              | 6,098,485                              |
| Legal expenses                                  | 22    | 1,220,352                              | 681,318                                |
| Postage ,stamp,telecommunication.etc            | 23    | 764,151                                | 448,653                                |
| Stationery ,printing,advertisement,etc          | 24    | 164,071                                | 474,687                                |
| Audit fee                                       |       | 250,000                                | 63,250                                 |
| Depreciation and repairs of assets              | 25    | 16,577,316                             | 17,541,835                             |
| Others expenses                                 | 26    | 11,648,489                             | 6,398,382                              |
| <b>Total Operating expenses</b>                 |       | <b>58,210,887.00</b>                   | <b>49,091,990.00</b>                   |
| <b>Profit before Provision</b>                  |       | <b>97,980,956</b>                      | <b>9,484,186</b>                       |
| Provision for Tax                               |       | 36,742,859                             | 3,556,570                              |
| <b>Net profit Transfer to Retained Earnings</b> |       | <b>61,238,098</b>                      | <b>5,927,616</b>                       |

  
**Managing Director**

  
**Director**

  
**Director**

  
**Pinaki Das, FCA**  
 Senior Partner  
 Enrollment No:0151  
**Pinaki & Company**  
 Chartered Accountants  
 DVC:2305300151AS590476



**BLI CAPITAL LIMITED**  
**Statement of Changes in Equity**  
for the year ended 31 December 2022

| Particulars                     | Share Capital        | Retained Earnings | Total                |
|---------------------------------|----------------------|-------------------|----------------------|
| Balance as at January 01, 2022  | 1,750,000,000        | 10,787,044        | 1,760,787,044        |
| Add: Profit During the year     | -                    | 61,238,098        | 61,238,098           |
| Less: Interim Dividend          |                      | 70,000,000        | 70,000,000           |
| Balance as at December 31, 2022 | <b>1,750,000,000</b> | <b>2,025,142</b>  | <b>1,752,025,142</b> |

**Statement of Changes in Equity**  
for the year ended 31 December 2021

| Particulars                     | Share Capital        | Retained Earnings | Total                |
|---------------------------------|----------------------|-------------------|----------------------|
| Balance as at January 01, 2021  | 1,750,000,000        | 4,859,428         | 1,754,859,428        |
| During the year                 | -                    | 5,927,616         | 5,927,616            |
| Balance as at December 31, 2021 | <b>1,750,000,000</b> | <b>10,787,044</b> | <b>1,760,787,044</b> |



Managing Director



Director



Director



# BLI CAPITAL LIMITED

## Statement of Cash Flows for the year ended 31 December 2022

|                                                        | Amount in Taka                         |                                        |
|--------------------------------------------------------|----------------------------------------|----------------------------------------|
|                                                        | 01 January 2022 to<br>31 December 2022 | 01 January 2021 to<br>31 December 2021 |
| <b>A. Cash Flow from operating activities</b>          |                                        |                                        |
| Cash receipt from Customer                             | 374,182,629                            | 279,174,616                            |
| Cash Received from Others                              | 15,983,102                             | 67,497,291                             |
| Cash paid to Suppliers and Others                      | (76,283,434)                           | (31,876,690)                           |
| Advance Deposit & Pre-Payment                          | 58,972,576                             | 7,255,732                              |
| Accounts Receivable                                    | (2,615,235)                            | 6,205,711                              |
| Bank Charge                                            | (668,483)                              | (272,588)                              |
| Bank Interest                                          | (233,973,888)                          | (288,095,731)                          |
| Net Cash flow from operating activities                | <b>135,597,267</b>                     | <b>39,888,341</b>                      |
| <b>B. Cash Flow from investment activities</b>         |                                        |                                        |
| Acquisition of Asset                                   | (48,741,982)                           | (2,668,853)                            |
| Investment in Share                                    | 450,098,606                            | 48,563,021                             |
| Net Cash flow from investment activities               | <b>401,356,624</b>                     | <b>45,894,168</b>                      |
| <b>C. Cash Flow from financing activities</b>          |                                        |                                        |
| Mergin Deposit                                         | (20,446,644)                           | (76,079,717)                           |
| Other Payable                                          | 7,008,264                              | (10,511,960)                           |
| Mergin Loan                                            | 598,259,485                            | (85,409,449)                           |
| Loan From Bank & Financial Institutes                  | (1,110,054,543)                        | 68,507,416                             |
| Net Cash flow from financing activities                | <b>(525,233,438)</b>                   | <b>(103,493,710)</b>                   |
| <b>D. Net Cash inflow/outflow for the year (A+B+C)</b> | <b>11,720,453</b>                      | <b>(17,711,201)</b>                    |
| <b>E. Opening Cash and Bank balance</b>                | <b>897,412</b>                         | <b>18,608,613</b>                      |
| <b>F. Closing Cash and Bank balance (D+E)</b>          | <b>12,617,865</b>                      | <b>897,412</b>                         |

  
Managing Director

  
Director

  
Director



# BLI CAPITAL LIMITED

## Notes to the Financial Statements

### as at 31 December 2022

#### 1. Legal status and nature of the Company

BLI CAPITAL LIMITED (hereinafter referred to as “the Company”) was incorporated in Bangladesh as a public limited company on 13.04.2011 under the Companies Act 1994 and granted registration number C-91999/11.

#### 1.1 Address of the registered office

The company operates its activities from Rupayan Trade Centre (10<sup>th</sup> Floor) 114, Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000, Bangladesh.

#### 1.2 Nature of Business Activities:

The main object of BLI CAPITAL LIMITED is to carry on the business of merchant banking under the Securities and Exchange (Merchant Banking and Portfolio Management) Regulation 1996.

#### 2. Significant accounting policies

##### 2.1 Measurement bases used in preparing the Financial Statements

The elements of financial statements have been measured on “Historical Cost” basis, which is one of the most commonly adopted base provided in “the framework for the preparation and presentation of financial statements” issued by the International Accounting Standard Board (IASB).

##### 2.2 Going Concern

Financial statements have been prepared on going concern basis as there was no significant doubt or uncertainty to continue the operation of the company in the foreseeable future.

##### 2.3 Components of financial statements:

According to International Accounting Standard (IAS) – 1, “Presentation of Financial Statements “The Complete Set of Financial Statements Includes the Following Components:

- i) Statement of Financial Position
- ii) Statement of Profit or Loss and Other Comprehensive Income.
- i) Statement of Changes in Equity
- ii) Statement of Cash flows and
- iii) Notes to the Financial Statements.

##### 2.4 Property, Plant & Equipment:

- i) Recognition & Measurement

###### Own assets

Item of own fixed assets are measured at cost less accumulated depreciation & any accumulated impairment loss. The cost of an asset comprises its purchase price & any directly attributable costs of bringing the assets to its working condition for its intended use as per International Accounting Standard (IAS)16: Property, Plant & Equipment.



## ii) Depreciation

Depreciation is charged to amortise the cost of assets, over their estimated useful lives, using the straight line method in accordance with IAS-16: Property, Plant & Equipment. Asset Category wise depreciation rates are as follows:

| Particulars of Property, Plant & Equipment | Rates |
|--------------------------------------------|-------|
| Office equipment                           | 15%   |
| Furnitures & Fixtures                      | 10%   |
| Motor Vehicle                              | 20%   |
| Land & Building                            | 2.50% |

## 2.5 Income Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year & 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 are mentioned below:

| Regular Business Tax Rate     | Rate  |
|-------------------------------|-------|
| BLI Capital Ltd-Merchant Bank | 37.5% |

## 2.6 Bank Loan

Bank loans are recorded at the proceeds received. Interest on bank loans is accounted for on accrual basis & charged to profit & loss account.

## 2.7 Revenue recognition

Revenue only recognized when it meets the following five steps model framework as per IFRS15: Revenue from contract with customers

- Identify the contract (s) with a customers
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when the entity satisfies a performance obligation

Interest income from loans & others sources is recognized on an accrual basis of accounting & where applicable, on the basis of instruction from Bangladesh Bank considering on the future risk of recovery.

### Portfolio management fee

Portfolio management fees are recognized on the market value of the clients portfolio monthly basis & charged to clients balance on quarterly basis.



### Brokerage commission

Brokerage commission is recognized as income when selling or buying order is signed & trade is executed.

## 2.8 Statement of Compliance

The Financial Statements of BLI CAPITAL LIMITED have been prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), Companies Act 1994 and other applicable laws and regulations

| Name of IAS                                                   | IAS No | Status  |
|---------------------------------------------------------------|--------|---------|
| Presentation of Financial statements                          | 1      | Applied |
| Statement of cash flow                                        | 7      | Applied |
| Accounting Policies, Changes in Accounting Estimates 7 Errors | 8      | Applied |
| Income Taxes                                                  | 12     | Applied |
| Property, plant & Equipment                                   | 16     | Applied |

## 2.9 Cash flow Statement

Cash Flow Statement is prepared in accordance with IAS 7 “Cash Flow Statement”. The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(b) of IAS-7 which provides that “Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method”. Change in advance deposit & prepayment is shown in operating activities instead of financing activities.

## 2.10 Reporting Currency and Level of Precision:

The figures in the Financial Statements represent Bangladesh Currency (Taka), which have been rounded-off to the nearest Taka.

## 2.11 Others :

Figures of the previous year have been rearranged, wherever considered necessary to conform to current year’s presentation.



**BLI CAPITAL LIMITED**  
**Notes to the Financial Statements**  
as at 31 December 2022

| No.       | Particulars                              | Amount in Taka       |                      |
|-----------|------------------------------------------|----------------------|----------------------|
|           |                                          | 31 December 2022     | 31 December 2021     |
| <b>4.</b> | <b>Written Down Value (a-b)</b>          | <b>602,381,625</b>   | <b>569,897,715</b>   |
|           | Opening Balance - At Cost                | 649,449,904          | 646,781,051          |
|           | Add: Addition during the year ( At Cost) | 48,741,982           | 2,668,853            |
|           |                                          | 698,191,886          | 649,449,904          |
|           | Less : Adjustment during the year        |                      | -                    |
|           | Closing Balance (a)                      | 698,191,886          | 649,449,904          |
|           | Less : Adjustment during the year        |                      |                      |
|           |                                          | 646,781,051          | 649,449,904          |
|           | Accumulated Depreciation                 |                      |                      |
|           | Opening Balance                          | 79,552,192           | 62,609,477           |
|           | Add: Charged during the year             | 16,258,070           | 16,942,712           |
|           |                                          | 95,810,262           | 79,552,189           |
|           | Less : Adjustment during the year        | -                    | -                    |
|           | Closing Balance (b)                      | 95,810,262           | 79,552,189           |
| <b>5.</b> | <b>Advance Deposit and Pre-Payments</b>  | <b>86,566,543</b>    | <b>145,539,119</b>   |
|           | Advance Income Tax                       | 31,660,995           | 29,327,327           |
|           | House Building Loan                      | 9,260,708            | 9,546,057            |
|           | Advance Against salary                   | 391,147              | 371,512              |
|           | Other Advance                            | 45,253,693           | 106,294,223          |
| 5.1       | Advance Income Tax                       | <b>31,660,995</b>    | <b>29,327,327</b>    |
|           | Opening Balance                          | 29,327,327           | 20,711,506           |
|           | Add: During the Year                     | 2,333,668            | 8,615,821            |
| <b>6.</b> | <b>Accounts Receivable</b>               | <b>20,902,440</b>    | <b>18,287,204</b>    |
|           | BLI Securities Ltd.                      | 9,549,691            | 16,154,002           |
|           | City Brokerage Ltd.                      | 7,089,464            | 92,455               |
|           | Receivable Income                        | 1,272,600            | -                    |
|           | Innova Securities Ltd.                   | 2,985,127            | 2,040,747            |
|           | National Securities & Consultant Ltd.    | 5,558                | -                    |
| <b>7.</b> | <b>Investment in shares:</b>             | <b>598,516,237</b>   | <b>1,048,614,843</b> |
|           | i. Investment in shares                  | 447,266,237          | 834,864,843          |
|           | ii. Investment in Placement Shares       | 151,250,000          | 213,750,000          |
| <b>8.</b> | <b>Margin Loan</b>                       | <b>2,673,599,968</b> | <b>3,271,859,453</b> |
|           | Opening Balance                          | 3,271,859,453        | 3,186,450,004        |
|           | Add: During the year                     | 2,000,305,451        | 2,331,791,818        |
|           |                                          | 5,272,164,904        | 5,518,241,822        |
|           | Less : Adjustment during the year        | 2,598,564,935        | 2,246,382,369        |
| <b>9.</b> | <b>Cash and Cash Equivalent</b>          | <b>12,617,865</b>    | <b>897,412</b>       |
|           | Cash in Hand                             | 2,279                | 91,407               |
|           | Cash at bank :                           | 12,615,586           | 806,005              |



| No.          | Particulars                                               | Amount in Taka       |                      |
|--------------|-----------------------------------------------------------|----------------------|----------------------|
|              |                                                           | 31 December 2022     | 31 December 2021     |
| <b>9.1</b>   | <b>Cash at bank :</b>                                     | <b>12,615,586</b>    | <b>806,005</b>       |
|              | First Security Islami Bank Ltd.                           | 17,450               | 18,830               |
|              | Social Islamic Bank Ltd.                                  | 146,639              | 49,595               |
|              | Union Bank Ltd.                                           | 99,757               |                      |
|              | NCC Bank Ltd.                                             | 263                  |                      |
|              | Mercantile Bank Ltd.                                      | 74,358               | 75,968               |
|              | Southeast Bank Ltd.                                       | 12,277,119           | 661,612              |
| <b>10.</b>   | <b>Shareholders equity</b>                                |                      |                      |
|              | Authorized Capital                                        |                      |                      |
|              | 20,00,00,000 shares of Tk. 10/-each                       | <b>2,000,000,000</b> | <b>2,000,000,000</b> |
|              | Issued, Subscribed and Paid Up Capital                    |                      |                      |
|              | 17,50,00,000 shares of Tk. 10/-each                       | 1,750,000,000        | 1,750,000,000        |
| <b>11.</b>   | <b>Retained Earnings</b>                                  | <b>2,025,142</b>     | <b>10,787,044</b>    |
|              | Opening Balance                                           | 10,787,044           | 4,859,428            |
|              | Add: Profit During the year                               | 61,238,098           | 5,927,616            |
|              | Less: Interim Dividend                                    | 70,000,000           | -                    |
| <b>12.</b>   | <b>Loan From Bank &amp; Financial Institution</b>         | <b>889,562,757</b>   | <b>909,452,003</b>   |
|              | Investment corporation of Bangladesh (ICB)                | -                    | 28,736,114           |
|              | Investment corporation of Bangladesh (ICB-2)              | 58,905,976           |                      |
|              | Bay Leasing & Investment Ltd.(Term Loan) Monthly Payment  | 232,545,144          | 248,441,399          |
|              | Bay Leasing & Investment Ltd. (Term Loan) Monthly Payment | 357,864,421          | 392,027,274          |
|              | Bay Leasing & Investment Ltd. (Interest Basis)            | 240,247,216          | 240,247,216          |
| <b>13.</b>   | <b>Other Payable</b>                                      | <b>73,585,149</b>    | <b>31,575,985</b>    |
|              | Interest Payable (ICB)                                    | -                    | 324,270              |
|              | Interest Payable Social Islami Bank Limited (SIBL)        | 8,791,125            | 22,661,765           |
|              | Advance Received against Office Rent                      | 4,998,000            | 7,921,200            |
|              | Payable to Innova Securities Ltd.                         | 479,713              | -                    |
|              | Dividend payable                                          | 35,000,900           | 700                  |
|              | Interest Payable Bay Leasing & Investment Ltd.            | 20,087,772           | -                    |
|              | Interest Payable to Exim Bank Ltd.                        | 3,792,839            | -                    |
|              | Audit fees                                                | 250,000              | 63,250               |
|              | Service Charge                                            | 184,800              | 604,800              |
| <b>14.</b>   | <b>Provision for Tax</b>                                  | <b>82,228,371</b>    | <b>45,485,513</b>    |
|              | Opening Balance                                           | 45,485,513           | 41,928,943           |
|              | Add: During the year                                      | 36,742,859           | 3,556,570            |
|              |                                                           | <b>36,742,859</b>    | <b>3,556,570</b>     |
| <b>14.01</b> | <b>Net Profit before tax</b>                              | <b>97,980,956</b>    | <b>9,484,186</b>     |
|              | Add: Tax of rate 37.5%                                    | 36,742,859           | 3,556,570            |
| <b>15</b>    | <b>Interest Income</b>                                    | <b>326,702,313</b>   | <b>216,557,976</b>   |
|              | Interest Income                                           | 326,702,313          | 216,557,976          |
| <b>16</b>    | <b>Interest paid on deposits,borrowings,etc</b>           | <b>233,973,888</b>   | <b>288,095,731</b>   |
|              | Bank Interest                                             | 233,973,888          | 288,095,731          |
| <b>17</b>    | <b>Investment income</b>                                  | <b>(2,567,783)</b>   | <b>44,401,359</b>    |
|              | Gain / Loss on Investment in Share                        | (2,567,783)          | 44,401,359           |



| No.       | Particulars                                      | Amount in Taka    |                   |
|-----------|--------------------------------------------------|-------------------|-------------------|
|           |                                                  | 31 December 2022  | 31 December 2021  |
| <b>18</b> | <b>Commission, Exchange and Brokerage Income</b> | <b>59,352,059</b> | <b>79,924,972</b> |
|           | Dividend income                                  | 9,658,508         | 17,023,416        |
|           | Brokerage settlement charges                     | 38,544,556        | 54,248,078        |
|           | Underwriting Commission                          | 183,235           | 284,916           |
|           | IPO Processing Fee                               | 7,480             | 2,910             |
|           | Issue management fee                             | 2,030,000         |                   |
|           | Corporate advisor                                | -                 | 100,000           |
|           | Portfolio management fee                         | 8,868,780         | 8,046,152         |
|           | Documentation Fee                                | 59,500            | 219,500           |
| <b>19</b> | <b>Other operating income</b>                    | <b>6,679,142</b>  | <b>5,787,600</b>  |
|           | Rental Income                                    | 5,544,000         | 5,787,600         |
|           | Interest Income from house Loan                  | 1,135,142         |                   |
| <b>20</b> | <b>Salary and allowances</b>                     | <b>19,697,700</b> | <b>17,385,380</b> |
|           | Salary allowances                                | 19,697,700        | 17,385,380        |
| <b>21</b> | <b>Rent, Taxes, Insurance &amp; Electricity:</b> | <b>7,888,808</b>  | <b>6,098,485</b>  |
|           | Office rent                                      | 4,645,080         | 4,645,080         |
|           | Insurance                                        | -                 | -                 |
|           | Holding Tax                                      | 1,401,267         | -                 |
|           | Fuel & Lubricants                                | 586,343           | 340,124           |
|           | Water Bill                                       | 65,251            | 61,577            |
|           | Electricity Bill                                 | 818,825           | 774,993           |
|           | WASA Bill                                        | 372,042           | 276,711           |
| <b>22</b> | <b>Legal Expenses</b>                            | <b>1,220,352</b>  | <b>681,318</b>    |
|           | Legal Charge                                     | 65,982            | -                 |
|           | Registration & Renewal Fee                       | 1,033,370         | 681,318           |
|           | Loan Processing Exp.                             | 121,000           | -                 |
| <b>23</b> | <b>Postage, stamp, telecommunication, etc</b>    | <b>764,151</b>    | <b>448,653</b>    |
|           | Internet & Network Charge                        | 169,400           | 174,800           |
|           | Telephone & Mobile Bill                          | 314,751           | 259,391           |
|           | Domain & Hosting                                 | 280,000           | 14,462            |
| <b>24</b> | <b>Stationery, Printing, advertisement, etc.</b> | <b>164,071</b>    | <b>474,687</b>    |
|           | Printing & Stationary                            | 164,071           | 224,687           |
|           | Advertisement Expenses                           | -                 | 250,000           |
| <b>25</b> | <b>Depreciation &amp; repairs of assets</b>      | <b>16,577,316</b> | <b>17,541,835</b> |
|           | Repair & Maintenance                             | 166,530           | 432,586           |
|           | Car maintenance                                  | 152,716           | 166,537           |
|           | Depreciation                                     | 16,258,070        | 16,942,712        |
| <b>26</b> | <b>Others expenses</b>                           | <b>11,648,489</b> | <b>6,398,382</b>  |
|           | Entertainment                                    | 809,390           | 543,173           |
|           | CDBL Charges                                     | 3,318,539         | 3,306,668         |
|           | Corporate Gurantee                               | 700,000           | -                 |
|           | Credit Rating Fees                               | 50,000            | 50,000            |
|           | Software maintenance Exp.                        | 300,000           | 210,000           |
|           | Conveyance                                       | 204,796           | 30,113            |
|           | Newspaper                                        | 19,270            | 18,850            |
|           | Courier                                          | 7,290             | 4,710             |
|           | Service Charge                                   | 1,055,558         | 830,630           |
|           | Bank Charge                                      | 668,483           | 272,588           |
|           | Miscellaneous Expenses                           | 2,111,263         | 123,400           |
|           | Business Development Expenses                    | 2,403,900         | 1,008,250         |





# BLI CAPITAL LIMITED

## Notes to the Financial Statements

| No.                               | Category    | C O S T    |             |           |               | D E P R E C I A T I O N |               |             |      | W.D.V     |      |
|-----------------------------------|-------------|------------|-------------|-----------|---------------|-------------------------|---------------|-------------|------|-----------|------|
|                                   |             | Bal.as.on  |             | Addition  |               | Adjus                   |               | Bal.as.on   |      | Bal.as.on |      |
|                                   |             | 01.01.22   |             | Dur. Year |               | Dur. Year               |               | 01.01.22    |      | 31.12.22  |      |
|                                   |             | Taka       | Taka        | Taka      | Taka          | Taka                    | Taka          | Taka        | Taka | Taka      | Taka |
| Computer                          | 2,327,950   | 55,850     | 2,383,800   | 15.00     | 1,188,128     | 175,441                 | 1,363,569     | 1,020,231   |      |           |      |
| UPS                               | 29,100      | 2,750      | 31,850      | 15.00     | 14,410        | 2,424                   | 16,834        | 15,016      |      |           |      |
| Monitor                           | 6,300       |            | 6,300       | 15.00     | 3,505         | 419                     | 3,924         | 2,376       |      |           |      |
| Fax Machine                       | 26,000      |            | 26,000      | 15.00     | 22,724        | 491                     | 23,215        | 2,785       |      |           |      |
| Chair                             | 73,201      |            | 73,201      | 10.00     | 50,620        | 2,258                   | 52,878        | 20,323      |      |           |      |
| Cookeries                         | 57,550      | 2,500      | 60,050      | 15.00     | 23,107        | 5,360                   | 28,467        | 31,583      |      |           |      |
| Telephone Set                     | 59,300      |            | 59,300      | 15.00     | 37,468        | 3,275                   | 40,743        | 18,557      |      |           |      |
| Internet Modem                    | 44,755      |            | 44,755      | 15.00     | 35,657        | 1,365                   | 37,022        | 7,733       |      |           |      |
| Vacuum Cleaner                    | 17,320      |            | 17,320      | 15.00     | 14,046        | 491                     | 14,537        | 2,783       |      |           |      |
| Software                          | 2,991,903   |            | 2,991,903   | 15.00     | 1,508,230     | 222,551                 | 1,730,781     | 1,261,122   |      |           |      |
| Website                           | 74,060      | 11,587     | 85,647      | 15.00     | 46,580        | 4,233                   | 50,813        | 34,834      |      |           |      |
| Micro Oven                        | 29,700      |            | 29,700      | 15.00     | 13,148        | 2,483                   | 15,631        | 14,069      |      |           |      |
| Refrigerator                      | 128,720     |            | 128,720     | 15.00     | 51,213        | 11,626                  | 62,839        | 65,881      |      |           |      |
| File Cabinet                      | 95,465      |            | 95,465      | 10.00     | 58,409        | 3,706                   | 62,115        | 33,350      |      |           |      |
| Fan                               | 43,550      | 17,100     | 60,650      | 10.00     | 20,468        | 2,945                   | 23,413        | 37,237      |      |           |      |
| Printer                           | 146,700     |            | 146,700     | 15.00     | 78,900        | 10,170                  | 89,070        | 57,630      |      |           |      |
| Networking Switch                 | 41,100      |            | 41,100      | 15.00     | 26,649        | 2,168                   | 28,817        | 12,283      |      |           |      |
| Photocopier                       | 145,000     |            | 145,000     | 15.00     | 94,788        | 7,532                   | 102,320       | 42,680      |      |           |      |
| Scanner                           | 13,800      |            | 13,800      | 15.00     | 7,347         | 968                     | 8,315         | 5,485       |      |           |      |
| Office Decoration                 | 22,823,979  | 44,980     | 22,868,959  | 10.00     | 7,675,274     | 1,518,130               | 9,193,404     | 13,675,555  |      |           |      |
| Access Control                    | 61,900      |            | 61,900      | 15.00     | 27,008        | 5,234                   | 32,242        | 29,658      |      |           |      |
| Water Cooler                      | 25,200      |            | 25,200      | 15.00     | 12,927        | 1,841                   | 14,768        | 10,432      |      |           |      |
| PABX System                       | 209,060     |            | 209,060     | 15.00     | 79,504        | 19,433                  | 98,937        | 110,123     |      |           |      |
| Furniture & Fixtures              | 308,520     | 1,062,450  | 1,370,970   | 10.00     | 90,920        | 50,557                  | 141,477       | 1,229,493   |      |           |      |
| Server Cabinet                    | 14,000      |            | 14,000      | 10.00     | 6,560         | 744                     | 7,304         | 6,696       |      |           |      |
| Krone Rack & Network Con Plate    | 121,610     |            | 121,610     | 15.00     | 64,437        | 8,576                   | 73,013        | 48,597      |      |           |      |
| Television                        | 680,590     |            | 680,590     | 15.00     | 247,311.00    | 64,992                  | 312,303       | 368,287     |      |           |      |
| Tea Maker                         | 2,900       |            | 2,900       | 15.00     | 1,809         | 164                     | 1,973         | 927         |      |           |      |
| Car DM-GA-27-1411                 | 902,000     |            | 902,000     | 20.00     | 712,837       | 37,833                  | 750,670       | 151,330     |      |           |      |
| Car DM-GA-26-6541                 | 2,403,600   |            | 2,403,600   | 20.00     | 1,615,988     | 157,522                 | 1,773,510     | 630,090     |      |           |      |
| Car DM-GA-34-6784                 | 2,616,750   |            | 2,616,750   | 20.00     | 1,544,929.00  | 214,364                 | 1,759,293     | 857,457     |      |           |      |
| Floor Space Rupayan Housing       | 190,597,176 |            | 190,597,176 | 2.50      | 22,662,825    | 4,198,359               | 26,861,184    | 163,735,992 |      |           |      |
| Floor Space Eunos Trade Centre    | 182,800,505 |            | 182,800,505 | 2.50      | 29,687,641    | 3,827,822               | 33,515,463    | 149,285,042 |      |           |      |
| Floor Space Rupayan Housing (2nd) | 239,530,640 |            | 239,530,640 | 2.50      | 11,826,825.00 | 5,692,595               | 17,519,420.38 | 222,011,220 |      |           |      |
| Floor Space Gulshan               | 47,544,765  |            | 47,544,765  |           |               |                         |               | 47,544,765  |      |           |      |
| As at 31.12.2022                  | 649,449,904 | 48,741,982 | 698,191,886 |           | 79,552,192    | 16,258,070              | 95,810,263    | 602,381,623 |      |           |      |
| As at 31.12.2021                  | 646,781,051 | 2,668,853  | 649,449,904 |           | 62,609,477.00 | 16,942,712              | 79,552,189.00 | 569,897,715 |      |           |      |



# Bay Leasing & Investment Limited

SECURE YOUR FUTURE<sup>©</sup>

Proxy No:.....Date:.....

Authorized Officer Signature

## PROXY FORM

I/We.....

Registered BO ID : 

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

of.....  
being a shareholder of **Bay Leasing & Investment Limited** ("the Company") do hereby appoint Mr./Mrs./Ms. ....  
of.....  
as my/our proxy to attend and vote for my/us on my/our behalf at the **27<sup>th</sup> Annual General Meeting** of the Company to be held on by **November 30, 2023(Thursday) at 11.00 a.m** virtually by using digital platform through the link <http://bayleasing.bdvirtualagm.com> and any adjournment thereof.

Signed this..... day of 2023.....

\_\_\_\_\_  
**SIGNATURE OF THE PROXY**

Revenue  
stamp @ 20/-

\_\_\_\_\_  
**SIGNATURE OF THE SHAREHOLDER**

- Note:**
- i) Signature of the shareholder must be in accordance with specimen signature registered with Depository Participant(s)/Company.
  - ii) A Member of the Company entitled to attend and vote at the **27<sup>th</sup> Annual General Meeting** may appoint as a Proxy to attend and vote on his/her/their behalf. The Proxy Form duly signed and stamped must be through email to [share@blilbd.com](mailto:share@blilbd.com) not later than 48 hours before commencement of the AGM.



# Bay Leasing & Investment Limited

SECURE YOUR FUTURE<sup>©</sup>

## ATTENDANCE SLIP

Name of Shareholder/Proxy.....

Registered BO ID : 

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

I hereby record my attendance at the **27<sup>th</sup> Annual General Meeting** of the Company to be held on by **November 30, 2023(Thursday) at 11.00 a.m** virtually by using digital platform through the link <http://bayleasing.bdvirtualagm.com>

\_\_\_\_\_  
**SIGNATURE OF THE PROXY**

\_\_\_\_\_  
**SIGNATURE OF THE SHAREHOLDER**



